13/52

PROFILE AND ANALYSIS
DISTRICT DEVELOPMENT MODEL

CHRIS HANI
DISTRICT MUNICIPALITY
EC

The birthplace of anti-apartheid stalwart, CHRIS HANI, connects all the regions in the province with its grassland hills to the arid Karoo scrubland.

cooperative governance & traditional affairs
Department:
Cooperative Governance and Traditional Affairs
REPUBLIC OF SOUTH AFRICA

STAY SAFE
SAVE SOUTH AFRICA

2030 NDP

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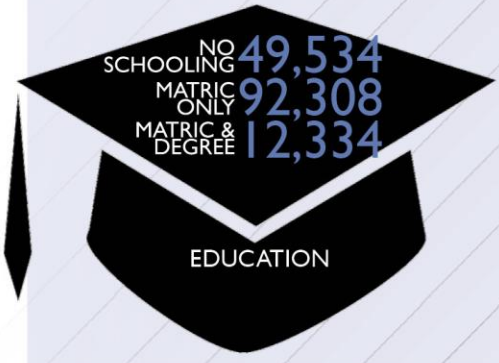
CHRIS HANI DISTRICT *BY NUMBERS*

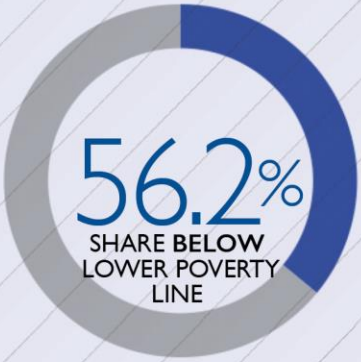
873362 POPULATION

36,407km² LANDSIZE

GENDER

♀ 52.1% ♂ 47.9%





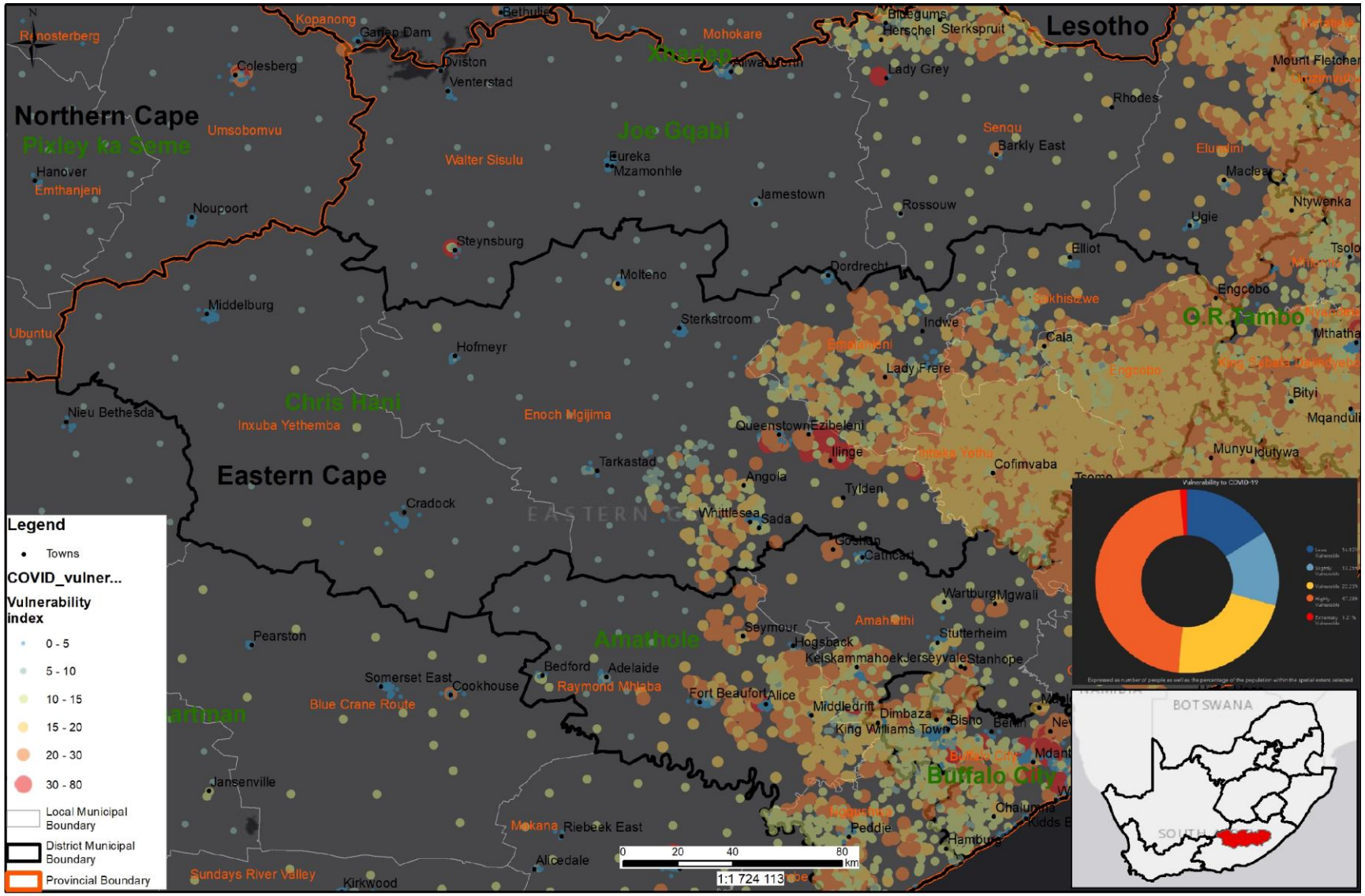
737

COVID-19 INFECTIONS (8/6/2020)

THIS AREA FULL OF MOUNTAINS, BIRTHPLACE OF ANTI-APARTHEID ACTIVIST CHRIS HANI

NEXT BIG THING

Supply water to 98511 people in 173 villiages



COVID-19 Vulnerability Index
Chris Hani
Source: CSIR/NCDM

1. Executive Summary

The Chris Hani District Municipality situated in the north-eastern part of the Eastern Cape Province, a linking node to all regions in the province. It is shares boundaries with the Joe Gqabi District to the north, Sarah Baartman and Amathole Districts to the south, OR Tambo District to the east, and Northern Cape Province to the west. Chris Hani is the second-largest district in the province, making up almost a third of its geographical area with a total area of about 36 407 km².

The municipality comprises six local municipalities, namely, Inxuba Yethemba, Enoch Mgijima, Intsika Yethu, Engcobo, Sakhisizwe and Emalahleni. The main towns are Engcobo, Cala, Cofimvaba, Lady Frere, Tsomo, Elliot, Dordrecht, Queenstown, Tarkastad, Whittlesea, Indwe, Cradock and Middleburg.

In 2019, the district had a population of 873 362 people which is 12% of the provincial population. The annual population growth from 2009 to 2019 is 0.7%, which is below both the national and provincial average. Although the district has a relatively high functional literacy rate of 72.78%, it is still lower than that of the Eastern Cape Province at 79.02% and even lower than the National at 84.96%.

The district has relatively high poverty levels. In 2018 there were 630 000 people living in poverty and the poverty gap rate was 31.2%. The overall crime has decreased over the past 10 years, especially violent crime.

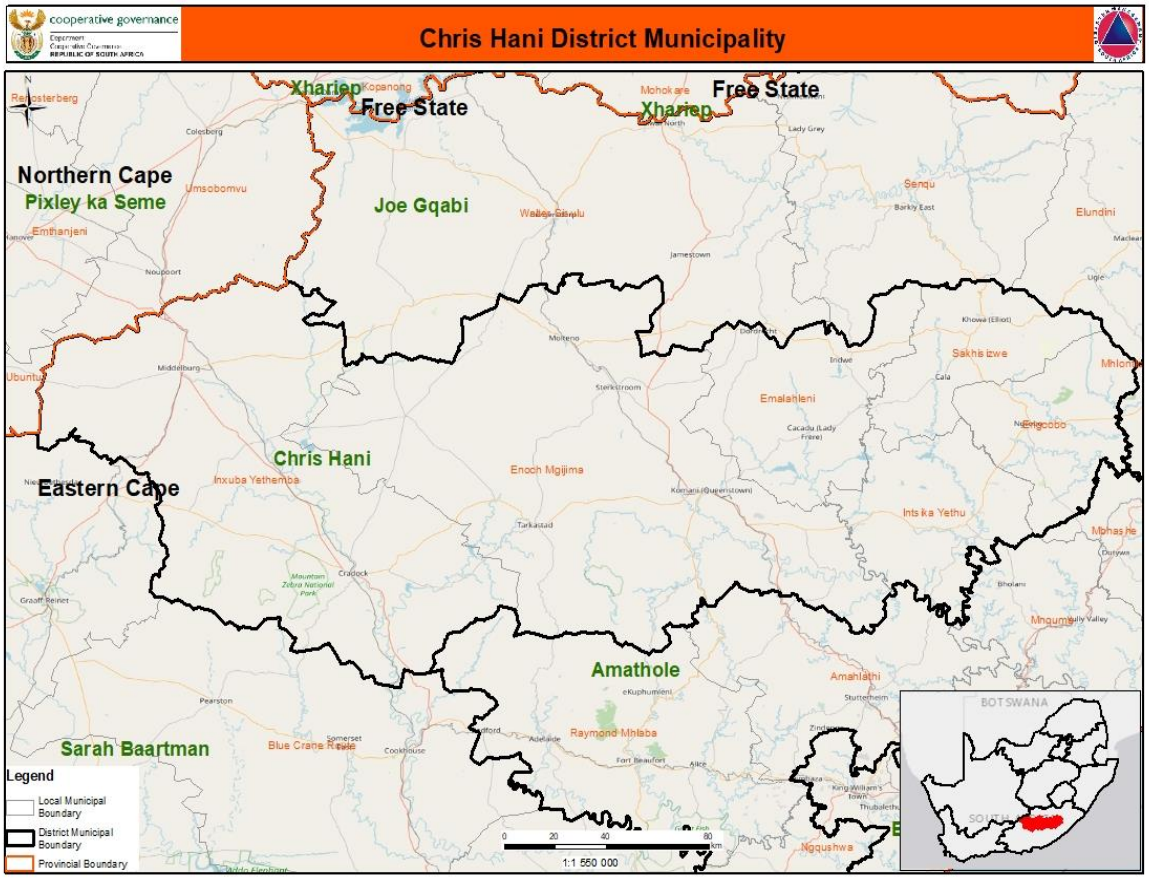
The Chris Hani District has a GDP of R 32.2 billion which is 0.66% of the National and ranks fifth in the Eastern Cape Province. It has achieved an annual growth rate of -0.08% which is a significant lower GDP growth than the Eastern Cape Province's 0.78%, and the national was 0.79%. The community services sector is the largest economic sector within the district. It accounts for R 11.8 billion or 40.3% of the total GVA. The trade sector the second largest at 22.3%, followed by the finance sector with 14.5%. The sector that contributes the least to the economy of Chris Hani District Municipality is the mining sector with a contribution of R 33.8 million or 0.12% of the total GVA.

The district has a number of projects in various stages of development and implementation by various spheres of government. These include Industrial park revitalisation, irrigation schemes, rural sustainable villages and infrastructure.

