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## **FOREWORD BY THE EXECUTIVE MAYOR, Cllr R.Z CAPA**

As we strive towards impacting the rural livelihoods for the better in the district of O.R Tambo, crystal clear in our eyes is the notion of a new trajectory for growth and development that the Government of the African National Congress (ANC) focuses. This amongst others include growing the economy and ensuring that the state acts decisively to promote the inclusion of marginalized people in the economy and ensure that they have access to sustainable livelihoods.

The Honorable Minister Trevor Manuel explicitly indicated in his 2009 budget speech that the primary focus continues to be on job creation, protecting the poor, training and employment, investing in infrastructure, sustainable public finances as well as building a competitive economy.

We meet for a historic investment conference, one of its kind, in this district at a challenging time of deteriorating global economy mainly due to failure of free market economy in the developed counties. This in simpler terms confirms the fact that markets alone are failing both the rich and poor alike, even though such systems mostly favored the rich, and as such is viewed as an endorsement to the ANC's developmental state approach to government and governance.

Government's vision of South Africa's development path is a vigorous and inclusive economy where production of products and services is diverse, more value is added to products and services, costs of production and distribution are reduced, labour is readily absorbed into sustainable employment, and new businesses are encouraged to proliferate and expand.

In this vein O.R. Tambo district is an important role-player in meeting Government's proposed growth targets to halve poverty and unemployment by 2014 and thus needs to establish how best to position itself economically, specifically in terms of attracting both local and foreign investment.

We are however fully aware of the fact that although the District and the seven Local Municipalities are the initiators of the investment conference, by-in by local business, communities, private sector, our social partners, National and Provincial spheres of Government and related entities is critical to creating a thriving business environment and vibrant local economy, since they are the signatories of the district growth and development summit (DGDS), who gave the mandate to hold this conference. The four kingdoms residing in the district, the House of traditional leaders in the province as well as various traditional authorities as custodians of the land are our willing and committed partners in this investor mobilization process and as such are the integral part of the investment conference.

Our concrete experiential learning taught us that any initiative implemented by the government including a drive towards increased local investment that is not integrated with the traditional best practices and does not have the fullest support of the local inhabitants, is more often than not destined to fail. In fact such have in the past landed our communities in the deep sea of poverty, hunger and starvation that we currently face. The Municipalities and partners in O.R. Tambo most certainly need to rise to the challenge when it comes to attracting foreign investment.

The impact of the double legacy of apartheid and Bantustan planning and lack thereof resulted in a situation that completely undermines the economic competitiveness and potential of this district. Despite the fact that the O.R Tambo District is the

home and birthplace of the honorable Oliver Reginald Tambo, Nelson Mandela, a number of well known and unknown leaders, business executives, directors and leaders of prominent organizations, companies and Government institutions both Provincially and Nationally, it is still the most underdeveloped and inhabited by the most poverty stricken communities, when it actually should be the food basket of the country.

The improvement in the economic outlook of this district will be the result of joint efforts to ensure successful private enterprise as well as productive public-private partnerships. This is why I am calling on all who are willing to join economic forces and come on board to exploit the untapped natural resources, understand needs and find the best ways of making our local economy fully functional, investor friendly and competitively productive.

Clearly, the economy of the district hinges on Agriculture, Tourism, Forestry, Mari-culture and aquaculture sectors. Hence the packaged projects so presented in this conference reflect such. The usual "rules of economic engagement" are insufficient in the case of promoting investment in deep rural areas where the socio-economic benefits of such initiatives will supersede economic advantages to a community that bears the brunt of many years of neglect and oppression.

With the intended outcomes of the historic honorable delegates, it is indeed our sincere hope and lifelong dream that with the baton of governance and service delivery in our hands, may the efforts and aspirations of the living and fallen heroes and heroines of this land live on in our time, to secure a better future for generations to come.

**TOGETHER WE CAN DO MORE AND MAKE THIS WORKOUR INVESTMENT,  
OUR DISTRICT, OUR FUTURE!**

**O.R TAMBO DISTRICT MUNICIPALITY**  
**PROJECTS**

## AGRICULTURE AND AGRO-PROCESSING

### 1. UMZIKANTU RED MEAT ABATTOIR AND MEAT PROCESSING PLANT

#### PROJECT DESCRIPTION

Umzikantu meat abattoir and processing plant is situated within the Umtata city centre and consists of a feedlot, abattoir and meat processing plant. The Abattoir currently is not utilized to full capacity and has outdated and unmaintained equipment. An opportunity exists to upgrade and operate the facility. The aim of this initiative is for the facility to have capacity to produce final outputs on site to supply both local and provincial retailers.

The existing property is located on a 4 hectare plot and the size of the property does not allow for further expansion, however adjacent land would need to be purchased should building expansion take place.

#### LOCATION

The abattoir is located in the city of Mthatha, which is the district's largest economy.



## MARKET

OR Tambo Local and National Retailers, Local Hospitality Industry, Tourism Industry (Hotels, B&Bs etc.) and South African National Retailers.

## PROJECT RATIONALE

OR Tambo District Municipality is renowned as having one of the largest populations of Red Meat stock in the country. Currently a bulk of the final processed red meat products purchased in the district is brought in from other regions. Mthatha currently boasts only two small abattoirs. The District Municipality recently purchased the Abattoir (which had been privately operated) from the former Transkei Regime. The District recognised the potential for expansion of the development onsite, which would include both the modernisation of existing equipment as well as the development of a red meat processing plant which would allow for complete value adding taking place at the facility.

## PROJECT STATUS

Infrastructure and equipment is available. There are still land claims pending. PPP is proposed.

## PROJECT VALUE

Initial Capital is R50 – R100 million

## FUNDING REQUIREMENTS

100% Funding required

## ROI PROJECTIONS

## JV PARTNERSHIP REQUIREMENTS

The project will take the form of a Public Private Partnership (PPP).

## CONTACT DETAILS OF PROJECT PROMOTERS

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## 2. BIO-FUEL and BIO-DIESEL

### PROJECT DESCRIPTION

An initiative by the Mbizana Municipality to re-vitalise 8000 hectares of existing neglected sugar cane fields and virgin land to grow crops that will be used in producing Bio Fuel. The process will include the establishment of a processing plant and the manufacturing of Bio Fuel on a large scale.

OR Tambo District has also identified 200 hectares of communal land in the Nyandeni, KSD and Mhlonto Local Municipalities as potential agricultural zones for the harvesting of sunflowers to produce Bio Diesel.

The project will include the following:

- Sunflower Plantations (Communal and Private Land)
- Sunflower Oil Expellers
- Bio Fuel Processors
- Transport
- Fuel Distribution

Bio Fuel Marketing

### LOCATION

The Bio-fuel project will be located in the iMizize area which is +/- 20 km away from Kwazulu Natal and +/- 30km away from Bizana Town

The project will also be located at Nyandeni, KSD and Mhlonto Local Municipalities



### MARKET

National Oil refineries like Engen and Bp, state owned entities like Transnet, Eskom and the Department of minerals and Energy.

### PROJECT RATIONALE

This project arises in an attempt to curb the many challenges faced by the Mbizana area as well as to fully exploit the available untapped natural resources. The area is characterised by high unemployment rate, economic decay and underdevelopment. This project will exploit the underdevelopment and act as a catalyst in economic development in this region. The project is set to create massive employment opportunities and other

business spin offs. This will also contribute towards the Geographical Gross Domestic product (GGDP) and the economy in general.

The project is an expansion on the Labour Job Creation Trust Fund (LJCTF) Bio - Diesel Pilot Project. A feasibility study of the project was conducted within the Tsilitwa Village in Qumbu and it proved to be a success. The study entailed processing of Bio - Diesel from used Vegetable oil sourced from various restaurants and take - away outlets in the area.

The trust fund is in the process of transferring ownership of the Bio - Fuel Processors for use in the District's Bio - Fuel Development Project. The district has recently ordered three sunflower oil expellers which will provide raw input (sun flower oil) for the bio - fuel conversion process. The decision by the district to utilise sun flowers as the core raw material inputs is due to the crops high oil yield and relatively uncomplicated harvesting process.

This project will not only commercialise farming in rural areas, but will also boost local economy. The project site may also be utilised for research by scientists and engineers with interest in Biofuels, sustainable growth and development and in exploration of alternative and cost effective sources of energy.

The country needs to earn Clean Development Mechanism credits for the use of clean energy source, as this contributes towards reduction of green house gas emissions like Carbon dioxide and Methane, thus reducing global warming plight (and this has become a global mandate).

#### **PROJECT VALUE**

Estimate of R 2,6 Billion

#### **FUNDING REQUIREMENTS**

The investors will be required to invest 100% of the funds needed.

#### **ROI PROJECTIONS**

Estimated at 20% pa

#### **JV PARTNERSHIP REQUIREMENTS**

A private partner will partner with land owners and sugarcane farmers' co-op and Mbizana Municipality.

#### **CONTACT DETAILS OF PROJECT PROMOTERS**

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## TOURISM

### PROJECT NAME

#### 3. Port St John's Arts & Craft Hub

### PROJECT DESCRIPTION

- The initiative is designed to develop a vibrant and sustainable economic activity culminating in an economic hub at Coffee Bay.
- The development will put into effect a co-ordinated and integrated framework with a sustainability strategy

The scope will entail the following:-

Information Area, Entrance & Foyer, Waiting room, Coffee Shop, 6 Curio Shops, Gallery, Conference facility, Restaurant & Office, Resource Centre, Amphitheatre, Parking

### LOCATION

- The development is in Port St John's Town, Port St John's Local Municipality
- Approximately 100km from Mthatha
- The land is owned by the O.R. Tambo District Municipality

### PROJECT RATIONALE

- The rationale includes local economic development and employment creation towards
- Poverty alleviation
- Expand the revenue base of the Port St John's Local Municipality
- Private sector investors will be involved in the development through a long-term lease

### PROJECT VALUE

- Approximately R25 million

### FUNDING REQUIREMENTS

- Feasibility Study
- Business Plan Development
- Transacting Costs
- Infrastructure Requirements ( roads, telecommunication, electricity, water and sewer systems)
- Buildings
- Operational Costs

### Return on Investment PROJECTIONS

Return on investment will be determined through feasibility studies

#### **JV PARTNERSHIP REQUIREMENTS**

A private sector partner is required in relation to the overall development

#### **CONTACT DETAILS OF PROJECT PROMOTORS**

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# PROPERTY AND RETAIL

## PROJECT NAME

### 4. FORT DONALD MULTI-PURPOSE TRADING COMPLEX

#### PROJECT DESCRIPTION

The Fort Donald trading complex previously operated as a trading station which includes the following facilities:

- General dealer, hardware, warehouse, engine room, stable, two dwellings, two store rooms and workers quarters.

The facility is currently not operational and the district has identified that property as having huge potential for the development of a multi-purpose trading complex to meet the needs of locals as well as residents from the towns of the Flagstaff, Lusikisiki and Mbizana.

The multi-purpose trading complex is envisaged to include the following facilities:

- Retail (With an emphasis on attracting national retailers)
- Wholesale Trade
- Financial Services
- Conference Facilities (Small to Medium size - +- 150 seater)
- Tourism and Arts and Craft Products

#### LOCATION

Fort Donald is located on the Pakade-Magusheni Road and lies at an approximate mid-point between the towns of Kokstad, Mbizana, Flagstaff and Lusikisiki.

#### MARKET

Mbizana, Lusikisiki, Flagstaff, Fort Donald and Kokstad Residents

#### PROJECT RATIONALE

The Fort Donald Multi-purpose complex is currently not operational and has resulted in the local population having to travel far distances to towns like Kokstad and Mbizana to purchase even simple retail goods.

The property's mid-point proximity to nearby towns is identified as being ideal for the establishment of national retailers and financial services, which in turn reduce the travel costs of nearby town residents who now travel to Kokstad to do their bulk shopping.

The development of a conference facility will benefit the local public sector, who currently to travel to either Umtata or Kokstad to host or attend meetings.

Full time employment during operation will be created which could generate between 50 and 100 permanent jobs depending on the size of the retail and associated facilities.

Opportunities for local crafters and SMMEs will come about with the development of tourism and arts and crafts centre in the complex.

#### PROJECT STATUS

Land for this initiative is readily available, under the ownership of the municipality. The

municipality has committed itself to give priority to infrastructural services.  
Possibility of funds tranfere of R2.5m from Department of Economic Development and Environmental Affairs.

**PROJECT VALUE**

R20 to R50 million

**FUNDING REQUIREMENTS**

100% of the project value

**ROI PROJECTIONS**

11% pa

**JV PARTNERSHIP REQUIREMENTS**

Public Private Partnership

**CONTACT DETAILS OF PROJECT PROMOTERS**

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**PROJECT NAME**

5. KUBHA – ONE STOP SHOP

**PROJECT DESCRIPTION**

KUBHA-ONE STOP SHOP project is an extension of the existing fuel station currently situated at the Magusheni intersection in the Mbizana area. The development currently has an established Taxi and Bus rank and a few informal vendors. There is also a small business centre in the area that requires an operational plan. The envisaged idea is to upgrade the existing facilities and create a business hub that will service local communities and passing commuters.

The Small business area can house a satellite post office, Home affairs Welfare and a police station. The proposed one stop shop will consist of Fast Food Restaurant, a refreshment store and satellite information centre.

**LOCATION**

MBIZANA LOCAL MUNICIPALITY - Ward 8

**PROJECT RATIONALE**

The feasibility studies has not been commissioned for this project although the existing filling station and a small business centre are well positioned, in an intersection hub of Magusheni where R61 detour to join N2 at Phakade junction. The Magusheni intersection enjoys the traffic by-pass from Durban passing through Bizana, Lusikisiki and Port St Johns Bizana to Kokstad and Umtata.

**PROJECT STATUS**

Land for this initiative is available; feasibility study has not been done yet.  
Bulk Infrastructural services still needed.

**PROJECT VALUE**

Estimate: R700million including bulk infrastructure

**FUNDING REQUIREMENTS**

50% of project value

**ROI PROJECTIONS**

Estimated 10,5%

**JV PARTNERSHIP REQUIREMENTS**

The investor had to partner with the local businessman who owns the filling station and partnership or joint venture could be sort.

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## PROJECT NAME

### 6. MAFINI DEVELOPMENT NODE

#### PROJECT DESCRIPTION

This development is a precinct development. It comprises several projects some of which are the direct function of the municipality as well as long term business investment opportunities for investors. This is a green field urban development. It provides for a mixture of typical urban development which includes the following:

- Middle Income housing development
- Cluster housing development- Flats
- Retail including a mall and a provision for individual commercial and industrial space
- Public transport infrastructure such as bus and mini-bus terminus

This development is along the R61 Road between Mthatha and Port St Johns within the jurisdiction of Nyandeni Local Municipality. More specifically the plan makes provision for full settlement with the required facilities e.g. single residential, Filling Station, general businesses, Educational facilities, workshop facilities, Community hall, Rehabilitation centre, Recreational complex, Sports field, Taxi rank and Truck depot, Police station etc

#### LOCATION

Developments will be located in Libode – Mafini Area, along R61 road

#### PROJECT RATIONALE

The demographics of Nyandeni Local Municipality reveal that a significant proportion of employed people are professionals working in the education, health, safety, justice and private sector, most of these people do not make a significant contribution in the local economy due to a number of factors. Amongst these is the fact that very few of them reside within the boundaries of Nyandeni due to lack of appropriate accommodation. The remaining few do not carry out their shopping within the area due to absence of appropriate shopping facilities. A second segment of these are professionals who are originally from the municipal area but working in different parts of the country.

These are people who during holidays could make a significant contribution to the local economy be it in terms of purchasing power within Nyandeni or even in terms of investing in the different sectors provided for within the Mafini Development Node. Local economic growth is to a large extent dependent on factors such as access to appropriate land and thus business opportunities as well as availability of disposable income. This development has a hug potential to turn around the local economy of Nyandeni Municipal area.

The proposed development precinct is based on the following rationale:

**Public Private Partnership** – The development is envisaged as a public private partnership with the public sector playing a catalytic role through provision of affordable land and bulk infrastructure. It is proposed that interested investors be

engaged to undertake their own extensive feasibility studies on each specific sector before any investment in terms of enabling infrastructure.

**Self Sustainability** - While there are potential risks on the existing small urban outlets (Libode) in terms of possible stagnation due to the location comparative advantage of the new development; there are huge opportunities offered by the proposed development node which can ensure self – sustainability such as new businesses, development of appropriate schools to attract the middle income earning cohort. The development will most likely have a positive multiplier effect on the surrounding areas including other sectors such as farming due to commercialization. While this is a local municipal initiative additional district directed investment opportunities can be added. These can include downstream opportunities flowing from the forestry sector and agricultural sectors.

**Phased Development** – In order to make the project viable and sustainable, the project needs to be developed in phases. However, given the divergent nature of sectors involved, the process of mobilizing private investors from across should be done right from the beginning of the development.

#### **PROJECT STATUS**

The issue of land availability for this development is still in process.  
Feasibility study still to be conducted

#### **PROJECT VALUE**

#### **FUNDING REQUIREMENTS**

#### **ROI PROJECTIONS**

#### **JV PARTNERSHIP REQUIREMENTS**

Community Private Public Partnership

#### **CONTACT DETAILS OF PROJECT PROMOTERS**

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**PROJECT NAME**

7. MFUNDISWENI LODGE

**PROJECT DESCRIPTION**

Development of middle and high income houses in ward 14 and 8 Great Place. The required land for this development is 20 hectares, however only 10 hectares of land has been reserved for this development by the municipality.

- 50% of the identified land will be dedicated to the Mfundisweni Sustainable village.
- 50% to Middle income houses at R400 000 per house.

**LOCATION**

NTABANKULU LOCAL MUNICIPALITY Ward 14 and 8 Great place

**PROJECT RATIONALE**

The aim of the project is to offer alternative accommodation and a sustainable village within the area, whilst contributing towards sustainable economic growth and job creation.

Currently the Mfundisweni area has a shortage of accommodation, therefore creates an opportunity for such and initiative. The project will contribute positively towards local economy as well as strengthening tourism offering in the area.

**PROJECT STATUS**

The land for this initiative is owned by the municipality. Feasibility study for this development has not been done yet.

