

# IMPLEMENTATION PLAN AND PROJECT DESIGNS REPORT-DEVELOPMENT OF A TOURISM SECTOR STRATEGY AND IMPLEMENTATION PLAN FOR ULUNDI LOCAL MUNICIPALITY



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**IMPLEMENTATION PLAN AND PROJECT DESIGNS REPORT- DEVELOPMENT OF A TOURISM  
SECTOR STRATEGY AND IMPLEMENTATION PLAN FOR THE ULUNDI LOCAL MUNICIPALITY**

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# IMPLEMENTATION PLAN AND PROJECT DESIGNS REPORT- DEVELOPMENT OF A TOURISM SECTOR STRATEGY AND IMPLEMENTATION PLAN FOR THE ULUNDI LOCAL MUNICIPALITY

## 1. INTRODUCTION

Ulundi Local Municipality is a local municipality located on the southern boundary of the Zululand District Municipality in north-eastern KwaZulu-Natal. It is one of the cluster of five Municipalities that form the Zululand District Municipality. The Ulundi Local Municipality area is approximately 4 185km. It is a mainly rural municipality that encompasses the town of Ulundi. Ulundi town is the only urban area in the municipal area and therefore plays an important role in the provision of social, economic and tourism facilities to the population of Ulundi. A number of tourism activities and places of interest are located in and around Ulundi, these include game reserves, historical/cultural sites, cultural events and guest lodges.

Tourism offers specific potential for local entrepreneurs and businesses. However, the opportunities are not fully reached or exploited and need to be unlocked and appropriately focused on niche markets for the full benefit of local communities.

The process of the development of the tourism strategy has been divided into five work phases. The phases are as follows:

### **Work Phase One: Project Orientation and Inception**

In this phase, the tourism industry of Ulundi is initially reviewed, and the work plan for strategy formulation is developed and detailed.

### **Work Phase Two: Contextual Analysis**

In this work phase, the current tourism status quo of the Local Municipality are reviewed. Key policy and legislation relevant to tourism in Ulundi are also addressed. This phase includes:

- o Situational Analysis (including policy and programme review)
- o Destination Situational Analysis
- o SWOT and Gap Analysis.

### **Work Phase Three: Tourism Strategy**

In this work phase, strategies to plan for the development the tourism sector both to contribute to the local economy, and to contribute to the overall socio-economic status of the local municipality are suggested. These are packaged in projects/ interventions, which were tested with the PSC, and tourism stakeholders at a workshop held on the 12<sup>th</sup> February 2014.

### **Work Phase Four: Project Design Phase (Current)**

This work phase is where project designs are developed for the 5 prioritised projects which were identified using the prioritisation rating in the workshop with the PSC and that with tourism stakeholders.

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## **Work Phase Five: Implementation Plan (Current)**

This phase addresses the projects earlier identified and unpacks an action plan in terms of actions, timeframes, roles, and responsibilities, and monitoring and evaluation.

## **Work Phase Six: Close Out Report**

This work phase is administrative in nature, and closes off the entire planning process which, hereafter, will be launched into implementation.

## **1.1. PURPOSE OF THE REPORT**

The current report forms the fourth and fifth of six work phases as listed above. It is the implementation plan, with project designs for priority projects included, and its purpose is to provide the framework within which tourism in the municipality will be developed. The purpose of this phase is also to provide a motivation and implementation steps for each of the priority projects. The following points list the main purposes of this document:

- ✓ Assist the tourism practitioner in implementing the findings and plans of the tourism strategy
- ✓ Assist the tourism practitioner to source funding for projects, with particular focus on priority projects
- ✓ Provide a point of reference for tourism investors

## **1.2. STRUCTURE OF THE REPORT**

The report is structured as follows:

### **Section One: Introduction (current section)**

This section provides the direction and purpose of the report.

### **Section Two: Steps in Implementation**

This section provides an explanation of the approach to implementation planning to assist the practitioner to understand the implementation phase of the project, and its requirements. It also provides a guide to the practitioner on how to implement, by giving practical guidance on key institutions, funding sources, how to handle private sector projects, etc.

### **Section Three: Priority Projects**

This phase focuses on the five selected priority projects, by providing details on how they should be implemented, and by providing a rationale on why they are important in the development of tourism in the municipality.

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## **Section Four: Implementation Plan**

This section provides a tabulated overview of the projects and key considerations for their implementation (e.g. financial, key partners, timeframes, etc).

## **Section Six: Conclusion**

This section concludes the report.

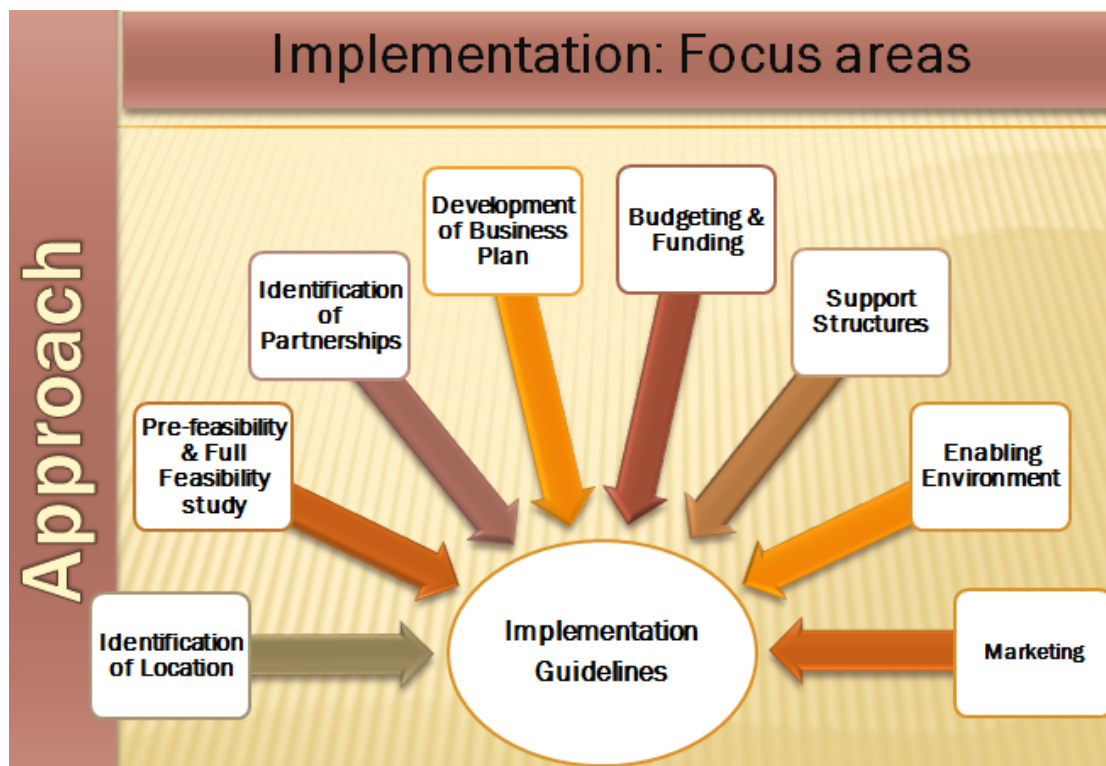
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## 2. THE PROCESS OF IMPLEMENTATION

The projects which were identified in the strategy all require implementation. As a result, it is important that the Ulundi tourism practitioner has a solid understanding of how to successfully undertake the implementation process. The following section is designed to assist the Ulundi tourism practitioner to implement the identified projects, by going through the key implementation steps and processes, from start to finish. Areas covered include but are not limited to the following:

- ✓ Identification of location
- ✓ Pre-feasibility and full feasibility study
- ✓ Identification of Partnerships
- ✓ Development of Business Plan
- ✓ Budgeting and Funding
- ✓ Support Structures
- ✓ Enabling Environment
- ✓ Enabling Environment

It must be noted that not all projects will follow this exact implementation process, and not all projects have these specific requirements. In addition to this, in some cases, Ulundi Municipality is not the primary implementer, and should therefore play a support, or facilitation of implementation role; whereas in other cases, the steps to implementation are short and quick because projects are not capital intensive, or site specific, and require no additional skills or infrastructure. Nonetheless, an understanding of all key implementation steps is necessary.



Each of the steps identified above are explained in more detail below:

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## 2.1. IDENTIFICATION OF LOCATION

Once the project to be implemented has been identified, the next step is to identify where it will be located. Thereafter, it is important to see whether there is any land available. It should be noted that in Ulundi, a significant amount of land belongs to traditional authorities. Such land cannot be sold to investors or to the municipality. For this reason, where sites for projects (e.g. community home stays) are on traditional land, effective communication and consultation with traditional authorities must be undertaken.

The location choice is made by considering:

1. What is the cost of the land?
2. Where is the target market?
3. Where are the inputs sourced from?
4. What resources are available in that area e.g. water, labour-force?
5. Is transport available?
6. Is there a network of access routes?
7. What is the already-existing activity in that area?
8. Is there a possibility of aligning or complementing already-existing programmes?

If the answers to the above questions complement the project, then the location choice is a good one. Sometimes, investors choose a location that may not at face-value, have any benefits. This is because there will be an advantage that outweighs all the negative factors. Therefore, in the end, the choice of location is completely up to the investor or project members.

### 2.1.1. Cross-District Projects

For projects that cross into another municipality, it is advisable that an external agency such as the district or the Zululand Tourism, or the particular external funder of the project co-ordinate functions that cross municipalities. Initial workshops should be held in order to clarify processes and functions. This also allows for the identification of appropriate skills and for budgets and time lines to be set. Thereafter bi-monthly workshops should be initiated in order to inform the other municipality on the progress that has been made. This provides ideal opportunities to exchange information and identify gaps and opportunities.

## PRE-FEASIBILITY AND DETAILED FEASIBILITY STUDIES

A **pre-feasibility study** may be conducted first to help sort out relevant alternatives. It is a preliminary assessment of the technical and economic viability of a proposed project. Alternative approaches to various elements of the project are compared, and the most suitable alternative for each element is recommended for further analysis. Costs of development and operations are estimated. Anticipated benefits are assessed so that some preliminary economic criteria for evaluation can be calculated. In

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some cases the municipality may have the capacity to perform the pre - feasibility study by itself.

The specific tasks of a pre-feasibility study should be spelt out in clear terms of reference. In general terms, the main tasks of a prefeasibility study may include the following steps.