2. Introduction: Brief Overview

2.1 Location

The Chris Hani District Municipality is a Category C municipality situated in the north-eastern part of the Eastern Cape, a linking node to all regions in the province. It is bordered by the Joe Gqabi District to the north, Sarah Baartman and Amathole Districts to the south, OR Tambo District to the east, and Northern Cape Province to the west. Chris Hani is the second-largest district in the province, making up almost a third of its geographical area with a total area of about 36 407 km². The Map depicts the Eastern Cape Province and shows the location of the Chris Hani District.



2.2 Historical Significance

Chris Hani District is a landlocked district situated in the centre of the Eastern Cape. It is the birth place of Martin Thembisile Hani, the anti-apartheid stalwart, who matriculated at Lovedale in 1958. He then went to study at the University of Rhodes and Fort Hare, 1959/61 and obtained a BA in Latin and English. He joined the ANC Youth League in 1957 and was active in Eastern and Western Cape ANC before leaving South Africa in 1962.He was the Commissar in the Luthuli Detachment, joint

ANC/ZAPU military campaign, in 1967.He escaped to Botswana, and returned to Zambia in 1968.He infiltrated South Africa in 1973, and was then based in Lesotho. He left Maseru for Lusaka in 1982 after several unsuccessful assassination attempts. He was the Commissar and Deputy Commander of Umkhonto we Sizwe, armed wing of the ANC, and became Chief of Staff of MK in 1987. Chris Hani was gunned down on the 10 April 1993 by an assassin belonging to the extreme white right wing.

The landscape ranges from moist uplands and grassland hills to the arid Karoo scrubland. The district and the surrounding areas were once inhabited by the San and Khoi. After European settlement in the early 1800s, the area became farmlands for both Boer settlers and European farmers. In 1853, Queenstown was laid out and designed as a military outpost by the British. It was meant to protect British subjects against any attacks during the Frontier Wars, which involved clashes between the British and the Xhosa over territory. The town was planned around a central hexagon, which would be the point to where citizens could flee if there were signs of trouble. Although it is still a distinguished feature of the town, it was never used for its original purpose.

Queenstown grew into a service town for farmers from the area. The early settlement was known for its wagon building, imported merchandise and educational institutions. In the late 19th Century, sandstone buildings were erected, including the Town Hall, the Methodist Church, the Anglican Church and the Dutch Reformed Church. In the 1920s the town flourished as the prime educational centre for the area, specifically Queen's College. In 1984, the local rural settlement Mlungisi was incorporated into Queenstown, from where many of South Africa's political thinkers emerged. Today the town is a charming mix of heritage, farming services, education and gardens of roses. It is also a popular stopover for travellers on their way to the Central Karoo.

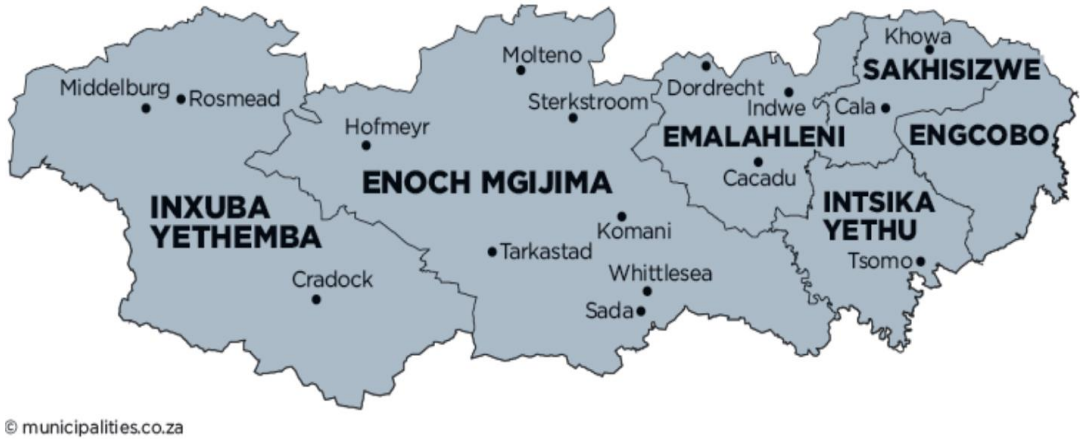
The Chris Hani District is comprised of three historically distinct areas, the result of which is seen in the spatial development of the district. The former Ciskei – made up of Hewu and Glen Grey magisterial districts – and the former Transkei – which includes Ngcobo, Cala, Cofimvaba, Tsomo and Lady Frere magisterial districts. The balance of the Chris Hani District Municipality area is made up of former RSA magisterial districts.

"INXUBA YETHEMBA LM, IS DERIVED FROM ISIXHOSA MEANING "FISH OF HOPE". THE WORD INXUBA IS DERIVED FROM THE NAME OF THE RIVER CALLED FISH RIVER THAT RUNS THROUGH CRADOCK."

2.3 Spatial Status

Following the 2016 Local Government Elections, the number of local municipalities decreased from eight to six with the merger of Tsolwana LM, Inkwanca LM and Lukanji LM into a newly established municipality, Enoch Mgijima LM, which also hosts the district municipal headquarters and council chambers in Komani.

The district is characterised by its rural settlements and typical subsistence agriculture activities. The agricultural industry in the district is identified as dualism since it is divided into the first economy of commercial agriculture and the second economy of subsistence farming. In spite of its significant agricultural outputs, the municipalities are importers of processed food.



Inxuba Yethemba LM, is derived from isiXhosa meaning “fish of hope”. The word Inxuba is derived from the name of the river called Fish River that runs through Cradock. Yethemba is just an extension to add something positive to the name. It is to the western end of the district and is 11 663 $km^{2.}$ It is approximately 240km north of Nelson Mandela Metropolitan Municipality. It is one of six municipalities in the district, making up a third of its geographical area.

Cradock consists of the suburb of Cradock, and the Lingelihle and Michausdal communities, whilst Middelburg has the suburb of Middelburg, with the Kwanonzame Lusaka and Midros communities. The two urban centres of Cradock and Middelburg are fairly similar, with well-developed CBDs and fair infrastructure. A lot still needs to be done in the former previously disadvantaged communities. The rural areas of both towns are mostly commercial farms, with small settlements in the rural areas of Fish River Mortimer and Rosemead.

The N10 National Road, which is the vital economic link between Port Elizabeth and the north, runs through Cradock and skirts Middelburg. Mount Zebra National Park is also situated in the municipality which is largely driven by community services

(58.9%), finance (13.8%), trade (7.5%), transport (5.9%), agriculture (5.4%), construction (4.2%), manufacturing (3.6%).

The **Enoch Mgijima LM**, is named after evangelist, prophet and founder of the Israelites of the Church of God and Saints of Christ who led a land reclaim and resistance in the area in 1921, resulting in the killing of 200 followers by the police.

It is the largest of the six municipalities in the district, making up over a third of its geographical area, at 13 584 km². It is located in the central part of the district and was established by the amalgamation of the Tsolwana, Inkwanca and Lukhanji Local Municipalities in August 2016. The area has a rich historical background dating back to the 18th century, with a number of monuments and key places of interest.

The Enoch Mgijima municipal area is an economic hub, due to its strategic position in the middle of the national corridors to the Gauteng, Western Cape, KwaZulu-Natal, Northern Cape and Free State Provinces. Parts of the municipality are developed with the relevant infrastructure so that modes of transport such as railway, road and a small airport are available to be utilised. Other parts of the region are experiencing a low economic growth rate, with high levels of unemployment and poverty in the towns. Key towns and settlements are Hofmeyr, Komani (Queenstown), Molteno, Sada, Sterkstroom, Tarkastad, Whittlesea. Key drivers are agriculture, general government services, finance and business, wholesale, retail and catering, community services

The **Emalahleni LM**: derives its name from isiXhosa meaning “a place of coal”. The people from the area get coal from Indwe, Guba and Dordrecht which they use to make fire and bricks.

The municipality which is located in the central part of the district covers 3 484 km². It was established during 2000 and comprises three rural towns, with more than 200 villages. Much of the municipal area was formerly in the Transkei. The quality of life in the rural villages is generally poor, marked by poverty and lack of access to services and amenities. Unemployment is high, and most households rely on social grants and remittances from family members working elsewhere. Agriculture is limited to low-level subsistence farming, producing enough maize for personal use, traditional livestock farming and sorghum production, which is formalised and produced for the market. Wool production is one of the upcoming sources of income in the area for the emerging communal farmers.

Key towns and localities include Cacadu (Lady Frere), Dordrecht, and Indwe. The main economic driver are government and services (55%).

Mountain Zebra National Park

PICTURE: unsplash.com

Intsika Yethu LM: derives its name from isiXhosa meaning “our pillars”. The public decided on the name because of the trust the community has in the municipality in terms of service delivery and in related issues. It is the birth place of Chris Hani, whim the district is named after. It is shares boundaries with Sakhisizwe to the north, the Amathole District to the south, Engcobo to the east, and Emalahleni and Enoch Mgijima to the west. The municipality is one of six municipalities in the district, accounting for 8% of its geographical area at 2 873 km², it is located on the south eastern parts of the district. Key localities include Cofimvaba (where Hani was born) and Tsomo. The main economic activities are community services (52%), trade (14.8%), and agriculture (14.6%).

Sakhisizwe LM: derives its name from isiXhosa meaning "we are building the nation". The municipality is located on the north eastern parts of the district, and it shares boundaries with Joe Gqabi District to the north, Intsika Yethu to the south, Engcobo to the east, and Emalahleni to the west. The municipality is the smallest of six in the district, making up 6% of its geographical area at 2 318 km². The key and small towns in the municipality are Cala and Khowa (Elliot). Key drivers of the economy are community services, agriculture, and trade.

Engcobo LM: derives its name from isiXhosa and refers to the sweet grass found in the area. It is one of six municipalities in the district, which is 2 484 km².

The municipality claims the most youthful population, as well as the highest rates of poverty and unemployment, in the district, coupled with a high dependency ratio. The economy is underperforming and currently fails to create needed jobs and revenues. A dedicated LED strategy has been developed in order to guide interventions in turning this situation around. The municipality’s low productivity score points to the low GDP per worker (formal and informal), a relative shortage of skills available to the economy, and low growth.

On a broad scale, the Engcobo Municipality has some striking features: it is a peripheral area in terms of the national economy, is underdeveloped, has a fragmented settlement pattern, has a low-density rural settlement environment, and its resource base is under pressure. On the scale of urban development, Engcobo Town is classified as a Sub-District Development Node by CHDM (i.e. it is among a group of towns deemed to be on a second tier below the dominant district node of Komani). This means that Engcobo is understood to have an influence (reach or catchment population) beyond simply its local area and that it draws people to the town to access goods and services from a broader area (i.e. in some cases even from neighbouring municipalities). However, Engcobo may also currently be described as a low-density urban environment. In spite of its low density and intensity of development, Engcobo’s business centre is thriving, though it does not

function optimally due to overcrowding and a lack of facilities serving both pedestrian and vehicular traffic.
Business in the town is reliant on commuters (rural consumers) and there is no mass of resident consumers. This limits the range of commercial and social facilities that the private sector provides in town and inhibits the development of a more vibrant urban character. The only town there is Engcobo and its main economic drivers are agriculture, forestry, trade, and tourism.