**PROJECT VALUE**

Estimate: R90m

**FUNDING REQUIREMENTS**

Only R3m has been provided for the 09/10 financial year. An amount of R87m still needs to be resourced for the project for the following:

- Feasibility Study
- Business Plan Development
- Transacting Costs
- Infrastructure Requirements (roads, telecommunication, electricity, water and sewer systems)
- Buildings
- Operational Costs

**ROI PROJECTIONS**

Return on Investment of 11% within a 3 year period.

**JV PARTNERSHIP REQUIREMENTS**

Public Private Partnership

**CONTACT DETAILS OF PROJECT PROMOTERS****Ntinga Development Agency**

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# OTHER PATERNSHIP VENTURES

## PROJECT NAME

8. Palmerton place of safety

## PROJECT DESCRIPTION

- The centre is designed to provide a place of safety for vulnerable members of child-headed households.
- The facilities are to exist in a co-ordinated and integrated framework with a sustainability strategy

The scope will entail the following:-

- Orphanage home for girls and boys
- Residence for teachers and security officers
- School
- Clinic and ambulance centre
- Counselling facility
- Tusong Centre
- Water
- Cultural village

## LOCATION

- The centre is at Palmerton Mission in Ingquza-hill Local Municipality
- Approximately 15km from Lusikisiki towards Flagstaff
- The piece of land that has been identified for the development is approximately 60 hectares in size.
- The land is owned by the O.R. Tambo District Municipality
- 

## PROJECT RATIONALE

- The district municipality has adopted policy to support vulnerable members of child-headed households.
- The centre will seek to curb sexual and physical violence against this group
- It will also curb teenage pregnancies arising from sexual abuse
- It will provide education from grade R – Matric
- Promote curatorship in support of the sector against massive abuse of estate left by parents of the sector
- Government departments and parastatals rendering services to the community will occupy developed offices

## PROJECT VALUE

- Approximately R20 million

## **FUNDING REQUIREMENTS**

- Feasibility Study
- Business Plan Development
- Transacting Costs
- Infrastructure Requirements ( roads, telecommunication, electricity, water and sewer systems)
- Buildings
- Operational Costs

## **Return on Investment PROJECTIONS**

Return on investment will be determined through feasibility studies

## **JV PARTNERSHIP REQUIREMENTS**

None

## **CONTACT DETAILS OF PROJECT PROMOTORS**

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**PROJECT NAME****COTTON PROJECT****PROJECT DESCRIPTION**

The Cotton project is an extension of a pilot project conducted in 2006 by the King Sabata Dalinyebo Municipality. A total of 4000 ha of land were identified for the plantation of Cotton. The project will incorporate all aspects of the cotton production cycle. The project will include a cotton plantation & harvesting, textile milling and a cotton manufacturing plant.

**LOCATION**

Cotton Plantation will be based in Mkambathi in the Ngquza Hill Local Municipality.

**MARKET**

Identify markets includes South African Mills, national retailers and international market.

**PROJECT RATIONALE**

In 2006 a pilot study was conducted on a total of 640 hectares spread across the Mbizana, INgquza Hill and KSD Local Municipalities. The trial was successful therefore indicating the possibility of planting cotton in the O. R Tambo District. Successful yields of 52 bales were been harvested even though planting was conducted late in the season (December instead of October). Due to the success of the pilot study, OR Tambo District Municipality has identified the potential for expanding cotton production in the district. The district's vision is that the project could ultimately encompass the entire production line, producing final cotton products for both the national and international market.

**PROJECT STATUS**

Feasibility study and research still required.

**PROJECT VALUE**

R20-R50 Million Initial Capital

**FUNDING REQUIREMENTS**

100% of the project value

**JV PARTNERSHIP REQUIREMENTS**

The project will take the form of a Public Private Partnership (PPP).

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**KING SABATA DALINDYEBO  
LOCAL MUNICIPALITY  
PROJECTS**

## AGRICULTURE AND AGRO-PROCESSING

### PROJECT NAME

#### HIGH VALUE CROPS PRODUCTION PROJECT

### PROJECT DESCRIPTION

The high value crop production project is an initiative by King Sabata Dalindyebo Municipality which aims to achieve high agricultural production and promote economic activity within rural villages. It is part of the Integrated Village Renewal Programme (IVRP), which is a collaborative initiative of the Agricultural Research Council - Institute for Tropical & Subtropical Crops (ARC-ITSC) and Is'Baya Development Trust. A comprehensive multi-year development programme that provides direct support for agricultural production inputs, technical and appropriate expertise.

The project will entail production of fruit and herbs for commercial purposes and oil extraction. The following land has been allocated for this initiative:

- 600 hectares used for household production (1200 households)
- 120 hectares under commercial fruit production (120 farmers)
- 120 hectares under commercial herb and essential oil production (4 villages)
- 4 extraction plants for essential oils

Eight rural villages in KSD municipality will be mobilised to participate in the project, focusing both on subsistence and commercial crop production. About 60% of households from the eight villages will grow crops and supply to +/-1200 households. Lead farmers in each village would be identified to produce commercial fruit crops at a large scale and supply produce to surrounding areas within the region.

### LOCATION

KING SABATA DALINDYEBO MUNICIPALITY.



**PROJECT RATIONALE**

The project is based on a proven concept that has been running as a demonstration programme in the area over a period of years. Access to food and nutrition has improved within households. Organised institutions have been established which positions the participating communities for involvement in the national economy. The high value crop programme was initiated in 1999 and a pilot phase was been successful implemented.

**PROJECT STATUS**

This programme has already commenced in 8 villages located in K.S.D.

**PROJECT VALUE**

Estimated cost output over a 3 year period is R25.12 million.

**FUNDING REQUIREMENTS**

There investor is expected to fund 100% of the required amount.

**ROI PROJECTIONS****JV PARTNERSHIP REQUIREMENTS****CONTACT DETAILS OF PROJECT PROMOTERS****ARC-ITC****Is'Baya Development Trust**

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# PROPERTY, RETAIL & INDUSTRIAL

## PROJECT NAME

Mthatha Middle Income Housing Project

## PROJECT DESCRIPTION

- The project is designed construct middle to high income houses
- The promote property developers and estate agencies

The scope will entail the following:-

- Planning
- Land development
- Infrastructure
- Social and recreational amenities
- Construction
- Property Sales

## LOCATION

- The project will be implemented in ERF 912 King Sabatha Dalindyebo Local Municipality
- Approximately 5Km from Mthatha CBD
- The piece of land that has been identified for the development is can accommodate 3500 units
- The land is owned by the Local Municipality

## PROJECT RATIONALE

- The project seeks to address housing needs for middle to high income groups
- Secondly, the rationale includes employment creation towards poverty alleviation
- Private sector investors will be involved in the development

## PROJECT VALUE

- Approximately R100 million

## FUNDING REQUIREMENTS

- Feasibility Study
- Business Plan Development
- Transacting Costs
- Infrastructure Requirements ( roads, telecommunication, electricity, water and sewer systems)
- Capital investment in development by the public and private sectors
- Operational Costs

## Return on Investment PROJECTIONS

Return on investment will be determined through feasibility studies

## **JV PARTNERSHIP REQUIREMENTS**

A private sector partner is required in relation to capital investment and sales of housing units

## **CONTACT DETAILS OF PROJECT PROMOTORS**

*King Sabatha Dalindyebo Municipality*

Mr. N. Maqhashu  
KD Matanzima Building  
Ground Floor  
Owen Street  
Mthatha  
5099  
Telephone: +27 – 47 – 501 4239  
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## OTHER PARTNERSHIP VENTURES

### PROJECT NAME

**NELSON MANDELA CULTURAL PRECINCT**

### PROJECT DESCRIPTION

Improvement of public space around the Nelson Mandela Museum on Owen Street, linking the civic core and other government offices.

The project will entail:

- Pedestrianisation of Owen Street in front of Nelson Mandela Museum
- Potential to redesign Owen Street to reduce to single carriage road with wide sidewalk
- Potential for centralized Mthatha market accommodated on wide sidewalk

### LOCATION

KSD Municipality- Owen street

### PROJECT RATIONALE

Investment in the cultural precinct around the Nelson Mandela Museum will attract much needed tourism, to stimulate trade opportunities for street vendors and place a renewed focus on the historical value of the area.

Pedestrians will be able to buy goods from traders and stroll through a safe and comfortable environment.

Informal trading is already a significant part of the local economy and needs to be located where pedestrian movement is highest. As this area attracts pedestrians it provides an ideal opportunity for the development of informal trading areas. There are currently very limited comfortable and safe trading spaces in Mthatha due to narrow sidewalks and busy street. People who rely on informal trading as well as immediate job opportunities associated with the construction stages.

Work done to date:

- initial design proposal made as part of the Asgisa- Eastern Cape programme
- Tender issued for the design and implementation of the cultural precinct upgrade
- The Sustainable Development Plan Consortium have made proposals to expand this project to include a redesign of Owen Street to include major central city public space, central craft, fresh produce and local produce market as a major tourist attraction.

### PROJECT STATUS

Land is readily available, under the ownership of the municipality.

### PROJECT VALUE

Planning and detailed design work: R 2.8 million

Capital investment:

Convert one carriageway into sidewalk: R 11 million

Creation of informal market: R 7 million

Landscaping: R 5 million

Total value of the project is R25.8million

**FUNDING REQUIREMENTS**

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**JV PARTNERSHIP REQUIREMENTS**

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**CONTACT DETAILS OF PROJECT PROMOTERS**

<p><b>KSD Municipality</b> Name(s): Dali Mlenzana Address: Munitata Building, Cnr Sutherland &amp; Owen Street 3<sup>rd</sup> Office 317 Mthatha 5099 Tel: +27 83 273 6697 Fax: +27 47 531 2778 E-mail: <a href="mailto:dalim@ksd.org.za">dalim@ksd.org.za</a></p>
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**PROJECT NAME****VULINDLELA INFRASTRUCTURE UPGRADE****PROJECT DESCRIPTION**

The proposed project requires a facelift and infrastructure capacity upgrade for Vulindlela Industrial Area to improve investor interest and accessibility.

Key focus will include:

- Infrastructure upgrade
- Road repaving
- CBD Relief road to provide direct access from N2 to Vulindlela
- Community based waste cleanup and management initiative

**LOCATION**

Vulindlela Industrial Area, Errol Sprigg Street, Mthatha

**PROJECT RATIONALE**

Vulindlela is well located within Mthatha and has the potential to intensify the manufacturing and industrial businesses. The identified project will provide employment opportunities within the Mthatha area and region, where unemployment lies at 60% of the working population.

Mthatha is very well linked into the region and nationally, at the intersection of the N2 and the R61 as well as a number of other local routes to the hinterland areas. These areas include the Ugu Forest and Wild Coast that could provide source material for a range of timber and agro-processing industries. Mthatha is an important regional service hub with 1.5 million people within 50 km of the town. There is enormous potential to expand industrial and manufacturing industries to supplying local and international markets.

Currently the infrastructure of Vulindlela is degraded and outdated and this limits potential new investment. Besides underground services, the state of the road infrastructure in Vulindlela is very bad and some parts of the roads are inaccessible to large freight. An upgrade of this infrastructure will improve the transportation of goods and services in this area will unlock the potential for new investment.

**PROJECT STATUS**

Initial Design has been made.

**PROJECT VALUE****It is estimated at 6,5 million****FUNDING REQUIREMENTS**

Funding is required for the Infrastructure upgrade of this area

**CONTACT DETAILS OF PROJECT PROMOTORS****KSD Municipality**

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Mthatha

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Fax: +27 47 531 2778

E-mail: [dalim@ksd.org.za](mailto:dalim@ksd.org.za)**PROJECT NAME**

## Stakeholder Mobilisation through OR Tambo GDS and Local LED Forums and Capacity Building Programme

### PROJECT DESCRIPTION

The aim of the project is the establishment of a OR Tambo Growth and Development Strategy Forum based on strong local LED forums and sector institutional bodies that are able to perform their respective roles in promoting and contributing to economic and social development.

The ORT GDS Forum will bring together the local municipality LED Forums and key sectors within the district – business, government, civil society and education. The sectors will be structured as sub-committees of the local LED forums and will bring together relevant institutions and stakeholders. The sub-committees will have representation on the local LED Forums.

The ORT GDS Forum will be expanded to include direct representation from relevant government agencies and departments and the ten largest firms within the district. In order for the Forum and its sub-structures to perform their roles and responsibilities effectively it is proposed that there is an intensive inter-linked capacity building, mentorship and support programme. The phasing and content of this support programme will be based on in-depth institutional assessments of the institutions involved in the Forum.

The scope of the project will involve:

- Building consensus with all stakeholders regarding the proposed institutional concept
- Establishing local LED forums, sub-committees and sector sub-structures where required
- Identifying capacity needs of member structures of the ORT GDS Forum
- Designing a phased capacity building programme that prioritises institutions for support
- Launch the local LED Forums and ORT GDS Forum
- Implementing a capacity building programme that strengthens institutions and improves their effectiveness.

### LOCATION

KING SABATA DALINDYEBO MUNICIPALITY.

### PROJECT RATIONALE

Currently, there are no local LED forums or a OR Tambo District that brings together the business, government, civil society and educational sectors around a shared vision and development strategy for the region. There are also a large number of economic stakeholders – ranging from government, government agencies, business associations, civil society groupings to educational institutions – that lack sufficient capacity to perform their mandates. This is contributing to a poor external environment for businesses to operate and cooperate resulting in a situation where thousands of firms are battling to survive.

The OR Tambo District Municipality's **Growth and Development Summit 2007** identified the need to build municipal-business co-operation and resolved to form a partnership between the ORTDM and NAFCOC focused on: the joint development of a regional programme of action; development of strategies for business development advocacy; and, infrastructure development planning, rehabilitation and monitoring. In terms of this partnership the ORTDM was allocated the responsibilities of: creating an enabling business environment; ensuring development of district and local by-laws; and, the establishment of PPPs, a database and a business service and advice centre. NAFCOC

was allocated the responsibilities for the: establishment of an investment centre in the region; establishment of business incubator and business advice centres; undertaking of a business ownership and leasing survey; expansion of business affiliation networks to the inclusion of all sectors in business; and to assume observer status in the district municipality's LED standing committee. It was further agreed at the GDS Summit that there should be an LED Forum and its role would be to convene meetings for co-ordination and information sharing. The ECDC was allocated a support role to the partnership in the form of the development and submission of a factory occupancy database. However, this partnership does not appear to exist, and, as indicated previously there are still no active LED Forums within the OR Tambo District that draw representation from government, business, civil society and the educational sector and focus all stakeholders around a single economic development strategy for the region.

The *OR Tambo's Growth and Development Summit 2007* laid the foundation for this ongoing engagement, but further work and support is required to make it happen. This project proposal builds on the decision taken at the GDS Summit, and through an analysis of the current market and institutional environment within the OR Tambo district expands the proposal to include all critical social and economic stakeholders and to identify ways of strengthening the key institutions at both local and district levels.

#### **PROJECT VALUE**

R 7 760 000.00

#### **FUNDING REQUIREMENTS**

#### **JV PARTNERSHIP REQUIREMENTS**

#### **CONTACT DETAILS OF PROJECT PROMOTERS**

##### **KSD Municipality**

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**PROJECT NAME****KWA- TSHEZI /COFFEE BAY & HOLE IN THE WALL COASTAL NODE LAND RELEASE****PROJECT DESCRIPTION**

This project is aimed at facilitating development within these nodes of prime tourism potential through an engagement process with all relevant stakeholders. The proposed facilitation and engagement project will ensure that the development vision is shared by the community and all stakeholders and that development is appropriate, taking into consideration the socio-cultural, economic, agricultural and conservation value of the area.

The main issues to be dealt with in the process is the:

integration of the community and traditional leaders into the development process  
availability of land and land tenure

Through the engagement process, innovative solutions will need to be developed around:

sustainable forums and processes for engagement in the development process

land ownership and investment returns

development options and vehicles

development finance and partnerships

- Concessions
- donor funding
- long term lease
- and release in return for investment in social development

**PROJECT RATIONALE**

Land release for development and community involvement in the development process are key components for sustainable development in the area. Land release will make development possible which would justify investment in infrastructure improvements. This project has the potential to set precedents that may have an impact on land in traditional tenure areas elsewhere.

The project has been identified by the KSD Municipality.

The engagement process will facilitate future development and the implementation of national and provincial policies as well as the proposals set out in the:

'Kwa-Tshezi Development Plan'. Situational Analysis Report, October 2007, KSD Municipality

The Wild Coast Tourism Development Policy identified Coffee Bay as a first order development node and Hole in the Wall as a second order development node.

Significantly a principle of the policy is that, 'Government should provide the enabling framework for tourism development.'

**PROJECT STATUS**

There are still unresolved land issues that are still in process. Feasibility study for this development has been conducted.

**PROJECT VALUE**

1 million

**CONTACT DETAILS OF PROJECT PROMOTERS****KSD Municipality**

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## **HOLE IN THE WALL TOURISM PROJECT**

### **PROJECT DESCRIPTION**

The Hole in the Wall Tourism Resort will comprise of a time share facility with hotel and conference centre located adjacent to the famous Hole in the Wall natural wonder near Coffee Bay.

The 500 to 1000 guest facility intends to make the most of natural environment in which it will be located, boasting a variety of adventure activities and the possibility of a golf course development. Approximately 20 hectares of land have been identified for this development.

### **LOCATION**

The investment will be located within the town of Coffee Bay. Coffee bay lies approximately 50km from the N2 highway and 350km south of Durban.

### **MARKET**

Domestic and international tourist

### **PROJECT RATIONALE**

The Department of Environmental Affairs and Tourism (DEAT) along with the Eastern Cape department of DEDEA have identified this area as having huge potential as a tourism destination. The area is heavily reliant on tourism as a source of income, however the sporadic nature of tourism results in low tourism numbers during the off-peak season. This development with its emphasis on timeshare and conference facilities, hopes to attract a year round flow of tourists to the region in the form of long term time-share tenants and public and private sector conference attendees.

It is presumed that the Hole in the Wall is currently not reaching its potential in terms of economic income generation, and through this development the region can benefit sustainably.

### **PROJECT VALUE**

Initial Capital Investment for such a project is estimated to be approximately R200 million.

### **FUNDING REQUIREMENTS**

DEDEA has committed itself to fund a thorough market feasibility assessment into the development potential of this project. The Investor will be required to fund the total value of the project.

