ASPIRE

Amathole beyond limits

3 YEAR STRATEGY

2015/16 – 2017/18

September 2015

TABLE OF CONTENT

ANNEXURES

Annexure 1: 3 YEAR BUSINESS PLAN
Annexure 2: ANNUAL PERFORMANCE PLAN 2015/16
Annexure 3: RISK MATRIX FOR FY 2015/16

1. BACKGROUND AND INTRODUCTION

The Amathole District Municipality is predominantly rural in nature, with a population of approximately 900 000 people. From analysis of available data since 1996, it is clear that the population has been decreasing steadily: from more than 1 million people in 1996 to around 900 000 in 2011. Statistics suggest that the Amathole Region has been affected by outward migration, with almost 100 000 people having left the region during this period. This trend is not unique to the Amathole Region, as people across the Eastern Cape have migrated over the last 10 years to the Metropolitan areas of Buffalo City and Nelson Mandela Bay as well as other more economically prominent provinces of South Africa like Gauteng and the Western Cape.

The demographic data further indicates that the Amathole Region has a fairly young population with more than 60% of the population being under the age of 35. This indicates that the stakeholders in the area, including the municipalities and their agencies, need to have programmes that focus on this particular segment of the population. Unemployment and poverty are also high in this region, with an unemployment rate of more than 60%. The socio economic profile of the region paints a picture of two worlds in one (inequality). Some areas are highly developed and can be considered to be first world, while the majority of areas in the region are struggling economically and socially.

Major economic sectors in the region are Agriculture and Tourism. From an environmental asset perspective, the Amathole Region is rich in biodiversity. The region is also bordered by the Indian Ocean, the coastline of which includes estuaries, conservancies, national heritage sites, rocky shores and sandy beaches. There are also numerous freshwater systems and natural forests across the region.

The Amathole District Municipality developed the Amathole Regional Economic Development Strategy (AREDS). AREDS is a 20-year vision for the Amathole Region that transcends the political and municipal boundaries. It is informed by both global trends and the local context. It is also the basis from which to guide economic development planning for all role players in Amathole, as well as resource allocation, implementation, and institutional requirements.

The AREDS provides an opportunity to propel the region forward by using the economic competitive advantages of the region to alleviate poverty and create employment opportunities. It is a fundamental shift from focusing on individual projects to taking a spatial approach to development, as projects without a framework exist in a vacuum. A Corridor Management Approach was adopted. This approach was aimed at building the economic potential of four identified corridors that follow the primary road routes within the Amathole Region (N6, N2, R72 & R63), see illustration below.
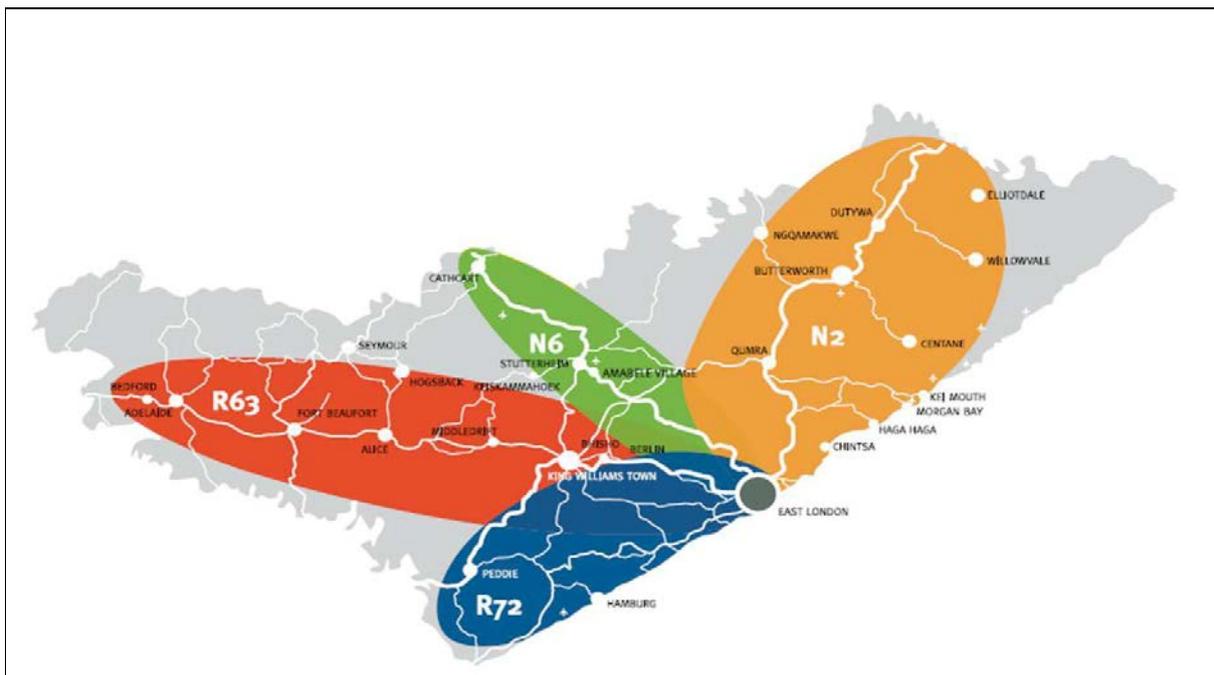
Amathole District Municipality (ADM) and ASPIRE have identified the need to integrate these corridors as shown above in order to promote economic development in the region. All the routes eventually lead to East London, a town within the Buffalo City Metro (BCM). This is an advantage, as the ADM and its local municipalities have a strong relationship with BCM and in most instances work closely with BCM. Where required, it would be easier for the local municipalities on these corridors to corroborate with both the ADM and the BCM.

