



INFORMAL TRADING POLICY FOR THE CITY OF MBOMBELA

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Signed



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Date



INFORMAL TRADING POLICY

TABLE OF CONTENTS

| | |
|---|----|
| PREAMBLE | 4 |
| 1. IMPERATIVE FOR REGULARIZATION | 8 |
| 2. LEGISLATIVE AND POLICY BACKGROUND | 9 |
| 3. DEFINITIONS | 12 |
| 4. DEFINITION OF INFORMAL TRADING | 15 |
| 6. SPATIAL PLANING AND DEVELOPMENT FRAMEWORK | 25 |
| 7. INFRASTRUCTURE DEVELOPMENT | 28 |
| 8. DEMARCATION OF DESIGNATED AREAS | 28 |
| 9. INFORMAL TRADING PERMITS | 31 |
| 10. ALLOCATION OF TRADING SPACE | 38 |
| 11. SPECIAL CIRCUMSTANCES FOR ALLOCATION OF TRADING SPACE | 43 |
| 12. RENTAL PAYABLE FOR TRADING SPACE ALLOCATED | 44 |
| 13. PERMISSIONS FOR PERIODIC MARKETS | 44 |
| 14. APPEALS PROCESS | 46 |
| 15. PROHIBITED GOODS | 46 |
| 16. PROHIBITED PERSONS | 48 |
| 17. PROHIBITED ACTIVITIES AT A SITE | 49 |
| 18. TRAINING AND MENTORSHIP OF INFORMAL TRADERS | 50 |
| 19. INCUBATION AND COOPERATIVES DEVELOPMENT | 51 |
| 20. LAW ENFORCEMENT | 52 |
| 21. CONSULTATION AND STAKEHOLDER INVOLVEMENT | 53 |

| | | |
|-----|--|----|
| 22. | STAKEHOLDERS: ROLES AND RESPONSIBILITIES.. | 55 |
| 23. | PLANNING AND MANAGING INFORMAL TRADE | 58 |
| 24. | Funding Urban Management | 62 |
| 25. | MONITORING AND EVALUATION | 63 |

PREAMBLE

Informal trading is a positive development in the micro business sector as it contributes to the creation of jobs and alleviation of poverty and has the potential to expand further the City's economic base.

The City has had a well-considered by-law; however, implementation of the by-law has focused primarily on the regulation aspect, and less so on planning and development which proved difficult to implement for various reasons.

Identifying and addressing the development priorities of the sector, at any given time period, has been limited and approached in a piece-meal manner to date. This is also evidenced in the quantity of resources that has been dedicated to the sector.

The mainstreaming of policy directives and the coordination of services across the City has also been a challenge. Matters pertaining to the sector have for the most part been seen as the responsibility of one or two branches of different Departments.

Discussion among different stakeholder groupings has been fragmented. As a result issues that could be resolved via regular and consistent engagement have remained unresolved.

Institutions, such as representative stakeholder bodies are fractured in both the formal and informal business sectors. This makes it difficult for the informal sector to agree and decide on crucial matters affecting the sector. Regular multi-stakeholder and engagement simply does not take place.

The Business Regulation & Governance Unit Strategy is characterised by the following objectives:

- a) Establishing a job-creating economic growth path;
- b) Embarking upon sustainable rural development and urban renewal;
- c) Bringing the poor and disadvantaged to the center of development

With specific reference to informal trading, the City's vision is:

“To create a well-managed informal trading sector that is valued, which talks to the needs of its stakeholders and is effectively integrated into the economic, spatial and social development goals of the City.”

The City's mission with regards to the informal trading sector is as follows:

“In order to create opportunities for the informal trading sector to share in the benefits of economic growth, the City will, through a developmental approach, enable access to job and entrepreneurial opportunities within the informal trading sector as well as to facilitate the migration of informal traders into the formal sector. By providing a stable and predictable regulatory and management environment, a positive relationship with the formal sector will be nurtured so that the sectors operate effectively alongside each other in an environment that fosters sustainable economic growth.”

This policy document is designed to apply across the organisation, the City of Mbombela, and its geographical boundaries.

It is also developed to be a multi-stakeholder document. It is intended to reflect the needs, and requirement of the key stakeholders. However, legally it enjoins the City of Mbombela. The readership and target audience is nevertheless the informal sector, the City, the business community and the public. This document applies to the informal sector, where trading takes place in public places.

The Informal Trading Policy is one of two related documents; the Policy sets the direction for the City's developmental response to the informal trading sector.

The Street Trading By-Law, is the second document, it is an enforceable law within the City of Mbombela municipal area.

The policy is therefore borne out of the need for a common approach towards informal trading in the jurisdictional area of the City of Mbombela. It lays the foundation for the exercise of informal trading in a manner that is of benefit to those involved in it – traders, property owners and customers alike. The policy also gives further expression to government's commitment to implementing a legitimate regulatory framework for this dynamic sector.

This policy seeks to:

- a) Set out the strategic objectives for the development of the informal trade sector.
- b) Define an integrated and holistic approach to informal trading for all of the City's departments.
- c) Clarify the City's position on and approach to informal trading to all relevant and interested stakeholders
- d) Set out the stakeholder roles regarding the informal trade sector.

- e) Form the basis for the review and revision of by-laws that regulate informal trading falling within the jurisdictional areas of the City of Mbombela.
- f) Provide a framework for the development and resourcing of informal trading and informal traders;
- g) Outline an approach towards the planning and management of informal trading in the City;
- h) Establish a framework for the monitoring and evaluation of informal trading;

- i) Establish a policy framework for law enforcement

Policy formulation and revision remains the City's prerogative. It is the City intention that any revisions to this policy will also involve a consultative process to relevant stakeholders. The policy implementation will be monitored on annual basis, objectives will be evaluated every two years and the overall policy reviewed every five years or when it is required by the City to comply with any relevant legislation.

1. IMPERATIVE FOR REGULARIZATION

- 1.1. The City of Mbombela is one of the fast growing municipality economically in the province of Mpumalanga, broader South Africa, therefore the City has had to plan in such a way that it accepts the inevitable fact that its actions have implications that are far-reaching, even beyond its actual residents. The latest survey has demonstrated that informal traders as far as Maputo and Swaziland are applying their respective trades in the City's main towns. To this end, policy and legislation on inter-governmental relations, as well as on the broad conduct of business, have influenced greatly the shape and form of this policy.
- 1.2. Informal trading is as much a part of the past, present and future of the City as are other forms of economic activity. It contributes towards job creation and thereby helps in the absorption of many who would otherwise be economically idle. As with the formal economy, it helps in the alleviation poverty, the indirect medium to long-term outcome of which includes reduced levels of petty crime and criminality.
- 1.3. Given its contribution and relevance, the City hereby aims to create an environment within which the informal trading sector

and its participants can become commercially viable and dynamic, so much so that as a whole the sector contributes to the City's vision for total growth as espoused above. Such an environment would be an integrated and holistic one, which includes progressive policies, strategies and laws, integrated spatial planning, development of appropriate infrastructure and support services, organization and management of public trading spaces, and growth and development of informal traders.

- 1.4. Many challenges however face this sector. These include, inter alia, limited infrastructure and storage, law enforcement difficulties, health and safety obligations, diversification and consumer behavior. It is in an attempt to assist this sector and alleviate some of the challenges impeding the further development of this second economy that this policy is being adopted.