### **JV PARTNERSHIP REQUIREMENTS**

A Community Private Public Partnership (CPPP) is required where by the private investor would engage in a long term lease agreement with the community for development and operational rights.

### **CONTACT DETAILS OF PROJECT PROMOTERS**

#### ***Ntinga OR Tambo Development Agency***

Name(s) **Babalwa Ncume** (*Senior Manager: Project Management Support*)

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## **PROJECT NAME**

**Viedgesville Sustainable Village Park**

## **PROJECT DESCRIPTION**

- The mall is designed to bring business and developmental services as well as community support interventions by various government and civil society institutions.
- The facilities are to exist in a co-ordinated and integrated framework with a sustainability strategy

The scope will entail the following:-

- Shopping mall with major retailers or chain stores
- Postal Service centres
- Fuel Station
- Tour Guide & Information Centre
- Satellite government offices

## **LOCATION**

- The Park is in Viedgesville, King Sabatha Dalindyebo Local Municipality
- Approximately 25km from Mthatha CBD
- The piece of land available for the development is approximately ... hectares in size.
- The land is owned by the community and municipality

## **PROJECT RATIONALE**

- The project seeks to bring government services closer to the community
- Secondly, the rationale includes employment creation as part of poverty alleviation initiatives
- Government departments and parastatals rendering services to the community will occupy developed offices
- Private sector investors will be involved in the business components of the development
- Seeks to curb influx to Mthatha CBD by providing efficient and accessible service to surrounding communities

## **PROJECT VALUE**

- Approximately R50 million

## **FUNDING REQUIREMENTS**

- Feasibility Study
- Business Plan Development
- Transacting Costs
- Infrastructure Requirements ( roads, telecommunication, electricity, water and sewer systems)
- Building
- Operational Costs

### **Return on Investment PROJECTIONS**

Return on investment will be determined through feasibility studies

### **JV PARTNERSHIP REQUIREMENTS**

The model of Public Private Partnership will apply to business development initiatives and government departments will occupy service centers



### **CONTACT DETAILS OF PROJECT PROMOTORS**

*King Sabatha Dalindyebo Municipality*

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**MBIZANA  
LOCAL MUNICIPALITY  
PROJECTS**

## AGRICULTURE AND AGRO-PROCESSING

<b>PROJECT 1</b>	
<b>1. PROJECT TITLE</b>	<b>Bio Fuel</b>
<b>1.1 SECTOR : Agriculture</b>	
<b>2. PROJECT DESCRIPTION :</b>	
<p>This project is an initiative to produce Bio Fuel. This process is to be achieved through the growing of Sugar Cane, and other crops. This process includes the establishment of a processing plant and the manufacturing of Bio Fuel on a large scale.</p>	
<b>2.2 SCOPE</b>	
<ul style="list-style-type: none"> <li>• The production of sugar cane and other crops</li> <li>• Establish a processing plant</li> <li>• Manufacture Bio Fuel</li> </ul>	
<b>2.3 LOCATION: Mbizana Local Municipality, Ward 18, 20, 21, 22, 23</b>	
<b>LOCATION:</b>	<p style="text-align: center;">Location photo</p> <div style="display: flex; justify-content: space-around;">   </div>
<b>3. PROJECT RATIONALE :</b>	
<p>This project arises in an attempt to curb the many challenges faced by this Mbizana area. The area is characterised by high unemployment rate, economic decay and underdevelopment. This project will exploit the underdevelopment and act as a catalyst in economic development in this region. Mbizana is characterised by a shortage of electricity, to this end this project will assist in this regard. Employment opportunities will be highlighted by this project and this will inevitably lead to greater benefit towards the Geographical Gross Domestic product (GGDP) and the economy in general.</p>	
<b>4. MARKET ANALYSIS(OVERVIEW)</b>	
<p>Bio Fuel is new in the market and does not hold a large share of the market as compared to petroleum. Since 2000 with rising oil prices, green house gas emissions and concerns about stability in the Middle East, this has resulted in the pushing of renewed interest in Bio Fuels.</p> <p>The Department of Minerals and energy has endorsed the replacement of a 4.5% of road transport fuels in South Africa to be replaced with Bio Fuels by 2013. The demand for Bio Fuel</p>	

has increased opening up a potentially large market for an alternative source of fuel which is safer and affordable. A draft Bio Fuels plan is in place and it aims to meet 75% of the country's renewable energy target, in compliance with the Kyoto Protocol on climate change. This encourages countries including South African to reduce their reliance on fossil fuels.

There are no companies that are operating within the Bio Fuel market on a large scale in the Eastern Cape Province, therefore create an opportunity for the project of this nature. The only competing market focuses on oil and fossil fuels production.

The barriers of entry are low with the only potential threats to the market being land claims and lack of knowledge of the proper usages of land.

## 5. PROJECT STATUS

- Pre feasibility studies has been conducted
- Community facilitation and negotiation with the affected communities

## 6. INDICATIVE PROJECT VALUE

The required capital for the investment is R2,6 billion and is based on the following projections:

### **Production**

of 200 million litres of ethanol per annum, 200/220mw electric, 70 tons of cane per ha per annum and cane production of 76 litres per ton.

### **Cane Supply Profile**

Pondoland Sugar Company 8000 ha = 520 000 tons, Community Farmers 4000ha =260 000. Joint Venture Agricultural company with local communities,18,000ha = 1 170 000 tons with the total of 18,000 ha and 2 170 00 tons.

### **Land Establishment**

Cost of establishing virgin land is estimated at R8000/14,000 per ha.

### **Land Rentals**

R2 per ha per month = R480 000.p.a

## 7. POTENTIAL PROJECT BENEFITS

- The project is estimated to create 7500 local jobs
- Equity for local community 25%
- Return on investment 20%

## 8. DESIGN CONCEPTS:

Architectural Drawings are not yet available

## TOURISM

### PROJECT NAME

#### HERITAGE THEME PARK

### PROJECT DESCRIPTION

The development of a Heritage Theme Park in the Mzamba-Mtamvuna area comprising of a 40 room up-market African theme lodge , a 100 sit conference facility and African cuisine restaurant. Proposed activities within the Heritage Theme Park will include:

- An Amphitheatre which will host tradition events and other African heritage or cultural related events.
- Cable car and recreational facilities
- Children' Theme Park
- Water sports, Hiking Trails
- Nature conservation

### LOCATION

Mzamba-Mtamvuna, ward 24 Mbizana, 50 hectares starting from Nonkoweni Cliff down to the banks of Mtamvuna River on the Eastern Cape side

### MARKET

The target market is domestic and International tourist business and leisure

### PROJECT RATIONALE

This project seeks to exploit the intrinsic culture, heritage, political, historical and natural wealth of the Mzamba-Mtamvuna area. The project is located near the Wild Coast Sun in the gateway to the Eastern Cape. The project will act as a catalyst to economic empowerment in the region as well as to the previously disadvantaged population groups.

The Heritage Theme Park based on the Disney World concept, is a good opportunity for naturally based tourist attraction in the form of coastal dunes, forest, fish, animal and birdlife.

The rationale furthermore is that the Heritage Theme Park will have a multiplier effect in economic development and promotion of other sectors of the economy. These sectors include agriculture, manufacturing and Small Micro-Medium enterprises (SMMEs), service and infrastructure development. The project will draw from the infrastructure to be developed for the coastal projects.

DEAT has allocate R10 million to develop the Heritage Route in Mbizana Municipality and a sum of R5.6 million has been allocate to the Heritage Theme Park to do preliminary work such as EIA, Feasibility studies, Business Plan and the development of trails. A service provider Tshani Consulting has been contracted by DEAT.

### PROJECT VALUE

Estimated at R 200 million

### FUNDING REQUIREMENTS

Funder to fund 60% of the project and other 40% to be funded by the founders

**ROI PROJECTIONS**

An estimate of 11.5% pa

**JV PARTNERSHIP REQUIREMENTS**

The investor will be required to partner with locals and government (Community Public Private Partnership) CPPP

**CONTACT DETAILS OF PROJECT PROMOTERS****Mbizana Municipality**

Name(s) **Y.W. Ayano, N Gxumisa**

Address: **51 Main Street, Bizana 4800**

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**PROJECT NAME****MTAMVUNA LODGE****PROJECT DESCRIPTION**

Upgrading the existing cabin lodge and operations there of.  
The Mtamvuna Nature Reserve was informed by the conservation assessment that was undertaken as part of the wild Coast Projects to identify the key priority areas for conservation in the Wild Coast. Assessment identifies the expansion of the existing KZN Nature Reserve. The Mtamvuna is classified as a river mouth and is the only one of its type in this area. According to its national status it is classified as a priority estuary. The area contains at least 1450 species, including a good proportion of Pondoland Centre of Endemism and the grassland contains up 80 endemic species.

Mbizana Local Municipality has acknowledged the area as of conservation importance and is on a process of expanding the Mtamvuna Nature Reserve to the Eastern Cape side through a development of key anchor projects that will serve as incentives for the communities to be involved in conservation efforts.

**LOCATION**

Mbizana Local Municipality Ward 18 Mpunzi Drift

**MARKET**

Target market is domestic and international tourist

**PROJECT RATIONALE**

The development of a 36 bed lodge at the Phambili Mampondo area is one of the projects that augment the Mbizana Heritage route comprising of the Heritage theme park and Ingele Mountain Lodge.  
Phambili Mampondo Lodge taps into a readily available market of tourism coming from the KwaZulu Natal (KZN) Province.

**PROJECT VALUE**

Estimate R 20 million

**FUNDING REQUIREMENTS**

The total value of the project to be funded.

**JV PARTNERSHIP REQUIREMENTS**

Community Private Public Partnership (CPPP)

**CONTACT DETAILS OF PROJECT PROMOTERS****Mbizana Municipality**Name(s) **Y.W. Ayano, N Gxumisa**Address: **51 Main Street, Bizana 4800**Tel: , **079 998 1938,0731040341, 039 251 0483**Fax: **039 251 0483**E-mail:[yetbarek@mbizana.gov.za](mailto:yetbarek@mbizana.gov.za) [gxumisan@webmail.co.za](mailto:gxumisan@webmail.co.za)

**PROJECT NAME****INGELE LODGE****PROJECT DESCRIPTION**

Development of an affordable lodge with 24 en-suite rooms and 50 seator conference facilities. Other activities to be offered will include horse trails, hiking and mountain bike trails.

The Ingele Mountain Lodge is a concept initiated by the Mbizana Municipality with the premise of honouring OR Tambo the legendary anti- apartheid activist born from the Village of Nkantolo in Bizana as an extract from his biography 'Beyond the Ingele Mountains', thus the lodge forms part of the OR Tambo Heritage Route. The aim of the project is to offer alternative accommodation and conference facilities within the area, whilst contributing towards sustainable economic growth and job creation.

**LOCATION****Mbizana Municipality Ward 2, Inquthu /Mpheni****MARKET**

Target market is Domestic and International tourist

**PROJECT RATIONALE**

A 4ha land for the development has been identified. Community facilitation & resolution have been done and a Business Plan has been compiled. Further studies need to be conducted and design plans approved prior to proceeding construction phase. Bulk infrastructure required is 2km road from the access road to the proposed site, electricity, water and Sanitation.

**PROJECT VALUE**

Estimated at R 20 million

**FUNDING REQUIREMENTS**

Funder to fund 100% of the required funds

**JV PARTNERSHIP REQUIREMENTS**

A Community Public Private Partnership (CPPP) is required.

**CONTACT DETAILS OF PROJECT PROMOTERS****Mbizana Municipality**Name(s) **L.N. Mambila, B. Masingisa, Y.W. Ayano**Address: **51 Main Street, Bizana 4800**Tel: **082 370 8191, 082 444 4629, 079 998 1938, 039 251 0483**Fax: **039 251 0483**E-mail: [mambilal@mbizana.gov.za](mailto:mambilal@mbizana.gov.za), [masingisab@mbizana.gov.za](mailto:masingisab@mbizana.gov.za),  
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# PROPERTY, RETAIL & INDUSTRIAL

## PROJECT NAME

**LIGHT INDUSTRY MULTI PURPOSE CENTRE**

## PROJECT DESCRIPTION

Development of Light Industry Multi Purpose Centre to be used for Commercial and Retail Workshops, Welding, Warehousing and other related Light Industry or trade services like Battery centre, Hiland tyres, ect. The Light Industry Multipurpose centre is a concept initiated by Mbizana Municipality in response to the real demand for commercial motor trade workshops and retail store, warehousing and other related commercial trade services. 18hector land has been allocated by the Municipality to undertake this development.

## LOCATION

MBIZANA LOCAL MUNICIPALITY, WARD 1 TOWN OF BIZANA, ERF 110

## MARKET

Mbizana and surrounding town residents

## PROJECT RATIONALE

The Light Industry Multipurpose Centre development is part of a string of projects planned within the Bizana town, which will include Middle to High Income Housing, shopping complex and office park. The high density of the above developments is envisaged to generate a larger local market threshold and commercial operators in the area. This will have a multiplier effect in economic development and promotion of other sectors of the economy. The development will also allow for the consolidation and intensify land usage within the town centre, therefore creating greater choice and diversity of service offerings and living environment.

## PROJECT STATUS

The land for this development is readily available, under the ownership of the municipality. In terms of infrastructural services i.e. roads, water and sanitation, the municipality has plans in place to attend to this issues.

## PROJECT VALUE

An estimate of R120 million

## FUNDING REQUIREMENTS

100% of the project value

## ROI PROJECTIONS

Estimated at 11%

## JV PARTNERSHIP REQUIREMENTS

Private Investor will partner with municipality

## CONTACT DETAILS OF PROJECT PROMOTERS

Municipality: **Mbizana Municipality**

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**PROJECT NAME****MIDDLE AND HIGH INCOME HOUSES****PROJECT DESCRIPTION**

26 hectares of Land has been reserved for the development of middle and high income houses within Bizana CBD by the Mbizana municipality.

80% of the land will be allocated to Middle income houses and 20% to high income houses.

Another 18 hectares of land has been reserved for the low cost.

**LOCATION**

MBIZANA LOCAL MUNICIPALITY, WARD 1

**MARKET**

Mbizana Residents and surrounding towns

**PROJECT RATIONALE**

The Mbizana municipality is faced with the challenge of meeting the growing demand for accommodation facilities as well as transforming Bizana Town's urban environment. The Mbizana area has an accommodation scarcity which has resulted in a large no of the middle income work force within the area travelling long distances to the neighbouring towns within KwaZulu Natal province for accommodation. The flying capital has lead to economic challenges in the area. The project will assist in boosting the economy in Mbizana as well as the GGP (Gross Geographic Product) of the district.

**PROJECT STATUS**

The land for this initiative is readily available, under the ownership of the municipality. Access to the identified site is tarred road. Other infrastructural services are underway in the municipalities' processes.

**PROJECT VALUE**

R200million

**FUNDING REQUIREMENTS**

100% of the project value

**ROI PROJECTIONS**

15% per pa

**JV PARTNERSHIP REQUIREMENTS**

Investors will partner with municipality

**CONTACT DETAILS OF PROJECT PROMOTERS**

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**PROJECT NAME****MULTI –PURPOSE COMMERCIAL CENTRE****PROJECT DESCRIPTION**

3, 7 hectares have been identified in the Mbizana local municipality to develop a community shopping complex with diverse products. The municipality views its role in local economic development as an enabler, facilitator and a strategic adviser; therefore the municipality is able to intervene in various areas to address the development challenges in Bizana town. The town centre is a hive of informal trade, congested with vehicles, vendors and pedestrians.

**LOCATION**

Mbizana Local Municipality, Ward 1

**MARKET**

Mbizana and surrounding town's residents. Tourists and travelers to Wild coast and Durban.

**PROJECT RATIONALE**

The municipality has identified strategic location that will become a hub of commercial activity within Bizana town along R61 with open parking space. This will also attract passing tourists to use Bizana town as one stop shop for relaxation and refreshment purposes. The project will assist in boosting the economy in Mbizana as well as the GGP (Gross Geographic Product) of the district.

**PROJECT STATUS**

Land for this development is available, under the ownership of the municipality. Infrastructural services like water, roads and sanitation are in place.

**PROJECT VALUE**

Estimate for both malls is 1,2billion

**FUNDING REQUIREMENTS**

100% of the project value

**ROI PROJECTIONS**

15% per pa

**JV PARTNERSHIP REQUIREMENTS**

Private investor will partner with the Mbizana Municipality

**CONTACT DETAILS OF PROJECT PROMOTERS**Municipality: **Mbizana Municipality**Name(s) **Y.W. Ayano, N Gxumisa**Address: **51 Main Street, Bizana 4800**Tel: **+27 79 998 1938, +27 731040341, +27 39 251 0483**Fax: **+27 39 251 0483**E-mail: **yetbarek@mbizana.gov.za gxumisan@webmail.co.za**

**PROJECT NAME****COASTAL DEVELOPMENT****PROJECT DESCRIPTION**

Mbizana Municipality aims to tap in development of new towns along the coast specifically focusing on Lagoons and Estuaries to enhance the Local Economic Development in the area. The development of the up a market Real Estate has been identified in the following areas Mzamba, Sikhombe, Mphahlana, Kwanyana, Mnyameni and Mntetu. A total area of 1060 hectars has been identified for all these six sites.

**LOCATION**

Development of up an market Coastal Estate within the following areas along the Bizana Coast :

Mzamba 200 ha, Sikhombe 180 ha, Mphahlana 160 ha, Kwanyana 160 ha, Mnyameni 160 ha, Mntetu 200 ha.

**MARKET**

Local and International Market

**PROJECT RATIONALE**

The Pondoland area has been identified as a priority area in terms of development; hence Mbizana coast is characterized by unrealized economic opportunities. The Wild Coast is bottlenecked by factors such as insufficient accommodation, little awareness of the destination, difficult consumer access and bad publicity. This project will assist in the promotion of economic development and addressing the contemporary issues faced by this area and region.

**PROJECT STATUS**

Feasibility study is still underway.

