



**BUILT ENVIRONMENT
PERFORMANCE PLAN
(BEPP)**

2014/15 SUBMISSION

May 2014

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LIST OF ACRONYMS

ATTP	Assistance to the Poor
BEPP	Built Environment Performance Plan
BRT	Bus Rapid Transport
CBD	Central Business District
CDC	Coega Development Corporation
CETT	Corporate Environmental Task Team
CIDZ	Coega Industrial Development Zone
CITP	Comprehensive Integrated Transport Plan
CORPGIS	Corporate Geographic Information Systems
DEDEAT	Department of Economic Development, Environmental Affairs and Tourism
DORA	Division of Revenue Act
DWA	Department of Water Affairs
EC	Eastern Cape
EDRS	Economic Development & Recreational Services
EIA	Environmental Impact Assessment
EMF	Environmental Management Framework
EPRU	Eastern Province Rugby Union
GGP	Gross Geographic Product

GIS	Geographic Information Systems
GRAP 17	Generally Recognised Accounting Practices (Property, Plant and Equipment)
GVA	Gross Value Added
HDA	Housing Development Agency
HDMS	Housing Delivery Management System
HIV/AIDS	Human Immunodeficiency Virus causing the Acquired Immunodeficiency Syndrome
HSDG	Human Settlements Development Grant
ICDG	Integrated City Development Grant
ICLEI	International Council for Local Environmental Initiatives
IDP	Integrated Development Plan
IDZ	Industrial Development Zone
IHSG	Integrated Housing and Human Settlements Grant
ILIS	Integrated Land Information System
IPTS	Integrated Public Transport System
IT	Information Technology
ITP	Integrated Transport Plan
LAMS	Land Asset Management System
LED	Local Economic Development
LUMS	Land Use Management System
MBDA	Mandela Bay Development Agency
MDTTT	Multi-Disciplinary Technical Task Team
MOSS	Metropolitan Open Space System
NDP	National Development Plan
NDPG	Neighbourhood Partnership Development Gant
NLLS	Nooitgedacht Low Level Scheme
NMBM	Nelson Mandela Bay Municipality
NMBM IDP	Nelson Mandela Bay Municipality's Integrated Development Plan
NMBMM	Nelson Mandela Bay Metropolitan Municipality
NMМОSS	Nelson Mandela Metropolitan Open Space System
NT	National Treasury
PDoHS	Provincial Department of Human Settlements
PICC	Presidential Infrastructure Coordinating Commission
PRASA	Public Rail Authority of South Africa
PTIG	Public Transport Infrastructure Grant

PTIS	Public Transport Infrastructure and Systems
PTISG	Public Transport Infrastructure and Systems Grant
PTNO	Public Transport Network Operator
PTOG	Public Transport Operating Grant
PTP	Public Transport Plan
RE Scheme	Return Effluent Scheme
ROD	Record of Decision
SCU	Sustainable Community Unit
SCUs	Sustainable Community Units
SDBIP	Service Delivery and Budget Implementation Plan
SIPs	Strategic Infrastructure Projects
SMP	Sanitation Master Plan
StatsSA	Statistics South Africa
UNS	Urban Network Strategy
USDG	Urban Settlements Development Grant
W&S	Water and Sanitation
WMP	Water Master Plan
WWTW	Waste Water Treatment Works

1. INTRODUCTION AND BACKGROUND

1.1 INTRODUCTION

This Built Environment Performance Plan follows the BEPP content and format as supplied by National Treasury in the Guidance Note (National Treasury, Cities Support Programme: BEPP Guidance Note for 2014/15, 2013) and should be read in conjunction with the previous year's BEPP submission (NMBM: Office of the COO, 2013) for additional background information.

1.2 PURPOSE OF BEPP

The previous annual BEPPs were submitted for the purpose of accessing the Urban Services Development Grant (USDG) from the National Department of Human Settlements and National Treasury. The USDG is a conditional grant and the BEPPs submitted, complied with the necessary requirements.

The 2014/15 BEPP represents a "new era" BEPP, which attempts to align the various grant funding streams received from National Treasury. These include the Integrated City Development Grant (ICDG), the USDG, the Integrated Housing and Human Settlements Grant (IHHSG), the Social Housing Restructuring Grant, Public Transport Infrastructure Support (PTIS), and the Neighbourhood Partnership Development Grant (NPDG).

The BEPP aims to demonstrate the use of these grants for the purpose of spatial restructuring through targeting the expenditure in areas that will maximise the positive impact on citizens, leverage private sector investment, and support growth.

A transformed spatial form and a more compact city is the ultimate aim.

It is shown elsewhere in this document that the NMBM is highly dependent – in fact, overdependent – on the grant funding received from National Treasury. Efforts are being made to reduce the levels of dependency over time.

It is to be noted that as this is the first BEPP developed since the imposition of the new BEPP requirements, the Municipality is still gearing itself up to be fully compliant in respect of the interaction between the Urban Network Strategy, Built Environment Performance Indicator processes and budget alignment; this will be enhanced in the 2015/16 BEPP.

1.3 ADOPTION OF BEPP BY COUNCIL

A first Draft BEPP 2014/15 was submitted to National Treasury within the timeframe required, i.e. 31 January 2014.

Based on the document, certain comments were made by the National Treasury team; these comments have since been attended to, where possible.

The initial intention was to present the BEPP to a multisectoral grouping and National Treasury on 14 April 2014. This date was subsequently postponed to 14 May 2014, and then rescheduled to a date in June 2014.

The BEPP will be submitted to Council for approval prior to 30 May 2014.

Thereafter, the approved document will be submitted to National Treasury.

1.4 RELATIONSHIP OF BEPP TO OTHER STRATEGIC DOCUMENTS

The BEPP is to be read together with and be seen as complementary to the Municipality's key strategic documents, such as the Integrated Development Plan, the Budget, the Spatial Development Framework, the Integrated Public Transport Strategy and the Human Settlements Plan.

The BEPP can be seen to represent the investment strategy of the Municipality in fulfilling its objectives of equitable city development, transformed spatial realities and more compact city development.

1.5 REFERENCE DOCUMENTS IN PREPARING THE BEPP

The following strategic and other documents have served as reference documents in the preparation of the 2014/ 2015 BEPP:

Algoa Water Reconciliation Study, 2012
 ANC Election Manifesto, 2014
 Budget Speech by South African Minister of Finance, 2014
 Built Environment Performance Indicators (Draft)
 Cities Support Programme: Built Environment Performance Plans (BEPPs) Guidance Note, 2013
 Comprehensive Integrated Transport Plan, 2011
 Demographic Update for NMBM by Development Partners, 2007
 Informal Settlements Upgrading Plan, 2008
 Infrastructure Maintenance Backlog Assessment, 2011
 National Development Plan, Vision 2030
 NMBM 2013/14 Integrated Development Plan
 NMBM Draft Budget 2014/15
 NMBM Draft Urban Network Strategy, 2014
 NMBM Human Settlements Strategic Framework 2030, 2012
 NMBM Integrated Development Plan 2011 - 2016, 2013
 NMBM Local Government Turnaround Strategy, 2010
 NMBM Metropolitan Spatial Development Framework, 2009
 NMBM Sanitation Master Plan, 2012
 NMBM Water Master Plan, 2006
 Proposed high-level Housing Strategy for Nelson Mandela Bay Municipality, December 2012 by Shisaka Development Management Services
 SA Census 2011, Stats SA, 2011
 Sustainable Communities Planning Guide, 2007

2. STRATEGIC REVIEW OF BUILT ENVIRONMENT

2.1 CURRENT PERFORMANCE OF BUILT ENVIRONMENT

2.1.1 Situational analysis of Nelson Mandela Bay

A situational analysis of Nelson Mandela Bay, covering various socio-economic trends, is presented below.

Demographic Background

(a) *Current situation*

The following statistics are relevant:

- Population - 1,152,115 (Census 2011)
- Households (formal) - 276 850 (Census 2011)
- Area covered - 1 950 km²
- Unemployment rate - 32,34% (Global Insight, 2013)

The composition of the above is detailed in Tables 1 to 3 below:

TABLE 1: Demographic Information on Nelson Mandela Bay: Age Distribution

0-14 Years Old	15-65 Years Old	> 65 Years Old	Total
294269	795392	62453	1152114
25.54%	69.04%	5.42%	100.00%

Source: Stats SA, 2011

TABLE 2: Demographic Information on Nelson Mandela Bay: Household Distribution

Type of household	Total
Formal households	276850
Informal households	30202
Households/Flats/Rooms in back-yards	6890
Informal households in back-yards	8862
Other	1488
Total	324292

Source: Stats SA, 2011

TABLE 3: Demographic Information on Nelson Mandela Bay: Employment Status

Official employment status	Working population	age	% of working age population
Employed	290155		36.48%
Unemployed	209088		26.29%
Others (not economically active)	289969		36.46%
Not applicable	6180		0.78%
Labour (Total)	795392		100.00%

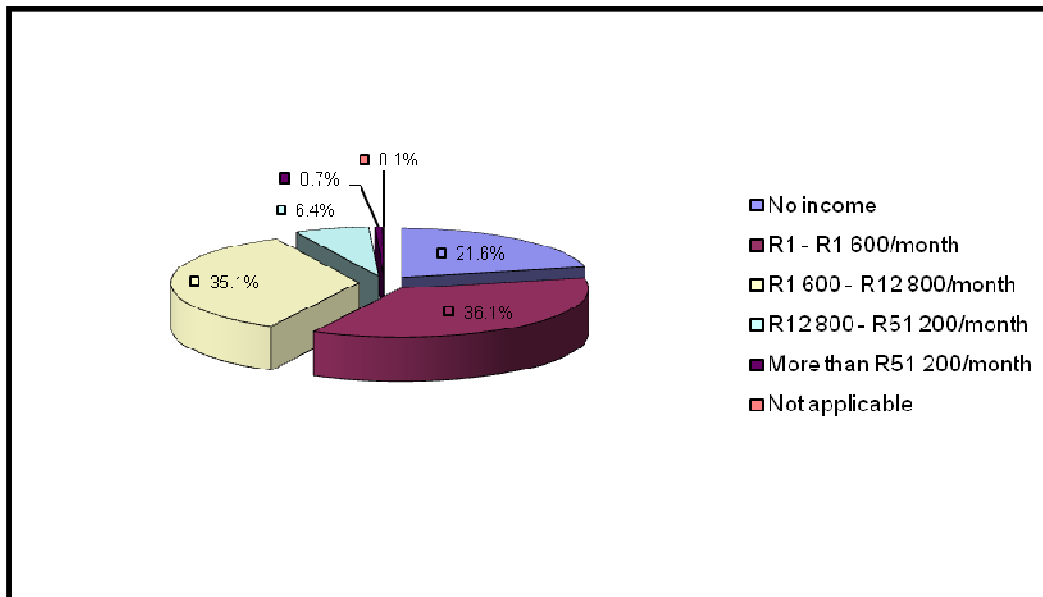
Source: Stats SA, 2011

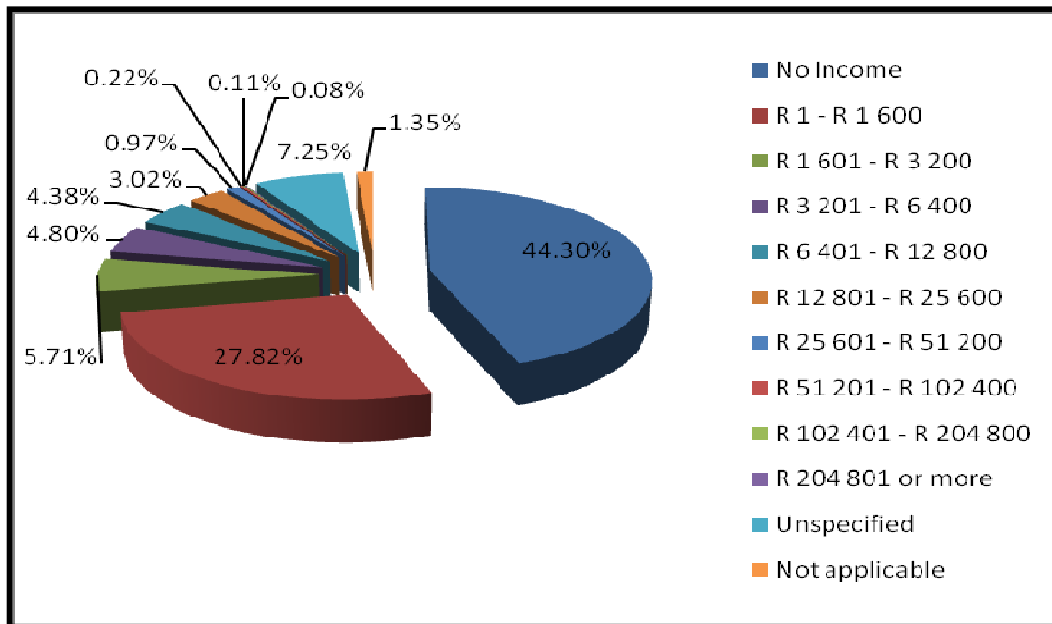
The population trend in Nelson Mandela Bay is reflected in the table below:

TABLE 4: Population Trends for Nelson Mandela Bay (2001 to 2011)

Year	Total	Asians / Indians (%)	Black Africans (%)	Coloureds (%)	Whites (%)
2001	1 005 804	1.12	58.93	23.43	16.51
2007 (CS)	1 050 933	0.92	60.40	22.56	16.12
2011	1 152 112	1.11	60.13	23.56	14.36
2015	1 224 630	1.1	56.0	24.1	18.8
2020	1 243 930	1.0	55.9	24.4	18.7

Sources: StatsSA (Census, 2001), StatsSA (Community Survey, StatsSA Mid-year Estimates and StatsSA (Census, 2011)

GRAPH 1: Household Income Distribution (2001)

GRAPH 2: Household Income Distribution (2011)

Sources: Stats SA, 2011; Census 2011; Statistics South Africa

The 'No Income', 'Unspecified' and 'Not Applicable' labels in Graph 2 include those outside the working age group of 15-65 years.

Nelson Mandela Bay is the driver of the Eastern Cape economy, with 41,81% of the provincial GGP (Global Insight, 2013).

- Altogether 71 794 of the total number of 276 850 formal households are classified as indigent (in terms of the indigent register of the Municipality).
- Altogether 44% of households receive at least one social grant.
- The HIV/AIDS prevalence rate is 30,8%.
- Approximately 3% of residents have received no schooling; 13% have passed Grade 7 or less (primary school level); while 75% have passed Grade 12 or less (secondary school level) (these figures exclude the current population of children of pre-school and school-going age, i.e. 0-19 years) (Census, 2011).
- The overall population density is 80 – 100 persons per hectare (20 units per hectare).
- The predicted population for 2020 is 1 243 930.

- The growth is therefore less than 100 000 people (25 000 units) for all population groups over the next 7 years. This is in accordance with studies showing low in-migration figures, and the findings of the NMBM's demographic study.

The following aspects support the information provided above and serve to illustrate the socio-economic trends in Nelson Mandela Bay.

(b) Assistance to the Poor (ATTP)

In the 2010/11 financial year, the NMBM Budget and Treasury Directorate launched a vigorous physical ATTP verification process. Since 2011, this verification process has been conducted annually. This process has resulted in a reduction in the number of ATTP beneficiaries in subsequent years. This reduction has resulted in a saving in the initial period, which was eroded by the annual increases in the ATTP subsidy quantum to poor households (HHs). Every new successful ATTP applicant's outstanding irrecoverable debt is written off as part of the ATTP process, resulting in a huge additional outflow from the e-share subsidy in certain financial years. In the current 2013/14 financial year, on 28 February 2014, the ATTP register reflected 85,643 verified successful beneficiaries, with an additional 9,280 applications awaiting verification for approval.

Table 5 illustrates the number and value of e-share subsidies allocated to ATTP households.

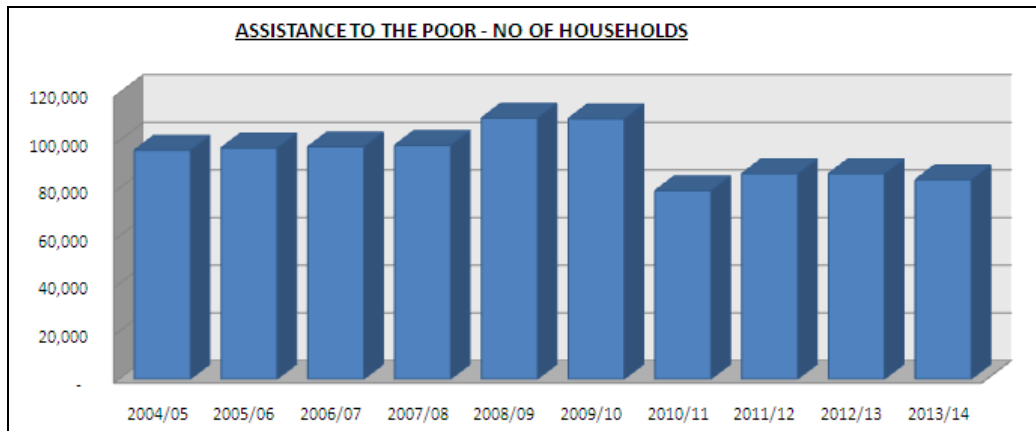
TABLE 5: ATTP - Number and Value of Financial Assistance to ATTP Households

Description	2009/10	2010/11	2011/12	2012/13	2013/14 As at 28 Feb. 2014
Number of approved ATTP households	108,665	95,489	86,172	71,551	85,643
Indigent Cost to the City	R252,311,837	R268,321,432	R252,770,170	R263,880,851	R204,444,854

Source: Treasury, 2014

The physical ATTP verification exercise has indicated in many instances a growth in the number of members of ATTP households, and therefore often also the combined household income. This has pushed many households outside the ATTP monthly qualification threshold, being the value of two state pensions per household. Further, there is an assumption that the increase in the size of households has mainly been caused by (adult) children moving back into the family home, which would in turn have increased the combined household income if those family members have a source of income. The ATTP verification process has also indicated an increase in the number of backyard shacks on ATTP applicants' premises. This could be seen to be indicative of the creativeness of poor households in an effort to increase their household income to survive when ATTP subsidy applications fail.

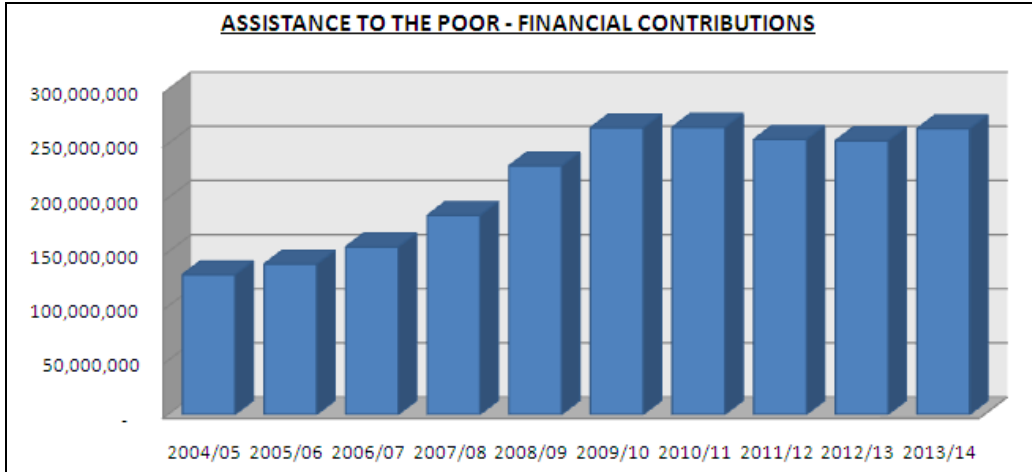
GRAPH 3: ATTP – Number of Households receiving Financial Assistance



Source: Treasury, 2014

Graph 4 below illustrates the financial contributions made to indigent households in Nelson Mandela Bay over the years.

GRAPH 4: ATTP – Financial Contributions made to Indigent Households by the Municipality

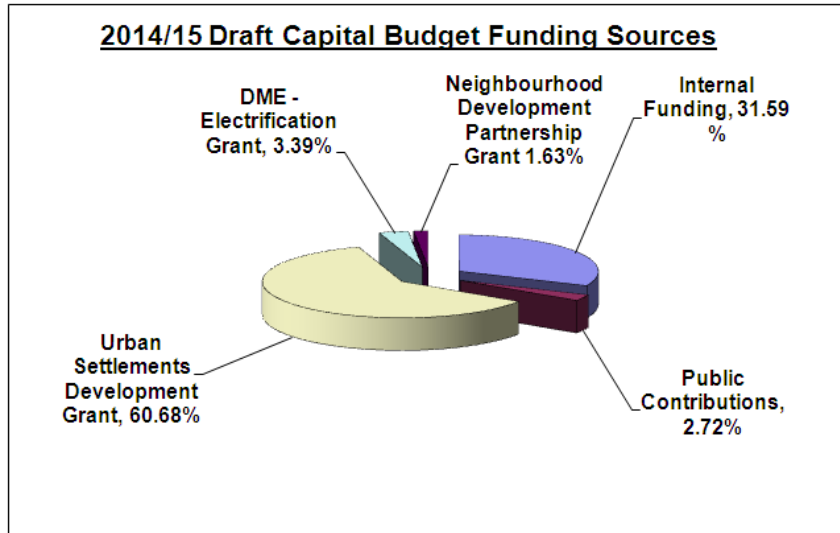


Source: NMBM Treasury, 2014

(c) Financial Overview of Nelson Mandela Bay Municipality

The total NMBM Draft Capital Budget for the 2014/15 financial year is R1.3 billion.

GRAPH 5: 2014/15 Draft Capital Budget - Sources of Funding



Source: NMBM Treasury, 2014

TABLE 6: 2014/15 Draft Capital Budget - Sources of Funding

Funding Source	Value	Percentage
Internal Funding (including unconditional grants)	418,673,000	31.59%
Public Contributions	36,000,000	2.72%
Urban Settlements Development Grant	804,272,807	60.68%
DME - Electrification Grant	44,912,281	3.39%
Neighbourhood Development Partnership Grant	21,662,308	1.63%
Total Draft Capital Budget Funding	1,325,520,396	100%

Source: NMBM Treasury, 2014

(d) Access to services

(i) Water

- 100% of households have access to water within a 200 m radius.
- Informal areas receive water through standpipes (within a 200 m radius) and water tanks, except for communities occupying private land illegally.

(ii) Sanitation

- 90,87% of households are connected to sanitation.
- 20 900 buckets are still in circulation as a means of sanitation.

Bucket eradication has become a major priority in order to fulfill the Outcome 8 Policy and the Municipality is engaging with the National Upgrading Support Programme (NUSP) in this regard.

(iii) Public health

Solid waste management (refuse removal)

- 99,99% of formal and informal households are provided with a basic level of refuse collection (this excludes smallholdings).

(iv) Electricity

- 100% of households in formally demarcated residential areas have access to electricity.
- 12% of households have no electricity, including undemarcated informal areas.

(v) Integrated human settlements challenges

- Housing challenges

TABLE 7: Estimated Housing Backlog for Nelson Mandela Bay

NMBM Figures		Census 2011 Figures	
Informal areas	23 411	Informal areas	30 202
Backyard shacks	49 000	Shacks/Rooms in backyards	6890
		Informal in backyards	8862
		Other	1488
Total backlog	72 411	Total backlog	47 442

Source: Stats SA, 2011

The NMBM is currently verifying its figures through a study to determine the number of backyard shacks and is also engaged in an audit of informal settlements. This study commenced in April 2014 and is due for completion within 2014.

- Households living in stressed areas (servitudes, floodplains and overcrowded areas).
- Land and spatial planning challenges:
- Shortage of government-owned land in inner-city and serviced areas.
 1. Lack of visible spatial restructuring.
 2. Lack of integrated sustainable human settlements.

The Human Settlements Strategic Framework adopted by Council in December 2012 recommends that spatial restructuring be undertaken through the following areas:

- **Urban Renewal Precincts:** PE Inner City, PE Waterfront, North End Coastal Development, Uitenhage and Despatch CBD, Motherwell Hub, Happy Valley and Lower Baakens Valley , Walmer Gqebera, Korsten and Helenvale Precincts and Greater Ibhayi-Northern Areas Hub.
- **Spatial Transformation Precincts:** Parsonsvelei Mixed Developments, Reinforce Coega IDZ through a number of strategic projects including supporting Project Mthombo, Relocation of the PE Airport, Greater Motherwell Hub, Bay West and N2 Development Hubs. The plans emphasise the need to concentrate spatial transformation within 10 km of the major focus areas for transformation namely the PE CBD, Uitenhage CBD, Coega IDZ and Bay West/N2 Hub.
- **Implement a uniform and Integrated Zoning Scheme and Land Use System in the NMBM**
- **Assembly of well-located public and private land for development of Integrated Human Settlements:** The Provincial Department of Human Settlement through the Accreditation and Assignment Agreement have provided a comprehensive list of immovable assets (mostly vacant state land) in Nelson Mandela Bay that can be utilized for development towards greater spatial transformation. The agreements are ready to be signed as soon as the Accreditation and Assignment Process is completed.

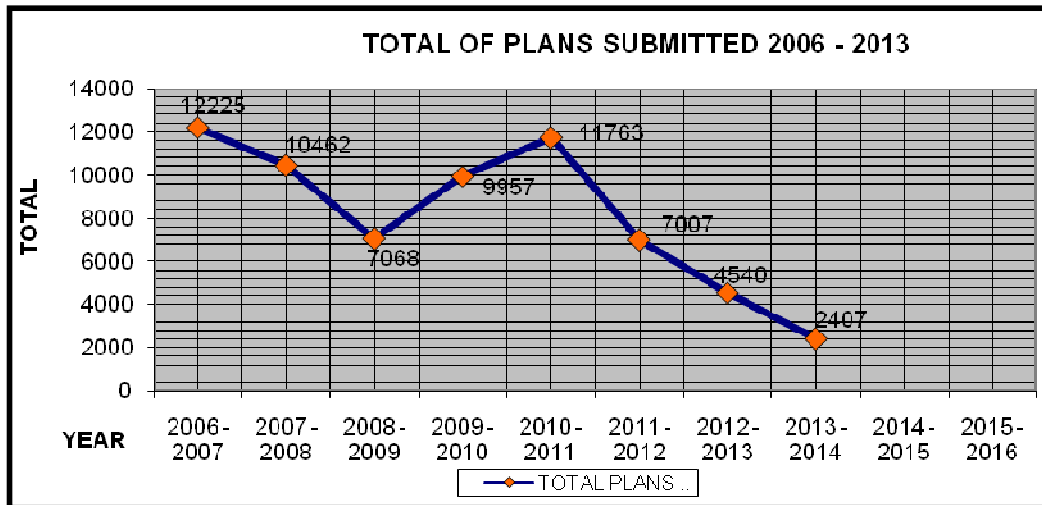
(vi) Infrastructure challenges

- The tarring of the roads backlog in Nelson Mandela Bay (approximately 341 km).
- Cost to eliminate the tarring backlog (approximately R2,5 billion).
- Ageing infrastructure (especially electricity, water and sanitation infrastructure), resulting in leakages, pipe bursts and blockages, which cause service delivery disruptions.
- Shortage of stormwater drainage in disadvantaged wards, especially in newly developed areas.
- Absence of a long-term capital investment plan to enable economic growth and socio-economic development.

