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The Buffalo City Metropolitan Municipality (BCMM) is one of the country's five economic growth nodes, as identified in the National Development Plan (NDP). BCMM has a role to play in contributing to the country's economic growth and employment. Census 2011, conducted by Statistics South Africa, estimates the total population of Buffalo City to be 755 200, a 7% growth from the 2001 census, which put it at 704 855. The City, which accounts for 11.5% of the Eastern Cape Province's population, is a key socio-economic centre and subject to rapid urbanisation. This brings with it an intensified need for housing, services and jobs.

## FINANCIAL VIABILITY AND MANAGEMENT

Serving the Municipality's people better relies on sound financial management and viability. Today, it is one of the leading municipalities in the country, in terms of financial management:

- In last year's annual Municipal Financial Stability Index (MSFI), conducted by Ratings Africa, BCMM was rated as the country's second most financially stable metropolitan municipality, falling just two points behind the leader.
- Furthermore, it has achieved a credit rating of 'A', which signifies a strong cash position in the long term, with minimal exposure to long-term debt.

## INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

Enhancing the existing skills and capabilities of the Municipality's staff and recruiting officials with the requisite technical skills, administrative knowledge and experience is essential to its continued ability to rise above the challenges that it faces.

It continues to pursue an organisational structure that is in alignment with the integrated development planning and budgetary processes of its institution, while ensuring that it has the necessary human resources to function effectively.

## GOOD GOVERNANCE AND PUBLIC PARTICIPATION

As part of its Fraud Mitigation Strategy, BCMM is in the process of appointing a database of investigators, who it will use to pursue reported incidences and make recommendations. This is in support of the existing fraud hotline. One of the true tests of its democracy has been the establishment of the council committees to play the oversight role.

## INFRASTRUCTURE DEVELOPMENT AND SERVICE DELIVERY

Today, 222 332 households, accounting for 99% of the households in the Metro, have access to clean water in line with the prescribed standards. BCMM has focused on numerous capital projects aimed at eradicating backlogs, as well as ensuring uninterrupted water supply to communities. It has expanded its ability to provide potable water to its people through the augmentation of its water treatment capacity, upgrade of water networks and replacement of existing bulk water infrastructure.

In addition, the Municipality remains committed to expanding its service delivery footprint through the Coastal Areas Water Supply and Backlog Eradication Programme, and the upgrade of water supply in the rural areas. Some of the notable projects over the past year have included the Amahleke Water Supply Project, and water infrastructure projects in the West Bank Restitution Settlement, King William's Town and Bhisho areas.

Since the end of March last financial year, it has expended R74 909 065 on bulk water services across the Metro. Conserving its natural resources is a critical environmental imperative, as well as being a necessary financial consideration.

As a Metro it has, therefore, allocated an amount of R40 million per annum, in the medium term, to implement its Water Conservation and Water Demand Management Strategies. It is also participating in the 'War on Leaks', a national programme spearheaded by the Department of Water and Sanitation, through which the Municipality is providing 30 youth volunteers from across the Metro with plumbing and related skills.

BCMM has also made progress with regards to sanitation. Over the past term it has increased the proportion of its households receiving Minimum Service Levels and above to 98%, from 76% in 2011/12.

It recognises, however, that the remaining 2% of its population deserves to receive adequate basic services and is quick to acknowledge that in spite of the meaningful inroads it has made in this arena, it still falls short.

The Municipality is currently in the process of establishing two regional wastewater treatment works, one each in Zwelitsha and Reeston, to the value of R500 million and R300 million, respectively. As a result it will be able to divert all flows from the surrounding areas to these two new facilities, and decommission the central wastewater treatment works.

It continues to deal with the challenges of the so-called *izinyoka*, illegal electricity connections, particularly in informal settlements. In addressing these challenges, R15 million has been committed to the electrification of informal settlements in this financial year, taking the overall figure over the past five years to 3 085 new electrical connections.

BCMM has continued to build the capacity of its electrical reticulation system. It is especially pleased to confirm the completion of its multi-year flagship project funded by the National Department of Energy, the Queens Park Zoo substation.

In addition, BCMM has invested more than R400 million into the development and upgrade of its bulk electricity infrastructure over the past five years, allowing it to refurbish its switch houses, mini-substations, transformers and Mv lines. Through its continued upgrading programme, it has upgraded its electrical infrastructure.

