



Vuthela SPARK

IGNITING INCLUSIVE ECONOMIC DEVELOPMENT IN ILEMBE

Leaving a lasting legacy

A comprehensive approach to local economic development led to systemic reforms in the iLembe district.



02

Going behind the success story

An innovative approach and efficient governance structure proved successful.

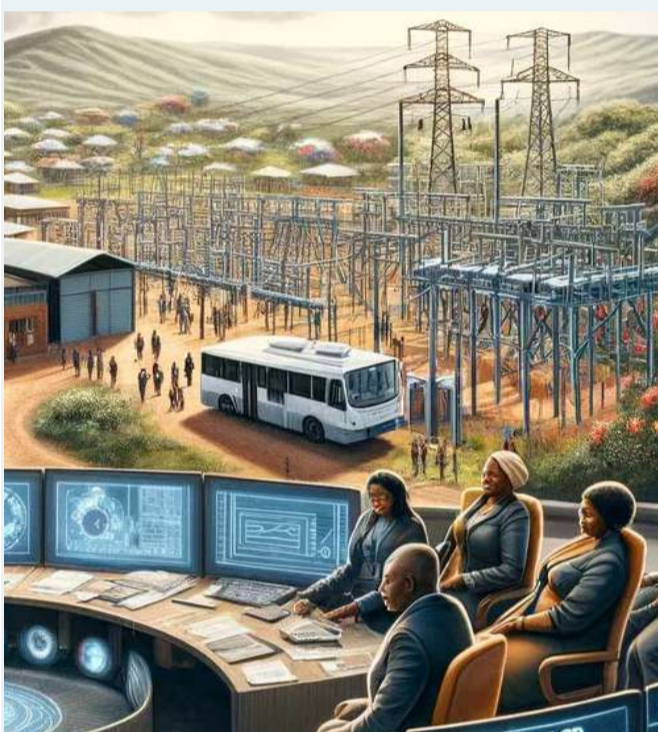


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Editorial: Vuthela's long journey draws to a successful conclusion

This will be the last issue of the *Vuthela Spark* in its current form with the Programme Co-ordinating Unit (PCU) finally completing its work and closing out next month after six-and-a-half years.

The Vuthela Programme has been a long journey in the making. The original design began in March 2012. Implementation was only to start in July 2017. Since then, 37 of the 44 project contracts have been fully implemented and completed, with two transferred to municipalities and five withdrawn – the funds of the latter allocated in the main to Non-Revenue Electricity (NRE) and Non-Revenue Water (NRW) implementation projects, to address electricity and water losses, which will be implemented and completed during 2024.

As a comprehensive and systems-based intervention, the full results and impact of the Vuthela Programme are likely to become evident in the medium-to-long-term, if the municipalities make full use of the new systems and processes that have been introduced to move the dial on persistent problems that are constraining the business enabling environment. This will require a relentless focus from leadership in the district to ensure the full uptake and institutionalisation of these systems that will lead to the required results.

The overall objective of the Vuthela Programme was

to strengthen the business enabling environment for inclusive and sustainable economic growth in iLembe district. The programme went beyond the remit of traditional local economic development initiatives to address deeper underlying issues affecting the enabling environment including the strengthening of the financial position of municipalities, improving planning and access to reliable infrastructure services, addressing obstacles to doing business in the district by improving the regulatory environment, as well as supporting skills development and other support of SMMEs particularly in growth sectors and strengthening partnerships and economic governance arrangements.

A full list of the 37 projects can be found on pages 7 - 8 of this issue. Some of the more noteworthy included: developing Development Charges policies for three municipalities, instituting an automatic district-based Indigent Register, taking councillors and officials on financial oversight committees through a formal accredited Financial Leadership and Oversight programme, updated infrastructure master plans for electricity and solid waste, design and specifications for SCADA system & Control Room and funds sourced for implementation, formulation of Non-Technical Water Losses Programme for iLembe District Municipality, formulation of Non-Revenue Electricity Strategies for Mandeni and KwaDukuza and facilitating formulation of two implementation projects, installation and uptake of

the internationally recognised EDAMS Asset Management Information System at iLembe District Municipality, building plan approval improvement project and funds raised for Senza-Lula project for digitalisation of business and development approval processes at KwaDukuza Local Municipality, development of a five-year Strategy and Change Management Framework for Enterprise iLembe and the design and development of human resource and performance management systems and design and development of Project Management Information and Project Finance System at Enterprise iLembe.

On 2 November the Vuthela Programme hosted the "Learning by Doing" Close Out and Learning Workshop opened by iLembe District Municipality Mayor Councillor TP Shandu and attended by the Mayor of KwaDukuza, councillors from KwaDukuza, SECO, senior officials and project members from the municipalities, the iLembe Chamber of Commerce, Industry and Tourism, National Treasury, the Department of Economic Development, Tourism and Environmental Affairs where all the partners and participants in the programme were able to share the achievements, failures and challenges of the programme and the lessons learnt. The articles in this issue reflect the workshop presentations and discussions.