2.4 Land ownership

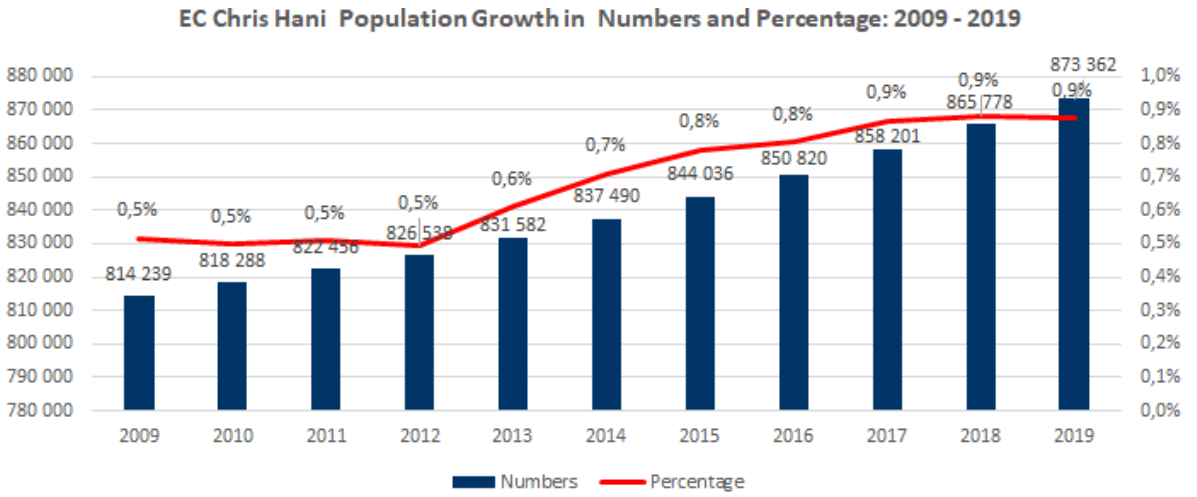
The Chris Hani District comprises parts of the former Transkei and Ciskei homelands and former RSA (Cape Province). The most common form of tenure in the former Transkei and Ciskei areas is the communal land tenure system. Ownership of land in the urban areas and former RSA areas is held by Free-hold Title Deeds. A considerable amount of land in the area of the former homelands remain in state ownership. This situation results in difficulty in obtaining land and use rights for developmental purposes. There have been calls from communities in the rural areas to be given title to their land on an individual basis.

3. Social Development

3.1 Key Social Demographics

3.1.1 Population

In 2019, Chris Hani District had a population of 873 362 people which accounts for 12% of the total population in the Eastern Cape Province and 1.5% of South Africa's total population. In 2019, the population growth rate was 0.9% which is lower than the Eastern Cape Province (1%) and about half of South Africa (1.5%). The population size is projected to grow at an average annual rate of 0.9% from 873 362 in 2019 to 905 000 in 2023.

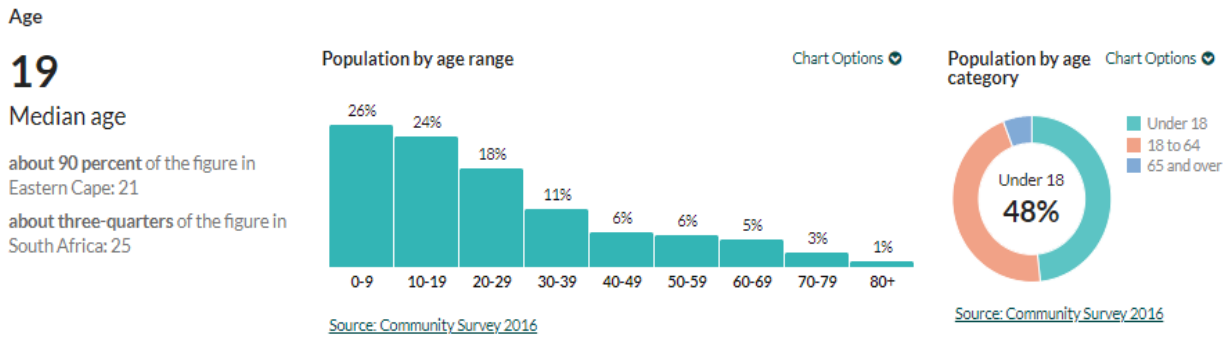


Source: IHS Markit Regional eXplorer version 1946

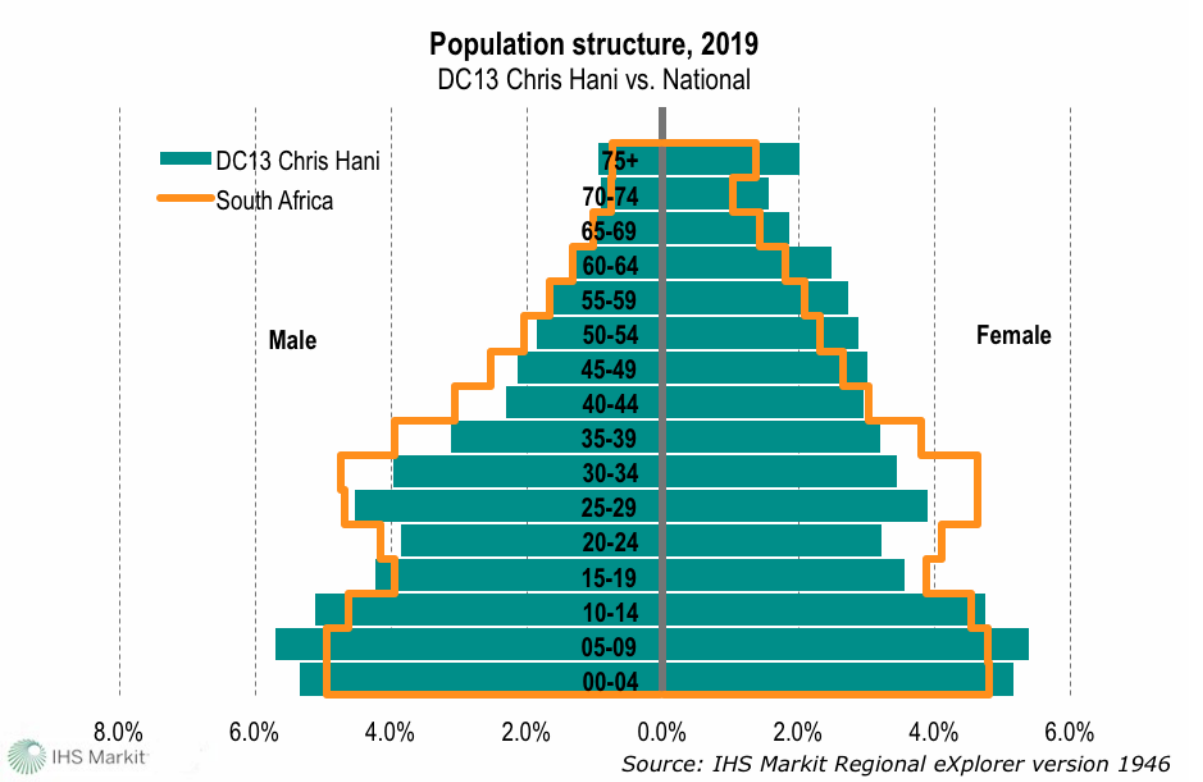
The Inxuba Yethemba Local Municipality has the highest average annual growth rate of 1.09% with the Enoch Mgijima Local Municipality second at 1.07%. The Intsika Yethu Local Municipality had the lowest average annual growth rate of 0.22% within the Chris Hani District Municipality.

3.1.2 Gender, Age and Race

In 2019, the Chris Hani District had significantly more females (52.1%) than males (47.9%). The median age is 19 years (according to 2016 Community Survey) which is lower than the provincial figure of 21 years and South Africa at 25 years. This indicates a significantly youthful population.



In 2019, the population consisted of 274 638 people under the age of 14 years which accounts for 31.4% of the total population. 526 695 people are between the ages of 15-65 years which accounts for 60.3% of the total population. Lastly, 72 028 people were above 65 years which accounts for 8.2% of the total population.

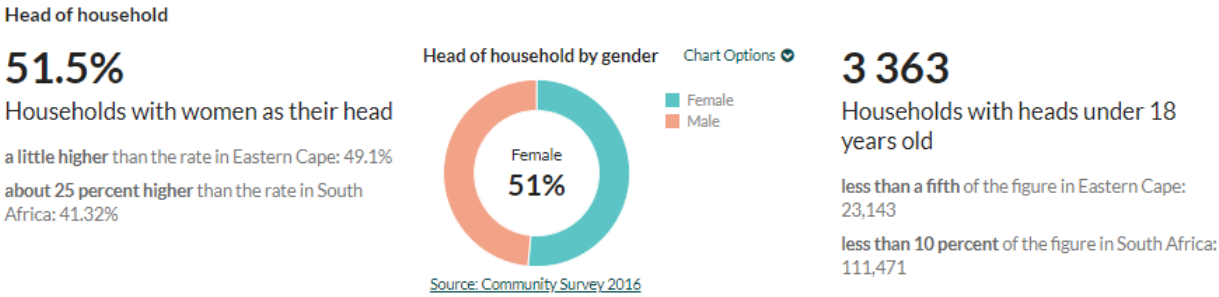


In 2019, the Chris Hani District Municipality's population consisted of 93.74% black African, 1.9% white, 4.07% coloured and 0.3% Indian/Asian people.

3.1.3 Households

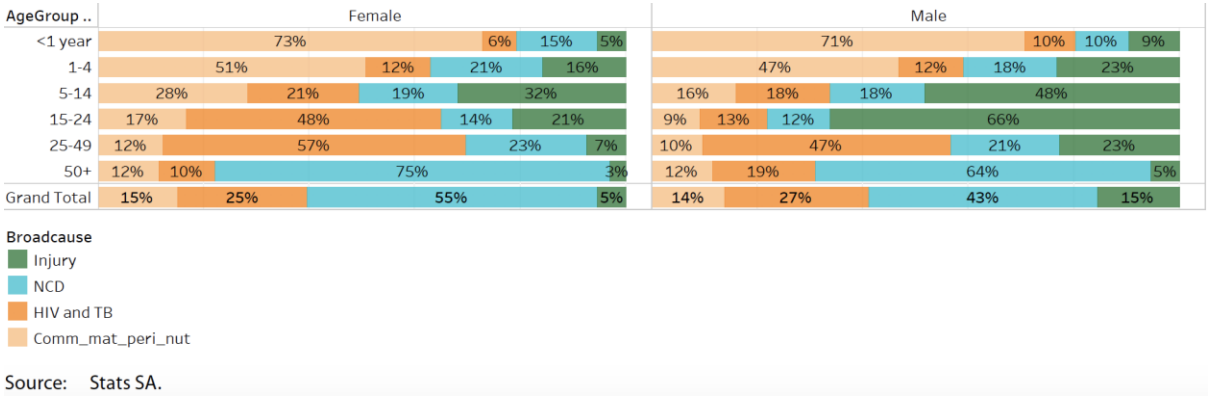
The Chris Hani District has 194 291 households. Only 2.9% of the households are informal dwellings which is lower than the provincial figure of 7.3% and 51% are formal dwellings which is slightly lower than the provincial number of 56%. A further 39% of the dwellings are traditional dwellings. 69.1% of the houses are fully owned or paid off which is the same as the provincial figure. A further 8% of the houses are people who are renting. The distribution of households is as follows, 56% (108,199) are located in traditional areas, 40% (78,628) in urban area and 4% (7,464) in farms.