2. LEGISLATIVE AND POLICY BACKGROUND

- 2.1. This policy aligns with 'Opportunity City' strategic focus area in the IDP, primarily through the objective to 'leverage the City's assets to drive economic growth and sustainable development'.
- 2.2. The policy, in addition to human and financial resources, leverages the City's fixed assets, such as land, to promote economic growth and development for the informal trading sector of the informal economy.
- 2.3. Informal trade is influenced and governed by a number of laws and policies at National, Provincial and Local level.
 - 2.3.1 Section 22 of the Constitution of the Republic of South Africa (the Constitution) provides for the freedom of trade, occupation

and profession. It provides that "every citizen has the right to choose their trade, occupation or profession freely." It is accepted that this freedom extends to informal trading.

- 2.3.2 Section 22 of the Constitution further provides that "[t]he practice of a trade, occupation or profession may be regulated by law."
- 2.3.3 Section 36(1) of the Constitution also provides that rights contained in the Bill of Rights may be limited "...in terms of a law of general application to the extent that the limitation is reasonable and justifiable in an open and democratic society based on human dignity, equality and freedom, taking into account all relevant factors. The effect of this Limitation Clause on the right to choose a trade is simply an acknowledgement by the Business Regulation & Governance unit that the right to trade is not a right that cannot be limited and must be considered and interpreted taking into account other competing rights and obligations.
- 2.3.4 Other applicable and relevant legislations that has been taken cognizance of in the formulation of this policy, are as follows:
 - 2.3.4.1 The Promotion of Administrative Justice Act which provides for standards to ensure just, fair administrative action.
 - 2.3.4.2 Regulation 918 promulgated under The Health Act 63 of 1977 and which makes provision for the application and issue of Certificates of Acceptability.
 - 2.3.4.3 The Atmospheric Pollution Prevention Act 45 of 1965 aims to prevent pollution in the atmosphere and provides for matters incidental thereto.
 - 2.3.4.4 National Environment Management Act 107, 1998,

- 2.3.4.4 The National Building Regulations and Building Standards Act 103 of 1977, which provides for standards for the regulation and enforcement of issues connected therewith.
- 2.3.4.5 The Businesses Act 71 of 1991 which makes specific provision for the licensing of businesses.
- 2.3.4.6 The Noise Control Regulations No.75 promulgated under the Environmental Conservation Act 73 of 1989 and which makes provision for the prevention of noise nuisance activities in the public domain.
- 2.3.4.7 The Mbombela Local Municipality Town planning and Townships Ordinance as well as the various Town Planning Schemes in operation in the jurisdictional area of the municipality due to their regulation and award or limitation of land use and zoning rights.
- 2.3.4.8 The Public Health by-Laws which outlines the permit requirements for the rendering of specific services.
- 2.3.4.9 The Street Trading By-Law which presently regulates street trading activities.
- 2.3.4.10 Mpumalanga Businesses Act, 1996 (Act 2 of 1996) which also makes provision for the licensing of businesses.
- 2.5 Also enshrined in the country's rich policy and legislative dispensations are concepts of social justice, human resource development, restorative justice, broad-based economic participation and empowerment, observation of laws for orderly business practices and taxation.

This policy seeks to ensure compliance and cohesion with the abovementioned legislative and policy background

3. DEFINITIONS

For purposes of this policy, the following acronyms or words will bear the following meanings:

- 3.1. "City" means the "City of Mbombela": a Municipality Constituted in terms of the Local Government: Municipal Structures Act, 1998,
- 3.2. "Council" means the Municipal Council of the City established in terms of section 12 of the Local Government: Municipal Structures Act, 1998, (Act 117 of 1998); and includes any committee or official carrying out any duty or function, or exercising any power in terms of this policy.
- 3.3. "Delegation" means in relation to a duty, includes an instruction to perform the duty, and "delegate" has a corresponding meaning.
- 3.4. "General Manager" means a person appointed by the Council to head a Directorate in the City and shall include any person acting in that position.
- 3.5. "Executive Mayor" means the person elected in terms of section 55 of the Municipal Structures Act to be the Executive Mayor of the City and shall include any person acting in that position.
- 3.6. "Historically Disadvantaged Individual" Means a South African citizen who – is a black person, is a woman and/or has a disability.
- 3.7. "Informal Sector"; means *employers*: own-account workers who are not registered for either income tax or value-added tax; and persons helping unpaid in their family business.

In relation to employees means persons working in establishments that employ less than five employees, who do not deduct income tax from their salaries/wages;

- 3.8. "Informal Trade" means the trading in goods and services in the informal sector by an informal trader.
- 3.9. "Own-account workers" Means workers who, working on their own account or with one or more partners, hold the type of job defined as a self- employed job, and have not engaged on a continuous basis any employees to work for them during the reference period.
- 3.10. "Formal" means businesses which are registered with the national business registration authority as a business and with the tax authority in terms of tax
- 3.11 "Formalisation" means the process of becoming a formal business (as implied in the term formal), however, the term includes additional registration imposed by provincial or local government legislation or membership with sectorial bodies.

- 3.12 "Designated area(s)" means an area designated for the purposes of informal trading after having followed the process for designation in terms of the Businesses Act 71 of 1991, Mpumalanga Businesses Act, 1996 (Act 2 of 1996) and governed by a trading plan of the City.
- 3.13 "Business Regulation & Governance Unit" means the section of City Planning & Development of the City and includes any successor in title or function.
- 3.14 "Informal Trader" means one who carries on the activity of informal trading person, whether as an employer or employee
- 3.15 "Public Spaces" means property which is freely open to the public whether by payment of an admission fee or not, and irrespective of whether the property is privately owned or not
- Public Spaces Includes:
- a) a public road, parking area, square, park, recreation ground, sports ground, sanitary lane, open space, shopping centre on municipal land, unused or vacant municipal land or cemetery which has –
 - (i) been provided, reserved or set apart for use by the public; or
 - (ii) been dedicated to the public;
 - b) public transportation operated by service providers for the City, but does not include public land that has been leased by the City;
- 3.16. "Spaza Shops" means retail informal trading activities taking place from private residences.

- 3.17 "DTI" means Department of Trade and Industry of the National Government.
- 3.18 "DSBD" means Department of Small Business Development of the National Government.
- 3.19 "The linear market" means trading area designated for street trading in a 'pedestrianized' environment. It is also distinguished by attractive roofing which becomes the centerpiece that adds to the surrounding aesthetics and urban management design.
- 3.20 "Seasonal Traders" Means traders who respond to seasonal or once-off/short-term trading opportunities
- 3.21 "Market" means a demarcated area within a trading area which is designated as such in a trading plan and which is managed in a co-ordinated manner.
- 3.22 "Trading Plan" Means a plan adopted by the City to govern informal trading within a trading area
- 3.23 "Trading area" Means an area for informal trading governed by a trading plan.

4. DEFINITION OF INFORMAL TRADING

- 4.1 For purposes of this policy, informal trading shall refer to the sale of legal goods and/or services by individuals and/or groups, in locations designated for informal trading and which requires little more than the actual goods and/or services to commence.

The informal sector has the following two components:

- (i) Employees: means persons working in establishments that employ less than five employees, who do not deduct income tax from their salaries/wage
 - (ii) Employers: refers to own-account workers who are not registered for either income tax or value-added tax; and persons helping unpaid in their family business who are not registered for income tax
- 4.2 This definition expressly excludes criminal and illegal activity in terms of the laws of the country.
- 4.3 Trading in private residences in the form of, among others, spaza shops, shebeens and taverns, is not subject to this policy as these kinds of economic activity is already subject to regulation under other policies and procedures within the City of Mbombela.