ASPIRE is the Amathole District Municipality's (ADM) Local Economic Development (LED) Agency. As such, its role is to support the objectives of the Amathole District Municipality in transforming the economy of the region. ASPIRE envisages itself as a leader in rural economic development. This is aimed at ensuring that the rural communities of the ADM are

self-sufficient in order to reverse the negative effects of outward migration of people from the region, thereby implementing projects which have the potential to create jobs and increase household disposable income by focussing primarily on rural economic development, so as to address the significant unemployment in the region.

ASPIRE has played a prominent role in infrastructure development across the region over the past few years, with the focus being on facilitating and implementing the development of infrastructure aimed at promoting economic development in small towns. This was done through a series of town beautification projects and the development of public buildings to address various community projects with a social cohesion outcome. Both the planning work and the construction of key small towns regeneration projects could not have been possible had it not have been through financial assistance received from the IDC, Department of Tourism and the National Treasury, among others.

2. ASPIRE SUCCESS STORIES

Listed below are examples of infrastructure projects that ASPIRE successfully implemented in the recent past with funding from the Neighbourhood Development Partnership Grant of the National Treasury. ASPIRE was successful in applications for R2.5m in technical assistance and R250m in capital funding. The technical assistance grant assisted in developing case interventions, production of business plans and drawings. The capital grant is intended for construction of identified projects. Of the R250m approved R180m was made available to ASPIRE. This was due to the change in strategy of the Neighbourhood Grant funding of the National Treasury. The following projects were successfully implemented during the course of the past 5 years.

2.1 Butterworth CBD Upgrade (Gcuwa)

The Gcuwa Regeneration Programme entered the implementation stage with the initial focus on redeveloping and upgrading the Butterworth Central Business District (CBD). The R17.5million that was made available to ASPIRE in 2010 included the installation of street lights, pavements, parking & loading zones, as well as street furniture (benches, garbage bins, etc.) It also involved the upgrading of the storm

water drainage and upgrading pedestrian pathways of Market Street for informal traders and others.

The Butterworth CBD Upgrade project was completed in 2011 with the finalisation of the CBD upgrade with new lighting, paving, surfacing of Blyth Street and extension of ablution facilities. Challenges have been experienced with the finalisation of the handover of this project to the local municipality. The full handover to the municipality was concluded in 2014.

2.2 The Cumakala Bridge

The regeneration of Stutterheim moved into full implementation when the Cumakala Bridge Construction Project kicked off. This vehicular and pedestrian bridge, designed as a series of arches, was built of brick, the most labour intensive way it could be done. As a result, the R 15million created around 45 job opportunities on site coupled with skills transfer. This bridge, links two communities kept apart by the deliberate planning during the apartheid era. The bridge drastically reduced the distance between the communities that live on each side of the river and this opened up Cumakala for economic activity.

After positioning of the new street lighting along the road and footpath to Mlungisi, the construction of the Cumakala Bridge and access road was completed. On 9 June 2012, the new infrastructure was officially opened by Amathole District Mayor, Hon Cllr Nomasikizi Khonza, and Amahlathi Mayor, Hon Cllr Mncekeleli Peter. A hand-over agreement was signed between ASPIRE and the local municipality whereby the municipality undertook to ensure its new assets would be well looked after.

2.3 Mlungisi Community Commercial Park

The construction of a community commercial park at Mlungisi for R 49 million began in October 2011, with a view to provide a variety of essential community-based retail services to Mlungisi residents and the surrounding areas. It was envisaged that the centre would accommodate services such as a satellite post office, a police contact point, a municipal pay point, a community library, a multipurpose community hall, a Lovelife youth centre and clinic, a gym, and a pharmacy. In addition, the centre was designed to provide entertainment such as an amphitheatre and sports fields.

The construction completed early 2014. Lease agreements were entered into with various businesses and institutions. In partnership with ECDC, DEDEAT and the Small Enterprise Development Agency have provided business support to more than 8 local emerging entrepreneurs who have taken up the business opportunities at the centre.

A successful branding exercise was undertaken, which relied heavily on public engagement processes. In addition, the services of a graffiti artist were procured to work with the youth to beautify the centre through art. Another successfully completed project by ASPIRE! It was handed over to the Amahlathi Local Municipality in February 2014.

