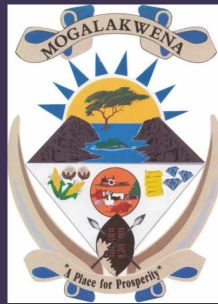


MOGALAKWENA  
LOCAL  
MUNICIPALITY

# LOCAL ECONOMIC DEVELOPMENT PLAN

**PREPARED FOR:**



**PREPARED BY:**



2011-2016

**Mogalakwena Local Municipality**  
**LOCAL ECONOMIC DEVELOPMENT PLAN**

**2011-2016**

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## Table of Contents

### ACRONYMS

### FOREWORD: MAYOR

### PREFACE: MUNICIPAL MANAGER

### EXECUTIVE SUMMARY

## SECTION ONE: INTRODUCTION

1 Background and purpose .....	1
2 Defining a common understanding of LED .....	2
3 Methodology .....	8
4 Resources and data sources .....	10
5 Study area .....	13
6 Structure of remainder of report .....	15

## SECTION TWO: POLICY AND LEGISLATIVE DIRECTIVES

1 Policies and Legislation.....	17
2 Implications for Mogalakwena Local Municipality .....	18

## SECTION THREE: MACRO SITUATIONAL ANALYSIS

1 Demographic and socio-economic profile.....	23
2 Environmental profile.....	37
3 Infrastructure profile .....	43
4 Macro and local economic profile .....	52

## SECTION FOUR: LOCAL SPATIAL SECTORAL ANALYSIS

1 Analysis of the Agriculture Sector .....	72
2 Analysis of the Mining Sector .....	103
3 Analysis of the manufacturing sector .....	116
4 Analysis of the wholesale, retail and trade sector .....	129
5 Analysis of the finance and business services sectors .....	141
6 Analysis of the tourism sector .....	146
7 Summary of major constraints and strengths .....	173

## SECTION FIVE: REVIEWED LED STRATEGY FRAMEWORK

1 Strategic path.....	174
2 Strategic thrusts .....	176
3 Summary of thrusts, programmes and projects .....	205

## SECTION SIX: LED IMPLEMENTATION PLAN AND MONITORING TOOL

1 Implementation guidelines for priority focus areas.....	213
2 Monitoring and evaluation tool .....	271

## SECTION SEVEN: ORGANISATIONAL STRUCTURE

1 Existing institutional structure and framework.....	277
2 Proposed institutional structure and organogram .....	279
3 Capacitation, partnerships, and human capital development.....	291

## SECTION EIGHT: CONCLUSION AND WAY FORWARD

### REFERENCES

**Annexure A:** List of workshop attendees

**Annexure B:** List of additional role-players consulted

**Annexure C:** Policy and legislative directives

**Annexure D:** List of game farms with game permits for game capturing and hunting

**Annexure E:** Project prioritisation criteria

**Annexure F:** Potential funding sources

## Acronyms

- ❖ BBBEE: Broad Based Black Economic Empowerment
- ❖ CASP: Comprehensive Agricultural Support Programme
- ❖ CBD: Central Business District
- ❖ CBO: Community-based organisation
- ❖ DBSA: Development Bank of Southern Africa
- ❖ DEA: Department of Environmental Affairs
- ❖ DM: District Municipality
- ❖ DMR: Department of Mineral Resources
- ❖ DOA: Department of Agriculture
- ❖ DOE: Department of Education
- ❖ DOL: Department of Labour
- ❖ DTI: Department of Trade and Industry
- ❖ DWA: Department of Water Affairs
- ❖ EMF: Environmental Management Framework
- ❖ FET: Further Education and Training
- ❖ GGP: Gross Geographic Product
- ❖ GVA: Gross Value Added
- ❖ HIV: Human Immune-deficiency Virus
- ❖ ICT: Information Communication Technology
- ❖ IDC: Industrial Development Corporation
- ❖ IDP: Integrated Development Plan
- ❖ ISRDP: Integrated Sustainable Rural Development Programme
- ❖ KPI: Key Performance Indicator
- ❖ LED: Local Economic Development Plan
- ❖ LEGDP: Limpopo Employment, Growth and Development Plan
- ❖ Libsa: Limpopo Business Support Agency
- ❖ Limdev: Limpopo Development Corporation
- ❖ LM: Local Municipality
- ❖ LRAD: Land Redistribution for Agricultural Development
- ❖ LTP: Limpopo Tourism and Parks
- ❖ MAC: Manufacturing Advice and Incubation Centre
- ❖ MTSF: Medium Term Strategic Framework
- ❖ NAFCOC: National African Federated Chamber of Commerce and Industry
- ❖ NFLED: National Framework for Local Economic Development
- ❖ NGO: Non-Governmental Organisation
- ❖ NSDP: National Spatial Development Perspective
- ❖ PPP: Public Private Partnerships
- ❖ R&D: Research and Development
- ❖ SDA: Service Delivery Area
- ❖ SDF: Spatial Development Framework
- ❖ SEDA: Small Enterprise Development Agency
- ❖ SMME: Small Medium and Micro Enterprises
- ❖ TGS: Tourism Growth Strategy
- ❖ THETA: Tourism, Hospitality and Sport Sector Education and Training Authority
- ❖ TIL: Trade and Investment Limpopo
- ❖ TISA: Trade and Investment South Africa
- ❖ WHS: World Heritage Site
- ❖ YARD & WARD: Youth & Women's Agriculture Rural Development



## Foreword: Mayor

It is with a sense of gratitude and commitment that we welcome the delivery of a reviewed Local Economic Development Plan (LEDP) and Business Retention and Attraction Strategy as the Mogalakwena Municipality. The process to review the Local Economic Development Plan gave us an opportunity to do a thorough introspection into the implementation of the previous strategy thus providing us with a platform to consolidate our gains and also address our challenges and weaknesses. The LEDP is also delivered at an opportune moment for us given that we have just refreshed our mandate as a Municipality through the recent local government elections. Given current socio-political and economic challenges and needs we are seized with, our people gave us an overwhelming mandate as follows:

- ❖ to fight poverty,
- ❖ increase employment,
- ❖ continue to stimulate the economy of Mogalakwena for further growth
- ❖ and intensify the development of our rural areas thus releasing their potential to participate in mainstream economic activities

The LEDP not only provides us with strategies to achieve the abovementioned, it also outlines an elaborate implementation plan. It should be noted that this plan rests on national, provincial and district growth and development plans so its implementation will give effect to objectives and targets set out in this overall government planning instruments. It also forms an integral part of our Integrated Development Programme.

The LEDP reaffirms and refocuses our Municipalities economic endeavours on four main competitive strengths as follows:

- ❖ Sustainable rural and Agricultural development
- ❖ Mining development
- ❖ SMME's growth and expansion into manufacturing and further diversification
- ❖ Tourism resources maximum utilisation

These competitive strengths were identified and elaborated upon through inputs from all stakeholders who have a potential and those that engages in economic activities in these sectors. Hence it important to carry the consultative processes into the implementation of LEDP, without the involvement of all stakeholders the Municipality will be denying itself of the much needed wealth of human capital. I therefore urge the LED forum to actively ensure that participation of all stakeholders in the implementation of the LEDP is maximised. The LEDP is not a plan for the Municipality as an institution it is a plan of the people of Mogalakwena. Through this plan the people of Mogalakwena will achieve their economic aspirations and needs.

Lastly, it is befitting to thank all those who were involved in the delivery of this plan as their contribution has contributed to propelling Mogalakwena into greater heights.

TOGETHER WE CAN DO MORE

**R E MOTHIBI**  
**MAYOR MOGALAKWENA MUNICIPALITY**



## Preface: Municipal Manager

The purpose of local economic development is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and non governmental sector partners work collectively to create better conditions for economic growth and employment generation. The strategy offers local government, the private and non-profit sectors, and local communities the opportunity to work together to improve the local economy. The strategy is informed by the mission, vision and value system of our municipality and further focuses on enhancing competitiveness, increasing sustainable growth and ensuring that growth is inclusive. The strategy also takes into account various ways in which communities can respond to their LED needs which include:

- ❖ Ensuring that the local investment climate is functional for local business.
- ❖ Supporting small and medium sized enterprises,
- ❖ Encouraging the formation of new enterprises,
- ❖ Attracting external investment (nationally and internationally);
- ❖ Investing in physical (hard) infrastructure;
- ❖ Investing in soft infrastructure (educational and workforce development, institutional systems and regulatory issues);
- ❖ Supporting the growth of particular clusters of businesses;
- ❖ Targeting particular parts of the city for regeneration or growth (areas based initiatives);
- ❖ Supporting informal and newly emerging businesses;
- ❖ Targeting certain disadvantaged groups.

However, for the strategy to succeed there needs to be LED resources that support it. These tools should always be available and be linked to the IDP/Budget processes. Further more the strategy will always succeed if we have a motivated and trained workforce to improve it. The Provincial and National Departments of COGTA have also identified the following key underlying LED principles which this strategy takes into account:

- ❖ Poverty and unemployment are the main challenges facing South Africa. LED strategies must prioritise job creation and poverty alleviation
- ❖ LED must target previously disadvantaged people, marginalised communities and geographical regions, black economic empowerment enterprises and SMMEs to allow them to participate fully in the economic life of the country
- ❖ There is no single approach to LED. Each locality may develop an approach that is best suited to its local context
- ❖ LED promotes local ownership, community involvement, local leadership and joint decision making
- ❖ LED involves local, national, and international partnerships between communities, businesses and government to solve problems, create joint business ventures and build local areas
- ❖ LED uses local resources and skills and maximizes opportunities for development
- ❖ LED involves the integration of diverse economic initiatives in an all-inclusive approach to local development and relies on flexible approaches to respond to changing circumstances at local, national and international level

Lastly, we were able to analyse our existing situation and looked at opportunities for growth hence the best strategies that will assist in terms of achieving our goals.

**SW KEKANA  
MUNICIPAL MANAGER**



## Executive Summary

This LED report for Mogalakwena (20011-2016) has been prepared by Kayamandi Development Services (Pty) LTD on behalf of Mogalakwena Local Municipality. The review of the 2006 Mogalakwena LED entailed: organising the effort, reviewing the LED strategy, developing an implementation plan and monitoring tool, and proposing an organisational structure.

The LED sets out, and is aligned to, various National, Provincial and Local government policies, programmes and initiatives including the standardised framework for LEDs.

The LED also sets out the socio-economic context with regards to demographics, environmental and infrastructure contexts as well as the macro and local economic context in relation to the District, Provincial and country in order to create the background against which an appropriate development path is determined.

A detailed spatial analysis and contribution of the economic sectors to the economy of the Municipality at local level is provided and includes identification of sectoral gaps or constraints and opportunities. A summary of the key constraints and opportunities are as follows:

Sector	Gaps and Constraints	Opportunities and strengths
Agriculture	<ul style="list-style-type: none"> <li>▪ Slow land reform processes</li> <li>▪ Mmechanisation &amp; cheap foreign labour</li> <li>▪ High input costs – farming less viable</li> <li>▪ Little access to markets</li> <li>▪ Water scarcity limits expansion</li> </ul>	<ul style="list-style-type: none"> <li>▪ Red &amp; white meat cluster</li> <li>▪ Poultry cluster: broilers, breeding, free range options</li> <li>▪ Horticulture and crop cluster: citrus and vegetables</li> <li>▪ Agro-processing: aquaculture, oilseed production, Bee farming, red and white meat processing</li> </ul>
Mining	<ul style="list-style-type: none"> <li>▪ Mining development/expansion limited by water</li> <li>▪ Poor quality of roads</li> <li>▪ Limited skills development in mining</li> <li>▪ Lack of beneficiation &amp; limited mining value chain diversification</li> </ul>	<ul style="list-style-type: none"> <li>▪ Rich mineral resources &amp; major platinum producer</li> <li>▪ Mining exploration, revitalisation &amp; expansion</li> <li>▪ Exploration along the Platreef</li> <li>▪ Tin &amp; fluorite mine revitalisation</li> <li>▪ Matlala stone crusher &amp; pebble co-operative</li> <li>▪ Granite, clay and limestone beneficiation</li> </ul>
Manufacturing	<ul style="list-style-type: none"> <li>▪ Small base cannot compete with Gauteng</li> <li>▪ Lack of industrial incentives for investors &amp; SMME's</li> <li>▪ Leakage of buyer power</li> <li>▪ Water scarcity</li> <li>▪ Struggles to meet demand for exports</li> <li>▪ Need to employ locals &amp; provide training</li> </ul>	<ul style="list-style-type: none"> <li>▪ Vacant industrial space</li> <li>▪ Functional Industrial Precinct at northern industrial area</li> <li>▪ Dairy: goat &amp; cattle milk</li> <li>▪ Livestock: cold meats, venison, poultry, etc</li> <li>▪ Horticulture &amp; crops: bottle vegetables, jams, juice, beer</li> <li>▪ Develop co-ops linked to meat &amp; horticulture clusters</li> <li>▪ Processing: slate, clay, granite, tin &amp; fluorite, stone</li> </ul>
SMME and trade	<ul style="list-style-type: none"> <li>▪ High unemployment</li> <li>▪ Lack of skilled labour</li> <li>▪ Collapse of SMME projects</li> <li>▪ No capacity to determine economic trends</li> <li>▪ Limited knowledge of existing local businesses</li> <li>▪ Lack of planning to include mining developments</li> </ul>	<ul style="list-style-type: none"> <li>▪ Mokopane provincial growth point</li> <li>▪ Linkages with Botswana/Zimbabwe/Gauteng</li> <li>▪ Nodal development in Mahwelereng</li> <li>▪ SMME development strategy</li> <li>▪ Marketing of local products</li> <li>▪ Trade in mining inputs: catering, supplier inputs, etc</li> </ul>
Tourism	<ul style="list-style-type: none"> <li>▪ Poor infrastructure (basic and accessibility)</li> <li>▪ Located off the N1 to Polokwane</li> <li>▪ Poor network of attractions and signage</li> <li>▪ Some attractions controlled by outsiders entities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Area of natural beauty</li> <li>▪ Internationally recognised Biosphere &amp; WHS</li> <li>▪ Arts and craft</li> <li>▪ Tourists routes</li> <li>▪ Development of cultural/heritage assets- e.g battlefields</li> <li>▪ Agri-tourism on reclaimed land</li> <li>▪ Facilitation of eco- &amp; adventure tourism</li> </ul>

The LED framework to enable the LED unit and other role players and stakeholders to facilitate local economic development in a coordinated and structured manner is summarised as shown below:

<b>LED THRUSTS:</b>			
<b>Sustainable rural and agricultural development</b>	<b>Mining development, support and promotion</b>	<b>Smme support and manufacturing diversification</b>	<b>Tourism resource maximisation and marketing</b>
<b>LED PROGRAMMES:</b>			
Support land claim beneficiaries	Development and support small-scale Black owned mines	Self-sufficiency and SMME development and support	Develop Makapan Valley WHS as a tourism 'icon' and combine related historical/cultural assets
Water scarce new product development	Mining supplier development	Development and management of Mokopane Industrial Precinct	Develop the Waterberg Biosphere and its environs as an adventure and eco tourism destination
Emerging and small-scale Black farmer support services		Agro-processing industrial development	Special Interest tourism development
		Mineral beneficiation	Destination marketing, branding, promotion and awareness

Detailed information regarding potential projects and development facilitation actions required for each programme are provided.

Priority projects and development facilitation focus areas are prioritised through stakeholder consultation and through the use of a project prioritisation matrix required for the 5-year implementation plan of the strategy along with actions plans, timeframes, financial and other resource requirements, a financial plan, and a spatial plan.

A monitoring and evaluation tool is also developed to enable annual review and adjustments as well an economonitor to enable comparison in the economy. To ensure accountability and implementation, the monitoring and evaluation tool and economonitor needs to be utilised on an annual basis. Adjustments to the approach also need to be implemented whenever new information arises or new priorities for direction or action are identified.

The institutional structure and framework provided sets out the proposed institutional structure and the most efficient management structure and the roles and responsibilities involved. Amongst others, a business registration unit is proposed, a researcher and investment officer, and under the responsibility of the project coordinator, a tourism officer and an agricultural officer are proposed.

With diligent implementation of this LED Strategy, which is rooted in the realities of the area, it is expected that economic growth and development of the municipal area can be stimulated to enable increased employment, reduced poverty, and rural development, amongst others.

A graphic for 'Section 1 Introduction' featuring a large number '1' with a grid pattern, set against a background of a landscape with mountains and a body of water. The word 'Introduction' is written in a large, bold, sans-serif font below the number.

This report has been prepared by Kayamandi Development Services (Pty) LTD as part of the Local Economic Development (LED) strategy which is being reviewed for Mogalakwena Local Municipality. This Section sets out the background and purpose of the LED and provides a common understanding of the LED concept in South Africa. This Section also provides the methodology followed, data sources consulted in undertaking the study, describes the study area, and sets out the structure of the remainder of the report.

This section is comprised of the following sub-sections:

- ❖ Background and purpose
- ❖ Defining a common understanding of LED
- ❖ Methodology
- ❖ Resources and data sources
- ❖ Study area
- ❖ Structure of remainder of report

## 1 Background and purpose

Kayamandi Development Services (Pty) LTD was appointed by Mogalakwena Local Municipality to review their LED Plan and formulate a Business Retention and Attraction Strategy for their area of jurisdiction.

The LED plan forms part of the Municipality's overall strategic plan, as outlined in the Integrated Development Planning Process (IDP), in seeking to promote viable local economic activities that benefit the local population, through the creation of direct and indirect employment.

Local government has a constitutional obligation to participate in development. In terms of section 152 of the constitution (1996: 84) local government should “promote social and economic development of communities.” It defines this role as a “central responsibility (for municipalities) to work together with local communities to find sustainable ways to meet their needs and improve the quality of their lives. This has been crafted into a national framework for LED in South Africa. The framework acknowledges that “the majority of South Africans were kept out of the mainstream of the economy through inferior education, restrictions on movement and trade, no access to finance and resources, and deliberate state action that forced people into poverty and distress”.

The purpose of the LED plan is to investigate the options and opportunities available to broaden the local economic base of the area in order to address the creation of employment opportunities and the resultant positive spin-off effects throughout the local economy.

Numerous elements in a local economy can contribute to increased unemployment levels providing an unhealthy environment for investment, which in turns leads to a stagnating local economy. This in turn

can place further strains on an already over extended local resource base, reinforcing the need for an innovative and effective broadening of the local economic base. Which entails introducing new activities, offering incentives, applying new technologies, development of SMMEs, broadening ownership, etc.

This LED plan is prepared in conjunction with a Business Retention and Attraction Strategy. The aim of this study is thus twofold. The LED plan is based on the underlying needs, opportunities and comparative and competitive advantages of the Municipality and provides the Municipality with guidelines to create and facilitate economic development in order to realise the underlying development potential and in order to encourage both private and public sector investment and local job creation. Whereas the purpose of the Business Retention and Attraction Strategy is to interpret the investment climate and opportunities in terms of key investment strategies and programmes and to outline the available incentive schemes and programmes on a national level and highlight the prospects for investment incentives in order to promote investment. Potential financial and non-financial incentives, which could be introduced in the area to attract new businesses, is also provided. The outcome of this step will be an investment strategy.

This plan is to be used by the Local Municipality to assist in ensuring the dedicated and effective utilisation of local available resources and to promote local economic development in a proactive and dynamic manner.

The plan is built on the underlying principle that a gap exists between the existing levels of development in Municipality and the potential level of development. In order to bridge this gap the LED Strategy, therefore, provides the Municipality with the following:

- ❖ A strategically focused local economic development profile
- ❖ Identification of the development potential of Municipality
- ❖ Identification of opportunities for SMME development in Municipality
- ❖ Methods to enhance co-ordination, integration and participation in local economic development
- ❖ Learning tool/s for the sharing of lessons learnt from the project
- ❖ A local economic development plan
- ❖ Sustainable and commercially viable business opportunities appropriately packaged for investment
- ❖ An investment incentive plan with identification of incentives available for business retention and attraction
- ❖ An institutional analysis
- ❖ A implementation and monitoring and evaluation plan

## 2 Defining a common understanding of LED

### 2.1 What LED is not

Local Economic Development is not about municipalities or other public bodies financing small local projects from the public purse. Nor it is about Mayors, Councillors or municipal officials trying to run or manage these or even larger projects. All too frequently these have been initiated without real business plans or any serious notion of sustainability, and they only last and provide temporary employment for as long as the public grant, which created them, lasts.

However, even when this is not so, and the projects are actually or potentially viable and sustainable, they should be run by the direct stakeholders as real businesses, as follows: Whenever possible all projects should be run by the direct stakeholders as real businesses, and be registered companies - for



or not for profit - or co-operatives. A new mindset is needed: LED is about developing robust & inclusive municipal economies, not small unsustainable projects.

Defining LED is not an easy task, as it is an integrated strategy that incorporates a number of important elements. One way of trying to better understand LED is by saying what it is not:

- ❖ LED is not industrial policy and therefore it is also not the same as SMME promotion (though the latter may be part of LED);
- ❖ LED is not community development. Community development is about commonality. It is about self-help groups, mutual assistance and voluntary work to help the disadvantaged and solve health, education, housing and other problems. LED is about competitiveness – it is about companies thriving in competitive markets and locations thriving in a competitive, globalised world; and
- ❖ LED is not poverty eradication. However, LED is concerned, inter alia, with the creation of sustainable jobs that indirectly results in a reduction in poverty.

Local Economic Development is not about “quick fixes” or generating “wish lists.” It requires a practical understanding of what the local area does well and what it has to offer; where its weaknesses and gaps lie, what outside threats and opportunities exist; and, what the local area wants and needs.

## 2.2 What is LED

Local Economic Development is a term which can be used to denote both local and broader actions which seek to build, strengthen and further capacitate local markets vis-à-vis business and employment developments.

LED actions are market based and are more often than not geared towards a business unit, namely small, medium & micro-enterprises (SMMEs) or larger enterprises. Any number of actors and facilitators including national, provincial and local governments and parastatal and development agencies can take up LED initiatives. Accordingly, whereas community development and community economic development initiatives will come to be identified as inherently localized practices, LED actions can span both large geographic areas (e.g. province or nation) in addition to more regional and local areas (e.g. district / local municipality or community areas).

LED actions are therefore those which:

- ❖ Focus on creating sustainable economic growth.
- ❖ Are market-orientated (vis-à-vis business and commercial development).
- ❖ Are multi-sectoral involving the diversification of the economic and employment base within the economy.
- ❖ Are participatory involving multiple stakeholder inclusive of both the public and private sector.
- ❖ Beneficiary is at the individual level through private ownership of the businesses being support and facilitated.
- ❖ And, are those which are focused in supporting businesses which are located in the first (e.g. mainstream) economy.

The purpose of local economic development (LED) is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and nongovernmental sector partners work collectively to create better conditions for economic growth and employment generation.

Local economic development (LED) offers local government, the private and not-for-profit sectors, and local communities the opportunity to work together to improve the local economy. It focuses on enhancing competitiveness, increasing sustainable growth and ensuring that growth is inclusive.

LED encompasses a range of disciplines including physical planning, economics and marketing. It also incorporates many local government and private sector functions including environmental planning, business development, infrastructure provision, real estate development and finance.

Practicing local economic development means working directly to build up the economic capacity of a local area to improve its economic future. Prioritizing the local economy and increasing the productive capacity of local firms, entrepreneurs and workers is crucial if communities are to succeed in the fast changing world. The ability of communities to improve the lives of their members today depends upon them being able to adapt to the fast changing and increasingly competitive market environment.

Each community has unique local conditions that can help or hinder its economic development. These local attributes will form the basis for designing and implementing a local economic development strategy. To build a strong local economy, each community can undertake a collaborative process to understand and act on its own strengths, weaknesses, opportunities and threats. It will then make its local area more attractive to business, workers, and supporting institutions.

Strategic planning for local economic development is a process to secure greater local control over business enterprise, labour, capital and other resources. By undertaking a strategic planning process, scarce resources and key partnerships are targeted to achieve local priorities. Because of the limited success of more traditional economic development that focused almost entirely on outside investment (e.g., attracting foreign capital, “picking the big winner,” “smokestack chasing”), and economic development survival strategies of focusing primarily on micro-business and micro-credit, a modern LED approach is more holistic and comprehensive.

The idea driving today’s LED strategy is that economic activity can be used to improve the quality of life for all members of the community. Today, a LED should go beyond addressing just the economic aspects (growth in jobs, income, business activity) but also consider development (need for structural change, integration between informal and formal sectors, quality of development) and the local community (poverty reduction, increased self-reliance, satisfying basic human needs, mutual commitment, integrated social and environmental objectives). This view recognizes that LED cannot succeed if it is seen as an exercise in choosing a winning project. This is doing economic development planning backwards. Doing LED the right way requires first having a clear local economic development strategy that comprehends the reality of the marketplace, helps create a positive environment for economic activity, and reflects the values of its citizens. LED strategies may be initiated as a result of a broader strategic planning process, or may be a reaction to fundamental problems in the community, like the need for poverty reduction or job creation. In any case, LED will need to be integrated with other plans and processes. In short, strategic planning is a decision-making process that focuses attention on important issues and on how to resolve them with scarce resources. Strategic planning provides a general framework for action – one that can be modified as needs require.

### 2.3 Why plan for LED

Globalization, rapid urbanization, and market liberalization present new development challenges, particularly at the local level. Very few municipalities or communities are going to become the next “Silicon Valley” or attract “the big winner” (e.g., a car factory) that will cure the local economic ills. In fact, these “big winners” often come with their own set of problems: pollution, instability, dislocation, exhaustion of natural capital, and over-dependence on one employer. They may actually be



disadvantageous for the local community over the long term. With small businesses typically generating most of the job growth worldwide, economic development, as a general rule, should start by thinking small and working to develop existing businesses. Almost always the economic development process for each unique community is more fundamental: understanding what the community is good at and what it has to offer; where the community's weakness and gaps are, what outside threats and opportunities exist, and what the community wants and needs. Success in LED depends on creating markets that operate efficiently, but appropriately, within the local context.

A variety of benefits and challenges of planning as best identified by Un-Habitat and EcoPlan International, (2003) are as follows:

#### **Benefits of Strategic Planning for LED:**

- ❖ Creates more, better quality local jobs and local wealth
- ❖ Enables communities to better manage change and shape the future
- ❖ Provides shared understanding on priorities, and direction on local economic issues and on what needs to get done
- ❖ Serves as a bridge between the local authority and the larger community
- ❖ Improves leadership and opens communication
- ❖ Provides opportunities for cooperation and partnerships
- ❖ Opportunity for community participation that can generate broad agreement on strategic directions
- ❖ Can mobilize a diverse and broad range of organizations and interests
- ❖ Provides a high level of credibility and community buy-in
- ❖ Develops results-oriented action plans with targets, timelines, roles, responsibilities and budgets
- ❖ Allows for monitoring, evaluation, and adjustment to changing conditions
- ❖ Promotes a strategy that reflects community interests and economic realities

#### **Challenges of Strategic Planning for LED:**

- ❖ Getting the process started (this requires leadership, vision and motivation)
- ❖ Keeping the process going once it is started (this requires strong skills in group facilitation, communication, information management)
- ❖ Constraints on timing, budget, skills and capacity to develop the plan
- ❖ Changing governments, staff and members of the stakeholder groups (this requires institutionalization that does not rely on individuals and personalities)
- ❖ Bringing the diversity of community interests together and addressing cultural limitations
- ❖ Difficulty of setting realistic objectives, common priorities and achievable actions
- ❖ Integration of economic planning objectives with other community objectives
- ❖ Issues of jurisdiction: exerting local control over resources or policies may be difficult
- ❖ Capitalizing on opportunities for inter-community cooperation and competition
- ❖ Moving from a state of constant crisis management to long-term strategic planning
- ❖ Getting commitment and resources to follow through and implement the plan
- ❖ Building partnerships takes time.
- ❖ Getting people who currently benefit from the status quo to accept possible changes in the power structure and new beneficiaries
- ❖ Involving poor and marginalized people takes time and money and accessibility needs to be assured

It is also important to understand that LED is difficult to undertake. The mesopartner in [www.mesopartner.com](http://www.mesopartner.com) reveal that LED initiatives in developing countries suffer from four typical inherent problems:

- ❖ A strategy- and planning-driven approach to LED, driven by local authorities whose capacities are already overstretched.
- ❖ A confusion between community development and LED. Any successful LED initiative is based on the involvement of the local community. But LED is about creating favourable conditions for business and alleviating local market failure, whereas community development is about health, housing, education, crime and support for the disadvantaged.
- ❖ An unclear theoretical and conceptual background for LED, and a confusion between business and LED. LED initiatives ought to enable private business. They must not substitute for it.
- ❖ A profound confusion about good practice in terms of governance of LED: Should there be a dedicated agency? What is the respective role of the public and the private sector? How should they co-ordinate their efforts?

## 2.4 LED in relation to IDP

IDP is a process by which municipalities prepare 5-year strategic plans that are reviewed annually in consultation with communities and stakeholders. These plans adopt an implementation approach and seek to promote integration by balancing social, economic and ecological pillars of sustainability without compromising the institutional capacity required in the implementation, and by coordinating actions across sectors and spheres of government.

LEDs must be developed within the context of the provincial Integrated Development Plans (IDP), as described in Section 25 of the Municipal Structures Act.

Integrated Development Planning is a process, through which a municipality prepares a strategic development plan. It draws together all the development objectives of a municipality including Local Economic Development, and formulates strategies to realise those objectives in an integrated manner. This means that everyone is working towards the same goal.

The IDP is a comprehensive plan for the development of the local area. It includes a long-term vision, an assessment of the existing level of social and economic development, the setting of development priorities and objectives, spatial framework and land development objectives, operational strategies, municipal budgeting and other resource allocation.

By drawing together the development objectives, priorities, strategies and budgets in this way, the IDP helps to ensure co-ordination between LED and other initiatives of government. The IDP is now the basic unit of planning for government as a whole.

It is important to note that the IDP process is the single, inclusive planning process within which other processes must be located. LED must be fully integrated within the IDP.

## 2.5 Principles of LED

LED is based upon the following economic principles and should be practiced within the context of the economic principles, referred to in the following Table:

**Table 1.1: LED Principles**

ECONOMIC PRINCIPLE	DESCRIPTION	RELEVANCE TO LED
<ul style="list-style-type: none"> <li>▪ <b>Broaden economic base / diversification</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ An important development principle underlying LED is to broaden the economic base, through the integration of diverse economic initiatives. This principle encompasses a number of the issues including:</li> </ul>	<ul style="list-style-type: none"> <li>▪ Diversification and production of new products and services must be considered when identifying programmes and possible projects.</li> <li>▪ Promote SMMEs, women, youth, disabled individuals and BEE</li> </ul>

ECONOMIC PRINCIPLE	DESCRIPTION	RELEVANCE TO LED
	<ul style="list-style-type: none"> <li>▪ Introducing new activities, which are not currently operational in the area;</li> <li>▪ Development of SMMEs to have a broader representation base on the size of establishments; and</li> <li>▪ Ownership should be broadened to include all members of the community.</li> </ul>	ownership of new and existing companies.
<ul style="list-style-type: none"> <li>▪ <b>Capacity building</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ This principle encompasses the building of capacity of the municipalities and associated public sector role players with respect to LED.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Stakeholder participation at Economic Indabas in LED.</li> <li>▪ LED training (theory and practice) for public officials</li> <li>▪ Business start-up, management and financial training for private sector.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Comparative &amp; competitive advantage</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Comparative advantage indicates relatively more competitive production function for a product or service in a specific local economy than on the aggregate economy (provincial or national). It therefore measures whether a specific economy produces a product more efficiently.</li> </ul>	<ul style="list-style-type: none"> <li>▪ All comparative advantages in the local area must be identified in a SWOT analysis and built upon when identifying programmes and potential projects, thereby exploiting the existing strengths and opportunities in the local area.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Creation of favourable locational factors</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ The environment in which businesses operate must be conducive to conducting business. This includes: <ul style="list-style-type: none"> <li>▪ Reducing the establishment and operating costs of businesses;</li> <li>▪ Improving infrastructure; and</li> <li>▪ Facilitating the provision of trained labour.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ A locational analysis will reveal what locational factors need to be improved upon to promote the local area as a desirable location to conduct business.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Enabling environment</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Creating favourable conditions for the growth and development of business enterprises by reducing risk and making it more calculable by: <ul style="list-style-type: none"> <li>▪ Creating a stable business environment (discussed above)</li> <li>▪ Increase confidence levels of the public and private sector investors; and</li> <li>▪ Unlocking under-utilised resources.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ One of the roles of the local municipality is to create an environment that promotes both existing and new business in the local area. The LED process can be used to facilitate this process.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Historically disadvantaged individuals (HDIs)</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ LED should target HDIs, marginalized communities and geographic regions, BEE companies and SMMEs to allow them to participate fully in the economy.</li> </ul>	<ul style="list-style-type: none"> <li>▪ This principle must be incorporated during the visioning and setting of LED objectives and may be implemented through specific LED projects.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Income generation potential</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ The sustainable income generation potential is a way to measure market potential (i.e. commercial viability) and is used to inform the prioritisation of projects.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The income generation potential of a specific project must be considered when prioritising potential projects.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Integrated / holistic approach</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ An integrated and holistic approach to the development planning process is of paramount importance. This implies that the interrelationships between economic activities and other development dimensions such as the social, demographic, institutional, infrastructural, financial and environmental aspects have been carefully considered.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The situational analysis of the local area will identify social, demographic, infrastructural, financial and environmental strengths and opportunities that must be considered and included in potential LED programmes and projects.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Linkages</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Linkages refer to the flow of goods and services between at least two agents. Linkages with neighbouring economies refer to <ul style="list-style-type: none"> <li>▪ leakages (the net outflow of buying</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ It is important to encourage circular flow of capital within the community.</li> <li>▪ One LED objective is to reduce leakages and increase injections through programmes and projects.</li> </ul>

ECONOMIC PRINCIPLE	DESCRIPTION	RELEVANCE TO LED
	<p>power) i.e. households residing within the study but purchasing goods and services outside the local area; and</p> <ul style="list-style-type: none"> <li>▪ injections, (the net inflow of buying power) i.e. businesses located outside the study area but purchasing products inside the study area.</li> </ul>	
<ul style="list-style-type: none"> <li>▪ <b>Local markets</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ LED aims at creating places and opportunities to match supply and demand as well as to discover, propagate and promote new business opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Current strengths and opportunities for expansion and new ventures will be identified during the SWOT analysis of the area.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Local ownership</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ LED promotes local ownership, community involvement, local leadership and joint decision-making.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The identification and involvement of key stakeholders will ensure that local leadership and the local economy are involved in the LED process.</li> <li>▪ Specific LED projects may be aimed at increasing the number of locally owned enterprises.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Public Private Partnerships (PPP)</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ LED involves local, national and international partnerships (e.g., twinning) between communities, businesses and governments to solve problems, create joint business ventures and build up local areas.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The establishment of PPPs should be explored in the implementation of projects.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Promoting business</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ This can be the promotion of existing business, start-ups or external companies coming into a location.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Local municipalities are responsible for creating an enabling business environment that encourages the expansion of existing business and the emergence of new business ventures.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Maximise the use of existing resources</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ LED aims at making better use of locally available resources and skills and maximises opportunities for development of resources.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Local skills and resources of the local area must be identified during the situational analysis and ideally must be utilised during the implementation of projects, as extensively as possible.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Promoting SMMEs</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ It is important to involve and uplift the SMME sector through enhancing the capacity of local entrepreneurs by establishing support measures and incentives to promote participation. This suggests that appropriate technology transfer needs to place in an environment conducive for the successful establishment of SMMEs.</li> </ul>	<ul style="list-style-type: none"> <li>▪ An enabling environment in which SMMEs can be established and maintained must be created; and</li> <li>▪ SMMEs can be promoted through specific projects.</li> </ul>

### 3 Methodology

The review of the Mogalakwena LED is comprised of the following elements:

- ❖ Organising the Effort
- ❖ Reviewing of the LED Strategy
- ❖ Implementation Plan and Monitoring Tool
- ❖ Organisational Structure

The actions of the elements are shown in more detail in Table 1.2 below.

**Table 1.2 Action plan for LED review****ELEMENT # 1: ORGANISING THE EFFORT**

Detailed action plan:

- Cost and time breakdown

Stakeholder/beneficiary analysis:

- Identification of stakeholders: public, private and community
- Means of involving stakeholders
- Roles and responsibilities of stakeholders
- Establish a Steering Committee
- Mobilise LED forum and clusters

Analysing resources:

- New legislation, policy, strategies and plans incorporation

Defining common understanding:

- LED concept and background
- Shared LED vision, mission, goals, and objectives of reviewed LED strategy

**Deliverable:** Stakeholder analysis and local resources assessment**ELEMENT # 2: REVIEWING OF THE LED STRATEGY**

Obtain &amp; review municipal background information:

- LED, SDF, IDP, tourism strategy, etc

Obtain &amp; review Provincial &amp; District documents:

- PGDS, LED, SDF, IDP, sector strategies, etc

Develop amended structure aligned to above

Status quo update:

- Demographics update
- Socio-economic situational analysis update
- Needs and priority changes

Macro economic review &amp; analysis:

- Macro economic profile update
- Economic base, employment and growth
- Competitive and comparative advantages

Local sectoral profile review:

- Sectoral production and linkages
- Market trends

SWOT analysis:

- Gap and opportunity analysis

**Deliverable:** Economic profile status quo

Revise development framework/clusters: Vision, Thrusts, Opportunities update

Revise thrusts/programmes and projects

**Deliverable:** Reviewed LED strategy**ELEMENT # 3: IMPLEMENTATION PLAN AND MONITORING TOOL**

Identify priority focus areas:

- Project prioritisation matrix

Develop action plans:

- Priority project action plans
- 5-year action plan
- Finance plan
- Spatial plan

Develop a monitoring &amp; evaluation tool:

- Indicators and proxies
- Aligned to goals and objectives

**Deliverable:** Reviewed implementation plan and monitoring plan

**ELEMENT # 4: ORGANISATIONAL STRUCTURE**

Review institutional structure & framework

- Position of LED unit in organisational structure
- Job descriptions
- Training requirements

Proposed institutional structure and organogram

- Management plan
- Institutional plan
- Implementation role

**Deliverable:** Proposed organogram of the unit

**4 Resources and data sources****4.1 Stakeholders and role players**

Any local development effort involves public and private actors. The basic pattern of a successful LED effort involves a network, not an organisation. LED is based on a policy-network, i.e. a set of different actors, governmental as well as non-governmental. The reason is the fact that each actor contributes specific resources – legislative power, money, information and knowledge, prestige, and others.

On the public side, the legislative and several branches of the local or regional executive have to play a role. On the private side, chambers and other business associations have to participate. But there may also be active involvement of companies, most obviously real estate and development firms and utilities, but also other companies, such as large firms involved in supplier development or community development activities. NGOs also may play a role.

Successful LED is based on a constructive relationship between local government, the private sector and possibly other stakeholders.

The LED initiative must be “owned” by a particular institution or person to take responsibility for the management of the process. One of the first components in the LED process was to identify the designated LED coordinator, namely the LED unit of the Mogalakwena Local Municipality. Staffing of the LED unit is as follows: a divisional Head, LED coordinator, and 3 project officers. I.e. a dedicated LED unit is assigned to manage the LED planning and implementation process.

It is important to recognise that LED process requires agreement and cooperation among a wide range of stakeholders who might profoundly disagree on numerous key issues. Therefore, the purpose of the coordinator is to create an environment for constructive and cooperative interaction and to maximize the productivity of group work and participation.

LED coordination, however, requires support in the LED process. As such a LED Steering Committee was identified. The organisations from the LED steering committee that has been established is shown in Table 1.3 below.

**Table 1.3: LED Steering Committee**

ORGANISATION	NAME
DLGH	Elphy Shikuhela
Mokopane Business Chamber	Andy Goetsch
Mokopane Business Chamber	Piet de Bruyn
Mokopane Business Chamber	Gerrit van der Veen
NAFCOC	Frans Tloubatla
NAFCOC	Moima
NAFCOC	Makwarela
Mogalakwena local municipality	Madimetja Hendrick Seodisha
Mogalakwena local municipality	Tezz Maharala
Mogalakwena local municipality	Mekeng Magale
Waterberg District municipality	Matome Makgoba
TIL	Donnadelliah Maluleke
TIL	Tebogo Moshakga
Limpopo Department of Agriculture	Ditshwanelo Lubuku
LEDET	Matome Moremi
LEDET	Mabetwa Lucas
LIBSA	
<b>SEDA</b>	
NARFU	
Waterberg Development Agency	
Office of the Premier	

Another key step in organising the effort was to develop a stakeholders forum. A participatory approach to LED involves the inclusion of different stakeholders so that their views, concerns and issues can be included in the planning process. It is also important because it is here that networks, partnerships and information sharing occur that make better, more practical, strategies possible. The stakeholders are listed below.

**Table 1.4: LED forum members**

NAME	POSITION HELD	FORUM
Mr Andy Goetsch	Chairperson of the LED Forum and also Chairperson of the SMME Cluster	LED Forum Executive Committee
Mrs. Johanna Mashilo	Deputy-Chairperson of the LED Forum and also the Chairperson of the Tourism Cluster	
Mr Jack Tlokana	Chairperson of the Agricultural Cluster	
Mr Gerrit van der Veen	Chairperson of the Industrial Cluster	
Mr Phillip Kgaladi	Also on the committee of the Industrial Cluster	
Mark Howitt	Chairperson for the Tourism Cluster	
SMME cluster	Jointly more than 350 members Includes mining roleplayers Organised agriculture	LED Forum members
Tourism cluster		
Agriculture cluster		
Industrial cluster		



Due to uncertainty regarding the composition of the LED forum members the Steering Committee was requested to ensure that the forum includes:

- ❖ Private sector, NGOs/CBOs, financial sector role-players
- ❖ Agencies: LIBSA, LIMDEV, LTP, TIL, SEDA, WEDA
- ❖ Prominent and credible community leaders
- ❖ Mining role-players
- ❖ Organised agriculture

Stakeholders need to be involved in the process in a way in which they feel that their voice will be heard and taken into consideration. The key is to have a well-structured process that promotes openness, fairness and respect and yet does not overburden the LED planning process. Stakeholders targeted for participation in LED planning were involved in the LED sectoral workshops held as part of the LED review during the week ending 11 February, 2011. **See Annexure A** for a list of workshop attendees.

In-depth interviews were also held with a range of role-players, which included:

- ❖ Municipal officials of Municipality
- ❖ Agricultural sector role-players
- ❖ Tourism sector role-players
- ❖ Mining sector role-players
- ❖ SMME development role-players,

Refer to **Annexure B**, for a complete list of role-players consulted.

## 4.2 Data sources

It is critical to ensure that the LED strategy is aligned with existing planning and strategies, particularly National targets and the local IDP.

The **Provincial** resources analysed and aligned to include:

- ❖ Limpopo Employment, Growth and Development Plan, 2009 – 2014
- ❖ Status of Co-operatives in Limpopo, 2007
- ❖ Limpopo Co-operatives Strategy
- ❖ Limpopo SMME Strategy
- ❖ The Status of Rural Trade in Limpopo, 2007
- ❖ Outcome 9
- ❖ The Impact of Government Procurement on Enterprises in Limpopo, 2007
- ❖ The Simplified Standardised Framework for LED for the Limpopo Province
- ❖ LED Log Frame
- ❖ Limpopo Tourism Growth Strategy
- ❖ Limpopo Strategy for Agriculture 2007

The **District** resources analysed and aligned to include:

- ❖ Waterberg District Municipality IDP, 2009/2010
- ❖ Waterberg District Municipality LED, 2007
- ❖ Waterberg District Municipality SDF, 2009
- ❖ Waterberg District Municipality EMF, 2010
- ❖ Waterberg District Municipality Agriculture Strategy, 2005
- ❖ Waterberg District Municipality Mining Strategy, 2005
- ❖ Waterberg District Municipality Tourism Strategy, 2006
- ❖ Waterberg District Municipality Marketing and Investment Strategy



The **Local** resources analysed and aligned to, include:

- ❖ Mogalakwena Local Municipality LED, 2006
- ❖ Mogalakwena Local Municipality SDF, 2009
- ❖ Mogalakwena Local Municipality IDP, 2010/2011
- ❖ Mogalakwena Local Municipality Tourism Strategy Report, 2008
- ❖ LED Forum/Stakeholders Workshop outcomes
- ❖ Mokopane CBD development Plan, 2011

Various other secondary data sources were also consulted. For a comprehensive list of secondary sources, refer to the list of references.

## 5 Study area

Mogalakwena Municipality, hereafter referred to as the study area, is situated in the western quadrant of the Limpopo Province, within the Western District of Waterberg Municipality, and is boarded by Aganang in the East, Mookgopong to the South, and Lephalale to the North. Refer to Figure 1.1.

The Waterberg District is one of five districts that form the Limpopo province and is geographically the largest District in the Province but has the smallest population compared to the other Districts. The District borders on North-West and Gauteng and forms the boundary with Botswana. This implies that it serves as an important conduit between Botswana and the rest of South Africa.

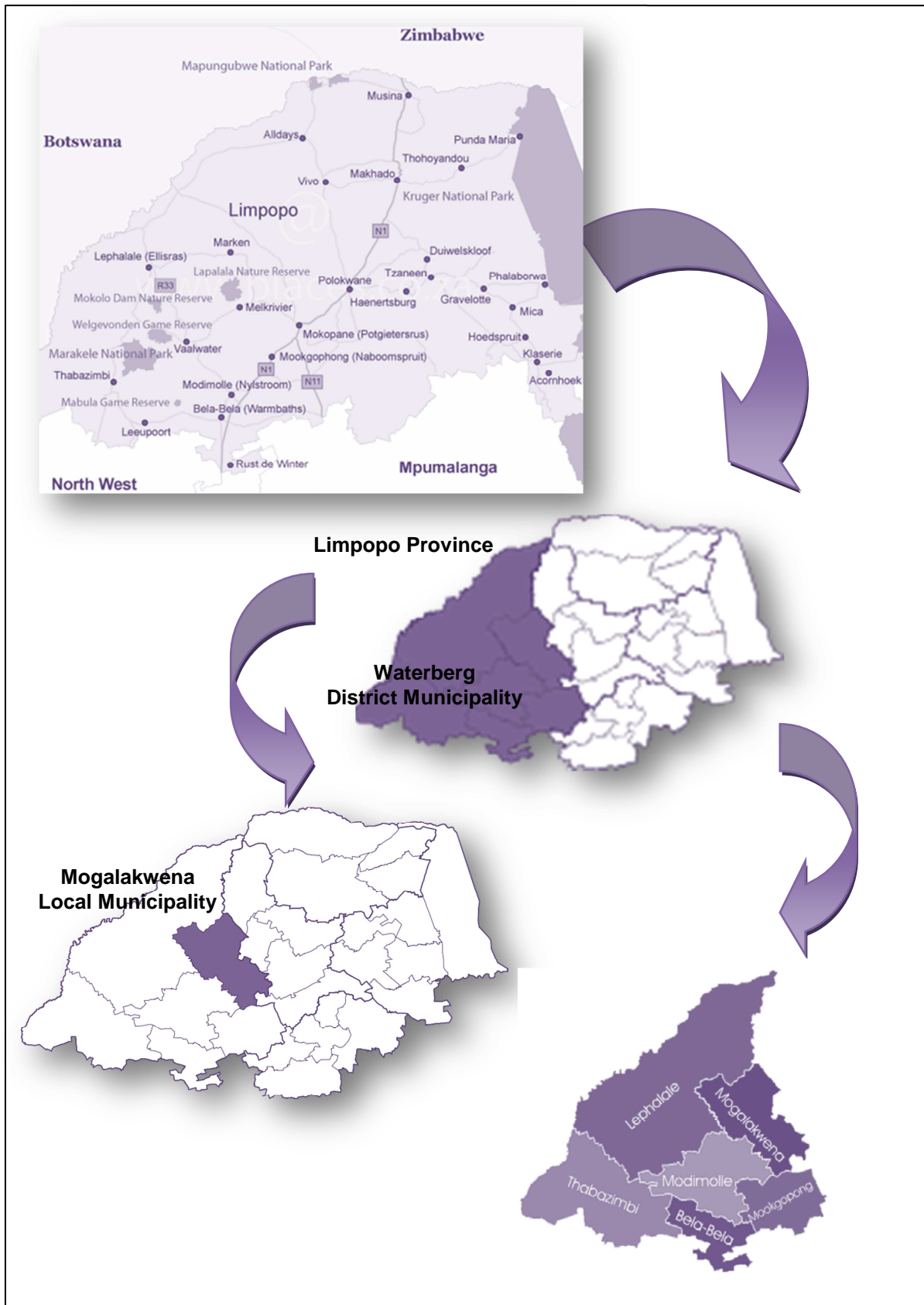
Within the Province, the District shares its borders with the Capricorn District Municipality to the North and the Greater Sekhukhune District Municipality to the East. Waterberg District Municipality is a home to six local municipalities namely Bela-Bela, Lephalale, Modimolle, Mogalakwena, Mookgophong and Thabazimbi. There are two national roads that pass through the district. The one is the N1 freeway between Gauteng and Zimbabwe and the other is the N11 that link the Mpumalanga province and Botswana.

The District is a breathtaking beautiful part of Limpopo, and an area of great natural beauty. It is rich with natural resources. The district is a well known tourist destination with an international recognised Biosphere Reserve, the Nylsvley Nature Reserve that has been accorded RAMSAR status, and the Makapans Valley World Heritage site. Being predominantly rural, most of the District is suited for livestock production but also with some major cropping taking place in cotton, sunflower, tobacco, and soya bean production.

The Mogalakwena Municipality covers an area of approximately 616,600ha. The town is named after Chief Mokopane, chief of the Tlou tribe (Ndebele (also known as Makapan)) in the 1850s and was previously known as Potgietersrus after the Voortrekker leader Piet Potgieter who was fatally wounded during the campaign against Makapan in 1854.

Stunning bushveld environment, numerous nature reserves and a multi-cultural community and history give Mokopane a unique character. The area is rich in minerals, platinum, diamonds and granite. In the adjacent rural area of Mahwelereng traditional lifestyles are still maintained. Mokopane also offers a wonderful selection of outdoor activities ranging from hiking, camping and 4x4 trails, to birding, angling and game viewing. With the physical resource base that predetermined the mining activity base and agricultural activity, a sense of the patterns that drive economic development in the area is identified.

Figure 1.1: Location of study area



Mogalakwena has a very well defined and established development footprint. Mogalakwena consists of Mokopane, Mahwelereng and Rebone townships, and another 178 villages. Rebone is the biggest township outside of the urban core. The rest of the settlements are mostly distributed in the area between the N11 and R518. Densities decrease as one move further away from the urban core in the south. The municipal area also covers a range of smaller settlements in the area between Mokopane and Rebone about 100km to the north along the N11 and Marken along the R518. The N1, N11, and R518, together with the Mogalakwena River and mountains provide very strong structural elements that shaped the development in the municipal area.

Apart from Mokopane, the Provincial Growth point identified in the Provincial Perspective, the economic sub-region comprises a number of small settlements such as Mahwelereng (nearby Mokopane), Rebone and Bakenberg (both Municipal Growth points identified in the Provincial Perspective). There are also numerous scattered settlements throughout the municipality. See Figure 1.2 for detail.

Mogalakwena has a truly rural character consisting mostly of agricultural land with scattered small settlements dotted throughout the region.

## 6 Structure of remainder of report

The remainder of the report is structured as follows:

- ❖ **Section 2: Policy and legislative directives:** This Section sets out the National, Provincial and Local government policies, programmes and initiatives to which the LED strategy needs to align and/or take into consideration.
- ❖ **Section 3: Macro Situational analysis:** This Section sets out the socio-economic context with regards to demographics, environmental and infrastructure contexts as well as the economic context in relation to the District, Provincial and National context in order to create the background against which an appropriate development path can be determined.
- ❖ **Section 4: Local Spatial Sectoral Analysis:** This Section sets out a detailed analysis of the contribution of the economic sectors to the economy of Municipality at a local level and includes the identification of sectoral gaps and opportunities.
- ❖ **Section 5: Reviewed LED Strategy Framework:** This Section sets out the reviewed LED framework to enable the LED unit and other role players and stakeholders to facilitate local economic development in a coordinated and structured manner.
- ❖ **Section 6: LED implementation plan and monitoring tool:** This Section set-outs the priority projects and development facilitation focus areas prioritised through stakeholder consultation and through the use of a project prioritisation matrix required for the 5-year implementation plan of the strategy along with actions plans, timeframes, financial and other resource requirements, a financial plan, and a spatial plan. A mechanism for LED impact monitoring and evaluation concludes the section.
- ❖ **Section 7: Organisational structure:** This Section reviews the institutional structure and framework, sets out the proposed institutional structure and the most efficient management structure and the roles and responsibilities involved.
- ❖ **Section 8: Conclusion and way forward.**

**Insert Figure 1.2: Settlements within Mogalakwena municipality**



# Section 2

## Policy and legislative directives

Municipalities operate within a complex legislative and policy context. Various Acts of Parliament and policies inform the actions of municipalities. This section provides an overview of the policies, plans and strategies at National, Provincial, District and Local level that have an impact on the Mogalakwena LED.

### 1 Policies and Legislation

The policies and legislation that have been taken into consideration within the review of the Mogalakwena LED and to which the LED are aligned are:

#### National Policies and Legislation:

- ❖ The Constitution of the Republic of South Africa
- ❖ The New Growth Path for South Africa
- ❖ The Medium Term Strategic Framework (2006 to 2009)
- ❖ Integrated Sustainable Rural Development Programme
- ❖ Broad Based Black Economic Empowerment (BBBEE) Strategy
- ❖ Broad Based Black Economic Empowerment Act
- ❖ National Industrial Policy, Framework and action Plan (NTPF)
- ❖ New Partnership for Africa's Development (NEPAD)
- ❖ National Spatial Development Perspective (NSDP) 2006
- ❖ Regional Industrial Development Strategy (RIDS)
- ❖ Co-operatives Act (No. 14 of 2005)
- ❖ White Paper on Agriculture (1995)
- ❖ Land Redistribution for Agricultural Development (LRAD)
- ❖ Small Enterprise Development Agency (SEDA)
- ❖ Municipal Systems Act (No. 32 of 2000)
- ❖ National Framework for Local Economic Development (NFLED)
- ❖ Tourism Growth Strategy (TGS)

#### Limpopo Province Policies and Legislation:

- ❖ Limpopo Employment, Growth and Development Plan 2009 – 2014 (LEGDP)
- ❖ Status of Co-Operatives in Limpopo, 2007
- ❖ The Impact of Government Procurement on Enterprises, 2007
- ❖ The Status of Rural Trade in Limpopo, 2007.
- ❖ The Limpopo SMME Strategy
- ❖ Limpopo Co-operatives Strategy
- ❖ Outcome 9
- ❖ Limpopo Province Simplified Standardised Framework for LED
- ❖ Limpopo Agriculture Development Strategy, 2007

**Waterberg District Policies and Legislation:**

- ❖ Waterberg Spatial Development Framework, 2009 (WSDF)
- ❖ The Mining Development Strategy, (2006)
- ❖ The Waterberg District Municipality Local Economic Development Plan, 2007
- ❖ The Waterberg Investment Policy, 2008
- ❖ The Waterberg Marketing and Investment Strategy
- ❖ The Waterberg Mining Development Strategy, 2006
- ❖ The Waterberg District Agriculture Development Strategy, 2005

**Mogalakwena Municipality Policies and Legislation:**

- ❖ The Mogalakwena Local Municipality Spatial Development Framework, 2009
- ❖ The Mogalakwena Tourism Strategy, 2008
- ❖ Mogalakwena Local Economic Development Strategy, 2006
- ❖ Mokopane CBD development Plan, 2011

Consult **Annexure C** for details concerning the above policies and legislation and the implications of each for Mogalakwena LED review.

## **2 Implications for Mogalakwena Local Municipality**

Each of the documents reviewed for the Mogalakwena LED review has some implications for directives and strategy identification for Mogalakwena. In that context, this section summarises a general overview of the impacts created by these policies and legislation in order to better understand the policy alignment and developmental directions to be undertaken in the LED review.

The development of skills and human capital within the country is a major theme throughout national, provincial, district and local level plans and strategies. This becomes apparent when considering the New Growth Path for South Africa, ISRDP, LEGDP and WLED. The focus is on the development of skills to encourage economic growth in areas where economic development is limited and can be facilitated but requires a skilled labour base. The LEDGP also stated that economic growth and development objectives and the achievement of these objectives are largely constrained by the lack of supporting skills to industries and high unemployment rates.

Job creation is a major focus point for all spheres of government in order to eradicate poverty, create community upliftment and enable sustainable livelihoods. This has been highlighted by documents such as the MSTF, BBEEE Strategy, the BBEE Act, NEPAD, LRAD and the LEGDP. Local level plans such as the WLED and Mogalakwena IDP are focussed on halving unemployment by 2014 by focussing on the major sectors of mining and agriculture. Job creation coupled with skills development are priority issues as a result of its intertwined interaction.

The MSA places great importance on the provision of services within historically disadvantaged communities as well as enabling rural development. Services and the provision thereof is a main directive for government in order to enable local communities to gain community upliftment. The district and local level IDP's focus on the provision of these services to communities throughout the municipality. The focus has also been shifted to the improvement of how services are delivered to these local communities as well as the quality associated with them.

The growth and development of the economy within each municipality and the country as a whole is an important facet noted by numerous policies across governmental levels. This is prioritised by the Constitution, NFLED, the New Growth Path, LEGDP, Waterberg District LED, and the Mogalakwena SDF. The New Growth Path has identified that in order to achieve high levels of economic growth a new direction has to be followed to achieve this, thus the growth path focuses on determining where

economic development and employment can be grown or newly established and also seeks to provide an institutional and strategic framework for accomplishing this. The LEGDP has determined the most critical economic sectors and have created the approach to encourage value-addition and development in these sectors, as well as to use the economic advantages of these sectors to encourage and assist struggling sectors.

The 2006 Mogalakwena LED, the SDF and the Tourism Strategy has identified that mining, finance and wholesale are the major role-players in terms of promoting growth and development within the municipality. Other sectors of importance that have potential to become active role-players in the economy are tourism and agriculture. The WMDS (2006) highlighted that platinum mining in the region will become a more important facet to mining and mining development. Platinum mining in Mokopane is a leading driving force to economic development, employment and community skills development and prosperity. The incorporation of this sector in the diversification of the local economy and promoting value-chain development for the purposes of clustering supportive economic functions in a single area will assist in the goals and objectives identified within the Mogalakwena IDP, Waterberg LED/IDP and the LEGDP. The LEGDP has identified that the long term strategic vision of the mining sector should be transformed to become not only a resource-based industry, but should also become knowledge-based industry which collectively creates a conducive environment for value-addition.

Finance in Mogalakwena has predominantly grown as a result of the prosperity of other sectors. The finance sector is characterised by not being a labour intensive economic sector but can significantly contribute to the economic growth of the municipality. In the same light wholesale also plays a significant role within the local and district economy. The WLED identified that Mogalakwena LM has the largest business area and has the largest business activity in the district economy. The WLED suggested that in order to continually grow this sector, the incorporation, expansion and development of SMME's are a necessary component.

Tourism as a potential market for growth and development has been identified by the MTS and the MSDF. The various tourism activities and opportunities that can be facilitated throughout the municipal area and across the economic sectors of the municipality can create an interlinking tourism destination. Tourism in the municipality can be facilitated to incorporate the various communities in the rural and tribal areas, with natural resources such as the Makapan Caves, and industry tourism (mining tours). The MTS aims to create a tourism base within the municipality that grows the number of, and the length of stay and spend of tourists who visit the area from which additional benefits such as employment and contribution to GDP will flow.

The LEGDP, WLED, WADS and MSDF have all identified agriculture as a sector which poses opportunities for growth in the development within the local economy. The overwhelming consensus relates to all farming activities not being predominantly suitable for the area, and specific farming activities must be promoted to ensure that optimal advantages are gained from the land. The WADS has proposed the approach of clustering meat and horticultural activities in the promotion of value-addition within the WDM and its inherent municipalities. The WLED and WADS have further identified that various farmers are moving away from traditional cattle farming and concentrating on game-farming.

Government systems and the functioning of these governments and their departments have over the years shown considerable challenges related to poor governance and accountability, weak financial management, high vacancies and in some instances the inability to deliver some of the core functions and municipal services. Outcome 9 has been adopted by the Limpopo Provincial Government to assist



in capacity building within the spheres of government throughout the Limpopo Province. Outcome 9 is an outcomes based approach which seeks to create responsive, accountable, effective and efficient local government systems through achieving a number of outcomes strictly focussing on departmental coordination, access to services, participatory governance and strengthen the administrative and financial capability of municipalities.

An articulation in broad terms of the strategic priorities of the Limpopo Employment Growth and Development Plan (2009-2014) to which the study needs to be aligned includes:

- ❖ **Ensuring more inclusive economic growth, decent work and sustainable livelihoods:** The main objective with regard to this priority is to respond appropriately, promptly and effectively so that growth in decent employment and improvements in income security are reinforced, and investment sustained to build up provincial economic capability and improve industrial competitiveness. This has to be conducted in an environment of a stable macro-economy which provides conditions for higher rates of investment and creation of decent jobs.
- ❖ **Economic and social infrastructure:** In the period ahead government will continue with the infrastructure investment programme aimed at expanding and improving social and economic infrastructure to increase access, quality and reliability of public services and to support economic activities while also considering environmental sustainability and pursuing maximum employment impact. The aim is to ensure sustained investment growth over the medium-term so as to achieve the target of a fixed investment ratio above 25% of GDP by 2014. Such projects will be spatially-referenced, planned for and implemented in an integrated manner. In addition, we will continue with programmes to provide and maintain health, education, library, sporting, recreation and other social infrastructure.
- ❖ **Rural development, food security and land reform:** Approximately 40% of the households in Limpopo live in areas that are characterized by extreme poverty and underdevelopment. Recognizing the diversity of our rural areas, the overall objective is to develop and implement a comprehensive strategy of rural development that will be aimed at improving the quality of life of rural households, enhancing the country's food security through a broader base of agricultural production, and exploiting the varied economic potential that each region of the country enjoys.
- ❖ **Access to quality education:** Education has enjoyed the largest share of the national budget throughout the past 15 years. This significant investment in building human capital and capabilities has gradually improved the country's human resource and skills base. However, progress has not been optimal and the achievements have not taken place at the required scale. The objective is to focus on skills and education system towards the delivery of quality outcomes. The focus will be on, amongst others, learner outcomes, early childhood development (ECD), improving schools management and M&E systems and supporting and developing a high quality teaching profession.
- ❖ **Improved health care:** In the current MTSF period the aim is to transform the public health system so as to reduce inequalities in the health system, improve quality of care and public facilities, boost human resources and step up the fight against HIV and AIDS, TB and other communicable diseases as well as lifestyle and other causes of ill health and mortality. The plan includes the phasing in of a National Health Insurance system over the next 5 years and increasing institutional capacities to deliver health system functions and initiate major structural reforms to improve the management of health services at all levels of healthcare delivery, including particularly hospitals.
- ❖ **Fighting crime and corruption:** Government is determined to curb levels of crime and corruption. Contact crimes, crimes against women and children and organized crime remain a key focus, and so is the combating of corruption.
- ❖ **Cohesive and sustainable communities:** Social cohesion is important if we are to achieve developmental success. However, inequalities of condition and opportunity and weaknesses with



regard to a sense of being part of a common enterprise, is placing severe stress and strain on social cohesion. In this MTSF period, we aim to meet our target of halving poverty and unemployment by 2014 and, in conjunction with other priorities, to strengthen human capabilities, promote shared values and social solidarity and strive to reduce overall inequality.

- ❖ **Creation of a better Africa and a better world:** Over the medium term, the main goal with respect to this priority is to ensure that our foreign relations contribute to the creation of an environment conducive to economic growth and development domestically, within Africa and in other developing countries. Implementing NEPAD, promoting SADC regional integration, strengthening South-South relations and pursuing a developmental and investment-orientated approach to engagements with the North, are key aspects related to this priority.
- ❖ **Sustainable resource management and use:** Like the rest of the world, the provincial economy is vulnerable to the impacts of climate change, biodiversity loss and diminishing water resources. Interventions will include, amongst others, diversification of the energy mix in pursuit of renewable energy alternatives and the promotion of energy efficiency, enforcing a zero tolerance approach to illegal and unsustainable exploitation of resources, supporting local and sustainable food production, and promoting sustainable water use and preserving the quality of drinking water.
- ❖ **A developmental state including improvement of public services:** In the previous mandate period, government committed itself to improving the capacity of the state for growth and development. This remains a priority. Whilst progress has been made, the province continues to face significant challenges in transforming the system of governance. Challenges include capacity gaps in local government; poor quality of public services; declining trust and confidence in public institutions and weak planning capacity across the three spheres of government. As the province strives to overcome these hurdles, the long term goal is to build an effective and accountable state as well as fostering active citizenship.


The Limpopo Government has agreed on 12 outcomes as a key focus of work between now and 2014. Each outcome has a limited number of measurable outputs with targets. Each of the 12 outcomes has a delivery agreement which in most cases involve all spheres of government and a range of partners outside government. Combined, these agreements reflect government's delivery and implementation plans for its foremost priorities up to 2014.

In addition to this, recently on the 30 September 2010, the MECs responsible for local government and Mayors signed the Delivery Agreement for **Outcome 9** which is "A responsive, accountable, effective and efficient Local Government System. The 7 Outputs of Outcome 9 are:

- ❖ **Output 1:** Implement a differentiated approach to municipal financing, planning and support
- ❖ **Output 2:** Improving access to basic services
- ❖ **Output 3:** Implementation of the CWP
- ❖ **Output 4:** Actions supportive of the human settlement outcome
- ❖ **Output 5:** Deepen democracy through a refined Ward Committee Model
- ❖ **Output 6:** Administrative and financial capability
- ❖ **Output 7:** A Single Window of Coordination

However it is envisaged that municipalities play a connector role in respect of LED whereby they draw on resources locked in a range of different government support instruments into their localities. For example, municipalities can draw on the support of the Sector Education and Training Authorities (SETAs) to address skills development in their areas. They can draw on the support of the new Small Enterprise Development Agency at the Department of Trade and Industry to assist with the retention and growth of enterprises in their area. Besides government support programmes there are a range of non-governmental support initiatives that municipalities can tap into for resources.

The idea is not for municipalities to necessarily run programmes themselves but to focus on establishing forums to build partnerships and to network with a range of stakeholders. LED should also not only be viewed only as a programme but everything the municipality does impacts on the local economy. For example, procurement policies can be structured to address the use of local labour, and all infrastructure development should reflect positively on the development of the local economy, whatever its primary purpose.



# Section 3

## Macro situational analysis

This section seeks to provide an indication of the status-quo reality in terms of the socio-economic components such as demographics, environmental, and infrastructure components within Local, District, Provincial and National context which specifically relate to the critical areas of LED. This section combined with Section 4 becomes the status quo basis from which problem identification within the local economy and the development thereof is determined in order to create development strategies, case specific to the local economy of Mogalakwena to address the economic problems and causalities.

The remainder of this section is structured as follows:

- ❖ Demographic and socio-economic profile
- ❖ Environmental profile
- ❖ Infrastructure profile
- ❖ Macro and local economic profile

### 1 Demographic and socio-economic profile

This section provides an in-depth analysis of the socio-economic composition of the Mogalakwena LM compared with the demographic contexts found within the Waterberg District Municipality, the Limpopo Province, and the country as whole.

To be able to understand the socio-economic reality of the Mogalakwena LM, one must consider the factors which impact on the area from an historical and current perspective. This provides a holistic picture of the components contained within the area, as well as those components within the broader district and provincial contexts. By considering these factors, the development path for the Mogalakwena LM can be determined.

#### 1.1 Macro socio-economic profile

The table below is an indication of the population within South Africa, the Limpopo Province, the Waterberg District and the Mogalakwena LM. The table further indicates the gender composition per aforementioned region.

**Table 3.1: Population and gender distribution 2001, 2007 and 2010**

Region	Year	Total Population	Male	Female	Total
South Africa	2001	44,819,738	48%	52%	100%
South Africa	2007	48,502,063	48%	52%	100%
South Africa	2010	49,991,300	49%	51%	100%
Limpopo	2001	4,995,533	45%	55%	100%

Region	Year	Total Population	Male	Female	Total
Limpopo	2007	5,238,286	46%	54%	100%
Limpopo	2010	5,439,600	48%	52%	100%
Waterberg	2001	614,149	48%	52%	100%
Waterberg	2007	596,092	49%	51%	100%
Waterberg*	2010	631,242	51%	49%	100%
Mogalakwena	2001	298,440	46%	54%	100%
Mogalakwena	2007	330,649	47%	53%	100%
Mogalakwena*	2010	335,000	49%	51%	100%

Source: StatsSA, Census 2001, Community Survey 2007, and StatsSA in brief, 2010

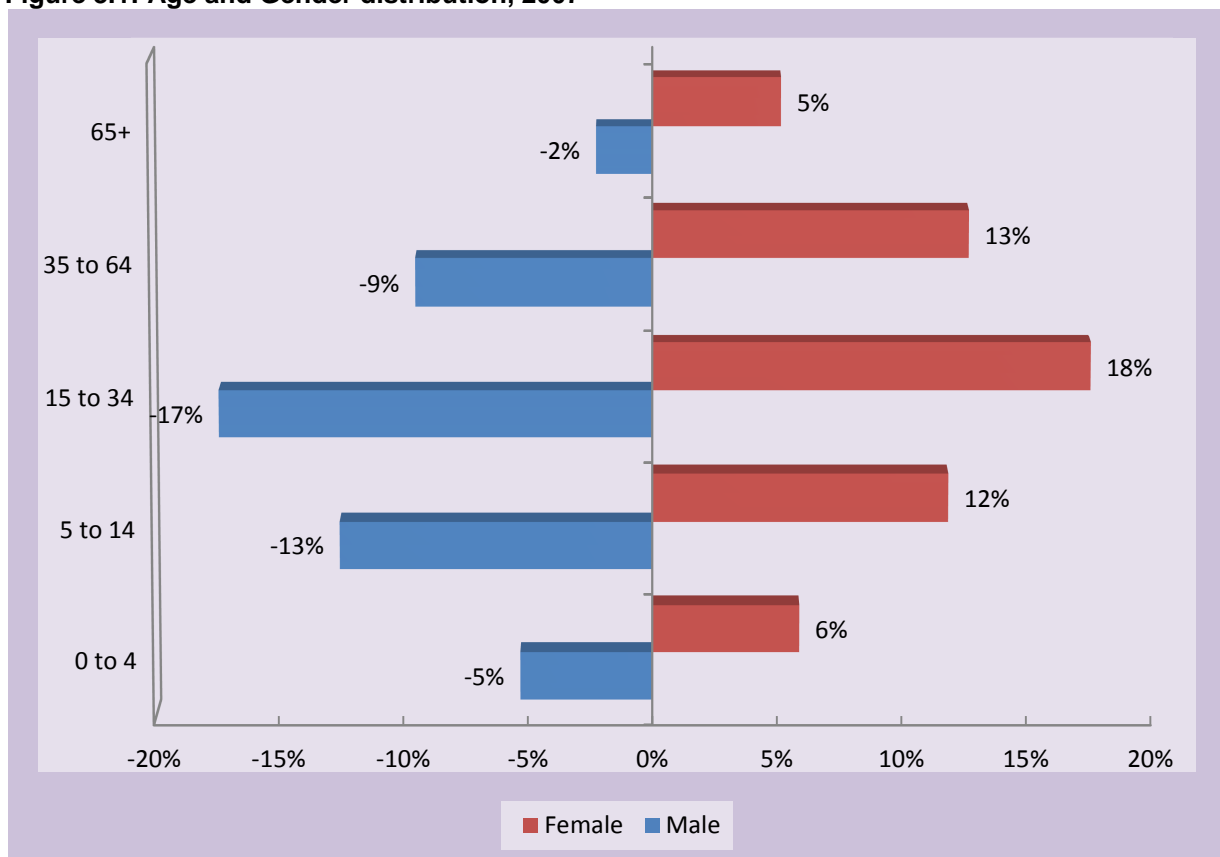
\* Kayamandi estimates

In 2010, the Mogalakwena has approximately 335,000 people, with a decreasing gap between males and females since 2001.

Mogalakwena municipality represents approximately 53% of the District population, and 6% of the Provincial population.

Figure 3.1 below shows the gender distribution for the Mogalakwena LM, based on the differentiation between male and female according to age groups.

**Figure 3.1: Age and Gender distribution, 2007**



Source: StatsSA, Community Survey 2007

The gender distribution for Mogalakwena LM is predominantly evenly spread out with females (51%) still dominating males (49%). From the figure below it is evident that the split between males and females across all level of age groups is fairly equal, with a slight one or two percent difference except for the age groups 35 to 64 and 65 + where females have the larger proportions. It is further evident that the largest proportion of the population does fall within the economically active age groups.

The table below shows the racial composition within South Africa and the subsequent groups of the Limpopo Province, the Waterberg District Municipality and the Mogalakwena Local Municipality.

**Table 3.2: Race distribution, 2010**

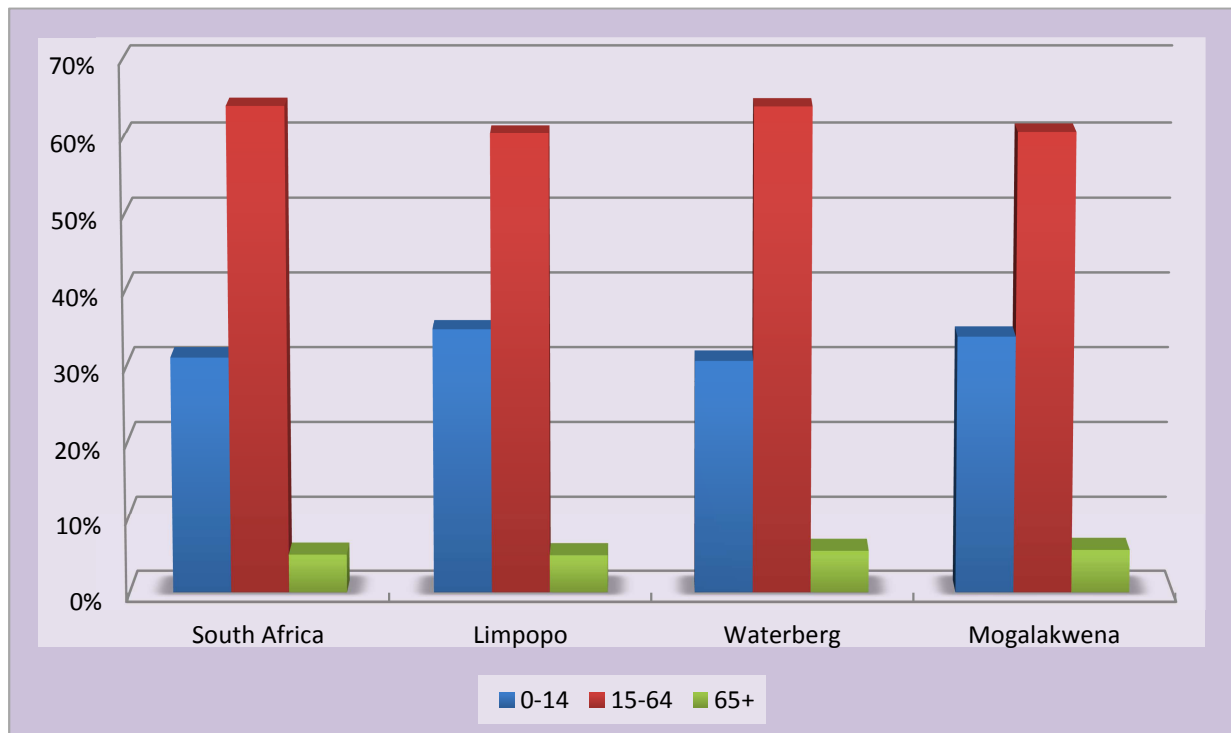
	African	Coloured	Indian	White
South Africa	79%	9%	3%	9%
Limpopo	98%	0%	0%	2%
Waterberg	91%	0%	0%	8%
Mogalakwena	96%	0%	1%	3%

Source: StatsSA, Census 2001, Community Survey 2007, and StatsSA in brief, 2010

Throughout the Limpopo Province the dominant racial group is African, with a majority share of 98% of all residents. This trend continues throughout the Waterberg District and the Mogalakwena Municipality with 91% and 96% of the population falling with the African group respectively. The country as a whole has approximately 79% of the African population in 2010. Mogalakwena Municipality is further depicted by having no Coloured residents and nominal shares in Indian (1%) and White (3%) residents.

The figure below is an illustration of the distribution of people between the various age groups within South Africa, the Limpopo Province, the Waterberg District and the Mogalakwena Municipality.

**Figure 3.2: Percentage age group distributions, 2010**



Source: StatsSA, Census 2001, Community Survey 2007, DWA Settlement database, 2009 and StatsSA in brief, 2010

The figure shows the a composition of the age groups between 0 and 14, 15 to 64 and persons 65 and older. The 0 to 14 age group provides an indication of those persons still dependent on their parents and that are thus not economically active, whilst the 15 to 64 year age group shows persons potentially economically active within the population. The 65 year and older age group gives an indication of persons that have retired and are elderly and potentially no longer economically active.

The figure shows that within the three age group clusters, the variance between the various levels within the country is predominantly the same. The Mogalakwena LM has a slightly higher economically active population (61%) than the Limpopo Province totals (60%), but in comparison is lower than South Africa as a whole (64%) and the Waterberg District (64%). The youth component of the population (0 to 14 years) follows predominantly the same trend as that found within the economically active age groups. Mogalakwena LM has a 34% share of youthful inhabitants, whilst South Africa, the Limpopo Province and the Waterberg District has a share of 31%, 35% and 31% respectively. The larger proportion of youth shows the need to focus on youth development initiatives. In the same light, the large economically active proportion of the municipality indicates that a large human resource exists which can be assisted by the establishment of development projects. South Africa, the Limpopo Province and Waterberg District have an equal share of 5% of persons above the age of 64. Mogalakwena LM has a slightly higher share of the afore mentioned age group, namely 6%. This reveals that the claim is still laid on the provision of services to the elderly but is significantly smaller in comparison to the other age groups.

Table 3.3 below provides an indication of the proportion of economically active persons and the employment status of these persons within South Africa, the Limpopo Province, the Waterberg District, and the Mogalakwena Municipality.

Statistics South Africa has defined an economically active person as one who is available for work and is aged between 15 and 65 years of age, regardless of whether that person is employed or not. In conjunction to the previously stated, an employed person is defined as one who works for remuneration, profit or family gain and includes employers, employees as well as those who are self-employed or a working family member and includes the formal and informal sector.

**Table 3.3: Economically active population and employment status, 2007**

	South Africa	Limpopo	Waterberg	Mogalakwena
<b>Employment status as percentage of potentially economically active population</b>				
Potential economically active population (Ages 15-64)	30840661	2967881	359969	188447
Employed	40%	27%	39%	28%
Unemployed	20%	19%	16%	16%
Not working / Other	40%	54%	45%	56%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Employment status as percentage of economically active population</b>				
Economically active population	18412541	1373378	198741	83755
Employed	67%	60%	71%	63%
Unemployed	33%	40%	29%	37%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

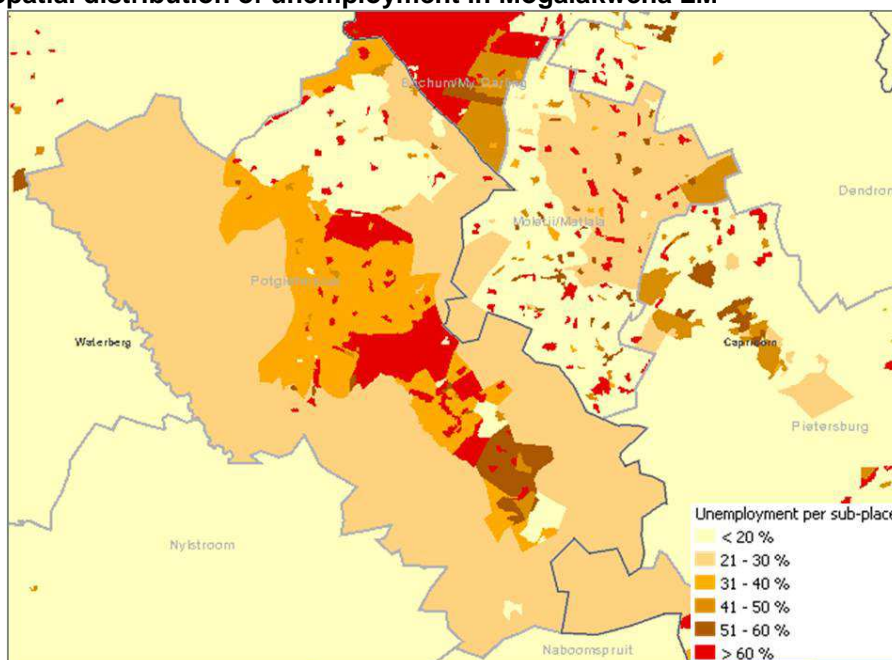
Source: StatsSA, Community Survey 2007

The first section in the table above deals with the potentially economically active population, which refers to those persons who are potentially viable to be economically active within the economy, and is more specifically within the age group of 15 to 64. This group also includes sections of the population who are not working as a result of disability, being a student or not wanting to work to name but a few. Of the potentially economically active population, 28% are employed within the Mogalakwena LM. This is significantly lower than South African and Waterberg DM averages which have been calculated at 40% and 39% respectively, but similar to that of the Limpopo Province which is 27%. In relation to the employed population, the unemployed population for the same category within Mogalakwena LM has been calculated at 16%, where 56% of the population is not working or other. The unemployed section is significantly lower within the Waterberg (16%) and Mogalakwena (16%) municipalities, than the unemployed statistics for South Africa (20%) and the Limpopo Province (19%).

To assist in understanding the employment and unemployment within Mogalakwena LM, a comparison is drawn between the labour force participation rate, and the employment and unemployment of the economically active population. The labour force participation rate (LFPR) is defined by Statistics South Africa (2010) as the proportion of the working-age population that is either employed or unemployed. The Mogalakwena LM has a LFPR of 44%, which corresponds with the Limpopo Province values of 46%. The Limpopo Province and Mogalakwena LM values are significantly lower than those of the Waterberg DM (55%) and South Africa (60%) as a whole. Of the economically active population tabled in part two of the table above, the statistics for employed persons across the board ranges between 60% and 71%. The Waterberg DM has the highest employed persons (71%) within the economically active population, with the South African values claiming second (67%). The Limpopo Province shows that 60% of its economically active population are employed, whilst Mogalakwena LM has a slightly higher percentage (63%). This results in that South Africa, the Limpopo Province, the Waterberg DM and the Mogalakwena LM has, of the economically active population, 33%, 40%, 29% and 37% unemployed persons.

Figure 3.3 below provides a spatial indication of unemployment in the Municipality.

**Figure 3.3: Spatial distribution of unemployment in Mogalakwena LM**



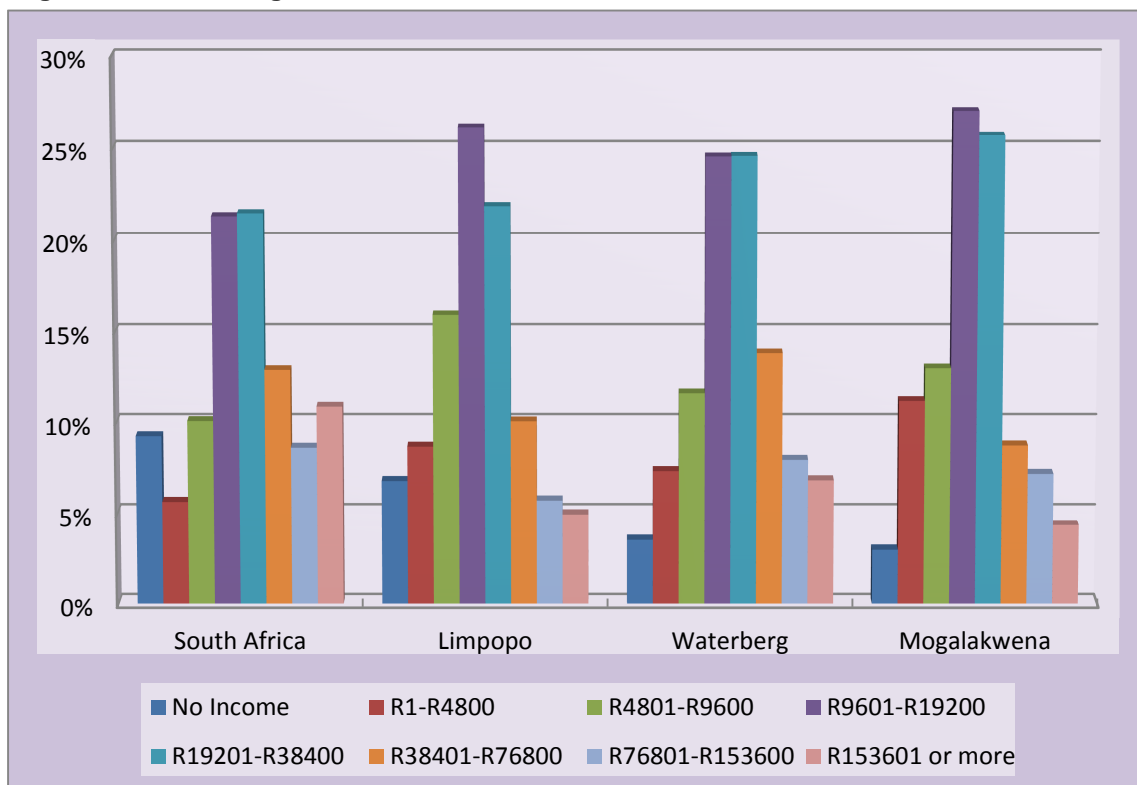
Source: Comprehensive Atlas, 2010, [www.agis.agric.za](http://www.agis.agric.za)



Figure 3.4 below provides an illustration of the distribution of annual household's income within South Africa, the Limpopo Province, the Waterberg DM and the Mogalakwena LM

As discussed above, 63% of the economically active persons within the Mogalakwena LM are employed. When taking this into consideration with the information provided in the Figure below, the majority of employed persons in the municipality earn a low income. This is illustrated by the fact that more than a quarter (27%) of the employed population in Mogalakwena LM earn an annual salary of between R9 601 and R19 200, whilst 11% earn between R1 and R4 800 and 13% earn between R4 801 and R9 600. Further, 26% of the employed population earn an annual salary between R19 201 and R38 400. Approximately 77% of the employed population earn a salary between R1 and R38 400 annually, which sets the basis for a very low paid labour force and high poverty rates in Mogalakwena. A small proportion (3%) of the economically active population in Mogalakwena LM have no income, which is predominantly in line with data from the Waterberg DM (4%), the Limpopo Province (7%) and South Africa as a whole (9%). This further indicates the high poverty levels that can be found throughout the area. As can be seen from the Figure above, as the income levels rise from R38 401 onwards, the amount of persons who fall into these categories significantly decrease.

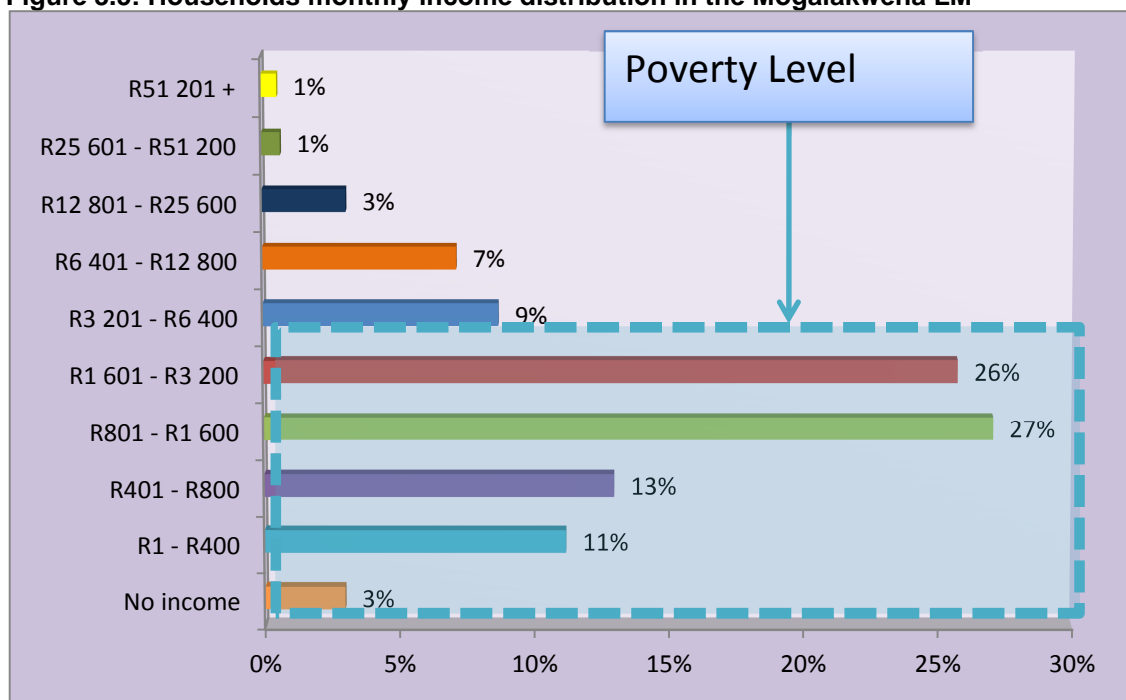
**Figure 3.4: Percentage distribution of annual household income, 2007**



Source: StatsSA, Community Survey, 2007

Figure 3.5 below illustrates the distribution of average monthly household income within the Mogalakwena LM.



**Figure 3.5: Households monthly income distribution in the Mogalakwena LM**

Source: StatsSA, Community Survey 2007

Households in this instance can be classified as poor, when their average monthly household income equates to anything between the margins of no income to R3 200 per month. Of the total number of households within Mogalakwena, 80% fall within the poverty range. This poses significant challenges when related to the quality of life of these households, not being able to afford school fees, lack of medical care, lack of food and lack of services.

The Table below is an indication of the education levels of persons 20 years of age and higher within the Mogalakwena LM, the Waterberg DM, the Limpopo Province and South Africa for the years 2001 and 2007. Also refer to Figure 3.6 below.

**Table 3.4: Distribution of levels of education for persons 20+ years, 2001 and 2007**

Year	South Africa		Limpopo		Waterberg		Mogalakwena	
	2001	2007	2001	2007	2001	2007	2001	2007
No Schooling	18%	10%	33%	20%	26%	15%	31%	18%
Some Primary	16%	15%	14%	17%	19%	19%	15%	19%
Complete Primary	6%	6%	6%	6%	7%	7%	6%	6%
Some Secondary	31%	37%	26%	34%	28%	35%	27%	36%
Std10 / Grade 12	20%	23%	14%	17%	15%	18%	14%	15%
Higher Level	9%	9%	7%	6%	6%	7%	7%	6%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: StatsSA Census 2001 and Community Survey 2007

The table above shows that the overall population of South Africa has shown an increase in basic education between 2001 and 2007. This general trend is also applicable in the Limpopo Province, the Waterberg DM and the Mogalakwena LM. The proportion of persons who have no schooling has significantly dropped within Mogalakwena, where in 2001, the municipality had 31% no schooled

residents, whilst in 2007 this figure had dropped to 18%. These significant changes can be seen at district, provincial and national level

Within the primary education level, minor hikes can be seen in the various levels of South Africa. This poses the situation that more people have enrolled in basic education activities to achieve higher levels of literacy and competence to be able to achieve employment and skills development.

At secondary level, the biggest changes can be seen on all levels where more people have achieved some secondary and grade 12 education. Mogalakwena LM has shown that at secondary level, 36% of persons in

the municipality have gained some secondary education, which is a 9% increase from 2001 figures, whilst grade 12 qualifications have risen by one percent to 15%. The data shows that the local population is attaining higher skills levels and are thus more able to become viable within the local work force. It also shows that a larger proportion of persons are inclined to leave school when achieving some secondary education, which may create the challenge that people are not inclined to finish schooling or are withheld from finishing school as a result of local community issues.

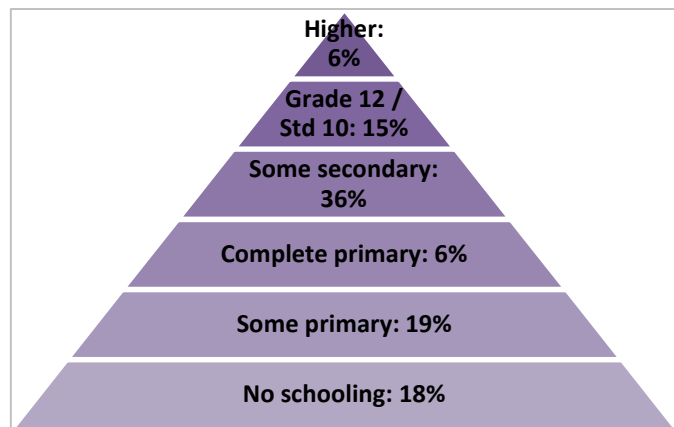
At higher level education, the Mogalakwena LM has lower demographic with tertiary education (6%) than the national average of 9%. The municipality has also seen a one percent drop from 2001 values. This linked to the lack of tertiary education facilities within the municipality with resultant move out of the municipality and persons remaining within the area that they received their education.

Figure 3.7 below provides an indication of the occupational profile of the Mogalakwena LM as a whole. The information provided below can be directly related to the educational and employment profile of the municipality. The educational profile provides the further insights into the limited skills development and skilled labour within the municipality, whilst the employment profile has connections to the skills level of the labour force as well as in which occupation the majority of the labour force resides.

Of the employed population within the Mogalakwena LM, 49% are employed within the skilled profession range. The range primarily consists out of plant and machine operators, craft and related trades workers, skilled agricultural workers, shop workers, market sales workers, and clerks. Craft and related trades workers are the dominant skilled employing occupation (15%) within Mogalakwena LM. This is reflective of the major mining industries in the area, and the dominance of mining activities within the local economy. Services workers are the second most employing skilled occupation (11%), followed by plant machine operators and assembler's (9%) and skilled agricultural workers (7%) and clerks (7%). The elementary occupations have a 22% share in the employed persons in Mogalakwena LM. This occupation is based in the semi/un-skilled group based on the limited skills necessary to achieve this occupation. The highly skilled proportion of the employed population claims 29% of the total employed persons, with professionals being the highest employer, followed by legislators (8%) and technicians and associate professionals (6%).

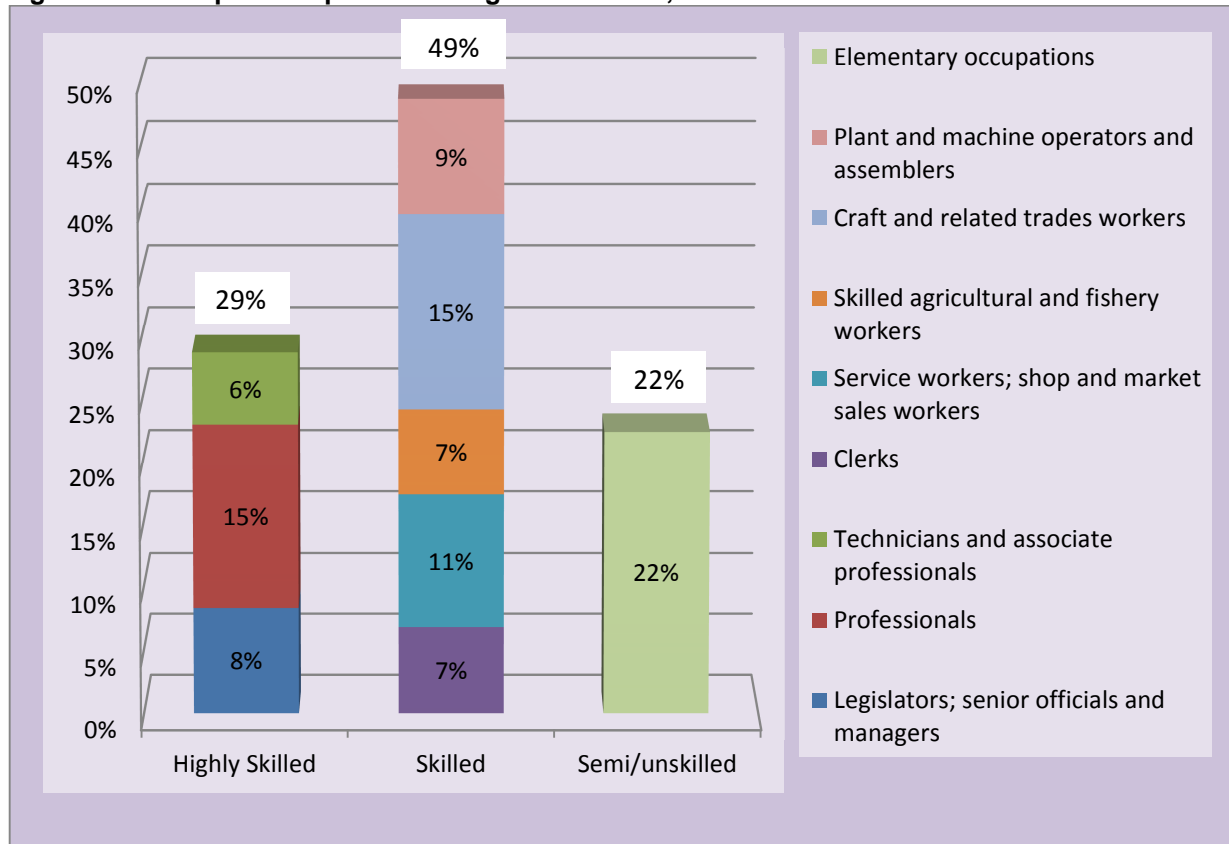
In addition to the data above, it must be noted that the data is only representative of the skills levels of the formal employed population within Mogalakwena LM, and is not representative of all economically

**Figure 3.6: Mogalakwena education qualifications, 2007**



active or potentially employable persons. The possibility exists that, skilled labour does exist within the unemployed section of the population, and that these persons do not have the necessary opportunities to gain employment.

**Figure 3.7: Occupational profile of Mogalakwena LM, 2007**



Source: StatsSA, Community Survey, 2007

The table below gives an indication of the grants received by the residents within the Mogalakwena LM.

**Table 3.5: Social grants received, 2007**

Social Grant Received	Limpopo		Waterberg		Mogalakwena	
	Grants	% of Pop.	Grants	% of Pop.	Grants	% of Pop.
Old age pension	360817	7%	38460	6%	25979	8%
Disability grant	103563	2%	13321	2%	8257	2%
Child support grant	1133780	22%	117762	20%	73714	22%
Care dependency grant	20997	0%	2682	0%	1798	1%
Foster care grant	1575	0%	25	0%	0	0%
Grant in aid	4627	0%	716	0%	488	0%
Social relief	2538	0%	222	0%	188	0%
Multiple social grants	5005	0%	316	0%	130	0%
Institutions	48904	1%	8104	1%	2222	1%
<b>Total</b>	<b>1681806</b>	<b>32%</b>	<b>181608</b>	<b>30%</b>	<b>112776</b>	<b>34%</b>

Source: StatsSA, Community Survey, 2007

Within the Mogalakwena LM, 112 776 grants were allocated during 2007, of which 22% of the total population had been given child support grants. Child support grants further made up 65% of the total amount of grants that have been issued, whilst 23% of grants have been allocated for old age pension and 7% for disabilities. The large proportion of grants that are paid out by the municipality places a great strain on government funding, and thus creates implications for government spending on various other issues such as economic development initiatives.

## 1.2 Local socio-economic profile

In order to be able to understand the study area at grass-roots level, the Mogalakwena LM has been analysed at settlements level. This provides a in-depth view into the distribution of population throughout the municipal area, the areas where poverty is concentrated, density distribution, etc.

The Table below shows the population distribution within the Mogalakwena LM based on the individual settlements/towns of the municipal area. Refer to Figure 1.2 in Section one of this report to view the location of the settlements.

**Table 3.6: Mogalakwena LM - Population distribution, 2009**

Settlement/town	Households (HH)	Population	HH density per Km <sup>2</sup>	Type
Bakenberg Basogadi	77	341	30	Rural
Bakenberg Kwanaite	161	711	12	Rural
Bakenberg Matlaba	381	1 689	11	Rural
Bakenberg Mautjana	175	775	20	Rural
Bakenberg Mmotong	533	2 360	23	Rural
Bakenberg Mothwathwase	198	879	9	Rural
Basterspad	124	548	11	Rural
Bavaria	449	1 990	22	Rural
Blinkwater	457	2 024	26	Rural
Bohwidi	377	1 669	17	Rural
Breda	186	825	5	Rural
Buffelhoek	171	755	14	Rural
Chipana	263	1 165	19	Rural
Claremont	152	671	14	Rural
Danisane	363	1 610	14	Rural
Dikgokgopeng	203	899	21	Rural
Dipere	217	963	28	Rural
Diphichi	159	706	12	Rural
Ditlotswane	269	1 190	21	Rural
Duren	52	232	8	Rural
Rural remainder farms	2 557	11 324	25	Rural
Fothane	286	1 269	39	Rural
Ga-Chere	159	706	21	Rural

Settlement/town	Households (HH)	Population	HH density per Km <sup>2</sup>	Type
Ga-Chokoe	222	983	21	Rural
Galakwena	193	854	7	Rural
Galakwenastroom	322	1 427	16	Rural
Galelia	188	834	18	Rural
Ga-Magongoa	420	1 861	20	Rural
Ga-Masipa	182	805	36	Rural
Ga-Mokaba	540	2 390	27	Rural
Ga-Molekana	933	4 132	19	Rural
Ga-Monare	313	1 387	24	Rural
Ga-Mushi	161	711	9	Rural
Ga-Nong	145	642	20	Rural
Ga-Phahladira	390	1 728	13	Rural
Ga-Pila Sterkwater	872	3 861	23	Rural
Ga-Tlhako	332	1 471	24	Rural
Ga-Tshaba	251	1 111	22	Rural
Good Hope	135	597	24	Rural
Grasvlei	278	1 229	11	Rural
Ham 1	398	1 763	36	Rural
Hans	569	2 518	33	Rural
Harmansdal	218	968	15	Rural
Hlogoyanku	450	1 995	21	Rural
Jakkalskuil	250	1 106	17	Rural
Kabeane	246	1 091	19	Rural
Kaditshwene	339	1 501	23	Rural
Kgobudi	1 206	5 342	34	Rural
Kgopeng	165	731	27	Rural
Khala	169	750	8	Rural
Kromkloof	340	1 506	16	Rural
Kwakwalata	120	533	19	Rural
Lekhureng	686	3 036	27	Rural
Lelaka	132	583	43	Rural
Lennes	85	375	10	Rural
Lesodi	637	2 819	23	Rural
Leyden	734	3 249	20	Rural
Lusaka Ngoru	62	276	8	Rural
Maala Parekisi	276	1 224	24	Rural
Mabuela	635	2 814	23	Rural
Mabuladihlare 1	342	1 516	13	Rural

Settlement/town	Households (HH)	Population	HH density per Km <sup>2</sup>	Type
Mabusela	523	2 316	28	Rural
Mabusela Sandsloot	543	2 404	30	Rural
Machikiri	284	1 259	21	Rural
Madiba	934	4 137	15	Urban
Madiba East	930	4 118	221	Urban
Magope	204	904	26	Rural
Mahwelereng	8 180	36 229	43	Urban
Makapans Valley	82	365	7	Rural
Makekeng	412	1 827	21	Rural
Makobe	406	1 797	37	Rural
Malapila	200	884	13	Rural
Malokongskop	323	1 432	33	Rural
Mamatlakala	405	1 792	18	Rural
Marken	27	118	1	Urban
Marulaneng	1 134	5 021	21	Rural
Maruteng	1 827	8 092	44	Urban
Masahleng	477	2 113	31	Rural
Masehlaneng	1 467	6 497	43	Urban
Masenya	157	696	18	Rural
Masodi	515	2 281	7	Urban
Masoge	169	750	22	Rural
Matebeleng	357	1 580	36	Rural
Mathekga	162	716	17	Rural
Matjitjileng	336	1 486	4	Rural
Matlou	525	2 325	20	Rural
Matopa	429	1 901	35	Rural
Mattanau	116	513	12	Rural
Mesopotania	281	1 244	15	Rural
Millenium Park	293	1 298	144	Rural
Mmahlogo	528	2 340	36	Rural
Mmalepeteke	731	3 239	24	Rural
Mohlotlo Ga-Malebana	673	2 982	19	Rural
Mohlotlo Ga-Puka	574	2 543	9	Rural
Mokopane	6 219	27 545	16	Urban
Monte Christo	198	879	12	Rural
Moshate	574	2 543	11	Urban
Moshuka	153	676	23	Rural
Mountain View	371	1 644	25	Urban

Settlement/town	Households (HH)	Population	HH density per Km <sup>2</sup>	Type
Mphelelo	163	721	14	Rural
Nelly	276	1 224	16	Rural
Nkidikitlana	415	1 837	22	Rural
Paulos	302	1 338	13	Rural
Phafola	596	2 641	24	Rural
Polen	416	1 842	6	Rural
Preezburg	182	805	23	Rural
Pudiyakgopa	765	3 387	22	Rural
Raadslid	229	1 012	15	Rural
Ramorulane	344	1 526	23	Rural
Ramosesane	71	316	12	Rural
Rantlakane	705	3 120	27	Rural
Rapadi	303	1 343	28	Rural
Rebone	548	2 429	31	Rural
Rooiwal	530	2 345	23	Rural
Seema	179	795	28	Rural
Segole 1	198	879	15	Rural
Segole 2	410	1 817	17	Rural
Seirappes	327	1 447	20	Rural
Sekgakgapeng	2 334	10 338	24	Urban
Sekgoboko	987	4 369	28	Rural
Sekuruwe	564	2 498	18	Rural
Senita	169	750	24	Rural
Sepharane	343	1 521	26	Rural
Setuphulane	293	1 298	14	Rural
Skilpadskraal	288	1 274	25	Rural
Skimming	429	1 901	15	Rural
Skrikfontein A	237	1 052	20	Rural
Skrikfontein B	93	410	19	Rural
Sodoma	320	1 417	17	Rural
Sterkwater	247	1 096	19	Rural
Taolome	153	676	15	Rural
Taeatswala	799	3 540	28	Rural
Tennerif	621	2 750	14	Rural
Thabaleshoba	303	1 343	18	Rural
Tiberius	428	1 896	14	Rural
Tipeng	326	1 442	25	Rural
Tshamahansi	3 028	13 409	27	Rural



Settlement/town	Households (HH)	Population	HH density per Km <sup>2</sup>	Type
Uitspan	631	2 794	123	Rural
Uitzicht	458	2 029	20	Rural
Van Wykspan	173	765	19	Rural
Vergenoeg	356	1 575	21	Rural
Vianna	307	1 358	17	Rural
Vlakfontein	90	400	13	Rural
Vlakfontein 2	32	143	14	Rural
Weenen	40	178	8	Rural
Witrivier	508	2 251	66	Rural
Wydhoek	290	1 284	20	Rural
Total	75 432	334 088	21	n/a

Source: StatsSA, Census 2001, Community Survey 2007 and Quantec Research, Standardise Regional Data, 2010

As is evident from the above Table, the municipality has a 2009 population of approximately 334,000 people with more than 75,000 households and an average household size of 4.4 people per household. The majority of people reside in the non-urban or rural areas of Mogalakwena LM, accounting for approximately 70% of the population.

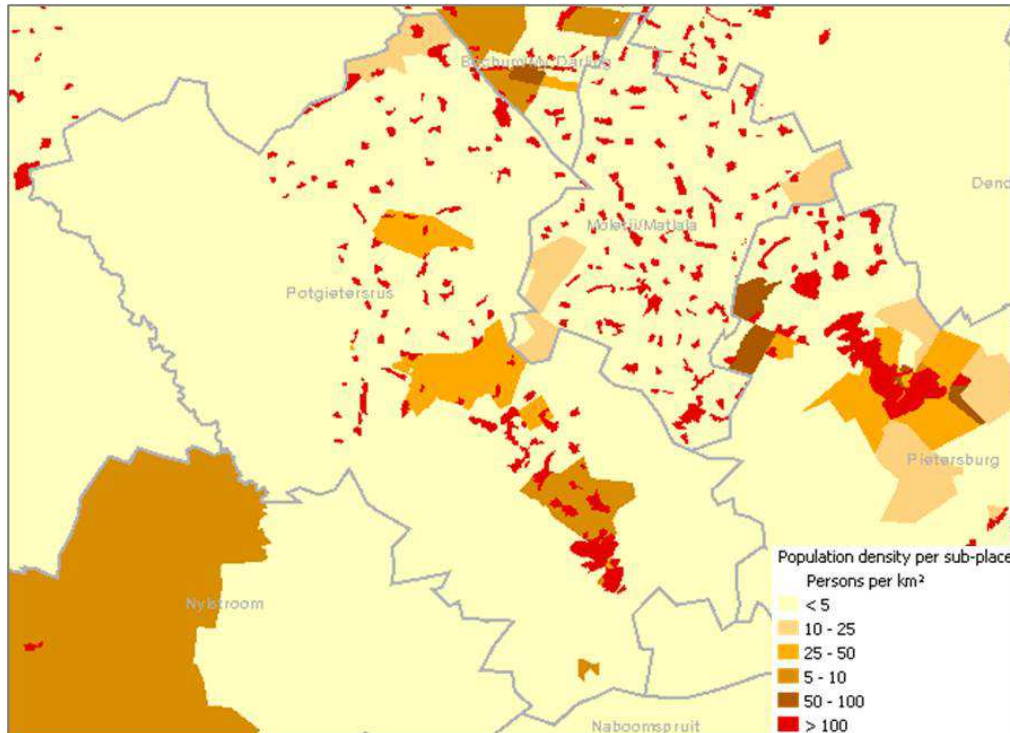
The largest town/settlements in the municipality are the urban towns of Mahwelereng (36,000 people) and Mokopane (27,500 people).

The largest rural settlements, in order of largest, are:

- ❖ Tshamahansi
- ❖ Kgobudi
- ❖ Rural remainder farms Mogalakwena LM
- ❖ Kgobudi
- ❖ Marulaneng
- ❖ Sekgoboko
- ❖ Ga-Molekana

Figure 3.8 below shows the population densities for the Mogalakwena LM.