In conclusion to thank SECO for agreeing to support this innovative programme, the partners from National Treasury, KZN Economic Development and Tourism and the municipalities of iLembe District, KwaDukuza and Mandeni for their commitment in seeing it through, Mariswe Pty Ltd for providing the technical project management and financial support systems to the PCU, and the team members of the PCU for their enthusiasm, commitment and resilience over the past six-and-a-half years.



Leaving a lasting legacy

The Vuthela iLembe Local Economic Development (LED) Support Programme was a unique programme to test a more comprehensive approach to local economic development that has contributed towards important reforms in municipalities in iLembe that if sustained will have left a lasting legacy.

This was the resounding sentiment that emerged from the programme's Swiss donor, public representatives from all spheres of government and private sector partners at the programme's close-out workshop held recently.

The six-year programme received funding of just over R151-million from the Swiss State Secretariat for Economic Affairs (SECO), supported through financial and in-kind co-contributions from the associated municipalities.

It was undertaken in partnership with iLembe District Municipality and the local municipalities of KwaDukuza and Mandeni, and the KZN Department of Economic Development, Tourism and Environmental Affairs (KZN EDTEA), with Mariswe (Pty) Ltd as implementing agent. The iLembe Chamber of Commerce, Industry and Tourism was included as a partner in the Programme Steering Committee.

Towards inclusive economic growth

Head of SECO South Africa Daniel Lauchenauer said the 37 projects completed through the funding had succeeded in improving capacities of local government which should contribute towards more inclusive economic growth in the district.

"The main objective was to promote a more viable and resource-efficient private sector, reliable economic frameworks and more favourable investment opportunities," said Lauchenauer.

"We have seen many good and positive outcomes during the course of the programme and there are many lessons to consider.

"The Vuthela Programme remains critically relevant in the current economic and developmental context that South Africa finds itself in," he said.

iLembe District Municipality Mayor Councillor TP Shandu thanked SECO for funding the Vuthela Programme and the key partners for executing it successfully.

"Your support has contributed to the development of the district and has improved the lives of residents," said Councillor Shandu. "Our municipal institutions are now in a much better position to achieve positive outcomes for the district, and to build on our efforts to respond to unemployment and poverty.

"The learnings from the programme will help us to serve our people better in the future."



Business enabling environment

Vuthela Programme Manager Richard Clacey said the programme aimed to strengthen the business enabling environment for inclusive, sustainable growth in many innovative ways.

"The conceptual design went beyond what is traditionally regarded as local economic development," said Clacey. "This programme attempted to move away from the duality in policy debate between addressing poverty and stimulating economic growth through promoting local competitiveness.

"We needed systemic interventions around enabling the business environment, reforms in municipal finance management, infrastructure development, and municipal and other regulatory approvals, enterprise skills training and partnerships.

"The Vuthela Programme was intended to ignite the process, as the name implies, The programme has come to an end but there is still much work to be done to complete the process. Systems have been put in place to resolve many of the persistent problems that were identified at the programme's design and inception, and still remain with us today."

CEO of the iLembe Chamber of Commerce, Industry and Tourism, Cobus Oelofse, congratulated the Vuthela Programme on its successes and on achieving a positive image for the district.

"The programme remains relevant to South Africa's development priorities and has left many positive impacts for the district to build on," said Oelofse.

Integrated approach

KZN EDTEA representative Lucy Mokoena said the Vuthela Programme had benefitted local government by taking an integrated approach to economic development.

"It was an empowering and challenging programme that built capacity across all its components," she said. "Some achievements and lessons learnt are already being used by other government departments."

National Treasury representative Ofentse Lekwape said Vuthela was a well managed Official Development Assistance (ODA) Programme and he congratulated the Vuthela Programme partners, manager and team for their resilience and professionalism.

"Key to the success of the programme was the implementation support on the projects that municipal officials did not have the capacity to undertake. We had flexibility in the system and an understanding partner in SECO. It has been a hugely successful relationship," he said.

The KwaDukuza Local Municipality's member of the Project Management Team, Sikhumbuzo Hlongwane, said contributions to the local economy included improving the ease of doing business to unlock economic development and improving the enabling environment by developing policies and plans for building the infrastructure needed to support LED.

Financial management and governance oversight was improved, which contributed to investor confidence in the municipal area.

Hlongwane appealed for the programme to be included in the municipality's scorecards and individual performance contracts in the future. He also suggested that the Vuthela brand be maintained and used after the funded programme has officially ended.