1. Undertake a detailed analysis of the development situation and constraints the tourism activity is to address, based on the collection of sound, objective data
2. Identify partner government policies, programmes and activities designed to address the constraints
3. Identify and define the linkages between the tourism initiative and poverty reduction, taking into account the findings of a poverty analysis
4. Define possible design options or concepts, including different forms of aid, that may merit analysis
5. Make a preliminary assessment of the viability of alternative approaches, and contrast and compare their likely feasibility and benefits
6. Make a preliminary identification of likely risks to feasibility and benefits (including risks to sustainability) and assess the importance of these risks,
7. Define achievable outcomes for the activity, and prepare (or further refine) an activity proposal (or proposals), including a logical framework matrix (or matrices), if appropriate
8. Prepare terms of reference for a further design step (possibly a feasibility design study), if further design is considered warranted.

A **feasibility study** is designed to provide an overview of the primary issues related to a business idea. The purpose is to identify any 'make or break" issues that would prevent the project from being successful. In other words, a feasibility study determines whether the business idea makes sense. A thorough feasibility analysis provides a lot of information necessary for the business plan. For example, a good market analysis is necessary in order to determine the project's feasibility. This information provides the basis for the market section of the business plan.

Because putting together a business plan is a significant investment of time and money, it has to be made certain that there are no major roadblocks facing the proposed project before investments are made. Identifying such roadblocks is the purpose of a feasibility study. A feasibility study looks at three major areas:

- a. Market issues
- b. Organisational/technical issues
- c. Financial issues

A feasibility study should not do in-depth long-term financial projections, but it should do a basic break-even analysis to see how much revenue would be necessary to meet the operating expenses. A feasibility study may examine alternative methods of reaching objectives or be used to define or redefine the proposed project. The information gathered must be sufficient to make a decision on whether to go ahead with the project, or to enable an investor to decide whether to commit finances



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to it. This will normally require analysis of technical, financial, and market issues, including an estimate of resources required in terms of materials, time, personnel, and finance, and the expected return on investment. Conducting a feasibility study is a good business practice. Below are other reasons to conduct a feasibility study.

- Gives focus to the project and outline alternatives
- Narrows business alternatives
- Surfaces new opportunities through the investigative process
- Identifies reasons not to proceed
- Enhances the probability of success by addressing and mitigating factors early on that could affect the project
- Provides quality information for decision making
- Provides documentation that the venture was thoroughly investigated
- *Helps in securing funding from lending institutions and other sources*

### **2.2. PARTNERSHIP IDENTIFICATION AND PROJECT MATCHMAKING**

The purpose of this step will be to identify possible partnerships that can be formed. It will also identify the parties that will be involved with implementing projects. The correct stakeholders, beneficiaries and project leaders need to be identified. The following activities can be undertaken in order to identify suitable partners.

1. Hosting an Opportunities Awareness Campaign. This campaign will assist the LED agency to find interested parties, who will be willing to run with the project by bringing various quotas of the municipal and district population into contact with each other.
2. Project-specific workshops can follow the initial one to ensure that the interested parties identified understand the project. At this stage the training requirements, if any, are identified.
3. The campaigns will also assist to match investors to projects that are already running in the municipality and district and also to the identified but not yet implemented projects.

### **2.3. DEVELOPMENT OF A BUSINESS PLAN**

If the feasibility study indicates that the project idea is sound, the next step is a business plan. The business plan continues the analysis at a deeper and more complex level, building on the foundation created by the feasibility study. Business plans are drawn up firstly to map out how a project will be executed and secondly they are required when applying for funding. The purpose of the business plan is to minimise the risk associated with a new business and maximise the chances of success through research and planning. A business plan should have the following components:

1. Description of the Proposed Development Project
2. Development of an operational plan – to give a concise, clear and understandable description of the input and capital requirements, production, operational and logistical strategies and systems

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that will be applied by the proposed development.

3. Impact assessment – to assess the project’s impact on levels of economic activity, the increase in production (GGP) in Rand terms, how the general market will be affected and to analyse potential risks.
4. Development of an organisational, management and staffing plan – This will show how many people are required to run the project/business. It will also clarify at what levels they will work, e.g. managerial, administrative, or operational.
5. Development of a financial plan – Analyses envisaged income and expenditure of the project
6. Draw up Implementation Action Plan - to provide clear, functional guidelines with respect to implementing the preferred development concept
7. Monitoring, Evaluation and Mitigation framework – This highlights Key Performance Indicators and remedial actions to take should KPI’s fail to be achieved.

Business plans provide details about the project that give funders the liberty to decide whether or not they want to invest their money in the project.

### **2.4. MUNICIPALITY BUDGETING AND FUNDING**

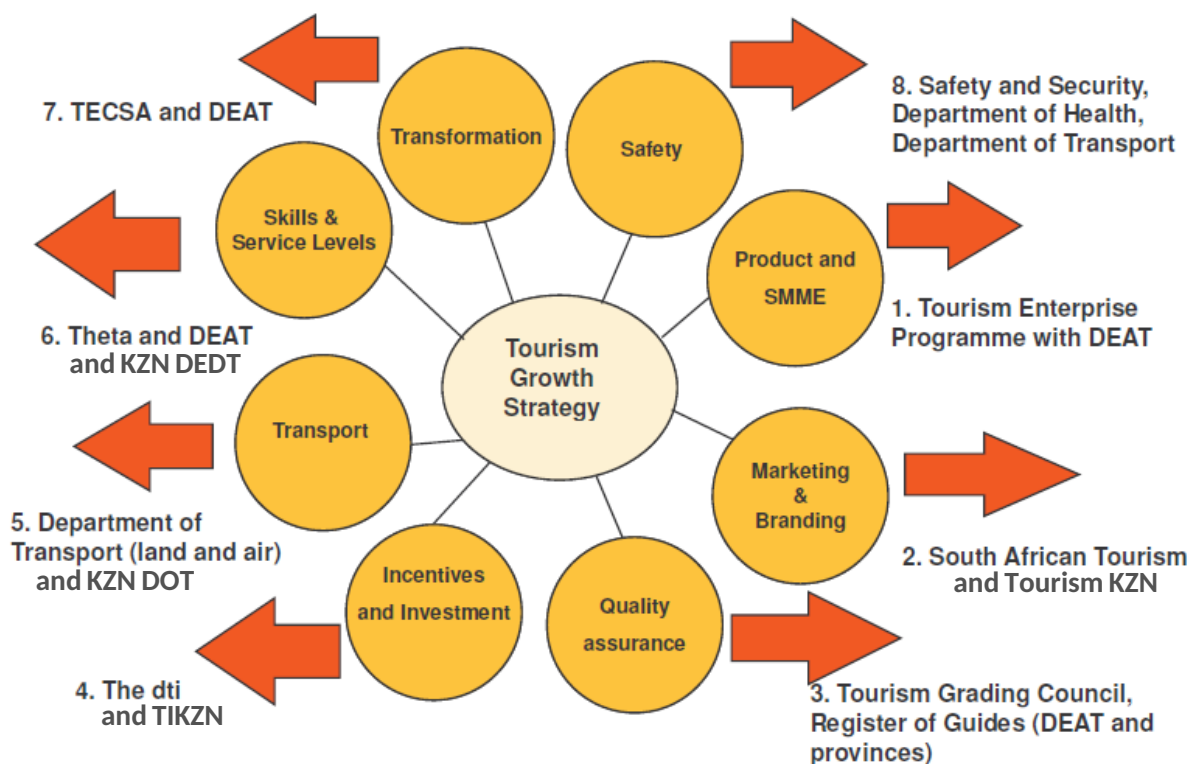
The relationship between the Ulundi Local Municipality and Zululand District becomes crucial here. There should be constant dialogue between the LM and the DM to ensure that all economic development related issues at local level are communicated upwards. This will enable the District Municipality to draw up informed budgets for economic development in the District. However since local municipalities in Zululand have undertaken to be responsible for tourism, the primary budgets for tourism should be sourced by the local municipality, with the District playing a support role. The financial information from the feasibility and business plan stages will be used to draw up municipal budgets.

It is also important that procedures are followed in developing tourism products at the local level, which the District, local municipality, and other key stakeholders are made aware of. It is important that a set of procedures is developed by all parties.

### **2.5. SUPPORT STRUCTURES**

The District and Local Municipality have available to them various support structures. These provide various cross-cutting functions that are necessary for the implementation of tourism projects. Support structures that are available in Ulundi and Zululand District are discussed below. Initially, a number of aspects concerning financial assistance are discussed.

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Cross cutting support structures:

- COGTA and KZN CoGTA

### 2.5.1. FINANCIAL ASSISTANCE

One of the most common challenges faced by entrepreneurs and government departments alike is the access to funding. There are various institutions that have funds allocated specifically to support economic development initiatives, including tourism development.

In obtaining capital from mainstream banks, there are many requirements such credit-worthiness, entrepreneur's assets, time of operation, viability of the business and so on. Further, banks charge the prime rate plus a margin. These margins vary from bank to bank and they also depend on the entrepreneur's relationship with their bank. Therefore, many new entrepreneurs are not able to source funding from mainstream financial institutions. In this section, we look at possible funding options available for businesses in the formal sector, as well as SMMEs, besides those offered by commercial banks and merchant banks.

Initially, when considering funding sources, the municipality or the entrepreneur needs to look at the project focus. Funding available is normally allocated to strategic industries which assist government to attain goals such as economic development, job-creation, skills enhancement etc.

Secondly, the project leader or municipality should determine how much funding is already available for the project, and the shortfall they require. The business plan should convince funders that the project is in fact viable, and not a "fly-by-night" venture. Business plans give details about the project

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that give funders the liberty to decide whether or not they want to put their money in the project. The entrepreneur should have some equity in order to give evidence of their commitment to the project. This can be in the form of personal funds, savings, or capital equipment.

Organisations that may be able to assist entrepreneurs and project leaders in Ulundi Municipality are:

### **A. THE ZULULAND DISTRICT MUNICIPALITY**

Municipalities are the biggest stakeholders in development projects because the more economic activity, the higher the revenue to be earned by the municipality. This revenue, in turn, is used to ensure that the enabling environment remains conducive. Therefore, it is important to budget for projects in which there will be partnerships with the District, and ensure that the District is aware, through platforms such as the tourism forum, of all initiatives which they are able to partner with Ulundi Municipality. If the municipality is able to fund most projects, thus being self-sufficient, projects can be implemented faster. Other funding sources require time to:

1. Understand the District.
2. Understand and also see the opportunity presented
3. To decide whether they will fund the project or not
4. To allocate funds within their budgets
5. To disburse funds to the project

The IDP is the most effective tool of ensuring that all projects are captured and thus budgeted for in the Integrated Development Plan for the District.