The distribution of densities throughout the municipal area provides an indication of where the majority of people are located within the municipal boundaries. The densities further provide an indication of where the largest settlements are located and the extent to which these settlements are distributed.

**Figure 3.8: Mogalakwena Population density**

Source: Comprehensive Atlas, 2010, [www.agis.agric.za](http://www.agis.agric.za)

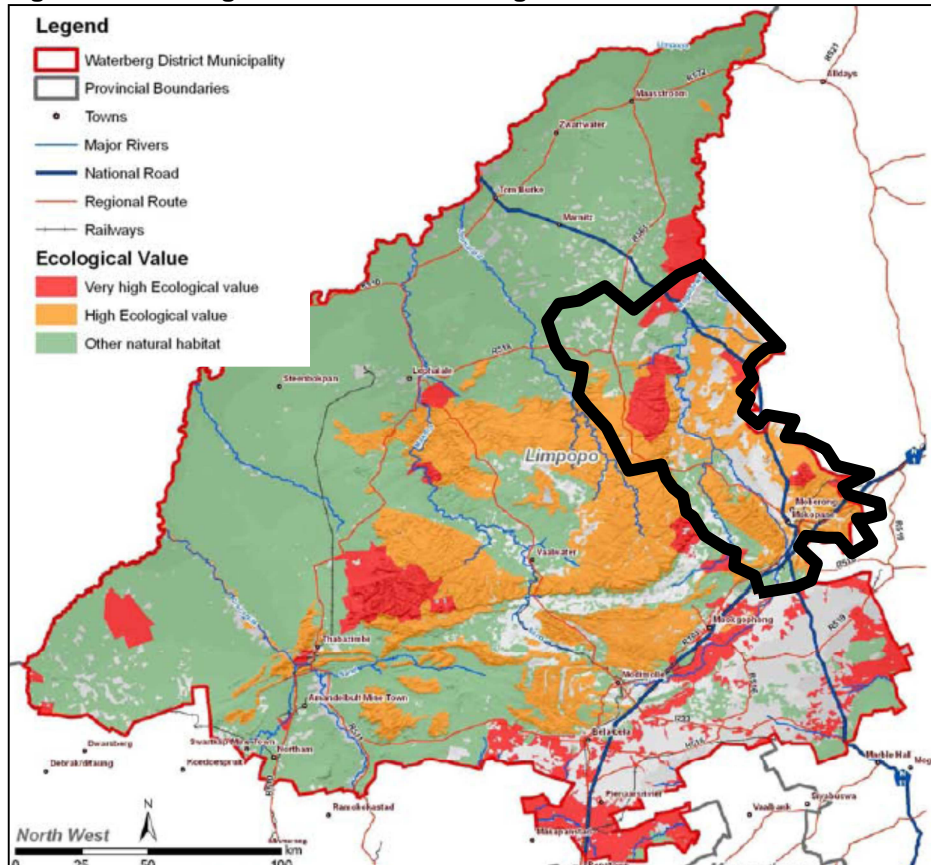
## 2 Environmental profile

Figure 3.9 below provides an indication of the ecological value of the Waterberg District. The majority of Mogalakwena Municipality has high ecological value, with some areas in dotted in between the very high ecological value. These areas will be noted with regards to the proposed spatial directives of economic growth.

Figure 3.10 below provides an indication of the protected areas within the Waterberg District. The figure clearly shows the extent of protected areas and the Biosphere reserve in relation to the Mogalakwena Municipality.

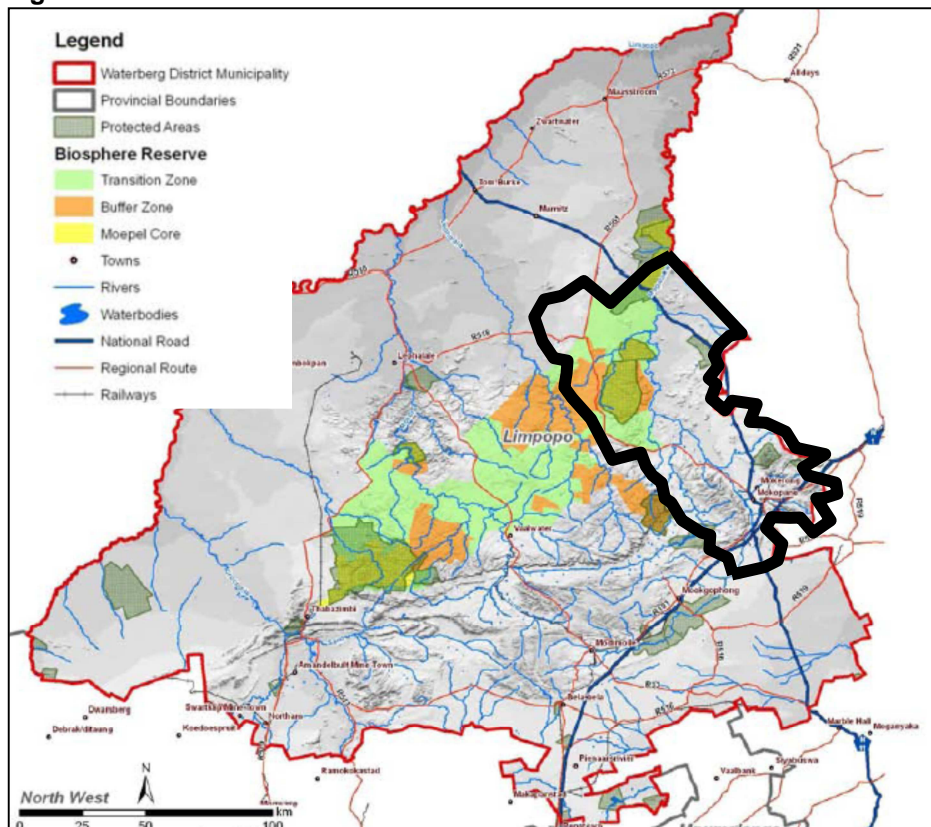
The Waterberg Biosphere is one of six biospheres in South Africa and one of three in Limpopo Province. It is endorsed by UNESCO as an area which must be protected for its biodiversity and due to its geology it has no mineral or mining economic value. The Biosphere can however counter mining activity through opportunities for conservation and game farming activities. Approximately 20% of the land is used for agricultural activities. The rest of the land contains game/wildlife which is mainly for recreational purposes. The Waterberg Biosphere is divided into three zones: core, buffer and transition. The purpose of these zones is to protect biodiversity and the natural habitat at different levels, while still gaining economic benefits. This is a way of facilitating development and conservation protection simultaneously. The core zone, in which the unspoilt Plateau is situated, has the highest level of protection measures that will only allow for the dropping of farm fences for game diversity to increase, allowing for wildlife tourism activities. The transition zone has lower conservation protection measures to allow for game lodge and estate developments, as well as some agricultural activities, like tobacco and cattle farming, and subsistence or communal farming of rural communities.

Figure 3.9: Ecological value of Waterberg District



Source: Waterberg District EMF, 2010

Figure 3.10: Protected areas



Source: Waterberg District EMF, 2010





environments as the main attractions place in a manner that: Limits disturbance to natural vegetation to the minimum possible after undertaking an environmental assessment as required in terms of Government Notice No. R. 564 of 18 June 2010; does not consume additional natural resources; and does not impact negatively on the sense of place of the area, being particularly sensitive to not breaking the skyline or impeding on views; recycles its waste products; and treats its sewage before release into natural streams.

- ❖ **Zone 3: Game and cattle farming (including hunting) areas with commercial focus:** the south eastern quadrant towards the border of the municipality. This zone represents areas with largely natural vegetation that is used extensively for grazing by game and/or cattle. Preferred activities: Keeping of game and/or cattle for commercial purposes in a responsible manner that makes sustainable use of the natural vegetation cover of the area; and Tourism facilities, including hunting lodges in a manner that: limits disturbance to natural vegetation to the minimum possible after undertaking an environmental assessment, does not consume additional natural resources; does not impact negatively on the sense of place of the area, being particularly sensitive to not breaking the skyline or impeding on views; recycles its waste products; and treats its sewage before release into natural streams.
- ❖ **Zone 6: Restricted mining focus areas in aesthetic and/or ecological resource areas:** the area directly to the west of the N11. Within this zone water utilisation should be kept to a minimum. Ecological water requirements should be met at all times. Conservation of ecological and/or aesthetic resources should be a prerequisite to mining and industrial development in the area. Tourism should be encouraged as a secondary activity especially in respect to cultural tourism. Agriculture is not desired in this zone. Game and cattle farming is a secondary activity in the areas. Preferred activities: mining of minerals that is done in a well planned manner that will ensure that it will not cause widespread and unacceptable damage to the aesthetic and/or ecological values of the area; and keeping of game and/or cattle for commercial purposes in a responsible manner that makes sustainable use of the natural vegetation cover of the area in parts where mining is not possible or where mining will only become a factor in the medium to long term.
- ❖ **Zone 7: This zone represents areas that have been designated as the areas that form the urban development boundaries** as defined by the relevant local spatial development frameworks (sdf): Mokopane and immediate surrounds. This zone represents areas that have been designated as the areas that form the urban development boundaries as defined by the relevant local Spatial Development Frameworks (SDF). Preferred activities: all urban functions in accordance with the relevant SDF and tourism facilities that serves the region with specific emphasis on cultural and historical elements within towns.
- ❖ **Zone 9: Agriculture focus areas with a tourism component:** small strip along the S.W boundary of the municipality. This zone represents areas with a strong rural agricultural character that is surrounded by areas of generally high natural, visual and cultural quality that has significant potential for the development of nature and/or culture based tourism in addition to agriculture. It also forms the area from which the conservation use in zone 1 can be explored and experienced (especially in areas that lies below the escarpment). Limited tourism facilities on farms should be encouraged in this zone. Commercial agriculture is the main focus of this zone. Preferred activities: agriculture activities (livestock keeping and cultivation); and Tourism facilities at homesteads or on land that is not suitable for cultivation that makes use of the surrounding natural and cultural environments as the main attractions.
- ❖ **Zone 10: Agriculture areas with a commercial focus:** to the north and north west of Mokopane. This zone represents areas with a strong rural agricultural character and is important for food production, food security and the employment opportunities that are linked to the agricultural activities. Agriculture is the main activity that occurs in these areas. Preferred activities: agriculture

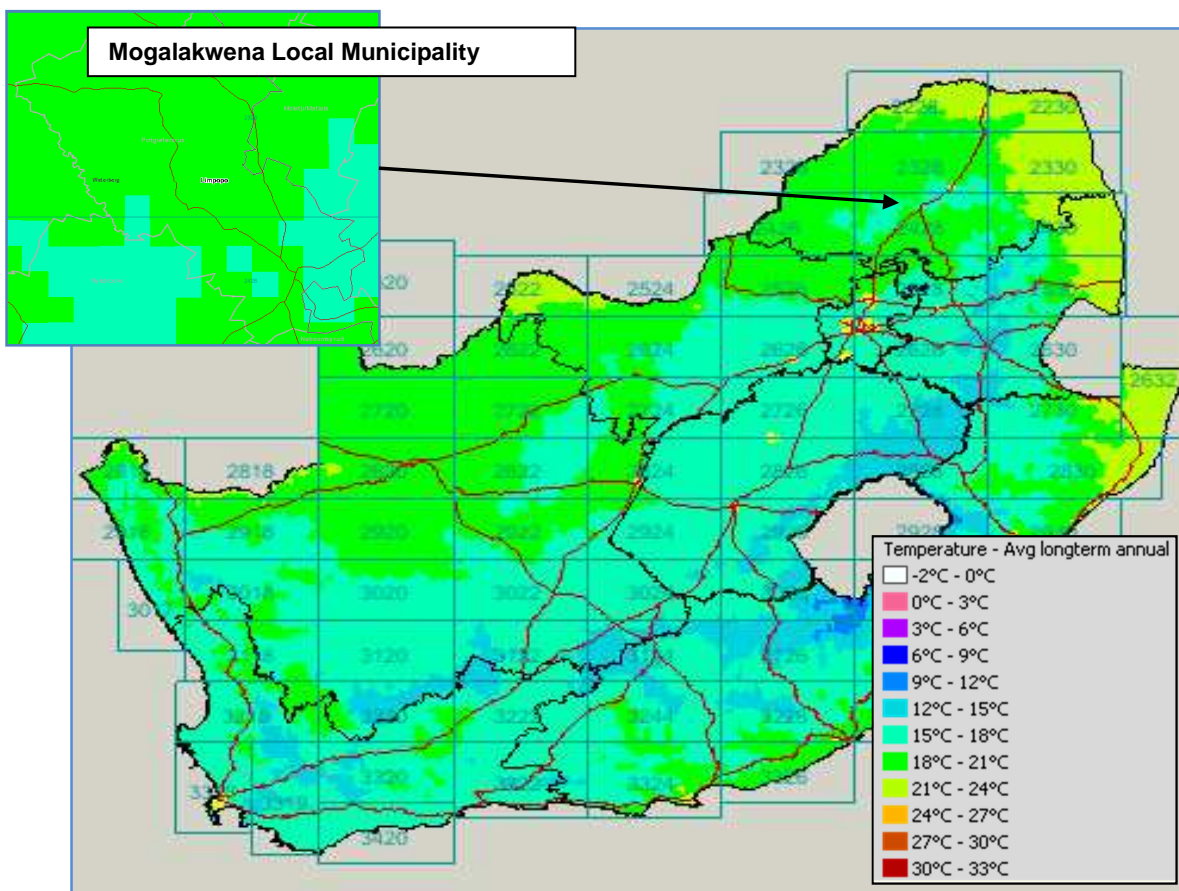
activities with an emphasis on dry land as well as irrigated crop cultivation; and infrastructure that support agricultural production, including agro-industries.

- ❖ **Zone 11: Major infrastructure corridors:** to the northern tip of the municipality along the R518. Zone 11: This zone represents areas where the concentration of linear infrastructure proposed in order to prevent the unnecessary large impact that uncoordinated infrastructure location would have on the district.

Furthermore, with regards to rainfall, overall, the Limpopo Province has received an above normal rainfall in November 2010, although dam levels remain similar to last year - at 77%. This rainfall increase is the expected forecast until March 2011. Grazing conditions show improvement and livestock tend to be in a fair to good state. However, heavy rain and thunderstorms have caused damage to fruits and vegetables. Furthermore, an above normal mean maximum temperature is expected for the Limpopo Province from November 2010 to March 2011 (National Agro-meteorological Committee (NAC), 2010).

In Figure 3.12 below, it is evident that the average long term annual temperatures for Mogalakwena Municipality ranges between 15°C and 21°C. There are two different temperature groups in the area. Temperatures on the northern part of the country are generally warmer than the temperatures of the rest of the country which mostly on average have temperatures between 12°C and 15°C. This is especially true for the northern part of Limpopo which borders Mozambique, where average temperature range between 21°C and 24°C. However, within Limpopo, Mogalakwena Municipality is part of the area with lower temperatures.

**Figure 3.12: Average Long-term Annual Temperature**



Source: AGIS Comprehensive atlas, 2011



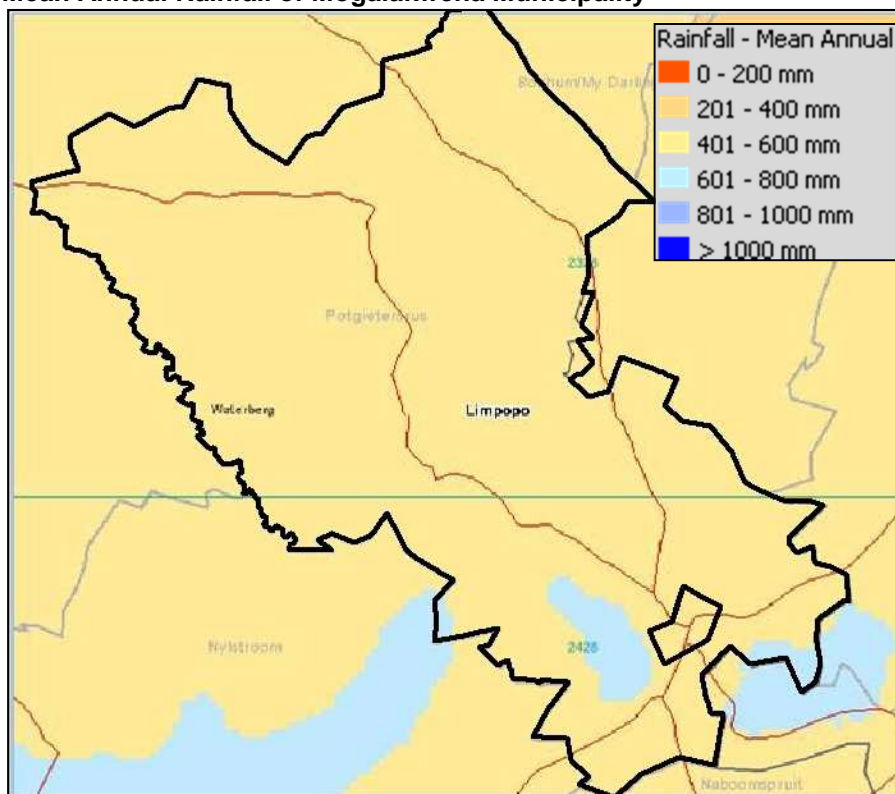
Maximum summer temperatures, experienced from October to March yearly, vary between 24°C and 31°C, while winter temperatures vary between day temperatures of 18°C to 24°C, and drastically decrease to between 5°C and 10°C at night. This indicates that summers are hot but pleasant while winters are experienced as sunny and mild. In general the summer season is from October to March (Mogalakwena Municipality IDP 2010/2011).

As established from the Mogalakwena Municipality IDP (2010/2011), the dominant rivers that run through the municipality are the Mogalakwena River and Sterk River which flows into Doorndraai Dam just outside the Mogalakwena municipal borders. A great deal of Limpopo Province is prone to drought conditions, where water is seen as a scarce resource and especially underground water is recognised as a key environmental issue which must be protected. This issue must be noted as it could strongly affect agriculture if not managed effectively. The topography is mainly characterised by undulating plains and lowlands, with hills and low-lying mountains.

As stated in the Mogalakwena Municipality IDP (2010/2010), Mogalakwena Municipality is located in the summer rainfall region of Limpopo. However, the rainy seasons endures from November to March every year, with the highest rainfall measurements recorded in December and January at between 600 mm and 650 mm per annum. The average rainfall tends to decrease from east to west.

Figure 3.13 below shows that Mogalakwena Municipality has fairly constant rainfall patterns, with only the southern part of the municipality experiencing a slightly higher average annual rainfall. The rainfall measurements are considered fairly low, with the majority of the municipality ranging between 401-600 mm and the southern part averaging between 400-800 mm of rainfall annually (AGIS Comprehensive Atlas, 2011). The Limpopo Department of Agriculture (LDA) have recognised that most parts of Limpopo experience severe drought conditions.

**Figure 3.13: Mean Annual Rainfall of Mogalakwena Municipality**



Source: AGIS Comprehensive atlas, 2011



In the Waterberg District, Mogalakwena Municipality and Lephalale Municipality are amongst the areas in Limpopo Province that are worst affected by the El Nino weather conditions. Measurements have been taken by the Department of Agriculture in anticipation of drought conditions, which could greatly affect the agricultural sector in the Mogalakwena Municipality.

### 3 Infrastructure profile

Both community services and infrastructure play a vital role in the development of the local economy of a region. The level of service in both of these categories directly and indirectly affects the ability of a region to attract and retain talented individuals and to compete for business.

The following factors should be taken into account when assessing the readiness, or enabling environment of an area:

- ❖ The quality and extent of hard infrastructure such as road- and rail networks, airports and harbours.
- ❖ The sophistication of local telecommunications, banking and finance services similarly impact on the input and operational costs of doing business.
- ❖ The extent to which spatial and land planning policies and documents are flexible to the needs of businesses and the relative ease of following land planning processes, such as rezoning applications.
- ❖ The sophistication of the public sector.
- ❖ The quantity and quality of available labour and training programmes, in relation to the specific human resource requirements of investors.
- ❖ Quality of life factors, such as the supply of housing and personal lifestyle facilities (such as educational, cultural and recreational services) also have an impact on the attraction of a particular investment.

The Mogalakwena Service Delivery report for the period of 2006-2010 indicate that there has been attempts and improvements in terms of bulk infrastructure and service delivery.

Water and sanitation infrastructure includes bulk water scheme, water projects in various villages within the municipality. Electricity infrastructure includes upgrades, electrification and construction of electricity lines in various villages as well as maintenance of electricity infrastructure across the municipality. A detailed project and budget is highlighted in the current municipal IDP.

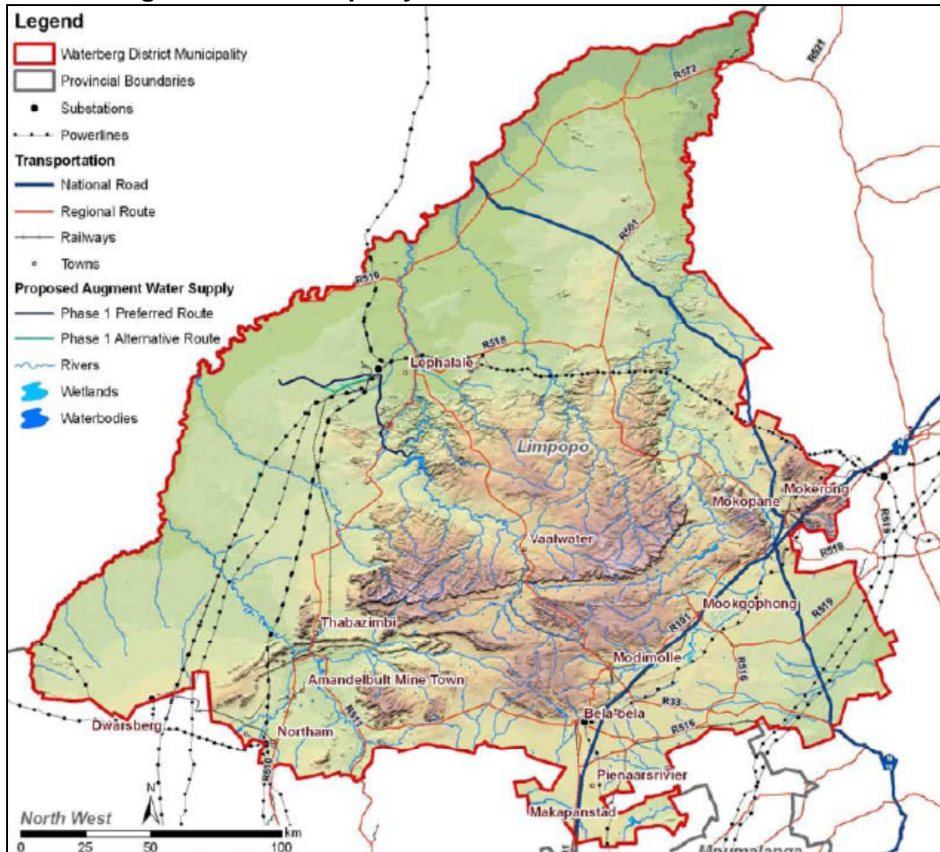
Figure 3.14 below provides a physical illustration of key infrastructure of the District.

Figure 3.15 below depicts the electricity supply in the Province, Waterberg DM and Mogalakwena LM.

Evidently, electricity is the main source of energy, followed by the high usage of wood as a source of energy mainly for cooking purposes. Electricity usage is mainly used for cooking purposes. Paraffin and candles are used sparsely, the other source of energy are used by an insignificant percentage of the municipal population.

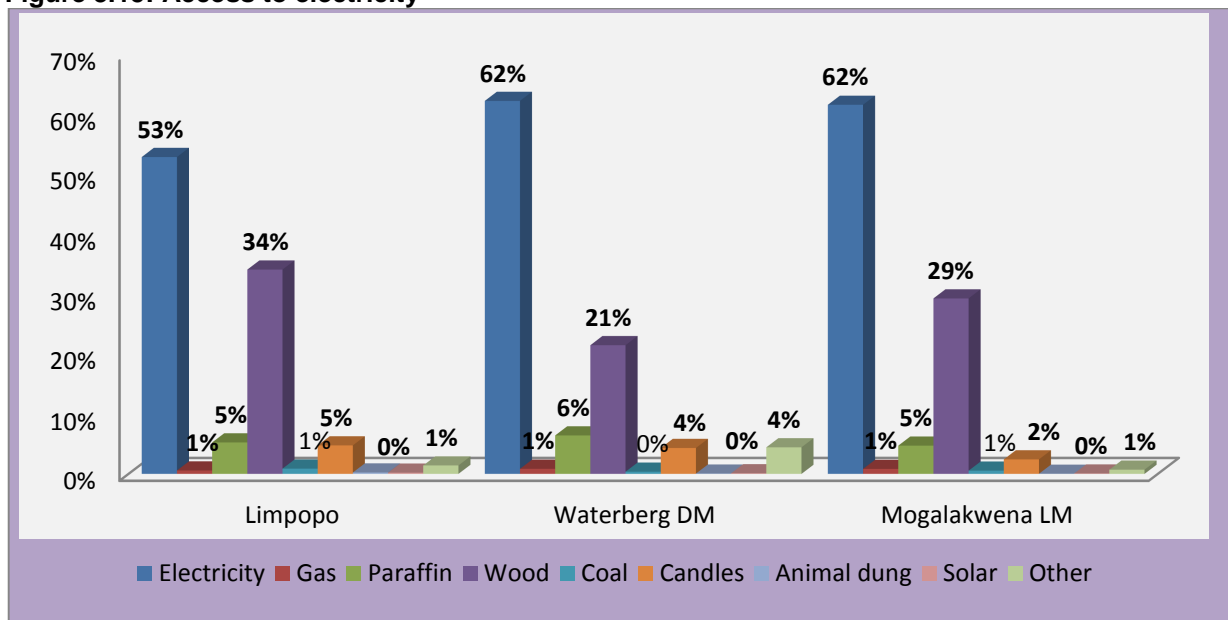
Both Eskom and the Council provide electricity in the municipal area. The Council is responsible for the urban core and commercial farming areas. These areas have full access to electricity. Eskom provides the rural areas. Electricity provision is clearly linked to bulk services. The north is well serviced and so is the area from the south up to the Bakenberg area. Access to electricity should not have an impact on the spatial development of the municipal area.

Figure 3.14: Waterberg District Municipality Infrastructure framework



Source: Waterberg District EMF, 2010

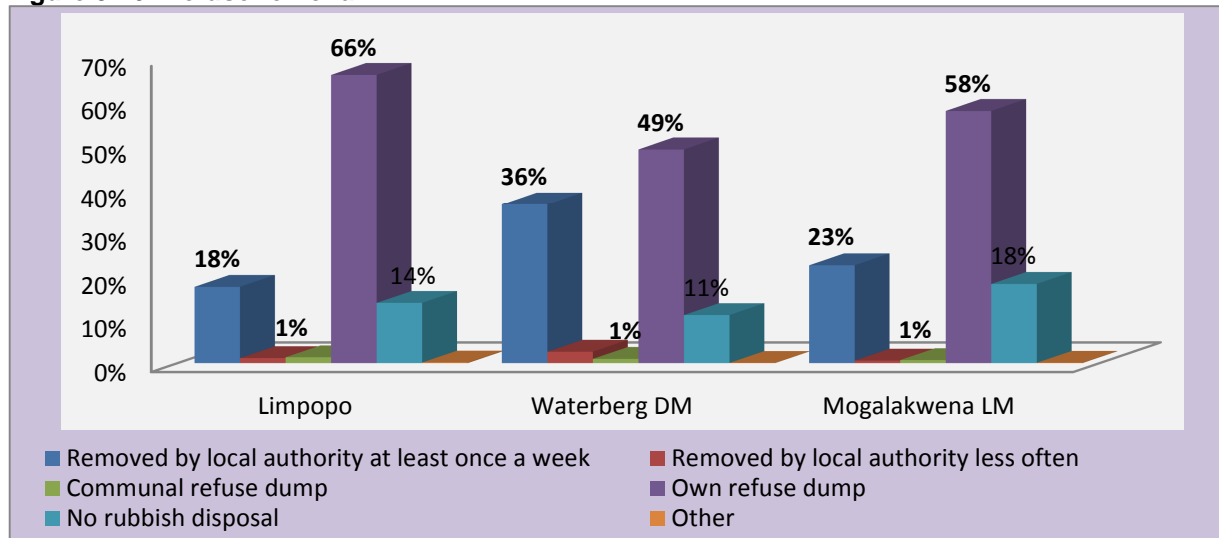
Figure 3.15: Access to electricity



Source: Quantec, Community Survey 2007

The Figure below depicts the access to refuse removal in the Province, District and Local Municipality.

**Figure 3.16: Refuse removal**



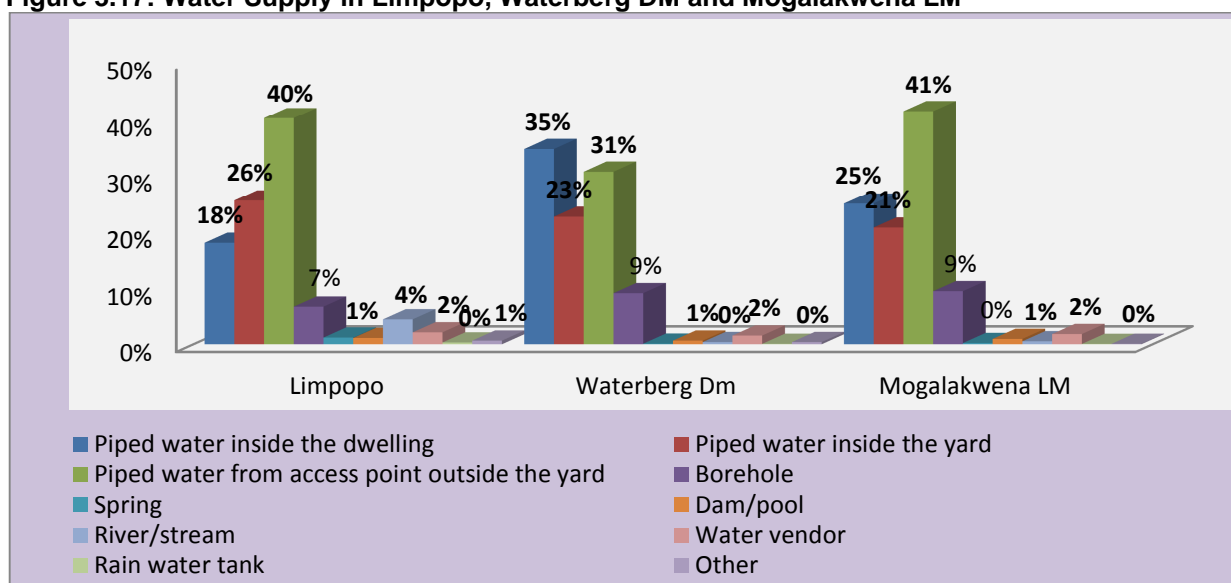
Source: Quantec, Community Survey 2007

The Figure above depicts that majority of population within Mogalakwena rely on their own dumping sites (58%) LM. A considerable amount of the population have access to refuse removal services from their local authorities at least once a week, whereas the other portion has no refuse disposal. An insignificant amount rely on removal of refuse by local authority less often and communal refuse dump across the board.

It is apparent from the Table above that the Majority of the Communities within Mogalakwena LM rely on their own refuse dump for refuse disposal, whereas another considerable numbers still have no refuse disposal facilities. It is only in the more affluent proclaimed towns (as per SDF) where refuse is removed on a weekly basis by local municipality, Mahwelereng, Potgietersrus and Rebone. Some rely on the local authority to remove waste once a week, while others simply use communal refuse dumps.

See Figure 3.17 below for access to water supply in the province.

**Figure 3.17: Water Supply in Limpopo, Waterberg DM and Mogalakwena LM**

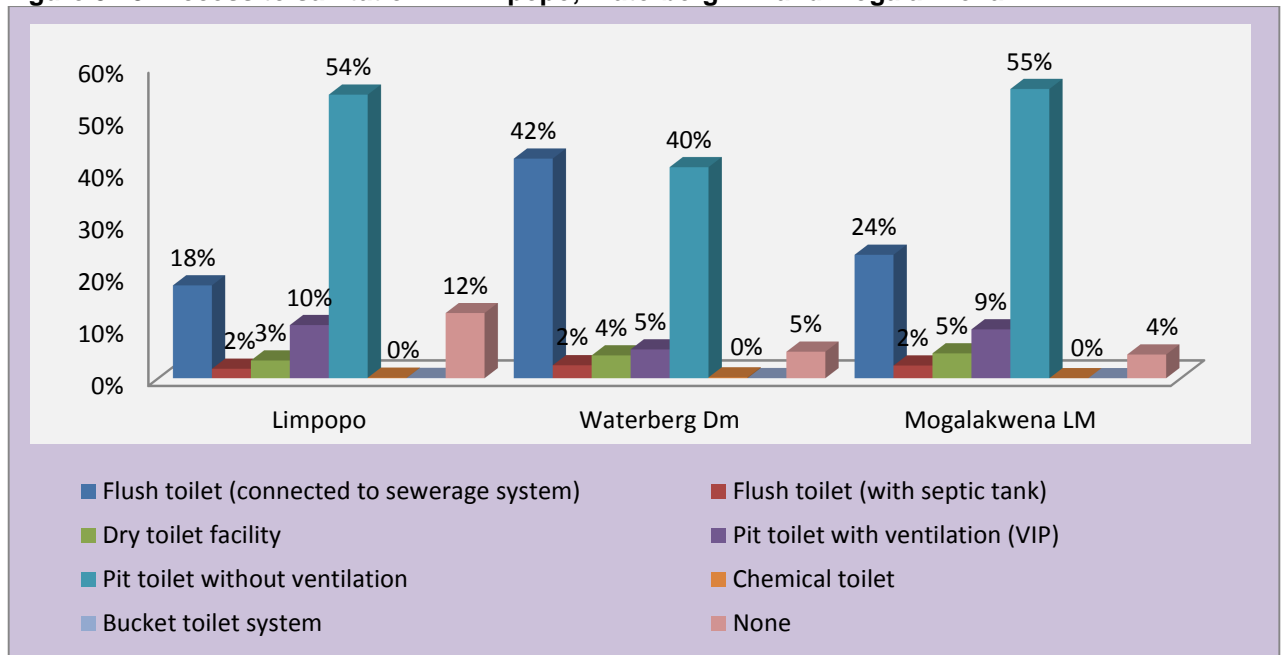


Source: Quantec, Community Survey 2007

The Figure above depicts that piped water is the main source of water supply with piped water inside yard and piped water on community stand within a 200m radius being the highest across the board. Limpopo has the highest percentage of the population using piped water outside of yard as compared to Mogalakwena LM and the Waterberg DM. Mogalakwena Municipality is the highest user of boreholes, with a lowest number of the population accessing piped water inside dwelling

Figure 3.18 below shows the access to sanitation facilities across the province.

**Figure 3.18: Access to sanitation in Limpopo, Waterberg DM and Mogalakwena LM**



Source: Community Survey 2007

Due to the rural nature of the province, majority of communities still use pit latrines without ventilation for sanitation with Mogalakwena being the highest. A considerable amount of the population still have no access to sanitation while and insignificant amount use chemical toilets. Flush toilets connected to sewerage system are more popular than those that are connected to a septic tank, especially in Waterberg District. Mogalakwena has a higher number of flush toilets connected to sewerage than Limpopo province.

The main water sources in the Province are Limpopo, Luvuvhu/Letaba, Crocodile and Olifants River systems. Water supply in Mogalakwena LM is supplied through the Glen Alpine and Doorndraai Dams which form part of the Mogalakwena River Catchment that ultimately flows into the Limpopo River. According to the Mogalakwena LM IDP 2010/2011, the urban areas of the municipality forms part of the Doorndraai Water Resource System. The following main water supply schemes supply the urban areas (mostly the town of Mokopane) with water:

- ❖ Doorndraai Water Resources System (private Owned)
- ❖ Uitloop Farm (Private Owned)
- ❖ Plaknek

The villages are supplied by the following schemes:

- ❖ Safakaola Water Supply Scheme
- ❖ Glen Alpine Water Supply Scheme
- ❖ Mapela Regional Water Scheme (25 boreholes)
- ❖ Bakenberg Regional Water Supply Scheme (40 boreholes)

- ❖ Nkidikitlana Regional Water Supply Scheme (15 boreholes)
- ❖ Salem Regional Water Supply Scheme (12 boreholes)

The schemes which supply the villages are all in need of refurbishment or upgrading of the design vs. population capacity as the villages have outgrown the schemes. The StatsSA Community Survey 2007 indicates a water backlog of 9767 households. The Quality of Life Study indicates that the majority of the traditional areas (72.3%) and informal areas (89.5%) rely on standpipes for their potable water supply within the Mogalakwena LM.

Data on ground resources indicates that there is a possibility in local areas of supplementing local water supply scheme by utilising this resource on a managed basis. The Mogalakwena Key area Catchment has limited surface water resources and larger groundwater resources which have already been extensively exploited by the irrigation sector. The only potential for additional water resources within the area is from groundwater. The total groundwater resource is estimated at 55 million m<sup>3</sup>/a. (Waterberg District EMF,2010).

Four of South Africa's nineteen WMA's are located in Limpopo Province, namely, Limpopo, Luvuvhu/Letaba and Crocodile (West) and Marico, as well as the Olifants (southern part) WMAs. There are two Water Management Areas that fall within the EMF area, Limpopo WMA and the Crocodile (West) and Marico WMA. The Limpopo Water Management Area (WMA) is the northern most water management area in the country and represents part of the South African portion of the Limpopo Basin, which is also shared by Botswana, Zimbabwe and Mozambique. The Limpopo WMA consists of a number of catchments, which are mostly independent of each other. The Crocodile West Marico WMA is situated to the west and forms the Boundary with Botswana.

According to the National Water Resource Strategy (2004), based on the reconciliation of water requirements and availability for the year 2025 base scenario, the following quantities of water are available per water management area for potential future development:

- ❖ Limpopo: 8 million m<sup>3</sup> per annum
- ❖ Luvuvhu/Letaba: 102 million m<sup>3</sup> per annum
- ❖ Crocodile (west) and Marico: 0 million m<sup>3</sup> per annum
- ❖ Olifants: 239 million m<sup>3</sup> per annum

The Table below depicts the total number of Dams within the Limpopo WMA, two of which supply the study area.

Doorndraai and Glen Alpine dams are the two dams within the Mogalakwena River within the Municipality. As depicted on the Table, Doorndraai has the highest capacity to Glen Alpine. Although used for irrigation, the Glen Alpine is also used for water supply in some parts of Mogalakwena.

**Table 3.7: Major dams in Limpopo WMA**

Dam	Catchment	Full Capacity (million m <sup>3</sup> )	Use
Mokolo	Mokolo	146	Water supply to the multiple uses
<b>Doorndraai</b>	<b>Upper Mogalakwena</b>	<b>44</b>	<b>Irrigation, domestic</b>
<b>Glen Alpine</b>	<b>Mogalakwena</b>	<b>20</b>	<b>Irrigation</b>
Nzhelele	Nzhelele	55	Irrigation
Houtrivier	Sand	7.5	Domestic

Source: Internal Strategic Perspective: Limpopo WMA,V1 2004



The Mogalakwena River Catchment covers an area of 19 327 km<sup>2</sup> and the MAR is around 140 million cubic m/annum. Two major dams, the Glen Alpine Dam and the Doorndraai Dam are located in this catchment. The Doorndraai Dam supplies water to Mokopane (Potgietersrus), whilst the Glen Alpine Dam provides the immediate and downstream area with water for both primary use and irrigation.

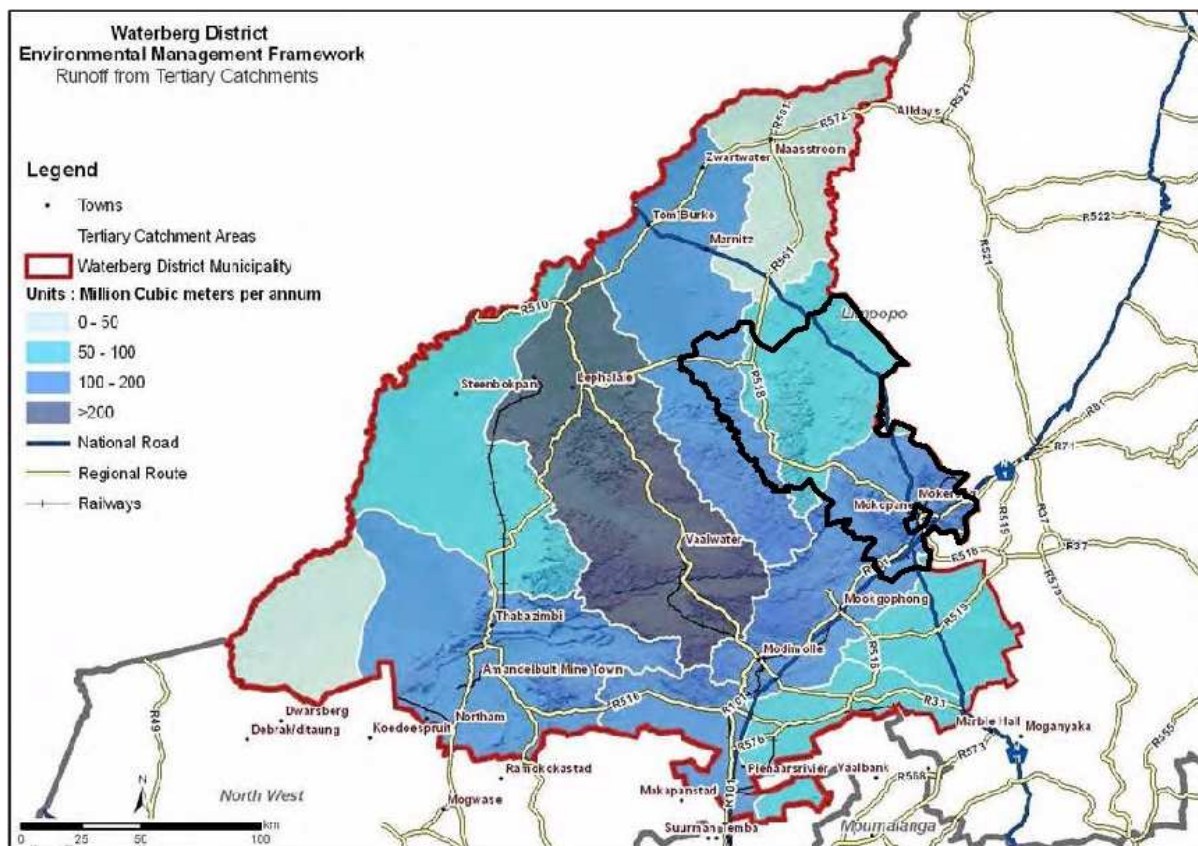
The Doorndraai Dam is situated on the Sterk River near Mokopane and supplies water to Mokopane as well as to irrigators along the Sterk River. Construction of the dam was completed in 1953 and it was raised in 1975. The yield of the raised Doorndraai Dam is estimated at 8,6 million m<sup>3</sup>/a (DWEA, 2001b). The allocations for the Doorndraai Dam are as follows (DWEA,2001b):

- ❖ Mokopane: 4,4 million m<sup>3</sup>/a; and
- ❖ Irrigation (downstream of dam) 3,7 million m<sup>3</sup>/a
- ❖ Total 8,1 million m<sup>3</sup>/a

The Glen Alpine Dam is situated on the Mogalakwena River. The yield of this dam is limited due to its small size, the ephemeral nature of the runoff into the dam, and the high evaporation rates in this area. The dam was completed in 1967 and supplies water to irrigators downstream. The allocation to irrigators was 5,9 million m<sup>3</sup>/a, but of this 1,6 million m<sup>3</sup>/a was to irrigators in Lebowa who never took up this allocation. However, 6,9 million m<sup>3</sup>/a has been registered by water users as water use sourced from the Glen Alpine Dam, so it will be necessary to verify the lawfulness of these registered water users before reallocating Lebowa's allocation to other users.

The below figure shows runoff from tertiary catchments in the Limpopo Province.

**Figure 3.19: Runoff from Tertiary Catchments in Limpopo Province**



Source: Waterberg District Environmental Management Framework, 2010

Limpopo Province is moving toward being a water stressed region of South Africa, with rivers running low and storage dams being highly contaminated. Concern from the local agricultural and rural community in Mogalakwena Municipality has emanated this concern for water scarcity. A shortage of technical skills within the municipality and skilled local engineers results in poor delivery of healthy water to the community, especially in poor areas such as villages and townships.

Most water resources in Limpopo are fully developed and water has already been allocated to various role-players. There also seems to very little opportunity for resource development due to the arid climate, unfavourable topography, sandy rivers and a weak potential for more groundwater abstraction.

However, there are various initiatives identified and underway within Mogalakwena Municipality aimed at addressing the issues and gaps identified in terms of service delivery within the municipality. These initiative are funded through government and private sector participation.

There are 36 water and sanitation projects estimated at R77 474 million within Mogalakwena, and T 35 roads and storm water projects estimated at R 60 021 million. Electricity projects are estimated at 2 767 000 for the upgrade of the central, south, north and west substations within Mogalakwena LM. These projects are funded through MIG, ES and DWEA. See Mogalakwena IDP 2010/2011 for a list of water and sanitation and roads and storm water projects.

As aforementioned, water is a major constraints within the Municipality, hence there are various water and sanitation projects proposed within the Municipality. More funds are required for the execution of the water related projects in comparison to other projects.

In early 2003, the Municipal Infrastructure Investment Unit (MIIU) completed one of its more complex partnerships. The area's largest industry, Anglo American Platinum Limited (PPL), uses the sewage effluent from the town's wastewater treatment plant to process water in its mining operations. The lack of an adequate bulk water supply was also limiting PPL's future expansion potential. In mid-2002, PPL approached the Municipality with an offer to finance the construction of the new Doordraai pipeline. Because the pipeline would also lead to increased sewage flows, the company offered to make improvements in the wastewater treatment facilities.

The Municipality approached the MIIU to assist in putting this unique partnership together. An MIIU grant agreement was quickly negotiated and consultants selected, with MIIU staff playing an advisory and quality control role. Most of the work was completed by mid-2003, but much of the effort over that period involved consultation with the many stakeholders involved, including the local community, the Lepelle Northern Water Board (the operator of the existing dam and pipeline), Waterberg District Municipality (the statutory water service authority), the Department of Water affairs, and the Department of Environmental Affairs.

The Partnership consists of eight different contracts, a main general agreement, with additional specific agreements dealing with individual project activities. In general the partnership includes a series of Buy Operate and Transfer (BOT) concession contracts between PPL, the Water Board and the Municipality. PPL will retain ownership of the assets during the concession term but will transfer those assets to the public entities once the capital investment is recouped. The Water Board and the Municipality will continue to operate the facilities during the concession period. Also included in the partnership is an exchange of property between PPL and the Municipality for future mine housing.



Along with the 16 megalitre pipeline, there will be a six megalitre addition to water treatment works and a nine megalitre upgrade of the wastewater treatment facilities. The total project value is approximately \$27 million.

The partnership represents a unique win-win situation for all stakeholders. The Municipality will get a new, badly needed 16 megalitre per day pipeline. The PPL mine will get a guaranteed supply of process water for its expansion plans. PPL expansion will mean a considerable boost for the local economy.

Other water projects in the district which will also benefit the Mogalakwena Local Municipality as identified in the Waterberg District EMF 2010, include:

- ❖ Effluent from Polokwane. A contract was recently concluded between Polokwane Municipality and Potgietersrus Platinum Mines for the supply of 14 mega litres of effluent per day from the treatment works. The role of WDM in this regard is to use all information pertaining to water demand and supply to form an action plan for water provision as one component of the mining development strategy.
- ❖ Flag Boshielo Transfer. This project entails the raising of Flag Boshielo Dam wall by 5 meters and construction of a new dam (De Hoop) in the Steelpoort River. A pipeline will be constructed in to transfer raw water from Flag Boshielo to Mokopane. This is expected to be completed soon, with a second pipeline in 2025.

Mogalakwena Municipality (where the Platreef occurs) is expected to be a primary beneficiary of the Flag Boshielo water transfer, but this transfer will be insufficient to remove the water deficit. Total water requirements for the municipality in 2005 were estimated at 21 million cubic meters of which the bulk (19 million cubic meters) was for agriculture. Mining used a mere 1.5 million cubic meters and household use was 0.2 million. This project is currently underway and is expected to run between 2013 and 2014 (Mogalakwena IDP office, 2011).

Figure 3.20 below depicts social facilities within the Municipality.

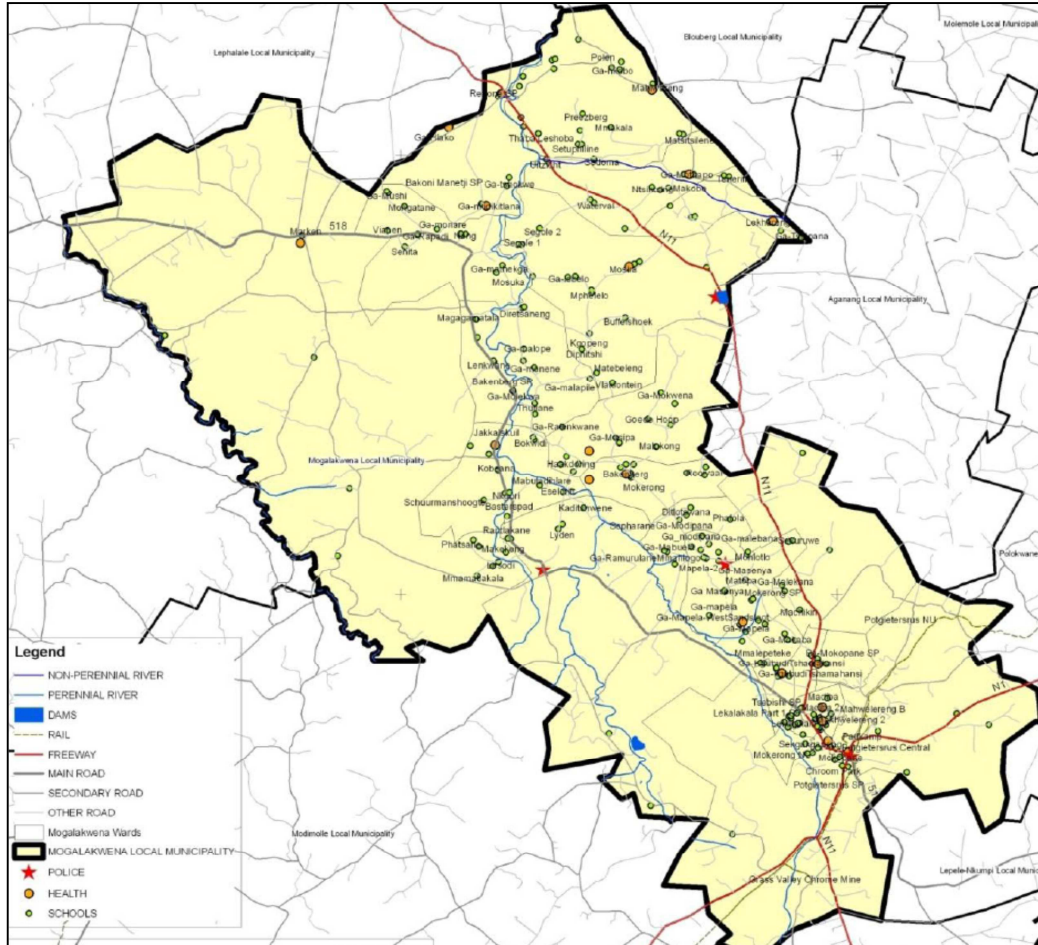
It is evident from the below figure, not all villages have access to social facilities. A total of four police stations exist within the municipality, and almost every village has at least a primary and secondary school, with only one tertiary institution located in Mokopane, namely Waterberg FET College. The FET College has about 3 educational centres focusing on various skills development and training in different fields. Two centres are located in Mahwelereng offering IT and science and another centre offering business management studies. The centre in Mokopane offers hospitality related studies.

There are currently 285 schools within the Municipality only 159 has access to water, 159 have access to electricity, 234 of these schools are recorded to be having sanitation facilities. This means that there is also a need to provide basic facilities to schools throughout the Municipality.

Schools are well distributed through the area. However, one should consider the fact that people are not very mobile and that most people walk to wherever they want to be. Walking distances from schools is thus the main criteria for determining access and then also the possible demand for more facilities.

As per the Mogalakwena SDF 2009, an assessment was made at 30 minute walking distance intervals to schools with the minimum 30 minutes and the maximum 90 minutes, the results indicated that 94.5% of the population walk 30 minutes to school, 3.8% walk 60 minutes and 1.7%, walk 90 minutes.

Figure 3.20: Social Facilities in Mogalakwena Local Municipality



Source: Mogalakwena LM SDF, 2009

The Table below depicts the number of health facilities within the municipality. Evidently, health services in the municipality are not frequented on the same basis as schools, which lead to longer walking distances and costs to access them. According to the Municipal IDP, 2010/11, coordination of health services should take place at district level where different health rendering authorities should formulate a plan called the District Health Plan which should be linked to the district municipality's Integrated Development Plan.

Table 3.8: Health facilities in Mogalakwena LM

Area	Hospital	Clinic	Mobile Clinic
Mahwelereng	Voortrekker Mokopane Hospital	<ul style="list-style-type: none"> <li>▪ Mahwelereng Clinic 1</li> <li>▪ Mahwelereng Clinic 2</li> <li>▪ Mahwelereng Zone 2</li> <li>▪ Bokwalakwala Clinic</li> <li>▪ Mogalakwena Clinic</li> </ul>	<ul style="list-style-type: none"> <li>▪ Greater Potgieterus</li> <li>▪ Sekgakgapeng</li> <li>▪ Potgieterus Mobile</li> </ul>
Bakenberg Local Area	George Masebe Hospital	<ul style="list-style-type: none"> <li>▪ Bakenberg Clinic</li> <li>▪ Paulos Clinic Mokamomole Clinic</li> <li>▪ Tiberius Clinic</li> <li>▪ Jakkalskuil Clinic</li> </ul>	<ul style="list-style-type: none"> <li>▪ Bakenberg Mobile</li> <li>▪ Bakenberg Mobile 2</li> <li>▪ Bakenberg Mobile 3</li> </ul>
Mapela Local Area		<ul style="list-style-type: none"> <li>▪ Mapela Clinic</li> <li>▪ Tshamahansi Clinic</li> <li>▪ Pholotji Clinic</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sterkrivier Mobile</li> <li>▪ Mapela Mobile 1</li> <li>▪ Mapela Mobile 2</li> </ul>

Area	Hospital	Clinic	Mobile Clinic
		<ul style="list-style-type: none"> <li>▪ Phafola Clinic</li> <li>▪ Mamaselela Clinic</li> <li>▪ Mosesetjane Clinic</li> <li>▪ Sterkwater Clinic</li> <li>▪ Vaalkop Clinic</li> </ul>	<ul style="list-style-type: none"> <li>▪ Gillemburg Mobile</li> </ul>
Rebone Local Area		<ul style="list-style-type: none"> <li>▪ Bavaria Clinic</li> <li>▪ Lekhureng Clinic</li> <li>▪ Mankuwe Clinic</li> <li>▪ Mattanau Clinic</li> <li>▪ Rebone Clinic</li> <li>▪ Segole Clinic</li> <li>▪ Weldevreden Clinic</li> </ul>	<ul style="list-style-type: none"> <li>▪ Koedoesrand Mobile 1</li> <li>▪ Koedoesrand Mobile 2</li> </ul>

Source: Mogalakwena LM IDP 2010/11

According to the Mogalakwena LM IDP 2010/11, there are 64 taxi routes and 4 bus terminals, 3 of which are informal bus terminals. Other modes of transport which service in Mogalakwena Municipality include train transport, which serves only the long distance passengers. Donkey carts are mainly used in most parts of the rural villages and villages surrounding Mokopane Town (Madiba, Sekgakgapeng, Masodi, and Vaaltyn).

## 4 Macro and local economic profile

This section focuses on the economic profile of the Mogalakwena Local Municipality in comparison with the National, Provincial and District contexts.

### 4.1 Macro-economic profile

In order to enhance the analysis of the economic components within the Mogalakwena LM, as well as define in which sectors the municipality has a competitive advantage over other regions in the Waterberg District, several analysis techniques are used. To provide a better understanding of these techniques, the terminologies associated with these techniques are defined below:

- ❖ **Gross Domestic Product (GDP)** is defined as the market value of all final goods and services produced within a country in a given period of time. The higher the Gross Domestic Product the higher the income in the Region. The size of an economy is usually measured by its gross domestic product (GDP). This value is equal to the economic wealth of the country, all the things of economic value that can be bought or sold that have been produced in the region in one year. This includes all goods, such as bread, maize, cars and gold, as well as all services, such as taxi rides, telephone units, haircuts, hotel rooms and tickets to soccer matches.
- ❖ **Gross Value Added (GVA)** is a measure of the value of goods and services produced in an area, industry or sector of an economy. In national accounts GVA is output minus intermediate consumption, it is a balancing item of the national accounts' production account. GVA is linked as a measurement to (GDP), as both are measures of output. The relationship is defined as:  $GVA + \text{taxes on products} - \text{subsidies on products} = GDP$ . As the total aggregates of taxes on products and subsidies on products are only available at whole economy level, Gross Value Added is used for measuring the Gross Regional Domestic Product (GDPR) and other measures of the output of entities smaller than a whole economy. GDPR of a region is the total value of all final goods and services produced within the boundaries of a region in a particular period.
- ❖ **Multiplier Effect** is a measure of the Indirect and Induced employment that is created by increasing employment in a Sector by one.
- ❖ **Location Quotient (LQ)** is a means of comparing the performance of regions against a benchmark region, usually the Province or the Nation. It compares how a sector is performing in a

region, compared to the performance of the same sector in the benchmark region. A Location Quotient of 1 means that the regions are performing equally, whereas a Location Quotient of less than 1 means that the study region is not performing as well.

- ❖ **Industrial Mix (IM)** measures the share of regional economic change that could be attributed to the benchmark region's industry mix. It reflects the degree to which the local region specialises in industries that are fast or slow growing in the benchmark economy. A positive industry mix reveals that a region specialises in provincial fast growing industries, whereas a negative mix reveals that the region specialises in provincially declining industries.
- ❖ **Differential Share (DS)** is reflected in the difference between the industry's local regional growth rate (or rate of decline) and the industry's benchmark region growth rate. Some regions and some industries generally grow faster than others, even during times of overall prosperity.
- ❖ **Carvalho Scale** combines the Location Quotient, Industrial Mix and Differential Share to give a sectoral breakdown of a region's potential for growth and its potential strengths and weaknesses. The Location Quotient is used to provide information on concentration of employment or GDP, while the Industrial Mix and Differential Share components provide assessment of sector capacity for growth/decline, compared to Provincial trends (in that Sector). Therefore, the Carvalho Scale combines the two in order to classify the past growth of the economic sectors of a region into one of nine categories, based on whether it had a High, Medium or Low Location Quotient and whether it had a Leading or Lagging IM and DS.

Herewith the nine classifications:

Location Quotient	Provincial Sector Relative Growth	Local Sector Relative Growth	Carvalho Classification	Industry Targeting Classification
Location Quotient	Industrial Mix	DS		
> 1.25 (High)	Leading	Leading	Driving	Current strength
0.75 – 1.25 (Medium)	Leading	Leading	Accelerating	
< 0.75 (Low)	Leading	Leading	Rising	Emerging strength
> 1.25 (High)	Lagging	Leading	Evolving	Prospects limited by external trends
0.75 – 1.25 (Medium)	Lagging	Leading	Transitional	
< 0.75 (Low)	Lagging	Leading	Moderate	Prospects limited by weak base & external trends
> 1.25 (High)	Leading	Lagging	Promising	High priority retention target
0.75 – 1.25 (Medium)	Leading	Lagging	Yielding	
< 0.75 (Low)	Leading	Lagging	Modest	Prospects limited by weak base & declining competitiveness
> 1.25 (High)	Lagging	Lagging	Challenging	Prospects limited by external trends & declining competitiveness
0.75 – 1.25 (Medium)	Lagging	Lagging	Vulnerable	
< 0.75 (Low)	Lagging	Lagging	Marginal	Prospects limited overall

Source: Newkirk, R.S. 2002

The table below provides an overview of the contribution by the South African, Limpopo Province, Waterberg District and Mogalakwena Municipality economies to each of the inherent economic sectors, between 2001 and 2009.

**Table 3.9: Sectoral share of GDP per area at current basic prices, 2001 and 2009**

	SA		Limpopo		Waterberg		Mogalakwena	
	2001	2009	2001	2009	2001	2009	2001	2009
GDP R/Million	928215	2181238	63595	150518	16644	35337	3406	9017
Agriculture	4%	3%	3%	3%	3%	3%	2%	2%
Mining	8%	10%	28%	27%	54%	55%	25%	27%
Manufacturing	19%	15%	4%	3%	3%	2%	5%	5%
Electricity & water	2%	2%	3%	3%	3%	2%	1%	3%
Construction	2%	4%	2%	2%	1%	2%	2%	3%
Wholesale & trade	14%	13%	13%	12%	9%	8%	18%	13%
Transport & communication	10%	9%	9%	9%	6%	7%	10%	11%
Finance & business services	19%	22%	15%	17%	9%	10%	16%	15%
Community services	6%	6%	5%	5%	3%	3%	6%	6%
Government services	15%	15%	19%	19%	8%	8%	15%	15%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Kayamandi calculations from Quantec Research, Standardised Regional Data, 2011

The table above shows that the Mogalakwena LM GDP for 2009 was just over R9 Billion, which is almost three times more than the 2001 GDP of R3.4 Billion.

The biggest contribution to the local GDP of Mogalakwena was made by the mining sector (27%) in 2009. There has been a slight increase in the contribution of the mining sector since 2001, where mining contributed a quarter (25%) to the local GDP. In comparison the mining sector contributes more than half (55%) to the GDP of the Waterberg District. When compared to the Limpopo Province the mining sectors contribution is comparatively similar, whilst compared to National indicators, the mining sector contributes far lower, namely 10%. This in essence shows the relative importance of the mining sector in the Mogalakwena LM, as well as the district and province as a whole when compared to the national average contribution.

Government services (15%) and finance and business services (15%) contribute the second highest amounts to the local GDP of Mogalakwena. These sectors have stayed relatively constant since 2001, whereby government services has not grown or declined, whilst finance and business services has declined in share by 1%. The government services sector, over the period, has stayed on equal terms with the district, provincial and national spheres.

The wholesale and trade sector has experienced a decline in the GDP share since 2001 values (18%) to 2009 values (13%). The wholesale and trade sector share in Mogalakwena compared to the same sectors share in the Waterberg District, is higher, indicating the regional significance Mokopane has as a regional node, whilst when compared to provincial and national statistics, is evenly pored.

The transport and communication sector showed a one percent increase in GDP share from 2001 figures to ultimately have an 11% share in total GDP of Mogalakwena LM. The Mogalakwena sector's contribution to GDP is higher when compared to the district (7%), province (9%) and national (9%) data. The growth in this sector and the higher share experienced within the Mogalakwena LM can be attributed to the location of mining activities in the municipal area. Mining in this instance requires logistical and communication support in order to effectively distribute minerals and gain inputs for mining activities.



Community services provide a 6% share in total GDP contribution Mogalakwena. The community services sector has stayed constant since 2001, and is mostly in sync with district, provincial and national averages.

Manufacturing contributes 5% to the total GDP contribution of Mogalakwena. The manufacturing sector has also remained at a constant share between 2001 and 2009, whilst manufacturing at district and provincial level has declined slightly. Mogalakwena's manufacturing sector compared to national data shows that the share is significantly smaller, whilst national manufacturing contribution has also declined by four percent. This shows scope for increased local beneficiation.

The electricity and water (3%), construction (3%) and agricultural sectors (2%) have significantly smaller share contributions in the local economic GDP. The electricity and water and construction sectors have shown an increase in contribution share during 2001 and 2009, whilst agriculture has stayed constant during the same time period.

The table below shows the contribution of each municipality in the Waterberg District, along with the contribution made by each municipality's economic sectors, to the districts economic sectors.

**Table 3.10: Contribution of local municipalities to sectoral GDP of the Waterberg District, 2009**

	Thabazimbi	Lephalale	Mookgopong	Modimolle	Bela-Bela	Mogalakwena	Waterberg
Agriculture	12%	27%	10%	16%	14%	20%	100%
Mining	70%	17%	0%	0%	1%	13%	100%
Manufacturing	6%	10%	8%	19%	6%	51%	100%
Electricity & water	6%	25%	3%	14%	14%	39%	100%
Construction	9%	9%	4%	14%	25%	40%	100%
Wholesale & trade	12%	10%	4%	17%	15%	42%	100%
Transport & communication	12%	11%	7%	17%	10%	43%	100%
Finance & business services	8%	8%	8%	17%	22%	37%	100%
Community services	10%	9%	4%	15%	12%	50%	100%
Government services	5%	9%	7%	20%	12%	47%	100%
<b>Total</b>	<b>43%</b>	<b>14%</b>	<b>3%</b>	<b>8%</b>	<b>7%</b>	<b>26%</b>	<b>100%</b>

Source: Kayamandi calculations from Quantec Research, Standardised Regional Data, 2011

The table above is an indication of how the Mogalakwena LM is comparing to the other municipalities in the Waterberg District. In 2009 the Mogalakwena LM contributed 26% to the total GDP of the Waterberg District. This is second to the Thabazimbi LM which contributes almost half (43%) of the Waterberg District GDP, mainly due to its strong mining component. The remaining municipalities of Lephalale (14%), Modimolle (8%), Bela-Bela (7%) and Mookgopong (3%) contribute smaller shares to the district total.

In accordance to the contribution by the Mogalakwena LM to the Waterberg District total GDP, the Mogalakwena LM significantly contributed in all sectors of the economy. This in conjunction to the total contribution of each municipality shows that, the provision of all the sectors of Mogalakwena LM take predominance over the other municipalities, but cannot compare to the contribution made by the mining sector in the Thabazimbi LM.

The biggest contributing sector from the Mogalakwena LM to the district total is manufacturing, which has a significant 51% share over the rest of the district municipalities. Other sectors of importance are:

❖ Community services	50%
❖ Government services	47%
❖ Transport and communication	43%
❖ Wholesale and retail	42%
❖ Construction	40%

The data suggests that Mogalakwena LM and more specifically, Mokopane, is the major regional node of the district based on the dominant distribution of sector contribution. The finance and business services sector in Mogalakwena LM is the largest contributor to the district total, followed by Bela-Bela (22%) and Modimolle (17%). The Lephalale (27%) and Mogalakwena LM (20%) are the main contributors to the Waterberg District agriculture sector. In accordance, the remaining municipalities have an almost equal share in agricultural activities. This provides the basis from which the agricultural sector in the district is a main cause for development based on the fact that agriculture is a main role-player in each municipality, and may pose as a significant focus for development potential.

Mining is distributed amongst the Thabazimbi (70%), Lephalale (17%) and Mogalakwena (13%) municipalities, with a small share claimed by the Bela-Bela Municipality (1%). Thabazimbi as the major contributor to the mining sector in the Waterberg District is a result of the cluster of platinum and iron mines on the Western Limb of the Bushveld Igneous Complex (BIC). The Lephalale Municipality is mostly dominated by the extensive coal mining situated at the groot geluk mine. Mining in Mogalakwena is dominated by the platinum mining on the Northern Limb of the BIC, as well as by granite quarrying and fluorspar mineral extraction.

The table below is an indication of the growth/decline within the various vertical levels of the economy.

**Table 3.11: Percentage annual GDP growth per sector, 2001 to 2009**

	South Africa	Limpopo	Waterberg	Mogalakwena
Agriculture	1.96	4.64	0.60	9.13
Mining	-0.85	-1.65	-2.11	0.20
Manufacturing	1.83	1.96	-2.47	3.78
Electricity & water	3.21	5.05	-3.77	16.61
Construction	9.52	6.61	5.67	7.18
Wholesale & trade	3.31	2.59	0.03	0.63
Transport & communication	5.15	5.31	5.40	5.33
Finance & business services	6.28	5.98	4.92	4.91
Community services	3.82	4.07	2.83	4.70
Government services	3.15	3.07	1.91	3.65
<b>Total</b>	<b>3.71</b>	<b>2.81</b>	<b>0.10</b>	<b>3.29</b>

Source: Kayamandi calculations from Quantec Research, Standardised Regional Data, 2011



Based on the above table, the South African economy as a whole grew at almost 4% during the time period of 2001 to 2009. All sectors showed positive growth except for the mining sector which showed a negative growth (-0.9%). This trend can be seen throughout provincial (1.6%) and district (-2%) levels. The dominant growth sectors at national level are construction (9%), finance and business services (6%) and transport and storage (5%).

The Mogalakwena LM had a comparative growth rate of 3.3% during the aforementioned time-period. This compared to the Waterberg District growth rate (0.1%) is substantially higher, whilst also marginally attaining a higher growth rate than the Limpopo Province (2.8%), but staying lower than the National average.

The electricity and water sector attained the highest growth rate (16%) within the Mogalakwena LM, and when compared to the district decline of nearly 4% and Provincial and National growth of 5% and 3% respectively, shows significantly higher growth. This could provide insight into better service provision or extensive investment into the provision of services and infrastructure. The second highest growing sector in the municipality is the agriculture sector (9%). This sector also boasts with a significantly higher growth than the Waterberg District (0.6%), the Limpopo Province (4%) and South Africa (1.96%).

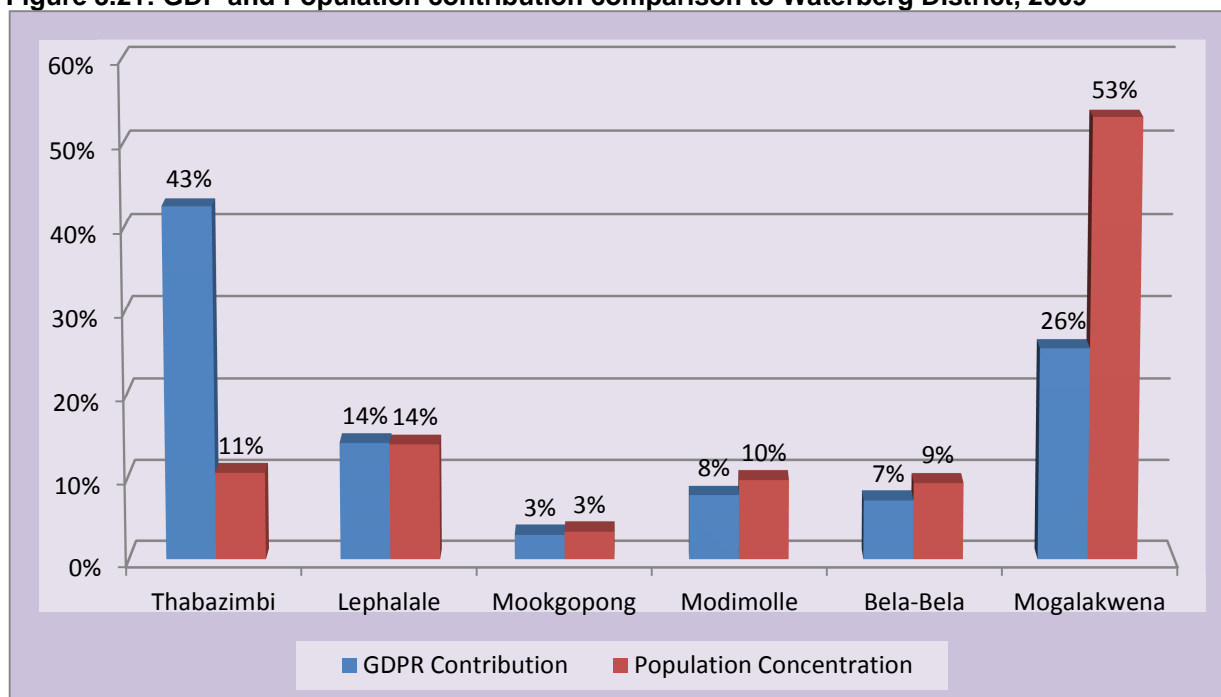
The remaining sectors like construction (7%), transport and communication (5%), finance and business services (4%), community services (4%) and manufacturing (3%) have growth rates predominantly similar to the district, provincial and national averages.

The lowest growth performing sectors are wholesale and trade (0.6%) and mining (0.2%) in the Mogalakwena LM. Wholesale and retail sector in Mogalakwena LM can be determined as performing slightly better than the Waterberg District manufacturing sector as a whole, but is significantly lower than the Limpopo Province (2%) and National (3%) growth rates. In relation the Mogalakwena LM mining sector shows a minimal growth rate in comparison to the other sectors of the local economy, but when compared to the Waterberg District (-2%), Limpopo Province (-1%) and National (-0.8%) growth rates, unlike the aforementioned the sector shows a positive growth between 2001 and 2009.

The figure below depicts the comparison between the GDP contribution made by each municipality in the Waterberg District and the related population contribution of each of these municipalities.

The figure illustrates that the Mogalakwena LM's GDP contribution to the Waterberg District is almost half (26%) compared to the population contribution (53%) of the same municipality. In comparison, the Thabazimbi LM contributes 43% to the Waterberg District GDP, whilst only contributing 11% to the population. This essentially implies a positive ratio within the Thabazimbi LM, whereby a small population contributes a dominant share of the district GDP. This is as a result of the dominant mining industry in Thabazimbi. The Mogalakwena LM shows the second highest proportion of GDP is contributed by the municipality, but contributes the most to population. This poses an opportunity for development in the economic sector to enhance the contribution by the Mogalakwena economy to comparatively align with the contribution in population.

The remaining municipalities show an almost even contribution between GDP and population indicating that the economy of these municipalities may be equipped to provide for the local communities.

**Figure 3.21: GDP and Population contribution comparison to Waterberg District, 2009**

Source: Kayamandi calculations from Quantec Research, Standardised Regional Data, 2011

The table below shows the Carvalho Classifications, as well as the prospects for each of the economic sectors for the Mogalakwena LM. The Mogalakwena LM's economic sectors are compared to the Waterberg Districts economic sectors and are based on the GDP growth between 2001 and 2009.

**Table 3.12: Carvalho comparison of Mogalakwena LM to the Waterberg DM, 2001 to 2009**

Industry	LQ	IM	DS	CS	Prospects
Agriculture	0.80	Lagging	Leading	Transitional	Limited by external trends
Mining	0.49	Leading	Leading	Rising	Emerging strength
Manufacturing	2.00	Lagging	Leading	Evolving	Limited by external trends
Electricity & water	1.51	Lagging	Leading	Evolving	Limited by external trends
Construction	1.58	Leading	Leading	Driving	Current strength
Wholesale & trade	1.66	Lagging	Leading	Evolving	Limited by external trends
Transport & communication	1.70	Leading	Leading	Driving	Current strength
Business services	1.47	Leading	Lagging	Promising	High priority retention target
Community services	1.97	Lagging	Leading	Evolving	Limited by external trends
Government services	1.86	Leading	Leading	Driving	Current strength

Source: Kayamandi calculations from Quantec Research, Standardised Regional Data, 2011

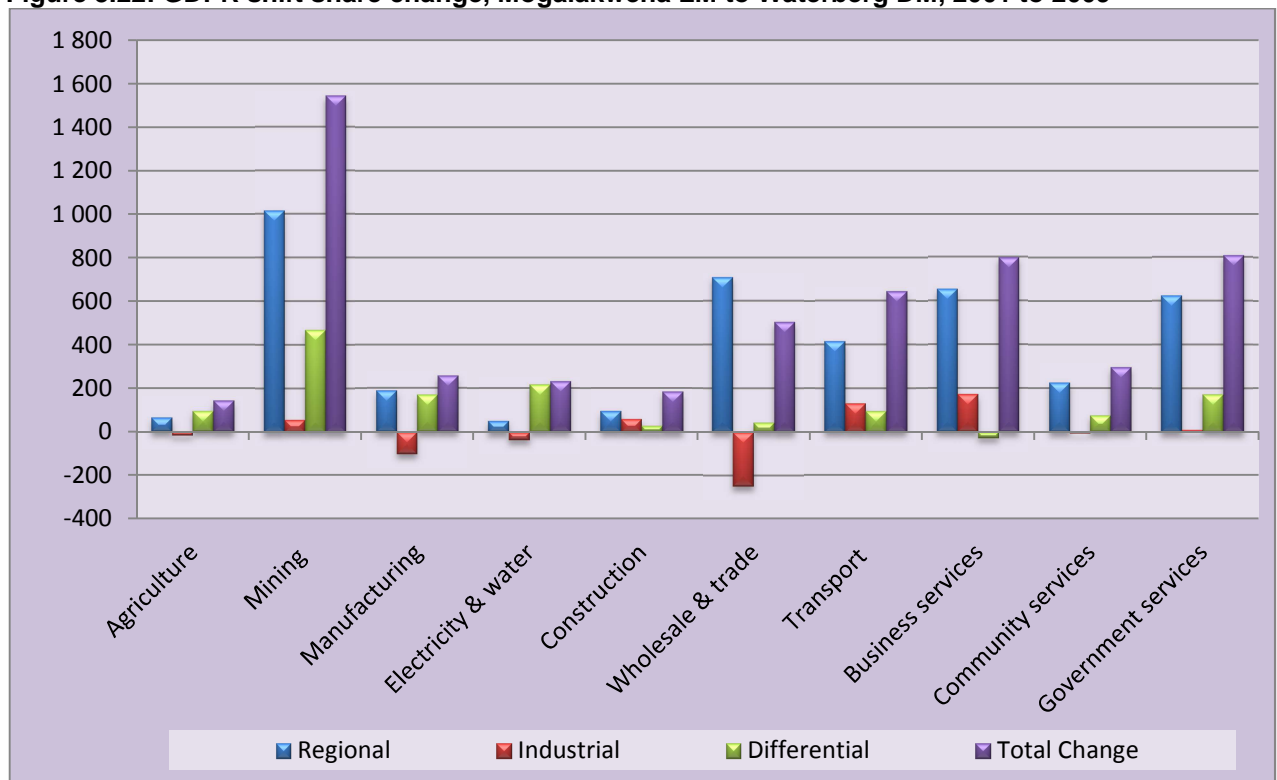
The manufacturing, electricity and water, construction, wholesale and trade, transport and communication, business services, community services and government services sectors have a comparative advantage in their respective sectors as a result of them having a LQ value greater than 1. This indicates that these sectors are out performing their respective sectors at district level and thus play a major role in the development and growth of the local and district economies. All of the above mentioned sectors also have an LQ classification greater than 1.25, which indicates that these sectors serve a larger needs spectrum which extends beyond the boundaries of the local municipality. These sectors function as the “exporting” sectors of the LM, providing not only subsistence assistance within the local municipality, but also serving or “exporting” these products and/or services to adjacent municipalities, or beyond.

The agriculture sector in this regard has an LQ of 0.8, which falls within the LQ range of between 0.75 and 1.25. This in effect depicts a sector which can provide at a subsistence level to the local community and thus is a self-sufficient unit catering for the local communities of the LM.

The lowest performing sector in the Mogalakwena LM in comparison with the District is Mining, which has a LQ lower than 0.75. The data suggests that the sector is not meeting the local needs of the municipality and that the sector is importing the majority of its goods in order to operate. However, this needs to be seen in relation to the overwhelming large mining contributions from Thabazimbi and Lephalale. According to the Carvalho Classification, and the prospects of the sector, the sector is rising within the local economy and is also becoming an emerging strength. The local mining sector has to compete with the larger mining activities located within the Thabazimbi LM, which shows local mining as a small and emerging sector within the District economy. The local mining sector performance and contribution can be viewed as significant when considering the share in GDP (27%) and employment (11%) within the local economy. The linkages and inputs needed by the mining sector are lacking, and are imported from outside the LM boundaries, which is also an indication of the weaker local base of mining and mining related activities. The main drive in terms of the sector would be to focus on diversification and linkage development of the mining sector with other sectors. The development of backward and forward linkages within the local municipality would enhance the production and products developed by the sector and also encourage growth and development horizontally across numerous sectors.

The Figure below illustrates the GDP Shift Share coefficients for the Mogalakwena LM. In order to understand the data depicted below and the relevance/significance of the results, reference is made to understanding the concepts of Shift Share Analysis (SS), and also the coefficients of the analysis which relate to the Regional Share (RS), Industrial Mix (IM) and Differential Shift (DS). These concepts are discussed below along with the conclusions gained from the data.

**Figure 3.22: GDP shift share change, Mogalakwena LM to Waterberg DM, 2001 to 2009**



Source: Kayamandi calculations from Quantec Research, Standardised Regional Data, 2011

Shift Share analysis compares the local growth/decline of a certain sector to the growth/decline experienced by the same sector in the larger region (in this case the District), as well as to the growth/decline in the overall economy of the larger region. As such, the Shift Share analysis separates the growth/decline of a specific sector locally from external factors, such as the influence of the total growth in the larger region, the influence of growth of the same sector in the larger region and the influence of local factors. The Shift Share analysis, therefore, allows a better understanding of the local economic structure.

The Regional Share (RS) refers to the change that could have occurred in a sector of the local economy if that sector had grown at the same rate as that of the larger region (or in this instance the Waterberg DM). The RS is, therefore, reflected in the difference between the Waterberg Districts GDP Growth Rate (or rate of decline) between 2001 and 2009 in comparison to the local sector in 2001, indicating how much of the growth in the local sector can be attributed to the economy of the Waterberg District. The RS for the Mogalakwena LM shows that none of the economic sectors of the LM has had a negative regional share value. Further cognisance has to be given to the fact the data indicates that the mining, wholesale and trade, business services, government services and transport sectors can attribute the growth experienced in these sectors to the growth experienced within the Waterberg District economy. All other sectors show marginal influence when related to RS or District growth impacts.

The IM shows leading sectors in the economy who are specialising on a local level in industries/sectors of the economy that are growing faster than the Benchmark or District economy. The data suggests that the transport and business services sectors are well performing sectors which could provide the possibilities for further development and diversification of functions and activities. The negative values shown above, depicts the lagging industries/sectors within the Mogalakwena LM. The core indication here is that these lagging industries/sectors are industries/sectors in which the Mogalakwena LM is specialising, whilst the sector is declining at district level. Wholesale and trade and manufacturing are the main sectors showing a lagging tendency in the Municipality which ultimately relates to that the Municipality should seek to create diversification within its local economy in order to encourage a vast range of economic opportunities and functions which can be self sustaining and of regional significance.

The DS gives a further indication of which sectors have a comparative advantage on a local level, causing it to grow faster than the same sector in the Benchmark economy. Leading industries are indicated by a positive DS and illustrates a regions comparative advantage above others. The data shows that in all sectors of the economy within the Mogalakwena LM, the municipality has a comparative advantage except for the business services sector which shows a negative tendency. When considering sectors which lack comparative advantage, the sector's constrains and factors influencing the sector negatively should be addressed in order to encourage the expansion of existing businesses and the development of new ones. The main focus would also be to encourage retention of businesses and the attraction of new businesses to the area through the creation of business environments conducive to establishment and market entry.

The table below is an indication of the performance of the different sectors of the economy within the Mogalakwena LM compared to the employment trends within the Waterberg District. This is done to show the contributing strength and importance of a sector within the economy based on its role in the provision of employment. The analysis is done based on reference to regional share, industrial mix and differential share which would provide an indication and reason for the actual change experienced in each sector.

**Table 3.13: Employment shift share coefficients for Mogalakwena LM, 2001 to 2009**

	Actual Change	Regional Share	Industrial Mix	Differential Shift
Agriculture	-2225	-694	-2,579	1,048
Mining	3715	-301	2,475	1,541
Manufacturing	6	-682	-504	1,192
Electricity & water	64	-34	-86	184
Construction	-349	-600	-62	313
Wholesale & trade	-4376	-2,644	-2,667	935
Transport	548	-199	779	-32
Business services	929	-456	1,595	-210
Community services	302	-1,560	334	1,528
Government services	1090	-1,021	1,156	956
<b>Total Change</b>	<b>-294</b>	<b>-8,192</b>	<b>442</b>	<b>7,456</b>

Source: Kayamandi calculations from Quantec Research, Standardised Regional Data, 2011

The table above shows that in terms of employment growth, the mining and government sectors have had a significant growth in employment locally with an increase of 3715 and 1090 jobs respectively between 2001 and 2009. Other sectors showing smaller job creation activities for the same time period are business services (929), transport (548), community services (302), electricity and water (64) and manufacturing (6). In comparison the wholesale and trade sector (4376), agriculture (2225) and construction (349) sectors showed a loss in jobs for the same time period. In essence, the local economy suffered a loss of 294 jobs in total between 2001 and 2009.

The RS is an indication of the amount of job opportunities which could have been created or lost within the Mogalakwena LM if the economy had grown at the same rate as that of the District had grown during this time period. From the data shown above, it is clear that a considerable loss of 8192 jobs could have been created between 2001 and 2009. When compared to the actual loss experienced by the Mogalakwena LM, the argument can be made that, the local economy of Mogalakwena has not suffered the losses that the District has, and may pose as a positive result of economic strength and stability.

The industrial mix shows that mining, business services, government services transport and community services have created 2475, 1595, 1156, 779 and 334 new jobs as a result of performance of these sectors at a District level. These sectors show high specialisation and fast growing attributes in terms of employment within the District. Sectors that have shown a decline at District level for the same time period are wholesale and retail, agriculture, manufacturing, electricity and water and construction and as a result of the declining performance of the district, 2667, 2579, 504, 86 and 62 job opportunities respectively have been lost during this time period. This in total resulted in 5898 lost employment opportunities.

The differential shift indicates the comparative advantages that a sector may have in the local economy. In terms of employment creation, the mining sector has the highest comparative advantage, creating 1541 new employment opportunities. In close competition, community services (1528 jobs), manufacturing (1192 jobs) and agriculture (1048 jobs) are the other major role-players in this instance. Comparative advantages can also be found in the government services (956 jobs), wholesale and retail (935 jobs), construction (313 jobs) and electricity and water (184 jobs) sectors. Sectors showing a less than adequate comparative advantage is business services (210 jobs) and transport (32 jobs) which in combination lost 242 jobs.

## 4.2 Local economic profile

The section focuses on analysing the current economic situation which exists within the Mogalakwena LM on a more detailed local level to provide more insight into the local economy and how it is inter-related. The information reviewed in this section will be an indication of:

- ❖ Which sectors are the main contributors to the economy of the study area,
- ❖ Which sectors are growing and becoming more important, and
- ❖ Where opportunities are for further growth and development.

The economic activity of an area is generally measured by means of the output generated by that activity. In order to measure the output generated by an area, reference is generally made to the GDP or Gross Domestic Product per Region. The GDP is an indicator of the quantifiable measure to which the market value of new goods and services produced in a given time period can be measured. The table below is an indication of the contributions made by each sector to the local economy of Mogalakwena and therefore provides an indication of the most important sectors in the economy.

In order to measure the diversification of an economy, the Tress Index is used. The Tress index is based on determining the share contribution by each sector and then accordingly ranking these sectors from smallest to largest contribution. A weighted value is then determined which is then reworked to provide an indication of the Tress Index for the economy as a whole. The indication scale is distributed between 0 and 100, where 0 shows a completely diversified economy and 100 shows a concentrated economy.

The table below is an indication of each sectors GDP contribution for the Mogalakwena LM, the sector share it has in the total economy, the rank of the sector in the economy according to the Tress Index and finally the Tress Index.

**Table 3.14: Tress Index of GDP, 2009**

Industry	GDP	% Share	Rank
Mining	2 449 849 040	27%	9
Government & community services	1 862 871 374	21%	8
Finance & business services	1 381 069 359	15%	7
Wholesale & trade	1 134 945 665	13%	6
Transport	1 014 168 305	11%	5
Manufacturing	425 233 155	5%	4
Electricity & water	276 679 445	3%	3
Construction	270 658 810	3%	2
Agriculture	201 654 864	2%	1
<b>Total</b>	<b>9 017 130 018</b>	<b>100%</b>	<b>n.a</b>

**Tress Index: 46.3**

Source: Kayamandi calculations from Quantec Research, Standardised Regional Data, 2011

In terms of output created by each sector within the Mogalakwena LM economy, the mining sector is the dominant contributor, contributing 27% to the total output. Government and community services (21%), finance and business services (15%), wholesale and trade (13%) and transport (11%) sectors are the other main contributors to the local economy. Essentially, mining contributed almost R2.5 billion to the local economy, whilst the other top performing sectors (as mentioned above) contributed R1.8 billion, R1.3 billion, R1.1 billion and R1 billion respectively to the total economic output.

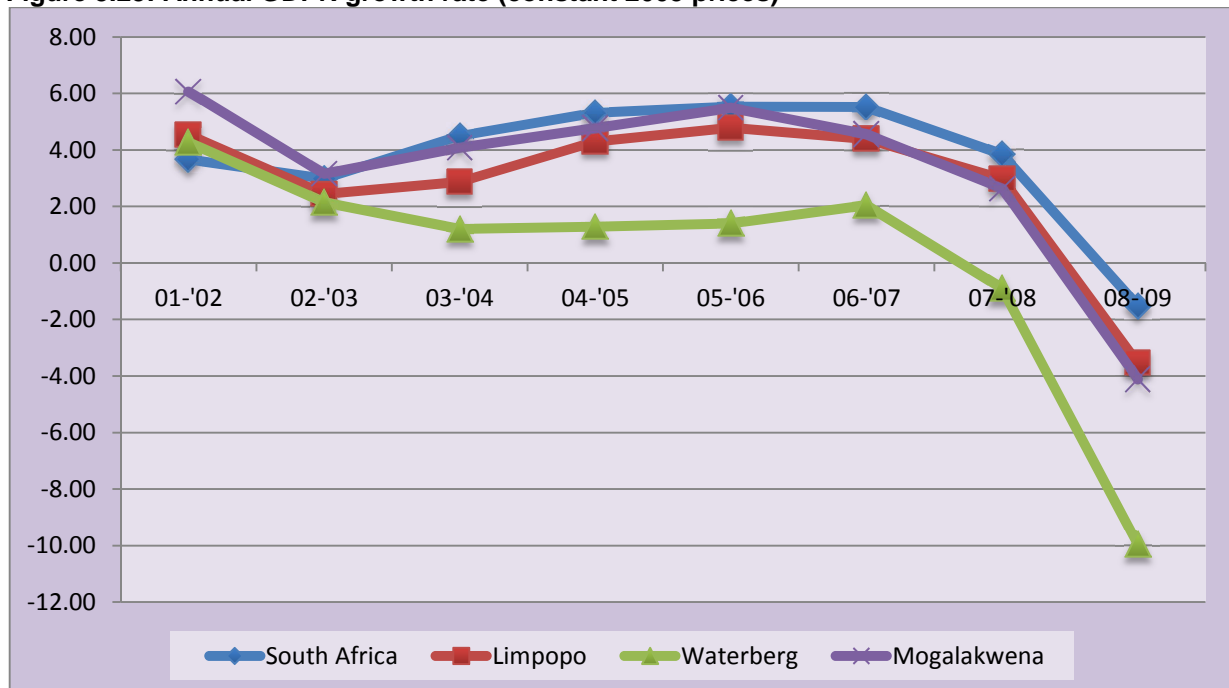


The Tress Index for the Mogalakwena LM has been calculated at 46.3. This is an indication of a variably diversified economy, whilst still incorporating major underdevelopment in some sectors. When compared to 2001 Tress values, the economy of Mogalakwena has slightly become more diversified, climbing almost 3 points up the ladder from 48.9 to 46.3.

A diversified economy can be described as a economy that is not particularly dependant on any one sector to be able to function and sustain itself. In essence, all the sectors in that local economy are contributing to the local economy in such a way that the local economy is not vulnerable to fluctuations in any one sector. When considering Mogalakwena LM, the Tress Index indicated that the local economy is somewhat diversified in nature but is still majorly dependant on various sectors, such as mining, to drive and stimulate growth. The mining sector contributed more than a quarter of the GDP output for the municipality, whilst government and community service contribute just over a fifth. Other sectors like finance and business services, wholesale and trade and transport, contribute between the ranges of 11% to 15%. In contrast other sectors like manufacturing and construction dwindle below 5% of the total contribution. This poses significant issues when related back to dependence on single sectors for growth and development. The prospects of growth in other sectors, or linkages between lower performing sectors and the major sectors of the local economy must be investigated to stimulate and encourage growth across all sectors of the economy.

The figure below is an indication of the GDP growth for the Mogalakwena LM, Waterberg DM, Limpopo Province and South Africa as a whole.

**Figure 3.23: Annual GDP growth rate (constant 2005 prices)**



Source: Kayamandi calculations from Quantec Research, Standardised Regional Data, 2011

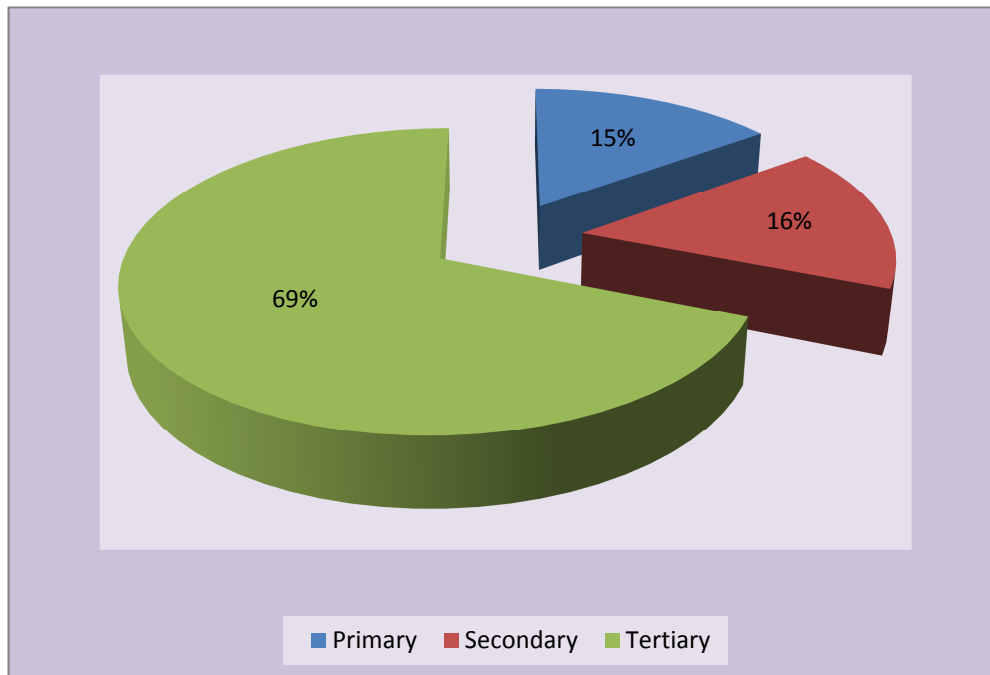
The Mogalakwena LM's GDP growth rate during 2001 to 2009 followed the same pattern as that of the Limpopo Province and South Africa as a whole. The Limpopo Province, Waterberg District and Mogalakwena LM all show GDP growth rates lower than the national averages. Mogalakwena LM, has also shown a relatively constant growth rate during 2001/2 and 2006/7, from hence which the growth rate has significantly declined and has even shown negative values during 2007/8 to 2008/9. This can



be attributed to the world recession which impacted on all countries throughout the international market, thus potentially explaining the major downturn in economic growth.

To further illustrate how a sector would be performing in the local economy, the employment generated by that sector can prove to be a valuable indicator of importance and growth. The figure below shows the employment distribution by economic sector for 2009.

**Figure 3.24: Employment by sector, 2009**

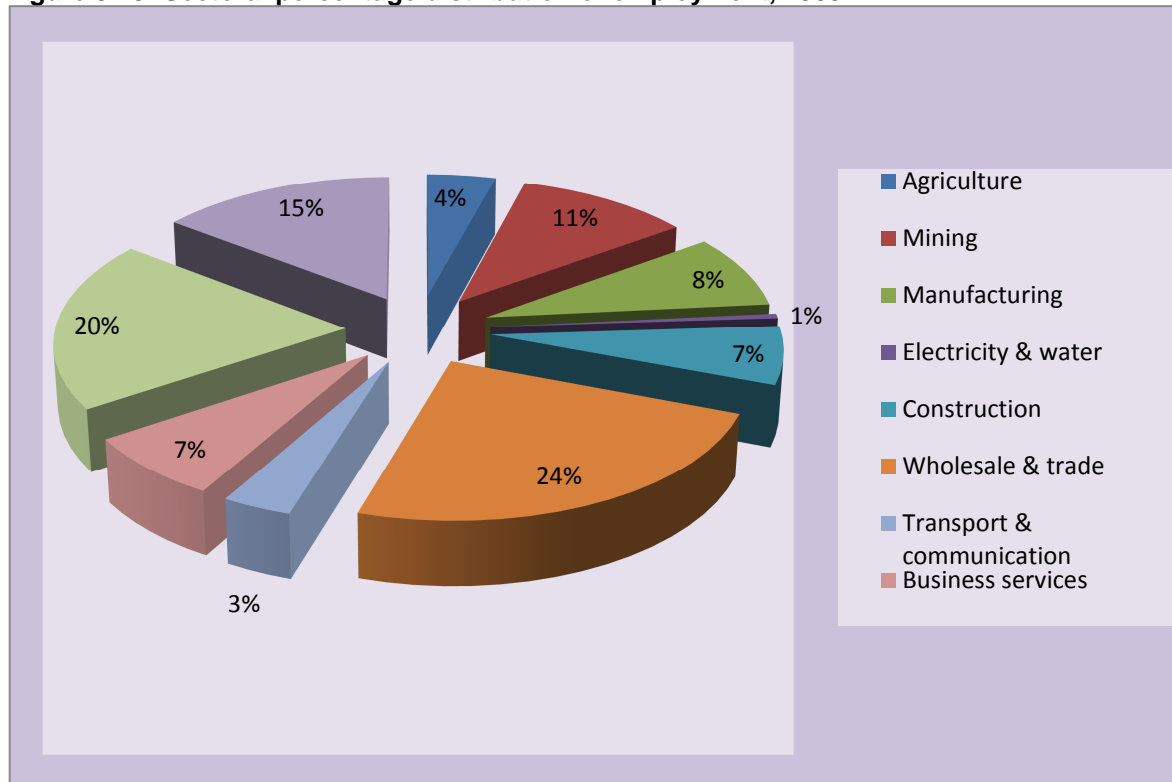


Source: Kayamandi calculations from Quantec Research, Standardised Regional Data, 2011

The major employer within the Mogalakwena LM is the tertiary sector, which has the dominant share of 69% of all formal employment in the area. The sector is closely related to all wholesale, retail, business and government services. The second largest employer in the municipality is the secondary sector which contributes roughly 16% to the total formal employment. Manufacturing and construction would play the largest roles in this sector. Lastly, the primary sector provides 15% of all formal employment in the municipal area. This sector is composed out of the agriculture and mining sectors, which are sectors that are extremely vulnerable to external factors such as climate changes and environmental disasters, commodity prices, exports and international trade and market fluctuations.

The Figure below further illustrates the breakdown of employment within the sub-sectors of the primary, secondary and tertiary sectors.

The wholesale and trade sector within the Mogalakwena LM is the dominant supplier of employment opportunities in the area, providing almost a quarter (24%) of all employment in the area. When comparing employment to GDP contribution for the same sector, the sector has a 13% share in the GDP contribution to the local economy. Whilst, the GDP contribution is lower than that of employment contributions, the impetus can be placed on the sector as a major supplier of employment opportunities, and plays a vital role in the continued growth in employment and economic development of the municipality. The aim in this instance would be to strengthen the basis of the sector to ensure that development opportunities can be facilitated and encouraged in the area.

**Figure 3.25: Sectoral percentage distribution of employment, 2009**

Source: Kayamandi calculations from Quantec Research, Standardised Regional Data, 2011

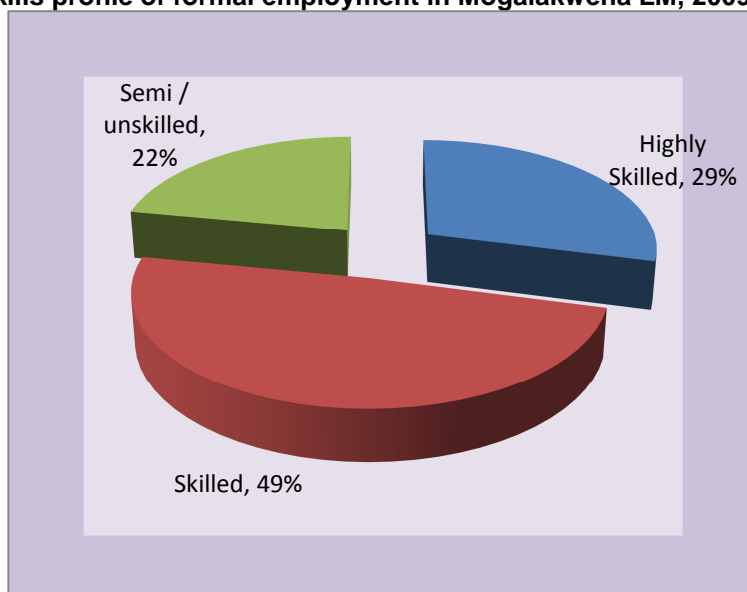
The community (20%) and government (15%) services sectors combined, provided roughly 35% of all employment in the municipality. This in essence provides a picture of the importance of government's role in the provision of services within the area.

Similarly, the mining sector provides more than a tenth (11%) of employment in the municipality. The mining industry is also the major GDP contributor in the municipality (27%) and acts as a main driving force to long term development. When considering that, GDP contribution is higher than the contribution made to employment, the conclusion can be deduced that the mining industry may be providing higher paying employment to fewer employees than various other sectors. If compared to the wholesale and trade sector, where employment contributions are higher than that contributed to GDP, one may say that the sector in essence provides lower paying employment opportunities to many.

Other sectors that must be noted in this instance would be manufacturing, construction and business services, which contributed 8%, 7% and 7% respectively to employment. The manufacturing (5%) and construction (3%) sectors play minimalistic roles in GDP contribution in the municipality, whilst the business services (15%) sector is one of the major role-players in the economy. The conclusions drawn from this is related to services required by local mining and larger industries in terms of financial assistance and services, which places the sector as a high performance sector. The sector also requires higher skilled labour which in turn makes the sector less labour intensive. The construction and manufacturing sectors are highly labour intensive industries, which require a wide range of labourers at various skills levels. The industries are also the sources of main inputs to other sectors and the producers of final products. The minimal role played in terms of labour and GDP contribution creates the assumption that limited backward and forward linkages exist and the need to incorporate higher amounts of labour is not necessary.

The figure below is an illustration of the labour skills profile for the Mogalakwena LM, depicting the distribution between semi/unskilled, skilled and highly skilled labour.

**Figure 3.26: Labour skills profile of formal employment in Mogalakwena LM, 2009**



Source: Kayamandi calculations from Quantec Research, Standardised Regional Data, 2011

Based on the data above, in 2009, almost half (49%) of the labour force in Mogalakwena LM had been classified as skilled labour, whilst semi/unskilled labour accounted for almost a quarter (22%) of the workforce. The municipality has a high amount, 29%, highly skilled labourers. This can be accounted for by the fact that the high skills demand by mining companies, business services and government services enables that a large proportion of the labour force are highly skilled.

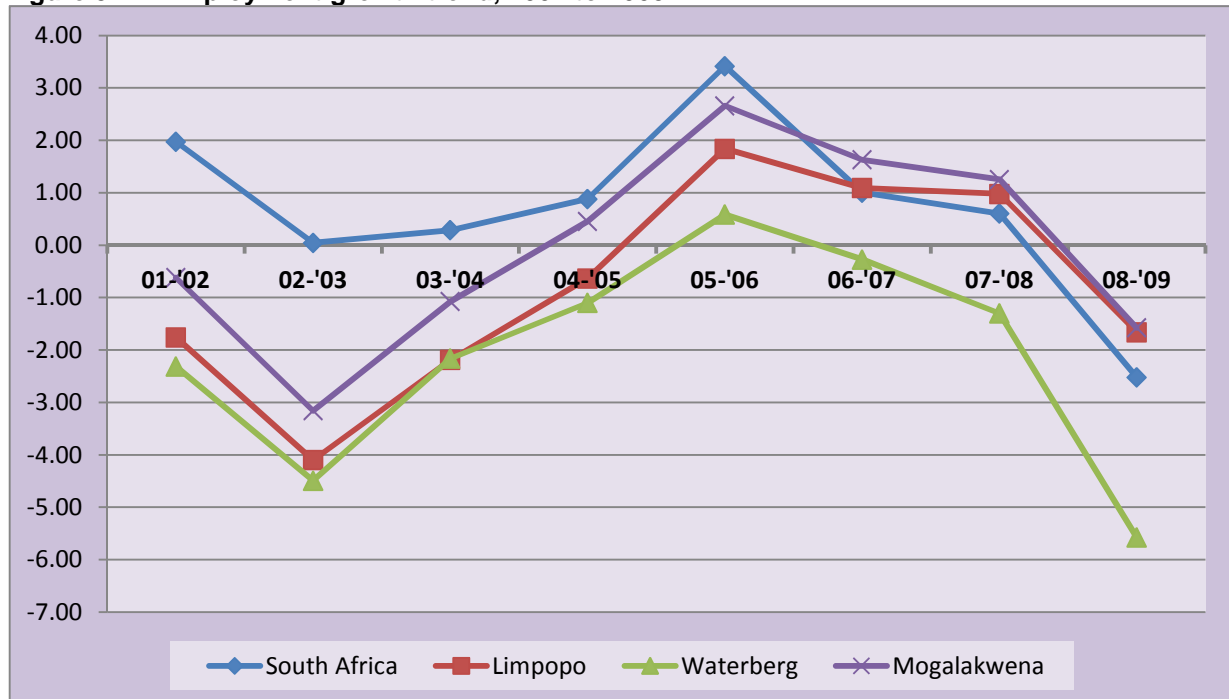
The table and Figure below is a summary of growth in employment in the time period between 2001 and 2009, and also seeks to divulge employment trends for the same time period.

**Table 3.15: Average per annum sectoral employment growth, 2001 to 2009**

Industry	2001	2009	Growth Rate (%)	Average Jobs Created per Annum
Agriculture, forestry and fishing	4447	2222	-8.31	-278
Mining and quarrying	1931	5645	14.35	464
Manufacturing	4373	4379	0.02	1
Electricity, gas and water	219	283	3.25	8
Construction	3846	3497	-1.18	-44
Wholesale and retail trade, catering and accommodation	16947	12571	-3.67	-547
Transport, storage and communication	1275	1823	4.58	69
Finance, insurance, real estate and business services	2920	3849	3.51	116
Community, social and personal services	9998	10300	0.37	38
General government	6546	7636	1.94	136
<b>Total</b>	<b>52501</b>	<b>52207</b>	<b>-0.07</b>	<b>-37</b>

Source: Kayamandi calculations from Quantec Research, Standardised Regional Data, 2011

Figure 3.27: Employment growth trend, 2001 to 2009



Source: Kayamandi calculations from Quantec Research, Standardised Regional Data, 2011

The Mogalakwena LM showed a negative growth rate (-0.07) between 2001 and 2009 in terms of employment growth/decline as shown in the table above. The negative growth resulted in the loss of 294 jobs for the same time period at an average annual loss of 37 jobs. The loss of employment in the municipality shows that local businesses are struggling with keeping up with economic trends and developments. Other reasons for the decline may be attributed to the world economic downturn, customer preference, loss of regional importance, and lack of attracting customers.

The highest growth rate in terms of employment had been experienced by the mining sector, resulting in a 14% per annum growth rate and the creation of 3700 new jobs at an annual rate of 464 per year. Other sectors that showed substantial growth rates during the afore mentioned time period are the transport (4.58%), business services (3.51%) and the electricity and water (3.25%) sectors. These sectors created 548, 929 and 64 new jobs respectively. The growth rates for these sectors have shown substantial inclination, the results have to be compared to the government services sector which only showed a 1.94% growth rate but contributed 1090 new jobs at an annual rate of 136 new jobs created per year. Smaller sectors of note would be the community services sector which showed a marginal growth of 0.37% and 302 new jobs, whilst the manufacturing sector only grew by 0.02% during 2001 and 2009, and only created an additional 6 new jobs.

Within the Mogalakwena LM, three sectors showed negative growth rates during the above mentioned time period, of which agriculture generated the highest negative growth of -8.31%. In conjunction, the wholesale sector showed a negative growth of -3.67%, whilst the construction sector had a -1.18% growth. The highest amount of employment opportunities was lost by the wholesale and trade sector, resulting in the loss of almost 4400 jobs. The agriculture sector showed the highest negative growth but did not have the highest amount of jobs lost during this time. The agriculture sector lost approximately 2200 jobs, whilst the construction sector lost almost 350 jobs.

The Mogalakwena LM showed similar trends as those experienced by the Waterberg District and Limpopo Province. During the time period from 2006/7 to 2008/9 the Mogalakwena LM had a higher employment growth rate than that of the national average.

The Tress Index can also be used as an indicator of the concentration and diversification of the economy in supplying employment opportunities within the various economic sectors in the local economy. The table below sets out the Tress Index for employment in the Mogalakwena LM, as well as the number of employed persons and the share each sector has in terms of total employment.