The women headed households account for comprise 100 034 of the total households which account for 51.5%, while the households headed by people under 18 years old are 3 363 of the total households.



3.2 Health Profile

The leading cause of death for children below the age of 5 years is diarrheal diseases at 21.4% of total deaths in that age group. For age group 5-15 is drowning at 17.5%, for 15-24 is interpersonal violence at 22.7% and for the 25-64 age group, the leading cause of death is HIV with 21.5% of the total deaths. The leading cause of death for those above 65 is cerebrovascular disease which accounts for 15.1% of the deaths. In terms of maternal conditions, the top three causes of death included indirect maternal which accounted for 37.1% of deaths followed by maternal haemorrhage at 22.5% and hypertension in pregnancy at 18% respectively.



Source: Stats SA.

In 2018, 114 000 people in the Chris Hani District Municipality were infected with HIV which represents 13.13% of the district's total population. This reflects an increase at an average annual rate of 2.05% since 2008 when compared to the Eastern Cape Province average annual growth rate of 1.87% and the average annual growth rate of 2.32% for South Africa.

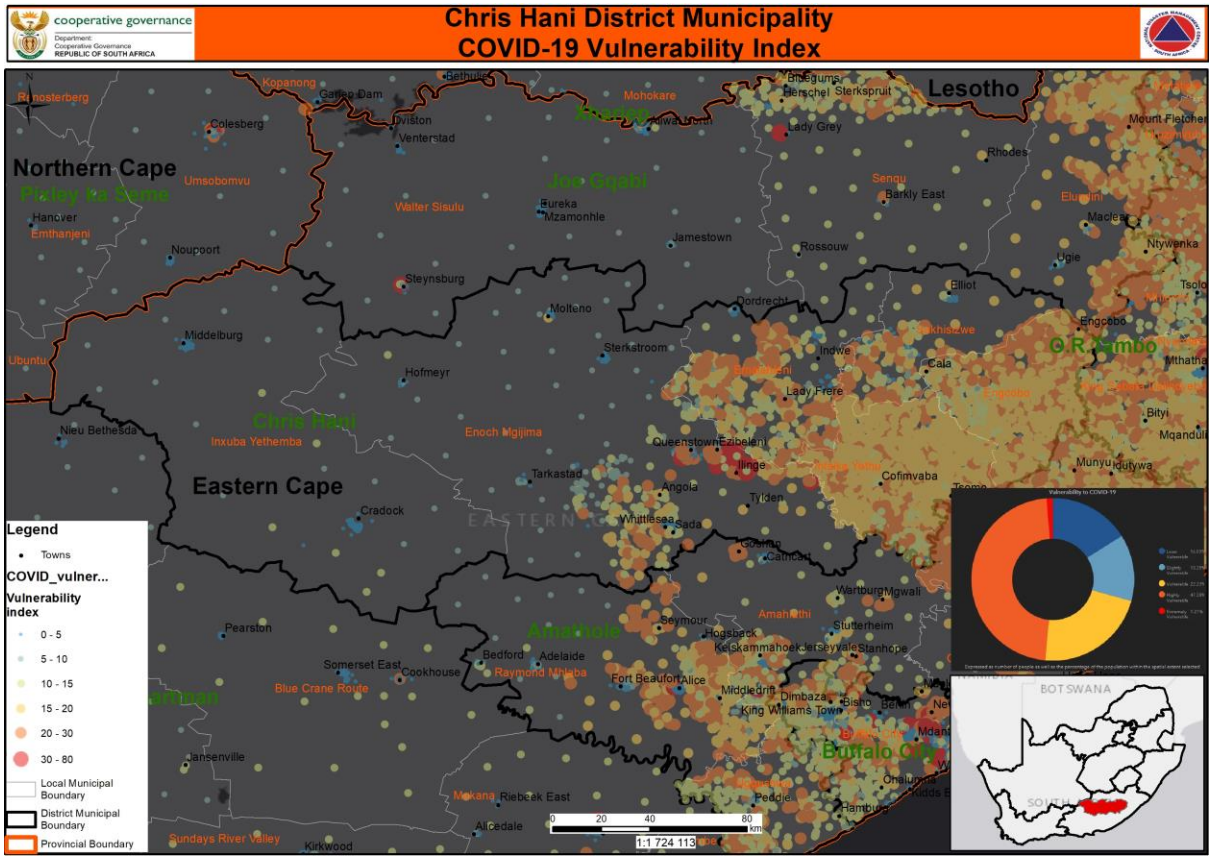
The Chris Hani District has a total of 177 Health Facilities which include 152 Primary Health Care (PHC) facilities, 7 Community Health Centres (CHC), 14 District Hospitals, 1 regional hospital and 3 other hospitals.

3.3 COVID-19

As at 05 June 2020, Chris Hani District had 737 positive cases with 345 recoveries, 377 active cases and 15 deaths. A total of 401 440 people have been screened and 4 916 tests conducted.

The Council for Scientific and Industrial Research (CSIR) in collaboration with Albert Luthuli Centre for Responsible leadership have developed a set of COVID-19 Vulnerability Indicators using available data and knowledge. It identifies vulnerabilities present in communities and identifying areas in need of targeted coordinated interventions and early response. The purpose of the indicators is intended to support the early prevention/mitigation and preparedness phase of the disaster management cycle and informing disaster management decision making. It is not based on epidemiological modelling but a response to highlighting intervention areas due to underlying situation. The composition of the index follows two main factors, namely: transmission potential and health susceptibility.

Transmission potential areas identify areas that prevent social distancing to be practiced and where limitations of practicing good basic hygiene. The health susceptibility index denotes areas where large number of people are potential more susceptible to being adversely affected by COVID-10 due to factors such as age and underlying health conditions. The Chris Hani vulnerability profile is presented below. The map shows low vulnerability areas (blue dotted areas) versus areas with higher vulnerability (red dotted areas)



Komani acts as a gateway from the Free State and beyond, into the Eastern Cape hintreland and coast therefore although the district has moderate vulnerability, it displays extreme vulnerability. Given service delibvery, poverty and unemployment challenges in the area attention has to be paid to extreme vulnerabilityn areas which include Amberdale, Emamfeneni, Nkwanka and Mc Hatha, amongst others. Area specific live GIS vunerability maps are available curtosy of CSIR at: https://pta-gis-2-web1.csir.co.za/portal2/apps/opsdashboard/#/390a74fb10844c7a85396e60555a866d

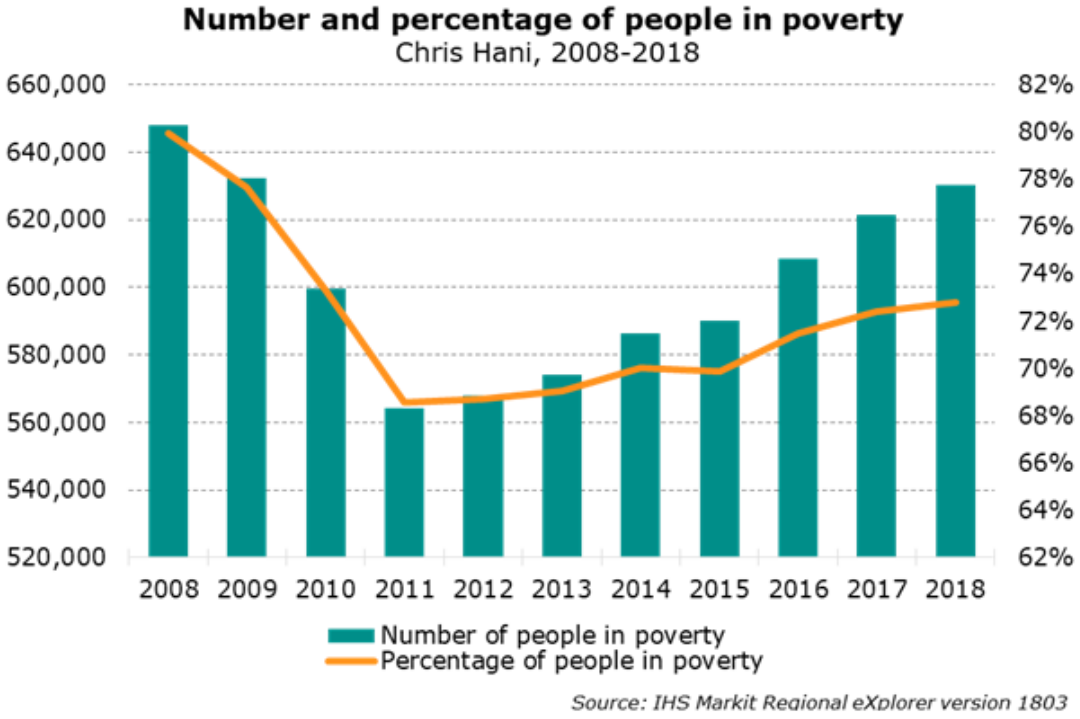
The table below indicates the quarantine facilities and beds available:

Municipality	Facilities activated	Beds activated	Facilities assessed and ready	Beds assessed and ready
Inxuba Yethemba	3	136	0	0
Enoch Mgijima	4	57	2	32
Engcobo	3	21	0	0
Sakhisizwe	4	51	1	43
Intsika Yethu	1	22	0	0
Emalahleni	0	0	0	0
Chris Hani DM	**15**	**287**	**3**	**75**

3.4 Poverty Dimensions

3.4.1 Distribution

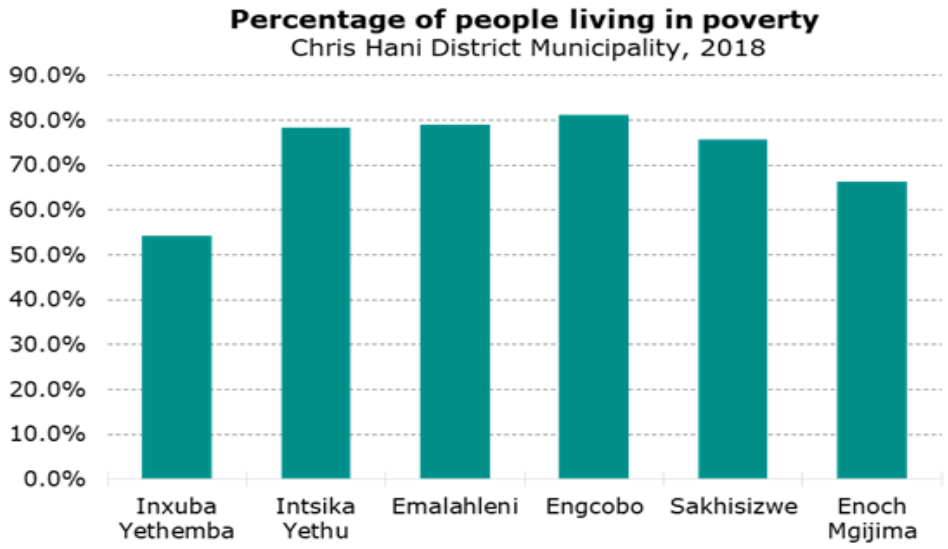
In 2018, there were 630 000 people living in poverty across Chris Hani District Municipality. This is 2.75% lower than in 2008 (648 000). The percentage of people living in poverty has decreased from 79.95% in 2008 to 72.80% in 2018, which indicates a decrease of 7.15%. However, it is still significantly higher when compared to the country-wide poverty rate of 58.6% during the period.