5. SCOPE OF APPLICATION OF POLICY

This policy applies to all informal trading as defined in Section 4 which takes place on public space, or private land where it is included in a trading plan. Implementation agents may vary according to land/assets they are responsible for. The management implications for City departments will be addressed in the Implementation Plan. The types of trading governed by this policy is as follows:

- a) Seasonal Traders (traders who respond to seasonal or once-off/short term trading opportunities)
- b) Street/kerbside trading
- c) Trading in pedestrian malls

- d) Public Markets (i.e. markets operating on public land, such as flea & craft markets, etc.)
- e) Trading at road intersections (as permitted in terms of Regulation 322 of the National Road Traffic Regulations, 2000)
- f) Trading in Public Open Spaces (including parks, cemeteries, etc.)
- g) Mobile Traders:
 - (i) *Vehicle based:* ice-cream, prepared food, soft drink, fruit and veg, or other agricultural produce traders who trade from their vehicles and respond to opportunities by relocating their trading station periodically.)
 - (ii) *Pedestrian based:* roving traders (itinerant traders) - who sell their products in streets, and public spaces and respond to trading opportunities by engaging their target market directly
- h) Trading at Events

5.1 Development and Planning

This section sets out the approach to the problems related primarily to the informal trader. The issues of space, infrastructure, planning and skills are addressed below.

- 5.1.1. **Role of the Informal Economy:** The City acknowledges the legitimacy and role of the informal economy, in terms of its employment and economic growth prospects. Urbanising cities and towns globally are experiencing growth in the number of entrants to the informal sector. The informal

economy also has low barriers to entry and serves as a social safety net; it also often sustains the livelihoods of foreign nationals who seek refuge from war torn countries. The informal economy is thus important socially and economically. The response to the sector will determine how well it thrives.

- 5.1.2. **Development:** development interventions will need to be localised, industry- based and tailored to the individual trader. The focus will be on improving sustainability of enterprises, growth and profitability, or the return to the trader.
- 5.1.3. **Partnerships:** The development of the sector cannot happen without key actors. Developing partnerships, with for example private sector developers and land owners, or other development organisations and other government departments will be key to providing solutions that benefit the informal sector and private sector, consumers and the City alike.
- 5.1.4. **Variation and Flexibility:** no single approach will be sufficient for the development requirements of such a diverse sector. A varied and flexible approach is required, depending on the trader, the industry, and the local level social and economic environment.
- 5.1.5. **Formalisation:** Entrepreneurs will be encouraged to formalise¹ incrementally, as per their needs, and as the business and entrepreneurs develop over time. Aspects to formalisation include proper zoning and land use, business registration, health certificates, sector body registration, tax registration, other.
- 5.1.7. **Spatial Planning:** The forward planning function will play an important role of identifying suitable trading areas that support the viability and sustainability of informal trade. These areas may be of metropolitan and district significance, identified new growth areas, spatial structural elements that would reinforce

informal trading, such as the Public Transport system, transport interchange hubs, commercial centres and pedestrian routes.

- 5.1.8. **Infrastructure:** flexible and the appropriate level of infrastructure, shall be provided over time to foster sustainability of the traders while improving the environment for all stakeholders. It must be stressed that all infrastructure delivery must be accompanied by a maintenance plan in the medium to long term. A stakeholder approach (to be set out in the implementation plan) will determine the type and location of infrastructure required, as well as which stakeholder will deliver and maintain the infrastructure. (See 5.1.4 above)

5.2 **Policy Issues**

The policy environment, especially a strategic coherent strategy for the sector is lacking; respond to these issues. It is anticipated that this element together with the institutional arrangements below will address the fractured and piece-meal approach to the development of the sector.

This does not mean full formalisation such as tax and business registration; it should be noted that some informal traders will never be in a position to formalise, nor are they aspiring to grow and develop to a point where the minimum criteria are met for formalisation)

- 5.2.1. **Policy Development:** The appropriate level of regulation will be adopted to promote the sector; appropriateness will be determined by area and industry factors and agreed upon in engagement forums. Policy needs to encourage and support informal trade; it also, however; will take into account the interests of relevant stakeholders such as the public, City and formal business. It will be the responsibility of local implementation agents to broaden and deepen the response required to local needs, under the strategic objectives.

5.2.3. **Policy Review:** Policy implementation will be monitored annual objectives be evaluated every two years and the overall policy reviewed every five years.

5.2.4. **Policy Alignment:** All related policies will need to be aligned to achieve the desired outcomes of this policy. Policy practice and implementation across the City and the stakeholders must align with the Informal Trade Policy. It is expected that policy alignment will take place progressively over time.

5.3 **Development Organisations and Forums**

5.3.1 The challenges faced by all stakeholders will be addressed by establishing sector engagement forums. In addition, institutions dedicated to the representation and development of the informal trade sector will be necessary to realise the outcomes in the development and planning section above. This section introduces the operational 'vehicles' required for development.

5.3.2. **Engagement Forums:** A multi-stakeholder engagement forum shall be established by the City and District level and serve to identify problems, solutions and set the direction for the development of the sector in the respective areas. These forums will also serve to spread information to sector via the representative organisations.

5.3.3. **Representative Organisations:** Support to and assistance with the establishment of trader associations as well as other stakeholder bodies shall be offered. These organisations will represent their constituents at the engagement forums.

5.3.4. **Industry Development Organisations:** Industry-specific intermediaries (private sector firms or purpose-built development organisations) can play a development and business support role. They perform functions on behalf of informal traders such as, product design, mentorship, contract

negotiation, and a business interface role with respect to informal enterprises. Establishment, support and expansion of either existing, industry or purpose specific intermediaries will be explored.

5.4

PRINCIPLES

The principles below shall be used to operationalize the approach especially the development planning process.

5.4.1 Economic Principles

5.4.1.1. Economic growth in the informal trading sector will be facilitated through following:

- a) **Reinforcing business zones:** link new and existing trading areas to business areas to create viable hubs of business activity.
- b) **Business support:** link traders to a range of capacity building and business support services that caters for the different types and levels of traders
- c) **Use of City property:** Ensuring that the buildings and property owned by the City are leveraged for maximum economic return
- d) **High Demand Areas:** Targeting highly accessible and visible locations for value added trading in order to derive benefit for informal traders, consumers and formal business alike.

5.4.2 Spatial Principles

5.4.2.1. Informal trading contributes to the value of public places and has the potential to be a catalyst for generating positive public spaces through:

- a) **Prioritised Areas:** Developing those areas that will have most significant impact on the largest number of people, i.e. areas with large flows of pedestrian traffic.
- b) **Spatial Allocation:** Allocating space for informal trading areas in accordance with the broad Spatial Planning Framework of the City and the local area Spatial Development Frameworks.
- c) **Infrastructure Provision:** Providing the appropriate level of infrastructure for informal trading, this would vary depending on the type of activity.

5.4.3 **Engagement Principles**

5.4.3.1 The following principles will govern the manner in which stakeholder engagement will take place and information will be managed:

- a) **Communication:** Communicate widely, accessibly, in different forms (print, electronic media) to improve the targeting and reach of information to the sector stakeholders
- b) **Equity and Inclusion:** include all relevant stakeholders in the appropriate fora at the appropriate level

5.5. **STRATEGIC OBJECTIVES**

5.5.1. The following strategic objectives should have a maximum lifespan of 5 years. A review process should follow this period (as set out in the Monitoring and Evaluation section) after which the strategic objectives should once more be deliberated and informed by the stakeholders in the multi-stakeholder platforms.

5.5.2. Considering the current challenges in the sector regarding informal trading, the following strategic policy

objectives, informed by the principles and approach, will guide action over the medium term. It must be stressed that these are high-level objectives, and that each trading area (or reasonable grouping of areas), together with City should develop area and sector specific objectives.