**Table 3.16: Tress Index for employment, 2009**

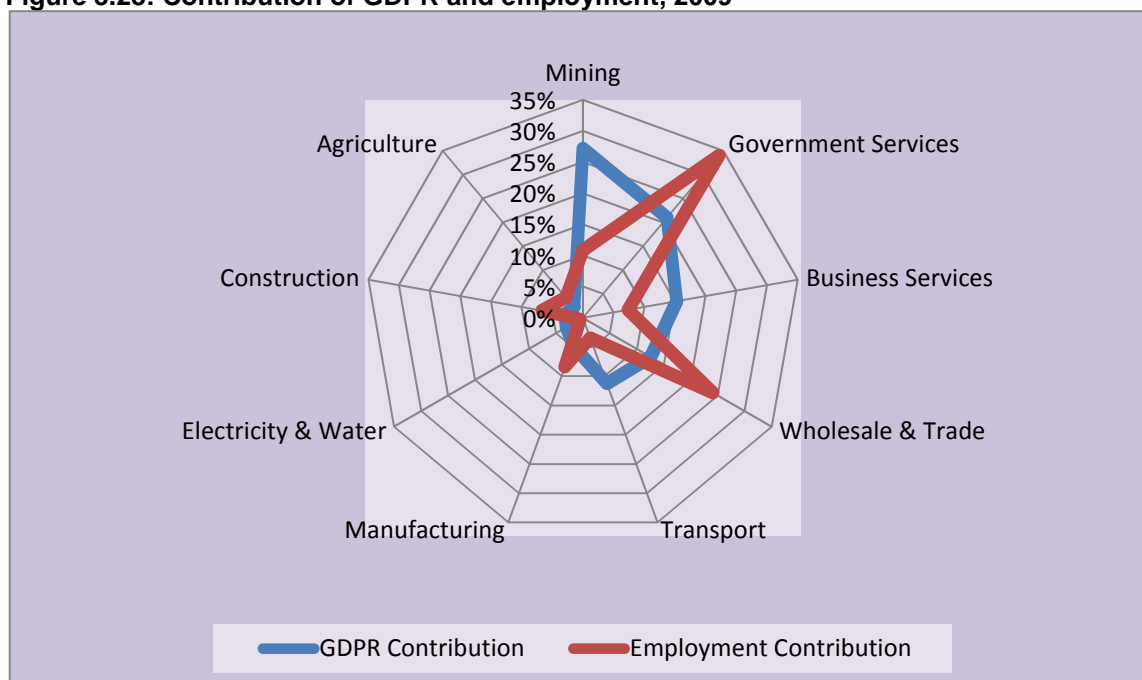
Industry	Employment	% Share	Rank
Government & community services	17936	34%	9
Wholesale & trade	12571	24%	8
Mining	5645	11%	7
Manufacturing	4379	8%	6
Business services	3849	7%	5
Construction	3497	7%	4
Agriculture	2222	4%	3
Transport	1823	4%	2
Electricity & water	283	1%	1
<b>Total</b>	<b>52207</b>	<b>100</b>	<b>n.a</b>
<b>Tress Index : 52.9</b>			

Source: Kayamandi calculations from Quantec Research, Standardised Regional Data, 2011

As discussed previously, the government and community services and wholesale and trade sectors are the main role-players when considering employment, whereby nearly 60% of all employment are concentrated in these sectors. The Tress Index for employment in the Mogalakwena LM is 52.9, which is a less diversified split between employment and the sectors in which they are situated. When compared to the Tress Index for the GDPR of Mogalakwena, 46.3, it becomes evident that the economic structure of the municipality is more diversified than the distribution of employment within these economic sectors.

In terms of historical growth, the Tress Index of 2001 showed an even less diversified split in employment (56.7). By taking into consideration the diversification of employment in 2001 compared to that of 2009, the improvement has been marginal in nature, which can be termed as not being sufficient to distribute employment across all sectors of the economy. As stated above, nearly 60% of all employment is concentrated in the government and community services and wholesale and retail sectors, which places these sectors as primary employment opportunities in the municipality. In order to be able to facilitate combined growth across the board, it should be endeavoured to be enabled to create more opportunities within other sectors through the education of people, skills training and growth in new businesses, SMME's and entrepreneurs.

The Figure below is a representation of the relationship between the contributions made by employment and GDPR in the local economy of the Mogalakwena LM.

**Figure 3.28: Contribution of GDP and employment, 2009**

Source: Kayamandi calculations from Quantec Research, Standardised Regional Data, 2011

In relation to the Figure below, the comparisons can be drawn that the mining sectors, like the business services sector and the transport sector require lower amounts of labour to produce higher amounts of GDP output. Mining and business services are skilled and highly skilled intensive sectors which would require lower amounts of labour. Government services on the other hand have a larger labour force but produce smaller amounts of GDP output. This could pose the argument that the labour employed in this sector have lower income values, or that higher amounts of labour are required to produce the output required by the sector.

The Table below sets out the labour productivity for the Mogalakwena LM. The aim of this table is to provide an overview of the output generated by each labour unit during a calendar year.

**Table 3.17: Labour productivity, 2009**

Region	Labour Productivity (R'000)
Limpopo	183.4
Waterberg DM	236.9
Thabazimbi LM	393.6
Lephalale LM	299.8
Mookgopong LM	149.1
Modimolle LM	143.0
Bela-Bela LM	156.7
Mogalakwena LM	172.7

Source: Kayamandi calculations from Quantec Research, Standardised Regional Data, 2011

The Waterberg DM showed a higher labour productivity value (GDP output per employed person) than Limpopo Province for 2009. Thabazimbi LM (R393,000 per person) had more than double labour productivity value than Limpopo Province (R183,000 per person), and can also be classified as having the highest production out of all the municipalities making up the Waterberg DM. Lephalale LM had the second highest production value (R299,000 per person), followed by Mogalakwena LM. Each employed person in the Mogalakwena LM was responsible for roughly R172 000 worth of production.

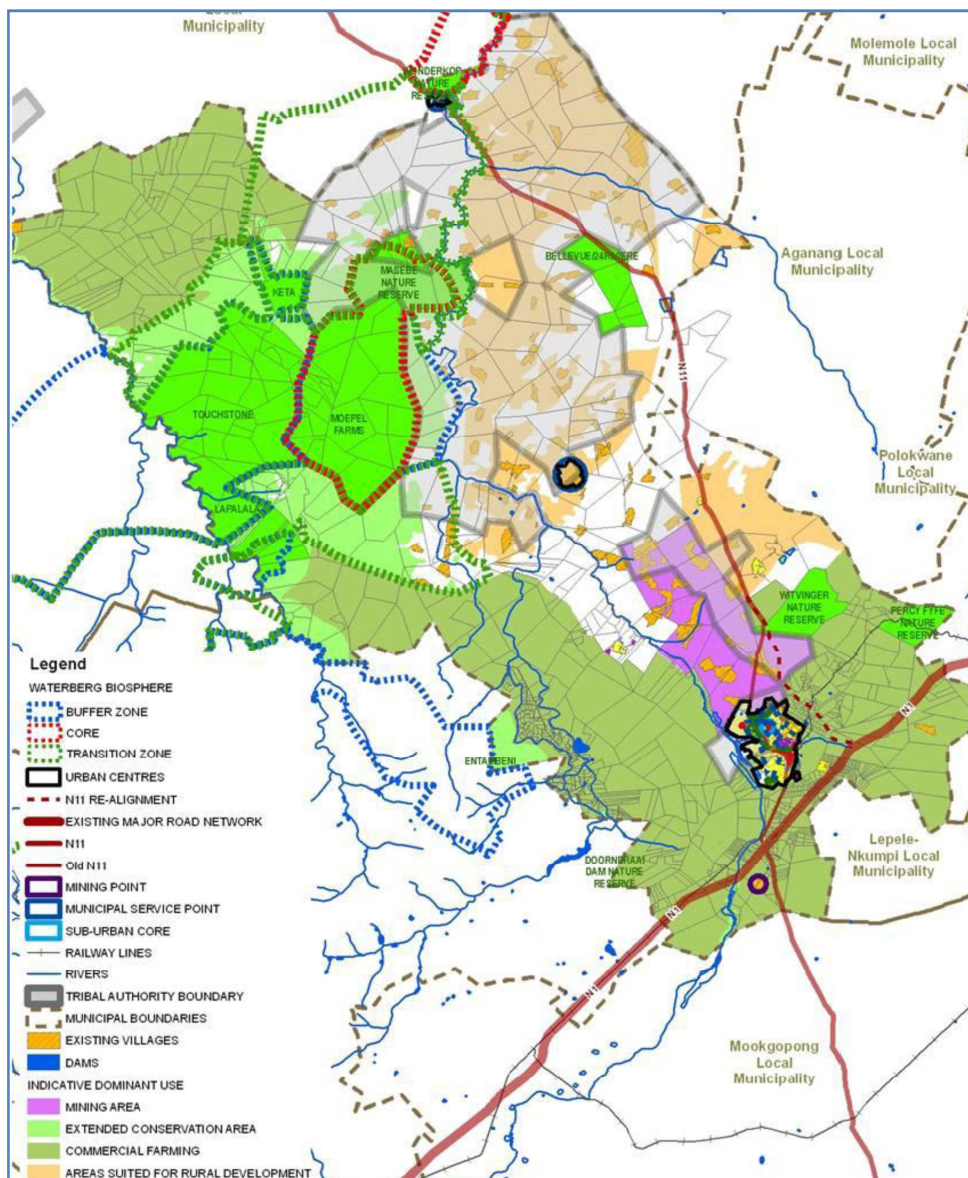




# Local spatial sectoral analysis

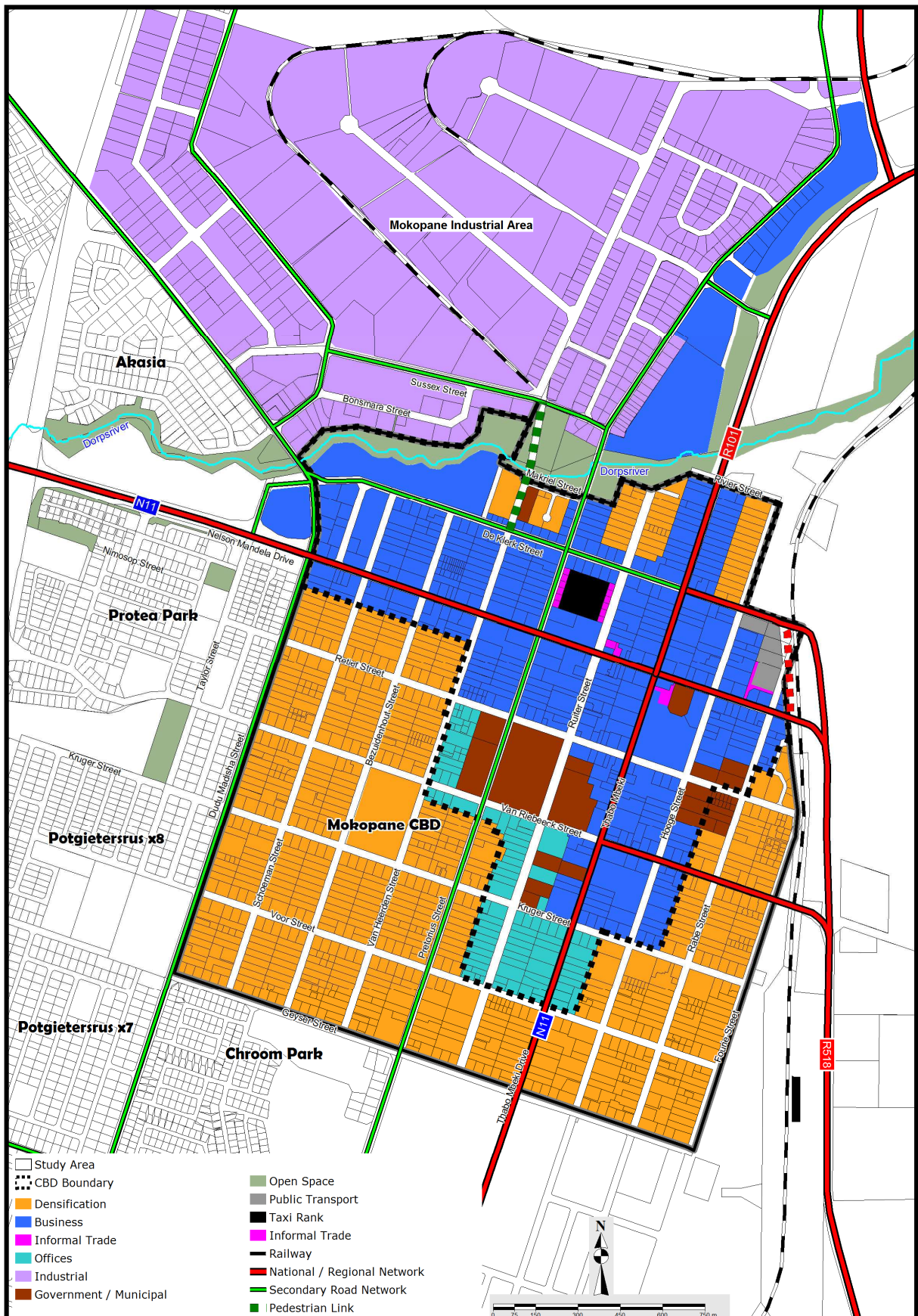
This Section sets out a detailed spatial analysis of the contribution of the economic sectors to the economy of Municipality at a local level and includes identification of where sectoral growth and land resources exist as well as identification of sectoral gaps and opportunities. The maps below offer a good spatial indication of the current use of land in Mogalakwena Municipality and the proposed use of land in the CBD.

**Figure 4.1: Mogalakwena Municipality spatial development outside the core**



Source: Mogalakwena Municipality SDF, 2009

Figure 4.2: Mokopane CBD and Industrial Area Activity Node Development Framework



Source: Mogalakwena CBD development plan, 2011



The above figures offer a good visual description of which areas are good for commercial farming, which are nature reserves, which parts of the municipality are available for rural development, mining development, etc as well as an indication of proposed areas for industrial/office/trade/densification, etc.

The remainder of this section is structured as follows:

- ❖ Analysis of the agricultural sector
- ❖ Analysis of the mining sector
- ❖ Analysis of the manufacturing and industrial sector
- ❖ Analysis of the wholesale, retail and trade sector
- ❖ Analysis of the finance and business services sector
- ❖ Analysis of the tourism sector

## 1 Analysis of the Agriculture Sector

### 1.1 Overview of the Agriculture Sector

As defined by the Standard Industrial Classification (SIC), the Agriculture sector includes activities such as the growing of crops, market gardening, horticulture, farming of animals, forestry and logging and related services. Related sub-sectors of the Agricultural sector also comprise of commercial hunting, game proliferation, forestry, logging and fishing (SIC, 1993).

Mogalakwena Municipality is an area which mainly consists of rural land, agricultural land and some land dominated by urban and mining/industrial activities. Agricultural land within the municipal boundaries is categorised by the following farming activities: game; crops; livestock; poultry and horticulture. Products such as maize, game, cattle, vegetables, tobacco and citrus products are farmed. Although the bulk of production come from privately owned commercial farms, a large portion of land has been claimed and restituted to local communities where emerging and small-scale black farmers and are producing.

The table below offers a brief summary of the economic indicators that relate to the agricultural sector in Mogalakwena Municipality in comparison to those of the Waterberg District.

**Table 4.1: Agricultural economic indicators, 2009**

	SECTOR SHARE IN MOGALAKWENA	SECTOR SHARE IN WATERBERG DISTRICT	CONTRIBUTION OF MOGALAKWENA SECTOR TO SECTOR IN WATERBERG	
<b>EMPLOYMENT SHARE</b>	4%	7%	21%	
<b>GDPR SHARE</b>	2%	3%	20%	
SECTOR AVERAGE GROWTH P.A 2001-2009	SECTOR GROWTH IN SOUTH AFRICA	SECTOR GROWTH IN LIMPOPO	SECTOR GROWTH IN WATERBERG DISTRICT	SECTOR GROWTH IN MOGALAKWENA LM
<b>EMPLOYMENT</b>	-7%	-12.15%	-15.34	-8.31%
<b>GDPR</b>	1.96%	4.64%	0.6%	9.13%

Source: Kayamandi calculations from Quantec Research, Standardised Regional Data, 2011

The table above indicates that the agriculture sector contributes 4% of the employment share of Mogalakwena Municipality. In 2009 that entailed a total of approximately 2200 jobs. As a whole, the Waterberg District also has an agricultural employment share of 7%. Mogalakwena Municipality provides a reasonable percentage of employment of just over a fifth (21%) in the agricultural sector for

the Waterberg District. Finally, there has been an average decline in the employment share in agriculture of -8.3% from 2001 to 2009. In relation to the sector at national, provincial and municipal level this figure is understandable as employment in agriculture has decreased dramatically across the spheres.

The decline in employment could be a result of the recent economic recession where commercial farmers had to increase the use of machinery in the operations of the farm and decrease the number of employees to sustain their farming practice. The Mogalakwena Municipality IDP 2010/2011 highlights that 40.8% of municipal land is subject to land claims; therefore many people may have left their commercial farming employment to work on restituted land that they or their community may now own. This change of employment has not yet been formalised.

It is important to take into account that the agricultural sector absorbs a portion of the second economy population even though this population are not quantified into statistical information. Migrant labourers for seasonal work should also be kept in mind as part of employment rates in Mogalakwena Municipality. Discussions with the Limpopo Department of Agriculture have also revealed that statistics may only include commercial farmers and employment on restituted land or small-scale farming is probably not considered.

From the table it can also be noted that the agriculture sector contributes 2% to the GDP of Mogalakwena Municipality and 3% to the GDP of the Waterberg District. Again Mogalakwena Municipality offers a reasonable contribution of 20% to the GDP of Waterberg Districts agriculture sector. The share of the sector's average growth between 2001 and 2009 to Mogalakwena Municipality is 9.1%. This is considerably higher than the share of agriculture in South Africa's; Limpopo's and Waterberg District's GDP. This growth rate shows a fair amount of potential for the agriculture sector to increase its GDP contribution to that of the local municipality. The notable difference in growth between employment share levels (-8.3%) and GDP share levels (9.1%) may be because even though there has been a decrease in employment the GDP levels have not been affected as yet.

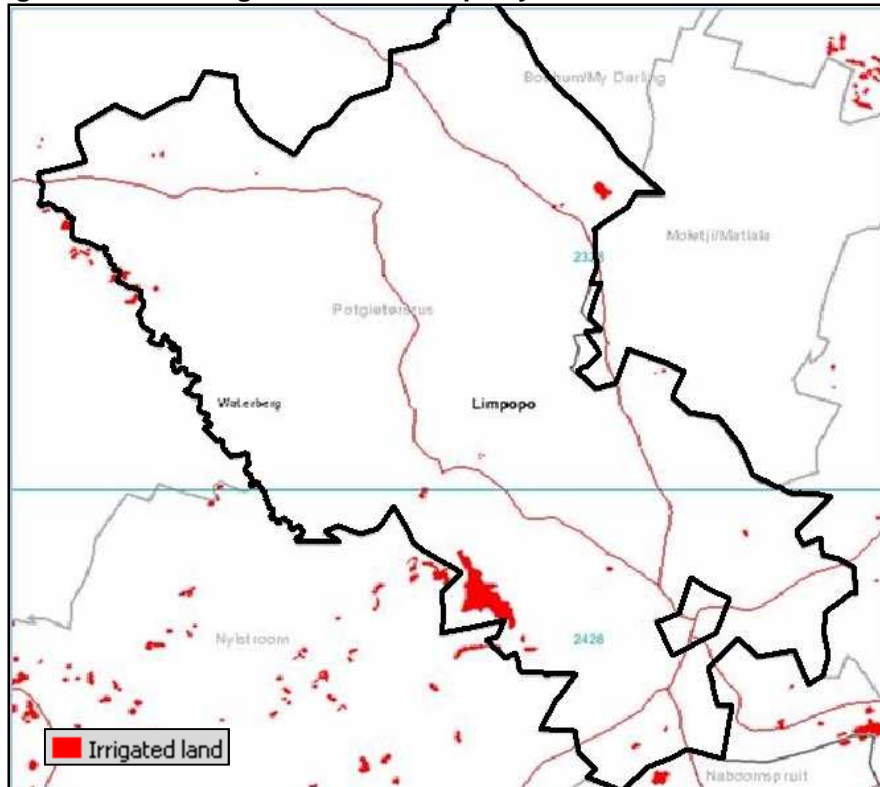
The statistical results above show the necessity of existing and emerging farmers to become more commercialised and involved in higher order agricultural activities, such as agro-processing. The large portion of land available for grazing indicates that farmers and communities should develop skills and resources for profitable and sustainable livestock farming. There should be further research and investment into horticulture production in order to expand the use of modern technology in order to develop the municipality's competitiveness in organic, more 'green' products. It is also vital to ensure higher labour intensive farming practices so as to increase employment in relation to increased GDP in the sector.

As mentioned in the Limpopo budget speech of 2011/12, even though the overall agriculture GDP is contributing less to the national economy, agricultural activities still play a vital role in households' food security, income generation and employment in the sector. It is therefore important to continue to improve the performance and competitiveness of the sector.

## 1.2 Background of the Agriculture Sector

Figure 4.2 below highlights the areas within the municipal boundaries of Mogalakwena Municipality that are irrigated. The largest portion of irrigated land is to the south-west of the municipality. Other much smaller portions of irrigated land are scarcely scattered around the northern and southern parts of the municipality. The Mapela Irrigation Scheme is currently not operational. Expansion of the agricultural sector is limited by the availability of water. To stimulate agriculture, improved water use efficiency will be required.

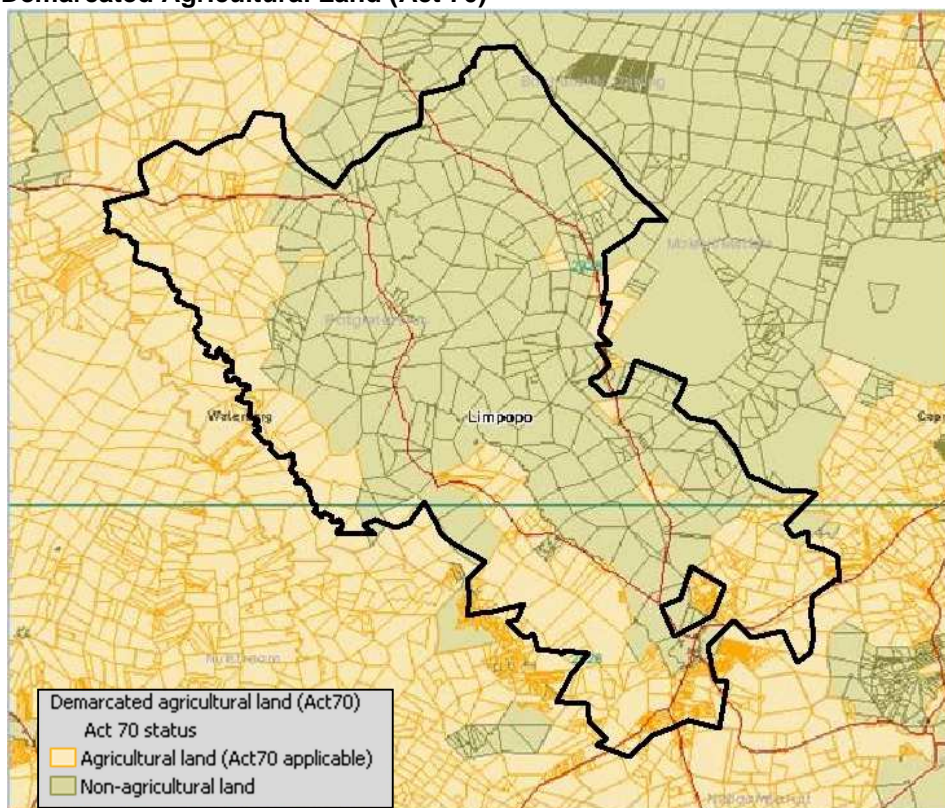
**Figure 4.2: Irrigated Land of Mogalakwena Municipality**



Source: AGIS Comprehensive atlas, 2011

Figure 4.3 below is a map of the demarcated agricultural land in Mogalakwena Municipality which is under the South African jurisdiction of Act 70 of 1970.

**Figure 4.3 Demarcated Agricultural Land (Act 70)**



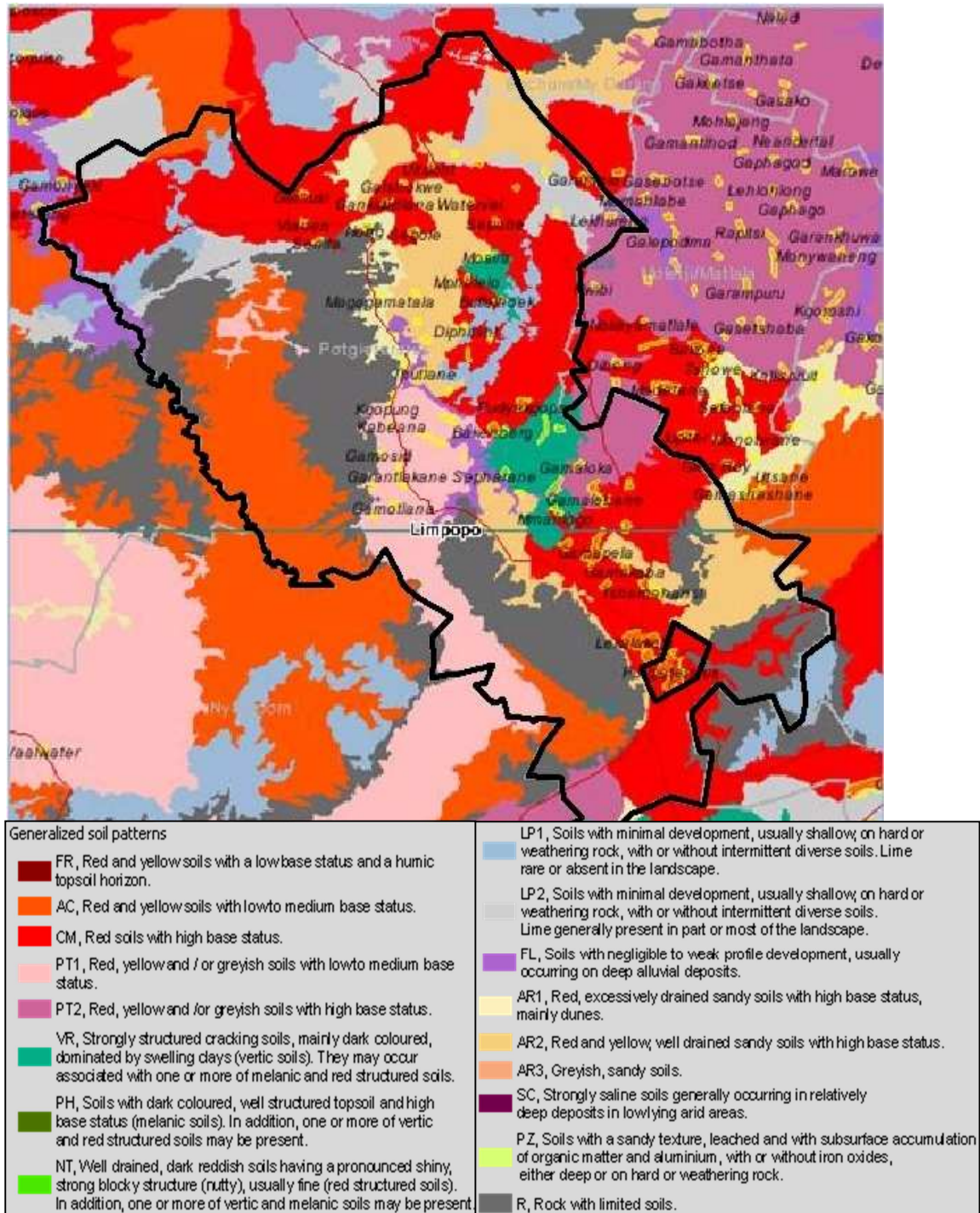
Source: AGIS Comprehensive atlas, 2011



It is advocated by the judgement of the Constitutional Court, Case CCT8/07 25 July 2008. This law indicates that, whatever changes occur in local government structures, land which is classified as “agricultural land” would remain as such. The increased responsibilities and power status of local municipalities did not alter the status of national control over acclaimed agricultural land. The Agricultural Land Act is thus still in legitimate practice. The map below indicates that the municipal area towards the western and southern boundary is mostly comprised of agricultural land.

Figure 4.4 below represents the general soil patterns of Mogalakwena Municipality.

**Figure 4.4: Generalised Soil Patterns for Mogalakwena Municipality**



Source: AGIS Comprehensive atlas, 2011





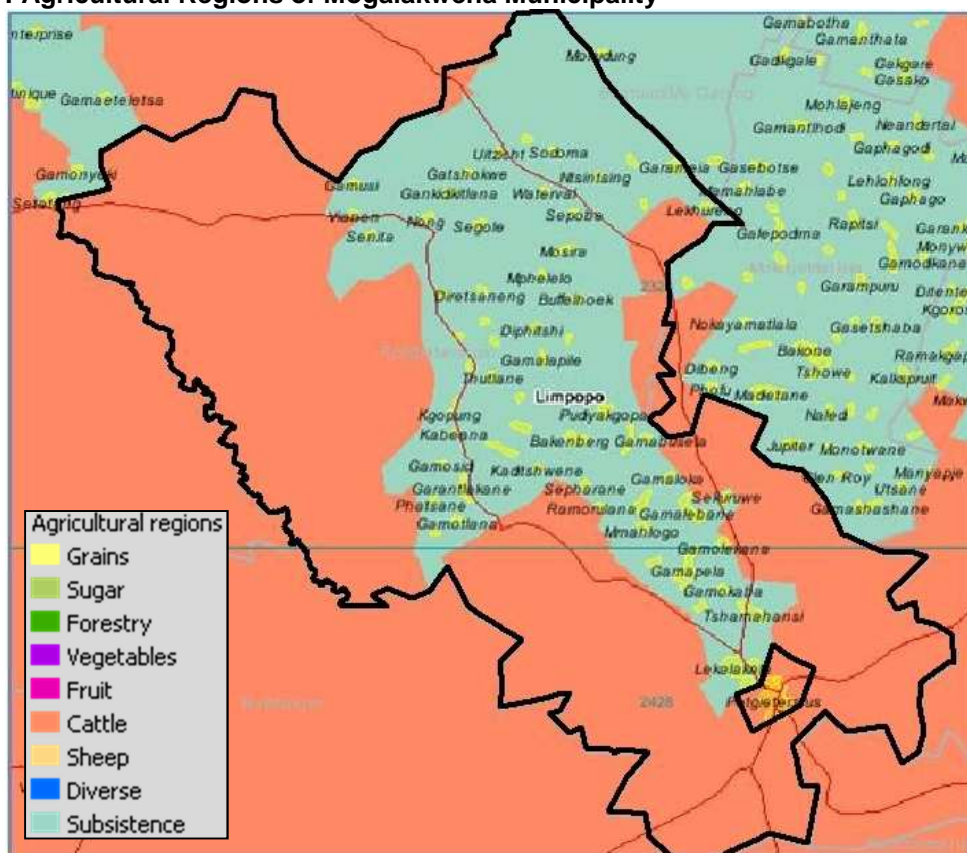




The above Figure indicates that Mogalakwena Municipal area is comprised of mainly semi-arid land (although some soil is of high base and thus suitable for agriculture) with farming techniques associated with dryland agriculture. The type of vegetation is bushveld, thicket, bush clumps and high fynbos. The map also shows both commercial and subsistence farming, areas of conservation and urban/rural settlements patterns.

In Figure 4.7 below, it is clear that Mogalakwena Municipality is characterised by three main agricultural regions. Cattle and subsistence are the dominating regions, and their congruent share is almost equal. The subsistence farming region coloured in turquoise is distributed along the central and north-eastern side of the municipality, whereas the cattle farming region is the orange coloured area mostly along the western side of the municipality. The grain region is also present but at a relatively small scale, and scattered throughout the municipal area, among the subsistence agricultural region.

**Figure 4.7: Agricultural Regions of Mogalakwena Municipality**



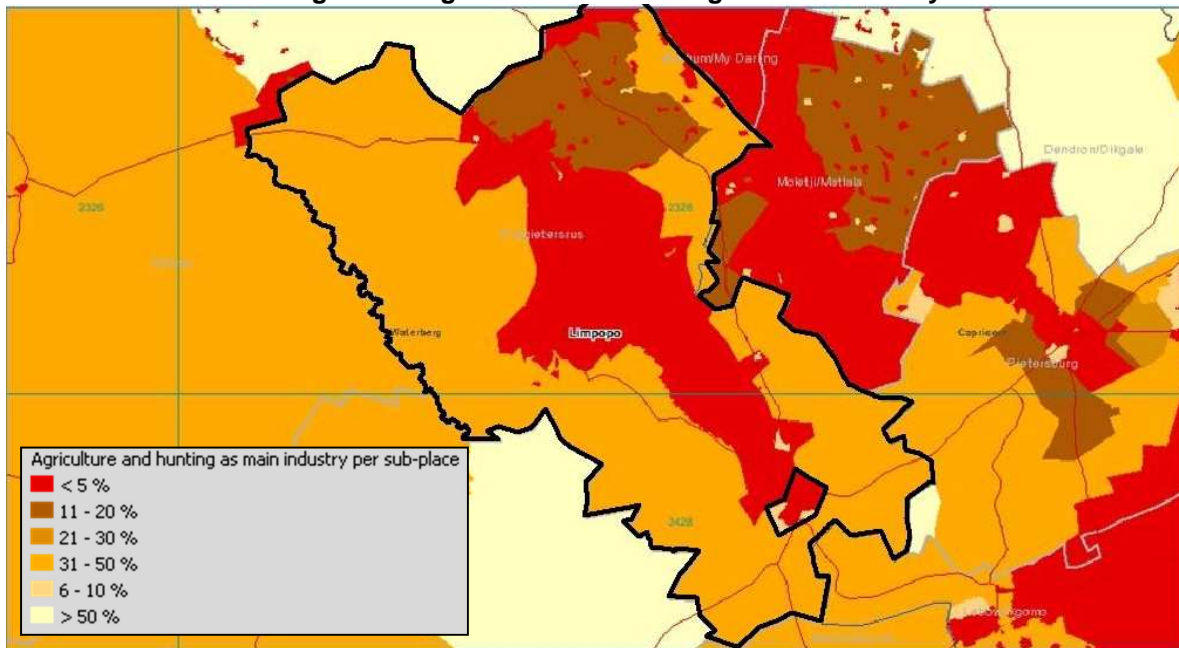
Source: AGIS Comprehensive Atlas, 2011

This map description highlights that agriculture (especially grain crops and various types of subsistence crops and livestock) and large scale livestock farming (especially cattle) is what constitutes the agricultural region in the municipality. This falls in line with the agricultural products which have been recorded in other documents. There are, however, some fruits and vegetable which are commercially grown but not presented on the map.

As a combination main industry in Mogalakwena Municipality, agriculture and hunting take up most of the region with a percentage range of between 31% and 50%. The north-eastern part of the municipality shows a much lesser contribution from the industry as it ranges between 0% and 20%. Spatially, quite a large extent of Mogalakwena Municipality is supported by the agriculture and hunting industry. Both

hunting and agriculture should therefore be considered in future development of the municipality. Please note that hunting will be tackled in the tourism sector analysis. See Figure 4.8 below.

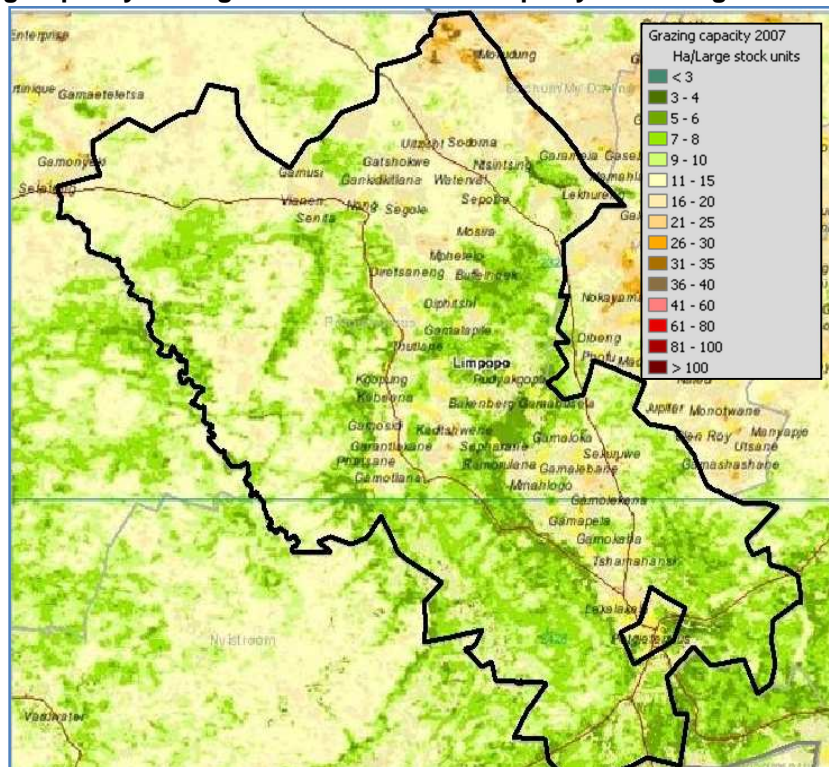
**Figure 4.8 Agriculture and hunting as main industry**



Source: AGIS Comprehensive Atlas, 2011

The grazing capacity, which was last recorded and mapped by AGIS in 2007, is between a wide range scale of 3 and 35 Ha/large stock units. However, the majority of the area ranges between 7 and 20 Ha/large stock units. On the grazing capacity scale this can be noted as low to medium. This is shown in Figure 4.9 below.

**Figure 4.9 Grazing Capacity of Mogalakwena Local Municipality in Ha/Large Stock Units, 2007**



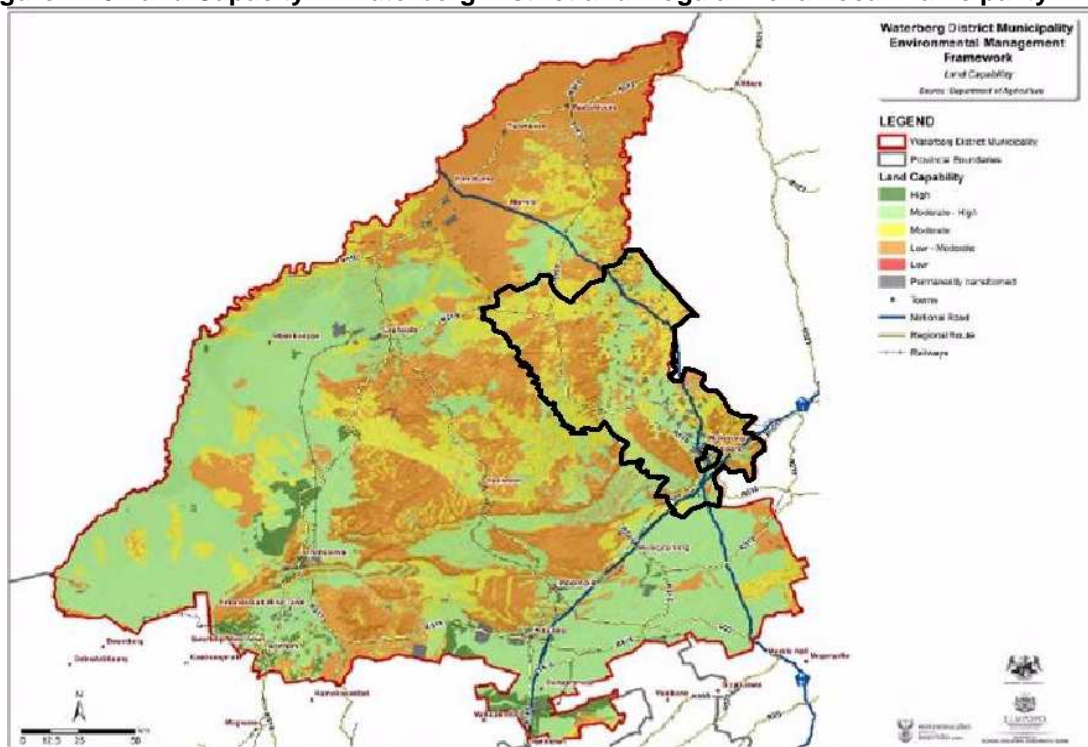
Source: AGIS Comprehensive Atlas, 2011

Mogalakwena Municipality is located right off-centre of the Waterberg District. The agricultural potential of an area is determined by the topography, soil and climate conditions. Due to the decrease in rainfall from South to North and West to East of the district, dryland cropping potential also decreases. In general the district has sandy, shallow and high clay content soils, thus potential for agriculture slightly lower as water retention or the capacity for plant water supply is less. Inherently this also results in high input costs and erratic rainfall. High input costs come from skewed land value from foreign land ownership, land restitution and new urban and mining activities in the district.

From the matters for concern – increased input costs and environmental risks - mentioned above, it is evident that agricultural production has become less economically viable. Running down the centre of the municipality is a strip of moderately high land capacity. Along the municipal boundaries are moderate to moderately low land capacity, and scattered throughout the municipality are pieces of land with high capability. However, these patches of land are mainly within the area of moderately high land capacity. Therefore, it is assumed that that it is this area that has the highest agricultural potential in Mogalakwena Municipality.

The capacity for agricultural production is dependent on many factors, namely climatic and soil conditions, access to ground and surface water, land cover and capacity. As a concluding analysis of the physical environment, Figure 4.10 is an indication of the land capacity for agricultural potential in Waterberg District. It shows that Mogalakwena Municipality low-moderate; moderate; and moderate-high land capability.

**Figure 4.10 Land Capacity in Waterberg District and Mogalakwena Local Municipality**



Source: Waterberg District EMF, 2010

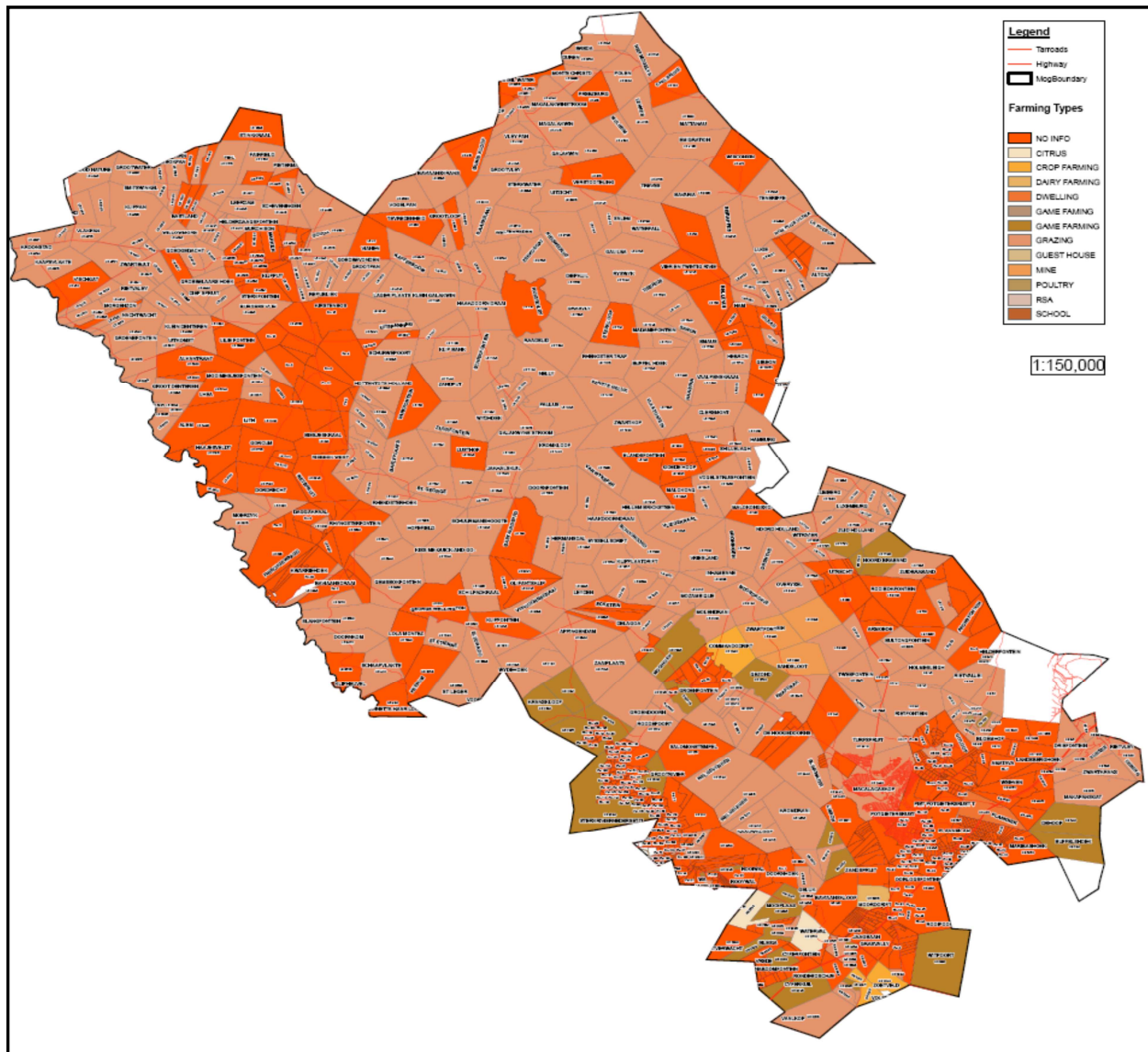
The following table was compiled from the 2009 Farms Valuation Roll from Mogalakwena Municipality. It indicates the type of farming activities on the farms/small holdings and how many farms are under each type. It is possible that some farms are inactive; this type of data however is not available except for current land restitution projects, which will be discussed at a later stage. Also see Figure 4.11.



**Table 4.2 Type and Number of farms in Mogalakwena Municipality**

Farm Type	Grazing (commercial, tribal, nature reserve land)	Game (commercial, tribal, nature reserve land)	Crop	Poultry	Citrus	Dairy	Total
No. of farms or holdings	1104	95	65	11	10	1	1286
Total Area (Ha)	1 643 463	36 435	17 041	5330	228	816	1 703 313
Total Area (%)	96%	2.14%	1%	0.31%	0.01%	0.05%	100%

**Figure 4.11: Farms per type in Mogalakwena Municipality**



Source: Mogalakwena Local Municipality Farm Valuation Roll; 2009

The table indicates that farming for livestock/grazing is the highest, followed by game farming and crop farming, although to a much smaller extent. There are eleven and ten poultry and citrus farms respectively followed by one dairy farm. In total 1286 commercial farms are noted in Mogalakwena Municipality.



Many opportunities recommended in the past have either focused on or have linkages with commercial farming activities. When these linkages are used to the advantage of clusters however, it opens up the prospect of small-scale farming, LRAD and Restitution projects. Opportunity for rural community initiatives can then be developed.

The Waterberg Agricultural Development Strategy of 2005 has also recommended potential value chains in the agriculture sector. They are as follows:

- ❖ The horticulture value chain;
- ❖ The meat production value chain; and
- ❖ The agri-tourism value chain

The contribution of revenue to the agricultural sector of Mogalakwena Municipality is in order of livestock first, followed by horticulture and lastly cash and field crops. This can be identified in the Waterberg District Agricultural Development Strategy (WDADS) (2005) which provides the status quo of estimated agricultural production for Mogalakwena Municipality in 2004/2005.

The table below indicates that within the 'cash and field crops' agriculture grouping tobacco, potatoes and watermelons were the three highest produced crops in 2005, followed by maize and then cotton. At that time cotton, tobacco and maize received the highest revenue, while tobacco, soya beans, maize and cotton created the most employment. These rates may have changed in recent years as the production of tobacco and cotton has, for example, decreased.

Within the horticulture agriculture group, in 2005 grapes had by far the largest production output, followed by vegetables and then citrus. The largest revenue was obtained from citrus and vegetables, and to a much smaller extent, grapes. Lastly, citrus provided the most employment, followed by vegetables and grapes. Even with statistical data not up to date, at least the existence of these fruits in the municipal area highlights an opportunity for bee farming.

The third agriculture group is livestock. In 2005 broilers had the highest level of production followed by eggs and game. The greatest amount of revenue was received from game, at a much higher rate than the other stock, followed by cattle and thirdly broilers. The most employment was created by game and cattle.

Overall it can be noted that livestock is the agriculture grouping that brings in the most revenue but creates the least amount of employment and covers the biggest area in the municipality. This seems to remain true with the large extent of grazing land, private game farming practices and existent small-scale cattle farmers or cattle owned by communities on tribal land. There is however opportunity in establishing existing small-scale cattle farmers into commercial farmers through marketing and selling of cattle for better profit-making purposes. The horticulture agriculture group employed the most people and had the second largest revenue intake in 2005. It occupies the least amount of space. In 2005, crops were situated in between livestock and horticulture with regards to revenue, employment rates and occupied area in the municipality. Fruit and vegetables grown in land claim agricultural projects are currently at small-scale and with the scarcity in water and inactive irrigation schemes, opportunities in the short term could be linked to products being sold and processed locally.

The above information may offer some ideas as to which products should be invested in for future growth of the agricultural sector. However, an analysis of optimal use of land in Mogalakwena Municipality and possible cluster development initiatives may reveal otherwise. Each agricultural group - crops, horticulture and livestock – is focused on below.

### 4.3.1 Crop Commodities

A modelling exercise was undertaken in the LADS (2007). The model measures the optimality of certain agricultural products grown in the municipalities of Limpopo according to relevant data such as that of climate, soils, land cover, land use and ownership. The results of the model were given in percentages and area in hectares. The purpose of this exercise was to inform strategic decisions to be made with regards to where agricultural hubs should be initiated in Limpopo. Although Mogalakwena Municipality was not included in developing a hub, the suitability of growing the following crops can be seen below.

The table below shows that canola, tomato and wheat have the most optimal land available for production. Tobacco and to a much small extent, mango, dry beans, citrus and potato are all situated under optimal crops for Mogalakwena Municipality agricultural land. Dry beans and millet are the highest two products for suitable land available, followed by canola, mango and wheat. Lastly, marginal capacity for the production of pastures, sunflower, citrus and maize were recorded. Mogalakwena Municipality produces all four of these crops.

**Table 4.3 Optimality of Crop Products in Mogalakwena Municipality**

Products	Optimal		Suitable		Marginal	
	%	ha	%	ha	%	ha
Tobacco	2.40	14231				
Maize					0.15	883
Canola	19.89	117869	3.61	21395		
Wheat	8.18	48482	0.76	4515		
Millet			6.91	40925		
Sunflower					23.64	140049
Dry Beans	0.07	393	10.20	60456		
Tomato	15.12	89604				
Onions	0.41	2454				
Pastures					36.97	219054
Mango	0.17	981	1.36	8048		
Potato	0.03	196				
Citrus	0.10	589			0.63	3729

Source: LADS, 2007

The LADS (2007) also gave a summary of how much land is available for the production of each of the listed crops in Limpopo. It then provides a measurement of how much of this land is actually used for the growth of these crops. Within Mogalakwena Municipality, it informs that more focus should be given to the production of: canola, tomato, wheat and dry beans. However it also clearly shows that agriculture within the Limpopo Province is not optimally produced according to the land capacity for production. Initiatives with the use of modern technology and sustainable farming practices need to be implemented, monitored and strongly invested in.

### 4.3.2 Horticulture Commodities

Table 4.4 below shows and estimation of horticulture production quantities in the Waterberg District. In 2005, more than 8,100ha of land was used for intensive horticulture production. Increases in productivity and competitiveness will inherently and significantly affect the horticulture industry.

Table 4.4 Horticulture in Waterberg District

Crop	Bela-Bela	Mookgopong	Modimolle	Mogalakwena	Thabazimbi	Lephalale	Total Area	Yield Potential (tons/ha)	Potential Production (tons)
Squash – Butternut	100	100	200	100	150	450	1100	25	27500
Squash – Hubbard	50	50	100	50	0	250	500	25	12500
Squash – Other	50	50	50	50	0	50	250	20	5000
Onions	400	150	150	50	0	450	1200	80	96000
Watermelons	50	50	350	0	0	200	650	60	39000
Cabbage – Assorted	75	50	75	50	50	50	350	70	24500
Sweet Corn	75	75	75	50	50	175	500	20	10000
Tomatoes – Processed	0	0	0	0	0	230	230	120	27600
Tomatoes – Fresh	0	0	0	0	0	150	150	100	15000
Pumpkin- Gray	50	50	50	50	0	50	250	30	7500
Pumpkin – White	25	25	25	25	0	40	140	25	3500
Beetroot	30	30	30	30	30	30	180	35	6300
Carrots	30	30	30	30	30	30	180	48	8640
Peppers	20	20	20	20	0	20	100	40	4000
Paprika	0	50	0	50	0	50	150	3.5	525
Sweet Melon	0	0	50	0	0	0	50	30	1500
Potato	455	0	0	84	0	750	1289	n.a	n.a
<b>Total - Vegetables</b>	<b>1410</b>	<b>730</b>	<b>1205</b>	<b>639</b>	<b>310</b>	<b>2975</b>	<b>7269</b>		<b>289065</b>
Grapes	15	44	51	149	0	56	315	18	5670
Citrus	200	280	190	420	160	180	1430	35	50050
Peaches	92	93	79	38	0	0	302	30	9060
Plums	0	46	21	13	0	0	80	25	2000
<b>Total – Fruit</b>	<b>307</b>	<b>463</b>	<b>341</b>	<b>620</b>	<b>160</b>	<b>236</b>	<b>2127</b>		<b>66780</b>
<b>Total</b>	<b>1717</b>	<b>1193</b>	<b>1546</b>	<b>1259</b>	<b>470</b>	<b>3211</b>	<b>9396</b>		<b>355845</b>

Source: WDADS, 2005

From the table above it is clear that, in Mogalakwena Municipality, grapes, citrus and butternut squash are the three fruits and vegetable that has the largest area for planting. This is followed by hubbard and other squash, onions, assorted cabbage, sweet corn, grey pumpkin and paprika which all share the same size land when planted. The fruit and vegetables with the highest potential for growth, in descending order, are: onions; citrus; watermelons; processed tomatoes; butternut squash; assorted cabbage.

Although it is difficult to quantify the revenue made from fruit and vegetables due to the multitude channels they are sold through and the lack records made by sellers, the WSADS (2005) estimated that an access of R346m was the turnover in 2005. In order to better activate and make use of horticulture products, such as fruit and vegetables, in the main agriculture sector, a horticulture cluster has become a prospectus opportunity. This option has also become obvious due to the numerous cropping projects being transferred to local communities under the Restitution Land and LRAD programmes that result in small-scale vegetable production.

It is vital for small-scale commercial farmers to improve their marketing skills and use resources for greater profitability and hence job creation, of both skilled and unskilled labour. This will favourably change the perception of emerging farmers to the rural labour force. Improvement in the use of

resources and performance will create opportunities for sector growth on both sides of the value chain and within the cluster (WDADS, 2005).

Two initiatives have been introduced in the WDADS (2005), namely:

- ❖ **Reactivating food gardens and food garden production:** The purpose of this opportunity would be to reactivate and develop the small-scale and emerging horticulture sector. There are existing food gardens and irrigation schemes, although they are dysfunctional. The aim would be to revitalise them and establish new ones in areas with adequate resources. This type of initiative and those who are intended to be included in it, the focus will generally be on communal areas, restitution land and LRAD projects. Although large-scale farmers in Mogalakwena Municipality often tend to use the more formal marketing channels like Fresh Produce Markets and contracts with processors and retailers or wholesalers, this initiative is intended to make small-scale and emerging farmers efficient and productive enough to become the new and better suppliers in the market.
- ❖ **Commercial Horticulture Cluster:** This initiative is aimed at being the platform from which current fruit and vegetable production will expand, as well as to establish existing commercial and new entrepreneurial opportunities both upstream and downstream of the value-chain. The cluster value-chain approach should increase competitiveness, investment ratings, align and integrate public and private interventions.

The table below indicates that crops found in Mogalakwena Municipality which could be exposed to the following markets and require the following inputs.

**Table 4.5 Crops in Mogalakwena with relating markets and inputs required.**

Crop	Markets/comments	Inputs
Squash - Butternut	FPM, Processing for local & export market, domestic & pre-packed for wholesale/retail markets	Mechanisation, fuel, labour, seed, fertilizer, pesticides, weed control, harvesting & packaging as required per specific crop
Squash - Hubbard		
Squash - Other		
Onions	FPM, Processing for local & export market & domestic	
Cabbage - Assorted	FPM, informal bakkie-trade, domestic/retail	
Sweet Corn	FPM, informal bakkie-trade, domestic/retail	
Pumpkin - Gray	FPM, Processing for local & export market & domestic	
Pumpkin - White		
Beetroot	FPM, processing & domestic consumption	
Carrots	FPM, processing & domestic consumption	
Peppers	FPM, Pre-packing, processing & domestic	
Paprika	Processing, blending & pre-packing	
Potatoes	FPM, Processing for local & export market & domestic	

Source: [www.waterberg.gov.za](http://www.waterberg.gov.za), accessed 2011

This commodity group could have a significant impact on the economy of Mogalakwena Municipality through the expansion and efficiency in primary production of the sector which will create new business and entrepreneurial opportunities along the value-chain. Primary production increase will allow for less input goods to be imported from outside Mogalakwena Municipality or at least Waterberg District. Exposure to local, national and international markets will raise the output level of both field crops and horticulture.

### 4.3.3: Livestock Commodities

The entire municipal area has the capacity for cattle and game farming, with beef/cattle dominance in the Mapela/Bakenberg area (IDP 2010/2011). Livestock commodities in Mogalakwena Municipality include:

- ❖ Cattle farming
- ❖ Game farming
- ❖ Goat farming
- ❖ Chicken broilers and egg production
- ❖ Piggeries

The following table is a breakdown of the current and potential agricultural activities and farming types in Mogalakwena Municipality. The product categories are: crops; horticulture (fruit and vegetables); and livestock, poultry and piggery. Their level of importance have been indicated by placing the products in descending order, as well as by indicating whether they are considered to be commercial, small-scale or subsistence farming products.

**Table 4.6 Summary of agricultural Activities in Mogalakwena Municipality**

CROPS		HORTICULTURE (FRUIT & VEGETABLES)				LIVESTOCK, POULTRY & PIGGERY	
Crop Type	Farmer Type	Fruit	Farmer Type	Vegetables	Farmer Type	Livestock Type	Farmer Type
Tobacco	Commercial	Citrus	Commercial	Paprika	Commercial	Game farming	Commercial
Cotton	Commercial	Grapes	Commercial	Potatoes	Commercial Subsistence	Cattle	Commercial; Small-scale; Subsistence
Maize	Commercial	Peaches	Small-scale Subsistence	Melons	Commercial	Broilers	Commercial; Small-scale; Subsistence
Soya beans	Commercial	Plums	Small-scale Subsistence	Onions	Commercial	Eggs	Commercial; Small-scale; Subsistence
Wheat	Commercial	Mangos	Small-scale Subsistence	Beetroot	Commercial	Pork	Commercial
Sunflower	Commercial			Squash	Commercial	Goat	Small-scale; Subsistence
Lucerne	Commercial			Assorted cabbage	Commercial Subsistence		
Sorghum	Commercial			Sweet corn	Commercial		
Pastures	Commercial			Carrots	Subsistence		
Peanuts	Subsistence			Peppers	Subsistence		
Babala	Subsistence			Tomatoes	Subsistence		
				Pumpkin	Subsistence		

The level of importance of each product has been determined by previous data and statistics collected. In terms of crops, tobacco; cotton; maize; soya beans and wheat have the highest revenue output. It has been discussed earlier that canola, millet and dry beans have the potential to be introduced in Mogalakwena Municipality. It has also been indicated by a local commercial farmer that soya, MCP, feed lime, salt and lucerne are sourced locally. An increase in livestock farming should inherently increase production potential of these products. With regards to horticulture, citrus and various vegetables listed above are commercially farmed. Better farming practices could increase their



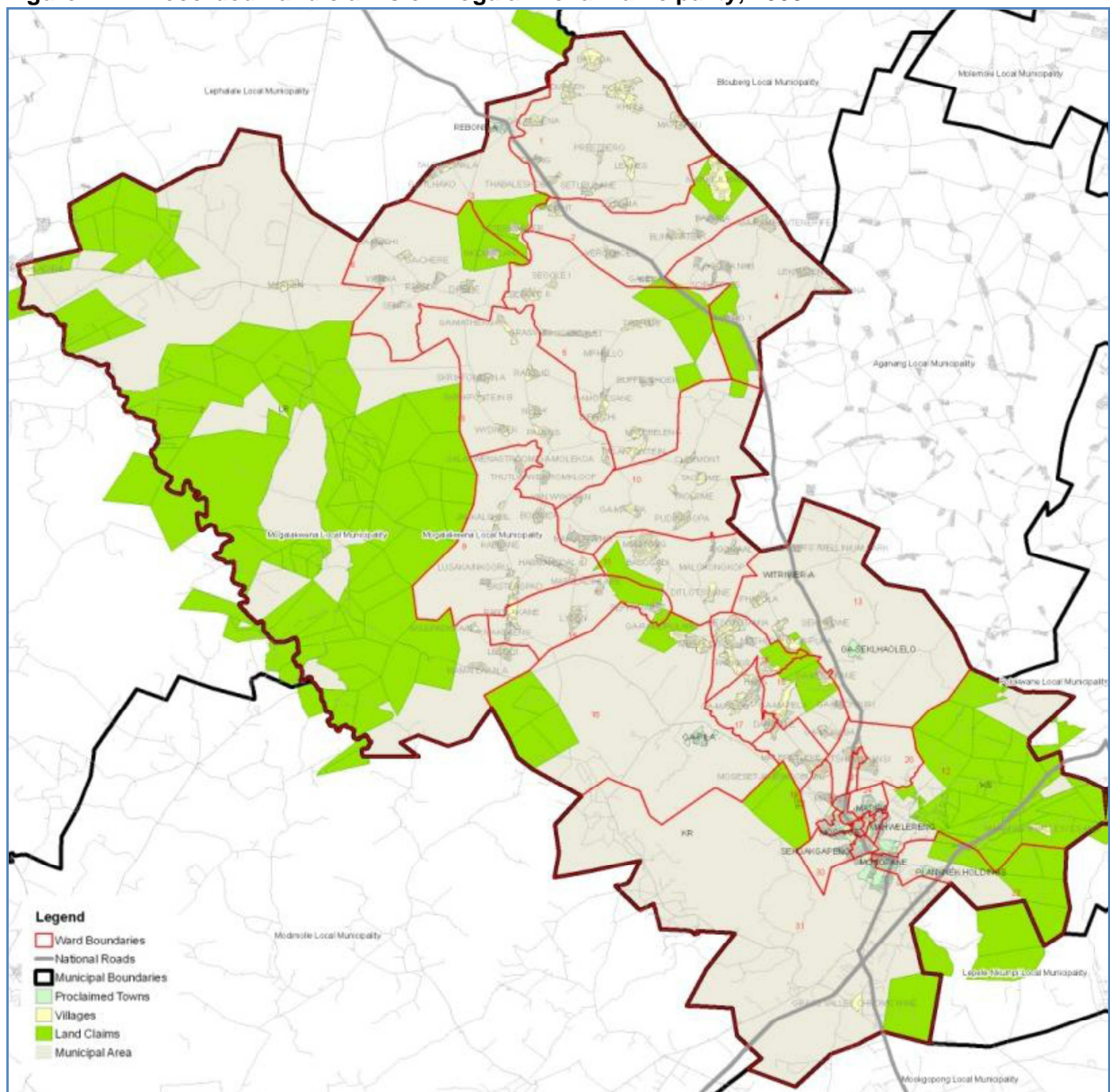
production. Lastly, game; cattle; broilers; eggs & pork all have add value to the agricultural economic sector in Mogalakwena Municipality and thus have potential for growth.

#### 4.4 Land Claims and Land Restitution

Land claims and land restitution greatly concerns the agricultural sector due to the fact that most of land which is reclaimed is either farm and nature reserve land. Past evidence has shown that land claims have sometimes rendered commercially productive land, unproductive. Although land restitution is an important practice by government in an attempt to restore the balance of wealth among different races in South Africa, and economic activity or investment might slow over the short- or medium term, it should not however, impact the land over the long-term by rendering it unproductive.

The figure below is a map of the most recently recorded land claims in Mogalakwena Municipality which has been extracted from the Mogalakwena Municipality SDF (2009).

**Figure 4.12: Recorded Land claims of Mogalakwena Municipality, 2009**



Source: Mogalakwena Municipality SDF, 2009



An approximate 252,342 ha of land in Mogalakwena Municipality is subject to land claims. This covers 40,8% of the total area of the municipality. This amount of land which is subject to land claims and some of which have already been restituted may have a significant impact on the agricultural sector. Whether the impact is positive or negative will depend on the management of the land and projects through community or farmer commitment as well as Mogalakwena Municipality, relevant government role-players and other institutions as funders and facilitators of the projects.

Land has been bought through the LRAD program, of which nine farms are functioning. In the light of Land Reform, another six farms have been purchased privately by emerging farmers. Of these farms, five are functioning well and one is struggling. The tables below are the most recent updates on Land Restitution, LRAD projects focused on livestock and crop farming, Broiler Projects and Horticulture/Vegetable Projects.

Land Restitution refers for land which has already been through the process of land claim and has been given back to the claimants. The table below provides the project name of the restituted land, its total area, the number of households (+/- five people per household) which are the beneficiaries and the current status of the project.

**Table 4.7 Land Restitution in Mogalakwena Municipality**

Project Name	Total Area (ha)	No. of Households	Status of Project
Legata (Kgopong)	3 706	401	Non-agricultural; Suitable for game and tourism
Mabjaneng			Short-term lease on grazing
Koka Matlou	2 955	250	No activity - mountainous; More suitable for game farming.
Lebelo	3 600	492	Partially used by beneficiaries for grazing; Short-term leases of dwelling houses and lucerne fields.
Seema	1 848	103	Short-term lease on grazing
Matabane	1 214	79	Recently restored
Mokitlane Community (Motse)	Unknown	Unknown	Non-agricultural; Suitable for game & tourism
Molekwa Community (Phase 1-3)	Unknown	Unknown	Non-agricultural; Suitable for game & tourism
Molekwa Clan	764.88	121	Members of CPA use farm for grazing of their livestock; Need business plan
Machikiri	2 256	144	Not agriculturally productive; Partly falls under mobile game farming - only portion in use.

Source: LDA, 2011

The following table provides a list of the LRAD projects in Mogalakwena Municipality. LDA has provided information regarding the project name or its owner, the size of the farm/farm portion on which the project is situated. It also offers the number of beneficiaries with the type of farming meant for the portion of land given. Lastly, the status of the project is given as either active or inactive. The reason for the project being inactive is generally due to the lack of infrastructure required to initiate farming production.

**Table 4.8 LRAD Projects in Mogalakwena Municipality**

Project Name/Owner	Farm Discription	Area (ha)	No. of Beneficiaries	Farming Type	Government Program	Active Y/N
Bathokoa Trust	Ptn 13 Jaagbaan 291 KR	58.87	10	Citrus & crop	LRAD	Yes
Hlalefo	Unknown	Unknown	Unknown	Unknown	LRAD	No
Dynaz Farming	Ptn 19 of Rooipoort 46 KS	50.96	4	Small stock & crops	LRAD, Letsema & Nguni	Yes
Green Hedge CC	Ptn 9 of Rooipoort 46 KS	50.47	5	Small stock & crops	LRAD, Letsema & Nguni	Yes
J.J Farming CC	Marken 457 LR	162.81	4	Livestock & crop	LRAD, CASP	Yes
Kgatelopele Women in Farming	Ptn 1 of Steilloop 403 LR	35.88	10	Crops	LRAD	No
Kgatla M.J	R/E & Ptn 1 of Grootpan 452 LR	1580.23	1	Livestock	LRAD, CASP	Yes
Lafata Agricultural Project	Lisbon 288 KR	407.6	15	Poultry & crop	LRAD, CASP	Yes
Legong L.	Unit 2 Steilloop Block	1710	1	Livestock	LRAD, CASP	Yes
Madibamaso	Unknown	Unknown	Unknown	Crops	LRAD	No
Makgai Family Trust	Ptn 15 of Marken 457 LR	51.96	9	Poultry & crop	LRAD	No
Monyeki M.F	Unit 13 Steilloop Block	1465.93	1	Livestock	LRAD, CASP	Yes
Morapedi M.A	Unit 4 Steilloop Block	1674.62	1	Livestock & crop	LRAD, CASP (Nguni)	Yes
Ramuthudi	Unknown	Unknown	Unknown	Livestock	Unknown	No
Rankuwe Farming Trust	Uitloop 3 KS	448.83	10	Crops	LRAD	Yes
Rarang Project	Ptn 1 of Steilwater 385 LR	64.72	1	Livestock	LRAD	Yes
Sekanka T.J	Unit 3 Steilloop Block	1628	1	Livestock	LRAD, CASP (Nguni)	Yes
Yarena Farming Produce	Ptn 7 of Jaagbaan 291 KR	45.55	5	Crops	LRAD	Yes

Source: LDA, 2011

Below is a table providing all *known* broiler projects that have been implemented in Mogalakwena Municipality. These projects have been provided for by Provincial and National Department of Land Affairs. Information from LDA includes the project name, the area in which it is situated, the type of commodity found on the farm, which is always broiler but sometimes other commodities are also grown. It also shows the carrying capacity of the broiler houses and whether the farmers are considered emerging or commercial farmers. Information for some projects is unknown and has been indicated.

**Table 4.9 Broiler Projects in Mogalakwena Municipality**

Project Name	Area Situated	Commodity	Carrying Capacity of Broiler Houses	Emerging or Commercial	Project Name
Aganang	Rebone Location	Unknown	16 000	Emerging	Aganang
Bophelo ke semphekgo	Uitloop (Mokopane)	Broilers	10 000	Commercial	Bophelo ke semphekgo
Chaba	Ga Chaba	Broilers	3000	Emerging	Chaba
Clermont	Clermont	Broilers	3000	Emerging	Clermont
Eickstein Farming Enterprise	Bellstein	Broilers, livestock, vegetables	6000	Commercial	Eickstein Farming Enterprise
Hlatlolanang	Ga Madiba	Broilers & Vegetables	4000	Commercial	Hlatlolanang
Lafata Youth Project	Lisbon Farm	Broilers	8000	Emerging	Lafata Youth Project
RUDLES Agricultural Enterprise	Lisbon Farm	Broilers	40 000	Commercial	RUDLES Agricultural Enterprise
Lennes	Lennes Village	Unknown	8000	Emerging	Lennes
Makekeng	Makekeng	Broilers	3000	Emerging	Makekeng
Makgwanya	Unknown	Broilers & Vegetables	80 000	Commercial	Makgwanya
Malokong	Pudiakgoba	Broilers	8000	Emerging	Malokong
Masebe	Skulpad	Broilers	4000	Emerging	Masebe
Masebe	Masebe Village	Unknown	2000	Emerging	Masebe
Masipa	Ga Masipa	Broilers	6000	Emerging	Masipa
Mathlora Broilers	Mokamole	Broilers	4000	Emerging	Mathlora Broilers
Mokgadi	Vianna	Unknown	2000	Emerging	Mokgadi
Movalo Farming Enterprise	Mahwelereng Home 2000	Broilers and field crops	16 000	Failing Emerging	Movalo Farming Enterprise
Nkidikitlana	Nkidikitlana Village	Unknown	2000	Emerging	Nkidikitlana
Rooiwal	Rooiwal	Broilers	8000	Emerging	Rooiwal
Thabelang	Unknown	Broilers	3000	Emerging	Thabelang

Source: LDA, 2011

The table below provides all the *known* horticulture or vegetable projects in Mogalakwena Municipality. Besides the project name, it provides the location, the area of the farm/farm portion used and whether the farmers are considered emerging or commercial farmers. The type of programme under which the projects fall is also given. These are: Restitution Land; SLAG; LRAD; Private or Communal.

From the table below it is clear that there are many projects underway in Mogalakwena Municipality since a large portion of the rural and agricultural land was given up to land claims. Many emerging farmers and rural communities that from communal farming groups require assistance from government or other institutions to initiate agricultural projects as much of the population is very poor, uneducated and unskilled. Constraints have been highlighted from both key government role-players and the emerging farming community.

**Table 4.10 Horticulture/Vegetable Projects in Mogalakwena Municipality**

Project	Location	Programme Type	Area (ha)	Emerging & Commercial Farmers
A Tlouamma	Zuid Holland Farm	SLAG	15	Emerging
Bathokoa Trust	Jaagbaan	LRAD	5	Emerging
Bophelo - Semphekgo	Uitloop	SLAG (phased out land reform)	2.5	Commercial
D Ngoepe Farming	Wit Rivier	SLAG	3	Emerging
Dynaz CC	Rooipoort	LRAD	14	Commercial
Eickstein Enterprise	Eickstein Farm	Private	30	Commercial
F Mokau	Wit Rivier	SLAG	2	Emerging
G Radebe Farming	Nkidikilana	Communal	7	Commercial
Green Hedge CC	Rooipoort	LRAD	5	Commercial
Hlatlolanang	Madiba	Communal	3	Commercial
J Koka Farming	Mokamole	Communal	6	Emerging
J Maluleke Farming	Kromkloof	Communal	6	Emerging
JJ Enterprise	Marken Farm	LRAD	14	Commercial
Legodi Farming	Masodi	Communal	6	Commercial
Magoshi	Masodi	Communal	2	Emerging
Makgae Trust	Marken	LRAD	5	Emerging
Makgwanya	Mesopotamia	Communal	7	Commercial
Mamangina	Sandsloot	Communal	3	Emerging
Mokaba Farmer Association	Mokaba	Communal	20	Emerging
P Khosa Farming	Kromkloof	Communal	8	Emerging
Rankuwe Farming Trust	Uitloop	LRAD	15	Emerging
Reja-lewa	Hans	Communal	5	Emerging
RM Chokoe	Bavaria	Communal	6	Commercial
Seema Trust	Emause	RESTITUTION	10	Emerging
Seirapies	Seirapies	Communal (land ownership)	5	Emerging
Shoboshobo Farming	Kwakwalata	Communal	25	Emerging
Thokolo Farming	Segole	Communal	7	Emerging
Ya Rena Farming Produce	Jaagbaan	LRAD	30	Emerging

Source: LDA, 2011

#### 4.5 Current Associations, Initiatives and Projects

This section will firstly provide a list of associations currently involved in the agriculture sector in Mogalakwena Municipality as they are regarded as important stakeholders and/or role-players that either contribute to or have an influence in the sector. The list is provided below:

- ❖ Mogalakwena Municipality (LED)
- ❖ Limpopo Department of Agriculture (LDA)
- ❖ Limpopo Department of Economic Development, Environment and Tourism (LEDET)
- ❖ Agri SA (Limpopo)
- ❖ ARC – Industrial Crops
- ❖ Limpopo District Agricultural Union
- ❖ Water User's Association
- ❖ Land Bank (Mokopane)
- ❖ Citrus Growers Association
- ❖ Deciduous Fruit Producers Trust
- ❖ Saamwerk Boerevereniging
- ❖ Sorghum Processors Association
- ❖ Venda University of Limpopo
- ❖ Bergvallei Druive Pakhuis (Mokopane)
- ❖ Cotton Seed Processors (Mokopane)
- ❖ EXILIPRO – Grain Merchant
- ❖ Hygrotech Seed (Mokopane)
- ❖ Lombardi Boerdery (Mokopane)
- ❖ Maribashoek Kwekery (Mokopane)
- ❖ NSK (Mokopane)
- ❖ Vleissentral (Mokopane)
- ❖ Farming Community at large
- ❖ Mogalakwena Rural Development Committee

As has been established earlier, Mogalakwena Municipality has a relatively small agriculture sector. Production in the area is mostly focused on meat and crops for regional markets. In some cases, however, local production has increased due to the growth of the mining sector and through the initiative of local entrepreneurs, community champions, district municipality and experts. A number of initiatives have either been proposed or established, and is underway at present. The land restitution projects listed above fall under some of these initiatives and programmes. These initiatives and programmes will be discussed below as they have been addressed by various institutions and in various planning documents and policies.

##### 4.5.1 Relevant national Level Initiatives & Projects

###### Nguni Project

The Nguni Project is part of the National Livestock Development Strategy, as mentioned in discussions with LDA. LDA is in partnership with the Industrial Development Trust (IDT) and the University of Limpopo. The project was launched in 2007 and four farmers have benefited from it in Mogalakwena Municipality. Each beneficiary received 30 nguni cows and one nguni bull. Although many people have applied for this project, the lack of access to land has rendered them unsuccessful and the project slow.

###### Letsema Project

The purpose of this programme is for LDA to identify farmers in need of resources to farm better. The department, once farmers are identified, provide them with production inputs. Approximately 60 emerging farmers have benefited from this programme.



## The MERECAS Project

This project aims to provide agricultural mechanisation to farmers. Many applications for this project have been turned down due to the lack of finance from applicants to pay the remaining balance. LDA provides half of the funding for agricultural mechanisation.

## LandCare Programme

The goal of the LandCare Programme is aimed to optimise sustainability and productivity of natural resources in order to secure food supply, create employment and improve overall quality of life for communities and individuals. Crop cultivation, livestock grazing and harvesting of natural resources should be managed in such a way that it prevents degradation and protects the natural environment. Within Mogalakwena Municipality, the programme is focused on communal and subsistence farming. The Goshi of a rural community is the management body that demarcates land to households within the community for the growing of crops and grazing of cattle.

## Comprehensive Agricultural Support Programme (CASP)

Comprehensive Agricultural Support Programme (CASP) is a support program for land and agrarian reform projects to assist in food security, job creation and poverty alleviation. It also focuses on assisting and empowering provincial departments, such as LDA, in planning, implementation, information dissemination and reporting on projects. LDA in turn assists farmers with production techniques and infrastructure supply.

## Disaster Management Prevention Guidelines and Recommendations

The NAC have also provided some guidelines of how to take care of various agricultural products in times of drought or other natural disasters. Each type of farming is given below with their specific recommendations to protect the agriculture.

**Table 4.11 Disaster Management Prevention Guidelines and Recommendations**

AGRICULTURE TYPE	RECOMMENDATION CATEGORY	SUGGESTION
Rain-fed crop production	Soil choice	<ul style="list-style-type: none"> <li>▪ Choose suitable soil type.</li> <li>▪ Roughen soil surface to minimise evaporation.</li> <li>▪ Minimise compaction by reducing the passing of heavy machinery in the field.</li> </ul>
	Land preparation	<ul style="list-style-type: none"> <li>▪ Avoid, where possible, soils with pronounced plough pans.</li> <li>▪ Use the ripper to break plough pans and increase access of roots to store water and nutrients.</li> <li>▪ Do not expand land under crop production unnecessarily.</li> <li>▪ Prioritise fallow land.</li> </ul>
	Crop choice and planting	<ul style="list-style-type: none"> <li>▪ Choose short season cultivars which can tolerate wet conditions.</li> <li>▪ Provide flexibility and diversification.</li> <li>▪ Stick to normal planting window if appropriate and follow the weather and climate forecast regularly.</li> <li>▪ Always practice crop rotation.</li> <li>▪ Planting in a controlled environment (e.g. green house) is advisable where possible.</li> </ul>
	Crop management	<ul style="list-style-type: none"> <li>▪ Adjust planting density accordingly.</li> <li>▪ Control weeds regularly.</li> <li>▪ Consider organic fertilisation</li> <li>▪ Scout for pests and diseases regularly and</li> </ul>

AGRICULTURE TYPE	RECOMMENDATION CATEGORY	SUGGESTION
		control where necessary.
<b>Grazing</b>		<ul style="list-style-type: none"> <li>▪ Subdivide your grazing area into camps of homogeneous units (in terms of species composition, slope, aspect, rainfall, temperature, soil and other factors) to minimise area selective grazing as well as to provide for the application of animal management and veld management practises such as resting and burning.</li> <li>▪ Determine the carrying capacity of different plant associations.</li> <li>▪ Calculate the stocking rate of each, and then decide the best ratios of large and small animals, and of grazers or browsers.</li> <li>▪ Provide periodic full growing-season rests (in certain grazing areas) to allow veld vigour recovery in order to maintain veld productivity at a high level as well as to maintain the vigour of the preferred species.</li> <li>▪ Do not overstock at any time.</li> <li>▪ Eradicate invader plants.</li> <li>▪ Periodically reassess the grazing and feed available for the next few months, and start planning in advance.</li> <li>▪ Spread water points evenly.</li> <li>▪ Cut forage early to stimulate re-growth.</li> <li>▪ Provide suitable licks to make coarse, dry range grasses more palatable.</li> </ul>
<b>Stock farming</b>		<ul style="list-style-type: none"> <li>▪ Provide lots of drinking points</li> <li>▪ Provide phosphorous licks freely</li> <li>▪ If grazing is in danger, herd animals into pens where different animals can be segregated and fed separately.</li> <li>▪ Herd management should be aimed at maximising animal condition during the growing season as it affects the degree at which animals lose/gain weight and condition during the dry periods.</li> <li>▪ Decide in advance when to switch the animals to different levels of feeding.</li> <li>▪ Sell mature livestock as soon as they reach marketable condition.</li> <li>▪ Treat the rangeland as a valuable asset.</li> <li>▪ Build fodder reserves in years of good rainfall.</li> <li>▪ Always practice rotational grazing.</li> <li>▪ Retain nucleus of best cows aged 4 to 6 years.</li> <li>▪ Diseases- Local veterinary services.</li> <li>▪ Always consider relevant vaccinations and control outbreak of diseases.</li> </ul>
<b>Domestic and home garden water use</b>		<ul style="list-style-type: none"> <li>▪ Conserve existing water supplies.</li> <li>▪ Eradicate water weeds.</li> <li>▪ Limit water waste and losses.</li> <li>▪ Repair leaking pipes.</li> <li>▪ Re-use water and retain high quality.</li> <li>▪ Harvest water during rainy days.</li> </ul>
<b>Irrigation farming</b>		<ul style="list-style-type: none"> <li>▪ Remove all weeds containing seeds, but keep other vegetative rests on the land because that will reduce evaporation.</li> <li>▪ Check and repair all tools and machinery.</li> <li>▪ Irrigate during cool conditions to avoid evapo-transpiration.</li> <li>▪ Avoid over irrigation because that can create problems e.g. water logging and diseases.</li> <li>▪ Adhere to the water restrictions when issued.</li> </ul>
<b>Veld fires</b>		<ul style="list-style-type: none"> <li>▪ It has to be wide enough and long enough to have a reasonable chance of preventing a veld fire from spreading to or from neighboring land.</li> <li>▪ It is reasonably free of inflammable material capable of carrying a veld fire across it.</li> <li>▪ Firebreaks may be temporary or permanent.</li> <li>▪ Firebreaks should consist of fire-resistant vegetation, inflammable materials, bare ground or a combination of these.</li> <li>▪ Firebreaks must be located to minimize risk to the resources being protected.</li> <li>▪ Erosion control measures must be installed at the fire break.</li> </ul>

Source: NAC, 2010

#### 4.5.2 Provincial Level Initiatives and Projects

##### Limpopo Employment, Growth and Development Plan (2009-2014)

The Limpopo Employment, Growth and Development Plan (LEGDP) of 2009-2014 recommend a number of strategic agricultural interventions for the Limpopo Province. They are provided in the table below:

**Table 4.12: Key Strategic Interventions in the LEGDP (2009-2014)**

KEY STRATEGIC INTERVENTION	DISCUSSION
<b>Basic Unit of the Target Clients</b>	<ul style="list-style-type: none"> <li>▪ Target Clients of the LDA are farmers of 4 main classifications: Food insecure households; subsistence and emerging farming; profitable commercial small-scale farming; and profitable large-scale farming.</li> <li>▪ Province should consider recruiting well training black agricultural entrepreneurs to farm.</li> </ul>
<b>Food Insecure Households</b>	<ul style="list-style-type: none"> <li>▪ Mobilise poor to engage in agricultural production through facilitated process of self-reflection.</li> <li>▪ Low-risk, low-cost vegetable and food production in homestead yard with food processing and storing techniques (mainly indigenous).</li> <li>▪ Explore wild fruits and vegetables as new agriculture products.</li> <li>▪ Homestead rainwater harvesting and re-use of grey water.</li> <li>▪ Basic training in modern commodity production techniques.</li> <li>▪ Mobilisation of commodity-based extension services, recognition and support of household efforts.</li> </ul>
<b>Subsistence and Emerging Farming</b>	<ul style="list-style-type: none"> <li>▪ Main objectives or subsistence farmers are to: generate income and develop themselves. Therefore, LDA strategies should focus on:               <ul style="list-style-type: none"> <li>○ Integrating modern and indigenous production techniques.</li> <li>○ Integrating modern and indigenous storage techniques.</li> </ul> </li> </ul>
<b>Profitable Small-Scale Commercial Farming</b>	<ul style="list-style-type: none"> <li>▪ Profitable small-scale commercial farming is focused on profit making, understanding of various components of managing the entity and seeking opportunities for growth.</li> <li>▪ Specific objectives of Profitable Small-Scale farmers include: improved profit, simplified management and economic growth.</li> <li>▪ Agricultural intervention strategies include:               <ul style="list-style-type: none"> <li>○ Technical issues</li> <li>○ Institutional issues</li> <li>○ Communication and network issues</li> <li>○ Marketing issues</li> <li>○ Logistic and productive infrastructural support</li> </ul> </li> </ul>
<b>Large-Scale Commercial Farmers</b>	<ul style="list-style-type: none"> <li>▪ Specific objectives of large-scale commercial farmers are: profit maximisation, simplified sustainable management, to seek opportunities for economic growth, and product diversification.</li> <li>▪ Strategic intervention roles of LDA would mainly be facilitation instead of support, such as facilitating joint ventures between large-scale commercial production and land reform farms.</li> </ul>
<b>Typical Farming Systems in Limpopo Province</b>	<ul style="list-style-type: none"> <li>▪ Limpopo Province has 23 farming systems with unique macro opportunities.</li> <li>▪ Strategic interventions from LDA should ensure that the correct macro opportunities are aligned with appropriate farming systems.</li> </ul>

KEY STRATEGIC INTERVENTION	DISCUSSION
	<ul style="list-style-type: none"> <li>▪ Initiate a provincial fresh produce market and value-adding/processing facilities for horticulture produce which contributes 65% of the country's horticulture produce.</li> <li>▪ As well as ensuring that natural resources within farming systems are used sustainably.</li> </ul>

Source: LEGDP, 2009-2014

### Study for Agricultural Industry in Limpopo 2003

The study for agricultural industry in Limpopo was developed in 2003 ([www.lda.gov.za](http://www.lda.gov.za), accessed 2011). Two projects were highlighted in this study for Mogalakwena Municipality. The first was to develop a sorghum beer brewery of which the locality was both Mogalakwena and Lephalale Municipalities. It is estimated that R150 000 needs to be invested in this project. The second was the Ga-Nkidikitlana Poultry Abattoir in Mogalakwena Municipality. It has already been established and is active, however at weak capacity. The reason for this is the few poultry farms that have been developed through government projects, not providing this abattoir with enough broilers to run sustainably. Broilers are therefore exported to other abattoirs such as Mike's Chicken in Polokwane.

#### 4.5.3 District Level Programs, Initiatives and Projects

##### Waterberg District LED – Agriculture sector in Mogalakwena

- ❖ The expansion of chicken farming;
- ❖ Assessing the existing abattoir for white meat demand, both locally and regionally;
- ❖ Developing a potential white meat cluster;
- ❖ Citrus farming opportunity;
- ❖ Primary food production along river courses;
- ❖ Doring-draai Fishing Initiative; and
- ❖ The Mokamole Agricultural Farm.

##### The Waterberg Agricultural Development Strategy 2005

From previous data collected by researchers for the Waterberg Agricultural Development Strategy of 2005, a number of possibilities to expand the agriculture sector in Mogalakwena have been identified as shown in the below Table.

**Table 4.13 Agricultural opportunities for Waterberg that pertain to Mogalakwena Municipality**

AGRICULTURAL OPPORTUNITIES	
<b>Field Crops</b>	<ul style="list-style-type: none"> <li>▪ Maize and sorghum for ethanol</li> <li>▪ Soya beans – as a replacement field crop and animal feed</li> </ul>
<b>Horticulture</b>	<ul style="list-style-type: none"> <li>▪ Organic farming</li> <li>▪ Specialised horticulture – essential oils, organic farming, herbs and spices, wild flower harvesting</li> </ul>
<b>Livestock</b>	<ul style="list-style-type: none"> <li>▪ Abattoir</li> <li>▪ Feedmill</li> <li>▪ Goat meat – young meat for export</li> <li>▪ Foodplot development to supply game lodges</li> <li>▪ Poultry production</li> <li>▪ Dairy goats or small specialised cattle dairy</li> <li>▪ Breeding rare game species</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>▪ Eco-tourism</li> </ul>

- Game/cattle operations on LRAD and settlement projects, with no interest on debt
- Upgrading of existing reserves
- Bee-keeping for small farmer development
- Partnerships with local communities to use under-utilised land
- Specific areas of participation by Municipalities

Source: WDADS, 2005

#### 4.5.4 Local Level Initiatives and Projects

##### Mogalakwena Municipality LED Strategy 2006

The following key agricultural programmes were provided in the strategy:

- ❖ Support emerging farmers
- ❖ Provide opportunities for agro-processing
- ❖ Renaissance farms
- ❖ Increase marketing strategies
- ❖ Game farming
- ❖ Use of modern technology in horticulture production: biotechnology; organic farming & biodiesel.

This strategy also recommended the development of an Agriculture Development Cluster, of which a number of initiatives were highlighted for Mogalakwena Municipality. They are:

- ❖ Agro-processing projects
- ❖ Application of bio-technology and GMOs
- ❖ Renaissance farms
- ❖ Fresh produce market
- ❖ Aqua-culture (fish farming)
- ❖ Hydroponics
- ❖ Agricultural marketing
- ❖ Strategic provision of infrastructure
- ❖ Demonstration plots
- ❖ Vegetable packaging and processing
- ❖ Cooperative cattle farming
- ❖ Human resource development (HRD)
- ❖ Improve and facilitate extension services

##### Mogalakwena Municipality IDP 2010/2011

The IDP of 2010/2011 has a number of strategies, clustered around the KPA's (Key Performance Areas), which influence the agricultural sector. A few of these objectives and strategies which affect the agriculture sector have been listed in the table below:

**Table 4.14: Priorities, objectives and strategies, clustered around KPI's and affecting the agriculture sector in Mogalakwena Municipality**

PRIORITY	OBJECTIVE	STRATEGY
Land & Cemeteries	Ensure both the provision and proper utilisation of land within Mogalakwena Municipality by 2014	<b>Strategy H:</b> Fencing of cemeteries, village boundaries, grazing camps and arable land. <b>Strategy I:</b> Maintenance and utilisation of cattle pounds.
Local Economic Development &	Support the reduction of unemployment rate by half in	<b>Strategy D:</b> Develop and implement mining strategy and



PRIORITY	OBJECTIVE	STRATEGY
<b>Unemployment</b>	Mogalakwena Municipality by 2014	agricultural strategy. <b>Strategy E:</b> Encourage participation in the sustainable livelihood approach.

Source: Mogalakwena Municipality IDP, 2010/2011

The Mogalakwena Municipality IDP (2010/2011) has also set aside a section discussing the aims and objectives that the Agricultural Department has for Mogalakwena Municipality. The mission of the department is focused around mobilising, utilising and distributing resources both equally and efficiently, in order to support the agricultural sector. The strategic goals, taken directly from the Mogalakwena Municipality IDP (2010/2011), are:

- ❖ Restructuring of State Assets to empower farmers, communities and workers through Revitalisation of Smallholder Irrigation Schemes (RESIS) as well as projects under the Agricultural Rural Development Corporation (ARDC)
- ❖ Promotion and implementation of AgriBEE
- ❖ Development and implementation of succession planning based on youth infusion into the agriculture sector
- ❖ Promotion and development of appropriate research based production and value adding technologies for successful agri-businesses
- ❖ Redistribution of agriculture land, capacitating beneficiaries and promoting sustainable commercial enterprises
- ❖ Sustainable Graduating Poverty alleviation and household food security and nutrition strategies
- ❖ Promotion and establishment of reliable information and communication strategy through information technology for knowledge and information sharing
- ❖ Formation of farmer based commodity associations and other agri-businesses entities for farmer support to ensure full participation in local economic development opportunities
- ❖ Provision of appropriate advisory support to develop and strengthen capacity of commodity association and other farmer formations
- ❖ Promotion of sustainable natural resource utilisation and agricultural land use management
- ❖ Animal production and health to improve livestock and also control animal diseases
- ❖ Human Resource Development to increase knowledge, skills and competency of motivated officials

The document also identified three agriculture sector projects for the financial year 2010/2011. See table below:

**Table 4.15 Agriculture Projects in Mogalakwena Municipality for financial year 2010/2011**

PROJECT NAME	BUDGET	LOCATION
▪ <b>Mapela irrigation</b>	R1,000	Mapela
▪ <b>Limpopo piggery</b>	R3,000,000	Sterkriver
▪ <b>Makidkidi vegetable project</b>	R800,000	Bakenberg

Source: Mogalakwena Municipality IDP, 2010/2011

### **Mogalakwena Spatial Development Framework 2009**

Within the Mogalakwena Municipality SDF (2009) there are also a number of broad strategies that would contribute to the growth of the agriculture sector. These strategies look at both spatial and social issues. See Table 4.16 below.

**Table 4.16 Strategies to help develop the agriculture sector and rural Mogalakwena**

BROAD STRATEGY	LEGS OF STRATEGY
The promotion of sustainable rural development.	<ul style="list-style-type: none"> <li>▪ Identify and protect high potential agricultural land</li> <li>▪ Identify suitable locations for rural service centres</li> <li>▪ Identify suitable locations for rural housing development</li> <li>▪ Identify suitable locations and guidelines for the development of rural and resource based industries</li> </ul>
The development and improvement of linkages with surrounding areas of importance.	<ul style="list-style-type: none"> <li>▪ Develop a movement network that supports the spatial development focus areas.</li> <li>▪ Create a strategic network of movement linkages in Mogalakwena, and between Mogalakwena and other major regional centres.</li> <li>▪ Ensure land use and transportation integration.</li> </ul>

Source: Mogalakwena Municipality SDF, 2009

#### 4.6 Gaps and Opportunities

Through analysis of existing documents and discussions with relevant stakeholders a number of gaps have come forth that have been having negative effects on the agricultural sector in Mogalakwena Municipality. They have been discussed with reference to Land Restitution and Rural Development Government Projects and Programs; with regards to difficulties faced by emerging and commercial farmers, and lastly constraints to expand the existing agriculture and agro-processing industries.

**Table 4.17: Gaps of Land Claims, Land Restitution & Rural Development Projects and Programs**

AREAS OF CONCERN	GAPS
<b>Concerns from government</b>	<ul style="list-style-type: none"> <li>▪ Slow to gradual land reform process &amp; collapse of some projects negatively impacts agriculture GDP of country, undermining long-term investment.</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Current government policies allow too many people to claim land and thus results in slow process of land restitution and project development.</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Limited skills in best-practices for production among beneficiaries.</li> <li>▪ Lack of interested and educated youth in agricultural activities</li> </ul>
	<ul style="list-style-type: none"> <li>▪ The large number of beneficiaries often creates social problems and there are difficulties in decision-making tasks at leadership level. This also results in the slowness of or inability to release settlement grants.</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Example: Illemburg Citrus Farm in Mogalakwena Municipality. Although this farm is operating, there are more than 600 beneficiaries, which make both social relations and the ability to make a profit very difficult.</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Land owners do not have the capacity to work on the land themselves. Since most households have cattle and goats, the use of land becomes restricted to livestock grazing. Often the livestock is not sold, which results in the degradation of land through overgrazing.</li> </ul>
	<ul style="list-style-type: none"> <li>▪ The LDA attempts to create awareness amongst households on restituted land of livestock commercial market and develop teaching programs to prevent the overgrazing of land – although task is not always easily accepted by the communities and land owners.</li> </ul>
<b>Concerns from beneficiaries</b>	<ul style="list-style-type: none"> <li>▪ Lack of post settlement support, lack of monitoring by donors who support projects</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Lack of production inputs and machinery also creates a problem, especially because government departments such as LDA cannot keep up with the demand of such farming necessities.</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Lack of working tools and infrastructure. Most farmers depend on LDA to supply the drilling, equipping and installation of irrigation systems for cropping, which is a slow process due to lack of capacity.</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Lack of financing to start-up farming business. In cases where finance</li> </ul>

AREAS OF CONCERN	GAPS
	<p>for infrastructure is available by emerging farmers, there is a lack of private farm land available.</p> <ul style="list-style-type: none"> <li>Lack of consultations with community regarding their preferred farming activity on land or lack of education and training regarding type of farming practice allowed on land if community does not know how to farm product/s.</li> </ul>

Table 4.18: Gaps Experienced by Emerging and Existing Commercial Farmers

AREAS OF CONCERN	GAPS
<b>Commercial Farmers</b>	<p><b>Local Employment:</b></p> <ul style="list-style-type: none"> <li>Farmers are becoming more mechanised by replacing labour with capital. This could be as a result of the recent global recession or labourers leaving their jobs to work on communal farm land received from land claims.</li> <li>Many farmers prefer to employ foreigners from Mozambique and Zimbabwe as immigrant labour is cheaper.</li> </ul> <p><b>Threat of HIV/AIDS:</b></p> <ul style="list-style-type: none"> <li>Often farm workers reside on farms with their families. The breadwinners sometimes pass away from AIDS, leaving behind their dependents under the responsibility of farm owners and government. This disease is a key threat, not only to the farm-worker families but also to farmers in Mogalakwena Municipality.</li> </ul> <p><b>High Input Costs:</b></p> <ul style="list-style-type: none"> <li>Input costs have risen continuously over the last few years for farmers. This includes costs for labour, plant material and machinery. The strengthening of the Rand and over-supply of maize to South Africa, have caused commercial farming to be a less viable household income.</li> </ul>
<b>Emerging Farmers</b>	<p><b>Information Dissemination:</b></p> <ul style="list-style-type: none"> <li>A general lack of information on modern production techniques prevent farmers from engaging in this method of increasing their profits and sustainability.</li> <li>Lack of education to local communities on usefulness of agricultural products to them as commercial entities rather than overstocking and overgrazing of cattle, for example.</li> </ul> <p><b>Access to Markets:</b></p> <ul style="list-style-type: none"> <li>Horticulture projects suffer from lack of contract markets. Many farmers lose their crops as they produce without the security of a receiving market. E.g. Mapela Irrigation Scheme, Shoboshobo and Limburg Citrus export but most their profits are taken from the 'middle-man'.</li> <li>Difficulties faced with accessing livestock markets to auction and sell cattle, goats or broilers due to lack of knowledge and experience on production farming techniques and lack of business management skills.</li> <li>Some emerging farmers who have reached a commercial level of farming do not wish to formalise their business, perhaps due to increased tax payments.</li> </ul>
<b>General</b>	<p><b>Water Scarcity:</b></p> <ul style="list-style-type: none"> <li>This limits expansion of the agriculture sector in Mogalakwena Municipality. The municipal area has suffered from drought conditions over the past few years.</li> <li>The lack of water is major issue. Although drilling does take place at times with enough funding, the amount of water collected is not enough to sustain irrigation for a large plot of land such as Lafata or Lebelo.</li> </ul> <p><b>Roads, services &amp; safety:</b></p> <ul style="list-style-type: none"> <li>Both emerging and commercial farmers require improvement of roads, such as the Percy Fyfe road, deteriorating at an alarming rate.</li> <li>Storm water drains need attention – it results in damaging of vehicles and increases accidents.</li> <li>Ineffective policing results in stealing of agriculture equipment such as</li> </ul>

AREAS OF CONCERN	GAPS
	<p>borehole pumps or solar panels, of copper cables and of poachers killing game.</p> <p><b>Institutional Capacity</b></p> <ul style="list-style-type: none"> <li>▪ Administrative burden and red tape imposed by government departments such as DWAF and DET, slowing progress of farming initiatives.</li> <li>▪ Lack of knowledge concerning audits on existing water capacity, infrastructure needs, and farming activities such as: what commercial farmers farm, progression of emerging farmers, irrigation schemes and agri-businesses. Hinders prioritising of correct support initiatives by government.</li> </ul>

It should be noted that the SDF (2009) highlights a number of activities pertaining to development. The type and quality of undeveloped land leans toward the promotion of mining and urban activities, while hampering the expansion crop farming, and decreasing areas demarcated for game farming and conservation. Because crop farming has specific needs and requirements, as opposed to rural development which is considered to be more flexible with less limiting options, there will automatically be development tensions and competition between functionally polar, but spatially adjacent activities.

Through various forms of research such as desktop study and consultations with a variety of role-players, a number of opportunities for the growth of the agriculture sector in Mogalakwena Municipality have come forth. They are discussed below under various topics of concern.

**Table 4.19: Opportunities for Development and Improvement of Agriculture Sector**

AREAS FOR GROWTH	OPPORTUNITIES
<p><b>General</b></p>	<p><b>Institutional Support</b></p> <ul style="list-style-type: none"> <li>▪ Use existing Mogalakwena Municipality Agricultural Forum to invite all role-players, associations and support groups to create a platform as a networking scheme for growth and expansion of the sector.</li> <li>▪ Develop a workshop where existing local commercial farmers are employed to transfer skills to emerging farmers.</li> <li>▪ Align LED budget and timeframe to government programmes budgets for rural development as well as to selected priority project timeframes and required finances, recommended in this Strategy Review, for their successful implementation.</li> <li>▪ Undertake audits of existing farming practices, both commercial and emerging, as well as agro-processing or meat-processing businesses. As well as an audit of existing and required infrastructure in the municipal area, and which existing infrastructure need upgrading.</li> <li>▪ Liaise with co-government departments to upgrade infrastructure, and services in order for their budgets to include vital gaps identified which hinder the growth and sustainability of the agriculture sector.</li> <li>▪ Assist emerging farmers to set up the marketing structure for agricultural products in order to develop a comparative advantage with existing commercial farmers to be able to enter market.</li> <li>▪ Provide full support to land reform clients and decrease group farming approaches that cause potential farmers to exit project.</li> <li>▪ Government or struggling land owners should lease or rent out their land to capable farmers or entrepreneurs to assist in paying the mortgage and render the land productive.</li> </ul> <p><b>Water Scarcity &amp; Environmental Factors</b></p> <ul style="list-style-type: none"> <li>▪ Because traditional farming techniques are highly dependent on water, Mogalakwena Municipality could focus on more sustainable and modern farming techniques which are often more technologically driven.</li> <li>▪ Rehabilitation and good management of existing irrigation schemes (e.g. Mapela Irrigation Scheme)</li> <li>▪ Promotion and teaching on harvesting systems for rain water.</li> </ul>

AREAS FOR GROWTH	OPPORTUNITIES
	<ul style="list-style-type: none"> <li>▪ Develop sustainable land and water management systems for smallholdings through use of appropriate low-cost irrigation technology, like treadle pumps.</li> <li>▪ Education on and promotion of renewable energy technologies and practices.</li> <li>▪ Ecological, soil and water conservation for integrated and sustainable use of natural resources – liaise with environmental specialists in area for training workshops.</li> </ul> <p><b>Information Dissemination</b></p> <ul style="list-style-type: none"> <li>▪ Through the use of national institutions such as the Agricultural Research Council (ARC) and the Centre for Scientific and Industrial Research (CSIR) farmers can receive farming advice on information on scientific production techniques to improve sustainability and growth in the local agricultural sector.</li> <li>▪ Local organisations such as the Mogalakwena Rural Development Committee or the Farmers’ Union could assist in providing access to information mentioned above and to provide a platform of communication for all types of farmers, rural communities and members of the value-chain involved in farming activities, in order to make agricultural land more productive.</li> </ul> <p><b>Logistical Arrangements</b></p> <ul style="list-style-type: none"> <li>▪ Develop rural transport technologies and enterprises to improve mobility and accessibility to markets</li> <li>▪ Establish a centre for local manufacturing of technology necessities, like packaging materials; crop processing technologies, rural workshop or spares production.</li> <li>▪ Develop or utilise local private business ventures as service providers for tractor or draft animal hire schemes and marketing.</li> <li>▪ Possibly privatise extension services delivery in order to increase pace of delivery.</li> <li>▪ Small-scale farmers should be trained in business management; book-keeping and banking arrangements to sustain a profitable farming business.</li> <li>▪ Utilise the upcoming Polokwane Fresh Produce market which is part of the Polokwane logistics hub either as an example for local farmers to replicate the initiative at a smaller scale in Mokopane, or to sell their produce at the market.</li> </ul>
<p><b>Cluster Development (Value-chain expansion)</b></p>	<p><b>Cluster Development</b></p> <ul style="list-style-type: none"> <li>▪ Production and Processing Meat Cluster: Feed manufacturing; livestock farmers support programme; goat meat production; game farming; fattening scheme; meat processing.</li> <li>▪ Horticulture Cluster: Reactivating food gardens and food garden production; commercial horticulture production.</li> <li>▪ Agro-processing (Crop and Meat Processing)</li> <li>▪ Use audits of all existing and potential agricultural products, and available infrastructure, services, agro-processing businesses to identify ways producing inputs and outputs within the borders of the municipality in order to maximise demand and supply locally. A model could be developed.</li> <li>▪ Identify funders, such as the DTI, to which proposals could be made for agro- and meat-processing enterprises.</li> <li>▪ Identify and assist young/motivated agricultural entrepreneurs to manage productive farms and processing enterprises, and create a linkage with institutions like government entities, Land Bank, the IDC and other development corporations for financing and other support.</li> <li>▪ Arrange with mines to use local produce and manufacturers for food in canteens or safety goods, such as boots, which are consumed and utilised by staff.</li> </ul> <p><b>Agro-processing opportunities</b></p> <ul style="list-style-type: none"> <li>▪ <b>Livestock farming:</b> Rehabilitation and creation of abattoirs with cold room; feedlots; pork value-added products and hatchery; packaging; processed meat products, such as Nesta Foods Pty.</li> <li>▪ <b>Oilseed production:</b> Oil extraction, such as existing Nedan Oils Pty.</li> </ul>



AREAS FOR GROWTH	OPPORTUNITIES
	<ul style="list-style-type: none"> <li>▪ <b>Cotton production:</b> Cotton beneficiation</li> <li>▪ <b>Citrus fruit processing:</b> Juice; extracts; packaging.</li> <li>▪ <b>Inputs:</b> Seeds; pesticides; fertiliser; livestock feed; feed lime; salt and molasses for game; lucerne; maize; wheaten bran; fishmeal; veterinary medication.</li> </ul>
<p><b>Game farming and the Waterberg Biosphere</b></p>	<ul style="list-style-type: none"> <li>▪ There is potential for wildlife activities such as game farming and game breeding, in the biosphere.</li> <li>▪ Game breeding, of especially rare game species, is a highly profitable business.</li> <li>▪ Private land owners consolidate their farm portions, drop their fences and work in collaboration with land restitution beneficiaries, the wildlife tourism sector and game farming industry could expand.</li> <li>▪ The Waterberg Biosphere is further dealt with in the Tourism Sector analysis.</li> <li>▪ The rise in input costs, especially for crop farming, gives farmers the opportunity to venture into livestock and game farming as a more profitable farming practice. This has already been the trend over the past few years.</li> <li>▪ With exposure to the livestock and game markets, proper efforts to prevent overgrazing and protect the environment, and reduction in the need for water, this type of sector could truly grow.</li> </ul>

## 2 Analysis of the Mining Sector

### 2.1 Mining sector overview

The mining sector referred to in this section can be classified as a combination between the definitions for “mine” and “mineral” as stated within the Minerals and Petroleum Resources Development Act 28 of 2002 (MPRDA). Mine is defined as “any operation or activity for the purposes of winning any mineral on, in or under the earth, water or any residue deposit, whether by underground or open working or otherwise and includes any operation or activity incidental thereto”, whilst mineral is defined as “any substance, whether in solid, liquid or gaseous form, occurring naturally in or on the earth or in or under water and which was formed by or subjected to a geological process, and includes sand, stone, rock, gravel, clay, soil and any mineral occurring in residue stockpiles or in residue deposits, but excludes-

- ❖ water, other than water taken from land or sea for the extraction of any mineral from such water
- ❖ petroleum or
- ❖ peat”

The mining sector thus is the practice of extracting and beneficiation of minerals occurring naturally above, in or under the ground and includes solids, liquids, gasses and crude petroleum being mined from an underground and/or surface mine, quarry or well extraction.

The largest contributor to the economy of the Limpopo Province is mining, contributing a 27% share of total GDP for the province for 2009 (Kayamandi calculations from Quantec Reesearch, Standardised Regional Data, 2011). The mining sector further provides 10% of the formal employment of the province for 2009. The major minerals mined within the province are noted as platinum group metals, cobalt, nickel and copper, coal, iron ore and granite to name a few.

The Waterberg District Municipality saw mining contribute more than half (55%) of the districts GDP as well as 25% of the total formal employment for the year 2009.

The below Table provides an indication of latest available mining sector economic indicators.

**Table 4.20: Mining sector economic indicators, 2009**

	SECTOR SHARE IN MOGALAKWENA	SECTOR SHARE IN WATERBERG DISTRICT	CONTRIBUTION OF MOGALAKWENA SECTOR TO SECTOR IN WATERBERG	
<b>EMPLOYMENT SHARE</b>	11%	25%	15%	
<b>GDPR SHARE</b>	227%	55%	13%	
SECTOR AVERAGE GROWTH P.A 2001-2009	SECTOR GROWTH IN SOUTH AFRICA	SECTOR GROWTH IN LIMPOPO	SECTOR GROWTH IN WATERBERG DISTRICT	SECTOR GROWTH IN MOGALAKWENA LM
<b>EMPLOYMENT</b>	2.2%	11.2%	9.9%	14.4%
<b>GDPR</b>	-0.8%	-1.6%	-2.1%	0.2%

Source: Kayamandi calculations from Quantec Research, Standardised Regional Data, 2011

The table above shows that the mining sector within Mogalakwena Municipality has a significant share in the employment of persons within the municipality, being responsible for 11% of the labour force. This amounted to roughly 5650 jobs within the mining sector for 2009. The mining sector within the Waterberg District Municipality contributes 25% to the total employment of the district for the same period, making the sector one of the main role-players in the provision of employment opportunities. The table further illustrates that the Mogalakwena Local Municipality contributes 15% to the total employment as well as providing a 13% contribution to the total GDPR of the districts mining sector. The mining sector within Mogalakwena Local Municipality has also shown a marginal growth of 0.2% within the average GDPR growth per annum, indicating a stagnant expansion in terms of production or a decline in international prices. On the other hand, growth in employment between 2001 and 2009 showed a 16.6% average, showing that the sector has expanded the opportunities it provides in relation to employment and may play a fundamental role in poverty reduction and unemployment eradication.