As a consequence of the poverty levels in the district, there is a cumulative total of 364 205 grant dependents in the district. The number of beneficiaries per grant type is indicated in the table below:

TYPE OF GRANT	NUMBER OF BENEFICIARIES
Care Dependency Grant	1 971
Child Support Grant	239 683
Combination (care dependency and child support grants)	503
Disability Grant	21 543
Foster Care Grant	9 235
Grant-In-Aid	2 390
Old Age Grant	88 880
Total for Chris Hani District	**364 205**

Chris Hani SASSA information as of 30 April 2020



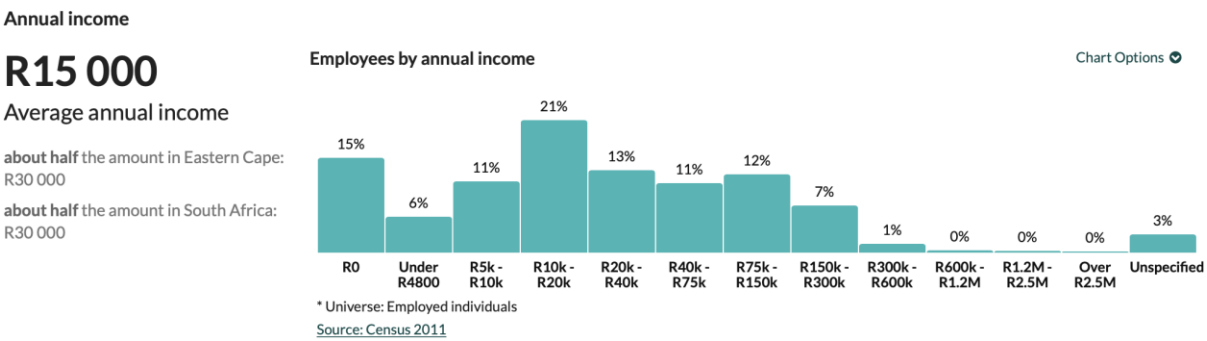
Source: IHS Markit Regional eXplorer version 1803

In terms of the percentage of people living in poverty for each of the local municipalities, Engcobo Local Municipality has the highest percentage of people living in poverty, using the upper poverty line definition, with a total of 81.1%. The lowest percentage of people living in poverty can be observed in the Inxuba Yethemba Local Municipality with a total of 54.3% living in poverty.

3.4.2 Inequality

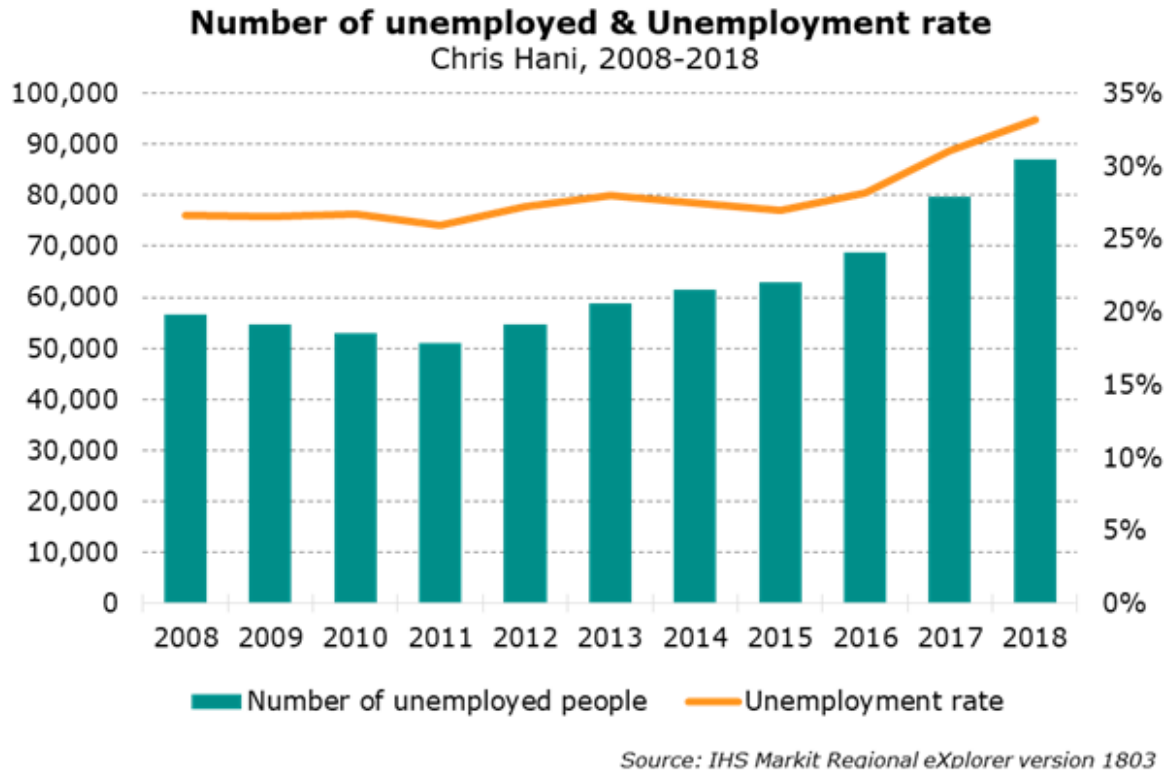
The Gini coefficient in Chris Hani District was at 0.595 in 2017, which reflects an increase in the number over the ten-year period from 2007 to 2017. However, it was lower than that of the Eastern Cape Province and South Africa, both had a more unequal spread of income amongst their residents at 0.619 and 0.629 respectively. The Gini coefficient is highest amongst the African population group. The regional distribution indicates that Inxuba Yethemba Local Municipality has the highest Gini coefficient, with an index value of 0.617 while the Emalahleni Local Municipality has the lowest with index value of 0.544.

The average income is R15 000 which is almost half of what the Eastern Cape and South African average is. 15% of the population has no income and 66% earn less than R40 000 per annum.



3.4.3 Employment and unemployment

There are 168 000 people employed in the district, which is 11.20% of the total employment in Eastern Cape Province (1.47 million) and 1.0% of total employment in South Africa (16.3 million). The district has an unemployment rate of 34.4% which is higher than the national unemployment figure of 27.4%. Additionally, 38 110 jobs are in the informal sector which is 22.7% of all jobs in the district. Employment within Chris Hani increased annually at an average rate of 0.95% from 2008 to 2018.



Source: IHS Markit Regional eXplorer version 1803

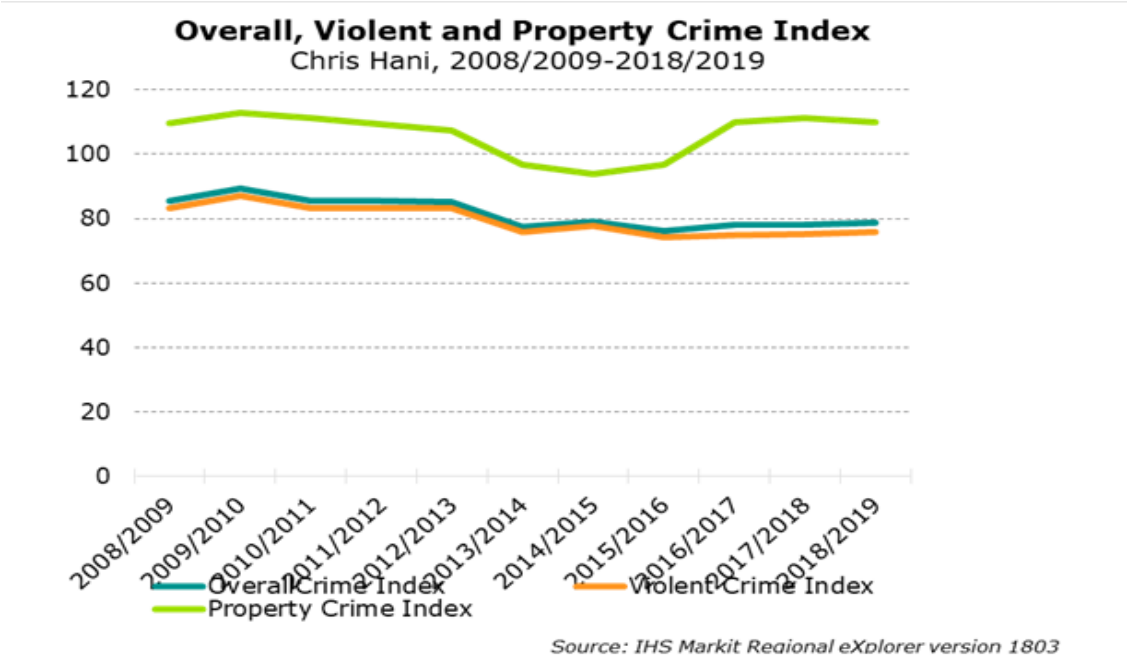
"THE NUMBER OF PEOPLE WITHOUT ANY SCHOOLING ACCOUNTS FOR 16.91% IN THE PROVINCE AND A TOTAL SHARE OF 2.34% OF THE NATIONAL."

3.4.4 Crime

The IHS Composite Crime Index makes use of the official SAPS data, which is reported in 27 crime categories (ranging from murder to crime injuries). These 27 categories are divided into two groups according to the nature of the crime: i.e. violent crimes and property crimes.

For the period 2008/2009 to 2018/2019 overall crime has decrease at an average annual rate of 0.80% within the Chris Hani District Municipality. Violent crime decreased by 0.90% since 2008/2009, while property crimes increased by 0.03%

between the 2008/2009 and 2018/2019 financial years. From the chart below, it is evident that property crime is a major problem for the district relative to violent crime.



Source: IHS Markit Regional eXplorer version 1803

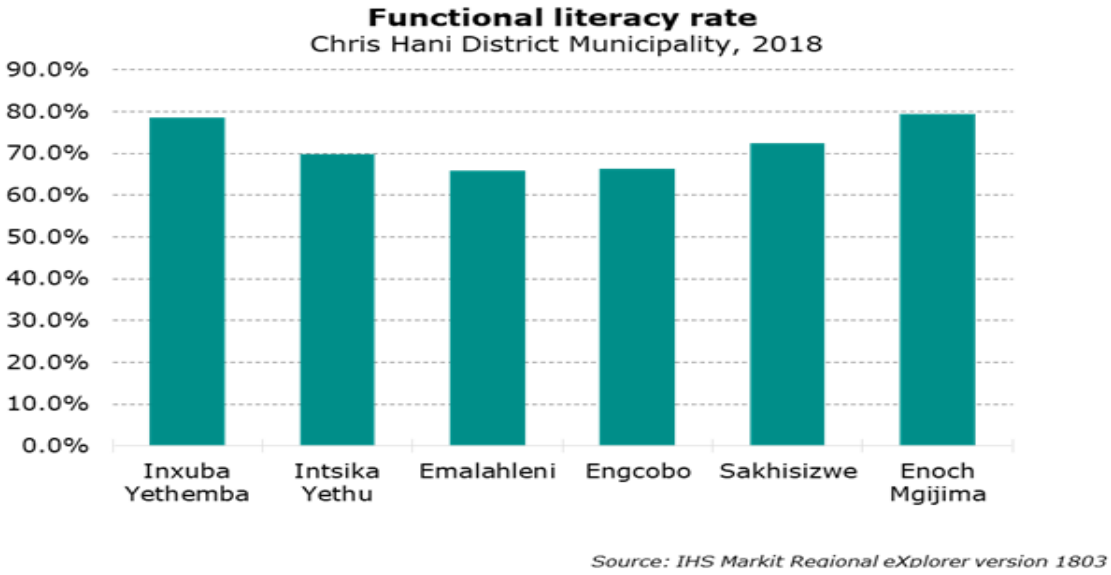
3.5 Education and skills

The number of people without any schooling accounts for 16.91% in the province and a total share of 2.34% of the national. In 2018, the number of people in Chris Hani District with a matric only was 90 300 which is a share of 9.59% of the province's total number of people that has obtained a matric. The number of people with a matric and a Postgraduate degree constitutes 8.98% of the province and 0.72% of the national.