5.5.3. The implementation of these objectives can be split into broadly two functions as follow:

- a) trader development and engagement processes whereby the City will play a facilitation role, sourcing resources from partners and external role players and making the services or resources
- b) infrastructure provision and maintenance whereby infrastructure provision will be dependent on budget

5.5.4. Where applicable, a gendered approach to the training and development of the sector shall be encouraged

There are five strategic objectives that the City can follow to develop the Informal Sector which are as follow:

Strategic Objective 1: Plan for and Initiate Development Activities in Support of the Sector

- a) Facilitate the provision of industry-specific, demand-led technical training to the sector
- b) Make available, via partners, commercial and business skills opportunities (including marketing, communication, finance, other) as required
- c) Engage in a strategic spatial planning exercise to determine the best trading locations and layouts for existing and new sites

- d) Develop basic infrastructure norms required per industry (such as food processing, fruit and veg, textiles, personal services,) and in relation to the limitations of the trading location
- e) Identify infrastructure requirements per area/industry where appropriate and deliver or facilitate provision accompanied with a maintenance plan (e.g. electricity, water, sanitation, drainage, shelter and storage facilities)

Strategic Objective 2: Introduce New Technologies and Promote Sector Innovation

- a) Facilitate the access to new technologies in various industries
- b) Promote innovation through new product development, process innovation, packaging, design, and organisational improvements, etc.

Strategic Objective 3: Support or Establish Industry Development Organisations

- a) Establish and, where feasible, support Industry Development to assist specific industries with development and support of the sector.

Strategic Objective 4: Support Representative Institutions and Establish Stakeholder Engagement Forums

- a) Establish one City-wide multi-stakeholder engagement platform for the sector

- b) Establish multi-stakeholder engagement forums at local level such as the trading area (or at the appropriate scale)
- c) Support and mentor trader associations and other stakeholder organisations where feasible, assist with the establishment of new associations where required

Strategic Objective 5: Engage in Policy Development, Review and Mainstreaming Processes

- a) Ensure annual monitoring, bi-annual evaluation of the strategic objectives and 5-year review of the policy in the multi-stakeholder dialogue forum
- b) Through stakeholder engagement and the policy alignment process, ensure the adequate mainstreaming of the policy and policy practice across the City and stakeholders

6. SPATIAL PLANING AND DEVELOPMENT FRAMEWORK

- 6.1 Spatial planning and development in the City of Mbombela will take into consideration the needs and requirements of the informal trading sector
- 6.2 Spatial planning requirements for the accommodation of informal trading shall apply to private property developers as well, especially if the new development displaces a present market, or has potential to attract the interest of informal traders in the long-run.
- 6.3 The City Planning & Development Department within the City of Mbombela shall develop instruments to ensure that what is envisaged in Clause 6.2

6.4 For the future, spatial development will focus on the gradual development of aesthetically inferior and poorly serviced demarcated informal trading spaces

6.4.1. Taking into account the differing economic, spatial and infrastructural elements of the City, the following guidelines will inform the development of current and future trading areas in the City:

6.4.2. *Public Spaces in Central Business District / Tertiary Economic Centres:*

In the central business district and in tertiary economic centres informal trading would be permitted to provide a range of trading possibilities linked to opportunities for growth and diversity.

- a) In pedestrian malls
- b) In designated trading areas
- c) At appropriate markets, and public squares/space

6.4.3. *Public Spaces in Secondary Economic Centres:*

In Secondary Economic Centres the City will have:

- a) Designated trading spaces/ bays located along major pedestrian traffic routes.
- b) Open trading areas that allow flexibility for traders as well as formal market spaces.

6.4.4 *Public Spaces in Primary Economic Centres:*

Each type of economic centre must allow an increase in the City's developmental and facilitative role. Therefore in primary economic centres, housing estates and townships:

- a) Demarcated trading spaces/ bays will only be allowed in high pedestrian traffic flow areas where congestion is not problematic.
- b) Flexible market structures must be built at key transport nodes that allow for the integration of a number of services ensuring regular pedestrian traffic flows. In these areas cognisance must be taken of the lack of quality urban environments and appropriate physical infrastructure and therefore the approach needs to be in terms of a more physically structured response.

6.4.5. *Informal and Marginalised Residential Areas*

- a) In informal settlement and township areas the provision of trading spaces should be clearly linked to "place-making" strategies, as trading may have the potential to generate new forms of public space. Appropriate facilities need to be provided in these environments that will allow a range of trading levels, structures that are flexible to change and upgrading and access to utility services.

6.5. The City's spatial planning and development approach will therefore moving forward, encourage decentralization and equitable development in previously neglected economic nodes.

6.5. With regards to the establishment of new townships, the City of Mbombela will seek to ensure that the roads are wide enough to accommodate informal traders, vehicular movement, parking and pedestrian traffic.

7. INFRASTRUCTURE DEVELOPMENT

- 7.1. This policy recognizes that various Departments within the City of Mbombela share the responsibility of infrastructure development within the jurisdictional area of the City, be that responsibility direct or indirect.
- 7.2. When infrastructure development is planned within the City of Mbombela, informal trading markets must be considered.
- 7.3. The Business Regulation & Governance Unit shall categorize and define the different types of informal trading markets and priorities for infrastructure development in relation to informal trading markets.
- 7.4. The City's approach to infrastructure development for informal trading will be guided by Business Regulation & Governance Unit's categorization of informal trading markets and identified developmental priorities.
- 7.5. Where a Department of the City initiates new informal trading infrastructure development projects, emphasis shall be placed on the development of the least developed markets so that they may be gradually improved and eliminated.
- 7.6. The relevant Departments of the City of Mbombela responsible for infrastructure development within the City must strive to ensure that the development of infrastructure of informal trading is done equitably throughout the jurisdictional area of the City.

8. DEMARCATION OF DESIGNATED AREAS

- 8.1. The Business Regulation & Governance Unit shall ensure that all informal trading spaces are formalized through demarcation

as envisaged in the Businesses Act 71 of 1991 and the Mpumalanga Business Act of 1996 to ensure that the entire jurisdictional area of the City has been considered for demarcation.

- 8.2. The Business Regulation & Governance Unit in consultation with all relevant departments, shall draw up a trading plan to ensure that what is envisaged in Clause 8.1 above is effected forthwith.
- 8.3. Designation of trading areas shall consider specific areas e.g. Economic Nodes of the Central Business Districts, adjacent to Public transport facilities, Public open spaces, areas with High levels of pedestrian traffic; The proximity of informal trading to formal trading; High levels of vehicular traffic.
- 8.4. Informal trading shall only be allowed on the restricted bays in areas that shall be designated for that purpose as envisaged in clause 8.1, subject to being in possession of a valid Permit as stipulated in clause 9 below or lease issued by the City.

8.5 The Trading Plan

- 8.5.1. The City must develop and adopt trading plans where required. This is particularly important in areas where there is an overlap among various stakeholders, business, public or City uses.
- 8.5.2. The trading plan must set the geographical boundary for the trading area and allocate spaces/bays where trading can take place.
- 8.5.3. The plan can include among others:
 - a) Specific trading conditions or criteria
 - b) Set out development priorities, whether for the local economy or industry specific development plans and including trader and employee development
 - c) Allowance for environmental and heritage protection
 - d) Cater for markets and high demand zones
 - e) Set out third party arrangements and responsibilities for managing trade in the area
 - f) Guidelines for the regularity in which the stakeholders will meet to discuss matters pertaining to the trading area (or the need for engagement forums).

9.

INFORMAL TRADING PERMITS

9.1.

A permit is a means to verify the issuing of licenses, permits and permissions that a particular informal trader has applied for and obtained. It will also contain information on where the informal trader has been allocated space to trade within the City and how much rental they are required to pay.