The table above further indicates that the mining sector within the local economy contributes more to the local GDPR (27%) than it contributes to employment (11%). The mining sector provides a 55% share in the district economy, compared to the sector share of Mogalakwena Municipality, the mining sector plays a large role in the continued growth and development of the districts economy. A gap exists between the districts mining sector share between GDPR (55%) and employment (25%). The mining sector should be encouraged to promote and create more employment opportunities and/or expansion works which incorporate mining related education opportunities. The utilisation and development of forward and backward linkages may be incorporated to enable the previously mentioned. Various possibilities exist for the development of mining related activities such as beneficiation practices, mining technology centres, supplier park and regional nodes for mining equipment, training and skills development within Mogalakwena. The creation of linkages with the surrounding mines within the area and province as well as inter-provincial linkages may increase the base for economic diversification and growth opportunities.

## 2.2 Mineral resources and products

The Limpopo Province has a wide and extensive variety of mineral deposits, which occur in great abundance throughout the province. The major geological feature of the province, which enables the rich diversified mineral wealth, is the Bushveld Igneous Complex (BIC). The BIC is a large deposit and combination of various geological components and minerals. The BIC is a combination of various layers or suites, which combine to create the variety of minerals that are excavated. These layers or suites can

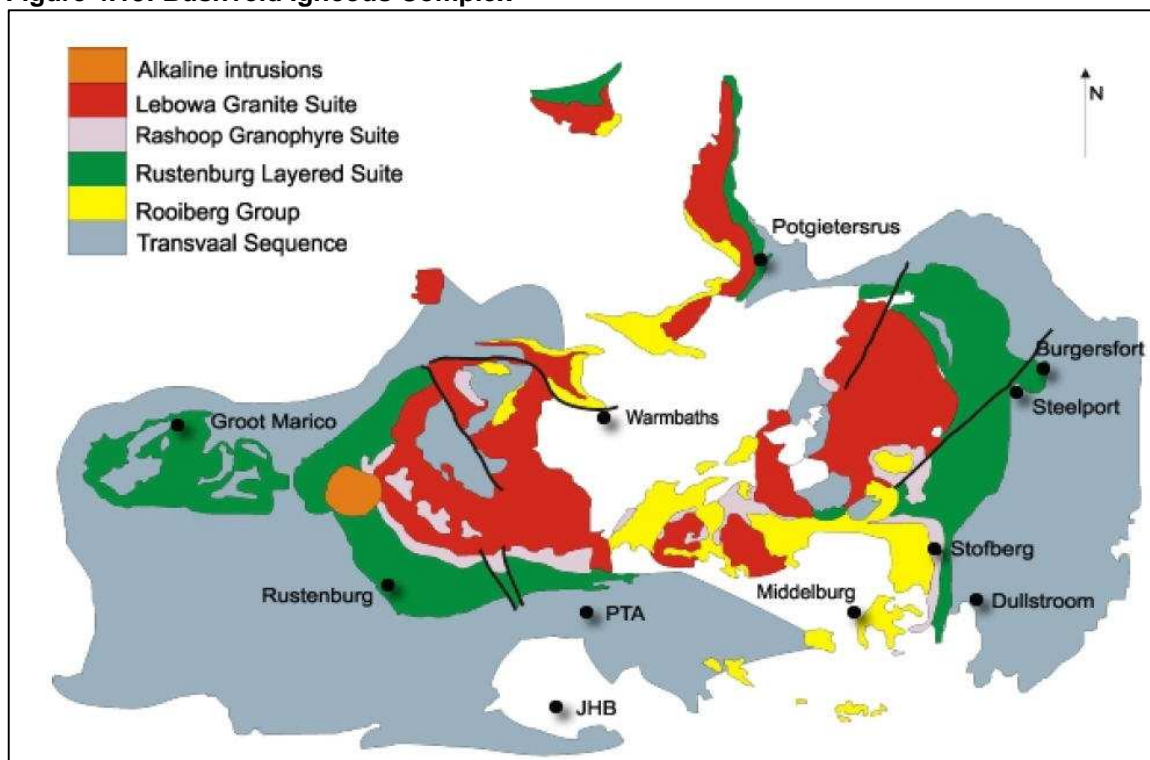
be termed as the Lebowa Granite Suite, Rashedoop Granophyre Suite, Rustenburg Layer Suite, Rooiberg Group and the Transvaal Sequence or Supergroup.

The image below illustrates the BIC as well as the various layers within it.

The BIC has dark basic rock outcrops in an arcuate zone which stretches from Steelpoort in the east, through Grasvally, south of Mokopane, to Swartklip in the west. Bushveld rocks further stretch northward from Grasvally through Mokopane until almost reaching the Blouberg Mountains. The mineral rich area located within Mogalakwena is known as the Platreef. The Platreef is consistent out of the platinum group of metals, nickel, copper and cobalt. Other minerals found in this area have been identified as clay, granite, norite and tin.

The BIC functions as the largest known layered intrusion on earth and is almost entirely located within Transvaal sedimentary basin. The BIC has been estimated to contain almost 80% of the world's platinum group metals, as well as other minerals such as nickel, copper and cobalt. The BIC is a combination of three suites of platonitic rocks known as the Rustenburg Layered Suite, the Rashedoop Granophyre Suite and the Lebowa Granite Suite. The BIC is also divided into three separate clusters called the Eastern, Western and Northern Limbs or Lobes. The Mogalakwena LM, as mentioned above, contains the Platreef, which is a deposit of PGM within the Northern Limb of the BIC. The Northern Limb consists out of the Lebowa Granite Suite and Rustenburg Layered Suite.

**Figure 4.13: Bushveld Igneous Complex**



Source: School of Geosciences, Judith A. Kinnaird, 2011

The Rustenburg Layered Suite (RLS) is a combination pyroxenite, norite, gabbro and other mafic to ultramafic lithologies. The RLS has also been divided into the main stratigraphic units named the Marginal Zone, the Lower Zone, the Critical Zone, the Main Zone and the Upper Zone. The units that make up the RLS contain the various minerals being mined throughout the BIC and includes PGM, chrome, vanadium and nickel. The Waterberg Mining Development Strategy (2006) reports that

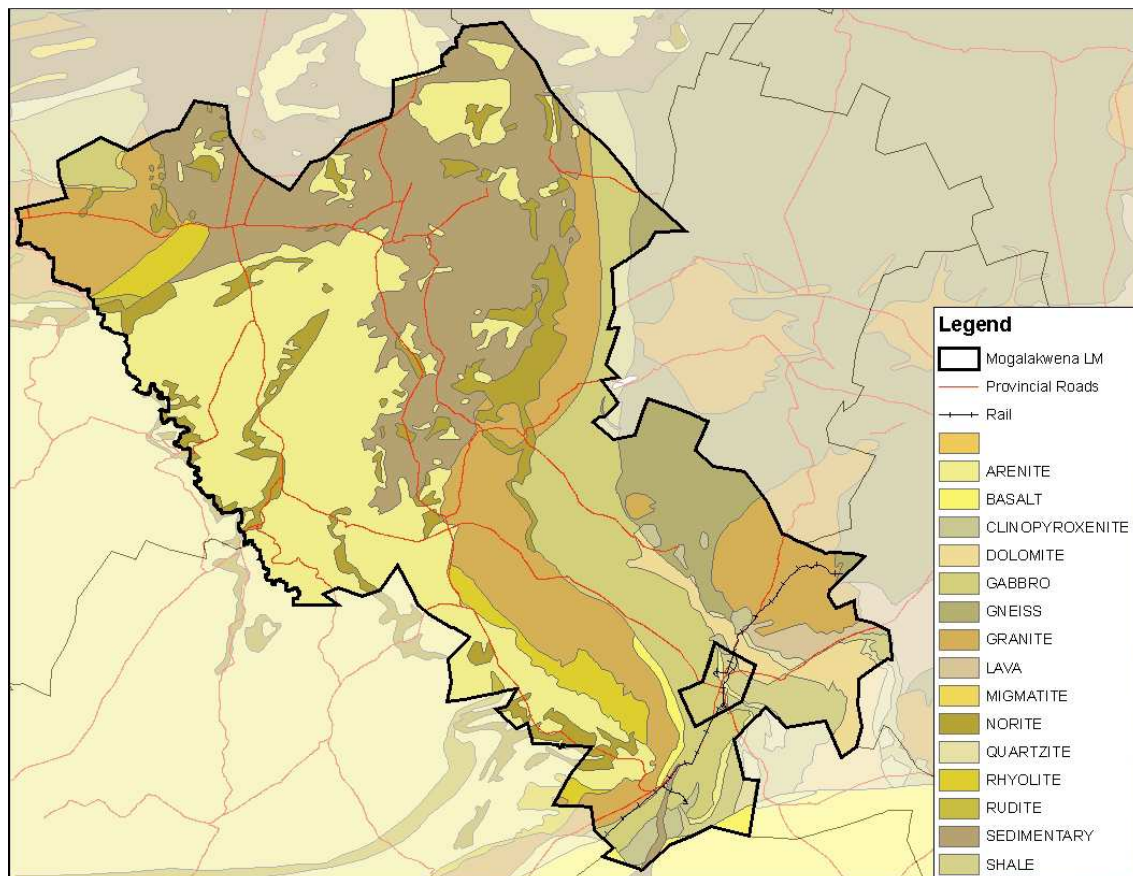
estimations show that 75% and 50% of the world platinum and vanadium resources are found into the BIC Rustenburg Layered Suite respectively.

The Lebowa Granite Suite (LGS) is the other component to the BIC and specifically the Northern Limb of the BIC. The LGS is described as creating an intrusive sill of A-type granite with a thickness of roughly 2.5km. The granite is further characterised as coarse grained and varying in colour from red to grey.

Some of the minerals that have been identified within the layered suites are chromite, platinum, palladium, rhodium and vanadium, as well as fluorite deposits. Major sources of platinum and chromities are located along the Merensky Reef, UG2 and the Platreef. The UG2 reef is located below the Merensky Reef and is predominantly a combination of platinum and Chromities. The chromite content is predominantly between 60 to 90%. The Merensky Reef and UG2 is the predominant platinum sources within the BIC, whereas the Platreef has a lower quality platinum produced.

Figure 4.14 below shows the geology of the Mogalakwena LM.

**Figure 4.14: General geology of Mogalakwena LM**



Source: GIS data Kayamandi, 2011

The general geology of the Mogalakwena LM largely consists out of granite, gabbro, arenite and sedimentary stones. Gabbro and granite extend largely along the lines of the Northern Limb of the BIC, and contains the Platreef PGM deposits. This area is rich in mineral deposits and the majority of mining activities are found in this area. The majority of the rural areas of the municipality consist out of arenite and sedimentary stones. According to the Mogalakwena SDF (2010), the geological features have no



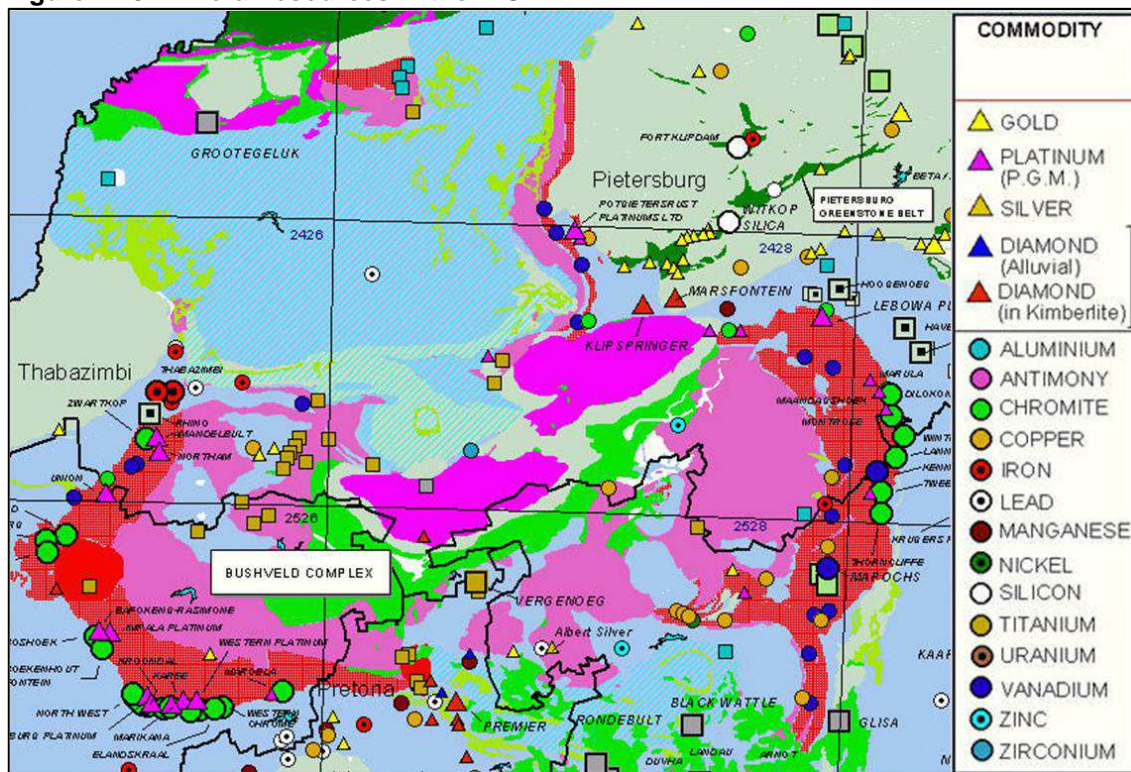
impact on the mining related activities throughout the municipal area, whilst urban and rural development is negatively impacted along the areas which contain granite and gabbro.

Figure 4.15 below illustrates the mineral distribution throughout the BIC. The Northern Limb of the BIC, as mentioned earlier, is located within the Mogalakwena LM and holds several deposits of minerals.

The minerals, as indicated in Figure 4.15 below, found within this area and along the Northern Limb are deposits of platinum, chromite, copper and vanadium. Other minerals that are exploited within the Mogalakwena Local Municipality according to the Waterberg Mining Development Strategy (2006) are:

- ❖ **Clay:** exploited on the farm Weenen 40 KS and is used in the production of bricks and other pottery related products by the Weenen Bricks company,
- ❖ **Dimension Stone:** granite is mined on the farms Klipplaatdrift 787LR, Leyden 804 JR and Bellevue 808 LR by Lebowa Granite (Pty) Ltd and Bestaf (Pty) Ltd.
- ❖ **Limestone:** is mined on the farm Uitloop 3KS, which also acts as the main deposit within the area,
- ❖ **Tin:** tin deposits are found and mined on the farms Roodepoort, Zaaiplaats, Salomons'tempel and Groenfontein.

Figure 4.15: Mineral resources in the BIC



Source: Council for Geosciences, 2011

The mines currently operating within the Mogalakwena Local Municipality are listed below.

Mines are distributed throughout the Mogalakwena LM predominantly from the southern parts of the municipal area towards the central regions. Platinum mining is concentrated along the Platreef deposits extending from Mokopane northwards, whilst granite quarries can be found within the central region extending from east to west. Chrome deposits and mining activities can be found in the south western parts of the municipality, whilst the majority of sand quarrying and processing is located in the south eastern regions. Several tin mines extend northwards on the western side along the R518 road, whilst opposite to the tin mines, vanadium deposits and mining activities are located.



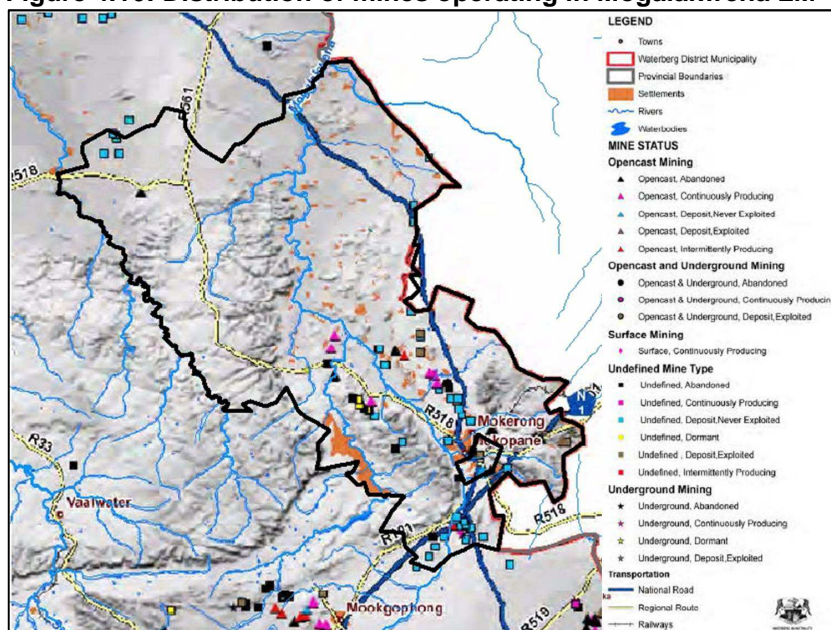
**Table 4.21: Operating mines in the Mogalakwena LM**

Mine name	Commodity	Type of mining	Farm name
Grassvalley crushers	Aggregate sand	Mine opencast	Grasvalley 293 kr
Kirstenbos	Aggregate sand	Mine opencast	Kirstenbos 497 Ir
Terra clay	Clay	Mine opencast	Amatava 41 ks
Red stone mining	Granite-ds	Mine opencast	Klipplaatdrif 787Ir
Royal granite supplies red (pty) ltd	Granite-ds	Mine opencast	Malokong 784 Ir ptn 1 vriesland 781 Ir
Biggs - cooper sand	Sand	Mine opencast	Maribashoek 50 ks
Bafedile mining & construction	Sand aggregate	Mine opencast	Vaalkop 819 Ir
Vanmag mine	Vanadium iron-ore	Mine opencast	Commandodrift 228 kr gezond 235 kr inhambane 802 Ir molendraai 811 Ir mozambique 807 Ir ptn 2
Anglo platinum: mogalakwena section	Platinum	Mine opencast	
African red granite - lebowa	Granite	Mine opencast	Haakdongdraai 758Ir klipplaatdrift 787Ir schoonoord 786Ir
Fred cooper sand & klip	Sand	Mine opencast	Knapdaar 234kr
Platreef resources	Platinum		
Eersteling gold mining co	Gold		

Source: Department of Mineral Resources, Operating Mines, Quarries and Processing Plants, 2010

Figure 4.16 shows the distribution of mines throughout the Waterberg District and Mogalakwena LM.

**Figure 4.16: Distribution of mines operating in Mogalakwena LM**

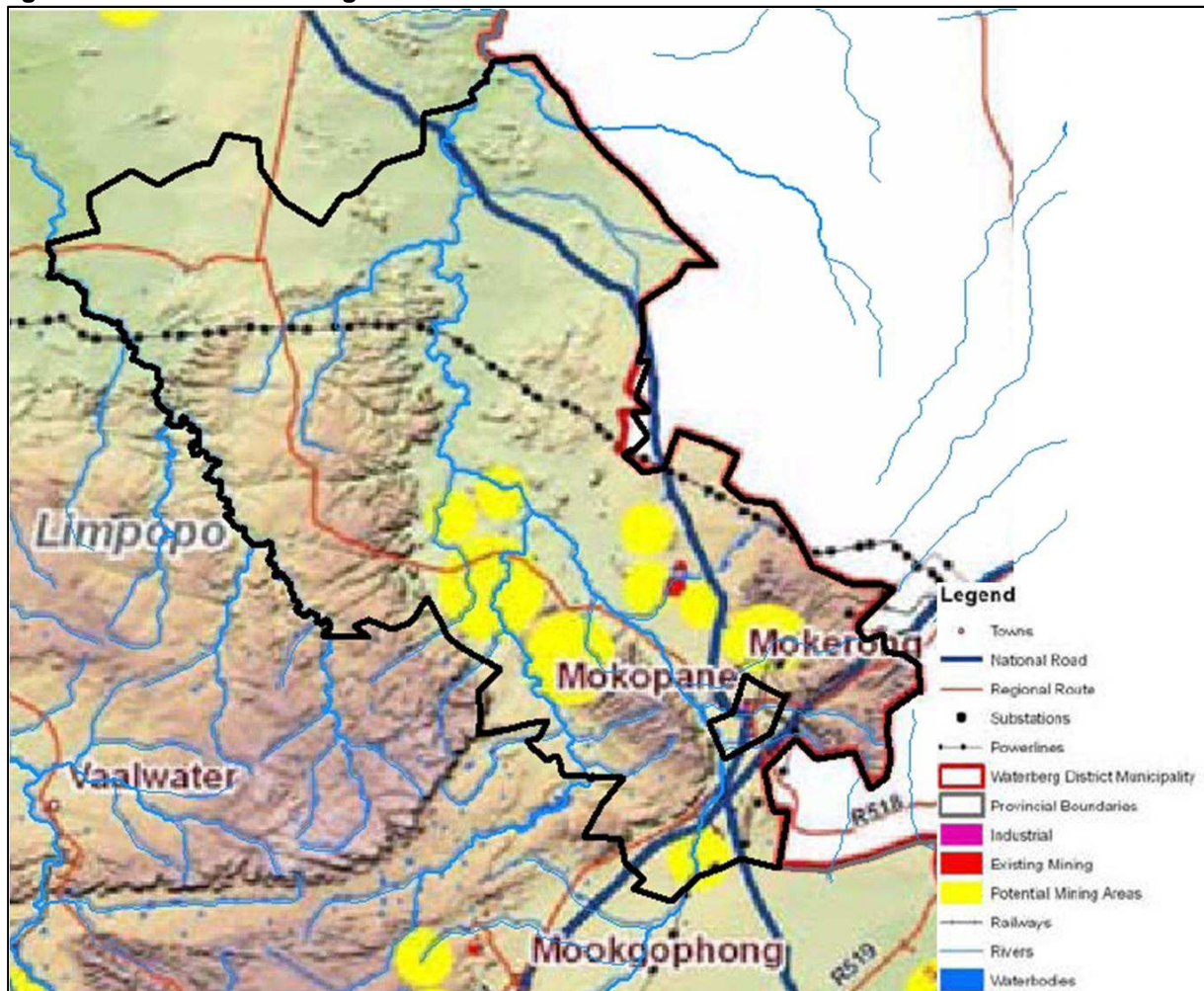


Source: Waterberg Environmental Management Plan, 2010

Figure 4.17 below provides an indication of potential mining areas.

It has previously been determined that the Mogalakwena Municipality is located within a mineral rich area called the Bushveld Igneous Complex, and this has provided the basis from which various mining activities have been established and are the driving forces within the local communities, the municipality, district and the province as a whole. Mogalakwena has various mines which are currently exploiting clay, dimension stone, limestone, fluorspar, tin, granite and platinum group metals.

**Figure 4.17: Potential mining areas**

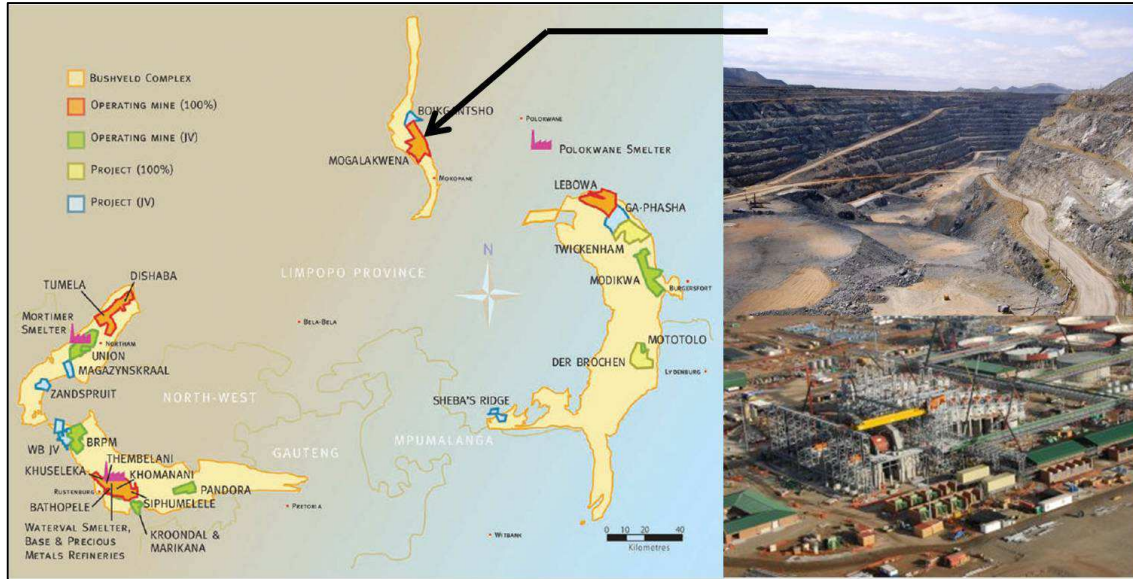


Source: Waterberg Environmental Management Plan, 2010

The Waterberg District currently has four major platinum mines functioning in the district located in Amendulbult, Rustenburg, Northam and Mokopane (Potgietersrus). The Anglo Platinum Limited: Mogalakwena Mine or Mogalakwena (RPM) which is a business unit of Rustenburg Platinum Mines Ltd, is located on the Northern Limb of the Bushveld Complex, and is currently exploiting platinum deposits of the limb, otherwise known as the Platreef or Mokopane Platinum Belt. See Figure 4.18 below.



**Figure 4.18: Mogalakwena Platinum Mine on the Northern Limb (Platreef) of the BIC**



Source: www.angloplatinum.com, 11/01/19

The Mogalakwena (RPM) is operating as an opencast mine, extracting ore through the utilisation of pits, dug into the ground.

Figure 4.19 shows that Mogalakwena (RPM) is currently operating four pits from which platinum ores are extracted where two additional pits, pits 5 and 6, have also been identified for future exploitation.

**Figure 4.19: Mogalakwena (RPM) pits**



Source: www.angloplatinum.com, 12/01/2011

The Mogalakwena (RPM), extracts roughly 57 million tonnes of platinum ore per year, of which the region has a proven 280 million tonne reserve on the Platreef (Mogalakwena IDP, 2010/2011). The

current concentrator throughput is estimated at roughly 5 million tonnes per annum, providing that, the reserves in the Platreef is sufficient for the next 56 years

Mogalakwena (RPM) produces the smallest amount of platinum within the Waterberg District, as it is the only mine operating within the Platreef (Northern Limb). According to the Anglo Platinum 2009 Annual Report, the Mogalakwena (RPM) produced 237 279 ounces of refined platinum during 2009 which is a 26% increase from 2008 figures.

### 2.3 Current projects, activities and initiatives in the mining sector

The previous 2006 LED of the Mogalakwena made no mention of mining projects and initiatives.

Whereas the Waterberg Mining Development Strategy, 2006 identified the following projects/initiatives:

- ❖ Revitalisation of Matlala stone crusher
- ❖ Platreef Resources are currently undertaking prospecting along the Platreef (Mokopane Platinum Belt) to establish a new platinum mine. The new platinum mine is proposed to be located on the farm Drenthe.
- ❖ The Tshabang Tlala Babirwa Pebble Co-operative, located in the Steilloop area of Mogalakwena Municipality, has received a sponsorship from the Limpopo Business Support Agency (LIBSA) to construct an office building for the co-operative. The WDM is also facilitating the application process for the licensing of the co-operative in order to legalise the collection of pebbles.
- ❖ As a result of new mining rights, the Rooiberg and Zaaiplaats tin dumps have been in the processes of being reclaimed. There are investigations underway for the reclamation of the old Union Tin Mine.
- ❖ As a result of downturns in the granite market, the Haasspan Granite Quarry has been ceased in the operations in the quarry. The Waterberg Mining Development Strategy, has proposed the revitalisation of the quarry in terms of a clustering approach.
- ❖ A Platinum Development Initiative (PDI) was established by Anglo Platinum, Impala Platinum, Lonmin and Mintek. The initiatives aim is to encourage new research into platinum based alloys which ultimately would lead to an increase in the use of platinum, as a result of the broadening of the industrial base of platinum. Other research done by the initiative relate to diffusion studies, shape memory alloys and nanotechnology studies. In 2007, the PDI stopped functioning as an entity, and as a result Mintek engage in studies related to the PDI in terms of platinum group metals in the use of alloys as coatings and powder metallurgy.

The 2007 Waterberg LED identified the following relevant projects:

- ❖ Facilitate high impact mining projects of major companies
- ❖ Promote small scale mining projects among local co-operatives
- ❖ Establish suitable water infrastructure to develop new mineral operations
- ❖ Establish suitable transport infrastructure to develop new mineral operations
- ❖ Skills Development project
- ❖ Processing and beneficiation of locally mined products
- ❖ Value adding and packaging
- ❖ Coal Liquification project

The Limpopo Department of Economic Development, Environment and Tourism identified a number of initiatives and projects specific to the mining sector in its budget speech for 2011/12 that have to be taken into consideration. The initiatives and projects identified are:

- ❖ The development of the Limpopo Mining and Minerals Beneficiation Initiative (LIMMBI). This initiative will seek to create a framework which can be implemented throughout the Limpopo

Province and within which orderly development of the Province's mineral value chain can be facilitated and the inherent competitive and comparative advantages can be leveraged.

- ❖ LEDET will also facilitate the development of input supplier parks within the Waterberg and Vhembe Districts.
- ❖ LEDET is in the final stages in the development of a Social Implementation Framework for the purposes of ensuring that the mining sector within the Province continues to operate in a sustainable and equitable manner.
- ❖ LEDET will also seek to develop, in conjunction with the University of Limpopo and Venda and major mining houses, a mining school/academy

As part of establishment and operation of mining activities, each mining institutions has to, in terms of the Mineral and Petroleum Resources Development Act No. 28 of 2002 and Mining Charter, draft a Social and Labour Plan (S&LP) which is approved by the Department of Mineral Resources (DMR). The Mogalakwena (RPM) Platinum Mine has drafted a S&LP as part of their commitment to socio-economic development in response to impacts created by mining activities on surrounding urban and rural communities.

The Mogalakwena (RPM) S&LP focuses on projects related to local economic development based on the development of projects which provide sustainable new business start-ups and employment opportunities. The S&LP also further focuses on the development of skills amongst historically disadvantaged community members specifically focussed on management, scientific, engineering and a variety of other skills through learnerships, ABET training and portable skills and bursaries. The S&LP strives to implement 18 different projects at a value of R94 million over a five-year period. The allocation of resources and projects identified fall within four broad categories:

- ❖ Poverty alleviation
- ❖ Basic infrastructure
- ❖ Education
- ❖ Health and social development

The S&LP has identified a number of interventions based within the above mentioned four categories and can be listed as:

- ❖ Basic literacy and numeracy training (ABET 1)
- ❖ A talent pool from which historically disadvantaged people are identified and fast-tracked
- ❖ A mentoring programme
- ❖ A bursary scheme
- ❖ Employment and gender equity programmes
- ❖ Local economic development
- ❖ Group subsidised or- supported home ownership
- ❖ Nutrition programme for hostel residents
- ❖ The provision of health care
- ❖ Participation and contribution to development and implementation of local municipality IDP's
- ❖ Social and economic development projects in rural areas

## 2.4 Backward and forward linkages in the mining sector

Backward and forward linkages are linkages used to describe the gaps and leakages that are found within the mining sector of Mogalakwena. The backward linkages in this instance will refer to all inputs that are necessary to accomplish the mining activity, whilst forward linkages looks at the beneficiation of the mining activities and the end product and consumers who utilise these products. It is evident that linkages within and to the mining sector in Mogalakwena is very limited or weak in terms of its backward and forward determinants.



The mining industry requires numerous products such as protective clothing, lubricants, equipment, machinery, infrastructure and buildings. In this regard, many of the infrastructural requirements and buildings are provided and accessible, whilst when making reference to products such as machinery, equipment, protective clothing, etc, mining companies within Mogalakwena are required to go outside the municipal borders and in some cases further afield into other provinces. This causes major leakages in terms of capital revenue and also shows the limited diversification and supplier capacity of the municipal economy. In general, local suppliers can assist with some of the product utilised by mining operations, but these businesses lack the sufficient capacity, know-how and bulk resources to accomplish such tasks. Mogalakwena (RPM) noted within their Social and Labour Plan (S&LP) 2009 that the mine had procured R122 million from local Historically Disadvantaged (HDSA) vendors located within a 50km radius of the mine. Procurement from local SMME's and HDSA vendors are based on working cost expenditure, which includes goods such as mining equipment and consumables and services. It is unclear specifically what products are procured from local vendors. These local businesses may assist smaller mining operations but cannot sufficiently supply larger companies and operations. The development, expansion and agglomeration of local businesses and mining supplier firms may help grow the local mining industry and enhance the local value chain. Various opportunities may exist to create co-operation between competing firms in the supplying activities to larger mining companies/activities, or the usage of multiple sources to supply necessary resources. Further, initiatives may be created whereby local firms are trained and streamlined in order to be more efficiently productive and diverse.

The minerals that are extracted from the local mines and reproduced into raw materials are predominantly not locally beneficiated. The platinum production process only incorporates the extraction of raw materials from the Mogalakwena Municipality, from which, the raw materials are transported to the closest smelting and refining plants from which end products are created and distributed. The same concept can be applied to other minerals mined in the area such as granite, which is mostly quarried and cut into shippable blocks and then distributed, tin and fluoride as well which is either beneficiated in Richards Bay, Durban or Port Elizabeth. With taking note of the previous point, it becomes clear that various opportunities exist to create beneficiation/value-addition practices in the area. The facilitation and development of new businesses and entrepreneurs in the production of pottery, granite products, glass, jewellery and steel production can be assisted and possibly grown, to encourage nodal development and economic diversification.

The linkages related to mining within Mogalakwena are limited and has the opportunity to expand. The limited linkages create an environment where capital retention is made difficult and is not distributed throughout the local communities of the area. Mining is the largest economic component of the municipality and is the main driving force to development, the diversification of the mining sector would encourage further employment creation and competitive advantages to the local business industry.

## 2.5 Mining sector gaps and value-adding opportunities

The extensive role that the mining sector in Mogalakwena plays in terms of GDP contribution and economic growth and development provides an array of opportunities which can be harnessed to diversify the economy into a multi lateral system. The previous section highlighted the limitations inherent within the Mogalakwena mining value-chain system which poses further opportunities to incorporate the surrounding communities, grow entrepreneurship and allow for the development of new businesses which could function as regional economic hubs.

In order to determine the development opportunities within the mining sector of Mogalakwena, due cognisance has to be given of the gaps, constraints and challenges facing development of mining and mining related activities. Various challenges related to mining are:

- ❖ **Water:** the sufficient provision of water to mines is an essential prerequisite to allow mines to function optimally. Possible water shortages may cripple the development of new mines or the expansion of existing mines.
- ❖ **Roads:** maintaining the good condition of roads are also essential, as logistics play a major role in the distribution of raw materials and end products and the acquisition of products and services to keep the mine functional.
- ❖ **Skills Development:** skills are a necessary component of mining related activities. It is necessary to create a platform from which skills training can be done to ensure that local people can participate in mining and qualify to be employed by mining companies.
- ❖ **Supply of Inputs:** As a result of limited local input suppliers to mines, it may prove costly to receive inputs for local industries and effectively so hamper operation and growth.
- ❖ **Environmental Considerations:** environmentally sensitive areas may pose impositions on the establishment of new mines. Also the environmental management of the surrounding areas are of great importance to implement sustainable environments.
- ❖ **Cost of Inputs:** the costs of inputs also play a critical factor in the sustainability and functional capacity of mines.
- ❖ **Lack of Beneficiation:** the lack of beneficiation within Mogalakwena, creates the basis for revenue leakages and no local economic growth. The establishment of local beneficiators of mining minerals may provide the basis from which transport costs may be cut, local business growth and the clustering of economic activities which stretch from raw material extraction to final product development.

In light of the above mentioned the development opportunities for the mining industry in Mogalakwena can now be considered based on the existing mining activities in the area, constraints that these industries are feeling and the gaps that exist for economic development.

The Waterberg Mining Development Strategy (2006) has identified a number of opportunities related to expansion of the mining industry in the district. These opportunities have been reviewed and later transformed into possible projects and programmes. The opportunities that have been identified for the district have been based on the various minerals that can be mined. The opportunities that have been identified and are relevant to the Mogalakwena Local Municipality are listed below:

- ❖ Platinum group metals exploration and new mine development
- ❖ Dimension stone beneficiation
- ❖ Existing chrome mine revitalisation and exploration
- ❖ Existing tin and fluorite mine revitalisation

The opportunities and projects that exist within the mining sector of Mogalakwena LM are discussed below. These opportunities are divided into 3 separate opportunity areas, namely:

#### **Mining Exploration, Revitalisation and Expansion:**

- ❖ **Platreef Exploration:** The expansive availability of platinum group metals (PGM) within the WDM and the Mogalakwena Municipality provides for the expansion and new exploration of existing and new mines. The Northern Limb of the Bushveld Complex is a major source of platinum reserves (Platreef). This area has become a major focus point for exploration by numerous companies to expand and establish platinum mines.

- ❖ **Other Minerals Exploration:** The Northern Limb (Platreef) is also a source for other minerals such as nickel and copper. The expansion and establishment of operations in this area can provide various opportunities for growth and development, nodal development, and clustering.
- ❖ **Establishment of a Smelter and Refinery:** The possibilities also exist for the development of a smaller smelter and refinery within the municipality based on the growth in platinum mining and the need there for. This would greatly enhance the clustering of activities as well as the production of final products.
- ❖ **Chrome Exploitation and Beneficiation:** Various opportunities exist for the exploitation of the chrome deposits found just south of Mokopane on the farm Grasvalley. Chrome is widely used as a plating agent on steel to give it a shiny and attractive covering, it is also added to steel to harden it, and also to make stainless steel. The Chromium steel alloys are used to make safes, armour plating, ball bearings and cutting tools. Further investigation could be done to reopen the mine located on the farm Grasvalley based on the price, supply and demand.
- ❖ **Tin & Fluorite Mine Revitalisation:** Tin and fluorite deposits are located throughout the WDM and specifically within Mogalakwena. These mines have closed down as a result of low prices received for these commodities. Some opportunities may exist in the reopening of these mines based on the demand and price levels for these commodities. Also the beneficiation of these commodities can be incorporated to include the manufacturing of gemstones, jewellery, tin cans, and glass.
- ❖ **Matlala Stone Crusher Revitalisation:** The Matlala Stone Crusher project was based on the utilisation of dolerite stone sources and the refinement of it into building stones. The lack of financial resources has led this project to be decommissioned. This project may be revitalised within the local community to provide another source of employment and income.
- ❖ **Pebble Co-operative Business Plan:** The Tshabang Tlala Babirwa Pebble Co-operative was established within the Tauetswala Village and Steilloop area of Mogalakwena. The basis of this project is to gather pebbles used by nurseries and within gardens and sell these to local consumers. The project does have some limitations associated with the skills and educational levels of the members, and the preparation of a business plan for this co-operative in terms of machinery and equipment may be completed.

#### **Beneficiation:**

- ❖ **Granite Beneficiation:** Dimension stone beneficiation is largely limited within the country. The majority of excavated stone is shipped in raw form to other countries. The opportunities exist to expand the value chain by exploring the possibilities of further beneficiation in close proximity to established granite quarries, as well as the development of products and export articles. The usage of granite can be widely applied and is primarily used within the building, monumental and funeral markets. Business development can be facilitated to produce products specific to these markets. Some products that can be produced from dimension stone are monuments, tiles, cladding, sills, gravestones, countertops and columns.
- ❖ **Diamond Beneficiation:** The diamond mines, namely the Oaks and Klipspringer (located outside of the Mogalakwena LM), may pose further opportunities for beneficiation and exploration. Opportunities may be created through the further exploration of this mineral within the Mogalakwena LM as well as the beneficiation thereof into jewellery.
- ❖ **Clay & Limestone Beneficiation:** Clay and limestone mined in the area may further also contribute to beneficiation practices, whereas as clay can be used in the production of bricks, pottery, porcelain, tiles, coverings and china, whilst limestone can be used in the cladding of buildings and the manufacturing of tiles.

### Mining Supplier Park & Skills Development

- ❖ **Mining Technology Centre:** The possibilities further exist for the diversification of the mining industry into research based actions through the development of a research centre for mining activities and specifically the extraction and production of ferrovanadium and ferrotitanium. The further establishment of industries related to this mineral and the extraction thereof may pose to be a viable addition to the mining sector.
- ❖ **Mining Supplier Park:** Also, the development of a Mining Supply Park to facilitate mining inputs and activities in the area and surrounding mines may be a feasible project for the municipality. This may pose as a regional hub development tool.

The table below summarises the opportunities identified within the mining sector of Mogalakwena.

**Table 4.22: Mining sector opportunities**

Opportunities	Potential Projects
<p style="text-align: center;"><b>Mine Exploration, Revitalisation &amp; Expansion</b></p>	<ul style="list-style-type: none"> <li>❖ Potential sites for platinum and PGM mining</li> <li>❖ Exploration of diamonds, tin, fluorite, copper, nickel etc</li> <li>❖ Promotion of exploration areas to possible investors</li> <li>❖ Revitalisation of tin and fluorite mines through co-operative partnerships with private companies and local communities</li> <li>❖ Revitalisation of the Matlala Stone Crusher Project</li> <li>❖ Revitalisation of the Haasspan Granite Quarry</li> <li>❖ Planning surrounding mine expansions in the area and the facilitation thereof.</li> <li>❖ Business plan development for machinery and equipment for the existing pebble co-operative</li> </ul>
<p style="text-align: center;"><b>Beneficiation</b></p>	<ul style="list-style-type: none"> <li>❖ Investigation into the establishment of local smelter and refinery for platinum refinement</li> <li>❖ Granite beneficiation projects               <ul style="list-style-type: none"> <li>❖ Tombstone manufacturing</li> <li>❖ Countertop manufacturing</li> <li>❖ Production of cladding</li> <li>❖ Production of tiles</li> </ul> </li> <li>❖ Limestone beneficiation projects               <ul style="list-style-type: none"> <li>❖ Production of cladding</li> <li>❖ Production of tiles</li> </ul> </li> <li>❖ Clay beneficiation and expansion of existing brick manufacturers               <ul style="list-style-type: none"> <li>❖ Production of pottery</li> <li>❖ Production of bricks</li> <li>❖ Production of fireplaces</li> <li>❖ Production terra cotta</li> <li>❖ Production of pipes</li> <li>❖ Production of tiles</li> </ul> </li> <li>❖ Manufacturing of tin and fluorite products if mines are reopened</li> </ul>
<p style="text-align: center;"><b>Mining Supplier Park &amp; Skills Development</b></p>	<ul style="list-style-type: none"> <li>❖ Investigation into the establishment of a Mining Supplier Park in Mogalakwena</li> <li>❖ Skills development programmes</li> <li>❖ Entrepreneur skills development and business knowledge education</li> <li>❖ Feasibility into establishment of technology centre to research mining of ferrovanadium and ferrotitanium.</li> <li>❖ Development of mining activities to extract these minerals</li> </ul>

## 3 Analysis of the manufacturing sector

### 3.1 Manufacturing Sector Overview

By definition, manufacturing is the chemical and physical transformation of materials or compounds into new products. Similarly it can be described as the process of turning raw material into a finished product. Manufacturing is usually undertaken through small or large-scale industrial operations.

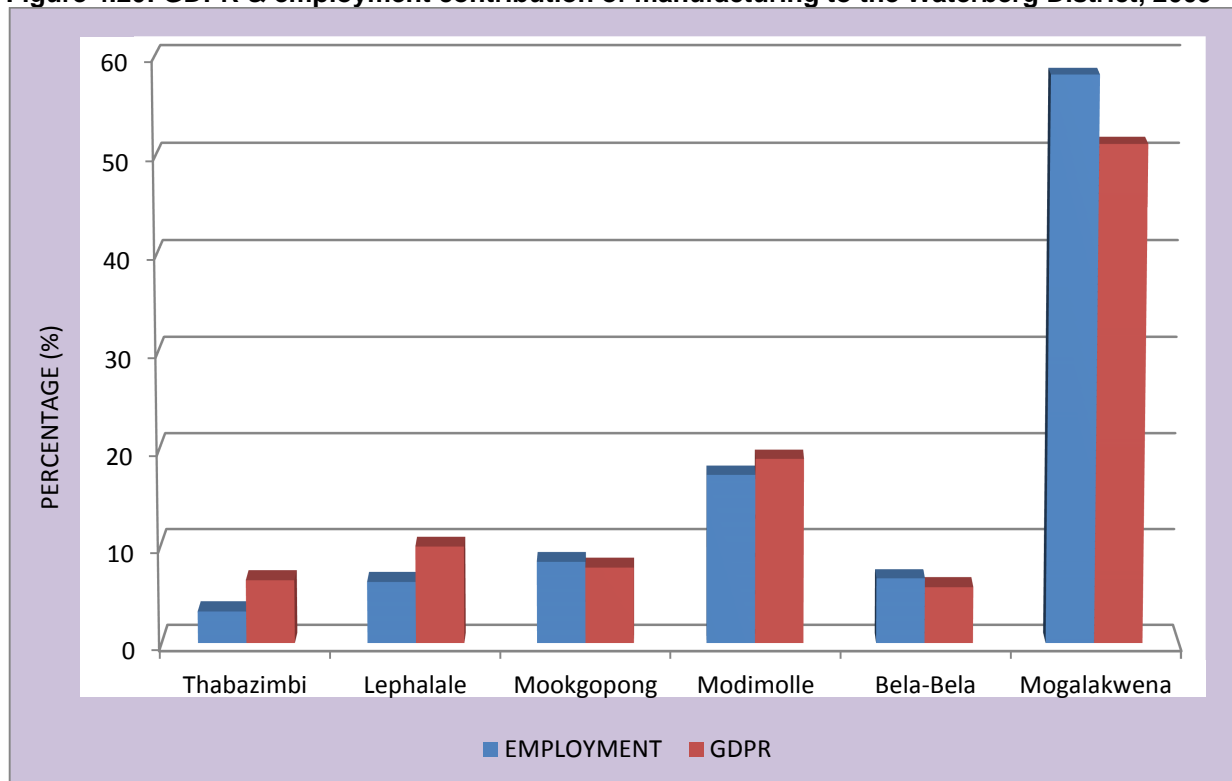
Table 4.23 below gives an indication of the employment share and GDP share that manufacturing provides as a sector in Mogalakwena Municipality. While Figure 4.20 below shows the GDP and employment contribution of each local municipality to Waterberg District's manufacturing sector. It highlights that Mogalakwena Municipality contributes the highest to the manufacturing sector, in terms of GDP and employment, of all the local municipalities in Waterberg District.

**Table 4.23: Manufacturing sector economic indicators, 2009**

	SECTOR SHARE IN MOGALAKWENA	SECTOR SHARE IN WATERBERG DISTRICT	CONTRIBUTION OF MOGALAKWENA SECTOR TO SECTOR IN WATERBERG	
EMPLOYMENT SHARE	8%	5%	54%	
GDPR SHARE	5%	2%	51%	
AVERAGE GROWTH P.A 2001-2009	SECTOR GROWTH IN SOUTH AFRICA	SECTOR GROWTH IN LIMPOPO	SECTOR GROWTH IN WATERBERG DISTRICT	SECTOR GROWTH IN MOGALAKWENA LM
EMPLOYMENT	-1.04%	-1.19%	-3.88%	0.02%
GDPR	1.83%	1.96%	-2.47%	3.78%

Source: Kayamandi calculations from Quantec Research, Standardised Regional Data, 2011

**Figure 4.20: GDP & employment contribution of manufacturing to the Waterberg District, 2009**



Source: Kayamandi calculations from Quantec Research, Standardised Regional Data, 2011

The table and graph above shows that the GDP share which the manufacturing sector contributes 5% to the GDP of Mogalakwena Municipality. In the Waterberg District as a whole, manufacturing contributes 2% to the GDP share. The percentage share of the Mogalakwena manufacturing sector, however, shows that it contributes just over half of the GDP share of manufacturing at district level. The average growth per annum between 2001 and 2009, of the manufacturing sector in Mogalakwena Municipality shows a relatively good growth of 3.78% which is in agreement with South Africa and Limpopo in terms of positive growth, but opposite to Waterberg District which is growing negatively.



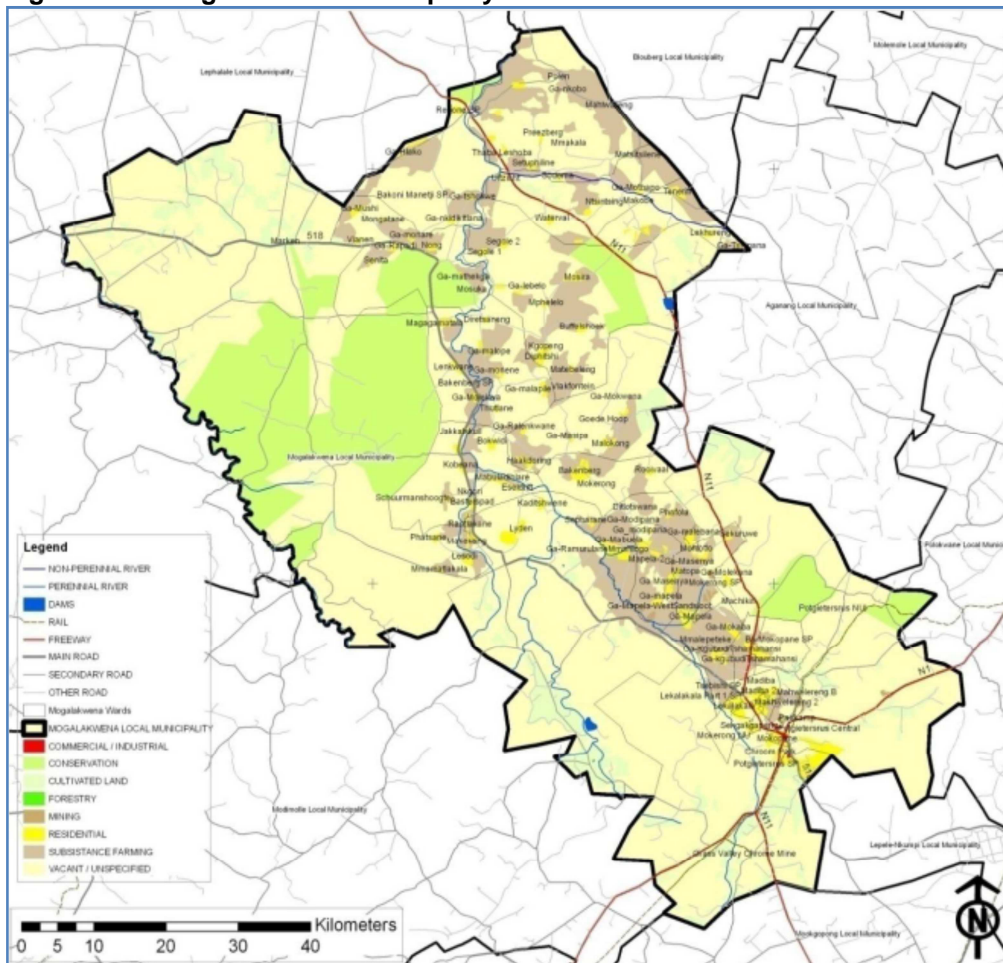
The manufacturing sector in Mogalakwena Municipality contributes 8% of the employment levels in the municipality, which is substantially higher than the GDP contribution. With regards to job creation, this sector is thus relatively important for the Mogalakwena Municipality.

In the Waterberg District, the share of employment by the manufacturing sector is 5%. The sector in Mogalakwena Municipality contributes to 54% of employment to the Waterberg manufacturing sector. The sector in Mogalakwena Municipality has an average per annum growth rate of 0.02% from 2001-2009, which is performing better than South Africa, Limpopo and Waterberg District all experiencing a decrease in employment levels.

Within Limpopo, the manufacturing sector is fairly small, with no major industrial clusters. Although Waterberg is also not known as a region for large industrial activity, it contributes approximately 17% to the provincial manufacturing sector (Quantec, 2009).

The Mogalakwena Municipality Spatial Development Framework (SDF) of 2009 provides the major land uses in the municipal area. Conservation, crop farming and subsistence farming constitutes a large part of Mogalakwena Municipality's land use. A small portion of the land use has been detected as industrial/commercial use which can be found in Mokopane, the main urban centre. The proximity of these activities close to other businesses and services, as well as close to the N1 makes this area an ideal location for these activities. See Figure 4.21 below.

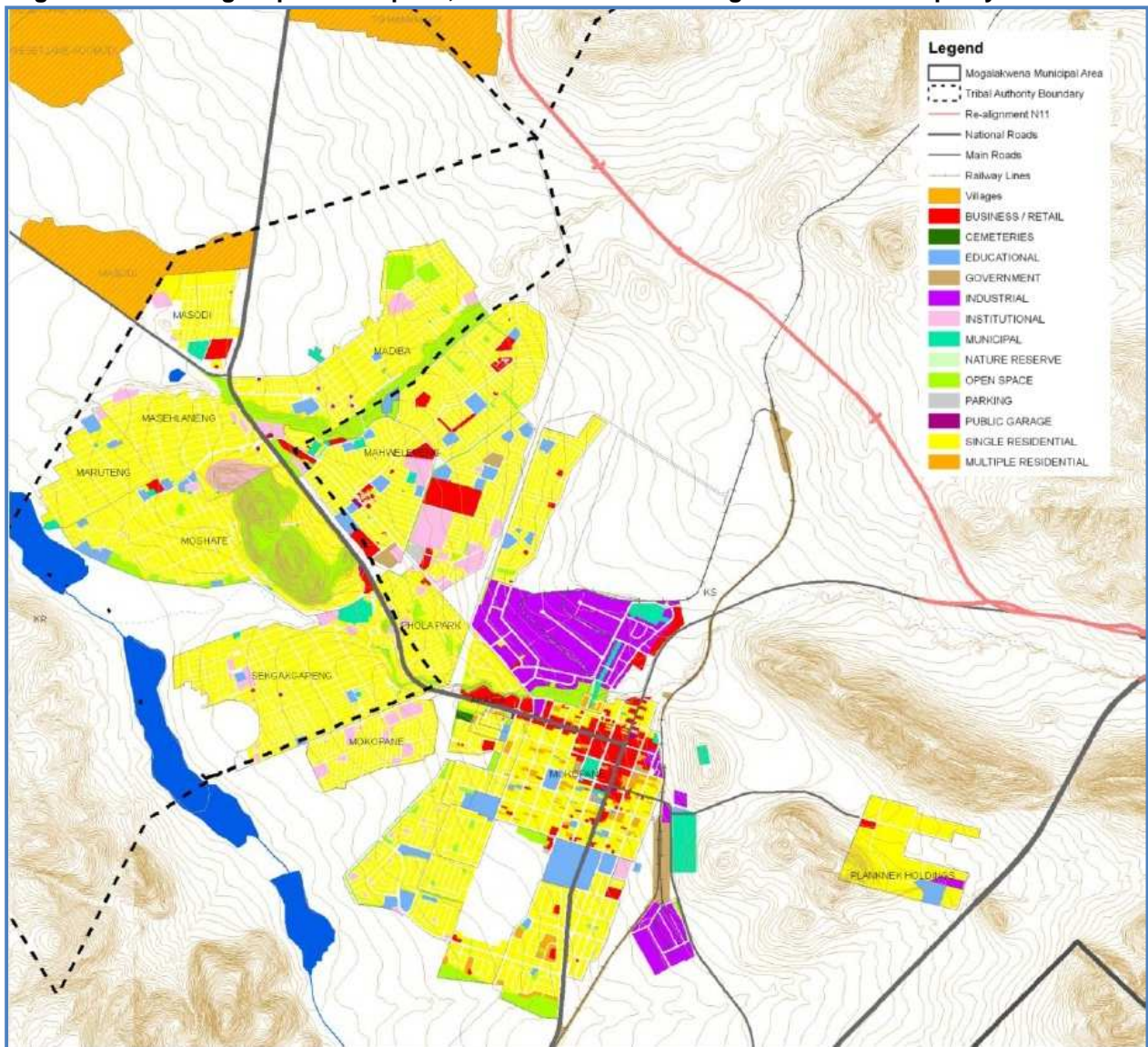
**Figure 4.21: Mogalakwena Municipality landuse and commercial/industrial area**



Source: Mogalakwena Municipality SDF, 2009

Figure 4.22 shows more clearly (in purple) where the industrial activities are situated. It points out that it is close to the southern border of the Waterberg District, between two national roads and adjacent to some main power lines running through Waterberg District. This proximity to important services required for various industrial activities does give the manufacturing sector potential for expansion and growth, provided these services can be upgraded and expanded if necessary. The existing mining activities have also been encircled in red and it is assumed that some manufacturing/mining beneficiation activities are associated with mining.

**Figure 4.22: Zoning Map of Mokopane, main urban node of Mogalakwena Municipality**



Source: Mogalakwena Municipality SDF, 2009

Most of the industrial area is concentrated in one area in which a number of extensions were built as the need for space for factories and land of companies accumulated. However, the original industrial area was located along the railway line, where there are still some industries active. The location of the new industrial area allows for further expansion in the future if need be. A present there are 17 vacant stands in the Extension 5 and Extension 6 of Mokopane's urban area, which is part of the new industrial area.

The WDEMF (2010) has also highlighted an important element that mining (and mining beneficiation) is the largest contributor to the GDP in the Waterberg District, exceeding agriculture. Mining has surpassed agriculture in terms of employment, and is expected to become the biggest employer. Even within Mogalakwena Municipality it can be noticed that mining is growing at 16.6% whereas agriculture has a negative growth rate of -8.3% with regards to employment rates. This change in the status quo is due to the fact that mining and related sectors such as manufacturing, transport and construction, has the ability to attract skilled labour and thus pay higher wages than the agriculture sector.

### 3.2 Manufacturing Sector Products, Existing Enterprises and Projects

Well serviced industrial sites are located in the surrounding parts of Mokopane, within the municipal area, but they are underutilised. Information from the current Mogalakwena Municipality town planner also verified that although industrial sites have been bought by private developers, proposals for actual development projects have not yet been submitted to Council.

The manufacturing sector in Mogalakwena Municipality is presently too small to sustain and is competing with industries in Gauteng, which are concentrated in a more vibrant and highly competitive region close to all other economic sectors that require manufactured goods. There are very few incentives for industrialists to move to Mogalakwena Municipality. Only the large labour pool can be considered as a potential attraction.

It has been suggested in the Mogalakwena Municipality LED Strategy (2006), that the poor situation of the manufacturing sector can be altered if sound efforts are made from government and the private sector to intervene through good planning and creative initiatives.

#### 3.2.1 Existing Manufacturing Products and Enterprises

The table below provides numerical information on the employment and GDP contribution of the manufacturing sub-sectors to Mogalakwena Municipality and Waterberg District.

**Table 4.24 Manufacturing Sub-Sector Economic Indicators, 2009**

SUB-SECTOR OF MANUFACTURING	EMPLOYMENT SHARE (%)		GDP SHARE (%)	
	SECTOR SHARE IN MOGALAKWENA	SECTOR SHARE IN WATERBERG DISTRICT	SECTOR SHARE IN MOGALAKWENA	SECTOR SHARE IN WATERBERG DISTRICT
Food, beverages and tobacco	34%	38%	45%	48%
Textiles, clothing and leather goods	11%	7%	3%	2%
Wood, paper, publishing and printing	5%	4%	3%	2%
Petroleum products, chemicals, rubber and plastic	5%	4%	14%	12%
Other non-metal mineral products	20%	18%	17%	14%
Metals, metal products, machinery and equipment	15%	16%	10%	13%
Electrical machinery and apparatus	1%	1%	1%	1%
Radio, TV, instruments, watches and clocks	1%	0%	1%	0%
Transport equipment	4%	7%	3%	4%



SUB-SECTOR OF MANUFACTURING	EMPLOYMENT SHARE (%)		GDPR SHARE (%)	
	SECTOR SHARE IN MOGALAKWENA	SECTOR SHARE IN WATERBERG DISTRICT	SECTOR SHARE IN MOGALAKWENA	SECTOR SHARE IN WATERBERG DISTRICT
Furniture and other manufacturing	4%	5%	3%	4%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Kayamandi calculations from Quantec Research, Standardised Regional Data, 2011

The following sub-sectors, in descending order, offer the highest employment share in Mogalakwena Municipality:

❖ Food, beverages and tobacco:	34%
❖ Other non-metal mineral products:	20%
❖ Metals, metal products, machinery and equipment:	15%
❖ Textiles, clothing and leather goods:	11%

Within the Waterberg District, the following sub-sectors have the largest employment share:

❖ Food, beverages and tobacco:	38%
❖ Other non-metal mineral products:	18%
❖ Metals, metal products, machinery and equipment:	16%

The sub-sectors that contribute the most to the GDPR of the manufacturing sector of Mogalakwena Municipality, are:

❖ Food & beverages and tobacco:	45%
❖ Other non-metal mineral products:	17%
❖ Petroleum products, chemicals, rubber and plastic:	14%
❖ Metals, metal products, machinery and equipment:	10%

The GDPR shares of the highest contributing sub-sectors to the Waterberg District's manufacturing sector are:

❖ Food, beverages and tobacco:	48%
❖ Other non-metal mineral products:	14%
❖ Metals, metal products, machinery and equipment:	13%
❖ Petroleum products, chemicals, rubber and plastic:	12%

Only the most significant sub-sectors that contribute to the GDPR and employment rate of Mogalakwena Municipality and Waterberg District manufacturing sector were provided above. Within each contribution type, the sectors remained almost constant as being the top contributors. It was only the Textiles, Clothing and Leather Goods sub-sector that appeared only once as the fourth highest contributor to the manufacturing sector employment share to Mogalakwena Municipality. Therefore, it can be concluded that the following sub-sectors, in descending order, contribute the most to employment and GDPR of Mogalakwena local municipality:

- ❖ Food, beverages and tobacco
- ❖ Other non-metal mineral products
- ❖ Metals, metal products, machinery and equipment
- ❖ Petroleum products, chemicals, rubber and plastic
- ❖ Textiles, clothing and leather goods

Some of the main manufacturing companies found within the industrial area of Mokopane are:

- ❖ Bestaf Granite Factory: Cut and shape tombstones

- ❖ Africa Drilling Manufacturers & Audie Steel & Engineering: Manufacture drills
- ❖ Nesta Foods: Cold meat processor
- ❖ Nedan Pty Ltd: Processing of sunflower seeds and cotton seeds for the manufacturing of oils and edible fats, as well as using waste products for cattle feed mix. CSP and Nedan Oils now fall under Nedan.
- ❖ Quattro Pack: Manufactures plastic packages to package food products
- ❖ Van Erkom's Tobacco: Manufactures and distributes smoking tobacco, snuff, cigarettes (RYO), and pipes, as well as leaf and Black Fat tobaccos.

Although these manufacturing companies do not complete the list of enterprises in Mogalakwena Municipality, they were highlighted as some of the main enterprises.

### 3.2.2 Current initiatives, programmes and projects

The LEGDP (2009-2014, pp 37) has an Industrial Development Programme which identifies priority growth sectors in order to 'enhance the productive capability, capacity and efficiency of industrial sectors specifically the manufacturing sectors'. The purpose of this programme is to attain diverse export markets and products; to develop an efficient business environment with sophisticated levels of technology that will increase global competitiveness of Limpopo's domestic industrial firms; and it aims to invest in physical infrastructure where necessary.

The Limpopo Budget Speech of 2011/12 highlights that the manufacturing sector is receiving national attention with the New Growth Path and the Industrial Policy Action Plan (IPAP2). There is a need to diversify the manufacturing sector, therefore the Limpopo Mining and Minerals Beneficiation Initiative (LIMMBI) is to be developed by LEDET in order to increase 'comparative and competitive advantages' in the mineral value-chain of Limpopo. Various programmes for expansion and skills development in the manufacturing sector have been established such as the National Tooling Initiative in Lephalale and Greater Tubatse Local Municipalities. With specific relation to Mogalakwena Local Municipality, a FabLab has been established in Mokopane. This Fabrication Laboratory (FabLab) is a facility where school pupils, other youth and community members learn to fabricate or make objects through desktop manufacturing and computer-controlled cutting tools. South Africa has a total of ten FabLabs.

A number of strategic interventions have been highlighted to improve the manufacturing sector in Limpopo. They are:

- ❖ Intensify Limpopo's process of industrialisation and focus more in the knowledge economy.
- ❖ Local manufacturers should provide capital goods required and demanded by the growing economy.
- ❖ Promote development of labour-intensive industrial sectors that trade in labour-absorbant goods and services and promote creation of economic linkages that will improve employment creation.
- ❖ Focus on broad based industrialisation with greater inclusion of previously disadvantaged individuals and companies, as well as inclusion of marginalised areas in the mainstream industrial economy.

The previous Mogalakwena Municipality LED Strategy (2006) and this has highlighted some key programmes and identified projects for the purpose of implementation by the municipality. Each programme and its main intensions are listed below:

#### **Programme One: Industrial Cluster Development Programme**

- ❖ Establish anchor tenants, create linkages between ventures and local activities, and supply supportive services to investors;



- ❖ Establish local and foreign investment to be integrated into local economy;
- ❖ Render maximum social and economic benefits in the process of the cluster development; and
- ❖ Render effective technology transfer to local enterprises.

#### **Programme Two: Innovation Promotion Programme**

- ❖ Establish an innovation promotion initiative;
- ❖ Develop a platform for enterprises to enhance production quality & quantity through networking and, information sharing and dissemination;
- ❖ Emphasis of this programme is on innovation, research & development;
- ❖ Develop and use appropriate technology; and
- ❖ Attain a state of higher competitiveness between enterprises both locally and abroad.

#### **Programme Three: Initiate Efficient Industrial Networking**

- ❖ This programme will be a tool for networking aimed to optimise on competitiveness;
- ❖ To develop efficient sub-supply and production networking routes; and
- ❖ Promote participation of established industries.

The manufacturing projects identified in the previous 2006 Mogalakwena LED Strategy, are:

- ❖ Identify and demarcate industrial cluster
- ❖ Agro-processing plant
- ❖ Manufacturing Advice and Incubation Centre (MAC)
- ❖ Introduce and facilitate industrial incentives
- ❖ Develop a unique investors package
- ❖ Industrial marketing strategy
- ❖ Establish industrial and business networking forum

The previous Mogalakwena Municipality LED Strategy (2006) also recommended three investment programmes for Industrial Development. These are shown in the table below.

**Table 4.25: Development Programmes for Mogalakwena Industrial Development Strategy**

<b>PROGRAMME</b>	<b>PROGRAMME DESCRIPTION</b>
<b>Industrial cluster development programme</b>	<ul style="list-style-type: none"> <li>▪ Establish agro-industries and processing activities using supporting services and cluster development.</li> <li>▪ Ascertain sustainable local and foreign investment to integrate into the local economy, along with high economic and social benefits and effective technology transfer.</li> <li>▪ The main purpose is to facilitate industrial development and investment in Mogalakwena Municipality through creating and securing anchor tenants. Linkages between ventures, local activities and supportive services to investors are also vital.</li> </ul>
<b>Innovation promotion programme</b>	<ul style="list-style-type: none"> <li>▪ The goal of this initiative is to add to a greater level of product and service quality in Mogalakwena Municipality.</li> <li>▪ Focus should be given to innovation, research and development.</li> <li>▪ It aims to create a platform for enterprises to aid in their production quality and subsequent competitiveness.</li> <li>▪ Develop and use suitable technology and processes to raise the production outputs of local economic activities and higher competitiveness.</li> <li>▪ Develop a Technical Mentoring System where industrial experts offer technical advice, process new designs and improve existing ones. They should be measured against international standards.</li> <li>▪ Develop a Regional Innovation Network where higher education institutions and process managers can provide support to enterprises.</li> <li>▪ Build a comprehensive website for developers to access technical and market information.</li> </ul>

PROGRAMME	PROGRAMME DESCRIPTION
	<ul style="list-style-type: none"> <li>▪ Find gaps in financial support system for new investors.</li> <li>▪ Create a school-support programme where students can learn about the industrial and innovation sphere.</li> <li>▪ Secure advanced innovation support for the different economic sectors.</li> <li>▪ Provide means of assistance to knowledge-based start-up businesses.</li> </ul>
<p><b>Initiate efficient industrial networking</b></p>	<ul style="list-style-type: none"> <li>▪ A system where industries apply for Representative Forum membership to share information and discuss issues.</li> <li>▪ Electronic infrastructure, like a website, to stimulate participation and initiate discussion forums.</li> <li>▪ Implementation of database and information dissemination to assist investors and enterprises in sourcing suppliers. Also to create a link between potential entrepreneurs and local contractors or international manufacturers.</li> <li>▪ Establish a 'One-Stop Centre' to gather and access specific economic information.</li> <li>▪ Development of unit to take responsibility for initiating investment opportunities in Mogalakwena Municipality and linking suppliers both region- and country-wide.</li> <li>▪ Coordinate supporting services with development of Mogalakwena Municipality. Liaison with financial institutions, real estate agents, tour operators, freight transport contractors, public transport companies etc is vital.</li> </ul>

At present none of these programmes and projects have been implemented.

### 3.3 Manufacturing Sector backward and forward linkages

Manufacturing development in an area is dependent on factors such as access to and cost of service infrastructure, access to primary and intermediate inputs, location of markets, the availability of a labour force – some of which must be skilled labour, government support through legislation and policies, and whether appropriate sites are available.

The manufacturing sector underwent major changes since South Africa re-entered the global markets after 1994. Government began to focus on “export promotion” rather than “import replacement” and encouraged companies to produce for the international market.

The Mogalakwena Municipality IDP (2008/2009) noted that the 1996 study undertaken by the IDC discovered that forward-backward linkages within the Limpopo province economy are very weak. The intermediate consumption of manufactured goods which are both manufactured and consumed in the province is a mere 1.7% while 85% of manufactured goods are usually exported out of the province. On the input side, the study found that goods and services imported are approximately 60% of the value of manufactured production. Therefore, the whole expedition is highly costly.

Most of the minerals and agricultural products are beneficiated outside of the municipality. Furthermore most sector inputs are obtained from outside. Scope for greater backward and forward linkages in the manufacturing sector exists.

Minimal information is available on the informal and marginal sectors involved in manufacturing activities. Casual observation has found that Mokopane is experiencing a net-inflow of buying power, especially by people travelling from the rural areas (IDP 2008/2009).

### 3.4 Manufacturing Sector Constraints, Recommendations and Opportunities

Mogalakwena Municipality has the potential to allow for the growth of established industrial activities as well as the development of emerging activities. It has been recommended to create both stand-alone developments as well as a “hive”. The idea is to accommodate established industries or manufacturing

activities through developing stand-alone developments, whereas the hive is similar to a cluster. It is intended to act as an incubator for emerging entrepreneurs that will help them gain entry into the market.

With these broad strategies for the development of the manufacturing sector in Mogalakwena Municipality in mind, there are a number of opportunities extracted from previous development strategies, as well as adjacent constraints that have been identified to realistically grow this sector in the municipality.

### 3.4.1 Gaps and constraints in the manufacturing sector

Table 4.26 below provides an indication of the development constraints that affect the manufacturing sector. Some recommendations to manage these constraints are also given.

**Table 4.26: Development Constraints for Mogalakwena Municipality Manufacturing Sector**

DEVELOPMENT CONSTRAINTS	CONSTRAINTS AND RECOMMENDATIONS
<ul style="list-style-type: none"> <li>▪ <b>Small base</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Mogalakwena Municipality's manufacturing sector is concentrated on a few industries; it requires diversification to broaden market share of local industries.</li> <li>▪ The agro-processing industry can offer many opportunities for diversification which can benefit local farmers and manufacturers.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Lack of industrial incentives</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Mogalakwena Municipality has not been 'incentivised' enough to attract new industrial plants or SMMEs. Providing development incentives are necessary (e.g. developing a strategy for investment attraction)</li> <li>▪ In comparison to other municipalities, Mogalakwena Municipality is at a growth disadvantage. It needs to provide industrial and trade investment incentives to prospective investors.</li> <li>▪ Acquire funding with organisations such as the IDC as well from government grants that focus on developing incentives for industrial activities to increase in an area and in turn promotes labour intensive business expansion.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Leakage of buying power</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Currently no known efforts are in place to encourage the expansion of the export base and buying local rather than outside goods. Without efforts to promote either of these strategies, employment rates cannot be increased.</li> <li>▪ If the demand group for commercial and manufacturing products continue to buy most of their inputs from outside of Mogalakwena Municipality, there will inherently always be a net outflow of capital.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Water utilisation</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Large scale water utilisation is necessary for mining and industrial activities. Water permits and allocations must first be rendered before such activities can proceed.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Water Quality</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Legislation to prevent deterioration of water quality and pollution from increasing development must be enforced.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Service infrastructure</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Service infrastructure must be sufficient for all activities in the development zone. Transport infrastructure is a vital component for export of coal and mining beneficiation products out of Mogalakwena Municipality. Service infrastructure should also consider and cater for the population influx as marketing of the zone and</li> </ul>

DEVELOPMENT CONSTRAINTS	CONSTRAINTS AND RECOMMENDATIONS
	employment increases.
<ul style="list-style-type: none"> <li>▪ <b>Employment</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Employment opportunities in the zone should be offered to the unemployed people in the local community. This should be collaborated with appropriate education and training.</li> </ul>

### 3.4.2 Manufacturing sector opportunities

The concept for industrial development is centred on making better use of the existing industrial sites near Mokopane, the most prominent urban node in Mogalakwena Municipality, along with expanding the current industrial activities.

The industrial cluster has the potential to develop into a diverse, active and sustainable industrial base in Mogalakwena Municipality, with the inclusion of agro-processing.

The qualitative methodology of developing a cluster is one of cooperation with linkages and openness, through forums and information sharing, between the industries within the cluster, and between the public sector and the cluster. International examples show the pooling of in-house functions to service all industries in the cluster. These in-house functions include production, marketing, research etc. The development of a cluster usually requires the establishment of a Cluster Development Unit and a supporting network base, of which the following actions are required:

- ❖ **Obtain buy-in:** To obtain buy-in from all stakeholders for investment, development and maintenance purposes.
- ❖ **Stakeholder contact-making:** Identify stakeholders and representatives for a cluster development unit. Stakeholders should include sectoral specialists, technical knowledge, governmental and institutional representation and organised labour and businesses. Make contact with all stakeholders.
- ❖ **Sponsorship:** In order to properly achieve buy-in a sponsor is advisable. Until the appropriate development unit is established, the sponsor takes on the responsibility of driving the process. After this initial step is completely, the role of the sponsor changes to financial and other support to the forum. Local authorities, NGO's or other development organisations, the public sector which are usually members of the cluster or Public Private Partnerships (PPPs) are usually the options for a sponsor.
- ❖ **Participation:** The cluster development unit should hold a forum regularly to discuss issues and challenges faced by members of the cluster. The unit should stay informed regarding international practices, technological advances, consumer trends and changes in demand with regards to cluster growth and development. It should also find solutions to problems and take on the role of the implementation agent to create new projects in the cluster.
- ❖ **Networking:** To further enhance buy-in and encourage participation it is advised to develop a business network program. A cluster entails a number of supporting networks, such as production, marketing, technology development and technical centre networks.

The Mokopane CBD (Central Business District) is vital to the development of Mogalakwena Municipality. It has a linear growth pattern along the main route that passes through Mokopane. Due to its organic growth, little planning has taken place to optimize the CBD and it experiences many problems with high traffic volumes passing through it. A CBD plan is in the process of being drawn-up.

The development of certain industries is limited due to the land rights of the area. The area must comply with Business 1 zoning, which excludes certain industries in the core business area. Examples of excluded industries are noxious industries, scrap yards, panel beaters and spray painting activities.

However, to the North of the CBD core the land has Industrial 1 development rights. The intention behind this land use restriction is to create a transition between the businesses area and the main industrial area in the north. The specifics of the development potential of this area can only be determined through a detailed precinct plan for the CBD. From what can be established, only Mokopane has land use rights for industrial activities that could grow the manufacturing sector.

Furthermore, Mogalakwena Municipality has a number of mines that mine various minerals such as platinum, sand, granite, clay etc. Mines play a vital role in the manufacturing sector with regards to mining beneficiation and industrial cluster development. Certain products can be made with metals, non-metals and minerals which provides a perfect opportunity to expand the value-chain of both the mining and manufacturing sector. The conversion of raw material into a value-added product not only increases the value of the products which causes higher capital inflow into the municipality, it also creates employment. By adding value-added products to sectors, such as the mining sector, the manufacturing sector will improve and could ultimately lead to further expansion of the sector.

Establishing the agro-processing industry is the other opportunity for the manufacturing sector in Mogalakwena Municipality. In order to expand the agriculture sector, it is important to locally process raw agricultural products into either inputs for farmers, outputs for consumption purposes, or as a value-added product to be exported out of the municipality. The type of agriculture products available in Mogalakwena Municipality are described in detail in the Agriculture Sector analysis, however the following are options for agro-processing:

- ❖ Livestock farming: Rehabilitation and creation of abattoirs with cold room; feedlots; pork value-added products and hatchery; packaging; processed meat products (Nesta Foods is the existing cold meat processing factory in Mogalakwena Municipality).
- ❖ Oilseed production: Oil extraction into oils, fats and edible fats. Nedan Pty is the existing oilseed beneficiation company in Mogalakwena Municipality.
- ❖ Citrus fruit processing: Juice; extracts and packaging thereof.
- ❖ Inputs used by farmers: Seeds; pesticides; fertiliser; livestock feed; feed lime; salt and molasses for game; lucerne; maize; wheaten bran; fishmeal; veterinary medication.

Raw agricultural and mining materials could be processed within the municipal area instead of transporting it to another region, which will not only add value to raw materials but also create work opportunities for SMMEs and local communities.

For example, areas in close proximity to major mines could initiate industrial activities that will beneficiate mineral products from the mines. It is also important to consider the likely future transport infrastructure and other services' requirements for these anticipated industrial areas.

The table below is a summary analysis of the potential for developing the manufacturing sector opportunities in Mogalakwena Municipality:

**Table 4.27: Opportunities for the Manufacturing Sector in Mogalakwena Municipality**

CRITERIA FOR POTENTIAL IDENTIFICATION	OPPORTUNITIES
<b>AVAILABILITY OF RAW MATERIALS</b>	
<ul style="list-style-type: none"> <li>▪ <b>Mining</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Platinum group metals (e.g. platinum)</li> <li>▪ Chrome</li> <li>▪ Nickel</li> <li>▪ Copper</li> <li>▪ Tin</li> <li>▪ Fluorite</li> </ul>



CRITERIA FOR POTENTIAL IDENTIFICATION	OPPORTUNITIES
	<ul style="list-style-type: none"> <li>▪ Dimension stone (e.g. granite)</li> <li>▪ Limestone</li> <li>▪ Stone and Sand</li> <li>▪ Iron ore/vanadium</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Agriculture</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Fruits and vegetables</li> <li>▪ Livestock (meat, poultry, game)</li> <li>▪ Crops</li> </ul>
OPPORTUNITIES DUE TO ECONOMIC LINKAGES	
<ul style="list-style-type: none"> <li>▪ <b>Agro-processing</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Dairy products (e.g. milk, cheese, yoghurt, creams)</li> <li>▪ Livestock products (e.g. beef, goat, venison, poultry, eggs, processed meat, deboned meat, pork)</li> <li>▪ Fruit and vegetable products (e.g. herbs, nuts, sweets, fruit juices, sauces, traditional/herbal medicines)</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Mining beneficiation</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Platinum concentrator</li> <li>▪ Smelter and refinery platinum beneficiation</li> <li>▪ Safety products for miners (e.g. shoes)</li> <li>▪ Sand milling</li> <li>▪ Stone crushing</li> <li>▪ Non-metal mineral products (e.g. bricks, refractories, ceramic products, and glass and glass products, abrasive products, ceramic plumbing fixtures, statuary, cut stone products, and mineral wool)</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Other value-adding options</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Hides, leather, curio materials</li> <li>▪ Safety products for miners as part of the manufacturing and mining clusters.</li> </ul>
OPPORTUNITIES IN MARKET TRENDS	
<ul style="list-style-type: none"> <li>▪ <b>Mining related products</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Basic iron, steel and non-ferrous fabricated metal products</li> <li>▪ Plant, machinery and equipment</li> <li>▪ Jewellery manufacturing</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Agriculture related products</b></li> </ul>	<p>Food, Beverage and Agro-industry:</p> <ul style="list-style-type: none"> <li>▪ Horticulture primary agricultural products</li> <li>▪ Food processing products</li> <li>▪ Agro-industrial products</li> <li>▪ Beverages</li> </ul> <p>Textiles and Clothing:</p> <ul style="list-style-type: none"> <li>▪ Natural and synthetic fibre production;</li> <li>▪ Non-woven textiles;</li> <li>▪ Industrial textile production;</li> <li>▪ Home textile;</li> <li>▪ Leather tanning; and</li> <li>▪ Leather products</li> </ul>
STRENGTHS TO DEVELOP OPPORTUNITIES	
<ul style="list-style-type: none"> <li>▪ <b>Agglomeration advantages</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Industrial cluster</li> <li>▪ Horticulture cluster</li> <li>▪ Mining cluster</li> <li>▪ Mokopane as main urban node in Mogalakwena Municipality and Waterberg District</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Logistics</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Manufacturing logistics cluster</li> <li>▪ Proximity to the N1</li> <li>▪ Open industrial sites available</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Labour</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Large percentage of literate people</li> <li>▪ Large labour force available</li> <li>▪ Skills development through community projects underway</li> </ul>

## 4 Analysis of the wholesale, retail and trade sector

### 4.1 Trade sector overview

The Wholesale, Retail and Trade Sector can be classified as a division which “includes the resale (sale without transformation) of new and used goods to retailers, to industrial, commercial, institutional or professional user, or to other wholesalers, or acting as agents or brokers in buying merchandise to such persons or firms” (Standard Industrial Classification, 1993). The sector can further be classified into wholesale and retail trade and catering and accommodation. Thus the wholesale, retail and trade sector focuses on the primary provision and sale of products or goods to the households or persons for personal consumption and to any other business which redistributes and sells such products.

The table below indicates the economic indicators for the Mogalakwena LM wholesale, retail and trade sector.

**Table 4.28: Wholesale, retail and trade sector economic indicators, 2009**

	SECTOR SHARE IN MOGALAKWENA	SECTOR SHARE IN WATERBERG DISTRICT	CONTRIBUTION OF MOGALAKWENA SECTOR TO SECTOR IN WATERBERG	
<b>EMPLOYMENT SHARE</b>	24%	20%	41%	
<b>GDPR SHARE</b>	13%	8%	42%	
SECTOR AVERAGE GROWTH P.A 2001-2009	SECTOR GROWTH IN SOUTH AFRICA	SECTOR GROWTH IN LIMPOPO	SECTOR GROWTH IN WATERBERG DISTRICT	SECTOR GROWTH IN MOGALAKWENA LM
<b>EMPLOYMENT</b>	1.51%	-1.81%	-4.59	-3.67%
<b>GDPR</b>	3.31%	2.59%	0.03%	0.63%

Source: Kayamandi calculations from Quantec Research, Standardised Regional Data, 2011

The wholesale, retail and trade sector of Mogalakwena LM contributed roughly 13% to the local economy during 2009, making it one of the main sectors of the local economy alongside, mining, finance and government services. The sector almost has a quarter share (24%) in the employment of the local economy, making it the largest employing sector within the municipal economy. The sector provided approximate 12,500 jobs in 2009. The GDPR contribution to this sector in terms of the district economy significantly drops to 8%, whilst it employs 20% of the districts workforce. Mogalakwena LM's wholesale, retail and trade sector contributes respectively 42% and 41% to the districts GDPR and employment in the same sector.

The wholesale, retail and trade sector in Mogalakwena has however shown a negative growth rate of -4% between 2001 and 2009 in employment. This may be attributed to the downturn of the world economy and the need to downscale in jobs, or may indicate the shrinking of businesses in the area. When considering that the sector has also shown a growth of 0.7% over the same period, the minimal growth may be attributed to the economic downturn, or the stagnation of the local economy whereby growth opportunities or the establishment of new enterprises have not occurred.

When breaking the sector down into its two sub-sectors, 96% of the GDPR was contributed to the sector by wholesale and retail trade, whilst catering and accommodation only contributed the remaining 4%. This exemplifies the importance of trade in wholesale and retail products within the municipality.



by hawkers in the area is the limitation to space, formal trading areas and conflict which exists between formal shop owners and the hawkers.

In accordance to infrastructure and services provided within the municipality, stakeholders identified that poor and un-tarred roads are significant constraints in terms of access to businesses and the distribution of goods and people. In line with the previous statement, poor signage also plays a significant role in terms of locating businesses.

#### 4.2 Trade sector current projects and initiatives

The LEGDP, 2009 to 2014 identified several initiatives related to enterprise development within the Limpopo Province. One of the main initiatives is focussed on the facilitation and promotion of SMME's and Co-operatives within the province. The key strategic interventions identified are:

##### **Micro-Enterprise Development Initiative (MEDI):**

- ❖ The initiative focuses on the creation of micro-enterprise support groups within the same geographic location. The basis of this initiative is to create a support structure through which these micro-enterprises can assist and reach out to one another.

##### **Limpopo Accelerated Strategic Capital Expenditure and Localisation Initiative (LASCELI):**

- ❖ Boosting provincial SMME procurement opportunities through competitive supplier development programme (CSDP). The focus would be to create this programme to grow the supplier input community.
- ❖ Limpopo budget optimisation initiative

##### **Sectoral SMME Growth Initiative:**

- ❖ The LEGDP has developed an initiative called the Industrial Development Programme. Under this programme it would be possible for SMME development to occur within specific sectors based on the sector value position. SMME development initiatives will be created by considering issues related to backward and forward linkages found within the various value-chains that exist.
- ❖ The sector SMME growth initiatives can be established in the following sectors:
  - Agro-processing SMME growth initiative
  - Mining and minerals SMME growth initiative
  - Infrastructure SMME growth initiative
  - Coal and energy SMME growth initiative
  - ICT SMME growth initiative
  - Tourism SMME growth initiative
  - Defence and related industry SMME growth initiative
  - Freight and logistics SMME growth initiative
  - Creative industry SMME growth initiative

##### **Limpopo SMME Information Programme**

- ❖ The scheme has been developed to create a basis from which SMME's could be informed concerning the support services and opportunities available, in order to be able to establish themselves and grow.

##### **Limpopo SMME Observatory**

- ❖ This initiative has been designed to be a watchful eye over the problems, challenges and issues affecting SMME's throughout the province. The observatory will further focus on industry trends and the activities and developments of SMME's in the local economy.

To further promote the development of SMME's throughout the Limpopo Province, the Limpopo Provincial Government Department of Economic Development, Environment & Tourism created a SMME Strategy. The document has been drafted to provide a framework through which the development of small businesses can be facilitated and create a basis from which their role would



contribute to the growth and development of the province. In the strategy a number of development strategies have been devised. These are listed below:

**Provision of Appropriate Business Development Information:**

- ❖ Research and development programmes on enterprises: This development strategy seeks to create a research database through which detailed information can be gathered and publicised to assist SMME's with information on opportunities and growth directives.
- ❖ Information management and dissemination: The initiative focuses on providing entrepreneurs with information on how to start businesses as well as how to grow that business. This is focussed on providing support through a SMME database and information dissemination.

**Co-ordination and Integration of Support Programmes.**

- ❖ Integration: The strategy seeks to create a single one-stop service centre, which will be distributed throughout the network of service providers in the province. This will seek to minimise the extent to which entrepreneurs would have to travel between service centres.
- ❖ Co-ordination and alignment to sectoral support strategies:
  - Agriculture: The alignment of SMME business development support to the agriculture sector through alignment with the Department of Agriculture in Limpopo. The strategy will further seek to create SMME's in the beneficiation of agricultural products and assistance in agro-processing.
  - Manufacturing: The initiative seeks to enable SMME's through the beneficiation of raw materials as well as create basis from which these businesses would be export ready.
  - Tourism: The focus would be to identify the opportunities and the potential for SMME's to develop and grow within the tourism sector through the provision of business development support.
  - Mining: Mining is a major industry for growth in the province and SMME's should be supported in the development of small scale mining enterprises.
  - Transport: The focus would be to facilitate the small transport businesses into formal businesses operating in terms of business principles. The function would further be to provide business development support.
  - Construction: The construction industry has a gap related to business support from agencies, as well as struggles with attaining position amongst the larger well established firms. Thus this programme seeks to support SMME's through support in inputs supply and business support.
  - Information communication technology: This programme seeks to provide support to the ICT through business development and creating awareness of opportunities.

**Increasing Competitiveness of Businesses.**

- ❖ The main directive of this approach is to create capacity building within the SMME sector to allow these businesses to have technical skills advantages, high quality products and effective and efficient production. The strategy will seek to provide business support, improved quality of products and the encouragement of technology usage.

**Increase Access to Local and International Markets.**

- ❖ Increase access to international markets.
- ❖ Develop capacity building programmes:
  - Facilitate linkages between big and small businesses.
  - Identification of SMME needs and opportunities within the various economic sectors.
  - Improvement of the marketing skills and competencies of SMME's
  - Marketing of SMME products locally and internationally.
  - SMME opportunities created through BEE.
  - Ensure that the export readiness programme can be co-ordinated.
  - Establish linkages and models with international SMME practices.
  - Alignment of SMME strategies with provincial development strategies.



- Training of SMME's on the Small Exporters Programme.
- Monitoring and evaluation of trade initiatives.
- Determine SMME's that can scoop up opportunities for international trade.
- Identification of factors that may hamper the intrusion of local SMME's into international markets.

**Increase access to procurement opportunities.**

- ❖ The creation of a procurement monitoring programme to encourage the empowerment of small enterprises.
- ❖ Educating SMME's on BEE issues and opportunities
- ❖ Assistance to SMME's to be able to benefit from BEE opportunities.
- ❖ Assisting SMME's to be able to function in the inputs sectors of procurement.

**Increase Access to Financial Resources.**

- ❖ Develop appropriate funding programme for the different categories of SMME's.
  - Identify different financial needs for different SMME categories.
  - Identify available funding programmes
  - Develop programmes to bridge the gaps in funding.
- ❖ Improve capacity to service business loans: This programme seeks to create a facilitation process from which an SMME is assisted from the time a loan is received to the end of establishment to ensure that the business is sustainable, to improve performance and to develop an aftercare support programme.
- ❖ Increase access to a wider range of funding programmes: The identification of new funding programmes is the main goal of this strategy. It also envisages the incorporation into development programmes.

**Entrepreneurship Development and Promotion.**

- ❖ Awareness and education campaigns: These campaigns will be solicited to enable SMME's and entrepreneurs to be informed about the opportunities available out there as well as the services and financial support that can be gained.
- ❖ Targeted programmes: The targeted programmes are aimed at the categories of woman, youth, disabled and survivalist. These targeted programmes are made to address the unique needs of each category in the SMME realm.

It must also be noted that LEDET has identified in their budget speech 2011/12 that the department will gear itself to revise the current SMME Strategy, as well as to finalise the development of an Integrated Cooperatives Strategy. LEDET has further stated that in conjunction with Productivity SA, they are in the process of implementing a Turnaround Solutions Programme which specifically targets distressed companies by assisting them to remain productive and sustainable through programmes such as Workplace Challenge User Group and Productive Capacity Building Programmes.

The Waterberg LED (2007) has incorporated SMME development as part of added initiatives within each of the four main cluster directives of the LED project proposals. The four clusters are related to agriculture, mining, manufacturing and tourism.

The identified SMME projects in each cluster has been noted below.

- ❖ Encourage Small Business Development in All Economic Sectors (SMME)
  - Organise meetings/workshop of all the local SMME's and entrepreneurs in the area
  - Identify all the stakeholders to become directly involved in the business development network
  - Determine the organisational format and institute of the business support
  - Develop a database of business development and support opportunities, needs and constraints

- Establish specific support functions, procedures and actions to support the development of small businesses and the Waterberg District
- Market the business support network through a focuses marketing strategy

The projects and initiatives that have been developed within the previous Mogalakwena LED (2006) must be noted within the Mogalakwena LED review, to ensure that due cognisance is given to all fundamental projects, and strategic directives. The Mogalakwena LED (2006) prescribed the cluster for SMME Development. This initiative and its projects are discussed below.

- ❖ The cluster has been designed to be a structure through which existing SMME's can be grown as well as the development of new SMME's within the municipality. The types of SMME's that have been proposed within the municipality are:
  - Mining orientated supplies and beneficiation activities
  - Manufacturing activities,
  - Agro-processing
  - Trade activities
  - Service provision
  - Tourism activities
- ❖ For this cluster three development programmes have been proposed. These are listed below:
  - **Local Business Support Centre (LBSC):** This programme aims to create the LBSC as a supportive function to the existing and future SMME's within Mogalakwena. The main focus is to assist SMME's to be established, and also provide assistance to businesses according to their business needs. Also the projects seeks to help businesses become formalised, as well as stimulate the transformation from informal to formal.
  - **SMME Policy:** The project aims to create a promotion framework through which local SMME's can be promoted within the existing business markets.
  - **LED-Information Portal:** Some of the major constraints against SMME's in the area are based on a lack of information concerning co-operative actions as well as that a lack of bottom-line information creates a minimalised gap for success. This project seeks to provide the necessary information base through which SMME's can work.

Furthermore a new commercial centre, the Park, is to be established adjacent to the Protea Hotel in Mokopane.

#### 4.3 Backward and forward trade sector linkages

The linkage system in terms of wholesale, retail and trade is specifically focussed on the interaction between these businesses types as well as the local economic sectors such as agriculture, manufacturing and tourism.

The backward linkages or inputs into this sector are predominantly constructed out of the provision of products by wholesalers to the local retailers in the municipality. Thus retail inputs are gained from the local or regional wholesalers, whilst wholesalers in the municipality would predominantly go outside the municipality, district and province (such as getting products from Gauteng) to attain products. The LEGDP (2009-2014), WLED (2007), WIDP (2009/2010), Mogalakwena IDP (2010/2011) and Mogalakwena LED (2006) take note that, limited beneficiation of raw materials are occurring within the Limpopo Province, Waterberg District and Mogalakwena Municipality, thus creating a limited base from which locally produced products are bought from within the region.

Informal trade may apply the same causalities, when providing products from a general dealer. Other distinctions can be made by considering trade done by the informal sector whereby produce from local

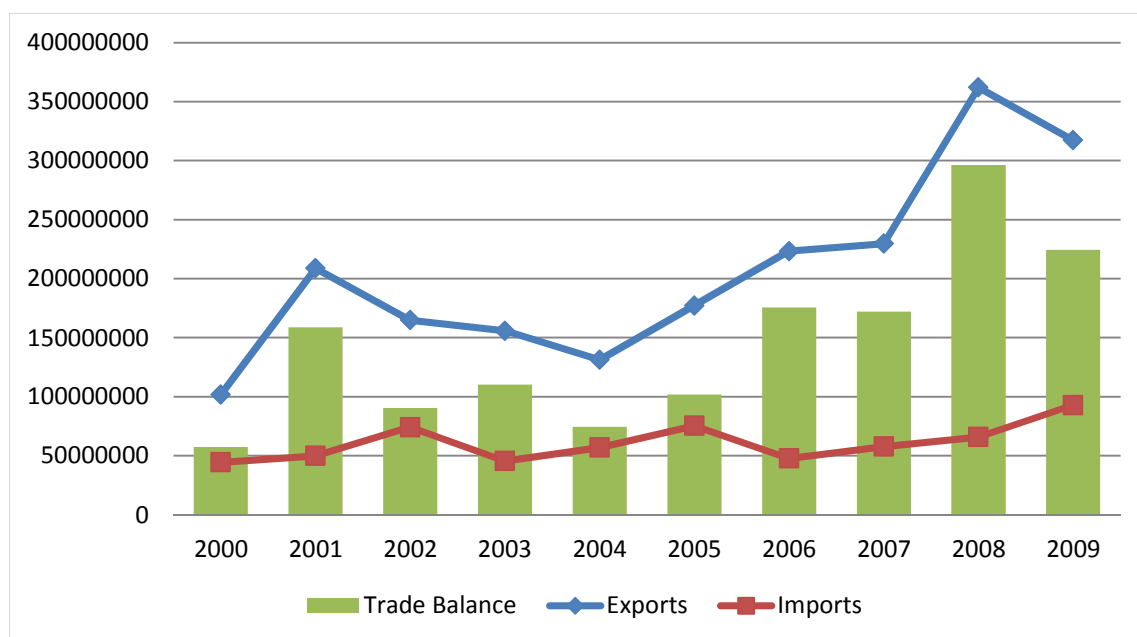
farmers are distributed to the local communities. This creates a backward linkage between the existing farming and the local community traders whereby local produce is then distributed within the communities.

Forward linkages in this respect refer to the selling of products from the local traders, retailers and wholesalers to the local public in the municipality. The informal trade sector in the municipality, as mentioned above, is largely focussed on the provision of groceries by general dealers. The products are largely limited within the rural areas as a result of limited linkages to distribution from the urban centre, and the limited capital made by these traders as a result of the limited consumer base who choose to purchase their products locally (within the rural areas) and would rather travel to the urban centre of Mokopane or adjacent municipalities.

The Waterberg District Municipality also plays a role in the export and import of products to and from the district. The identification of the countries to which local products are exported provides a clear definition of the demand for the local products, as well as possible linkages and gaps from where value-chain development can be facilitated.

The figure below shows the trade balance for the Waterberg District Municipality between the years 2000 and 2009.

**Figure 4.24: Waterberg DM International Trade Dynamics (R'million, current prices)**



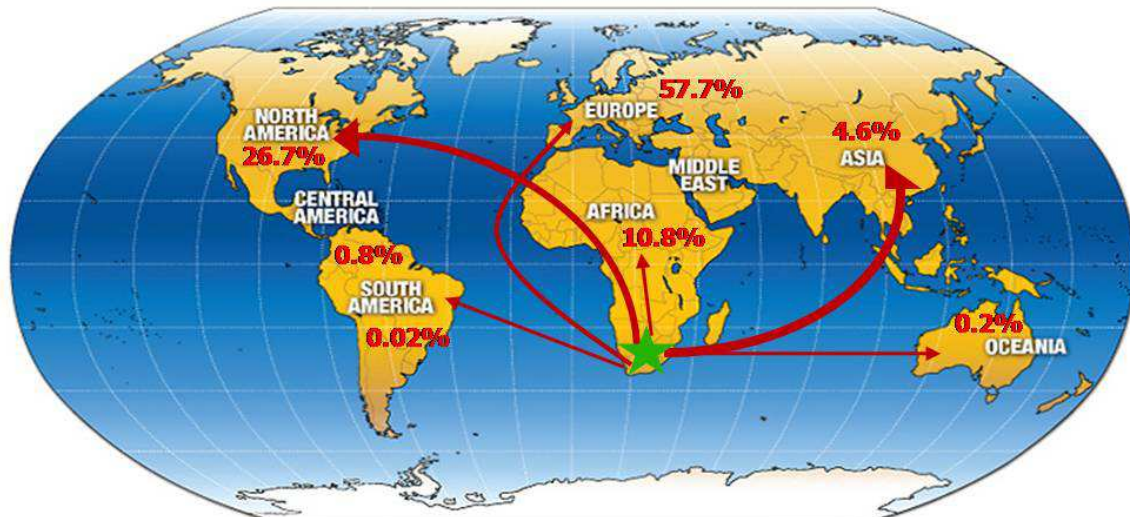
Source: Quantec Research, 2010

In 2009, the trade balance within the Waterberg District accounted for 0.63% of the total GDP. This was slightly lower than 2008 results, which was estimated at 0.77%. The trade balance share as a part of the GDP of the District between the years 2000 and 2007 has been nominal, accounting for never more than three quarters of a percent. In the backdrop, the South African trade balance has not yet since 2003 shown a positive value, indicating that the Waterberg District does have nominal advantages when considering exported items and the amount imported. The Waterberg District has a limited diversified economy with strong focus on the mining sector as its main driver. In this respect the idea may be formulated around the concept that products and services imported to the district may not be directly imported, but may be purchased from the other Provinces within South-Africa.

The imports/exports values for 2009 in the Waterberg District showed that total international trade for the district amounted to R410 million of which 77% were exports and the remaining 23% were imports.

Figure 4.25 illustrates the export regions of the Waterberg District and the share in values per region.

**Figure 4.25: Waterberg District Municipality export flows**



Of the total share of exports to other countries, Europe is the main export region for the Waterberg District with a combined share of 57% of total exports, followed by North America, Africa and Asia with 25%, 10% and 4% of total exports respectively. The remainder of exports from the Waterberg District are distributed to Central and South America and the Oceania regions, which have more nominal shares in exports.

The main export from the Waterberg District during 2009, according to the Quantec Database 2010, is mineral products which accounts for 80% of total exports. Of these mineral products, fluorspar is the main mineral exported followed by granite (rough or cut into blocks). Platinum in this regard is one of the main minerals mined in the area, and is hence distributed from the Mogalakwena LM to refineries elsewhere, from which the end products are then exported. The remainder of the products exported from the district is listed below in terms of its size (importance) in exports. These products are:

- ❖ Vegetable products,
- ❖ Live animals, animal products,
- ❖ Raw hides & skins, leather and associated products
- ❖ Works of art, collectors pieces & antiques,
- ❖ Machinery & machinery appliances, electrical equipment and associated products,
- ❖ Plastics and articles thereof
- ❖ Base metals & articles of base metals,
- ❖ Products of the chemicals or allied industries,
- ❖ Articles of stone, plaster and associated products,
- ❖ Prepared foodstuff and associated products,
- ❖ Vehicles, aircraft and associated transport equipment,
- ❖ Miscellaneous manufactured articles,
- ❖ Wood and articles of wood,
- ❖ Textiles and textiles articles,
- ❖ Optical, photographic and associated products,

- ❖ Pulp of wood or of other fibrous cellulosic materials,
- ❖ Natural or cultured pearls, precious or semi precious stones and associated products,
- ❖ Footgear, headgear and associated products.

#### 4.4 Wholesale, retail and trade sector gaps and opportunities

##### 4.4.1 Trade sector gaps and constraints

The Limpopo Provincial Government Department of Economic Development, Environment and Tourism did a study in 2007 of the Status of Rural Trade in Limpopo (SRTL). The study sought to determine the attributes, components, restrictions, gaps and fundamental challenges faced by SMME's, whilst also determining the status of rural trade and the impact on SMME's. The SRTL (2007) document determined that 86% of the Limpopo population can be classified as living in rural areas, and that rural SMME's can be utilised as a instrument of economic growth within rural areas, as well as a tool initialised to narrow the gaps within the socio-economic divide. In terms of the above mentioned, it would be worthwhile to consider the information and conclusions determined from the study.

The study reveals, as shown in Table 4.29 below, that within the WDM, 20% of SMME businesses have been classified as general dealers, whilst supermarket (limited variety), fruits and vegetables and fast foods were determined at 17% and 13% respectively. Some of the smaller classifications within the district contribution are vehicle spares (4%), bottle stores (4%), salon (3%) and hardware (3%). The rural sector in this instance shows that, products and services provided to the local communities are based on general consumption by private households. This may be viewed as standard practice within rural areas, as the provision of services and products are made to provide the community with the basic essentials to continue day to day living.

**Table 4.29: Service description in Waterberg District**

Business Description	Percentage
Clothing	8%
General dealer	20%
Supermarket (limited variety)	17%
Salon	3%
Hardware	3%
Fast foods	10%
Vehicle spares	4%
Bottle store	4%
Phone shop	7%
Fruit & veg	13%
Other	10%
<b>Total</b>	<b>100%</b>

Source: The Status of Rural Trade in Limpopo, 2007

Consumers in the district formed part of the survey and their responses have been tabled below in Table 4.30. Within Mogalakwena LM, rural areas of Sekgagapeng, Mosale and Ga-Madiba were considered. The results showed that the largest need within Mogalakwena for businesses are supermarkets, clothing and financial services. This indicates that the local supply of these services are not located within the rural areas and people would have to travel to adjacent urban centres to attain these services. Services that seem to be much easily attainable within these rural areas are salon, vehicle and general dealer.

The totals for the Waterberg District in relation to the services used by rural respondents but not found within the rural areas have also been tabulated below. The data shows clothing and supermarkets are



the services generally used by rural respondents, but are not found within the rural areas. In association with the services required locally, respondents were asked whether they buy their products locally or in an urban centre. It was noted that 75% of the respondents travel to an urban area, whilst the remaining 25% purchase their goods locally. Also, of the rural consumers within the WDM, 18% travel to Mokokwane to purchase goods, 16% and 12% travel to Hammanskraal and Bela-Bela and 0.8% and 2% of respondents travel as far as Johannesburg and Pretoria.

**Table 4.30: Services made frequent use of, BUT NOT available in rural areas of Mogalakwena LM and the Waterberg DM**

Service	Mogalakwena LM			Waterberg DM
	Sekgagapeng	Mosate	Ga-Madiba	
Clothing	67%	86%	100%	74%
General dealer	-	7%	-	8%
Supermarket	100%	93%	100%	88%
Salon	-	14%	-	8%
Tailor	71%	-	-	20%
Fast food	-	-	44%	18%
Financial	48%	43%	-	28%
Vehicle spares	5%	-	-	4%
Butchery	-	-	-	5%
Fruit & veg	33%	14%	-	7%
Bakery	-	-	-	6%
Bottle store	5%	7%	-	1%
Phone shop	-	-	-	2%
Service station	-	-	13%	6%

Source: The Status of Rural Trade in Limpopo, 2007

The study further noted challenges faced by SMME's within the rural areas. The rural SMME's in the settlements of Ga-Madiba and Sekgagapeng within Mogalakwena LM listed that they are faced with challenges in the supply chain (60%) followed by lack of financial support, lack of non-financial support and lack of business skills. Lack of adequate infrastructure was of minimal concern to local SMME's. In response, the SMME's within the WDM concluded that they would most require government action such as loans, subsidies and the building of industrial parks. Other interventions such as training, reduction of business tax, assistance with equipment, provision of security, the removal of tax from SMME's and grants were not prioritised. This suggests that local SMME's require operating capital to enhance the business and services provided, as well as a formal structure in which to conduct business.

Furthermore, as mentioned previously, the economic structure within Mogalakwena is largely limited by the fact that limited beneficiation activities are currently found in the municipality. This statement directly relates to the development of the value-chain within the local economy and as such also the diversification of the local economy and continued growth and development. This poses as a major gap in the local economy by which local traders acquire their inputs from outside the municipal borders, and that the municipal local economy do not provide products which can be distributed throughout the district, province and country.

Gaps further exist in the skills development of entrepreneurs and SMME's within the Mogalakwena LM. The Limpopo Business Support Agency (LIBSA) is the main driver of skills development targeted at SMME's and entrepreneurs in the area. The limited skills available for business development in the area, as well as functional management and facilitation of new and emerging businesses poses constraints in the successful development of new businesses. Based on this the gap exists for the

establishment of several support agencies or centres through which business support and skills development can happen.

In conjunction with the previous discussion, SMME growth and development within rural areas, may also be a gap to consider. Based on the study of rural trade within Limpopo, it has become clear that needs exist in terms of supermarkets, clothing and financial services. It is also apparent that the rural inhabitants are also tasked with travelling long distances in order to do shopping. The gap exists to encourage the development of rural SMME's which would provide supportive economies in the local rural communities. In line with this gap further exists for the drafting of SMME, informal sector development strategies.

Lastly, the encouragement of provision of infrastructure to local and rural SMME's is a gap which poses numerous functional challenges and growth stunting causes. The provision of water within the area of Mogalakwena is somewhat problematic, in the essence of that, sufficient water resources do not exist to maintain the local communities and encourage local economic development, especially in the mining, manufacturing and commercial sectors.

#### **4.4.2 Trade sector opportunities**

Various opportunities exist within the tourism, agriculture and mining sectors of the municipality, whereby commercial business development can be implemented and/or expanded and grown. The application of SMME development within this section plays a crucial part, as the SMME Strategy (2007) points out.

The existing commercial sector of Mogalakwena has been classified as being well developed and centrally located within Mokopane by the Mogalakwena SDF (2010). Building upon the existing qualities of the CBD and other nodes within Mogalakwena would be essential. The SDF (2010) has highlighted a number of vacant commercial/business zoned stands within Mokopane and Mahwelereng. These stands can be marketed as investment opportunities or used as development initiators. In addition, a platform on which SMME's can be facilitated and introduced into the markets may be a viable avenue. The establishment of a SMME trading centre for wholesale and retail type SMME's may provide the necessary platform to establish this. Lastly, the development of a SMME strategy specifically tailored for the economic climate and environment within Mogalakwena may pose further assistance to SMME development. The strategy may assist in the development of linkages between SMME's, information systems for SMME's as well as assistance and facilitation opportunities. Also, the opportunity exists for the development of a precinct plan for the Mahwelereng node, whereby a detailed study can be done to determine the strategic needs and development constraints to create an enabling environment in which business activity can be fostered and grown.

The agricultural sector is a main strategic thrust of the province district and local municipality. The linkages related to inputs in this sector are very limited and could create a diversified economic function in the area, as well as achieve the clustering of agricultural activities. To enable this, further investigation should be done to assist with the development of businesses that trade seeds, pesticides, equipment feed and medicines for livestock and game. The opportunity also exists for the provision of packaging materials to local producers.

The informal sector within the province is a large component of the economic structure. This is a main product of limited employment opportunities and economic growth and development. To assist in the development of the informal rural sector into a formal sector, an opportunity exists for the development of a Mogalakwena Rural/Informal SMME Strategy. The strategy should seek to provide rural SMME's and traders with assistance to formalise their businesses, grow and develop, as well as provide

necessary initiatives for skills development and training. It may also be a possible endeavour to provide informal traders a formal platform from which to conduct business within their local communities and within Mokopane. Further opportunities exist for the encouragement of a platform through which formal and informal businesses can communicate. This platform could act as a information sharing activity, whereby young and inexperienced businesses may gain insights and mentorship to growth and development, as well as a basis from which linkages and channels can be developed.

The tourism sector also has distinct linkages with the trade sector. The SMME sector may also be incorporated into tourism approaches to provide more business opportunities related to the tourism activities in the area. The development of an arts and crafts market where local traders may be provided a platform from which to manufacture their products, as well as selling them to the public may pose as a basis for business growth. These products and tourism initiatives should also be marketed throughout the Limpopo Province, as well as throughout the country. Marketing would be essential to promote the products and travelling opportunities within the municipality.

The commercial aspects of retail can be linked to the mining sector as well. The development of business that specifically caters to the mining industry would once again promote the clustering of mining linkages and grow the linkages system within Mogalakwena. The businesses proposed in this instance are the selling of clothing and safety equipment to the local mines, the selling of food and tuck shops, and the provision of mining inputs such as equipment and machinery. Also, the opportunity exists for the development of a mining node along the N11 Highway at a strategic location, which effectively will contain all businesses necessary to develop forward and backward linkages. This clustering effect will seek to create a regional node related to mining businesses and related industries.