During its recent Electricity Indaba, the Municipality resolved to implement a number of remedial actions as it continues to tackle the challenges of providing safe and reliable electricity to all its residents and businesses. These include the strengthening of its partnership with Eskom, the promotion of stakeholder engagement and the exploration of avenues for alternative energy generation. Some projects which are lined up include the much-advanced plans for a solar farm in Berlin, wind turbines in West Bank, and a biomass project championed by the East London IDZ.

In its ongoing commitment to becoming a 'green' city, it has now installed 5 200 new energy efficient street lights.

By successfully focusing on the stabilisation and augmentation of its electrical supply capacity, the Metro believes that it will contribute, in no small way, to Buffalo City's attractiveness as an investment destination.

Buffalo City is a logistics hub that services a large hinterland, and its roads network, which amounts to 1 230km, is the frame that supports its local economy. While it is mindful of the critical role that this infrastructure plays in its sustainability and ongoing development, it also acknowledges that it has notable maintenance backlogs that are compounded by increased utilisation of the roads.

Over the past year the Municipality has done its best to ensure that roads are maintained to a suitable standard, in spite of having received only 35% of the required funding.

*From top: Electrification of shacks in Mdantsane NU13; East London Fleet Street in Quigney is given a facelift; Buffalo City restoring the dignity of people in the rural areas; Newly built low-cost housing on NU1.*

The Metro has gravelled a total of 140.5km of roadway, surfaced 16.8km and maintained 466km of road and stormwater infrastructure. Its Roads Branch is currently implementing the Ward-Based Project, through which 10 volunteers per ward are assisting with pothole patching and stormwater clearing. Its focal projects during this term have been the upgrade of Mdantsane roads, the completion of Fleet Street and Gonubie Main Road, as well as the construction of the Quenera-Beacon Bay Link Road.

It has also invested in the rehabilitation of rural roads and the replacement of existing infrastructure.

Establishing linkages across the Metro, which enhance accessibility, is essential to ongoing socio-economic development. BCMM is in discussion with the South African National Roads Agency (SANRAL), whereby it is planning for the upgrade of the R72 bypass that links the R72 to the N2, as well as the Mount Ruth off-ramp from the N2.

During this term of council the Metro, as a Level 1 accredited housing developer, has made significant progress with regards to the provision of housing. It is pleasing to note that it has now been recommended for Level 2 housing accreditation.

The 4 408 top structures and 5 498 serviced sites have been delivered during this term. The Municipality has also provided internal services to 897 existing sites.

### LOCAL ECONOMIC DEVELOPMENT

As it seeks the economic prosperity of its city, the BCMM must simultaneously work with established business to protect and solicit new investment, as well as intensify support for emerging entrepreneurs, with a view towards broadening the Metro's economic base and increasing the region's GDP at a grassroots level. In so doing, it will have a conscious and unapologetic bias towards supporting youth entrepreneurship and employment.

With regards to agricultural and rural development, support is intended to uplift emerging farmers from subsistence and smallholder producers to commercial entrepreneurs, who will also venture into export markets. Job creation, women's empowerment and skills development have been the main thrust of its work in this sector, followed by the establishment of seven hydroponics cooperatives to date, which form part of the Tomato Commodity Group. The Dimbaza Project is the latest of these to be established, having started production in 2015.

The automotive sector is a significant player in the Metro's economic landscape, and it is working with MBSA to deepen the local impact. There is also the recent establishment of the MBSA Training Centre and the Mdantsane Automotive Incubator, which has been established in the Fort Jackson area.

The township economy is a unique and often underestimated sector that holds immense promise. Mdantsane is the Metro's prime area of focus as it works with its partners to develop its local economy, product availability and market accessibility. An exciting prospect is the Victims of Apartheid Project, through which plans for a multipurpose centre to the value of R30 million are afoot.

With its wealth of natural assets, tourism is a significant part of the BCMM's local economy. It continues to seek ways in which to promote its city as a destination of choice, through collaboration with Eastern Cape Parks and Tourism, attending international and national travel trade shows, as well as hosting a number of events that have brought tourists to its city, such as the Buffalo City Carnival and Buyelekhaya Jazz Festival.

ICT connectivity across the Metro is essential if it hopes to be a successful city of the 21st century. To this end the installation of robust fibre-optic networks to run from East London to Dimbaza, Tyolomnqa and Kwelerha will enable the establishment of a Wi-Fi network for the City, with free Wi-Fi hotspots in various places. It will also align BCMM to the Smart City Framework, with specific benefits for SMMEs, businesses, schools and healthcare facilities.

The Buffalo City Metropolitan Development Agency was officially launched late last year. Its core function is to drive economic development, especially mega-projects, throughout the Metro, including the coastal and inner-city areas.