- 9.2. The City issued permit will constitute a tool for the administration, management and law enforcement of informal trading.
- 9.3. Permits will be issued only to applicants that would have complied with all requirements for the trading in the goods and services of their choice.
- 9.4. All informal traders trading in the designated trading areas within the jurisdictional area of the City are required to apply for permits with the Business Regulation & Governance Unit of the City.
- 9.5. The validity period of a permit issued to a legal immigrant informal trader must coincide with the validity period of whatever documentation authenticates that their stay in this country is legal. The validity of a legal immigrant's permit may be renewed in accordance with any renewal or extension of permissions to lawfully stay in the country.
- 9.6 For the purpose of processing applications for informal trading permits, the City will issue comprehensive application forms requesting the provision of, inter alia, the following kinds of information, namely:
- 9.6.1. Biographical information of the informal trader together with proof of identification and proof of permission to be in the country, if applicable.
- 9.6.2. The goods and/or services that the informal trader trades/wants to trade in.
- 9.6.3. The informal trader's present trading location, if any
- 9.6.4. The informal trader's preferred trading location.

- 9.7. All prospective informal traders will be issued the same form irrespective of the goods or services they wish to trade in.
- 9.8. To this end, the Business Regulation & Governance unit will coordinate a process through which all affected departments will compile a single, comprehensive form with sections that address all the requirements necessary to ensure that any informal trading licenses, certificates or permits that are issued are not done until all other required permits are in place.
- 9.9. An application fee for the issue of informal trading licenses, certificates or permits will be payable by the prospective informal trader.
- 9.10. All informal traders trading in the designated trading areas within the jurisdictional area of the City are to be registered and allocated trading space for which they shall pay rentals, the amount of which shall be determined from time to time by the City. The Business Regulation & Governance unit section shall facilitate that role in conjunction with the Financial Services Department of the City. All revenue collected shall be treated in line with applicable revenue collection policies of the City.
- 9.11. The City will decide within sixty (60) days whether or not to grant the permit. Reasons will be provided in the event where an application is declined. Aggrieved applicants may submit their objections within 14 days of the notice to the Municipal Manager.
- 9.12. Businesses in respect of which any other license, certificate or permit is required, other than an informal trading license, is required are to comply with the necessary provisions in addition to this registration process. This refers in particular to businesses that engage in the:
- 9.12.1. Sale or supply of meals or perishable foodstuffs;

- 9.12.2. Provision of certain types of health facilities or entertainment;
- 9.12.3. Sale or supply of repacked sweets, crisps, chocolates, biscuits and other prepared food stuffs.
- 9.12.4. Provision of informal hair dressing services, cosmetology or beauty services, and body piercing and tattooing services.
- 9.13. Once their application for an informal trading permit has been successful, the applicant trader will be issued with a permit with such details on it as their biographical information, trading space to which they had been allocated, rent-paying status, as well as the goods and services in which they have permission to trade.
- 9.14. Any permit issued may be withdrawn provided good cause can be shown, and especially when:
 - 9.14.1. Any relevant legislation has not been complied with by the license, certificate or permit holder;
 - 9.14.2. Any condition of the license, certificate or permit has not been complied with by the permit holder.
- 9.15. **Application Procedure for Street Trading Permit**

Requirements and criteria for obtaining a Street Trading Permit. Applicants should meet the following requirements:

 - a) South African Citizens must have ID Document/Card
 - b) Be a residence of Mbombela and has been residing in Mbombela for more than three months old statements and or accounts

- c) Non South African Citizens must have an Original copy of asylum documents/temporary resident permit issued by the Department of Home Affairs in terms of applicable legislations
- d) Must not be employed by the Municipality its entities and any organ of state
- e) Be Unemployed
- f) Proof of income (if available)
- g) Be 18 years and older

9.16. Types of street trading permits

- 9.16.1. **Street Trading Permit** -valid for 1 year calendar - Trading permit applications will be processed on

Tuesdays and Thursdays between 08h00-12h00

- 9.16.2. **Special Events Street Trading Permit** – valid for 1 day- Special Events Street Trading Permit application will be processed on Thursdays and Fridays before 11h00 if the event is during the a week-end.

If the event is during the week applications will be processed a day before and before 10h00 on the day of the event.

- 9.16.3. **Mobile Street Trading Permit** –valid for 1 year calendar

- 9.16.4. **Seasonal permit** – valid for 3 months

All applicants for above must meet all the requirements as stated.

9.17. Delegation of authority of Approval of application for street trading permit

9.17.1. Application for Street trading site within designated street trading zones and all other than these sites are subjected to approval by the City Manager or delegate person in terms of system of delegation of authority.

9.17.2. Special events trading permit/card will be approved by designated officials

9.18. Reasons for declining applications for Street Trading Permit

The application will be declined for the following reasons:

- a) Failure to submit completed prescribed form
- b) If the site applied for is located at a prohibited area
- c) If the applicant is employed fulltime and or is an employee of the municipality and or organ of state
- d) Applicant not residing within the municipal jurisdiction
- e) Applicant does not have ID Document
- f) Any illegal immigrant in South Africa
- g) Those aged less than 18 years old will not be considered in terms of UN Age Convention.

- h) Applicant has committed numerous offences of which notices and fines were issued
- i) Misinformation and false documents as listed under requirements for application for trading permit
- j) Applicant found guilty of criminal offence related to drugs and human trafficking, xenophobic attacks and bribery
- k) If the applicant has formal business or has already been granted site at another area
- l) If the applicant consistently fails to pay prescribed fees as determined by the Council

9.19. The right to appeal

The affected applicant has the right to appeal to the decision within 21 days upon receipt of the correspondence from the City and such appeals should be lodged with the City Manager or a delegated authority who shall respond within 14 days and the matter may be referred to the Council where necessary.

9.20. Street Trading Hours and Days

Monday- Friday 05h00 – 19h00

Saturday – 06h00 - 17h00

Sunday-6h00-13h00

10.

ALLOCATION OF TRADING SPACE

- 10.1. The Council or delegated authority has powers to determine trading and restricted areas within the City including business areas subject to provisions of applicable legislation.
- 10.2. It is the responsibility of the Business Regulation & Governance Unit to ensure that all informal traders who have been successful in obtaining an informal trading license are issued with a space in which to trade.
- 10.3. The Business Regulation & Governance unit shall develop criteria for the determination of space allocation in accordance with this policy.
- 10.4. Trading space will be allocated on a one-trader, one-stall basis.
- 10.5. The allocation of trading space should be done automatically via an electronic system developed for processing informal trader permit application forms. Should there be no electronic system the allocation of trading and issuing of permit will be done manually.
- 10.6. Central to equitable allocation of trading bays, is the compilation by the City of a database of all street traders in a particular area, which will include for each trader: ID number or any recognised form of identification, address, goods being sold, trading location, projected income and any other relevant information.
- 10.7. It is acknowledged that the following basket of criteria will form the broad basis of decision to allocate bays. As the process is ultimately to be managed on an area basis
 - a) combination of geographic criteria and category of economic centre criteria), it is required that the criteria following are a

guideline. In the implementation stage it will be the right of all traders to be fully aware of exactly which criteria are being used in respect of allocation of trading bays.