The opportunity also exists to create a study whereby analysis is done in the promotion and development of a rural node, which serves the local rural communities from a central easily accessible location. Long travelling distances and an inability to access quality products and services are a major constraint in rural areas, thus creating a need for the establishment of such an endeavour.

The below table provide a summary of the wholesale, retail and trade sector opportunities.

**Table 4.31: Wholesale, retail and trade sector opportunities**

Existing Development	Development opportunities
Existing wholesale and retail	<ul style="list-style-type: none"> <li>▪ Investment opportunities on existing vacant commercial/business land in Mokopane/Mahwelereng</li> <li>▪ Development of a SMME trading centre</li> <li>▪ Development of a Mogalakwena SMME Strategy</li> <li>▪ Development of international trade and product exports</li> <li>▪ Development of a marketing and investment strategy</li> <li>▪ Development of a precinct plan for Mahwelereng</li> <li>▪ Rural node study and opportunities study.</li> </ul>
Agricultural inputs and Agro-processing	<ul style="list-style-type: none"> <li>▪ Establish businesses for the selling of agricultural inputs: <ul style="list-style-type: none"> <li>▪ Seeds</li> <li>▪ Pesticides</li> <li>▪ Equipment</li> <li>▪ Feed</li> <li>▪ Livestock &amp; game medicines and care products</li> </ul> </li> <li>▪ Provision of packaging materials</li> </ul>
Informal sector	<ul style="list-style-type: none"> <li>▪ Drafting of a informal rural SMME strategy for Mogalakwena (building on the Limpopo Status of Rural Trade, 2007 document)</li> <li>▪ Informal trade formalisation</li> <li>▪ Informal SMME formal trade areas</li> <li>▪ Business development in informal/rural areas <ul style="list-style-type: none"> <li>▪ Clothing stores</li> </ul> </li> </ul>

Existing Development	Development opportunities
	<ul style="list-style-type: none"> <li>▪ Supermarkets</li> <li>▪ Financial services</li> </ul>
Trade and tourism development	<ul style="list-style-type: none"> <li>▪ Development of an arts and crafts market</li> <li>▪ Marketing of local products throughout the province</li> </ul>
Mining inputs	<ul style="list-style-type: none"> <li>▪ Business development <ul style="list-style-type: none"> <li>▪ Selling and distribution of clothing and safety equipment</li> <li>▪ Catering</li> <li>▪ Mining supplier park <ul style="list-style-type: none"> <li>▪ Lubricants</li> <li>▪ Nuts and bolts</li> <li>▪ Metal ware</li> <li>▪ Vehicle spares</li> <li>▪ Servicing</li> </ul> </li> </ul> </li> <li>▪ Mining nodal cluster development</li> </ul>

## 5 Analysis of the finance and business services sectors

### 5.1 Business services sector overview

According to the Standard Industrial Classification of all Economic Activities (Central Statistical Service, 1993), the Business and Finance Services sector includes economic activities such as monetary and financial intermediation, insurance and pension funding, real estate activities the renting of machinery, equipment and goods, computer related activities, legal, accounting, architectural, engineering and other technical activities and advertising.

The commercial development of Mogalakwena LM is focused around Mokopane and is characterised mainly by retail facilities. However, office uses and other businesses are also located here.

Business services comprise of a mix of financial and business services, which mainly cater to local residents of the Municipality. Business uses occurring in Mokopane include various personal services, from financial, legal and real estate activities to car repairs, coupled by a number of institutions which include banks as well as other small financial institutions providing loans.

The business and finance services sector contributes 15% of the Municipal GDP and 37% of the District's GDP. Both the Finance and Insurance sub-sectors and the Business sub-sector contribute virtually equally to the complete sector. Between 2001 and 2009, the sectors GDP contribution grew by 5% per annum.

The Finance sector contributes 7% of the Municipality employment, and 39% of the district's employment in the same sector. The Business sub-sector employs 83% of the population within the complete sector, whereas the Finance and insurance sector contributes the remainder. Between 2001 and 2009, the sectors employment grew by an average of 4.5% per annum.

Currently two business chambers operate in Mogalakwena, namely, NAFCO and the Mokopane Business Chambers.

A Chamber of Commerce and Industry or Business Forum provides the means for a business to be re-integrated into local business communities. They act as an intermediate between the business sector, local government bodies and municipalities. Information flows into and out of business that allows to react to opportunities otherwise hidden. Business initiatives are designed to assist members in trading on a local and national platform having direct access to industry experts that are able to act as facilitators in gagging new markets decisively.

The Mokopane Business Chambers is a business support organisation providing business support to its associate members. The chambers business environment is dependent on various components that all have to be integrated to make the wheels of industry turn, small or large. Linking with local municipalities and the sourcing reliable suppliers have become important factors in the way we do business. The need to connect with other business groups and being forced to explore new non-traditional avenues will ensure that we have markets to sell to in future. More than 100 businesses in Mokopane affiliates with the chamber, and it currently operates the tourism office in Mogalakwena.

There are two options to join the Mokopane Business chambers, as a joining member or as a free listed member. Chamber members have their own private environment where they log on as secure members. Members enjoy all the benefits and features as subscribing members. These benefits extends that what is offered online only. Members partake in networking sessions, product launches, promotional events, golf days, conferences, workshops, public debates and various business and community projects/charities.

Free Listed Members are not subject to any cost. They are afforded an opportunity to list their company name, contact details, category of business on the platform database. This goes a long way for local business in generating a business directory that accurately list all businesses in that town/city. The most obvious benefit is that when a site visitor or Member seeks to find a supplier on our website, the Free Listed members is also included in the results from that search. This means that Free members have the opportunity to be contacted to provide a quotation or to furbish further information about their business.

The National Federated Chambers of Commerce (NAFCOC)'s mission is to develop and promote economic growth amongst existing and new business. Nafcoc has established an office in Mokopane and has its own affiliates. This organisation is a non-profit business support organisation that primarily, but not exclusively serve the interest of Broad-Based Black Economic Empowerment (BBBEE)companies and small and medium sized businesses.

NAFCOC also aims to facilitate the growth of the economy by ensuring fast-tracked economic transformation and broad-based empowerment that will result in job creation and poverty alleviation. As well as:

- ❖ To lead the unification process between black and white business in South Africa
- ❖ To represent the interest of SMMEs and BEE in policy transformation
- ❖ To contribute to economic transformation by building SMME capacity through business support services, business development and by creating employment opportunities.
- ❖ To enable meaningful business opportunities for members by facilitating joint ventures and preferential procurement partnership with both private and public enterprises.

Some of the Finance and Business Sector companies in Mogalakwena include:

**Real Estate:**

- ❖ Blackie Swart Eiendomme
- ❖ Sue Properties
- ❖ Seeff Eiendomme
- ❖ Realnet Rawson Properties
- ❖ Propxperts
- ❖ Remax New Era

**Financial services / Insurance:**

- ❖ Business Partners



- ❖ Debtsafe - Debt Councillors
- ❖ Psg Konsult
- ❖ Schalk Boltman Prokureurs
- ❖ Shaun McGrath
- ❖ BFS Financial Services
- ❖ B&D Accountants and Auditors
- ❖ Noord-Wes Makelaar
- ❖ Old Mutual
- ❖ Potg. Makelaar
- ❖ Letsatsi Financial sSrvices
- ❖ Cash 1000 loans

**Banks:**

- ❖ Absa Bank
- ❖ Absa Besigheidsbank
- ❖ Capitec
- ❖ Eerste Nasionale Bank
- ❖ Nedbank
- ❖ Standard Bank

## 5.2 Current support initiatives

There is a need for business support services to be located in the Municipality. Currently LimDev, Libsa, and CIPRO have offices in Mogalakwena Municipality. Some of the support services which could provide businesses with assistance are listed below, together with a short description of the mission of each:

- ❖ **SEDA:** SEDA is a government agency and a member of the Dti group. The mandate of SEDA is to implement the national government small business strategy in line with the dti's Integrated Small Enterprise Development Strategy. SEDA also supports, promotes, and grows enterprises with a special focus on co-operative enterprises located in rural areas. In general, SEDA aims at providing information to small business and prospective enterprisers that would encourage them to start and build sustainable businesses. They focus on skills development and help provide access to funding
- ❖ **SETA:** To facilitate skills development in the education, training and development (ETD) sector.
- ❖ **Limpopo Economic Development, Environment and Tourism (LEDET):** This department supports SMME projects linked to agriculture, tourism, and mining.
- ❖ **LIMDEV** is a juristic body and operates as a Provincial Government Business Enterprise, entitled to make profit, as listed in Schedule 3D of the Public Finance Management Act, Act No. 1 of 1999, (as amended by Act No. 29 of 1999). LimDev's mandate is to provide development finance to Small, Micro and Medium Enterprises (SMME's) to stimulate the growth and development of the Limpopo economy.
- ❖ **TIL:** Trade & Investment Limpopo was established in September 1996 as the official investment and trade promotion and facilitation agency of the Limpopo Provincial Government. TIL is the leading business development network for Limpopo companies seeking to expand operations locally, and into African and other foreign markets.
- ❖ **The Department of Trade and Industry (the dti):** The Department of Trade and Industry (the dti) offers a variety of services to companies planning on investing in South Africa. These services include details on investment opportunities in the country, guidelines to establishing new businesses, and development of incentive packages to facilitate investment. The aim of the dti is to lead and facilitate access to sustainable economic activity and employment to all South Africans. This will be achieved through attracting higher levels of investment, increased access to local

products and services in international markets and creating a competitive market for domestic and foreign businesses. The dti offers various incentives to potential investors. The dti is a group of developing bodies that form part of the Council of Trade and Investment Institutions. The group is divided into three main clusters, i.e. development finance, regulatory and specialist services. Some of the major developing bodies included in the dti group are the Industrial Development Corporation and the Khula Enterprise Finance Limited. These organizations are examined in more detail below:

- The Industrial Development Corporation (IDC): The IDC is a self-financing state owned development finance institution whose primary objectives are to contribute to the generation of balanced sustainable economic growth in Southern Africa and to further the economic empowerment of the South African population, thereby promoting the economic prosperity of all citizens. Numerous sectors are supported by the IDC funding. Although the IDC reviews each project separately, funding preferences are given to the following: financing fixed assets and the fixed portion of growth in working capital requirements, projects/businesses which have a significant developmental impact e.g. rural development, empowerment, job creation, township development and value addition. The IDC's primary role is to assist in acquiring finance. In this context, they have developed a wide variety of products, among which are: commercial Loans, equity, quasi-Equity, bridging Finance, shareware housing, guarantees, suspensive sales, wholesale Finance, export Finance, import Finance.
- Trade and Investment South Africa (TISA): TISA works under the umbrella of the dti and provides investment facilitation services for inbound investors. Tisa focuses on promoting sectors of the South African economy that show the biggest growth potential and marketability, and coordinates provincial initiatives to match investors' requirements with opportunities in the provinces. TISA has three business units, namely: Investment Promotion and Facilitation. It is responsible for attracting foreign direct investment, developing and promoting investment by domestic investors, and enhancing government policies and processes that impact on South Africa's appeal to investors. Export Development and Promotion. It is responsible for developing and promoting South African goods and services including specific technical interventions in terms of export advice, matchmaking, and market intelligence. This business unit aims to increase the competitiveness and export capacity of South African companies so that they are able to export into various markets. The assistance provided is in the form of financial or non-financial assistance. International co-operation. International Operations Unit is responsible for the effective management and administration of the Department's Foreign Office network.
- ❖ **Development Bank of Southern Africa (DBSA)**: The Development bank of Southern Africa (DBSA) is one of several development finance institutions in South and Southern Africa. The core business of the Development Bank of Southern Africa (DBSA) is the support, both financially and in a facilitative role, of the creation of infrastructure to serve South Africa's needs. Its purpose is to accelerate sustainable socio-economic development by funding physical, social and economic infrastructure. In addition to the primary focus on infrastructure, the DBSA would also attend to the short and medium term rural finance requirements for the foreseeable future. DBSA's goal is to improve the quality of life of the people of the region. The guidance given by the transformation team is that the DBSA should be a wholesale development finance institution mainly focused on infrastructure.
- ❖ **National Development Agency (NDA)**: The National Development Agency (NDA) is a section 3A statutory organisation, which was established by the National Development Agency Act (Act No. 108 of 1998) in November 1998. Since its inception the National Development Agency (NDA) has distributed more than R640 million to various communities located in poor areas in the following sectors: food security, sustainable livelihoods and community health projects. More than 404 773

direct households and 2 031 375 individuals have benefited from these projects. The NDA's interventions are aimed at contributing to job creation and participation of poor communities in the mainstream economy by strengthening their capacity and fostering social entrepreneurship. The National Development Agency are mandated to grant funds to Civil Society Organisations (CSOs) for the purposes of meeting the developmental needs of poor communities, to strengthen the institutional capacity of CSOs for long term sustainability, to proactively source funds for the NDA, to promote consultation, dialogue, and sharing of developmental experiences to debate and influence developmental policy, and to develop strategies to collaborate with local community trusts, foundations and government clusters.

### 5.3 Business services gaps and opportunities

Relevant gaps and constraints noted include:

- ❖ Water supply is an ongoing challenge for Mogalakwena. With the many recent changes in local government, limited resources, and a semi-arid climate, Mogalakwena has struggled with bulk water supply for the past 10 years. Several planned projects, including a new pipeline from the Doorndraai dam, failed to materialize due to limited finances and institutional problems
- ❖ Lack of tertiary institution and funding for further education.
- ❖ Major challenges for new businesses in the Municipality also include issues of access to funding through loans and other credit facilities, access to information, lacking business management skills or lacking skills in writing business plans etc.
- ❖ The issue of business registration is also a hindering factor
- ❖ Lack of shared vision and cooperation between the business communities in Mogalakwena.
- ❖ Insufficient/ Lack of economic activities in some of the nodes in Mogalakwena, e.g. Rebone, Bakenberg.
- ❖ There is a need for development of a youth advisory centre.
- ❖ Due to the fact that places of work are separated from places of residence, people have to travel long distances to employment areas. The cost of and the opportunity cost of travelling are greater for the rural commuters.
- ❖ Some roads' conditions are not conducive for formal transport system. The need for high maintenance and operations cost amongst the factors contributing to the problem, The low use of service between peak traffic periods results in infrequent services.

Opportunities identified include:

- ❖ The water use in the Key Area is dominated by irrigation with an estimated requirement of 99 million m<sup>3</sup>/a. This Key Area is rapidly gaining strategic importance in the provincial and National economy due to the rapid expansion of mines in the area and the water supply to these mines must be secured as a matter of priority. Mines with limited water requirements should be able to source their water from groundwater while larger mines may require transfer in from the Olifants WMA since there is little scope for further development of the local surface water resources.
- ❖ With the current electricity crisis in South Africa, any new developments should be encouraged to make use of alternative energy sources, such as solar
- ❖ Capitalise on the existence of a rail route.
- ❖ Linkages between transport and other sectors
- ❖ Need for a business retention and attraction strategy

## 6 Analysis of the tourism sector

### 6.1 Tourism sector overview

Tourism is not an economic sector on its own, but forms part of other sectors, especially the Trade, Transport and Finance sectors. However, due to its importance as an income and employment generator, it is believed that this sector should be discussed separately from the other sectors.

Tourism includes travel for a variety of reasons, including amongst others, leisure and recreation; business; education; health and healing; religious pilgrimages; sport; visiting friends and relatives; meetings and conferences.

The Tourism sector is increasingly being recognised as an industry which has the economic potential to contribute to the reduction of poverty in developing countries and in remote rural areas, particularly as a result of its labour intensive nature, as well as the fact that many of the natural and heritage attractions are located in these rural areas, giving them a comparative advantage. There are a number of reasons why tourism is especially suitable for economic development in the Least Developed Countries, and by extension rural areas, and include:

- ❖ Tourism is consumed at the point of production, which means that the tourist has to go to the destination, opening up opportunities for local businesses and ensuring local benefits
- ❖ Tourism is a more diversified industry than many others, allowing linkages with and support for other economic activities
- ❖ Tourism is labour intensive and supports a wide range of skills
- ❖ It creates opportunities for small and micro entrepreneurs
- ❖ Apart from the material benefits, tourism also provides the poor with cultural pride, creating greater awareness of the natural environment and its economic value
- ❖ The infrastructure required by tourism can also benefit poor communities.

The Tourism sector is, therefore, seen as “an engine of employment creation, poverty eradication, ensuring gender equality and protection of the natural and cultural heritage.

Tourism is a market led industry, where demand and market requirements inform the development of tourism supply. A brief analysis of current trends in tourism demand for the Limpopo Province will therefore provide direction for future tourism product development in the Province and allow for a more focussed approach in its marketing efforts. Detailed market information and tourism demand statistics even for the Limpopo Province, never mind Waterberg District and Mogalakwena municipality, is limited, and the analysis is largely based on information obtained from South African Tourism, discussions with tourism authorities in the Province, and local tourism roleplayers.

As aforementioned, tourism is not a standalone economic sector, it relies on other economic sectors for functionality. In an attempt to understand the economic contribution of tourism in Mogalakwena, the GDPR and employment of the accommodation and catering sub-sector were analysed

Table 4.32 below depicts the employment and GDPR growth of the accommodation and catering subsector.

Table 4.32: Accommodation and catering sub-sector economic indicators, 2009

	SUB-SECTOR SHARE IN MOGALAKWENA	SUB-SECTOR SHARE IN WATERBERG DISTRICT	CONTRIBUTION OF MOGALAKWENA SECTOR TO SECTOR IN WATERBERG	
EMPLOYMENT SHARE	2%	3%	23%	
GDPR SHARE	0.4%	1%	20%	
SECTOR AVERAGE GROWTH P.A 2001-2009	SECTOR GROWTH IN SOUTH AFRICA	SECTOR GROWTH IN LIMPOPO	SECTOR GROWTH IN WATERBERG DISTRICT	SECTOR GROWTH IN MOGALAKWENA LM
EMPLOYMENT	- 2.1%	-5.8%	-5.8	-7.5%
GDPR	3.14%	2.7%	0%	1%

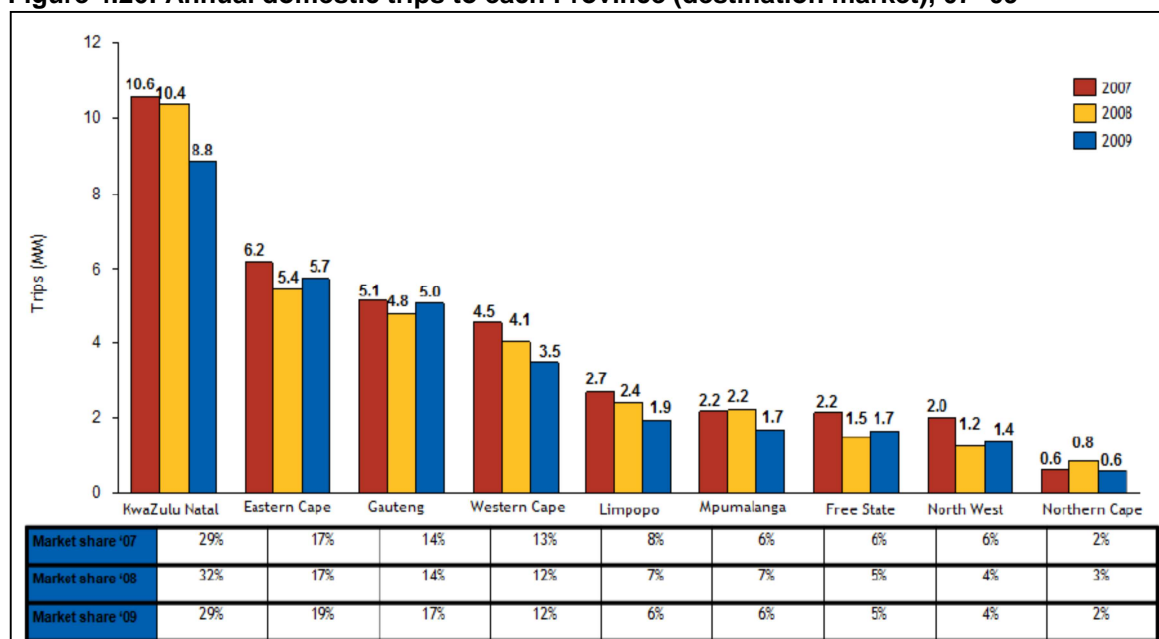
Source: Kayamandi calculations from Quantec Research, Standardised Regional Data, 2011

As depicted by Table 4.32 above the contribution made by the sub-sector to GDPR in Mogalakwena and the district is almost negligible. Whereas, this sub-sector contributes to 2% and 3% of the Municipality and Districts employment. The table depicts that there has been a negative growth in employment in the Municipality from 2001 to 2009, although this negative growth is mirrored with the a negative growth in the country, the Province and the District. GDPR growth of 1% per annum has been attained in the Municipality, which is higher than the Districts growth, yet lower than the growth for the Province and the Country.

Domestic tourism contributes significantly to the tourism sector accounting for 75% of total tourism volume in South Africa in 2009. It however contributed only 22% of total tourism revenue in 2009.

According to South African Tourism (2009), the latest SA Domestic Tourism Survey (2008) reveals that KwaZulu Natal and the Eastern Cape are the major beneficiaries of domestic tourism. Limpopo was in fifth position with a representative of 8% (2007), 7% (2008) and 6% (2009) of total market share of number of domestic trips per year to each Province. See below Figure.

Figure 4.26: Annual domestic trips to each Province (destination market), '07-'09

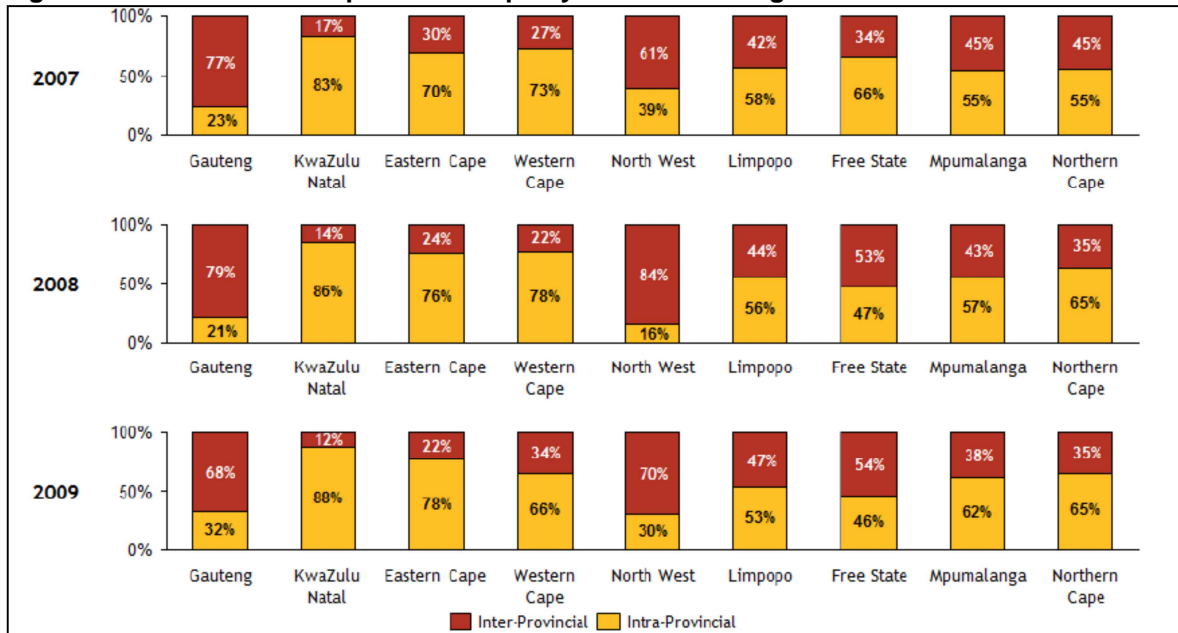


Source: SA domestic surveys, 2007-2009



Limpopo has a declining share of trips generated from people living within the Province and an average of 2% increase on trips generated from outside of the Province over the years. See below Figure. The share of intra-provincial travel has increased in all provinces with the exception of Western Cape, Limpopo and Free State, further showing that the impact of the recession has led more domestic tourists to travel closer to home.

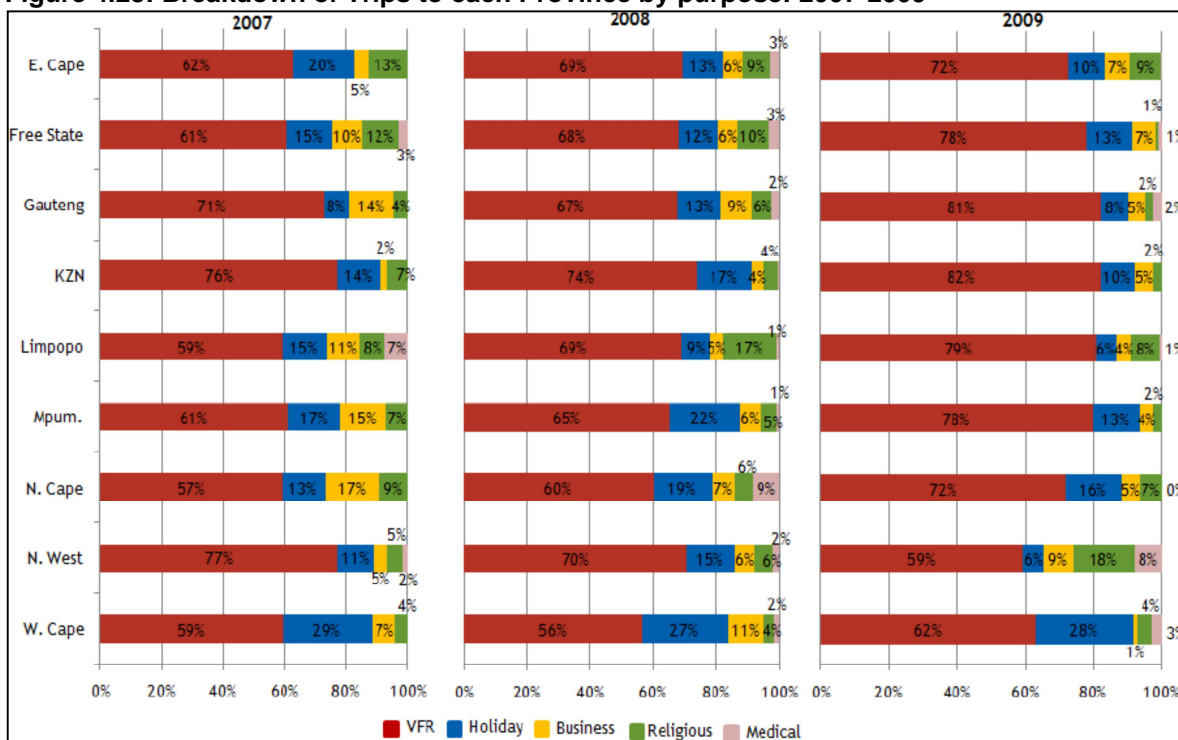
**Figure 4.27: Inter v.s. Intra-provincial trips by Province of origin: 2007-2009**



Source: SA domestic surveys, 2007-2009

The share of arrivals for holiday declined considerably in 2009, so is the share of revenue received from these holiday trips. More than three-fourth arrivals to Limpopo were VFR. See Figure 4.28 below.

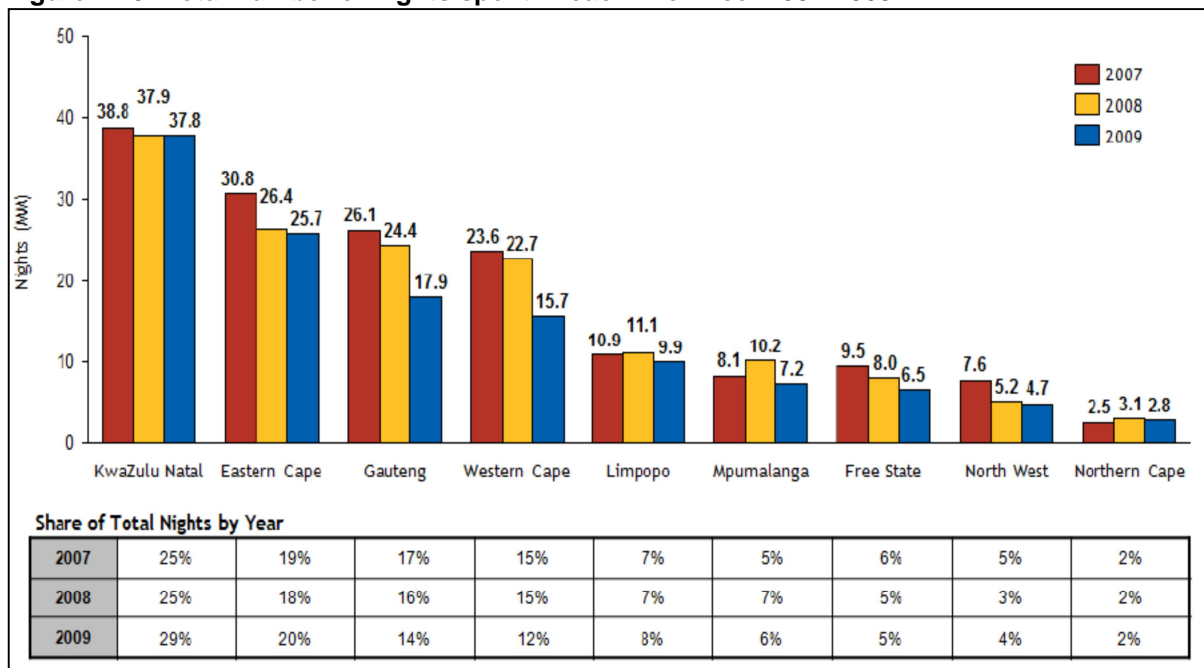
**Figure 4.28: Breakdown of Trips to each Province by purpose: 2007-2009**



Source: SA domestic surveys, 2007-2009

The total share of number of nights spent on trips to the Limpopo in 2009 amounted to 8%. See below Figure.

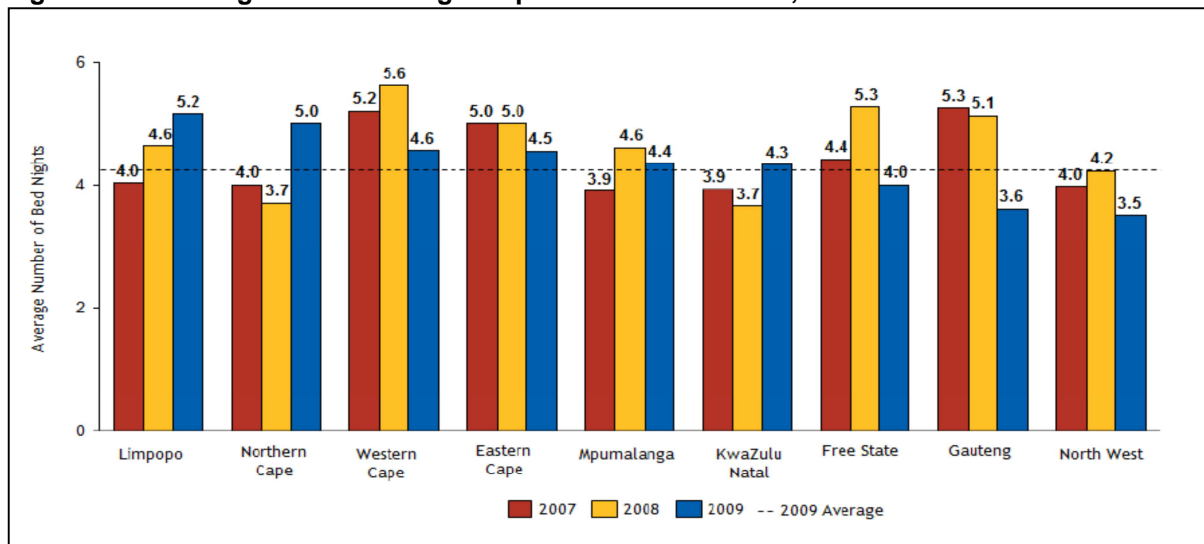
**Figure 4.29: Total number of nights spent in each Province: 2007-2009**



Source: SA domestic surveys, 2007-2009

The average number of nights spent per Province is shown below.

**Figure 4.30: Average number of nights spent in each Province, 2007-2009**

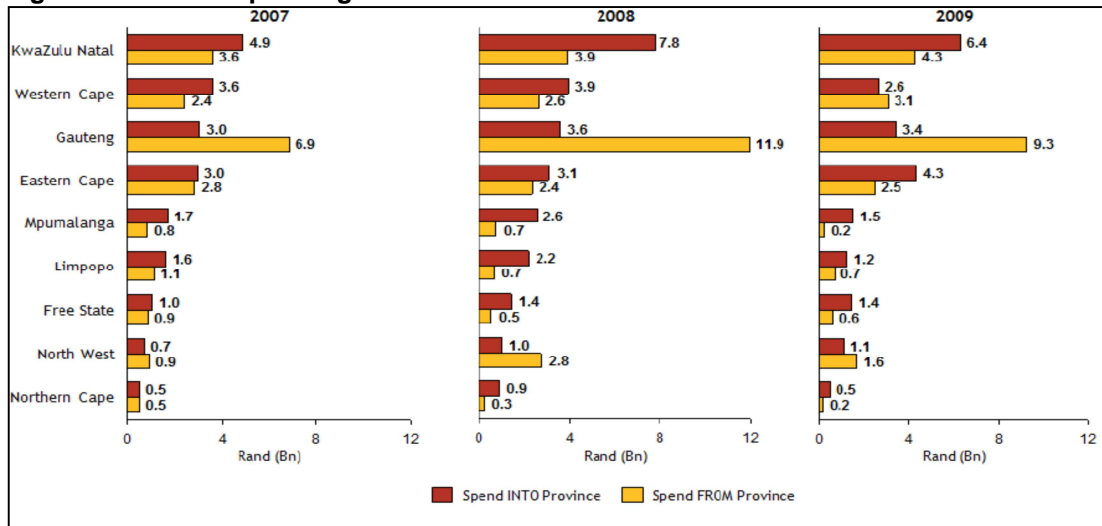


Source: SA domestic surveys, 2007-2009

Tourists to Limpopo and the Northern Cape stayed on average longer than in any other provinces. However, due to easy accessibility to Gauteng and North West, mainly from Kwa Zulu Natal which is the second highest source market, tourists stay shorter in those provinces than any other province.

Refer to figure 4.31 in relation to total spending.

**Figure 4.31: Total spending to and from each Province: 2007-2009**



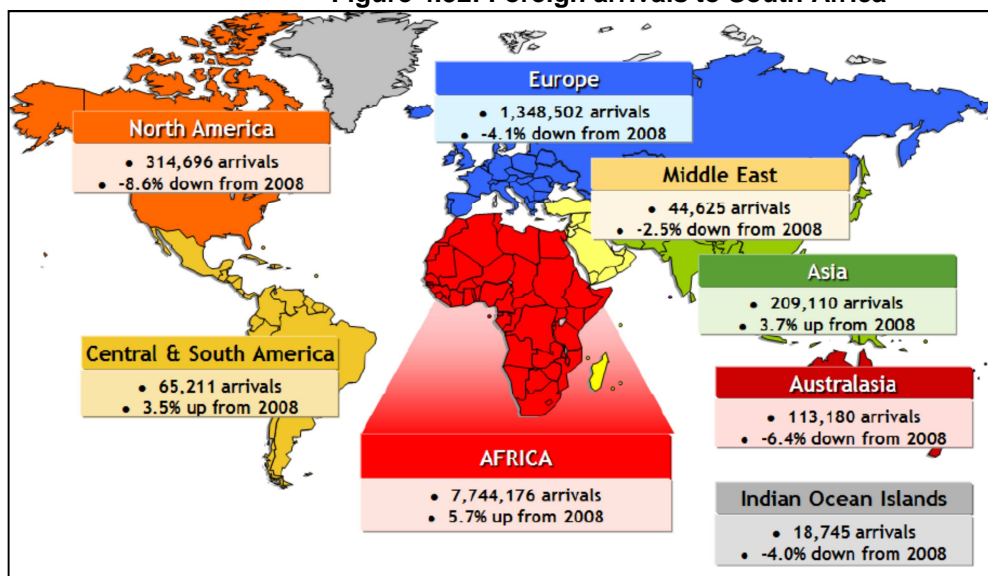
Source: SA domestic surveys, 2007-2009

In 2009, R700 million was spent from the Province on domestic trips while R1.4 billion was earned by Limpopo from domestic tourism in 2009. The amount earned vs. contributed to domestic tourism has dropped significantly from 2007 in which R1.1 billion was both contributed and R1.6 billion was earned to domestic tourism. In 2009 the Province thus obtained net inflow of domestic tourism spending to the value of R542 million, which was significantly lower than the R1.513 billion obtained the previous year.

As a domestic travel destination, Limpopo witnessed a decline in most of the key metrics in the last three years, including total arrivals, revenue from domestic travel, number of nights spent by tourists in the province, and the average spent per trip by the tourists. Limpopo ranked last in terms of average spend per destination. In 2009 the Mpumalanga Province obtained the highest average spend per trip, namely R880, followed by the Free State with R860 and the Northern Cape with R830.

Refer to figure 4.32 in relation to foreign arrivals. With regards to international tourism, the majority of arrivals to South Africa are from Africa, followed by Europe, North America, Asia, Australasia, Central and South America, Middle East, Indian Ocean Islands.

**Figure 4.32: Foreign arrivals to South Africa**

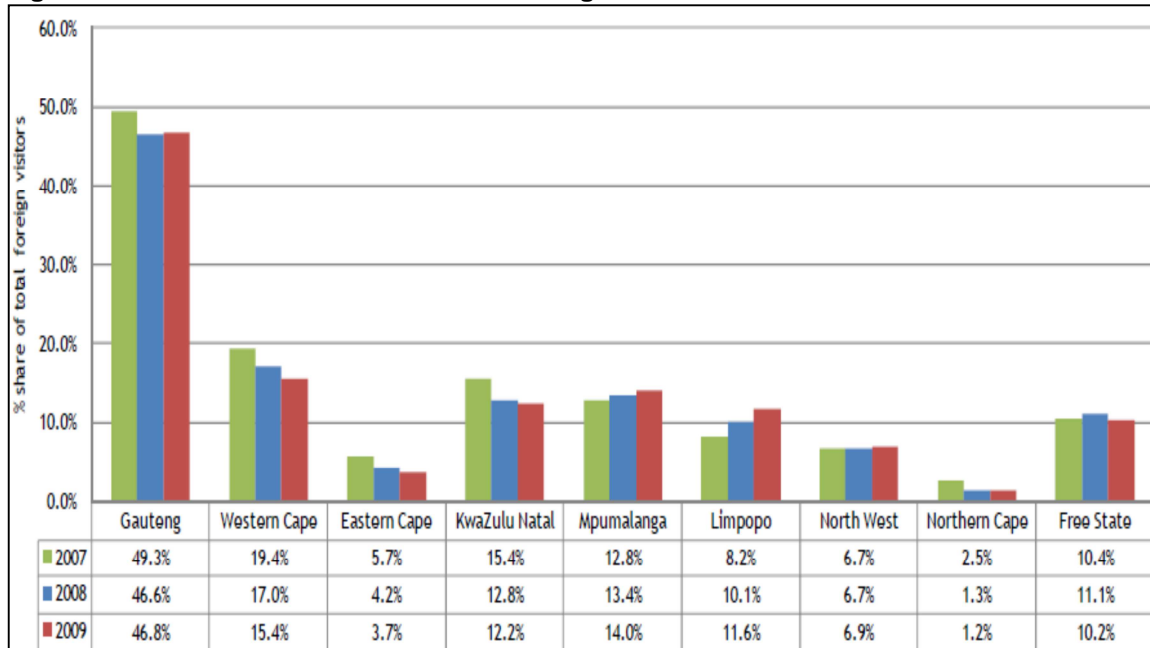


Source: Annual International Tourists, 2010

With regards to Provincial distribution of international visitors, Gauteng remained the most visited Province, while Limpopo is the sixth most visited Province. See Figure 4.32 below.

The share of bed nights for Limpopo Province amounts to 5% of the country as a whole. Limpopo Province generated a slight increase in the share of bed nights over the years of review. See Figure 4.33 below.

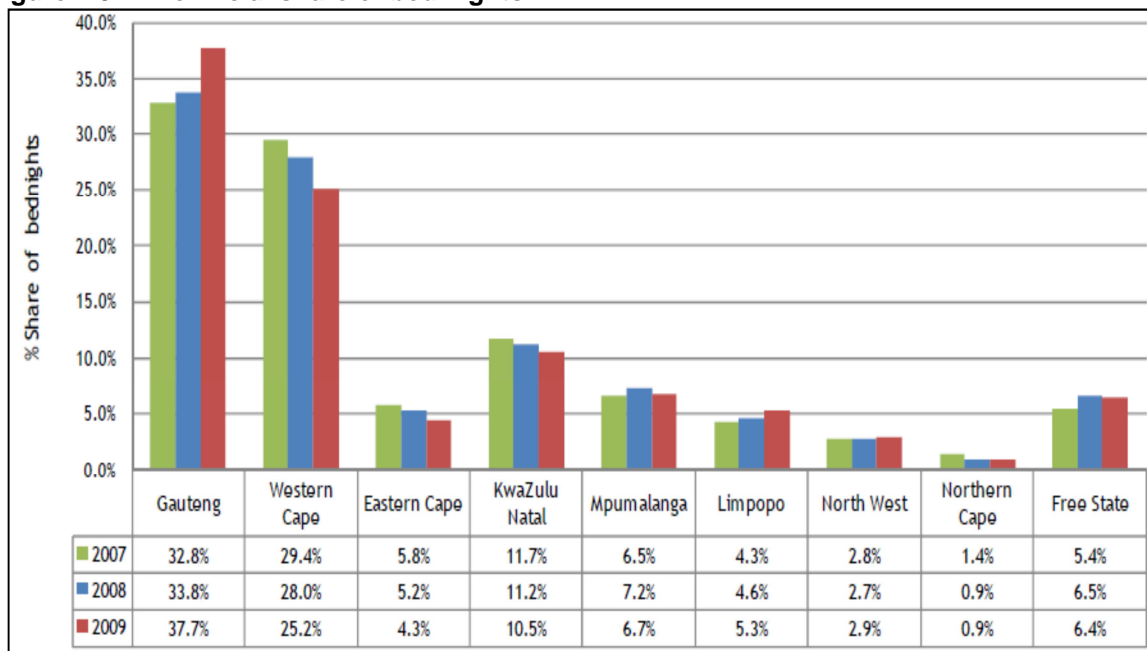
**Figure 4.33: Provincial distribution of all foreign visitors**



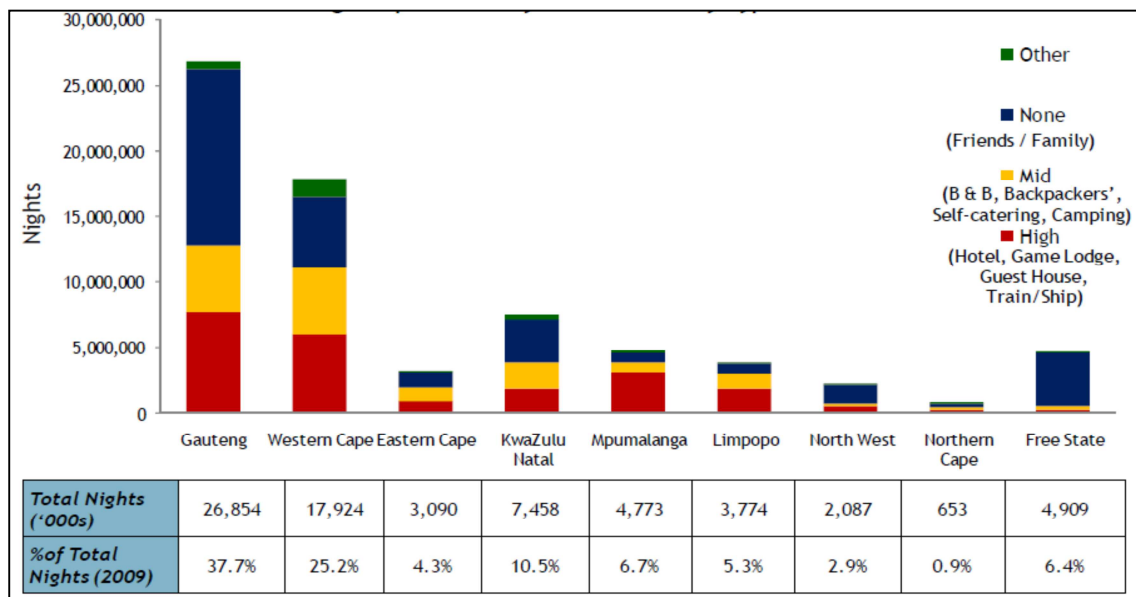
Source: SA Tourism, Annual international tourists, 2010

Evidently approximately 3,774 bed nights were spend in the Limpopo in 2009 which is 5.3% of total nights spent in the country as a whole. See Figure 4.34 below.

**Figure 4.34: Provincial share of bed nights**



Source: SA Tourism, Annual international tourists, 2010

**Figure 4.35: Total nights spend in S. Africa by Province and accommodation type**

Source: SA Tourism, Annual international tourists, 2010

The table below lists accommodation establishments in Mogalakwena.

**Table 4.33: Accommodation facilities within Mogalakwena**

Type	No. of Establishments.	No. of Bednights
Guesthouses	43	223
Game Lodges and Nature Reserves	19	603
Lodges / Hotels	11	495
Camping/ Caravan Park	7	0
<b>TOTAL</b>	<b>88</b>	<b>1321</b>

Source: Mokopane Business Chambers and Waterberg District Tourism department,2010

As shown above, a total of 88 accommodation establishments with 1321 bed nights are known to be available in Mogalakwena, with the majority located in Mokopane and its surrounds. It should be noted that the total number of bed nights is a representative of those establishments that disclosed their total number of beds. Guesthouses are the most dominant type of accommodation while the Game Lodges have the highest bed nights.

The Annual Tourism Report (2008) indicates that in 2008 total nights spend by tourists in the Limpopo Province amounted to 3,429,687 nights including nights spend in non-paying accommodation. In the Limpopo this share was distributed as follows:

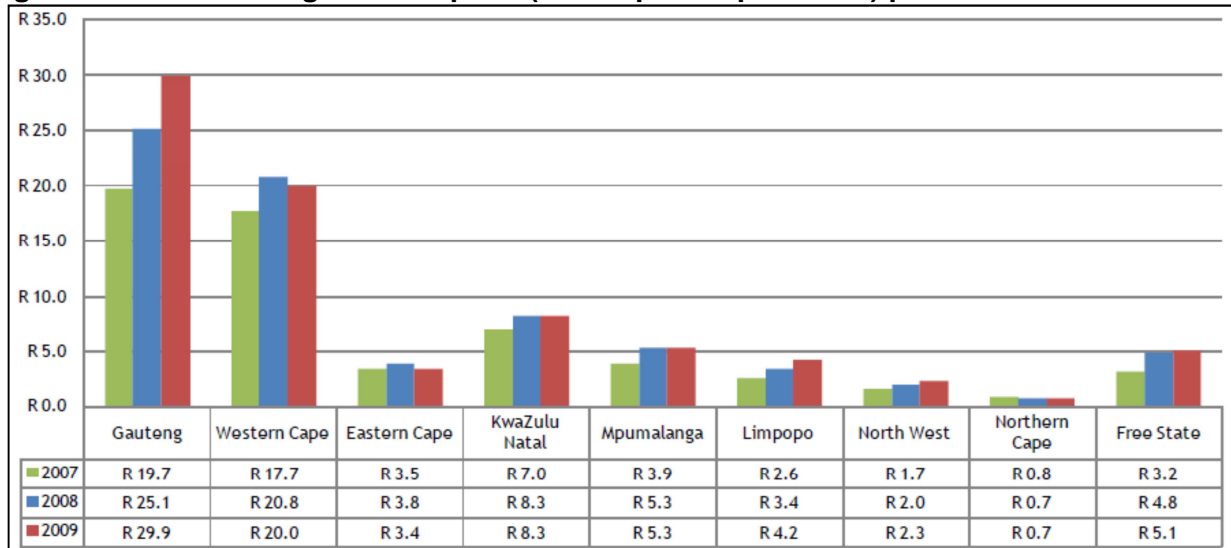
- ❖ 237,706 bed nights from USA
- ❖ 181,143 bed nights from UK
- ❖ 163,101 bed nights from Mozambique
- ❖ 145,903 bed nights from the rest of Europe, excluding Italy and Sweden
- ❖ 78,631 bed nights from Netherlands
- ❖ 58,064 bed nights from Germany
- ❖ 41,634 bed nights from France
- ❖ 25,684 bed nights from Canada
- ❖ Other than Namibia limited to no bed nights from the rest of Africa



- ❖ Limited to no bed nights from Asia and Australia

The total direct foreign spend is shown below.

**Figure 4.36: Total foreign direct spend (excl capital expenditure) per Province**



Source: SA Tourism, Annual International Tourists, 2010

Limpopo province generated a considerable increase in tourism revenue from 2007-2009.

Due to limited resources and mechanism to monitor tourists movements and participation in the district and local municipality, statistically representation of tourism activities is only limited to provincial representation.

## 6.2 Existing tourists attractions and facilities

Limpopo is a land of beautiful and contrasting landscapes, which is typical of Africa hence it has become a known destination for cultural and leisure and adventure travellers worldwide.

Limpopo's six tourism regions offer travellers a vivid contrast between the highveld splendours of the Waterberg, Soutpansberg and Magoebaskloof mountains and the wildlife delights of the Lowveld, including the northern reaches of the Kruger National Park. Polokwane, on the Great North road to Zimbabwe, is at the economic and geographic heart of the province. Other prime tourist and business destinations include Makhado at the foot of the Soutpansberg mountains, Tzaneen, east of the lovely Magoebaskloof pass, Mokopane, Hoedspruit and Phalaborwa, situated a mere stone's throw from the Kruger National Park.

A breathtaking beautiful part of Limpopo, an area of great natural beauty, is the Waterberg. It is rich with natural resources, strategically located and the culture of the people makes Waterberg District an ideal place to live, invest and leisure in. The people of the Waterberg, are justifiably proud of this mountain region of South Africa. The beauty of the landscape, the culture of the people, the abundant wildlife and the ancient history all combine to make this one of South Africa's prime tourism and adventure destinations.

Located just two hours drive from the giant metropolitan hub of South Africa's industrial heartland of Pretoria and Johannesburg, the region offers numerous investment opportunities

for business, tourism and recreational development. With the increased cost of travel the Waterberg is strategically placed to attract many visitors who seek to escape from the pressures of the cities to enjoy the peace and tranquillity of this diverse wilderness destination.

This is an area of great natural beauty where the environment is protected by massive buttresses and deep forested valleys. Much of the region is either given over to conservation or is too rugged to support agriculture. It is this remoteness that attracts visitors from all over the world to experience the drama and beauty of the African bushveld. The Waterberg, with its great variety of wildlife, birds and scenic splendour is one of South Africa's prime eco-tourism destinations. Game and nature reserves and an extensive biosphere combine to conserve an area of over 14,500km<sup>2</sup> of mountain terrain. To the south and east are the established farming communities of Thabazimbi, Bela Bela, Modimolle, Mookgophong and Mokopane. From here the Springbok flats extend eastwards over the Nylsvlei Floodplain and Nature Reserve, which is one of South Africa's most important wetland bird sanctuaries.

A Visit to the Waterberg will awaken in you a spirit of exploration as you discover the many places and opportunities. Whether you are a business executive looking for an ideal business location or a tourist touring through the unsurpassed beauty of the mountains and bushveld, the area is sure to exceed visitors expectations and that one will leave with that feeling of satisfaction that only the Waterberg can give. Some of the most notable attractions that the District boasts include:

- ❖ **The Hot Springs**, strong mineral springs with the flow of 22 000lt of water per hour with the temperature of 570c.
- ❖ **Waterberg Biosphere Reserve**, the first savanna biosphere reserve registered in Southern Africa. The reserve received its international status in March 2001 and now forms part of the World Network of biosphere reserves registered with UNESCO.
- ❖ **Nylsvlei Wetlands**, was designated a RAMSAR site in July 1998. More than 400 bird species have been recorded on the 16 000 ha wetland.
- ❖ **Makapans Valley World Heritage Site**, is a site of the most dramatic incidents in the long and fascinating local history and one of the most notable archaeologically significant sites in the country. This site is directly linked to the same archaeological series as the Cradle of Humankind in Sterkfontein.

Various activities and experiences makes up for a tourists thrill in various regions of the district. See below Table for activities and experiences within Waterberg District per Municipality.

As evident from the Table below, Mogalakwena Municipality offers various adventure and sporting as well as wildlife experiences. The area has a potential to attract adventure enthusiasts and become an eco-tourism haven with its beautiful and natural resources. Benefits for tourists in Mogalakwena include accessibility, getaway, adrenaline, recreation, enjoyable, educational, indulging and stimulating.

Table 4.34: Waterberg tourism activities and experiences per municipality

Waterberg Activities and Experiences	Thaba zimbi	Bela Bela	Modimolle	Mookgopong	Mogalakwena	Lephalale
<b>Wildlife Experiences</b>						
Birding	✓	✓	✓	✓	✓	✓
Elephant Back Safaris			✓			
Game Drives	✓	✓	✓	✓	✓	✓
Game and Nature Reserves	✓	✓	✓	✓	✓	✓
<b>Adventure and Sporting Experiences</b>						
Angling	✓	✓	✓	✓	✓	
Archery		✓	✓	✓	✓	✓
Boating	✓	✓	✓	✓	✓	✓
Camping and Caravanning		✓	✓		✓	✓
Canoeing		✓	✓			✓
4X4 and Quad bikes	✓	✓	✓	✓	✓	✓
Golf	✓	✓	✓	✓	✓	✓
Hiking trails	✓	✓	✓	✓	✓	✓
Horse riding	✓	✓	✓	✓	✓	✓
Hunting	✓	✓	✓	✓	✓	✓
Mountain biking	✓	✓	✓	✓	✓	✓
Parachuting	✓	✓				
River rafting			✓			
Rock climbing	✓		✓	✓	✓	
Sky diving	✓	✓	✓			
<b>Health and Wellness Experience</b>						
Hot springs		✓		✓		
Spas and retreat	✓	✓	✓	✓	✓	✓

Source: <http://www.waterberg.gov.za>, 2010

The district prides itself with various nature reserves and a world heritage site of note. Some of the attractions of note in the district and Mogalakwena Municipality are:

- ❖ Waterberg Biosphere Reserve: part of which is located within Mogalakwena Local Municipality
- ❖ Makapans valley World Heritage Site

These are described in more detail hereunder.

The **Waterberg Biosphere Reserve**: a proven uneconomic agricultural and ranching region changed into one of South Africa's showcase conservancies. Part of the biosphere is located within the Mogalakwena Local Municipality. The story starts in 1981 when Dale Parker and Clive Walker travelled to the Waterberg to visit the Lapalala Wilderness area with the view to establishing a wildlife sanctuary. Today the biosphere encompasses some 15000km<sup>2</sup> with surrounding farms combining to create the greater Biosphere Reserve. Around the perimeters is a national park and many private and provincial nature reserves which provide an essential buffer zone. The biodiversity of the region is broadly divided into three habitat types:

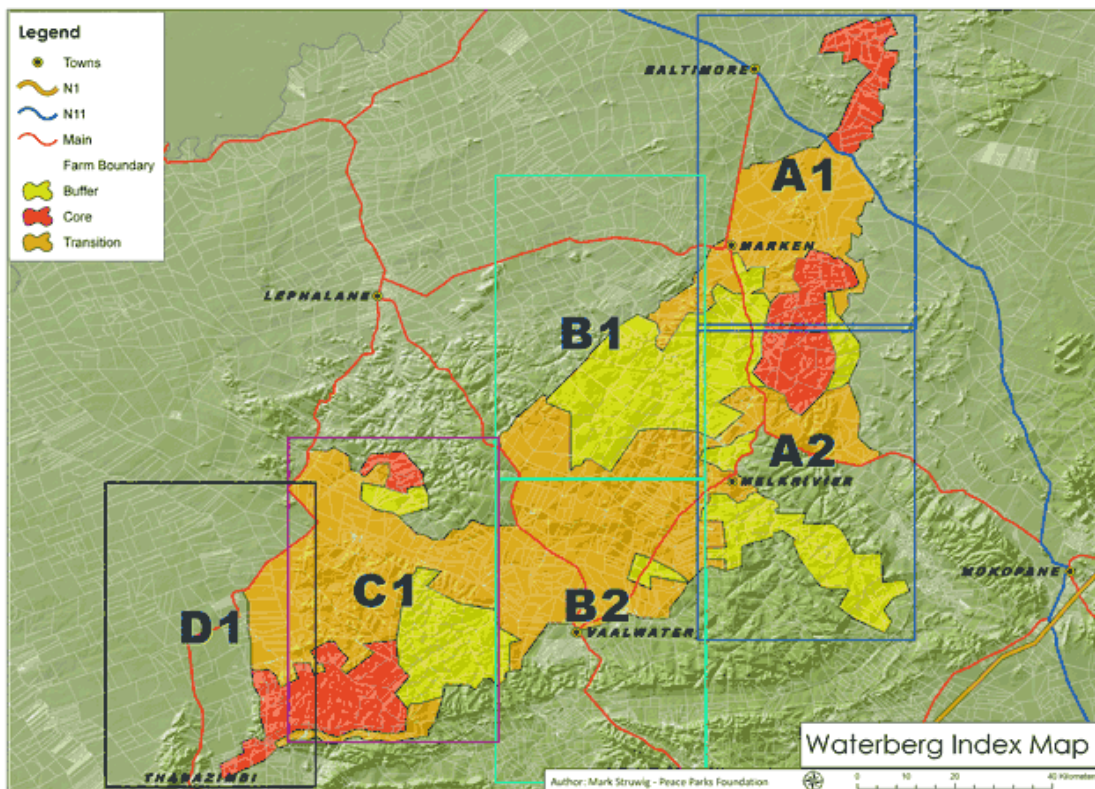
- ❖ The sour bushveld

- ❖ The steep slopes and rock faces
- ❖ The river beds and wetland areas

The Biosphere is then divided into three distinct management areas. See Map below for the zones.

- ❖ The "Core area" which enjoys legal protection.
- ❖ The "Buffer Zones", these surround the Core area where education, research and some selected economic activity is permitted.
- ❖ The "Transition" area is formed by the outer perimeter which brings in local authorities, towns and communities who identify with the conservation imperatives and who benefit economically from the region.

**Figure 4.37: Waterberg Biosphere management areas**



Source: <http://www.waterbergbiosphere.org/Farm+Boundary+Map.html>

The whole process of conservation and management is managed by a stakeholders' committee of interested parties. The Waterberg Biosphere Reserve is a UNESCO listed "Man and Biosphere" programme (MAB). This MAB listing provides a developmental basis for the sustainable use and conservation of the biological diversity of the region and the education and participation of local communities in all aspects of conservation programmes.

The principal visions for the sustainable development and management of the biosphere are to grow the potential and infrastructure for conservation; to promote tourism through education and for the upliftment of local communities. The additional benefits and opportunities that will spread to the poorer communities will include education, employment opportunities and skills training. There are a number of institutions active in these fields.

Cultural villages are planned (in the process of development) to introduce the fascinating local cultures to visitors. Craft centres have been established to promote local arts and crafts. The establishment of

new safari camps will assist greatly in the provision of such opportunities giving local communities a greater stake and involvement in the management of the biosphere.

The following are interesting facts about the Waterberg Biodiversity (Rupert Baber, January 2011):

- ❖ The Waterberg Biosphere has different types of land: private/commercial; community; high potential and low potential.
- ❖ 80% of the land is for wildlife, some of which is private land with some game farming, it contains 3 provincial reserves and a national reserve, land was transferred to local communities.
- ❖ Land with wildlife, like in the Biosphere, can be used for hunting, game breeding especially of rare species which can be a very profitable business, property which is used as secondary houses for recreation.
- ❖ The Waterberg Plateau in the Biosphere is seen as having great potential for eco-tourism. it is unspoilt land, there have no high concentration of people, there has been no mining on the plateau, no forestry, a lot of biodiversity and scenic beauty, it is situated in the 'pleasant periphery' which means that it is in close proximity to Gauteng.
- ❖ Some parts of the Biosphere Reserve are very remote and some traditional rural settlements are found. This can be known as 'displaced urbanisation' where communities are far away from economic activities and inherently have very little livelihoods. They practice some crop and livestock farming but at a very small scale: communal/subsistence/small-scale farming. They often live off child or old age support grants as they take care of children and the aged, but the local economic contribution is minimal.
- ❖ Nkebeni Development is neither in Mogalakwena or Mookgopong, on the border or very close to the Biosphere Reserve. It is one of the best known residential developments in the country.
- ❖ In the Wildlife and Tourism industry, the Waterberg Biosphere is competing with the: Kruger Park, the KZN complex with all its reserves, the emerging Eastern Cape at the end of the garden route and the Big 7, and in the North West which has Pilansberg and Madikwe Game Reserve.
- ❖ The Waterberg Biosphere has no strong enough branding as yet. Creating a tourist conservation and raising its profile in the market would definitely improve its competitiveness, while at the same time conserving the natural environment. It will also increase employment and create a linkage with the local economy.
- ❖ Properties are too small and only used for secondary housing. The preferred option would be to consolidate the properties, drop the fences to let game roam and create attractive game reserves.
- ❖ Two events are in process at present:
  - A Biosphere Management Plan – it looks specifically at appropriately making use of its zones (zones defined by NEFCA) and to allow for flexibility and adaptability to change, while still protecting the environment. The purpose is not to spoil the sense of place it currently has but still to get it into the market – both will promote its protection to other types of development which could be detrimental to the Biosphere.
  - A Budget Plan – to allow for business opportunities. Development or change should link up with the natural system, such as consolidating properties. Recommendations are to incorporated the land from land claims and from the private sector in order to include and integrate both parties to live and work in harmony for the most productive results.
- ❖ The Waterberg Biosphere has a transition zone between unspoilt land and urban or other activities. Here some agricultural activities can be found, like tobacco farming and cattle farming. Although it is estimated that only 20% of the land is used for this. The rest of the land contains game/wildlife which is mainly for recreational purposes.



One of the most notable archaeological and historical sites in the country is found at **Makapans Valley World Heritage Site**, 19 km north of the Mokopane town on the farm Makapansgat. Makapan Valley is part of a serial listing which include the Fossil Hominid Sites of Sterkfontein, Swartkrans, Kromdraai and Environs, and Taung Skull Fossil Site. The serially nominated sites are situated in unique natural settings that have created a suitable environment for the capture and preservation of human and animal remains that have allowed scientists a window into the past. Thus, this site constitutes a vast reserve of scientific data of universal scope and considerable potential, linked to the history of the most ancient periods of humankind.

The sediments, fossils, bones and artefacts found in the caves in the valley preserve a unique record of hominid habitation and evolution dating back 3,3 million years. As such, the Makapansgat Valley is unique in that nowhere else in the world, such an extended and complete record of hominid occupation has been observed. The valley which has stood at the frontier of paleontological and archaeological research for much of the twentieth century has been declared a National Heritage Site. Makapansgat Valley WHS includes:

- ❖ **Makapansgat limeworks.** This is the oldest of the sites, spanning an age of between 3,32 million years to 1,6 million years ago. This site has yielded many thousands of fossil bones, amongst which were found remains of the gracile ape-man *Australopithecus africanus*.
- ❖ **Cave of hearths & hyaena cave.** The Cave of Hearths preserves a remarkably complete record of human occupation from Early Stone Age “Acheulian” times in the oldest sediments through the Middle Stone Age, the Later Stone Age and up to the Iron Age. Nineteenth Century European relics such as brass ware and musket balls were found at the surface when excavations started.
- ❖ **Buffalo cave.** A small number of fossils were collected by Dr Robert Broom from this site in 1937, including the remains of the extinct buffalo *Bos makapania*. More recent excavations have revealed an extensive fauna including antelope, horses, pigs, monkeys and carnivores which suggest a Pleistocene age for the deposits.
- ❖ **Ficus cave & iron age site.** The cave gets its name from the fig tree *Ficus ingens* roots which curtain its entrance. This cave contains Iron Age and 19th Century relics, a large bat colony and an underground lake. An Iron Age site close by yields occupational debris from approximately Early Iron Age (550 AD), 870 AD and the Late Iron Age (1560 AD). The slopes adjacent to the cave are artificially terraced and archaeological finds from these include patsherds, grindstones, hammer stones and relics of iron smelting operations, including ore, slag and fragments of tuyeres.
- ❖ **Peppercorne’s cave.** This cave contains Iron Age and ancient relics and an underground lake. It is also home to a large colony of migratory long-fingered bats, *Miniopterus schreibersii*.
- ❖ **Rainbow cave.** This cave is situated immediately below the Historic Cave and contains the remains of several hearths, indicating both human occupation and the controlled use of fire. The exposed sediments have yielded Middle Stone Age artifacts of the Piertersburg Culture of between 100 000 and 50 000 years ago.
- ❖ **Historic cave or makapansgat.** This site lies immediately adjacent to the Cave of Hearths and preserves Iron Age and Mfecane relics. It is most famous as the clash between a Boer Commando and local Langa and Kekana people after the murders of Voortrekkers at Moorddrift, Mapela and Pruizen. Chief Makapan (Mokopane), together with a large number of his tribes people and their cattle were besieged in the cave for nearly a month between 25 October and 21 November 1854, during which time many hundreds died of hunger and thirst. Piet Potgieter was shot during the siege and the name of the nearby town was changed from Vredenburg to Pieter Potgietersrust, which in time changed to Potgietersrus. The cave was proclaimed a National Monument in 1936.

Current Status of Makapan Valley:

- ❖ LEDET has been appointed a Management Authority for the area, and a consultant was appointed to develop a Integrated Management Plan (IMP).
- ❖ This site was proclaimed a protected area and declared a Heritage Site. A Master Plan and business plans for the site are available.
- ❖ LEDET is to facilitate for the signing of Co-Management Agreement to enable Land Claim Commission to finalize the claim.
- ❖ The development is not affected by any land claims
- ❖ Future plans include: Appointment of Board of Directors, drawing of operational structure, opening of Section 21 Company
- ❖ Proposed development within Makapan Valley includes: Museum, Lodge, Revamping of access road, fencing of the core area and game introduction, stabilization of the caves etc.

Mokopane, the town formerly known as Potgietersrus is the hub of Mogalakwena Municipality and serves a rich agricultural area in which wheat, tobacco, cotton, beef, maize, peanuts and citrus are farmed. Stunning bushveld environment and a multi-cultural community and history give Mokopane a unique character. The town and immediate surroundings boast fascinating ancient caves, the Big Five, San rock art, curios, typically bushveld food and drink such as biltong (dried meat) and mampoer (a potent drink), tropical gardens and traditional dancing.

The area is rich in minerals, platinum, diamonds and granite. In the adjacent rural area of Mahwelereng traditional lifestyles are still maintained. Mokopane also offers a wonderful selection of outdoor activities ranging from hiking, camping and 4x4 trails, to birding, angling and game viewing.

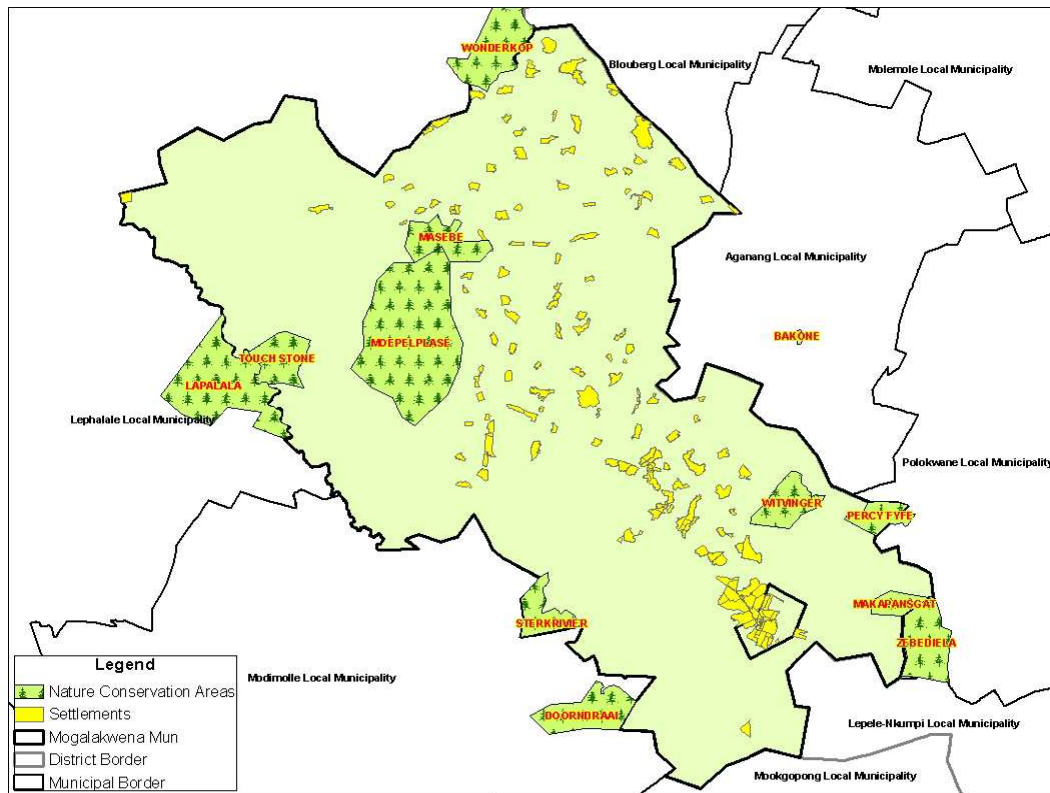
The Mogalakwena Tourism Strategy Report 2008 identified “unique selling propositions” USP for the municipality, namely:

- ❖ The Makapan Valley
- ❖ The river entering Mokopane as the Nyl and Leaving Mokopane as the Mogalakwena- the only river to change its name mid-flow
- ❖ The game breeding centre of the National Zoological Garden of South Africa
- ❖ The Arend Dieperink museum
- ❖ The location of Mokopane at the Crossroads of N1 and N11, and
- ❖ The grave site of chief Mokopane

There are also various nature reserves in Mogalakwena Municipality that could also be of interest to visitors. All Limpopo Provincial Nature and Game Reserves, are under the Limpopo Wildlife branding, which brings together a common objective for the promotion of these unique destinations and to provide a central booking service for the benefit of visitors.

See Figure 4.38 below for a spatial indication of the nature reserves.

Figure 4.38: Mogalakwena LM Protected areas



The nature reserves are:

- ❖ **Wonderkop Nature Reserve** named after one of its major features, a kopie (little hill) called Wonderkop, Wonderkop Nature Reserve lies roughly 115 kilometres north of Mokopane, near Rebone, short distance from N11. The pretty Wonderkop reserve, surrounded by red bushwillow trees, is bounded on its eastern border by the Mogalakwena River and the Glen Alpine Dam. These 'new concept' reserves are created around the principle of integrating local communities and are a commitment to sustainable development and environmental awareness. Wonderkop Nature Reserve also happens to border on the Waterberg Biosphere Reserve – an internationally recognised biosphere reserve that stretches from Marakele National Park in the south west to Wonderkop in the north east. This expansive basin, not only incredibly beautiful but over three million years old, includes no fewer than four of the major rivers in the Limpopo that travel through a landscape dominated by endless panoramic views, undulating hills and a real feeling of being in the bushveld. The Waterberg and its neighbouring nature reserves are an important conservation area, and Wonderkop is no exception.
- ❖ **Masebe Nature Reserve.** This small (4500ha), but intensely interesting reserve is situated east of Marken and the R518. The route within the reserve forms part of the Ivory Trail and follows some dramatic and inaccessible country along the face of the Waterberg escarpment. The reserve is owned and managed by the Bakenberg Traditional Authority. The proposed development of tourism services at the reserve will greatly improve facilities. This reserve is currently closed for renovations since around June 2010 and it is not clear when it could be open for business again.
- ❖ The beautiful **Doorndraaidam Nature Reserve**, set in amongst the foot-hills of the waters South-west of Potgietersrus, includes as its name suggests, specimen carp angling, birding, big five game drive and much more. The Doorndraaidam Nature Reserve provides opportunity for angling, water-sports, hiking, camping, bird-watching and off-roading. Hiking, 4x4 trails and camping can also be enjoyed at Thabaphaswa, the black and white mountain, where the Mashashane Dancers frequently perform. Many 30, 40, 50 pounders and a new specimen record of 65 pounds was caught in 2008.

- ❖ **The Percy Fyfe Nature Reserve** situated approximately midway between Polokwane and Mokopane is a breeding station for protected species like roan, tsessebe and Addo buffalo. Camping and hiking is permitted in the reserve. Percy Fyfe is current just used for breeding purposes and there is not much tourism taking place in that nature reserve, however it still presents opportunity to be developed in to a viable tourist destination with game viewing, overnight facilities, guided trails, camping sites etc. Furthermore, its location closer to the railway line presents an opportunity for train trips from Mokopane to the nature reserve for game viewing.
- ❖ **Witvinger Nature Reserve** this is a small 5,203 hectares reserve containing many species of flora and fauna. It is certainly worth a visit for any nearby traveller.
- ❖ **Touchstone Game Farm**, a natural heritage site, lies in the north western section of the Waterberg Biosphere Reserve, a privately owned nature conservancy of some 100 000 hectares dedicated to preserving and protecting the delicate ecosystem and preserving the natural heritage of the area. Only three hours' drive from Johannesburg, this part of South Africa nonetheless responds to an entirely different drum beat - the rhythm of the African bushveld. This Game Farm is currently not operational.

Although listed as part of Mogalakwena, the Wonderkop Nature Reserve and the Doorndraai Dam Nature Reserve are located on the immediate borders of the municipality, with the former located on the northern border of the municipality with the view of the Glen Alpine Dam, which is currently used for fishing, irrigation and domestic water supply, and the latter is located on the southern border in the vicinity of the Doorndraai Dam which supply water to Mokopane.

Though there are a number of protected areas in the municipality, an effort should be made to increase this and to educate the people of Mogalakwena about the value of conservation. A number of the tourism resources of the Mogalakwena area are controlled by entities/ groupings outside of the Mogalakwena area. Examples of such tourism resources are:

- ❖ The game breeding centre, that is under the control of the National Zoological Gardens in Pretoria;
- ❖ Makapan Valley, that is under the control of the Limpopo provincial Department of Economic Development, Environment and Tourism and UNESCO; and
- ❖ Masebe, Doorndraai Dam and Percy Fyfe nature reserves that fall under the Limpopo Tourism and Parks Board.

Despite being controlled by outside entities, these tourism resources are important for the tourism development of the area, and as such an effort should be made to influence/lobby the outside entities to develop them in accordance with the Mogalakwena tourism strategy.

Other attractions Within Mogalakwena Local Municipality are:

### **Arend Dieperink Museum**



Located at 97 Thabo Mbeki drive, Mokopane, The Arend Dieperink Museum contains a valuable cultural-historical collection of Voortrekker and Sotho artefacts, and is housed in a graceful stone building originally built as a school. The museum portrays the history of the town and its surroundings from the time of the ape-men at Makapan's Cave, right through to the Anglo-Boer War and recent times. The exhibit includes a replica of a typical bosveldhuis, the type of dwelling in which the white farmers lived. Demonstrations are available on request. Piet Potgieter's grave lies within the municipal office enclosure. The Makapansgat: Caves through the Ages exhibition is a display on the nearby Makapans caves in the Makapans Valley World Heritage Site.



**The Game Breeding Centre**



The centre is ideally situated on the northern outskirts of Mokopane, only 2 hours drive from Pretoria. The centre is home to a wide variety of wildlife species originating from Africa, South America and South East Asia. These animals are all accommodated in individual enclosures, breeding camps and a game reserve, all within an area of 1300 hectares

**Makapan Valley Cave**

Visits to the fascinating Makapans Valley World Heritage site must be arranged in advance by contacting the Mogalakwena Bushveld Community Tourism Association



**Kieriekapper Art Festival**

A central festival terrain (free entrance) offers more than 140 art related stalls and festival cuisine, the Klipdrift-stage, a tavern and a children's entertainment area.

The Mutual & Federal Agri Kieriekapper Arts Festival takes place from Monday, 4 until Monday 6 Wednesday August 2011 in Mokopane

Attractions within the Waterberg Meander of the Biosphere Reserve within Mogalakwena Municipality Include:

**Telekishi Ramasobane Hospitality**



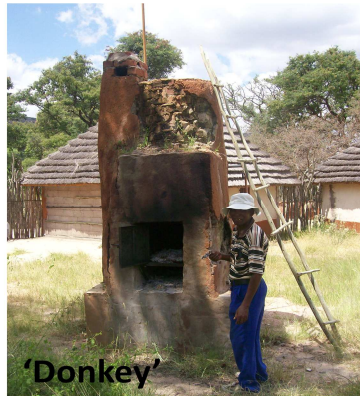
Telekishi is a community tourism project situated on communal land adjacent to Masebe Nature Reserve. Nestled at the base of the north-eastern Waterberg escarpment, the site has access to this pristine and inaccessible landscape with breathtaking views and impressive geo-morphological forms. Features include 1.5 and 3 hour hikes along the escarpment to view middle stone age tools, san rock art, 18-19<sup>th</sup> century iron age settlement sites and an initiation site. There is excellent birding along the nearby Mogalakwena River and educational visits to a restored wetland as well as donkey tours into the local village

can be arranged. There is also a very good example of classic rock art site close to Telekishi at Masebe Nature Reserve, to which guided visits can be arranged. The site has a massive overhang and access is gained by an iron walkway. The site is important for it portrays not only rhino and elephant but also feather-like forms, antelope in white and yellow and red, humans in red and a row of at least nine faint humans in painting 10m long. The rhino painting were executed by both the large agriculturalists, the ancestors of the Northern Sotho people and the san (Bushmen).





In addition at Telekishi cultural dance and oral histories are offered by trained site guides and members of the co-op. In particular, they can relate the story of a tragic encounter in 1858 between a Boer commando and Ndebele of Langa on the nearby hill of Magagamatala, the cliff face of which drops a sheer 250 meters into the Mogalakwena River and is easily visible from the visitor centre.



Telekishi offers simple but comfortable overnight accommodation for up to 16 people (four beds per room) with complete self catering facilities. In addition exhibits of the history, archaeology, geology and rock art of the site and its surrounds, as well as the Waterberg Biosphere Reserve and restoration of wetland, can be seen. The centre is built in an enchanting traditional Pedi style, with earth covered walls, enclosed courtyards, eco-toilets and ridged thatching. It is decorated using local techniques in patterns of coloured soils and cow dung. Also of great interest is the traditional geyser known as 'donkey' which uses fire wood to boil water and it is connected to the hot water tabs in the units.

This destination offers truly memorable and high educational experience. Apart from its appeal to the Meander traveller, it is ideally suited both for school groups wishing to be exposed to a rich and varied, yet safe, natural setting, and also for local and international groups seeking to do community work in an authentic rural setting where there are tremendous educational and developmental needs.

**The African Ivory Route.** Located within the Waterberg Biosphere Reserve. This route extends throughout Limpopo, it consists of various attractions and camping facilities.

### Mamatlakala Village



The first of 26 communities villages to be found within the present boundary of the Waterberg Biosphere Reserve, is situated at the base of the impressive man-made Kloof Pass. Mamatlakala is a typical rural village in a former Bantustan where, despite the pastoral setting, a very low proportion of household income is generated from the land. Migrant remittances, old age pension, child support grants and local formal and informal non-agricultural employment make up the vast proportion of local income, but these are safe and healthy environments for bringing up children, spending time between job searches and ultimate retirement. The villages extend in a continuous line through to Masebe, bounded by the mountain

range in the south west and the Mogalakwena river in the north east.

### Pedi Potters



The art of pot making in the Waterberg goes back hundreds years as revealed by extensive archaeological research conducted over the past two decades. This ancient craft performed by the women of past cultures is a key element in the building blocks of today's archaeology knowledge, throwing light on who they were and their past.

Here in Waterberg on the farm Rhenosterfontein (Rhino fountain), the age old tradition of pot making is continued by an 80 years year old 'pedi' woman Anna Moshede, with assistance of her daughter and grandchildren. They collect the natural clay, moulds the pots, decorates and fires them in a ground oven adjacent to their Pedi styled home. Additional styles have also been taught and a mobile kiln used to fire pots. A variety of pots for sale and the opportunity to meet Anna is Possible

### Kloof Pass

Here you are afforded a view of the road snaking up the pass. This daunting engineering feat was completed in 1988 and provides the traveller with an intimate view of the internal rock structure of the Waterberg plateau. Be on the lookout: the freshly cut cliff face provides excellent exposures of the internal structures of the sandstone massif. The combination of nearly horizontal lines and short, accurate traces on the rock face serves to indicate that the rivers that brought the original sediments to this area almost 2 billion years ago came from a highland to the north-east, on their way to a sea or lake in the south-west.



The lines were caused by downstream migration of ripples (note that the straight vertical grooves were caused by drills during construction of the pass). Exercise caution on this scenic and interesting pass; do not alight from the vehicle except at designated lay-byes as there are numerous blind spots.

### Amphitheatre



During the rainy season water may be observed cascading down these impressive valleys to the Mogalakwena River, the stronghold of the crocodile. Jan Christian Smuts, Prime Minister at the time of the Union of South Africa, was desirous of setting aside the entire area between Mogalakwena and Palala Rivers up as far as the Limpopo as a national protected reserve.

### Elandskuiling Pass



This little-known pass was established before the Kloof Pass and served farmers and the communities of Bakenberg travelling between the bushveld low-lying region and interior. It provides excellent views back into the community countryside and further up as the road bisects the 28 000 ha Moepel Wilderness area.

### Moepel Wilderness

The Moepel Wilderness stretches across an area of 28,000ha on top of the escarpment. Observe the extreme wilderness nature of this huge block of land where roads and infrastructure do not exist. As part of the Biosphere Reserves' ongoing commitment to rural development, this area is earmarked for community based rustic, environmentally-sensitive eco tourism development.



### Waterberg Red Beds



The Waterberg rocks provide us with the oldest evidence on earth of the presence of enough free oxygen in the atmosphere. This enabled rusting of iron to begin to occur for the first time, at around 1900 million years ago. The rusted iron particles trapped in the sandstone of the Mogalakwena formation caused the Red coloration of the rocks- hence they are called 'red beds' by geologists- and make these rocks so important in understanding the history of the planet.



### Magagamatala

Magagamatala (1 247m) is the local name given to the large impressive sandstone buttress that defines the southern boundary of the Masebe Nature Reserve. The name refers to the green coloured lichen clinging to the 300 metre-high cliffs that tower above the meandering Mogalakwena River.

In 1854, fourteen Boer settlers under the leadership of Hermanus Philippus Potgieter, were massacred at a place known as Fothane in a region of present day Bakenberg. After the massacre, Chief Mankopane and his followers retreated to the summit of Magagamatala for safety from possible reprisal from the boer. After various skirmishes, the stronghold was breached in 1858 on two sides, resulting in great loss of life in the ensuing crossfire. Altogether some 800 people died with at least half falling to their deaths off the extreme cliff faces visible from the road

On the west side of the road, the local Telekishi community has established a visitor centre and will provide a guided tour of this historic site.



### Conglomerate Geology



There are fine exposures of Waterberg sedimentary rocks in this area, especially along the Telekishi Trail. Although sandstone a rock formed by the deposition of fine river-borne sand, constitutes the main rock type throughout the Waterberg, these lower levels also contain several impressive layers of conglomerate. This is a coarse rock, made up of rounded cobbles of varying composition that have been cemented together. It is formed by rivers flowing at high speed (for example down a mountain slope or during a flash flood), when there is enough energy in the water to transport and tumble large fragments of rock, and deposit them in bends, or along the sides of the river. A formal local community project here involves the collection sorting and bagging of these pebbles that have been eroded from the conglomerate, and sale to nurseries and landscape gardeners in Gauteng.

### David Livingstone Memorial

A National heritage monument marks the site where in 1847 David Livingstone rested in a grove of Ana trees (*Faidherbia albida*); a journey he and his wife undertook from his mission station at Kolobeng in Botswana to Rustenburg and then upwards to present day Mokopane and along the Mogalakwena river. These trees are unique for they occur nowhere in the Waterberg.



Other attractions include:

- ❖ Makapan old village
- ❖ Old Anglo Boer war memorial
- ❖ Battlefield
- ❖ Telekishi rock painting
- ❖ Visitors with an artistic drive will find much to enjoy at the **Johann Koch Art Gallery** in town, the well-known wildlife artist can be met and his latest works viewed. Art workshops at the Mabothe River Camp in the Waterberg Mountains offer a variety of practical art courses.
- ❖ Visit the Mokopane Platinum Mine or the Klipspringer Diamond Mine (slightly outside Mogalakwena LM). Tours can be arranged through the Tourism Association.
- ❖ **Entabeni Safari lodge**. Offers gaming and other interesting activities, as well as a unique golfing experience with the 19<sup>th</sup> hole called "extreme 19" situated on a mountain, one has to use a helicopter to get to the 19<sup>th</sup> hole.

- ❖ **Pro Travel** is the only travel agency in Mokopane and no tour operators exist within the municipality.
- ❖ **Golf course** in town along the sports grounds,
- ❖ **Private Game Farms.** Mogalakwena boasts world class private game farms, e.g. Ellen Private game farm. Despite being sparsely represented, hunting is quite a huge activity within Mogalakwena LM, however many of the hunting facilities are not registered with any organisation. Facilities could opt for the DEAT hunting exemption whereby for example, 3 nights in a year are open for hunting, however people providing hunting activities should register. There are about 90 farms within Mogalakwena exempted for game hunting, game farming and game capturing. See **Annexure D** for list of game farms with game permits for game capturing and hunting. Hunting is mainly a recreational activity or utilised to cover costs by some game farming facilities.
- ❖ **Annual Events** in Mogalakwena
  - Starting with a 3 in 1 Marathon - February
  - Bushveld Show - March /April
  - Bushveld Musical Festival -June
  - Kameeldoring Golf Tournament - September
  - Biltong Festival - October
  - Bushveld Golf Classic –November
  - Kierieklapper Arts Festival August

Mokopane boasts various well known restaurant brands as well as exclusive or privately owned restaurants, such as:

- ❖ KFC
- ❖ Nandos
- ❖ Maxis
- ❖ O'hagans
- ❖ Dros
- ❖ Chicken Licken
- ❖ Die Zebras
- ❖ Jenets
- ❖ La Bamba
- ❖ Oaks Pub and Grill
- ❖ Die Koffie Boon
- ❖ Desserts Sand Restaurant
- ❖ Parrots sports bar

As aforementioned, visitors to Mokopane have a wide range of options when it come to accommodation.

The majority of the accommodation establishments are located within Mokopane and the surrounding areas along the major roads and nature reserves. There are no accommodation establishments listed outside of Mokopane, especially in and around the villages, except for those within nature reserves.

Accommodation bookings could be done directly at the establishment or through the private booking agency [www.Potgiterus-Mokopane.com](http://www.Potgiterus-Mokopane.com), which charges a 10% commission for bookings. However, the tourism information office which is linked to the Mokopane Business Chamber, does not make reservations for clients, it only disseminates information to tourists, especially for their members.

The **Orinoco hotel**, is the oldest establishment in Mokopane. It was established in 1958 to accommodate Zimbabweans and travellers from Botswana en route to South Africa. Its services were of a high standard and the hotel prides itself on maintaining a clean establishment at all times. The South African Grading Council graded the Orinoco Hotel with two stars. The Orinoco Hotel is located in the

central business area of Mokopane. However the Hotel has since been closed and the establishment renovated and now renowned as the Mokopane Lodge under new management.

Other overnight facilities range from hotels, lodges, B&B, Guesthouses to camping/caravanning, hunting, hiking facilities. Listed below are the various accommodation types in Mokopane and the surrounds as per the Mokopane Business Chambers and Mokopane accommodation private booking agency website:

#### **Hotels**

- ❖ Loney Oak Hotel
- ❖ Protea Park Hotel

#### **Guest Houses and B & B's**

- ❖ at Peace Guesthouse
- ❖ Ananza Guest House
- ❖ At Marula Overnight
- ❖ Anlou Guest House
- ❖ Baobab Farm Cottage (Marnitz)
- ❖ Ettrich Game Farm & Guesthouse
- ❖ Gig Guesthouse
- ❖ Jaagbaan Guest House
- ❖ Koos se Tonteldoos
- ❖ La Perla Guest House
- ❖ Lantern Herberg
- ❖ Lapa Nyalange
- ❖ Limpopo Wildflowers
- ❖ Leomaritia Guesthouse
- ❖ Mon Repo B&B - "My Rusplek"
- ❖ Mountain View
- ❖ Oorlogfontein Guesthouse
- ❖ Rustic Rest Guesthouse
- ❖ Seba Cottage
- ❖ Sleep & Go Accommodation
- ❖ Spitsplaas
- ❖ Suikerbekkie
- ❖ Tachiro Guest Farm
- ❖ Thaba-ya-Metsi Country Estate
- ❖ The Guest House
- ❖ The Platinum Guest House
- ❖ The Swallows B&B
- ❖ Travelers B & B
- ❖ Uitloop Tuishuise
- ❖ Wag "n Bietjie Holiday Farm (Tolwe)
- ❖ Weestuis Bed & Breakfast
- ❖ Andrus Self catering Guest house
- ❖ Big5 Guest House
- ❖ Elcado Country Guest house
- ❖ Die Kroon Self catering Guest house
- ❖ 199 Fourie Bed and Breakfast
- ❖ Lutea Guest house
- ❖ Tree Aloe Guest house
- ❖ Sanbonani Guest house and Conference
- ❖ Lallas Cottage Guesthouse B&B
- ❖ Kameeldoring Gastehuis

#### **Lodges**

- ❖ Lonely Oak Lodge
- ❖ Mabote River Camp
- ❖ Monate Ruskamp / Rest Camp
- ❖ Oasis Lodge
- ❖ The Bushveld Lodge
- ❖ Wonderhouse Lodge
- ❖ Mokopane Lodge
- ❖ KEM Lodge- Tibane Lodge

#### **Game & Nature Reserves**

- ❖ Bundox Bush Camp
- ❖ Crocuta Game Lodge
- ❖ Doorndraaidam Nature Reserve
- ❖ Entabeni Game Reserve
- ❖ Ettrich Game Farm
- ❖ George Masebe Reserve
- ❖ Klippan River Lodge (Tom Burke)
- ❖ Leshoka Thabang Game Lodge
- ❖ Malapati Game Farm
- ❖ Mokopane Game Breeding Centre
- ❖ Ndegi Game Ranch
- ❖ Percy Fyfe Nature Reserve
- ❖ Shikwaru Game Lodge
- ❖ Shingelane Lodge
- ❖ Vista Vistas Game Reserve
- ❖ Willowbrooke Game Ranch

#### **Hiking**

- ❖ Amatava Adventure Trails
- ❖ Entabeni Game Reserve
- ❖ Malapati Game Farm
- ❖ Mabote River Camp
- ❖ Mokopane Game Breeding Centre
- ❖ Ndegi Ranch
- ❖ Telekihi Ramasobana Hospitality
- ❖ Thabaphaswa Hiking Trails

#### **Caravan Park / Camping**

- ❖ Limpopo Caravan Park
- ❖ Mabote River Camp
- ❖ Mokopane Game Breeding Centre
- ❖ Ndegi Ranch
- ❖ Nyl River Bush Camp
- ❖ Thabaphaswa
- ❖ Tibani Lodge

#### **Hunting**

- ❖ Bosveld Jagters Vereeniging
- ❖ Ditholo Game Ranch
- ❖ Tumuga Hunting & Game Lodge



### 6.3 Tourism initiatives, gaps and opportunities

As in every tourism orientated environment, Mogalakwena Municipality also has potential development and investment opportunities that would enhance the tourism stance of the area as well as gaps that need to be address in order to capitalise on the tourism offerings and opportunities presented in the area.

Firstly it is relevant to note that a detailed tourism strategy exists with various initiatives and projects identified. The Tourism Strategy (2008) identifies the following strategic thrusts that the municipality could focus on, namely:

- ❖ Use Mogalakwena's natural environment as a canvas for tourism development to attract a variety of visitors
- ❖ Position Mogalakwena's people and culture as a the differentiating factors for enhancing any visitor's experience, and
- ❖ Maintain the affordable nature of Mogalakwena's tourism product offering

The Mogalakwena Tourism strategy 2008 identified a number of tourism projects that could be implemented to develop tourism resources in Mogalakwena to support the tourism products that may attract visitors. These potential projects focus on tourism resources, basic facilities and infrastructure, tourism facilities and services and leisure activities.

#### **Tourism resources:**

- ❖ The development of a cultural tourism attraction in Bakenberg, where the cultures of the area can be reflected, and where the historical significance of the area as a meeting place for the tribal leaders can be brought to life;
- ❖ The tourism stakeholders of Mogalakwena should form an active part of and influence the provincial efforts to develop the Makapan Valley WHS;
- ❖ Upgrade the road in remote areas for easy access to tourist establishments such Masebe Nature Reserve, Telekishi Ramasobane Hospitality and the Moepel farms
- ❖ The tourism stakeholders of Mogalakwena should lobby for the commercialisation of the Masebe, Doordraaidam and Percy Fyfe Nature reserves with Limpopo Tourism and Parks Board, and provide input in respect of the request for proposals in order to ensure that the type of developments taking place in the reserves are aligned to the Mogalakwena tourism strategy;
- ❖ Conduct research on the history and cultures of the Mogalakwena area to inform the development of new cultural tourism experiences;
- ❖ Develop a language school for the northern Ndebele language which is becoming extinct where visitors have the opportunity to learn about the language;
- ❖ Upgrade and enhance the Arend Dieperink Museum;
- ❖ Develop a mining interpretation centre where the various mining activities in the area can be showcased;
- ❖ Develop farm stalls where the produce of the area can be bought; and
- ❖ Identify locations within the Waterberg mountains where hard adventure activities can be undertaken and make these accessible to the public or adventure operators.

#### **Tourism Infrastructure and services:**

- ❖ The tourism stakeholders of Mogalakwena should lobby with Limpopo Tourism and Parks Board for family resorts to be established in the various nature reserves in the municipality;
- ❖ New restaurants and eating places reflecting the cultures of Mogalakwena should be developed throughout the municipal area; and
- ❖ The current transport providers in the area, including taxis and buses, should be engaged to become more tourism friendly.

- ❖ Roads: For the R101 to be marketed as a tourism route from Bela-Bela to Polokwane, this road should be maintained in excellent condition so as to encourage visitors to use it as opposed to using the well-maintained N1 toll road. RAL should be lobbied to upgrade sections in need of upgrading and to maintain the road in a good condition. Roads leading to tourism attractions, accommodation establishments, places of interest, event venues, etc. should be given priority when carrying out maintenance and upgrading plans. However, we believe that some roads/routes should be earmarked as 4x4 tracks and marketed as such. The access road to Makapan is currently not in a very good condition, and this should be improved if more visitors will be encouraged to go to this World Heritage Site. The main street in Mokopane is also in need of upgrading, and an effort should be made to keep the main thoroughfares (the R101 and N11) neat and.
- ❖ Signage has to be addressed throughout the municipality. Directional signage should carry the appropriate names, where applicable. In particular, an effort should be made by lobbying the South African National Roads Agency Limited (“SANRAL”) and the Roads Agency Limpopo (“RAL”) to ensure that all signs bearing the name Potgietersrus are replaced with signs indicating the name Mokopane. Incorrect signage has a significant negative impact on the perception of a destination, as it results in visitors being confused and getting lost. Further, directional signage to tourism attractions, farm stalls, places of interest and accommodation establishments throughout the municipality should be reviewed and upgraded where applicable. Signage should be consistent from all directions.
- ❖ It is recommended that public ablution facilities be provided at the tourism information office. This will encourage visitors to stop there, and provide the information office staff with the opportunity to tell them more about the area.

#### **Basic facilities and infrastructure:**

- ❖ The railway line traversing the southern part of the municipal area could be used for passenger rail trips into the area, though the Mokopane station will have to be upgraded. The railway runs through the Percy Fyfe Nature reserve, which could provide visitors with an interesting rail experience in the area.

#### **Leisure activities:**

- ❖ Develop and package a variety of general day tours of the area that include visits to a number of attractions. One example of such a tour could depart from Mokopane, include a visit to the Percy Fyfe nature reserve and a stop at the game breeding centre;
- ❖ Develop special interest tours of the area that can provide visitors with a more in-depth experience of a particular topic, for example, a special interest birding tour would include visits to those locations where visitors are likely to encounter the special and unusual birds of the area, and the tour guide would have an in-depth knowledge of birds;
- ❖ Develop soft and hard adventure activities in the area;
- ❖ Develop activities and tours for school groups, such as a visit to the Makapan Valley to learn about the history of the area;
- ❖ Develop a morning train trip from Mokopane to the Percy Fyfe nature reserve where passengers are picked up for a game drive in Percy Fyfe, provided with a late morning brunch and then return to Mokopane by train;
- ❖ Develop interesting events in the area, such as story-telling events that give visitors the opportunity to experience the cultures in the area through their stories, or the re-enactment of the battle between the Ndebele and the Voortrekkers at Makapan, biltong-making and cooking events at the time of the Biltong festival, etc; and
- ❖ Develop entertainment facilities for the youth, which could attract both the local youth and those

visiting with their families. Research should be conducted among the youth to ensure that the facilities address their requirements.

Some gaps, challenges and constraints facing tourism in Mogalakwena include:

- ❖ Limited resources – financial and human resources
- ❖ Uncoordinated marketing efforts
- ❖ Limited availability and accessibility of industry statistics
- ❖ Underdeveloped tourists attractions
- ❖ Lack of tourism signage
- ❖ A lack of packaging and marketing of Mogalakwena’s tourist products and services, and the lack of a unique identity keep the current tourist facilities off the maps.
- ❖ Slowness in developing Makapan Valley as a key attraction in the Municipality.
- ❖ Lack of a strong tourism association. The Business Chambers is taking the responsibility of a tourism association, however it is not sufficient, more needs to be done in this regard.
- ❖ The Museum does not have any cultural and heritage representation of the local villages. It needs major upgrading and modernisation.
- ❖ Lack of a central marketing tool that will enable facility owners to have a fair share of marketing their business
- ❖ The Waterberg District Municipality (WDM) is a unique part of South Africa, which from a tourism point of view, has not yet capitalised on its full potential as a destination. Although the region is a growing destination, it is recognized that greater inroads into the sizable domestic market and the high yield international market could be made
- ❖ The tourism office in Mokopane is currently operated through the local chamber of commerce. Some of the issues faced by Community Tourism Associations (CTA) as referred to in the Waterberg Tourism Strategy 2006, that need to be resolved by tourism institutions/bodies include:
  - Limited participation by municipal authorities involved on CTA committees;
  - Budgets provided by municipality’s were often not sufficient to support all CTA activities;
  - The majority of participants in the tourism industry had a silo approach and did not see the “big picture” tourism view – education in this regard was viewed as a priority;
  - Greater levels of communication between CTA’s was required in order to share information, product knowledge and identify cross marketing opportunities;
  - A greater understanding of the roles and responsibilities of public and private sector was requested;
  - Illegal signage was viewed as an issue that reduced the aesthetic appeal of certain areas;
  - Poor communication between provincial and CTA bodies was raised as an issue, particularly for example in the organization of events and meetings. It was felt that sufficient lead times were not provided and local service providers were therefore not given an opportunity to provide services and responses of the quality desired;
  - Private sector individuals do not work together and there is a requirement to educate them;
  - There is a reluctance on the part of some stakeholders to transform;
  - Municipal services (i.e. Litter management) require improvement;
  - Events and tourism activities organized have a Eurocentric focus and opportunities to Penetrate emerging markets must be exploited.
- ❖ Poor road network to attractions and poor signage
- ❖ Limited facilitation of township and cultural tourism in the villages.
- ❖ Untapped tourism opportunities of the Mogalakwena river. Recreational fishing is currently the only activity taking place at the river. However the river is seasonal, it could go for over 4 years without water.
- ❖ Mokopane is currently viewed and used as a stop/ sleep over for travellers to other areas.

Mogalakwena LM has various strengths which gives it a comparative advantage and distinctiveness as a preferred tourism destination and an investment potential, namely:

- ❖ Located 2 hour from PTA/JHB
- ❖ Stopover for tourists to the rest of Limpopo and Africa
- ❖ Unspoilt tourism terrain-(Waterberg Biosphere)
- ❖ Mogalakwena River
- ❖ Located  $\pm 70$  km to Polokwane' Gateway Airport
- ❖ Numerous nature reserves
- ❖ Home to world heritage site-Makapan Valley
- ❖ Eco-tourism and adventure tourism destination
- ❖ Big five presence
- ❖ Untapped tourism potential
- ❖ Less crime
- ❖ Close proximity to Botswana boarder, Groblers bridge
- ❖ Rich heritage and diversity of cultures
- ❖ Scenic beauty, mountainous
- ❖ Gateway to Limpopo and Africa
- ❖ Home to one of the biggest mines in the Southern Africa, Potgietersrus Platinum mine.

Numerous opportunities for development include:

- ❖ Tourism should be a standalone unit and obtain the focus it deserves. There needs to be a cohesive driving force to coordinate meetings and ensure communication between stakeholders
- ❖ It is strongly recommended that Makapan Valley be developed as it could open many more positive opportunities for the municipality, if it is marketed as the municipal draw card.
- ❖ Mogalakwena should be market as a niche market.
- ❖ There is a need for a tourism exhibition for all tourism business owners to come together. Mogalakwena LM is the only municipality within the Waterberg without such event.
- ❖ Investigation of agri-tourism potential within Mogalakwena
- ❖ Prioritise environmental conservation. Adventure and eco tourism is big in Limpopo and attracts international clientele. It is believed that there are various tourism projects that could be identified and implemented. E.g., adventure/eco route, cultural/ heritage tourism
- ❖ Prioritise a improved tourism profile. A lot of effort is still needed with regards to putting Mogalakwena on the map as one the tourism destinations. One of the main projects in this programme will be the development of a centralised website for tourism facilities and activities in Mogalakwena LM, as well as linkages with some of the established platform such as Go-Limpopo. This also include enforcement of programmes that removes illegal signage and replace them with legal ones
- ❖ Furthermore some priority projects identified included
  - Develop Makapan Valley World Heritage Site
  - Gathering statistical information on visitors profile
  - Tourism Expo for tourism stakeholders
  - Upgrade of the museum. It needs to be modernised, as many of the items on display are outdated.
  - Commercialising of provincial reserves
  - Erect fence around Mogalakwena River to eliminate waste dumping
  - Encourage PPP and share tourism wealth
  - Facilitate the development of fishing activities

- ❖ Development of central marketing tools which could include all tourism related activities and facilities within Mogalakwena, such as website, brochures.
- ❖ There are resources and infrastructure available which contributes to the development potential in this sector in Mogalakwena. Community tourism is becoming increasingly popular, with tourists wanting to experience South Africa in the many rural villages and townships across the country.
- ❖ Opportunities for the future development of tourism could possibly be found in Mogalakwena, such as bush camps and the future trend of cultural group tours with an educational basis. The 'big five' is already present in Mogalakwena. Development potential within the tourism industry include increasing:
  - arts and craft SMMEs,
  - new tourist routes,
  - attraction development,
  - education and training of tour operators,
  - establishment of travel agents and tour operator training.
- ❖ The location of Mogalakwena makes it a convenient stop-over point for tourists travelling to the rest of Limpopo and Africa. It is situated near Polokwane and provides a unique blend of tourist opportunities.
- ❖ Mogalakwena is ideal for bird watching enthusiasts, hikers, 4x4, camping and game drives. Potential for development of birding route. Down Mogalakwena toward Hokdoring and in various Mogalakwena wetlands, it is said that a variety of birds species converge there from different region, as far as the Europe.
- ❖ Statistical information gathering. Once a year a study could be commissioned to visit tourists attraction to obtain occupancy rates, visitors profiles, bed nights and confirm existence of the establishment. The benefits should be clearly defined so that business owners do not feel like they are being neither interrogated nor investigated for other purposes such as tax etc.
- ❖ Nature conservancies, guest farms and holiday destinations will attract a growing number of visitors to the region. The proximity of the Waterberg to the major population centres of Gauteng will become an important factor in the planning of holidays and weekend breaks in the future. The Waterberg is ideally placed to take advantage of such trends.
- ❖ The development of shareblock investment opportunities will bring added capital and employment. The more recent trend towards golf estates will increase the number of visitors to the many resorts and conservancies.
- ❖ The Waterberg will continue to attract tourism investment as a conference destination, offering the additional attractions of privacy, wildlife conservancies, scenic beauty, golfing venues and spas.
- ❖ The emphasis should be on the training of people within the tourist industry, marketing the area's tourist attractions in unique "nowhere else to find" tourist packages and in developing a tourism identity for the area. E.g, Mogalakwena is rich in heritage and culture, natural landscapes (mountain), donkey carts as source of transport, Makapan Valley, belt of Marula trees etc.
- ❖ The Nyl river passes close to the town and is symbolic of the flow of life. The Nyl river is known as the Mogalakwena River amongst local residents, meaning the river of the crocodile. The river provides opportunity for the development of water sport activities linked to existing tourism activities in the area e.g angling, boating but the area should not be marketed as water sports den due to the seasonality of the river.
- ❖ Education tourism is currently big, which is associated with youth tourism. This could be done through involving youth in training programmes and allowing them to take the lead in activities such as tour guiding etc.
- ❖ Undertake a feasibility for the development of Agri-tourism potential within the municipality, some of the possibilities include:



- Mushroom farming south of the municipality outside town- Sterkrivier
- Rival of citrus in Zebediela
- Flowers at Percy Fyfe
- ❖ Engage with farmers to allow visitors over weekends
- ❖ Promote business tourism through encapsulating establishments in the same line of market to establish partnership, as well as introduction of exchange programmes with provinces/ municipalities that are deemed successful in tourism development, e.g. Kwazulu Natal.
- ❖ Facilitate the development of a tourism club similar to the Limpopo Tourism Club concept, aimed at creating linkages amongst tourism stakeholders within Mogalakwena i.e a number of service providers come together to make a visitor's experience memorable through engaging each others expertise and know-hows to service visitors.

## 7 Summary of major constraints and strengths

Key constraints facing the economy of Mogalakwena are:

- ❖ N1 bypasses the Mokopane
- ❖ Water scarcity
- ❖ Large area affected by land claims with poor facilitation and management of land restitution initiatives
- ❖ High level of unemployment/poverty
- ❖ Lack of skilled labour mainly amongst the youth, women, and people with disabilities
- ❖ Limited local beneficiation
- ❖ Limited sector/business linkages
- ❖ Lack of business support, investment opportunities and investment incentives
- ❖ Untapped tourism potential and undeveloped tourist attractions
- ❖ Signage/ facade of town
- ❖ Lack of institutional capacity (linked to service delivery)
- ❖ Market entry barriers for emerging entrepreneurs
- ❖ No investment and retention strategy
- ❖ LED projects often collapse
- ❖ No co-ordination and alignment of activities amongst institutions
- ❖ Lack of planning to accommodate mining developments

Key strengths:

- ❖ Mokopane provincial growth point
- ❖ N11 linkages with Botswana/Zimbabwe
- ❖ Richly endowed with mineral resources with numerous untapped opportunities
- ❖ Mogalakwena area is one of the main production areas of platinum in the Province
- ❖ An area of great natural beauty rich with natural resources
- ❖ Internationally recognised Biosphere Reserve
- ❖ Makapans Valley World Heritage site
- ❖ Vacant industrial space
- ❖ Numerous government owned land parcels
- ❖ Labour availability
- ❖ Numerous opportunities for agri-processing and mineral beneficiation



5  
Section  
LED Strategy framework

The purpose of this section is to set out the local economic framework which will guide local economic development within Mogalakwena Local Municipality. This section sets out the shared strategic direction, which enables the Municipality to facilitate development in a coordinated and structured manner. The framework thus enables local communities, business and private sector partners, local government and non-governmental organisations the opportunity to work together towards a shared vision and strategy for local economic development, allowing economic growth and job creation and enabling the achievement of set targets.

## 1 Strategic path

Envisioning “Where we could be?” is one of the most inspiring exercises of a strategic planning process. By grounding the visioning process with information from the situation assessment, communities can dream the attainable. More importantly, the community can then set about making it happen by developing economic objectives that guide decision making to reach the vision.

If Mogalakwena local municipality is to respond to local development problems, it needs to establish a clear vision and objectives to tackle these issues. The LED strategies can then be used to assist in the meeting the objectives.

The **vision** of Mogalakwena Municipality is (Mogalakwena Municipality, 2010/11 IDP Review):

**“To be a community-orientated local authority committed to sustainable development and affordable service provision”**

The **mission** of Mogalakwena Municipality is (Mogalakwena Municipality, 2010/11 IDP Review):

**“Mogalakwena Municipality is committed to provide and sustain basic services in an affordable manner to its people by/through:**

- ❖ Ensuring that there is effective stakeholder and community participation in the IDP and budget process
- ❖ Ensuring the efficient and effective utilisation of all available resources; and
- ❖ Promoting social and economic development”

The **value system** of Mogalakwena Municipality is (Mogalakwena Municipality, 2010/11 IDP Review):  
**“Driven by the needs of our communities, Mogalakwena Municipality will respect and uphold the Constitution, uphold the Code of Conduct for Councillors and Officials, ensure sound financial management, and uphold the Batho Pele principles.”**

The Mogalakwena Municipality, 2010/11 IDP Review also provides various strategic guidelines for Local Economic Development. These are listed hereunder:

**Motivation:**

The achievement of IDP objectives is largely dependent on local economic development. Strategies should incorporate elements of LED/economic promotion strategies.

**Relevant guidelines and principles:**

- ❖ Poverty alleviation through creation of employment opportunities by primarily utilising local resources;
- ❖ Introduction of LED support programmes through strategies;
- ❖ To give financial support to projects that will lead to poverty alleviation;
- ❖ To give financial support to projects that will promote the empowerment of women.

