

Comprehensive Infrastructure Plan: Cycle 1
Cacadu District Municipality
Eastern Cape

Version 1

Prepared by:

Department of Provincial and Local Government



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Prepared by: CIP Programme Management Unit

Note: This report has been compiled using data available from current sources obtained from sector departments, Stats SA, the Demarcation Board and data submitted from the local and district municipalities.

A formal review session has been scheduled with the municipalities and the provincial officials to discuss the findings in this report. Therefore, recommendations should not be used without prior confirmation with these officials.

Executive Summary

Background

The development of a Comprehensive Infrastructure Plan (CIP) at a municipal level serves as a clear business model providing strategically focused actions for implementing the key initiatives identified in the IDP, while addressing sustainability. This will be achieved by ensuring that the necessary infrastructure be provided to address services backlogs, that efficient operations and maintenance is performed, that dilapidated assets are refurbished, that the necessary skills are provided, and by ensuring that funding is available.

In the first cycle of CIPs the emphasis is on infrastructure needs and backlogs. Projects and initiatives are identified to address the critical shortages, which is then used to define funding requirements. Finally, institutional challenges are identified that affects housing, water, sanitation and waste water, and roads. Other services will be addressed in later CIP's.

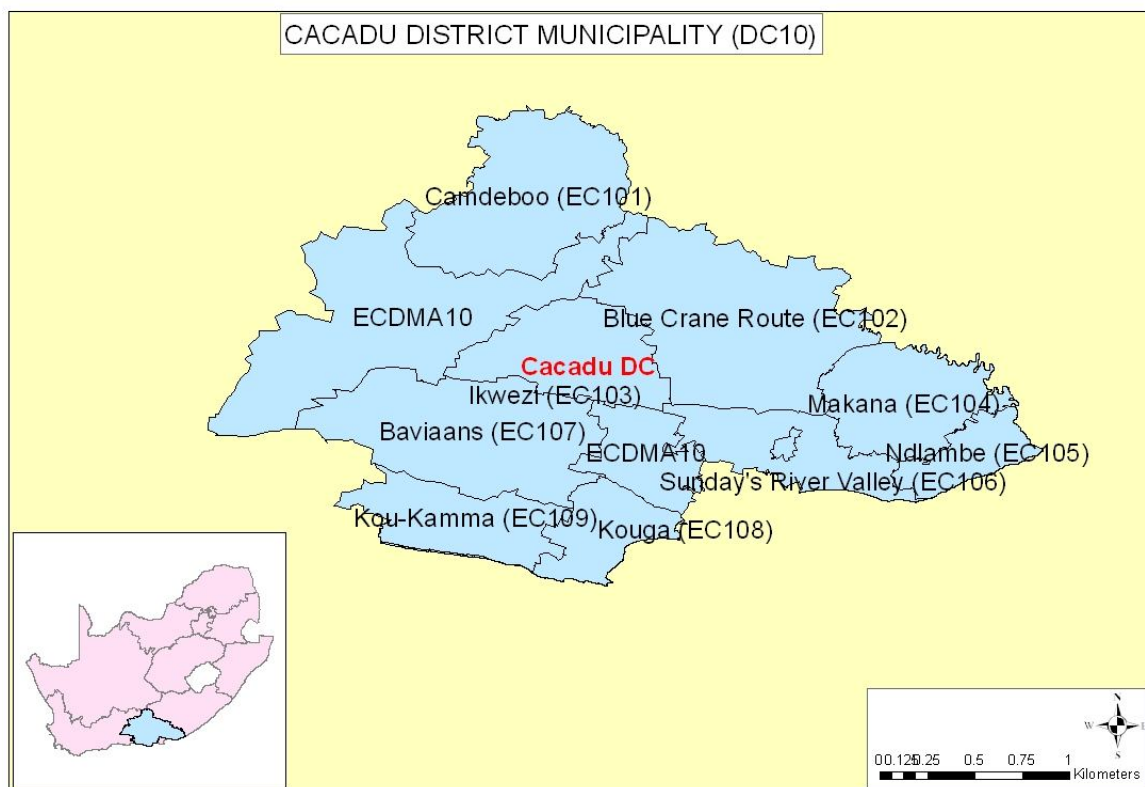
This report was compiled for Cacadu DM using data available from sector departments, Stats SA, the Demarcation Board and data submitted by the LM's and DM. It identifies the different challenges in the LM's, the overall assessment of service delivery in the DM, the budgets, institutional issues, namely policies, processes and structure, which have an impact on services delivery and the different needs for project implementation.

All of the abovementioned are taken into consideration to formulate an intervention plan for this municipality. The intervention plan is divided into an immediate impact, medium term and longer term plans.

Locality of Cacadu District Municipality

Cacadu DM is located in the Eastern Cape Province, as shown in the Figure below.