**PROJECT VALUE**

Estimate R 22.260 billion

**FUNDING REQUIREMENTS**

100% of the project value

**ROI PROJECTIONS**

11,5 % pa

**JV PARTNERSHIP REQUIREMENTS**

Estate developers are sought to form partnership with land owners

**CONTACT DETAILS OF PROJECT PROMOTERS**

Municipality: **Mbizana Municipality**

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**MHLONTLO  
LOCAL MUNICIPALITY  
PROJECTS**

## AGRICULTURE AND AGRO-PROCESSING

### PROJECT NAME

**TSITSA RIVER BASIN**

### PROJECT DESCRIPTION

The Tsitsa River Basin was initially conceptualised as an ecotourism focusing primarily on heritage and commercial agricultural production projects. 13 villages around the river basin have been identified to produce maize, cabbage, carrots and bean crops, as well as setting up a crafts centre.

Conducted studies of the topography, geology and climate of the identified area indicate that the above crops are suitable for the area.

### LOCATION

The proposed project includes 13 Villages with arable lands adjacent to the River. The area is located in the Mhlontlo Local Municipality (Qumbu and Tsolo) and covering parts of Elundini Municipality. The area can be reached via the town of Qumbu and Tsolo. The furthest village on the Qumbu side of the Tsitsa River is situated  $\pm 40$ km west of Qumbu. The furthest Village on the Tsolo side of the Tsitsa River is situated  $\pm 35$ km northwest of Tsolo



### MARKET

Local and International Tourists

### PROJECT RATIONALE

A recent pre-feasibility study conducted by KDBS Consulting suggested the project shows great potential within the area. Studies undertaken by ASGI-EC on the Umzimvubu node have also revealed a potential small scale irrigation scheme which spans 500 ha in and around Malepelepe area. These developments are expected to further boost the potential for commercial production within the study area.

Furthermore, Eastern Cape Department of Agriculture(ECDA) has also conducted studies which identified the Tsitsa Falls as a favorable hydropower site generating around 25 MWC as base load or 250 MW peaking power at a load factor of say 10%. This initiative is an important development since it will enhance the potential of small scale irrigation schemes.

**PROJECT STATUS**

Feasibility study still to be conducted

**PROJECT VALUE**

Initial Capital Investment is R10 – R50 Million

**FUNDING REQUIREMENTS**

100% Funding required

**ROI PROJECTIONS**

Estimated at 20% pa

**JV PARTNERSHIP REQUIREMENTS**

The investor will be required to partner with the Government and the community

**CONTACT DETAILS OF PROJECT PROMOTERS*****Mhlontlo Local Municipality***

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## TOURISM

### PROJECT NAME

**MHLONTLO-NTLANGANO NATURE RESERVE**

### PROJECT DESCRIPTION

The concept includes a basic 4 day guided adventure trail, with 3 overnight rest set of trail huts, offering accommodation only. A hiking trail, with a river trail component will form part of the package.

The main attraction point in the area of conservancy is the Tsitsa falls, meeting point of the Tsitsa and Tina River (Ntlangano).

### LOCATION

The project is located between Mhlontlo local municipality and Nyandeni local municipality borders.



### MARKET

Domestic and international tourist

### PROJECT RATIONALE

Developing the area will enable government and other key stakeholders to conserve the area. The project is envisaged to create new small businesses within Tourism. A master plan for developing the area will highlight the potential in the area.

The project forwards an opportunity for meaningful cooperation and partnership between the community, government and the private sector. The local SMME's producers who would have not been able to get their products to the markets are being forwarded with the opportunity to sell their products to tourists.

Through development of this project the Ntlangwini local community will be capacitated and empowered to become SMME's and take business opportunities within the tourism industry.

During construction phase employment opportunities would be created. Construction of

hiking trail, development of the road and other necessary infrastructure to service the area. Minimal jobs will be retained after completion but there will be a greater opportunity for owner management facilities.

Ntlangwini is a unique area within the province and will positively contribute towards the development of Tourism in the Eastern Cape.

#### **PROJECT VALUE**

The estimated value of the project is **R17 million**

#### **FUNDING REQUIREMENTS**

4,5 Million has already been invested by DEAT in developing the area, the Master Plan will determine other developments required and the envisaged costs thereof.

#### **JV PARTNERSHIP REQUIREMENTS**

Community DEAT Mhlontlo Local Municipality and O.R. Tambo District Municipality (CPPP)

#### **CONTACT DETAILS OF PROJECT PROMOTERS**

##### **Mhlontlo Municipality**

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# FORESTRY

## PROJECT NAME

**Langeni Development Node and New Afforestation**

## PROJECT DESCRIPTION

The Langeni Development Node initiative is a combination of a forestry cluster and an agro-tourism. The forestry activities encompass the sawmilling, wood veneering, chipboard and timber manufacturing while agro-tourism is anchored around Mabeleni Dam.

The envisaged project builds on the existing capacity and further aims to:

- Retain and expand the existing operations in the Langeni Timber Cluster
- Attract new investments in value addition and processing
- Create opportunities for participation of previously disadvantaged communities in the timber manufacturing through the promotion and support of small, medium and micro enterprises

## LOCATION

The node is located between the Mhlontlo Municipality and the King Sabata Dalindyebo Municipality. It covers a population of more than 200 000 and more than 5 rural villages.

## MARKET

Local, national and international

## PROJECT RATIONALE

The OR Tambo District Spatial Development Framework (**SDF**) and the District Growth and Development Summit (**DGDS**) identifies the Langeni Development Node as one of high impact priority projects. Forestry development is also one of the leading sectors within the Eastern Cape Provincial Growth and Development Plan (**PGDP**) as well as under the newly unveiled National Industrial Policy Framework (**NIPF**), and the associated Industrial Policy Action Plan.

State-owned national development finance institution, the Industrial Development Corporation (**IDC**), is championing progress in the forestry sector through its wood, paper and other industries strategic business unit (**SBU**). The Department of Water Affairs and Forestry estimates that some 100 000 ha of land is potentially available for new afforestation within the Eastern Cape, the bulk of which is located inside or within the reach of the node. New afforestation is expected to result in investments in excess R 1.5 billion which translates to roughly an additional R 215 million to the OR Tambo GGP. In

2007 estimates, the investment in afforestation was projected to create some 127 000 jobs during plantation phase and about 1 700 in downstream processing.

The envisaged project is expected to provide relief in the form of direct and indirect employment opportunities to about 5000 people living in informal settlements around the node. The extension of bulk infrastructure in the form of water and sanitation will also bring much needed improvement to the unacceptable living conditions under which the population living in the settlements adjacent to the Langeni Forests and sawmills. The upgrade of roads infrastructure including the Ugie/Maclear route will help reduce travel cost, ensure quicker access to R61 and N2 roads and thereby improve production efficiencies within the node and adjacent areas. Reducing travel times between Mthatha through Ugie and other parts of the country is also expected to facilitate tourism growth with substantial multipliers throughout the node and the OR Tambo municipalities.

#### **PROJECT VALUE**

Not Specified

#### **FUNDING REQUIREMENTS**

There are no specific funding requirements

#### **ROI PROJECTIONS**

Not Specified

#### **JV PARTNERSHIP REQUIREMENTS**

A partnership with the community and the local municipality is to be formulated.

#### **CONTACT DETAILS OF PROJECT PROMOTERS**

##### **Mhlontlo Municipality**

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# PROPERTY, RETAIL & INDUSTRIAL

## PROJECT NAME

### TSOLO JUNCTION DEVELOPMENT

#### PROJECT DESCRIPTION

The Tsolo Junction Development comprises of several projects which are an initiative of the municipality as well as long term business investment opportunities for investors. Approximately 227.57 hectares have been earmarked for the project.

The following projects will include:

- Middle Income housing development
- Cluster housing development (Flats)
- Retail including a mall and a provision for individual commercial and industrial space
- Public transport infrastructure such as bus and mini – bus terminus
- A race course

In terms of the lay-out plan this development is earmarked on the erf 42 which is ommonage within Tsolo along the national road between Mthatha and Durban within the Jurisdiction of Mhlontlo Local Municipality. More specifically the plan makes provision for Full settlement with all the required facilities.

- 851 single residential sites within 57.09 hectares in terms of the land area, Educational facility, shopping mall, community facility, rehabilitation centre, recreational complex, police station, hospital, taxi rank.

#### LOCATION

Erf 42 within Tsolo Commonage Area at Mhlontlo Local Municipality along N2 between Mthatha and Durban

#### MARKET

Tsolo and surrounding town residents, local business, major retail outlets, international market

#### PROJECT RATIONALE

A closer analysis of the demographics of Mhlontlo Local Municipality reveals that a significant proportion of employed people are professionals working in the education, health, safety, justice and private sector, most of these people do not make a significant contribution in the local economy due to a number of factors. Amongst these is the fact that very few of them reside within the boundaries of Mhlontlo due to lack of appropriate accommodation. The remaining few do not carry out their shopping within the area due to absence of appropriate shopping facilities.

Local economic growth is to a large extent dependent on factors such as access to appropriate land and thus business opportunities as well as availability of disposable income. This development has a huge potential to turn around the local economy of Mhlontlo Municipal area.

The precinct has a comparative advantage due to its proximity and accessibility through major national and provincial roads network. In the Eastern Cape few if any municipality has access to such a huge commonage available for a development of this magnitude.

**PROJECT STATUS**

Land for this development is available. Engagements with stakeholders have been done  
Survey and lay out plans are in place.

**PROJECT VALUE**

Not Specified

**FUNDING REQUIREMENTS**

Not Specified

**ROI PROJECTIONS**

Not Specified

**JV PARTNERSHIP REQUIREMENTS**

Public Private Partnership

**CONTACT DETAILS OF PROJECT PROMOTERS****Mhlontlo Local Municipality**

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# TEXTILE & CLOTHING

## PROJECT NAME

**MHLONTLO- TEXTILE HUB**

## PROJECT DESCRIPTION

The Mhlontlo- Textile Hub is an integrated programme which was initiated by the Mhlontlo municipality, with different projects as value chain components. These components include:

- The Mhlontlo Textile Training Centre
- Village Support Centers which will be utilized to provide textile training to individuals who will lend support to villages.
- Textile Commodity Farming Sites to produce wool, cashmere, mohair and variety of other plant fibers that include Flax.
- Commodity Processing Facilities which includes tannery services, fiber production, spinning, weaving, knitting, finishing and apparel manufacturing.
- Retail Outlets.

## LOCATION

The main textile centers are located in Qumbu and Tsolo. The original nodes of Shawbury, Sulenkama, Mbokothwana, Ngcolosi, and others serve as epicenters for the operation allocation of the Textile Hub activities.

## MARKET

Local and International market, local retailers and farmers

## PROJECT RATIONALE

The local economy is mostly driven by agricultural activity, the textile hub therefore affords an opportunity to strengthen and improve quality of stock farming and crop farming. Current participation in farming is greatly informal and not necessarily within commercial standards, subsistence farmers will be forwarded with an opportunity to improve quality of their livestock and enable them to participate in the mainstream economy.

The project is also envisaged to create new businesses within the different components of the value chain as well as providing job opportunities to the surrounding communities. Through this model local producers will gain access to new markets that they could have not been able to access on their own.

## PROJECT STATUS

Land is available in various villages of mhlontlo municipality. Community engagements

have been conducted.  
Feasibility studies required.  
Linkages with CSIR phased in approach

#### **PROJECT VALUE**

The project is estimated at R15 million

#### **FUNDING REQUIREMENTS**

100% of the project value

#### **ROI PROJECTIONS**

#### **JV PARTNERSHIP REQUIREMENTS**

**Community Public Private Participation:** The textile hub is structured as a partnership between the community, local and provincial government and the private sector.

#### **CONTACT DETAILS OF PROJECT PROMOTERS**

##### **Mhlontlo Local Municipality**

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**INGQUZA HILL  
LOCAL MUNICIPALITY  
PROJECTS**

## AGRICULTURE AND AGRO PROCESSING

### Title:

#### The Lambasi Bio-fuel Project

### Project description

#### Sector: Agriculture and Manufacturing

- This project is designed to plant, grow and harvest soya beans for processing into Bio-diesel.
- This will involve local farmers or farmer co-operatives, who will plant and grow soya beans and supply them to the Bio-diesel Producer, the investor.
- The farmers may be involved in the running of the Bio-diesel processing plant as well.
- The Bio-diesel Producer will in turn supply Bio-diesel to the oil refineries and individual Bio-diesel users; and supply protein oil cake, a soya bean by-product, to animal farmers as this by-product can be used for feeding of livestock.

### Project scope

The project will involve the following stake holders:

- The Farmer or Farmer Co-operatives, who will be owners of the land that will grow soya beans. They will therefore be contracted to supply the Biofuel (Biodiesel) Producer with soya beans all year round. This strategy ensures that the farmers have a guaranteed market for their produce. Lack of markets has led to failure of commercial farming in the former homelands in this country. Funding for this aspect of the project may be available through national funders like the Land Bank (especially that the farmers will be in possession of contracts between them and the Biodiesel Producer, which secures cash flow).
- The Biofuel Producer.

This will comprise a company or group of individuals owning and managing the Biodiesel Plant. It is envisaged that a plant of this kind, in order for it to be profitable, it has to be a medium sized to a large plant. It is recommended that a large plant should be producing in excess of 45 million litres (10 million Gallons) of Biodiesel per annum. Establishment of such a huge plant may not be possible initially. However, it should be in the plan that the initial plant (which should be of medium size), should be amenable to expansion to the size of a large plant in the future, as the need for more biodiesel and most importantly the supply of more feedstock for processing into biodiesel may grow. The Biodiesel Producer will be contracted to supply Biodiesel to the main Oil Refineries like Engen; and to the State

Owned Entities like Department of Agriculture, Transnet, Department of Defence, Department of Health, etc. Privately owned companies will be contracted as well to use Biodiesel.

Securing of contracts with these groups of companies will provide business security and therefore make funding from coughers like Department of Agriculture, Independent Development Corporation and Central Energy Fund feasible. Support by national funders as these will also reduce the investment risk exposure associated with Biofuel.

- Live Stock Farmers. The Protein oil cake from soya bean processing will be sold to live stock farmers. This will lead to growth of this area of farming, whilst injecting capital into the Biodiesel plant thereby off-setting running costs.

#### Location:

#### Picture



- The project is situated at Ward 23 at Lambasi next to Ndengane and Magwa villages;
- The project runs parallel to the proposed Wild Coast Development Corridor (N2);
- It is 20km from the central business of Lusikisi CBD and 320 km to the nearest refinery in Durban.

#### Project rationale

As stated above, this area forms part of underutilized arable land in this country.

- There is minimal economic empowerment of the previously disadvantaged farmers living in rural areas.
- There is lack of projects that ensure sustainable growth and development countrywide.
- Such a project does not only commercialise farming in rural areas, but will secure jobs for many jobless living in poor conditions in these areas.
- The project site may also be utilised for research by scientists and engineers with interest in Biofuels, sustainable growth and development and in exploration of alternative and cost effective sources of energy.
- The country needs to earn Clean Development Mechanism credits for use of clean energy source, as this contributes towards reduction of green house gas emissions like Carbon dioxide and Methane, thus reducing global warming plight (and this has become a global mandate).

<b>Market analysis</b>	
<b>Supply</b>	<b>Demand</b>
<ul style="list-style-type: none"> <li>▪ In South Africa, there are small pockets of individuals making Biodiesel for personal use or for sale to local markets (as small business enterprises). There are no large plants that produce Biodiesel for blending into the Petroleum based diesel. In order for South Africa to be in line with the global trends towards sustainable development and development of renewable energy sources, it is essential that the country invests in a few Biodiesel production plants, if one wishes to achieve the goal of 2% Biodiesel blending by 2013. The total amount of Biodiesel to be produced in order to achieve this goal is estimated at 400 million litres per annum.</li> </ul>	<ul style="list-style-type: none"> <li>▪ South Africa, as yet, does not have regulations mandating blending of Petroleum Fuels with Biodiesel or Bioethanol. However there is an act that allows for introduction and use of Biofuels in this country (Petroleum Product amendments Act (Act No. 58 of 2003).</li> <li>▪ Also, the government has recommended, as a means of incubation of Biofuels, blending of Petroleum Diesel with 2% Biodiesel and Petroleum Ethanol with 8% Bioethanol. This is an undertaking that should take about 5 years, to reach its completion by 2013. Subsequent to this incubation period, there will be a move to increase blending of Biodiesel to 5% and that of Bioethanol to 10%.</li> </ul>
<b>Target market</b>	<b>Trends</b>
<p>Biodiesel supply contracts will be secured with the following entities:</p> <ul style="list-style-type: none"> <li>▪ National Oil refineries like Engen and BP, which will be supplied with Biodiesel at wholesale prices for 2% Biodiesel blending of their fossil fuels.</li> <li>▪ State Owned Entities like Transnet, Eskom, Department of Agriculture, department of Defence, Department of Health, Department of Transport, etc.</li> <li>▪ Private transport industry which continues to grow in South Africa, for provision of Biodiesel to fleets. service their</li> </ul>	<ul style="list-style-type: none"> <li>▪ Following the stipulations of the Kyoto Protocol of 1997, it is a criminal offence for the first world countries not to embark on renewable energy source development.</li> <li>▪ It is also a strong recommendation that developing countries begin to explore these energy sources. South Africa utilizes 30% of its energy source in the form of liquid fuel (Petroleum), and this energy source carries a 70% monetary value.</li> <li>▪ The need for such energy source in this country can only grow in the future, as the country's infrastructure and economy continues to grow.</li> <li>▪ Blending of Petroleum Fuel has not yet been commenced in this country.</li> <li>▪ Meanwhile Brazil, a developing country, receives about 50% of its energy source from renewable</li> </ul>

	<p>energy sources.</p> <ul style="list-style-type: none"> <li>▪ Many first world countries play a leading role in Biofuel production, viz: United States of America, Germany, United Kingdom and other European countries. Of interest, India, Kenya and other African countries have joined in, in this endeavour of Biofuel production.</li> </ul> <p>Commercial farming has not yet been effectively established in the rural South Africa.</p>
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**Project status**

This is one of pioneering projects in the area of Biodiesel production. The next steps will be to perform an extensive feasibility study and draft a detailed Business Plan with an extensive account of the following aspects: Business Description, Management, Market assessment, Marketing plan, Financial Data and supporting documentation. Following securing of funding, an engineering company to plan and install the Biodiesel Plant will be hired and markets will be developed. At the same time the farmers or farmer co-operatives will secure funding and start cultivation of soya bean whilst the Biodiesel production plant is being built.