**Application of principles:**

- ❖ The consideration of employment creation possibilities for municipal projects;
- ❖ The advancement and facilitation of development of local economic potential;
- ❖ LED projects should aim at alleviating poverty;
- ❖ LED projects should promote the empowerment of women

The **LED & unemployment objective** of Mogalakwena Municipality is (Mogalakwena Municipality, 2010/11 IDP Review):

**“Support the reduction of unemployment rate by half in Mogalakwena Municipality by 2014.”**

The LED strategic guidelines of Mogalakwena Municipality are (Mogalakwena Municipality, 2010/11 IDP Review):

- ❖ Create an environment conducive to economic development
- ❖ Develop & monitor implementation of SMMEs policy
- ❖ Develop & implement a tourism strategy
- ❖ Develop & implement mining strategy & agricultural strategy
- ❖ Encourage labour intensive projects
- ❖ Support small-scale mining development
- ❖ Develop Incentive Schemes Strategy
- ❖ Intensive skills development program for the municipal area
- ❖ Implement ,monitor, and evaluate LED strategy
- ❖ Re-orientate and capacitate the LED Division
- ❖ Empowerment of special groups
- ❖ Encourage participation in the sustainable livelihood approach

## 2 Strategic thrusts

The LED framework is based on the unique comparative and competitive advantages of the location and the specific opportunities it presents as identified in the preceding sections. In order to capitalise on these advantages and to increase the local community benefit and enhance the competitiveness of the Municipality the opportunities identified in the previous section are grouped into thrusts. Thrusts are defined as: "Planned actions aimed at creating impetus and a critical mass in the local economic environment in order to generate momentum in the economy".

Within these thrusts, numerous programmes have been identified which concentrate the attention on specific areas of development, which support the overall goals set by the thrusts. Each programme further comprises specific development projects, as well as the facilitation issues that need to be addressed. The projects and facilitation actions are aimed at enabling the Municipality to achieve the targets set by the development programmes and thrusts.

The Thrusts therefore enable an integrated approach towards drawing on the identified opportunities. The thrusts also enable projects and initiatives to be linked to the different thrusts identified, so as to enable a more focussed and coordinated approach to economic development.

While issues such as the expansion of economic infrastructure, improved institutional capacitation and good governance do have a role to play in ensuring that effective economic development does take place, these matters are considered to be supportive elements that will not, of its own, result in the expansion of the economic base and have, therefore, not been included in the Strategic Thrusts.

This section, therefore, provides the framework as a set of thrusts, programmes for development, projects and development facilitation requirements identified in order to allow the expansion and growth of the Municipality's economy. Within this Section a description of the thrusts, programmes, projects, and facilitation issues that support each thrust are provided.

The key Thrusts identified for Mogalakwena Local Municipality are:

- ❖ Sustainable rural and agricultural development
- ❖ Mining development, support and promotion
- ❖ Tourism resource maximisation and marketing
- ❖ SMME support and manufacturing diversification

The remainder of this Section gives a more detailed description of the thrusts, programmes and specific projects, which jointly make up the local economic framework. While the Thrusts described set out the broad goals towards which development should be aimed, the specific opportunities and strengths identified in the Municipality are pulled through to more focussed development aspects, as set out in the Programmes.

These elements of the Framework are captured in the Table below.

Table 5.1 Thrusts and programmes

LED THRUSTS:			
Sustainable rural and agricultural development	Mining development, support and promotion	Smme support and manufacturing diversification	Tourism resource maximisation and marketing
LED PROGRAMMES:			
Support land claim beneficiaries	Development and support small-scale Black owned mines	Self-sufficiency and SMME development and support	Develop Makapan Valley WHS as a tourism 'icon' and combine related historical/cultural assets
Water scarce new product development	Mining supplier development	Development and management of Mokopane Industrial Precinct	Develop the Waterberg Biosphere and its environs as an adventure and eco tourism destination
Emerging and small-scale Black farmer support services		Agro-processing industrial development	Special Interest tourism development
		Mineral beneficiation	Destination marketing, branding, promotion and awareness

As can be seen in the above Table, there are four thrusts, each with a number of supporting programmes. The following sub-sections details upon the four thrusts, the programmes associated with each of the thrusts, and all of the projects and development facilitation actions associated with each of the programmes.

### 2.1 THRUST: Sustainable rural and agricultural development

Agriculture is a prominent sector in Mogalakwena Municipality and can contribute significantly to the local economy as a source of livelihood and a profitable business for farmers, ranging from subsistence to commercial level farming.

Mogalakwena Municipality is a relatively dry area, which lends itself to stock farming in the form of cattle, game, poultry, pigs and goats. Extensive grazing land in the municipality is available, allowing scope for expansion with appropriate skills, management and funding with the high number of emerging and small-scale black farmers in the municipality. The municipal area is limited in its crop, horticulture and citrus production for various reasons, such as water scarcity, lack of infrastructure and farming machinery. Therefore, emerging farmers struggle to compete in the agro-processing and agriculture export and consumption markets.

With correct environmental and farming management and increased funding, the central to northern area of the municipality and a portion north-east of Mokopane has potential for mainly game, cattle and poultry farming expansion. The southern part of Mogalakwena Municipality, the agricultural land surrounding Mokopane and land adjacent to the Mogalakwena River has the potential to expand horticulture, crop and citrus farming practices. This thrust is thus strongly related to expansion and diversification of niche produce development as well as innovation to develop new products that are resistant to water scarcity.



The main purpose of this thrust is to:

- ❖ Support land claim beneficiaries who have attained land for agricultural purposes;
- ❖ Develop new products that can survive in a water scarce environment such as Mogalakwena Municipality; and
- ❖ Supply support services to all emerging and small-scale black farmers to maintain sustainability and possibly reach a commercial level of farming production.
- ❖ Promote and implementation AgriBEE

Rural development in Mogalakwena Municipality is also vital since the majority of the population are considered to be rural. It is vital that sustainable graduating poverty alleviation and household food security and nutrition be ensured. The programmes and projects of this Thrust were also identified in light of developing rural areas as sustainable and vibrant places where land reform projects aim to develop rural economies. Through improving rural agriculture, tourism and SMME or other business practices, as well as through service delivery, rural areas should benefit from a decrease rural poverty, an increase in food security and higher competitiveness for emerging farmers and businesses in the various sector markets at local and regional levels.

The programmes forming the basis of this Thrust are:

❖	<b>Programme 1</b>	Support land claim beneficiaries
❖	<b>Programme 2</b>	Water scarce new product development
❖	<b>Programme 3</b>	Emerging and small-scale Black farmers support services

### 2.1.1 Programme 1: Support land claim beneficiaries

Over 40% of land in Mogalakwena Municipality are either subject to land claim or have already been rendered Restitution Land with agricultural practices associated with each farm. Information from LDA, which has been tabulated in the Agriculture Sector Review, identifies that there are 18 LRAD Projects focusing on citrus, crops, poultry, small stock and livestock farming; there are 21 Broiler Projects focusing on broiler farming with some vegetable and livestock farming; and there are 28 Horticulture Projects which mainly produce vegetables. LRAD Projects are either active or non-active, while some Broiler and Horticulture Projects are commercial, the majority of the projects still entail emerging farming practices.

Due to the fact that many of the agricultural projects are not operating at optimal levels it is vital that assistance and support is provided. Therefore this programme aims to establish two different clusters in Mogalakwena Municipality, namely: a poultry cluster, and a horticulture and crops cluster and central marketing establishment for cattle in the area. Land claim beneficiaries will create and maintain these initiatives as a community effort to centralise their work. These initiatives will all have a central processing component to them as they develop and grow, established as a co-operative.

The develop of these clusters should also encourage farmers to diversify the products as education programmes are implemented as a development facilitation and farmers become aware of new ways to expand their businesses. As clusters start-up some processing could take place elsewhere if they require expensive equipment and machinery or the building of a structure, such as using the Waterberg Abattoir as an alternative. However, as part of the co-operative establishment, the aim is to have members buy shares in the co-operative and with capital accumulation the cost of an abattoir, for example, is shared by all stakeholders. Farmers should be supported in developing the clusters in order to increase horticulture, crops and livestock production for the livelihood of the local community and the sustainability of the agriculture sector in Mogalakwena Municipality.

Community gardens should also be established. The concept would be to grow crops that could be processed into higher value produce with longer shelf lives. Local accommodation and restaurant operators in and around Mogalakwena can be encouraged to purchase the fresh and bottled produce from the gardens and to encourage their guests to visit the garden and local community to experience interactive tours – tourism incentive. It is proposed that such a community garden project be undertaken on a trial basis and that it be expanded to other settlements if it is viable and acceptable to all role-players.

Food gardens can be seen as a way to enhance the sustainable use of resources with the aim to promote the well-being of, in particular, the poor. They grow or raise, process and distribute a diversity of food and non-food products, (re-)using largely human and material resources, products and services found in the vicinity. This project could achieve real progress by making productive use of under-utilised resources such as vacant land, treated wastewater, recycled waste and unemployed labour. There are state-owned land around public facilities which present opportunities for access to land for urban agricultural activities. These include underutilised land around clinics, libraries, schools, hospitals and many more. Most of these facilities are fenced-off, water and electricity are available and are easily accessible in terms of location and roads. Furthermore, many of these facilities are protected by security services. Undeveloped public open spaces, vacant industrial land, road and rail reserves, storm water ponds and servitudes for power lines also opportunities for access to land. Sufficiently treated wastewater are used worldwide for, inter alia, irrigation of sport fields and urban agricultural activities. This water resource can make a valuable contribution towards the availability and affordability of water for food garden.

An important component for the success of community gardens lies in equal adult resident ownership of the garden, a renewal of tradition that now includes women. That means that all receive equal 'Garden Use Rights' once a year. These they buy and sell amongst themselves so that, for the first time, a price arises. Each member seeks to buy-in the extra rights they need to be as big a gardener as they wish to be at the ruling price for Garden Use Rights. The fact that ownership brings a dividend, Garden Use Rights, means that all are willing to invest both cash and their considerable unused labour. After the first year, they 'buy' their Use rights for a figure below the ruling price of the previous year. In that way the garden, run like a democratic property company, gains the income to manage and to maintain itself, with monies left over for further investment. That investment can be more than matched by equal member labour contributions. This formula can be applied to all jointly owned resources: grazing, irrigation, orchards, shops, workshops, markets, etc. A settlement can then become a powerful, largely labour driven, investment and resource management body.

The following projects are identified in support of this programme:

- |                  |   |
|------------------|---|
| <b>Project 1</b> | Develop a poultry cluster with chicken farmer land claim beneficiaries and the creation of a shared central processing co-operative.                                      |
| <b>Project 2</b> | Develop a central marketing establishment for cattle farmer land claim beneficiaries and the creation of a shared central meat-processing co-operative.                   |
| <b>Project 3</b> | Develop horticulture and crops cluster with land claim beneficiaries farming in vegetable, citrus and crops and the creation of a shared central processing co-operative. |
| <b>Project 4</b> | Revitalise agriculture community gardens and joint production surrounding public owned facilities and roll-out to other communities if proven successful                  |

Development facilitation issues to be addressed in support of this programme include:

- ❖ Continue liaison with DoA, RLCC and LDA in a land claims forum for successful post settlement coordination and speedy occupation and productivity of land.
- ❖ Liaise with LDA, DoA and other land claim stakeholders to successfully implement farming co-operative activities on land with agricultural potential under settled land claims and ensure continuous monitoring, evaluation and support
- ❖ Develop and implement a livestock improvement and fattening scheme
- ❖ Organise working groups among the same type livestock, horticulture and poultry owners

### 2.1.2 Programme 2: Water scarce new product development

This Programme aims to ensure that the municipality becomes more self-sufficient and to innovatively diversify the agricultural output of the Municipality into new niche products that are able to withstand water scarcity. Bee farming and aquaculture are two other potential projects highlighted in this programme. The purpose is to increase the agricultural sector as a source of income for local communities. It is also important for the municipality to ensure that all the productive agricultural land for agricultural use is retained while existing water resources are well managed to benefit the local community of Mogalakwena Municipality.

In order to adapt to the climatic conditions of the Municipality, which is fairly dry and whereby a larger portion of water availability is used for mining purposes, the usage and reliance on water for crop and horticulture yields should be decreased. It is important that new cultivars, which are more suited to water scarce areas, are introduced and promoted as possible production avenues. Other means of crop growing is through hydroponics. Niche products that could be considered through hydroponic farming methods include:

- ❖ Cut-flowers
- ❖ Organic fruit and vegetables
- ❖ Miniature vegetables

Due to shortages of suitable fertile land for agricultural purposes, the majority of increased production will rely on technological improvements. These technological improvements could increase production, production cost savings, better utilisation of scarce sources (i.e. water and fertile land) and management procedures. Increasingly, there is a need for farming methods to have irrigation efficiency, therefore the use of genetically modified strains of crop and horticulture plants should be researched and developed to survive harsher climates and state-of-the-art indoor growing methods are becoming available.

Bee-farming is an ideal project for communities, and especially involving women and youth. Bee-farming can have collective ownership which helps to reduce the needed inputs any one individual must contribute to the project (e.g. capital). The production of honey in bee farming could be an entrepreneurial, small-scale business effort by the local community. Honey can be sold to the local market. This project should be linked to the commercial grape farming taking place in Mogalakwena Municipality as grapes are ideal for bee farming. It is important that bee farmers get access to grape farms. Thus support could be provided in developing agreements between grape and potential bee farmers.

Mogalakwena Municipality has been identified as being ideal for aquaculture or a fishing initiative. Parts of the Doringdraai and Glen Alpine Dams, situated on the municipal border, provide access to place containers and other equipment for aquaculture. Dual use of water storage facilities for irrigation as well as aquaculture is practiced in many countries. Developing aquaculture in existing irrigation schemes,

water bodies or rivers will increase the productivity of the water resources without increasing utilisation of the water. This initiative can be a source of nutrition in poor areas and it will help create employment within rural and/or urban communities.

This programme is thus focused on improving income of emerging farmers and communities by diversifying their production into more profitable crops and other market-orientated products that could satisfy local demand, in for example to the tourism industry, with the possibility of future expansion to external markets if production increases. In order to support this, farmers should have increased access to water. An example of the Revitalisation of Smallholder Irrigation Schemes (RESIS) is the Mapela Irrigation Scheme which should be an option for revitalisation on an existing community irrigation scheme. Negotiations with community leaders of Skimming, where the Mapela Irrigation Scheme is located, should be encouraged and constantly attended to until an agreement has been finalised. Similarly, other irrigation schemes in Mogalakwena Municipality that fall under RESIS should be supported for further development.

The following projects are identified in support of this programme:

<b>Project 1</b>	Establish hydroponic and organic farming methods to produce a variety of niche products (e.g. mini vegetables, vegetarian niche products, etc).
<b>Project 2</b>	Establish bee farming and honey production co-operative linked to existing deciduous fruit farming.
<b>Project 3</b>	Undertake feasibility for aquaculture production and fishing initiatives at utilising existing water reserves such as the Glen Alpine/Doringdraai dams.
<b>Project 4</b>	Increase emerging and small-scale farmer access to water through the use of Revitalisation of Smallholder Irrigation Schemes (RESIS) to make irrigation schemes, such as the Mapela Irrigation Scheme operational.

Development facilitation issues to be addressed in support of this programme include:

- ❖ Consult with DoA and ARC to identify genetically modified strains that can survive in water scarce areas and facilitate research on the expansion of horticultural production through the increased planting of less water intensive crops.
- ❖ Establish educational program of new farming techniques for food modification and genetic manipulation of products and modern, state-of-the-art indoor growing methods
- ❖ Facilitate the production of free range options from chickens and goats etc., under organic farming methods.
- ❖ Assist with organic certification and facilitate emerging farmers and co-operatives with meeting requirements for certification
- ❖ Facilitate PPPs and/or access to grape farms for community-owned bee farming.
- ❖ Assist in the empowerment of farmers, rural communities and workers through the Agricultural Rural Development Corporation (ARDC).

### 2.1.3 Programme 3: Emerging and small-scale Black farmer support services

Small-scale and emerging Black farmers in the Municipality are not producing at optimal levels, due to a number of constraining factors. It is, therefore, important that they are supported in expanding their farming activities into viable and sustainable enterprises that will not only generate more income but also increase job creation. They should also grow sufficiently to form the basis of further beneficiation opportunities, and supply fresh produce to restaurants, fresh produce retail outlets, tourist accommodation businesses and as inputs for other farming practices such as animal feed.

As part of this programme, it is recommended that a multi-faceted agriculture and agro-processing market is established in Mokopane. Because the amount of production from emerging farmers are still fairly low the market will only be valuable if it trades in all kinds of produce and agro-processing products, like fresh fruit and vegetables and livestock/meat produce, local herbs and spices, Marula beer etc.

A node, such as Bakenberg, should host a farming education and information sharing centre. Food gardeners, subsistence and communal farmers will be able to share information on farming practices, attend training seminars provided by organisations such as Food Gardens Foundation or Hlokomela, promote access to local and affordable farming inputs, etc. With regards to training seminars, emphasis should be placed on:

- ❖ Offering skills training on farm, business and financial management
- ❖ Product improvement and farming techniques for merging farmers
- ❖ Provide training on water harvesting and maintaining irrigation schemes

In order to expand on the above initiative, agricultural working groups should be established to assist and roll-out the training seminars and information sharing gatherings. Beyond this, they should develop and implement youth succession plans to involve the youth and gain their interest and understanding of agricultural practices. The working groups could also develop a Fighting Crime Campaign in order to decrease theft which takes place on farms.

Another recommendation for this programme is to create a co-operative that will hire out farming implements, equipment and vehicles, such as a tractor for farming or a bakkie for transporting, to emerging farmers that are unable to afford such utilities but are in need of them for the growth of their business. It will also make optimal use of such resources in the community, thus capital invested in them will not be wasted.

It is vital that this programme and thrust assists with the rural development and support of Mogalakwena Municipality. This can be done through the incorporation of the Business Development Officers working within the Service Delivery Areas to establish various co-operatives such as for day-care centres, community banks and car-pooling facilities for the rural community.

The following projects are identified in support of this programme:

<b>Project 1</b>	Create a multi-faceted open trade market in Mokopane to trade in fresh fruit and vegetables and livestock/meat produce, local herbs and spices, Marula beer etc.
<b>Project 2</b>	Create a Farming Education and Information Sharing Centre in Bakenberg for farmers to share information on farming practices, attend training seminars and access local and affordable inputs for farming.
<b>Project 3</b>	Develop a cooperative to hire out small-scale machines, agriculture implements/equipment/tools, and transport.

Development facilitation issues to be addressed in support of this programme include:

- ❖ Create a 'buy-local' fresh produce campaign and facilitate the drawing up of supplier contracts, approaching food stores, mines, schools, and other institutions to buy their horticulture and crop products from the local agriculture community.
- ❖ Ascertain continued discussion with institutions like TIL, SEDA, LimDEV, LIBSA, LEDET, IDC and DTI to formulate financing mechanisms to establish BBBEE farming enterprises founded on principles of PPP and sustainable businesses.
- ❖ Facilitate provision of information on how to access CASP, LRAD and other funding, as well as providing equitable access to these funds.



- ❖ Coordinate with DoA, LDA and Waterberg District to develop succession plans for aged farmers to entice and infuse youth involvement.
- ❖ Facilitate access to training for seasonal farm workers during off-peak times.
- ❖ Develop and implement succession planning based on the infusion of youth into the agriculture sector.
- ❖ Facilitate the formation of farmer based commodity associations and agri-business entities for farmer support, to ensure full participation in local economic development opportunities
- ❖ Facilitate the establishment of a rural community development and support and develop various co-operatives to ease the logistical constraints of living in a rural environment such as for crèches, community banks and car-pooling.
- ❖ Facilitate the development of working groups to increase youth involvement, decrease crime and assist in possibly revitalising the Mapela or Masipa Irrigation Schemes.

## 2.2 THRUST: Mining development, support and promotion

This thrust is focussed on the development of the mining industry into a multi-dimensional diversified sector which effectively enables sustainable growth across a broad spectrum of deliverables.

The mining sector is one of the major contributors to the economy and as such plays the role of the dominant economic driver and contributes more than a quarter (27%) to the total GDP output of the Municipality. The significant importance of the mining sector as an economic driver and main revenue creator must be harnessed to enable the formation of linkages between the mining sector and other sectors such as retail and trade to encourage growth and development and the diversification of economic activities.

The mining sector in Mogalakwena has been determined as suffering from a lack of forward and backward linkages, whereby, limited input suppliers exist within the municipality. The mining sector has to import inputs from other municipalities and provinces creating the leakage of capital from the local municipality and district. The same can be said for forward linkages in terms of beneficiation and product development.

This thrust is specifically focused on growing the mining sector based on the various minerals available for mining. The main mineral mined in Mogalakwena is platinum and the platinum group metals (as well as copper and nickel as by-products) along the Mokopane Platinum Belt. This places great focus on platinum and platinum mining as a main role-player within the local economy and communities in Mogalakwena. Aside from platinum, numerous other minerals also exist within the municipality posing various other mining opportunities which can be exploited. The other minerals that exist within Mogalakwena are granite, limestone, clay, tin and fluorite.

The thrust also focuses on the development of SMME's incorporated in supplying inputs into the mining sector, as well as other support functions needed by the mining industry. The stimulation of mining support industries and input providers are ultimately aimed at facilitating linkages between various sectors to encourage clustering and regional importance.

The programmes proposed in this thrust are:

- |   |                     |   |
|---|---------------------|---|
| ❖ | <b>Programme 1:</b> | Develop and support small-scale Black owned mines |
| ❖ | <b>Programme 2:</b> | Mining supplier development                       |

### 2.2.1 Programme 1: Develop and support small-scale Black owned mines

This programme focuses on the development of new mining operations whilst also facilitating the expansion of existing activities and the diversification of mining in the municipality. The extensive amounts of minerals available for mining activities have to be exploited based on sustainable practices and optimising the benefits which can be gained from mining activities.

The programme proposes a centre which will be engaged in support and facilitation of beneficiation activities, training, drafting of S&LP and the development of mining linkages. The support hub will seek to be a supportive structure with a centrally located training centre for current and future mining employees. The hub will also assist mines in the drafting of S&LP so that the initiatives are aligned to local government projects and goals. Also the establishment of SMME's and businesses along the mining value chain can be supported in terms of establishment, start-up, permit accessing and development. The identification of gaps and opportunities and the positioning of new SMME's within existing value chain gaps can be facilitated. Lastly the development of beneficiation practices can be assisted as well, whereby technology, processes and business practices can be facilitated and the information shared with future business owners.

Investigations should be done to determine whether existing stagnant mines can be re-opened or previous mining waste be reworked. Various tin mines are currently not operational as a result of economic downturns and lack of market demand. The revitalisation of these existing mines may pose opportunities for employment creation and expansion of the existing mining sector.

Small-scale mining activities have been identified by the Department of Mineral Resources (DMR), and the Waterberg Mining Development Strategy as being a sustainable vehicle through which historically disadvantaged persons can gain entry into the mining sector. In conjunction to establishing small-scale mining, the operations are based on a co-operative basis for the purposes of engaging a wide amount of persons to participate in the activities and create community driven projects to further build upon economic sustainability of communities, employment creation and wealth distribution. The programme proposes the development of a number of small-scale mining activities of the various minerals located within Mogalakwena. Feasibility studies are to be done to entice local people to invest in developing mining activities and joint ventures with larger companies. Small-scale mines are proposed in terms of clay, limestone, granite, fluorite, tin, and diamonds. The development of a standardised feasibility study and business plans should be drafted to enable speedier roll-out of small-scale mining activities. The drafting of standardised feasibility studies and business plans are as a result of that various businesses and the establishment of these businesses are hampered by limited knowledge of business plans and feasibilities and the necessary requirements of such documents. The standardised frameworks will assist investors and local communities to more effectively be able to establish small-scale mines and ensure that sustainable business ventures are created.

In order to market and attract potential investors, viable land for mining development has to be identified, as well as the mineral potential and mineral reserves currently available. This would be a facilitation process between the local government of Mogalakwena and the DMR. The knowledge of mineral inventories and available land for development provides the basis from which strengths, weaknesses, constraints and possible barriers to development can be identified. In line with the previous discussion, the mineral and development potential has to be marketed to potential investors in order to attract mining enterprises for the development of joint ventures and mining growth.

The drafting of Social and Labour plans (S&LP) are a prerequisite from the DMR in terms of mining activities. For these purposes, S&LP should be done in conjunction with the Mogalakwena LM to ensure

that all projects and skills training are aligned to municipal goals and directives. The consultation with local communities and other interested and affected parties should be done to create further congruence's when considering community participation and creating community buy-in to ensure the sustainability of projects implemented by mines. The Mogalakwena LM should also constantly monitor and evaluate the progress made by mines in terms of implementation of projects from the S&LP. The Mogalakwena LM would then be able to provide advice and support to local mines in terms of project development and the implementation and management thereof.

Linkages also need to be created, through facilitation, between Mogalakwena LM, local mining houses and local communities. This would essentially seek to create an alignment and integration between S&LP and Mogalakwena LED, whereby the focus would fall upon ensuring co-ordination of actions and resources, the monitoring of effect and value addition created by S&LP's, as well as assisting with creating local SMME procurement with local mining houses, identification of value-chain gaps and the facilitation of new start-up businesses. One of the main actions related to interaction between the Mogalakwena LM and local mining houses is to encourage the identification and incorporation of LED identified projects into the S&LP of local mine houses through communication and relationship building in order to facilitate long standing communication networks between the aforementioned. The facilitation between the three main affected parties mentioned above would also seek to encourage and assist in the procurement of mining input and service contracts to local SMME's, as well as to assist in the drafting of service contracts to ensure that all parties affected have a shared understanding in terms of services offered and received. Lastly, the approach would seek to encourage sufficient facilitation in order to encourage joint venture development between local mine houses and SMME's, as well as the encouragement of establishing small-scale black owned mines and assist these mines to attain skilled representatives whom could assist in the development and growth of mines and creation of new mining related businesses.

Training and skills are a necessary component to the mining industry. On this basis, a standardised syllabus for the training of employees within small-scale mining operations should be facilitated by the Mogalakwena LM. This is to be done to affect the quality of training done. Government should also facilitate linkages between the FET College and other training providers in the areas to ensure that same quality skills development is done and to ensure the validity and applicability of the training. Reference should be made to the Mining Qualifications Authority (MQA) and SETA's when determining a standard syllabus, as well as gain accreditation from the MQA for the newly developed syllabus.

Within the mining sector, BEE deals are mostly presented as pre-packaged deals, which create one of the key challenges faced within the sector. The issues arise when considering that the BEE deals are a packaged entity, which in some regards, excludes locals to benefit from the mining sector or new venture development. When considering the above mentioned, it becomes important to create joint ventures between the private sector, the community and tribal authorities. The main aim is to enable mainly disadvantaged people within Mogalakwena to be partners in mining development in Mogalakwena. Shareholders in this regard could include groups such as tribal trusts, local businesses, woman groups, small local investor groups, communities in and around mining areas, etc.

Mogalakwena LM should also determine the extent of progress made by Mintek in terms of their Platinum Development Initiative. The initiative is currently engaged in the research and development surrounding platinum based alloys from high temperature and special applications. Mintek is currently engaged in the development of platinum group metals as alloys for coating and for powder metallurgy. The research may pose various alternative applications and processing of platinum and as such may provide various options and directives for mining development and beneficiation.

The Mogalakwena LM should also play a facilitative role in the accessing of funding and training support. The further assistance by Mogalakwena in attainment of funding and the lobbying at an inter-governmental and departmental level should provide a greater support base to establish mining activities.

Investigations should be done in terms of the establishment of one or more small mining operations within a cluster of small and larger operations which assists in the co-operation in the utilisation processing plants, machinery, logistics and services. In conjunction, mentorship programmes must also be facilitated to encourage shared learning between larger mines and small-scale mines newly established. Historical knowledge and experience may assist in maintaining sustainability in mining activities.

The increase and expansion of the mining industry as well as the local benefits that are gained from its continued growth are largely dependent on potential mining entrepreneurs and the skills and knowledge they poses to become involved in the mining sector. In order to facilitate such continued growth, the Mogalakwena Municipality must play a supportive role to these entrepreneurs and the existing small-scale mines to ensure their sustained long term growth and development. Based on the above mentioned, the municipality should encourage and facilitate the development of mentorship programmes specifically aimed at existing larger mines providing support, knowledge and understanding of current legislation, obtaining the correct licenses and understanding the day-to-day workings of the mine and how to maintain management of the enterprise.

The following projects were identified in support of this programme:

- Project 1:** Undertake a feasibility for the development of a mining development and beneficiation support hub to support permit access, skills development, training, S&LP advice, and mining linkages amongst others.
- Project 2:** Revitalise existing stagnant mining operations (Grasvalley Chrome Deposits, Tin, Fluorite Mines around Mokopane)
- Project 3:** Develop small-scale clay mining co-operatives to the South-Eastern parts of Mogalakwena
- Project 4:** Develop small-scale limestone quarrying co-operatives
- Project 5:** Develop small-scale granite quarrying co-operatives surrounding Marulaneng
- Project 6:** Develop small-scale fluorite mining co-operatives along the western border of Mogalakwena
- Project 7:** Develop small-scale tin mining co-operatives in Mokopane Tin Fields
- Project 8:** Develop small-scale diamond mining co-operatives based on The Oaks diamond mining model

Development facilitation issues to be addressed in support of this programme are:

- ❖ Facilitate in conjunction with the DMR, the assessment of the economic viability of the existing platinum, nickel, copper, tin, fluorite, limestone and granite deposits.
- ❖ Determine viable land and mineral potential for mining development in association with DMR and geosciences and market mineral potential within Mogalakwena to investors especially within the Mokopane Platinum Belt and Mokopane Tin Fields
- ❖ Facilitate interaction between local municipalities, mining houses and local communities when drafting social and labour plans
- ❖ Monitor the effects and value-addition presented by the local mining S&LP projects and provide advice and support

- ❖ Facilitate the creation of a syllabus for the training of members of small mining co-operatives and facilitate training programmes with the local FET and other training providers
- ❖ Ensure the representation of Mogalakwena amongst WDM delegates at Provincial and National mining summits
- ❖ Determine the extent of progress made by Mintek in relation to their Platinum Development Initiative in order to co-ordinate research and planning efforts
- ❖ Facilitate discussions between prospecting mines, local communities and tribal authorities to create joint ventures in small scale mining activities
- ❖ Facilitate financial, funding and training support for small-scale mining activities
- ❖ Investigate the potential for the establishment of one or more small mining operations within a cluster of small and larger operations that could co-operate in the utilisation of central beneficiation activities from operations along the Platreef and in Maruleng
- ❖ Facilitate support and mentorship programmes between large mines and small-scale mining enterprises

### 2.2.2 Programme 2: Mining supplier development

This programme is specifically targeted on development of the mining value chain in Mogalakwena. The value chain referred to in this instance is the development of input businesses to the existing mines. The concept applies to the clustering of mining activities and specifically the generation of SMME's which support the local mining industries by providing inputs and other mining related services. Linkages refer to inter-sectoral linkages between retail and trade related activities and the mining sector. Also linkages can be facilitated between the mining and tourism sector and infrastructure and communications sector and the financial and banking sector. Lastly linkages can be between community development and mining, whereby projects are done by mining in terms of community upliftment and opportunity creation.

The programme proposes the identification and database development of existing businesses engaged in the mining value chain. This is essential in terms of determining gaps and opportunities, as well as to foster linkages between emerging and existing businesses. The database also allows for mining companies to identify service providers in the area and have a selection of possible options to exercise. The levels of procurement should also be determined for local SMME's engaged in service provision to local mines.

In order to keep with clustering objectives of the province, and proposals enlisted in the Waterberg Mining Development Strategy, investigations have to be done in terms of the establishment of a mining supplier park in Mogalakwena. This park will function as a regional node to local mining industries in order to limit the importing of various inputs and also to encourage combined development of businesses, linkages, support and a central place from where mining related products can be purchased.

The programme further proposes the development of mining related input businesses. The proposed SMME's would be in line with community operated businesses which are predominantly utilised by mining companies. The mining related SMME's proposed are typically classified as mechanical servicing and repair depot, cleaning services, catering, etc. The mechanical and servicing and repair depot is specifically targeted at the renewal and maintenance of mining vehicles.

The mining sector also produces a lot of wastes such as tyres, timber beams, etc. These wastes provide ideal opportunities for local community owned entities/co-operatives such as furniture manufacturers, etc, to be established.



Facilitation activities should be done by the Mogalakwena municipality in terms of the drafting and negotiations of contractual agreements between local SMME's along the mining value chain and the local mining companies when considering purchasing services from these SMME's. The municipality should also be involved in the lobbying of financial resources for local SMME development in the mining services sector.

The following projects have been identified in support of this programme:

- Project 1:** Create a database of existing businesses engaged in the mining value chain in order to create linkages
- Project 2:** Investigate the need for a regional mining supplier park which focuses on mining inputs like lubricants, spare parts, tyres, protective wear, mechanical servicing and repair depot, etc
- Project 3:** Develop local cleaning services and catering SMMEs
- Project 4:** Establish a recycling co-operative associated with mining related waste such as paper, plastic, wood beams, steel pipes

Development facilitation issues that need to be addressed in support of this programme are:

- ❖ Identify current levels and potential of mining procurement from local SMME's in Mogalakwena and continuously identify opportunities for the establishment of local enterprises within the mining value chain in consultation with local mining companies
- ❖ Facilitate the acquisition of funding from provincial, national and international departments and enterprises in assistance of development of SMME's in the mining value chain
- ❖ Facilitate negotiations with management of mine houses to negotiate contracts with local SMMEs along value chains and facilitate the drawing up of supplier contracts

### 2.3 THRUST: SMME support and manufacturing diversification

Mogalakwena Municipality has experienced a decline employment in the agricultural sector and stagnant employment rates in the manufacturing sector. Some factories, such as AfriSam, have closed down and moved out. New agriculture projects on restitution land are also struggling to emerge with a lack of resources, infrastructure and farming skills. Minerals from mining are exported without any value-adding processes taking place locally, preventing any form of capital accumulation where possible. These and a number of other constraints that hinder local economic growth confirm the need for this thrust of SMME support and manufacturing diversification.

The thrust identifies programmes and complementary projects that aim to help develop SMMEs in various sectors, especially agriculture through agro-processing and mining through mineral beneficiation. With support and assistance, SMMEs should become self-sufficient and sustainable 'anchor tenants' in the local economy of Mogalakwena Municipality.

In order to boost industrial growth, a programme has been developed to establish the Mokopane Industrial Precinct which is already present in Mokopane but is in dire need of creative management to render it an attractive and organised 'hub' for existing and future industrial practices.

The last two programmes for agro-processing industrial development and mineral beneficiation are two vital components required to expand the economy through forward processing value-chain activities. Although agriculture production is fairly low and few minerals extracted from mining are or can be processed in Mogalakwena Municipality, these programmes aim to diversify and expand the value-chains as much as possible.

The programmes forming the basis of this Thrust are:

❖	<b>Programme 1</b>	Self-sufficiency and SMME development and support
❖	<b>Programme 2</b>	Development and management of Mokopane Industrial Precinct
❖	<b>Programme 3</b>	Agro-processing industrial development
❖	<b>Programme 4</b>	Mineral beneficiation

### 2.3.1 Programme 1: Self-sufficiency and SMME development and support

The continued growth and development of the economic base of the Mogalakwena Municipality, requires the constant encouragement and development of new business growth. In association to new business growth, SMME's face constraints related to funding access, access to markets and business experience, etc which ultimately limits the prospects of sustainable business growth. This programme focuses on encouraging SMME's to be established within the Municipality, and also seeks to enable capacity building in the sector and support SMMES with access to information, as well as the development of skills necessary to establish businesses, maintain sustainability and access skilled labour.

In order to promote the opportunities available to local businesses and aspiring entrepreneurs, a marketing campaign has to be established which focuses on marketing of the LED initiatives in this reviewed LED and marketing of the opportunities available for development. The marketing drive should be done throughout the municipal area, through poster campaigns, sector booklets, information broadcasting over the internet/ local media, etc.

The drafting of an Infrastructure Investment Plan would also be necessary in terms of enabling quality service provision within the rural areas of Mogalakwena. Various issues such as poor roads, lack of water and sanitation and the resultant limitations placed on the livelihoods of people and sustainable business service delivery. The plan seeks to determine equitable ways of managing the implementation and resource allocation for infrastructure provision and will also focus on enabling infrastructure provision for business development.

The programme further focuses on community economic development and proposes the establishment of a grocery purchasing SMME. This SMME will travel to Mokopane for instance, from local rural communities who do not have the capability to travel to the larger urban centres, and then do grocery shopping for these individuals and households. This provides a basis to access various products and services not attainable locally. Many rural communities also struggle with a lack of access to funding and capital resources. For this the programme engages by proposing a community bank. The community bank effectively will provide assistance in terms of loans and capital and help with stokvels and other saving initiatives. The community will collectively contribute to such a bank, and funds will be distributed to members who require capital. The money will be redeposited to the bank at such a time agreed upon and will then be distributed to another member who requires assistance.

In the pursuit of encouraging alternative ways to create self-sufficiency, ventures have been directed towards the creation of refuse buy-back centres. The concept of the centre is that waste is brought to the centre by the community and is then appropriately remunerated for the waste collected. These centres divert waste from the main stream of waste collection and as a result further encourage environmental awareness and conservation. The centres also provide vouchers in return for waste brought in to the centre. These vouchers can be used at local shopping centres and for school needs and purposes.

A real opportunity exists to develop emerging contractors and skilled individuals who are in trades such as plumbing, fitters and turners, into a business or association for employment creation in the area. In order to assist individuals and emerging contractors in Mogalakwena Municipality, an 'association' might be the best for construction workers as they would probably not all be willing to form an SMME and would like to remain independent. Essentially joint marketing and in some cases joint tendering for larger projects under one umbrella 'association' is required to help guide small contractors towards overcoming those barriers that prevent them from operating as fully resourced businesses. This association can then be used as preferred implementers for local building projects.

Skills development and training is also essential in rural areas. The programme seeks to develop a mobile learning centre which would provide learning opportunities to rural residents who do not have access to schooling opportunities. The mobile learning centres will provide basic skills in maths and languages and also provide skills in terms of business ownership and maintenance. As such a further initiative is the creation of incentives for further education. This should be done by means of facilitating bursaries provided businesses that would provide funding for education in a chosen field and would recruit those who benefit from such bursaries to be employed at their businesses.

There is also a need for a business directory which is a database of local businesses, products and service providers. This would enable persons/businesses to be able to access services and products necessary to be able to locally fulfil their needs. The business directory functions as a networking tool which could connect various businesses with each other and enable local linkages and internal clustering. It must be well maintained and continuously updated.

In association to the development of databases for information sharing, an unemployment desk and skills registered is proposed. The purpose of the unemployment desk is to facilitate the placement of unemployed persons in job opportunities locally available. The desk would require the registration of unemployed persons with the desk from which an inventory is created of available skills and is then in terms of skills capabilities placed or joined with employment opportunities. The registered labourers are also rated based on skills capabilities to enable a current determination of skills availability and skills development within the Municipality.

Lastly, a significant factor influencing SMME's are the lack of support structures. Support structures function as assistance points to SMME's with matters such as access finance, business plan assistance, logistics, paper work, printing, communications, tender advice, etc. In relation to the programme, the development of a one-stop business shop should be done. The business shop functions as a basis from which smaller scale SMME's in the rural areas and Mokopane can be assisted with tasks related to logistics, postal services, telephone, fax and internet. These services are core functions for any business in order to be able to communicate with clients, send and receive information and ensure that valuable information is received by clients and business owners.

The following projects are identified in support of this programme:

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|------------------|--|
| <b>Project 1</b> | Launch an LED marketing campaign which focuses on LED opportunities, investment attractions and an LED marketing drive.            |
| <b>Project 2</b> | Develop a Infrastructure Investment Plan in order to determine a framework for sustainable service delivery to supplement the LED. |
| <b>Project 3</b> | Develop a grocery purchase and delivery SMME to serve local facilities and households.   |
| <b>Project 4</b> | Establish a pilot community bank and roll-out to other communities if proven successful.   |

<b>Project 5</b>	Establish refuse buy-back voucher centres, undertake pilot and once successful roll-out to other communities.
<b>Project 6</b>	Establish a construction workers association.
<b>Project 7</b>	Development of mobile learning centres which travel to rural areas such as Bakenberg, Matlala, and Baokona Manetji.
<b>Project 8</b>	Develop, populate and maintain a local business, product and service provider database (business directory) and distribute information to facilitate supplier-client linkages (networking).
<b>Project 9</b>	Establish and maintain an unemployment desk with a skills register.
<b>Project 10</b>	Develop a one-stop business shop in Bakenberg that offers logistical services such as courier and postal services, telephone, fax and internet.

Development facilitation issues to be addressed in support of this programme include:

- ❖ Facilitate implementation of local supply chain policy to ensure municipal support of local SMMEs especially for day-to-day requirements such as printing, catering, etc
- ❖ Facilitate the development of community support co-operatives
- ❖ Draft a funding resource database that can be distributed to entrepreneurs within rural areas and used to facilitate lobbying for financial resources for SMME's
- ❖ Facilitate linkages between SEDA, CIPRO, etc and local business chambers, SMME's, entrepreneurs and business support structures
- ❖ Draft a memorandum of understanding with schools, colleges and training centres to develop and expand the curricular to include improved practical and technical subjects related to tourism, agriculture, agro-processing and basic trade related skills, whilst also hosting job fairs and career days
- ❖ Facilitate the development of a 'buddy system' to connect the youth of local communities within Mokopane and the surrounding rural areas, to experienced and mature commercial local companies
- ❖ Develop SMME grouping system/clustering along commodity supply chains to facilitate networking & information sharing
- ❖ Facilitate the expansion of further learning centres offering practical courses, as well as the promotion of establishing SETA learnership programmes (e.g. home based sewing industries, community gardens, baking etc.)
- ❖ Identify informal businesses compile into a central database and encourage the registration and association with the Mokopane Hawkers Association to enable inclusion in role-player discussions on business development opportunities, co-operatives, SMME's and entrepreneurship
- ❖ Undertake intensive marketing of the municipal incentive packages (developed as part of this study)

### 2.3.2 Programme 2: Development and management of Mokopane Industrial Precinct

Mokopane has two main industrial extensions and the northern establishment is the larger of the two. This industrial area currently includes a number of industrial activities such as panel beating, fibre glass and canopy making, granite cutting into tombstones (Bestaf Granite Factory), oilseed and cottonseed processing (Nedan Oils and CSP), etc. There are also a number of complimentary logistical businesses such as Hygrotech for organic agricultural inputs and Salom for labour supply to mining and other industrial activities. Each business or factory in the area independently establishes themselves through buying or hiring a serviced land parcel in the industrial area. There are a number of stands still unoccupied and this area is one of the only parts of Mokopane that has land use rights for industrial development.

Since there are already a variety of industrial activities in the northern industrial area of Mokopane and there are stands available for further expansion, a project has been recommended to develop this industrial area to function as a fully fledged industrial precinct. The aim is to establish a management body that will market and brand this industrial area as 'Mokopane Industrial Precinct' which is a vibrant and growing zone of industrial and related business activities that complement each other. Its location, being on the urban periphery, is ideal for further expansion and access to main roads such as the R518 and N11. Buy-in will be required from all existing businesses and land owners, as well as support from the Municipality, to attain funding from local and outside investors to refurbish the functional and aesthetic aspects of the Precinct. A scheme could be developed where businesses within the Precinct pay maintenance fees for the upkeep of the area. The Mokopane Industrial Precinct will have other responsibilities such as:

- ❖ Coordinate supporting services with growth of industrial precinct. Liaison with financial institutions, real estate agents, tour operators, freight transport contractors, public transport companies etc.
- ❖ Develop an incentive plan to attract new companies (local and regional), SMME and emerging entrepreneurs to locate themselves in the Precinct, which will help them gain entry into the market. This could be done through facilitating negotiations for differential rates of industrial sites.
- ❖ Promote efficient and productive use of existing and allocated industrial land in and around the Precinct, with the possibility of sub-dividing existing stands for SMMEs or expanding the Mokopane Industrial Precinct area.
- ❖ Establish an Industrial and Business Networking Forum to develop a platform for research and development of the manufacturing sector where entrepreneurs can learn from experienced manufacturers. Joint ventures can also be established between existing and emerging companies. A link should also be created to a Regional Innovation Network where higher education institutions and process managers can provide support to enterprises.

Another aspect of this programme is to build a comprehensive database of all existing industries/businesses in the Mokopane Industrial Precinct and the other industrial part of Mokopane. Then create a website for existing and emerging industrial entrepreneurs to access technical and marketing related information regarding manufacturing. The website will also be for outside investors to research potential for development in Mogalakwena Municipality, as well as providing an information dissemination scheme through the website to assist investors and enterprises in sourcing local input suppliers.

This programme also includes a rural focus and entails undertaking an industrial development and marketing strategy for not only Mokopane, but also other key nodes such as Bakenberg and Rebone. These nodes should be studied and analysed according to their ability to expand industrial development in Mogalakwena Municipality, as well as how they can be marketed to attract retail/industrial/wholesale enterprises.

To ensure continued expansion of the Mogalakwena Municipality business base and assist entrepreneurs in successfully developing new business enterprises, it is vital that technical know-how is transferred. Therefore, a Manufacturing Advice and Incubation Centre (MAC) is proposed for Mokopane Industrial Precinct. The purpose of this facility is to support manufacturing businesses through the provision of the physical infrastructure and shared services such as professional management, secretarial staff, office space and equipment, legal advice, financial contacts etc, which are needed to start and run a new enterprise. The MAC should provide entrepreneurs with training, access to mentoring and expertise, as well as provide access to tools required. When these new manufacturing entities have grown to such an extent that they are able to obtain financial backing and to function



independently, they move out of the incubator, making way for new manufacturing ventures to be supported. The MAC thus acts as a catalyst to the process of starting and growing manufacturing enterprises and can provide the Municipality with an ongoing implementation vehicle through which new identified LED projects can be implemented.

The following projects are identified in support of this programme:

<b>Project 1</b>	Develop the northern industrial area of Mokopane, to function as Industrial Precinct with a management body.
<b>Project 2</b>	Build a database of all existing industries in the Precinct and create a comprehensive website for information dissemination purposes.
<b>Project 3</b>	Undertake an Industrial Development & Marketing Strategy per node (Mokopane, Bakenberg, Rebone) to attract retail/industrial/wholesale enterprises.
<b>Project 4</b>	Develop Manufacturing Advice and Incubation Centre (MAC) in Mokopane Industrial Precinct to provide support, facilities and training to develop local manufacturers. This should be linked FabLab to correlate certain activities.

Development facilitation issues to be addressed in support of this programme include:

- ❖ Introduce and facilitate industrial/manufacturing incentives for investors (e.g. tax and service provision rates) such as providing efficient service delivery and infrastructure requirements for business development.
- ❖ Develop a Technical Mentoring System where industrial experts offer technical advice on the management of a manufacturing business.

### 2.3.3 Programme 3: Agro-processing industrial development

In relation to new agricultural product development, new processing technologies should be incorporated to ensure that local producers become involved further down the value chain. This programme is aimed at taking advantage of the primary sector production of raw materials in the Municipality as inputs into the development of local value-adding activities to produce both intermediate and final products. Local processing activities will also have a direct impact on the expansion of the local Manufacturing sector. These efforts need to be supported by Mogalakwena Municipality.

The programme seeks to encourage the development of co-operatives within the local communities as part of agro-processing initiatives but also as part of self-sufficiency and rural development initiatives. The basis of co-operatives could function not only as an income generating vehicle but also as a serving mechanism to the local communities. This supportive role of co-operatives could provide useful opportunities to enable local communities through the use of existing agricultural products. Co-operatives in this programme are aimed at candle and soap making, the production of bakery goods and sweets, beer brewing, etc.

The most cost-effective method of processing is to locate processing facilities close to the point of production, thereby reducing the input costs. The centralised agglomeration of processing facilities close to the areas of highest production also creates economies of scale, which increase both the economic benefit to local communities, as well as job creation opportunities. It is because of this motivation that development of the following three agro-processing co-operations is recommended as value-chain developments in conjunction with the agricultural cluster from the sustainable rural and agriculture development thrust:

- ❖ Meat processing co-operative
- ❖ Poultry processing co-operative
- ❖ Horticulture and crop processing co-operative

The type of livestock included in the cluster is cattle, game, goats and pigs. There are several areas of a red meat production cluster that have opportunities for processing in Mogalakwena Municipality that need to be investigated in more detail. These include:

- ❖ Feed and fodder production
- ❖ Raising animals
- ❖ Processing of meat, such as de-boning of local game, cattle and goats
- ❖ Processing of by-products of the slaughtering process
- ❖ Production of pre-packaged food, etc.

A number of possible initiatives have been discussed in further detail below:

- ❖ **Pork Meat Production:** Processing pork value-added products such as pork chops, pork sausages and cold meats.
- ❖ **Goat Meat Production:** Bonsmara is the most dominant breed of goat in Mogalakwena Municipality (IDP 2010/2011). Topography, climate and vegetation are highly suited for this goats and they form part of the livestock holding pattern like cattle, therefore goat farming in communal areas will be easy to adapt to. Rabone and Baltimore have the greatest potential for goat farming (IDP 2010/2011).
- ❖ **Dairy production:** the majority of both cattle and goats in the Municipality are raised for meat production with few farmers branching off into dairy production. The aim of this programme is to enable local livestock owners to diversify income through utilisation of an untapped resource, like cattle and goat milk.
- ❖ **Venison production:** In terms of the abundance of game in the Municipality, as well as the occurrence of cattle and goat farming enterprises, further beneficiation in the form of local abattoirs, de-boning facilities and the processing and packaging of meat could also be established locally. Venison and goat meat is also becoming increasingly popular as healthy meats, particularly in the overseas markets, which could be further exploited.

Another processing co-operative to be established is for poultry which will also be closely linked to the Poultry Cluster proposed previously. An initial option could be to revitalise the Nkidikitlana community broiler abattoir and develop the cluster around this facility.

The development of a crop and horticulture co-operative, in conjunction with the cluster, aims to allow land claim beneficiaries to expand their fruit, vegetable and crop farming practice to be part of the agriculture value-chain, considering both upstream and downstream opportunities for processing. Land claim beneficiaries will establish the co-operative so that each member has a share in the initiative and a central location near horticulture and crop agricultural projects.

Various opportunities for agricultural value-chain products are given below:

- ❖ Process vegetarian niche products using existing vegetables and other crops such as soya beans.
- ❖ Processing of jam, bottled vegetables and preserve processing, juice and wine production (eg. mango wine), drying of fruit and the semi-processing of vegetables.
- ❖ Produce animal feed for necessary starter and finisher diet products using existing crops grown in municipality, such as: groundnut cake, sunflower cake, fish meal, meat meal, bone meal and animal fat.
- ❖ Production of bio-diesel fuel which contains vegetable oils extracted from plants such as soya beans, sunflowers, ground nuts, cotton, canola, and tobacco.

Besides the crops and horticulture co-operative, a number of separate initiatives can be developed to make use of existing agricultural products in the Municipality. Such as to establish a citrus processing plant, a small scale grape processing co-operative, a small-scale beer processing facility from marula fruit and sorghum at a northern node such as Rebone or Sterkwater.

The locally processed products can be sold to the local community at food and drink outlets, to tourists through guesthouses, game lodges as a local delicacies, etc.

The Municipality also has a productive local hunting industry which produces vast amounts of off-cut leather pieces, which together with the presence of other livestock, and in conjunction with the abattoir facilities, provides opportunities for the establishment of a leather tannery. This leather tannery could also be expanded to include further value adding through the production of final leather products such as handbags, shoes, belts, etc.

Waste from restaurants (food & oil), abattoirs, taxidermies and de-boning and meat-processing facilities can also be collected feed and/or pet food production.

Quatropack is the existing manufacturer of plastic packaging. However, a project should be established for the production of plastics, containers and bottles for the packaging and distribution of agro-processing products. This should be seen as a complimentary initiative to the meat, poultry and horticulture/crop clusters.

The following projects are identified in support of this programme:

<b>Project 1</b>	Establish candle and soap-making cooperative.
<b>Project 2</b>	Establish a bakery, biscuits and sweets processing cooperative.
<b>Project 3</b>	Establish a meat processing co-operative linked to land claim beneficiaries, such as the production of pork chops, cold meats etc.
<b>Project 4</b>	Establish a poultry processing co-operative linked to land claim beneficiaries, such as the production of chicken pieces, hatching etc.
<b>Project 5</b>	Establish crop and horticulture agro-processing co-operative linked to land claim beneficiaries, such as the production of achar, bottled vegetables etc.
<b>Project 6</b>	Establish a citrus processing plant for orange juice, dried oranges for decorative purposes, marmalade, orange rind, etc.
<b>Project 7</b>	Establish a small scale grape processing co-operative (e.g. grape-seed oil, sun-dried raisins, juice, jam etc.).
<b>Project 8</b>	Establish a small-scale beer brewing co-operative near Rebone or Sterkwater utilising marula fruit or sorghum.
<b>Project 9</b>	Establish off-cut leather tannery to manufacture bags and belts, etc.
<b>Project 10</b>	Establish an animal/pet feed factory using existing crops and wastage from restaurants (food & oil), abattoirs, taxidermies and de-boning and meat-processing facilities.
<b>Project 12</b>	Undertake a feasibility for tobacco processing, such as making tobacco snuff, cigarettes, cigars and tobacco paste for hookah pipe.
<b>Project 13</b>	Establish a production of plastics, containers and bottles for packaging and distribution enterprise.
<b>Project 14</b>	Initiate the making of farm equipment required for animal farming, such as manufacturing drinkers, feed trays and shifting boxes.
<b>Project 15</b>	Establish a local manufacturer in the Mokopane Industrial Precinct to produce fertilisers and pesticides.

Development facilitation issues to be addressed in support of this programme include:

- ❖ Research and promote various opportunities for poultry, red meat, crops and horticulture processing and promote maximum processing of agriculture products
- ❖ Facilitate PPPs and joint venture establishments to develop and expand agro-processing business opportunities. Promote maximum processing of agriculture products (e.g. extraction of oil from oilseeds and nuts; orange juice production etc.)
- ❖ Establish a monitoring system of local agro-processing goods to meet competitive market standards both locally and regionally.
- ❖ Facilitate PPPs and joint venture establishments to develop and expand agro-processing business opportunities.
- ❖ Research and promote various opportunities for poultry, red meat, crops and horticulture processing.

### 2.3.4 Programme 4: Mineral Beneficiation

This programme has been specifically designed to transform the mining industry in Mogalakwena LM to not only a resource based sector but a sector which will also be able to provide various products and an array of downstream opportunities and development.

Within the Mogalakwena LM, limited beneficiation practices exist resulting in that the mining value-chain of the area is relatively small and that leakages exist in the generation of revenue from locally exploited minerals. Based on the limited mining value-chain in Mogalakwena, the programme seeks to develop and expand further opportunities and businesses engaged in the production of final products and thus the export of these products to other parts of the country.

The extension of beneficiation within Mogalakwena has been specifically targeted at minerals which have shown limited growth during the recent past, through which the expansion of minerals and the beneficiation activities of them, could possibly encourage the continued sustainability of those mines and as such enforce linkages between the mining sector and other sectors such as the retail and trade sector and the manufacturing sector. The basis would be to create a mining cluster effect (based on information and directives from the LEGDP and WMDS), whereby local minerals are exploited as well as processed and then sold and distributed to other markets. The development of such clusters enables economic diversification and expansion, as well as ensuring a more sustainable mining sector within the municipality.

Beneficiation of minerals and the processing and product development has been proposed for clay, granite, limestone, tin, fluorite, the existing and new pebble co-operatives and the crushing of stone. The business structure for these processing businesses is based on the establishment of co-operatives. Co-operatives have been identified by the South African Government as essential tools in the process of employment creation, empowerment, wealth generation and community development.

The programme proposes the development of a clay processing co-operative, which will be engaged in the utilisation of clay in the production of bricks, pottery, cement and terra cotta. The products are widely used in construction and decorative enterprises and as such pose a accessible market to gain entry into.

Co-operatives are also proposed in terms of granite and limestone processing. The granite industry in the area has significant momentum when related to that large amounts of granite deposits exist in the

area and that these deposits are being mined constantly by one of the largest granite producers in South Africa (Marlin Granite). The opportunity exists to expand on local beneficiation practices in the area, whereby specific focus can be shifted to the manufacturing of kitchen tops, tombstones, cladding and various other products. Issues pertaining to granite processing is that it is a resource intensive process in terms of water and electricity and that the machinery required to establish such a processing facility is very costly. Much deliberation is required to effectively establish such a cooperative, which might be introduced by means of a joint venture between larger well established granite quarrying companies and local communities and small-scale enterprises.

Granite produces large quantities of waste during processing as a result of impurities found in the stone. As a result these large quantities of un-used granite stone are not transformed into products and the area has to be rehabilitated into environmentally conducive environments. As basis to this discussion, facilitative action must be taken by Mogalakwena LM with other stakeholders such as local granite producers, local communities and tribal authorities in order to establish the beneficiation of granite waste into products such as tombstones, ornaments and funerary products. Discussion would be surrounding the utilisation of waste at no or limited costs, the use of land close to existing quarries, access to services, inclusion and training of local communities to be able to perform the beneficiation actions and the establishment of joint-ventures and co-operatives.

The establishment of tin reclamation and beneficiation co-operatives is one of several mining development initiatives. The reclamation of tin waste dumps, the re-opening of old tin mines and possible future exploration has posed the opportunity to develop beneficiation of tin in Mogalakwena. Beneficiation of tin predominantly involves the production of manufacturing solder by creating tin alloys, sheet glass, ornaments and the electro-plating of other metals.

Opportunities also exist to establish fluorite beneficiation. Fluorite deposits are found in the areas surrounding Mookgopong and also investigations and feasibilities should be undertaken in the establishment of fluorite (Fluorspar) minerals in for instance the production of toothpaste, opalescent glass and cooking utensils.

The provision of continued support to the Tshabang Tlala Babirwa Pebble Co-operative has been identified through the Waterberg Mining Development Strategy, whereby it is proposed that a business plan be compiled for the co-operative which covers important factors such as equipment requirements and training needed. The project seeks to include all relevant stakeholders in its formal planning. Public and Private Partnerships (PPP) may be a valid avenue to be considered in terms of this project when considering funding options, training initiatives, the acquisition of equipment and creating linkages for market access.

The Matlala Stone Crusher Project has also recently been established within the Matlala community, whereby local dolerite sources had been utilised for the production of concrete aggregates, as well as the utilisation of the concrete flour by product in the manufacturing of bricks. The project has had various issues pertaining to lack of maintenance costs and market development. The project intends to create a PPP, acquire necessary funding to revitalise the project as well as the draft of a business plan which will address all necessary issues pertaining to the project. Further investigation should be done into the development of other stone crusher co-operatives in suitable communities. If proven successful, feasibility studies should be drafted in order to assist the development of other stone crusher co-operatives.



Lastly, the establishment of building material manufacturing co-operatives is recommended, making use of local minerals. Building material such as bricks, bio-degradable materials could be manufactured. District resources such as limestone, copper, manganese and iron ore should also be acquired and utilised for manufacturing various building materials.

The following projects are identified in support of this programme:

<b>Project 1</b>	Develop clay processing businesses involved in manufacturing of pottery, bricks, fireplaces, terra cotta, etc.
<b>Project 2</b>	Establish a granite processing co-operative for building activities, funeral works, etc.
<b>Project 3</b>	Establish a small-scale tin processing co-operative to process tin for solder, sheet glass and ornaments, and to use for electro-plating, etc.
<b>Project 4</b>	Establish a small-scale fluorite processing facility to manufacture toothpaste, cooking utensils, etc.
<b>Project 5</b>	Acquire PPP, funding and continued support for the pebble co-operative.
<b>Project 6</b>	Acquire PPP, funding and continued support for the Matlala stone crushers.
<b>Project 7</b>	Establish building material manufacturing co-operatives (bricks, bio-degradable materials, and utilisation of district resources such as limestone, copper, manganese and iron ore to manufacturing building materials, etc).

Development facilitation issues to be addressed in support of this programme include:

- ❖ Facilitate linkages between beneficiators and product retailers
- ❖ Investigate the potential for the establishment of one or more small mining operations within the cluster of small and larger operations that could co-operate in the utilisation of central beneficiation activities from operations surrounding Mokopane and Mokerong.
- ❖ Facilitate discussions between local communities, tribal leaders and mining companies into the utilisation of land for granite waste beneficiation.

## 2.4 THRUST: Tourism resource maximisation and marketing

In simple terms, the development of the Tourism industry in any location is based on giving people a reason to come, a reason to stop, a reason to stay and a reason to spend. This means that any destination should first comprise a unique and specific asset, that people should be made aware of in order to attract them to the destination, that they should be provided with a range of additional attractions and activities to ensure that they stay in the area for longer, which will then ensure that their money is spent at the location.

It should be noted that this thrust is aligned to the current Mogalakwena Tourism Strategy (2008) and its purpose is to enhance and support development projects as identified in the strategy. This thrust also aligns to the Waterberg District LED Strategy.

This thrust is aimed at stimulating the development of the Tourism industry in Mogalakwena Local Municipality, by taking full advantage of the cultural, historical and natural assets found in the Municipality. The purpose of this Thrust is, furthermore, to ensure that these tourism attractions and activities are effectively developed and marketed, in order to establish Mogalakwena Municipality as a unique and worthwhile tourism destination.

Mogalakwena Municipality has a significant and diverse tourism resource base. Some of the features which make Mogalakwena an attractive tourism proposition include the Mogalakwena River, The heritage site Makapan Valley World Heritage Site, the Waterberg Biosphere and its environs, various nature reserves, natural areas, unique scenery and aesthetic quality, and diverse cultures. As a result

the development of the existing features would boost the tourism sector in the area such as developing Makapan Valley World Heritage Site as a tourism icon, the development of the Waterberg Biosphere and its environs as an adventure and eco- tourism destination as well as incorporating the special tourism elements of agri-tourism, photo safaris and mining tourism.

Key to the effective development of any tourism asset or activity is to ensure that tourists experience a sense of value for time and money spent when visiting attractions or partaking in activities offered. This is particularly true for Mogalakwena Municipality, given its significant distance from the major markets. It is, therefore, essential that the existing tourist attractions and activities offered by the Municipality are well developed, effectively packaged to provide a full basket of experiences and are particularly tourism friendly. In this respect, tourism routes are a highly effective tool, allowing effective linkages between a wide range of attractions and activities located within the Municipality and enticing tourists to remain in the Municipality and the region for longer.

By successfully developing a range of enticing products and activities, the Municipality will increasingly become a worthwhile destination to visit. Establishing the Mogalakwena destination brand and positioning it as a nature-based and cultural diverse experience for visitors would boost the tourism stance of the municipality. Furthermore, in order for the Municipality to establish itself as prime tourism destination, effective communication, cooperation and commitment of all the different interested parties is essential. This will ensure that a common goal and shared vision for the tourism sector in Mogalakwena Municipality is followed and achieved.

The Municipality has a major role to play in the strategic planning of the Tourism sector, which will guide private sector investments in the local Tourism industry. The Municipality should also be involved in aspects such as tourism awareness, training and support structures.

The following programmes support the thrust:

- ❖ **Programme 1:** Develop Makapan Valley World Heritage Site as a tourism 'icon/ and combine Historical/cultural assets
- ❖ **Programme 2:** Develop the Waterberg Biosphere and environs as an adventure and eco-tourism destination
- ❖ **Programme 3:** Special interest tourism development
- ❖ **Programme 4:** Destination marketing, branding, promotion and awareness

#### **2.4.1 Programme 1: Develop Makapan Valley WHS as a tourism 'icon' and combine other related historical/ cultural assets**

Makapan Valley WHS is the only cultural heritage site of its kind in Waterberg and Limpopo Province and it is the main tourism attractions in Mogalakwena Municipality. The effective development of this site forms the basis of tourism development in the Municipality. As such, many of the other attractions and activities in the Municipality would be more and workable if the Makapan Valley WHS 'icon' could be successfully developed into an attraction that increases tourism flows to the Municipality.

LEDET is currently appointed as the management authority for Makapan Valley WHS to oversee the development of the site. Nonetheless, the development of Makapan Valley and other cultural and heritage assets of the Municipality, require the LED unit and other stakeholders and role players to promote, facilitate, support and urge development.

Current facilities in Makapan Valley WHS are lacking as an attractive tourism destination, however potential development initiatives and sites have been identified. In this respect it is considered that the finalisation of the land claim process on Makapan Valley WHS could act as a kick start and open doors for development other facilities and services such as accommodation, hiking trails, stabilisation of the caves and fixing of the access road, etc. Currently the main entrance of the site is not appealing, however the reception area is well structured and provides a sense of being for Makapan Valley WHS.

As part of developing Makapan Valley WHS as an 'Icon' other places of interests in its environs also need to undergo some form of development and upgrading so as to add value to the main attractions. Linkages between Makapan Valley WHS and other heritage and historic monuments such as the battlefields, and local villages (Mahwelereng, Bakenberg) should also be created through the establishment of rural tourism routes to create linkages between Makapan Valley WHS, the villages and the Waterberg Biosphere, creating a series of exquisite packages tailor-made to suit a variety of tourists.

To achieve this, the following projects are identified as activities towards reaching the target set by this Programme:

<b>Project 1</b>	Facilitate the development of a PPP for the development of a lodge in Makapan Valley WHS
<b>Project 2</b>	Undertake a feasibility to develop hiking trails in Makapan Valley WHS. Erect proper signage.
<b>Project 3</b>	Undertake a feasibility to develop rural accommodation (rondavels), taverns/traditional restaurants offering local cuisine within Makapan Valley WHS and environs.
<b>Project 4</b>	Upgrade the Arend Dieperink Museum with interpretation material and guided historic tour to battlefields, Graves of King Mokopane and Piet Potgieter, ancient rock paintings and Stone Age findings in Masebe Nature Reserve.
<b>Project 5</b>	Develop township tour to Mahwelereng and Bakenberg reflecting the cultures and ancient lifestyles of the area
<b>Project 6</b>	Develop half/full day guided special interest tours to heritage resources and monuments such as to the historic mountains, wetlands, miraculous rocks, meeting elders and their ancestral spirits, traditional story-telling, visits to burial sites and sangomas.
<b>Project 7</b>	Establishment of locally produced curio artefacts outlets at tourism attractions

Development facilitation issues to be addressed in support of this programme include:

- ❖ Facilitate the upgrade and development of Makapan Valley WHS and environs as a key attraction
- ❖ Facilitate maintenance of access roads to Makapan Valley WHS, stabilise the caves, & fencing and introduction of game.
- ❖ Facilitate the enhancement, maintenance/conservation and promotion of existing historic/natural attractions such as ancient battlefields, grave sites, rock art, etc.
- ❖ Facilitate the marketing, promotion, upgrade and support of existing cultural attractions, such as Telekishi Ramasobane, and Pedi Potters

#### 2.4.2 Programme 2. Develop the Waterberg Biosphere and its environs as an adventure and eco tourism destination

The Waterberg Biosphere landscape is one of rolling hills and endless vistas, with a distinct bushveld feel. This region is a magical part of South Africa and offers experiences that are diverse as there are many wide open spaces with a rare wilderness quality, it offers the romance of true bushveld and a rich biodiversity, and close encounters with some of Africa's most charismatic and sought-after wildlife.

Due to the slow crop farming activities, greater attention must be given to the conservation areas in the municipality with a focus on eco-tourism development. Proclaimed nature reserves make up the bulk of conservation areas. Larger nature reserves in the area are linked to the Waterberg Biosphere, which are not protected by the Protected Areas Act of 2003 (Act 53 of 2003). The concept of the Biosphere Reserve is to help alleviate pressure from the tourist industry, create benefits for the local community, and still conserve the natural environment. The Waterberg Biosphere Reserve Committee has been given responsibility over this reserve. This programme is aimed at supporting matters concerning the protection of the natural environment as well as the upliftment of the surrounding communities with regards to eco-tourism employment opportunities linked to the Biosphere.

The Waterberg Meander showcases prime tourist attractions within the area, provides a rich informative self-drive tour of historical, geological, cultural and environmental sites along the route. Development of soft and hard adventure activities such as hunting, kloofing, rock climbing, mountain and quad biking along the meander are essential for the area, combined with the proposed development of themed routes which incorporates existing range of local based products (such as Marula products, grass/reed mats etc) and guided routes to settlements such as:

- ❖ Magagamatala- home to Telekishi Ramasobane and Masebe Nature Reserve. Also has magnificent scenic mountains and natural features such as the wetland opposite Telekishi.
- ❖ Mamatlakala Village- (The first of 26 communities villages to be found within the present boundary of the Waterberg Biosphere Reserve), also home to the Kloof pass
- ❖ The Makapan village- Rich history of the Makapan valley WHS and its people
- ❖ Wydhoek Village – home to a human footprint, magnificent mountains and potential for 4X4 trail from this village to Telekishi Ramasobane Hospitality
- ❖ Galakwena stroom- the location of the oxide mountains (also known as conglomerate geology)
- ❖ Jakkalskuil village – located on the boundary of Moepel farm, and also home to the 6 sisters mountain with potential for various adventure activities, such as quad biking, cycling etc.
- ❖ Lesodi Mmotlana near Mamatlakala has beautiful mountain valleys.

The Mokopane Breeding Centre, which focuses on research and conservation of Africa's diversity, advancement of science awareness, and the breeding of Africa's endangered wildlife, provide an excellent opportunity for edu-tours inclusive of picnic lunch, and a central linkage point to existing and proposed tours to Makapan Valley WHS and other game hunting safari farms with Mogalakwena.

There is also a potential for facilitation of water activities along the Mogalakwena River, for fishing and other recreational activities, as well the development of recreational activities in various nature reserves within the municipality, including the Doorndraai and Alpine dams. The perfect spots for water-based and recreational activities along Mogalakwena River are predominantly within privately owned land, which makes the facilitation of such access right to those spots imperative. Some of the activities water-based related activities includes fishing, boating and bird watching at proposed spots along the river, linked to the Nylsvlei Bird watching. Attention should be focused on access to those areas nature reserves or protected areas.

To achieve this, the following projects are identified as activities towards reaching the target set by this Programme:

<b>Project 1</b>	Develop a day visitor facilities and fishing/picnic spots along Mogalakwena River and at the Doorndraai dam Nature Reserve.
<b>Project 2</b>	Lobby for the development of family resort/day visitor activities at Masebe Nature Reserve.

<b>Project 3</b>	Develop both soft & hard adventure activities centre and outdoor adventure survival/boot camp with hunting packages, canoeing, kloofing, rock climbing, mountain biking, hang gliding around Masebe Nature Reserve
<b>Project 4</b>	Develop nature reserves as viable tourist destinations, with game viewing, overnight facilities, guided trails, teambuilding/conferencing/bosberaad, etc
<b>Project 5</b>	Establish budget accommodation (backpacker, camping and caravanning) associated with adventure tourism.
<b>Project 6</b>	Establish community owned tea gardens/kiosks with light meals at various nature reserves in Mogalakwena.
<b>Project 7</b>	Develop Moepel Farm eco-training centre in association with the Waterberg District Municipality
<b>Project 8</b>	Investigate and implement one or two hiking circuits linked to Amatuva trails and Thabaphaswa hiking and mountain bike trails. Erect proper signage.
<b>Project 9</b>	Investigate the possible range of local products for incorporation into packaging of local guided special interest routes with themes along the way to rural settlements to open up the settlements to development

Development facilitation issues to be addressed in support of this programme include:

- ❖ Investigate possible access to Mogalakwena River and related activities such as bird watching, water sports, adventure sports, fishing etc
- ❖ Promote investor opportunities for establishment of tourism facilities and services at Makapan Valley WHS, and various nature reserves through PPP
- ❖ Facilitate access to appropriate training, conservation programmes and accreditation of site guides, professional hunters.
- ❖ Facilitate the training of tour guides for proposed developments

### 2.4.3 Programme 3: Special Interest tourism development

Special interest tourism is often used in the context of visitor interest that in reality offers wider market interest. Special interest tourism also suggests a category of visitors with a single (special) interest.

The special interest tourism development programme is aimed at the development, facilitation and promotion of those tourism products that are complementary to existing products in Mogalakwena and product development for special interest groups that could be included as part of the proposed tour packages and routes.

Special interest tours of the area should be developed that could provide an in-depth experience of a particular topic, such as photographic safaris, special interest birding tours which include locations where visitors are likely to encounter the special and unusual birds of the area, e.g. the convergence of birds species in Mogalakwena along Haakdoring in the December season.

Furthermore, the rail route in Mogalakwena is in good conditions and provides an opportunity for a development of morning train trips combined with breakfast in the rail and some fun filled rail trip to various attractions interlinked with other transport modes such as donkey cart rides, quad and mountain bikes, 4X4 etc. Alternatively, there could also be a development of morning train trips from Mokopane to Percy Fyfe Nature Reserve where passengers could be picked up for game drives in the nature reserve and provided with a late morning brunch and the return to Mokopane by train.

The Waterberg EMF 2010, has identified the south-western boarder of the municipality towards the Doorndraaidam as a potential for agri-tourism development. The area is within the nature and cultural



tourism focus area with high quality natural setting, opposite the agri-zone is the landscape and rock painting areas with limited appropriate tourism. Nonetheless, some community projects north of the municipality also provide opportunity for agri-tourism on reclaimed and communal land, which are suitable for game and tourism development, such as:

- ❖ Legata project in Kgopong village
- ❖ Mokitlane Community in Motse village
- ❖ Molekwa Community in Phase 1-3

The Bathokoa Trust is a government funded LRAD project situated on portion 13 of Farm Jaagbaan, south of the Municipality, it mainly farms citrus and crop farming, and is also ideal for development of tourism and citrus farm stay linked to proposed tourism routes and packages.

The PPL Mine in Mogalakwena has the biggest open-pit mine in southern Africa. Mogalakwena is renowned for being located on the Mokopane Platinum Belt which is also better known as the Northern Limb of the Bushveld Igneous Complex. Mogalakwena is also blessed with various other minerals such as granite, limestone and fluoride. The above mentioned facts about mining in Mogalakwena present an opportunity for an increased mining tours in the municipality and the possibility of a mixed activity packages incorporating the mining, nature (adventure and eco tourism) and cultural aspect of the municipality.

To achieve this, the following projects are identified as activities towards reaching the target set by this Programme:

<b>Project 1</b>	Develop a leisure train trip using existing infrastructure within Mogalakwena with potential expansion to Polokwane, interlinked with donkey rides and other transport modes to places of interest.
<b>Project 2</b>	Establish Edu-tours to the game breeding centre linked with game farming
<b>Project 3</b>	Undertake a feasibility to establish a game hunting safari hub in Mokopane with taxidermy, hunting equipment, outfitters and linkages to hunting activities
<b>Project 4</b>	Undertake feasibility for farm-based tourism and farm stays for community benefit on citrus farms through PPP
<b>Project 5</b>	Undertake tourism activities on reclaimed communal land with tourism potential such as overnight accommodation, hiking trails, horseback, quad bike rides, etc.

Development facilitation issues to be addressed in support of this programme include:

- ❖ Revive interest amongst the agricultural community in allowing tourists to visit farms involved with planting, harvesting, packaging and processing of produce
- ❖ Promote the natural and photographic features of Mogalakwena.
- ❖ Promote edu-tourism focused on bird watching (Nylsvlei birding), butterflies, tree species
- ❖ Facilitate the logistical arrangement to increase the frequency of existing mining tours, from once a year to more regular intervals.
- ❖ Facilitate upgrade of Mokopane golf course and develop Mogalakwena as a golf mecca and game experience linked to Provincial golf events.
- ❖ Facilitate the development of overnight farm stays (cottages, traditional farmhouses) through PPP initiatives.
- ❖ Actively develop new markets and exploit new market niches (honeymoon, hiking, mountain-biking, backpackers, river-related experience)

#### 2.4.4 Programme 4: Destination marketing, branding, promotion and awareness

To ensure optimal development of the tourism industry, it is essential to promote marketing of the available products, services, activities and the unique selling points of Mogalakwena. Mogalakwena Municipality needs to be marketed as a tourism destination through brochure development and marketing on the internet (Mogalakwena Tourism Website). The tourism market should not only focus on tourists from South Africa but also surrounding African countries and international tourists.

The use of information cairns at appropriate tourists routes, erection of tourism interpretative and attraction signage as well as Billboards at the N1 and N11 crossroads and in Mokopane would enhance marketing of the area. Also effective for marketing and promotion is printing of route maps, attraction brochures to be distributed at the tourism information centre and at attractions, etc. The proposed tourism website should be linked to the existing go-Limpopo website, the District website and other stakeholders websites within Limpopo.

The development of a brand identity is crucial to creating awareness of the study area, as it creates the right impression and perception of the tourism destination in the market place. Moreover, it would serve to assist in uniting the tourism product and service provider within Mogalakwena. Mogalakwena's unique tourism selling points are:

- ❖ Makapan Valley WHS
- ❖ Waterberg Biosphere
- ❖ The game breeding centre of the National Zoological Garden of South Africa
- ❖ The location of Mokopane at the crossroads of the N1 and N11

Real effective marketing can also be achieved through creating working partnerships in the tourism industry and with local businesses. Furthermore tourism awareness needs to be established among the residents and business community of the Mogalakwena Municipality, as well as amongst tourism operators within the study area. All stakeholders need to be made aware of the tourism significance, and how they can either enhance a tourists experience or be involved in building a negative perception in the tourist mind about the destination. Furthermore, local communities should be alerted of what tourism entails and what the impact of tourist spending in their area could mean.

The existing tourism office needs to be revitalised and it is highly recommended to have the tourism office operating 7 days a week, and have it open later on a Friday night to allow for visitors who might arrive late from destinations such as Gauteng. It is equally important to have information officers trained in customer services, since they are deemed as ambassadors for the area and they have the opportunity to influence visitors in respect of which location/destination within the area they could visit.

While Mogalakwena benefits from unique and special attractions, the Municipality is not currently effectively benefiting from these attractions or presenting them and other attractions as must-see destinations. The tourism industry in Mogalakwena Municipality requires substantial investments in planning, development, training, operational expertise and marketing.

A host community is equally important as issues of cultural insensitivity and moral decay should be addressed with communities so that they are well informed and alert about such issues and they know how to handle them. Community education on the tourism significance should be a main priority of tourism development. Everyone involved should be made aware that they are ambassadors of tourism in their area, therefore it is upon them to retain tourists so as to ensure the multiplier effect within locals

communities. A culture of being tourist-friendly should be promoted to all stakeholders and communities involved.

Central to the successful establishment and growth of the tourism industry in the Municipality is the full dedication and commitment of all role-players and stakeholders towards a shared common goal. This programme, therefore, aims to provide an integrated approach towards tourism development in the Municipality, establishing supportive linkages with other sectors of the economy.

The following projects are identified as activities towards reaching the target set by this Programme:

<b>Project 1</b>	Establish Mogalakwena destination branding through packaging and promotion of unique selling point (such as Makapan Valley WHS, Waterberg Biosphere, etc), and develop a tourism website linked to GoLimpopo and others
<b>Project 2</b>	Print maps, brochures of local tourism facilities and attractions.
<b>Project 3</b>	Invest in tourism signage in the area and establish information cairns along main routes (e.g N1, N11 and R518)

Development facilitation issues to be addressed in support of this programme include:

- ❖ Develop a dedicated tourism desk and revitalise the existing tourism office to make it more appealing to tourists.
- ❖ Establish and implement fast-track mechanisms, incentives and approval for tourism related investments.
- ❖ Facilitate local business linkages to promote the procurement of local goods and service.
- ❖ Facilitate a private/public sector familiarisation tours of current tourism establishments
- ❖ Undertake local tourism awareness campaign and encourage community involvement in tourism.
- ❖ Facilitate and implement tourism development support systems for emerging entrepreneurs, and encourage information sharing sessions with existing tourism and related businesses.
- ❖ Facilitate the Upgrading and establishment of tourism infrastructure and facilities such as basic utility services, ablution facilities, emergency services, roads in association with relevant departments

### 3 Summary of thrusts, programmes and projects

Having broadly described the aims of each thrust and the specific programmes required to ensure the successful implementation of each of the thrusts, the following tables provides a summary of all the strategic thrusts, programmes, projects and development facilitation actions developed as part of the economic framework presented by this strategy.

THRUST: SUSTAINABLE RURAL AND AGRICULTURAL DEVELOPMENT	
Programmes	Projects and Development Facilitation
Support land claim beneficiaries	<b>Projects</b>
	<ul style="list-style-type: none"> <li>▪ Develop a poultry cluster with chicken farmer land claim beneficiaries and the creation of a shared central processing co-operative.</li> <li>▪ Develop a central marketing establishment for cattle farmer land claim beneficiaries and the creation of a shared central meat-processing co-operative.</li> <li>▪ Develop horticulture and crops cluster with land claim beneficiaries farming in vegetable, citrus and crops and the creation of a shared central processing co-operative</li> <li>▪ Revitalise agriculture community gardens and joint production surrounding public owned facilities and roll-out to other communities if proven successful</li> </ul>

<b>THRUST: SUSTAINABLE RURAL AND AGRICULTURAL DEVELOPMENT</b>	
<b>Programmes</b>	<b>Projects and Development Facilitation</b>
	<p><b>Development Facilitation</b></p> <ul style="list-style-type: none"> <li>▪ Continue liaison with DoA, RLCC and LDA in a land claims forum for successful post settlement coordination and speedy occupation and productivity of land.</li> <li>▪ Liaise with LDA, DoA and other land claim stakeholders to successfully implement farming co-operative activities on land with agricultural potential under settled land claims and ensure continuous monitoring, evaluation and support</li> <li>▪ Develop and implement a livestock improvement and fattening scheme</li> <li>▪ Organise working groups among the same type livestock, horticulture and poultry owners</li> <li>▪ Develop a community rural support node within Rebone and facilitate the provision of self-sustaining and community economic support training programmes to rural populations</li> </ul>
<b>Water scarce new product development</b>	<p><b>Projects</b></p> <ul style="list-style-type: none"> <li>▪ Establish bee farming and honey production co-operative linked to existing deciduous fruit farms</li> <li>▪ Undertake feasibility for aquaculture production and fishing initiatives at utilising existing water reserves Alpine/Doringdraai dams</li> <li>▪ Establish hydroponic and organic farming methods to produce a variety of niche products (e.g. mini vegetables, vegetarian niche products, etc)</li> <li>▪ Increase emerging and small-scale farmer access to water through the use of Revitalisation of Smallholder Irrigation Schemes (RESIS) to make irrigation schemes, such as the Mapela Irrigation Scheme, operational.</li> </ul> <p><b>Development Facilitation</b></p> <ul style="list-style-type: none"> <li>▪ Consult with DoA and ARC to identify genetically modified strains that can survive in water scarce areas and facilitate research on the expansion of horticultural production through the increased planting of less water intensive crops.</li> <li>▪ Establish educational program of new farming techniques for food modification and genetic manipulation of products and modern, state-of-the-art indoor growing methods</li> <li>▪ Facilitate the production of free range options from chickens and goats etc., under organic farming methods.</li> <li>▪ Assist with organic certification and facilitate emerging farmers and co-operatives with meeting requirements for certification</li> </ul>
<b>Emerging and small-scale Black farmer support services</b>	<p><b>Projects</b></p> <ul style="list-style-type: none"> <li>▪ Create a multi-faceted open trade market in Mokopane to trade in fresh fruit and vegetables and livestock/meat produce, local herbs and spices, Marula beer etc.</li> <li>▪ Create a Farming Education and Information Sharing Centre in Bakenberg for farmers to share information on farming practices, attend training seminars and access local and affordable inputs for farming.</li> <li>▪ Develop a cooperative to hire out small-scale machines, agriculture implements/equipment/tools, and transport</li> </ul> <p><b>Development Facilitation</b></p> <ul style="list-style-type: none"> <li>▪ Create a 'buy-local' fresh produce campaign and facilitate the drawing up of supplier contracts, approaching food stores, mines, schools, and other institutions to buy their horticulture and crop products from the local agriculture community.</li> <li>▪ Ascertain continued discussion with institutions like TIL, SEDA, LimDEV, LIBSA, LEDET, IDC and DTI to formulate financing mechanisms to establish BBBEE farming enterprises founded on principles of PPP and sustainable businesses.</li> <li>▪ Facilitate provision of information on how to access CASP, LRAD,</li> </ul>

**THRUST: SUSTAINABLE RURAL AND AGRICULTURAL DEVELOPMENT**

Programmes	Projects and Development Facilitation
	<p>Nguni, Letsema, MERECAS, LandCare and other funding, as well as providing equitable access to these funds.</p> <ul style="list-style-type: none"> <li>▪ Coordinate with DoA, LDA and Waterberg District to develop succession plans for aged farmers to entice youth involvement.</li> <li>▪ Facilitate access to training for seasonal farm workers during off-peak times.</li> <li>▪ Facilitate the formation of farmer based commodity associations and agri-business entities for farmer support, to ensure full participation in local economic development opportunities.</li> </ul>

**THRUST: MINING DEVELOPMENT, SUPPORT AND PROMOTION**

Programmes	Projects and Development Facilitation
<b>Development and support small-scale Black owned mines</b>	<p><b>Projects</b></p> <ul style="list-style-type: none"> <li>▪ Undertake a feasibility for the development of a mining development and beneficiation support hub to support permit access, skills development, training, S&amp;LP advice, and mining linkages</li> <li>▪ Revitalise existing stagnant mining operations (Grasvalley Chrome Deposits, Tin, Fluorite Mines around Mokopane)</li> <li>▪ Develop small-scale clay mining co-operatives to the South-Eastern parts of Mogalakwena</li> <li>▪ Develop small-scale limestone quarrying co-operatives</li> <li>▪ Develop small-scale granite quarrying co-operatives surrounding Marulaneng</li> <li>▪ Develop small-scale fluorite mining co-operatives along the western border of Mogalakwena</li> <li>▪ Develop small-scale tin mining co-operatives in Mokopane Tin Fields</li> <li>▪ Develop small-scale diamond mining co-operatives based on The Oaks diamond mining model</li> </ul> <p><b>Development Facilitation</b></p> <ul style="list-style-type: none"> <li>▪ Facilitate in conjunction with the DMR, the assessment of the economic viability of the existing platinum, nickel, copper, tin, fluorite, limestone and granite deposits.</li> <li>▪ Determine viable land and mineral potential for mining development in association with DMR and geosciences and market mineral potential within Mogalakwena to investors especially within the Mokopane Platinum Belt and Mokopane Tin Fields</li> <li>▪ Facilitate interaction between local municipalities, mining houses and local communities when drafting social and labour plans</li> <li>▪ Monitor the effects and value-addition presented by the local mining S&amp;LP projects and provide advice and support</li> <li>▪ Facilitate the creation of a syllabus for the training of members of small mining co-operatives and facilitate training programmes with the local FET and other training providers</li> <li>▪ Ensure the representation of Mogalakwena amongst WDM delegates at Provincial and National mining summits</li> <li>▪ Determine the extent of progress made by Mintek in relation to their Platinum Development Initiative in order to co-ordinate research and planning efforts</li> <li>▪ Facilitate discussions between prospecting mines, local communities and tribal authorities to create joint ventures in small scale mining activities</li> <li>▪ Facilitate financial, funding &amp; training for small-scale mining activities</li> <li>▪ Investigate the potential for the establishment of one or more small mining operations within a cluster of small and larger operations that could co-operate in the utilisation of central beneficiation activities from operations along the Platreef and in Maruleng</li> <li>▪ Facilitate support and mentorship programmes between large mines and small-scale mining enterprises</li> </ul>
<b>Mining supplier development</b>	<p><b>Projects</b></p> <ul style="list-style-type: none"> <li>▪ Create a database of existing businesses engaged in the mining value chain in order to create linkages</li> <li>▪ Investigate the need for a regional mining supplier park which focuses</li> </ul>



**THRUST: MINING DEVELOPMENT, SUPPORT AND PROMOTION**

Programmes	Projects and Development Facilitation
	<p>on mining inputs like lubricants, spare parts, tyres, protective wear, mechanical servicing and repair depot, etc</p> <ul style="list-style-type: none"> <li>▪ Develop local cleaning services and catering SMMEs</li> <li>▪ Establish a recycling co-operative associated with mining related waste such as paper, plastic, wood beams, steel pipes</li> </ul> <p><b>Development Facilitation</b></p> <ul style="list-style-type: none"> <li>▪ Identify current levels and potential of mining procurement from local SMME's in Mogalakwena and continuously identify opportunities for the establishment of local enterprises within the mining value chain in consultation with local mining companies</li> <li>▪ Facilitate the acquisition of funding from provincial, national and international departments and enterprises in assistance of development of SMME's in the mining value chain</li> <li>▪ Facilitate negotiations with management of mine houses to negotiate contracts with local SMMEs along value chains and facilitate the drawing up of supplier contracts</li> </ul>

**THRUST: SMME SUPPORT AND MANUFACTURING DIVERSIFICATION**

Programmes	Project Projects and Development Facilitation
<p><b>Self-sufficiency and SMME development and support</b></p>	<p><b>Projects</b></p> <ul style="list-style-type: none"> <li>▪ Launch an LED marketing campaign which focuses on LED opportunities, investment attractions and an LED marketing drive</li> <li>▪ Develop a Infrastructure Investment Plan in order to determine a framework for sustainable service delivery to supplement the LED</li> <li>▪ Develop a grocery purchase and delivery SMME to serve local facilities and households</li> <li>▪ Establish a pilot community bank and roll-out to other communities if proven successful</li> <li>▪ Establish refuse buy-back voucher centres, undertake pilot and once successful roll-out to other communities</li> <li>▪ Establish a construction workers association</li> <li>▪ Development of mobile learning centres which travel to rural areas such as Bakenberg, Matlala, and Baokona Manetji</li> <li>▪ Develop, populate and maintain a local business, product and service provider database (business directory) and distribute information to facilitate supplier-client linkages (networking)</li> <li>▪ Establish and maintain an unemployment desk with a skills register.</li> <li>▪ Develop a one-stop business shop in Bakenberg that offers logistical services such as courier and postal services, telephone, fax and internet.</li> </ul> <p><b>Development Facilitation</b></p> <ul style="list-style-type: none"> <li>▪ Facilitate implementation of local supply chain policy to ensure municipal support of local SMMEs especially for day-to-day requirements such as printing, catering, etc</li> <li>▪ Facilitate the development of community support co-operatives</li> <li>▪ Draft a funding resource database that can be distributed to entrepreneurs within rural areas and used to facilitate lobbying for financial resources for SMME's</li> <li>▪ Facilitate linkages between SEDA, CIPRO, etc and local business chambers, SMME's, entrepreneurs and business support structures</li> <li>▪ Draft a memorandum of understanding with schools, colleges and training centres to develop and expand the curricular to include improved practical and technical subjects related to tourism, agriculture, agro-processing and basic trade related skills, whilst also hosting job fairs and career days</li> <li>▪ Facilitate the development of a 'buddy system' to connect the youth of local communities within Mokopane and the surrounding rural areas, to experienced and mature commercial local companies</li> <li>▪ Develop SMME grouping system/clustering along commodity supply chains to facilitate networking &amp; information sharing</li> <li>▪ Facilitate the expansion of further learning centres offering practical courses, as well as the promotion of establishing SETA learnership programmes (e.g. home based sewing industries, community gardens,</li> </ul>

<b>THRUST: SMME SUPPORT AND MANUFACTURING DIVERSIFICATION</b>	
<b>Programmes</b>	<b>Project Projects and Development Facilitation</b>
	<p>baking etc.)</p> <ul style="list-style-type: none"> <li>▪ Identify informal businesses compile into a central database and encourage the registration and association with the Mokopane Hawkers Association to enable inclusion in role-player discussions on business development opportunities, co-operatives, SMME's and entrepreneurship</li> <li>▪ Undertake intensive marketing of the municipal incentive packages (developed as part of this study)</li> </ul>
<b>Development and management of Mokopane Industrial Precinct</b>	<p><b>Projects</b></p> <ul style="list-style-type: none"> <li>▪ Develop the Northern industrial area of Mokopane, to function as Industrial Precinct with a management body.</li> <li>▪ Build a database of all existing industries in the Precinct and create a comprehensive website for information dissemination purposes.</li> <li>▪ Undertake an Industrial Development &amp; Marketing Strategy per node (Mokopane, Bakenberg, Rebone) to attract retail/industrial/wholesale enterprises.</li> <li>▪ Develop Manufacturing Advice and Incubation Centre (MAC) in Mokopane Industrial Precinct to provide support, facilities and training to develop local manufacturers. This should be linked FabLab to correlate certain activities.</li> </ul>
	<p><b>Development Facilitation</b></p> <ul style="list-style-type: none"> <li>▪ Introduce and facilitate industrial/manufacturing incentives for investors (e.g. tax and service provision rates) such as providing efficient service delivery and infrastructure requirements for business development.</li> <li>▪ Develop a Technical Mentoring System where industrial experts offer technical advice on the management of a manufacturing business.</li> </ul>
<b>Agro-processing industrial development</b>	<p><b>Projects</b></p> <ul style="list-style-type: none"> <li>▪ Establish candle and soap-making cooperative</li> <li>▪ Establish a bakery, biscuits and sweets processing cooperative</li> <li>▪ Establish a meat processing co-operative linked to land claim beneficiaries, such as the production of pork chops, cold meats etc.</li> <li>▪ Establish a poultry processing co-operative linked to land claim beneficiaries, such as the production of chicken pieces, hatching etc.</li> <li>▪ Establish crop and horticulture agro-processing co-operative linked to land claim beneficiaries, such as the production of achar, bottled vegetables etc.</li> <li>▪ Establish a citrus processing plant for orange juice, dried oranges for decorative purposes, marmalade, orange rind, etc</li> <li>▪ Establish a small scale grape processing co-operative (e.g. grape-seed oil, sun-dried raisins, juice, jam etc.).</li> <li>▪ Establish a small-scale beer brewing co-operative near Rebone or Sterkwater utilising marula fruit or sorghum</li> <li>▪ Establish off-cut leather tannery to manufacture bags and belts, etc</li> <li>▪ Establish an animal/pet feed factory using existing crops and wastage from restaurants (food &amp; oil), abattoirs, taxidermies and de-boning and meat-processing facilities.</li> <li>▪ Establish a bee farming and honey production co-operative</li> <li>▪ Undertake feasibility for tobacco processing, such as making tobacco snuff, cigarettes, cigars and tobacco paste for hookah pipe.</li> <li>▪ Establish a production of plastics, containers and bottles for packaging and distribution enterprise</li> <li>▪ Initiate the making of farm equipment required for animal farming, such as manufacturing drinkers, feed trays and shifting boxes.</li> <li>▪ Establish a local manufacturer in the Mokopane Industrial Precinct to produce fertilisers and pesticides.</li> </ul>
	<p><b>Development Facilitation</b></p> <ul style="list-style-type: none"> <li>▪ Research and promote various opportunities for poultry, red meat, crops and horticulture processing and promote maximum processing of agriculture products</li> <li>▪ Facilitate PPPs and joint venture establishments to develop and expand agro-processing business opportunities.</li> </ul>

**THRUST: SMME SUPPORT AND MANUFACTURING DIVERSIFICATION**

<b>Programmes</b>	<b>Project Projects and Development Facilitation</b>
<b>Mineral beneficiation</b>	<b>Projects</b> <ul style="list-style-type: none"> <li>▪ Develop clay processing businesses involved in manufacturing of pottery, bricks, fireplaces, terra cotta, etc</li> <li>▪ Establish a granite processing co-operative for building activities, funeral works, etc</li> <li>▪ Establish a small-scale tin processing co-operative to process tin for solder, sheet glass and ornaments, and to use for electro-plating, etc.</li> <li>▪ Establish a small-scale fluorite processing facility to manufacture toothpaste, cooking utensils, etc.</li> <li>▪ Acquire PPP, funding and continued support for the pebble co-operative</li> <li>▪ Acquire PPP, funding and continued support for the Matlala stone crushers</li> <li>▪ Establish building material manufacturing co-operatives (bricks, bio-degradable materials, and utilisation of district resources such as limestone, copper, manganese and iron ore to manufacturing building materials, etc)</li> </ul>
	<b>Development Facilitation</b> <ul style="list-style-type: none"> <li>▪ Facilitate linkages between beneficiators and product retailers</li> <li>▪ Investigate the potential for the establishment of one or more small mining operations within the cluster of small and larger operations that could co-operate in the utilisation of central beneficiation activities from operations surrounding Mokopane and Mokerong.</li> <li>▪ Facilitate discussions between local communities, tribal leaders and mining companies into the utilisation of land for granite waste beneficiation.</li> </ul>

**THRUST: TOURISM RESOURCE MAXIMISATION AND MARKETING**

<b>Programmes</b>	<b>Projects and Development Facilitation</b>
<b>Develop Makapan Valley WHS as a tourism 'icon' and combine related historical/cultural assets</b>	<b>Projects</b> <ul style="list-style-type: none"> <li>▪ Facilitate the development of a PPP for the development of a lodge in Makapan Valley WHS</li> <li>▪ Undertake a feasibility to develop hiking trails in Makapan Valley WHS. Erect proper signage.</li> <li>▪ Undertake a feasibility to develop rural accommodation (rondavels), taverns/traditional restaurants offering local cuisine within Makapan Valley WHS and environs.</li> <li>▪ Upgrade the Arend Dieperink Museum with interpretation material and guided historic tour to battlefields, Graves of King Mokopane and Piet Potgieter, ancient rock paintings and stone age findings in Masebe Nature Reserve.</li> <li>▪ Develop township tour to Mahwelereng and Bakenberg reflecting the cultures and ancient lifestyles of the area</li> <li>▪ Develop half/full day guided special interest tours to heritage resources and monuments such as to the historic mountains, wetlands, miraculous rocks, meeting elders and their ancestral spirits, traditional story-telling, visits to burial sites and sangomas.</li> <li>▪ Establishment of locally produced curio artefacts outlets at tourism attractions</li> </ul>
	<b>Development Facilitation</b> <ul style="list-style-type: none"> <li>▪ Facilitate the upgrade and development of Makapan Valley WHS and environs as a key attraction</li> <li>▪ Facilitate maintenance of access roads to Makapan Valley WHS, stabilise the caves, &amp; fencing and introduction of game.</li> <li>▪ Facilitate the enhancement, maintenance/conservation and promotion of existing historic/natural attractions such as ancient battlefields, grave sites, rock art, etc.</li> <li>▪ Facilitate the marketing, promotion, upgrade and support of existing cultural attractions, such as Telekishi Ramasobane, and Pedi Potters.</li> </ul>
<b>Develop the Waterberg Biosphere and its environs as an adventure and eco tourism destination</b>	<b>Projects</b> <ul style="list-style-type: none"> <li>▪ Develop a day visitor facilities and fishing/picnic spots along Mogalakwena River and at the Doorndraai dam Nature Reserve.</li> <li>▪ Lobby for the development of a family resort/day visitor activities at Masebe Nature Reserve.</li> </ul>

<b>THRUST: TOURISM RESOURCE MAXIMISATION AND MARKETING</b>	
<b>Programmes</b>	<b>Projects and Development Facilitation</b>
	<ul style="list-style-type: none"> <li>▪ Develop both soft &amp; hard adventure activities centre and outdoor adventure survival/boot camp with hunting packages, canoeing, kloofing, rock climbing, mountain biking, hang gliding around Masebe Nature Reserve</li> <li>▪ Develop nature reserves as viable tourist destinations, with game viewing, overnight facilities, guided trails, teambuilding/conferencing/bosberaad, etc</li> <li>▪ Establish budget accommodation (backpacker, camping and caravanning) associated with adventure tourism.</li> <li>▪ Establish community owned tea gardens/kiosks with light meals at various nature reserves in Mogalakwena.</li> <li>▪ Develop Moepel Farm eco-training centre in association with the Waterberg District Municipality</li> <li>▪ Investigate and implement one or two hiking circuits linked to Amatuva trails and Thabaphaswa hiking and mountain bike trails. Erect proper signage.</li> <li>▪ Investigate the possible range of local products for incorporation into packaging of local guided special interest routes with themes along the way to rural settlements to open up the settlements to development</li> </ul> <p><b>Development Facilitation</b></p> <ul style="list-style-type: none"> <li>▪ Investigate possible access to Mogalakwena River and related activities such as bird watching, water sports, adventure sports, fishing etc</li> <li>▪ Promote investor opportunities for establishment of tourism facilities and services at Makapan Valley WHS, and various nature reserves through PPP</li> <li>▪ Facilitate access to appropriate training, conservation programmes and accreditation of site guides, professional hunters.</li> <li>▪ Facilitate the training of tour guides for proposed developments</li> </ul>
<b>Special Interest tourism development</b>	<p><b>Projects</b></p> <ul style="list-style-type: none"> <li>▪ Develop a leisure train trip using existing infrastructure within Mogalakwena with potential expansion to Polokwane, interlinked with donkey rides and other transport modes to places of interest.</li> <li>▪ Establish Edu-tours to the game breeding centre linked with game farming</li> <li>▪ Undertake a feasibility to establish a game hunting safari hub in Mokopane with taxidermy, hunting equipment, outfitters and linkages to hunting activities</li> <li>▪ Undertake feasibility for farm-based tourism and farm stays for community benefit on citrus farms through PPP</li> <li>▪ Undertake tourism activities on reclaimed communal land with tourism potential such as overnight accommodation, hiking trails, horseback, quad bike rides, etc.</li> </ul> <p><b>Development Facilitation</b></p> <ul style="list-style-type: none"> <li>▪ Revive interest amongst the agricultural community in allowing tourists to visit farms involved with planting, harvesting, packaging and processing of produce</li> <li>▪ Promote the natural and photographic features of Mogalakwena.</li> <li>▪ Promote edu-tourism focused on bird watching (Nylsvlei birding), butterflies, tree species</li> <li>▪ Facilitate the logistical arrangement to increase the frequency of existing mining tours, from once a year to more regular intervals.</li> <li>▪ Facilitate upgrade of Mokopane golf course and develop Mogalakwena as a golf meca and game experience linked to Provincial golf events.</li> <li>▪ Facilitate the development of overnight farm stays (cottages, traditional farmhouses) through PPP initiatives.</li> <li>▪ Actively develop new markets and exploit new market niches (honeymoon, hiking, mountain-biking, backpackers, river-related experience)</li> </ul>
<b>Destination marketing, branding, promotion and awareness</b>	<p><b>Projects</b></p> <ul style="list-style-type: none"> <li>▪ Establish Mogalakwena destination branding through packaging and promotion of unique selling point (such as Makapan Valley WHS, Waterberg Biosphere, etc), and develop a tourism website linked to GoLimpopo and others</li> <li>▪ Print maps, brochures of local tourism facilities and attractions.</li> </ul>

THRUST: TOURISM RESOURCE MAXIMISATION AND MARKETING	
Programmes	Projects and Development Facilitation
	<ul style="list-style-type: none"> <li>▪ Invest in tourism signage in the area and establish information cairns along main routes (e.g N1,N11 and R518)</li> </ul> <p><b>Development Facilitation</b></p> <ul style="list-style-type: none"> <li>▪ Develop a dedicated tourism desk and revitalise the existing tourism office to make it more appealing to tourists.</li> <li>▪ Establish and implement fast-track mechanisms, incentives and approval for tourism related investments.</li> <li>▪ Facilitate local business linkages to promote the procurement of local goods and service.</li> <li>▪ Facilitate a private/public sector familiarisation tours of current tourism establishments</li> <li>▪ Undertake local tourism awareness campaign and encourage community involvement in tourism.</li> <li>▪ Facilitate and implement tourism development support systems for emerging entrepreneurs, and encourage information sharing sessions with existing tourism and related businesses.</li> <li>▪ Facilitate the Upgrading and establishment of tourism infrastructure and facilities such as basic utility services, ablution facilities, emergency services, roads in association with relevant departments.</li> </ul>



# 6 Section

## Implementation plan and monitoring tool

This Section set-outs the priority projects and development facilitation focus areas prioritised through stakeholder consultation and through the use of a project prioritisation matrix required for the 5-year implementation plan of the strategy along with actions plans, timeframes, financial and other resource requirements, a financial plan, and a spatial plan. A mechanism for LED impact monitoring and evaluation concludes the section.

In order for the LED unit of Mogalakwena Municipality to effectively plan and implement this LED Strategy, the purpose of this section is to provide:

- ❖ A 5-year action plan and implementation guidelines for the highest priority projects that need to be implemented in the immediate to short term as well as a financial and spatial plan of the high priority projects and facilitation actions
- ❖ A effective monitoring and evaluation system in order to assist the municipality in tracking the progress with regards to economic development

### 1 IMPLEMENTATION GUIDELINES FOR PRIORITY FOCUS AREAS

The purpose of this sub-section is to facilitate the streamlined and fast-tracked delivery of the LED Strategy, its Thrusts and Programmes, through the effective implementation of a number of key projects and development facilitation issues.

In order to successfully implement the projects, a number of implementation tasks typically need to be undertaken. The following aspects typically need to be addressed in order to facilitate the implementation of projects:

- ❖ **Obtain funding (ongoing):**
  - There are numerous funding sources through which the Municipality can secure financial assistance or loans to support the implementation of the proposed projects. These sources include both private sector establishments and public sector resources. A complete list of potential funding institutions and contact details is provided in Annexure F;
  - Find ways to obtain and secure capital;
  - Determine how much money the owners/members have, how much the owners/members are willing to risk, how much they are going to invest, etc.
  - Determine whether or not the owners are going to obtain a loan, make use of investors or all of the aforementioned;
  - Contact all funding sources and programmes and obtain buy-in and support;

- Utilise feasibility study to market the project to potential funders;
- Compile and submit applications for funding. Funding of development is often one of the most constraining issues faced during the implementation of projects. Development funds is a scarce resource and all sources should be mobilised with due care;
- Ensure alignment of project with Council policies in order to get funding;
- Government support mechanism for the SMMEs also need to be obtained, as well as other support mechanisms. These programmes aim to assist people to apply for new projects (e.g. close corporation), expansion of an existing project and skills support programmes.
- Consider utilising external implementer to attain funding on behalf of the municipality for priority projects on a risk basis. I.e. the external entity is not remunerated for work undertaken in order to obtain funding, but should funding be obtained, the said external implementer needs to be appointed to undertake the project implementation (remuneration of which typically entails a 10-15% implementation fee of the funding obtained).

❖ **Appoint implementer:**

- In order to implement the project successfully, a dedicated person needs to take responsibility for the implementation. This can either be done in-house if sufficient capacity and know-how exists, or can be put out on tender for development facilitators (in the short term) or in the medium term obtain assistance from the Waterberg District Agency (WDA). In order to ensure that the implementation and management of the proposed project is driven successfully, the implementer must ensure that the project produces the deliverables to the required standard of quality and facilitate handover of the successfully implemented project. Consequently, the implementer must be appropriately empowered and provided with sufficient decision-making authority to fulfil his or her responsibilities;
- The project implementer needs to meet regularly with the community/potential owners of the project, as well as with the relevant LED officer (if external) or the LED coordinator / tourism officer/ agriculture officer (if internal) on a weekly basis to ensure that the learning process is shared with all members and to effectively evaluate the progress of the project. This will ensure that the LED unit is capacitated to in future implement projects internally;
- The implementer must also take responsibility for the following: liaising with the Municipality, project programming and execution, monitoring overall performance of members, undertaking accounting administration of project, time frame management, setting up implementing user agreements, monitoring and managing risks, establishing and enhancing reporting mechanisms, conducting regular team meetings, monitoring quality assurance and deliverable acceptance, monitoring construction and skills training phases, producing monthly progress reports and status reports in order to ensure that the project aligns with the required outputs, timeframe and budget.

❖ **Finalise ownership:**

- Identify stakeholders/businesses/community members interested in becoming involved in the proposed project;
- Identify local communities and roleplayers/stakeholders (such as Department of Agriculture, land claims beneficiaries, tribal authorities, etc.) that need to be involved in planning and decision making process;
- Undertake strategic workshops to engage with relevant project stakeholders. This includes obtaining local business interests with regards to the projects and to obtain community-based interests. It is essential that this participation be fostered, as the acceptance of the outputs of the project needs to be in line with business and community desires. The purpose of these workshops will also be to ascertain stakeholder visions for the project, so that key issues not

previously raised can be taken into consideration. It is essential to obtain such input from the start of the project;

- Undertake negotiations with the community, private sector businesses/funders interested in partnerships, government departments, support organisations, etc. to finalise ownership. The negotiations should include determining what possible partnerships can be forged with; and
- Hold introductory meetings with existing (or proposed beneficiaries) of the proposed project. The purpose of this introductory meeting will be to explain the purpose of the project to the beneficiaries, so that they are able to make informed decisions regarding the project at a later stage.

❖ **Develop detailed business plan:**

- Once the body responsible for implementation (either internal or external) has been identified, such a person needs to develop a detailed action plan (as part of the business plan), which consists of: project scope and work breakdown structure, programme and milestones, agenda's and minutes of meetings, correspondence, progress reports, communication schedule, coordination of parties involved, time frame management, working capital, liaison with end users, ongoing monitoring plan, facilitation and final handover, etc
- The action plan needs to identify: whether each action is really required for reaching the vision; will these actions allow you to reach all of the defined objectives; will these actions remove all of the identified issues; will these actions allow you to reach the identified critical success factors; and can you do these actions for the expected investment?
- A detailed business plan needs to be developed and should contain the following guidelines and actions to facilitate the implementation: project description, vital issues that need to be addressed before the business can be started, economic impact, key role-players that need to take responsibility for the development, nature and possible sources of additional financing for the business, facilitation plan (what needs to be done to ensure successful implementation), implementation timeframe and phasing, institutional arrangements (Legal form of ownerships and responsibilities, strategic partners, organisational structure, internal monitoring mechanisms), operating plan, actuals, forecasts and timeframes, financial requirements, income creation to ensure break-even, final capital costs, operating costs, outputs and outcomes, resource requirements, budget, cash flow, funding sources, investment opportunities, returns, income/expenditure and revenue stream, balance sheet, etc.
- Such a business plan is often required in order to obtain funding (see first step).
- Business plan assessment and refinement is also needed. This entails: ensuring attainable vision, goals, strategies and objectives, ensuring that detailed outcomes and project indicators exist, ensuring alignment to policy frameworks, obtaining a detailed understanding of risks and identifying risk ameliorations, verifying timeframes for implementation, revising financial plans and resource requirements, ensuring effectiveness – to ensure it contains all investors need to know, etc.
- Other actions that need to be undertaken to ensure the successful implementation of a project include: determining the income and expenditure of the project over a three-year period, giving an indication of the monthly profit/loss, establishing how any profits will be re-invested into the project, how the project will break even and the sustainability of the project; determine what type of record keeping will be required; identify which associations need to be joined; etc.