"The Vuthela brand represents a successful programme and it inspires confidence whenever it is mentioned. It would be great if the iLembe district can continue to use the brand to promote municipal projects in the future," said Hlongwane.



Daniel Lauchenauer,
Head of SECO South Africa



HW Mayor Cllr TP Shandu,
iLembe District Municipality



Cobus Oelofse, CEO of iLembe Chamber
of Commerce, Industry and Tourism

Going behind the success story

The Vuthela iLembe LED Support Programme succeeded in addressing many challenges around the financial management and infrastructure planning in municipalities within the district – due largely to its innovative approach and efficient governance structures.

Successes include the completion of 37 funded projects and leveraging additional funding of R69 million through technical submissions; providing accredited training for municipal leadership in Financial Leadership and Oversight; updated Indigent Policies and Development Charges Policies and implementation of an automated District Indigent Register and improvements in contract management.

Municipal infrastructure master plans for electricity and solid waste were updated; inaugural asset management plans developed (all infrastructure sectors); a SCADA (Supervisory Control and Data Acquisition) system was designed; piloting a non-revenue water project; and strategies developed to curb revenue losses from electricity.

The internationally-recognised EDAMS Asset Management Information System was installed, officials trained and it is currently being operationalised within the iLembe District Municipality to assist in water and sanitation infrastructure and asset management, including water loss management. It is a comprehensive asset management system that incorporates both technical and financial asset management and is utilised in more than 100 water services utilities worldwide.

Private sector development

Private sector development included reforms in building plan approvals; assistance with title deeds transfers; implementing digital approval processes (Senza-Lula); and youth training programmes.

In the Building Inclusive Growth component key work was done, amongst others, on the green economy, a growing focus internationally. Significant work was done regarding creating the enabling environment for recycling of e-waste. Furthermore, a pre-feasibility assessment of a solar farm located in Isithebe industrial

estate provided positive results.

Vuthela Programme Manager Richard Clacey said a large measure of its success was due to its integrated cross-cutting approach.

“This was achieved by designing and implementing a comprehensive programme that conceptualised LED beyond SMME development, tourism and investment promotion. The programme strengthened the business enabling environment through systems-based reforms in municipal finance and infrastructure, the business environment, SMME skills training and partnership development.

Need for balanced approach

“This approach moved beyond the ‘pro-poor’ versus ‘economic growth’ dichotomy prevalent in South Africa’s LED policy and practice and reflected the need for a balanced approach,” said Clacey.

The Vuthela Programme Identified synergies between municipal finance, municipal infrastructure and municipal regulatory functions like development approvals and

building plans and sought to address key challenges relating to management, financial management and economic infrastructure planning and delivery shortfalls in municipalities.

Institutional arrangements for the funded programme included all three levels of government, international development partners (International Finance Corporation, United Nations Industrial Development Organisation, Swiss State Secretariat for Economic Affairs), the private sector and private sector contracted Project Coordinating Unit, all bound contractually by programmatic structures.

Clacey concluded: “I am convinced that the systemic interventions that were implemented to improve the enabling business environment for all enterprises in the district will over time have a bigger impact on economic development in the district than the current LED practice of almost exclusively targeting start-up SMMEs for grant financing and skills development, as important as the latter might still be. It is necessary to provide balanced support to large, intermediate and small enterprises.”



Richard Clacey,
Programme Manager, Vuthela



Zama Soji, Key Expert for
Public Finance Management, Vuthela



Sikhumbuzo Hlongwane, Vuthela PMT and
ED, Economic Planning, KwaDukuza LM

Managing the money

The Vuthela Programme has strengthened the iLembe District Municipality's revenue unit and created a strong platform for the municipality to build on, said Revenue Manager Muziwandile Gumede.

“The initiative has had a great impact in areas that required intervention and has assisted iLembe District Municipality immensely,” said Gumede.

Several projects were undertaken by the Vuthela Programme to help the iLembe District Municipality to manage its finances.

A system for managing the municipality's indigent customers was designed and developed, along with appropriate policies.

Unauthorised, fruitless and wasteful expenditure had been reduced from R292mil to R123mil over three years.

Accredited training

Councillors serving on financial oversight committees underwent an accredited training in financial leadership and management to improve and strengthen their capacity in the execution of their responsibilities.

The Public Finances Management component of the initiative has improved budgeting for investment assets, operations and maintenance. The management of the procurement process has also been improved, leading to better standards of service delivery.

Policies have been developed to implement development charges for infrastructure development in a

manner that should improve predictability and certainty.

A framework for a district business continuity management plan was developed, which proved valuable during the Covid-19 pandemic, the civil unrest of 2021 and the floods of 2022. This will ensure proper coordination during the crisis and also ensure that municipalities are able to provide critical services.