2.4 <u>Stutterheim CBD Upgrade</u>

The Stutterheim CBD Upgrade for R 29 million officially began on the 18 July 2011 and was handed over by ASPIRE to Amahlathi Local Municipality on the 13 April 2013. Close to 170 jobs were created through the CBD upgrade project and about 60 local people received construction related training by accredited training providers. Detailed designs were drawn up to improve the functionality and appearance of the CBD. A key element of the upgrade was defining the town's unique character and marketing it accordingly.

The CBD Upgrade introduced several improvements, which will eventually improve the town's functionality and appeal. These include such features as:
- ✓ Wheelchair-friendly access onto pavements for safe crossing of streets;
- ✓ Street benches and dust bins (designed and manufactured in Stutterheim);
- ✓ Tree rings and seating around trees;
- ✓ New street name signs for improved visibility;
- ✓ Shop front signage;
- ✓ LED street lights for improved energy saving – these are designed and assembled in Stutterheim, and will help link to Mlungisi and eventually the industrial park;
- ✓ Improved pavements;
- ✓ New flower boxes with drought-resistant indigenous plants.

2.5 <u>Alice Pedestrian Bridge</u>

ASPIRE initiated key infrastructure upgrades in Alice following the approval of R39.7m from the Neighbourhood Development Partnership with National Treasury for three interventions in Alice: Upgrading the Public Transport Hub, Upgrading the CBD and Upgrading the Pedestrian Route between Lovedale and the CBD (Alice Bridge). However, implementing the physical upgrades has been slower than planned. There were delays with the implementation due to delays in release of funding by the NDPG, tender irregularities discovered on the taxi rank and the collapse of the bridge. Pedestrians and cyclists travelling between the CBD and Lovedale, Ntselemanzi or Victoria Hospital will benefit from the new pedestrian bridge, improved pathways and lighting of the Gagha River Pedestrian Upgrade.

A budget of R11.8m for the CBD Upgrade project was gazetted during the budget review of November 2014. It is anticipated that the funds will reach ASPIRE by the beginning of 2015 and the project of Upgrading the CBD Upgrade will resume then. ASPIRE will still be an implementing agent for this project, making sure that all that is planned to be done is completed on time. It is anticipated that the CBD upgrade will be completed by the end of the 2015/16 financial year.

2.6 Hamburg Artist Retreat

The upgrade of the CBD in Hamburg commenced in 2009. This upgrade includes the construction of a music academy, arts & crafts centre and an environmental centre. The R28million construction yielded an artist retreat that is equipped to accommodate up to 50 people. The intention was to create a sanctuary for a wide range of artists, who can stay there for anything from a week to six months, working in the surroundings that are conducive to creativity and inspiration. The retreat also includes a restaurant, an exhibition space, music studios, a theatre, seminar spaces and an amphitheatre. There are immediate tourist opportunities in arts, culture and eco-tourism in Hamburg and will have received a boost from the development of the artists retreat. With the completion of the buildings, ASPIRE is currently in the process of negotiating the transfer of the project to the Amathole District Municipality, facilitating the procurement of tenants, and discussing the official launch with the District Municipality.

2.7 Hamburg CBD Upgrade

The first steps towards upgrading the town centre started in May 2010 when ASPIRE appointed a team of professionals to formulate planning documents and funding proposals. In June 2011, National Treasury approved R14.4 million for the upgrade. The major objective was to create a vibrant social and economically functional "heart" of Hamburg, where residents can enjoy substantially better access to civic, commercial, recreational and social services. It was also meant to bring new functions into Hamburg that will attract private investment and strengthen the local arts and tourism sector and its employment potential. The intention was to portray Hamburg as an "arts town".

The upgrade included development around a market square that will support key economic activities and social services, such as an Amphitheatre, Music Academy, Environmental and Skills Centre, Bicycle Hire & Repair Shop, crèche for children of local workers, craft workshops and gallery for the Keiskamma Trust, repair of the community garden water supply, and traffic circle. The 3 buildings have now been completed and are in the process of being transferred to the Municipality.

3. ASPIRE MANDATE AND STRATEGY

3.1 Vision of Aspire

To be the catalyst for economic development

3.2 Mission of Aspire

Facilitate and implement sustainable spatially integrated economic development in the Amathole District

3.3 Values of Aspire

Value	Explanation
Integrity	• Ethical Behaviour, No Corruption, Capital Stewardship, Honesty
Ubuntu	• Dignity and respect for one another, communities, environment, diversity and culture • People First (Batho Pele Principles)
Accountability	• Professionalism, Inclusivity and Transparency • Responsibility
Passion for Development	• Pro-poor • Selflessness

3.4 ASPIREs'

Perusing through the ASPIRE 5 Year Review Report (2005 – 2010) one would appreciate the long journey that the Agency has been through. The document notes that ASPIRE was founded as the Amathole Economic Development Agency (AEDA), a proprietary limited company, on 1 September 2005. Its mandate was:

"the promotion and implementation of development policies in areas of economic production and investment in the Amathole Region". A 20-year economic development strategy, "Khul' Amathole 2025"

It was envisaged ASPIRE would provide project management experience. ASPIRE's experience and understanding of the Amathole region and its challenges grew.