(vii) Building investment trends

Nelson Mandela Bay has recorded steady and rapid growth from 2001 to 2004, followed by a decline in the 2004/2005 period. Although 2005 to 2007 reflected a recovery, 2008 saw a dramatic decline, indicating the impact of the global economic crisis. There was a recovery in the 2009/10 financial year, almost to the 2007 pre-economic meltdown figures, both in terms of the number and value of plans passed. This dipped slightly in the 2011/12 financial year. However, since the 2012/13 financial year, there has been a dramatic decline in the number and value of business plans submitted. This is indicative of an economic decline within Nelson Mandela Bay and a consequent decline in investment. This is illustrated in the two graphs below, which focus on the number and value of building plans submitted over recent years, as reliable economic indicators.

GRAPH 6: Number of Building Plans Submitted (2006 to 2013)



Source: NMBM: Building Inspectorate, March 2014

GRAPH 7: Value of Building Plans Submitted (2006 to 2013)



Source: NMBM Building Inspectorate, March 2014

2.2 ECONOMIC INFRASTRUCTURE REVIEW

2.2.1 Economic Background

In order for Nelson Mandela Bay to grow and develop a sustainable economy, it is important to build new economic drivers to replace or augment the ones that have served the region in the past.

Two single sectors, Manufacturing and Community, and Social and Personal Services, make up more than half (58.1%) of the Metro's GVA (Gross Value Added), with Financial and Related Services, Transport and Trade contributing a further 37%. The Automotive Sector accounts for more than 50% of the Metro's Manufacturing Sector.

For background purposes, an overview of the Provincial and NMBM economy is attached as Annexure "B". These are the latest statistics available. The intention is to verify and update these figures in the new financial year, starting 1 July 2014.

Whilst the NMBM is undoubtedly an important node of activity within the economy of the Eastern Cape, it is characterised by several challenges in terms of economic development. These include:

- A high unemployment rate (32,34%), compounded by the low education levels of the labour force, including large numbers of illiterate adults with limited employment prospects.
- The Metro's infrastructure is ageing and there is inadequate investment in the maintenance and upgrading of infrastructure.
- The economy of the Metro is dependent on the automotive sector; there is insufficient diversification within the manufacturing and others sectors.
- There is no strategy to attract investment.
- There is a lack of up-to-date local economic statistics and monitoring and evaluation systems.

Growth in the automotive sector of the economy has historically provided employment and boosted exports, while masking long-term weaknesses and continuing social inequality. Countering these weaknesses and inequalities will require the following:

- Further diversification of the economy.
- Down-stream and cross-stream diversification within the manufacturing sector.
- Development of new growth industries.
- Diversification of markets for manufactured products and services.
- Investment in the intellectual capital, creativity and technical capabilities of the labour force through skills development.
- Innovation support through research and development.
- Public and private sector investment to accelerate the production of all economic sectors.
- An aggressive market development programme for regional production within the region itself, as well as within the country, in order to ensure the localised sustainability of productive activities (NMBM EDRS, 2009).

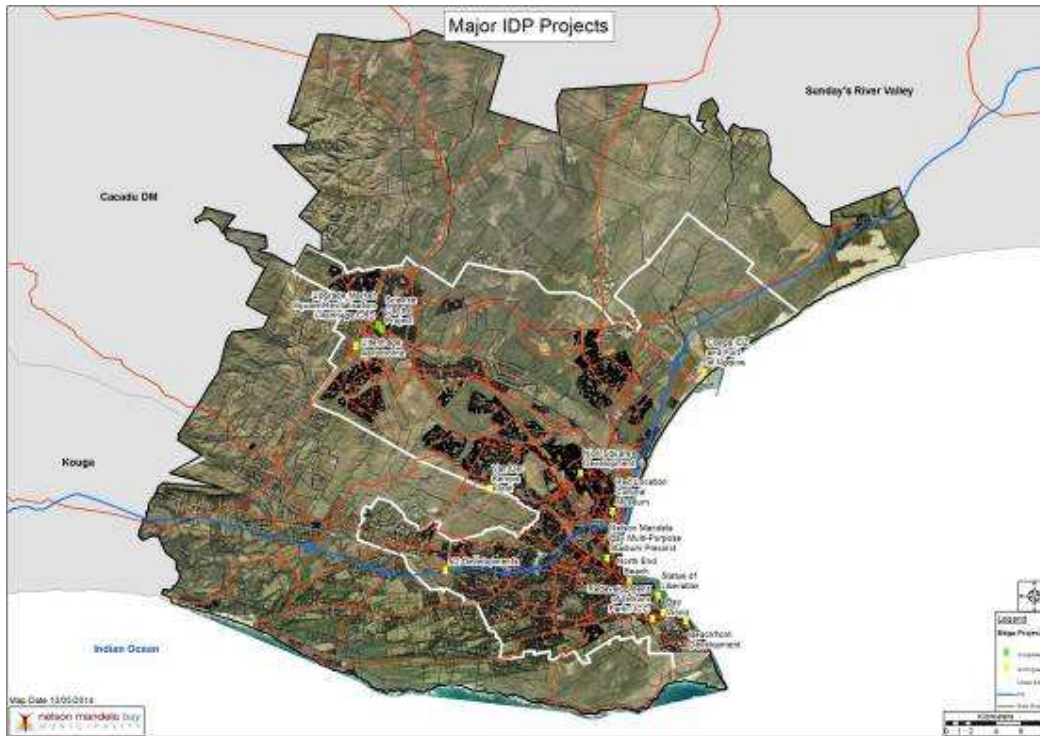
The NMBM must diversify its economy in order to reduce its dependency on the traditional sectors. The Municipality has introduced a number of strategic initiatives and identified a number of key large-scale projects, as reflected in the Spatial Development Framework, the LED Strategy and the IDP of the Municipality, with the objectives being:

- Serving as significant catalysts for economic growth;
- Stimulating economic development;
- Enabling the Metro to become nationally and internationally competitive;
- Creating jobs;
- Alleviating poverty;
- Attracting investors and/or tourists;
- Changing the face of the Metro.

2.2.2 Strategic Initiatives

The Municipality has a number of strategic initiatives to enhance economic development of the city. These are spatially illustrated in Figure 1: Major IDP Projects.

FIGURE 1: Major IDP Projects



Source: NMBM CorpGIS, 2014

2.2.2.1 Mandela Bay Development Agency (MBDA) Projects

The strategic projects implemented by the Municipality's developmental organ, the MBDA, have resulted in increases in property valuations and renewed economic activity, with increased rates income spin-offs for the Municipality.

A study conducted for the Municipality in the Central Business District has confirmed that investments by the institution have resulted in significant property value increases, increased business turnover, and increased rates, business expansion and upgrades.

The following projects are now ready for implementation or are being implemented:

- Tramways Building redevelopment (under implementation)
- Telkom Park / EPRU Stadium redevelopment
- 2010 Stadium Precinct development
- Mermaids Precinct mixed-use development
- International Convention Centre

2.2.2.2 Coega Industrial Development Zone (IDZ)

The Coega IDZ was established to stimulate investment in the region. It is required to fund and provide the infrastructure dedicated to its operations. The NMBM and the Coega Development Corporation (CDC) have an agreement in place that outlines this developmental relationship. To date, the CDC has funded all projects specifically related to internal services and major road linkages. However, the lack of focus on water and sanitation by the CDC has been identified as an area of concern by the NMBM. Consequently, a plan was developed to identify the gap. Failure to address the gap will mean that the IDZ will not be able to develop further. It will cost approximately R4,3 billion to provide bulk water and sewer infrastructure. The breakdown is reflected below.

TABLE 8: Coega Development: Project Costs for Bulk Water and Sewer Infrastructure

Financial Year	Potable water	Industrial water	WWTW	Total	Esc. 10 % per year	Total
2012/2013	4,000,000	1,500,000	1,000,000	6,500,000	0	6,500,000
2013/2014	60,000,000	12,000,000	9,000,000	81,000,000	8,100,000	89,100,000
2014/2015	210,000,000	120,000,000	70,000,000	400,000,000	84,000,000	484,000,000
2015/2016	186,000,000	440,000,000	286,000,000	912,000,000	301,870,000	1,213,870,000
2016/2017	20,000,000	580,000,000	320,000,000	920,000,000	426,970,000	1,346,970,000
2017/2018	0	385,000,000	180,000,000	565,000,000	344,940,000	909,940,000
2018/2019	0	59,000,000	30,000,000	89,000,000	68,670,000	157,670,000
Total	480,000,000	1,597,500,000	896,000,000	2,973,500,000	1,234,550,000	4,208,050,000

Source: NMBM Infrastructure & Engineering: Water & Sanitation, 2009

To date, the NMBM has commenced with planning the following projects, which are critically required for the development of the Coega IDZ:

(i) Nooitgedacht Low Level Scheme (NLLS):

This project is currently being implemented at a reduced scope. It is funded from drought disaster funding.

However, once these contracts have been completed, no water will be available yet, as at least another R70 million will be required to operationalise the system. This will, however, not make the full water system capacity available and, given the lack of dedicated funds, the entire system is expected to be operational by 2017 only.

(ii) Coega Waste Water Treatment Works and Sea Outfall:

Preliminary planning has commenced, but designs cannot proceed, because of funding constraints, given the size of the project.

(iii) Coega Return Effluent Scheme:

Due to the scale (finance) of the projects, the NMBM is unable to commence with detailed design. The NMBM has commenced with preliminary planning and as such an ROD has been issued for the system. With the cooperation of the Coega Development Corporation (CDC), detailed design has commenced and the Return Effluent Reservoir with the outlet pipework at the Coega Kop site is being constructed with funding from the CDC.

2.2.2.3 N2 Nodal Development

The N2 Development/Bay West project entails a super-regional shopping centre, combined with a mixed-use residential development (8000 residential opportunities), a 400 000 m² high-tech warehouse, office space, a large area for a motor city, and a light industrial area. The developer is on site and

construction has commenced. The shopping mall is targeted to be completed by March 2015. The rest of the development, including housing, will then follow. The estimated project value is R12 billion over 15 years, with the first phase comprising the shopping mall (value of R1,7 billion). Altogether 7 000 jobs will be created during construction.

2.2.2.4 Red Location Cultural Precinct

Located in the historic Red Location area of Ibhayi, the precinct has been developed, consisting of the Apartheid Museum, Art Gallery, Electronic Library and Backpackers' Lodge. The Apartheid Museum was completed in 2004. The Art Gallery and Electronic Library buildings are complete and were handed over to Council during April 2011. The furniture and equipment are currently being fitted and the organograms finalised so that posts can be advertised. The business plan for the performing arts complex has been completed and the National Department of Arts and Culture has made R500 million available for this project. The last phase of the project will consist of a school of music.

The success of the Red Location Initiative is partly depended on the Urban Renewal of the Greater Ibhayi Area as this would enable broader urban renewal beyond the localised impact of the Red Location and Njoli Square Precincts upgrades.

2.2.2.5 Van der Kemp's Kloof

Van der Kemp's Kloof has been identified as a priority area for biodiversity conservation in terms of the Nelson Mandela Metropolitan Open Space System (NMMOSS) and is in the process of being proclaimed as a nature reserve.

The Van Der Kemp's Kloof project stretches from Helenvale to Chatty (beyond Booyens Park), including the Chatty Gorge east of Stanford Road, up to the

Hopewell Conservation Area. It is a sizeable area with the potential to be developed holistically and in an environmentally sensitive way. The area offers great opportunities for the development of hiking trails, picnic sites, recreational dams, game farming, gorge activities, tourism facilities and accommodation. The Kloof has been divided into different nodes; the Kuyga Node, which was completed at the end of October 2010, and the Grootkloof Node, which was completed earlier this year (2014). Work on the Mountain Bike and Hiking Trail, which commenced in November 2010, is now completed. The short- to medium-term plan is to find investors who will help develop and manage some of the proposed facilities and activities; however, this will require the Nelson Mandela Bay Municipality to source funding to provide basic infrastructure.

2.2.2.6 Revitalisation of Uitenhage CBD

Phases one and two of the Uitenhage CBD upgrade, which focused on the upgrading of the historic Uitenhage Market Square located in the heart of Uitenhage, are complete. Construction on site began in January 2010 and was completed 15 months later, in March 2011, with 30 jobs created for people from the Uitenhage area during that period.

Funded by the Nelson Mandela Bay Municipality, the MBDA has spent around R30 million on the upgrading of the Market Square, which included the transformation of the space from a parking area to a civic and pedestrian central space. Furthermore, composer Enoch Sontonga, who was born in Uitenhage, was honoured: the words of “Nkosi Sikelel' iAfrika”, composed by Sontonga, now line the fountain in isiXhosa, English and Afrikaans, to symbolise a new era for Uitenhage. Various existing monuments were also refurbished. Double rows of trees align the square and a water feature with fountains gives relief to passers-by on a hot summer's day. All improvements were aimed at regaining pride and confidence and promoting the use of the area and investment in it.

2.2.2.7 Njoli Square Development

This project entails the development of a major community taxi/commercial centre where the Njoli Centre presently exists. After more than five years of planning, negotiation and sourcing of funding, the project is moving towards the implementation stage.

The development is anticipated to have a positive economic impact on the Metropole, with initial projections indicating that the project will, directly and indirectly, contribute R189 million to the Eastern Cape GDP during the construction period. During the first five years of operation, the Project will contribute around R107 million to the Eastern Cape GDP. As many as 2000 jobs can be created during construction, with approximately 200 permanent jobs being created.

The success of the Njoli Square Upgrading Initiative is closely linked to the upgrading of the Greater Ibhayi area and it is critical that the NMBM concludes the preparation of an overall Ibhayi and Bethelsdorp Hubs as part of an overall Urban Network Strategy Plan.

2.2.2.8 North End Coastal Development

The North End Coastal Development project will reinstate the existing degraded coastal environment north of the Port Elizabeth Harbour over a 30-year period, creating an attractive urban gateway entrance to Nelson Mandela Bay. The project will help stimulate tourism and the economic development of the region. The first phase of the project will create a 500 m long beachfront, with a direct link to the adjacent Nelson Mandela Bay Stadium, New Brighton and neighbouring communities. The project can be implemented only in partnership with Transnet and the National Ports Authority. A task team comprising the Nelson Mandela Bay Municipality, Transnet and other relevant stakeholders must be established to develop a process plan.

2.2.2.9 Project Mthombo

Project Mthombo is an oil refinery planned to be located in the Coega Industrial Development Zone. The pre-feasibility study was undertaken by PETROSA, identifying Nelson Mandela Bay as the preferred site for the oil refinery. PETROSA is awaiting the DME's approval of the front-end engineering design (FEED). The project is expected to create 1000 direct jobs at an operational level, 23 000 jobs during construction, and 17 000 indirect jobs.

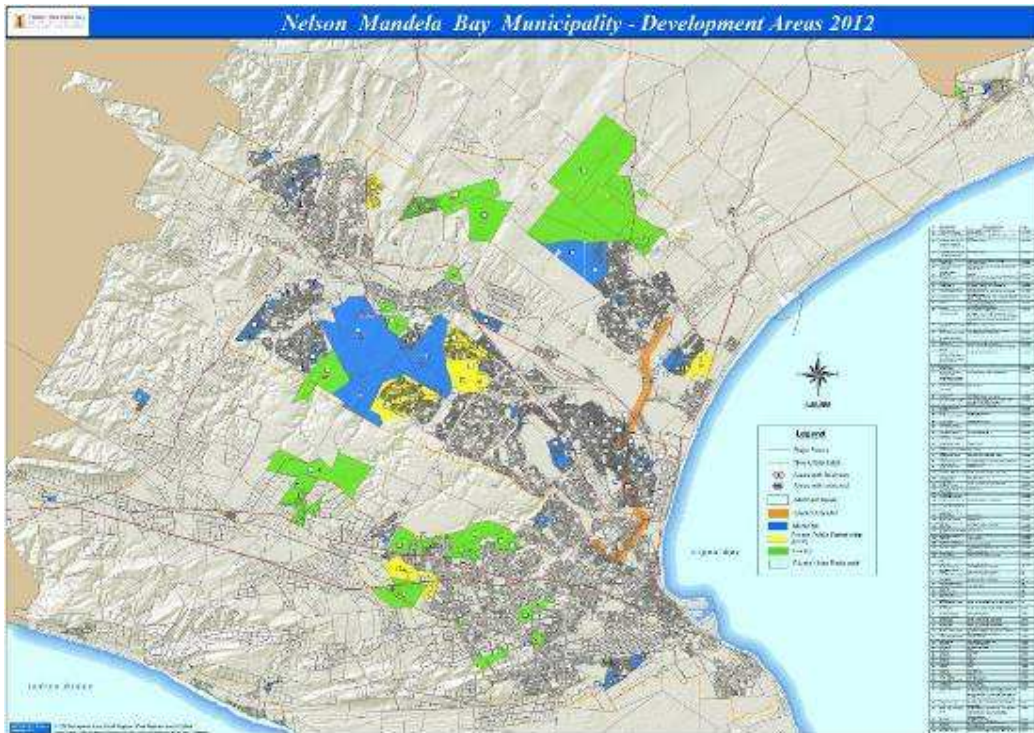
2.2.2.10 Greater Addo National Elephant Park and Baviaanskloof Conservancy

The Greater Addo National Elephant Park and the Baviaanskloof Mega-Reserve projects seek to develop and increase the sustainability of two prime conservation areas in the Eastern Cape. Although located outside the jurisdiction of the Nelson Mandela Bay Municipality, they will, on their successful development, form vital components of the arsenal of tourism and natural attractions offered to visitors to the region.

2.2.2.11 Private sector development

A number of private sector developments are taking place in the city, in tandem with municipal developments. These include the N2 node, incorporating the Bay west Mall Shopping Complex, and Jachtlakte/KwaNobuhle. The municipal capital investment in these projects is reflected in the Budget.

The following maps highlight the major development areas and urban growth directions in the Metro. They show areas of new development, largely residential and mixed-use development, the major industrial development areas, as well as areas in which urban renewal and infill development (regeneration development) is taking place. Growth directions are mainly in a western, north-western and northerly directions.

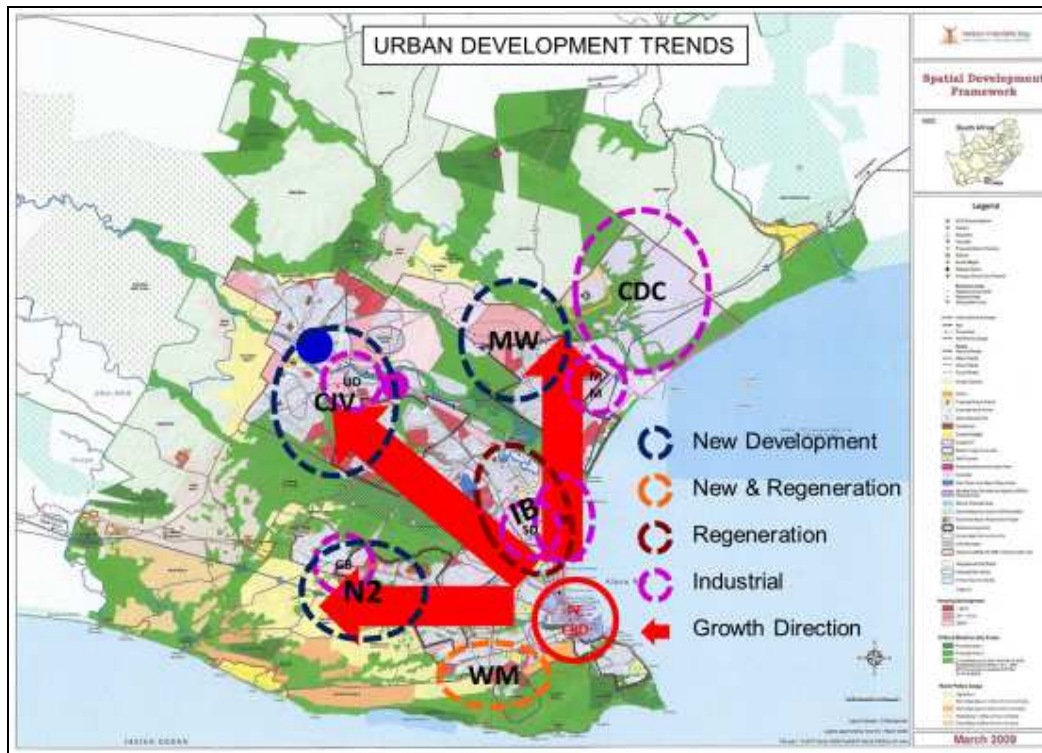
FIGURE 2: Major Development Areas in Nelson Mandela Bay

Source: NMBM Corporate Drawing Office, 2012

Urban development in the N2 Node is essentially driven by the private sector and comprises largely mixed-use and residential developments aimed, at the high, middle and affordable market segments. The anchor in this development node is the Bay West Shopping Mall, currently under construction at a cost of R2 billion.

The development in the Chatty Jachtlakte Node (refer to “CJV” in Figure 3) involves mixed-use and residential development by the private sector and the Municipality, with an estimated yield of 32 000 new residential opportunities in the middle, affordable (rental and ownership) and subsidised housing segments.

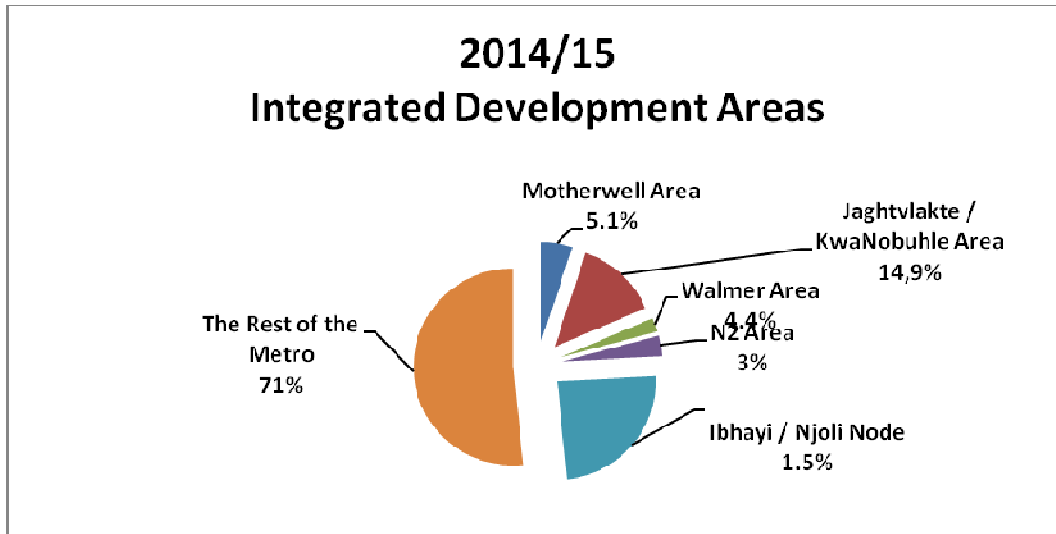
FIGURE 3: Urban Development Trends in Nelson Mandela Bay



Source: NMBM Human Settlements Directorate - Land Planning, 2014

Development in the Motherwell area (indicated as “MW” in Figure 3) will comprise municipal and private sector developments, of which the municipal component will largely entail mixed residential development opportunities in the lower income segments. The private sector component, on the other hand, will focus on mixed land use and residential development in the low, middle and higher end housing segments.

The aforementioned development trends are captured in the NMBM IDP and Budgets and are further illustrated by the distribution of funding priorities in terms of the 2014/2015 Draft Capital Budget, as reflected in Graph 8 and Table 9.

GRAPH 8: Integrated Development Priorities (2014-2015)

Source: NMBM Treasury, 2014

TABLE 9: Development Priorities in Nelson Mandela Bay (2014/15)

Development Area	Budget Capital Amounts
Motherwell Area	R68,558,947
Jaghtvlakte/KwaNobuhle Area	R200,024,154
Walmer Area	R58,938,871
N2 Area	R40,863,100
Ibhayi/Njoli Node	R19,876,100
Rest of the Metro	R953,438,986
Total Draft Capital Budget (VAT exclusive)	R1,342,700,439

Source: NMBM Treasury, 2014

2.3 BASIC INFRASTRUCTURE REVIEW

The provision of infrastructure to deal with basic services is not dealt with separately, but forms part of the integrated planning for the respective water and sanitation services, carried out to serve the Metro as a whole. As the development of infrastructure for human settlements has been the biggest driver for infrastructure expansion, the financial impact is related to the projects captured on the annual budgets.

The capacity of water and sanitation infrastructure to serve the NMBM is guided by the Metropolitan Spatial Development Framework (MSDF). The planning for the current and future capacity required, is dealt with in the approved Water and Sanitation Master Plans.

The abovementioned Water Master Plan was approved by Council in 2006 (NMBM Infrastructure & Engineering Directorate, 2006) and is currently being reviewed. However, the recommended expansions to the infrastructure remain relevant, as set out below. The Sanitation Master Plan (NMBM: Infrastructure & Engineering Directorate, 2012) was approved by Council in 2012.

2.3.1 Water Master Plan (WMP)

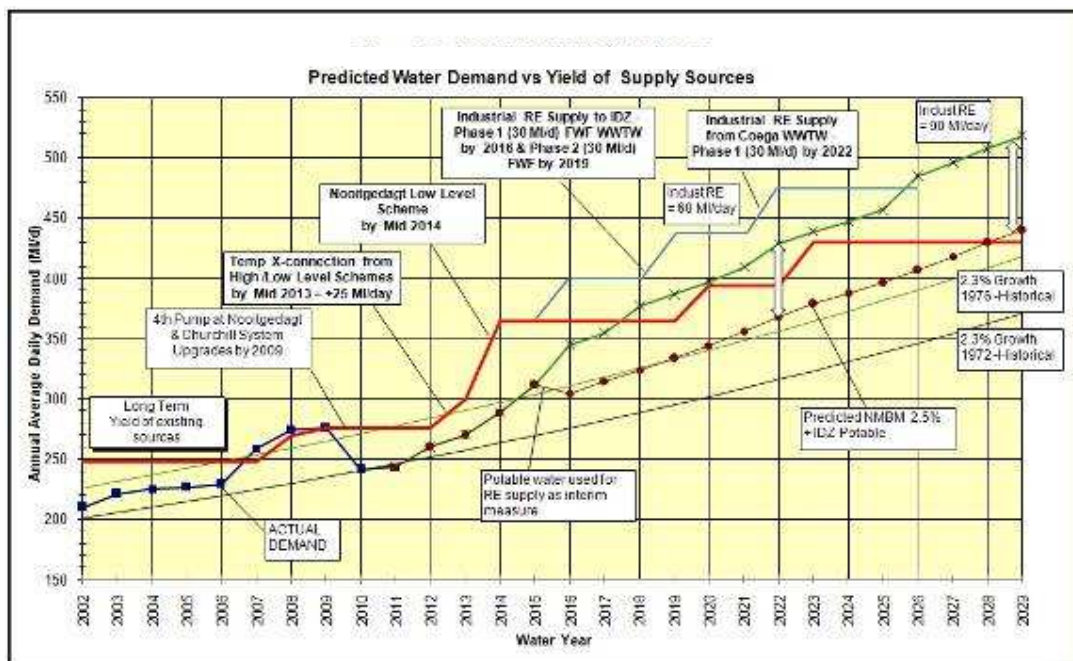
Sufficient internal bulk infrastructure exists to convey water to all developments within the metropolitan boundaries. Link water mains are installed as part of developments, when required. A constraint that does exist, is the completion of the Nooitgedacht Low Level Scheme, which provides water for all new housing developments, as well as the Coega Industrial Development Zone. In terms of the WMP (NMBM Infrastructure & Engineering Directorate, 2006), the Scheme was scheduled to be completed in 2013. Drought disaster funding (R450 million) and NMBM funds were used to construct 45 km of pipes, break pressure tanks and secondary pump stations. The remaining work (water treatment works, primary pump station and reservoir) will be completed over the next three years, depending on funding (R351 million) availability. All water treatments works are also being upgraded to ensure consistent water quality compliance and to rehabilitate the infrastructure.