	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
No schooling	50,900	301,000	2,180,000	*16.9%*	*2.3%*
Grade 0-2	18,500	123,000	669,000	*15.0%*	*2.8%*
Grade 3-6	83,900	568,000	3,080,000	*14.8%*	*2.7%*
Grade 7-9	121,000	980,000	6,100,000	*12.4%*	*2.0%*
Grade 10-11	114,000	1,070,000	8,840,000	*10.7%*	*1.3%*
Certificate / diploma without matric	2,100	14,300	180,000	*14.7%*	*1.2%*
Matric only	90,300	942,000	11,000,000	*9.6%*	*0.8%*
Matric certificate / diploma	24,100	230,000	2,270,000	*10.5%*	*1.1%*
Matric Bachelors degree	12,100	135,000	1,680,000	*9.0%*	*0.7%*
Matric Postgrad degree	5,580	58,600	788,000	*9.5%*	*0.7%*

Source: IHS Markit Regional eXplorer version 1803

A total of 429 000 individuals in Chris Hani District Municipality were considered functionally literate in 2018, while 161 000 people were considered to be illiterate. Chris Hani District's functional literacy rate of 72.78% in 2018 is lower than that of Eastern Cape at 79.02% and that of the country (84.96%).



In terms of the literacy rate for each of the regions within the Chris Hani District Municipality, Enoch Mgijima Local Municipality had the highest literacy rate, with a total of 79.3%. The lowest literacy rate can be observed in the Emalahleni Local Municipality with a total of 65.9%.

The Chris Hani district has two TVET colleges with a total of 4 campuses located across the district. These include the Ikhala TVET College with 3 campuses and King Sabata Dalindyebo TVET College with 1 campus. In 2018, there was a total of 5 742 students registered in these institutions.

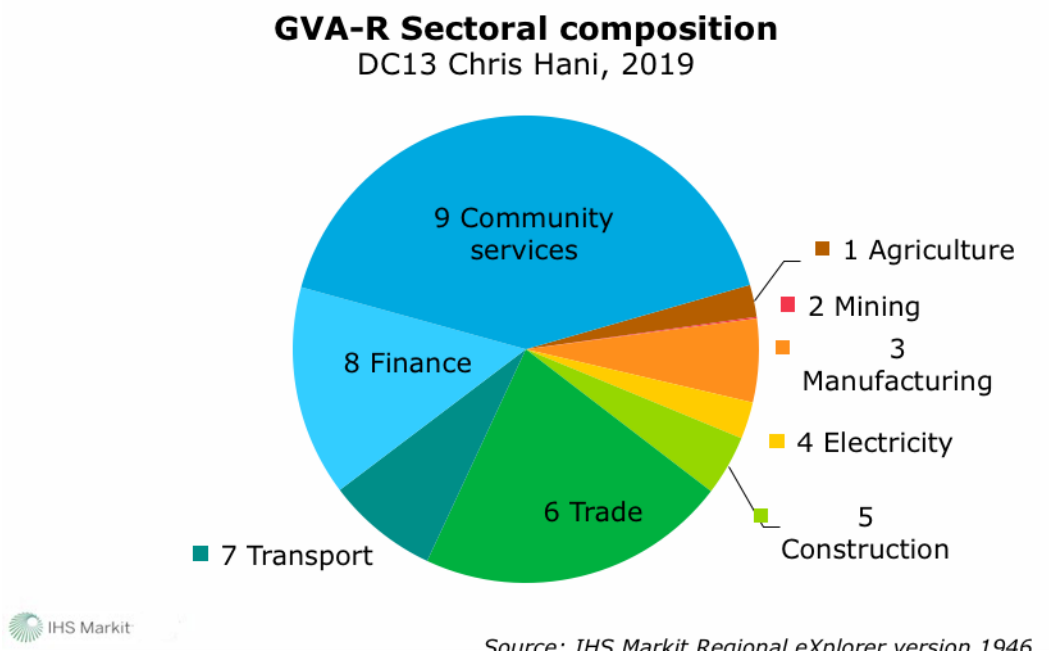
4. Drivers of the Economy

4.1 Structure of the Economy

The Chris Hani District Municipality has a total GDP of R 32.2 billion. It is ranked fifth in the Eastern Cape Province and contributes 0.66% to the GDP of South Africa which had a total GDP of R 4.87 trillion in 2018 (as measured in nominal or current prices). Its contribution to the national economy stayed similar in importance from 2008 when it contributed 0.62% to South Africa, but it is lower than the peak of 0.67% in 2012.

The Community Services sector is the largest economic sector within Chris Hani District accounting for R 11.8 billion or 40.3% of the total GVA of the district. Trade is the second largest sector accounting for 22.3% of GVA. The sector that contributes the least to the economy of Chris Hani is mining, with a contribution of R33.8 million or 0.12% of the total GVA.

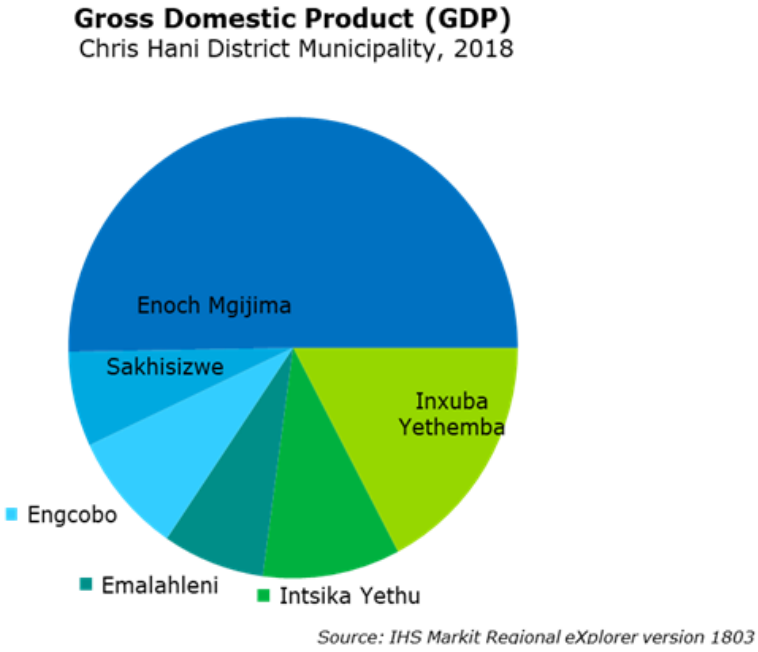
For the period 2018 and 2008, the GVA in the finance sector had the highest average annual growth rate in Chris Hani at 2.20%. The industry with the second highest average annual growth rate is the construction sector averaging at 1.51% per year. The mining sector had an average annual growth rate of -0.84%, while the electricity sector had the lowest average annual growth of -5.95%. Overall a negative growth existed for all the industries in 2018 with an annual growth rate of -0.06% since 2017.
The tertiary sector contributes the most to the Gross Value Added within the Chris Hani District Municipality at 85.1%. This is significantly higher than the national economy (68.5%). The secondary sector contributed a total of 11.7% (ranking second), while the primary sector contributed the least at 3.2%.



It is expected that Chris Hani District will grow at an average annual rate of 1.22% from 2018 to 2023, compared to the average annual growth rate of 1.51% and 1.53% for the Eastern Cape Province and South Africa, respectively.

The Finance sector is expected to grow fastest at an average rate of 2.49% annually, from R 3.06 billion in 2018 to R 3.46 billion in 2023. The Community Services sector is estimated remain the largest sector within the Chris Hani District in 2023, with a total share of 38.6% of the total GVA (as measured in current prices), growing at an

average annual rate of 0.2%. The sector that is estimated to grow the slowest is the Mining sector with an average annual growth rate of -1.79%.



The greatest contributor to the Chris Hani District Municipality economy is the Enoch Mgijima Local Municipality with a share of 50.28% or R 16.2 billion, increasing from R 7.27 billion in 2008. The economy with the lowest contribution is the Sakhisizwe Local Municipality with R 2.14 billion growing from R 1.02 billion in 2008.

4.2 Primary Sector

The primary sector consists of two broad economic sectors namely the mining and the agricultural sector. Between 2008 and 2018, the agriculture sector experienced the highest positive growth in 2008 with an average growth rate of 19.3%. The mining sector reached its highest point of growth of 4.8% in 2017. The agricultural sector experienced the lowest growth for the period during 2016 at -17.0%, while the mining sector reaching its lowest point of growth in 2009 at -10.5%. Both the agriculture and mining sectors are generally characterised by volatility in growth over the period.

4.3 Secondary Sector

The secondary sector consists of three broad economic sectors namely the manufacturing, electricity and the construction sector. Between 2008 and 2018, the manufacturing sector experienced the highest positive growth in 2010 with a growth rate of 3.4%. The construction sector reached its highest growth in 2009 at 11.7%. The manufacturing sector experienced its lowest growth in 2018 of -7.0%, while construction sector reached its lowest point of growth in 2018 with -2.2% growth rate.

The electricity sector experienced the highest growth in 2017 at 37.8%, while it recorded the lowest growth of -26.2% in 2018.

4.4 Tertiary Sector

The tertiary sector consists of four broad economic sectors namely the trade, transport, finance and the community services sector. The trade sector experienced the highest positive growth in 2008 with a growth rate of 3.9%. The transport sector reached its highest point of growth in 2014 at 2.9%. The finance sector experienced the highest growth rate in 2008 when it grew by 5.3% and recorded the lowest growth rate in 2009 at 0.5%. The Trade sector also had the lowest growth rate in 2009 at -1.0%. The community services sector, which largely consists of government, experienced its highest positive growth in 2008 with 4.5% and the lowest growth rate in 2013 with -0.1%.

5. Service Delivery

5.1 Water and Sanitation

With regards to access to basic services, 69.9% of the households have access to basic water supply as compared to 76% in 2016 (representing a decline of 3%). In total, there are 50 400 (or 20.92%) households with piped water inside the dwelling, a 55 900 (23.20%) households had piped water inside the yard and 50 400 (20.94%) households had no formal piped water.

Municipality	Piped water inside dwelling	Piped water in yard	Communal piped water: less than 200m from dwelling (At RDP-level)	Communal piped water: more than 200m from dwelling (Below RDP)	No formal piped water	Total
Inxuba Yethemba	12,700	7,500	327	31	608	21,200
Intsika Yethu	2,580	3,850	17,500	6,000	15,500	45,400
Emalahleni	2,150	9,340	14,900	3,950	5,400	35,700
Engcobo	2,810	2,220	10,300	4,080	22,200	41,600
Sakhisizwe	3,040	6,070	5,100	1,480	2,500	18,200
Enoch Mgijima	27,100	26,900	16,800	3,740	4,220	78,700
Total Chris Hani	**50,385**	**55,868**	**64,911**	**19,266**	**50,430**	**240,860**

75% of households in the district have access to basic sanitation declining from 83.2% in 2016. There are a total of 92 064 households with flush toilets (38.22% of total households), 88 858 households with Ventilation Improved Pit (VIP) (36.89% of total households) and 29 014 households with pit toilets (12.14%).