The vision of the Amathole District Municipality is to become a leading, dynamic, innovative, pioneering and focused district municipality dedicated to servicing the needs of its communities and their social and economic development. Its mission includes contributing to the betterment of its communities' lives through a participatory development process to ensure that they have access to socio-economic opportunities.

The role of ASPIRE is to assist the Amathole District Municipality in attaining its vision and to support a mission that specifically spells out the participatory nature of the development process. The key is the building of networks with counterparts by investing upfront in relationship building – and this takes time. ASPIRE believes that any subsequent success emanates from this investment and from the consistent involvement of local municipalities and communities in the development process.

The local municipalities that ASPIRE works with are the ADM "family" of constituent local authorities are:

Municipality	Towns
Mnquma	Butterworth, Nqamakwe, Centane, Tsomo
Nkonkobe	Seymour, Fort Beaufort, Alice, Middledrift
Ngqushwa	Peddie, Hamburg
Nxuba	Bedford, Adelaide
Mbhashe	Dutywa, Willowvale, Elliotdale
Great Kei	Komga, Kei Mouth, Haga Haga, Morgan's Bay and Chintsa
Amahlathi	Cathcart, Stutterheim and Kei Road

4. ASPIRE's STRATEGIC OUTCOMES & INDICATORS (ASPIRE SCORECARD)

In terms of measuring the value that ASPIRE brings to the socio-economic impact of the District, ASPIRE will use the Outcomes Based Model to monitor and report on impact. These tools are in line and similar to what the current South African Government is using to measure its own performance. They are proposed to assist ASPIRE measure the impact of is programmes:

ASIPRE's Overall Strategic Outcome				
Overall Strategic Outcome	**Performance Indicators**	**Means of Verification**	**Baseline**	**Assumptions and risks**
Indicators to Measure Impact **(Baseline information will have to be established)**				
The promotion and implementation of development policies in areas of economic production and investment in the Amathole Region.	**POVERTY REDUCTION:** % decrease in the number of indigenous people living in poverty as a result of increased economic activities in communities with ADM	Census data IDP Annual surveys	Existing Stats from ADM Stats SA	The existing data is available and reliable
	ENTERPRISE DEVELOPMENT: % increase in the number of sustainable established enterprises within Amathole	Programme Reports	Internal Project Reports	The existing data is available and reliable
	GDP CONTRIBUTION: % Increase in the gross value added by the Amathole District to the GDP in the Province as a whole	Amathole Annual surveys (Commissioned by ASPIRE)	Existing Stats from Economic Datasets	The existing data is available and reliable
	EMPLOYMENT CREATION: % increase in the number of indigenous people who are gainfully employed (either self-employed or employed by someone else) within the Amathole District	Amathole Annual Surveys (Commissioned by ASPIRE)	Existing economic data sets on Amathole	The existing data is available and reliable

5. ASPIRE STRATEGIC GOALS AND OBJECTIVES

5.1 Strategic Goal 1: <u>Enhance Governance; Board Support, Compliance and Legal Services within Aspire</u>

Strategic Objectives	Outputs	Output indicator	Baseline
<u>**Strategic Objective** 1.1:</u> **ASPIRE being a Good and Effective Service Organisation**	Review and Document effectiveness of the Board	Board Governance Report	October 2014 Report
		Board Charters and Committee Charters	Existing Charters
	Incorporate ASPIRE in line with the Companies Act	CIPC Memorandum of Incorporation	CIPC Documents
		Number of Board and Committee Meetings conducted per annum	Minutes of Previous Meetings
	Coordinate functioning of the Board Oversight structures	Evaluation of the Board	October 2014 Report
	Ensure ASPIRE's compliance with key legislations (Companies Act, MFMA, MSA)	Legal Compliance Reports, MOUs	Existing MOUs and Compliance Reports

5.2 Strategic Goal 2: <u>Create and Efficient Corporate Services Environment at ASPIRE</u>

Strategic Objectives	Outputs	Output indicator	Baseline
Strategic Objective 2.1: **To provide seamless support to ASPIRE business processes, based on best practice and technology to serve customers**	Compliance with relevant HR Policies (EE, H&S, Skills Development, etc.)	Compliance Reports to all Policies	Relevant legislative prescripts
		Review of HR Policies	Existing HR Policies
	Performance Management System Implemented and Effective Reporting to ADM	Quarterly Performance Management Reports	Annual Reports
		Quarterly Reports to the ADM	Existing Reports
Strategic Objective 2.2: **Ensure that ASPIRE is a development partner of choice**	Stakeholder Management Activities conducted	4 Annual Stakeholder Engagements	Stakeholder Engagement Strategy
	Communication Strategy activities implemented	Number of Communication activities	Communication and Marketing Strategy
Strategic Objective 2.3 **Ensure that ASPIRE employees deliver on the mandate**	Skills development Improve the performance management system	High staff morale Number of training interventions initiates Team building	2014/15 data