The figure below is an extract of the anticipated water requirements up to 2030 and approved in the Algoa Water Reconciliation Study (Department of Water Affairs, 2012) conducted by the Department of Water Affairs (DWA).

The anticipated historic growth for Nelson Mandela Bay has been 2.3%; however, developments such as the Housing Programme and the Coega Industrial Development Zone would increase the medium-term growth pattern. As these developments are linked to the availability of funding and investor interest, it is difficult to predict this growth, but the Nootitgedacht Low Level Scheme has been confirmed as an immediately needed water source.

From a spatial perspective, the land set aside for housing development in terms of the Housing Programme, and for large developments, such as the Coega Industrial Development Zone, shows that the biggest need for water is on the northern/northwestern side of the metropolitan area, which confirms the need for the augmentation of the water supply from Nootitgedacht.

GRAPH 9: Predicted Water Demand of Nelson Mandela Bay



Sources: Department of Water Affairs, 2012; NMBM Infrastructure & Engineering Directorate (Water & Sanitation) 2011

2.3.2 Sanitation Master Plan (SMP)

Sufficient internal bulk infrastructure exists to connect all the various developments within the metropolitan boundaries to sewers. Link sewers are installed, as and when required. Currently, sufficient hydraulic capacity exists to meet the requirements of the current developments. All waste water treatment works are being upgraded to meet future development and capacity demands, including effluent compliance.

2.3.3 Asset condition

This data is an extract from a study (Infrastructure Maintenance Backlog Assessment) that was conducted in 2011.

TABLE 10: Water Backlog Maintenance

<i>Water Backlog</i>	Total Sum of Repair Cost	Total Sum of Estimated Replacement Value	Repairs as % of Replacement Value
Dams	R2,408,320.00	R768,141,482.00*	0.31%
Reservoirs	R21,519,671.43	R1,206,530,799.00*	1.78%
Water Treatment Works	R57,295,705.00	R656,586,425.00*	8.73%
Bulk Water Supply Lines	R12,949,500.00	R5,066,790,845.00*	0.26%
Pump Stations	R23,372,730.00	R127,379,002.00*	18.35%
Internal Reticulation	R530,370,326.24	R1,391,328,057.76	38.12%
Grand Total	R647,916,252.67	R9,216,756,610.76	

Source: NMBM Infrastructure & Engineering Directorate, 2011

TABLE 11: Medium-term Replacement/Refurbishment Plan

<i>Water Backlog</i>	< 2 yrs	< 5 yrs	ASAP	Monitor only	Record only	Routine	Total Sum of Repair Cost
Dams	R853,500.00	R264,800.00	R1,229,520.00	R0.00	R0.00	R60,500.00	R2,408,320.00
Reservoirs	R16,793,467.16	R295,000.00	R4,431,204.27	R0.00	R0.00	R0.00	R21,519,671.43
Water Treatment Works	R22,119,655.00	R7,301,250.00	R18,516,800.00	R359,500.00	R567,500.00	R8,431,000.00	R57,295,705.00
Bulk Water Supply Lines	R1,035,000.00	R1,982,500.00	R9,722,000.00	R210,000.00	R0.00	R0.00	R12,949,500.00
Pump Stations	R2,646,900.00	R477,000.00	R19,784,330.00	R120,000.00	R0.00	R344,500.00	R23,372,730.00
Internal Reticulation	R4,524,276.65	R4,040,984.18	R521,805,065.41	R0.00	R0.00	R0.00	R530,370,326.24
Grand Total	R47,972,798.81	R14,361,534.18	R575,488,919.68	R689,500.00	R567,500.00	R8,836,000.00	R647,916,252.67

Source: NMBM Infrastructure & Engineering Directorate, 2011

From the above table, it can be seen that the total maintenance backlog for water infrastructure for the next five years amounts to R647 916 252.

TABLE 12: Sewer Replacement Cost and Maintenance/Rehabilitation Plan

<i>Sewer Backlog</i>	< 2 yrs	< 5 yrs	ASAP	Monitor only	Record only	Routine	Total Sum of Repair Cost	Total Sum of Estimated Replacement Value
Pump Stations	R15,527,520.00	R1,111,000.00	R12,179,100.00	R81,000.00	R0.00	R826,700.00	R29,725,320.00	R120,724,600.00
Sewer Reticulation	R160,180,756.75	R167,349,637.23	R60,938,492.18	R211,084.03	R0.00	R422,168.05	R389,102,138.24	R2,110,840,274.14
Waste Water Treatment Works	R34,021,564.80	R5,046,233.80	R102,497,695.50	R687,320.00	R12,000.00	R487,290.00	R142,752,104.10	R1,979,608,789.00
Grand Total	R209,729,841.55	R173,506,871.03	R175,615,287.68	R979,404.03	R12,000.00	R1,736,158.05	R561,579,562.34	R4,211,173,663.14

Source: NMBM: Infrastructure & Engineering Directorate, 2011

The above information was used to update and forms the basis of the Engineering Design and Management Systems software data management system. This same management system is used to provide the GRAP 17 compliance data on asset management.

The abovementioned figures indicate the serious financial implications of the lack of maintenance of water and sanitation infrastructure. The situation is deteriorating progressively each year, due to the inability of the Municipality to fund basic repairs and maintenance. To relieve the situation, the largest capital requirement is required in less than two years, for which there is no budget.

2.3.4 Roads/Stormwater/Transport

The Comprehensive Integrated Transport Plan (CITP) (SSI Consultants, March 2011), as approved by the NMBM Council and Province, sets out all the roads network requirements based on the MSDF. The CITP includes the Public Transport Plan, which is dealt with later in this report.

Road infrastructure, which includes stormwater, is critical for the support of economic activities in Nelson Mandela Bay and has the capacity to support the current major public transport network routes. However, the Housing Subsidy (HSDG) does not allow for the tarring of internal and access roads, resulting in an increase in backlogs. The latter is of particular importance, as this also impacts on public transport.

Projects that have been identified for implementation between the 2014/15 and 2018/19 financial years are summarised in the table below. The table excludes backlog costs that were not budgeted for, due to affordability levels, and therefore does not indicate the actual funding requirements to eliminate infrastructure and maintenance backlogs over the five-year period.

TABLE 13: CITP Projects

NO.	PROJECT DESCRIPTION	TOTAL PROJECT COST – five years (Rand)
1	Metropolitan Transport Planning	51,000,000
2	Roads required for additional capacity (short-term projects)	420,000,000
3	Roads required for access and connectivity (short-term projects)	450,000,000
4	Roads requiring rehabilitation (short-term projects)	310,000,000
5	Road maintenance projects	78,000,000
6	Bridge maintenance projects	310,000,000
7	Public transport projects	4,225,000,000
8	Non-motorised transport projects	190,000,000
9	Freight transport projects	3,700,000
10	Traffic and signage improvements (short-term projects)	40,000,000
11	Stormwater maintenance projects	210,000,000
GRAND TOTAL		6,287,700,000

The following table is an illustration of the roads, transport and stormwater backlogs and the maintenance budget required to address these backlogs:

TABLE 14: Maintenance Backlogs

		Total Operational Maintenance Backlogs	Annual Requirement to Eliminate Backlog	Operating Budget 2014/15	Operating Budget 2015/16	Operating Budget 2016/17	Operating Budget 2017/18	Operating Budget 2018/19
	Roads & Stormwater			91,212,870	96,670,100	103,437,007	110,677,597	118,425,029
1	Subsidised Roads	18,200,000	12,000,000	6,458,360	6,830,240	7,308,357	7,819,942	8,367,338
2	Non-subsidised Roads	80,000,000	73,000,000	47,222,460	50,055,840	53,559,749	57,308,931	61,320,556
3	Rehabilitation of Stormwater Facilities	55,000,000	51,000,000	37,532,050	39,784,020	42,568,880	45,548,702	48,737,111
4	Road Signs & Markings	25,000,000	7,700,000					
5	Bridges	381,000,000						
6	Resurfacing of Roads	243,000,000						

The implementation of the abovementioned projects will depend on the availability of funds and is supported by the asset information from the Road Management System, the Stormwater Asset System and the Bridge Management System.

2.4 RESIDENTIAL INFRASTRUCTURE REVIEW

The NMBM Council on 6 December 2012 adopted the Human Settlements Framework 2030 that sets out the strategic vision for the implementation of the new approach towards achieving Integrated Human Settlements aimed at the following objections:

- Upgrade Informal Settlements and formalise backyard dwellings.
- Ensure all households have access to basic services.
- Plan for transformation, inclusion and resilience (to overcome spatial inequality).
- Increase residential densities and develop rental housing at scale.
- Renew priority urban zones (i.e. townships and inner-city).
- Improve organisational alignment and fitness.
- Support residential property functionality and transformation.

2.4.1 Land and housing analysis and project demand for housing by income group, location and cost

In order to create a better understanding of residential demand and supply, a joint exercise between the NMBM, the Housing Development Agency (HDA) and the MBDA was undertaken in 2012, conducted by Shisaka Development Management Services in collaboration with Bagale Consulting (Pty) Ltd. (Shisaka Development Management Services, 2012).

The following table shows the socio-economic distribution of local households from 2007 to 2020:

TABLE 15: Existing and Projected Housing Circumstances (2007 to 2020)

Existing & Projected Housing Circumstance 2007 - 2020 (No of H/Hs)								
Housing Circumstance	R0 - R3,499	R3,500 - R6,999	R7,000 - R9,999	R10,000 - R14,999	R15,000 - R19,999	R20,000 - +	Total	%
Formally Owned	73,397	23,759	12,633	17,452	8,679	29,563	165,483	52%
Formally Rented	35,591	9,918	4,903	5,993	3,272	5,675	65,352	20%
Informal Settlement	31,239	4,710	1,120	407	308	216	38,000	12%
Backyard Dwelling	33,765	7,396	3,460	2,975	967	443	49,006	15%
Other	1,987	220	185	123	162	117	2,794	1%
Total (Existing Housing Circumstances -2007)	175,979	46,003	22,301	26,950	13,388	36,014	320,635	100%
New Households - 2020	14,300	3,900	1,820	2,080	1,040	2,860	26,000	8%
Grand Total Households	190,279	49,903	24,121	29,030	14,428	38,874	346,635	108%
%	56%	14%	7%	8%	4%	11%		

Source: Shisaka Development Management Services, 2012

The data in Table 15 is based on data modelled by the Department of Economics at the University of Stellenbosch, utilising the Community Survey of 2007. This data was revised in accordance with a study undertaken in 2006 by Charles Simkins for the NMBM and verified through primary research undertaken by the firm Development Partners (Demographic Update for the NMBM – 2007). The estimate of new households was agreed in discussion with officials of the NMBM.

Of note is that 70% of the existing and projected population will depend on some form of subsidised housing in the future.

The following table indicates the proposed housing programmes to address the needs. Nine potential delivery solutions have been identified in accordance with National Government programmes. Of significance is the land need identified. The table shows that there is not a great demand for land acquisition, beyond what is currently owned by the NMBM.

TABLE 16: Summary of Land Requirements by Housing Programme

Programme	Current location	Res 1H/G	Res 1S	Res 2/3	Res 3F	Total land unit required (ha)
Programme 1: <i>In Situ</i> Upgrade of Informal Settlements	22,040		15,960			38,000
Programme 2: Backyard Dwelling Consolidation	44,100		4,900			49,006
Programme 3: New Supported Site & Service			14,300			14,300
Programme 4: Housing Supply (rental & subdivisions)	5,300					5,300
Programme 5: Inner City Rental				900	2,500	3,400
Programme 8: Housing Developer Driven Support programme		3,000				3,000
Total requirements (units)	71,440	3,000	35,160	900	2,500	41 560
Projected Land capacity (units) (Type A)	-	26,096	50,597	5,909	11,526	94,128
Excess capacity (units)	-	23,096	15,437	5,009	9,026	52,568

Source: Shisaka Development Management Services, 2012

The plan attached as Annexure “C” shows private sector, municipal and public private partnership proposals for the development of different types of housing in Nelson Mandela Bay. This includes the affordable housing sector.

2.4.2 Management and upgrading of informal settlements

Informal Settlements Upgrading Programme

The Municipality has a dedicated programme for the elimination of informal settlements, as contained in the Informal Settlements Upgrading Plan (NMBM: Human Settlement Directorate, 2008). The Plan was developed in 2008 and included 81 informal settlements, of which 55 remain. These 55 informal settlements are contained in a matrix of *in situ* upgrading/destination areas, programmed over time, prioritised and implemented according to the availability of funding.

In terms of municipal policy, the relocation of informal settlements happens as a last resort. Where an informal settlement can be formalised *in situ*, this is done. Of the 105 originally identified informal settlements, 24 *in situ* upgradings of informal settlements were completed. In some instances, due to density, not everyone in an informal settlement can be accommodated *in situ*. In these cases, the remaining residents are relocated to locations situated as close-by as possible. Informal settlements in stressed areas, such as under powerlines, on tipsites, in floodplains or other such areas, are relocated to new areas. To accommodate these people, six greenfield sites were developed. In order to accommodate the total need for new development, 11 greenfield sites were programmed for completion in terms of the approved Human Settlements Plan.

The Informal Settlements Upgrading Plan makes provision for the following:

- Elimination of the housing delivery backlog of 72 411 units (49 000 backyard shacks and 23 411 informal settlements) through the provision of quality housing and the structured upgrading of informal settlements.
- Upgrading of informal settlements and backyard dwellings, preferably in-situ, and well located Greenfield developments by 2016. Of the 56 *in situ* informal settlements, 30 still need to be upgraded; and of the 16 Greenfield developments, 11 still need to be upgraded.
- Providing housing opportunities for an estimated 35 000 beneficiaries that are not being catered for in the current housing projects that are focused on beneficiaries earning R3 500 and below per month.
- Relocation of 6 000 communities living in stressed areas (such as flood-plain areas, tip-sites and power line areas) by end of 2016 in terms of the Relocation Plan, which is an integral part of the Informal Settlements Upgrading Plan. The identification of well located land in priority areas and integration zones will be key.

The Informal Settlements Upgrading Plan is part of the NMBM Human Settlements Plan. The main focus of the Plan is the full technical and social investigation of all the informal settlements within the Metro, as well as the categorisation of each settlement in term of needs and vulnerability.

The prioritisation of projects is based on technical readiness, including town planning layout approvals, general plan layout approvals, environmental approvals, completed geotechnical investigations, and the availability of bulk infrastructure. Greenfield projects are also prioritised as destination projects for relocation purposes.

2.4.3 Management and prevention of illegal occupation of land and buildings

The Municipality has a specific Sub-directorate to deal with the illegal occupation of land and buildings.

In order to try and curb the growth of informal settlements and prevent new informal settlements, various strategies have been introduced, with varying degrees of success. These include the following:

- Community networks, to advise on changes to any informal settlements.
- Fencing off of vulnerable land, to warn prospective invaders.
- Ensuring that developable vacant land is planned and developed timeously to prevent invasion.
- Informing communities about land invasion procedures.
- Informing land owners about their rights and responsibilities in respect of protecting their land.
- Patrolling of areas to curb illegal invasions.
- Use of interdict processes to stop the invasion of targeted land.

2.4.4 Emergency housing for households living in life-threatening conditions

Currently the NMBM plays a facilitation role in the establishment of emergency shelters for communities. The NMBM identifies families in need and submits a formal request to the PDoHS for the approval and supply of emergency shelters in predetermined areas.

It must be noted that the emergency relocations to serviced sites take place with rudimentary services only. This means that the relocated families receive bucket sanitation and water from a communal collection point at a 200 m radius and basic gravel roads until the required top structures are completed.

2.4.5 Strategy for better located housing development for all and specifically the poor in relation to densification

Well located, pro-poor urban development strategies are well entrenched in the MSDF, Sustainable Community Planning Methodology and the Human Settlements Strategic Framework of the NMBM (NMBM Land Planning & Management Sub-Directorate, 2007). The latter in particular focuses on actions and approaches to achieve higher levels of functional, social and economic integration, simultaneously promoting and improving social, economic and environmental sustainability.

The density of existing areas should be increased through infill development on vacant land not required for other purposes. Corridor development along public transport and other major transport routes will also increase densities in existing areas.

To effectively increase density and thereby reduce urban sprawl, future densities should average at least 30 to 40 units per hectare (gross) in new areas. Current densities average 20 units per hectare.

It is predicted that more than 80% of the future residential demand in the Metro will be for low-income housing. In view of the need for densification, it is this sector that will, of necessity, be most affected.

The current practice of creating erven of 200 - 300m² for low-income housing is unsustainable from an economic and land utilisation point of view. Increased densities, on the other hand, can decrease land and servicing infrastructure costs and also enhance the viability of public transport systems.

The proposal in the context of the Nelson Mandela Bay area is as follows:

- To strengthen the existing major business routes and commuter routes in the Metro by the addition of high-density development alongside.

- To intensify development around existing public open spaces, where appropriate. Intensification refers to the subdivision of the existing appropriately located and designed Brownfield erven.
- The Greenfield development of certain strategic sites which, although located on the periphery of the city, could nevertheless be easily integrated into either the rail or road transport system. Environmental considerations rather than cadastral boundaries informed the perimeters of such external Greenfield sites.

2.4.6 Land identification and release for housing

The Municipality is fortunate in that the entire RDP housing programme is accommodated on municipal land. The release of the land is determined through the housing programme project matrix, as described above.

In Section 2.4.1 above, Table 16 shows the land need of the Municipality, which is minimal for new housing development.

Social housing initiatives and the acquisition of private land in areas well served by facilities and amenities are areas in which intervention is required. In these instances, there is a need to acquire private land, but lack of a concomitant municipal budget.

Various ongoing efforts are made to reconsider using existing zoned land owned by government designated for uses such as schools and open spaces, as uses can change and social housing and other forms of residential uses can be accommodated.

2.5 COMMUNITY INFRASTRUCTURE REVIEW

2.5.1 Quantifying backlogs and future demand in relation to commitments secured by relevant provincial/national departments or entities

The table below relates to the delivery of social amenities. It shows actual delivery costs, if one includes the reality of housing costs (at minimum), internal reticulation, bulk servicing, social amenities and retail opportunities. The delivery cost per erf is **approximately double** the subsidy amount allowed, if community infrastructure is considered.

TABLE 17: Cost of Community Infrastructure

BACKLOGS (Informal and backyard shacks):		72411
	Delivery cost per erf	Total Backlog
1. Housing Expenditure	R80,960	R 5,862,394,560
Indicative First Order Summary - Social Facilities		
Schools	R20,000	R1,448,220,000
Clinics	R11,200	R811,003,200
Police Stations	R4,800	R347,572,800
Sports Facilities	R1,600	R115,857,600
Community Centres	R6,400	R463,430,400
Libraries	R1,600	R115,857,600
Parks and Recreation/Greening	R1,600	R115,857,600
Private Investment - Retail	R20,000	R1,448,220,000
2. Total - Social Facilities	R67,200	R4,866,019,200
3. NMBM Internal Reticulation	R23,211	R1,680,731,721
4. NMBM Bulk Reticulation (Bulk water, sewer and roads and stormwater upgrade)		R10,557,000,000
Total Housing, Social Facilities and Bulk Infrastructure	R194,582	R22,966,145,481

Source: Hatch Goba, 2012 (updated 2014)

Buildings, the natural environment, vegetation and open spaces are important in many ways, also for creating a pleasant environment, while good architecture creates comfort and also pride in the home environment. The structure of the built-up areas, providing meeting places, allowing for different social groupings to interact, giving space and opportunity for recreational activities and entertainment, as well as culturally linked celebrations, could be supportive of the community's sense of togetherness. Linked to education and safety and security, well-functioning services and adequate facilities make inhabitants more loyal to their area and could encourage more social contacts in the local neighbourhoods.

What is critical in delivering the above, is good intergovernmental relations, as the responsibility to deliver these products includes provincial competence. The Municipality also faces large developmental backlogs, which is putting pressure on the Capital Budget. The backlog is calculated based on the 72 411 housing unit backlog. The table below indicates the cost to eliminate housing backlogs and the related services that are required to establish fully integrated and sustainable human settlements.

Approximately R13,4 billion is needed to eliminate the housing backlog of 72 411 units to fully integrated human settlements standards.

2.6 TRANSPORTATION REVIEW

2.6.1 Trends in demand for transport services by mode and income group

The Transport Travel Survey undertaken in 2009 indicates an estimated total of 1.33 million person trips per day in the municipal area.

TABLE 18: Person Trips per Day (2009)

MODE	PERSON TRIPS	% (ALL MODES)	% PRIVATE/ PUBLIC	% PUBLIC MODES
Private vehicle	739 746	56	57	-
Taxi (all types)	372 866	28	43	67
Bus	188 465	14		33
Walk	23 974	2	-	-
Total	1 325 051	100	100	100

Source: SSI Engineers & Environmental Consultants, March 2011

It should be noted that this information excludes the number of passenger trips by commuter trains; only two scheduled train services a day are in operation between Uitenhage and the Port Elizabeth CBD. The train service is accessible to a relatively small number of residents within walking distance of the stations, because the railway line was originally constructed as a freight line, away from the residential areas.

The future IPTS express route between Uitenhage and Port Elizabeth will alleviate this problem. PRASA is well advanced in the planning of the Motherwell to Port Elizabeth Commuter Rail Corridor. Tenders for the design of this service were recently withdrawn by PRASA and the implementation date is now unknown.

Walking is the predominant mode of travel in low income areas, while private transport is the predominant mode used in the Port Elizabeth Central/Western suburbs and Uitenhage/Despatch areas. In the Northern Areas (Gelvandale/Bethelsdorp), there is an almost equal modal split between walking and private and public transport.

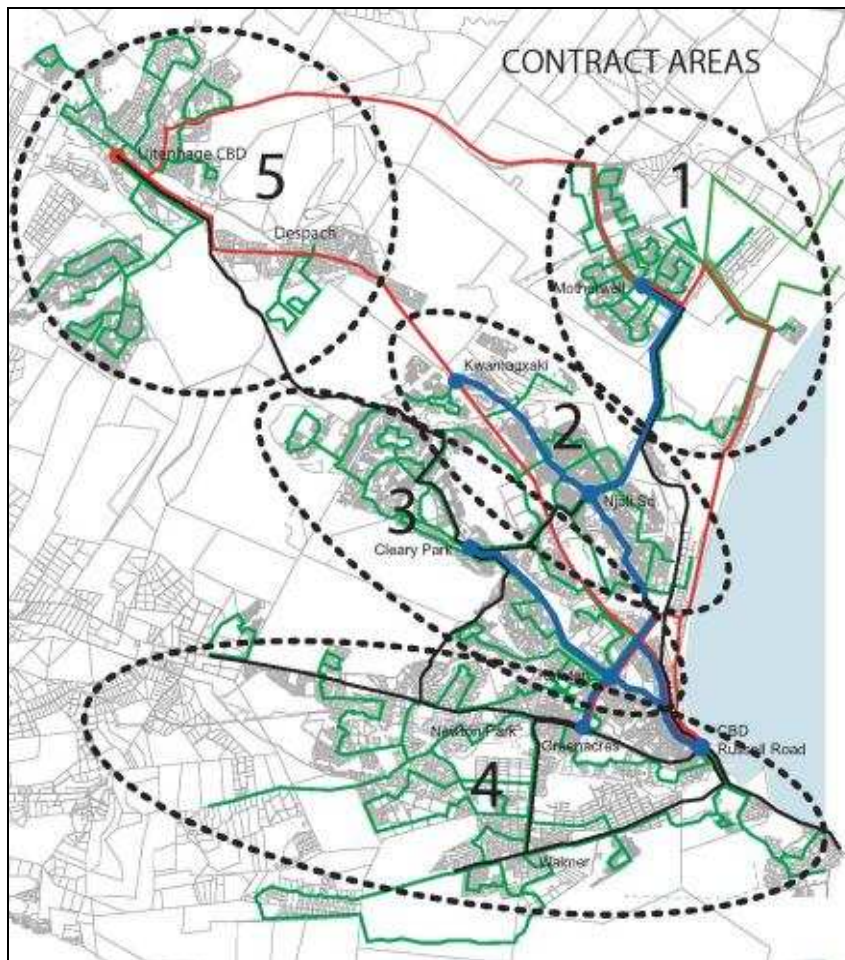
Contracted bus services and minibus taxis are currently the predominant public transport service providers in the municipal area.

Planning and implementation of an Integrated Public Transport System (IPTS) has commenced with the construction of bus lanes and the purchase of articulated buses. A pilot system was in operation during 2013, and the role-out of the first contracted IPTS service is planned for September 2014.

Travel time, accessibility, reliability, comfort and safety are important aspects of the IPTS Plan.

2.6.2 Implications of ITP and IPTS for land use management

FIGURE 4: Contract Areas for NMBM IPTS



Source: SSI Engineers & Environmental Consultants, March 2011

The above figure shows the catchment areas of the IPTS System.

2.6.3 IPTS Implementation Strategy

The Public Transport Plan proposals contained in the CITP were developed into an Operational Plan for the NMBM's Integrated Public Transport System. The Operational Plan proposed five service contract areas covering the municipal area, as seen in Figure 2 above. The five areas are Motherwell, Njoli, Cleary Park, the Western Suburbs and Uitenhage. Each contract will be negotiated with current bus and taxi operators.

The routes to be operated (including Trunk Routes, Main Routes, Express Routes and Local Services/Area Routes), the infrastructure required, the type and size of the vehicle fleet and the institutional arrangements required to manage and monitor a public transport system are detailed in an Operational Plan.

A strategy was proposed in terms of which the five contract areas would be implemented according to a phased approach, with each contract area being implemented as a separate phase. The most applicable implementation order of the five contract areas was determined through a phasing study.

