

MEMORANDUM OF UNDERSTANDING (MOU)

between the

iLembe Chamber of Commerce, Industry & Tourism

and the

iLembe District Municipality

This Memorandum of Understanding (MOU) is made and entered into by and between the iLembe Chamber of Commerce Industry and Tourism (hereinafter referred to as ICCIT), represented by **Mr. Xolani Gumede**, the ICCIT President, and the **iLembe District Municipality** (hereinafter referred to as **IDM**) represented by his Worship, **Cllr. S.S. Gumede**, Mayor of the iLembe District.

This Memorandum of Understanding highlights and summarises the Terms of Reference pertaining to the establishment of the **iLembe District Economic Development Facilitation Committee**, including the roles, responsibilities, duties and obligations of the respective parties. This MOU shall be considered to be a good faith agreement to pursue the goals and objectives detailed in the aforementioned Terms of Reference approved by the iLembe Intergovernmental Forum on the 7th of September 2017.

A. Background

The establishment of, and the necessity thereof of the iLembe District Economic Development Facilitation Committee is underpinned by the following legislative and policy commitments.

1. The South African Constitution:

The Constitution, in particular Chapter 7, is instructive on the purpose and functioning of Local Government. Specifically, Section 152(1) articulates the objects of Local Government, this includes, among others, "to promote social and economic development". Section 153 further pronounces on the Developmental duties of municipalities, which dictate that a municipality must "structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community...".

In addition, Section 195 (1) (c) of the Constitution refers to the basic values and principles governing public administration, wherein it indicates that public administration must be development oriented.

2. The White Paper on Local Government:

The White Paper on Local Government prescribes that municipalities must be Developmental in outlook- this relates to working together with local communities to find sustainable ways to meet their social, economic and material needs to ultimately improve quality of life. Developmental Local Government has four characteristics i.e. maximizing social development and economic growth; integrating and coordinating, democratising development; and leading and learning. Therefore, for Municipalities to be developmental, it

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is essential to have a clear vision for the local economy, and work in partnership with local business to maximise the investment.

The White Paper acknowledges that Local Government is not directly responsible for creating jobs- it's responsibility however is to ensure that economic and social conditions are conducive to the creation of employment opportunities. This includes providing enabling infrastructure, simplifying existing procedures, speeding up approval procedures, introducing policies aimed at poverty alleviation and enhancing job creation etc.

3. The National Development Plan (NDP):

The NDP identifies a number of binding constraints to growth, these include: energy generation and distribution, urban planning approval processes, water supply and waste water management, environmental permits etc. Notwithstanding that the aforementioned are multi-sectoral in nature, municipalities, through bulk infrastructure provision and their municipal planning constitutional mandate, are best placed to resolving the main "constraints to growth". The NDP further states that to ensure that the rate of investment is increased, there has to be, among other things, measures to reduce business costs and uncertainty, as well as public sector commitment to capital investments and maintenance.

4. The iLembe District Growth and Development Summit:

The Growth and Development summit was held in February 2014. The summit was organised with the sole intention of devising strategies that will facilitate development leading to job creation. One of the key resolutions taken at the summit was to formulate a structure at the district which will encompass a variety of stakeholders involved in development i.e. municipalities, sector departments, private sector etc.

B. Purpose and Guiding Principles

The purpose of the iLembe Economic Development Facilitation Committee is to provide an interface between Local Government, Business, Labour and Social Partners operating within the iLembe District. The committee aims to promote investment and job creation through unlocking bottlenecks that inhibit development within the District. The committee aims to complement the functions of existing structures at Local Municipalities and the various IGR fora. The committee is not a legal entity and as such has no legal jurisdiction on decisions relating to development applications, municipal budgets etc. recommendations on these and other specific areas will have to be referred to the relevant authorities.

The iLembe Economic Development Facilitation Committee will be established and operate under the following guiding principles:

1. Encourage/Unlock development leading to economic growth;
2. Providing a platform for improved communication and relations between the Public and Private Sectors;
3. Reducing red tape that delays and/or discourages investment in the iLembe District;
4. Recognize and acknowledge the mandates of Local Municipalities, especially relating to the technical assessment and approval of development applications;
5. Facilitate the implementation of identified and commonly agreed upon Catalytic projects;

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6. Provide strategic direction for the development and implementation of policies that encourage the establishment of labour absorbing industries with the District.

C. Annual review

The Committee must review its functioning and functionality on an annual basis. This will include assessing the extent to which the Committee has been successful in unlocking investment and economic development within the District. The review should make recommendations for improvements where appropriate.

D. Amendments, Term and Termination

The Committee can update or modify the MOU or Terms of Reference, by mutual consent as might be required from time to time, in a specific meeting where at least three of the five Municipalities and a representative from the iLembe Chamber are present. The MOU, incorporating the ToR adopted on the 7th of September 2017, will come into effect on the date of signature on the two original copies. The Parties shall perform their respective agreed responsibilities until terminated. Either of the parties may, in writing, terminate the MOU in whole, or in part, at any time.

E. Confidentiality

Each Party agrees to maintain in confidence any and all proprietary information received from the other including, but not limited to, data, reports, technical plans, business plans and any financial or fiscal information.

F. Dispute Resolution

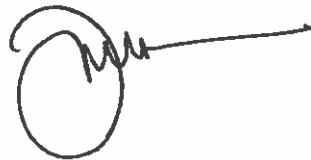
Any doubts or ambiguities or disputes, if any, in the interpretation of the provisions of this MOU or any of its supplements, shall be resolved through mutual consultations between the Parties.

In witness thereof, the Parties hereto have executed this MOU:

For ICCIT:

For iLembe District Municipality:

Signature:



Name:

Title: President – ICCIT

Date: 31/10/2017

Place: kwa Dukuza

Signature:



Name:

Title: Mayor – iLembe District Municipality

Date: 31/10/2017

Place: kwa Dukuza