5.3 Strategic Goal 3: Ensure Compliance with Finance and Supply Chain Policies within ASPIRE

Strategic Objectives	Outputs	Output indicator	Baseline
Strategic Objective 3.1: **Ensure sound and sustainable management of ASPIRE finances**	Submission of Section 87 Reports to ADM monthly	Budget and Cash-flow Management	Existing Section 87 Report in line with the Act
		Invoices paid on time	Internal Report
		Tracking expenditure	Monthly Expenditure Report
Strategic Objective 3.2: **Ensure efficient and effective procurement of goods and services**	Reduction in deviations	Management of procurement of gods and services	Annual Procurement Plan
Strategic Objective 3.3: **Ensure Financial Sustainable organisation**	Unqualified Audit Opinion Fund raising from external stakeholders	Financial Recovery Plan 20% increase in income in each financial year	2013/18 Business Plan Funding Model

Strategic Objective 3.4:	Implement effective internal audit practices	Adherence to the APP	
To ensure clean, risk free and accountable governance for ASPIRE	Annual Risk Matrix	Manage risk in the business of ASPIRE	Risk Matrix 2015/16
	Implement Standard Chart of Accounts (SCOA)	Compliance with SCOA Regulations	SCOA Regulations

5.4 Strategic Goal 4: Effective Project Management and Implementation

Strategic Objectives	Outputs	Output indicator	Baseline
Strategic Objective 4.1: **Economically Empowered farmers and communities unlock agricultural assets in their localities to ensure a thriving commercial agriculture sector within Amathole**	Sustainable Commercial and community farming enterprises established and supported	Number of commercial agricultural enterprises supported	Number of currently supported enterprises and production per ha
		Number of Aquaculture projects supported	Turnover of existing commercial farms and number of existing farms
		Number of agro-processing projects	Current agro-processing projects
	Technical skills in Agriculture enhanced for project participants	Number of capacity building projects supported	ADM Skills Analysis Report Project Beneficiaries Skills Report
		Number of project participants trained	Total number currently participating

Strategic Objectives	Outputs	Output indicators	Baseline

Strategic Objective 4.2:	Awareness creation and knowledge enhancement about Culture and Heritage	Development of Digital Interactive Portal to create awareness about the rich Culture and Heritage of the District	None
Increase the Tourism Sector contribution to the GDP of Amathole using the rich Culture and Heritage of ADM		Number of Heritage Awareness programmes hosted in the Amathole District throughout the year	None
		Number of heritage/ tourism events hosted	Previous Financial Year's events
	Marketing and Branding of ADM for Tourism Development	Enhance the visibility of Amathole through the Authentic Amathole Brand	None
		Market and Promote the ADM Nature Reserves as Tourist Destinations	None
		Number of Marketing media publications used to promote Amathole using its rich culture and heritage	None

Strategic Objective	Outputs	Output indicators	Baseline
Strategic Objectives 4.3	General upgrade of business infrastructure in small and rural towns	Number of CBD upgrades in small and rural towns completed	Number of existing infrastructure upgrades currently in progress

Enhance identified Small Towns within Amathole to enable them to support sustainable economic development initiatives (Agriculture, Heritage & Tourism)		Number of informal trading facilities (informal trading, craft centres, flea markets) upgraded	Number of trading facilities currently in place
	Improved access to Telecommunications, ICT and broadband within Amathole	% increase in access to internet facilities for small towns and rural communities in Amathole	Current availability of Telecommunications, ICT and broadband (Baseline study)
	Improved access roads to centres of production and heritage sites for Tourism particularly from rural Amathole	Distance in Kilometres of road access to centres of production in rural communities	Establish geographical map of current projects and existing roads (graded A = tarred B=Not tarred but accessible C=bad)
		Distance in Kilometres of access to tourist centres in rural communities	Establish geographical map of current projects and existing roads (graded A = tarred B=Not tarred but accessible C=bad)

Strategic Objectives	Outputs	Output indicator	Baseline
Strategic Objective 5: **Engage on Fundraising activities in order to support the Growth Strategy of ASPIRE**	Number of partnership agreement signed	Agreements signed to support Agricultural and Special Projects	Existing Agreements
		Agreements signed to support Culture and Heritage Projects	Existing Agreements
		Agreements signed to support Small Towns Regeneration Projects	Existing Agreements

| | Agreements signed to support governance and compliance at ASPIRE | Existing Agreements |
| | Amount of funds raised to finance projects within Amathole | Raise 2 times the ADM Annual Grant | Funds raised the previous financial year |

5. KEY ASPIRE STAKEHOLDERS

Strategic Objectives	Stakeholder	Role of Stakeholder	ASPIRE's requirements from the Stakeholder
Efficient and effective service orientated organization	Auditor General	Ensure that ASPIRE implements policies in line with prescribed laws and prescripts	Guidance in maintaining Clean Audits and compliance with legal prescripts
	South African Bureau of Standards	Implementation of a Quality Management System	Improve internal processes, better service delivery and document management (Quality Management System – ISO 9001)
	GIZ	Assist ASPIRE improve on its Governance	Development and Implementation of Project Management Tools for Improved Project Planning, Monitoring and Reporting
	IDC	Fund operations and project of ASPIRE since establishment	Operational grant funding and projects funding