❖ **Location and facilities:**

- Finalise location and position of the potential project;
- Determine requirements in terms of location such as identifying local authority regulations and permits needed for business in the area;
- Insure acceptance of location by those involved;
- Appoint architect/ specialist for design of floor layout plan to ensure most efficient layout of space;
- Determine detailed costs of the building required in terms of size, parameters, and rental requirements, where applicable;
- Appoint specialists as and when needed, such as quantity surveyor, architect, construction company etc.;
- Fast track approval of building plans, the provision of bulk services, etc.
- Provide assistance with regards to preparations of the sites and buildings to accommodate the project, as well as the purchase of equipment and tools required; and
- Obtain quotes for costs and discuss with owners.
- The construction processes also need to be monitored to ensure its timely completion and to ensure that all aspects of the project are implemented successfully.

❖ **Management team:**

- Finalise partnerships with other entities/support organisations/initiatives where appropriate;
- Finalise exact legal requirements for type of company/co-operative/association;
- Contact institute involved and obtain requirements for the registration of the company;
- The personality, professional and social competence, and motivation of the team also need to be evaluated so as to ensure successful implementation.

❖ **Staffing:**

- Assist with the identification and appointment of a manager. This position is extremely important, as the manager will drive the entire project, providing the necessary assistance and mentorship to members/staff/permanent workforce.
- Ensure that adequately skilled workers are appointed (where appropriate) for the proposed project;
- Develop detailed job descriptions in association with owners, including roles and responsibilities.

❖ **Human resource development:**

- Identify needs through research, meetings, seminars and workshops with similar type projects and staff of the aforementioned;
- Undertake the identification of training and technical needs of similar type companies in collaboration with relevant and interested organisations, eg. SEDA;
- Identify cost of training required. The training required should include providing access to technical training in order to operate the machinery involved in the manufacturing processes;
- Identify sources of training;
- Negotiate with existing willing similar type business owners and managers in Mogalakwena Local Municipality for skills transfer, mentorship and assistance in respect of business management, market penetration, registration, etc. Request assistance from the LED forum members in this regard.
- Contact and rope in relevant SETA's;
- Monitor the training programmes to meet these needs; and

- Ensure that staffing teams have: complementary skills and strengths, shared vision, flexible approach to problems, sticks together etc.

#### ❖ **Financial and accounting system**

- Effectively manage cash flow and funding resources of the proposed project;
- Efficient management of working capital includes the following: reducing the duration of the working capital shortage (and hence reducing the cost of the product due to lower interest expense), selecting the best option available for financing any working capital shortfall, ensuring that the time required to bring the product to the market is not underestimated, ensuring that market acceptance is not overestimated – realistic goals are required, the need for increased working capital must be taken into consideration as turnover rises, not to use short-term finance for long-term requirements, make allowance for peak cash requirements just prior to month end, make allowance for monthly salary deductions, determining how large the companies' capital requirements will be until break-even, etc. How much cash will be needed in the worst case? Determining where the capital will come from, what returns investors can expect, determining how profits can be realised, etc; and
- The financial and accounting system needs to be implemented.

#### ❖ **Monitoring and evaluation and final handover**

- The final step in the implementation process includes the progress and performance monitoring of the project and the final handover.
- Establish indicators/proxies for monitoring the development by the management team. An indicator can be defined as a generally acceptable expression that is seen as being representative (quantitatively and qualitatively) of the aspects that need to be addressed.
- The defined objectives need to be reviewed on a regular basis to see if the project is on track. This can be an annual event where progress is evaluated to determine if and how well the objectives have been achieved and the plan is refined for the next 12 months. If it is discovered that the objectives have not been reached, it should be considered whether the plan was not sufficient, whether the plan was not executed correctly, or whether the objectives were set too high. The plans should then be adjusted according to these findings.
- Once all requirements are met, the project will be handed over. However, ongoing support needs to be provided in terms of: providing key focus areas for future intervention, intervention priorities that will require implementation in the event of pre-identified risks transpiring, sustainability guidelines, likely future growth forecasts, the priority future needs of the business, realistic general performance indicators, etc, important milestones need to be identified as well as timeframes;
- Furthermore, mentoring needs to be continuously provided after handover. This implies that continuous monitoring needs to occur and as soon as any problems are noted, key specialists need to be appointed to attend to the specific problem within their field of specialisation. This will ensure that problems are identified and rectified as soon as possible before serious problems are encountered.
- It is important that the process is standardised by providing constant support for the proposed project in order to ensure the success of the project; and
- Ensure long-term viability of the proposed project by revisiting the initial concept.



While all of the above aspects need to be addressed in implementation, some of the critical success factors required to ensure successful implementation include:

- The development of a feasibility and business plan
- Lodging applications with financial sources and lobbying and determination of the amount of subsidies available
- The identification of appropriate partners/beneficiaries and type of ownership
- The identification of skills requirements
- The establishment of appropriate linkages with existing similar type enterprises for the provision of practical advice and mentorship, as well as the possible formation of an advisory board

Furthermore, the previous section of this strategy provided the complete LED Framework with a comprehensive list of Programmes, Projects and Development Facilitation actions. If these are addressed, and implemented successfully, the Municipality should be able to reach its goals of poverty alleviation and empowerment of women through the creation of employment opportunities by primarily utilising local resources.

However a vital issues approach needs to be undertaken. In other words, not all of the above-indicated programmes, projects and development facilitation actions, should or could (given financial and human resources constraints) be implemented simultaneously. The Economic Framework set out in this Strategy should thus be implemented in a phased manner, necessitating a focussed and progressive approach towards the implementation of certain programmes and projects throughout the LED Process. Nonetheless, equal attention should be given to each of the thrusts so as to avoid the creation of economic sector dominance and dependence.

As such, the programmes and projects were prioritised in terms of those that need to be implemented immediately in order to create immediate impact on the local economy.

The projects and facilitation actions per programmes were prioritised on the basis of the following criteria, namely:

- ❖ **The cost of the project:** A project received a one out of three for the cost of the project if it required limited capital injections that would almost enable the project to be implemented without having to source additional funding. A three was awarded to a project with higher capital outlay requirements and thus greater difficulty to implement on the ground. Where Low (L)= 1, and High (H)=3.
- ❖ **The ease of implementation:** projects that were considered to be easier to implement were those that had a fixed time frame, rather than an ongoing one. The more agencies, departments, institutions that were involved increased the ease of implementability of an individual project. Projects that were designed to improve the efficiency of an existing project, or would complement the development of programmes that would be implemented in the near future received a higher rating. Additionally, information on the existing supply networks and linkages between the project and other industry sectors was needed for a good score. Where Low (L)= 1, and High (H) =3.
- ❖ **The employment potential:** The impact that a project would have on the economy of the Municipality was also judged on both the long-term and short-term benefits the project would have

in terms of employment creation as well as who would benefit the most from the project. The more direct jobs and income the project would create the better its score. Additionally, projects that would create many spin-off opportunities for employment and income generation scored better than those that did not. Where Low (L)= 3, and High (H) =1.

The scores for each of the three criteria were combined for a score out of nine. The highest score that a project could receive was nine, while the lowest was three. **Annexure E** can be consulted for the project prioritisation. Those with the lowest score have the lowest cost, are easy to implement and have a high employment potential.

During a Steering Committee workshop, the project and development facilitation actions were prioritised based on the above criteria and to prioritise those projects and actions that represent the main needs in the Municipality, that will have the largest impact within the local economy and which thus need to be implemented first.

The following projects and actions were identified as priorities per thrust which require immediate attention:

**Sustainable rural and agricultural development:**

❖ **Projects:**

- Cattle Farmers Association and Central Marketing Co-operative
- Poultry Co-operative and Processing Cluster
- Bee Farming and Honey Production Co-operative
- Aquaculture farming establishments along existing water reserves

❖ **Development facilitation actions:**

- Successful Post-Settlement Land Claims Co-ordination
- Rural Community Economic Development and Support

**Mining development, support and promotion:**

❖ **Projects:**

- Revitalise Existing Stagnant Mining Operations

❖ **Development facilitation actions:**

- Facilitate Interaction Between Mogalakwena Local Municipality, Local Mining Houses and Local Communities
- Facilitate the Creation of Mining Related Skills Development in Conjunction With MQA SETA and Accredited Training Providers

**SMME support and manufacturing diversification:**

❖ **Projects:**

- LED Poster Marketing Campaign of LED Opportunities and Investment Incentives
- Establish Refuse Buy-Back Voucher Centre
- Build a Database of Existing Businesses and Create a Comprehensive Website
- Develop a Manufacturing Advice and Incubation Centre (MAC)

❖ **Development facilitation actions:**

- Develop SMME working groups clustered along commodity supply chains

**Tourism resource maximisation and marketing:**

❖ **Projects:**

- Community-based camping site and outdoor recreational centre linked to the Waterberg Biosphere
- Tourism signage and information dissemination

- Fruit orchard farm stay and tours
- ❖ **Development facilitation actions:**
  - Facilitate the development of Makapan Valley World Heritage Site and its environs as a tourism 'icon'
  - Undertake local tourism awareness and facilitation of private/public sector familiarisation tours
  - Facilitate the enhancement, maintenance/conservation, upgrade, marketing and promotion of existing historical/cultural and natural attractions
  - Develop a dedicated tourism information centre and revitalise the existing tourism information office to make it more appealing
  - Develop day visitor facilities and fishing/picnic spots along Mogalakwena River

The above indicated should be implemented as a priority, requiring the facilitation of actions to commence in the immediate future.

**Annexure F** should be consulted for a list of potential funding sources for the priority and other projects. Note that the capital costs provided for the priority projects are based on a rough initial estimated minimum capital requirements. Depending on the scale of the project, the type of processing, the roll-out and duplication, the feasible scope of the project, the capital required could be far larger.

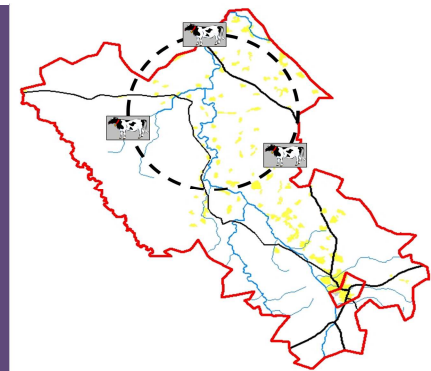
For each of the priority projects and actions, the following two sheets are provided to assist with marketing and implementation:

- ❖ **Project marketing information (or development facilitation information) sheet:**
  - Project Description
  - Proposed Location and beneficiaries
  - Opportunities and potential Impacts
  - Target Market
  - Roleplayers
  - Approximate Capital Cost
- ❖ **Project implementation (or development facilitation) sheet:**
  - Position of project in strategy
  - Impact rating
  - Key success factors
  - Key risks and challenges
  - Key roleplayers
  - Potential funding and training sources
  - Facilitation actions
  - Implementation actions
  - Total project implementation budget
  - Municipal budget per financial year

The two-sets of project sheets (project marketing and project implementation sheets) and two-sets of development facilitation sheets (development facilitation information and development facilitation sheets) for each of the priority projects (in shades of purple) and facilitation actions (in shades of blue) follow.

**PROJECT MARKETING SHEET****Cattle Farmers Association & Central Marketing Co-operative****PROJECT DESCRIPTION**

Given the type of vegetation & climate, most of the farming & tribal land is ideal for grazing. Cattle are often kept for consumption, traction, wealth, traditional purposes, and a source of income. Within the national cattle farming sphere formal (selling to butcheries, auctions & abattoirs) & informal markets (selling for slaughter, investment & social functions) exist. Constraints for efficient marketing are due to poor marketing infrastructure, lack of sufficient volumes of uniform cattle, high transaction costs, low purchasing power of buyers in informal markets & lack of marketing information for farmers about: cattle prices, right selling time, available channels, cattle breeds, the age of the cattle that give highest returns etc. A Cattle Farmers Association (CFA) should be established with a marketing strategy, to tap into the formal markets & increase profits in informal markets, acting on behalf of and comprised of communal/small-scale/emerging farmers. This Association will be able to increase the cattle volume for higher economies of scale; allow for more information dissemination to improve stock quality; develop stronger negotiating skills; and pooling resources to overcome high transaction & processing costs. For example, establishing a 'report desk' for cattle theft, getting discounts from transport firms or buying a truck to transport cattle, and negotiating large sales - as opposed to these either not occurring at all or done on an individual farmers' basis. Also the establishment of a co-operative is required for a central collection point & health-check facility, education, cattle fattening/feedlot, - located in a central rural node, in close proximity to land claim livestock projects & other tribal, communal & commercial grazing farms. This will enable farmers to have shares in the co-operative to ultimately access markets & obtain higher prices per head of cattle.

**PROPOSED LOCATION & BENEFICIARIES**

- ❖ The northern municipal area grazing land for CFA & Co-op. Bakenberg/Rebone central nodes for education, cattle feedlot/fattening, health-check & cattle collection point, 'report desk' facility.

**Beneficiaries:**

- ❖ Cattle farming land claim beneficiaries
- ❖ Local cattle farmers
- ❖ Subsistence farmers
- ❖ Communal cattle farmers on tribal/farm land
- ❖ Emerging & small-scale cattle farmers

**OPPORTUNITIES & POTENTIAL IMPACTS**

- ❖ Sufficient number of cattle farmers to contribute funds for establishment of cattle facility
- ❖ Better educated & informed cattle farmers
- ❖ Increased food security, rural community income, buying power
- ❖ Greater access to markets
- ❖ Potential for roll out to other livestock farming
- ❖ Assistance & support for increased market share for cattle farming land claim beneficiaries

**TARGET MARKET**

- ❖ Abattoirs & auctions
- ❖ Butcheries
- ❖ Cattle speculators
- ❖ Local community

**ROLEPLAYERS**

- ❖ ARC, SEDA, TIL, CSIR
- ❖ DoA, LDA
- ❖ Cattle farmer community, unions, associations & commodity groups
- ❖ LED Unit & LED Agriculture Cluster
- ❖ Extension officers

**APPROXIMATE CAPITAL COST**

CFA &amp; Cooperative establishment

Marketing Strategy &amp; implementation plan

Site for collection point, 'report desk' facility

Basic machinery, equipment and vehicle

Farming education &amp; business skills training

**TOTAL CAPITAL BUDGET**

**R500 000**  
comprised  
of  
membership  
contribution  
of R1 000  
each

PROJECT IMPLEMENTATION SHEET						
Cattle Farmers Association & Central Marketing Co-operative						
<b>POSITION OF PROJECT IN STRATEGY</b>			<b>IMPACT RATING (L=LOW, H=High)</b>			
<b>THRUST:</b> Sustainable Rural and Agricultural Development  <b>PROGRAMME:</b> Support land claim beneficiaries			Cost (1=H, 5=L)		4	
			Implementability (1=H, 5=L)		3	
			Impact (1=L, 5=H)		5	
			Sustainability (1=L, 5=H)		3	
			Employment (1=L, 5=H)		5	
<b>PROJECT PRIORITY</b>		13	<b>IMPACT RATING (OUT OF 5):</b>		4	
<b>KEY SUCCESS FACTORS</b>			<b>KEY RISKS AND CHALLENGES</b>			
<ul style="list-style-type: none"> <li>❖ Inclusion, cooperation &amp; resource pooling from land claim beneficiary/cattle farmers</li> <li>❖ Effective marketing strategy suitable to MLM</li> <li>❖ Higher educated/skilled farmers with marketing knowledge &amp; negotiating power</li> <li>❖ Larger cattle volumes of good calibre</li> <li>❖ Extension officers to work with community</li> <li>❖ Institutional and marketing policy reform to ease constraints on market involvement</li> </ul>			<ul style="list-style-type: none"> <li>❖ Poor involvement from rural community</li> <li>❖ Lack of co-operation &amp; business integrity from cattle farmers</li> <li>❖ Limited marketing knowledge &amp; skilled farmers</li> <li>❖ Lack of extension services, government support &amp; initial capital</li> <li>❖ Risk of losing cattle through theft</li> </ul>			
<b>POTENTIAL FUNDING &amp; TRAINING SOURCES</b>			<b>KEY ROLEPLAYERS</b>			
<ul style="list-style-type: none"> <li>❖ Mogalakwena LM</li> <li>❖ RLCC, Land Bank</li> <li>❖ DTI, IDC, DBSA, SEDA, LimDEV, TIL</li> </ul>			<ul style="list-style-type: none"> <li>❖ LED Unit &amp; LED Agriculture Cluster</li> <li>❖ DoA, LDA (Mr Tema &amp; Mrs Lubuku), LEDET</li> <li>❖ Cattle Farmers &amp; Land Claim Beneficiaries</li> </ul>			
<b>FACILITATION ACTIONS</b>	2011/12	2012/13	2013/14	2014/15	2015/16	<b>COST (in R)</b>
❖ Undertake planning & obtain members contribution						Internal; Membership contribution
❖ Hold meetings amongst beneficiaries						
❖ Establish CFA & Co-op						
❖ Identify role-players						
❖ Assist with location requirements for central purchasing & fattening area						
❖ Provide continued support & marketing assistance						
<b>TOTAL MUNICIPAL DEVELOPMENT FACILITATION BUDGET:</b>						<b>R0</b>
<b>IMPLEMENTATION</b>	2011/12	2012/13	2013/14	2014/15	2015/16	<b>COST (in R)</b>
❖ Marketing						Marketing R50 000  R100 000
❖ Undertake capital costs & training						
❖ Identify site location						
❖ Training of farmers						
❖ Negotiate contracts						
❖ Pool resources for truck						
<b>TOTAL PROJECT IMPLEMENTATION BUDGET: R50 000 if sufficient internal capacity</b>						<b>R150 000</b>
<b>MUNICIPAL BUDGET PER FINANCIAL YEAR</b>			'11/'12	'12/'13	'13/'14	
			R0	R50 000	R0	



**PROJECT MARKETING SHEET**

**Poultry Co-operative and Processing Cluster**

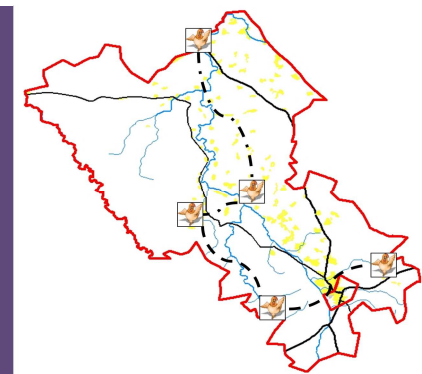
**PROJECT DESCRIPTION**

LDA and DoA have invested in 21 broiler projects under LRAD in MLM. Many of these farms are still emerging & require assistance with infrastructure, expansion, value-chain diversification & skills training in order to be marketable to local & regional poultry buyers. A poultry co-operative & processing cluster should be established to develop:



(1) a sharing programme of equipment & machinery for raising broilers & breeding chickens as well as laying eggs; (2) expand the value-chain of chicken farming through slaughtering, packaging, freezing and storage; (3) utilising existing crops for chicken-feed; & (4) develop information sharing seminars, educational programmes with business management training to focus on existing farmers, women & youth in communal areas to practice profit-oriented farming & processing. The benefit of a co-operative is that all shareholders have a responsibility to sustain the cluster & thus grow their own livelihoods. By pooling resources & acquiring funding, the co-operative could purchase necessary items such as a vehicle for mass-transit of chickens & resuscitate one of the existing community broiler abattoirs - Nkikiditlana or Masipa abattoirs - in MLM to localise & increase processing activities. This will also increase employment & ease market entry in an increase in chicken supply. Support of LED Unit to this cluster development is vital.

**PROPOSED LOCATION & BENEFICIARIES**



- ❖ 21 broiler farms are located throughout the municipality. A central location for the further processing facility could be in Mokopane Industrial Area or Bakenberg.
- ❖ Possible resuscitation of the Nkikiditlana or Masipa community broiler abattoirs, as potential sites for abattoirs.

**Beneficiaries:**

- ❖ Land claim beneficiaries with broiler projects
- ❖ Local poultry farmers

**OPPORTUNITIES & POTENTIAL IMPACTS**

- ❖ 21 broiler projects supported by LDA & DoA – can expand industry & contribute funds to processing unit
- ❖ Existing supply of crops in MLM for chicken feed like maize, sorghum & lucerne
- ❖ Well developed chicken value chain to capitalise on
- ❖ Potential for linkage to close-by abattoirs (Polokwane) while cluster is being developed

**TARGET MARKET**

- ❖ Butcheries & food stores
- ❖ Restaurants
- ❖ White meat processors
- ❖ Household consumption
- ❖ Abattoirs & large chicken outlets (e.g. KFC, Nandos)

**ROLEPLAYERS**

- ❖ Agricultural Research Council (ARC)
- ❖ DoA, LDA
- ❖ LIMDEV, SEDA
- ❖ Agri-business partners
- ❖ Poultry farming community
- ❖ YARD & WARD
- ❖ LED Unit & LED Agricultural Cluster

**APPROXIMATE CAPITAL COST FOR PROCESSING UNIT**

Professional & Implementation fees
Cooperative establishment
Site & basic machinery/equipment for central processing facility & goods transport vehicle
Farming & processing education & business/marketing skills training
Employment of extension services
Cluster maintenance: logistics, transaction costs & running costs of site
<b>TOTAL CAPITAL BUDGET</b>

**R1 000 000**  
including membership contribution of R1000 per member & funding

PROJECT IMPLEMENTATION SHEET							
Poultry Co-operative and Processing Cluster							
<b>POSITION OF PROJECT IN STRATEGY</b>			<b>IMPACT RATING (L=LOW, H=High)</b>				
<b>THRUST:</b> Sustainable Rural and Agricultural Development  <b>PROGRAMME:</b> Support Land Claim Beneficiaries			Cost (1=H, 5=L)		1		
			Implementability (1=H, 5=L)		3		
			Impact (1=L, 5=H)		5		
			Sustainability (1=L, 5=H)		3		
			Employment (1=L, 5=H)		5		
<b>PROJECT PRIORITY</b>		17	<b>IMPACT RATING (OUT OF 5):</b>		3.4		
<b>KEY SUCCESS FACTORS</b>			<b>KEY RISKS AND CHALLENGES</b>				
<ul style="list-style-type: none"> <li>❖ Cluster marketing &amp; expansion</li> <li>❖ Diversification of the value-chain</li> <li>❖ Buy-in from co-op members, local produce outlets &amp; processing entrepreneurs</li> <li>❖ Training in maintaining farms &amp; effective processing</li> </ul>			<ul style="list-style-type: none"> <li>❖ Limited farming &amp; processing skills</li> <li>❖ Limited interest of local community</li> <li>❖ Funding access &amp; available markets</li> <li>❖ Lack of extension services &amp; support</li> <li>❖ Transaction costs vs quality &amp; quantity of poultry &amp; poultry products</li> </ul>				
<b>POTENTIAL FUNDING &amp; TRAINING SOURCES</b>			<b>KEY ROLEPLAYERS</b>				
<ul style="list-style-type: none"> <li>❖ Mogalakwena Municipality</li> <li>❖ LEDET</li> <li>❖ SEDA, LimDEV, TIL</li> <li>❖ LIMAC, LIBSA</li> </ul>			<ul style="list-style-type: none"> <li>❖ LED Unit &amp; LED Agriculture Cluster</li> <li>❖ DoA, LDA (Mr Tema &amp; Mrs Lubuku), ARC, LEDET</li> <li>❖ Local poultry farmers &amp; processors</li> </ul>				
<b>FACILITATION ACTIONS</b>	2011/12	2012/13	2013/14	2014/15	2015/16	<b>COST (in R)</b>	
❖ Id. & task LED unit officer with liaison responsibility						Internal	
❖ Undertake feasibility & apply for funding						R50 000	
❖ Facilitate development of forum						Internal	
❖ Facilitate identification of IAP							
❖ Facilitate discussions							
<b>TOTAL MUNICIPAL DEVELOPMENT FACILITATION BUDGET:</b>						<b>R50 000</b>	
<b>IMPLEMENTATION</b>	2011/12	2012/13	2013/14	2014/15	2015/16	<b>COST (in R)</b>	
❖ Negotiate contracts & establish cooperative						R100 000 business plan R200 000	
❖ Draw up business plan							
❖ Attain funding and/or collect resources							
❖ Identify central location for activities							
❖ Develop/equip poultry cluster facility site							
❖ Undertake training of farmers & processors							
❖ Negotiate contracts with local/regional stores & buyers & access other markets							
<b>TOTAL PROJECT IMPLEMENTATION BUDGET: R100 000 if internal capacity</b>						<b>R300 000</b>	
<b>MUNICIPAL BUDGET PER FINANCIAL YEAR</b>			'12/'13		'13/'14		'14/'15
			R0		R50 000		R100 000

**PROJECT MARKETING SHEET**

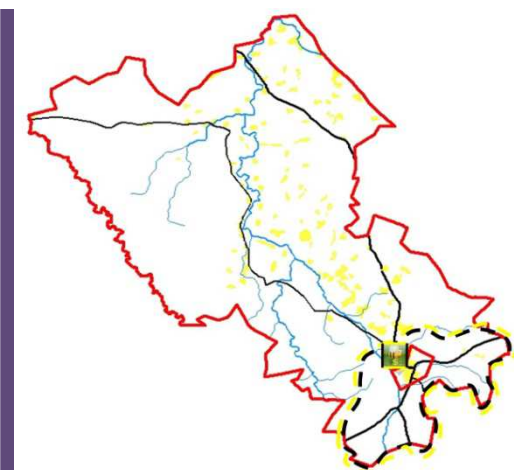
**Bee Farming and Honey Production Co-operative Linked to Fruit Orchards**

**PROJECT DESCRIPTION**



Establish bee farming in MLM by negotiating with citrus & grape farmers as well as plums & peach growers to allow community beekeepers to locate yards of bees either in the orchards or as near as is practically possible. The growing demand for honey & honey products, both locally & internationally & the fact that demand is not being matched with levels of production, provides a real opportunity for MLM's local community. Even with a self-fertile crop it is evident that honey bees increase the yield & weight of fruit orchards & improve the quality of the fruit. Also production decreases with increasing distance from a bee hive. Research has shown that bees do not injure fruit no matter how soft the skin nor how juicy & pulpy the content as they do not have the means of 'cutting' the fruit. Any damaging of fruit is compensated for by the indispensable service they perform in pollinating fruit blossoms early in the season when no other insects or means of pollination exist. Apart from only producing raw honey, an opportunity exists for value adding of honey into other products and its packaging. Therefore, a honey co-operation should be established to attain equality, buy-in & develop motivation from all members to grow this local economic opportunity. Members each have a share in the establishment & work together to receive initial funding and later sustain the project through resources acquired by the income-generating business. The longer capital costs involved in this activity include setting up hives, purchasing honey processing equipment & developing the facility, and establishment of co-operatives.

**PROPOSED LOCATION & BENEFICIARIES**



- ❖ Bee-farming within fruit orchards or as near as possible to the orchards
- ❖ Honey processing at homes of processors initially & move to Mokopane industrial area for large scale honey product processing
- ❖ Consult Mokopane CBD Plan for preferred location of industrial area expansion and densification

**Beneficiaries:**

- ❖ Local unemployed urban & rural community, especially women and youth

**OPPORTUNITIES & POTENTIAL IMPACTS**

- ❖ Increase income & resources to villages, especially women who need to care for children & the elderly, can become bee farmers & make honey
- ❖ The orchards of various fruit (citrus, grapes, plums, peaches etc.) within MLM provide an opportunity for bee farming & honey processing
- ❖ Symbiotic relationship with orchards
- ❖ The world demand for honey exceeds the current supply
- ❖ Bee-farming is a low-cost, sustainable agricultural practice

**TARGET MARKET**

- ❖ Food stores & restaurants
- ❖ Household consumption
- ❖ Tourists
- ❖ Production types: raw honey, brittle honey, honey snack bars, honey comb, bees wax, candle-making, medicinal honey, sweets & cakes.

**ROLEPLAYERS**

- ❖ DoA, LDA, ARC
- ❖ Agri-business partners
- ❖ Rural community
- ❖ YARD & WARD
- ❖ Mogalakwena LED Unit & LED Agriculture cluster

**APPROXIMATE CAPITAL COST PER HIVE**

Professional fees
Implementation fees
Honey comb, bins & bees
Protective gear
<b>TOTAL CAPITAL BUDGET</b>

**R 50 000  
(R25 000  
per hive)**

PROJECT IMPLEMENTATION SHEET						
Bee Farming and Honey Production Co-operative Linked to Fruit Orchards						
POSITION OF PROJECT IN STRATEGY			IMPACT RATING (L=LOW, H=High)			
<b>THRUST:</b> Sustainable Rural and Agricultural Development	<b>PROGRAMME:</b> Water Scarce New Product Development			Cost (1=H, 5=L)		5
				Implementability (1=H, 5=L)		4
				Impact (1=L, 5=H)		2
				Sustainability (1=L, 5=H)		4
				Employment (1=L, 5=H)		1
PROJECT PRIORITY	19	IMPACT RATING (OUT OF 5):			3.2	
KEY SUCCESS FACTORS			KEY RISKS AND CHALLENGES			
<ul style="list-style-type: none"> <li>❖ Access to fruit orchards</li> <li>❖ Identify community members who are willing to become bee farmers</li> </ul>			<ul style="list-style-type: none"> <li>❖ Meet bee-keeping standards</li> <li>❖ Safety of people working with bees</li> <li>❖ Ensure right bees are used for right fruit farming so not to invade fruit</li> </ul>			
POTENTIAL FUNDING & TRAINING SOURCES			KEY ROLEPLAYERS			
<ul style="list-style-type: none"> <li>❖ LEDET</li> <li>❖ ARC, DTI, IDC, DoA</li> <li>❖ LimDEV, TIL, DBSA, SEDA</li> <li>❖ Departments of Arts &amp; Culture; Science &amp; Technology; Social Development</li> </ul>			<ul style="list-style-type: none"> <li>❖ LED Unit &amp; LED Agriculture Cluster</li> <li>❖ LEDET</li> <li>❖ DoA &amp; LDA</li> <li>❖ ARC</li> <li>❖ Local community</li> </ul>			
FACILITATION ACTIONS	2011/12	2012/13	2013/14	2014/15	2015/16	COST (in R)
❖ Facilitate access to internal loan funding						Internal
❖ Learn from existing bee farming projects						
❖ Facilitate orchard access						
❖ Finalise & support ownership & registration						
TOTAL MUNICIPAL DEVELOPMENT FACILITATION BUDGET:						R0
IMPLEMENTATION	2011/12	2012/13	2013/14	2014/15	2015/16	COST (in R)
❖ Access internal loan funding using LED pool fund						R50 000 pool fund
❖ Establish management body & operating processes						
❖ Negotiate orchard access						
❖ Acquire, equip & develop hives with funding						
❖ Provide training & learn bee-keeping standards						
❖ Assist in honey sales & marketing						
TOTAL PROJECT IMPLEMENTATION BUDGET:						R50 000
MUNICIPAL BUDGET PER FINANCIAL YEAR			'13/'14	'14/'15	'15/'16	
			R40 000	R10 000	R0	

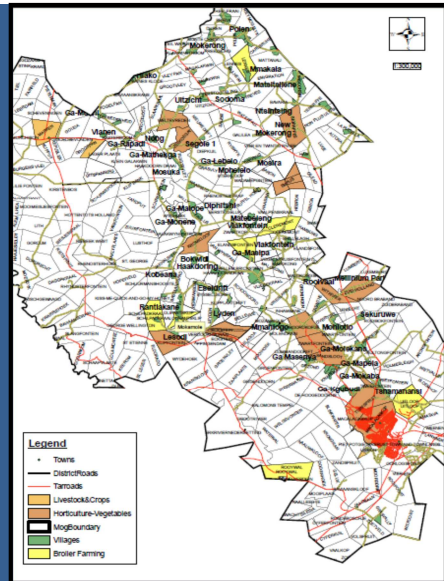
**DEVELOPMENT FACILITATION INFORMATION SHEET**

**Successful Post-Settlement Land Claims Coordination**

**FACILITATION DESCRIPTION**

Over 40% of the land within MLM has been set aside for land claims. Some land claims have been approved & are currently under the ownership & management of the beneficiaries with assistance from the DoA, RLCC and LDA to development various agricultural and tourism projects. A number of concerns have been raised by beneficiaries & government regarding post-settlement of land claims. The purpose of this development facilitation is to address these issues in order to increase economic performance on land, sustain household livelihoods & raise the quality of farming standards & education.

**PROPOSED LOCATION & BENEFICIARIES**



**Land Restitution Projects**

- ❖ There are 10 known projects in MLM
- ❖ ±1590 HH benefit from the programme in MLM
- ❖ Land is designated for game farming and tourism

**Broiler Projects**

- ❖ There are 21 known projects in MLM
- ❖ Average broiler house capacity carries 6000 broilers, & there is house with 80 000, & house with 40 000
- ❖ Emerging/commercial farmers fall under these projects

**Horticulture/Vegetable Projects**

- ❖ There are 28 known projects in MLM
- ❖ Emerging and commercial farmers fall under these projects

**LRAD Projects**

- ❖ There are 18 known projects
- ❖ There are more than 78 beneficiaries
- ❖ Livestock, crops & horticulture are farmed

**OPPORTUNITIES & POTENTIAL IMPACTS**

- ❖ Access to technical know-how & skills training to improve sustainable practices on claimed land
- ❖ Develop claimed land to its full potential
- ❖ Increase skills development in agricultural
- ❖ Increase community & beneficiary ownership of claimed land
- ❖ Encourage PPP's to expand practices on claimed land
- ❖ Development of economically viable enterprises of agriculture & tourism projects with sufficient BEE component
- ❖ Increased income generation, employment opportunities & food security
- ❖ Access to funding sources & acquire beneficiary contributions

**TARGET MARKET**

- ❖ Land claims beneficiaries and their families

**ROLEPLAYERS**

- ❖ Agricultural Research Council (ARC)
- ❖ DoA, LDA (Mr Tema & Mrs Lubuku)
- ❖ LED Unit
- ❖ LED Agriculture Cluster
- ❖ RLCC

**APPROXIMATE CAPITAL COST PER PROJECT**

The main purpose of this activity is to provide on-going support to ensure the efficient and successful completion of the land claims & of economic activities that are to take place post-settlement of claim. This facilitation also forms the initial phase to sustainably development claimed land in MLM. Therefore, the capital layout of developments on claimed land will be dependent on the type of individual projects identified & extent to which they have been implemented. It can involve anything from R500,000 to a few million Rand per settled claim but this remains the responsibility of DoA, RLCC & LDA. What is required for the LED Unit is to facilitate the growth & implementation of identified projects, working in collaboration with RLCC, LDA, DoA, LEDET, DEA, etc., and to keep beneficiaries, residing in their Municipal boundaries, informed of delivery, outcomes and progress.



DEVELOPMENT FACILITATION SHEET							
Successful Post-Settlement Land Claims Coordination							
POSITION OF PROJECT IN STRATEGY			IMPACT RATING (L=LOW, H=High)				
<b>THRUST:</b> Sustainable Rural and Agricultural Development			Cost (1=H, 5=L)		N.A.		
			Implementability (1=H, 5=L)		2		
<b>PROGRAMME:</b> Support Land Claim Beneficiaries			Impact (1=L, 5=H)		5		
			Sustainability (1=L, 5=H)		3		
			Employment (1=L, 5=H)		5		
PROJECT PRIORITY		6	IMPACT RATING (OUT OF 4):		3.8		
KEY SUCCESS FACTORS			KEY RISKS AND CHALLENGES				
<ul style="list-style-type: none"> <li>❖ Continue liaison with DoA, RLCC &amp; LDA in land claims forum</li> <li>❖ Ensure speedy occupation of land</li> <li>❖ Improve sustainable practices</li> <li>❖ Develop land to its full potential</li> <li>❖ Provide training &amp; skills development</li> <li>❖ Develop economically viable enterprises &amp; PPPs with appropriate BEE compliance</li> </ul>			<ul style="list-style-type: none"> <li>❖ Limited interest &amp; skills from farmers</li> <li>❖ Poor management &amp; technical training</li> <li>❖ Lack of access or acquisition of funding</li> <li>❖ Lack of extension services &amp; support</li> <li>❖ Water shortages &amp; cost of water</li> <li>❖ Poor institutional capacity support to post-claimants</li> <li>❖ Accessing markets competitively</li> </ul>				
POTENTIAL FUNDING & TRAINING SOURCES			KEY ROLEPLAYERS				
<ul style="list-style-type: none"> <li>❖ Mogalakwena LED Unit &amp; LED Agriculture Cluster</li> <li>❖ LEDET, DoA</li> <li>❖ Land Bank</li> <li>❖ SEDA, LimDEV, TIL</li> </ul>			<ul style="list-style-type: none"> <li>❖ Mogalakwena LED Unit &amp; LED Agriculture Cluster, Waterberg District</li> <li>❖ DoA, LEDET, LDA, RLCC</li> <li>❖ Land claimants &amp; beneficiaries</li> <li>❖ Private sector</li> </ul>				
FACILITATION ACTIONS	2011/12	2012/13	2013/14	2014/15	2015/16	COST (in R)	
❖ Continue liaison with DoA, RLCC & LDA						Internal R20 000 for meeting expenses	
❖ Facilitate access to funding & skills training							
❖ Support successful conclusion of land claim process							
❖ Provide continuous feedback on land claim processes to beneficiaries							
❖ Facilitate & negotiate JV's between tourism & agriculture activities							
❖ Encourage community ownership of projects & PPP development							
❖ Monitor, evaluate & support enterprises							
<b>TOTAL DEVELOPMENT FACILITATION BUDGET:</b>						<b>R20 000</b>	
MUNICIPAL BUDGET PER FINANCIAL YEAR			'11/'12		'12/'13		'13/'14
			R4 000		R4 000		R4 000

## DEVELOPMENT FACILITATION INFORMATION SHEET

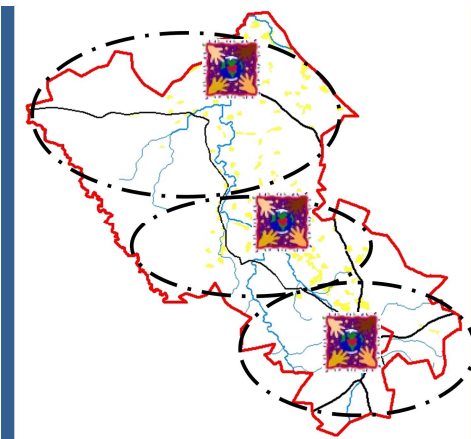
## Rural Community Economic Development and Support

## FACILITATION DESCRIPTION

Mokopane is the only urban node in MLM with efficient retail, business, communication and social services to accommodate a large range of needs of the local community. Although Rebone & Bakenberg consist of some retail & government services, they are not sufficient to support the needs of communities living in surrounding villages & on farms. The purpose of this activity is to assist rural residents with the daily limitations they face due to their location which prevents them from working & generally improving their quality of life, as well as to develop small-scale processing activities such as beer brewing, baking etc. to increase economic activity & therefore sustain livelihoods. MLM is divided into three Service Delivery Areas (SDAs) around Rebone, Bakenberg and Mokopane which includes these nodes & surrounding rural areas. The Business Development Officers (BDOs) within the LED Unit are already assigned to a specific SDA, it is therefore logical to utilise them in establishing this activity. BDOs should identify local volunteers who will play a prominent role in supporting the creation of co-operatives selected, owned & managed by rural community members. The description of some potential co-operatives are given below:

- ❖ **Community local economic activities:** Community gardens; beer brewing; bakery, biscuits & sweets processing; candle & soap-making co-op; and small-scale grape processing.
- ❖ **Day-care centres or crèches cooperative:** These co-ops should be run by parents & other community members per settlement who will rotate day care duties at their own homes, freeing up the time for other members to seek employment, educate themselves, take up piece jobs or run a business. In future they could also employ full-time staff to run the day care centre, allowing parents to enter into full-time employment;
- ❖ **Car-pooling cooperatives:** These co-ops are allow the shared use of a vehicle/(s) purchased by members. Maintenance costs will be covered by members & use of the vehicle/(s) is proportional to the capital input made by each member. This new access to transport can assist in seeking employment, running important errands or selling agricultural produce, agro-processing or arts and crafts products in & around Mokopane.
- ❖ **A community bank:** This co-op allows members to pool their monetary resources & therefore purchase longer term saving certificates together with much higher interest rates than if they were to try & obtain these certificates individually. 1% of the interest that is gained can be 'taxed' to pay for the running of the community bank.

## PROPOSED LOCATION &amp; BENEFICIARIES



- ❖ SDAs are centred around Mokopane, Bakenberg & Rebone. Each BDO is responsible for an SDA which are the three focus areas to facilitate rural community economic development & support and the creation of selected co-operatives per area.

## OPPORTUNITIES &amp; POTENTIAL IMPACTS

- ❖ Improved living standards of local rural communities
- ❖ Access to services not otherwise readily accessible
- ❖ Experiential training for volunteers in community work

## TARGET MARKET

- ❖ Land claim beneficiaries
- ❖ Rural communities

## ROLEPLAYERS

- ❖ ARC
- ❖ DoA, LDA
- ❖ LED Unit
- ❖ LED SMME Cluster

## APPROXIMATE CAPITAL COST PER PROJECT

Capital required in establishing these co-ops are to be covered by member contributions. This ensures that ownership & responsibility is taken by each member for the successful development & operation of the co-op. Some of the community activities will require capital inputs for equipment or vehicles. These funds will be acquired through member contributions, with usage rights being representative of the capital input made by each individual member. Alternatively, a loan or donor vehicle will be sought by the co-ops.

DEVELOPMENT FACILITATION SHEET											
Rural Community Economic Development and Support											
POSITION OF PROJECT IN STRATEGY			IMPACT RATING (L=LOW, H=High)								
<b>THRUST:</b> Sustainable Rural and Agricultural Development  <b>PROGRAMME:</b> Emerging and Small-Scale Black Farmer Support Services	Cost (1=H, 5=L)				4						
	Implementability (1=H, 5=L)				4						
	Impact (1=L, 5=H)				5						
	Sustainability (1=L, 5=H)				4						
	Employment (1=L, 5=H)				3						
PROJECT PRIORITY	7		IMPACT RATING (OUT OF 5):		4						
KEY SUCCESS FACTORS			KEY RISKS AND CHALLENGES								
<ul style="list-style-type: none"> <li>❖ Voluntary community workers required to assist BDO's in roll-out of co-op projects such as: crèches, community gardens, car pooling &amp; agro-processing per settlement per SDA</li> <li>❖ Effective &amp; clear management &amp; benefit structures, procedures and policies</li> <li>❖ Democratic control of co-ops established</li> <li>❖ Full support by municipality &amp; BDOs</li> </ul>			<ul style="list-style-type: none"> <li>❖ Limited interest &amp; involvement by community, especially community leaders</li> <li>❖ Loss of democratic control of co-ops</li> <li>❖ Poor management of funding &amp; resources</li> <li>❖ Insufficient support by municipality of BDOs</li> <li>❖ Poor ownership of projects for sustainability in the long-term</li> </ul>								
POTENTIAL FUNDING & TRAINING SOURCES			KEY ROLEPLAYERS								
<ul style="list-style-type: none"> <li>❖ Mogalakwena LED Unit, LEDET</li> <li>❖ SEDA, LimDEV, TIL, LIBSA</li> <li>❖ Dept. of Rural Development &amp; Land Reform</li> <li>❖ Dept. of Social Development</li> </ul>			<ul style="list-style-type: none"> <li>❖ LED Unit (BDOs) &amp; LED SMME Cluster</li> <li>❖ Community &amp; community leaders</li> <li>❖ Existing rural co-ops &amp; SMMEs</li> <li>❖ Youth &amp; Women's Agriculture Rural Development (YARD &amp; WARD)</li> </ul>								
FACILITATION ACTIONS	2011/12		2012/13		2013/14		2014/15		2015/16		COST (in R)
❖ BDOs to id. support per SDA (e.g. volunteers)											Members financial & physical/labour contributions; internal R20 000 for meeting expenses
❖ BDOs to gain interest & involvement from rural population											
❖ Liaise with communities & decide on activities per village/area											
❖ Assist in establishing & registering co-ops/ associations or support groups											
❖ Assist in pooling co-op member contributions											
❖ Monitor, evaluate & support co-ops & volunteers											
❖ Roll-out to other communities if activities are successful, if applicable											
TOTAL DEVELOPMENT FACILITATION BUDGET :											R20 000
MUNICIPAL BUDGET PER FINANCIAL YEAR			'11/'12		'12/'13		'13/'14				
			R4 000		R4 000		R4 000				

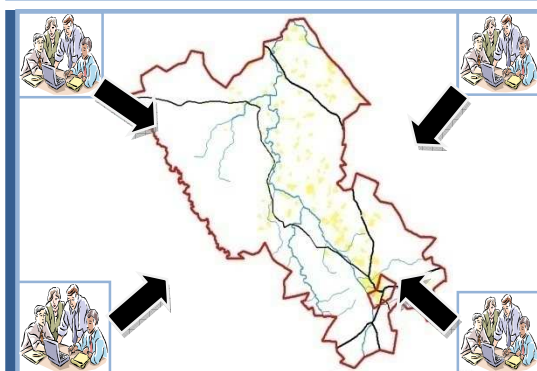
**DEVELOPMENT FACILITATION INFORMATION SHEET**

**Develop SMME working groups clustered along commodity supply chains**

**FACILITATION DESCRIPTION**

The economic sectors are not rendering jobs, developing SMMEs & creating local income to their full potential due to some constraints that could be overcome through correct use & management of resources & commodities. The purpose of this activity is to create SMME working groups that will: (1) Provide or find contractors that will give skills training to existing & emerging entrepreneurs. In conjunction with this, a platform should be established whereby entrepreneurs can share information, raise concerns & identify new business development techniques & market trends to expand along commodity supply chains. (2) A working group should be set aside to develop the youth into highly skilled entrepreneurs in farming, agro-processing, mineral beneficiation etc. This may require incentive & succession schemes to entice youth to be involved in local economic development, as well as to provide them with education & internships in successful local SMMEs & other enterprises. (3) Set up a Fight Crime campaign & report desk. (4) Working groups should focus on networking & information sharing to increase technical expertise & access relevant markets. (5) Working groups should act as a platform whereby members have a voice to be heard by MLM & other stakeholders regarding their needs, constraints for economic activity growth & business support. (6) Working groups should also hold brainstorming sessions where members can identify & organise events & activities to boost the local economy according to their sub-sector.

**PROPOSED LOCATION & BENEFICIARIES**



- ❖ SMME working groups are to be situated throughout MLM where the need for specific working groups is required.
- ❖ Types of SMME Working Groups:
  - Agricultural per commodity
  - Manufacturing per commodity
  - Tourism per activity
  - SMME & retail per commodity
  - Hawkers & informal sector per commodity
  - Mineral beneficiation per commodity

**OPPORTUNITIES & POTENTIAL IMPACTS**

- ❖ Growth of the overall local economy
- ❖ Youth involvement for sustainability of local economy
- ❖ Possible relief of severe water shortages
- ❖ Higher education & technical skills of local populations

**TARGET MARKET**

- ❖ Rural communities
- ❖ Local existing & emerging SMMEs
- ❖ Local youth

**ROLEPLAYERS**

- ❖ ARC, LimDEV
- ❖ DTI, LDA
- ❖ LED Unit
- ❖ All LED clusters

**APPROXIMATE CAPITAL COST PER WORKING GROUP**

There will be no costs involved in establishing or running the working groups. BDOs should be tasked with the establishments of working groups & facilitate necessary functions to maintain the groups. Meanwhile members of the working groups should undertake necessary tasks & functions on a voluntary basis. Tasks will include marketing the purpose of the working group, organising meetings, setting up terms of reference, pooling any necessary resources, possibly setting up a database for networking purposes, and assisting in the organising of events. Continuation of the working groups will be determined by the enthusiasm by the local community working or running businesses in the different economic sectors.

DEVELOPMENT FACILITATION SHEET							
Develop SMME working groups clustered along commodity supply chains							
POSITION OF PROJECT IN STRATEGY			IMPACT RATING (L=LOW, H=High)				
<b>THRUST:</b> SMME Support and Manufacturing Diversification  <b>PROGRAMME:</b> Self-sufficiency and SMME development and support			Cost (1=H, 5=L)		5		
			Implementability (1=H, 5=L)		4		
			Impact (1=L, 5=H)		4		
			Sustainability (1=L, 5=H)		2		
			Employment (1=L, 5=H)		NA		
PROJECT PRIORITY		8	IMPACT RATING (OUT OF 4):		3.75		
KEY SUCCESS FACTORS			KEY RISKS AND CHALLENGES				
<ul style="list-style-type: none"> <li>❖ Continuous skills training of entrepreneurs, education to youth &amp; information dissemination</li> <li>❖ Enthusiasm and willingness from local community, local businesses and especially the youth to form part of the working groups</li> <li>❖ LED office, communities &amp; police service commitment in fighting crime &amp; building relationships between role-players</li> </ul>			<ul style="list-style-type: none"> <li>❖ Cultural barriers &amp; lack of democratic practices that may prevent community co-operation</li> <li>❖ Lack of political will to establish working groups &amp; monitor &amp; evaluate their progress</li> <li>❖ Lack of youth interest &amp; participation</li> <li>❖ Lack of resources for running costs of working groups</li> <li>❖ Lack of efficient management of working groups</li> </ul>				
POTENTIAL FUNDING & TRAINING SOURCES			KEY ROLEPLAYERS				
<ul style="list-style-type: none"> <li>❖ Mogalakwena Municipality</li> <li>❖ All national departments</li> <li>❖ SEDA, LimDEV, TIL</li> <li>❖ Private sector</li> </ul>			<ul style="list-style-type: none"> <li>❖ Mogalakwena LED Unit</li> <li>❖ All LED Clusters</li> <li>❖ LDA &amp; LEDET</li> <li>❖ SETA</li> <li>❖ Rural communities, SMMEs</li> </ul>				
FACILITATION ACTIONS		2011/12	2012/13	2013/14	2014/15	2015/16	COST (in R)
❖ Id. all various working groups & members per community							Internal R20 000 for meeting expenses
❖ Contact & set-up first meetings – market & sell concept of groups							
❖ Set up working groups							
❖ Establish working groups & relationships with key role-players							
❖ Run & manage working groups							
❖ Establish roles & responsibilities of members							
❖ Organise terms of reference, activities, venue for meetings							
❖ Facilitate roll-out of education & skills training							
TOTAL PROJECT IMPLEMENTATION BUDGET:							R0
MUNICIPAL BUDGET PER FINANCIAL YEAR				'11/'12	'12/'13	'13/'14	
				R4 000	R4 000	R4 000	



**PROJECT MARKETING SHEET**

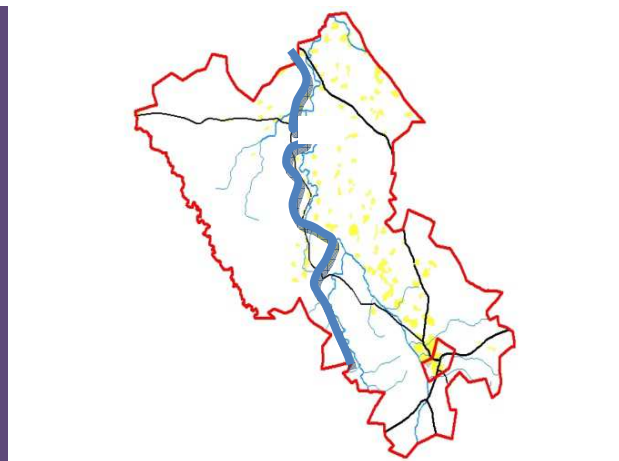
**Aquaculture Farming Establishments along Existing Water Reserves**

**PROJECT DESCRIPTION**

With the increased demand for good quality, high protein consumer products & a growing interest in the aquaculture industry, it reveals the potential for MLM to delve into an aquaculture activity to boost local economic development & food security. Along the Mogalakwena River, as well as possibly next to the Doorndraai & Glen Alpine Dams, suitable areas could be used for the aquaculture activity. This activity will begin with the establishment of one aquaculture farm to feed & grow a variety of fish species (carp, trout, tilapia, fresh water crayfish etc.) which could be sold to the local community as fresh fish not specially packed or frozen. With success this activity could be rolled-out & duplicated to increase the fish supply in MLM to the point where a full range of activities along the value chain could be undertaken. These could include fish hatcheries, abattoirs, fish processing facilities, freezing & packaging where the farms are located or at the industrial area in Mokopane. Capital costs will include equipment such as the containers, harvesting nets & fish feeds etc., while longer term costs could include machinery and a processing facility. Roll-out of aquaculture activities should include training & mentorship to emerging farmers & other employees.



**PROPOSED LOCATION & BENEFICIARIES**



- ❖ Aquaculture farms could be established along the Mogalakwena River, as well as possible next to the Doorndraai & Glen Alpine Dams.
- ❖ A future processing facility could be located next to a number of aquaculture farms if collectively situated or in Mokopane industrial area.

**Beneficiaries:**

- ❖ Local emerging farmers
- ❖ Local unemployed, especially youth, women and the disabled
- ❖ Local entrepreneurs and SMMEs

**OPPORTUNITIES & POTENTIAL IMPACTS**

- ❖ Increased fish production for local consumption/food security
- ❖ Employment of 1-2 people per aquaculture farm
- ❖ Increased BBEEE component & local economic development in agriculture sector
- ❖ Future processing enterprise will increase BBEEE component in agro-processing & help develop opportunities for emerging farmers & entrepreneurs along the value chain
- ❖ Increase local job creation & income generation

**TARGET MARKET**

- ❖ Local community
- ❖ Local & external market for fresh & frozen whole or processed fish – food stores, restaurants, tourist accommodation etc.

**ROLEPLAYERS**

- ❖ DoA, LDA, ARC, DWA
- ❖ Agri-business partners
- ❖ Mogalakwena LED Unit & LED Agriculture & Industrial clusters
- ❖ Authorities of nature reserves & land owners along Mogalakwena River

**APPROXIMATE CAPITAL COST PER FARM**

Professional fees
Implementation fees
Marketing and Branding
Machinery & equipment (containers, harvesting nets,...)
Input materials (fish feed, fingerlings etc.)
<b>TOTAL CAPITAL BUDGET</b>

**R150 000**

PROJECT IMPLEMENTATION SHEET						
Aquaculture Farming Establishments along Existing Water Reserves						
POSITION OF PROJECT IN STRATEGY			IMPACT RATING (L=LOW, H=High)			
<b>THRUST:</b> Sustainable Rural and Agricultural Development	<b>PROGRAMME:</b> Water Scarce New Product Development			Cost (1=H, 5=L)		4
				Implementability (1=H, 5=L)		3
				Impact (1=L, 5=H)		2
				Sustainability (1=L, 5=H)		4
				Employment (1=L, 5=H)		1
PROJECT PRIORITY	22	IMPACT RATING (OUT OF 5):			2.8	
KEY SUCCESS FACTORS			KEY RISKS AND CHALLENGES			
<ul style="list-style-type: none"> <li>❖ Appropriate training &amp; mentorship</li> <li>❖ Access to water sources</li> <li>❖ Identify community members who are willing to become bee farmers</li> <li>❖ Effective marketing of products</li> </ul>			<ul style="list-style-type: none"> <li>❖ Lack of knowledge &amp; skills</li> <li>❖ Lack of buy-in &amp; drive of emerging farmers</li> <li>❖ Inconsistent quality &amp; supply of fish</li> <li>❖ Water shortages</li> <li>❖ Lack of access to funding</li> </ul>			
POTENTIAL FUNDING & TRAINING SOURCES			KEY ROLEPLAYERS			
<ul style="list-style-type: none"> <li>❖ DWA, DoA, DEA</li> <li>❖ ARC, DTI, IDC</li> <li>❖ LimDev, TIL, DBSA, SEDA</li> <li>❖ Mogalakwena Municipal</li> </ul>			<ul style="list-style-type: none"> <li>❖ LED Unit &amp; Agriculture &amp; Industrial Clusters</li> <li>❖ LEDET, LDA</li> <li>❖ DWA, DoA, DEA</li> <li>❖ Emerging farmers &amp; entrepreneurs</li> </ul>			
FACILITATION ACTIONS	2011/12	2012/13	2013/14	2014/15	2015/16	COST (in R)
❖ Facilitate internal loan funding using LED pool fund						Internal
❖ Learn from existing projects						
❖ Id. beneficiaries						
❖ Facilitate development of farms						
TOTAL MUNICIPAL DEVELOPMENT FACILITATION BUDGET:						R0
IMPLEMENTATION	2011/12	2012/13	2013/14	2014/15	2015/16	COST (in R)
❖ Obtain internal loan funding using LED pool fund						R150 000 pool fund
❖ Develop & equip fish farming project						
❖ Provide training						
❖ Negotiate contracts for sales & do marketing						
❖ Id. feasible location for roll-outs						
TOTAL PROJECT IMPLEMENTATION BUDGET:						R150 000
MUNICIPAL BUDGET PER FINANCIAL YEAR			13/'14	14/'15	'15/'16	
			R0	R0	R150 000	

**PROJECT MARKETING SHEET**

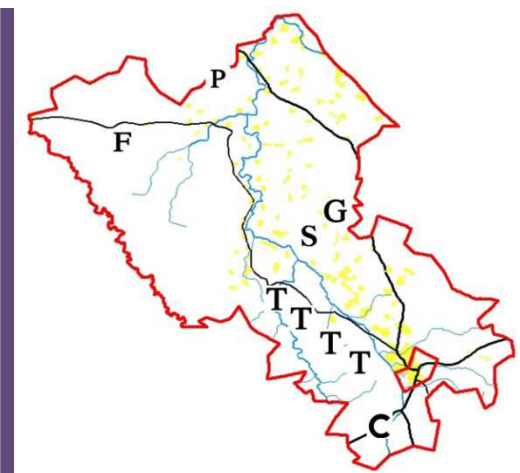
**Revitalise Existing Stagnant Mining Operations**

**PROJECT DESCRIPTION**

Within the Mogalakwena LM, various mineral resources exist which are currently being exploited, or have been exploited but have had to close down as a result of limitations caused by dwindling markets. Based on South African Minerals Industry (SAMI), South Africa is the leading producers of chrome, & significant role-players in dimension stone & fluorite. Trends indicate that local & international demand seems to be keeping steady. Some of the mineral resources which exist that can be considered for revitalisation are dimension stone (granite), chrome, tin, fluorite, the Tshabang Tlala Babirwa Pebble Co-operative (TTBPC) & Matlala Stone Crushers. The WDM Mining Development Strategy has also identified the opportunity to revitalise & expand dimension stone, chrome, tin & fluorite mines. This project would seek to develop feasibility study to determine the extent of mineral resources available for revitalisation, as well as market viability & location of various deposits. The project would also seek to create business plans in accordance to the various mine types that can be established, based on the mineral feasibility study conclusions & the mine type to be developed or revitalised. The opportunity also exists for the re-working of old waste dumps of these mines as another source of mineral reclamation & development. Once these mining revitalisation projects have been deemed to be feasible, further steps can be taken to establish small-scale mining operations focussing on historically disadvantaged persons & community co-operatives.



**PROPOSED LOCATION & BENEFICIARIES**



Stagnant mining operation can be found throughout the MLM, & more specifically Granite (G) around Bakenberg, Fluorite (F) nearby Marken, Chrome (C) at the old Union Tin Mine & surrounds, Tin (T) within the Mokopane Tin Fields West of the R518, the Pebble Co-op (P) in the Taueatswala Village & the Matlala Stone Crushers project (S) nearby Bakenberg & Matlala Villages.

**Beneficiaries**

- ❖ Local communities
- ❖ Entrepreneurs
- ❖ SMME's
- ❖ Small-scale black mine owners

**OPPORTUNITIES & POTENTIAL IMPACTS**

- ❖ Revitalisation of existing stagnant mining operations
- ❖ Exploitation of existing minerals
- ❖ Employment growth
- ❖ Diversification of mining sector
- ❖ Joint ventures & small-scale black owned mines
- ❖ Opportunities for beneficiation

**TARGET MARKET**

- ❖ Small-scale black owned mines
- ❖ Co-operatives
- ❖ Local communities
- ❖ Existing mines
- ❖ Outside investors

**ROLEPLAYERS**

- ❖ DMR
- ❖ DEA
- ❖ Local communities
- ❖ Tribal authorities
- ❖ LED Unit
- ❖ Local mining houses

**APPROXIMATE CAPITAL COST PER PROJECT**

The project requires the drafting of feasibility studies for the existing stagnant mining operations, which includes determination of initial start-up costs, the feasibility of current resources remaining, mine lifespan, the current market trend & optimal market environment for re-entry. If deemed feasible, business plan development can be facilitated in order to assist investors or smaller SMME's to acquire funding & setup the mining operations. Costs depend on the commodity, market trends, mine & location. Revitalisation of existing mines could be anything from R500 000 to millions.

PROJECT IMPLEMENTATION SHEET						
Revitalise Existing Stagnant Mining Operations						
POSITION OF PROJECT IN STRATEGY		IMPACT RATING (L=LOW, H=HIGH)				
<b>THRUST:</b> Mining Development, Support and Promotion  <b>PROGRAMME:</b> Develop and Support Small-Scale Black Owned Mines	Cost (L=5, H=1)					1
	Implementability (L=5, H=1)					2
	Impact (L=1, H=5)					3
	Sustainability (L=1, H=5)					3
	Employment (L=1, H=5)					2
PROJECT PRIORITY	15	IMPACT RATING (OUT OF 5):				2
KEY SUCCESS FACTORS		KEY RISKS AND CHALLENGES				
<ul style="list-style-type: none"> <li>❖ Viability of stagnant mines</li> <li>❖ Market demand and access</li> <li>❖ Accessing of funds</li> <li>❖ Price of minerals</li> </ul>		<ul style="list-style-type: none"> <li>❖ Lack of skills</li> <li>❖ Limited industry knowledge</li> <li>❖ High operating costs</li> </ul>				
POTENTIAL FUNDING & TRAINING SOURCES		KEY ROLEPLAYERS				
<ul style="list-style-type: none"> <li>❖ MQA SETA</li> <li>❖ DMR</li> <li>❖ IDC, DBSA, NEF, DTI</li> <li>❖ DEA</li> <li>❖ Mintek</li> </ul>		<ul style="list-style-type: none"> <li>❖ Local communities</li> <li>❖ LED Unit</li> <li>❖ Private investors</li> <li>❖ DMR</li> <li>❖ Local mining houses</li> </ul>				
FACILITATION ACTIONS	2011/12	2012/13	2013/14	2014/15	2015/16	COST (in R)
❖ Feasibility study of existing mineral resources						R120 000
❖ Appoint project champion						Internal
<b>TOTAL MUNICIPAL DEVELOPMENT FACILITATION ACTION BUDGET:</b>						<b>R120 000</b>
IMPLEMENTATION	2011/12	2012/13	2013/14	2014/15	2015/16	COST (in R)
❖ Business Plan (R100 000 per project)						R300 000
❖ Facilitate JV's						10% of capital cost per project
❖ Facilitate organisational structure						
❖ Facilitate funding						
❖ Facilitate skills development						
<b>TOTAL PROJECT IMPLEMENTATION BUDGET: R300 000 if internal capacity</b>					<b>R300 000 plus implementation fee</b>	
MUNICIPAL BUDGET PER FINANCIAL YEAR			'12/'13	'13/'14	'14/'15	
			R120 000	R100 000	R200 000	

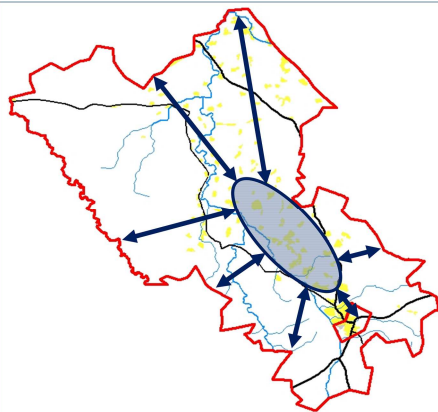
**DEVELOPMENT FACILITATION INFORMATION SHEET**

Facilitate interaction between Mogalakwena Municipality, local mining houses and local communities

**FACILITATION DESCRIPTION**

This project focuses on the facilitation of interaction between the Mogalakwena Municipality, local mining houses & the local communities in relation to LED & Social & Labour Plans (SLP) goals & objectives, co-ordination of actions & resources, the monitoring of effects & value-addition created by S&LP's, as well as assisting with creating local SMME procurement with local mining houses, the identification of value-chain gaps & new start-up business facilitation. The project would purely be a facilitative role, whereby the municipality would seek to provide guidance & open the necessary channels for discussions in order to create a communicative platform & common understanding between the various role-players. Facilitation in this regard would seek to encourage the identification & incorporation of LED identified projects into the S&LP of local mine houses by opening communicative networks between the LM and mining houses & providing detailed descriptions & recourses for each project, thus providing mine houses the opportunity to incorporate LED identified projects. The facilitation would seek to encourage the procurement of local supplier & service provision contracts from local mining houses to assist local SMME's, as well as assist in the drafting of supplier contracts to ensure that both parties have a shared agreement & directive in terms of services offered & received. Further the municipality would seek to be a facilitative vehicle in the obtainment of financial resources & funding from other institutions in support of establishing SMME's & co-operatives. Lastly, the municipality should play a facilitation role in the creation of joint ventures between communities & local mining houses. This is required in order to create more local procurement, encourage development of black owned mines & assist in attaining skilled representatives whom could assist in the development & growth of new mines & businesses.

**PROPOSED LOCATION & BENEFICIARIES**



- ❖ Throughout the MLM specifically focussed on the communities & businesses & platinum & granite mining houses located along the Mokopane Platinum Belt & around the Bakenberg area

**Beneficiaries**

- ❖ Local communities
- ❖ Local municipality
- ❖ SMME's
- ❖ Entrepreneurs
- ❖ Local mining houses

**OPPORTUNITIES & POTENTIAL IMPACTS**

- ❖ Alignment of LED & S&LP
- ❖ Combined development initiatives
- ❖ SMME procurement & value-chain development
- ❖ Linkages between local mines & SMME's
- ❖ Economic diversification
- ❖ Multi sectoral development & growth

**TARGET MARKET**

- ❖ Local SMME's
- ❖ Local entrepreneurs
- ❖ Local Mines

**ROLEPLAYERS**

- ❖ Local mining houses
- ❖ LED Unit
- ❖ Local communities
- ❖ Local businesses
- ❖ LED SMME Cluster
- ❖ Mokopane Business Chamber
- ❖ NAFCOC

**APPROXIMATE CAPITAL COST PER PROJECT**

The facilitation process is aimed at ensuring that a basis of communication is secured between the municipality, mines & communities. Facilitation is required in terms of LED & S&LP co-ordination, the procurement of local SMME's to supply products & services to local mines, & the creation of JV's between local mines/investors & SMME's. The capital cost would require the setting up of meetings, forums & platforms through which these role-players can communicate & come to agreement. This is dependant on the specific course of action required & can be done internally with a need for additional budget/costs.



DEVELOPMENT FACILITATION SHEET							
Facilitate interaction between Mogalakwena Municipality, local mining houses & local communities							
POSITION OF PROJECT IN STRATEGY			IMPACT RATING (L=LOW, H=HIGH)				
<b>THRUST:</b> Mining Development, Support and Promotion			Cost (H=1, L=5)		3		
			Implementability (H=1, L=5)		4		
<b>PROGRAMME:</b> Develop and Support Small-Scale Black Owned Mines			Impact (1=LOW, 5=HIGH)		3		
			Sustainability (1=L, 5=H)		4		
			Employment (1=L, 5=H)		3		
PROJECT PRIORITY		10	IMPACT RATING (OUT OF 5):		3.4		
KEY SUCCESS FACTORS			KEY RISKS AND CHALLENGES				
<ul style="list-style-type: none"> <li>❖ MQA SETA</li> <li>❖ DMR</li> <li>❖ SEDA</li> <li>❖ FET College</li> </ul>			<ul style="list-style-type: none"> <li>❖ Lack of participation from all parties</li> <li>❖ Lack of shared goals &amp; objectives</li> <li>❖ Lack of implementable projects</li> </ul>				
POTENTIAL FUNDING & TRAINING SOURCES			KEY ROLEPLAYERS				
<ul style="list-style-type: none"> <li>❖ MQA</li> <li>❖ DMR</li> <li>❖ FET College</li> </ul>			<ul style="list-style-type: none"> <li>❖ Local communities</li> <li>❖ LED Unit</li> <li>❖ Local Mines</li> <li>❖ LED SMME Cluster</li> <li>❖ Mokopane Business Chamber</li> <li>❖ NAFCO</li> </ul>				
FACILITATION ACTIONS	2011/12	2012/13	2013/14	2014/15	2015/16	COST (in R)	
❖ Identify & task LED Unit officer with liaison responsibility						Internal R10 000 for meeting expenses	
❖ Facilitate development of networks, linkages, role-players per mine house							
❖ Facilitate identification of affected & interested parties, beneficiaries, SMME, affected stakeholders							
❖ Facilitate continued discussions with mine houses & communities/affected stakeholders							
<b>TOTAL PROJECT IMPLEMENTATION BUDGET</b>						<b>R10 000</b>	
<b>MUNICIPAL BUDGET PER FINANCIAL YEAR</b>			'11/'12		'12/'13		'13/'14
			R2 000		R2 000		R2 000

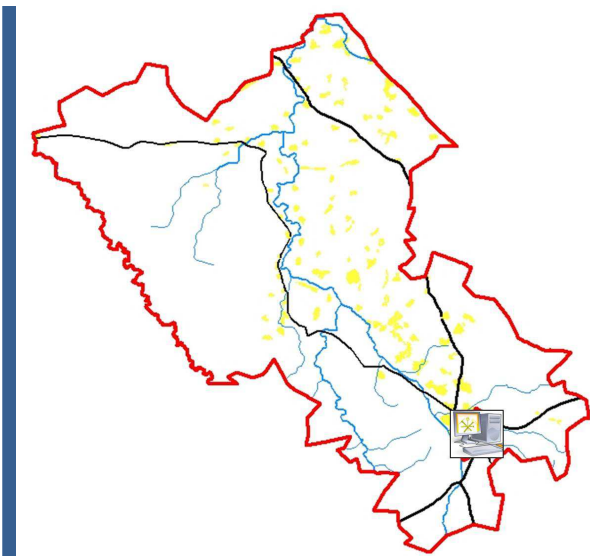
**DEVELOPMENT FACILITATION INFORMATION SHEET**

Facilitate the creation of mining related skills development in conjunction with MQA SETA and accredited training providers

**FACILITATION DESCRIPTION**

This action focuses on training & skills development of local community members who are interested in the mining industry & associated development in line with the mining industry. The project seeks to facilitate the implementation of the Mining Qualifications Authority (MQA) SETA's at the local FET College in Mokopane & other local training providers. The facilitation would require discussions with the MQA SETA into establishing learnerships & training programmes specifically related to mining operations in Mogalakwena, as well as to lobby funding from the MQA to implement these projects. In conjunction, the municipality must facilitate the training of service providers through the MQA SETA by fostering partnerships with the FET College & local mine houses. The facilitation action would also seek to have a communicative linkage between the municipality & local mine houses, whereby the mine would correspond labour requirements & skills needed to the municipality. The municipality would then in collaboration with local training entities complete training applications on behalf of the mining houses & potential employees/trainees in order for them to receive training specifically in line with mine labour requirements. This would incorporate a partnership between the mine houses & the municipality in terms of training funding & identification of participants.

**PROPOSED LOCATION & BENEFICIARIES**



- ❖ Training opportunities located within Mokopane at the FET College & other training providers

**Beneficiaries**

- ❖ Local communities
- ❖ Local municipality
- ❖ SMME's
- ❖ Entrepreneurs
- ❖ Local mining houses

**OPPORTUNITIES & POTENTIAL IMPACTS**

- ❖ Specialised skills training of local community members
- ❖ Employment of local skilled labour by local mines
- ❖ Opportunity to become regional training mechanism

**TARGET MARKET**

- ❖ Local communities
- ❖ Unemployed
- ❖ Woman & youth

**ROLEPLAYERS**

- ❖ Local mining houses
- ❖ LED Unit
- ❖ LED Industrial Cluster
- ❖ Local communities
- ❖ MQA SETA & others
- ❖ FET College
- ❖ Other training organisations

**APPROXIMATE CAPITAL COST**

This action is based on the facilitation of skills training opportunities for local residents in line with mining activities. The capital cost will be dependent on the learnerships & programmes selected for implementation in the local FET College & other training providers. Funding can be applied for through the MQA SETA and other. Costs may also depend on the training of service providers, which may require partnerships with the FET College & mining houses to train these services providers in case of MQA SEAT & others not being able to provide funding options.

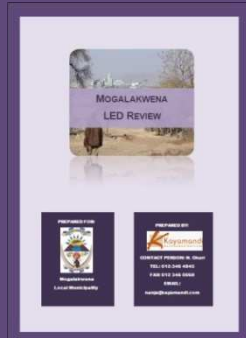
DEVELOPMENT FACILITATION SHEET						
Facilitate the creation of mining related skills development in conjunction with MQA SETA and accredited training providers						
POSITION OF PROJECT IN STRATEGY			IMPACT RATING (L=LOW, H=HIGH)			
<b>THRUST:</b> Mining Development, Support and Promotion  <b>PROGRAMME:</b> Develop and Support Small-Scale Black Owned Mines	Cost (L=5, H=1)				3	
	Implementability (L=5, H=1)				4	
	Impact (L=1, H=5)				3	
	Sustainability (L=1, H=5)				4	
	Employment (L=1, H=5)				3	
PROJECT PRIORITY	11		IMPACT RATING (OUT OF 5):		3.4	
KEY SUCCESS FACTORS			KEY RISKS AND CHALLENGES			
<ul style="list-style-type: none"> <li>❖ Co-ordination between accredited training facilities, Mines &amp; LM</li> <li>❖ Registration with Dept. of Labour</li> <li>❖ Need for appropriate skills development</li> <li>❖ Mine employment</li> <li>❖ Availability of training service providers</li> </ul>			<ul style="list-style-type: none"> <li>❖ Limited utilisation by local community</li> <li>❖ No buy-in/alignment between mines &amp; training providers</li> <li>❖ Lack of funding</li> <li>❖ Poor quality training</li> <li>❖ Lack of registered trainers/facilitators</li> </ul>			
POTENTIAL FUNDING & TRAINING SOURCES			KEY ROLEPLAYERS			
<ul style="list-style-type: none"> <li>❖ MQA SETA</li> <li>❖ DMR</li> <li>❖ FET College</li> </ul>			<ul style="list-style-type: none"> <li>❖ LED Unit</li> <li>❖ Local Mines</li> <li>❖ FET College Mogalakwena</li> </ul>			
FACILITATION ACTIONS	2011/12	2012/13	2013/14	2014/15	2015/16	COST (in R)
❖ Identify & task LED Unit officer with liaison responsibility						Internal R10 000 For Meeting expenses
❖ Facilitate selection of learnership & skills programmes as per mining house employment needs						
❖ Facilitate marketing of learnership opportunities						
❖ Undertake funding application for training from MQA SETA & others						
❖ Facilitate link between accredited training providers & MQA SETA						
TOTAL DEVELOPMENT FACILITATION BUDGET						R10 000
MUNICIPAL BUDGET PER FINANCIAL YEAR			'11/'12	'12/'13	'13/'14	
			R2 000	R2 000	R2 000	

**PROJECT MARKETING SHEET**

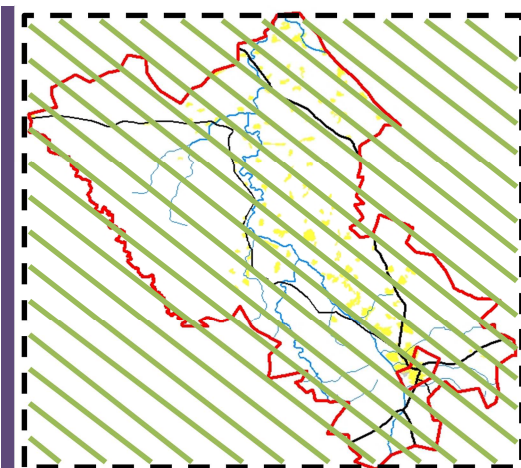
**LED Poster Marketing Campaign of LED Opportunities and Investment Incentives**

**PROJECT DESCRIPTION**

The project is focussed on the active marketing of the LED Strategy & the Investment, Attraction & Retention Plan included, in order to create awareness & knowledge of the opportunities & initiatives that have been identified in the LED Strategy. At the onset, this project requires the appointment of a Investment Officer. The marketing of the LED Strategy will involve inter-departmental awareness of programmes & projects proposed in the LED Strategy to ensure that projects implemented/undertaken by other departments is aligned to the LED directives & goals specifically envisaged for the Mogalakwena LM. The main goal of the poster marketing campaign is to promote & market the various projects & opportunities identified within the LED Strategy to the various communities throughout the municipal area, as well as to create a platform from which to entice local & outside investment & involvement into these identified projects to allow for new business start-ups & entrepreneurial development. The marketing campaign will seek to divulge information on the business opportunities & LED priority projects, investment incentives, marketing & investment opportunities, sources of funding for LED projects, updating of the Mogalakwena LM official website to include identified LED projects investment opportunities, the printing of investment booklets & attending Provincial, District & other sector specific summits & indaba's.



**PROPOSED LOCATION & BENEFICIARIES**



- ❖ Distribution & marketing throughout the communities within Mogalakwena LM, as well as other departments & investors inside & outside the municipality

**Beneficiaries:**

- ❖ Local communities
- ❖ The unemployed
- ❖ Entrepreneurs
- ❖ Woman, youth & the disabled
- ❖ SMME

**OPPORTUNITIES & POTENTIAL IMPACTS**

- ❖ Full community involvement & successful development of the local economy
- ❖ Create awareness of potential opportunities
- ❖ Create focussed development on the local economy
- ❖ To entice new business-start-ups
- ❖ To encourage investment into the local economy
- ❖ Development of jobs
- ❖ Diversification of the local economy
- ❖ Improve woman & minority owned businesses

**TARGET MARKET**

- ❖ The poster campaigns aim is to enable local entrepreneurs to identify & take up opportunities listed within the LED & thus create new business start-ups which assists the growth of the local economy
- ❖ Local communities
- ❖ Local & outside investors

**ROLEPLAYERS**

- ❖ LED Unit
- ❖ Mokopane Business Chamber
- ❖ NAFCOC
- ❖ LED SMME, Agriculture, Industrial, Tourism Cluster

**APPROXIMATE CAPITAL COST**

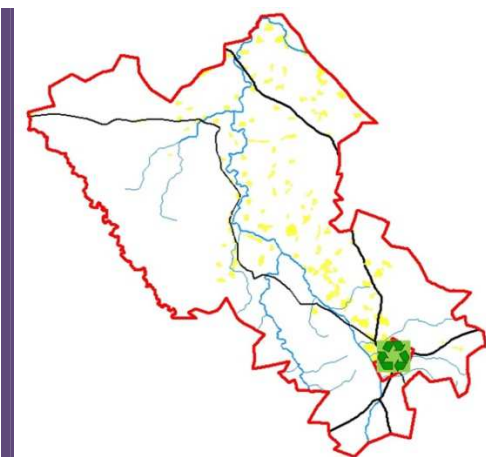
The initiative would require a minimum of R60,000 although sponsorships from local businesses, such as banks, printers, mining houses, etc, should be enticed to participate in the identified project. This means that greater marketing efforts can be undertaken.

PROJECT IMPLEMENTATION SHEET							
LED Poster Marketing Campaign of LED Opportunities & Investment Incentives							
POSITION OF PROJECT IN STRATEGY			IMPACT RATING (L=LOW, H=HIGH)				
<b>THRUST:</b> SMME Support and Manufacturing Diversification	<b>PROGRAMME:</b> Self-Sufficiency and SMME Development and Support		Cost (L=5, H=1)		5		
			Implementability (L=5, H=1)		5		
			Impact (L=1, H=5)		5		
			Sustainability (L=1, H=5)		n.a		
			Employment (L=1, H=5)		n.a		
PROJECT PRIORITY		1	IMPACT RATING (OUT OF 3):		5		
KEY SUCCESS FACTORS			KEY RISKS AND CHALLENGES				
<ul style="list-style-type: none"> <li>❖ Relevant marketing material</li> <li>❖ Visibility of LED impacts in local communities</li> <li>❖ Ease of access to information about investment, potential projects, funding, etc.</li> <li>❖ Representation at District &amp; Provincial summits</li> </ul>			<ul style="list-style-type: none"> <li>❖ Poor access to information by local communities</li> </ul>				
POTENTIAL FUNDING SOURCES			KEY ROLEPLAYERS				
<ul style="list-style-type: none"> <li>❖ Mogalakwena Local Municipality</li> <li>❖ Local Banks</li> <li>❖ Local printing businesses</li> <li>❖ Local mine houses</li> <li>❖ Mokopane Business Chamber</li> <li>❖ NAFCOG</li> </ul>			<ul style="list-style-type: none"> <li>❖ LED Unit</li> <li>❖ LED SMME, Agriculture, Industrial, Tourism Clusters</li> <li>❖ LEDET</li> <li>❖ TIL</li> <li>❖ Mokopane Business Chamber</li> <li>❖ NAFCOG</li> </ul>				
FACILITATION ACTIONS		2011/12	2012/13	2013/14	2014/15	2015/16	COST (in R)
❖ Appoint Business Investment Officer							Internal R60 000 for materials
❖ Undertake inter-departmental awareness campaign promoting LED programmes, projects & incentives identified in the strategy							
❖ Undertake poster campaign to entice business start-ups to participate in projects identified by strategy							
❖ Seek & apply for priority project funding							
❖ Update & maintain website with identified opportunities							
❖ Prepare materials & ensure Mogalakwena LM is represented by District at annual development & sector summits							
TOTAL PROJECT IMPLEMENTATION BUDGET:						R60 000	
MUNICIPAL BUDGET PER FINANCIAL YEAR				'11/'12	'12/'13	'13/'14	
				R60 000	R0	R0	



**PROJECT MARKETING SHEET****Establish a Refuse Buy-Back Voucher Centre****PROJECT DESCRIPTION**

A community refuse buy-back voucher centre is a place where community members can bring collected waste for which they in turn receive payment. This initiative is supported by the Waste Management & Community Programmes sub-directorate of the National Department of Environmental Affairs (DEA). The basis of the project is hinged on that large quantities of money is spent on the cleaning of litter & illegally dumped refuse, which could have been utilised for various other socio & economic development actions, thus the separation of recyclable materials (glass, paper, metals & plastics) from the primary waste stream would facilitate a reduction of bulk waste transported to landfills, eases the strain on natural resources & helps to create employment in both the formal & informal waste reclamation sectors. Payment in terms of the exchange of refuse at the refuse buy-back centre is related to a voucher, which can be used at local shopping centres or for the purchasing of school essentials. Recycling is a cyclic process whereby recycling is only achieved once recyclable materials are re-manufactured into other products. This poses further opportunities in the form of recycling enterprises developed in conjunction to the buy-back centre. Some examples related to community type recycling initiatives are; recycled outdoor plastic patio furniture; furniture from recycled materials; eco-friendly gifts & crafts from recycled materials; agriculture & landscape related inputs: mulch, compost, fencing, etc; & recycled office supplies such as stationary & paper products. Support for these types of initiatives exist within the industry, & these initiatives require small amounts of capital to be established which places this initiatives in a sustainable & implementable context for local communities.

**PROPOSED LOCATION & BENEFICIARIES**

- ❖ Refuse buy-back centre to be located within Mokopane Northern industrial area or in the Mahwelereng settlement
- ❖ Consult Mokopane CBD Plan for preferred location within industrial area or proposed expansion
- ❖ Combine with future waste recycling enterprises which re-manufacture recyclable materials in plastic furniture, gifts & crafts, fencing, etc.

**Beneficiaries:**

- ❖ Local communities
- ❖ Youth
- ❖ Woman
- ❖ Rural inhabitants

**OPPORTUNITIES & POTENTIAL IMPACTS**

- ❖ Lack of recycling plants & refuse removal
- ❖ Employs large amounts of people in all stages
- ❖ Operation is easy & can facilitate many operations
- ❖ Addresses health concerns
- ❖ Income generation in rural communities

**TARGET MARKET**

- ❖ Cans: collect-a-can
- ❖ Paper: Sappi, Mondi, Nampak
- ❖ Glass: Console
- ❖ National recycling forum

**ROLEPLAYERS**

- ❖ LED Unit
- ❖ DEA
- ❖ LED SMME Cluster

**APPROXIMATE CAPITAL COST**

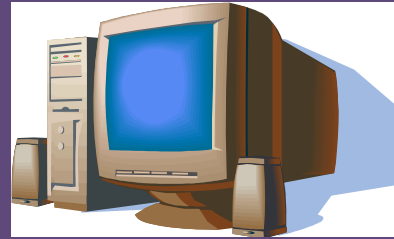
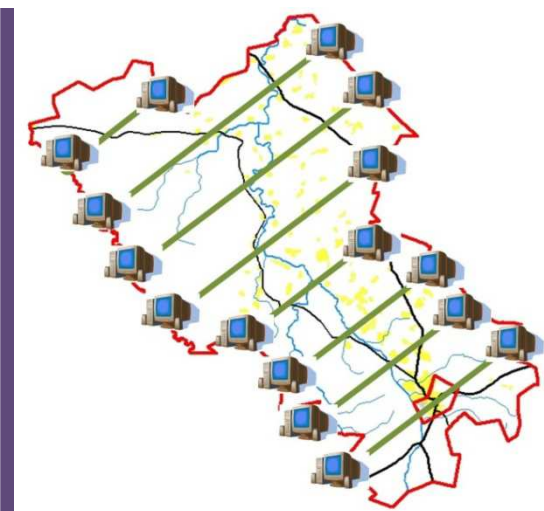
A market potential study is required to determine location & relevance in terms of distance from end recycler, amenities & support available from local businesses/municipality, cost of a serviceable building, social issues, availability of labour, possibility to set up small black businesses that act as collection agents. This is aimed at local businesses that require legitimate local BBBEE spend, buy-back pricing structure based on location & overheads, full budget & cash flow.

**R100 000**

PROJECT IMPLEMENTATION SHEET						
Establish refuse buy-back voucher centres						
POSITION OF PROJECT IN STRATEGY		IMPACT RATING (L=LOW, H=HIGH)				
<b>THRUST:</b> SMME Support and Manufacturing Diversification  <b>PROGRAMME:</b> Self-Sufficiency and SMME Development and Support		Cost (L=5, H=1)			4	
		Implementability (L=5, H=1)			4	
		Impact (L=1, H=5)			3	
		Sustainability (L=1, H=5)			5	
		Employment (L=1, H=5)			4	
PROJECT PRIORITY	16	IMPACT RATING (OUT OF 5):			4	
KEY SUCCESS FACTORS		KEY RISKS AND CHALLENGES				
<ul style="list-style-type: none"> <li>❖ Landfill sites or communal dumping areas</li> <li>❖ Recyclers to provide free containers for waste collection for waste sold to them</li> <li>❖ Partnership between recyclers, community &amp; municipality</li> </ul>		<ul style="list-style-type: none"> <li>❖ Dependence on buyers (monopolies/oligopolies that can demand below cost prices for goods)</li> <li>❖ Reluctance to work in a dirty environment</li> <li>❖ Transport costs of collecting recyclable materials at homes &amp; dump sites</li> </ul>				
POTENTIAL FUNDING & TRAINING SOURCES		KEY ROLEPLAYERS				
<ul style="list-style-type: none"> <li>❖ Mogalakwena LM</li> <li>❖ Recycling industries</li> <li>❖ DEA</li> </ul>		<ul style="list-style-type: none"> <li>❖ LED Unit</li> <li>❖ LED SMME Cluster</li> <li>❖ DEA</li> </ul>				
FACILITATION ACTIONS	2011/12	2012/13	2013/14	2014/15	2015/16	COST (in R)
❖ Market potential study						Internal
❖ Learn lessons from existing centres						
❖ Locate & facilitate site acquisition						
❖ Negotiate commitment from recycling industry						
❖ Finalise ownership						
TOTAL MUNICIPAL DEVELOPMENT FACILITATION ACTION BUDGET:						R50 000
IMPLEMENTATION	2011/12	2012/13	2013/14	2014/15	2015/16	COST (in R)
❖ Acquire, develop & equip depot						R100 000
❖ Undertake training						
❖ Management structure & operating procedures						
TOTAL PROJECT IMPLEMENTATION BUDGET						R100 000
MUNICIPAL BUDGET PER FINANCIAL YEAR			'11/'12	'12/'13	'13/'14	
			R0	R0	R100 000	

**PROJECT MARKETING SHEET****Establish a Database of Existing Businesses with Web Linkages****PROJECT DESCRIPTION**

The project seeks to create a database of all existing businesses within the area of Mogalakwena. The aim of the project is to identify all businesses within Mogalakwena, & also acquire the necessary contact information, business description, services, needs & advantages. The information determined needs to be captured into a central database. The benefit of having a central database is related to; reduces complexity; centralisation of information; distribution of information; marketing & advertising of local businesses; and enabling networking & linkages. The database will be a vehicle for information sharing & linkage development between various companies & enterprises which exist within Mogalakwena. In conjunction to the business database development, it is proposed that a web link be created on the existing Mogalakwena LM website. The weblink will be focussed on providing emerging & existing entrepreneurs business information related to technical & marketing aspects to encourage new business development. The weblink will also provide information based on the business database that has been created. The website also further pose as a marketing & investment tool for outside investors to research potential for development in Mogalakwena, as well as a dissemination tool through which internal & external businesses may be able to source local enterprises.

**PROPOSED LOCATION & BENEFICIARIES**

- ❖ Development of business database of all businesses per type throughout Mogalakwena

**Beneficiaries:**

- ❖ Local businesses
- ❖ Possible investors
- ❖ Emerging entrepreneurs
- ❖ SMME's

**OPPORTUNITIES & POTENTIAL IMPACTS**

- ❖ Limited local database
- ❖ Limited local business support
- ❖ Limitations in forward & backward linkages

**TARGET MARKET**

- ❖ Local businesses per type
- ❖ Emerging entrepreneurs/start-ups/SMME's
- ❖ Outside investors

**ROLEPLAYERS**

- ❖ LED Unit
- ❖ LED Agriculture, SMME, Industrial, Tourism Clusters
- ❖ Local businesses
- ❖ Mokopane Business Chamber (MBC)
- ❖ NAFCOC
- ❖ Mokopane Hawkers Association

**APPROXIMATE CAPITAL COST**

The municipality, should, in conjunction & collaboration with the Mokopane Business Chamber & NAFCOC, seek to identify & collect information from all businesses & compile all data into a single database. The web-design company in charge of the existing Mogalakwena LM website should update the website to include the proposed weblink. Approximately cost R50,000.

PROJECT IMPLEMENTATION SHEET							
Establish a Database of Existing Businesses with Web Linkages							
POSITION OF PROJECT IN STRATEGY			IMPACT RATING (L=LOW, H=HIGH)				
<b>THRUST:</b> SMME Support and Manufacturing Diversification  <b>PROGRAMME:</b> Development & management of industrial precinct			Cost (L=5, H=1)		5		
			Implementability (L=5, H=1)		5		
			Impact (L=1, H=5)		5		
			Sustainability (L=1, H=5)		4		
			Employment (L=1, H=5)		3		
PROJECT PRIORITY		2	IMPACT RATING (OUT OF 5):		4.4		
KEY SUCCESS FACTORS			KEY RISKS AND CHALLENGES				
<ul style="list-style-type: none"> <li>❖ Gathering information on all businesses in Mogalakwena</li> <li>❖ Gathering correct information</li> <li>❖ Effective management of website</li> <li>❖ Linking database &amp; website to Mogalakwena, TIL, LEDET &amp; Waterberg website</li> </ul>			<ul style="list-style-type: none"> <li>❖ Willingness of businesses to participate</li> <li>❖ Maintenance of database</li> <li>❖ Keeping up to date information</li> <li>❖ Lack of marketing</li> <li>❖ Lack of access to information</li> </ul>				
POTENTIAL FUNDING & TRAINING SOURCES			KEY ROLEPLAYERS				
<ul style="list-style-type: none"> <li>❖ Mogalakwena LM</li> <li>❖ TIL, LEDET</li> <li>❖ Local businesses</li> <li>❖ Mokopane Business Chamber</li> <li>❖ NAFCOC</li> </ul>			<ul style="list-style-type: none"> <li>❖ LED Unit</li> <li>❖ LED Agriculture, SMME, Industrial, Tourism Clusters</li> <li>❖ Mokopane Business Chamber</li> <li>❖ NAFCOC</li> <li>❖ Local businesses</li> </ul>				
FACILITATION ACTIONS		2011/12	2012/13	2013/14	2014/15	2015/16	COST (in R)
❖ Identify & task LED Unit officer with liaison responsibility							Internal
❖ Co-ordinate actions with MBC & NAFCOC							
❖ Facilitate linkages with TIL & LEDET							
TOTAL MUNICIPAL DEVELOPMENT FACILITATION ACTION BUDGET:							R0
IMPLEMENTATION		2011/12	2012/13	2013/14	2014/15	2015/16	COST (in R)
❖ Compile questionnaire							R50 000
❖ Identify/appoint field worker/s							
❖ Gathering of information							
❖ Compile database							
❖ Update website							
TOTAL PROJECT IMPLEMENTATION BUDGET: R50 000 if sufficient internal capacity							R50 000
MUNICIPAL BUDGET PER FINANCIAL YEAR				'11/'12	'12/'13	'13/'14	
				R50 000	R0	R0	

## PROJECT MARKETING SHEET

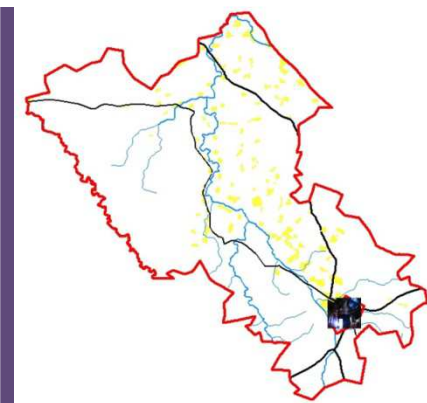
## Develop a Manufacturing Advice and Incubation Centre (MAC)

## PROJECT DESCRIPTION

The LED programme has identified the development of a manufacturing incubator for the Mogalakwena LM. An incubator is designed to be a tool in support of new entrepreneurial enterprises by providing them a protected environment to successfully establish themselves. The main goal of an incubator is to assist new business start-ups to become financially viable & freestanding whilst accelerating the growth & success of entrepreneurial companies through an array of business support services & resources. The incubator will be a central location which provides entrepreneurs with access to shared facilities, skills development & equipment for manufacturing, without entrepreneurs having to invest in it themselves. The incubator will provide low/below market cost rent for workshop space & equipment; services such as shared receptionist, fax, copier, offices, etc; technical assistance, mentorship & training; business & financial management training; assistance in government regulations, obtaining business licenses & preparing income tax returns; knowledge transfer & networking opportunities between manufacturers to share experiences; & access to finance & seed capital. The incubator will be developed based on the following components: a building with office & storage space & workshop units for use by incubatees. The equipment required for the incubator is based on the types of manufacturing needs & businesses. It has been noted by LEDET that a Fabrication Laboratory (Fablab) has been established in Mokopane. The Fablab is a centre which focuses on high technology skills development through utilising high-tech machinery to do desktop fabrication. A linkage between the MAC & the Fablab should be encouraged to create a collaborative approach to skills training & also to encourage the development of new start-ups.



## PROPOSED LOCATION &amp; BENEFICIARIES



- ❖ Northern industrial area of Mokopane
- ❖ Consult Mokopane CBD Plan for preferred location of industrial area or area for expansion

## Beneficiaries:

- ❖ Local urban community such as the unemployed, woman, youth & disabled
- ❖ Local entrepreneurs
- ❖ Local emerging businesses
- ❖ Local SMME's

## OPPORTUNITIES &amp; POTENTIAL IMPACTS

- ❖ Provision of support to business start-ups
- ❖ Growth & diversification of manufacturing businesses & products to serve local needs
- ❖ Creation of more job opportunities
- ❖ Transfer of knowledge & skills
- ❖ Diversification of local economy & value-addition
- ❖ Facilitate development of manufacturing enterprises
- ❖ Improve minority owned businesses
- ❖ Growth & graduation of 2/3 new business start-ups per year & relocation to own site within 2/3 years

## TARGET MARKET

Potential manufacturing enterprises include:

- ❖ Agro-processing: Juice, beer, candles, soaps, biscuits & sweets
- ❖ Recycling: Plastic furniture, bottles, packaging & containers
- ❖ Construction: Building materials, fences, frames, tiles
- ❖ Mining Inputs: Lubricants, spare parts, tyres, protective wear

## ROLEPLAYERS

- ❖ LED Unit
- ❖ LED Agriculture, SMME, Industrial, Tourism Clusters
- ❖ Local Industries
- ❖ Mokopane Business Chamber
- ❖ Hawkers Association
- ❖ NAFCOC

## APPROXIMATE CAPITAL COST

Professional fees

Implementation fees

1<sup>st</sup> 3 months operating capital

Marketing &amp; signage

Basic machinery &amp; equipment

Furniture &amp; office equipment

Input materials (type dependent)

TOTAL CAPITAL BUDGET

R3 000 000



PROJECT IMPLEMENTATION SHEET						
Develop a Manufacturing Advice and Incubation Centre (MAC)						
POSITION OF PROJECT IN STRATEGY			IMPACT RATING (L=LOW, H=HIGH)			
<b>THRUST:</b> SMME Support and Manufacturing Diversification  <b>PROGRAMME:</b> Development & management of industrial precinct			Cost (L=5, H=1)		1	
			Implementability (L=5, H=1)		3	
			Impact (L=1, H=5)		5	
			Sustainability (L=1, H=5)		3	
			Employment (L=1, H=5)		5	
PROJECT PRIORITY		4	IMPACT RATING (OUT OF 5):		3.2	
KEY SUCCESS FACTORS			KEY RISKS AND CHALLENGES			
❖ Qualified competent manager ❖ Small businesses with sound feasibility plans			❖ Poor management of incubator ❖ Inappropriate training & access to funds			
POTENTIAL FUNDING & TRAINING SOURCES			KEY ROLEPLAYERS			
❖ MLM, LEDET, DTI, IDC, DBSA, SEDA, IDC			❖ LED Unit, DTI, SEDA ❖ LED Agriculture, SMME, Industrial, Tourism Clusters			
FACILITATION ACTIONS	2011/12	2012/13	2013/14	2014/15	2015/16	COST (in R)
❖ Conduct feasibility & apply for funding						R50 000
❖ Determine local needs						Internal
❖ Learn from similar						
❖ Facilitate site attainment						
❖ Establish network of role-players & funders						
❖ Finalise ownership						
❖ Appoint implementer						
❖ Attract incubatees						
TOTAL MUNICIPAL DEVELOPMENT FACILITATION ACTION BUDGET:						R50 000
IMPLEMENTATION	2011/12	2012/13	2013/14	2014/15	2015/16	COST (in R)
❖ Draft business plan						R200 000 business plan
❖ Negotiate, acquire, equip, develop facilities						
❖ Management structure & operating procedures						R200 000
❖ Recruit staff						
❖ Access learning materials						
❖ Negotiate & establish supply contracts						
❖ Select incubatees						
❖ Do training schedule						
❖ Negotiate sales contracts for products						
TOTAL PROJECT IMPLEMENTATION BUDGET: R200 000 if sufficient capacity						R400 000
MUNICIPAL BUDGET PER FINANCIAL YEAR			'11/'12	'12/'13	'13/'14	
			R50 000	R200 000	R0	

**PROJECT MARKETING SHEET**

**Community-based camping site and outdoor recreational centre linked to the Waterberg Biosphere**

**PROJECT DESCRIPTION**

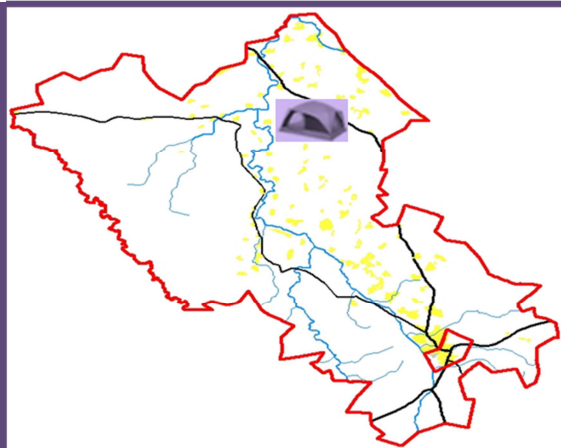


With a number of reclaimed land projects in the northern part of the LM suitable for game and tourism development, an opportunity to develop a community-based camping site linked to the Waterberg Biosphere exists. The purpose of this project is to establish 5 'rustic' style camp sites/ tented chalets with a shared boma, fire place, ablutions block and a self-catering kitchen, with the traditional 'donkey' preserved for hot water



supply for tourists. This project is aimed at providing budget overnight accommodation linked to the the Waterberg Biosphere as well as offering teambuilding and bosberaad to small-scale 'informal' groups such as social groups, research focus groups, small-medium sized companies, youth groups and families looking forward to 'roughing-it-up'. The local youth would be intergrated to the entire tourists experience through orienteering/ site guiding or be involved in the day-to-day operation of the camp site, with an aim of luring them off the street and make them more responsible and involved in tourism development. Linked to the camping facilities would be existing and proposed adventure based activities along the Waterberg Meander such as hiking trails, cycling, rock climbing and various other exciting activities and attractions. This project could commence further up north with the Legata project in Kgopong, through its success it could roll-out to other areas like Mokitlane community in Motse and Molekwa community. Marketing and promotion of this initiative could be linked to the local tourism office in Mokopane as well as the municipality website.

**PROPOSED LOCATION & BENEFICIARIES**



Tourism related land claim farms on the northern portion of Mogalakwena:

- ❖ Legata Project- Kgopong
- ❖ Mokitlane Community- Motse
- ❖ Molekwa Community- Phase 1 and 3

Beneficiaries:

- ❖ Local unemployed in rural areas, especially women, youth and disabled
- ❖ Local Entrepreneurs/ tourism product owners
- ❖ Local Emerging businesses
- ❖ Local SMMEs

**OPPORTUNITIES & POTENTIAL IMPACTS**

- ❖ Maximise existing resources (reclaimed land)
- ❖ Community empowerment
- ❖ Contribution to BEE
- ❖ Engage youth in tourism development
- ❖ Increased and improved tourism flow in MLM
- ❖ Increased value for time and money experienced by visitors
- ❖ Permanent and temporary job creation

**TARGET MARKET**

- ❖ Tourists
- ❖ Surrounding communities: women and youth
- ❖ Focus, social, church groups
- ❖ Small-medium sized companies
- ❖ Backpackers
- ❖ Adventure enthusiasts
- ❖ Youth getaways

**ROLEPLAYERS**

- ❖ LEDET
- ❖ Limpopo Tourism and Parks Board
- ❖ LED Unit
- ❖ LED tourism cluster
- ❖ Mogalakwena CTA
- ❖ Mokopane Business Chambers
- ❖ NAFCOC

**APPROXIMATE CAPITAL COST PER ESTABLISHMENT**

Professional fees	<b>R200 000</b>
Implementation fees	
1 <sup>st</sup> 3 months running costs and input materials	
Marketing and signage	
Camping sites and self catering kitchen, ablution block	
<b>TOTAL CAPITAL BUDGET</b>	

PROJECT IMPLEMENTATION SHEET							
Community-based camping site and outdoor recreational centre linked to the Waterberg Biosphere							
POSITION OF PROJECT IN STRATEGY			IMPACT RATING (L=LOW, H=HIGH)				
<b>THRUST:</b> Tourism resource maximisation and marketing  <b>PROGRAMME:</b> Develop the Waterberg Biosphere and its environs as an adventure and eco tourism destination			Cost (L=5, H=1)		4		
			Implementability (L=5, H=1)		4		
			Impact (L=1, H=5)		2		
			Sustainability (L=1, H=5)		3		
			Employment (L=1, H=5)		2		
PROJECT PRIORITY		20	IMPACT RATING (OUT OF 5):		3		
KEY SUCCESS FACTORS			KEY RISKS AND CHALLENGES				
<ul style="list-style-type: none"> <li>❖ Buy-in from tourism land claims beneficiaries</li> <li>❖ Acquiring start-up capital</li> <li>❖ Proper directional signage</li> </ul>			<ul style="list-style-type: none"> <li>❖ Access to funding</li> <li>❖ Perception that adventure activities are for middle-income earners</li> <li>❖ Keeping beneficiaries interested</li> <li>❖ Marketing</li> </ul>				
POTENTIAL FUNDING & TRAINING SOURCES			KEY ROLEPLAYERS				
<ul style="list-style-type: none"> <li>❖ Mogalakwena LM</li> <li>❖ LEDET and other provincial departments</li> <li>❖ DTI, IDC, DBSA, SEDA</li> <li>❖ NDT and DEA</li> <li>❖ Tourism Enterprise Partnership</li> </ul>			<ul style="list-style-type: none"> <li>❖ LED unit and LED tourism cluster</li> <li>❖ LEDET</li> <li>❖ Limdev</li> <li>❖ Limpopo Tourism and Parks Board</li> <li>❖ Mogalakwena CTA</li> <li>❖ NAFCOC</li> <li>❖ Mokopane Business Chambers</li> </ul>				
FACILITATION ACTIONS		2011/12	2012/13	2013/14	2014/15	2015/16	COST (in R)
❖ Facilitate access to internal loan funding using LED pool fund							R200 000
❖ Id. lessons learnt from existing developments							Internal
❖ Identify potential beneficiaries							
❖ Facilitate the establishment of project steering committee							
❖ Establish network of role-players and funders							
❖ Facilitate development of start-ups							
❖ Identify feasible locations for roll-out							
TOTAL MUNICIPAL DEVELOPMENT FACILITATION ACTION BUDGET:							R200 000
IMPLEMENTATION		2011/12	2012/13	2013/14	2014/15	2015/16	COST (in R)
❖ Site confirmation							Internal
❖ Onsite development							
❖ Beneficiary training							
❖ Negotiate with local SMMEs							
TOTAL PROJECT IMPLEMENTATION BUDGET: R0 if sufficient internal capacity							R0
MUNICIPAL BUDGET PER FINANCIAL YEAR				'13/'14	'14/'15	'15/'16	
				R0	R200 000	R0	

**PROJECT MARKETING SHEET**

Tourism signage and information dissemination

**PROJECT DESCRIPTION**

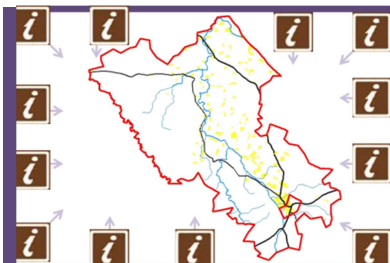


Tourists are unlikely to visit places that are unfamiliar to them. To ensure that Mogalakwena is broadly marketed with its unique selling propositions, this project will provide potential visitors with comprehensive and up-to-date information on tourism attraction and products within the municipality. This would be done through erecting appropriate and clearly visible signage in various tourism destinations, erecting tourism directional/informative road signs to various attractions as well as erecting information cairns along main routes such as the N1 and N11 crossroad



and the R518. As in many towns in SA, erect a notice board/ billboard of the area at both the Gauteng and Polokwane access point to Mokopane with a map of the area, and tourism products and attractions within the area with the location of the tourism office accentuated as the main focal point for tourists. Also imperical to this project is the erection of clearly marked street names and road signage to other related and significant facilities and services, such as municipal offices, police station, hospitals etc. Ancillary to the tourism signage project in conjunction with the local tourism association (Mogalakwena Community Tourism Association) should be a development of a range of high quality colour brochures and maps providing comprehensive information of each tourist attractions, activities and facilities offered within the LM, including practical information such as location, entrance fees/pricing and contact details and information of educational value such as the history of the tourist attraction. As part of of information dissemination, an electronic database of local tourism product owners and service providers could be developed, readily available and distributed in soft copy format such CD/DVD to interested parties and at various tourism events and exhibitions attended elsewhere such as the annual tourism indaba. The database would require constant updating and integrated into the proposed tourism website/ reservation portal. The various components of the project could run simultaneously i.e, erect signage, print brochures and erect billboard and information cairns, alternatively the first phase of erecting signage could commence in Mokopane, which is the first point of contact for many visitors to Mogalakwena. The completion of this project could improve the visitors flow to Mogalakwena and entice stopover traffic to stay longer as well as aid the flow of self-drive tourists witin the LM and from one attraction to the next. The project could also piggy-back on the success of other local provincial websites such as waterberg district municipality website, golimpopo website for further marketing and positioning of Mogalakwena as a distinct tourists destination of choice.