### **B. ENTERPRISE INVESTMENT PROGRAMME**

This programme is targeted at manufacturing and tourism businesses which are BEE compliant. Foreign businesses will also be able to obtain funding for relocation of capital equipment in the manufacturing sector. This will be useful for implementation of the manufacturing and tourism projects in District Municipality. It is calculated as follows:

1. Total Qualifying Investment less than R5 million: benefit calculated at 30% of the qualifying investment, over a three year period
2. Total Qualifying Investment between R5 million and R200 million: benefit calculated on a regressive scale of 30% to 15% of the total qualifying investment, over a two year period
3. The total benefit is limited to a maximum of R30 million over the period of the Incentive term

### **C. TRADE AND INVESTMENT KWAZULU-NATAL (TIKZN)**

Trade and Investment KwaZulu-Natal is a trade and investment promotion agency, developed to promote the province of KwaZulu-Natal as an investment destination, and promote trade by assisting local companies to identify markets and export their products. Services that TIKZN offers investors:

- The facilitation of joint ventures and business linkages between small and big business.
- The provision of relevant, reliable information to investors and traders.
- Assistance with applications for investment incentives and export marketing incentives.
- Assistance to foreign investors with applications for business permits.
- Negotiation of local government incentives on behalf of investors.

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- Provision of project support and aftercare services.
- Assistance to merging international traders and with international trade enquiries.
- Assisting investors to locate suitable premises and to secure project and operational financing.

Programmes offered by TIKZN:

- Small and medium enterprise development programme (smedp)
- Skills support programme (ssp)
- Trade point.

### **D. DEVELOPMENT BANK OF SOUTHERN AFRICA (DBSA)**

The bank is a development finance institution whose purpose is to accelerate sustainable socio-economic development by funding physical, social and economic infrastructure (DBSA website, 2008). DBSA Development Fund is a section 21 company which supports municipalities in service delivery and local economic development. The Siyenza Manje initiative which provides hands-on support to municipalities by facilitating and fast-tracking infrastructure development and service delivery is supported by the DBSA Development Fund (DBSA website, 2011). This funding should be sought for public sector projects implementation. The DBSA provides finance for tourism investments through various financial instruments. Project preparation assistance can be provided as part of such finance. To meet the financing requirements of private sector infrastructure projects (including tourism), the DBSA created the Private Sector Investment Unit.

The type of tourism investment supported by the DBSA includes the following categories:

- Attractions (natural, cultural or man-made)
- Facilities and services (e.g. Accommodation)
- Transport (air, road, water, rail)
- Supportive services (e.g. Safety, information)
- Enabling infrastructure (e.g. Transportation, telecommunication, water)
- Institutional infrastructure (e.g. Education and training, capacity building).

### **E. DEPARTMENT OF ARTS AND CULTURE**

The department is responsible for the management of the arts and craft sector on local and district government levels, mandated through both national and provincial legislation and other policy directives. To grow the economy and to narrow the gap between the first and second economies, the Department of Arts and Culture has invested 31, 5% (of available funds) in cultural projects in nodal municipalities to support the Integrated Sustainable Rural Development and Urban Renewal programmes. The department also offers the following programmes:

- Arts and Craft Development Programmes
- Skills programmes
- Arts and Culture Business Training Programme
- Arts and culture aftercare programme for emerging artists
- Arts and culture learnerships.

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## **F. ARTS AND CULTURE TRUST (ACT)**

ACT is the oldest funding agency in South Africa. It was established to secure financial and other resources for arts, culture and heritage and to project the needs and role of the sector into the public domain. The ACT development has been designed to enhance the continued development of arts and culture in South Africa and provides support for artistic excellence in creative production, professional development and training for the youth in the form of once-off grants up to a maximum of R60, 000, or three year grants of up to R30, 000 per annum. Grants for creative practitioners, arts managers or professional arts organisations for training in any of the following:

- Technical skills related to creative production (especially in new technologies)
- Arts administration and management (including financial and strategic management, office administration and organisational management)
- Arts marketing, publicity and public relations
- Arts fundraising & financial management
- Short-term internships (at professional arts organisations in South Africa).

Grants for training young people under the age of 25 in any of the following:

- Craft
- Dance
- Music
- Theatre
- Literature
- Visual art.

## **G. NATIONAL TREASURY**

The National Treasury provides funding for infrastructure projects; these should be budgeted for by the Local Municipality and forwarded to Provincial Government for final delivery to National Treasury, which ensures that such projects are captured for the National Budget.

## **H. TOURISM KWAZULU-NATAL (TKZN)**

The activities of TKZN are directed and guided by the KwaZulu-Natal Tourism Act of 1996 (amended in 2002). This Act vests responsibility for the development, promotion and marketing of tourism in the province to TKZN. The workings of the public entity are therefore outlined in the sections below when the KZN Tourism Act that established the entity is discussed. Furthermore, it is important here to note that the majority of policy and institutional directives for tourism in the province emanates from TKZN, and most of this section of the report will therefore focus on TKZN policies and strategies. Some of the functions of TKZN are as follows:

- Ensure responsible tourism development, marketing and promotion of tourism products within the province and in municipal areas
- Ensure the implementation of National and Provincial tourism policies
- Promote the integration of marketing and development of the tourism industry within the province

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- Ensure that tourism operators and tourism establishments are adhering to the provincial policies and legislation.

### **I. SECTOR EDUCATION AND TRAINING AUTHORITIES (SETA)-**

Sector Education and Training Authorities have been established to ensure that the skill needs for every sector of the South African economy are identified and that training is available to provide for these skill needs. A SETA's main function is to contribute to the raising of skills - to bring skills to the employed, or those wanting to be employed, in their sector. They have to do this by ensuring that people learn skills that are needed by employers and communities. There is no value in training people if they cannot use the skills they have learnt. Training must be to agreed standards, within a national framework wherever possible. All training, wherever it is provided, should be subject to quality control and where appropriate be compared to the best international standards.

CATHSSETA, the Culture, Art, Tourism, Hospitality and Sport Education and Training Authority, is the Sector Education and Training Authority established under the Skills Development Act (No 97 of 1998) for the Tourism, Hospitality, Sports and Arts and Culture economic sectors. In terms of its constitution, theta aims to:

- Develop the skills of workers in the sector
- Increase the levels of investment in education and training in the tourism and hospitality sector (aiming directly at tourism)
- Encourage employers in the sector to train their employees, provide opportunities for work experience and employ new staff
- Encourage workers to participate in learnership and other training programmes
- Improve the employment prospects of disadvantaged people
- Ensure the quality of education and training in and for the sector workplaces
- Assist work seekers to find work and employers to find qualified employees
- Encourage providers to deliver education and training in and for the sector workplaces
- Cooperate with the South African qualifications authority.

### **J. DEPARTMENT OF TRANSPORT (DoT)**

An efficient and effective transport system is considered a necessary condition for economic growth and development. It is common cause that a major legacy of the apartheid and separate development era is that our democratic Government inherited a situation in which the majority of rural communities, as well as some urban and peri-urban communities did not have adequate access to transport facilities. The department has initiated a number of programmes to address these imbalances. One such programme is the African Renaissance Road Upgrading Programme (ARRUP) where communities actively participate in the planning and implementation of the programme through their Project Liaison Committee (PLC). These represent stakeholders including Amakhosi (Traditional leaders), local government, local business and other community interest groups. The African Renaissance Roads Upgrading Programme creates opportunities for emerging contractors to become involved in higher order road construction. This is done by teaming emerging contractors with established firms, thus bringing huge opportunities for skills development and growth to Contractors.

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Increasingly, ARRUP “development corridors” are resulting in a wide range of government Departments co-operating in planning and pooling their resources in the best interests of beneficiary communities. The introduction of “development corridors”, through ARRUP, promotes a more integrated response to the multi-dimensional and complex nature of poverty.

Thus the African Renaissance Roads Upgrading Programme will:

- Promote cultural and eco-tourism and a diversified local economy
- Develop a competitive transportation market
- Act as a catalyst for future investment decisions
- Improve access to markets and open new markets
- Diversify and create new types of employment
- Enhance access to health, education, extension services, banks, etc.
- Raise the standard of living in rural areas to a more equitable level
- Change consumer patterns
- Reduce rural/urban migration.

### **K. KWAZULU-NATAL DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM (KZNDEDT)**

Tourism within the province previously fell under the Provincial Department of Arts, Culture and Tourism (DACT). Since 2008, tourism now falls under the Department of Economic Development and Tourism (DEDT). The application of tourism legislation and policies within the province has been mostly been delegated by DACT to the KwaZulu-Natal Tourism Authority. The objective is the development and transformation of the Tourism Sector, and packaging of KwaZulu-Natal as the choice destination. Programmes that are running include:

- Tourism Safety Awareness Programme
- Tourism Graduate Programme
- Tourism Mentorship Programme
- Local Government Programme
- Tourism Educators Empowerment Programme
- Service Excellence
- Tourist Buddies
- Tourism BEE Awareness.

The registration of tourism business as legal tourism activity also falls with the DEDT mandate.

### **L. EZEMVELO KZN WILDLIFE (EKZWN)**

Ezemvelo KZN Wildlife is the provincial agency mandated to carry out biodiversity conservation and associated activities in KwaZulu - Natal. The primary focus of the organisation is biodiversity conservation - the management of 110 protected areas as well the overseeing of provincial nature conservation legislation and its associated regulations. A secondary aspect is the management of what is the largest eco-tourism operation in South Africa.

Conservation is EKZWN's primary focus, striving to ensure effective conservation and sustainable use of the province's biodiversity in collaboration with stakeholders for the benefit of present and future



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generations. #EKZMW is also the wildlife conservation and ecotourism manager of the Emakhosini Ophathe Heritage Park, and manage the Hluhluwe-Imfolozi Park, on Ulundi's eastern border.

- **Support for priority projects**

EKZMW maintains a list of priority research needs and provides additional support to researchers who chose to tackle these projects. This may include financial support, free/discounted accommodation, free access to protected areas, logistical support (including in some cases field rangers or assistants), as well as providing letters of support for funding applications.

### **M. INDUSTRIAL DEVELOPMENT COOPERATION (IDC)**

The IDC's Tourism Business Unit finances capital expenditure in tourism businesses. This finance is focused towards businesses offering accommodation to bona fide tourist but also extends to other capital-intensive tourism projects with the potential to significantly impact on the growth of the tourism industry.

The main criteria for selection are:

- Projects must be economically viable
- The IDC loan amount must be larger than R1 million
- An owner's contribution of at least 40% of the total project value is needed. This can be reduced to 20% for empowerment projects.