Strategic Goals	Stakeholder	Role of Stakeholder	ASPIRE's requirements from the Stakeholder
Economically empowered farmers and communities unlock agricultural assets in their localities to ensure a thriving commercial agriculture sector within Amathole	Amathole District Municipality	Shareholder	Defined mandate Financial Support for operations
	Agriculture Research Council	Research and Development Specialist in the Agricultural Sector	Expert information in agriculture. ASPIRE to sign an MOA with the ARC for collaboration in implementing agricultural projects
	AgriSeta	Financing of skills enhancement in the agricultural sector.	ASPIRE to assist farmers within ADM with enhancing their technical skills, mentorship and extension services. ASPIRE to sign an MOA with AgriSeta to mobilise funding for technical skills enhancement of its projects.
		Finance development of unemployed Agriculture graduates / interns	Assist ASPIRE with capacity to implement agricultural projects through making interns available to ASPIRE

Strategic Goals	Stakeholder	Role of Stakeholder	ASPIRE's requirements from the Stakeholder
	National Agriculture Marketing Council (NAMC)	Provides agricultural marketing advisory services to key stakeholders in support of a vibrant agricultural marketing system in South Africa.	Assist projects financed by ASPIRE to access markets for their produce

Business Plan development |
| | Perishable Products Export Control Board | PPECB is South Africa's agricultural industry authority in | Assisting the Blueberries Projects in the Keiskamahoek area with securing |

	(PPECB)	the export of perishable products and its services include inspection certification, food safety and cold chain management.	appropriate acceditation so that they can access markets directly.
	Department of Rural Development	To initiate, facilitate, coordinate, catalyse and implement an integrated rural development programme. The Ministry is dedicated to the social and economic development of rural South Africa	ASPIRE is the implementer of projects in rural areas that are funded by the Department. These include Blueberries and also Food Security Projects

| Strategic Goals	Stakeholder	Role of Stakeholder	ASPIRE's requirements from the Stakeholder
Increase GDP contribution of Amathole through the use of its rich Culture and Heritage for Tourism Promotion	National Lotteries Board (Lotto)	Sponsors non-profit initiatives to develop the arts and preserve South African culture and national heritage, including our natural environment, sport and recreational activity, particularly in disadvantaged communities	Funding is available to finance ASPIRE's Cultural Heritage activities. ASPIRE is already engaging the Lotteries Board for funding of its activities
	National Heritage Council (NHC)	Is a statutory body that is responsible for the preservation of the country's heritage and it has managed to place heritage as a priority for nation building and national identity.	Provide Technical Advice to ASPIRE, Funding for Projects of Heritage nature and ensure compliance with Heritage Laws
	Provincial Department of Sport, Arts, Culture and Recreation (DSRAC)	Mandated to provide policy direction and regulation of activities related to sport, arts, culture in the Eastern Cape	Ensure that heritage and culture projects of ASPIRE within Amathole are aligned to provincial priorities. Co-hosting of critical events related to arts, culture and Heritage within Amathole

Strategic Goals	Stakeholder	Role of Stakeholder	ASPIRE's requirements from the

			Stakeholder
Enhance small towns within Amathole to enable them to support sustainable economic development initiatives	Department of Rural Development	To initiate, facilitate, coordinate, catalyse and implement an integrated rural development programme. The Ministry is dedicated to the social and economic development of rural South Africa	ASPIRE is the implementer of projects in rural areas that are funded by the Department. These include Blueberries and also Food Security Projects
	Department of Tourism	The mandate of the Department is to be a catalyst for tourism growth and development in South Africa, with particular attention to Rural Tourism and Heritage Tourism.	Funding for constructing Tourism Establishments, Access Roads to Tourist Destinations, Cultural Villages, etc.
	Department of Environmental Affairs	Ensure that invasive species are removed in order to preserve the environment and save water (working for Water Project)	Implement all projects that have been agreed upon with ASPIRE

6. FUNDING STRATEGY FOR ASPIRE

The graph below shows the trend in fund of ASPIRE since inception. What is clear from this graph is that ASPIRE's Grant from the ADM was the only source of income for ASPIRE from 2005 to 2009, with not much recorded in terms of major projects completed. The boost in income from 2010 – 2012 was mainly through funds that were secured for Regeneration of Small Towns from the National Treasury and the Department of Tourism.