**Indicative project value**

The estimated starting land area is about 5000 hectares. It has been shown elsewhere that soya bean produces about 450 Litres per hectare of Biodiesel. And therefore about 2, 25 million litres per 5000 hectares will be produced initially. This will contribute a meagre 0.6% to the targeted 400 million litres per annum or 2% Biodiesel penetration by 2013, but it will be a start.

The initial estimated costs for a project producing 2,5 - 5 million litres of Biodiesel per annum are as follows:

- Feasibility Study: R500 000
- Biofuel Plant (Medium sized) Cost : R30 – R60 million
- Capital Cost: R50 – R100 million

These are installation costs and include buildings, utilities, Civil/Mechanical/Electrical installation, Land preparation and transportation access, Engineering, and Contingency planning (10%).

- **Sub-Total Cost: R80,5 – R160,5 million**
- Production cost including feedstock cost at an estimated production cost of R7.00 per litre:

=R12,5 – R25 million per annum. Some of this cost will be off-set by the 50% levy waiver by South African Revenue Services on production of Biodiesel, and also by government support of 2% to a maximum of R20 million for Biodiesel production.

**Estimated Total Costs of the Project = R93 – R185,5 million for the first year.**

This figure drops dramatically to production costs only in the subsequent years.

#### **Potential project benefits**

- Environmental gain: Contribution towards reduction in green house gas emissions (like Carbon dioxide and Methane), with resultant reduction in global warming, which are caused by use of fossil oil or fuels.
- Reduction in fossil oil price.
- Development of a sustainable energy source which will contribute towards ensuring energy security in this country.
- Development and growth of agriculture industry thus contributing towards alleviating poverty and creation of jobs, which are some of the top priorities of our government.
- Act as a bridge between first and second economy.
- This project will lend support towards the Accelerated and Shared Growth Initiative of South Africa (AsgiSA).
- Production of protein oil cake as a by-product of Soya, as animal feedstock.
- Such a project also opens doors for research opportunities into low cost biodiesel options and also genetically engineered plants as sources of Biofuel Improved vehicle efficiency, which is associated with use of Biofuel.

#### **Risks and mitigation analysis**

- Drought or floods, and crop failure, with reduced supply or no supply of soya beans to the Biodiesel processing plant.
- Drop in crude oil price to such low levels as to make soya oil production non-profitable.
- Volatility of the global market and exchange rates which might affect production of Biofuel.
- A change in food prices which might impact on supply and demand of soya beans.

#### **Strengths**

- The first world has adopted a 'mandatory target' (as detailed in the Kyoto protocol of 1997) regarding production of Biofuel and reduction of green house gas emissions.
- Petroleum Product amendments Act (Act No. 58 of 2003) is in support of the Biofuel project as gazetted in June 2006, specifically provides for addition of Biodiesel into Petroleum Diesel. Biodiesel Levy Exemption of 50% by South African Revenue Services and government subsidies, in support of Biodiesel production. This provides a platform for a good return on investment and project success.
- Government support of 2% Biodiesel blending by 2013.
- The 2% penetration can be achieved without jeopardising food security.

- The project ensures support of agricultural development at two major level:
  - Soya bean farming
  - Protein oil cake, as a by-product from Soya bean processing for feeding of livestock, ensuring growth of livestock farming endeavours.

Soya is a dry land crop, and therefore does not require water irrigation schemes. This ensures protection of our natural water sources.

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## FORESTRY

### PROJECT NAME

**Commercial Forestry Development**

### PROJECT DESCRIPTION

The projects aims to design and plant new commercial forests as well as ensuring the involvement of local communities in planting and harvesting and also as beneficiaries in the projects.

Through this initiative Inqguza Hill Municipality aims to also develop opportunities SMMEs to take advantage of the economic opportunities to be realised in the commercialisation of forests.

### LOCATION

The areas with forestry potential are located in wards 1, 3, 5, 6, 7, 9, 12, 13, 14, 15, 16, 18, 20, 21, 22, 24, 26.

Inqguza Hill is situated along the Wild Coast which is 320km from Durban and 350km from East London

### MARKET

Local and National sawmills, Foreign export markets

### PROJECT RATIONALE

- There is high potential for new afforestation because the area is susceptible to good forest produce due to the high rainfall i.e. 600 minimum to over 1000mm average rainfall per annum.
- There is about 97 000 ha of arable land which is currently underutilized and can be put into good use by contributing positively to accommodate the forests expansion projects.
- Due to the high rate of poverty and unemployment, land is the main asset of the community and they are willing to get partners in support of development and who are able to make it more productive and be able to yield positive spin offs in their favour.
- The municipality has identified forestry as a major economic boost and has pledged their wavering commitment to support initiatives that are able to ensure that the municipalities leap frogs' economic development challenges through forestry expansion.
- As a form of investment into the future, product value addition will open to the community a mirage of opportunities and will be able to expand their economic base

and add as an investment into their future prosperity.

### **PROJECT STATUS**

Feasibility study done a need to develop an investment plan to involve geo-technical investigation.

### **PROJECT VALUE**

The capital project cost is estimated a **R600 million**

### **FUNDING REQUIREMENTS**

The funding requirements that are needed are those for the completion of Feasibility studies and Environment Impact Assessments (EIAs).

### **ROI PROJECTIONS**

### **JV PARTNERSHIP REQUIREMENTS**

There is a need to partner up with a number of governmental departments.

### **CONTACT DETAILS OF PROJECT PROMOTERS**

#### **Inqguza Hill Municipality**

Name(s) **Simphiwe Thobela (Manager: Strategic & Development Planning)**

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# PROPERTY, RETAIL & INDUSTRIAL

## PROJECT NAME

**MIDDLE-HIGH INCOME RESIDENTIAL DEVELOPMENT AND SHOPPING FACILITY**

## PROJECT DESCRIPTION

The project entails the development of new middle and high income residential development properties and a shopping complex facility linked to the residential development.

## LOCATION

Middle-high residential properties and shopping complex is located in Flagstaff CBD (Ward 06) and Lusikisiki CBD (Ward 15)

Lusikisiki is about 130km to Umthatha with Flagstaff about 120km to Kokstad; Both of these towns are along the Wild Coast and are roughly 40km each to the coastline.

## MARKET

Government employees, Business people, Private organisations employees, Pensioners, Private investors.

## PROJECT RATIONALE

There is high demand of middle-high income residential properties to cater for young professionals and business people.

Areas around wards 06 and 15 have many government employees who are in a position to access housing subsidies and can be able to afford houses when the opportunity has been created for them.

The towns are expanding and people are now more willing to reside in settlements that are able to provide safe and secure environments.

There are few chain stores within the municipality and the expansion and provision of new complexes will attract new investments and very costly to the consumers because they either go to Umthatha, Kokstad, Port Shepstone and Durban to do their shopping e.g. only Duns and Pep stores are in both towns whereas Edgars, Woolworths can be available to target middle and high income groups.

Linked to the residential settlements are the community facilities that are able to ensure there is improved livelihood within the neighbourhood. These include private schools, private hospitals, office parks etc.

There is dire need for the municipality to adopt a new approach on future development of the towns to harness economic activities and the growing numbers due to urban migration.

**PROJECT STATUS**

The land identified for this development is available, under the ownership of the municipality. Feasibility study still needs to be conducted.

Infrastructural funding still to be negotiated with the district municipality for this development.

**PROJECT VALUE**

estimated at approximately R1,1bn

**FUNDING REQUIREMENTS**

100% of the project value

**ROI PROJECTIONS**

15% pa

**JV PARTNERSHIP REQUIREMENTS**

Private Investor to Partner Municipality and community where land is communal land

**CONTACT DETAILS OF PROJECT PROMOTERS****Ingquza Hill Local Municipality**

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**Title:**

**Holiday Resort and conference facility**

**Project description**

- Development of an upmarket resort and conference facility;
- To promote the Ingquza Hill to be a preferred destination by tourists;
- To accelerate the development opportunity of the area for the benefit of all residents and South Africa;
- To promote sustainability development agenda and engagement in multilateral sustainability development;

**Project scope**

- Construction of an upmarket hotel with conference facility that can accommodate a minimum of 100 people;
- Development of a golf estate along the coast and waterfalls
- Development of an eighteen hole golf course;
- Introduce tourism attraction projects that include hiking trails, horse riding, water recreation sport, game reserve;
- Provide vocational education projects like bio-fuel, Magwa Tea, Lambasi farm producing poultry farming and milling;

**Project location**

- Located in ward 23
- The project is in Lambasi next to Ndengane and Magwa village
- The area is next to Magwa Tea Estate which comprises 1 800 hectares of cultivated tea and has been in business more than 40 years ago
- There is water supply at Magwa Tea Estate where a Local Water Supply Scheme fed from the only registered dam in the area, the Magwa Dam on the Mkozi River;
- Situated amongst rolling hills and deep gorges and within a spectacular Magwa falls
- Living within a village setting with abundance of heritage;
- In the world, there are 10 falls that fall directly into the sea and this is one of them out of three in the Ingquza Hill area;

**Picture**



**Project rationale**

- Around the area, only the Wild Coast Sun in Mbizana district which is normally fully booked because of it providing gambling provides decent accommodation facilities including conferencing and therefore, this will unlock potential for growth within the industry;
- Due to high number of companies that need conferencing, it would a great opportunity to provide adequate facilities that even government would utilise;
- Unlike other areas, there is plenty of unexploited and untapped natural environment which is under utilised since there are no accommodation facilities at close proximity except Imbotyi Lodge;
- Because of the vastness of the areas, there are opportunities to provide team building sessions and other distressing facilities

which are only provided at Mngazi in Port St Johns and is always fully booked;

- With the municipality having high unemployment rate, it will ensure that there is job creation, attraction of foreign investment and contribute positive growth to the economy;
- Improve competitiveness of the tourism sector by unblocking tourism channels and further contribute to the quest of government to empower SMMEs through facilitating access to market opportunities;
- A development synergy of a golf course and an estate would ensure that there is greater potential to host international golf events which are not available in the Eastern part of the province.

**Market analysis**

<b>Supply</b>	<b>Demand</b>
<ul style="list-style-type: none"> <li>▪ There are few upmarket facilities available to attract foreign guests and able to provide with state of the art service</li> <li>▪ There is no tourism centre that is able to provide tourist with a variety of options and ensure that tourism is business in the area;</li> <li>▪ Focus is not cultural heritage areas but the hospitality industry needs a balance of options</li> <li>▪ There are no conferencing facilities with beds that can accommodate more the 100 delegates</li> </ul>	<ul style="list-style-type: none"> <li>▪ In the 21 century, South Africans have realised the need to visit hotels with best facilities in accommodation and conferencing with specific attention to technology and other important benefits;</li> <li>▪ Tourism a major contributor to the GDP, international tourists need untapped environment inclusive of culture which is in abundance in the area;</li> <li>▪ There is dire need for upmarket accommodation and especially in the light of future developments within and around the area;</li> <li>▪ There is huge potential for diversification since there are no better areas of similar nature</li> </ul>
<b>Target market</b>	<b>Trends</b>
<ul style="list-style-type: none"> <li>▪ National, provincial and local government would be frequent guests for conferencing and team building sessions;</li> <li>▪ Parastals also have great need to satisfy especially in their planning programs where they both accommodation and conferencing;</li> <li>▪ International, national and local tourists require leisure and outing programs;</li> <li>▪ Business community require facilities to promote and harness their interests</li> </ul>	<ul style="list-style-type: none"> <li>▪ There is boom in the property market and there is greater demand in the underdeveloped;</li> <li>▪ The coastal areas around the Wild Coast do not have major construction development whereas people require services which are associated with buildings;</li> <li>▪ There is greater investment on golf estates especially along rivers and the sea since people target these areas as their holiday destinations;</li> <li>▪ In current financial year, there was a drop in demand for property investment due high inflation which resulted in high interest rates. In coast areas, there was no major impact and the forecast indicate that there would be a positive growth from the first quarter because the drop of inflation and the introduction of the new bucket for the inflation to be introduced in February 2009</li> </ul>

<p style="text-align: center;"><b>Project status and Partners:</b></p> <ul style="list-style-type: none"> <li>▪ The project is at conceptualisation stage</li> <li>▪ Environment impact assessments would indicate better project understanding and environment sensitive areas and most importantly, conformity with major provisions and requirements;</li> <li>▪ A detailed feasibility study and a business plan would be developed to support the project;</li> <li>▪ The Regional Lands Claim Commission has committed funding for planning with claimants</li> <li>▪ Expression of interest has been obtained from some potential private investors which has not been confirmed;</li> </ul>	<p style="text-align: center;"><b>Indicative project value:</b></p> <ul style="list-style-type: none"> <li>▪ The project cost is estimated at approximately R1bn;</li> <li>▪ Accurate figures will be determined by Quantity surveyors</li> </ul>
<p style="text-align: center;"><b>Potential project benefits</b></p> <ul style="list-style-type: none"> <li>▪ There will be direct economic growth</li> <li>▪ There will be an increase in job creation and livelihood with the community</li> <li>▪ Improved life skills most importantly, there will be growth in SMME development and promotion of arts and culture;</li> <li>▪ More utilisation of natural resources and community assets</li> <li>▪ More destination points will be created for tourist especially that there are five falls in the area i.e. three falling directly into the sea and the other two into the rivers;</li> <li>▪ Government and other entities will enjoy off leisure work sessions in quite areas</li> <li>▪ Linkage with the Wild Coast Route Development Corridor</li> <li>▪ There is higher return on investment as this will be a destination point at the centre of the wilderness of the Wild Coast</li> </ul>	
<p style="text-align: center;"><b>Risks analysis and mitigation</b></p> <ul style="list-style-type: none"> <li>▪ Limited funding for bulk services and infrastructure;</li> <li>▪ Environmental impact assessments reports and provisions however, partnership will resolve some of the unforeseen bottlenecks;</li> <li>▪ Delayed development of the corridor which would provide support infrastructure especially roads;</li> </ul>	
<p style="text-align: center;"><b>Strengths</b></p> <ul style="list-style-type: none"> <li>▪ The land claim has been settled</li> <li>▪ Planning for development may be finance by Regional Land Claims Commission</li> <li>▪ Proximity to the Wild Coast Route Development Corridor</li> <li>▪ There is abundance of vacant land for expansion +e.g. development a golf estate</li> <li>▪ The project is fully supported and endorsed by the municipality since it is in the Integrated Development Plan;</li> <li>▪ There are existing camping sites within and around the area</li> </ul>	
<p style="text-align: center;"><b>Contact details</b></p> <p><i>Ingquza Hill Local Municipality</i>  Simphiwe Thobela ( Manager: Strategic and Development Planning)  135 Main street  Flagstaff  4810  Tel: +27 39 252 0131 Fax: +27 39 252 0699 Cell: +27 83 450 2471 Email: <a href="mailto:sthobela@ihlm.gov.za">sthobela@ihlm.gov.za</a></p>	

**PROJECT NAME****Crush Stone Quarry****PROJECT DESCRIPTION**

A site was identified by the Inqguza Municipality to establish mining sites for the crush stone quarries and develop quarries with adequate facilities. This project will ensure the involvement of communities as beneficiaries.

Through this initiative economic opportunities will be realised and developed SMMEs will be able to take advantage.

**LOCATION**

The mining sites are situated in Inqguza Hill Municipality, wards 11 and 23, near Lambasi conference and golf estate, along the N2 Wild Coast Corridor development.

**MARKET**

N2 Wild Coast development, Middle – high income housing projects, Shopping malls / complexes, Hotel, conference centre and golf estate, Lambasi bio-fuel plant, Rural housing development, Low cost housing, Individual businesses and community members

**PROJECT RATIONALE**

The envisaged developments around the Inqguza Municipality will create high a demand for crush stone as well as ensuring that support of using local resources by business is achieved. The following development are set to strengthen the establishment of mining sites for crush stone:

- N2 Wild Coast Development corridor which offers construction of the high way and petrol stations and other related projects.
- Lambasi bio-fuel and hotel and conferencing facilities.
- Housing and shopping complexes development and other associated projects in ward 11 which are within close proximity to the area.
- Rural development initiatives and low cost housing projects.
- Other small projects and individual community projects will gain access to buy crush stone at reasonable costs and will add value to their welfare.

Through the crush stone initiative, co-operatives will be formed to benefit from the economic spin offs generated by the projects.

**PROJECT STATUS**

Land for this development is available, community engagements have been conducted. Feasibility study has to be undertaken

**PROJECT VALUE**

The capital project cost is **R50 m**

**FUNDING REQUIREMENTS**

There are no specific funding requirements at this stage of the project

**ROI PROJECTIONS****JV PARTNERSHIP REQUIREMENTS**

A partnership between the government and the community needs to be formulated

## **CONTACT DETAILS OF PROJECT PROMOTERS**

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**NTABANKULU  
LOCAL MUNICIPALITY  
PROJECTS**

## AGRICULTURE AND AGRO-PROCESSING

### PROJECT NAME

**Agro-Processing Market Hub**

### PROJECT DESCRIPTION

2 hectares of land has been identified and secured for the hub. The proposed investment facility in Ntabankulu village Ward 5 is aimed at achieving sustainable agricultural and forestry business activity. It has a capacity to produce and distribute final agriculture (cash crops, livestock products) and forestry (mushroom, honey, aloe) products. It will support the nearest towns such as Flagstaff, Lusikisiki, Kokstad, Mount Frere, Mount Ayliff

### LOCATION

Ntabankulu Municipality

### PROJECT RATIONALE

The proposed investment facility aimed at achieving sustainable agricultural (crop & animal farming) & forestry business activity. Has a capacity to produce final agricultural & forestry outputs (**timber & non-timber products**) on site to supply both local; regional and provincial retailers. 27 registered Primary cooperatives; 2 forestry community trusts & 8 participatory forest management committees from 15 wards specializing in different commodities to utilize the centre as a market processing & distribution centre

The project will take the form of a Public Private Partnership (PPP). Primary cooperatives currently trained in partnership with DoL in Basic principles of Cooperatives; Project management; Business Management etc

### PROJECT STATUS

Land for this development is readily available.