The type of projects that would qualify for funding include:

- Accommodation facilities
- Buildings
- Furniture, fittings and equipment
- Renovations
- Refurbishments

### **N. DEPARTMENT OF ENVIRONMENTAL AFFAIRS**

The department's objectives revolve around the promotion, conservation and sustainable utilisation of the country's natural resources to enhance economic growth, protecting and improving the quality and safety of the environment., promoting a global sustainable development agenda and finally, transformation. It has initiated a number of programmes, such as the following:

- **National Environmental Education Programme (NEEP)**

The National Environmental Education Programme is a collaborative project coordinated by the Department of Education. Its purpose is to support teachers in implementing environmental education at schools, and integrate it with the outcomes-based curriculum. The supports NEEP with resource materials on contemporary environmental issues.

- **Social Responsibility Programme**

The purpose of the Social Responsibility Programme is the creation of temporary employment and skills development opportunities in the sphere of environment and tourism for unemployed people through the implementation of labour intensive projects under the auspices of the Expanded Public

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Works Programme (EPWP).

- **CoastCare**

The CoastCare programme consists of projects and products that contribute to the goals and objectives of the department's coastal policy.

### **O. WILDLANDS CONSERVATION TRUST**

The Wildlands Conservation Trust is a non-profit organisation working to conserve bio-diversity. The Trust aims to achieve this through the development and facilitation of innovative solutions which take into account the unique biodiversity and socio-economic needs in South Africa today. These initiatives are centred around four core programmes namely Conservation SPACE, Indigenous Trees for Life, Biodiversity Management Support and Green Leaders, which are making a significant contribution to the consolidation and growth of the regional biodiversity conservation footprint. The Trust works closely with Ezemvelo KZN Wildlife and other leading conservation NGO's and partners.

- **Conservation SPACE**

The Conservation SPACE programme is dedicated to consolidating and extending the conservation landscape by working with communities. In particular, the Trust contributes to the sustainable management of communal areas through training and management assistance. New areas are also being actively brought under formal conservation thus contributing to the conservation of critical habitats and the many threatened and endemic species they house. Wildlands is currently working with 7 communities in Zululand and the KwaZulu-Natal Midlands including the Gumbi, Mandlakazi, Mathenjwa, Mdletshe, Myeni, Ngome and Tembe communities, towards the consolidation of over 75 000 ha of land.

- **Indigenous Trees For Life**

Indigenous Trees For Life is a livelihoods programme that helps poor and vulnerable members of our township and rural communities to grow a future for themselves. The Trust facilitators teach individuals in these communities how to grow indigenous trees from seed and care for the plants until they reach a certain height. These individuals are referred to as 'treepreneurs'. The trees are then traded back to Wildlands for food, clothes, bicycles, agricultural goods and tools, school and university fees. The trees are then either planted back into the communities or planted out in Wildlands' forest restoration projects. The programme was started in 2004 in KwaJobe in northern Zululand with just 300 treepreneurs.

- **Biodiversity Management Support**

Biodiversity Management Support is a programme dedicated to supporting formal conservation initiatives. Wildlands Conservation Trust works closely with Ezemvelo KZN Wildlife to support their ability to manage KwaZulu-Natal's spectacular network of conservation areas and the species residing there. Within this context, the bulk of our support goes towards the research and monitoring of threatened and endangered species with a total grant of R4,400,000 which runs until June 2010.

- **Green Leaders**

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Green Leaders is focused on nurturing environmental awareness and leadership amongst partners, including our treepreneurs and community and business leaders. Projects involve direct hands-on learning experiences, exposure to the region's spectacular biodiversity as well as volunteer working weekends and summer camps for Unilever and Lufthansa staff. The formal extension of Green Leaders into Indigenous Trees For Life includes an environmental education rewards programme for treepreneurs and enterprise development capacity building for Indigenous Trees For Life facilitators.

### 2.5.2 SMME SUPPORT

Small to medium enterprises are known for their potential to generate job opportunities. Therefore, the Ulundi municipality LED and Tourism department needs to be in a position to give mentorship to such enterprises or at least to direct them to where they can receive assistance.

- **KZNDEDT:** The KZN Department of Economic Development and Tourism's Enterprise Development programme comprises two components: the Small Business Development and the Co-operatives Development. The Small Business Development and the Co-operatives Development components provide integrated business support services to small enterprises, both existing and start-ups, to improve their capacity to contribute to economic growth in the province.

**One Stop Shop Business Support Centres:** The district offices are scientifically called One Stop Shop Business Support Centres as they provide an integrated information service to communities in which they are located. This ranges from details relating to how to start a business to how to access funds for the establishment of an SMME or co-operative and general information on the Department's activities. Initially, the focus was SMMEs and co-operatives, but the composition of information services would include other functions such as consumer education, liquor licensing, advice on specific economic sectors that could be considered when establishing a business as well as details on opportunities relating to partnerships and investments. The One Stop Shop Support Centres provide the following services to the SMMEs and cooperative, in particular, in the region:

- General business advice
- Training, in the form of business management and technical skills training
- Tender advice
- Access to finance and referrals to funding and finance institutions
- Business incubation and mentoring
- Access to government grants for community and business projects
- Institutional capacity building for SMMEs
- Access to markets
- Business registration, in the case of cooperatives
- A client advisory service.

The DEDT has secured the buy-in, support and partnership of the key stakeholders in small enterprise development in the province. These include the Small Enterprise Development Agency (seda), district and local municipalities, the National Youth Commission Youth Fund, the Ithala Development Finance

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Corporation, the KZN Department of Education and FET Colleges and various government departments under the economic cluster. While the support centres play a pivotal role in the development of SMMEs and other small entrepreneurial enterprises, the role also extends to the benefit of established businesses in the region. The centres will prove to be the ideal point of contact for big businesses seeking to invest in small start-ups or those established companies seeking to conclude BEE deals and enter into joint ventures with BEE companies.

- The **Small Enterprise Development Agency (SEDA)** was established in December 2004 in terms of the National Small Business Amendment Act. A key function of SEDA is to provide information to small enterprises and prospective entrepreneurs that will help and encourage them to start and build sustainable businesses. Information is provided online on the SEDA webpage, on a daily radio show on Ikwewezi FM (0830 – 0845 hours) and by way of brochures and newsletters. There is also a National Information Centre contactable by telephone on 0860 103 703. The SEDA Technology Programme provides support services and incubation facilities to small technology enterprises. The Lejweleputswa SEDA office is located in Welkom.
- The **Department of Labour** also provides support to employers including SMMEs through legislature that guides employment conditions (Department of Labour website, 2009).
- **Business Partners** is a specialist investment company which provides debt and equity investment, mentorship and property management services to SMEs in South Africa (Business Partners website, 2009).
- **Independent Development Trust (IDT)** is a development agency which supports government in managing the implementation of development programmes that are directed at poverty reduction, employment creation, and local economic development. The IDT also acts as a link between poor communities and government in meeting resource needs and invests in enhancing institutional capacity for programme delivery and for sustainable development.
- **The NAMAC Trust** is an SMME support agency within the DTI which provides advisory and information services to new and existing SMMEs in line with best practices globally.
- **Business Referral and Information Network (BRAIN)** gives up-to-date information for business owners on everything from guidelines on starting a small business, to where to find finance. They locate news on tenders and advise on how to find out about drawing up a business plan.
- **Council for Scientific and Industrial Research (CSIR):** Assists business owners who want to improve on or develop a product with market-related research and product testing.
- **The National African Federated Chamber of Commerce (Nafcoc):** Represents the interests of black business and provides networking and lobbying for small business members.

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- **The SA Bureau of Standards (SABS):** Assists small business with accreditation of products and services with a 50% subsidy.
- **National Youth Development Agency:** The national youth development agency is a result of the merger between the National Youth Commission (NYC) and Umsobomvu Youth Fund (UYF). The agency was created with the view to consolidate the work of the National Youth Commission and Umsobomvu Youth Fund and maximise and accelerate high-impact new and existing youth development programmes. The strategic objectives of the agency include the following:
  - Advance youth development through guidance and support to initiatives across sectors of society and spheres of government.
  - Embark on initiatives that seek to advance the economic development of young people.
  - Develop and coordinate the implementation of the Integrated Youth Development Plan and Strategy for the country.

**Enterprise Finance: SME Funding** - Enterprise Finance aims to promote entrepreneurship among young people, so it provides funding to the youth (18-35 years old) to help them start a new business or grow an existing one. To achieve this Enterprise Finance provides finance ranging from R100 000 to R5 000 000 to expand, buy into or buy out existing businesses or start new businesses which allow significant economic benefits to youth. Finance is provided directly and through intermediaries, the SME Fund, the UYF-FNB Progress Fund and the Masisizane Women's Enterprise Fund.

The following criteria apply:

- Youth (35 and younger) must hold greater than 26% of the shares in the company
- Must be a previously disadvantaged South African youth
- The youth must be operationally involved in the business
- Must demonstrate commitment to the venture
- The venture must be economically viable.

### 2.5.3 Establishment of a One-Stop Shop in Ulundi

Small tourism start-ups and existing businesses have a major role to play in the growth of the tourism sector in terms of employment creation, income generation and output growth. An SMME Support desk should be set up in the municipality to bring the support services they may need closer to local entrepreneurs. It should serve as a one-stop information centre to all tourism start-ups in the municipality. The table below lists some of the services that it may offer.

Table 1.2: Suggested SMME Support Desk Services

SERVICES	DETAILS
Effective guidance and information on the tourism sector	<ul style="list-style-type: none"> <li>• SMME set up, registration and tax compliance</li> <li>• Business plans</li> <li>• General information</li> </ul>

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Access to finance	<ul style="list-style-type: none"> <li>Information and advice, documentation and forms to access funding from financial institutions and government.</li> </ul>
Training and workshops	<ul style="list-style-type: none"> <li>Identify training needs for SMMES in the municipality</li> <li>Conduct free seminars and workshops for business skills and development</li> </ul>
Networking opportunities	<ul style="list-style-type: none"> <li>SMME networking Forums for interactions, sharing ideas and establishing business and government contacts</li> <li>Facilitate business linkages between tourism start-ups and existing businesses</li> <li>Presentations by large business on a number of business-related issues, such as procurement BEE</li> </ul>
Mentorship programmes	<ul style="list-style-type: none"> <li>Inviting local businesses to come and mentor local SMMES from time to time.</li> </ul>

Source: Adapted from ABSA SMME Support Desk's model of SMME Support

### 2.5.4. Co-Operatives

Tourism start-ups and community tourism initiatives at grassroots level in the municipality can be strengthened through the creation and development of co-operative organisations. The task of the municipality would be to promote, to support and to facilitate the co-operative development process in the local municipality. This does not mean that these structures are a decision-maker for co-operatives since they should not intervene in the internal co-operative affairs, such as determining objectives and activities, deciding upon the use of profits/surplus, intervening in the election processes of co-operative leaders and other management decisions, which must be left to co-operative members themselves. The structures should not strive at forming co-operatives itself but leave it to interested members. Thus, it should also be avoided to look for quantity or co-operative numbers instead of quality. The municipality and other funding agencies should also not provide direct subsidies to co-operatives. This might prevent co-operatives from generating their own resources and will compromise the self-help nature of co-operatives. Instead, funds should be made available to support the capacity building process within co-operatives. The municipality should also provide assistance to qualified service providers that can provide genuine co-operative training, consultation, advice, extension services, market information and other services. Emphasis should be laid upon indirect financial and technical assistance.