10.7. 1. Subject to and in compliance with Section 6A (1), (2) and (3) of the Businesses Act No. 71 of 1991, allocation of trading bays will be based on the following criteria and considerations:

- a) Applicants must be:
 - i. existing informal traders, or
 - ii. desire to become informal traders (provided they comply with requirements below, and may be for example, informal employees, seeking to establish their own business)
- b) The nature of the goods and services should not conflict with or unduly compete with:
 - i. the type of goods/services sold by formal businesses in the trading area/ or close to the trading space
 - ii. the type of goods/services, sold informally, in the same trading area;
- c) Unemployed people will get preference
- d) Where trading space is available, traders operating more frequently will get preference over occasional/casual traders within the trading area
- e) The applicant's ability to meet the trading hours set for the trading area
- f) Preference will be given to Historically Disadvantaged Individuals

- g) Consideration shall be given to new traders to the City database
- h) Trading space will be allocated on a one-trader, one-stall basis
- i) Preference will be given to traders who do not trade in any other trading area
- j) Preference will be given to those who do not share the same household with an existing permit holder, provided that
 - i. There is more trading space than applicants
 - ii. The applicant is not economically dependent on the existing permit holder
- k) Preference will be given to applicants who reside in, or close to, the trading area for which the permit is applied especially in areas out of the CBD
- l) The trader must be in possession of a valid South African identity document or relevant documents allowing the individual to working permit.
- m) In the case of foodstuffs being processed and traded, the trader must be in possession of the required Business License (and Certificate of Acceptability).
- 10.8. The methodology used to allocate space should also take into account all relevant factors, including but not limited to:
 - 10.8.1. The preferred trading location indicated on the application form, which criteria must be considered in the context of what trading space is available.

- 10.8.2. Any displacement from a previous trading space that the applicant may have suffered.
- 10.9. If the applicant has been displaced from a space from which he/she previously used to trade, due to no fault of their own, this applicant will be prioritized in relation to the allocation of trading space.
- 10.10. Existing informal traders, i.e.: those who are already trading and simply need to formalize their trade in accordance and compliance with this policy and any newly enacted by-laws, will also be prioritized in relation to the allocation of trading space.

10.11.

Other Conditions

- a) New applicants will be required to undergo an information session regarding the informal trading policy and by-law.
- b) Applicants will be assessed to determine training and development needs, which may include registration with an industry development organisation.
- c) Council will reserve the right to withdraw summarily the allocation of a bay in the event of evidence proving that
 - (i) a trader has wilfully supplied incorrect information related to permit conditions;
 - (ii) a trader has failed to update the information annually; (iii) a trader, who is allocated a space, has sublet or sold such a bay to a third party without the approval of Council; (iv) a trader is behind payment on the permit fee (for two consecutive months); (v) a trader does not comply with the Informal/Street Trading by-law.
- d) When events permitted by the City occur, the right to the event supersedes the trading right. The City will have the right to summarily cease (without any compensation for loss of earnings) all trading in space which the City deems are affected by the special event. (traders affected by the event can approach the event organiser to trade within the event footprint) The City will encourage trading in areas surrounding the event, where possible.
- e) In high demand zones, alternative allocation models will be piloted to enhance the trading mix and provide for new entrants.

11. SPECIAL CIRCUMSTANCES FOR ALLOCATION OF TRADING SPACE

- 11.1. It is recognised that the following special circumstances may warrant the transfer of the permit to an assistant or family member such as in the case of:
- a) Death of Principal Trader – where the inability to trade would place undue hardship on the family of the Principal Trader, permission may be granted to another family member/assistant trader to continue trading until the end of the trading period as stipulated on the permit.
 - b) Personal reasons; such as, illness, pregnancy, family responsibility, religious or cultural matters, or any other personal matter, provided it is for a period no longer than 6 months, and provided that:
 - (i) a proof from a medical practitioner is provided to the City which certifies that the permit-holder is unable to trade; and
 - (ii) a written affidavit is provided to the City stating the nature and period for which the permit holder requires the permit transfer
- 11.2. If the Principal Trader or his/her family chooses not to make application for special consideration as outlined above, the permit for the bay must be returned to the City to be allocated to the next person meeting the criteria on the waiting list

12. RENTAL PAYABLE FOR TRADING SPACE ALLOCATED

- 12.1 It is the responsibility of the Business Regulation & Governance unit to ensure that all informal traders who have been successful in obtaining an informal trading license/permit pay rental for the trading space allocated to them.
- 12.2 The Business Regulation & Governance unit shall develop criteria for the determination of rentals payable for trading space allocated in accordance with this policy.
- 12.3 The methodology used to determine an amount of rental payable should take into account, inter alia, the services and infrastructure available at the trading space allocated.
- 12.4 Initially determined rental amounts may not be increased within a period of 1 year from the date of its determination.
- 12.5 Any increase in rental may not be effected unless the affected informal trader has been given 30 days' notice of such increase. Such notice may be in the form of an announcement poster placed at the informal trader's market or place of trade.

13. PERMISSIONS FOR PERIODIC MARKETS

- 13.1 Periodic markets are markets which locate alongside stadiums and public event areas and occur specifically at public events, such as music concerts, festivals and fairs, religious celebrations and cultural holidays.
- 13.2 What is commonly referred to as flea markets, bargain markets, craft markets, artifacts and curio markets, tourist markets, and which are not permanent in nature, are included in the definition of periodic markets.

- 13.3 Periodic markets are not permanent markets, either because the market is linked to events which occur periodically, or the space in which the market is held is occupied by other uses when the market is not open, or the purpose of the market is specifically to highlight and promote specific goods or cultures.
- 13.4 It is the responsibility of all periodic market organizers or operators, falling within the definition and scope of this policy, to seek permission to operate such a market from the City if it is intended that the market will operate in public spaces.
- 13.5 The Business Regulation & Governance unit will develop processes and procedures for the granting of limited period permissions for the operators of periodic markets within markets that are assigned to the Business Regulation & Governance unit.

14. APPEALS PROCESS

- 14.1. An informal trader who is aggrieved regarding the trading space assigned to him/her and /or rental payable may lodge an appeal and request reconsideration of the decisions made in this regard.
- 14.2. In the case of a trader being refused a permit or having his permit revoked, the appeal procedure will be conducted
- 14.3. The Business Regulation & Governance unit must ensure that an effective and legally compliant appeals process is in place in order to process any appeals lodged by aggrieved informal traders.
- 14.4. Informal traders must be advised of an opportunity to appeal against the refusal and/or revoked of permit, allocation of space or rental required of him/her.
- 14.5. A criminal act will be dealt with through the appropriate criminal procedures.
- 14.6. The trader will have the opportunity to put his/her case forward at an inquiry and he/she will be permitted to call any witnesses to testify on his/her behalf. Minutes will be kept of all inquiries and will be available to all interested parties
- 14.7. The turnaround time for any appeals process initiated in terms of this Clause should not exceed 60 (sixty) days

15. PROHIBITED GOODS

- 15.1. The following goods may not be sold by street traders in the residential area. (Urban and Rural areas)

- 15.1.1. live-stock, pets, reptiles, birds, rabbits, wild animals and, or poultry, except with the prior written approval of the Council as required by the provisions of the Animal Protection Act 71 1972;
- 15.1.2. the street trader should also obtain a clearance permit obtainable from the SAPS in terms of Stock Theft Control Act
- 15.1.3 if approval is granted in terms of (15.3) , live-stock, pets, reptiles, birds, rabbits, wild animals and, or poultry must be kept in kept in a kraal and the street traders must ensure all animals on sale are regularly diagnosed in terms of the applicable legislation.
- 15.1.4. A street trader should remove all animal at the end of trading hours.
- 15.1.5. All animals mentioned on (a) should be isolated in terms of the Animal Diseases Control Act and should not be for sale until a veterinary technician diagnose all of them .
- 15.2 Raw meat or raw fish;
- 15.3. Milk and yoghurt
- 15.4. Any form of alcohol or alcoholic drinks;
- 15.5. Vehicles, trailers or caravans;
- 15.6. Any noxious or smelly substance or article that may cause a nuisance;
- 15.7. Pesticides, insecticides, poisonous and, or hazardous substances;
- 15.8. Any counterfeit goods or articles and any goods prohibited by legislation;

- 15.9. Drugs
- 15.10. Medicine and drugs as may be determined in terms of application legislations
- 15.11. Guns and other weapons
- 15.12. Cosmetics
- 15.13. Clay soil
- 15.14. Endangered Species.