A project to improve the management of municipal assets was implemented in three municipalities (iLembe District Municipality, KwaDukuza Local Municipality and Mandeni Local Municipality).

This included the amendments of asset management policies to incorporate best practices, better alignment of financial systems to best practices and greater awareness of reporting obligations from the municipality's technical departments.

Improved financial management

The Vuthela Programme's key projects that improved the iLembe District Municipality's financial management capacity included initiatives to address non-revenue water and the review and update of the Operations & Maintenance Plan, seeking to improve budget allocations for infrastructure maintenance.

A funding agreement has been secured for the iLembe District Municipality to execute additional non-revenue water projects to the value of R32 million, and

the municipality has received the first payment and is currently proceeding with the implementation of Component 1 of the project, focusing on six geographic areas to implement various non-revenue water activities. Component 2 of the project focuses on water meter population management.

The Vuthela Programme has also provided technical support to iLembe District Municipality to monitor and manage the Siza Water concessionaire and contract. This included monitoring the concessionaire, reviewing the financial and legal model, and developing an exit management strategy template in preparation for when the contract ends in 2029.

The detailed specifications developed through the programme for the Supervisory Control and Data Acquisition system (SCADA) were used to successfully source funding for its implementation. This system will allow the KwaDukuza Local Municipality to control and manage its electricity supply better through remote monitoring and switching in the transmission network and more effective responses to outages (planned or unplanned).

These key projects and activities have improved the management of financial and infrastructure aspects in the district, laying the base for future growth in this rapidly developing region.



Muziwandile Gumede, Manager, Finance Department, iLembe District Municipality



Megan Iyer, Finance, Operations and Procurement, Vuthela



Gerhard Pienaar, Deputy Head, SECO South Africa

Planning the future

Several master plans for economic and infrastructure development in the iLembe district which were produced under the Vuthela iLembe LED Support Programme projects have laid a strong foundation for future growth in the district.

These also serve as information sources for project identification, prioritisation and funding allocation.

An overall District Local Economic Development Strategy and Implementation Plan was developed, which included the formulation of three local strategies and implementation plans for Maphumulo, Mandeni and Ndwedwe.

The Vuthela Programme also assisted to develop the iLembe district's first District Development Model (DDM) One Plan, which was completed, and approved by the DDM Political Hub in December 2022.

Challenges for coordination

Creating mechanisms for co-operation and coordination among parties has been a challenge.

The District LED Forum and District Economic Facilitation Committee (for public-private dialogue) are existing structures, but are largely moribund. The DDM Economic Cluster now constitutes the formal active coordinating and economic governance mechanism for the district, but its meetings are marred by poor participation and the focus of the meetings is the tabling and noting of routine activity reports by different agencies of government with little or no strategic discussion, identification of economic priorities or reviewing of activities and outputs against a clearly understood and

Enterprise iLembe has been strengthened as a LED driver for the district and is well placed to lead this initiative.

articulated economic strategy and plan for the district.

The Economic Cluster needs a secretariat that includes an economic technical competency in addition to a purely administrative function to provide for a more strategic, programmatic and prioritised approach to the work of the cluster.

The District Development Model One Plan, District Economic Recovery Strategy, District LED Strategy, Municipal LED Strategies and Implementation Plan need to be reviewed, integrated and a clear commonly understood framework provided for guiding coordinated economic planning in the district.

Structured, programmatic public-private dialogue also needs to be institutionalised. Enterprise iLembe has been strengthened as a LED driver for the district and is well placed to lead this initiative.

The iLembe District Economic Development Facilitation Committee needs to be revitalised as a formal public-private dialogue mechanism as a component of the DDM Economic cluster and properly resourced through Enterprise iLembe to ensure that economic planning and programming is better focused on business enabling interventions with material impact on the local economy.



Lucy Moekena, Deputy Director, Regional and Local Economic Development, EDTEA



Monja Esterhuizen, Key Expert for Municipal Infrastructure, Vuthela



Adil Nunkumar, Director, Finance Department, KwaDukuza Local Municipality



Wiseman Cele, Youth Manager, KwaDukuza Local Municipality

Learning our lessons

Many of the development challenges that the Vuthela Programme was designed to address are long standing and some have seemed intractable.

Most persistent problems lie at the cross sectoral level e.g. between Financial and Technical (non-revenue electricity and non-revenue water), Development Charges (Planning and Technical), Financial/Community (Indigent Register), Finance/Technical Supply Chain Management. Matrix management and cross sectoral teamwork is underdeveloped within the public service.

The issue of sharing/transferring “ownership” between technical assistance interventions and “beneficiary” organisations is complex and the outcomes have been uneven in the case of the Vuthela Programme.

Valuable lessons for future

But the lessons learnt from the successful projects and those that proved challenging provide valuable guidance for similar initiatives.

The most persistent problems became apparent at the cross-sectoral and cross-functional level.