It is noted that the identification of contract areas and transportation nodal points has taken place prior to the preparatory work on the Urban Network Strategy. These have, however, been taken into consideration in the latter to ensure implementation collaboration.

2.6.3.1 Budget

Implementation Cost Estimate:

A high level draft budget for the implementation of the IPTS was prepared for the PTIS submission to the Department of Transport in November 2012. This budget was based on the available information and applicable assumptions at the time of the PTIS submission, which are subject to change, depending on conceptual changes to the implementation plan.

To the extent that such changes may have taken place in the intervening time, the draft budget has not been revised accordingly.

Capital costs include the cost of critical infrastructure required to implement IPTS, including trunk routes, stations, depots, interchanges and a control centre.

TABLE 19: High Level IPTS Cost Estimate

ITEM	2013/14 Roll-over from 2012/13	2013/14 Additional funds required	2013/14 Total funds required	2014/15	2015/16	2016/17
COSTS (R million)						
Planning costs	R 53.000	R 21.247	R 74.247	R 80.885	R 46.690	R 49.237
Operating costs	R 127.367	R 81.518	R 208.886	R 298.382	R 782.395	R 1,124.429
Equipment costs	R 0.000	R 49.000	R 49.000	R 449.872	R 336.123	R 433.231
Infrastructure costs	R 197.609	R 232.776	R 430.384	R 485.508	R 664.441	R 519.744
Transitional costs	R 0.000	R 10.950	R 10.950	R 61.385	R 113.838	R 171.735
Infrastructure maintenance	R 0.000	R 12.000	R 12.000	R 12.684	R 13.407	R 14.171
TOTAL COSTS	R 377.976	R 407.491	R 785.467	R 1,388.716	R 1,956.894	R 2,312.548
Fare revenue	R 0.000	R 3.000	R 3.000	R 219.744	R 905.615	R 1,176.898
PTOG*	R 0.000	R 0.000	R 0.000	R 38.652	R 121.289	R 170.936
Other income	R 0.000	R 0.423	R 0.423	R 0.536	R 0.567	R 1.794
TOTAL INCOME	R 0.000	R 3.423	R 3.423	R 258.932	R 1,027.470	R 1,349.628
FUNDING REQUIRED	R 377.976	R 404.068	R 782.044	R 1,129.784	R 929.424	R 962.919

ITEM	2013/14 Roll-over from 2012/13	2013/14 Additional funds required	2013/14 Total funds required	2014/15	2015/16	2016/17
Roll-over (shortfall) from previous year	R 277.976		R 277.976			
APPLICATION AMOUNT	R 100.000	R 404.068	R 504.068	R 1,129.784	R 929.424	R 962.919
PTIS Grant (DORA 2012)						
PTI Grant (DORA 2013)				R 130.000	R 150.000	
PTNO Grant (DORA 2013)	R 100.000		R 100.000	R 170.000	R 250.000	
TOTAL GRANT FUNDING	R 100.000	R 0.000	R 100.000	R 300.000	R 400.000	
Shortfall	R 0.000	R 404.068	R 404.068	R 959.784	R 679.424	R 962.919

2.7 SUSTAINABLE DEVELOPMENT REVIEW

2.7.1 How the ecological (natural/green) infrastructure supports and constrains urban growth and development; procedures; standards; and performance

The National Environmental Management Biodiversity Act, Act 10 of 2004 and other specific environmental management acts require municipalities to develop strategic environmental planning tools (i.e. Conservation Assessment, Environmental Management Framework and Bioregional Plan) and management programmes aimed at informing and guiding land use planning and decision-making processes, thereby promoting sustainable biodiversity management.

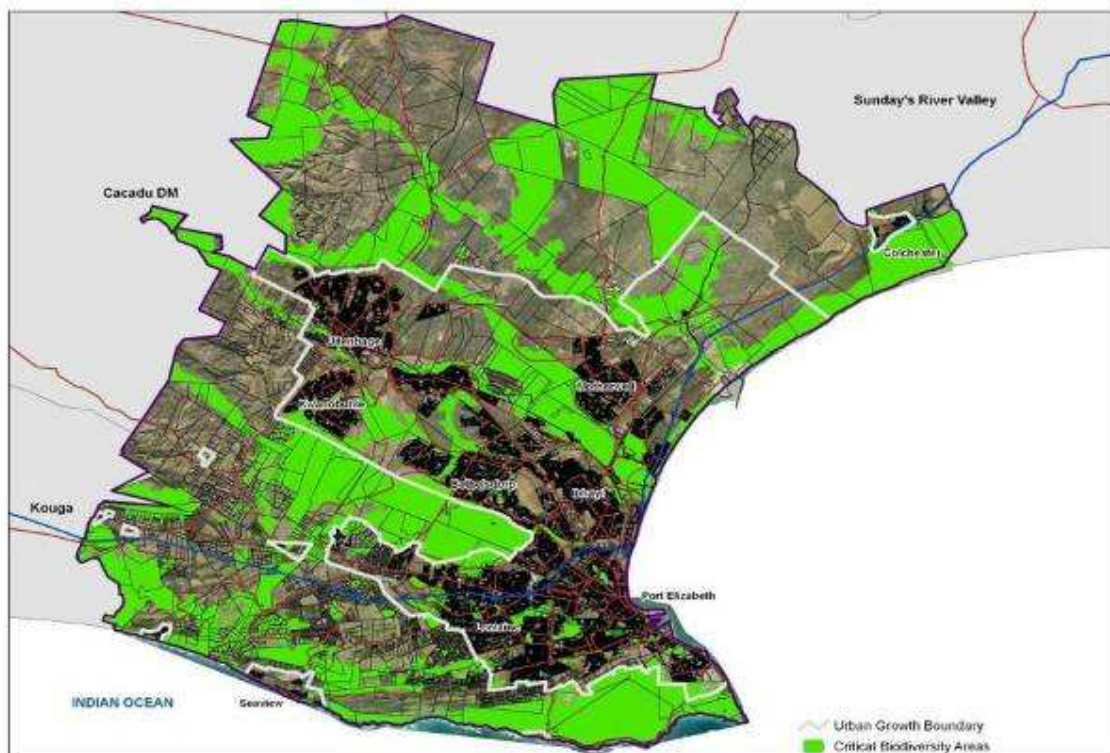
The Municipal Systems Act, Act 32 of 2000 requires that the environmental impacts of the Municipal Spatial Development Framework (MSDF) be evaluated. In 2007, the NMBM completed a systematic biodiversity planning assessment process that spatially represented a network of its biodiversity resources and processes. This was used to inform the Strategic Environmental Assessment of the MSDF.

The biodiversity network represented within the MSDF was later used to inform the Environmental Management Framework (EMF) at a Metro-wide scale, guiding development to appropriate areas and limiting development in

environmentally sensitive areas. Geographical areas were identified and mapped to facilitate a reduction in the legal requirements and streamline the Environmental Authorisation process at a strategic level, thereby ensuring that biodiversity priorities would be taken into the sector planning of the NMBM. It is anticipated that the Metro's EMF process will be completed by the end of 2014.

Figure 5: Critical Biodiversity Areas illustrate the critical biodiversity layer of the EMF.

FIGURE 5: Critical Biodiversity Areas



Source: NMBM Metropolitan Spatial Development Framework, 2009

The NMBM Bioregional Plan is aimed at conserving biodiversity at a regional level and is primarily concerned with guiding land use planning and decision making through improving the legal standing and consideration of Biodiversity/Conservation areas by all organs of state. The National Environmental Management Act, 107 of 1998, the Environmental Impact

Assessment (EIA) regulations, as amended in 2010, and Government Notice R546 make specific mention of threatened ecosystems, Critical Biodiversity Areas, Bioregional Plans and systematic biodiversity plans to act as EIA triggers. The NMBM has completed the Bioregional Plan, which is due for gazetting for public comment in 2014.

A Corporate Environmental Impact Assessment Task Team (CETT) and Bilateral meetings between the Nelson Mandela Bay Municipality and the Provincial Department of Economic Development and Environmental Affairs (DEDEAT) are further instruments employed towards ensuring integration at social, economic and environmental levels.

The National Environmental Management: Integrated Coastal Management Act, Act 24 of 2008, allows for the development of a Coastal Management Programme that calls for an integrated, coordinated and uniform approach to coastal management within the Metro by local organs of state, non-governmental organizations, the private sector, local communities, other stakeholders and the public in ensuring the sustainable use of coastal resources. The programme is currently being subjected to a public review process. The Coastal Development Line study, which is currently being developed by the NMBM, will be used to inform appropriate development along the coastline of the Metro and the review of the Coastal Management Programme, as well as other sector plans of the NMBM, and is due for completion by the end of 2014.

The natural resources planning, inventory and operational management of the NMBM's nature reserve network and green infrastructure network is concerned with conserving ecosystem values, functions and the restoration of natural systems that underpin watershed health and hydrological integrity supporting natural resources necessary for agriculture and aquaculture.

Policies, both nationally and regionally within the NMBM, such as the Integrated Environmental Policy and the Integrated Energy Plan, are

specifically geared to address the response and resilience of all communities to climate change impacts.

The NMBM has set out to achieve the following sustainable goals:

- Providing an affordable and secure energy supply that increases the development and use of renewable, less toxic and less carbon intensive sources.
- Providing affordable and secure energy for all, while minimising demand and consumption.
- Increasing the percentage of energy derived from renewable sources.
- Policies promoting the use of clean and efficient energy.
- Achieving greenhouse gas emissions and air pollution reduction in both municipal operations and the community at large, with attention given to the reduction and prevention of inequalities.
- Improving the response and resiliency of all communities to climate change impacts on the built, natural and social environments, with the emphasis on public health and historically underserved populations.
- Ensuring that outdoor air quality is healthy for all segments of the human population and the natural environment.

The current areas of focus for climate change in the city include:

- Greenhouse gas emissions tracking and reduction.
- Maintenance and growth of current initiatives, whilst looking at others
- Addressing the roles and responsibilities of every directorate in climate change related issues.
- Responding to vulnerability and aligning it with adaptation.
- Education and awareness.
- Ensuring alignment with provincial and national strategies and actions, and managing in-house policies and strategies.

In 2013, the Community Awareness Campaign, called the Go Green Advocacy Programme, was launched. This Programme is aimed at providing residents with the resources they need to think critically about and address environmental problems and solutions, and include the environment as an important consideration in their work and daily living. The Integrated Energy Plan aims to provide a high level perspective of the energy trends and needs of Nelson Mandela Bay over the next 10 years. The Green Procurement Implementation Strategy is aimed at moving the NMBM toward the inclusion of environmental criteria in its Supply Chain Management Policy in order to encourage the development and diffusion of environmentally sound goods and services. The NMBM adopted the national standard for energy efficiency or SANS 204 in municipal buildings, which greatly raised awareness of the consumption of energy resources and the type of energy resource that is being used.

Through its work with partners such as the Local Governments for Sustainability (ICLEI) and the City of Gothenberg, Sweden, the NMBM is transforming itself into a low carbon, sustainable and climate resilient city. This has been difficult, however, without a dedicated unit to work on climate change. Effectively addressing climate change and related issues will require central co-ordination within the NMBM. The function is currently being co-ordinated by the Environmental Management Sub-Directorate, together with the Electricity and Energy Directorate.

2.8 IMPACT OF SECTOR REVIEWS SPATIAL FORM

The spatial challenges identified, are not experienced in Nelson Mandela Bay only, but are common problems throughout South Africa and include:

- Fragmented socio-economic spatial development (an apartheid legacy).
- Urban sprawl.

- Low densities.
- Lack of integrated transport planning, e.g. car-dominated planning.
- Misalignment of transport and land-use planning.
- Poor civic infrastructure, especially in disadvantaged areas.
- Lack of housing typologies for lower income groups.
- Lack of mixed use and tenure options in lower income areas.

In order to address the above fragmented spatial form, a number of initiatives have been introduced and implemented to a varying degree in Nelson Mandela Bay. These include the following:

- Comprehensive Integrated Transport Plan, to ensure accessibility.
- Defining an urban edge and densification policies.
- Focus on the civic infrastructure in the public realm.
- Metropolitan Spatial Development Framework, including Local Spatial Development Frameworks and Sustainable Community Planning.
- NMBM Housing Programme.
- Social housing implementation.
- Local Land Use Management System revision.
- Retention of erven in new low income areas for private sector, residential and mixed use.
- Integrated Development Matrix.
- Urban simulation modelling, with a view to refine certain shortcomings identified during the first round and to incorporate financial modelling for the long-term financial sustainability strategy.
- Formulation of a long-term desired shared vision and mission.

Some of these interventions have been successful; however, the following aspects have been identified as barriers to the effectiveness of the interventions:

- The lack of funding to tar gravel roads and provide access to new areas and internal roads is a major inhibiting factor, as banks will not

finance commercial developments unless they are located on a tarred road. Although land is made available for mixed-use development, this deters private sector development in newly developed residential areas.

- Private sector developers constantly pressurise the NMBM to relax the urban edge. Arguments such as the need for job creation and economic diversity are used to motivate developments. These developments cause leap-frog developments and unsustainable bulk infrastructure.
- The acquisition of well located private land at market related prices is a prolonged process, for which there is insufficient funding.
- Growth in the local population and economy is very slow. The implementation of development and the steering of development initiatives to priority areas can therefore take place over the long term only.
- For fully integrated and sustainable settlements, quality civic infrastructure in low income areas is needed. This includes the quality of roads, pavements, cycling infrastructure and civic amenities. There is no funding for this provision from the current grant framework, and the NMBM is unable to fund this infrastructure itself. The result is that new lower-income township areas are developed, with noticeably deficient civic infrastructure and amenities.
- Land use management legislation reform is not yet yielding visible results. Although the legislation has been promulgated, it is expected that it will be some time before it can be implemented. The result is that developments are inhibited by archaic legislation and inordinately long implementation times.
- Intergovernmental coordination is a major challenge with regard to integrated and sustainable human settlements. This is because facilities and services that are to be provided by the provincial sphere of government are not being properly coordinated in the development and redevelopment of human settlements areas.

- In certain projects in the Municipality, such as Zanemvula and Motherwell Extensions 29, 30 and 31, extraordinary arrangements have been made to secure the necessary intergovernmental coordination. This, however, does not happen as a matter of course in all projects. The Integrated Development Matrix was specifically developed to identify, at an early stage, the roles and funding requirements of all actors in the development of human settlements and to secure commitment.
- The Provincial Department of Transport does not contribute adequately to the maintenance of provincial roads in the Metro.

3. STRATEGIES AND PROGRAMMES

3.1 LONG-TERM VISION

The Municipality's long-term Vision is as follows:

'To be a globally competitive and preferred Metropole that works together with the people.'

This Vision is currently being reviewed to ensure that a realistic and measurable, shared long-term vision is developed for Nelson Mandela Bay.

It is envisaged that the new visioning process will be formalised after the strategic review exercise currently being undertaken in Nelson Mandela Bay, with the assistance of National Treasury, through the City Support Programme. This exercise will analyse the major strategic issues that confront the Municipality and guide the formulation of a long-term vision and strategy. Once this is in place, a more coherent implementation strategy of the vision will be possible.

The following are the institution's strategic objectives, as contained in the 2013/14 IDP (NMBM IDP Office, 2013):

- Ensuring access to basic services for all resident communities in Nelson Mandela Bay.
- Developing and sustaining spatial, natural and built environments.
- Providing integrated and sustainable human settlements.
- Addressing the challenges of poverty, unemployment and social inequality.
- Fostering a safe, secure and healthy environment for both employees and communities.
- Positioning Nelson Mandela Bay as a destination of choice for both investors and tourists through the development of a prosperous and diverse economy.
- Accelerating service delivery through the acquisition and retention of competent and efficient human capital.
- Ensuring sound financial management and viability.
- Ensuring integrated service delivery amongst the three spheres of government, including government agencies, as well as sharing knowledge and experience with other local authorities in the country and internationally.
- Entrenching a culture of public participation in municipal planning, budgeting and decision-making processes.
- Ensuring responsive, accountable and clean government that mitigates risks and ensures internal control efficiency and effectiveness.

These strategies are encapsulated in the Municipality's five key IDP performance areas, namely:

- Basic Service Delivery and Infrastructure Development.
- Local Economic Development.
- Municipal Transformation and Organisational Development.
- Municipal Financial Viability and Management.
- Good Governance and Public Participation.

These strategic objectives can be seen to relate directly to the built environment performance indicators. The BEPP performance indicators matrix has been populated with available information and will be further populated so that a more comprehensive document is available in the 2015/16 financial year.

3.2 SPATIAL DEVELOPMENT STRATEGY OF NMBM

3.2.1 Metropolitan Spatial Development Framework (MSDF)

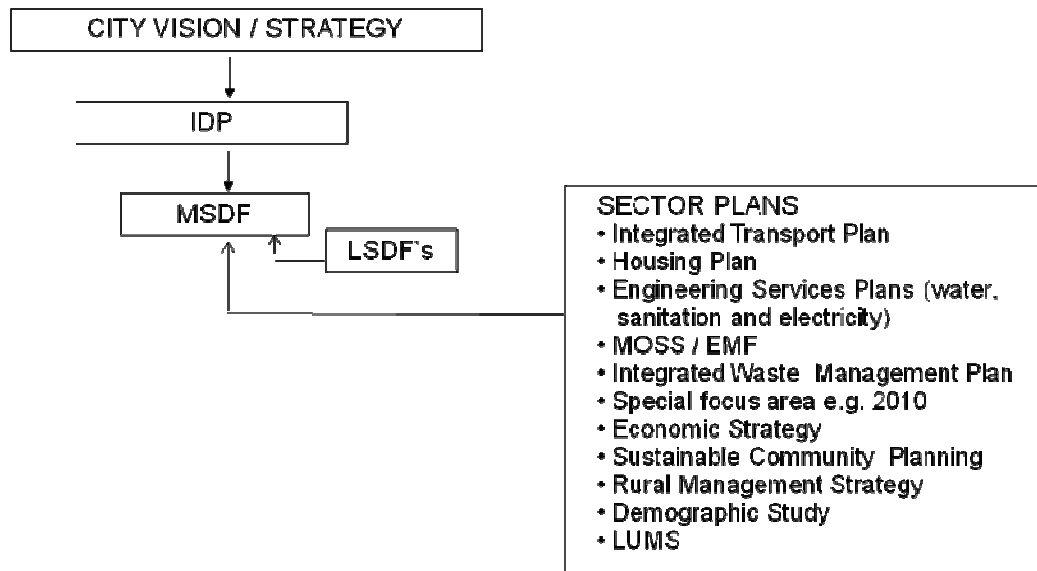
To ensure sustainable growth and development in Nelson Mandela Bay, it is vital that all strategic planning processes are aligned and fully integrated, so that development does not take place in an *ad hoc* or fragmented manner. Key to this, is the development of a shared long-term vision and strategic plan, which will be completed during the 2014/15 financial year. This strategic document will inform future integrated development planning, which will in turn inform the Spatial Development Framework of the Municipality. The Metropolitan Spatial Development Framework (MSDF) (NMBM Metropolitan Spatial Development Framework, 2009) contains a number of key sector plans that are necessary for development. The MSDF is also supported by:

- **The Human Settlement Framework Plan 2030:** The HSP has prioritised 4 main restructuring hubs focused around the PE CBD, Uitenhage CBD, Coega IDZ/Motherwell Hub and Bay West/N2/Parsonsvlei Hubs.
- **Accreditation and Assignment Housing Functions Implementation Plan;** which deals with the Human Settlement Implementation Strategic Plan, Proposed Macro and Micro Structure and Systems and Processes Report, the Transfer of Immovable Assets (mostly vacant land) from Province to the NMBM.

The Metropolitan Spatial Development Framework in turn informs the Local Spatial Development Frameworks, which are more specific and location bound.

These frameworks are supported by an Integrated Land Use Management System. The diagram below reflects these linkages:

FIGURE 6: Relationship between Strategic Documents of the NMBM



Source: NMBM Metropolitan Spatial Development Framework, 2009

The Metropolitan Spatial Development Framework outlines the desired spatial development of the metropolitan area, as contemplated in Section 25(e) of the *Municipal Systems Act* (Act 32, 2000). It also highlights priority investment and development areas, and therefore serves as a guide to decision-makers and investors. It should be emphasised that the MSDF is an integral component of the IDP and translates this Plan into its spatial implications to provide broad, overall developmental guidelines. This tool must therefore not be used in isolation, but must support decision-making within the context of the IDP and the long-term vision and strategic plan.

The MSDF should furthermore not be interpreted as a blueprint aimed at managing physical development, but rather as a framework that provides guidance in respect of the location and nature of anticipated growth and future development in Nelson Mandela Bay. Desired patterns of land use are indicated, although room still exists for interpretation and further refinement.

The interpretation and finer details appear in the Local Spatial Development Frameworks. The MSDF is development orientated, to allow for growth and changing circumstances and to promote investor confidence.

The MSDF is aligned with and does not conflict with other development strategies, locally, nationally, provincially and regionally.

The MSDF was approved by Council in April 2009, along with the IDP, and is subject to review in 2014.

3.2.1.1 Spatial Development Framework proposals

Three focal points in the Metropolitan Spatial Development Framework are regarded as key in achieving restructuring, integration and sustainability.

Sustainable Community Planning Methodology

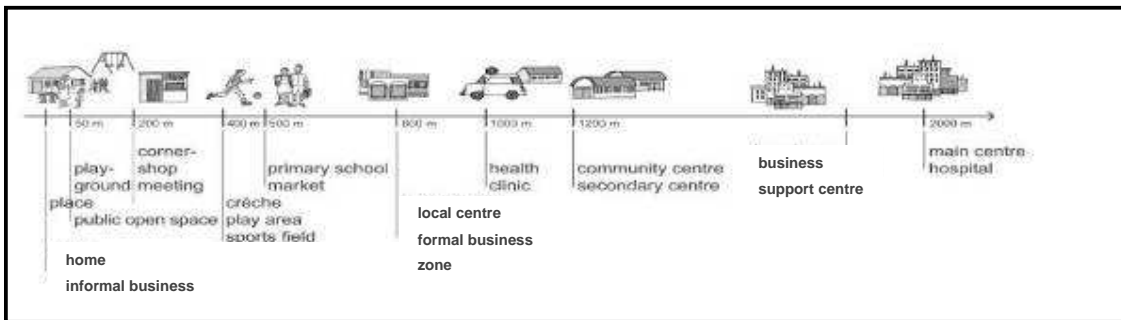
The existing pattern of development in Nelson Mandela Bay is the result of segregation-based planning. The structuring not only separates different racial groupings in geographical terms, but has also resulted in great disparities in standards of living, as well as access to infrastructural services, employment, and cultural and recreational facilities. As these imbalances serve as constraints for redevelopment, they should be addressed and rectified.

Sustainable Community Units (SCUs) have been introduced to achieve a more balanced structure in Nelson Mandela Bay, in order to reduce discrepancies in terms of service provision and standards; promote integration in socio-economic and functional terms; and provide for economic activities and employment opportunities.

The urban area of Nelson Mandela Bay has been divided into a number of planning units or entities, known as Sustainable Community Units. These are defined by the distance that an average person can comfortably walk in half

an hour, i.e. a 2 km radius. The planning methodology aims to provide the requirements for a minimum standard of planning and living within those areas; in other words, amenities, facilities and job opportunities must be within walking distance of all residents. All SCUs in Nelson Mandela Bay are to be linked by a public transport network, which will ensure that all areas are accessible to all communities by means of public transport, which is also required in terms of the Integrated Transport Plan.

FIGURE 7: Distance to Facilities

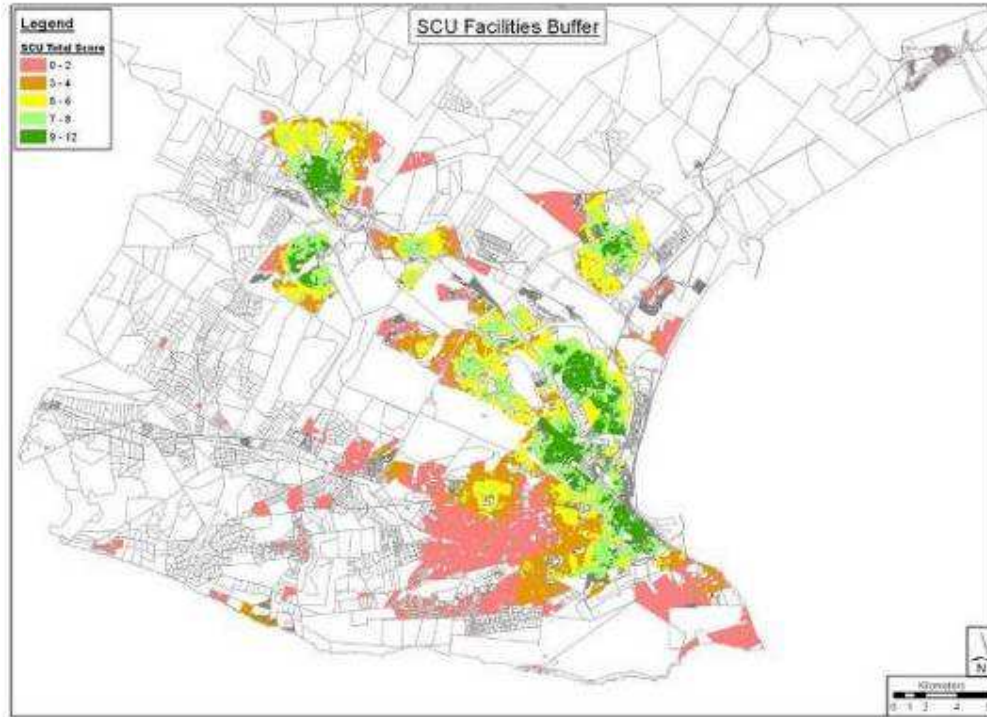


Source: NMBM Land Planning & Management Sub-Directorate, 2007

Basic municipal facilities and services should be provided within walking distance of residential areas; higher order facilities can be located further away, as reflected in the analysis and maps below.

A GIS analysis of the provision of facilities and services in Nelson Mandela Bay was undertaken. It shows that poorer areas have the highest provision. The analysis does not refer to a qualitative analysis; it is only quantitative.

The following composite plan shows the spatial provision of facilities and services. Attached as **Annexure "D"** are the sectoral provision analysis plans, including clinics, community halls, fire stations, formal sports fields, informal sports facilities, libraries, parks, police stations, hospitals, secondary schools and primary schools.

FIGURE 8: Access to Facilities

Source: NMBM CorpGIS, 2010

The planning methodology concept identifies the need to make higher levels of sustainability and integration in Nelson Mandela Bay the primary focus of SCU planning. The basis for sustainable community planning lies in the development principles adopted at national, provincial and local government levels, as supported by legislation and government policies.