## 2.6. ENABLING ENVIRONMENT FOR TOURISM DEVELOPMENT

An enabling environment looks at how the surrounding environment in Ulundi can be improved in order to foster the implementation of tourism projects. Successful projects require the provision of complementary policies, institutions and infrastructure. Definitions of what an enabling environment are numerous, and range from all-encompassing to narrow. A typical general definition is as follows: "An enabling environment is a set of interrelated conditions—such as legal, bureaucratic, fiscal, informational, political, and cultural—that impact on the capacity of ...development actors to engage in development processes in a sustained and effective manner."

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## 2.6.1 Key Features of an Enabling Environment

The following lists some of the key features of an enabling environment:

- To ensure close co-operation and partnerships amongst key stakeholders of the tourism sector to ensure co-ordinated planning and marketing of the sector
- Ensure that the tourism industry can be bench-marked to assess growth and trends in the sector and that supply is geared towards meeting demand
- Transformation of the industry to enable local communities to access and take part in the tourism business through interventions and skills development.
- Transformation of the industry to accommodate female entrepreneurs in the core business of the tourism industry
- Raise awareness of the current and potential impacts of tourism, both economic and social and ensure all services in the district are geared towards service excellence
- To ensure that tourists can be assured of their time in Ulundi being safe and free of crime
- Ensure that the tourism products are marketed in a professional targeted manner through the co-ordination role of the district
- To ensure alignment of local, district and provincial marketing strategies
- To ensure that all potential tourists have easy access to information on tourism offerings within the municipality and that all tourism signage within the area are relevant, directive, and markets the municipality tourism initiatives
- To expand the marketing strategy to target and include new emerging tourism market, in particular, the Black middle class
- Facilitate and co-ordinate the development of new tourism products in the rural area.

## 2.6.2 Creation of an Enabling Environment through Infrastructure Development

The following infrastructural development is required in the municipality:

- Investment in modern and efficient economic and physical infrastructure.
- Telecommunications systems (ICT)
- Bulk infrastructures – water and electricity infrastructure, particularly in rural areas
- Transport and Logistics – additional roads and other transport infrastructure to be built.

Ulundi and the district should strengthen its efforts to seek alternative sources of funding. Forming partnerships with such sources as development finance will increase its chances of obtaining funding for its infrastructure projects. Sources of funding for infrastructure include:

- The Development Bank of Southern Africa (DBSA)
- Industrial Development Corporation
- Emerging Africa Infrastructure Fund
- Southern Africa Infrastructure Fund
- AIG Africa Infrastructure Fund
- ESKOM.

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The municipality should also consider using Public-private partnerships (PPPs) financing schemes for funding its infrastructure projects. One of the major advantages of PPP schemes is that they help clients achieve value for money and to deliver better quality of services without having to pay too much money for them. Another advantage is that makes it easier for municipalities to provide increased infrastructure provision and services within imposed budgetary constraints by utilising private sources of finance via off balance sheet structures, and to accelerate delivery of projects, which might otherwise have to be delayed.

### 2.7. PRIVATE SECTOR PROJECTS

In the previous section, private sector projects were identified. For the successful implementation of private sector projects, it is important to clearly define the role of the Ulundi Municipality in the implementation of these projects.

ROLE OF THE MUNICIPALITY	
“SHOULD”	“SHOULD NOT”
Establish a Tourism Forum as a Subcommittee of LED to coordinate tourism initiatives	Run businesses or quasi businesses (“Projects”)
Remove government –created obstacles to business	Create an unfair advantage for some businesses e.g. direct funding to single companies
Provide infrastructure	Pick “winners”
Remedy market failure	Develop and hand out business plans to wannabe -tourism entrepreneurs
Encourage public participation in Tourism	
Promote interdepartmental collaboration	
Promote and facilitate PPPs	
Development facilitation	

Source: GTZ

While the national government has a significant role in fostering economic development, district and local municipalities are essential to the economic development process. As such it is important to explore creative means to increase the role of municipalities in determining their future. When the public sector chooses to proactively spur economic development, a common approach is to enter into so called public private partnerships. Simply defined, Public Private Partnerships (PPPs) are contractual agreements between public and private entities in which the “partners” join together to use the assets and skills of each to create a development project which achieves their distinct objectives with an appropriate sharing of risk. The projects that were identified during the potential analysis can be public private partnership arrangements were there is a strong and clear need for such assistance.

#### 2.7.1 Role of the private sector



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The private sector has and will continue to play a critically important role in the further development and promotion of tourism. The private sector bears the major risks of tourism investment as well as a large part of the responsibility for satisfying the visitor. The delivery of quality tourism services and providing the customer with value for money are largely private sector responsibilities. Furthermore, the private sector is in a position to promote the involvement of local communities in tourism ventures by, inter alia, establishing partnership tourism ventures with communities. The government is committed to providing a climate conducive to the further growth, development and profitability of the tourism private sector. Specific private sector functions include:

- Investment in the tourism industry
- Operate and manage the tourism plant efficiently and profitably
- Advertise and promote individual tourism services as well as the country - locally, regionally and internationally
- Continuously upgrade the skills of the workforce by continuously providing training and retraining
- Continuously refurbish plant and equipment
- Satisfy customer needs by providing quality products and services
- Develop and promote socially and environmentally responsible tourism
- Ensure the safety, security and health of visitors in collaboration with the government and other private sector members
- Collaborate with the government in planning, promoting and marketing tourism
- Involve local communities and previously neglected groups in the tourism industry through establishing partnership ventures with communities, out-sourcing, purchase of goods and services from communities (e.g. Poultry, herbs, vegetables and other agricultural supplies, entertainment, laundry services, etc.)
- Enable communities to benefit from tourism development, for example communities benefiting directly from new reticulation systems and village electrification programmes developed through tourism investment in rural areas
- Operate according to appropriate standards
- Efficiently organise itself to speak with one voice
- Represent the interests of private business on the boards of the major national and provincial tourism bodies.

### **3. PRIORITY PROJECTS**

A number of projects and project ideas were identified and listed during the strategy formulation process.

However, projects cannot be implemented simultaneously since financial and human resources would not be sufficient. Even if there were sufficient funds, the quality of projects may be compromised by attempting all at once. This leads to the point that tourism projects will need to be prioritised.

Projects were therefore identified based on the SWOT of the Municipality, and ranking by tourism stakeholders and the PSC. These priority projects are listed and conceptualised below.

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1. Facilitate use of a venue in the local municipality as a theatre facility for Zulu theatre (musicals, performances, dancing, etc.).
2. Liaise with Nongoma Local Municipality to jointly develop attractions and events; e.g. tours, etc. which complement the Reed Dance.
3. Develop Cengeni Gate into a full service tourist gate.
4. Assist Amafa and EKZNW with the upgrade of Emakhosini Ophathe Heritage Park into a responsible tourism product
5. Develop a tourism information centre with arts and crafts, as well as a satellite information desk.

<b>PROJECT NAME:</b>	<b>DEVELOPMENT OF EXISTING BUILDING AS A FACILITY FOR ZULU THEMED THEATRE</b>								
<b>BENEFICIARIES:</b>	Live arts performers in and around Ulundi, including talented up and coming performers								
<b>SPATIAL LOCATION:</b>	To be established								
<b>DESCRIPTION:</b>	This project entails the conversion of a suitable venue in the municipality into a theatre facility such that theatre such as live arts performances by various traditional musicians, actors and dancers within the community of Ulundi can be held here. There are existing venues in the municipality such as the Legislation Assembly Building, the KZN Cultural Museum vicinity, the Multipurpose Community Centre, various school halls, which would need to be assessed for their suitability; location and facility wise. Due to there being existing venues in the municipality, this a low hanging fruit project, easier to be implemented than most projects. There are also existing performing arts groups and musicians in the municipality. When foot traffic into the municipality; due to the opening of the R66 and packaging and strategic marketing to domestic markets, increases; visiting of theatre facility will become a tourist “must-do”.								
<b>Key Implementation Partner</b>	KZN DAC, dependent on venue selected								
<b>OBJECTIVES:</b>	1) To provide tourists with an interactive experience on the diversity of African culture and heritage. 2) To provide a leisure facilities for tourists such as an entertainment area within Ulundi Municipality. 3) To increase more tourism packages in Ulundi.								
<b>DETAIL OVERVIEW</b>			<b>Capital Expenditure<sup>1</sup></b>			<b>Operating Expenditure</b>			<b>IMPLEMENTATION AGENCY</b>
<b>ACTIVITIES</b>	<b>START</b>	<b>ACC<sup>2</sup></b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	
Develop up to date database of all performing artists)	March 2014	ULM	-	-	-	-		-	ULM/ KZNDAC
Liaise with arts and culture institutions about training and development of artists (UKZN, KZN DAC, Arts and Culture Trust)	April 2014 (continual)	ULM							ULM
Search for suitable venue throughout Ulundi LM, within central accessible location, along or within close proximity to primary corridor (see section 2.1)	April 2014	ULM							ULM
	June 2014	KZN DAC		-	-	-	-	-	Service provider

<sup>1</sup> All capital and operational costs are indicative, and require full costing based on location specific feasibility study and business plan research.

<sup>2</sup> Indicates potential institution who may be approached for funding.