Municipality	Flush toilet	VIP	Pit toilet	Bucket system	No toilet	Total
Inxuba Yethemba	19,500	249	244	116	1,150	21,200
Intsika Yethu	3,600	21,800	10,200	83	9,680	45,400
Emalahleni	8,500	16,500	5,440	266	5,000	35,700
Engcobo	5,140	22,300	6,170	86	7,900	41,600
Sakhisizwe	5,950	7,230	2,820	179	2,010	18,200
Enoch Mgijima	49,400	20,800	4,350	952	3,270	78,700
Total Chris Hani	**92,064**	**88,858**	**29,241**	**1,682**	**29,014**	**240,860**

5.2 Human Settlements

In 2018, Chris Hani District had a total of 240 860 households. The total number of households in the district increased at an average annual rate of 1.67% from 2008 to 2018, which is higher than the annual growth of 2.13% in the number of households in South Africa. A total of 45 700 (18.96%) households live in very formal dwelling units, a total of 97 400 (40.46%) households in formal dwelling units and a total number of 27 200 (11.27%) of total households are in informal dwelling units.

	Very Formal	Formal	Informal	Traditional	Other dwelling type	Total
Inxuba Yethemba	13,100	7,720	138	127	107	21,200
Intsika Yethu	500	12,800	8,360	23,400	307	45,400
Emalahleni	1,490	15,400	5,400	13,000	472	35,700
Engcobo	327	10,800	9,010	20,900	519	41,600
Sakhisizwe	2,180	10,000	1,880	4,030	93	18,200
Enoch Mgijima	28,000	40,700	2,360	7,400	239	78,700
Total Chris Hani	**45,665**	**97,451**	**27,145**	**68,861**	**1,738**	**240,860**

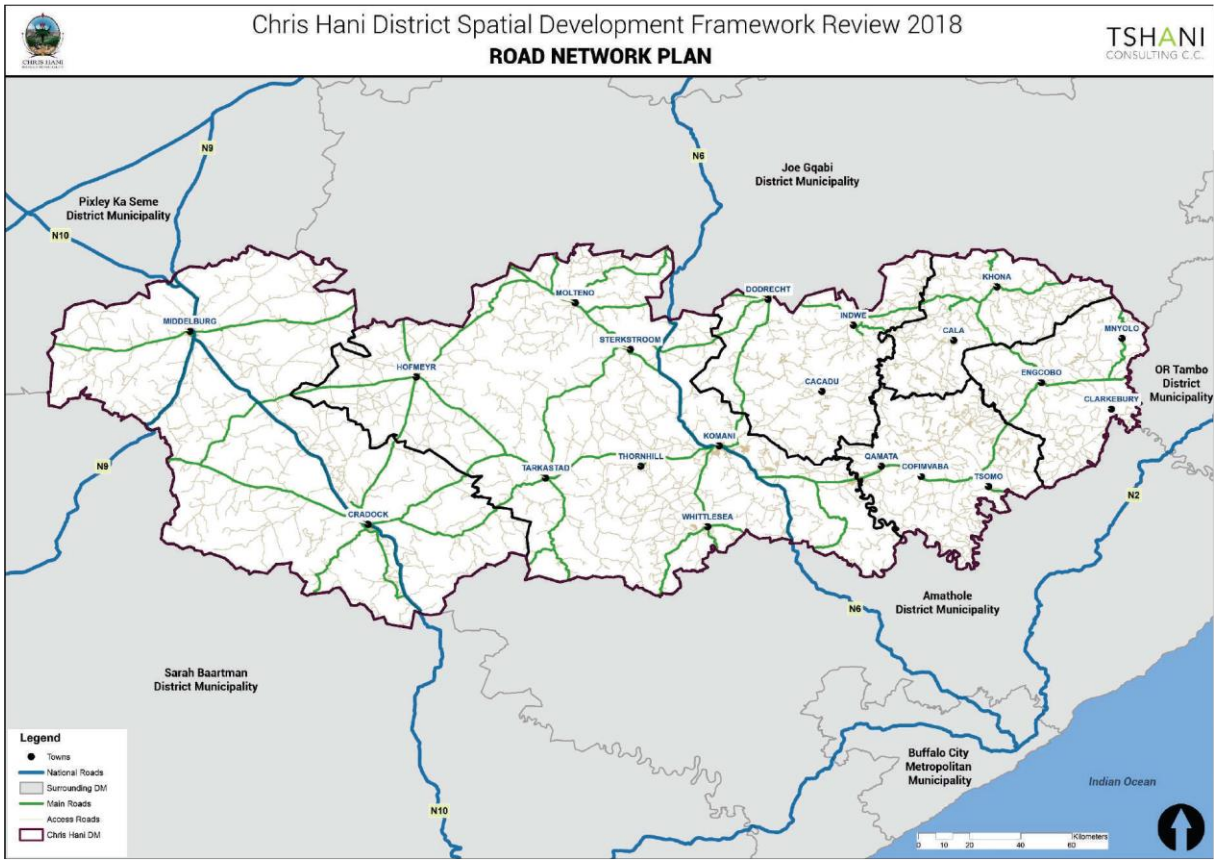
5.3 Waste Management

In 2018, 31% of households have access to basic waste removal as compared to 30.9% in 2016. In this regard, a total number of 71 400 (29.63%) households had their refuse removed weekly by the authority, a total of 3 420 (1.42%) households had their refuse removed less often than weekly by the authority and a total number of 143 000 (59.22%) households had to remove their refuse personally (own dump).

Municipality	Removed weekly by authority	Removed less often than weekly by authority	Removed by community members	Personal removal (own dump)	No refuse removal	Total
Inxuba Yethemba	17,300	1,140	421	2,200	168	21,200
Intsika Yethu	1,560	256	1,340	37,600	4,580	45,400
Emalahleni	4,900	181	1,040	26,900	2,680	35,700
Engcobo	1,190	549	903	33,800	5,140	41,600
Sakhisizwe	2,420	221	864	12,600	2,120	18,200
Enoch Mgijima	44,000	1,080	2,210	29,500	1,990	78,700
Total Chris Hani	**71,361**	**3,424**	**6,774**	**142,634**	**16,666**	**240,860**

5.4 Roads and Transport

The road network in the Chris Hani District consists of a hierarchy of national, provincial and municipal roads. Two national routes pass through the Chris Hani District in a north-south direction i.e. the N10 and N6. The local trunk and main roads link the larger towns and villages and mostly run in an east-west direction. The best example is the R61, which runs from Cradock in the west through Komani to Mthatha in the east. The total length of the provincial road network amounts to approximately 43 465km. This is made up of approximately 5 102 km (12%) of surfaced roads and 38 363km (88%) of gravel roads. Only 707 km of the total network of nearly 8 900 km in Chris Hani is surfaced. The overall condition of the road network in the Province and in the Chris Hani, District has not improved, mainly due to insufficient funds for maintenance and inherited backlogs. Gravel roads require regular maintenance especially with heavy rains and high traffic volumes.



5.5 Electricity

In 2018, 90.8% of the households in the Chris Hani District had access to electricity as compared to 92.8 in 2016. In this regard, 14 900 (6.19%) households with electricity for lighting only, 204 000 (84.61%) households had electricity for lighting and other purposes and 22 200 (9.20%) households did not use electricity.

Municipality	Electricity for lighting only	Electricity for lighting and other purposes	Not using electricity	Total
Inxuba Yethemba	300	20,400	489	21,200
Intsika Yethu	4,150	34,900	6,310	45,400
Emalahleni	1,880	31,000	2,840	35,700
Engcobo	5,420	29,200	7,020	41,600
Sakhisizwe	1,010	15,900	1,300	18,200
Enoch Mgijima	2,140	72,400	4,200	78,700
Total Chris Hani	**14,897**	**203,802**	**22,160**	**240,860**

6. Governance and Management

6.1 Municipal Performance

The audit outcomes show that the district achieved a consistent qualified audit opinion for the past three years from 2015/2016 to 2017/2018. It has however regressed in 2017/2018 to a disclaimer in 2018/2019. It is worth noting that the local municipalities have better audit outcomes than the district except for Enoch Mgijima local municipality.

Municipality	2014/15	2015/16	2016/17
Chris Hani	Qualified	Qualified	Qualified
Emalahleni	Unqualified	Unqualified	Unqualified
Engcobo	Unqualified	Unqualified without findings	Unqualified
Enoch Mgijima	No audit	No audit	Disclaimer
Intsika Yethu	Unqualified	Unqualified	Unqualified
Inxuba Yethemba	Disclaimer	Disclaimer	Unqualified
Sakhisizwe	Unqualified	Unqualified	Unqualified

6.2 Municipal Capacity

Employment	2017/18	2016/17	2015/16	2014/15	2013/14
Total Employee Positions	691	706	1 010	683	453
Total Vacant Employee Positions	30	14	286	3	23
Total Vacancy Percentage	4.34%	1,98%	28.32%	0.44%	5.98%

In the 2017/18 FY, Chris Hani District had a total of 691 positions and 30 (4.34%) of these positions were vacant. This indicated an increase from 1.98% from the

previous financial year. Out of 46 managerial positions in the organogram, only 2 were vacant which accounts for 4.34% of the total managerial positions.

According to the Municipal Demarcation Board (MDM) Capacity Assessment Report (2018), Chris Hani District had only 2 qualified engineers, 2 qualified planners and planning technicians 1 qualified accountant and 38 Environmental officers.

6.3 Traditional Affairs Governance

The Chris Hani District has 37 Senior Traditional Leaders and 203 headman/head women. There is a total of 38 traditional leaders participating in the municipal councils across the Chris Hani District.

Municipality	Identified Traditional leaders
Chris Hani District Municipality	**7**
Lukhanji Local Municipality	6
Intsika Yethu Local Municipality	7
Emalahleni Local Municipality	7
Engcobo Local Municipality	8
Sakhisizwe Local Municipality	3
Total	**38**

7. Projects to diversify and grow people and the economy

7.1 Social Development Projects

Project	Description
School infrastructure provision	Eradication of the mud schools is moving at a slow pace, of the 150 schools targeted in 2015/16 financial year only 61 were eradicated, these projects are managed by the National Department in the ASIDI Programme. About 75% (15 of 20) new targeted schools were constructed while on 1 of the 4 new targeted hostel was built and 50% (4 of 8) hostels were renovated.
Rationalisation of Schools	Scholar Transport to be prioritised, improvement of partnership with DOE and affected partners and Provision for Hostels as part of long term plan
Strengthening of ECD to improve quality of learning and education	Effective involvement on Masiphathisane and strengthen integration and partnership between departments and other social partners. Improve Learning environment and address drop-out rate at schools
TVET Colleges	Focus on required skills to address skill-shortages of the province and link to the Provincial Priorities.

7.2 Spatial Development

The Chris Hani District SDF identifies four major corridors in line with the Chris Hani District REDS and SEZ Key Strategies for economic development. These corridors form the main "arteries" of the district and connect areas of economic development potential with the key urban settlement centres identified in the District Settlement Hierarchy. They also, for the main part, overlap with the district's main Tourism Routes.