16. PROHIBITED PERSONS

- 16.1 The following persons are not allowed at a street trading site
 - 16.1.1 Children under the age of 16 in terms of Children are Act and the UN Convention of Age.
 - 16.1.2. Illegal immigrants not in possession of relevant documents as determined by the Immigration Act and the Refugee Act.
 - 16.1.3. Any person classified as a security risk in terms of the applicable legislation
 - 16.1.4. Sex workers
 - 16.1.5. Protected ornaments and artwork pieces

17. PROHIBITED ACTIVITIES AT A SITE

- 17.1. Drinking beer
- 17.2. Playing music with high sound volume
- 17.3. Gambling
- 17.4. Money laundering
- 17.5. Reproduction of materials where copyright and intellectual rights were not obtained
- 17.6. Sleeping overnight
- 17.7. Drugs and human trafficking
- 17.8. Sexual intercourse
- 17.9. Sex work
- 17.10. Distribution of false and malicious information about the Council and its Officials
- 17.11. False marketing
- 17.18. Any other activities not complying with other municipal by laws
- 17.19. Design and manufacture clothes, steel and work on site unless granted permission by Council (either permanent or only for limited demonstration purposes)

18. TRAINING AND MENTORSHIP OF INFORMAL TRADERS

- 18.1. The training and mentorship referred to in this section does not relate to compulsory and/or statutory training required by applicable legislation.
- 18.2. Mentorship refers to a process of providing advice to informal traders, which advice may include improved methods of the provisions of services and high quality goods in a way that promotes success, sustainability and profitability.
- 18.3. It shall be the responsibility of the Business Regulation & Governance unit together to develop Training and Mentorship Programmes for informal traders. These programmes may be offered in conjunction with training partners, (i.e Universities, TVET Colleges, NGOs and any other Government entities dealing with responsible for skills development, SMME and/or entrepreneurial development.
- 18.4. Training opportunities will be available in the Business Regulation & Governance unit, in the first instance, to informal traders who show interest, except those who are required to be trained in terms of applicable legislation.
- 18.5. Informal traders who trade in markets that occur on private property, and which is consequently excluded from operation of this policy, will also be eligible to participate in any training opportunities referred to in this policy.
- 18.6. The Business Regulation & Governance unit shall ensure that all informal traders are aware of the training opportunities on offer by way of a comprehensive communications strategy specifically developed for this purpose.
- 18.7. Training and Mentorship Programmes shall be designed in line with considerations of learning readiness and prior training, know Business Regulation & Governance unit and skills of the trainees, and with the main emphasis and outcome of training

being that of practical implementation and improvement of business skills.

18.8. The curriculum of training on offer may contain such aspects as listed below:

18.8.1. Policy and legislation;

18.8.2. Business legalities;

18.8.3. Regulation and by-laws;

18.8.4. Lobbying and advocacy;

18.8.5. Personal and life-skills;

18.8.6. Business growth and success factors.

18.9. Training being offered shall periodically be monitored and evaluated to ensure value to beneficiaries, effectiveness and credibility of the programmes involved.

19. INCUBATION AND COOPERATIVES DEVELOPMENT

19.1. Incubation is a process through which trainees with basic business training are linked with others who have the common vision to identifying new locations and products to be offered for sale. The concept has the potential to accommodate large numbers of beneficiaries, depending in part on the goods and/or services that are the subject of incubation.

19.2. It shall be the responsibility of the Business Regulation & Governance unit to facilitate the running of Incubation Programmes for informal traders, based on a transparent and consultative approach of which all involved shall be made aware. The criteria for the selection of participant beneficiaries

shall also take into account the needs and expectations of targeted informal traders.

19.3. Traders who opt to participate in any Incubation Programme may be required to discontinue their individual businesses in favor of joint efforts with colleagues.

19.4. Co-operatives Development for Informal Traders may be facilitated by the Business Regulation & Governance unit in line with the Co-operatives Act of 2005 and should link in with any Incubation Programmes being offered.

20. LAW ENFORCEMENT

20.1. Law enforcement will cover the areas of illegal and prohibited conduct, including but not limited to:

20.1.1. The policing of restricted conduct,

20.1.2. The policing of contraventions of Regulation 918 promulgated under the Health Act;

20.1.3. The policing of trading in prohibited and restricted areas.

20.2. Law enforcement in respect of illegal and/or prohibited conduct shall be undertaken by City of Mbombela law enforcement unit specifically constituted for this purpose.

20.3. Law enforcement in respect of the removal and impoundment of goods shall be carried out by the City of Mbombela By-Law Enforcement unit in line with the informal/ street-trading by-law.

- 20.4. The extent of law enforcement action taken against illegal or prohibited activities must be relative to the processes and structures in place in the City. The policing and requiring of permits cannot be enforced before the Business Regulation & Governance unit has the necessary processes and structures in place to ensure the issuing of permits.
- 20.5. The Business Regulation & Governance unit together with City's By-Law Enforcement unit and Urban Management and any other relevant stakeholder, shall plan for the phased-in implementation of this policy, and consequently law enforcement action in terms of this policy and any by-laws which this policy may inform.
- 20.6. They shall draw an awareness programme through a Communication strategy which shall include educating informal traders about this Policy. The policy shall also be translated into Vernacular Languages, and e.g. SiSwati etc. in a form of shall booklets
- 20.7 All laws will be enforced related to conduct, health and safety and the trading in prohibited areas. The policy, including by-laws will be work-shopped with all new permit holders, when they receive the permit, and with existing permit holders.

21. CONSULTATION AND STAKEHOLDER INVOLVEMENT

21.1. Organisations and Forums Supporting Development

21.1.1. Multi-stakeholder engagement platform

- 21.1.1.1. Planning and development of the sector requires engagement of all stakeholders, each stakeholder may require its own forum to discuss issues internally before it is brought to a multi-stakeholder platform. The City will

establish, with its stakeholders, one multi-stakeholder platform for engagement around matters relating to the informal trade sector.

21.1.2. *Trade Associations and Development Organisations*

21.1.2.1. Specific organisations and engagement platforms may be required to address the needs of specific groups (employees and employers). Support to establish and sustain trader associations should be offered. The support of and, where feasible, the establishment of new industry specific organisations (intermediaries), shall be undertaken.

21.2. An Informal Trading Forum therefore shall be established as a forum for consultation and resolution of issues that may arise relating to informal trading throughout the City.

21.3. The Informal Trading Forum shall determine its own terms of reference

21.4. The informal trading sector representatives shall also be invited to attend the Mbombela Economic Development Partnership (MEDP) meetings.

21.5. The Informal Trading Forum will comprise duly appointed representatives from all Informal Traders organizations representatives of all legitimate Market/Street Committee Reps etc. that exist within the jurisdiction of the City, business, commerce, property owners and developers as well as other interested parties who may from time to time apply to make presentation to the Forum.