Develop feasibility study and business plan report, including detailed assessment of equipment required (e.g. sound equipment), for theatre productions in order to motivate funding application (seek financial assistance for study)			R80 000							
Appoint experienced world class productions company to manage logistics of theatre production, including sound, quality control of performing artists, marketing, etc.	Aug 2014	LM/DM	-	-	-	R350 000	R1million	R1million		ULM / KZNDAC
Marketing of theatre facility in conjunction with productions company, and Ulundi CTO (develop marketing material, include in media and itinerary of Ulundi, etc.)	Sept 2014	LM/DM	-	-	-	R10 000	R50 000	R50 000		Service Provider, Ulundi CTO
Launch of theatre facility through opening night	Dec 2014	DAC/LM				R70	-	-		Service Provider/ ULM
Maintenance of venue	-	LM/DM	-	-	-	R50 000	R50 000	R200 000		ULM/ Service provider
<b>TOTAL COST PER YEAR</b>			<b>R80 000</b>	<b>-</b>	<b>-</b>	<b>R480 000</b>	<b>R1.1 million</b>	<b>R1.25 million</b>		
<b>TOTAL COST PER YEAR (CAPEX AND OPEX COMBINED)</b>			<b>R560 000</b>	<b>R1.1 million</b>	<b>R1.25 million</b>					
<b>IMPACTING VULNERABLE GROUPS</b>	<b>(Y/N)</b>	<b>COMMENTS</b>								
Local community	Y	It provides income generation opportunities for groups which have access to resources, but also offers employment opportunities for the most economically disadvantaged for women and the younger generation in rural areas that are often isolated from traditional employment opportunities in the formal sector.								
<b>FUNDING SOURCES</b>	<b>GOVERNMENT</b>	<b>EXTERNAL</b>	<b>COMMENTS</b>							
KZN DEDT	x		Should assist with the studies and specific arts expertise and networking, as well as financial support							
KZN DEDT	x		Should provide financial support where possible							

<b>PROJECT NAME:</b>	<b>DEVELOPMENT OF A TOURISM INFORMATION CENTER AND TOURISM SATELLITE OFFICE</b>									
<b>BENEFICIARIES:</b>	Tourism businesses; arts and crafts businesses									
<b>SPATIAL LOCATION:</b>	Ulundi Town opposite Legislature Assembly Building									
<b>DESCRIPTION:</b>	This project entails the development of a tourism information centre with a craft leg. This tourism information centre includes craft collection point/distribution point, retail area, tourism booking facilities, craft displays, activities booking, internet and Wi-Fi access. This will be located in Ulundi Town, opposite the Legislature Building; an accessible and visible location. The satellite tourism office will include an information kiosk and guides and other tourism facility booking, albeit on a smaller scale than at the primary tourism office located in town. This office is recommended as the base office of the Ulundi Tourism Organisation. An existing office is recommended as the location of a satellite office. The Prince Mangosuthu Buthelezi Airport is suggested for this satellite office. This office is important to capture strategic future growth markets; tourism market segments arriving at the airport (incoming and outgoing flights, school groups, air shows). The tourism information office is priority strategic infrastructure, as the Municipal tourism office is currently located in the administrative municipal building, while the CTO does not have a base.									
<b>Key implementation Partner</b>	KZN DEDT; ZDM; KZN DAC									
<b>OBJECTIVES:</b>	1) To increase available information on tourism. 2) Develop key supporting infrastructure in all key areas in the local municipality									
<b>DETAIL OVERVIEW</b>				<b>Capital Expenditure</b>			<b>Operating Expenditure</b>			<b>IMPLEMENTATION AGENCY</b>
<b>ACTIVITIES</b>	<b>START</b>	<b>ACC</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>		
Receive authorisation from tourism principles	Apr 2014	-	-	-	-	-	-	-	Ulundi Municipality	
Appoint service provider to develop detailed business plan for primary tourism office, including architectural design and layout, soft infrastructure such WI-FI, services infrastructure requirements, human resources requirements and costs, such as 7 day staff members, etc. Use VIC framework.	June 2014	DEDT/ DAC	R185 000	-	-	-	-	-	Ulundi Municipality/ Service provider	
Develop business and financial planning of CTO relocation to Prince Mangosuthu Buthelezi Offices; including cost of 7			R25 000	-	-	-	-	-		

PROJECT NAME:		DEVELOPMENT OF A TOURISM INFORMATION CENTER AND TOURISM SATELLITE OFFICE							
day/ week personnel									
Conduct skills training of tourism office personnel for effective reception of visitors	May 2014	CATHSSETA	-	-	-	-	-	-	Ulundi Municipality/ CATHSSETA
Temporarily locate tourism office to interim location	May 2014	ULM	-	-	-	-	-	-	Ulundi Municipality
Development of primary tourism office	Sept 2014	ULM	R5 million	--	-	-	-	-	Ulundi Municipality
Relocate tourism personnel to new primary office, once development is complete	Dec-2014	ULM	-	-	-	-	-	-	Ulundi Municipality
Locate CTO offices to identified location.	Dec 2014	ULM/ CTO	-	-	-	-	-	-	Ulundi Municipality/CTO
Maintenance of primary tourism information office, including staff (annually)	Annual		-	-	-	R9 000	R105 000	R110 000	Ulundi Municipality
<b>TOTAL COST PER YEAR</b>			<b>R5.11 million</b>	-	-	<b>R9 000</b>	<b>R105 000</b>	<b>R110 000</b>	
<b>TOTAL COST PER YEAR (CAPEX AND OPEX COMBINED)</b>			<b>R5.119 million</b>	<b>R105 000</b>	<b>R110 000</b>				
<b>IMPACTING VULNERABLE GROUPS</b>	<b>(Y/N)</b>	<b>COMMENTS</b>							
Local communities	Y	It provides an additional channel to market the municipality and create income generation opportunities for local communities.							
<b>FUNDING SOURCES</b>		<b>EXTERNAL</b>	<b>COMMENTS</b>						

PROJECT NAME:		DEVELOPMENT OF A TOURISM INFORMATION CENTER AND TOURISM SATELLITE OFFICE	
	GOVERNMENT		
KZN DEDT	x		Should assist with planning and the implementation of the project

<b>PROJECT NAME:</b>	<b>DEVELOP CENGENI GATE INTO A FULL SERVICE TOURIST GATE</b>									
<b>BENEFICIARIES:</b>	Tourism start-ups in rural communities and SMMEs									
<b>SPATIAL LOCATION:</b>	Cengeni Gate, Ulundi, -28°20'30.83"; 31°42'20.1"									
<b>DESCRIPTION:</b>	The development of Cengeni Gate into a full service gate for tourists, including tourism information on neighbouring tourism products, arts and crafts, scheduled Zulu dancing, as well as refreshments on sale by community members at stalls. This includes the promotion of Cengeni Gate as a competitive entrance option for tourists through marketing and the upgrading of roads the road to (P700) and from this gate (within HIP). Once foot traffic along this Gate has increased significantly; i.e. subject to tourist demand, accommodation within the surrounding community, such as home stay establishments will be developed.									
<b>OBJECTIVES:</b>	1) To provide an opportunity for local communities to offer their products to tourists travelling through Cengeni Gate. 2) Future development of markets which can provide tourists with a unique window into the heart of a local community.									
<b>DETAIL OVERVIEW</b>				<b>Capital Expenditure</b>			<b>Operating Expenditure</b>			<b>IMPLEMENTATION AGENCY</b>
<b>ACTIVITIES</b>	<b>START</b>	<b>ACC</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>		
Liaise with stakeholders (e.g. surrounding communities, including traditional authorities, EKZNW, tourism principles) and communicate concept	Jan2014	ULM	-	-	-	-	-	-	Ulundi Municipality	
Development of conceptual design and layout	Jun2014	ULM/ ZDM/KZN DEDT	R80 000	-	-	-	-	-	Service Provider	
Development of facilities en route (crafter and curio stalls, retail stands, street lights, (cost not included) signage)	Aug2014	ULM/ ZDM/KZN DEDT	R945 000	-	-	-	-	-	Ulundi Municipality	
Maintenance of entrance gate, including community overseers	Annual		-	-	-	R30 000	R50 000	R50 000	Ulundi Municipality	
<b>TOTAL COST PER YEAR</b>			<b>R1. 025 million</b>	-	-	-	-	-		
<b>TOTAL COST PER YEAR (CAPEX AND OPEX COMBINED)</b>			<b>R1.035 million</b>	<b>R50 000</b>	<b>R50 000</b>					



IMPACTING VULNERABLE GROUPS	(Y/N)	COMMENTS		
Local rural communities	Y	The Development of the Cengeni Gate into a fully-fledged tourist gate is best implemented when sufficient leisure foot traffic has developed in the Municipality, through to HIP. The project development therefore commences in 2015. Communities are set to directly benefit.		
FUNDING SOURCES	GOVERNMENT	EXTERNAL	COMMENTS	
KZN DEDT, EKZNW	x		Should assist with concept plan & implementation	

<b>PROJECT NAME:</b>	<b>LIAISE WITH NONGOMA LOCAL MUNICIPALITY TO JOINTLY DEVELOP ATTRACTIONS AND EVENTS; E.G. TOURS, ETC. WHICH COMPLEMENT THE REED DANCE.</b>								
<b>BENEFICIARIES:</b>	Tourism businesses in Ulundi/ Nongoma Municipalities								
<b>SPATIAL LOCATION:</b>	Ulundi Municipality (aspatial/ multispatial)								
<b>DESCRIPTION:</b>	The development of a concise community tourism involvement plan and procedures to host tourism activity which leverages off the Annual Reed Dance, and extend tourist stays longer than their typically scheduled 0- 2 days. This project is seen as being critical because it leverages off existing cultural tourist flows (i.e. the project already has a 'head start'), where there is ripe opportunity for further tourism activity and tourism spend, and involvement of the community. This project acknowledges that the Royal Household has prohibited all potential events and formal activity which may occur in this time, presumably to ensure maintained respect for this important cultural practice. The project proposes a plan formulated through communication with the Royal Household, to develop Zulu cultural themed tourism activities which will build up to and complement the Reed Dance (therefore attracting more respectful attention to it), and making Ulundi and its surrounding region into a tourism destination in this period. This project will take the form of the provision of concessions to community tourism businesses, for the hosting of tourism activity during this period; administered through the surrounding municipalities, and subject to the Royal Household authorities.								
<b>Key implementation Partner</b>	Nongoma Local Municipality, Royal Zulu Household, KZN DAC, ZDM, TKZN								
<b>OBJECTIVES:</b>	1) To increase available tourism offerings in the area during the Reed Dance festive season. 2) To increase attractiveness of the Reed Dance and the surrounding municipalities as packaged destinations. 3) To attract longer stays from tourists, and increased tourism spend								
<b>DETAIL OVERVIEW</b>			<b>Capital Expenditure</b>			<b>Operating Expenditure</b>			<b>IMPLEMENTATION AGENCY</b>
<b>ACTIVITIES</b>	<b>START</b>	<b>ACC</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	
Consultation with Royal Household			-	-	-	-	-	-	