In this regard, the corridors represent key infrastructure that may strengthen and enhance potential value chains as these relate to a specific cluster of activities (e.g. mining cluster, agricultural cluster, forestry cluster etc.). They thus form a fundamental structural platform for the development of the Chris Hani SEZ.

IDENTIFIED CORRIDOR	DESCRIPTION	KEY OPPORTUNITIES (REDS) ASSOCIATED WITH CORRIDOR
Corridor 1	The R61 from Queenstown through Cofimvaba, Engcobo to Mthatha	Forestry and agriculture were identified as the two sectors with most economic development potential along this corridor.
Corridor 2	The R56 from Queenstown through Cacadu and Cala to Kowa	Coal mining and clay-brick making were identified as the two sectors/activities with most economic development potential.
Corridor 3	The N10 from Middelburg through Cradock to Alliwal North	Wool production and wool processing; and chip-board manufacturing were identified as the two activities with most economic development potential
Corridor 4	The N6 from East London through Queenstown to Aliwal North	The Queendustria SEZ at Queenstown and the Coal belt were identified as two areas with most economic potential in relation to this corridor

"THE CORRIDORS REPRESENT KEY INFRASTRUCTURE THAT MAY STRENGTHEN AND ENHANCE POTENTIAL VALUE CHAINS AS THESE RELATE TO A SPECIFIC CLUSTER OF ACTIVITIES"

7.3 Infrastructure and Economic Projects

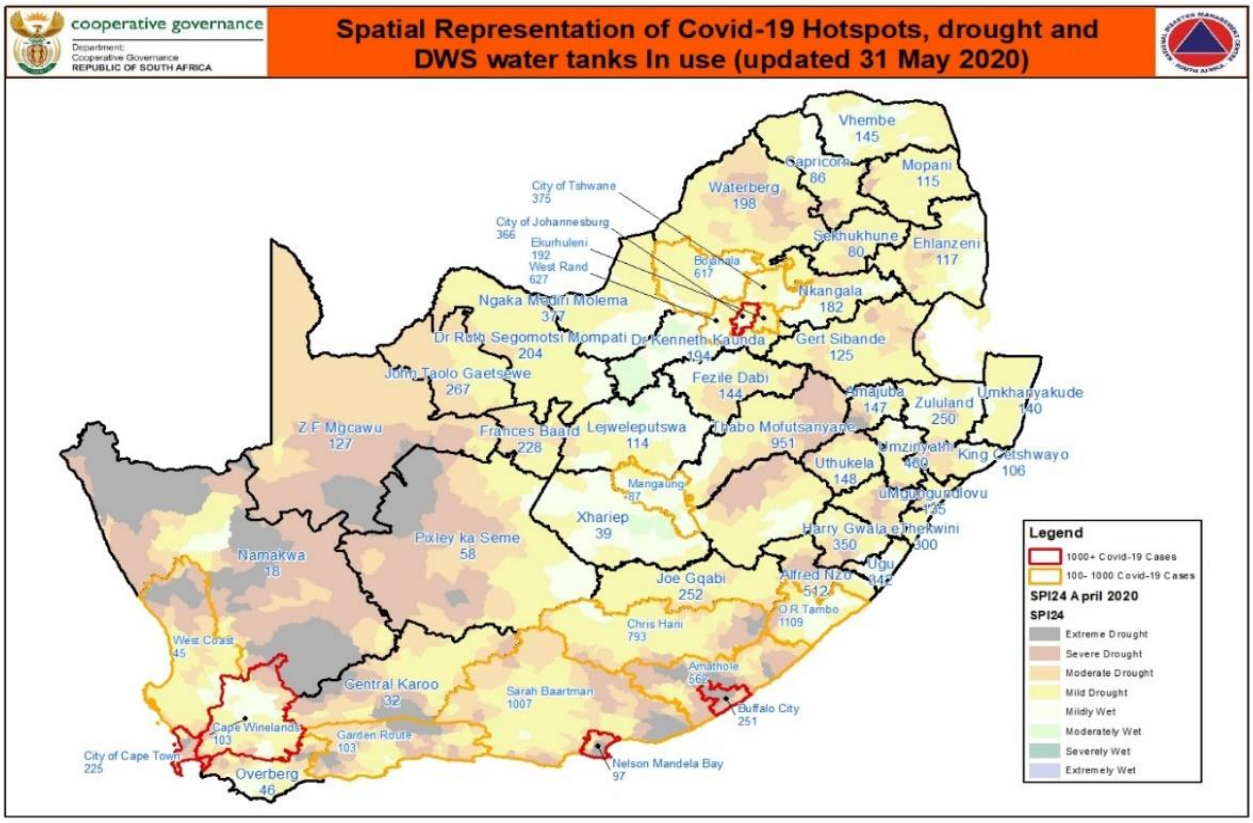
- Bulk water and sewer upgrading
- Waste Water Treatment Works
- Komani Industrial Park Revitalization Programme (IPRP)
- Rural Sustainable Villages Project
- Irrigation Schemes

7.4 Environmental Forecast: Climate Change and Drought Mitigation

After Chris Hani was declared as a drought affected District, the Department of Water Affairs allocated a Drought Relief Funding. The district has developed a Climate Change Adaptation Strategy which was adopted by Council by 2012-2013. Some of actions taken by council include the following decisions:

- That to allocate the funds per Local Municipality.
- Funds have been utilised to test, drill and equip boreholes and also to protect the springs.
- Ground water protocol has to be conducted in all 8 local municipalities.
- WSPs were required to use the existing CHDM tender for ground water protocol to fast-track
- The drought action plan implementation process.
- CHDM to purchase 12 water carts for water supply which where needed
- Springs are to be protected as alternative water supply.
- The Drought Relief Programme is to continue throughout.

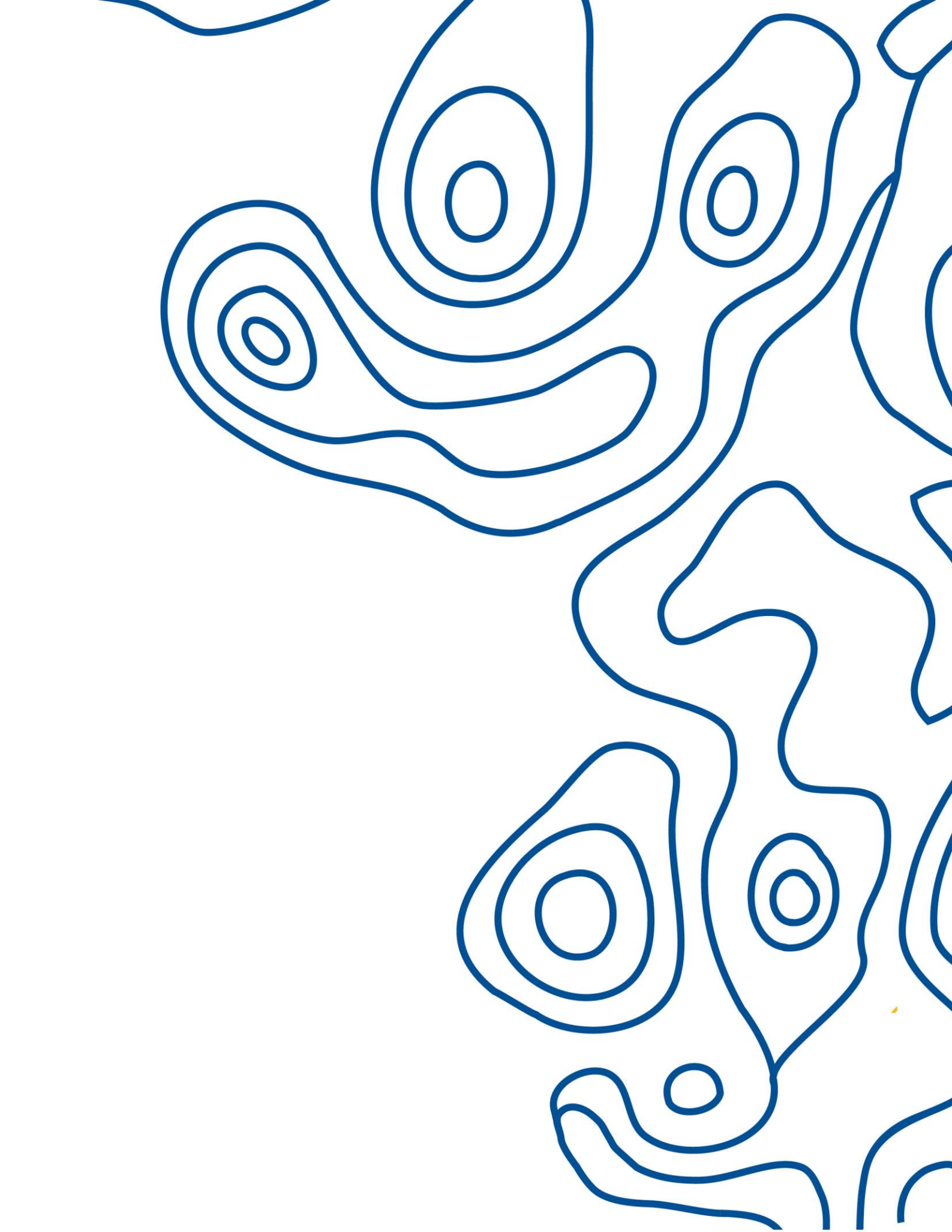
The map below shows the regions affected by the drought situation in the province including the Chris Hani District.



8. Key recommendations

8.1 Chris Hani District Catalytic projects

NAME OF PROJECT	MUNICIPALITY	SECTOR	PROJECT VALUE	PROGRESS	CHALLENGES
Komani Industrial Park Revitalization Programme (IPRP)	Enoch Mgijima	Manufacturing	R250 million	Projects is implemented in phases and it's a joint collaboration with IDC, DBSA and CDHA	Poor access roads, bulk water supply, bulk electrical infrastructure
Rural Sustainable Villages Project	All local municipalities under the District Municipality	Agriculture	R150 million	Project is collaboration between DEDEAT and the European Union General Budget Support Programme	Access to production infrastructure (irrigation, storage, fencing) Access to production inputs.
Irrigation Schemes		Agriculture	R100 million	Second dairy farm has been constructed at the Ncorha Irrigation Scheme. Social facilitation, land mapping is underway to identify land ownership and land use	Land claim that have not yet been paid out. The matter is with the courts and this has affected operations of the milling plant.
Cluster 7 water Backlog	Engcobo local municipality	Water	1,5 billion	Some preliminary planning done, water source secured. It will benefit 173 villages and population 98511 (34eneficiaries) This project is also linked to supply Engcobo town which current water source is stressed and with this planned project can result in town being able to further develop	Funding to implement. Application to RBIG currently on hold as department water affairs indicated that CHDM first needs to close out current running RBIG projects which can potentially take another 3 to 5 years depending on grant funding
Queenstown Wastewater Works	Enoch Mgijima LM	Wastewater	R45 000 000	Assessment of the plant has been done by the Professional Service Provider and submitted the report to CHDM	The plant components are non-functional. The untreated sewerage is discharged to the nearby farmers which could lead to litigation and also polluting the environment. The funding could help to get final effluent that meets the standard
Enoch Mgijima Waste Project	Enoch Mgijima LM	Waste Management	R30 million	Establishment of 3 sites for waste management collection and sorting	Funding for additional 2 sites is required, processing equipment and moveable equipment required



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