**PROJECT VALUE**

R3, 5 million

**FUNDING REQUIREMENTS****CONTACT DETAILS OF PROJECT PROMOTERS****Ntabankulu Local Municipality**

**Name:** Miss Luleka Nonyongo

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**PROJECT NAME****CRAFT CENTRE****PROJECT DESCRIPTION**

Construction of the Ntabankulu Craft Centre. Amongst the things to be done are:

- Modification of on the existing steel structure to house the proposed craft center
- Repairing and completing the unfinished facilities
- Construction of an access road and parking area
- Construction of new guard house
- Erection of a precast concrete wall to separate the proposed area from the block making area.

**LOCATION**

The Crafts Centre will be located in Ntabankulu town entrance, South-East of the town

**MARKET**

Local SMMEs and Domestic tourists

**PROJECT RATIONALE**

In a Municipality that has the highest percentage population living in poverty (91.81%) in the province, coupled with the highest rate of unemployment (84.89%) and 39.15% of households live on up to R1000 per month and an average of 26.91% of total expenditure is on food, an introduction of craft centre will go a long way towards rural development and poverty alleviation while preserving cultural reference.

The Ntabankulu Crafts Centre will aim to be the leading crafts production, marketing, and design assistance network dedicated to supporting low-income artisans around the province. The Crafts Center will aim to stimulate broad-based economic growth through grassroots initiatives that build the capacity of organizations and individuals to become artisan entrepreneurs.

**PROJECT VALUE**

R 1,4 million

**FUNDING REQUIREMENTS**

The total value of the project to be funded

**JV PARTNERSHIP REQUIREMENTS**

Community Public Partnership (CPP)

**CONTACT DETAILS OF PROJECT PROMOTERS**

Ntabankulu Municipality

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**PROJECT NAME****CULTURAL VILLAGE****PROJECT DESCRIPTION**

Ntabankulu Local Municipality has identified 60000 sqm<sup>2</sup> land at the entrance of the town to develop a cultural centre. The proposed cultural centre will include the following; Secured entrance with access control, Parking facilities, Accommodation Facilities (Chalets) Public Park with in-house nursery, Vendor/crafters facilities, Exhibition centre for crafters, Traditional Restaurant, Private hiring services that will be separated from the public view, with the following facilities, Reception area, 3 private bedrooms, Ablution facilities, Braai facilities, Bar and sun deck.

**LOCATION**

The land identified for the Cultural Village is situated at the entrance of the Ntabankulu town centre from Puti junction and falls within the commonage area. Access to the site is from the main street of the town.

**MARKET**

Local and national tourists and local residents.

**PROJECT RATIONALE**

The primary purpose of the village shall be for the beautification of Ntabankulu area and the recreation or edification of the public. This initiative was substantiated by investigation of the cultural village's role within Ntabankulu Local Municipal jurisdiction; The proposed facilities would be used to host events, act as draw card and meanwhile giving Ntabankulu town a face lift. The proposed facilities will also be utilized as a support centre of the nearby Primary Arts and Craft Co-operative Centre; currently renovated as the production centre for different crafters. The facilities would also be used for Education activities such as environmental education, Historical festivals Business lunches and dinner parties, Picnicking; barbequing and weddings. variety of traditional handcrafted art. The area around the cultural village will also be fenced with 2.4 m high fencing and a variety indigenous species and plants will be introduced to the fenced area.

**PROJECT VALUE**

The estimated project value R10, 2million

**FUNDING REQUIREMENTS**

The total value of the project is required

**JV PARTNERSHIP REQUIREMENTS**

Community Public Partnership (CPP)

**CONTACT DETAILS OF PROJECT PROMOTERS****Ntabankulu Municipality**

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## FORESTRY

### CATEGORY B

#### PROJECT NAME

**AFFORESTATION PROJECT**

#### PROJECT DESCRIPTION

Establishment of Commercial Forestry Plantations in Ntabankulu Local Municipality.

The municipality has approximately 1 800 hectares of existing plantations, the bulk of which are managed by Department of Water Affairs and Forestry (DWAF), while Singisi Forest Products lease the largest plantation (Bulembu, 575 hectares).

Management of most of these plantations has been poor, resulting in plantations that require considerable rehabilitation, therefore offering an attractive proposition for any entity to take over. Rehabilitation of these areas has been regarded as a priority, together with possible transfer of ownership to local communities.

Approximately 13 400hectares of land, situated on the eastern side of the Ntabankulu municipal area is earmarked for new afforestation project. A number of environmental exclusion zones that have been indentified within the municipality, serve to slightly decrease the potential afforestation area to 12 880ha. The sites that have been earmarked for commercial afforestation are:

- Tonti, Camsholo, Tshali, Mazeni, Cetshe, Tabankulu, Bulembu, Gomo, Ndakeni, Ndwane and Madlanga.

#### LOCATION

The land identified for the afforestation project is situated in a zone of good forestry potential in the high-lying eastern parts of Ntabankulu Municipal area.

#### MARKET

The target market is local, national and international

#### PROJECT RATIONALE

In a Municipality that has the highest percentage population living in poverty (91.81%) in the province, coupled with the highest rate of unemployment (84.89%) and 39.15% of households live on up to R1000 per month and an average of 26.91% of total expenditure is on food, an introduction of commercial plantation farming will contribute to rural development and poverty alleviation while preserving nature.

Community members have realised the potential benefits associated with the expansion of the forestry sector. This includes job creation, skills training and opportunities for secondary processing and local value addition and spin-off industries that are borne out (forest mushroom and honey producing industries).

The following are some of the factors that make afforestation industry attractive:

- There are large areas (some 10 000 ha) that are physically suitable for the establishment of plantations in terms of topography, soils and rainfall
- There is sufficient water available to allow the development of new plantations considering their status as a stream flow reduction activity in terms of the National Water Act
- Infrastructure in the form of roads is good in many places and quite adequate for forestry development in almost all the areas.
- There are a number of large corporations – Sappi, Merensky and PG Bison who have indicated that they would actively support and facilitate forestry development in the area. These companies have considerable resources in the form of forestry skills and capital finance and an urgent need to develop raw material supplies for their processing facilities.
- Ntabankulu Municipality has demonstrated its support for forestry plantation development and could facilitate the interaction of local growers with some of the interested corporate forestry companies.
- People living in the areas that have been identified as being suitable for forestry development have indicated their support for the establishment of new plantations. It appears that it will be quite possible to minimise the conflict with other land users, cattle farmers in particular, through a consultative and sensible approach to the allocation of land for plantations

#### **PROJECT STATUS**

**More emphasis on environmental issues. Potential for district wide intervention.**

#### **PROJECT VALUE**

Not specified

### **FUNDING REQUIREMENTS**

There are no specific funding requirements

### **ROI PROJECTIONS**

Not Specified

### **JV PARTNERSHIP REQUIREMENTS**

A partnership would have to be formulated between relevant government departments, private investor and the community.

### **CONTACT DETAILS OF PROJECT PROMOTERS**

#### **Ntabankulu Municipality**

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# PROPERTY, RETAIL & INDUSTRIAL

## PROJECT NAME

Ntabankulu Shopping complex ERF 254 & Middle Income residential area.

## PROJECT DESCRIPTION

Development of two shopping complexes and facilities linked to the residential development in extension 6, CBD & Ntabankulu Cultural Village.

## LOCATION

Ntabankulu Town Village ward 5 accessible from N2 & T19 Flagstaff.

## MARKET

Ntabankulu residence and communities

## PROJECT RATIONALE

The development will create business opportunities to emerging local contractors in the development of middle income properties.  
Opportunities for SMMEs to take advantage of the economic opportunities to be realised in the construction of the shopping complexes in ERF 52 & ERF 254 and revenue base for the municipality.

## PROJECT VALUE

Not specified

## FUNDING REQUIREMENTS

Not specified

## ROI PROJECTIONS

## JV PARTNERSHIP REQUIREMENTS

Community Public Private Partnership

## CONTACT DETAILS OF PROJECT PROMOTERS

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## MINING

### PROJECT NAME

**THE DEVELOPMENT OF SAND MINING AND QUARRY DEVELOPMENT IN NTABANKULU LOCAL MUNICIPALITY**

### PROJECT DESCRIPTION

Ntabankulu Sand Mining and Quarry Development project entails the development of a plantation on the banks of sand and quarry deposits. The plantation site will be constructed on these deposits sites for production reasons. The mine will extract the following from sand mining and quarry extraction:

- Cinder, Granite, Marble, China Clay, Gristone, Sandstone, Coquina, Gypsum a mineral Slate, Blue Rock, Limestone and Sand.

Granite Rock that has a potential to produce rock, sand, and gravel aggregates; ready-mix concrete; asphalt; road treatments; and recycled road-base material

Sand will be for plastering, bricks & block making.

### LOCATION

Located in Ntabankulu Local Municipality: **Sand Mining** activities will be located in seven wards (1, 2, 3, 7, 8, 9, 13 and **Quarry Mining** in ward 11 & ward 15.

### MARKET

Construction & building companies locally

### PROJECT RATIONALE

In a Municipality that has the highest percentage population living in poverty (91.81%) in the province, coupled with the highest rate of unemployment (84.89%) and 39.15% of households live on up to R1000 per month and an average of 26.91% of total expenditure is on food. The construction of a Sand Mining and Quarry Development will create job opportunities and also enhance local communities' participation in Local Economic Development, mainly in the mining sector such as sand and quarry.

### PROJECT STATUS

Feasibility study has been conducted. Various villages of this municipalities do have this resource.

### PROJECT VALUE

**R31 million**

### FUNDING REQUIREMENTS

100% of the project value

### ROI PROJECTIONS

**JV PARTNERSHIP REQUIREMENTS**

Private investor to partner with local municipality and community.

**CONTACT DETAILS OF PROJECT PROMOTERS**

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**NYANDENI  
LOCAL MUNICIPALITY  
PROJECTS**

# PROJECT 1

## 1. PROJECT TITLE

ESSENTIAL OILS PROJECT

## 2. PROJECT DESCRIPTION

### 2.1 Sector

- Agri-business

### 2.2 Scope

- Land preparation
- Establishment of the crops (BP1, Geranium, Lavender and Rosemary)
- Setting up of nursery
- Installation of irrigation system
- Planning and maintenance of crops
- Construction of stem distillation factory
- Installation of equipment
- Commissioning and validation of factory
- Harvest and production of products
- Selling of products to traders, agents and brokers

### 2.3 Location

- Makhotyana & Malungeni – Nyandeni

## 3. PROJECT RATIONALE

- Most of the arable land in the municipal area is used for subsistence farming and as such this project will assist in encouraging local production of goods and services for commercial purposes
- CSIR is currently establishing community-owned essential oil production businesses
- Essential oils are highly profitable products from both local and international markets
- They are used in various areas such as flavours and fragrances, foods, soaps, detergents, perfumes, personal care products, etc
- The project's main objective is to create and sustain jobs for the communities of Makhotyana and Malungeni

## 4. MARKET ANALYSIS

- Essential oils industry has global annual sales of more than US\$ 5 billion
- International demand for these products is expected to grow for at least the next 6 to 10 years in response to increased consumer demand for natural products
- An annual growth rate of 10% is projected within the industry, with major participants being the US, European Union and a number of developing countries like China, India, Brazil, etc
- South Africa only became a reliable supplier of high quality essential oils in the mid 1990s using technology developed by CSIR, and this industry is expected to grow significantly in the South African landscape
- Required capital investment in this industry is reasonably manageable and

- commercial farmers break-even within 3 to 5 years after starting production
- Established buyers of essential oils in South Africa have already been identified – Clive Teubes and Biosys Plant Extracts (Pty)Ltd
- Projected annual turnover:
  - BP1 – R30 000 per hectare; and
  - Lavender – R16 000 per hectare

#### 5. PROJECT STATUS

- A feasibility study has been performed by CSIR contracted by the National Productivity Institute
- 200 hectares of land has been identified for cultivation of the crops
- Marketing strategies, sales plans and projections have already been developed
- Basic infrastructure like water, sanitation, roads and telecommunication networks is in place and the transport network for movement of goods and services is in good condition

#### 6. INDICATIVE PROJECT VALUE

- R3m for start-up phase
- R20m for the production phase

#### 7. POTENTIAL PROJECT BENEFITS

- Creation of 75 jobs (permanent & casual) in the first year
- Technology and skills development for people in the Nyandeni region
- Partnership with the community thus contributing to poverty alleviation
- Economic growth for the municipal area based on value-added agro-processing

#### 8. DESIGN CONCEPTS

Pictures:



#### 9. RISK AND MITIGATION

- Fierce local and international competition that can be matched by the growing market demand of the essential oil products
- Volatile economic outlook that can result in foreign exchange risk, but this can be mitigated by entering into forward exchange contracts
- The nationwide crisis of crime has not negatively affected the region as the levels are not high in the area. Community Police Forums have been established in all the areas to look at incidents of crime.
- The political climate has been fairly stable as there have been no major changes in political leadership, i.e. Council and the Executive Committee, in the last 6 years

<b>10. TIME FRAMES</b>			
<ul style="list-style-type: none"> <li>○ <b>Start-up phase until first harvest – 18 months to 2 years</b></li> <li>○ <b>Production – 3<sup>rd</sup> year</b></li> <li>○ <b>Full production capacity – 4<sup>th</sup> year</b></li> </ul>			
<b>11. POTENTIAL PROJECT PARTNERS AND FUNDING SOURCES</b>			
<ul style="list-style-type: none"> <li>○ <b>Department of Agriculture</b></li> <li>○ <b>Department of Trade and Industry</b></li> <li>○ <b>Industrial Development Corporation</b></li> <li>○ <b>Development Bank of South Africa</b></li> <li>○ <b>Land Bank of South Africa</b></li> <li>○ <b>CSIR</b></li> </ul>			
<b>12. OTHER ROLE PLAYERS</b>			
<b>Organisation</b>	<b>Role</b>	<b>Name</b>	<b>Contact Details</b>
	<b>Buyer</b>	<b>Clive Teubes</b>	<b>(011) 793-1207 / 7924</b>
<b>Biosys Plant Extracts (Pty)Ltd</b>	<b>Buyer</b>		<b>(011) 841-4042</b>
	<b>Chiefs</b>		
	<b>Ward councillors</b>		
	<b>Ward committees</b>		
	<b>Community</b>		
<b>13. PROJECT CHAMPION</b>			
<b>Organisation</b>	<b>Role</b>	<b>Name</b>	<b>Contact Details</b>
<b>Nyandeni Local Municipality</b>	<b>Planning &amp; Development Manager</b>	<b>Mr N Cekwana</b>	<b>(047) 555-0272 082 444 4204</b>

## PROJECT 2

### 1. PROJECT TITLE

**MLENGANA LOCAL ECONOMIC DEVELOPMENT PROGRAM**

### 2. PROJECT DESCRIPTION

#### 2.1 Sector

- Local Economic Development

#### 2.2 Scope

- Development of Agri-business
  - Contribution to Provincial Priority Programs
  - Food Security
  - Massive Food Program
  - Schools Nutrition Program
  - HIV/AIDS and Health
  - Invest in Scaling Up the Nyandeni Agri-business Sector
  - High Value Crops
  - National Opportunities
- Eco-tourism development
  - Residential Game & Golf Estate
  - Conference & Training Centre
  - Technical Assistance Facility
  - Educational Tourism Facilities
  - Recreational Centre
  - Leisure Resort
  - Commercial development
  - Municipal Infrastructure Development
- SMME development
  - Build capacity for Economic Development Clusters and encourage:
    - Local diversity and innovation
    - Local initiative and independence
    - Culture, practice of measurement and outcome assessment
    - Participatory frameworks for LED and Anti-poverty

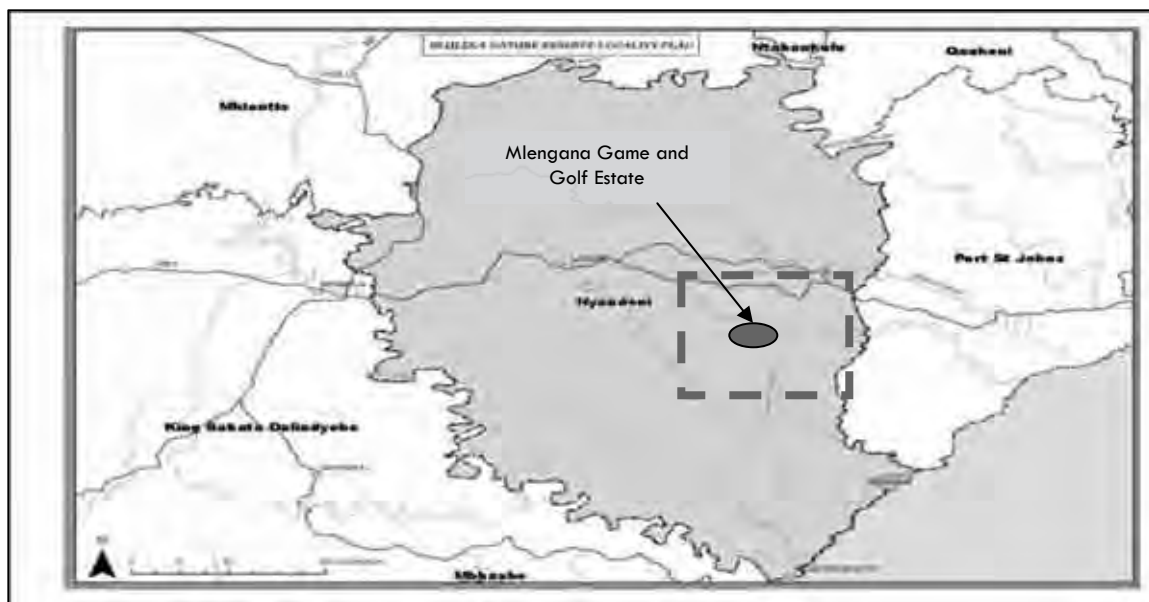
#### 2.3 Location

- Mlengana (Ward 06 &18) – Nyandeni

**This development NODE is situated in a natural resource intensive area with spectacular Fauna and Flora, in the Wild Coast. The development will benefit both from the indulgence of the ocean coast and present access to inland benefits such as Hiking, Mountain Climbs, Abseiling, Gaming, Birding, Wild Life, Otter Trails etc. Below is the indicative map and the Mlengana Mountain which is regarded as key attraction to the area.**



Photo: Ndibano Group, Mlengana Concept Document 2006



Source: Hluleka Nature reserve locality plan, 2003

### 3. PROJECT RATIONALE

- Nyandeni has some of the most potentially productive tourism and agricultural resources in the province and because there are few training institutions in the area, the project would enhance the support for groups who previously could not access regular economic and financial channels
- The project would capitalise on indigenous resources and contribute to provincial priority programs, i.e. poverty alleviation, job creation, etc
- This project is intended at embarking upon a number of interventions to realise local economic development and build sustainable livelihood programs, e.g. Schools Nutrition Programs, Massive Food Programs.