Figure 1: District Municipal location and Local Municipalities



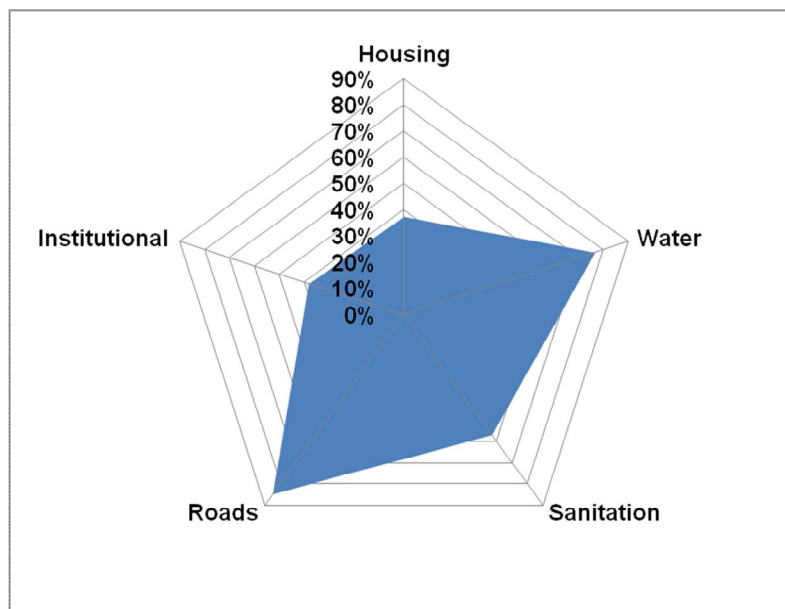
Status of service delivery

The next table reflects the deficiencies in service levels. This shows that significant investments are required to address sanitation and housing backlogs.

Table 1: Service levels

| Focus | Sufficiency |
|---------------|-------------|
| Housing | 37% |
| Water | 81% |
| Sanitation | 57% |
| Roads | 85% |
| Institutional | 38% |

Figure 2: Overall summary service levels in DC10



Intervention Planning

Scope of an intervention planning:

- Funding
- Immediate actions to ensure implementation
- Institutional arrangements to support the processes

The following key challenges were identified:

- Significant backlogs in services exist
- There is an urgent need for refurbishment
- Bulk services need additional investments

These issues are briefly discussed below.

Funding

The total capital funding needs were estimated based upon the information provided by the municipalities. It allows for the following interventions:

- Backlogs for lack of services
- Need for refurbishment
- Bulk investments

These capital funding needs were then compared with current municipal budgets, which included own capital budgets, current MIG and other grant/donor fund allocations, and current lending.

The consolidated District Municipal budget for addressing backlogs, refurbishments and necessary bulk capacities to meet the Division of Revenue Act 2008 requirements are reflected in Table 2 below. The total capital funding therefore amounts to approximately R1.2 billion to address the backlogs, which far exceeds total current capital budgets (R85 million per annum). Relatively small amounts are provided by MIG, and the municipalities rely on own sources to fund their capital investments. However, current MIG and other grant/donor fund allocations seem to be insufficient, while own sources are not utilized in any significant way to access loan financing.

1 Introduction to the Comprehensive Infrastructure Plan

1.1 Objectives of the CIP

Every municipality needs to compile an Integrated Development Plan that defines a framework for creating and sustaining integrated human settlements by providing the necessary infrastructure in a sustainable and coordinated manner. The CIP's have been formulated to enhance the preparation of the IDP, and consolidates the information from a wide range of planning instruments. It summarises the data at ward level by exploring the unique needs of communities, and then formulate plans for providing housing and infrastructure to service these needs. It therefore creates the basis for confirming the alignment of the different sector plans. It furthermore addresses the full life cycle management of those assets by considering the refurbishment and maintenance needs, and ensure that the necessary skills and financial resources are available to achieve the goal of sustainable service delivery is achieved in the medium to long term.

1.2 Key Issues

It is every municipality's responsibility to provide all its communities with the necessary infrastructure services for water, sanitation, energy, access and transport, and solid waste, as well as ensure that other key services (e.g. education, health, sports and recreation, and community services) are planned in collaboration with the relevant service providers. This calls for the following actions:

- Ensuring that the necessary infrastructure assets are provided, operated and maintained (i.e. addressing their full life cycle)
- Ensuring that the necessary funding is available for the total costs involved over the full extent of the life cycle of the assets, by collecting revenue from consumers and utilizing available grant funds, and providing the required operating and capital funds to achieve the goals
- Ensuring that an institutional model exists for providing the necessary skills, processes and procedures to manage the assets
- Ensuring that the necessary bulk supplies (e.g. for water and electricity, as well as waste water treatment capacity) are available
- Ensuring that the growth needs of the municipality are addressed by considering local economic development initiatives, and taking cognizance of changing needs of communities while involving them in planning the provision of the above services

Various frameworks for assisting municipalities in achieving these goals have been developed since 1994. This most recent development drives towards integrating a number of key initiatives aimed at achieving the provision of sustainable infrastructure services in municipalities.

1.3 Process of implementing the CIP

The Department of Provincial and Local Government (DPLG) has launched a programme to support the development of the Comprehensive Infrastructure Plans for each District Municipality Space¹. The objective is to support the development of a planning culture in the municipalities, to collect information on infrastructure related needs and initiatives, and to develop intervention plans towards achieving the Government's stated goals of eradicating service backlogs in the country.

¹ The District Municipality Space refers to the area covered by a particular District Municipality, and includes the full extent of service provision in that area, regardless of which municipality (be it local or district) is responsible for providing those services

1.4 Aim of the report

This report serves as the first cycle of CIP's to consolidate and report on infrastructure needs/backlogs, planned projects/initiatives, funding requirements and institutional challenges in terms of the following categories of information:

- Housing
- Water
- Sanitation and waste water
- First order roads
- Institutional interventions, and
- Inform the reader on an Action Plan to implement the process.

Later CIP's will expand this first version in subsequent years to also address the following additional functions:

- Solid waste
- Electricity, and
- Institutional development needs, and
- Financial sustainability.

1.5 Status of Report

The report presents the second draft version generated from a combination of municipal data obtained from the relevant municipalities and official national data sources. The data elements sourced from the national data sources was replaced with data supplied by municipalities. The purpose of this draft is to present a report for data verification to the District Municipalities.

There might be some tables in the report not completed, as the relevant municipalities did not submit the data. The purpose of the 'empty tables' is to indicate the categories of data that still must be reported on once acquired. With the table, an indication is provided of where the data is to be sourced.