PROJECT NAME: LIAISE WITH NONGOMA LOCAL MUNICIPALITY TO JOINTLY DEVELOP ATTRACTIONS AND EVENTS; E.G. TOURS, ETC. WHICH COMPLEMENT THE REED DANCE.									
	March-2014	ULM/ NLM/ZDM							Ulundi Municipality, Nongoma Municipality, Zululand Tourism
Conceptualisation of packaged tourist activities for concession, in liaison with Royal Household	June 2014	KZN DAC, TKZN, NLM, ZDM	R50 000	-	-				Service Provider
Open communication and consultation with tourism businesses through CTO and Municipality to offer concessions. Encourage application for concessions.	Sept 2014	KZN DAC, TKZN, NLM, ZDM	-	-	-	-	-	-	Ulundi Municipality, Nongoma Municipality
Ensure selected businesses are informed timeously for sufficient planning.	Dec 2014	ULM	-	-	-	-	-	-	Ulundi Municipality, Nongoma Municipality
Training of selected tourism businesses to ensure standard of tourism offerings during this period.	Jan 2014	CATHSSETA	-	-	-	-	-	-	CATHSETA
Advertising campaign of Zululand as a destination during Reed Dance (include in existing material)	Annual	Zululand Tourism ULM, NLM	-	-	-	-	-	-	CTO
<b>TOTAL COST PER YEAR</b>			<b>R50 000</b>						
<b>IMPACTING VULNERABLE GROUPS</b>	<b>(Y/N)</b>	<b>COMMENTS</b>							
Local communities	Y	This project provides an additional channel to market the municipality and create income generation opportunities for local communities during this festive season. It also prolongs the staying of visitors in both Municipalities and allows for shared benefits of cultural tourism.							
<b>FUNDING SOURCES</b>	<b>GOVERNMENT</b>	<b>EXTERNAL</b>	<b>COMMENTS</b>						
KZN DAC, TKZN	x		Should assist with the studies and implementation of the project, and provide financial support where possible						

<b>PROJECT NAME:</b>	<b>TOURISM UPDRADE OF EMAKHOSINI OPATHE HERITAGE PARK</b>								
<b>BENEFICIARIES:</b>	Tourism start-ups in rural communities and SMMEs,								
<b>SPATIAL LOCATION:</b>	Emakhosini Ophathe Heritage Park, Ulundi								
<b>DESCRIPTION:</b>	<p>This project entails assisting Amafa and EKZNW with the upgrade of Emakhosini Ophathe Heritage Park into a responsible tourism product. The existing product holds much potential but is underutilised and experiences a lack of funding for conservation, marketing, and infrastructure maintenance. It specifically involves the</p> <ul style="list-style-type: none"> <li>• upgrading of roads in the Park, as well as the access road to uMgungundlovu Multimedia Centre,</li> <li>• seeking funding for the conservation of endangered species,</li> <li>• development of tourism upgrade based on niche biodiversity and heritage conservation attributes of the Park, to distinguish it from HIP</li> <li>• provision of night drives and available tour guides to receive tourists,</li> <li>• the development of hiking trails,</li> <li>• the development of accommodation including camping sites,</li> <li>• the upgrade of existing conference facilities,</li> <li>• and increased marketing of the Emakhosini Ophathe Heritage Park.</li> </ul>								
<b>OBJECTIVES:</b>	<p>1) Ensure Emakhosini Ophathe Heritage Park is included in key marketing material.                  2) To provide innovative tourism product offerings in Ulundi based on competitive advantages and tourism opportunities of area</p>								
<b>DETAIL OVERVIEW</b>			<b>Capital Expenditure</b>			<b>Operating Expenditure</b>			<b>IMPLEMENTATION AGENCY</b>
<b>ACTIVITIES</b>	<b>START</b>	<b>ACC</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	
Meeting with key partners of Emakhosini Ophathe Heritage Park (Amafa, EKZNW) to reach agreement and finalise plan moving forward	Mar2014	Amafa, EKZNW, ULM	-	-	-	-	-	-	Amafa, EKZNW, ULM
Facilitate conducting of feasibility study/market research/ business plan for entire upgrade	Jun2014	ULM Amafa, EKZNW,	R200 000	-	-	-	-	-	Service Provider
Conduct heritage and environmental impact assessments	Jan 2015	Amafa, EKZNW	-	R400 000	-				Service Provider
Develop layout plan, including architectural plans and detailed layout	Jan 2016	ULM Amafa,	-	-	R1 million	-	-	-	Service Provider

PROJECT NAME: TOURISM UPDRADE OF EMAKHOSINI OPHATHE HERITAGE PARK									
drawings, civil engineering plan, institutional plan, quantity surveying plan, security management and anti-poaching plan, and facilities maintenance plan.		EKZNW							
Begin phased construction (beginning with road upgrades, night drives and accommodation)	Apr2016	ULM Amafa, EKZNW	0		R15 million	-	-	-	Service Provider
Marketing of the Emakhosini Ophathe Heritage Park and new upgrades, as key attractions	Apr2016	ULM Amafa, EKZNW				-	-	-	Ulundi CTO
<b>TOTAL COST PER YEAR</b>			<b>R200 000</b>	<b>R400 000</b>	<b>R2.5 million</b>				
<b>IMPACTING VULNERABLE GROUPS</b>	<b>(Y/N)</b>	<b>COMMENTS</b>							
Local rural communities	Y	Emakhosini Ophathe HP has significant opportunity to be a key attraction in the municipality, but it must be differentiated from other conservation attractions in product development and marketing.							
<b>FUNDING SOURCES</b>	<b>GOVERNMENT</b>	<b>EXTERNAL</b>	<b>COMMENTS</b>						
DEDT, DBSA, DoT, DEA, DCGTA, TIKZN	x		Should assist with feasibility study, business plan, financing where possible, & implementation						

## IMPLEMENTATION PLAN AND PROJECT DESIGNS REPORT- DEVELOPMENT OF A TOURISM SECTOR STRATEGY AND IMPLEMENTATION PLAN FOR THE ULUNDI LOCAL MUNICIPALITY

### ADDITIONAL SUGGESTION FOR PRIORITISATION: ANNUAL COMMEMORATION OF THE BATTLE OF ULUNDI (SEE PROJECT 2.1.4)

This project entails the commemoration of the Zulu and British soldiers who fell during the Battle of Ulundi. Due to the heritage and historical importance of the project, it entails liaison between the Zulu and British Royal families, as key stakeholders and cultural custodians of the memory of the event. A key focus piece of the event is a wall of remembrance, conceptualized by the Mabedlana cooperative as an artistic wall which serves the purpose of paying homage to the soldiers who fell in this war in Ulundi Municipality. This commemoration project is significant for its heritage value to the Zulu nation, particularly that within Ulundi and its surrounding region. It is envisaged that the event would be held annually, with Zulu royal representatives, and British royal representatives present. It is recommended that tourism spin offs are developed in order to ensure that the event is annually viable, and beneficial to the economy of Ulundi. Suggestions for tourism attractions which will serve as economic spin offs for this include

- ✓ Annual theming of the event;
- ✓ Themed evening banquets
- ✓ Traditional Zulu and English dance performances,
- ✓ Storytelling of the war and related wars,
- ✓ Storytelling of the lives of the soldiers involved in the war, and their recorded lives,
- ✓ Related kids' activities,
- ✓ Traditional Zulu and English game tournaments,
- ✓ Arts and crafts stalls.

Further economic spin-offs include the increased booking and use of accommodation facilities and tourist support products such as restaurants in the municipality during the event. The rationale for the prioritization of this project is the potential annual magnitude of the event, its potential to attract significant tourism numbers and therefore expenditure to the Municipality, and its heritage and historical importance at a provincial level. A similar event of this nature does not currently exist in Ulundi Municipality.

The project champions for this project are the Mabedlana Cooperative, although much assistance will be required from stakeholders such as Ulundi Municipality, Amafa KZN, The Zulu Royal Household, Department of Arts and Culture; in the form of custodianship, administration and facilitation, funding and coordination. Ultimately a primary implementation agent and administrative project custodian would need to be established, fit for the magnitude of the project.

Further liaison and conceptualization of the project between the Mabedlana Cooperative and Ulundi Municipality is still required, taking into account economic spin offs for the project's viability and a potential location, after which a short project proposal can be used to seek funding to develop a concise and thorough feasibility study and business plan.

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## 4. IMPLEMENTATION PLAN

The phasing on projects is particularly important. The explanations below assist with the interpretation of the table below; which indicates all the projects and actions identified for implementation throughout the project process. Key stakeholders, implementation timeframes, and potential funding sources are identified for each project. It is presented in a summary table in order that the projects are better presented for Ulundi the tourism practitioner.

### 4.1. PROJECT PHASING

The following is the project phasing for the identified projects.

#### QUARTER 2 AND 3 IMPLEMENTATION

Projects phased for immediate implementation are either institutional projects, whose success will affect the success of other implementation projects, potential tourism products those for which the market already currently exists, and for which the only hindrance to the project success is the implementation of the project itself. These projects are therefore either not dependent on the prior implementation of other projects, or are dependent on projects which can be successfully implemented and completed within the second quarter of 2014.

#### QUARTER 4 IMPLEMENTATION

Projects phased for this implementation phase are those that require only a short lead time before they are implemented. These are projects that are dependent on other projects. In the case of a tourism product, for example, generally, the market for these projects exists, but would still need to be made aware of the product in their various locations, and then be given a number of months to react to the marketing initiatives.

#### 2015/ 16 IMPLEMENTATION, AND BEYOND

Projects within this phase are typically those which will only be viable to implement once leisure tourism foot traffic within the Municipality has increased significantly. These projects are often secondary tourism attractions, which will be successful, dependent on the success of primary attractions. These are therefore projects suitable for a more mature tourism industry. Where these projects are marketing projects, projects to be implemented in this phase are those for which solid tourism products must exist, or be due for completion in the short term before they are advertised.

#### SHADED IMPLEMENTATION

Implementation shaded in textured shading in the table below indicates projects which will be periodically or regularly repeated; such as training, or continual marketing.