Graph 1: ASPIRE's Funding Trend
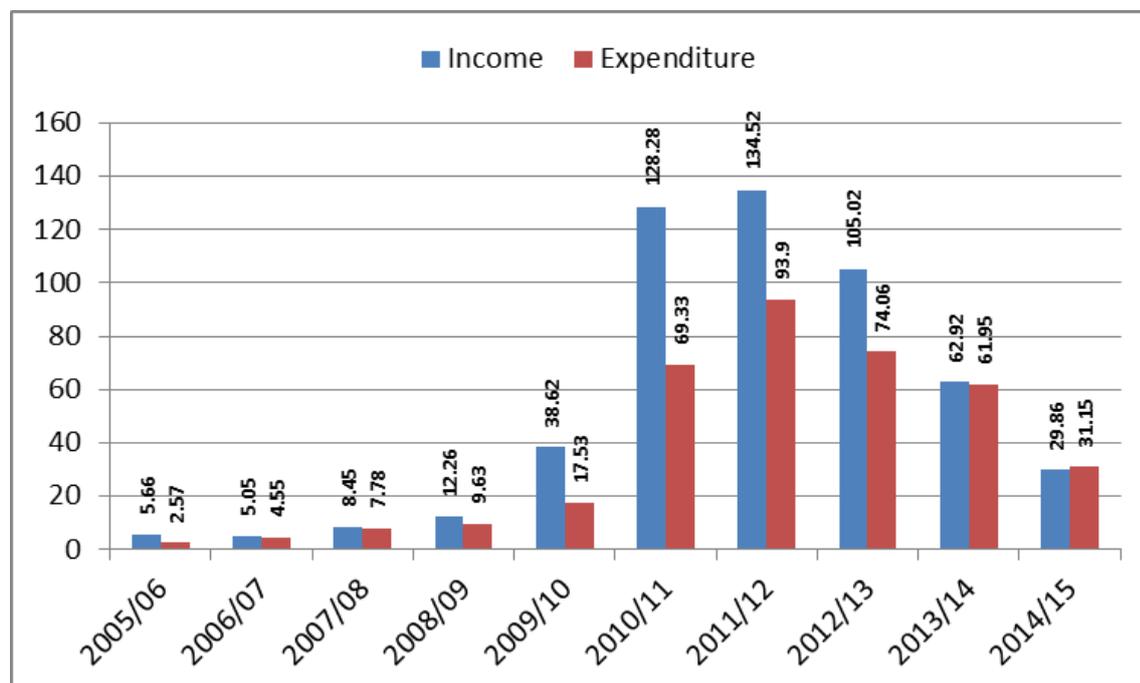
Source: Aspire Records.

A full account of how these funds were used is depicted in section 2 of this document. These are projects that were implemented by ASPIRE for and on behalf of the National Treasury's Neighbourhood Grant and also funding from the Department of Tourism. The Industrial Development Corporation is another funder worthy of mentioning because it contributed funds towards the Operations of ASPIRE and also towards some projects.

Unfortunately funds from the NDPG have since dried up due to the change in their strategic direction, except one more project whose funds have already been approved for Alice CBD Upgrade. This therefore explains the continued drop in

income from 2013-2014. This drop is not because of ASPIRE's non-performance from implementing projects, it is largely due to the fact that there was no more new funding for ASPIRE's projects. This has necessitated a new approach in financing ASPIRE's projects in the interest of sustainability. This lead to the development of a funding model for ASPIRE

Graph 2: ASPIRE Funding Model
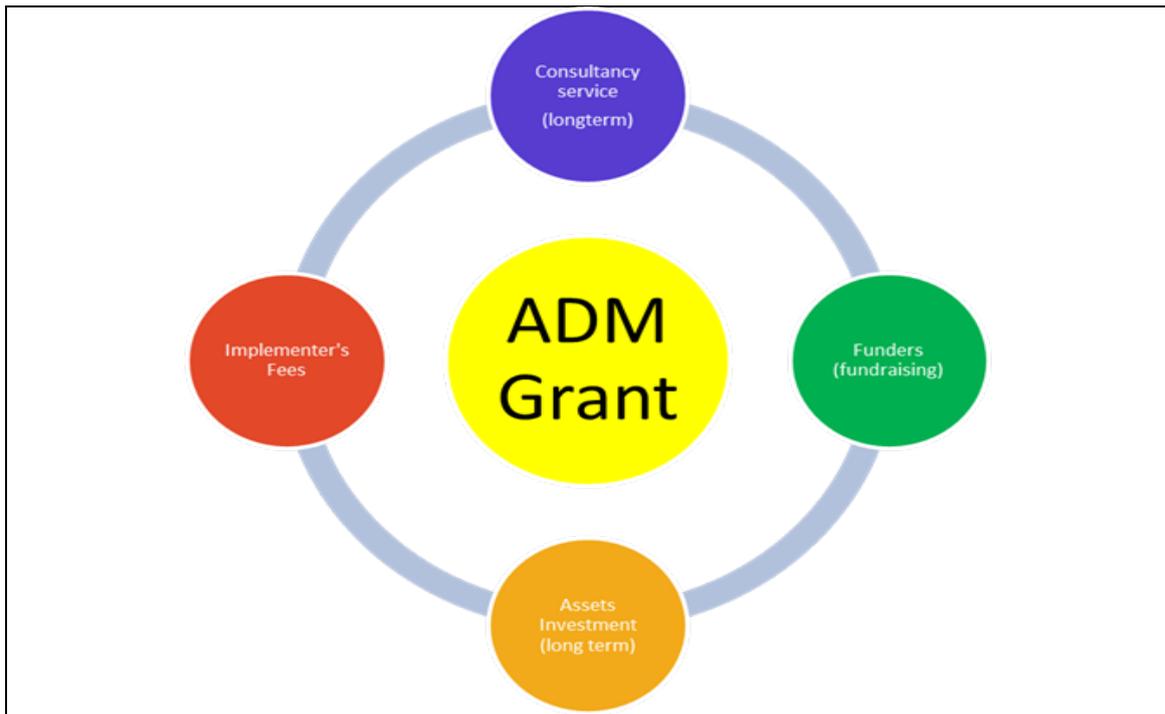
Source: ASPIRE Executive Management