Strategies to resolve non-revenue electricity and non-revenue water had to be located at the intersection of the Financial and Technical functions in the respective organisations. Development Charges policies require the collaboration of Planning, Finance and Technical divisions; and Finance and Community Outreach sections are jointly responsible for the successful implementation of a credible Indigent Register. The Automated Indigent Register requires close collaboration between the district and the local municipalities to optimise information across the district.

The dominant culture within municipalities remains one of internal functional focus (the oft repeated silo problem), whereas many of the problems needing resolution require a matrix approach with project teams across functional areas working together to identify problems, solutions and to implement them. These require a shift in organisational culture, which is a deeper and more long-term undertaking.

Although the Vuthela Programme aimed to address the most relevant and pressing challenges with the municipalities, there was often a challenge securing the participation, focus and engagement of relevant officials in project activities, despite these issues clearly being high priority issues for the municipality. Municipal staff have to meet a myriad compliance and accountability obligations, and these often stand in the way of undertaking more high priority strategic interventions.

Individual accountability needed

Although the Vuthela Programme projects fell under the accountability of beneficiary municipalities through structures such as the Project Steering Committee (PSC), Project Management Team (PMT) and the Programme Steering Committee (PSC), this never converted to individual accountability in terms of Annual Performance Agreements. This meant that irrespective of the initiative being an organisational priority, the fact that it was not reflected in specific individuals’ performance requirements, meant that the work did not receive the attention that those issues reflected in the agreement. This was an oversight on the part of the programme implementation.

A key lesson that emerged from the programme was that systemic interventions to improve the enabling business environment are likely to have a more material impact on economic growth, investment and employment than just limiting LED activities to grant financing SMMEs. But these interventions require a high level of commitment, strategic management and systems thinking from leadership for them to be successful.

The terrain of public sector reform is a highly complex one, with a high risk of failure, and requires a change management methodology instead of a generic project management approach.

It takes a long time to institutionalise and optimise interventions, which require persistence and continuous engagement between relevant municipal divisions. Even though this programme, albeit a complex one, has been running already for six years, some of the activities only recently started yielding results.

Ultimate results

While outputs have been achieved on the majority of projects, the programme still has to move the needle to create impact across all elements of the programme. Ultimately, this will result in:

- Increased budget allocation to maintenance
- Increased budgets and expenditure on infrastructure
- Seamless development approvals and building plan approvals
- Reduced Non-Revenue Water
- Reduced Non-Revenue Electricity
- Fully functioning Asset Management and Indigent Register systems

The Vuthela Programme’s development partner and donor, the Swiss State Secretariat for Economic Affairs (SECO), affirms that a big learning was that the application of international funding should be on programmes of reform that support the district, with “tentacles” into key

reform areas that are aligned to municipal strategies and policies.

An important element was how to drive interlinked aspects in a sequenced way and fully exploit the opportunities for these links to develop and its uptake from partnering institutions.

The Vuthela Programme remained critically relevant in the current economic and developmental context that South Africa finds itself in.

While many positive outcomes have emerged, critical lessons and learnings include the need for high level buy-in, support and ownership for systemic reforms to take root. The role of a support programme must be clear – it has to be integrated into municipal activities and not treated as a stand-alone add-on.

The partnership model between the public and private sectors needs to be reviewed – the public sector cannot be expected to drive local economic development on its own.

Flexibility, agility and open communication between partners are key to a successful outcome.

Peer-to-peer learning

The municipalities should consider continuation of mechanisms of peer-to-peer learning to continuously dialogue and learn from each other, and it was crucial that the proposed Resource Centre is established at Enterprise iLembe as a central focal point for economic development in the district, according to SECO.

The next big challenge will be to develop and implement an appropriate resources plan to sustain the reforms and continue with projects, and to build on past successes towards achieving the reforms required for sustainable economic growth.

The iLembe District Municipality recommended that future programmes should adopt the private sector or Project Coordinating Unit model, instead of using special purpose development agencies of the municipalities, which are constrained by municipal legislation.

A major learning was that the programme inception must involve all intended beneficiaries, especially other municipal functions, to ensure that there is alignment with the aim of the programme and all are informed on the outcomes and outputs of the programme.

KZN EDTEA concluded that the Vuthela Programme emphasised that LED was not an isolated function within a municipality. It requires an integrated approach to implement a holistic intervention to build capacity within the municipality and create an enabling environment for investment in the district.



Shannon Moffett, Key Expert for Private Sector Development and Building Inclusive Growth, Vuthela



Sibusiso Mahlangu, Vuthela PMT and General Manager P&D, iLembe District Municipality



Ofentse Lekwape, ODA Portfolio Manager, Economic and Infrastructure, National Treasury



Summary of Vuthela Programme Portfolio

The infographic below provides a summary overview of the status of the project contracts undertaken by the Vuthela PCU across the five integrated components – Public (Municipal) Finance Management (PFM), Municipal infrastructure (MI), Private Sector Development (PSD), Building Inclusive Growth (BIG) and Partnership and Co-operation (P&C).