### 4. MARKET ANALYSIS

- The Mlengana development would be one of the most unique and exclusive establishments in South Africa as it will be developed on a cliff directly above the Umngazi River, thus ensuring maximum tourist attraction
- There is high demand for up-market residential and leisure property in the area, and it is anticipated that 20% of the property developments will be

- allocated to low-cost housing
- The development through golf tournaments is anticipated to attract sponsorship opportunities from both national and international businesses, which will boost revenue through advertising, airtime, broadcasts and other profit making mechanisms
- This development could result in other spin-off projects like poultry farming, agricultural production, baking and food distribution

#### 5. PROJECT STATUS

- Funds for the feasibility and design studies have been secured through Thina Sinako, and the study is to commence early 2009. This will ensure that the following is completed and obtained:
  - EIA Record of Decision
  - Feasibility Study Report
  - Layout Plans
  - Business Plans
- The land is currently zoned according to the Spatial Development Framework as tourist destination area
- Basic infrastructure like water, sanitation, roads and telecommunication networks is in place and the transport network for movement of goods and services is in good condition

#### 6. INDICATIVE PROJECT VALUE

- R30m

#### 7. POTENTIAL PROJECT BENEFITS

- Creation of approximately 5 000 jobs at the peak construction period
- Poverty alleviation
- Economic stimulation of the area
- Increased tourism potential
- Expanded revenue sources for the municipality

#### 8. DESIGN CONCEPTS

Architectural drawings – in process (Design phase currently under way)

Concepts gallery (Anticipated end-product)

Game lodges



Guest houses



## **9. RISK AND MITIGATION**

The main risks include the following:

- Commitment of stakeholders is always a risk in that a project of this nature is people centred and should the recipient community, be less than cooperative, then the project will not succeed. This risk will be managed through adequate consultation and enlisting the entire community in ensuring that the selected partners are those with a high probability of making a firm commitment, including the signing of agreements with each participating individual / organisation representative.
- There is a risk that the low wages provided for may lead to a significant drop out of trainers. To counter this and minimise impact on the project training will target a wider number of trainers than actually required. To keep the motivation high, there will be frequent interaction and exposure to other opportunities in tourism aimed at the project trainers and supervisors.
- Community ownership: The project will enlist the leadership in the area for support to ensure that there is a firm stewardship of the project within the community to minimise damage due to vandalism and to solicit the requisite care for the planned infrastructure.
- Project duration: Any new idea, introduced into a community requires support to the point where the community can incorporate such a practice into their own life. There is an over whelming evidence that a project that introduces new ways requires 3 to 5 years for effective adoption. This project carries the risk of abandonment if not supported for at least 3 years. It thus is designed to carry on for 3 years with supervision and project management, and monitoring.
- The seasonal nature of the tourism industry, the effects of which can be lessened by the development of a strong and effective marketing strategy for all-year- round activities
- The nationwide crisis of crime has not negatively affected the region as the levels are not high in the area. Community Police Forums have been established in all the areas to look at incidents of crime
- The political climate has been fairly stable as there have been no major changes in political leadership, i.e. Council and the Executive Committee, in the last 6 years

## **10. TIME FRAMES**


- 3 years

## **11. POTENTIAL PROJECT PARTNERS AND FUNDING SOURCES**

- Thina Sinakho EU Funding for Feasibility and Design Studies have been secured
- Department of Environmental Affairs and Tourism
- Department of Trade and Industry
- Industrial Development Corporation
- Development Bank of South Africa
- Land Bank of South Africa

- International Donors and Investors are to be approached

<b>12. OTHER ROLE PLAYERS</b>			
<b>Organisation</b>	<b>Role</b>	<b>Name</b>	<b>Contact Details</b>
<b>Ndibano Group</b>	<b>Institutional Specialist / Strategic Advisor</b>	<b>Velile Bobo</b>	<b>082 603 6388</b>
	<b>Chiefs</b>		
	<b>Ward councillors</b>		
	<b>Ward committees</b>		
	<b>Community</b>		
<b>Thina Sinako</b>	<b>Grant funding facilitator</b>	<b>Fezeka Maqwathi</b>	<b>082 858 8019</b>
<b>13. PROJECT CHAMPION</b>			
<b>Organisation</b>	<b>Role</b>	<b>Name</b>	<b>Contact Details</b>
<b>Nyandeni Local Municipality</b>	<b>Planning &amp; Development Manager</b>	<b>Mr N Cekwana</b>	<b>(047) 555-0272 082 444 4204</b>

<b>1. PROJECT TITLE</b>	<b>MALUNGENI CLAY MINING</b>
<b>2. PROJECT DESCRIPTION</b>	
<p><b>2.1 Sector</b></p> <ul style="list-style-type: none"> <li>○ Mining</li> </ul> <p><b>2.2 Scope</b></p> <ul style="list-style-type: none"> <li>○ Mining and processing of clay</li> <li>○ Development of factory for the production of ceramic tiles</li> <li>○ Establishment of pottery studio</li> <li>○ Marketing of the products</li> </ul> <p><b>2.3 Location</b></p> <ul style="list-style-type: none"> <li>○ Malungeni – Nyandeni</li> </ul>	
	
<p style="text-align: center;">Situated 30km away from the main business hub of the region Mthatha and 60 km away from the tourist destination Port St Johns.</p>	
<b>3. PROJECT RATIONALE</b>	
<ul style="list-style-type: none"> <li>○ The mine will be the only facility producing clay in the ORTDM region thus reflecting great employment creation potential for the mining sector in the region</li> <li>○ The Malungeni Clay Mining Centre will be used as a catalyst for the development of the arts and craft sector into a vibrant economic sector generating income and creating jobs for thousands of people living in rural areas in the Nyandeni area</li> <li>○ It will also serve as a catalyst for the development of cultural tourism, which will attract tourists locally, nationally and internationally</li> </ul>	
<b>4. MARKET ANALYSIS</b>	
<ul style="list-style-type: none"> <li>○ Over 3 000 crafters have been identified in the area and the demand for their products is mainly from international tourists</li> <li>○ About 90 % of these crafters are engaged in craft development with the main purpose of generating income</li> <li>○ About 70 % of them rely on craft products as their main source of income and majority of these crafters are producing pottery products</li> </ul>	
<b>5. PROJECT STATUS</b>	
<ul style="list-style-type: none"> <li>○ Land has been made available by the communities concerned for the Clay Mining Centre</li> <li>○ The land is currently zoned according to the Spatial Development Framework as Agricultural arable land</li> <li>○ A feasibility study was conducted by CSIR and the project was piloted by the Agricultural Research Council where samples of ceramic were</li> </ul>	

<ul style="list-style-type: none"> <li>○ produced and clay was tested.</li> <li>○ Business plans still need to be developed for the project</li> <li>○ Basic infrastructure like water, sanitation, roads and telecommunication networks is in place and the transport network for movement of goods and services is in good condition</li> </ul>			
<b>6. INDICATIVE PROJECT VALUE</b>			
<ul style="list-style-type: none"> <li>○ R10m</li> </ul>			
<b>7. POTENTIAL PROJECT BENEFITS</b>			
<ul style="list-style-type: none"> <li>○ Training on business skills and product development</li> <li>○ Promotion of the area's rich cultural heritage</li> <li>○ Job creation</li> <li>○ Poverty alleviation</li> <li>○ Economic stimulation of the area</li> </ul>			
<b>8. DESIGN CONCEPTS</b>			
Architectural drawings: None available			
<b>9. RISK AND MITIGATION</b>			
<ul style="list-style-type: none"> <li>○ The natural resource is found in more than one place within the Malungeni area, therefore chances of a depletion of the natural resource are very minimal</li> <li>○ The nationwide crisis of crime has not negatively affected the region as the levels are not high in the area. Community Police Forums have been established in all the areas to look at incidents of crime</li> <li>○ The political climate has been fairly stable as there have been no major changes in political leadership, i.e. Council and the Executive Committee, in the last 6 years</li> </ul>			
<b>10. TIME FRAMES</b>			
<ul style="list-style-type: none"> <li>○ Full operation within 2 years</li> <li>○ Life span of up to 20 years for the mine</li> </ul>			
<b>11. POTENTIAL PROJECT PARTNERS AND FUNDING SOURCES</b>			
<ul style="list-style-type: none"> <li>○ Department of Environmental Affairs and Tourism</li> <li>○ Department of Trade and Industry</li> <li>○ Department of Minerals &amp; Energy</li> <li>○ Industrial Development Corporation</li> <li>○ Development Bank of South Africa</li> <li>○ Land Bank of South Africa</li> </ul>			
<b>12. OTHER ROLE PLAYERS</b>			
<b>Organisation</b>	<b>Role</b>	<b>Name</b>	<b>Contact Details</b>
CSIR			
Agricultural Research Council			
	Chiefs		
	Ward councillors		
	Ward committees		

	<b>Community</b>		
<b>13. PROJECT CHAMPION</b>			
<b>Organisation</b>	<b>Role</b>	<b>Name</b>	<b>Contact Details</b>
<b>Nyandeni Local Municipality</b>	<b>Planning &amp; Development Manager</b>	<b>Mr N Cekwana</b>	<b>(047) 555-0272 082 444 4204</b>

<b>1. PROJECT TITLE</b>	<b>MDUMBI HOTEL &amp; CONFERENCE CENTRE</b>
<b>2. PROJECT DESCRIPTION</b>	
<b>3. PROJECT RATIONALE</b>	
<ul style="list-style-type: none"> <li>○ <b>Tourism in this natural paradise holds immense potential and this project will assist in the development of the Wild Coast line and attract both local and international tourists</b></li> <li>○ <b>The shortage of conference centres and accommodation facilities in the area necessitates the development of such establishments</b></li> <li>○ <b>The development will also enhance economic growth in the region and help build capacity, in particular, to community and cultural tourism</b></li> <li>○ <b>Portions of the land will be sold to the private sector for development, while some will be leased out to partnerships between the private sector and the community</b></li> </ul>	
<b>4. MARKET ANALYSIS</b>	
<ul style="list-style-type: none"> <li>○ <b>The Wild Coast region is the biggest tourist attraction in the ORTDM region and as a result the demand for accommodation and conference facilities always exceeds the supply, especially during peak seasons</b></li> <li>○ <b>Areas of success in these types of developments have been observed while they have maintained their cultural diversity as well as their environment, e.g. golf resorts along the garden route</b></li> <li>○ <b>T&amp;B Log homes study revealed positive cash flow projections within 48 months</b></li> <li>○ <b>Sunpoints and Explorer Club study revealed overwhelming demand for vacation club rentals at Mdumbi</b></li> <li>○ <b>Well thought out development strategies could also benefit the communities and their families for years to come</b></li> </ul>	
<b>5. PROJECT STATUS</b>	
<ul style="list-style-type: none"> <li>○ <b>The community resolutions were taken in 2006 and Pure Africa Mdumbi (Pty) Ltd has leased the land to develop the hotel and chalets</b></li> <li>○ <b>A needs analysis was conducted through a study by DEAT and DEDEA</b></li> <li>○ <b>The municipality is also awaiting feedback on an application for Environmental Impact Assessment that was submitted to the DEDEA</b></li> <li>○ <b>The land is currently zoned according to the Spatial Development Framework as Tourist destination area</b></li> <li>○ <b>A record of decision has been received and the area has been upgraded from Second-order node to First-order node</b></li> <li>○ <b>Basic infrastructure like water, sanitation, roads and telecommunication networks is in place and the transport network for movement of goods and services is in good condition</b></li> </ul>	
<b>6. INDICATIVE PROJECT VALUE</b>	
<ul style="list-style-type: none"> <li>○ <b>R55m</b></li> </ul>	
<b>7. POTENTIAL PROJECT BENEFITS</b>	

- 180 jobs will be created during the development stage
- 65 jobs will also be created for maintenance and operations of the facilities
- Poverty alleviation
- Economic stimulation and revenue generation for the municipality

#### 8. DESIGN CONCEPTS

#### 9. RISK AND MITIGATION

- Accessibility to the area, but road upgrades have been prioritised in infrastructure development programmes of the municipality
- The nationwide crisis of crime has not negatively affected the region as the levels are not high in the area. Community Police Forums have been established in all the areas to look at incidents of crime.
- The political climate has been fairly stable as there have been no major changes in political leadership, i.e. Council and the Executive Committee, in the last 6 years

#### 10. TIME FRAMES

- 2 years

#### 11. POTENTIAL PROJECT PARTNERS AND FUNDING SOURCES

- Sunpoints Resorts International
- Pure Africa Mdumbi (Pty) Ltd
- Department of Environmental Affairs and Tourism
- Department of Trade and Industry
- Industrial Development Corporation
- Development Bank of South Africa
- Land Bank of South Africa

#### 12. OTHER ROLE PLAYERS

Organisation	Role	Name	Contact Details
Pure Africa	Developer	Steve Dinning	082 436 3478
	Chiefs	Chief Gwadiso	
	Ward councillors	RN Dlutu	
	Ward committees		
	Community	Xolile Sigagi	

#### 13. PROJECT CHAMPION

Organisation	Role	Name	Contact Details
Nyandeni Local Municipality	Planning & Development Manager	Mr N Cekwana	(047) 555-0272 082 444 4204

<b>1. PROJECT TITLE</b>	<b>ERF 88 BUSINESS SITES</b>
<b>2. PROJECT DESCRIPTION</b>	
<b>2.1 Sector</b> <ul style="list-style-type: none"> <li>○ Property Development</li> <li>○ Retail</li> </ul>	
<b>2.2 Scope</b> <ul style="list-style-type: none"> <li>○ Development of 24 business sites</li> </ul>	
<b>2.3 Location</b> <ul style="list-style-type: none"> <li>○ Libode CBD – Nyandeni</li> </ul>	
<b>3. PROJECT RATIONALE</b>	
<ul style="list-style-type: none"> <li>○ Most of the provincial departments that operate from the Libode area require office space and there is vast shortage, therefore this project would offer a solution to this problem</li> <li>○ Interest has also been shown by a number of chain stores to establish business in the area</li> <li>○ The project will also assist to encourage the proper structuring of the local property market</li> <li>○ Portions of the land will be sold to the private sector for development, while some will be leased out to partnerships between the private sector and the community</li> </ul>	
<b>4. MARKET ANALYSIS</b>	
<ul style="list-style-type: none"> <li>○ About 15 big businesses like Spar, Petrol stations, Shoprite, Boxer, etc have registered interest in taking up sites for their operations</li> <li>○ A number of small and medium enterprises have also shown interest</li> <li>○ Applications for office accommodation from 3 provincial departments have already been submitted to the municipality thus showing keen interest in the development of the site</li> </ul>	
<b>5. PROJECT STATUS</b>	
<ul style="list-style-type: none"> <li>○ The land to develop the sites has been donated to the municipality by the Department of Land Affairs and the change of ownership process is underway</li> <li>○ The Environmental Impact Assessment has been completed, with the land currently zoned as business site according to the Spatial Development Framework and Zoning Scheme</li> <li>○ Basic infrastructure like water, sanitation, roads and telecommunication networks is in place and the transport network for movement of goods and services is in good condition</li> </ul>	
<b>6. INDICATIVE PROJECT VALUE</b>	
<ul style="list-style-type: none"> <li>○ R300m</li> </ul>	
<b>7. POTENTIAL PROJECT BENEFITS</b>	

- Revenue enhancement for the municipality
- Job creation
- Poverty alleviation
- Economic stimulation

#### 8. DESIGN CONCEPTS

Architectural drawings: None available

#### 9. RISK AND MITIGATION

- The current economic climate might result in financial constraints
- The sites are in very high demand, therefore possibilities of sites not being taken up are very small
- The nationwide crisis of crime has not negatively affected the region as the levels are not high in the area. Community Police Forums have been established in all the areas to look at incidents of crime.
- The political climate has been fairly stable as there have been no major changes in political leadership, i.e. Council and the Executive Committee, in the last 6 years

#### 10. TIME FRAMES

- 1 year

#### 11. POTENTIAL PROJECT PARTNERS AND FUNDING SOURCES

- Department of Trade and Industry
- Industrial Development Corporation
- Development Bank of South Africa
- Eastern Cape Development Corporation
- Independent Development Trust

#### 12. OTHER ROLE PLAYERS

Organisation	Role	Name	Contact Details
	Ward councillors		
	Ward committees		
	Community		
Department of Local Government	Approval of subdivision of land	MEC	

#### 13. PROJECT CHAMPION

Organisation	Role	Name	Contact Details
Nyandeni Local Municipality	Planning & Development Manager	Mr N Cekwana	(047) 555-0272 082 444 4204

## PROJECT 6

### 1. PROJECT TITLE

FORESTRY DEVELOPMENT

### 2. PROJECT DESCRIPTION

#### 2.1 Sector

- Forestry

#### 2.2 Scope

- Land identification and testing
- Feasibility studies
- Planting of trees
- Installation of bulk infrastructure

#### 2.3 Location

- Nyandeni Local Municipality





### **3. PROJECT RATIONALE**

- **There is vast arable land covering an estimated 15 000 hectares that is no longer used for agricultural purposes which can be converted into forest plantations**
- **The OR Tambo District Municipality in its LED strategy has identified Nyandeni as one of the areas for new afforestation**
- **The communities have already identified land for forest development and this could create opportunities to initiate programs that can create value from forestry resources**
- **Capacity building for the community and partnership with the private sector could also be enhanced in terms of operational management of the plantations**

### **4. MARKET ANALYSIS**

- **This will be informed by the studies yet to be conducted**

### **5. PROJECT STATUS**

- **Currently busy with identification of land, of which 200 hectares has been secured**
- **The land is currently zoned according to the Spatial Development Framework as Agricultural arable land which can be converted into forestry**
- **Basic infrastructure like water, sanitation, roads and telecommunication networks is in place and the transport network for movement of goods and services is in good condition**