Above are different proposed funding streams that should be considered for funding ASPIRE going forward. These streams take into consideration the fact that ADM funding is limited and most importantly is prioritised for essential services. The following is proposed:

6.1 **Amathole District Municipality Grant**: The ADM Grant focuses more on the Administration of ASPIRE and also a bit of money towards limited projects. These funds are proposed to continue, even though small, considering the need of the District Municipality. This Grant ensures that ASPIRE is able to raise funding for projects or its programme.

6.2 **The Industrial Development Corporation Grant**: The IDC is an important stakeholder in the establishment of ASPIRE. It has also shown appetite to continue assisting ASPIRE with funding for specific small projects. It is important to continue being close to the IDC for future funding and also as a pioneer of good governance for Agencies in South Africa.

6.3 **Consultancy Services**: Given that ASPIRE has been in existence for just under 10 years means that there is a lot of Institutional Intellectual Property that could be useful to the establishment / support of other Local Agencies within the Eastern Cape. If exploited properly, this could be an opportunity for ASPIRE to provide consultancy services to other development Agencies/ institutions. The main parties to consult to, would include the Local Municipalities, the Agencies, GIZ, the IDC, etc.

6.4 **Asset Investments**: ASPIRE has been struggling with handing over assets it has built to Local Authorities, as per the stipulation of the contracts from funders. There has been continuous reluctance of Local Municipalities in inheriting such assets resulting in some of them becoming a liability and possibly "white elephants". A lot of money was spent in developing such properties and it is such a pity to see them not being managed properly. A case of Emthonjeni Arts is one of the examples.

ASPIRE proposes that it be afforded a mandate by the ADM and/or Local Municipality concerned to "Operate" such establishments. It will ensure that such establishments continue with the economic development initiatives for the targeted communities and also ensure that such income is reinvested back into the community that it is located in. This could be one form of deriving income for ASPIRE whilst strengthening its balance sheet. If ADM is amenable with this proposal, a proper funding model could be developed.

6.5 **Implementers Fees**: Currently ASPIRE has signed three year agreements with the Department of Environmental Affairs to be the implementer of Working for Water Programmes within Amathole and Working for the Waste. Though not much, the fees derived from implementing these projects are another source of income that could complement the Grant Funding from the ADM. Staff within the

Special Projects Unit have already been employed to implement these projects, it is now proposed that Project Management is enhanced so that ASPIRE can deliver on these projects and justify longer term engagements with the Department.

6.6 **Strategic Partnerships**: Section 5 of this document above clearly articulated key stakeholders that ASPIRE needs to partner with to implement is programmes and its projects in particular. These stakeholders are identified as per each of ASPIRE's Strategic Objectives and in relation to the identified projects that are listed in section 7 below. Most of these stakeholders have funds for ASPIRE's Programmes, they would require ASPIRE to submit proposals and business plans. Within ASPIRE now, each Programme Areas has its own staff and agreed Plan of Action. These should be sufficient to guide any fundraising activities for ASPIRE. Securing such funds will definitely show the value of ASPIRE within Amathole and in particular compliment ADM's Programmes and thus meeting its mandate.

Finally, there is a lot of work that needs to be done as a collective between ASPIRE, ADM and LMs in terms of Fundraising. The District needs to realise that funding from the Neighbourhood Grant is probably never going to come back and as such "*working together we can do more*" to address the socio-economic challenges bedevilling Amathole. We believe there is goodwill to fund, but there is also a huge responsibility on the Board of Director and also Political Support from the ADM that is required to promote the District.

7. CONCLUSION

This ASPIRE Strategy sets the tone for more coordinated approach to project implementation. It calls for more robust effort in building partnerships for fundraising purposes, to creating a service oriented organisation that utilises systems and process to project management and most importantly closer relations with the ADM. The Board and Management will make sure that all that is called for in this strategy is executed as planned.

ANNEXURES

Annexure 1: 3 YEAR BUSINESS PLAN

Annexure 2: ANNUAL PERFORMANCE PLAN 2015/16

Annexure 3: RISK MATRIX FOR FY 2015/16

Annexure 4: 3 YEAR BUDGET