COMPONENT 1:

PUBLIC FINANCE MANAGEMENT

Aimed to strengthen the financial management of the three municipalities through better capacity to plan, finance and manage infrastructure investments and the provision of public services resulting in a positive contribution to the business climate.

	CONTRACT DESCRIPTION	BID/CONTRACT NO.	COMMENTS/ STATUS AUGUST 2023
OUTCOME 1: Enhanced Policy & Oversight Capabilities	Building capacity of Councillors and senior managers for financial oversight	VILP/I/001	Completed
	Assessment of municipalities' public financial management using Public Expenditure and Financial Accountability (PEFA) performance indicators on data integrity, financial reporting and legislative scrutiny	PCU insured	Completed for baseline information
OUTCOME 2: Enhanced Revenue Management	Revenue Management Part 1	VILP/O/026	Completed
	IT system to support indigents register	VILP/O/027	Completed
	A single indigents register across all municipalities	VILP/S/003	Completed
	Feasibility Study of Regional Customer Care Centre - Phase 1	VILP/I/018A	Completed
	Feasibility Study of Regional Customer Care Centre - Phase 2	VILP/I/018B	Withdrawn
	Drafting of Memorandum of Agreement: Regional Customer Care Centre and Automated Indigent Register	VILP/I/037	Completed
	Data cleansing	VILP/I/005	Completed
	Development charges policy, system and implementation.	VILP/I/004	Completed
	Assessment of municipalities public financial management using Public Expenditure and Financial Accountability (PEFA) performance indicators on revenue management.	PCU insured	Completed for baseline information
	Revenue Management Part 2	VILP/I/052	Completed
OUTCOME 3: Enhanced Budget, Audit, and Risk Management Skills	Audit and Risk Management	VILP/I/028	Completed
	Assessment of municipalities' public financial management using Public Expenditure and Financial Accountability (PEFA) performance indicators on public investment management and asset management.	PCU insured	Completed for baseline information
	Budget Management	VILP/I/006	Completed
	Asset Management	VILP/S/011	Completed
	Assessment of municipalities' public financial management using Public Expenditure and Financial Accountability (PEFA) performance indicators on internal controls on non-salary expenditure	PCU insured	Completed for baseline information
OUTCOME 4: Enhanced Management of Procurement Processes	Supply Chain Management capacity building for all municipalities	VILP/I/009	Completed
	Skills audit of Supply Chain Management officials	VILP/S/008	Completed
	Unauthorised, irregular, fruitless and wasteful expenditure register	VILP/S/002	Completed
	Assessment of municipalities public financial management using Public Expenditure and Financial Accountability (PEFA) performance indicators on procurement management and administration	PCU insured	Completed for baseline information

COMPONENT 2:

MUNICIPAL INFRASTRUCTURE

Aimed to provide enabling infrastructure for inclusive economic growth; reduce infrastructure constraints through capacity building measures to plan for infrastructure investments, and through specific infrastructure investments that reduce waste and promote green economy initiatives

	CONTRACT DESCRIPTION	BID/CONTRACT NO.	COMMENTS/ STATUS AUGUST 2023
OUTCOME 1: Reduced Infrastructure Constraints	Lower Tugela Bulk Water Offtake funding packaging	VILP/S/029	Withdrawn, funds transferred
	Specialist Technical and Mentoring Support for Preparing Alternative funding Applications	VILP/I/046	Withdrawn, funds transferred
OUTCOME 2: Increased Planning Capacity	Integrated Asset Management: Asset Management Plans (iLembe DM and infrastructure services; KwaDukuza LM & Mandeni LM and infrastructure services)	VILP/I/010	Completed
	Determine and address capacity building and training requirements for Asset Managers and linked positions (IDM, KLM, MLM)	VILP/S/007A	Completed
	Scoping of asset management system/s	VILP/S/011	Combined into VILP/I/010, Completed
	Non-Revenue Water pilot study for Sundumbili (apparent or non-physical water losses), IDM	VILP/S/012	Completed
	Electricity Master Plan update (KwaDukuza LM), Electricity Master Plan full review (Mandeni LM)	VILP/I/013	Completed
	Integrated Waste Management Plans (IWMP) for KwaDukuza LM & Mandeni LM; Consolidated IWMP for IDM (from all LMs)	VILP/I/014	Completed
	SCADA & Control Room specifications for electrical services management, KwaDukuza LM (all points of supply from Eskom and main KLM substations) & Mandeni LM (one Point of Supply)	VILP/S/015	Completed
	Asset Management Plan uptake and implementation support to IDM: Asset Management Strategy and update of operations & maintenance plan	VILP/I/030	Completed
	Infrastructure information management and improvement for six areas, IDM	VILP/I/041	Completed
	Asset Management Information system and implementation for IDM	VILP/I/044	Completed
	Activities to address Non-Revenue Water in IDM: physical losses	VILP/O/031	Transferred to iLembe DM for implementation.
	Appointment of an Occupational Health and Safety Officer for execution of the contract on Non-Revenue Water, VILP/O/31	VILP/S/031A	Transferred to iLembe DM for implementation.
	Site engineering project management support for execution of the contract on Non-Revenue Water, VILP/O/31	VILP/S/031B	Transferred to iLembe DM for implementation.
	Source funding for the review and update of the Regional Water and Sanitati on Master Plan	VILP/S/032	Withdrawn, funds transferred
	Non-Revenue Electricity (NRE): NRE strategy and programme development for KwaDukuza and Mandeni LMs respectively	VILP/I/033	Completed
	Non-Revenue Electricity: NRE pilot project, Mandeni LM	VILP/I/042A	Transferred to Mandeni LM for implementation.
	Non-Revenue Electricity: NRE pilot project, KwaDukuza LM	VILP/I/042B	Transferred to KwaDukuza LM for implementation.
	SCADA & Control Room implementation support through oversight	VILP/S/034	Under implementation - funded by the EU. Estimated completion by December 2023.