The Municipality's sustainable community planning methodology, which is currently being implemented, covers both existing and future areas of development. A fundamental principle of this plan is to have work opportunities closer to places of residence in order to reduce the need to travel. This is to be achieved through the planning of new areas to accommodate more than just housing developments but also through a paradigm shift on the location of new settlements closer to rather than further away from places of employment and social and public amenities. Peri-urban areas in which settlements exist, are also planned according to the sustainable community planning methodology, with a view to providing local job opportunities.

The development goals and principles of particular importance for spatial planning in SCUs are:

- (a) Poverty alleviation and the satisfaction of basic needs.
- (b) Focus on special needs groups (HIV and AIDS affected persons, children, the elderly, and persons with disabilities).
- (c) Gender equality and equity.
- (d) The environment (physical, socio-economic).
- (e) Participation and democratic processes.
- (f) Local economic development.
- (g) Accessibility (public transport and pedestrian focus).
- (h) Mixed-use development.
- (i) Corridor development.
- (j) Safety and security.
- (k) Variation and flexibility.
- (l) Appropriate densification.
- (m) Reducing urban sprawl.

To achieve both sustainability and integration, six functional elements need attention in relation to the above principles.

These six functional elements are:

- (a) Housing
- (b) Work
- (c) Services
- (d) Transport
- (e) Community
- (f) Character and identity

Focusing on these six elements, minimum standards are pursued to achieve an acceptable planning quality that will result in an improved quality of life for residents in these areas (for more detail on the planning methodology outlined above, refer to the *Sustainable Community Planning Guide*, dated June 2007; also available on the municipal website: www.nelsonmandelabay.gov.za).

Corridors and accessibility

In restructuring Nelson Mandela Bay, the development of corridors along major routes that have the potential for integrated mixed land use development, supported by improved public transport services (e.g. the Khulani Corridor), is also envisaged. A Comprehensive Integrated Transport Plan (CITP) has been developed as a key component of the MSDF.

As the primary goal of the CITP is to improve accessibility for all residents of Nelson Mandela Bay, it has a strong focus on public transport provision.

Visible implementation projects are the introduction of the Integrated Public Transport System, as well as pedestrian and cycle-paths along major roads.

Economic development and growth

This crucial component of the Spatial Development Framework seeks to generate means to support and enhance urban development. Various interventions may be utilised to support economic growth and development, based on a number of considerations, such as:

- (a) the importance of linking the residents of Nelson Mandela Bay to opportunities;
- (b) directing investments to places where they will have the greatest effect;

- (c) protecting and enhancing natural and cultural resources for sustainability and enriching the experience of Nelson Mandela Bay; and
- (d) weaving the growth of Nelson Mandela Bay strongly into the economic fabric of the Eastern Cape Province.

3.2.2 Implementation and prioritisation

The MSDF provides strategic guidance in respect of areas on which the Municipality should focus the allocation of its resources. In order to assist in prioritising projects and allocating resources, four main elements of the MSDF were isolated as geographic entities that could give guidance as to where the priority capital investment areas lie. These areas are:

- (a) Core economic areas
- (b) Infill priority areas
- (c) Strategic development areas
- (d) Service upgrading priority areas

The MSDF is also supported by a number of sectoral plans and topic-specific planning documents, including the following, as discussed earlier:

- (a) Strategic environmental assessment
- (b) Urban edge/Rural management and urban densification policies
- (c) Demographic study update
- (d) Land Use Management System

3.2.3 Incorporating sectoral plans

The various sectoral plans incorporated into the MSDF are identified in this section. These sectoral plans, which have major spatial implications for the MSDF, are as follows:

- (a) Coastal Management Plan
- (b) Disaster Management Plan
- (c) Environmental Policy
- (d) Infrastructure Development Plan
- (e) Integrated Transport Plan
- (f) Integrated Waste Management Plan
- (g) Local Economic Development Strategy
- (h) Metropolitan Open Space System
- (i) Public Transport Plan
- (j) Tourism Master Plan
- (k) Integrated HIV and AIDS Plan
- (l) Water Master Plan
- (m) Sewerage Master Plan
- (n) Human Settlements Plan
- (o) Land Use Management System

In addition to this, with the preparation of the more detailed Local Spatial Development Frameworks and their approval, the MSDF becomes more detailed.

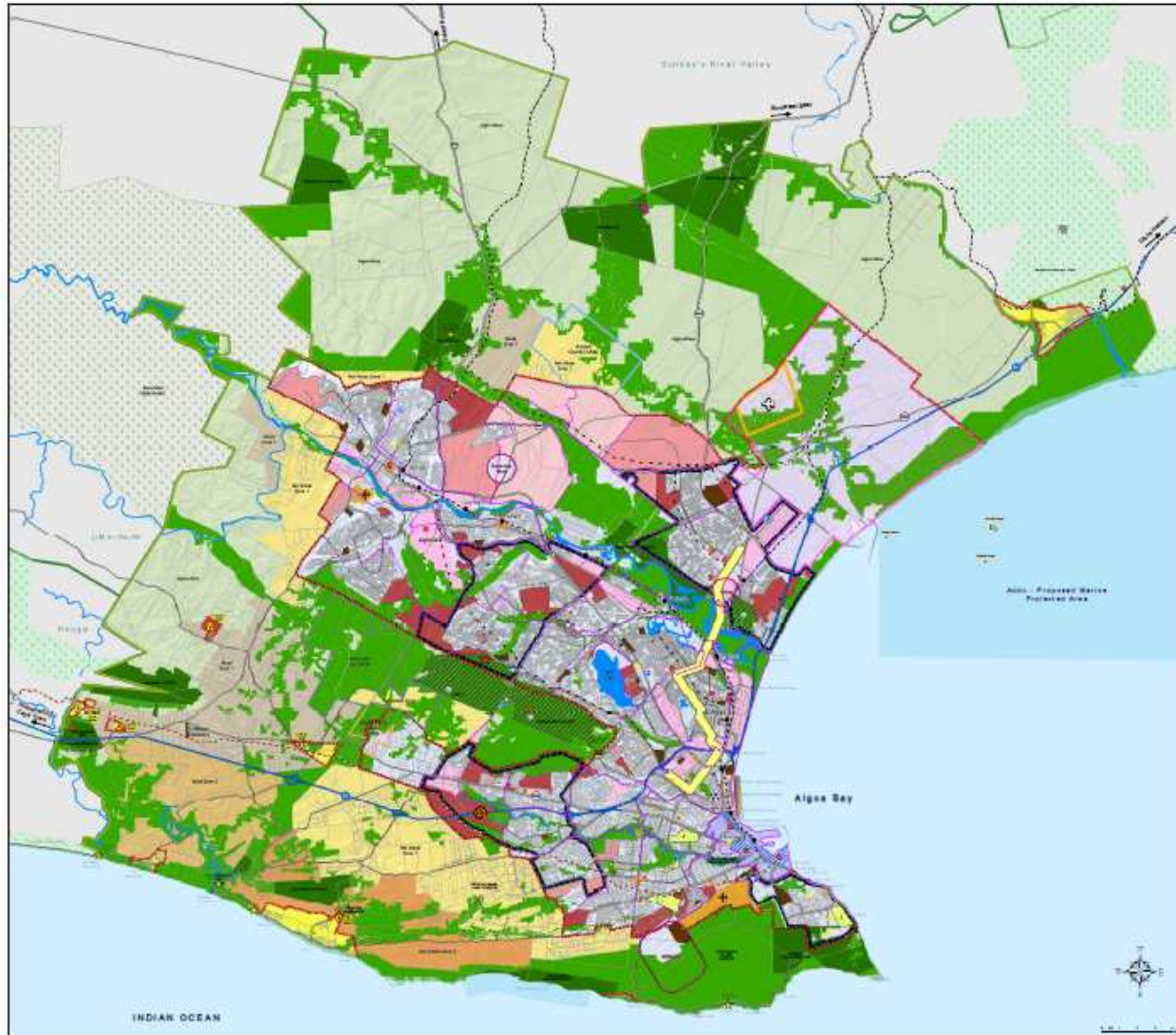
3.2.4 Current status of MSDF

The MSDF is continually being refined through ongoing information gathering and studies. The legislation prescribes that the MSDF should be annually reviewed, with Council approval required every five years. The MSDF is due for amendment in 2014.

The refinement of the MSDF happens through the preparation of LSDFs and policy and plan adjustments over time.

The Spatial Development Framework of the Municipality is reflected in the plan below. The plan specifically shows the following aspects, which are dealt with in more detail in the Spatial Development Framework Report:

- Urban growth areas, phased over time
- Urban edge, beyond which development is limited
- Major development nodes
- Major transport routes, including corridors for investment and development
- Environmentally protected areas
- The Municipality's proposed low-income housing programme



Legend

- 2010 Soccer Stadium
- Abattoir
- Education
- Hospitals
- Proposed Nature Reserve
- Resorts
- Rural Villages
- Railway Station
- Strategic Intervention Projects
- Sustainable Community Units
- UDZ Boundary
- Waste Landfill Buffer 500m (Approximate only)
- Wedgewood Golf Estate
- Hopewell Eco Estate
- Amanzi Country Estate
- Cadastre
- Business Areas
- Neighbourhood Node
- Regional Node
- Metropolitan Node
- N2 Development Node
- Urban Growth Boundary
- Rail
- Future Rail
- Rail Narrow Gauge
- National Roads
- Major Arterial
- Minor Arterial
- Future Roads
- Khulani Corridor
- Airport
- Proposed Future Airport
- Groendal State Forest
- Addo National Park
- Cemeteries
- Coastal Villages
- Coega IDZ
- Eastern Cape Surrounds
- Golf Courses
- Hazardous Waste Area
- Industrial
- Main Rivers and Inland Water Areas
- Mandela Bay Development Agency (MBDA) Mandate Area
- Marine Protected Area
- Nature Reserves outside NMB boundary
- North End Beach Reclamation Project
- Restructuring Zones
- Housing Development
 - < 2010
 - 2011 - 2019
 - 2020 >
- Critical Biodiversity Areas
 - Protected Area 1
 - Protected Area 2
 - Critical Biodiversity Area (Includes Critical Ecological Support Areas 1 & 2 - refer SRK Conservation Assessment Plan for more detail)
- Rural Policy Areas
 - Agriculture
 - Peri Urban Zone 1 (1,8ha minimum erf size)
 - Peri Urban Zone 2 (5ha minimum erf size)
 - Rural Zone 1 (10ha minimum erf size)
 - Rural Zone 2 (20ha minimum erf size)

3.2.5 Integrated Development Matrix

The Integrated Development Matrix has been developed as part of the sustainable community planning methodology to provide a framework for the implementation of the coordinated planning of the different activities of the Municipality, to ensure the creation of integrated and quality human settlements. The Integrated Development Matrix defines and facilitates cooperation and coordination between the municipal directorates themselves, as well as external actors in the planning and implementation processes, such as parastatals, banks, CBOs, NGOs and provincial and national government. It also defines roles that will allow citizens and businesses in the city to live and operate more sustainably.

FIGURE 9: Integrated Development Matrix Framework



Source: NMBM Land Planning & Management Sub-Directorate, 2007

3.3 AREA-BASED MANAGEMENT INITIATIVES

There are four area-based management initiatives. These are:

- Mandela Bay Development Agency (MBDA)
- Uitenhage-Despatch Development Initiative (UDDI)
- Motherwell Urban Renewal Programme (MURP)
- Helenvale Urban Renewal Programme (HURP)

3.3.1 Mandela Bay Development Agency (MBDA)

Established in 2003, the Mandela Bay Development Agency (MBDA) is a municipal entity mandated to facilitate the regeneration of the Inner-City area, with a view to promoting economic and tourism development against the backdrop of urban renewal. The MBDA's mandate also extends to the Uitenhage Inner-city and other development and township areas.

The Inner-City LSDF (Urban Dynamics EC, 2013) has been prepared to guide development in the harbour/waterfront area, South End, Humerail, the CBD, Richmond Hill, Central and North End. These areas are crucial to the growth and development of the Metro as a whole.

Work has focused on, *inter alia*, Govan Mbeki Avenue Phase 2, the Strand Street upgrading, the Donkin Reserve and the multi-nodal interchange at the intersection of Govan Mbeki Avenue and Russell Road. The development of the former Tramways Building is also being pursued.

3.3.2 Uitenhage-Despatch Development Initiative (UDDI)

The UDDI, established as a facilitation body for the promotion of sustainable development in Nelson Mandela Bay, with the main focus on Uitenhage and Despatch, is an implementer for some of the Metro's programmes in the Uitenhage/Despatch area.

The UDDI's goal is to stimulate special and economic sector development in the sub-region (Uitenhage and Despatch), with the objective of regenerating the economies of this region of Nelson Mandela Bay.

The UDDI has three strategic focus areas, aligned to the IDP of the Nelson Mandela Bay Municipality. These three areas are:

- Town improvement
- Enterprise development
- Spatial economic linkages between Uitenhage and Despatch

The initiatives under the three focus areas have been set in line with the UDDI's three-year strategic plan, with a strong bias towards job creation, skills development, education improvement, SMME sector development and the general socio-economic improvement of the Uitenhage and Despatch communities.

3.3.3 Motherwell Urban Renewal Programme (MURP)

This Programme represents a multi-faceted approach that will upgrade amenities and services in the sprawling and impoverished area of Motherwell, as well as promote employment and community participation in that area. Extensive funding for capital projects has been received and work is progressing in line with the Motherwell LSDF, which has recently been prepared.

3.3.4 Helenvale Urban Renewal Programme (HURP)

Helenvale has been identified as an area urgently in need of upgrading. It was accordingly decided to establish the Helenvale Urban Renewal Programme, based on the Motherwell Urban Renewal Programme. This Programme has also adopted a multi-faceted approach to the upgrading of amenities and services in Helenvale and to fostering employment and community participation. The MBDA is assisting with development implementation.

The Housing Strategy for Helenvale has been concluded and a Business Plan has been compiled to address a number of housing challenges in Helenvale including the rectification of existing 1934 small units, de-densification of some 450 families from overcrowded units preferably to infill sites within Helenvale and surrounds (some on State-owned land in Algoa Park and/or Parsonsvele and Westering, as well as the in-situ upgrading of approximately 200 informal settlements integrated with the Helenvale Safety and Peace Urban Upgrading (SPUU) Programme.

3.4 COORDINATION AND ALIGNMENT WITH SIPS

There are three Presidential Infrastructure Coordinating Commission (PICC) programmes that affect the NMBM. The PICC is made up of 18 programmes, generally called SIP (Strategic Integrated Projects).

SIP 3 & 7 projects form part of the attached schedule.

- SIP 3: South Eastern Node and Corridor Development
Focused on the creation of infrastructure for economic purposes.
- SIP 7: Integrated Urban Space and Public Transport Programme
Focused on the creation of infrastructure for the development of urban spaces.

SIP 18 was recently launched; no submissions have been made.

- SIP 18: Water & Sanitation:
Focused on the creation of water and sanitation infrastructure, as much of the listed projects are common in all the SIPs.

The PICC has now clearly indicated that the Commission provides a coordinating function for all the projects identified at local level and does not provide any finances for the implementation of the projects.

TABLE 20: Current SIP Projects in Nelson Mandela Bay

Project Name and Scope	Project status	Project budget	
<p>Coega IDZ & Port of Ngqura: Water & Sanitation Services</p> <p><i>Construction of a water treatment works, waste Water treatment works, pump stations, reservoirs and pipelines.</i></p>	<p>1. Nooitgedacht: 95% of pipelines complete. All designs are complete and funding is holding up the project. Transfer pump station and break pressure reservoir: 75% complete.</p> <p>2. Waste Water Treatment Works: EIA for WWTW commenced.</p> <p>3. Recycled effluent schemes in preliminary design stage. ROD received for RE scheme. Business plan being prepared with the Coega IDZ for funding.</p>	<p>Bulk Water: Wastewater Treatment: Recycled water for Industrial Use: TOTAL:</p>	<p>R351M R900M R600M R1851M</p>
<p>Integrated Human Settlements & Bucket Eradication</p>	<p>Business Plan for funding completed. House building</p>	<p>Houses: Internal water and sanitation services:</p>	<p>R2357M R696.9M R1340.5M</p>

Project Name and Scope	Project status	Project budget	
<i>Construction of bulk services, reticulation services and top structures to relocated household from stressful informal settlements and meeting the national target for the eradication of informal settlements</i>	contractors are in place to construct houses that will eradicate buckets and informal settlements. 1260 Houses constructed and handed over.	Bulk water and sanitation services: Roads and stormwater: TOTAL:	R888.4M R5282.8M
Waste Water Treatment & Environment <i>Upgrading of all waste Water treatment works to support the eradication of buckets by providing waterborne sanitation. Improvement of river water quality</i>	1. ROD received for the update of Fishwater Flats WWTW. Contractor commenced work on inlet structures in March 2013 (R+/- R160M). Electrical supply contract awarded with two other contracts as part of the upgrade. 2. Only limited budget is available for the upgrade of all the WWTWs. 3. ROD for Cape Recife WWTW being queried by DEDEAT		R484M
Improving road access to KwaZakhele Township <i>Upgrading of John Tallant Road, construction of a link road to KwaZakhele Township and rehabilitation of Grahamstown Road.</i>	Construction of Phase 1 (+/-R32M) commenced and is scheduled for completion in April 2014		R61M

Project Name and Scope	Project status	Project budget	
BRT / IPTS <i>Provision of efficient, safe, affordable, sustainable and accessible multi-modal public transport system that supports social and economic development to ensure optimal mobility and improved quality of life for the residents and users of the transport system in the Metropolitan area</i>	Refer to separate report		R2500M

The implementation of projects for social purposes is being carried out; however, those identified for strategic economic development, with a huge impact on poverty alleviation and job creation, such as Coega, are not being funded.

The funding of strategic projects listed under the SIP must be reviewed to ensure the sustainability of infrastructure to support all the sectors.

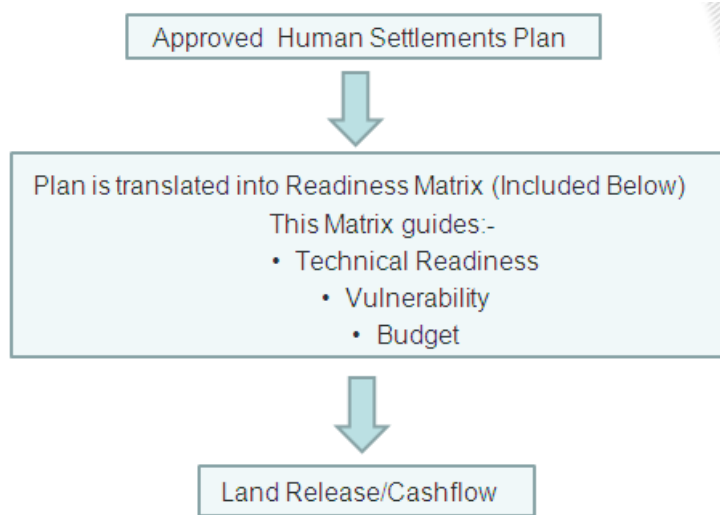
The projects identified under the three applicable SIPs for the NMBM are all part of current and future budget cycles; therefore, these are all spatially depicted as part of the Metropolitan Spatial Development Framework.

3.5 LAND RELEASE AND DEVELOPMENT STRATEGY AT CITY-WIDE LEVEL

The Human Settlements Plan (NMBM Human Settlement Directorate, 2012) occurs on land that is owned by the Municipality and the development of this land is done in accordance with the Development Matrix, which is a project management tool for the Housing Programme.

The NMBM is in the fortunate situation of owning large areas of land. Land is released for the Housing Programme sequentially in terms of the MSDF to minimise expenditure on bulk infrastructure and according to statutory approvals required for township development.

The entire Housing Programme is included in the municipal Human Settlements Plan. This is shown in the figure below.



3.6 IDENTIFICATION OF URBAN NETWORK, INTEGRATION ZONES AND HUBS

3.6.1 Identification, description, prioritisation and phasing of integration zone(s) in the Municipality, including their geographical boundaries, taking the rationale for their identification and prioritisation from the Metro's Urban Network element identification process¹ and the Urban Networks Strategy (with its associated spatial, economic and developmental objectives).

Urban Network

A Draft Urban Network Strategy (UNS) has been prepared and submitted to National Treasury for consideration. The key elements of the UNS are shown on the map below and briefly highlighted as follows:

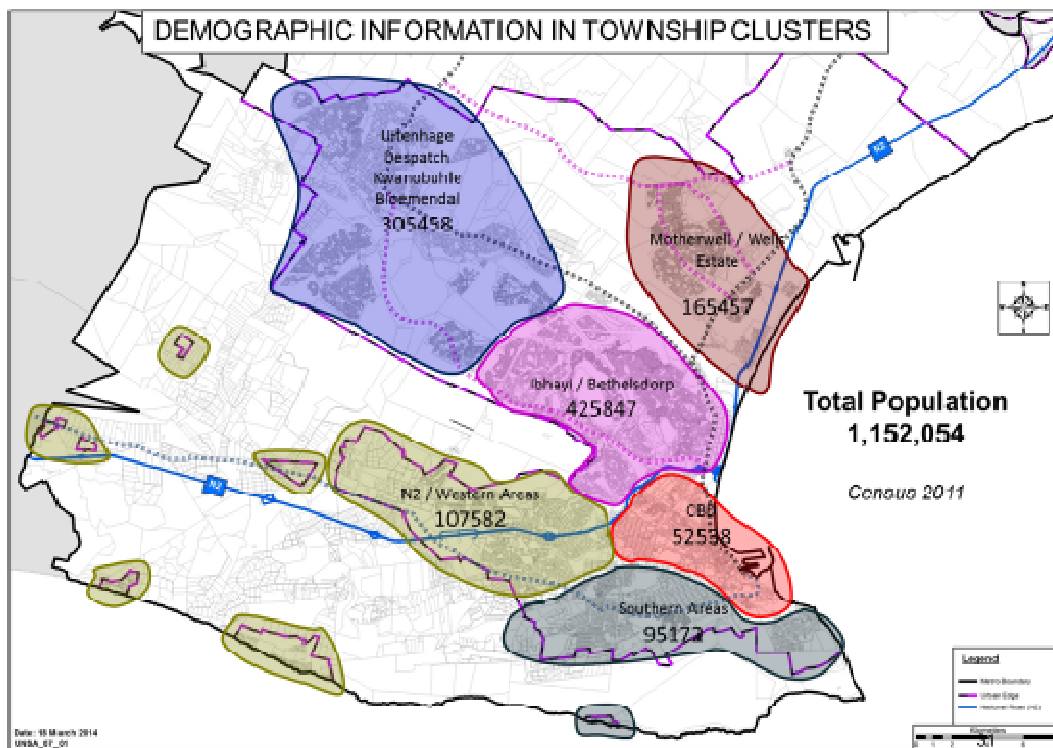
Cluster Identification

In this Urban Network Approach, the NMBM is divided into six township clusters, as shown in Figure 10. These are:

- Uitenhage, Despatch, KwaNobuhle and Bloemendal Cluster. The total population for this cluster, which includes Uitenhage farms and Colchester wards, is 305 458 persons, as per the 2011 Census.
- Motherwell-Wells Estate Cluster, including Swartkops, Amsterdamhoek and Bluewater Bay, with a population of 165 457, per the 2011 Census.
- Ibhayi-Bethelsdorp Cluster, which includes Ibhayi, KwaDwesi, KwaMagxaki, Joe Slovo, Govan Mbeki, New Brighton, Soweto-on-Sea, Veeplaas, Zwide, Helenvale and Algoa Park, with a population of 425 847.

- The CBD Cluster, which includes the inner-city areas of Central, North End, Korsten, Newton Park and Mill Park, with a population of 52 538.
- The Southern Areas Cluster, comprising Summerstrand, South End, Humerail, Walmer, Fairview, Theescombe and Schoenmakerskop, with a population of 95 172.
- The N2 – Western Areas Cluster, comprising Fernglen, Sunridge, Westering, Malabar, Parsonsvei, Kabega, Framesby, Kuyga and the Peri-Urban areas, with a population of 107 582.

FIGURE 10: Urban Network Strategy - Township Clusters



The following diagrams (Figure 11 and Figure 12) highlight the density and income levels of the township cluster areas. They clearly illustrate higher density and lower income levels in the Northern clusters, with specific emphasis on the highest density levels, in the Ibhayi-Bethelsdorp Cluster, and the lowest income levels, in the Motherwell-Wells Estate Cluster.