# IMPLEMENTATION PLAN AND PROJECT DESIGNS REPORT- DEVELOPMENT OF A TOURISM SECTOR STRATEGY AND IMPLEMENTATION PLAN FOR THE ULUNDI LOCAL MUNICIPALITY

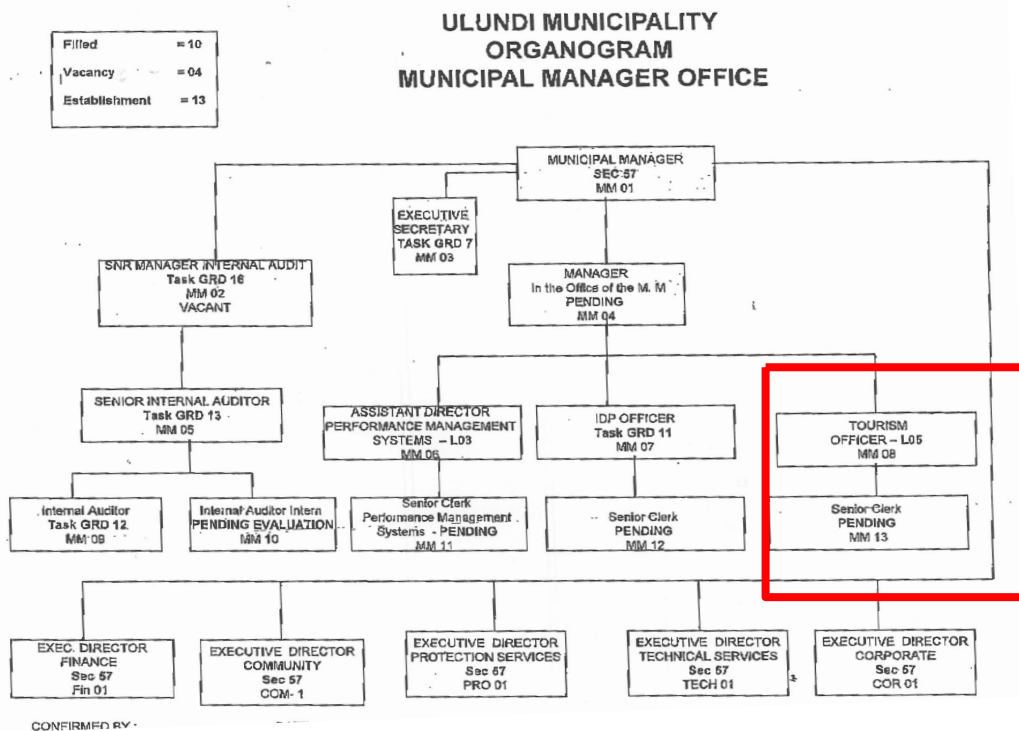
## 5. INSTITUTIONAL CAPACITY

The institutional framework of Ulundi Municipality is of much importance, as it indicates the capacity for the strategy to be carried out. The institutional framework of tourism in the local municipality indicates the capacity of that municipality to implement its tourism developmental plans. This is particularly true for all local municipal tourism units in Zululand Municipality where tourism development is primarily a local municipal function. For this reason, this section will focus mainly on the tourism capacity of the local municipality.

A range of interventions have been identified in the strategy, requiring various approaches from the local (with assistance from provincial and national) institutions mandated to address the tourism sector of the Municipality. Although the interventions are of a diverse range, the key functions of tourism which encapsulate the strategy's interventions can be very broadly summarised into two categories. These are namely *tourism development*; which primarily addresses the development of the municipal sector through the creation of an environment optimal for tourism growth, as well as efficient systems for those wanting to enter the sector as businesses and investors, to receive support; as well as *tourism marketing*, which primarily addresses the maintenance and monitoring of the existing tourism system through aftercare of existing businesses, representation of collective business interest, and marketing of the local area, for the purpose of sustaining existing business. Broadly speaking, tourism development primarily speaks mainly to the government institution at the local level (with support from other tiers of government), while tourism marketing primarily speaks to the private sector representation at the local level, with government assistance through resources and human capacity.

The local municipality being the primary institution mandated with tourism development at the local level (see Situational Analysis), it is important that the tourism unit in the municipality is able to handle all the tasks required of it in the strategy (both tourism development and tourism marketing, in correlation with private sector). With 51 projects identified, through the list of interventions, the municipality is not presently equipped to implement the strategy efficiently, and requires more capacity. At present there is one post filled in the tourism unit, with one temporary assistant, as indicated in the municipal organogram received from Ulundi Municipality below.

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An optimal organogram has been developed for the municipal tourism unit, which ensures that capacity for all tourism sector development and tourism sector maintenance exists, where institutional structure is concerned within the municipality. Being an economic function, it is recommended that the tourism unit falls within an LED framework, under an LED manager. Thereafter it is recommended that a tourism development officer, and a full time assistant are made available, who is able to focus on the following tourism developmental functions, as listed by the current Visitor Information Centre Framework (functions of a local tourism unit):

- provision and maintenance of tourist services, sites and attractions, e.g. camping and caravan sites, recreational facilities (parks, historical buildings, sports facilities, theatres, museums, etc.) and public services;
- license establishments in accordance with national framework; and
- responsible land-use planning, urban and rural development;
- control over land-use and land allocation;
- provision of road signs in accordance with nationally established guidelines;
- control public health and safety;
- facilitate the participation of local communities in the tourism industry;
- own and maintain certain plant, e.g. ports and airports;
- provide adequate parking, also for coaches;
- facilitate the establishment of appropriate public transportation services, e.g. taxi services;
- promote and financially support the establishment of local publicity associations /community tourism and marketing organisations to facilitate, market, coordinate and administer tourism initiatives. (a CTO exists).

A tourism marketing officer is also required to focus on the municipal tourism unit mandate (according to the VIC Framework) to "...market and promote specific local attractions and disseminate

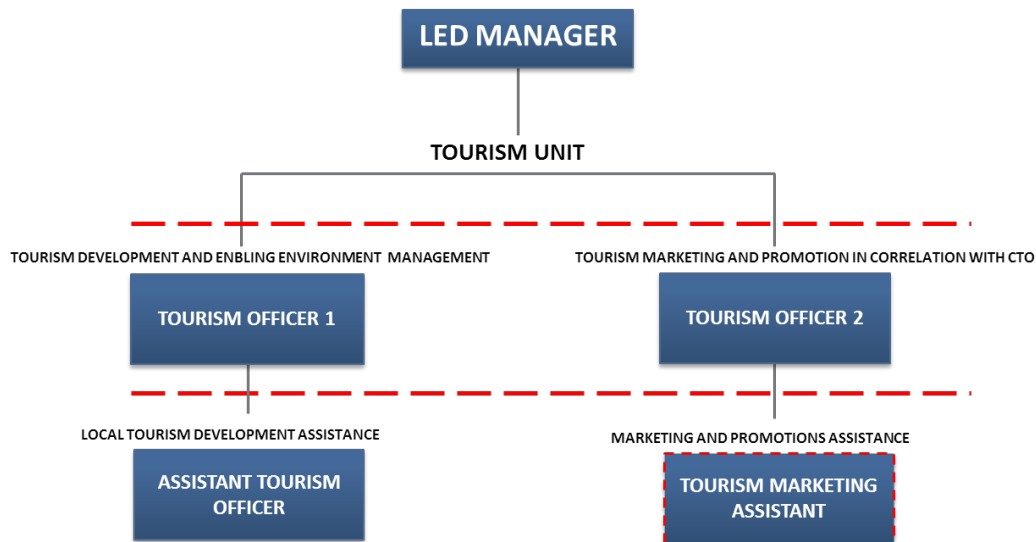
## IMPLEMENTATION PLAN AND PROJECT DESIGNS REPORT- DEVELOPMENT OF A TOURISM SECTOR STRATEGY AND IMPLEMENTATION PLAN FOR THE ULUNDI LOCAL MUNICIPALITY

information in this regard”, and in particular to manage and provide manpower for the tourism information office. The role of the VIC has been well captured by the VIC Framework as to;

- Provide accurate information on the tourism product offerings that could be consumed by visitors in a destination;
- Support tourism growth by influencing visitor flow throughout the country;
- Provide generic tourism material, a user-friendly e-business platform that provides the necessary tools for information and reservation management and professional tourism services to visitors;
- Assist SMME development by facilitating the sale of their goods and services;
- Assist in promoting the products of SMMEs to the world market; and
- Contribute to the local economic development of the region through the facilitation of higher spent by visitors to the area.

Where offsite tourism marketing is required, such as representation and marketing of the local area at tourism shows, conferences etc., the tourism marketing sub unit should partner with the Ulundi CTO.

Due to the need for the tourism information centre to be open over weekends and on public holidays, it is recommended that a tourism marketing assistant is made available, to cover these hours.



This marketing function must be strongly carried out with the Ulundi CTO. According to the VIC, the CTO is the destination's single most important marketing organisation which must project the destination's image into the various markets. This function can be shared with the municipality, through the post of the tourism development officer.

Other functions of the CTO, according to the VIC Framework, are:

- investment in the tourism industry;
- operate and manage the tourism plant efficiently and profitably;
- advertise and promote individual tourism services as well as the country - locally, regionally and internationally;
- continuously upgrade the skills of the workforce by continuously providing training and retraining (in conjunction with the LM);
- continuously refurbish plant and equipment;
- satisfy customer needs by providing quality products and services;
- develop and promote socially and environmentally responsible tourism;

## **IMPLEMENTATION PLAN AND PROJECT DESIGNS REPORT- DEVELOPMENT OF A TOURISM SECTOR STRATEGY AND IMPLEMENTATION PLAN FOR THE ULUNDI LOCAL MUNICIPALITY**

- ensure the safety, security and health of visitors in collaboration with the government and other private sector members;
- collaborate with the government in planning, promoting and marketing tourism;
- involve local communities and previously neglected groups in the tourism industry through establishing partnership ventures with communities, out-sourcing, purchase of goods and services from communities (e.g. poultry, herbs, vegetables and other agricultural supplies, entertainment, laundry services, etc.);
- enable communities to benefit from tourism development, for example communities benefiting directly from new reticulation systems and village electrification programmes developed through tourism investment in rural areas;
- operate according to appropriate standards;
- efficiently organise itself to speak with one voice; and
- represent the interests of private business on the boards of the major national and provincial tourism bodies.

Following this core local framework for tourism development, will ensure more efficient and capacitated interventions as recommended by the strategy.

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## 6. CONCLUSION

In summary, the Ulundi tourism strategy has indicated that the tourism opportunities are significant in Ulundi. In order to reach these successfully, it is recommended that the current tourism unit is located in the strategic area in town discussed, and with the offices temporarily located at a location for strategic growth. It is also important the tourism unit is equipped with two full time employed personnel; at minimum. Lastly, it is recommended that District and Local partnership are strengthened, as this will ensure that development initiatives are is more effective, and that he tourism industry within and around Ulundi benefit significantly.