Summary of Vuthela Programme Portfolio (continued)



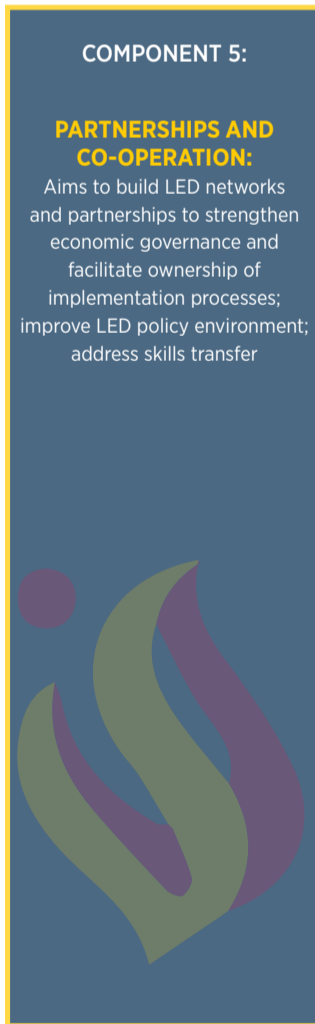
	CONTRACT DESCRIPTION	BID/CONTRACT NO.	COMMENTS/ STATUS AUGUST 2023
OUTCOME 3: Enhanced Planning	Develop Terms of Reference for Siza Water Concession Five-year Review	VILP/S/016A	Completed
	Five-year review of Siza Water concession (past five years; next five years' planning)	VILP/I/016B	Completed
	Opportunities for Green Infrastructure: Added scope to planned regional wastewater treatment works for energy efficiencies, renewable energy and sludge beneficiation	VILP/I/017	Completed
	Continuation of concession contract support: concession contract monitoring; concession contract review (and new supplementary agreement); review of the Siza Water financial model; development of an exit management strategy template	VILP/I/035	Completed
		VILP/I/035A	Included under one contract 035
		VILP/I/035B	Included under one contract 035
	VILP/I/035C	Included under one contract 035	
	Detailed feasibility and preliminary design - energy efficiencies, renewable energy at Sundumbili Water Treatment Works	VILP/I/036	Completed
	Development of Green Procurement Policies and Guidelines for municipalities	VILP/I/043	Withdrawn, funds transferred
Renewables and circular economy initiative to be finalised with municipal partner	VILP/I/045	Withdrawn, funds transferred	



	CONTRACT DESCRIPTION	BID/CONTRACT NO.	COMMENTS/ STATUS AUGUST 2023
OUTCOME 1: Preparation and implementation of specific plans to facilitate private sector development, investment in, and growth of SMEs in the iLembe District, resulting in increased employment, specifically for identified, targeted businesses.	Provide support to the IFC's employability assessment of Umfolozi TVET college	SECO funded	Completed
	iLembe ICT project	SECO funded	Completed
	KDM Entrepreneur support programme	VILP/I/047	Completed
	Ease of Doing Business - getting electricity	SECO funded via WBG	Completed
	Ease of Doing Business - property registration	SECO funded via WBG	Completed
	Ease of Doing Business - construction permits	SECO funded via WBG	Completed
	Provide support to the National Business Initiative's Installation, Repair and Maintenance hub	SECO, GIZ and SAPPI funded	Completed