FIGURE 11: Urban Network Strategy: Cluster Densities (Persons/Ha)

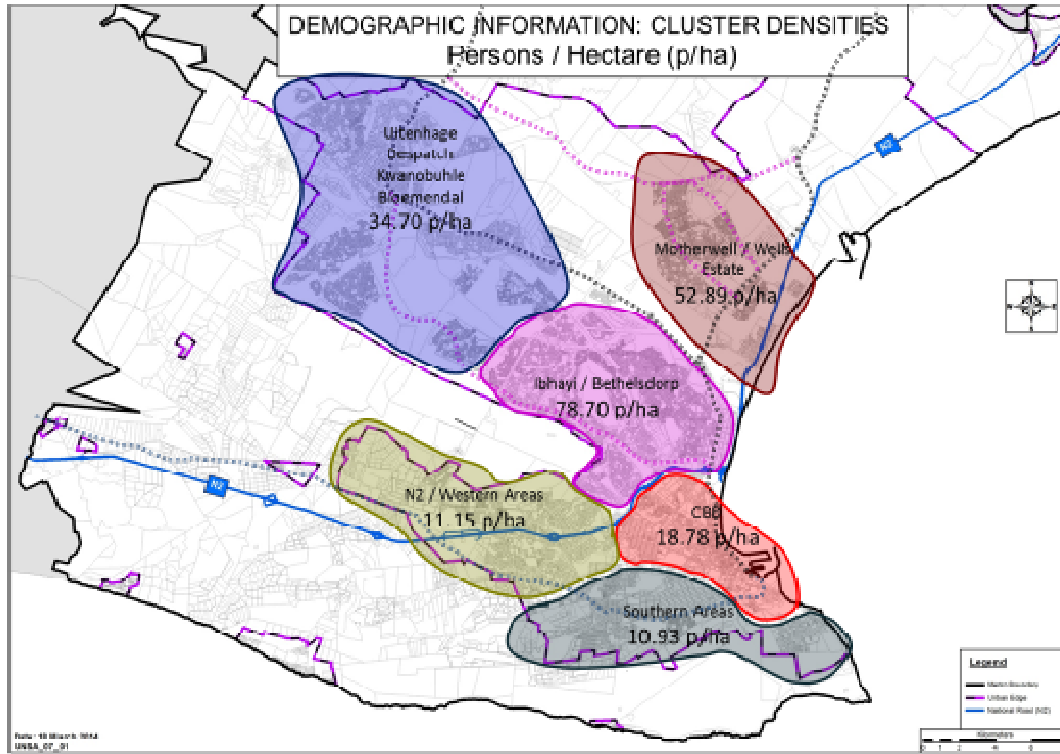


FIGURE 12: Urban Network Strategy - Income Levels per Cluster

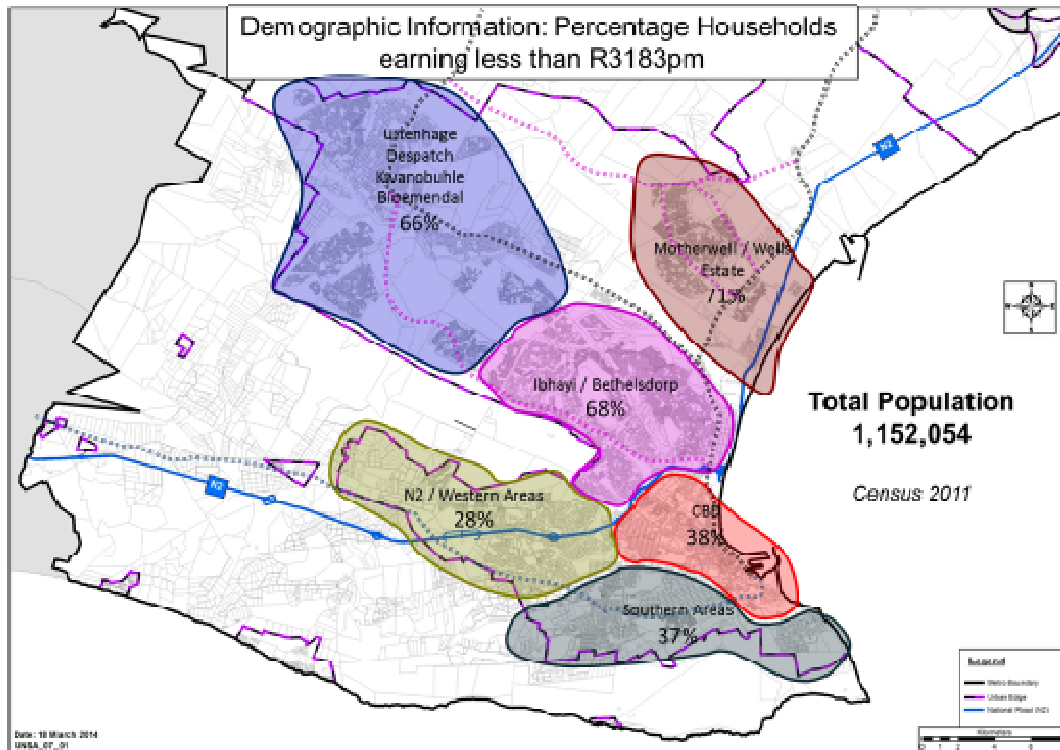
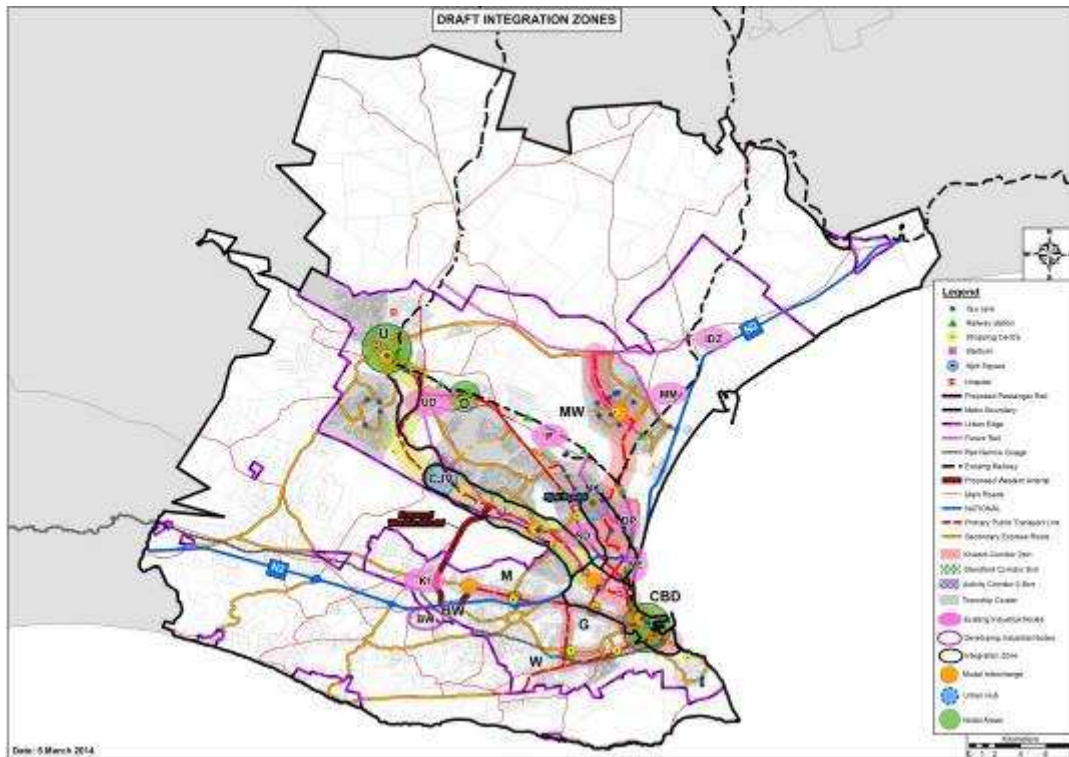


FIGURE 13: Draft Urban Network

Source: NMBM Draft Urban Network Strategy, January 2014

CBD

The PE CBD is highlighted as the primary CBD for the Nelson Mandela Bay Metropolitan Area, although the importance of the Despatch and Uitenhage CBDs must also be recognised.

PRIMARY NETWORK LINK

The primary network in the Nelson Mandela Bay Metropolitan Area spans over the five major arteries, being:

- (a) Heugh/Buffelsfontein Road (East to West) being the most southern route.
- (b) Old Cape Road (R101) (east to west).

- (c) Harrower/Stanford Road in a north-westerly direction, linking the PE CBD with the Gelvandale, Helenvale, Bethelsdorp and Bloemendal (Chatty) Townships.
- (d) R75 in a north-westerly direction, linking Port Elizabeth with Despatch and Uitenhage, as well as the townships of Ibhayi, Algoa Park, Missionvale, Govan Mbeki, KwaDwesi and KwaMagxaki with Port Elizabeth, Despatch and Uitenhage.
- (e) North-south linkage through Ibhayi along Sheya Kulati, Njoli, Daku and Dibanisa Roads, linking the PE CBD and Ibhayi with Motherwell.
- (f) The N2 runs from the West to the North through the urban area, serving as a further primary linkage between the urban areas of Nelson Mandela Bay.

The existing primary network linkages are supplemented by two existing rail linkages between PE and Uitenhage, as well as PE and Motherwell, as described in the Public Transport Section below.

SECONDARY NETWORK LINK

The primary network is strengthened and supplemented with a road network (of higher and lower order roads) that forms the secondary routes that link the five major arteries in the NMBM network.

EXISTING MIXED-USE NODES

The existing Mixed-use Activity Nodes, identified as part of the Urban Network Elements, include:

- PE CBD (CBD)
- Despatch CBD (D)
- Uitenhage CBD (U)
- Greenacres/Newton Park (G)
- Walmer Node (W)

- Makro/Framesby/Westering (M)
- Motherwell (MW)
- Njoli/Kinako Node (NK)
- Bay West City Node (BW) (currently under construction)

ACTIVITY CORRIDOR INFILL

The existing mixed use activity corridors are highlighted on Figure 13:

1. *Walmer*: Starting at the bottom of Marine Drive as Walmer Boulevard, increasing in activity at 1st Avenue intersection, from where the road becomes Heugh Road, continuing all the way to the intersection of Buffelsfontein Road and 17th Avenue.
2. *Walmer Main Road*: Commencing from Heugh Road, moving northerly towards Walmer Main Road, towards the intersection with the William Moffat Expressway.
3. *William Moffat Expressway*: Starting from the intersection of Buffelsfontein and 17th Avenue, moving north along William Moffat Expressway towards Cape Road.
4. *Cape Road*: Starting at the intersection of William Moffat Drive and Cape Road, moving east towards Greenacres, terminating in the CBD.

It is specifically recorded that these activity corridors also serve as major employment nodes.

URBAN HUB

Two urban hubs are identified, namely:

1. Njoli/Kinako (Ibhayi) Node (NK), with a possible Secondary Hub around the Red Location Precinct, which is directly linked to the Njoli Node.
2. The Chatty Jachtlakte Node, around the intersection of the Bloemendal Arterial and Stanford Road, shows great potential as an urban hub and is therefore specifically highlighted as a priority hub.

PRIMARY PUBLIC TRANSPORT LINK (IPTS)

The Primary and Secondary Network Links described in the relevant sections above form the structure of the Integrated Public Transport System in Nelson Mandela Bay and comprise road as well as rail network links, briefly described below.

Road network:

Public transport serves the metropolitan area along the following existing and planned routes:

- North-South linkage between the PE CBD and Motherwell via Ibhayi along the Khulani Corridor (Sheya Khulati, Njoli, Daku and Dibanisa Roads).
- North-West linkage between the PE CBD and Bloemendal/Bethelsdorp along Stanford Road, currently terminating near the Cleary Park Shopping Centre, but with planned future extension to Uitenhage via the Chatty, Jachtvlakte and KwaNobuhle Estate areas.
- South-West linkage between the PE CBD and the Western Suburbs via Old Cape Road, currently terminating in the vicinity of Rowallan Park, but with planned future extension towards the Redhouse Chelsea intersection, with a possible linkage to the Bay West Mall development.

Rail network:

Existing passenger rail link between the PE CBD and Uitenhage via New Brighton, Sydenham, Swartkops, Redhouse, Despatch (PE – Graaff-Reinet Line).

Existing passenger rail link between PE CB and Motherwell/Markman (PE – JHB Line).

Future passenger rail link between PE and Motherwell via planned new Motherwell Rail Corridor parallel to Tyinira Street (Motherwell) and possible long-term linkage between Coega and Uitenhage. This is a high-priority project driven by PRASA and about to be assessed in terms of NEMA processes.

Long-term passenger rail link between PE and Uitenhage via Bethelsdorp, Chatty, Jachtlakke and KwaNobuhle. This route alignment has been in existence for a long time and is somewhat compromised by existing developments. PRASA, however, indicated its long-term interest in this line, particularly to serve the KwaNobuhle community.

Narrow-gauge rail line between Humerail (PE) and Loerie (shown in blue). This line originally served as a goods line between PE and Loerie, but has fallen into disuse over recent years. It has the potential to carry passengers between the PE harbour nodal areas and the new Bay West Mall.

SECONDARY PUBLIC TRANSPORT LINK

The NMBM's IPTS is further strengthened by a system of Main Bus lines and Express Bus routes along the Secondary Routes, highlighted in green and red on the drawing. Some of these linkages are along existing activity corridors.

It is noted that this draft was discussed with National Treasury at a recent meeting (29 January 2014), at which it was agreed that the strategy would be refined further. More research is being done to determine the primary priority hub. This research will be based on population catchments.

Once the Urban Network Strategy is finalised, the associated spatial economic and development objectives will be crystallised and incorporated.

3.6.2 Details of proposed or completed adjustments to the determination of spatial targeting instruments (PHDAs, SHRZs, UDZs, IDZs, SEZs, etc.) applicable to each Integration Zone

This BEPP is the first BEPP that includes the Urban Network Strategy and Indicators.

It is recognised that, in the future adjustments, may have to be made to the instruments mentioned above. The work has not reached the level in this financial year to properly determine the interventions possible.

In respect of Restructuring Zones for Social Housing, Council has approved that submissions be made to the Provincial Department of Housing and Local Government to declare the entire area within the urban edge a Restructuring Zone. This will allow flexibility in the location of social housing opportunities, including restructuring zones identified in the Urban Network Strategy.

3.6.3 Details of proposed or completed adjustments to Spatial Development Frameworks and Land Use Management System, and where relevant, By-Laws and Regulations applicable to each Integration Zone

It is recognised that adjustments may have to be made to the SDF and Land Use Management System in the future. The work has not reached the level in this financial year to properly determine the interventions possible.

3.6.4 Details of identification of catalytic projects or programmes by prioritised Integration Zone, illustrating the intervention, sequencing, budget allocation and funding source. Each catalytic project or programme must be identified with a network element, i.e.

- CBD
- Urban Hub
- Transport Link and Activity Corridor

This Section cannot be finalised until such time as the Urban Network Strategy becomes more detailed. As stated above, this process is under way.

In the interim, the following table has been prepared, based on the Draft Budget, as well as the Draft Urban Network Strategy described above.

TABLE 21: Integration Development Zones

Motherwell Area

Project ID	Project Title	Draft Budget 2014/15	Draft Budget 2015/16	Draft Budget 2016/17
20120030	KwaNobuhle Area 11	23,000,000	39,884,026	40,000,000
20120055	Motherwell NU 30	26,653,500	26,653,500	21,206,500
20120061	Motherwell NU 31	1,000,000	40,081,000	32,500,000
20130061	Ramaphosa West	250,000	11,701,500	-
19930329	Motherwell Electrification - Bulk Supply	1,020,000	695,550	453,300
19960193	Wells Estate Reinforcement	1,500,000	2,045,800	1,333,300
20120083	Motherwell Depot	2,236,587	-	-
20110054	Motherwell Main Sewer Upgrade	3,000,000	3,000,000	7,000,000
20110068	KwaNobuhle Area 11 – Link Sewer	15,000,000	15,000,000	1,000,000
20080126	SMME Hive	8,000,000	-	-
20080079	Wells Estate - Stormwater Improvements	2,550,000	-	-
19940233	Motherwell Canal Wetlands	-	1,000,000	-
20030379	Motherwell NU29 & 30 : Roads & S/w Bulk Infrastructure	-	8,000,000	5,000,000
		84,210,087	148,061,376	108,493,100

Jachtlakle / KwaNobuhle Area

Project ID	Project Title	Draft Budget 2014/15	Draft Budget 2015/16	Draft Budget 2016/17
20110091	Khayamnandi Extension	36,274,650	29,063,619	44,201,000
20120033	Jachtlakle (Chatty 11-14)	2,573,154	5,000,000	44,000,000
20130038	ERF 8228	1,126,350	-	-
20080144	Kwanobuhle: Upgrading of water reticulation	1,000,000	1,000,000	1,000,000
20120085	Kwanobuhle Reservoir Link Watermain	5,000,000	5,000,000	2,000,000
20080048	Jachtlakle: Bulk Water Supply Pipeline	3,000,000	4,000,000	5,000,000
20070144	Kwanobuhle WWTW : Upgrading	5,000,000	5,000,000	5,200,000
20070147	Kelvin Jones WWTW: Upgrade	15,000,000	25,000,000	26,000,000
20070156	Fishwater Flats WWTW Upgrade	125,000,000	116,000,000	170,000,000
20080138	Kwanobuhle: Upgrading of sewer reticulation	1,000,000	1,000,000	1,000,000
20110056	Swartkops Low Level Collector Sewer Upgrade	25,000,000	25,200,000	24,700,000
20100057	Security upgrade - KwaNobuhle Fire Station		577,000	
20030603	Stormwater Drainage System: Phases 2: Mondile Str. KwaNobuhle	4,500,000	-	-
		224,474,154	216,840,619	323,101,000

Walmer Area

Project ID	Project Title	Draft Budget 2014/15	Draft Budget 2015/16	Draft Budget 2016/17
20120054	Walmer Development	14,486,457	-	-
20030471	Walmer-Lorraine Reinforcement	3,000,000	3,380,000	1,314,000
20080163	Fountain Road Development	9,072,414	4,750,000	
20050250	Driftsands WWTW Phase 3 extension	5,000,000	5,000,000	15,000,000
20110067	Industrial Site (Airport Valley) - Bulk Sewer	2,000,000	3,000,000	3,000,000
19980255	Development Area Traffic Improvements - Walmer	-	100,000	-
		33,558,871	16,230,000	19,314,000

N2 Area

Project ID	Project Title	Draft Budget 2014/15	Draft Budget 2015/16	Draft Budget 2016/17
20120048	N2 North	2,863,381	15,000,000	25,000,000
20030030	Lorraine - Bulk Sewerage Augmentation	20,000,000	13,000,000	17,000,000
20050250	Driftsands WWTW Phase 3 extension	5,000,000	5,000,000	15,000,000
19940201	H45 Redhouse - Chelsea Arterial: Walker Drive to N2	31,000,000	1,000,000	
		58,863,381	34,000,000	57,000,000

Ibhayi/Njoli Node

Project ID	Project Title	Draft Budget 2014/15	Draft Budget 2015/16	Draft Budget 2016/17
20120060	Masakhana Village	4,772,038	-	-
20130039	Mandela Village Housing Project	1,661,613	-	-
20010118	Ibhayi Reinforcement	2,500,000	2,337,650	622,200
19990168	Njoli Square Redevelopment	9,582,894	13,157,894	13,157,894
		2,590,000	15,495,544	13,780,094

Greenbushes

Project ID	Project Title	Draft Budget 2014/15	Draft Budget 2015/16	Draft Budget 2016/17
20120062	Kuyga Phase 3	500,000	9,010,800	-
20030472	Hunters Reinforcement	2,090,000	702,400	1,297,050
20080081	Greenbushes: Stormwater Improvements	-	1,000,000	1,500,000
		2,590,000	10,713,200	2,797,050

Total	401,106,493	415,131,995	507,908,100
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Source: NMBM Treasury, 2014; the MBDA intends spending R23 million in the CBD on upgrading projects.

3.6.5 Developmental strategies for each Integration Zone, including core objectives and instruments

It is recognised that, in the future, strategies for each Integration Zone will be determined. The work has not reached the level in this financial year to properly determine the strategies, objectives and appropriate instruments.

ICDG funding will be used to develop Local Spatial Development Frameworks for the Ibhayi and Bethelsdorp areas, which will lead to detailed development strategies.

3.6.6 Details of institutional arrangements required to ensure the sustainability of interventions applicable to each Integration Zone

It is recognised that, in the future, these details will be determined. The work has not reached the level in this financial year to properly determine these details.

3.6.7 Proposed timeframes for preparation and execution of catalytic projects and programmes

It is recognised that, in the future, these details will be determined. The work has not reached the level in this financial year to properly determine these details.

4. OUTCOMES AND OUTPUT

The Municipality has moved its focus from simply providing shelter to establishing integrated sustainable human settlements and providing good quality housing. In the establishment of integrated human settlements in terms of the **2014/15 financial year priorities**, the Municipality will prioritise the following outputs:

- Identification of (4) four parcels of land for social housing.
- Development of 835 houses.
- The provision of permanent water and sanitation servicing for 4000 sites.
- The tarring upgrading of stormwater for 11 km of gravel road.
- Pursuing Level 3 accreditation.
- Relocation of 1200 families living in environmentally stressed areas.
- Rectification of 112 'wet and defective' houses.

5. INSTITUTIONAL AND FINANCIAL ARRANGEMENTS

5.1 INSTITUTIONAL ARRANGEMENTS FOR INTEGRATED PLANNING

The following institutional arrangements are in place for integrated planning:

- **Integrated Development Matrix**
(see Section 3.2.5 above)
- **Multi-disciplinary Technical Task Team (MDTTT)**
A Multi-Disciplinary Technical Task Team comprising senior management representatives from all the directorates of the Metro has been in existence since 2007 as a platform for inter-departmental and inter-disciplinary interaction on technical matters of strategic importance to the Metro. The MDTTT meets on a monthly basis to discuss and consider matters of cross-sectoral relevance and has since its inception added enormous value to the notion of integrated planning and implementation in the Metro. The MDTTT has no decision-making authority, but serves as a platform to consider and prepare technical recommendations to Council.
- **Integrated Human Settlements Development**
The Municipality follows an integrated approach towards all human settlements projects. This is achieved through the Integrated Development Matrix, as well as the Cluster approach, adopted by the Municipality as an integrated project mechanism.
- **External Capacity Support**
Internal capacity is supported through the sourcing of external contractors to deliver top structure services and install services. This approach places the Municipality in a position to deliver more services in housing than the current funding opportunities allow.

- **Project Team Approach**

The creation of project teams, which include Infrastructure and Engineering, Human Settlements, Public Health and professional service providers, ensures a well co-ordinated and managed project.

- **Management Information Systems**

The NMBM Corporate GIS is currently implementing various management systems, which facilitate integrated processes in general, including those processes related to low income housing and project management. These systems are reflected below:

- **Project ILIS (Integrated Land Information System)**

Project ILIS manages all processes relating to land, thereby keeping a record of all land transactions. These include subdivisions, consolidations, township establishment, rezonings, departures, special consent, sale of land, acquisition of land, lease of land, building plans, and site development plans.

- **Housing Delivery Management System (HDMS)**

As part of Project ILIS, an IT system is required to ensure that houses are constructed on the correct erven and that beneficiaries are correctly assigned to the identified properties.

- **Building Plans Management System**

- **Land Application Management System (LAMS)**

A critical component of Project ILIS relates to managing all applications submitted that relate to land. LAMS records details of the application and then tracks applications as they follow the route through the Municipality.

5.2 INSTITUTIONAL ARRANGEMENTS FOR CAPITAL PROGRAMME MANAGEMENT

The NMBM has set up a Capital Programme to implement infrastructure to meet its developmental needs, as captured in the IDP. The supporting sector plans identify the needs/gaps in infrastructure, which are then scheduled for implementation in the three-year Capital Programme.

Planning for implementation includes the concept designs, environmental assessments, final designs and construction, which are the different phases that are planned for and that are critical for the successful spending of a minimum of 95% of the Capital Budget. Structures have been set up for the monitoring of implementation and expenditure, as follows:

- Directorate
 - Projects management of individual projects.
 - Reporting to the Portfolio Committees.
- Quarterly performance
 - Report of performance on SDBIP.
 - Grant budget performance.
 - Budget implementation.
- Annual
 - Reporting of Directorates' annual performance.
 - Annual SDBIP performance.

The above measures assist the successful implementation of the Budget Programmes and the Annual Report. Although budget expenditure of over 95% has consistently been achieved, concerns have been raised about the “hockey stick” expenditure curve versus the traditional S-curve. This theory can be tested on individual projects, considering that over 200 projects are being implemented. If all projects were scheduled for completion

by 30 June 2014, this S-curve would result, but as this is not the case, it will seldom be achieved; within the municipal implementation space, various other factors impact seriously on the project cycle, such as:

- Ward priorities and ward-based budgets for housing development and tarring of gravel roads.
- Community objections.
- Small, medium and micro enterprise contractors: Demand for work and the associated work stoppages.

5.3 SUPPLY CHAIN MANAGEMENT AND PROCUREMENT PLAN

The Municipality has a Supply Chain Management Policy and System in place. These comply with legislation requirements and govern all supply chain management processes, including tender specifications, evaluation and adjudication.

The Municipality also has a Supply Chain and Contract Management Unit to assist project managers and directorates in procurement processes.

Approximately 45% of the Draft 2014/15 Capital Budget is contractually committed projects as procurement happened in the 2012/13 financial year. The fact that this financial year is also election year, has delayed the finalisation of the Procurement Plan, due to continuous changes to the Draft Budget. The remaining 55% of the Draft Capital Budget will be subject to a Procurement Plan after the budget process has been concluded. This will result in new projects, with some spanning over more than one financial year.

5.4 PARTNERSHIPS

No formal public-private partnerships in terms of legislation are in place. It is the intention of the Municipality to explore these options in the development of the N2 North Node and in future hubs.

Currently, a partnership exists in respect of the Bay West Development, in the form of a municipal services agreement. This agreement commits the developers and the Municipality to counter-funding for the provision of bulk services to the area.

The Municipality has a municipal entity, the Mandela Bay Development Agency (MBDA). The MBDA is a development agency and implementing partner of the Municipality. Initially, MBDA projects were confined to the CBD area of the Municipality known as its mandate area, however, its mandate has expanded to include other areas such as Helenvale, Motherwell and portions of Ibhayi.

5.5 VALUE OF PROGRAMMES AND PROJECTS BY SECTOR

The following is the value of programmes by Sector:

TABLE 22: Value of Programmes and Projects by Sector

Directorate	Draft 2014/15 Capital Budget	Draft 2015/16 Capital Budget	Draft 2016/17 Capital Budget
Budget & Treasury	9,450,000	10,260,000	2,850,000
Chief Operating Officer	6,550,000	6,650,000	1,230,000
Corporate Services	34,200,000	16,000,000	23,700,000
Economic Development, Tourism and Agriculture	9,072,414	4,750,000	-
Recreational & Cultural Services	34,000,000	21,500,000	21,000,000

Directorate	Draft 2014/15 Capital Budget	Draft 2015/16 Capital Budget	Draft 2016/17 Capital Budget
Human Settlements	183,472,807	215,907,895	229,907,500
Electricity and Energy	216,957,281	179,351,280	181,365,213
Roads, Stormwater, Transportation & Fleet	150,697,894	312,893,701	398,161,090
Water Services	229,900,000	237,400,000	243,000,000
Sanitation Services	395,250,000	391,500,000	449,196,000
Public Health	53,950,000	55,450,000	91,400,000
Safety & Security	15,013,000	19,062,000	49,283,000
Motherwell Urban Renewal Programme	8,000,000	-	-
	1,346,513,396	1,470,724,876	1,691,092,803

Source: NMBM Treasury, 2014

5.6 VALUE OF PROJECTS BY INTEGRATION ZONES

Attempts have been made to calculate the value of projects for the initially identified integration zones as follows.

TABLE 23: Value of Projects by Draft Integration Zones

Integration Zone	2014/15 Development Priorities
Motherwell Area	90,276,727
Jaghtvlakte/KwaNobuhle Area	237,616,189
Walmer Area	40,243,851
N2 Area	58,863,381
Ibhayi/Njoli Node	427,000,148
Rest of the Metro	914,333,248
Total Draft Capital Budget	1,346,513,396

5.7 VALUE OF EACH CATALYTIC PROJECT OR PROGRAMME

Refer to Section 3.6.4.

The projects mentioned in this section include those that are physically located within the Integration Zone. However, supporting infrastructure, such as water and sanitation, is located outside of these areas. Therefore the projects that are on the Capital Budget support these catalytic projects.

5.8 NON-INFRASTRUCTURE RELATED INTERVENTIONS IN INTEGRATION ZONES

In future BEPPs, consideration will be given to non-infrastructure related interventions.

5.9 APPLICATION OF GRANT ALLOCATIONS

Application of grant resources is reflected below.

The NMBM applies its grant funding (USDG) for the development of infrastructure that supports its Housing Programme. This has resulted in the installation of water and sewer pipelines that serve each of the identified human settlements for house construction. In addition, the funds have also been used for the upgrade and development of sewer pump stations and water and waste water treatment works. With this as background, it has also formed the basis of the NMBM adopted approach that the best way to eradicate buckets is through the establishment of integrated human settlements, in terms of which communities are relocated from stressful situations to subsidised houses (HSDG) with waterborne sanitation. The challenge is the misalignment of the USDG and the HSDG, because the NMBM consistently services approximately 4000 erven per year, while fewer than approximately 2000 subsidies are annually allocated to the NMBM for housing construction.