21.6. The Business Regulation & Governance unit shall undertake a verification process of all the Traders Associations and Representatives to verify their legitimacy and democratic representation.

| | |
|---|---|
| Business Regulation | <ul style="list-style-type: none"> - Regulate and Administer Trading - Convene multi-stakeholder forums - Location, layout and forward planning - Site specific planning (linked to development applications) |
| b) Spatial Planning and Urban Design | <ul style="list-style-type: none"> - Infrastructure specification and project packaging |
| c) Building and Development Management | <ul style="list-style-type: none"> - Screening of possible developments for integration of trading |
| d) Land Use Management | <ul style="list-style-type: none"> - Facilitate appropriate zoning for trading - Identify and facilitate the use of land for trading in the appropriate manner |
| e) Roads and Storm-water | <ul style="list-style-type: none"> - Land use budgeting for economic purposes |
| f) Human Settlement | <ul style="list-style-type: none"> - Incorporate and promote trading in and adjacent to event footprints |

| | |
|---|--|
| g) Events Management | - Developmental Law Enforcement |
| h) Safety and Security | - Enforce law on roads and intersections. |
| i) Traffic Services | - Incorporate informal trading planning at public transport hubs/terminals and interchanges |
| j) Public Transport | - Investigate and implement funding mechanisms for reinvesting permit fees into urban management |
| k) Finance Department | - Issue and enforce health certificates for food traders |
| l) Environmental Health Department (EDM) | - Improve hygiene practices through training |
| m) Property Management | - Facilitate leasing of Council Properties (land and buildings) |
| n) Parks Department | - Facilitate utilization of Public Space (Parks) |
| o) Infrastructure | - Plan, spec and provide electricity and infrastructure where appropriate |
| p) Water and Sanitation | - Plan, spec and provide water, Sanitation. |

| | | |
|------------------------|---|---|
| Formal Business | <ul style="list-style-type: none"> - Provide goods/ services desired by the public - Provide quality goods and services to the public | <ul style="list-style-type: none"> - Trade - Abide by laws for the comfort, health and safety of the public - Engage other stakeholders directly via at dialogue institutions or via representatives such as trader associations |
| Public Consumer | <ul style="list-style-type: none"> - Exercise preference through purchasing goods/services - Consumer Watchdog | <ul style="list-style-type: none"> - Engage in dialogue forums - Abide by laws - Inform regulator of infractions of the law |

23.

PLANNING AND MANAGING INFORMAL TRADE

From an operational perspective this policy aims to achieve sustainable urban management. To this end, planning and design is required to accommodate informal trading in designated streets, public open spaces and markets. The full integration of informal trading into the planning, design and management of the City is therefore necessary in order to

enhance the City, promote economic development and expand employment opportunities.

23.1 Policy Tools

23.1.1. There are four key implementation principles which are planning, registration, space allocations and the permit fee structure.

23.1.2. Planning:

New markets and trading opportunities must be properly planned, bearing in mind the economic needs of all stakeholders, such as the need for more vibrant land use and the need for orderly town, spatial and transport planning, as well as health and safety. Existing markets should be managed properly and new trading sites or market developments must be informed by a spatial and economic rationale.

23.1.3. Registration:

For management purposes (space, equity and trader/employee development, rental collection) registration of all informal traders is required.

Registration gives permission to operate, and provides access to services and support.

Data on registration will be kept in the centralised inter-departmental information system, which will link where traders are, the sectors they work in, with registration, permit-fee payment status, environmental health and the enforcement function.

23.1.4.

Allocations:

The aim of the allocations procedure specified in **Point 10** is to support sustainable growth and provide opportunities for new entrants, in an economically sustainable and socially useful way. The criteria for allocations will be negotiated locally with stakeholders; the allocation of sites will then be done by City officials. The allocations procedure shall be used to balance access to opportunities between established traders and new entrants.

23.1.5.

Permit Fee structures:

Value is placed on sites through a system of differentiated tariffs. Fees will be linked to site size, desirability of location and the level of services provided. Levels will be determined by considering the cost to local government of providing the facility, bearing in mind the need to subsidise opportunities in appropriate areas. Certain areas may be discounted depending on the following:

- a) the nature of the good/service traded
- b) the socio-economic conditions of the surrounding area.

23.2

Planning For Informal Trade: Optimal Urban Locations

23.2.1.

Strategic Planning Exercise

23.2.1.1.

The City, as well other stakeholders, will play an important role of identifying future or potential suitable trading areas that are either regionally or locally strategic for informal trading.

A strategic spatial planning exercise (forward planning and pre-emptive) will identify components of the urban landscape that would reinforce informal trading and vice versa, both current and future opportunities; such as, the City's Transport system, transport interchange hubs as well as identifying the

interaction between formal and informal economic activities. Planning should aim to ensure the sustainability and growth of the enterprise while taking into account the needs of other users/stakeholders. The output of the strategic planning process will feed into the trading plan processes and the identification of high demand zones.

23.2.2. High Demand Zones

- 23.2.2.1. In the course of the strategic spatial planning exercise for the identification of high demand zones within any one of the economic centres; areas may be identified as current, or future potential high demand zones. These areas will be managed, periodically, with a regime that reflects their demand; this means that price, time and permit holder will be flexible to match demand. Allocations will be made on a shorter term basis, and space will be priced according to its value (as per rental policy) and allow for maximum rotation of traders (for both equity and trading mix) while maintaining the quality and integrity of the High Demand Zone.

23.3 Development Support

23.3.1. Direct Support

- 23.3.1.1. Direct support offered to traders and their employees may include business or technical training and mentorship, depending on the need. These will be piloted and provided by stakeholders and partners. The development support required will be determined at an area level, linked to the trading plan and developed by the stakeholders in the area.
- 23.3.1.2. New traders will be encouraged to join a trader association in the trading area

- 23.3.1.3. Traders will be assessed at the permit application stage and encouraged to register at one of the industry-development organisations related to the trader's goods/service (should those be available)

23.3.2. Indirect Support

- 23.3.2.1. A range of indirect support will continue to be provided to the sector through the City and other stakeholder with input and involvement of the sector. This could include:

- a) Roads, water, sanitation
- b) Planning (spatial, land use, other)
- c) Site identification, preparation and development
- d) Contract development and legal services
- e) Management and regulatory services

24. Funding Urban Management

- 24.1. The City, with the relevant stakeholders, will seek out alternatives mechanisms to provide for the urban management; management may include safety and security services (e.g. officers of the peace), infrastructure maintenance and services (cleansing, sanitation, water, other).

Funding mechanisms may include, inter alia:

- a) Dedicated Budget Allocations

- b) Streaming revenue collected from informal trading and assigning it directly to the management of informal trading.
- c) Leasing or Management Agreements
- d) Advertising Sponsorships
- e) Partnerships with Stakeholders

24.2. Developing a fair, equitable and transparent pricing and effective funding mechanisms will be an important step forward towards the development of the informal trade sector.

25. MONITORING AND EVALUATION

25.1. Coordinated by the Economic Development Department:

- 25.1.1. Annual monitoring of the policy implementation shall take place and
- 25.1.2. Bi-annual evaluation shall be undertaken via the multi-stakeholder engagement platform
- 25.1.3. At the end of five years, the policy shall be reviewed against the problem statement, and the policy directives set out in this policy. A new problem statement and set of objectives should be determined by the all the stakeholders.
- 25.1.4. Alternative forms of monitoring shall also be used such as surveys, focus group discussions or workshops. The City shall also investigate, as part of a monitoring system, a telephone hotline be established to provide information, register queries or log issues relating to the sector.
- 25.1.5. In addition, the monitoring system shall be established in order to:

- a) Provide a centralised hub of data to allow the stakeholders to utilise the informal trading data and incorporate the informal economy into their planning processes and strategies
- b) Conduct trend analyses and anticipate the growth of the sector over time
- c) Identify the needs of the sector
- d) Map of informal trading areas and trading bays and any shifts over time.