	CONTRACT DESCRIPTION	BID/CONTRACT NO.	COMMENTS/ STATUS AUGUST 2023
OUTCOME 1: Specific projects identified for the Green Economy and other key sectors, with SECO and/or other institutional support which will assist inclusive growth SMMEs and achieve project objectives.	iLembe energy efficiency scoping study	VILP/I/021A	Completed
	iLembe waste efficiency scoping study	VILP/I/021B	Completed
	Investigate renewable energy options for Isithebe Industrial Park	SECO funded via WBG	Completed
	Digitisation - iLembe business directory	VILP/I/049	Completed
	Provide support to the Sustainable Recycling Industries e-waste programme for iLembe	SECO funded	Completed



	CONTRACT DESCRIPTION	BID/ CONTRACT NO.	COMMENTS/ STATUS AUGUST 2023
OUTCOME 1: Review and alignment of local economic development strategies	Formulation of three LED reviewed strategies by Councils	VILP/I/022	Completed
	Formulation and approval of iLembe District Economic Recovery and Implementation Plan	PCU Insourced	Completed
OUTCOME 2: Effective Institutions and processes For LED Strategy monitoring and Evaluation	Support LED strategy implementation monitoring by Local Municipalities	PCU Insourced	Completed
OUTCOME 3: Effective Multi-Actor Municipal LED and Local Economic Governance Structures	Support Enterprise iLembe on LED Forum	PCU insourced	In abeyance with DDM Economic Cluster
	Support Enterprise iLembe on iLembe District Economic Facilitation Committee	PCU insourced	In abeyance with DDM Economic Cluster
OUTCOME 4: Institutional assessment and strengthening of Enterprise iLembe	Enterprise iLembe Institutional Assessment, 5-year Strategic Plan and Change Management Framework	VILP/S/024	Completed
	CM Implement sub-project 1: HR and Performance Management	VILP/I/050	Completed
	CM Implement sub-project 2: Project Finance and Information & CM Implement sub project 3: Project Management System	VILP/I/039	Completed
OUTCOME 5: iLembe Growth & Development Strategy	iLembe District Development One Plan	PCU insourced	Completed
	Planning and Implementation of Transversal (Matrix Management)	VILP/I/051	Withdrawn
OUTCOME 6: Developed and Adopted programme of Knowledge Management and Dissemination of Strategy	Developed and Adopted programme of Knowledge Management and Dissemination of Strategy	VILP/I/040	Completed

WHAT IT IS ABOUT

The Vuthela iLembe LED Programme responds directly to the urgent need to address unemployment, poverty and inequality by accelerating inclusive local economic development and growth in line with the National Development Plan, the KZN Provincial Growth and Development Plan, iLembe District Municipality Growth and Development Plan as well as the Integrated Development Plans of the family of local municipalities in the district.

OBJECTIVES

The overarching objective and expected impact of the programme is to contribute to the improvement of the economic future of the iLembe District and the quality of life of its inhabitants, through sustainable growth of the local economy, and the creation of higher, better and more inclusive employment and income generating opportunities.

STATUS OF PROJECTS

Of the 44 project contracts, 37 have been completed (84%), two (5%) have been transferred to municipalities and five (11%) been withdrawn and the funds re-allocated to augment existing projects



WHO ARE THE PARTNERS?

The Vuthela iLembe LED Programme, is a joint initiative of the State Secretariat of Economic Affairs of the Swiss Confederation, the KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs, the iLembe District Municipality, and the KwaDukuza and Mandeni Local Municipalities. The programme includes participation of the Ndwedwe and Maphumulo Local Municipalities.

THE FIVE INTER-RELATED COMPONENTS OF THE PROGRAMME

- ▶ **Public Finance Management** - strengthening the financial position of municipalities through better capacity to plan, finance and manage infrastructure investments and the provision of public services. skills development; greater investment in and growth of Small and Medium Enterprises, leading to increased employment.
- ▶ **Municipal Infrastructure** - improved planning and access to infrastructure services for development investment, effective and efficient service delivery, and sustainable growth.
- ▶ **Private Sector Development Component** - Address obstacles to doing business in the district by improving the regulatory environment and supporting
- ▶ **Building Inclusive Growth Component** - inclusive and sustainable growth and employment interventions to support SMEs in growth sectors.
- ▶ **Programme Management, Partnership and Co-ordination Component** - sustained partnerships and capacity for local economic development in the iLembe District, and the replication of the approach in policy elsewhere in South Africa.

CONTACT INFO: **Add:** Suite 29, First Floor, White House Centre, 13 Chief Albert Luthuli Street, KwaDukuza, 4450
Tel: 087 056 0945 **Email:** admin@vuthelaled.co.za **Website:** www.vuthelaled.co.za