TABLE 24: Application of Grant Resources

Urban Settlements Development Grant			804,272,807
	Tarring of Gravel Roads	50,000,000	
	Bulk Water	207,500,000	
	Bulk Sanitation and Bucket Eradication	363,300,000	
	Internal Services for Housing Delivery	183,472,807	
DME - Electrification Grant			44,912,281
	Informal Housing Electrification	30,877,194	
	Integrated Electrification Programme	14,035,087	
Neighbourhood Development Partnership Grant			21,662,308
	Local Economic Development	21,662,308	
Total			870,847,396

Source: NMBM Treasury, 2014

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ANNEXURE "A"**PERFORMANCE MATRIX**

The attached Performance Matrix has been populated with available information as far as possible. Prior to the submission of the next BEPP, information gathering to conform to the template will be undertaken in order to allow for effective targets to be specified.

ANNEXURE “B”**Key economic drivers (source: Rand International Capital Report, prepared for Nelson Mandela Bay Business Chamber, 2011)****(a) Overview of Eastern Cape economy**

Nelson Mandela Bay is situated in the Eastern Cape Province of South Africa. The Eastern Cape Province is located on the Southern-most coast of Africa and is the second largest of South Africa's nine provinces, covering approximately 170,000 square kilometers, with a population of 6.4 million, of which 65 percent live in rural areas. The ports of Port Elizabeth and East London are well established and the new deepwater port of Ngqura in Port Elizabeth adjacent to the Coega Industrial Development Zone (IDZ), is South Africa's flagship industrial port.

The Coega IDZ was established in order to maximise economic development within the region by focusing on export-orientated manufacturing and industrial activities within a range of core activities seen as locationally competitive within the Eastern Cape. The IDZ is supported by world-class infrastructure and services provided within the Zone.

According to Statistics South Africa, the Eastern Cape economy recorded a growth rate of 2.4% in 2008. This was below the country's growth rate of 3.1% for the year. The regional GDP of R155,520 million at current prices for 2007 was the fourth largest in the country, with employment also placed fourth (1,258,000 out of 12,885,000 for South Africa).

The industrial sector, including transport, contributes approximately 32% of the gross geographic product in the Eastern Cape. The main economic drivers are the automotive industry, petro-chemicals and food processing. Approximately 40% of the national automotive industry is based in the region, with a large Daimler-Chrysler automotive assembly plant in East London and Volkswagen and General Motors plants situated in Nelson Mandela Bay.

The largest number of employees in the Eastern Cape is in the Services and General Government sector (at 290 708), with manufacturing providing employment for 106 419 in 2009. Trade – represented by wholesale, retail and accommodation, which is also a proxy for tourism – was the next largest employer in the Eastern Cape, with 96 260 employees.

(b) Overview of Nelson Mandela Bay economy

Nelson Mandela Bay consists of the city of Port Elizabeth and the adjacent areas of Uitenhage, Despatch and Colchester. Port Elizabeth is South Africa's fifth-largest city, and the areas of Uitenhage and Despatch are two residential areas with industrial components within the metropolitan area. Uitenhage is located at the foothills of the Winterhoek Mountains and lies about 24 km north of Port Elizabeth. The Addo Elephant National Park is situated 45 kilometers north of Uitenhage. Uitenhage's economy is strongly dependent on the motor industry: Volkswagen, Lumotech and Goodyear have plants and factories in Uitenhage.

Despatch lies on the banks of the Swartkops River between Port Elizabeth and Uitenhage. Its name reflects its early function as a place for despatching bricks via rail to Port Elizabeth.

The Nelson Mandela Bay Municipality was the first metropolitan municipality in the Province and is one of seven metropolitan areas in South Africa.



Nelson Mandela Bay covers an area of approximately 200 000 hectares and is bordered by the Sundays River to the north and the Van Stadens River to the west.

Nelson Mandela Bay is the largest contributor to the Eastern Cape economy, generating 42% of the provincial Gross Geographic Product (GGP). Of its population of about 1.1 million, 26% are employed. The Nelson Mandela metropolitan area has a large pool of both skilled and unskilled labour, excellent infrastructure in terms of road and rail, and provides easy access to both the Port Elizabeth and Ngqura ports and the Airport.

Nelson Mandela Bay is one of the major industrial areas in South Africa and is the primary manufacturing hub of the Eastern Cape. Traditionally, economic growth in the Nelson Mandela Bay area has been strong, but dependent on a narrow industrial base and traditionally been driven by a few sectors only, mainly automotive vehicle and component manufacturing and exports.

The table below provides a snapshot of the evolution of the local economy between 1999 and 2009 in terms of GGP, with employment numbers per major economic sector.

TABLE 1: Snapshot of the evolution of local economy

Economic Sector	GGP - Rm 1999	GGP - Rm 2009	% Change 1999 - 2009	Jobs 1999	Jobs 2009	% Change 1999 - 2009
Agriculture	108	121	12%	4,472	3,390	-24%
Mining	83	65	-22%	423	564	33%
Manufacturing	8,686	11,921	37%	59,254	50,635	-15%
Electricity	562	645	15%	1,176	1,208	3%
Construction	529	1,302	146%	11,088	10,752	-3%
Trade	4,839	6,337	31%	46,293	32,744	-29%
Transport	4,049	6,750	67%	13,650	9,680	-29%
Finance	7,201	12,459	73%	17,782	26,835	51%
Services	9,345	12,370	32%	52,111	63,089	21%
Private households				23,640	28,397	20%
Taxes less Subsidies	4,903	6,788	38%			
Total GGP	40,305	58,757	46%	229,889	227,294	-1%

Source: Rand International Capital interpretation of Global Insight data, 2008 and 2009.

Note: The GGP figures are in constant 2005 prices in Rand million.

The following points are worthy of mention when analysing these sectoral trends in the Metro's economy over ten years:

- Real total Gross Geographic Product growth (at constant 2005 prices) increased by 46%, whilst employment declined by 1% over the same period ('Jobless Growth').
- The finance, insurance and real estate sector has grown by 73% and is the single largest sector, at 21.2% of GGP. It has also been the largest contributor to new employment, at 51% of the 1999 total.
- The general services and government services sector is the second largest contributor to GGP, but with the most employment creation at 63 089 jobs or 27.8% of total employment, reflecting a growth rate of 21% over the past decade.
- Manufacturing is the third largest sector in the local economy, at 20.3%, employing 50 635, which represents a substantial decline over the past decade; and
- The largest growth over the period was in the construction sector, at 146%, with only a 4.7% growth in employment in the sector. The sector accounts for 2.2% of GGP.

The manufacturing industry in Nelson Mandela Bay is traditionally seen as the dominant industry in the region, even though it has moved to third position in terms of actual GGP per sector. The dominant industrial activity in Nelson Mandela Bay is the motor vehicle and components industry.

The two major motor vehicle manufacturers in the Metro are: Volkswagen South Africa (VWSA) and General Motors. VWSA's plant is located in Uitenhage, while General Motors has plants in Sidwell, Struandale and Neave in Port Elizabeth. The Ford Motor Company of Southern Africa produces the Ford RoCam engines at a plant in Struandale. These engines are exported to Europe, Russia, India and China.

An indication of the manufacturing activity in the Eastern Cape and the NMBM is provided in the table below, which also indicates the growth of the various sectors over the past decade, together with the NMBM's contribution to the various sectors in the Eastern Cape.

TABLE 2: Manufacturing activity in the Eastern Cape and Nelson Mandela Bay

Manufacturing Sector	EC Total	% Growth 1999 - 2009	NMBM Total	% Growth 1999 - 2009	% NMB of EC
Food, beverages	3,481	31%	1,347	38%	39%
Textiles, clothing	1,612	19%	546	28%	34%
Wood & Paper	772	6%	384	12%	50%
Fuel, petrol, chemical	4,010	19%	3,166	21%	79%
Other non-metallic	550	14%	377	17%	69%
Metal products, machinery	1,916	29%	895	36%	47%
Electrical machinery	954	33%	709	36%	74%
Electronic, sound	210	31%	100	32%	48%
Transport equipment	5,419	25%	3,814	28%	70%
Furniture and other	1,271	7%	583	15%	46%
Total	20,195	23%	11,921	27%	59%

Source: Rand International Capital interpretation of Global Insight data, 2008 and 2009.

An analysis of the table reveals the following pertinent trends:

- The real growth of the sector (at constant 2005 prices) over a decade has been 23% for the Eastern Cape and 27% for Nelson Mandela Bay.
- The transport equipment sector represents the bulk of the automotive industry and 27% of total manufacturing in the Eastern Cape and 32% of Nelson Mandela Bay. Growth has been 25% and 28% respectively.
- The fuel, petrol and chemical sectors, together with metal products and machinery, is another contributor to the automotive industry and represents 29% of the Eastern Cape and 35% of the local industry, with an average growth rate of approximately 25%.
- Nelson Mandela Bay accounts for 59% of total manufacturing production in the Province, with 79% of the fuel and chemicals sector, 70% of the transport equipment (automobile) sector, and 47% of the metal products sector, all predominantly automotive related.
- Food and beverages has indicated strong growth at 31% in the Province and 39% in the Metro, which bodes well for food security in the region.
- The decline of the textile and clothing industry in the Province and the Metro is evident from the relatively low proportions of the manufacturing sector, occupying 8% and 5% for the Province and the Metro respectively.

Tourism as an industry is vigorously pursued, both nationally and provincially, and typically spans a number of sectors, making it difficult to measure actual performance. The tertiary sectors of trade and finance, services and transport typically include components of tourism expenditure. The tertiary sector has demonstrated the most significant growth in output and employment over the past decade.

Nelson Mandela Bay was host city to eight of the 2010 FIFA World Cup soccer games at its award-winning new Nelson Mandela Bay Stadium. The World Cup generated more than R163 million in expenditure in Nelson Mandela Bay and created 614 direct and 834 indirect jobs in the tourism sector. A cumulative 28 billion viewers in 208

countries were exposed to the city, with an estimated media value of R188 million. A total of 245,555 soccer fans attended the Fifa Fan Fest at St George's Park, while 286,000 supporters attended the eight matches held in Nelson Mandela Bay.

From January to February 2013, the Nelson Mandela Bay Municipality also successfully hosted six AFCON Games, attracting thousands of visitors and earning media and marketing attention to the value of millions of rands. This event was a major boost for the local hotel and hospitality industries.

Tourism's contribution to the Metro's GGP is estimated at 17%. It is estimated that foreign tourist arrivals in Nelson Mandela Bay were approximately 488 182 in 2010, while domestic tourist trips numbered approximately 2 268 700. These trends were extrapolated in the following table:

TABLE 3: Trends in visiting tourists

Visiting Tourists	2006	2007	2008	2009	2010
Foreign Tourist Arrivals	405 600	421 824	438 697	456 245	488 182
Domestic Tourist Trips	2 015 710	2 076 181	2 138 466	2 202 620	2 268 700

Source: Nelson Mandela Metropolitan University Tourism Research Unit, June 2006

The state of Nelson Mandela Bay's economy and infrastructure is healthy and the Metro and organised business are willing and able to welcome and facilitate investment in the region.

The envisaged economic development of the Metro is supported by the Spatial Development Framework and its sector plans.

DEVELOPMENT AREAS

MAP 1: Development Areas in Nelson Mandela Bay

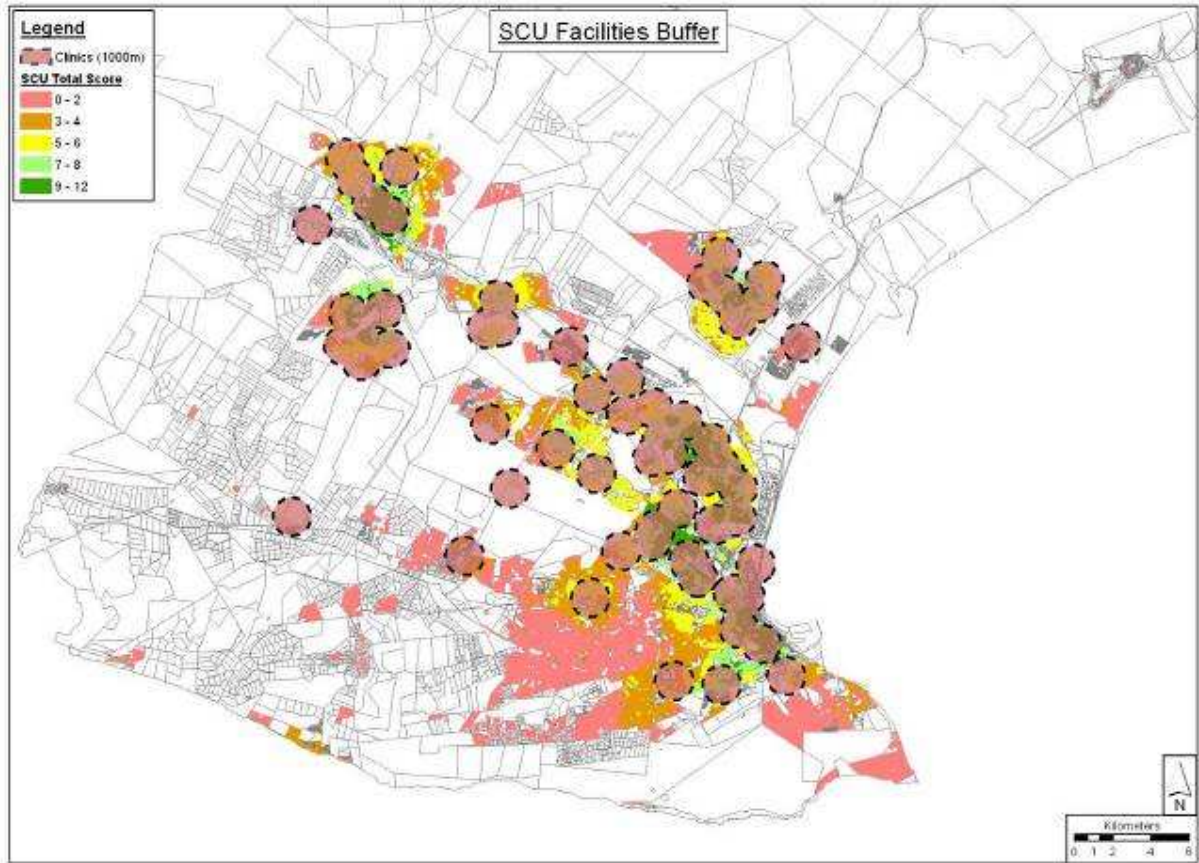


ANNEXURE "D"

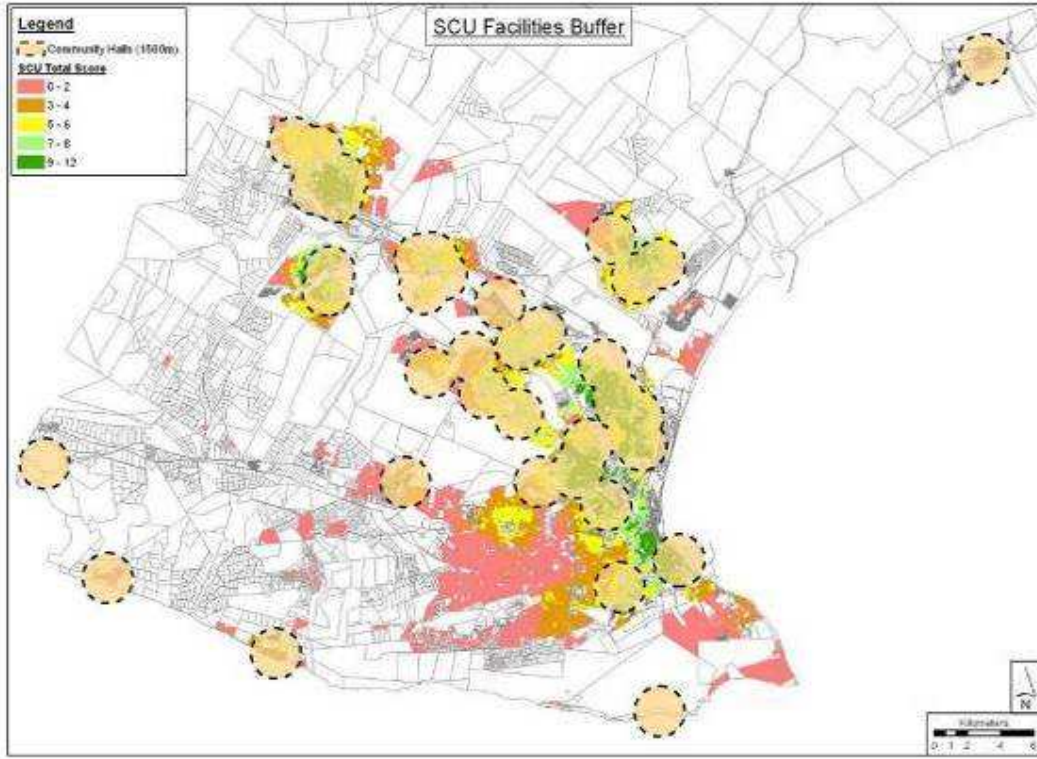
GIS ANALYSIS OF SECTORAL PROVISION OF PUBLIC AMENITIES AND SERVICES

Source: (NMBM CorpGIS, 2010)

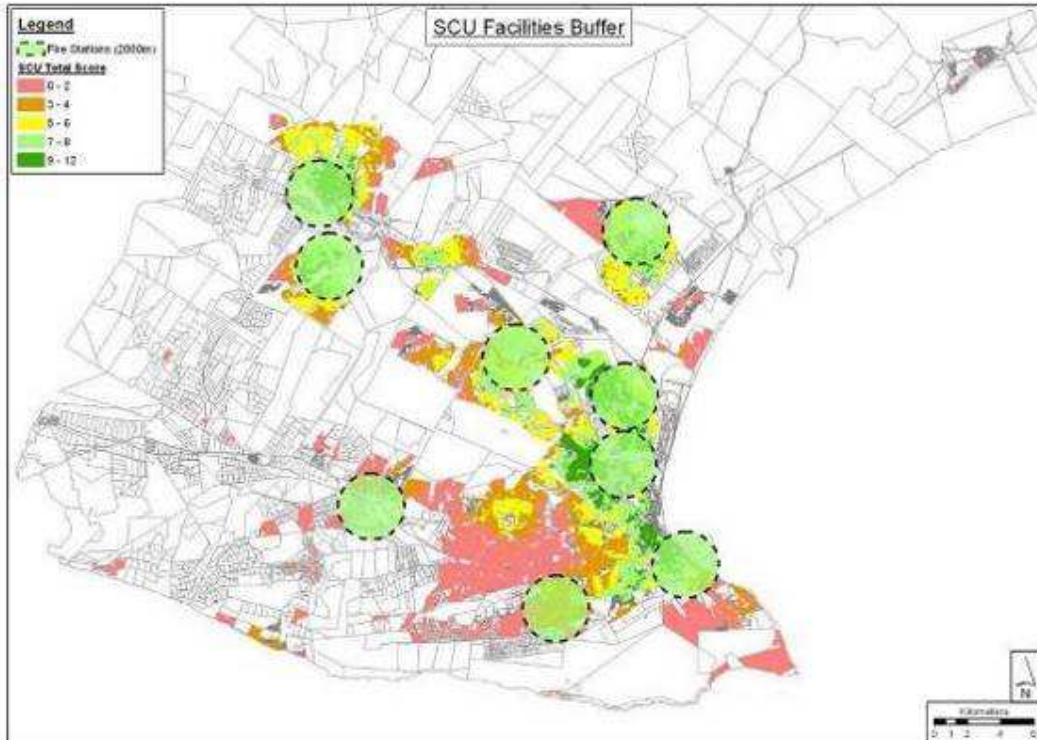
MAP 2: Distribution of Clinics within 1000m

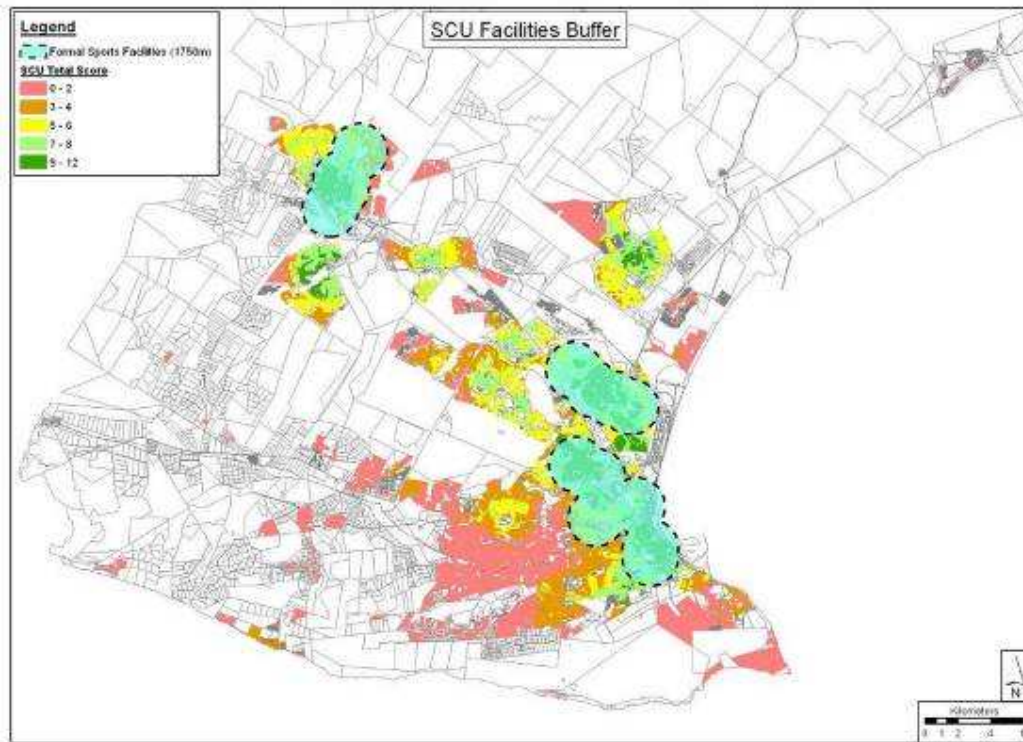
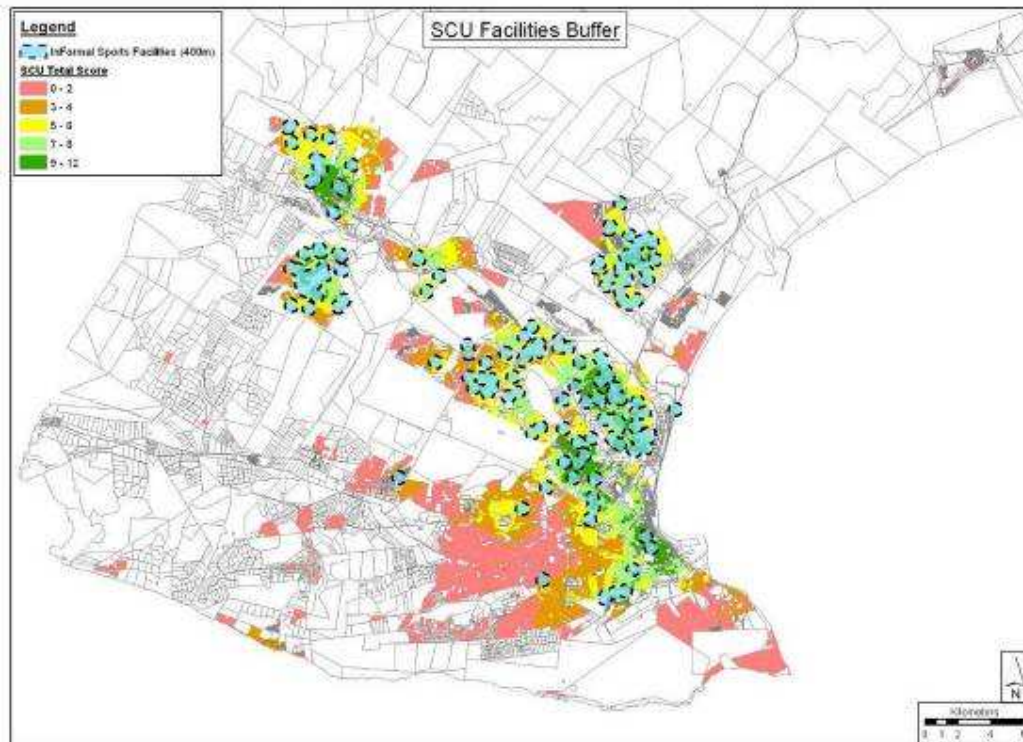


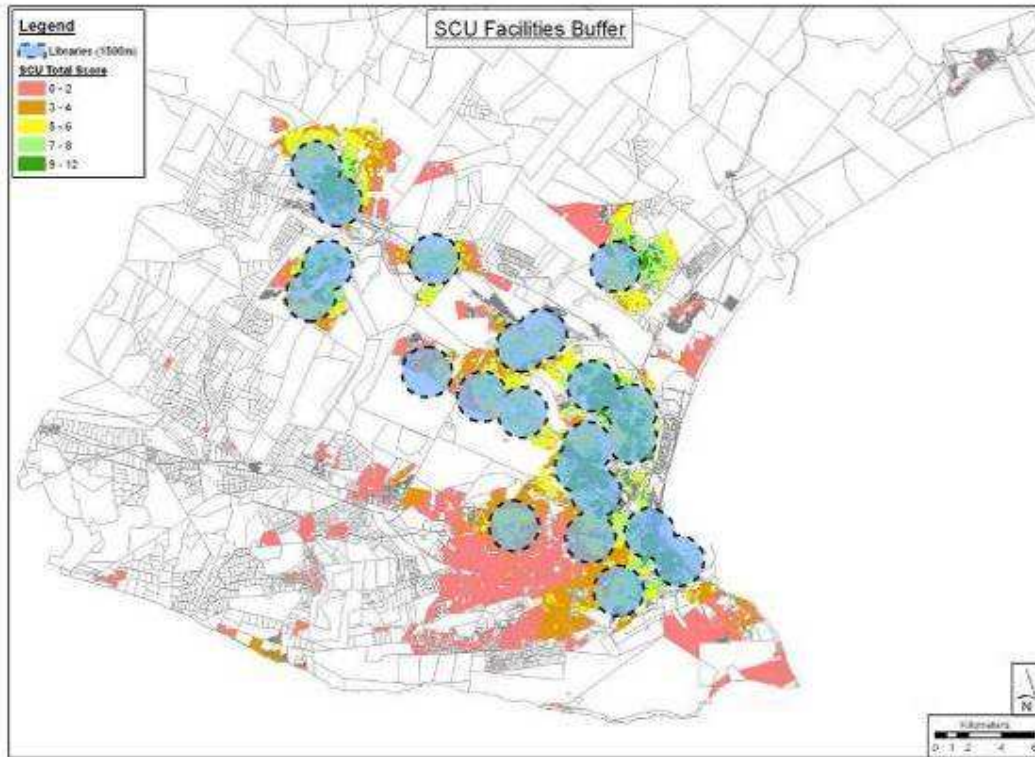
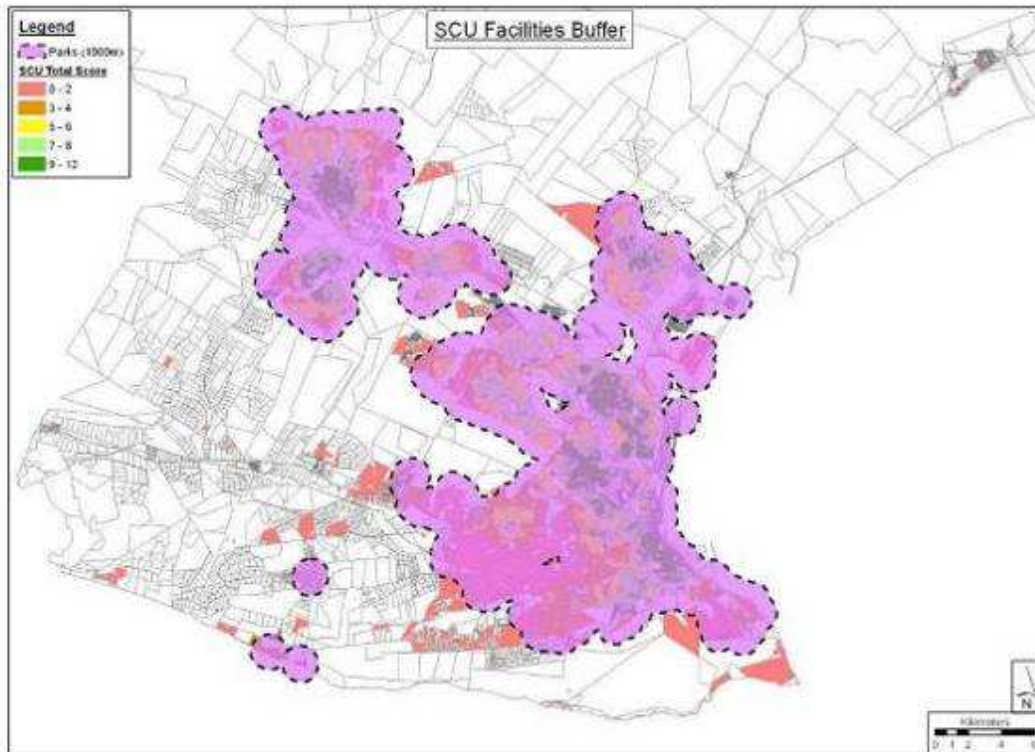
MAP 3: Distribution of Community Halls (1500m)