### **6. INDICATIVE PROJECT VALUE**

- **R100m**

<b>7. POTENTIAL PROJECT BENEFITS</b>			
<ul style="list-style-type: none"> <li>○ Revenue enhancement for the municipality</li> <li>○ Extensive infrastructure development</li> <li>○ Job creation</li> <li>○ Poverty alleviation</li> <li>○ Economic stimulation</li> </ul>			
<b>8. DESIGN CONCEPTS</b>			
Architectural drawings: None available			
<b>9. RISK AND MITIGATION</b>			
<ul style="list-style-type: none"> <li>○ Veld fires that can be avoided by putting in place preventative measures and community awareness programmes</li> <li>○ The nationwide crisis of crime has not negatively affected the region as the levels are not high in the area. Community Police Forums have been established in all the areas to look at incidents of crime.</li> <li>○ The political climate has been fairly stable as there have been no major changes in political leadership, i.e. Council and the Executive Committee, in the last 6 years</li> </ul>			
<b>10. TIME FRAMES</b>			
<ul style="list-style-type: none"> <li>○ 1 year to the planting stage</li> </ul>			
<b>11. POTENTIAL PROJECT PARTNERS AND FUNDING SOURCES</b>			
<ul style="list-style-type: none"> <li>○ Department of Water Affairs and Forestry</li> <li>○ Department of Trade and Industry</li> <li>○ Industrial Development Corporation</li> <li>○ Development Bank of South Africa</li> <li>○ Eastern Cape Development Corporation</li> <li>○ Independent Development Trust</li> </ul>			
<b>12. OTHER ROLE PLAYERS</b>			
Organisation	Role	Name	Contact Details
	Chiefs		
	Ward councillors		
	Ward committees		
	Community		
<b>13. PROJECT CHAMPION</b>			
Organisation	Role	Name	Contact Details
Nyandeni Local Municipality	Planning & Development Manager	Mr N Cekwana	(047) 555-0272 082 444 4204

## PROJECT 7

### 1. PROJECT TITLE

NTLANGANO CONSERVANCY PROJECT

### 2. PROJECT DESCRIPTION

#### 2.1 Sector

- Tourism

#### 2.2 Scope

- Installation of bulk infrastructure
- Acquisition of game
- Construction of facilities

#### 2.3 Location

- Ntlangano





### **3. PROJECT RATIONALE**

- Land estimated at 16 000 hectares that is under the Mhlontlo and Nyandeni Local municipalities has been identified for the project
- The land is currently zoned according to the Spatial Development Framework as a Tourist destination area
- It is anticipated that this project will attract tourists both locally and internationally
- The community will partner with the private sector in some areas of the project in a joint venture format with the municipality through its legal division assisting with the drafting of contractual agreements

### **4. MARKET ANALYSIS**

- DEDEAT conducted a study on the feasibility of the project and gave the respective municipalities a go ahead

### **5. PROJECT STATUS**

- Community resolutions were conducted
- Phase 1 – Development of Tsitsa Lodge and Conference facility, has been completed
- Phase 2 – Construction of hiking trails, is underway
- A partnership with DBSA is already in place for the development of a master plan for the project
- The municipality has approved R500k for the development of the master plan
- Department of Roads and Transport to be lobbied for the construction of a bridge connecting the 3 rivers at Ntlangano

<b>6. INDICATIVE PROJECT VALUE</b>			
<ul style="list-style-type: none"> <li>○ R80m</li> </ul>			
<b>7. POTENTIAL PROJECT BENEFITS</b>			
<ul style="list-style-type: none"> <li>○ Tourist attraction</li> <li>○ Revenue enhancement for the municipality</li> <li>○ Extensive infrastructure development</li> <li>○ Job creation</li> <li>○ Poverty alleviation</li> <li>○ Economic stimulation</li> </ul>			
<b>8. DESIGN CONCEPTS</b>			
Architectural drawings: None available			
<b>9. RISK AND MITIGATION</b>			
<ul style="list-style-type: none"> <li>○ Safety and security for the tourists – security measures by the SAPS are in place to curb the scourge of crime</li> <li>○ Community Police Forums have been established in all the areas to look at incidents of crime.</li> <li>○ The political climate has been fairly stable as there have been no major changes in political leadership, i.e. Council and the Executive Committee, in the last 6 years</li> </ul>			
<b>10. TIME FRAMES</b>			
<ul style="list-style-type: none"> <li>○ 1 year</li> </ul>			
<b>11. POTENTIAL PROJECT PARTNERS AND FUNDING SOURCES</b>			
<ul style="list-style-type: none"> <li>○ Department of Roads &amp; Transport</li> <li>○ Department of Economic Affairs and Tourism</li> <li>○ Department of Water Affairs and Forestry</li> <li>○ Department of Trade and Industry</li> <li>○ Industrial Development Corporation</li> <li>○ Development Bank of South Africa</li> <li>○ Eastern Cape Development Corporation</li> <li>○ Independent Development Trust</li> </ul>			
<b>12. OTHER ROLE PLAYERS</b>			
Organisation	Role	Name	Contact Details
DBSA	Development of master plan & Funder		
	Chiefs		
	Ward councillors		
	Ward committees		
	Community		
<b>13. PROJECT CHAMPION</b>			
Organisation	Role	Name	Contact Details
Nyandeni Local Municipality	Planning & Development Manager	Mr N Cekwana	(047) 555-0272 082 444 4204

**PORT ST JOHNS  
LOCAL MUNICIPALITY  
PROJECTS**

## TOURISM

### PROJECT NAME

**FIRST BEACH CONFERENCE FACILITY AND RESORT HOTEL**

### PROJECT DESCRIPTION

The project entails the development of holiday accommodation in conjunction with conference facilities. It is mainly focused on Government functions and training facilities with a conference facility able to accommodate 50 to 100 people at a time. The accommodation can service the conference facility but also attract holiday makers specifically targeting families. This means a number of recreational facilities could be developed within the resort, such as a swimming pool, etc.

### LOCATION

Southern side of Marine Drive and Erf 1 Port St Johns.

### MARKET

The target market is local, national and international visitors

### PROJECT RATIONALE

Port St Johns and the Eastern Cape at large has a shortage of conference and accommodation facilities. It also suffers from heavy underdevelopment especially with regards to tourism. This project will address these issues and stimulate development in Port St Johns and the Eastern Cape. It is estimated to create 550 jobs and contribute more than R10 million per annum towards tourism in the region.

### PROJECT VALUE

R80,5 million

### FUNDING REQUIREMENTS

There are no specific funding requirements

### JV PARTNERSHIP REQUIREMENTS

Partnership is required between relevant government departments public sector and the community.(CPPP)

### CONTACT DETAILS OF PROJECT PROMOTERS

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**PROJECT NAME****DEVELOPMENT OF SECOND BEACH****PROJECT DESCRIPTION**

The development of a facility that incorporates various activities linked to activities on the beach/waters edge. This could ideally accommodate some of the following functions: restaurant and tuck shop, beach gear, clothing and accessories shops, lifeguard facilities, trading stalls, ablutions and changing facilities

The Project focuses on the development of facilities that are currently lacking in the town that would service both the residents as well as the tourists in Port St Johns. 3 ha

**LOCATION**

Second Beach, Port St Johns Municipality

**MARKET**

The target market is domestic and international tourist

**PROJECT RATIONALE**

The Waterfront Development in Second Beach should act as a catalyst to draw tourists to the area. The most suitable site for the Waterfront development is the area at Second Beach, currently occupied by Vuyani shop and the car park. The proposed Development Project is in accordance with the approved PSJ Spatial Development Framework. The Port St Johns Municipality is challenged with development. It has an underdeveloped tourism market along with land being under-utilized along the beach. This project will assist in the promotion of tourism and development in this municipality. It will create an estimated 147 jobs, and contribute significantly towards the monetary value generated by tourism and towards Gross Domestic Product (GDP).

**PROJECT VALUE**

R18,4m

**FUNDING REQUIREMENTS**

The investor is required to fund the total project

**JV PARTNERSHIP REQUIREMENTS**

The partnership required is a Community, Public and Private sector.(CPPP)

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**PROJECT NAME****ADVENTURE,HERITAGE AND ADVENTURE TOURISM CENTRE****PROJECT DESCRIPTION**

Visitors of Port St Johns will be welcomed at the entrance of the town by a facility that will provide all information on various aspects of the Adventure Sports, Heritage and Cultural Tourism issues. It will be a place to make bookings for various activities and accommodation and a "meeting point" for the departure of tours and trips, including water related activities with access to the Umzimvubu River and the sea. The facility will function in conjunction with a coffee shop/restaurant and offer both inside and outside seating along the waters' edge with impressive views. The complex will also include a curio shop and retail related to various outdoor activities like hiking, biking, water sports and camping. The location of the site is such that all visitors entering Port St Johns will pass the complex. The site is highly visible from the main road.

**LOCATION**

The location for this project is Erf 41 Port St. Johns, located at the entrance of Port St Johns.

**MARKET**

The target market is domestic and international visitors

**PROJECT RATIONALE**

This project arises from the critical need to address the issues of unemployment and tourism underdevelopment that is prevalent in this area. This region is rich with tourism potential and has land readily available for tourism development. This project is estimated to create 125 jobs during construction, 40 jobs during operation and contribute R24 million towards the Gross Domestic Product (GDP). This project will further contribute towards economic stimulation in the district and province.

**PROJECT VALUE**

R18 million

**FUNDING REQUIREMENTS**

The total value of the project to be funded

**JV PARTNERSHIP REQUIREMENTS**

A partnership would have to be formulated between relevant government departments, private sector and the community.

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# PROPERTY, RETAIL & INDUSTRIAL

## PROJECT NAME

Naval Base Housing

## PROJECT DESCRIPTION

30 hectares of land has been allocated for the development of residential units with a mix of supporting facilities. The naval base area will function in combination with Mtumbane and its facilities should serve both areas.

## LOCATION

The area is located between Port St Johns Town and Mtumbane on the top of a hill.

## CONTACT DETAILS OF PROJECT PROMOTERS

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### 1. PROJECT TITLE

Hotel Development

### 2. PROJECT DESCRIPTION

The project focuses on the development of a hotel in Port St Johns Town. Currently Port St Johns only has Bed and Breakfast facilities. The hotel would open a different market of tourists to the area and create the opportunity of attracting package tour groups. Basic amenities for the hotel include restaurant, bar and swimming pool. Meeting rooms are also important particularly for attracting conferences.

### 2.3 LOCATION

**LOCATION:** There are a few possible sites identified for the development of a hotel. The various sites are:

- Old Cape Hermes Hotel (erf 457, 391 and a portion of the golf course)
- Erf 258 and 259 along Marine Drive
- Old Naval Base

### LAND OWNERSHIP:

The various sites are in different ownership:

- Cape Hermes Hotel: Privately owned
- Erf 258, 259: PSJ MUN
- Old Naval Base: PSJ MUN

### SIZE OF THE SITE:

The various sites have different sizes

### 5. PROJECT STATUS

A Feasibility Study has been completed in June 2008, this feasibility study investigates and compares the above three sites. The feasibility study indicates that there is an existing demand for 60 to 100 lodging rooms

in hotel format in PSJ. This potentially will increase to about 220 or more rooms by 2018. Not all hotel sites should be developed concurrently. It does not necessarily preclude opportunities for development of another hotel between 2013 and 2018.

Dependant on the site to be developed there will be a possible need for EIA, TIA rezoning, subdivision, consolidation.

<b>1. PROJECT TITLE</b>	<b>Waterfront Development</b>
<b>2. PROJECT DESCRIPTION</b>	
The development of a facility that incorporates various activities linked to activities on the beach/waters edge. The development could ideally accommodate some of the following functions: restaurant and tuck shop, beach gear, clothing and accessories shops, lifeguard facilities, trading stalls, ablutions and changing facilities.	
<b>LOCATION:</b> The most suitable site for the Waterfront development is the area at 2 <sup>nd</sup> Beach, currently occupied by Vuyani shop and the car park.	
<b>LAND OWNERSHIP:</b> The land is owned by the PSJ Municipality	
<b>3. PROJECT RATIONALE</b>	
The Waterfront Development in 2 <sup>nd</sup> Beach should act as a catalyst to draw tourists to the area.	
<b>4. MARKET ANALYSIS</b>	
A Feasibility Study was conducted in March 2007	
<b>5. PROJECT STATUS</b>	
Concept stage	
<b>6. INDICATIVE PROJECT VALUE</b>	
App R 11 m according to the Feasibility Study.	

<b>PROJECT 1</b>	
<b>1. PROJECT TITLE</b>	<b>Shopping Mall</b>
<b>2. PROJECT DESCRIPTION</b>	
The development of a Shopping Mall in Port St Johns.	
<b>2.1 SECTOR</b>	
RETAIL	
<b>2.2 SCOPE</b>	
This project envisages to further develop the role of Port St Johns as a regional retail centre.	
<b>2.3 LOCATION</b>	
There are a few alternatives for the site for the Shopping Mall:	
<ul style="list-style-type: none"> <li>• Sports field in PSJ Town: the land is owned by PSJ Municipality and will need rezoning EIA and TIA. Expected issues around congestion in town spreading further.</li> <li>• Potential sites between Westgate Street and Bridge Street: various land owners. Negotiations and relocation of functions required. Congestion is an issue.</li> <li>• Vicinity of Mpantu: no specific portion of land identified. The advantage is the attraction of customers from various urban centres and reduction of congestion in PSJ Town.</li> </ul>	
<b>3. PROJECT STATUS</b>	
Concept stage	
<b>7. POTENTIAL PROJECT BENEFITS</b>	
Number of jobs (refer to O.R Tambo project feasibility evaluation model)	

**PROJECT NAME****GOLF ESTATE ON BULOLO DAM****PROJECT DESCRIPTION**

The project entails the expansion of the current 9 holes golf course to 19 holes and construction of residential units. 80 ha of land has been allocated for the development.

**LOCATION**

The location for the site is the Bulolo Dam Area, North of the Former Military Base, Port St Johns

**MARKET**

The target market is local, national and international

**PROJECT RATIONALE**

The existing golf course in Port St Johns Town is limited to only 9 holes and cannot expand in its current location, the new development will provide an opportunity to design a new 19<sup>th</sup> hole golf course in a panoramic natural setting. The high end residential component will also greatly benefit from the views and lush indigenous vegetation surrounding the site, providing homes for permanent residents and/or function as second homes. The site lends itself extremely well for a “green” golf course development in which attention to environmental issues is top priority. This project will assist in the promotion of tourism development in Port St Johns and add great value to development in the area in general. This project is also estimated to create more than 700 jobs and to contribute significantly towards the Gross Domestic Product (GDP).

**PROJECT STATUS**

The concept of this development is still under design. Environmental impact assessment and rezoning still underway.

**PROJECT VALUE**

Golf Course -R1,8 million, 1,4million per housing unit

**FUNDING REQUIREMENTS**

There are no specific funding requirements

**ROI PROJECTIONS****JV PARTNERSHIP REQUIREMENTS**

A partnership would have to be formulated between relevant government departments and the community.

**CONTACT DETAILS OF PROJECT PROMOTERS**

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**PROJECT NAME**

Development of the current Golf Course-Housing Development

**PROJECT DESCRIPTION**

This project entails residential development on a portion of the golf course. This area has been earmarked for medium density housing to address the housing need for middle income earners in Port St Johns. The housing will include double and triple storey units, including apartments. The housing development will include 100 residential medium density units and 70 low density units.

**LOCATION**

The site identified is a portion of Erf 500 located in PSJ Town

**MARKET**

The target market is local, national and international visitors

**PROJECT RATIONALE**

The municipality currently has available and under-utilized land. With an underdeveloped tourism sector, this project will assist in the promotion of this sector and of economic stimulation. It is estimated that this project will create more than 735 jobs and inject a significant amount towards tourism and the Gross Domestic Product.

**PROJECT STATUS**

The project is still in concept stage. Feasibility study, environmental impact assessment and rezoning still to be conducted.

**PROJECT VALUE**

Construction - 156 million

**FUNDING REQUIREMENTS****ROI PROJECTIONS****JV PARTNERSHIP REQUIREMENTS**

A partnership would have to be formulated between relevant government departments and the community.

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**PROJECT NAME****SPORTSFIELD DEVELOPMENT****PROJECT DESCRIPTION**

This project entails the development of the current sports fields in Port St Johns as Mixed-use facilities including retail, office and other facilities like medical functions.

**LOCATION**

The current sports fields in Port St Johns are located between Church Street and Main Road on a portion of remainder Erf 1

**MARKET**

Local residents and domestic and international tourists

**PROJECT RATIONALE**

The project will focus on the development of facilities that are currently lacking in the town that would service both the residents as well as the tourists in Port St Johns. This project is estimated to stimulate tourism and economic growth significantly in Port St Johns. It is estimated to create 465 jobs during construction and 25 jobs during operation, and R7 million per annum towards tourism once in operation.

**PROJECT VALUE**

R67,5 million

**FUNDING REQUIREMENTS**

There are no specific funding requirements

**ROI PROJECTIONS****JV PARTNERSHIP REQUIREMENTS**

A partnership would have to be formulated between relevant government departments and the community.

**CONTACT DETAILS OF PROJECT PROMOTERS**

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## **CONCLUDING REMARKS BY THE MUNICIPAL MANAGER**

It gives us great pleasure to share with you all the excitement and anticipation of this vry ambitious but realistic path that we have embarked upon together through the able and visionary leadership collective of the Executive Mayor as well as clear policy framework of the governing party the ANC. We have indeed reached a point of realizing the potential of this district and its people. The partnership that has been fostered between local communities, traditional leaders, government, private sector labour, and civil society organization and the religious sector is indeed demonstrative of the beliefs that we can together draw our economy and make our district and its seven local municipalities more sustainable. This conference has laid the foundation and the projects presented will serve as catalysts to put us on the development path that will be more consistent with Oliver Reginald Tambo, Nelson Mandela and other great leaders from this district.

In the next few months following this conference we will consolidate all the work done before and during this conference through concluding all Service Level Agreements and Memoranda Of Understanding and partnerships with the relevant support departments, Traditional leaders and relevant beneficiaries. We sincerely applaud the work done by all Local Municipalities, investors, developers, and other parties that took part in the investment conference.

Let us therefore take the moment out of this conference and realize the dreams of a better life for all in our District. Let us therefore unite in saying, "Our Investment Conference, Our District, Our Future."