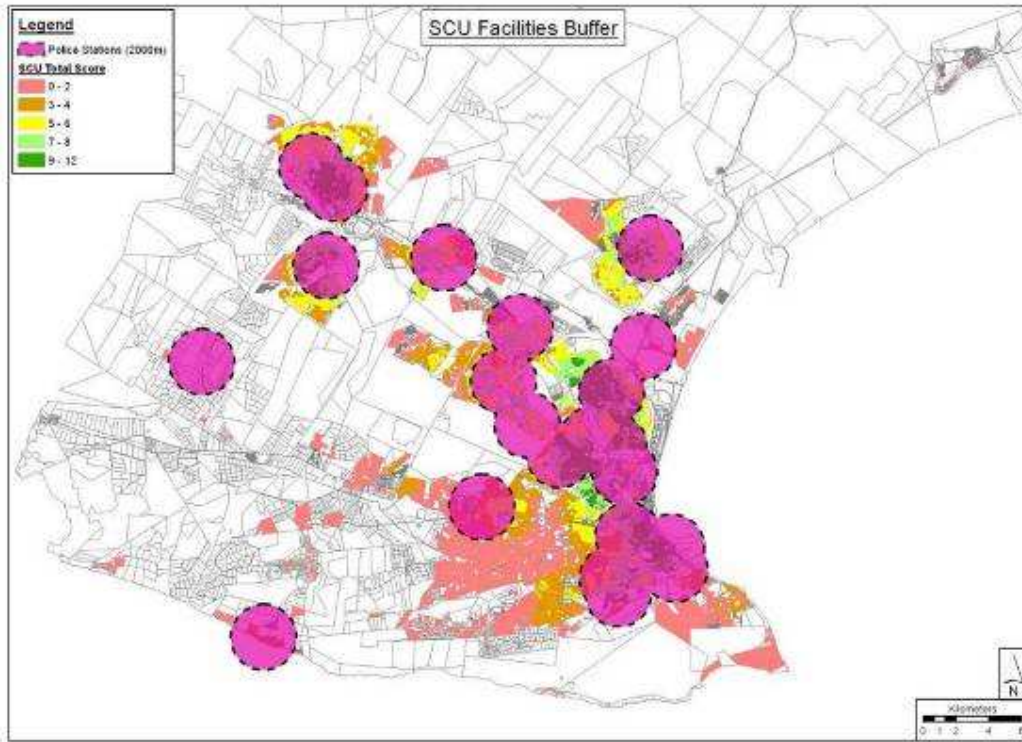
MAP 4: Distribution of Fire Stations (2000m)



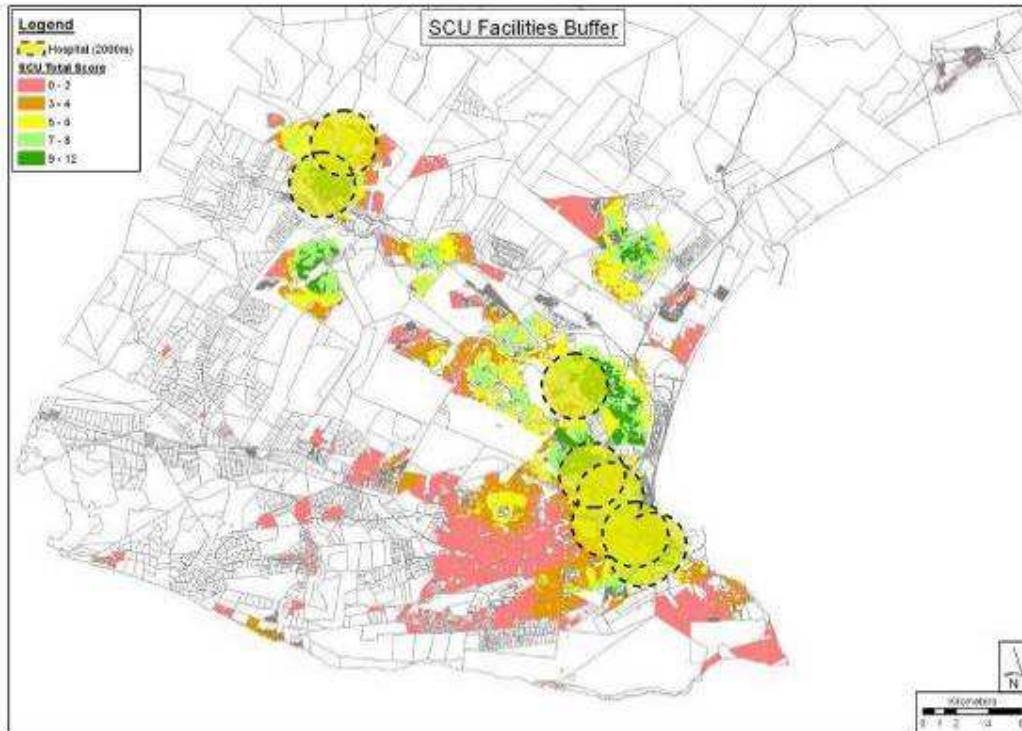
MAP 5: Distribution of Formal Sport Fields (1750m)**MAP 6: Distribution of Informal Sport Facilities (400m)**

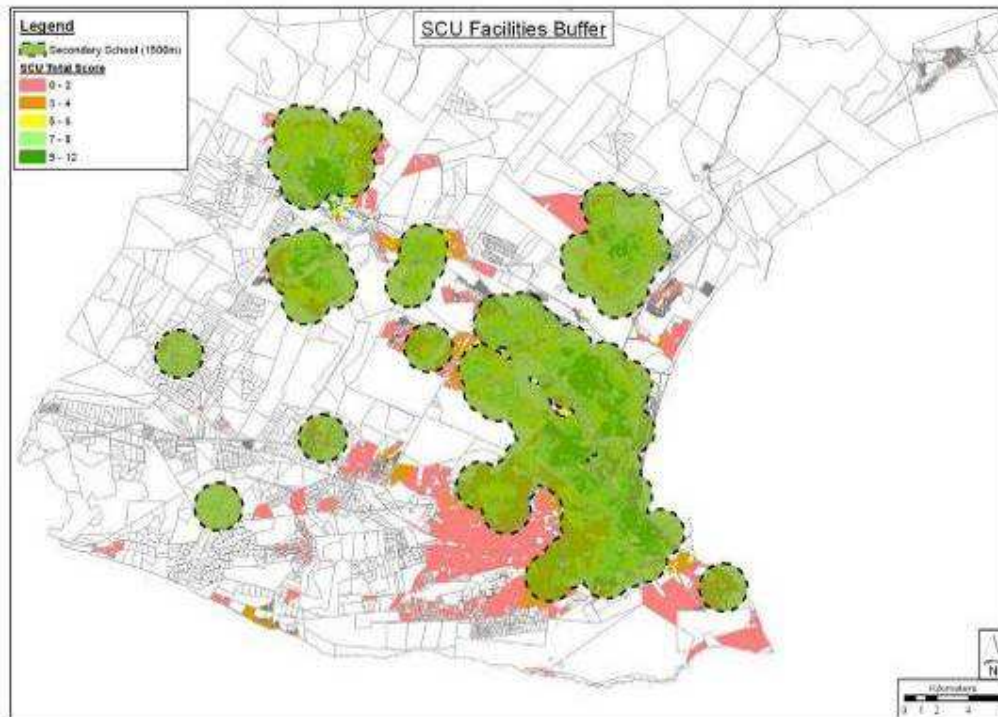
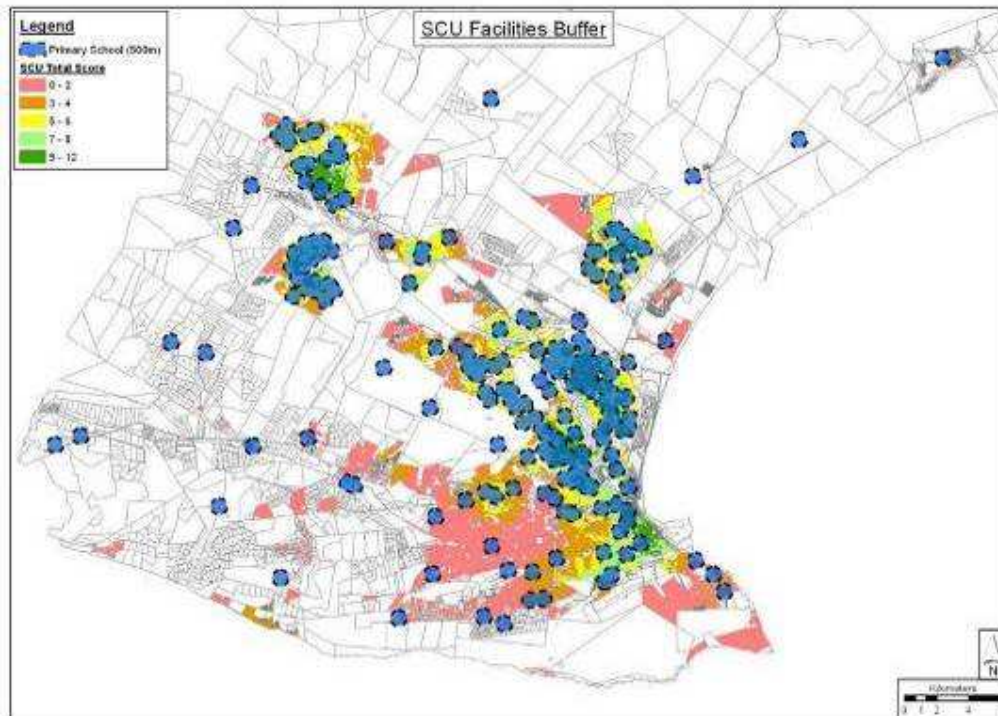
MAP 7: Distribution of Libraries (1500m)**MAP 8: Distribution of Parks (1000m)**

MAP 9: Distribution of Police Stations (2000m)



MAP 10: Distribution of Hospitals (2000m)



MAP 11: Distribution of Secondary Schools (1500m)**MAP 12: Distribution of Primary Schools (500m)**

ANNEXURE "E"

PROJECT LEVEL DATA FOR MBDA PROJECTS

Project Name:	BELMONT TERRACE ENVIRONMENTAL UPGRADE 3
Project Description:	Upgrading of Bird Street. Installation of street furniture, paving and landscaping
Project Locality:	Bird Street 33°57'52.90"S 25°37'02.41"E
Project Value (Cost)	R4.3m
Project Funding	MBDA (from NMBM)
Project Implementation	This phase is subsequent to Belmont Terrace 1 & 2 that has previously been constructed. This included the upgrades to the Athenaeum Building, Trinder Square and Bird Street. The current upgrade will see construction continue further up Bird Street.
Project Status	Contractor on site. Belmont 3 to be completed by June 2014.
Project Risks/ Challenges	The site is not secure and works are carried out all over a public area. Additional services that were not previously recorded, are discovered daily. Lack of response from municipal directorates to move services has delayed contractor.
Economic Value	The upgrade of this project has seen increased activity around the Athenaeum; the upgrade of various apartment buildings adjacent to Bird Street and upgrades to the Courts are to commence shortly.
Other Comments	This is quite a complicated project in that it takes long to expose services in order to do stormwater upgrading, then cover these services and landscape afterwards. Tenants and owners are inconvenienced for long periods of time.

Project Name:	KING'S BEACH PHASE 3
Project Description:	Upgrading the pond, play channel and fountain. Upgrading play equipment. Installing security gate to beach. Rehabilitating planter box. Installing 2x lifeguard huts.
Project Locality:	King's Beach 33°58'26.02"S 25°38'35.31"E
Project Value (Cost)	R2,17m
Project Funding	MBDA (from NMBM)
Project Implementation	This phase is subsequent to Phases 1, 2A and 2B that has previously constructed at King's Beach. Previous phases include development of the pond, play channel, fountain, walkways, skate park, a retention pond, car park, landscaping and a play park.
Project Status	Contract awarded. Awaiting commencement. Expected to be completed by June 2014.
Project Risks/ Challenges	The site is not secure and works are carried out all over a public area. Additional consulting input is needed to ensure the rehabilitation of the pond – might cause delays.
Economic Value	The beachfront has been upgraded and this has had a positive impact in terms of usage of the area as well as various positive comments from corporate organisations. Two snack shops have re-opened and weekend traders were re-organised along the maternity walkway.
Other Comments	Due to the creation of a large water body, the maintenance cost on this project must be taken into consideration.

Project Name:	TRAMWAYS
Project Description:	Upgrading of Bird Street. Installation of street furniture, paving and landscaping.
Project Locality:	c/o Lower Valley Road and South Union Street 33°57'59.90"S 25°37'31.29"E
Project Value (Cost)	R25m
Project Funding	MBDA (from NMBM)
Project Implementation	The Tramways Building will be upgraded in at least three phases, of which Phase 1A is currently under construction. This Phase involves securing the envelope of the building. Future phases will include the re-construction of the collapsed South-East section, finishes to the interior and possibly a bridge over the Baakens River.
Project Status	Contractor on site. Phase 1A to be completed by July 2014.
Project Risks/ Challenges	The structure is not 100% sound, which has delayed the project considerably. Escalating costs due to unforeseen discoveries with regard to the structure. Delays in project completion, due to unforeseen structural issues.
Economic Value	The upgrade of this project is envisaged to act as a catalyst for further development of existing structures around the Lower Baakens Valley, like the Bridge Street Building re-development, and also as an entrance to future possible development in the Port.
Other Comments	N/A

Project Name:	GQEBERA CAR-WASH
Project Description:	The Car-wash has resulted from a request by the relevant Councillor to make provision for the youth that operated a non-structured business within a space not desirable for such purposes in Fountain Road.
Project Locality:	Gqebera / Walmer Erf 8467
Project Value (Cost)	R 1 000 000.00
Project Funding	Mandela Bay Development Agency funding from Nelson Mandela Bay Municipality
Project Implementation	Phase 1: Design and feasibility (2012/13); Archworxs architects and project managers appointed; that are currently in process of submitting SDP
Project Status	Awaiting approval of SDP and drawings from NMBM
Project Risks/ Challenges	Non-approval of drawings may lead to community action (undesirable) / Operationalisation of Car-wash
Economic Value	Local jobs will be created at the Car-wash for the washers, at the kiosk and braai area. Gqebera residents can take their cars to a formal business for cleaning, increasing local value.
Other Comments	N/A

Project Name:	CLEANSING, LANDSCAPING AND FENCING OF GQEBERA OLD CEMETERY
Project Description:	Gqebera Cemetery has been in quite a dilapidated state, with alien plants, rubble and litter household garbage strewn all over the Cemetery. This was further compounded by the illegal grazing of animals in the Cemetery. This goes against the sacred nature of the place. The MBDA was requested to create an interventionist approach to restore the dignity of this Cemetery. MBDA removed all unwanted matter from the Cemetery, fenced it appropriately, built v-drains, upgraded the entrance and provided new signage.
Project Locality:	Gqebera / Walmer Erf 8755
Project Value (Cost)	R 1 000 000.00
Project Funding	Mandela Bay Development Agency funding from Nelson Mandela Bay Municipality
Project Implementation	Phase 1: Design and Feasibility (2012/13) Mandela Bay Development Agency Phase 2: Construction (2012/13); BM Machesa Construction Phase 3: Close-up/ Consolidation (2013/14): Mandela Bay Development Agency
Project Status	Project is completed (February 2014)
Project Risks/ Challenges	Continued neglect by the NMBM Parks and Cemeteries division.
Economic Value	Local labour was employed for both the implementation phase and the maintenance of the Cemetery.
Other Comments	N/A

Project Name:	CONSTRUCTION OF PROPOSED ACCESS ROAD-SAKHASONKE VILLAGE
Project Description:	The construction of Sakasonke Village exposed the lack of integration between various implementing directorates. As a result, the road linking the Village with Victoria Road was never constructed; it is in a bad state, being a gravel road and remaining muddy after rain. MBDA was requested to construct a 70 m road that provides better access to and from Victoria Road. This will reduce the damage to cars accessing this area. MBDA still wants to beautify the entrance to the village to round off the project, to create an inviting face to visitors – funding dependent.
Project Locality:	Gqebera / Walmer – Sakhasonke Village
Project Value (Cost)	R 660 000
Project Funding	Mandela Bay Development Agency funding from Nelson Mandela Bay Municipality
Project Implementation	Phase 1: Design and Feasibility (2013/14); Africoast Engineers Phase 2: Construction (2013/14); Andile Truck hire and Civils Phase 3: Close-up/Consolidation (2013/11): Africoast Engineers
Project Status	Project is completed (February 2014)
Project Risks/ Challenges	Maintenance from the NMBM Roads and Infrastructure Division / expectation that MBDA will beautify the rest of the road reserve, which will be a massive task in terms of cost.
Economic Value	The community has an accessible road / local labour was employed / better aesthetics at entrance.
Other Comments	N/A

Project Name:	CONSTRUCTION OF GQEBERA SAKHASONKE PARKS
Project Description:	The Sakasonke community requested the MBDA to assist with play parks for kids as no recreational facilities exist in the Village. This is further compounded by illegal dumping in open sites. A poorly maintained play site that was established during construction of the village poses a risk to children. MBDA will therefore develop play sites on these dilapidates sites.
Project Locality:	Gqebera/ Walmer Sakhasonke Village Erf 8976
Project Value (Cost)	R1 500 00
Project Funding	Mandela Bay Development Agency funding from Nelson Mandela Bay Municipality
Project Implementation	Phase 1: Design and Feasibility (2013/14); Mandela Bay Development Agency Phase 2: Construction (2014/14) – Qinqani Ma Afrika Construction
Project Status	Contractor is busy with site establishment.
Project Risks/ Challenges	Management of the play areas by body corporate/community forum.
Economic Value	Local labour in construction process / safe interactive play areas for children / recreational rest areas for adults.
Other Comments	N/A

Project Name:	CREATION OF EDUCATIONAL AND RECREATIONAL PARK IN GQEBERA SAWULE
Project Description:	Community project requested by the Councillor as part of Ward priorities. Area O is a newly established housing development without recreational facilities for children. An interactive park is envisioned for the area, to be handed back to the Municipality after one year of establishment / maintenance after final completion.
Project Locality:	Gqebera / Walmer Erf 10158
Project Value (Cost)	R 1 709 050
Project Funding	Mandela Bay Development Agency funding from Nelson Mandela Bay Municipality
Project Implementation	Phase 1: Design and Feasibility – Red Landscape Architects.
Project Status	Red Landscape is in the process of preparing the final design.
Project Risks/ Challenges	Hand-over of the project to NMBM and subsequent maintenance thereof.
Economic Value	Local labour will be employed in the construction of the project / the recreational value added to the township will be of considerable value.
Other Comments	N/A

Project Name:	ARCHITECTURAL AND ENGINEERING SERVICE FOR WALLABIES CLUBHOUSE
Project Description:	The Wallabies Sports field resorts under the EDTA Directorate of the NMBM. This Directorate approached the MBDA to assist with the construction of a Clubhouse for the Wallabies Rugby Club. Although the MBDA initially wanted to support soccer initiatives in Gqebera, no space was available to construct such. The facility will be fully operated by the EDTA directorate.
Project Locality:	Gqebera / Walmer Erf 8467
Project Value (Cost)	R2 million
Project Funding	Mandela Bay Development Agency funds received from Nelson Mandela Bay Municipality
Project Implementation	Phase 1: Design and Feasibility – PDNA is appointed and busy with the design
Project Status	PDNA is busy with the design
Project Risks/ Challenges	Initially intending to support soccer and now funding to be spent on rugby: this may create challenges amongst the two sporting codes. The MBDA advised EDTA of such.
Economic Value	A fully functional clubhouse will be constructed that will be an asset to the rugby fraternity, but may also be utilised by the broader community.
Other Comments	N/A

Project Name:	ARCHITECTURAL DESIGN AND ENGINEERING SERVICES FOR QAQAWULI COMMUNITY HALL
Project Description:	As part of the Ward priorities identification of Ward 17, the Councillor approached the MBDA for assistance to build a hall for the Qaqawuli community, as there is a need for such. The MBDA obliged to this request as part of its mandate of place-making.
Project Locality:	New Brighton – Qaqawuli Erf 63187
Project Value (Cost)	R2 700 000
Project Funding	Mandela Bay Development Agency funding from Nelson Mandela Bay Municipality
Project Implementation	Phase 1: Design and Feasibility (2013/14) PDNA Architectural and Engineering Services
Project Status	Awaiting approval from NMBM.
Project Risks/ Challenges	Taking over the ownership of the Hall by Facilities management will pose a challenge. This perception is based on the fact that facilities are not well managed or in a state of disrepair in certain wards.
Economic Value	The facility will provide the opportunity for the community to meet, have functions, etc. Local labour will be used in the construction of the hall.
Other Comments	N/A

Project Name:	CONSTRUCTION OF STINGING BEES SPORTS FIELD – NEW BRIGHTON
Project Description:	The Stinging Bees Soccer field was constructed on an open space that caused many challenges in the ward. This space was used for illegal dumping and was overgrown with various types of alien plants. This created the ideal space for social crime to happen. As a high priority ward project the Councillor approached MBDA for assistance to transform this space into a community asset. Arrangements are in place to hand-over the sports field to EDTA.
Project Locality:	New Brighton – Zondi street Erf 50724
Project Value (Cost)	R 1 829 735.00
Project Funding	Mandela Bay Development Agency from Nelson Mandela Bay Municipality
Project Implementation	Phase 1: Design and Feasibility (2012/13) - AHS Consulting Engineers Phase 2: Construction (2012/13) – Qinqani Ma Afrika Construction Phase 3: Close-up/ Consolidation (2013/14) – Mandela Bay Development Agency
Project Status	Project is completed.
Project Risks/ Challenges	Maintenance of the field after handover.
Economic Value	The various clubs and schools in the vicinity will use the field for sporting activities. The construction of the field was done using local labour. Social crime in and around the field has drastically decreased.
Other Comments	N/A

Project Name:	ARCHITECTURAL AND ENGINEERING SERVICES FOR VEEPLAAS BUSINESS INCUBATOR
Project Description:	The Veeplaas Business Incubator was built by the EDRS directorate in 2009. It has never been utilised after completion and fell into a dilapidated state. The Veeplaas in Action community group was quite concerned about this and requested intervention by the MBDA. Subsequent to this in agreement with the Ward Councillor, VIA and the MBDA various project for the area were identified. EDRS also transferred the building to the MBDA for the purpose of revamping it and getting it operational.
Project Locality:	Veeplaas Erf 59992
Project Value (Cost)	R 2 497 623
Project Funding	Mandela Bay Development Agency funding from Nelson Mandela bay Municipality
Project Implementation	Phase 1: Design and Feasibility (2013/14); PDNA Architectural and Engineering Service.
Project Status	Consultant is preparing preliminary designs for revamp and refurbishment.
Project Risks/ Challenges	Finding suitable tenants to operate their activities from the building.
Economic Value	Various business related activities will provided at the facility.
Other Comments	N/A

Project Name:	ARCHITECTURAL DESIGN SERVICES FOR A PROPOSED CARWASH - VEEPLAAS
Project Description:	The Carwash is one of the projects identified as part of youth development and employment in Veeplaas. The space originally occupied by the hawkers facilities in Koyana Street and which also became dilapidated has been handed to the MBDA from EDRS to construct a Carwash
Project Locality:	Veeplaas Erf 59269
Project Value (Cost)	R 1 000 000
Project Funding	Mandela Bay Development Agency funding from Nelson Mandela Bay Municipality
Project Implementation	Phase 1: Design and Feasibility (2012/13) AHS Consulting Engineers.
Project Status	Awaiting approval from the NMBM.
Project Risks/ Challenges	Operationalizing the facility.
Economic Value	Local youth will operate a business from the premises. Local labour will be employed in the construction of the facility.
Other Comments	N/A

Project Name:	ARCHITECTURAL DESIGN OF CREATIVE INDUSTRIES - VEEPLAAS
Project Description:	This project came about to assist the growing arts and culture fraternity in Veeplaas and at the same time to create an industry that can provide sustainable jobs to various enterprises. This facility will be constructed on the abutting property behind the Business Incubator and will house six industries.
Project Locality:	Veeplaas Erf no 59254
Project Value (Cost)	R 3 000 000
Project Funding	Mandela Bay Development Agency funding from Nelson Mandela Bay Municipality
Project Implementation	Phase 1: Design and Feasibility (2012/13) – AHS Consultants.
Project Status	Awaiting approval from NMBM.
Project Risks/Challenges	Securing appropriate enterprises to lease space.
Economic Value	This facility will be built using local labour. It will be a massive boost to the arts industry of the area and will create various job opportunities.
Other Comments	N/A