**PROPOSED LOCATION & BENEFICIARIES**



❖ Throughout Mogalakwena Local Municipality

**Beneficiaries:**

- ❖ Tourists and visitors to Mogalakwena
- ❖ Local tourism product owners
- ❖ Local tourism activity operators
- ❖ Local SMMEs

**OPPORTUNITIES & POTENTIAL IMPACTS**

- ❖ Engaging local CTA
- ❖ Display official town name
- ❖ Ease of self-drives for tourists
- ❖ Contribution to BEE
- ❖ Increased and improved tourism flow in MLM

**TARGET MARKET**

- ❖ Tourists and visitors to Mogalakwena
- ❖ Local entrepreneurs

**ROLEPLAYERS**

- ❖ LEDET
- ❖ Limpopo Tourism and Parks Board
- ❖ LED Unit
- ❖ LED tourism cluster
- ❖ Mogalakwena CTA
- ❖ Mokopane Business Chambers
- ❖ NAFCOC
- ❖ Limpopo Road Agency
- ❖ SA Geographic Names Council

**APPROXIMATE CAPITAL COST**

Professional fees	<b>R200 000</b>
Implementation fees	
Marketing and signage	
Tourism website/ reservation portal	
Electronic database	
Brochures and maps	
Sign boards and information cairns	
<b>TOTAL CAPITAL BUDGET</b>	

PROJECT IMPLEMENTATION SHEET							
Tourism signage and information dissemination							
POSITION OF PROJECT IN STRATEGY			IMPACT RATING (L=LOW, H=HIGH)				
<b>THRUST:</b> Tourism resource maximisation and marketing  <b>PROGRAMME:</b> Destination marketing, branding, promotion and awareness			Cost (L=5, H=1)		3		
			Implementability (L=5, H=1)		4		
			Impact (L=1, H=5)		5		
			Sustainability (L=1, H=5)		3		
			Employment (L=1, H=5)		2		
PROJECT PRIORITY		5	IMPACT RATING (OUT OF 5):		3		
KEY SUCCESS FACTORS			KEY RISKS AND CHALLENGES				
<ul style="list-style-type: none"> <li>❖ Appointment of qualified professionals with extensive knowledge and experience in brochure and map design</li> <li>❖ Erect appropriate tourism signage</li> <li>❖ Effective distribution of maps and brochures to tourists</li> </ul>			<ul style="list-style-type: none"> <li>❖ Outdated information</li> <li>❖ Lack of buy-in from local tourist attractions and product owners</li> <li>❖ Poor distribution of maps and brochures</li> </ul>				
POTENTIAL FUNDING & TRAINING SOURCES			KEY ROLEPLAYERS				
<ul style="list-style-type: none"> <li>❖ Mogalakwena LM</li> <li>❖ LEDET and other provincial departments</li> <li>❖ DTI, IDC, DBSA, SEDA, NDT</li> <li>❖ Tourism Enterprise Partnership</li> <li>❖ Theta</li> </ul>			<ul style="list-style-type: none"> <li>❖ LED unit and LED tourism cluster</li> <li>❖ LEDET, Limpopo roads agency</li> <li>❖ Mogalakwena CTA, local tourism product owners</li> <li>❖ Mokopane Business Chambers, NAFCOC</li> <li>❖ SA Geographic Names Council</li> </ul>				
FACILITATION ACTIONS		2011/12	2012/13	2013/14	2014/15	2015/16	COST (in R)
❖ Lobby for product owner participation							Internal/ CTA support
❖ Research, update and collate outstanding information from existing tourism attractions, product owners and operators							
❖ Appoint a specialist to design and print maps and brochures							
❖ Update tourism section of the MLM website, while working towards establishing a tourism website							R20 000
TOTAL MUNICIPAL DEVELOPMENT FACILITATION ACTION BUDGET:							R20 000
IMPLEMENTATION		2011/12	2012/13	2013/14	2014/15	2015/16	COST (in R)
❖ Appoint specialist to develop and erect uniform signage and information cairns (including place marking, directional, welcome signage etc)							R200 000
❖ Develop database and update website with information							
❖ Update and maintenance of tourism database and website -hand-over to Mogalakwena CTA							
❖ Information dissemination (brochure, map, electronic database)							
TOTAL PROJECT IMPLEMENTATION BUDGET: Internal implementation							R200 000
MUNICIPAL BUDGET PER FINANCIAL YEAR			'11/'12	'12/'13	'13/'14		
			R20 000	R200 000	R0		



**PROJECT MARKETING SHEET**

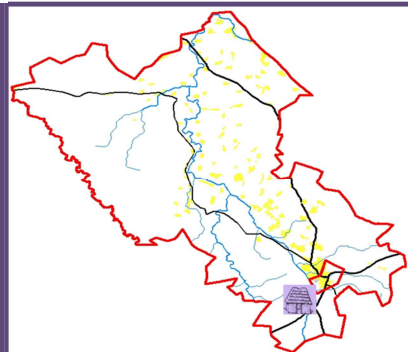
**Fruit orchard farm stays and tours**

**PROJECT DESCRIPTION**

Farm stay is an international concept that invites people to stay overnight on working farms in order to get to know what goes on at the farm from day-to-day. Farm stay retreats, place emphasis on comfort, quality and life's simple pleasures. The proposed idea behind a farm stay is to create accommodation where one can relax in complete privacy, spend days swimming, sightseeing, picking oranges, or just sitting back and unwind amid the peaceful countryside of the farm stay. The southern part of the municipality is ideal for this concept as it is identified as an agriculture focus area with a tourism component by the WDM, EMF, 2010. A potential project location would be on tourism related reclaimed land. Agriculture activities in the vicinity include citrus, chicken, dairy, crops and game farming. This farm stay initiative would be appropriate on reclaimed farm land with existing old farm houses that could be refurbished and renovated to accommodate a maximum of 10 guests. Renovations would include landscaping, replacing bath tubs, taps, flooring, repainting and furnishing. This establishment would be suited for mining roleplayers, business travellers and reps doing business in Mogalakwena and wishing to be accommodated in a tranquil and secluded environment close to, but not within the hustle and the bustle of the town. Visitors could enjoy real farm-style breakfast (pre arranged), linked to quick tours through the farm, experiencing picking of oranges processing of farm products and cultivation. The proposed establishment is envisaged to operate throughout the year.



**PROPOSED LOCATION & BENEFICIARIES**



The southern part of Mogalakwena LM:

- ❖ Bathokoa Trust (portion 13 of farm Jaagbaan) or
- ❖ Other tourism related land claims

Beneficiaries:

- ❖ Local and international tourists
- ❖ Surrounding communities: youth
- ❖ Local SMMEs
- ❖ Existing project beneficiaries

**OPPORTUNITIES & POTENTIAL IMPACTS**

- ❖ Community empowerment
- ❖ Contribution to BEE
- ❖ Permanent and temporary job creation

**TARGET MARKET**

- ❖ Tourists and visitors to Mogalakwena
- ❖ Surrounding communities
- ❖ Business reps
- ❖ Mining roleplayers

**ROLEPLAYERS**

- ❖ LEDET
- ❖ Limpopo Tourism and Parks Board
- ❖ LED Unit
- ❖ LED tourism cluster
- ❖ TEP
- ❖ Mogalakwena CTA
- ❖ Mokopane Business Chambers
- ❖ NAFCOC

**APPROXIMATE CAPITAL COST PER FARM STAY**

Professional fees
Implementation fees
1 <sup>st</sup> 3 months running costs and input materials
Marketing and signage
Site and renovations
Basic kitchen equipment
Chalet furniture
<b>TOTAL CAPITAL BUDGET</b>

**R1.5 million  
R500 000 per  
farm stay**

PROJECT IMPLEMENTATION SHEET						
Fruit orchard farm stays and tours						
POSITION OF PROJECT IN STRATEGY			IMPACT RATING (L=LOW, H=HIGH)			
<b>THRUST:</b> Tourism resource maximisation and marketing			Cost (L=5, H=1)		2	
			Implementability (L=5, H=1)		3	
<b>PROGRAMME:</b> Special interest tourism development			Impact (L=1, H=5)		2	
			Sustainability (L=1, H=5)		4	
			Employment (L=1, H=5)		1	
<b>PROJECT PRIORITY</b>	21		Impact Rating (OUT OF 5)		2.4	
<b>KEY SUCCESS FACTORS</b>			<b>KEY RISKS AND CHALLENGES</b>			
<ul style="list-style-type: none"> <li>❖ Buy-in from tourism related land claim beneficiaries</li> <li>❖ Proper signage and marketing</li> </ul>			<ul style="list-style-type: none"> <li>❖ Access to finance</li> <li>❖ Buy-in from beneficiaries</li> <li>❖ Marketing</li> </ul>			
<b>POTENTIAL FUNDING &amp; TRAINING SOURCES</b>			<b>KEY ROLEPLAYERS</b>			
<ul style="list-style-type: none"> <li>❖ Mogalakwena LM</li> <li>❖ LEDET and other provincial departments</li> <li>❖ DoA, DTI, IDC, DBSA, SEDA, SETA</li> <li>❖ Private institutions</li> <li>❖ NDT</li> <li>❖ Tourism Enterprise Partnership, Theta</li> </ul>			<ul style="list-style-type: none"> <li>❖ LED unit and LED tourism cluster</li> <li>❖ LEDET</li> <li>❖ DoA</li> <li>❖ Limpopo tourism and parks board</li> <li>❖ Waterberg district municipality</li> <li>❖ Mogalakwena CTA</li> </ul>			
<b>FACILITATION ACTIONS</b>	2011/12	2012/13	2013/14	2014/15	2015/16	<b>COST (in R)</b>
❖ Undertake Feasibility and apply for funding						R50 000
❖ Confirm project location						Internal
❖ Facilitate access to training for beneficiaries						
❖ Facilitate development of start-ups						
❖ Identify feasible locations for roll-out						
<b>TOTAL MUNICIPAL DEVELOPMENT FACILITATION ACTION BUDGET:</b>						<b>R50 000</b>
<b>IMPLEMENTATION</b>	2011/12	2012/13	2013/14	2014/15	2015/16	<b>COST (in R)</b>
❖ Identify implementer						R150 000 (R50 000 per location)
❖ Business Plan						
❖ Finalise ownership						
❖ Obtain ongoing funding						
❖ Facilitate access to skills training						
❖ On site renovations						
❖ Negotiate with local service providers						
<b>TOTAL PROJECT IMPLEMENTATION BUDGET: Internal implementation</b>						<b>R150 000</b>
<b>MUNICIPAL BUDGET PER FINANCIAL YEAR</b>			13/14	14/15	15/16	
			R0	R70 000	R130 000	

## DEVELOPMENT FACILITATION INFORMATION SHEET

**Facilitate the development of Makapan Valley WHS and its environs as a tourism 'icon'**

### FACILITATION DESCRIPTION

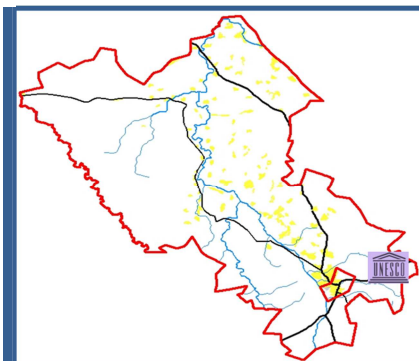


The Makapan Valley World Heritage Site is an extension of the Cradle of Human Kind and an excellent tourism attraction of note within the municipality. Makapan Valley WHS, is also a proclaimed protected area within Mogalakwena and presents an opportunity to be developed into a tourism 'icon' and regarded as the main tourism draw card for the municipality. Currently the site is



not utilised to its maximum capacity and has minimal impact on tourism in the area. Development facilitation thereof would unleash the full capacity and potential of this magnificent heritage site. Facilitation encompasses the support and marketing of investment opportunities, enhance the marketing efforts for Makapan Valley WHS, support and encourage increased community benefits as well as the support and facilitation of development of facilities and activities within the Makapan Valley World Heritage Site. The major initiatives such as the development of a lodge and museum could be facilitated over time, priority should be given to developments with ease of implementation, quick wins and cost effectiveness, such as hiking trails, curio shops, revamping the main entrance to the site, fencing of the core area, fixing roads, erecting appropriate directional signage to the various caves and other developments that will keep the place afloat. The main aim of this development facilitation is to get Makapan Valley World Heritage Site to its well deserved position as a tourism 'icon' in the municipality and live up to its world heritage status. Mogalakwena LM need to facilitate robust discussions with the managing authority LEDET and other relevant roleplayers, and outline the required actions from all relevant roleplayers in order to kick start the development facilitations actions for the site.

### PROPOSED LOCATION & BENEFICIARIES



- ❖ Makapan Valley World Heritage Site and environs

#### Beneficiaries:

- ❖ Makapan Valley community
- ❖ Surrounding communities: youth
- ❖ Local SMMEs
- ❖ Local entrepreneurs

### OPPORTUNITIES & POTENTIAL IMPACTS

- ❖ Development of Makapan Valley WHS
- ❖ PPP opportunity
- ❖ Community empowerment
- ❖ Contribution to BEE
- ❖ Permanent and temporary job creation

### TARGET MARKET

- ❖ Local and international tourists
- ❖ Surrounding Communities
- ❖ Local communities

### ROLEPLAYERS

- ❖ Mogalakwena LM
- ❖ Makapan Valley community
- ❖ LED Unit and LED tourism cluster
- ❖ Mogalakwena CTA,
- ❖ Local tourism stakeholders
- ❖ LEDET , Limpopo Tourism and Parks Board
- ❖ Mokopane Business Chambers, NAFCO

### APPROXIMATE CAPITAL COST

The project is based on facilitation and fast tract development intentions for the Makapan Valley World Heritage site. This development facilitation is envisaged to be more reliant on internal resources, therefore there is no capital costs required from the municipal side. Capital cost is dependent on each project component and could range from R100 000 to millions.

DEVELOPMENT FACILITATION SHEET							
Facilitate the development of Makapan valley WHS and its environs as a tourism 'icon'							
POSITION OF PROJECT IN STRATEGY			IMPACT RATING (L=LOW, H=HIGH)				
<b>THRUST:</b> Tourism resource maximisation and marketing  <b>PROGRAMME:</b> Develop Makapan Valley World Heritage Site as a tourism 'icon' and combine related historical/cultural assets			Cost (L=5, H=1)		1		
			Implementability (L=5, H=1)		3		
			Impact (L=1, H=5)		4		
			Sustainability (L=1, H=5)		4		
			Employment (L=1, H=5)		3		
PROJECT PRIORITY		9	IMPACT RATING (OUT OF 5):		3		
KEY SUCCESS FACTORS			KEY RISKS AND CHALLENGES				
<ul style="list-style-type: none"> <li>❖ Engage with managing authority LEDET</li> <li>❖ Buy-in from local community leaders</li> <li>❖ Finalise land claim process</li> <li>❖ Finalise co-management structure- LEDET</li> <li>❖ Secure private investment</li> </ul>			<ul style="list-style-type: none"> <li>❖ Lack of participation from all parties</li> <li>❖ Lack of shared goals and objectives</li> <li>❖ Disintegrated tourism stakeholders</li> </ul>				
POTENTIAL FUNDING & TRAINING SOURCES			KEY ROLEPLAYERS				
<ul style="list-style-type: none"> <li>❖ LEDET</li> <li>❖ Theta</li> <li>❖ UNESCO</li> <li>❖ SAHRA</li> <li>❖ SETA</li> <li>❖ TEP</li> <li>❖ Private Partners</li> <li>❖ NDT</li> </ul>			<ul style="list-style-type: none"> <li>❖ Mogalakwena LM</li> <li>❖ Makapan Valley community</li> <li>❖ LED Unit and LED tourism cluster</li> <li>❖ Mogalakwena CTA, local tourism stakeholders</li> <li>❖ LEDET, Limpopo Tourism and Parks Board</li> <li>❖ Mokopane Business Chambers, NAFCOC</li> </ul>				
FACILITATION ACTIONS		2011/12	2012/13	2013/14	2014/15	2015/16	COST (in R)
❖ Identify and task LED unit officer with liaison responsibility							Internal R10 000 for Meeting expenses
❖ Facilitate roleplayers engagement process							
❖ Entice and obtain interested parties							
❖ Identify, lobby and facilitate private investors							
❖ Facilitate the identification and prioritisation of development projects							
❖ Facilitate access to funding through undertaking funding applications							
TOTAL DEVELOPMENT FACILITATION BUDGET							R10 000
MUNICIPAL BUDGET PER FINANCIAL YEAR				'11/'12	'12/'13	'13/'14	
				R2 000	R2 000	R2 000	

**DEVELOPMENT FACILITATION INFORMATION SHEET**

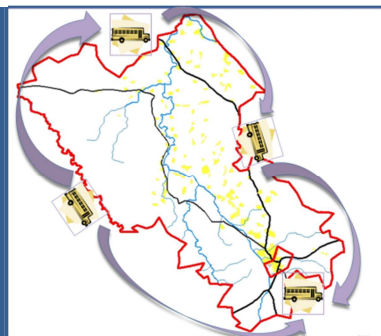
**Undertake local tourism awareness campaign and facilitate private/public sector familiarisation tours**

**FACILITATION DESCRIPTION**

Often tour operators and product owners outside the municipality are unfamiliar with the offerings of the area, which lead to the ineffective marketing and promotion of tourism in Mogalakwena. It is often believed that 'seeing is believing', meaning that in order for tour operators to know, understand and market the area they first need to explore, witness and experience the tourism offerings of the area so that they would be able to refer tourists and spread positive word of mouth. Equally important is to raise awareness in tourism orientated communities to ensure that the local communities are part of tourists experience and understand the value and significance of having tourists in their areas. Tourism road shows could be arranged at various communities and public exhibition of some attractions could be facilitated. Familiarisation tours to existing and proposed tourism attractions should be facilitated inviting tour operators outside the municipality. The familiarisation trips could be seen as a first step to putting tourism attractions in Mogalakwena on the map and ensure improved and increased tourists flow to the area. Approximately 10 trips could be arranged with tour operators from areas such as Gauteng, Polokwane, Mpumalanga, Botswana, Mozambique etc. The preparation and planning for the familiarisation trips would entail providing a minibus for the trips, refreshments, and engaging with local tourism product owners for access to free accommodation and free/reduced rates at various tourist attractions. It is vital for the facilitation of tourism awareness to be done in conjunction with the local tourism association and engage the tourism information office personnel in the forefront since they would be the first point of contact for many tourists at the information office. The success of the tourism awareness campaign relies on publicity for the campaign such as e-mails, contact with various tourism information centres in other areas, advertise on municipal website, engage the district, etc, to ensure that tour operators warm-up to the idea and are more resilient to the campaign.



**PROPOSED LOCATION & BENEFICIARIES**



Tour operators outside Mogalakwena:

- ❖ Gauteng
- ❖ Polokwane
- ❖ Mpumalanga
- ❖ Botswana
- ❖ Zimbabwe

Beneficiaries:

- ❖ Local and international tourists
- ❖ Surrounding communities: youth
- ❖ Local SMME
- ❖ Local entrepreneurs

**OPPORTUNITIES & POTENTIAL IMPACTS**

- ❖ Tourism awareness and campaign
- ❖ Marketing and promotions outside MLM
- ❖ Community empowerment
- ❖ Contribution to BEE
- ❖ Temporary job creations

**TARGET MARKET**

- ❖ Tourists and visitors to Mogalakwena
- ❖ Tour operators outside LM

**ROLEPLAYERS**

- ❖ Mogalakwena LM
- ❖ Local communities
- ❖ LED Unit and LED tourism cluster
- ❖ Mogalakwena CTA
- ❖ Local tourism Stakeholders
- ❖ Local tourism product owners

**APPROXIMATE CAPITAL COST**

This facilitation action is aimed at promoting tourism resources and attractions in Mogalakwena through organising familiarisation trips for tour operators outside Mogalakwena to explore tourism offerings in the area and be able to refer tourists to the area. Costs involved relate to hiring of a minibus for the familiarisation tours as well as refreshments which could amount to R50 000 for 10 trips. Costs of meals will be own expense for those undertaking the tours. This facilitation action also relies on support from product owners with regards to free accommodation, free/reduced entrance and guided tour at attractions, etc.



DEVELOPMENT FACILITATION SHEET							
Undertake local tourism awareness campaign and facilitate private/public sector familiarisation tours							
POSITION OF PROJECT IN STRATEGY			IMPACT RATING (L=LOW, H=HIGH)				
<b>THRUST:</b> Tourism resource maximisation and marketing  <b>PROGRAMME:</b> Destination marketing, branding, promotion and awareness			Cost (L=5, H=1)		5		
			Implementability (L=5, H=1)		5		
			Impact (L=1, H=5)		5		
			Sustainability (L=1, H=5)		n/a		
			Employment (L=1, H=5)		n/a		
PROJECT PRIORITY		14	IMPACT RATING (OUT OF 3):		5		
KEY SUCCESS FACTORS			KEY RISKS AND CHALLENGES				
<ul style="list-style-type: none"> <li>❖ Participation from all parties</li> <li>❖ Organise tourism road show</li> <li>❖ Stakeholder buy-in</li> <li>❖ Engage with local CTA</li> <li>❖ Publicity for awareness campaign</li> </ul>			<ul style="list-style-type: none"> <li>❖ Lack of participation from all parties</li> <li>❖ Lack of shared goals and objectives</li> <li>❖ Publicity</li> </ul>				
POTENTIAL FUNDING			KEY ROLEPLAYERS				
<ul style="list-style-type: none"> <li>❖ Mogalakwena LM</li> <li>❖ Local tourism stakeholders and product owners</li> <li>❖ Waterberg District Municipality</li> <li>❖ Product owners free access to attractions</li> </ul>			<ul style="list-style-type: none"> <li>❖ Mogalakwena LM</li> <li>❖ Local communities</li> <li>❖ LED Unit and LED tourism cluster</li> <li>❖ Mogalakwena CTA</li> <li>❖ Local tourism stakeholders/attractions/product owners</li> </ul>				
FACILITATION ACTIONS		2011/12	2012/13	2013/14	2014/15	2015/16	COST (in R)
❖ Identify and task LED unit officer with liaison responsibility							R50 000 (R5 000 per trip free entrance)
❖ Engage with Mogalakwena CTA							
❖ Facilitate external stakeholder involvement							
❖ Facilitate campaign publicity (e.g, posters, direct mail, LED tourism cluster/CTA)							
❖ Undertake familiarisation tour							
TOTAL DEVELOPMENT FACILITATION BUDGET							R50 000
MUNICIPAL BUDGET PER FINANCIAL YEAR				'11/'12	'12/'13	'13/'14	
				R0	R30 000	R20 000	

## DEVELOPMENT FACILITATION INFORMATION SHEET

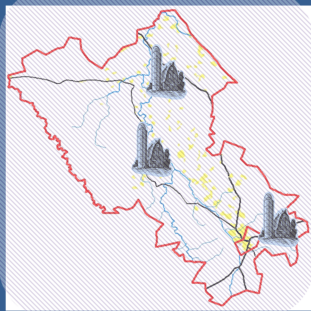
Facilitate the enhancement, maintenance/conservation, upgrade, marketing and promotion of existing historical/cultural/natural attractions

## FACILITATION DESCRIPTION

Often cultural and heritage resources represent a rich ancient history, tradition and livelihood of an area, and they are regarded as valuable treasures of an area. The value and importance of cultural heritage resources is worth preserving and conserving for future generations and contribution to tourism in the area. Over the years, some cultural and heritage assets reach a deteriorating state and require support and maintenance. Existing cultural attractions such as Telekishi Ramasobane and the Pedi Potters are fully functional community projects within the Waterberg Biosphere and cultural assets within Mogalakwena which require support and development. Development facilitation actions for cultural/heritage/natural resources include marketing, promotion, upgrades, maintenance and conservation. Existing grave sites, rock arts (at Masebe and Doordraai nature reserve), and the ancient battlefields need to be clearly marked, maintained and marketed as part of archaeological and cultural attractions in Mogalakwena. Currently, the locations and history of some of the cultural and heritage assets such as battlefields, grave sites etc, are uncertain, which raise a need for an audit of such assets. Mogalakwena is known for its cultural diversity, people and natural resources which makes the facilitation action of enhancement, maintenance, conservation, upgrade, marketing and promotion of such heritage resources more significant and long overdue.



## PROPOSED LOCATION &amp; BENEFICIARIES



Historic/cultural/natural assets throughout Mogalakwena:

- ❖ Telekishi Ramasobane
- ❖ Pedi Potters
- ❖ Battlefields (outside Mokopane)
- ❖ Thutlane secret site (Bakenberg)
- ❖ Makapan Valley
- ❖ Chief Mokopane and Piet Potgieter's grave sites

Beneficiaries:

- ❖ Local and international tourists
- ❖ Surrounding communities: youth
- ❖ Local SMMEs
- ❖ Future generations

## OPPORTUNITIES &amp; POTENTIAL IMPACTS

- ❖ Improve cultural/historic/natural attractions
- ❖ Community empowerment
- ❖ Contribution to BEE
- ❖ Temporary job creation
- ❖ Better information about location and history of attractions

## TARGET MARKET

- ❖ Tourists and visitors to Mogalakwena
- ❖ Surrounding Communities
- ❖ Local entrepreneurs

## ROLEPLAYERS

- ❖ Mogalakwena LM
- ❖ LED Unit
- ❖ LED tourism cluster
- ❖ Mogalakwena CTA
- ❖ Local product owners
- ❖ Limdev, Libsa
- ❖ Mokopane Business chambers
- ❖ NAFCOG

## APPROXIMATE CAPITAL COST

This action is based on the support and facilitation of maintenance, upgrade and promotion of existing historic/cultural/natural resources as well as conservation of heritage assets within the municipality. As far as this facilitation action is concerned, the capital costs required is dependent on individual aspects and it is often the actual responsibility of another department/organisation. The LM could utilise internal resources to facilitate this action and facilitate access to funding for the maintenance and support of such assets through organisations such as TEP, the District, Provincial and National government departments as well as private donors such as the local mine houses, etc.

DEVELOPMENT FACILITATION SHEET							
Facilitate the enhancement, maintenance/conservation, upgrade, marketing and promotion of existing historical/cultural/natural attractions							
POSITION OF PROJECT IN STRATEGY			IMPACT RATING (L=LOW, H=HIGH)				
<b>THRUST:</b> Tourism resource maximisation and marketing  <b>PROGRAMME:</b> Develop Makapan Valley World Heritage Site as a tourism 'icon' and combine related historical/cultural assets			Cost (L=5, H=1)		n/a		
			Implementability (L=5, H=1)		3		
			Impact (L=1, H=5)		5		
			Sustainability (L=1, H=5)		n/a		
			Employment (L=1, H=5)		n/a		
PROJECT PRIORITY		12	IMPACT RATING (OUT OF 2):		2.6		
KEY SUCCESS FACTORS			KEY RISKS AND CHALLENGES				
<ul style="list-style-type: none"> <li>❖ Audit of existing assets</li> <li>❖ Obtain buy-in from affected parties</li> <li>❖ Engage relevant stakeholders</li> </ul>			<ul style="list-style-type: none"> <li>❖ Obtaining local sponsors</li> <li>❖ Gaining trust from affected parties</li> </ul>				
POTENTIAL FUNDING			KEY ROLEPLAYERS				
<ul style="list-style-type: none"> <li>❖ Mogalakwena LM</li> <li>❖ Waterberg DM</li> <li>❖ LEDET</li> <li>❖ Private Partners</li> <li>❖ TEP</li> <li>❖ National Heritage Council</li> <li>❖ National Arts Council</li> </ul>			<ul style="list-style-type: none"> <li>❖ Mogalakwena LM</li> <li>❖ LED Unit and LED tourism cluster</li> <li>❖ Mogalakwena CTA</li> <li>❖ Limdev</li> <li>❖ Libsa</li> <li>❖ Mokopane Business chambers</li> <li>❖ NAFCOC</li> </ul>				
FACILITATION ACTIONS		2011/12	2012/13	2013/14	2014/15	2015/16	COST (in R)
❖ Facilitate an audit of existing historic/cultural/natural assets							Internal R10 000 For Meeting expenses
❖ Facilitate one-on one consultations with existing owners establishments							
❖ Identify needs for maintenance/ conservation per establishment							
❖ Facilitate development of onsite information plaques							
❖ Facilitate fencing/conservation/ maintenance of assets							
❖ Facilitate the marketing and promotion of cultural/historic assets and inclusion in municipal tourism brochures							
❖ Facilitate a network of funding sources and undertake applications							
❖ Facilitate access to training for co-operative members/product owners							
TOTAL DEVELOPMENT FACILITATION BUDGET: Internal implementation							R10 000
MUNICIPAL BUDGET PER FINANCIAL YEAR				'11/'12	'12/'13	'13/'14	
				R2 000	R2 000	R2 000	

## DEVELOPMENT FACILITATION INFORMATION SHEET

Develop a dedicated tourism desk and revitalise the existing tourism office

## FACILITATION DESCRIPTION

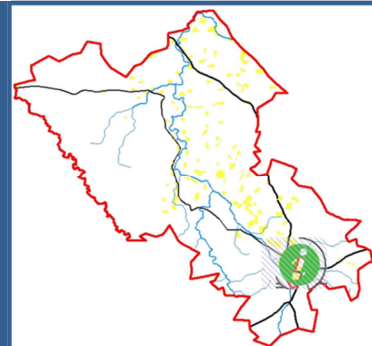


The management and operation of the tourism information centre is currently outsourced to the Mokopane Business Chambers which operate from the same office as the information office. It is envisaged that a tourism coordinator/officer would be appointed and this function will be reverted back to the municipality as of 2011/12 financial year and the current location



would be retained. As a result of the changes at the tourism office, there is a need for revitalisation of the existing tourism office to make it more appealing, outstanding and eye-catching to passing traffic. The refurbishment of the tourism office is not only limited to the structure, it is equally imperative that the displays in the information office reflects dynamism, diversity and the general ambience should replicate a friendly and welcoming environment. Furthermore, an online central reservation portal should be encouraged, a 5% commission could be charged per reservation, which would go to the running of the centre. The development facilitation of a dedicated tourism office would ensure maximum efficient and effective customer service by a devoted qualified professional for that function. Through thorough and thoughtful planning, once the Mokopane tourism office is well established and functional, a possible satellite office could be considered further north in Rebone. To keep the office vibrant and invigorating, a vending machine should be purchased to make sure that tourists get refreshments while waiting for service. The ultimate goal and objective for the revaluation of the existing tourism office is to create a business centre which would house the existing chambers of commerce, business support organisations and satellite offices for parastatals such as SARS, Limdev etc.

## PROPOSED LOCATION &amp; BENEFICIARIES



- ❖ Existing Tourism Information Centre, same office as the Mokopane Business Chambers, opposite Arend Dieperink Museum

## Beneficiaries:

- ❖ Local and international tourists
- ❖ Local product owners
- ❖ Tourism attractions and establishments

## OPPORTUNITIES &amp; POTENTIAL IMPACTS

- ❖ Dedicated tourism office
- ❖ Effective dissemination of information
- ❖ Improved customer service
- ❖ Revitalisation of existing office

## TARGET MARKET

- ❖ Local and international tourists

## ROLEPLAYERS

- ❖ Mogalakwena LM
- ❖ LED Unit and LED tourism cluster
- ❖ Mogalakwena CTA
- ❖ Local product owners
- ❖ Mokopane Business chambers
- ❖ Waterberg District Municipality

## APPROXIMATE CAPITAL COST

Professional fees

Implementation fees

1<sup>st</sup> 3 months running costs and input materials

Marketing and signage

Onsite renovations

Computers, Mobile phones, displays

TOTAL CAPITAL BUDGET

R300 000

DEVELOPMENT FACILITATION SHEET							
Develop a dedicated tourism desk and revitalise the existing tourism office							
POSITION OF PROJECT IN STRATEGY				IMPACT RATING (L=LOW, H=HIGH)			
<b>THRUST:</b> Tourism resource maximisation and marketing  <b>PROGRAMME:</b> Destination marketing, branding, promotion and awareness				Cost (L=5, H=1)		3	
				Implementability (L=5, H=1)		5	
				Impact (L=1, H=5)		3	
				Sustainability (L=1, H=5)		4	
				Employment (L=1, H=5)		n/a	
PROJECT PRIORITY		3		IMPACT RATING (OUT OF 4):		3.75	
KEY SUCCESS FACTORS				KEY RISKS AND CHALLENGES			
<ul style="list-style-type: none"> <li>❖ Revitalise the existing tourism office</li> <li>❖ Appoint dedicated professional</li> <li>❖ Develop a dedicated tourism desk</li> </ul>				<ul style="list-style-type: none"> <li>❖ Obtaining funding</li> <li>❖ Transformation of tourism stakeholders</li> </ul>			
POTENTIAL FUNDING & TRAINING SOURCES				KEY ROLEPLAYERS			
<ul style="list-style-type: none"> <li>❖ Waterberg DM</li> <li>❖ MIG</li> <li>❖ LEDET</li> <li>❖ NDT, IDC, DBSA</li> </ul>				<ul style="list-style-type: none"> <li>❖ Mogalakwena LM</li> <li>❖ LED Unit and LED tourism cluster</li> <li>❖ Mogalakwena CTA</li> <li>❖ Mokokpane Business chambers, NAFCOC</li> </ul>			
FACILITATION ACTIONS	2011/12	2012/13	2013/14	2014/15	2015/16	COST (in R)	
❖ Facilitate the appointment of tourism officer						R300 000	
❖ Facilitate related planning							
❖ Facilitate access to training							
❖ Facilitate access to finance for revitalisation							
❖ Renovations/ decor							
❖ Facilitate the prioritisation of marketing materials (brochure) and display							
❖ Identify Implementer							
❖ Obtain equipment and office furniture							
❖ Display stands							
❖ Revitalisation							
❖ Allocate office space to roleplayers							
TOTAL DEVELOPMENT FACILITATION BUDGET: Internal implementation							
MUNICIPAL BUDGET PER FINANCIAL YEAR				'11/'12	'12/'13	'13/'14	
				R300 000	R0	R0	



**DEVELOPMENT FACILITATION INFORMATION SHEET**

**Develop day visitor facilities and fishing/picnic spots along Mogalakwena River**

**FACILITATION DESCRIPTION**

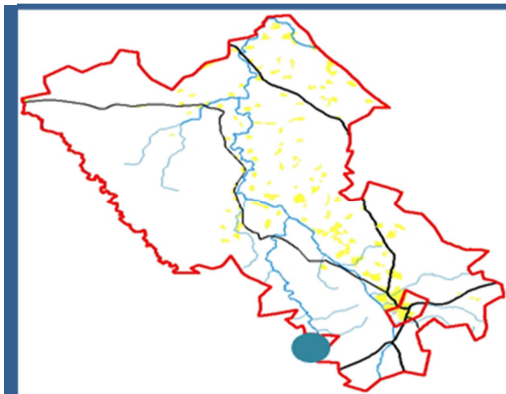


The Mogalakwena river is considered a great place to escape the heat of the day, to participate in water sports, or just sitting on the banks, picnicking, bird watching and enjoying the green surrounds that cut through the otherwise barren land. The Mogalakwena river is the main river within the municipality and presents an



opportunity to be developed as an outdoor leisure site for fishing and picnicking. This project would be ideal on a secluded and tranquil area which will provide peace of mind and allow for the visitors to simmer in the natural setting. The purpose of this project is to develop a non-profit facility to attract visitors from all over to take pleasure in tourism offerings within Mogalakwena and stay longer and spend more within the area. Numerous spots along the river should first be identified, and access rights should be facilitated by the municipality. To ensure success this initiative would entail erecting marketing signage, onsite cement mounted picnic benches, rubbish bins and wooden deck or access platforms along the river bank for fishing. This project is aimed at providing leisure facilities especially for families, weekend getaways, fishing, backpackers, and the local communities. This proposed concept of a day visitor facilities and fishing/picnic spot is similar to that of fly-fishing in Dullstroom in Mpumalanga. There is currently a fishing initiative identified at the Doorndraaidam as per the Waterberg DM which could be linked to the Mogalakwena day visitor initiative. Based on the success of this initiative, other locations for rollout should be identified.

**PROPOSED LOCATION & BENEFICIARIES**



- ❖ Along designated areas on Mogalakwena River and Doorndraai dam

**Beneficiaries:**

- ❖ Local and international tourists
- ❖ Local product owners
- ❖ Local entrepreneurs
- ❖ Local communities: youth and women

**OPPORTUNITIES & POTENTIAL IMPACTS**

- ❖ Day visitor/Leisure facilities
- ❖ Increased and improved tourism flow in MLM
- ❖ Contribution to communities
- ❖ Attract and keep visitors longer in the area

**TARGET MARKET**

- ❖ Local and international tourists
- ❖ Local communities
- ❖ Backpackers
- ❖ Youth getaways
- ❖ Family getaways

**ROLEPLAYERS**

- ❖ LED Unit and LED tourism cluster
- ❖ Mogalakwena CTA
- ❖ Local product owners
- ❖ Mokopane Business chambers
- ❖ Waterberg District Municipality
- ❖ Mokopane Business Chambers
- ❖ NAFCOC
- ❖ LEDET
- ❖ Limpopo Tourism and Parks Board

**APPROXIMATE CAPITAL COST PER LOCATION**

Implementation fees	R150 000 (R50 per location)
Marketing and signage	
Site set-up and landscaping	
Permanent furniture (picnic benches, etc)	
River access platforms	
<b>TOTAL CAPITAL BUDGET</b>	

DEVELOPMENT FACILITATION SHEET						
Develop day visitor facilities and fishing/picnic spots along Mogalakwena River						
POSITION OF PROJECT IN STRATEGY			IMPACT RATING (L=LOW, H=HIGH)			
<b>THRUST:</b> Tourism resource maximisation and marketing  <b>PROGRAMME:</b> Develop the Waterberg Biosphere and its environs as an adventure and eco tourism destination			Cost (L=5, H=1)		5	
			Implementability (L=5, H=1)		2	
			Impact (L=1, H=5)		3	
			Sustainability (L=1, H=5)		4	
			Employment (L=1, H=5)		n/a	
PROJECT PRIORITY		18	IMPACT RATING (OUT OF 4):			3.75
KEY SUCCESS FACTORS			KEY RISKS AND CHALLENGES			
<ul style="list-style-type: none"> <li>❖ Identify location and obtaining access rights</li> <li>❖ Proper signage and marketing</li> </ul>			<ul style="list-style-type: none"> <li>❖ Buy-in from private land owners</li> <li>❖ Access to finance</li> </ul>			
POTENTIAL FUNDING & TRAINING SOURCES			KEY ROLEPLAYERS			
<ul style="list-style-type: none"> <li>❖ Mogalakwena LM</li> <li>❖ Waterberg DM</li> <li>❖ LEDET and other provincial departments</li> <li>❖ Limpopo Tourism and Parks Board</li> </ul>			<ul style="list-style-type: none"> <li>❖ LED unit and LED tourism cluster</li> <li>❖ LEDET</li> <li>❖ Limpopo Tourism and Parks Board</li> <li>❖ Waterberg District Municipality</li> <li>❖ Mogalakwena CTA</li> <li>❖ Local product owners</li> </ul>			
FACILITATION ACTIONS	2011/12	2012/13	2013/14	2014/15	2015/16	COST (in R)
❖ Identify locations and facilitate access						R150 000 (R50 000 per location)
❖ Identify and task LED unit officer with responsibility						
❖ Undertake onsite development (picnic spots/ access platforms)						
❖ Erect signage and marketing						
❖ Landscaping						
❖ Marketing and promotion						
❖ Inclusion in the Mogalakwena tourism brochure (through CTA)						
❖ Site maintenance and cleaning						
❖ Identify locations for roll-out						
<b>TOTAL MUNICIPAL DEVELOPMENT FACILITATION BUDGET</b>						<b>R150 000</b>
<b>MUNICIPAL BUDGET PER FINANCIAL YEAR</b>			<b>'11/'12</b>	<b>'12/'13</b>	<b>'13/'14</b>	
			<b>R0</b>	<b>R0</b>	<b>R150 000</b>	

The below Table provides a summary of the critical economic development interventions or priority anchor projects.

**Table 6.1 Summary of critical economic interventions and priority anchor projects/actions**

Name of project or action	Priority	Approximate capital requirements	Municipal facilitation budget	Implementation budget (if implemented internally)	Total municipal budget (if implemented internally)
LED Poster Marketing Campaign of LED Opportunities & Investment Incentives	1	R60 000 and sponsors	Internal	Internal R60 000	Internal R60 000
Database of Existing Businesses	2	R50 000	Internal	R50 000	R50 000
Develop a dedicated tourism desk and revitalise the existing tourism office	3	R300 000	Internal	R300 000	R300 000
Manufacturing Incubation Centre (MAC)	4	R3 000 000	R50 000	R200 000	R250 000
Tourism signage and information dissemination	5	R200 000	R20 000	R200 000	R220 000
Successful Post-Settlement Land Claims Coordination	6	Type dependent	Internal	Internal R20 000	Internal R20 000
Rural Community Economic Development and Support	7	Member contributions	Internal	Internal R20 000	Internal R20 000
Develop SMME working groups along commodity supply chains	8	Internal	Internal	Internal R20 000	Internal R20 000
Facilitate the development of Makapan valley WHS	9	Type dependent	Internal	Internal R10 000	Internal R10 000
Interaction between Municipality, local mining houses & local communities	10	Type dependent	Internal	Internal R10 000	Internal R10 000
Mining related skills development with MQA SETA and training providers	11	Type dependent	Internal	Internal R10 000	Internal R10 000
Enhance and maintain existing historical/cultural/natural attractions	12	Type dependent	Internal	Internal R10 000	Internal R10 000
Cattle Farmers Association & Central Marketing Co-operative	13	R500 000 R1000 per member	R0	R50 000	R50 000
Undertake local tourism awareness campaign and facilitate private/public sector familiarisation tours	14	R50 000 (R5 000 per trip)	R50 000	Internal	R50 000
Revitalise Existing Stagnant Mining Operations	15	Type dependent	R120 000	R300 000 (R100,000 per mine)	R420 000
Refuse buy-back voucher centre	16	R100 000	Internal	R100 000	R100 000
Poultry Co-operative and Processing Cluster	17	R1 000 000 R1000 per member	R50 000	R100 000	R150 000
Develop day visitor facilities and fishing/picnic spots along Mogalakwena River	18	R150 000	R150 000 (R50 000 per location)	Internal	R150 000
Bee Farming and Honey Production Co-operative Linked to Fruit Orchards	19	R50 000 (R25 000 per hive)	Internal	R50 000 Pool fund	R50 000
Community-based camping site and linked to the Waterberg Biosphere	20	R200 000	R200 000 Pool fund	Internal	R200 000
Fruit orchard farm stays and tours	21	R1 500 000	R50 000	R150 000 (R50 000 per location)	R200 000
Aquaculture Farming Establishments along Existing Water Reserves	22	R150 000		R150 000 Pool fund	R150 000
<b>TOTAL</b>		<b>R7 153 000</b>	<b>R690 000</b>	<b>R1 810 000</b>	<b>R2 500 000</b>

The total municipal budget (if implemented internally) is the amount required to either go out on tender to appoint an external professional to assist with the feasibility, funding applications and business plans; or is the amount required for actual implementation (if no feasibility and external funding is required). Excluding the projects that are type dependent and could each amount to millions, the capital budget of the above listed priority projects amounts to approximately R7 million investment into the area.

The below Table provides an indication of the financial plan and budget roll-out of the proposed R500,000 budget for project implementation from the LED unit.

**Table 6.2 Financial plan and budget roll-out for implementation of priority projects and actions**

PRIORITY PROJECT OR ACTION	BUDGET (in RANDS) PER FINANCIAL YEAR				
	2011/12	2012/13	2013/14	2014/15	2015/16
LED Poster Marketing Campaign of LED Opportunities & Investment Incentives	R60 000				
Database of Existing Businesses	R50 000				
Develop a dedicated tourism desk and revitalise the existing tourism office	R300 000				
Manufacturing Incubation Centre (MAC)	R50 000	R200 000			
Tourism signage and information dissemination	R20 000	R200 000			
Successful Post-Settlement Land Claims Coordination	R4 000	R4 000	R4 000	R4 000	R4 000
Rural Community Economic Development and Support	R4 000	R4 000	R4 000	R4 000	R4 000
Develop SMME working groups along commodity supply chains	R4 000	R4 000	R4 000	R4 000	R4 000
Facilitate the development of Makapan valley WHS	R2 000	R2 000	R2 000	R2 000	R2 000
Interaction between Municipality, local mining houses & local communities	R2 000	R2 000	R2 000	R2 000	R2 000
Mining related skills development with MQA SETA and training providers	R2 000	R2 000	R2 000	R2 000	R2 000
Enhance and maintain existing historical/cultural/natural attractions	R2 000	R2 000	R2 000	R2 000	R2 000
Cattle Farmers Association & Central Marketing Co-operative		R50 000			
Undertake local tourism awareness campaign and facilitate private/public sector familiarisation tours		R30 000	R20 000		
Revitalise Existing Stagnant Mining Operations			R120 000	R100 000	R200 000
Refuse buy-back voucher centre			R100 000		
Poultry co-operative and Processing Cluster			R50 000	R100 000	
Develop day visitor facilities and fishing/picnic spots along Mogalakwena River			R150 000		
Bee Farming and Honey Production Co-operative Linked to Fruit Orchards			R40 000	R10 000	
Community-based camping site and linked to the Waterberg Biosphere				R200 000	
Fruit orchard farm stays and tours				R70 000	R130 000
Aquaculture Farming Establishments along Existing Water Reserves					R150 000
<b>Total project implementation</b>	<b>R500 000</b>	<b>R500 000</b>	<b>R500 000</b>	<b>R500 000</b>	<b>R500 000</b>

The table below provides an indication of the stakeholders to be involved with the priority projects.

Table 6.3 Priority projects stakeholder matrix

Name of project or action	Priority	Lead role player	Key supporting role players	Other relevant role players
LED Poster Marketing Campaign of LED Opportunities & Investment Incentives	1	❖ LED Unit	<ul style="list-style-type: none"> <li>❖ ALL LED clusters</li> <li>❖ Mokopane Business Chamber</li> <li>❖ NAFCOC</li> <li>❖ Mining houses</li> <li>❖ Business community</li> </ul>	<ul style="list-style-type: none"> <li>❖ Local community</li> <li>❖ Outside investors</li> </ul>
Database of Existing Businesses	2	❖ LED Unit	<ul style="list-style-type: none"> <li>❖ All LED clusters</li> </ul>	<ul style="list-style-type: none"> <li>❖ Local businesses</li> <li>❖ Mokopane Business Chamber</li> <li>❖ NAFCOC</li> <li>❖ Mokopane Hawkers Association</li> <li>❖ LEDET</li> <li>❖ DTI</li> <li>❖ IDC</li> <li>❖ DBSA</li> <li>❖ SEDA</li> <li>❖ IDC</li> </ul>
Develop a dedicated tourism desk and revitalise the existing tourism office	3	❖ LED Unit	<ul style="list-style-type: none"> <li>❖ LED tourism cluster</li> <li>❖ Mogalakwena CTA</li> </ul>	<ul style="list-style-type: none"> <li>❖ Mogalakwena CTA</li> <li>❖ Local product owners</li> <li>❖ Mokopane Business chambers</li> <li>❖ Waterberg District Municipality</li> </ul>
Manufacturing Incubation Centre (MAC)	4	❖ LED Unit	<ul style="list-style-type: none"> <li>❖ All LED clusters</li> <li>❖ Local Tourism product owners</li> </ul>	<ul style="list-style-type: none"> <li>❖ Local Industries</li> <li>❖ Mokopane Business Chamber</li> <li>❖ Hawkers Association</li> <li>❖ NAFCOC</li> </ul>
Tourism signage and information dissemination	5	❖ LED Unit	<ul style="list-style-type: none"> <li>❖ LED tourism cluster</li> <li>❖ Mogalakwena CTA</li> </ul>	<ul style="list-style-type: none"> <li>❖ LEDET</li> <li>❖ Limpopo Tourism and Parks Board</li> <li>❖ Mokopane Business Chambers</li> <li>❖ NAFCOC</li> <li>❖ Limpopo Road Agency</li> <li>❖ SA Geographic Names Council</li> </ul>
Successful Post-Settlement Land Claims Coordination	6	❖ LED Unit	<ul style="list-style-type: none"> <li>❖ RLCC</li> <li>❖ LDA</li> <li>❖ DoA</li> <li>❖ LED Agriculture Cluster</li> </ul>	<ul style="list-style-type: none"> <li>❖ ARC</li> <li>❖ DoA</li> <li>❖ Land claim beneficiaries</li> </ul>
Rural Community Economic Development and Support	7	❖ LED Unit	<ul style="list-style-type: none"> <li>❖ LED SMME Cluster</li> </ul>	<ul style="list-style-type: none"> <li>❖ Land claim beneficiaries</li> <li>❖ Rural communities</li> <li>❖ ARC</li> <li>❖ DoA</li> <li>❖ LDA</li> <li>❖ LIBSA</li> <li>❖ Limdev</li> <li>❖ TIL</li> <li>❖ Dept. of Rural Development &amp; Land Reform</li> <li>❖ Dept. of Social Development</li> <li>❖ Community &amp; community leaders</li> <li>❖ Existing rural co-ops &amp; SMMEs</li> <li>❖ YARD &amp; WARD</li> </ul>

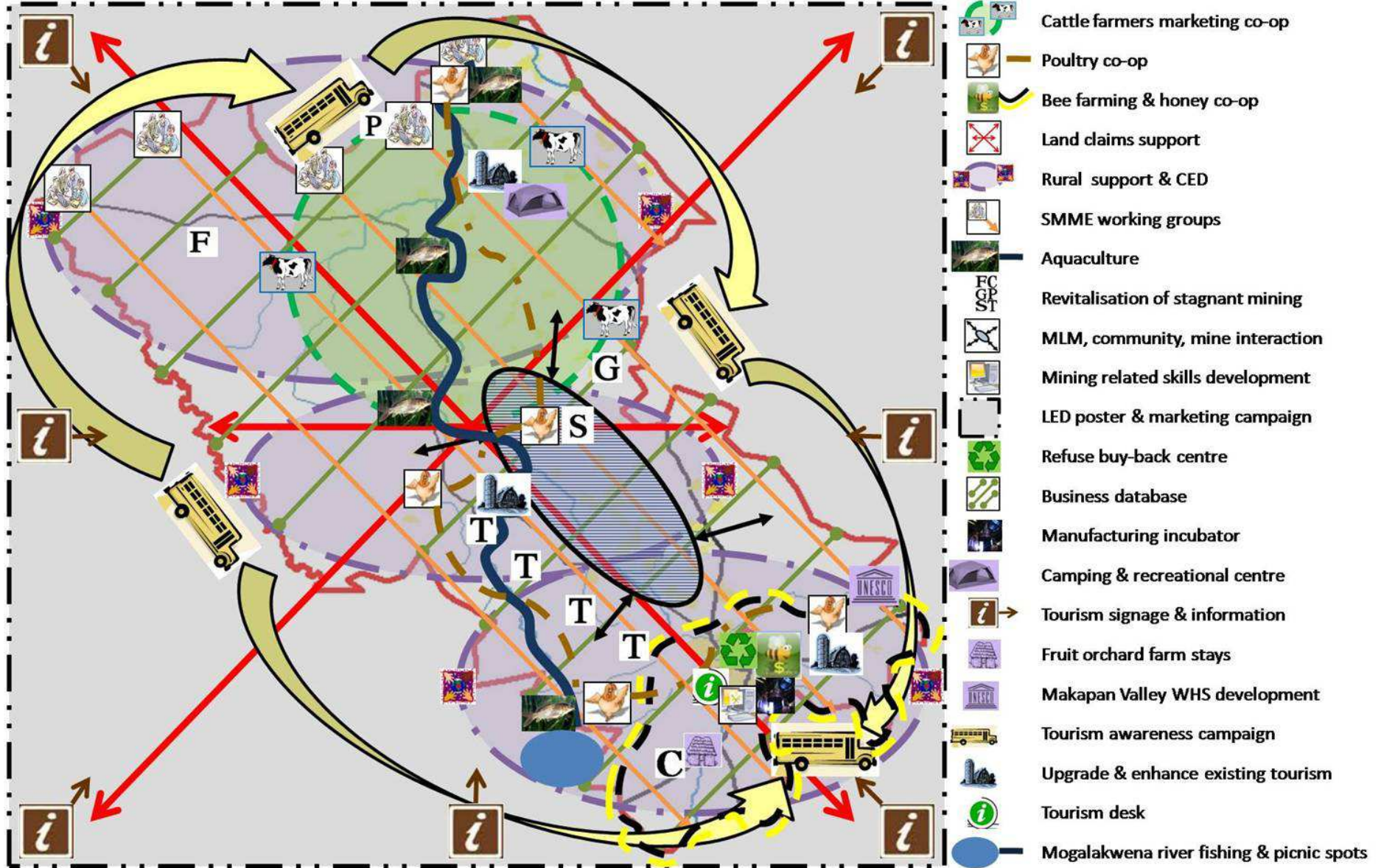


Name of project or action	Priority	Lead role player	Key supporting role players	Other relevant role players
Develop SMME working groups along commodity supply chains	8	❖ LED Unit	❖ LED SMME Cluster ❖ All LED clusters	❖ Rural communities ❖ Local existing & emerging SMMEs ❖ Local youth ❖ ARC ❖ LimDEV ❖ DTI ❖ LDA ❖ All national departments ❖ SEDA ❖ LimDEV ❖ TIL ❖ Private sector
Facilitate the development of Makapan valley WHS	9	❖ LED Unit	❖ LED tourism cluster ❖ Mogalakwena CTA	❖ Makapan Valley community ❖ Local tourism stakeholders ❖ LEDET ❖ Limpopo Tourism and Parks Board ❖ Mokopane Business Chambers ❖ NAFCOC
Interaction between Municipality, local mining houses & local communities	10	❖ LED Unit	❖ LED Industrial & SMME cluster	❖ Local mining houses ❖ Local communities ❖ Local businesses ❖ Mokopane Business Chamber ❖ NAFCOC
Mining related skills development with MQA SETA and training providers	11	❖ LED Unit	❖ Local mining houses ❖ LED Industrial & SMME cluster ❖ MQA SETA & others	❖ Local communities ❖ FET College ❖ Other training organisations ❖ Local communities ❖ Woman & youth
Enhance and maintain existing historical/cultural/natural attractions	12	❖ LED Unit	❖ LED tourism cluster ❖ Mogalakwena CTA ❖ National Heritage Council	❖ Local product owners ❖ Limdev ❖ Libsa ❖ Mokopane Business chambers ❖ NAFCOC
Cattle Farmers Association & Central Marketing Co-operative	13	❖ LED unit	❖ LED Agriculture cluster ❖ LDA ❖ DoA ❖ Extension officers	❖ SEDA ❖ TIL ❖ Cattle farming community ❖ Land claim beneficiaries ❖ Unions ❖ LEDET ❖ ARC ❖ LIBSA
Undertake local tourism awareness campaign and facilitate private/public sector familiarisation tours	14	❖ LED Unit	❖ LED tourism cluster ❖ Mogalakwena CTA	❖ Local communities ❖ Local tourism Stakeholders ❖ Local tourism product owners
Revitalise Existing Stagnant Mining Operations	15	❖ LED unit	❖ DMR ❖ DEA	❖ Local communities ❖ Tribal authorities ❖ Local mining houses ❖ MQA SETA ❖ IDC ❖ DBSA ❖ NEF ❖ DTI ❖ Mintek

Name of project or action	Priority	Lead role player	Key supporting role players	Other relevant role players
Refuse buy-back voucher centre	16	❖ LED unit	❖ LED SMME cluster	❖ DEA ❖ Recycling industries
Poultry Co-operative and Processing Cluster	17	❖ LED Unit	❖ LED Agriculture cluster ❖ LDA ❖ DoA ❖ Extension officers	❖ ARC ❖ LIMDEV ❖ SEDA ❖ Agri-business partners ❖ Poultry farming community ❖ YARD & WARD ❖ TIL ❖ LIMAC ❖ LIBSA
Develop day visitor facilities and fishing/picnic spots along Mogalakwena River	18	❖ LED Unit	❖ LED tourism cluster ❖ Mogalakwena CTA ❖ Private land owners	❖ Local product owners ❖ Mokopane Business chambers ❖ Waterberg District Municipality ❖ Mokopane Business Chambers ❖ NAFCOC ❖ LEDET ❖ Limpopo Tourism and Parks Board
Bee Farming and Honey Production Co-operative Linked to Fruit Orchards	19	❖ LED Unit	❖ LED Agriculture cluster ❖ LDA ❖ DoA ❖ Extension officers	❖ LDA ❖ ARC ❖ Agri-business partners ❖ Rural community ❖ YARD & WARD
Community-based camping site and linked to the Waterberg Biosphere	20	❖ LED Unit	❖ LED tourism cluster ❖ Mogalakwena CTA	❖ LEDET ❖ Limpopo Tourism and Parks Board ❖ Mokopane Business Chambers ❖ NAFCOC
Fruit orchard farm stays and tours	21	❖ LED Unit	❖ LED tourism cluster ❖ Mogalakwena CTA	❖ LEDET ❖ Limpopo Tourism and Parks Board ❖ TEP ❖ Mokopane Business Chambers ❖ NAFCOC
Aquaculture Farming Establishments along Existing Water Reserves	22	❖ LED Unit	❖ LED Agriculture & industrial cluster ❖ DWA ❖ LDA ❖ DoA ❖ Extension officers	❖ ARC ❖ Agri-business partners ❖ Mogalakwena LED ❖ Authorities of nature reserves & land owners along Mogalakwena River

The below Figure provides an indication of the spatial economic plan for the priority projects and actions.

Figure 6.1: Geographic spread of priority LED anchor projects and facilitation actions



## 2 MONITORING AND EVALUATION TOOL

Each and every strategy requires a monitoring and evaluation plan in order to ensure that the LED unit can monitor and evaluate and report on findings on how well the local economy is performing against set benchmarks. The evaluation component is also intended to incorporate lessons learnt into the decision-making process of implementing further development programmes.

**Monitoring** is a continuous process of collecting information using key performance measures (or indicators) to gauge the process or project. Monitoring identifies successes or failures as early as possible.

**Evaluation** is the process that “uses the information from monitoring to analyse the process, programmes and projects to determine if there are opportunities for changes to the strategy, programmes and projects.” Evaluation, like monitoring, should promote learning. In the implementation stage of a LED strategy, evaluation is used to determine if the actions are meeting the strategic objectives, efficiently, effectively and/or at all.”

Monitoring and evaluation (M&E) should be considered during each step of implementation and not as a specific “add-on” conducted only at the end of the process. M&E should be used to:

- ❖ Enhance learning and capacity building throughout all steps of the LED process
- ❖ To empower the participants to do a better job
- ❖ To help promote implementation partnerships as partners work through the process together
- ❖ Inform decision making on project implementation
- ❖ Analyse the current situation
- ❖ Identify problems and find solutions
- ❖ Discover trends and patterns

In short, monitoring ensures that limited resources for economic development can be put to ‘best use’, and that negative or unintended impacts can be identified and minimised.

The direct costs involved in directly measuring the various performance areas in the local economy are however high, thus a **set of proxies** to indirectly measure the economic impact of performance areas has been designed. Proxies are based on readily available and reliable data, which allows for annual measurements. These proxies are compiled into a LED development implementation index for Mogalakwena Local Municipality.

The proxies are comprised of **indicators** which can help describe changes over time with a common base value, identify benchmarks and progress in relation to goals as well as reflect the status. Indicators are measurements that give us information about the changes in the condition of something over time. Indicators help us define the nature and size of economic problems, set goals for their solution, and track progress towards those goals. They are useful because they help to express a large quantity of data or complex information in a simple way. Some examples of indicators are: daily temperature (it tells us about weather conditions), colour in fruit (it tells us about how ripe the fruit is), the consumer price index (CPIX gives an indication of how affordable market goods and services are), and the Dow Jones Sustainability Index (gives an indication of the financial performance of all companies listed on this index, for comparison with other companies).

The environment of publicly funded services today demands that we collect and use indicators about program performance. There are three performance areas requiring monitoring and evaluation in this LED strategy. Indicators were chosen for each performance area was selected on the basis that they would be reflective of the performance area that they were designed to measure. They were also



designed to be able to be measured on an annual basis, and be based on reliable data. The following provides a explanation of the indicators designed per performance area:

- ❖ Performance of the **investment enabling environment**: The investment enabling environment compares the economic activities of the District, Province and Country that have the potential to influence the local economy. For this reason an enabling environment describes an environment that is external to a business which either promotes/discourages a sustainable/unsustainable trajectory of development. Successful performance of the local economy can be measured as to how it compares with changes in overall employment. Growth in GDP is another measure of determining success in this performance area as well as the tress index. The Tress Index is a measure of the sectoral composition of economic activity in a region and a good indication of the level of diversification or concentration of the economy. A tress index of zero represents a totally diversified economy. On the other hand, the higher the index (closer to 100), the more concentrated or vulnerable the region's economy to exogenous variables such as adverse climatic conditions, commodity price fluctuations, and so on. An increase in the tress index of a region reflects an increase in the dependence of the local economy on a single or a few economic activities and is an ostensibly negative trend. The following indicators are used to measure the performance of the investment enabling environment:
  - Total employment growth compared to the Province
  - Total GDPR growth compared to the Province
  - Diversification of economy: Tress Index for GDPR compared to the Province
- ❖ Performance of **entities within Mogalakwena**: Government programs exist in order to deliver services to the various business entities and community. Government employees are entrusted with resources with which they can produce program results. Thus, there is one fundamental reason for developing and reporting indicators about the performance of entities: the indicators must help management and staff of various entities, such as the tourism information centre, the business chambers, etc to produce results. Here it is also advised that various indicators from a annual business confidence survey can be grouped together to get a business confidence index. This need not be a costly and time consuming survey, but can simply be done with members of the business chamber and NAFCO. See **Annexure G** for an example of a business confidence survey. In short, the purpose of this performance area is to determine how the various supporting entities within Mogalakwena are performing as their performance is also vital to the support framework required by the LED unit. The indicators used to measure the performance of entities:
  - Number of enquiries at the tourism information desk/office (both telephonic and at the office)
  - Number of visitors to the museum
  - Number of members of the business chamber and NAFCO
  - Current level of utilisation of resources/production capacity: utilise average response from V12 in Annexure G
  - Percentage not considering to relocate: utilise average response to V15 # 2 in Annexure G
  - The degree of optimism (good and excellent) of doing business in Mogalakwena: utilise average response to V16 # 4 and # 5 in Annexure G
  - Rating of overall efficiency and effectiveness (good and excellent) of Mogalakwena: utilise average response to V24 # 4 and #5 Annexure G
  - Number of jobs created through EPWP projects
- ❖ The performance of the **LED unit**: Governments today are confronted by public pressures for more accountability, productivity and disclosure. This requires them to come to grips with the need for knowledge of the results produced as well as of the resources used. This Index thus seeks to measure the effectiveness of the LED Unit in implementing the projects and programmes set out by this LED Strategy. Through this index, the LED Unit can measure its performance in implementing this strategy and its effect on the local economy. The number of co-operatives



registered, for instance, is a measure of the number of self-sustaining community owned entities established. The number of LED projects successfully implemented in settlements by the LED unit and can measure how effective the implementation strategy of the LED unit is. Whereas the number of temporary and permanent jobs created is another measure of the success achieved by the LED unit. The indicators utilised as performance proxy for the performance of the LED unit are:

- The number of successfully hosted LED forum cluster meetings
- Number of people attending LED forum cluster meetings
- The number of investment events hosted/attended
- The number of existing businesses assisted/supported/attracted
- The number of land claim projects successfully supported
- The number of projects facilitated for S&LPs
- The number of new co-operatives, PPP, business entities registered/implemented
- The number of LED development facilitation actions successfully facilitated
- The number of direct permanent and temporary employment created

Taking these factors into account it is possible to develop a LED Index, which initially sets a benchmark and thereafter can be monitored on a regular basis. Negative trends can be detected reasonably quickly and the LED unit and forum are provided with key management information to assist them in taking corrective actions on negative trends or in using positive trends in future marketing and development planning.

In order to monitor and evaluate the effective implementation of this LED strategy, a **Monitoring and Evaluation Tool** has been developed setting out the different indexes discussed above, as well as providing the baseline data and/or targets and indicator goals for each of these indexes. The matrix is provided in **Annexure H**.

The targets considered are in line with the LEGDP (2009-2014) target which is to halve unemployment by 2014. Additionally the Waterberg Districts LED targets have been considered which is to achieve a 6% growth rate, and to halve the people living in poverty. Various other international and national targets have also been considered, namely: Millennium Development Goals (MDG), UNDP, NEPAD, SADEC, latest State of Nation Address, latest presidential targets, latest state of the Province address, etc. See **Annexure I** for detail.

In populating the matrix, the following important aspects should be noted:

- ❖ The matrix should be 'populated' with real values, so that inflation is unaccounted for
- ❖ The baseline data is 2009 (at constant 2005 rand values where applicable)
- ❖ The 2010/2011 financial year is the first year to be 'populated' in the model
- ❖ Once new figures have been inserted, the model needs to be 'SAVED' in order for it to automatically capture the resultant changes; and
- ❖ The goals of the indicators/targets are to have a 5% growth per annum with a per annum 1% additional increase.

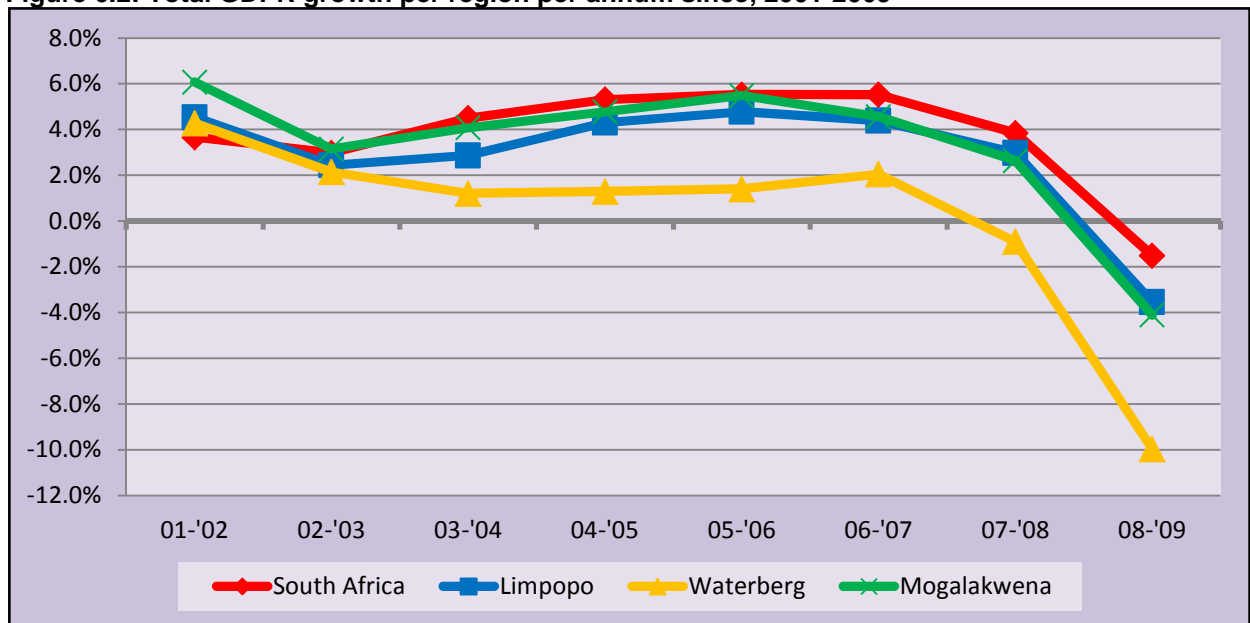
As part of the Monitoring and Evaluation Tool developed an economic monitor, hereafter referred to as an economonitor, has also been developed. See **Annexure H**. The purpose of the economonitor is to assess and graphically present the state of the economy and to describe changes over time in relation to District, Provincial & National changes. This economonitor essentially entails a model with graphs that has been set-up to enable automatic statistical calculations and graphical representation based on readily available and reliable annual data.

The indicators for the economonitor are as follows:

- ❖ **Performance of total economy:**
  - GDP growth per annum compared to RSA, Limpopo, Waterberg
  - Employment growth per annum compared to RSA, Limpopo, Waterberg
- ❖ **Sectoral performance of economy:**
  - Average sectoral GDP growth per sector compared to RSA, Limpopo, Waterberg
  - Average sectoral employment growth per sector compared to RSA, Limpopo, Waterberg
  - GDP price index compared to RSA, Limpopo, Waterberg

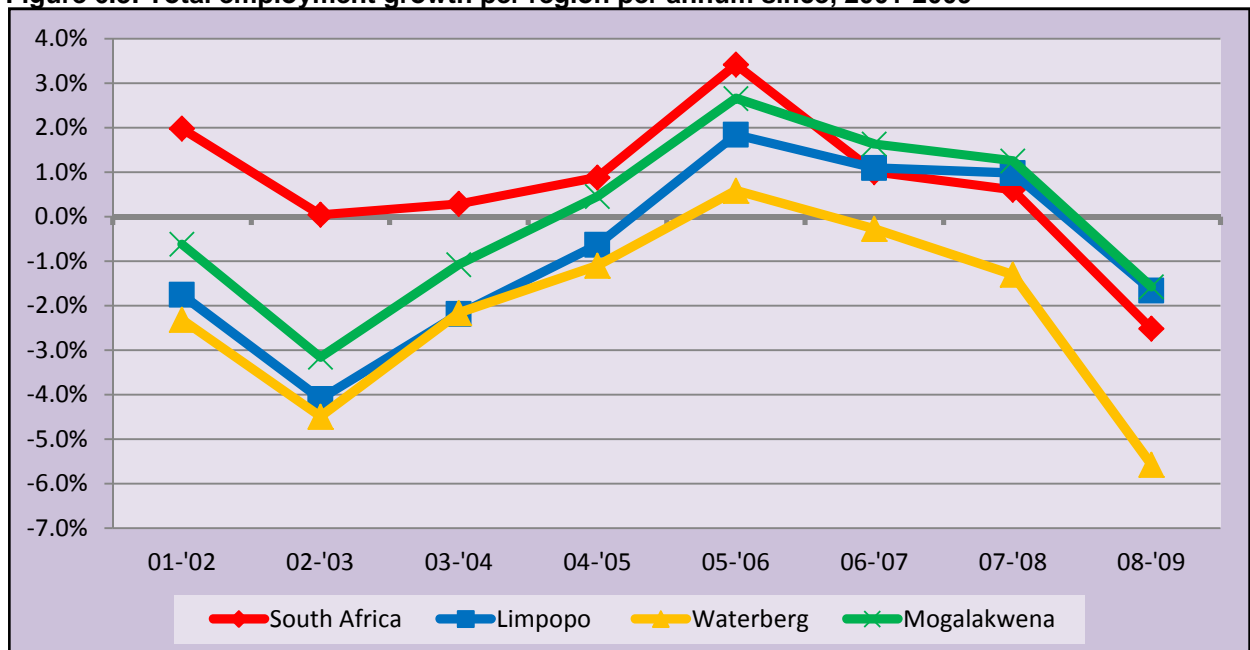
Herewith an indication of the latest trends of the above indicators.

**Figure 6.2: Total GDP growth per region per annum since, 2001-2009**



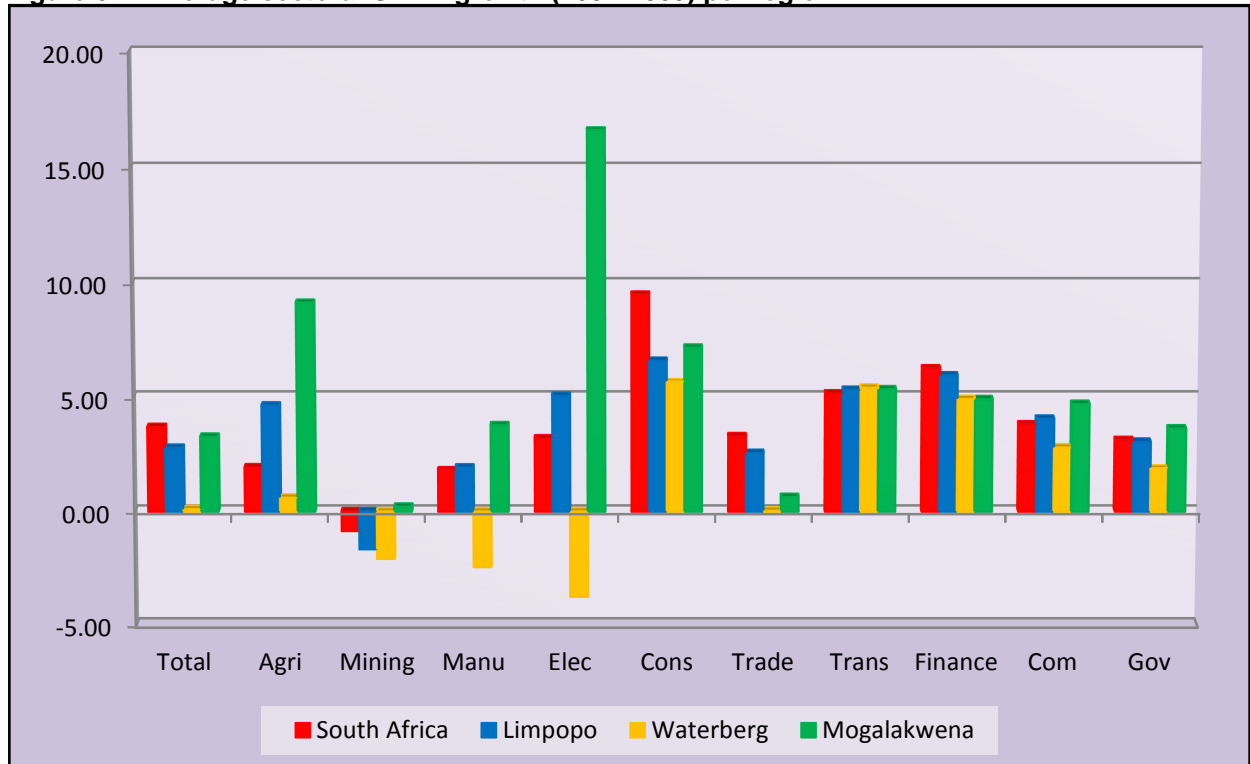
Source: Kayamandi calculations from Quantec Research, Standardised Regional Data, 2011

**Figure 6.3: Total employment growth per region per annum since, 2001-2009**



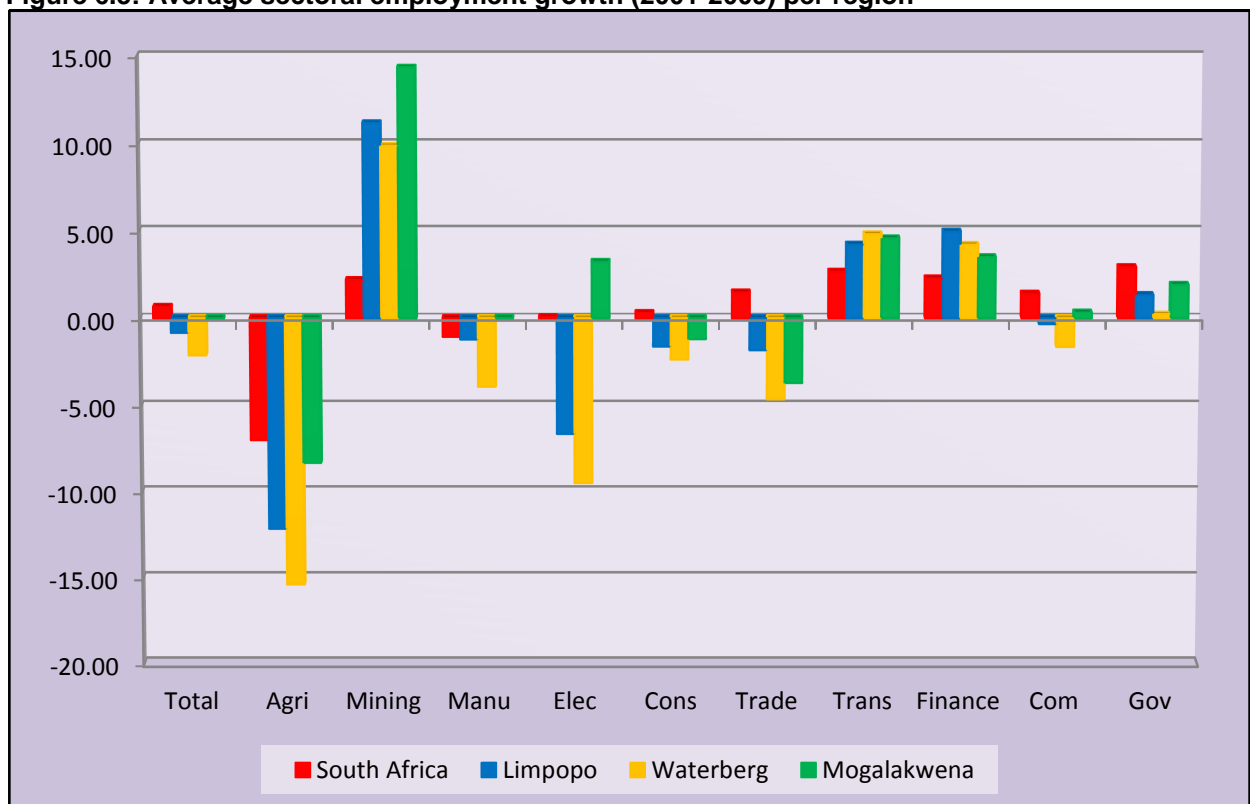
Source: Kayamandi calculations from Quantec Research, Standardised Regional Data, 2011

**Figure 6.4: Average sectoral GDP growth (2001-2009) per region**

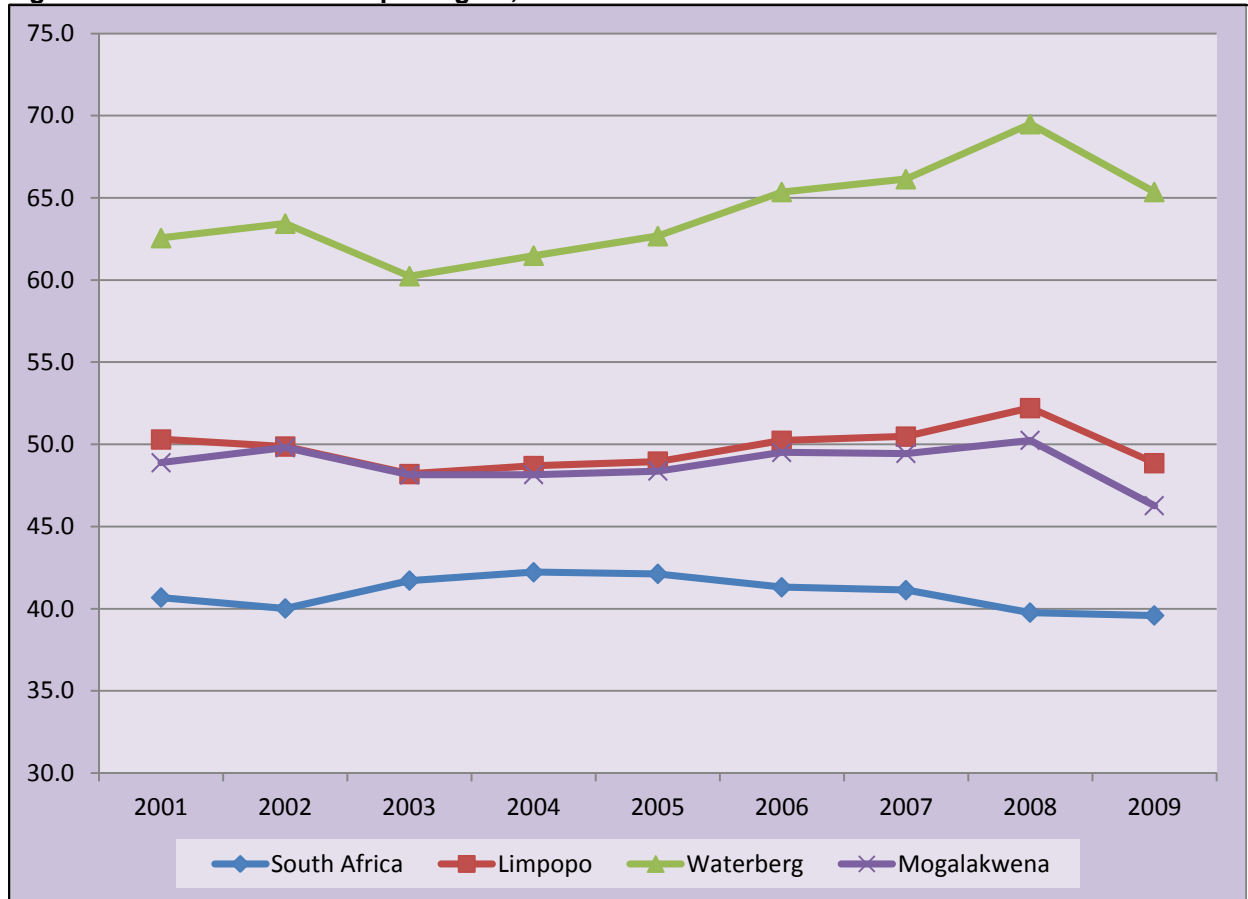


Source: Kayamandi calculations from Quantec Research, Standardised Regional Data, 2011

**Figure 6.5: Average sectoral employment growth (2001-2009) per region**



Source: Kayamandi calculations from Quantec Research, Standardised Regional Data, 2011

**Figure 6.6: GDP per region, 2001-2009**

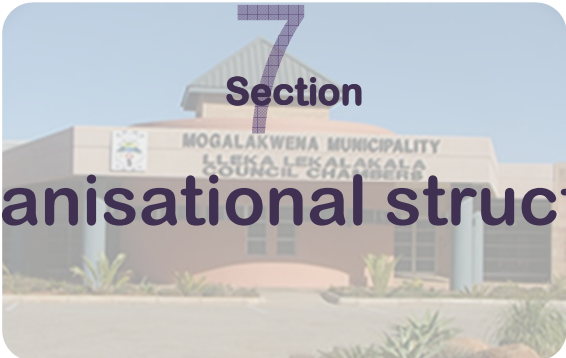
Source: Kayamandi calculations from Quantec Research, Standardised Regional Data, 2011

It is suggested that the monitoring and evaluation tool designed be incorporated into the performance management system so as to ensure accountability and responsibility for the implementation of the LED Strategy and its programmes.

The monitoring and evaluation process is designed to track performance and identify where and when adjustments in implementation at the project level need to be made or where more fundamental changes to the planned vision or objectives might need to occur. Since a LED plan essentially a living document, annual adjustments and modifications should occur throughout the strategic planning process based on new information or new priorities for direction or action. This is particularly important, as changes in a number of factors could necessitate an adjustment of the strategy. Here it is relevant to note that the defined objectives need to be reviewed on a regular basis to see if the project is on track. Annual adjustments are required to determine if the objectives have been achieved and to refine the plan for the next 12 months. Data to be collected for the Monitoring and Evaluation tool thus needs to be collected by March each year so that by April yearly reviews of the LED can be undertaken in time for the new financial year. If it is discovered that the objectives have not been reached, it should be considered whether the plan was not sufficient, whether the plan was not executed correctly, or whether the objectives were set too high. The LED should then be adjusted according to these findings.

It is recommended that an annual LED review committee be established. Suggested roleplayers include: Province, District, LED cluster roleplayers, the LED councillor, the LED unit, etc.

Lastly, the LED strategy should not only adapt continuously to respond to the competitive environment, but on a regular basis (5 yearly) the strategy needs to be completely revisited.



# Section 7

## Organisational structure

This Section reviews the institutional structure and framework, sets out the proposed institutional structure and the most efficient management structure and the roles and responsibilities involved.

In order for the LED unit of Mogalakwena to effectively plan and implement this LED Strategy, it is important that certain institutional arrangements and implementation guidelines be established. This includes the establishment of a range of organisations, structures and networks, which form the mechanisms through which the LED Strategy can be coordinated, managed, implemented and monitored.

Existing institutional arrangements should be utilised at national, provincial and local level. However the LED unit has the overall responsibility to focus on and manage and oversee the implementation of this LED Strategy.

In short, the purpose of this section is to provide:

- ❖ An analysis of the existing institutional structure and framework
- ❖ Recommendations regarding the most appropriate institutional structure and organogram
- ❖ Capacitation, partnerships, and human capital development

Mogalakwena should play an increasingly pro-active role in promoting local economic development (LED) in their area of jurisdiction and should take responsibility for actively growing the economy in their area and intervene in the market where they can in order to prevent economic degeneration.

### 1 Existing institutional structure and framework

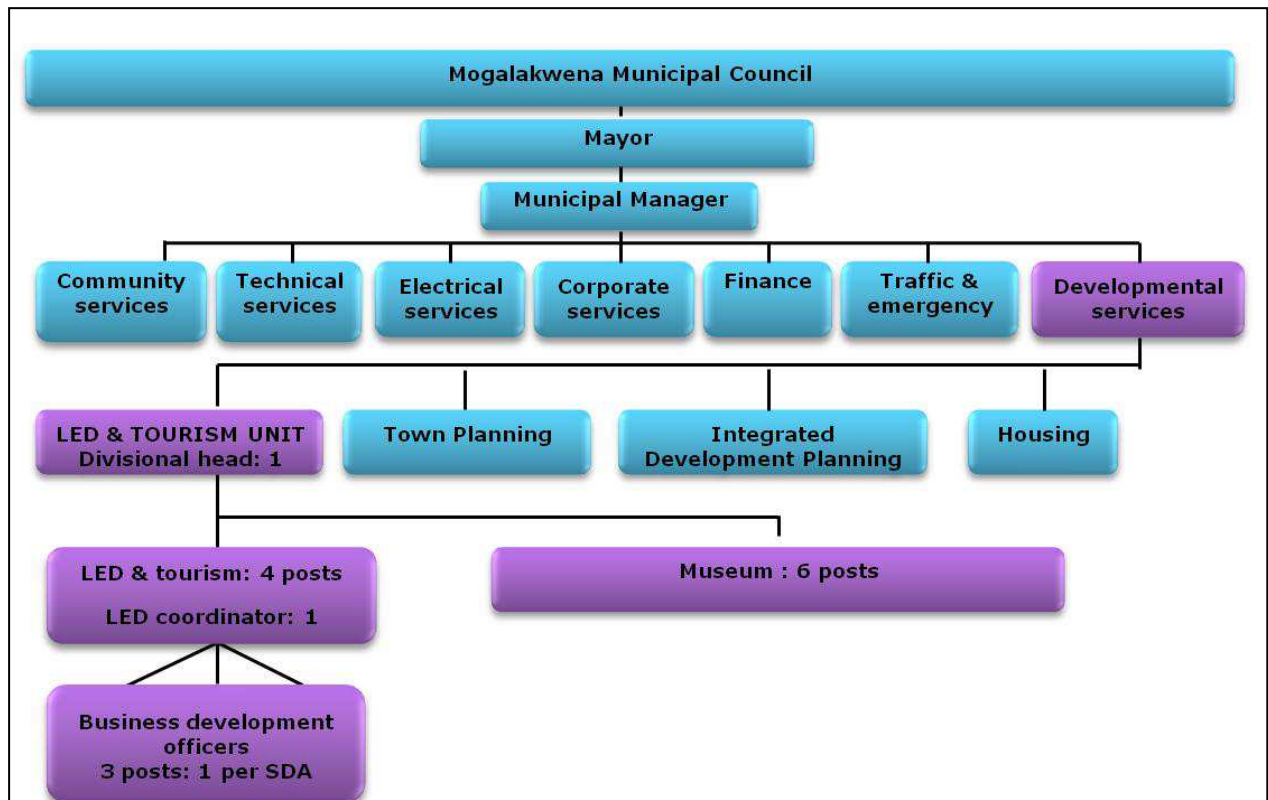
The formation of an efficient institutional structure is key to the successful facilitation of this LED strategy. It is, therefore, essential that the institutional structures within which local economic development in Mogalakwena Municipality is undertaken is reviewed.

The Figure below sets out the existing organisational structure of Mogalakwena Municipality as it pertains to the LED Unit.

At present, the LED and Tourism unit of the municipality is located under developmental services under the Municipal Manager. The divisional head of LED and tourism is responsible for the LED unit and the museum (which currently has 6 posts). A separate tourism information desk also exists which is currently run by the Chamber of Commerce under the auspices of the Mogalakwena Municipality. It is the intention for this information desk to be run by the Community Tourism Association (CTA) in the future, under the management of the proposed tourism officer.



Figure 7.1 Existing organisational structure of LED unit within Mogalakwena LM



Within the LED unit there are currently five posts. The Divisional head, a LED coordinator as well as 3 business development officers. All 3 business development officers are on the same level, although their area of geographic representation differs. Each business development officer is responsible for one of the 3 service delivery areas (SDA) in the municipality. The job purpose of the business development officers are to:

- ❖ Coordinate projects within their SDA
- ❖ Undertake Traditional leaders negotiations and conflict resolution
- ❖ Monitor projects within their SDA
- ❖ Negotiate for land/communal land

A Council resolution has been undertaken to appoint and budget for a Tourism officer at the same level as that of the LED coordinator.

Key components of the current institutional structure are:

- ❖ Mogalakwena Local Municipality is the only municipality in the Waterberg District with a separate LED unit
- ❖ The LED and tourism unit is served by:
  - LED unit: 5 staff members: division head, coordinator, 3 business development officers
  - Museum: 6 posts
- ❖ LED forum consists of the following clusters:
  - Tourism cluster
  - Agriculture cluster
  - Industrial cluster
  - SMME cluster
- ❖ No LED strategy projects have been implemented to date
- ❖ The LED unit lacks a fixed budget for LED implementation

- ❖ A need for greater capacity/skills/resources to implement projects is required. The following training is required:
  - Project identification
  - Developing feasibilities and business plans
  - Project development and implementation
  - Project monitoring
  - Project management
- ❖ Need exists for economic analyst or economic researcher to determine economic trends
- ❖ Greater coordination and alignment amongst the various institutions and roleplayers/stakeholders is required
- ❖ Currently there is a lack of planning to accommodate mining developments

## 2 Proposed institutional structure and organogram

Implementations of sustainable LED projects require constant support and nurturing. The formation of efficient institutional arrangements tasked with local economic development is key to the effective planning and implementation of this LED Strategy. Institutional arrangements refer to the range of organisations, structures and networks through which local economic development can be coordinated, managed, implemented and monitored.

This sub-section is, therefore, aimed at firstly clarifying the legislative background against which Municipalities are tasked to implement local economic development in their areas of jurisdiction and the roles and responsibilities of Mogalakwena Municipality in respect of local economic development, and secondly analysing the existing institutional framework and recommendations on the most appropriate institutional framework for Mogalakwena Municipality in respect of its LED unit.

### 2.1 Municipal roles and responsibilities

The cornerstone for all legislation and policy-making in South Africa is the Constitution (No 108 of 1996). Chapter 7 of the Act defines the role of local government in its community, and five objectives of local government are outlined in section 152:

- ❖ To provide democratic and accountable government for local communities.
- ❖ To ensure the provision of services to communities in a sustainable manner.
- ❖ To promote social and economic development.
- ❖ To promote a safe and healthy environment.
- ❖ To encourage the involvement of communities and community organisations in the matter of local government.

Furthermore, section 153 of the Constitution stipulates the following developmental duties of all municipalities:

- ❖ A municipality must structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote social and economic development.
- ❖ A municipality must participate in national and provincial development programmes.

The Medium Term Strategy Framework builds on the successes of democracy, and is a framework which identifies South Africa's development challenges and outlines the medium-term strategy for improvements in the conditions of life of the citizens of South Africa. The aim of the MTSF is focussed on sustaining higher GDP growth, job creation, investment and exports, as well as broadening economic participation and activity through Black Economic Empowerment and enterprise development. The MTSF provides:

- ❖ A translation of the electoral mandate.
- ❖ Priorities for the next 5 years.
- ❖ Focus on economic investment and growth.
- ❖ An expansionary fiscal outlook.

Planning and resource allocation across all the spheres of government should be guided by the MTSF.

The South African Government has also determined that a growing consensus exists in that to create decent work, reducing inequality and defeating poverty a new growth path has to be established through the restructuring of the South African economy to improve its performance in terms of labour absorption as well as the composition and rate of growth in the New Growth Path for South Africa. The new growth path has been developed to be a new alignment of economic objectives and growth initiatives building on the previous growth initiatives GEAR and AsgiSA which sought to half poverty by 2014 and create economic recovery by raising economic growth to 6%. The new growth path is based on determining:

- ❖ Where employment opportunity creation is possible, both within economic sectors as conventionally defined and in cross-cutting activities and,
- ❖ Analysis of the policies and institutional developments required to take advantage of these opportunities.

National Government have designed 12 Outcomes for Government and all its service delivery functions. The 12 Outcomes are based on a concept of The Outcomes Approach which is essentially a strategic approach which focuses on achieving the expected real improvements in the life of all South Africans. The outcomes approach broadly defines what is expected to be achieved, how it is to be expected to be achieved and whether the outcomes are being achieved. The overall goal of the 12 outcomes that have been designed is to ensure that government does not just carry out the functions it is suppose to but to ensure that results from these functions are achieved and show impacts on the lives of South Africans.

The outcomes approach mainly:

- ❖ Focuses on results,
- ❖ Makes explicit and testable the chain of logic in our planning, so we can see the assumptions we make about the resources that are needed,
- ❖ Links activities to outputs and outcomes and to test what works and what doesn't,
- ❖ Ensure expectations are as clear and unambiguous as possible,
- ❖ Provides clear basis for discussion, debate and negotiation about what should be done and how it should be done,
- ❖ Enables learning and regularly revising and improving policy, strategy and plans through experience, and
- ❖ Makes co-ordination and alignment easier.

The 12 Outcomes have been based on the Election Manifesto and the Medium Term Strategic Framework, as well as consultation on ministerial and administrative levels. The outcomes are a representation of the desired development impacts to be achieved by government's policy priorities. The 12 Outcomes are listed as:

- ❖ Improved quality of basic education,
- ❖ A long and healthy life for all South Africans,
- ❖ All people in South Africa are and feel safe,
- ❖ Decent employment through inclusive economic growth,
- ❖ A skilled and capable workforce to support an inclusive growth path,
- ❖ An efficient, competitive and responsive economic infrastructure network,
- ❖ Vibrant, equitable and sustainable rural communities with food security for all,
- ❖ Sustainable human settlements and improved quality of household life,
- ❖ **A responsive, accountable, effective and efficient local government system,**
- ❖ Environmental assets and natural resources that are well protected and continually enhanced,
- ❖ Create a better South Africa and contribute to a better and safer Africa and World, and
- ❖ An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship.

The Limpopo Provincial Government has realised that local municipalities are different in nature and as a result varying approaches and concepts need to be applied to address the issues related to resource spending, weaknesses and addressing the needs of the local communities within that specific municipality. In response to the above mentioned, the adoption of Outcome 9 and the application of this approach within government within the Limpopo Province is a strategic process whereby government is **aiming at producing a responsive, accountable, effective and efficient local government system**. Outcome 9 has been built around 7 critical issues which have been identified as the vision for outcome 9. These critical issues are:

- ❖ Output 1: Implement a differentiated approach to municipal financing, planning and support
- ❖ Output 2: Improving access to basic services
- ❖ Output 3: Implementation of the community work programme
- ❖ Output 4: Actions supportive of the human settlement outcomes
- ❖ Output 5: Deepen democracy through a refined ward committee model
- ❖ Output 6: Administrative and financial capability
- ❖ Output 7: Single window of coordination

The Limpopo Employment, Growth and Development Plan 2009 – 2014 (LEGDP) is based on the previous Limpopo Growth and Development Strategy of 2004. The LEGDP has been designed to provide an enabling framework through which provincial government would be able to develop a new growth path for the province which would seek to tackle the deep seeded issues of the province and to effectively and efficiently provide decent work and sustainable livelihoods which would in the end product achieve the goal of halving unemployment by 2014. The LEGDP seeks to create opportunities for the structural change within the provinces within identified critical areas of the provinces economy. The document strives to provide a strategic base from which key decisions can be made in relation to the Medium Terms Strategic Framework (MTSF). The strategy further functions as a baseline construction tool for long term strategic future aspirations of the province. The strategy functions as a short term implementation tool for the longer term 2030 Provincial Growth and Development Strategy and the Limpopo Vision 2030 goals and objectives. Essentially the LEGDP is an alignment between National and Provincial Strategies which will in essence influence district and local levels by providing a unified approach in relation to national growth principles and objectives.

Provincial government has contextualised 10 priority areas which informs the strategic intent and objectives of the LEGDP. These objectives are:

- ❖ Ensuring more inclusive economic growth, decent work and sustainable livelihoods,
- ❖ Economic and social infrastructure,
- ❖ Rural development, food security and land reform,
- ❖ Access to quality education,
- ❖ Improved health care,
- ❖ Fighting crime and corruption,
- ❖ Cohesive and sustainable communities,
- ❖ Creation of a better Africa and a better world,
- ❖ Sustainable resource management and use, and
- ❖ A developmental state including improvement of public services.

Of the above mentioned government has selected five priorities which will form the priority areas over the next five years. These priorities are:

- ❖ Creation of decent work and sustainable livelihoods,
- ❖ Education,
- ❖ Health,
- ❖ Rural development, food security and land reform, and
- ❖ The fight against crime and corruption.

The National Framework for LED aims to serve as a guide that seeks to ensure an understanding of LED, and has put forward a strategic implementation approach that municipalities, provinces, national government, state-owned enterprises and communities can follow to improve local economic development. The NFLED seeks to mobilise local people and local resources in an effort to fight poverty. This framework also seeks to guide the implementation of the LED Key Performance Indicator of the 5-year Local Government Strategic Agenda.

LED is not conducted in isolation by a particular municipal department or private sector organisation. It is an integrated strategy that involves a number of key role players, who are responsible for a variety of activities that are imperative to the potential success of any LED strategy.

Almost every LED action will, or should, involve the local government to some degree. This is because they are deeply involved in local business activity as suppliers of infrastructure, as tax collectors, through service delivery, resource allocation and as regulators of land, buildings and activities.

National roles and responsibilities are outlined below:

- ❖ Provide an overall policy and strategic framework for LED at provincial & local government levels;
- ❖ Provide legislative framework for LED;
- ❖ Provide a framework for provincial and municipal capacity-building and support systems;
- ❖ Support for key institutions;
- ❖ Obtain support for commitment towards LED;
- ❖ Maintain strong inter-governmental relationships using and strengthening existing IGR institutions;
- ❖ Disseminate information to provincial and local government levels about LED support;
- ❖ Increase administrative efficiency, and
- ❖ Monitor and evaluate the impact of LED nationally



Provincial roles and responsibilities are as follows:

- ❖ Provide a strategic vision and strategy for integrated economic, social and community development through the Provincial Growth and Development Plan (PGDP);
- ❖ Vertical and horizontal integration of the municipal IDPs
- ❖ Training and capacity building for LED;
- ❖ Facilitate LED through financial and technical resources to implement and sustain LED in municipalities;
- ❖ Share information (e.g., provincial economic trends, land use, investment); and
- ❖ Monitor and evaluate the impact of LED provincially.

District roles and responsibilities are as follows:

- ❖ Establish a LED institution which includes the DM and LMs to foster cooperation and coordinate LED policies, structures and projects in the district municipality;
- ❖ Identify “lead” LED sectors within the district that can drive development, by undertaking economic analysis and studies;
- ❖ Collect and disseminate information to assist local municipalities with LED interventions;
- ❖ Identify resource availability (grants available at provincial level, land, infrastructure);
- ❖ Maintain strong relationship with the province;
- ❖ Build capacity of LMs in its area to perform their LED functions;
- ❖ Monitor and evaluate LED strategy within the IDP framework.
- ❖ Provide assistance to local municipalities in the accessing of funding;
- ❖ Develop a district-wide LED/Economic Development strategy.

The roles and responsibilities of local municipalities are as follows:

- ❖ Coordinate & manage LED planning within the LM
- ❖ Implement LED projects;
- ❖ Source funding from government and private sector for the implementation of LED projects;
- ❖ Establish a LED institution to coordinate LED activities;
- ❖ Build local capacity over the long term as LED becomes embedded within the municipality’s priorities;
- ❖ Encourage and facilitate public participation in LED;
- ❖ Promote inter-departmental collaboration;
- ❖ Promote and organise PPPs
- ❖ Establish sector linkages; and
- ❖ Monitor and evaluate the implementation of the LED strategy and specific LED projects.

The roles and responsibilities of other roleplayers are as follows:

**Private Sector:**

- ❖ Establishment, management and operation of business enterprises to the benefit of the enterprise and the community of the local area;
- ❖ Sustainable employment creation, income generation and investment; and
- ❖ Capacity building of personnel.

**Labour/NGO/CBO sector roles and responsibilities:**

- ❖ Provide support to economic growth and development policies, strategies and the implementation of opportunities within the context of sustainable development.

**Local/national/international donor organisations roles and responsibilities:**

- ❖ Provide funding and economic development support and services within the legislative and institutional context of economic development at national, provincial and local level.

**National & Provincial Development Agencies' roles and responsibilities:**

- ❖ Provide funding and economic development support and services within the legislative and institutional context of economic development at national, provincial and local level.

Appropriate partnership mechanisms between government, the private sector and civil society can enhance the ability of the private sector to accelerate job creation within an LED programme. This is to ensure that social capital is nurtured at the local level, empowered and drawn upon.

Overall, in line with international best practice, local government is allocated a facilitative or enabling role in LED processes.

Outside of government, an important role is played in LED by a number of other key stakeholders, namely the South African Local Government Association (SALGA), the Development Bank of Southern Africa (DBSA), Department of Local Government (DPLG), Department of Trade and Investment (Dti), Integrated Development Corporation (IDC), Small Enterprise Development Agency (SEDA), etc. The aforementioned should all engage in a process which defines complementary roles for each partner rather than the existing situation of overlapping roles and responsibilities.

Finally, a valuable role is assumed in the landscape of LED in South Africa by the activities of the group of international donors, including the European Union, The World Bank, GTZ and DFID.

**2.2 Proposed institutional structure**

The purpose of this sub-section is to set out the viable institutional arrangement options available to Mogalakwena Municipality. The institutional arrangements provided in this sub-section gives recommendations on the restructuring possibilities for the LED unit itself, as well as giving an indication of other implementation options and the existing support agencies which could be engaged by Mogalakwena Municipality to support its local economic development efforts.

In undertaking local economic development, it is essential that LED activities are not only planned for and managed, but that the programmes and projects that are identified are successfully implemented in order to ensure the optimal stimulation of economic development, job creation, poverty alleviation, SMME development and the improvement of quality of life. It is, therefore, necessary for the implementation of the development programmes to take place in an effective, efficient and sustainable manner. This requires several actions to be taken by key role-players, which include the need to:

- ❖ Establish and capacitate the Local Municipality's LED unit to operate and function effectively before commencing the implementation of LED Programmes and Projects. This includes ensuring that all people employed within the LED unit have the relevant experience and skills to ensure the effective management and implementation of LED initiatives;
- ❖ Start local economic development by facilitating the successful development and implementation of the Programmes and Projects that will have the quickest anticipated impact on job creation, poverty alleviation, BEE, SMME development, etc., followed by those with a medium and long term effect as prioritised in the previous section;
- ❖ Set reasonable timeframes and keep monthly/weekly track records to effectively evaluate the progress of all necessary actions;
- ❖ Have one of the members of council focused exclusively on local economic development and its implementation;

- ❖ Ensure balanced economic development by adopting an integrated, holistic, coordinated and diverse developmental focus;
- ❖ Focus on the stimulation of economic development and empowerment of local people at the same time;
- ❖ Ensure that all necessary financial sources, equipment, human resources, etc. are in place and available prior to starting with the implementation of a Programme and/or Project;
- ❖ Utilise external experts in drafting project business plans and conducting feasibility studies and utilise expert networking to obtain sufficient funding sources;
- ❖ Ensure that the implementation of projects are executed by local people and not through imported labour; and
- ❖ Utilise the other sectors of the economy, such as the mining sector, as economic catalysts for stimulating development across all sectors of the local economy.

In order to successfully undertake local economic development, from the planning phases through to economic development facilitation and the implementation of specifically identified projects, it is essential that LED institutions are operational both at Programme and Project level. Programme level institutions refer to institutions tasked with coordinating development initiatives, while Project level institutions have a defined task, budget and timeframe.

Programme level institutions are required to take responsibility for the coordination and management of the LED programme as a whole, coordinating the actions of and efficient communication between relevant stakeholders, thereby effectively acting as the driving force behind development. Programme level institutions should also undertake the identification and mobilisation of resources necessary to ensure the effective planning and implementation of local economic development, facilitate improved participation and input at community level and build the capacity of stakeholders to fulfil their individual functions. Furthermore, Programme level institutions are responsible for selecting the appropriate Project level institutions to carry out the implementation of individual projects related to the various LED programmes identified. The LED programmes referred to include (for detail see previous section):

- ❖ Support land claim beneficiaries
- ❖ Water scarce new product development
- ❖ Emerging and small-scale Black farmer support services
- ❖ Development and support small-scale Black owned mines
- ❖ Mining supplier development
- ❖ Self-sufficiency and SMME development and support
- ❖ Development and management of Mokopane Industrial Precinct
- ❖ Agro-processing industrial development
- ❖ Mineral beneficiation
- ❖ Develop Makapan Valley as a tourism 'icon' and combine related historical/cultural assets
- ❖ Develop the Waterberg Biosphere and its environs as an adventure and eco tourism destination
- ❖ Special Interest tourism development
- ❖ Destination marketing, branding, promotion and awareness

Whereas LED projects may be managed and driven through the support from a number of different institutions. The Municipality however needs to coordinate the project initiatives by drawing them together into a coherent LED Programme for the area. However, while Project level institutions can comprise institutional arrangements outside of the Municipality, it should be stressed at the outset that Municipalities remain politically accountable for LED and cannot delegate political responsibility to other institutions. Furthermore, Municipalities also remain responsible for public funds, even if projects are delegated to Project level institutions, such as a Section 21 Company or a Community Trust.

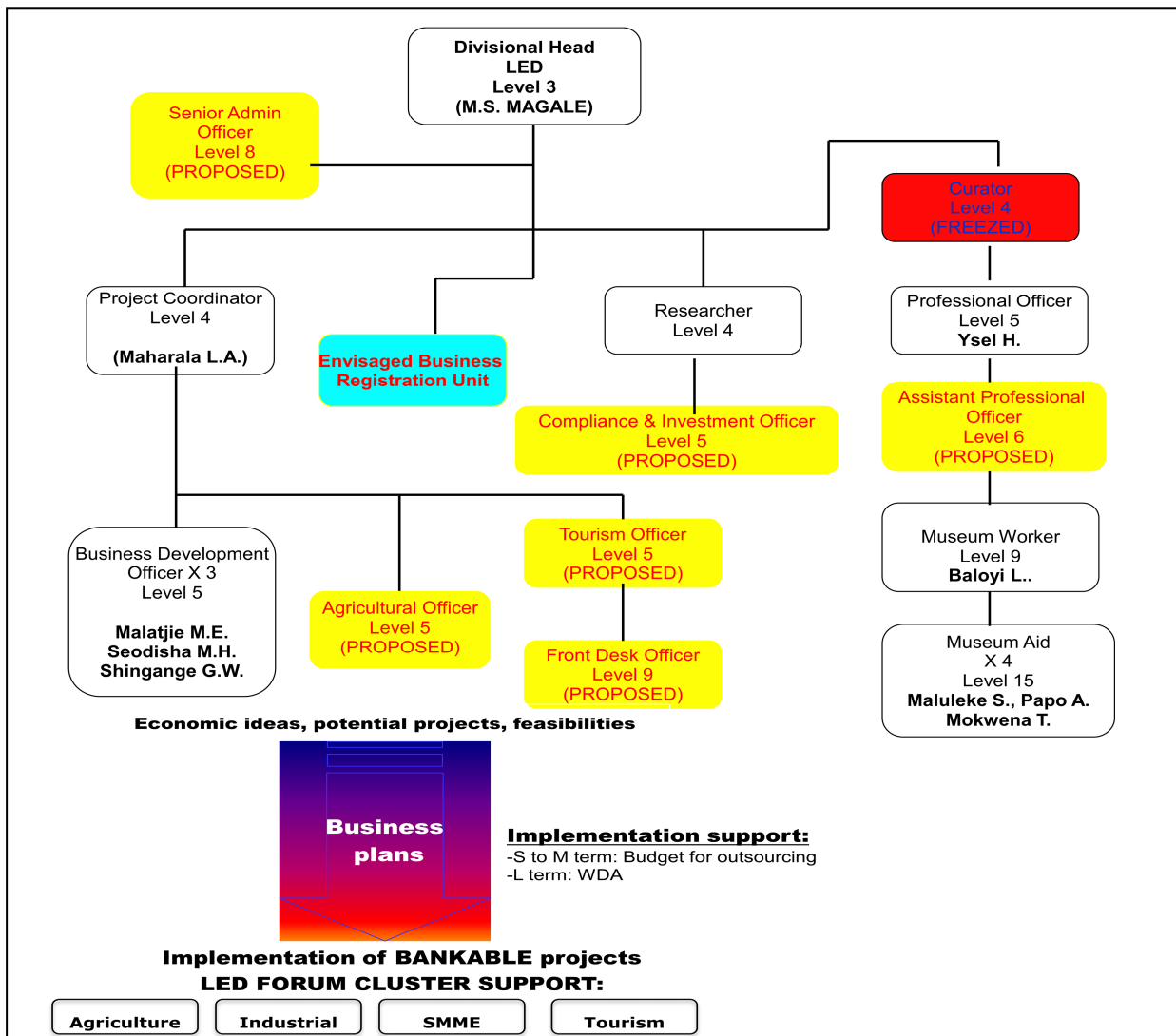
Given the large variety of projects that could be implemented as part of local economic development, it is impossible to provide details of specific institutional arrangements for each project. However, certain aspects are characteristic of successful Project level institutions, regardless of the projects they are involved in.

It is imperative that the capacity of the LED unit and any shortcomings in this respect is addressed at the outset, to ensure the efficient implementation of this Strategy. The capacity of any LED unit is dependent on its staffing levels, the levels of skills possessed by appointed staff, the available budget for the operation of the unit and for the implementation of projects, the commitment on the part of the Municipality and the presence of the necessary facilities to effectively complete its tasks.

Fortunately, Mogalakwena municipality has a dedicated LED unit which does not share functions with IDP unlike many other municipal organisational structures in the country. The LED unit is also perfectly placed in the existing organisational structure of the municipality.

In order to successfully implement the LED strategy, and the programmes and projects as identified in the previous Section, various alterations to the LED unit have been suggested. However, as per Council Resolution dated 19/04/2011, the proposed LED unit organisational structure is shown hereunder.

**Figure 7.2 Proposed management structure for Mogalakwena Municipality LED Unit**



A senior admin office at level 8 is proposed for the Divisional Head of LED.

Currently directly under the Divisional Head of LED are the project coordinator and the curator position (which is frozen).

Under the curator is the existing professional officer, followed by a proposed professional officer at level 6, followed by the existing museum worker and the four museum aids thereunder. With regards to the museum it is advised that the position of the curator become unfrozen so that the museum is able to attain the status it requires.

The business registration unit which is proposed to be transferred from the Department of Economic Development and Tourism with 2 posts is also envisioned to fall directly under the Division Head.

Currently all the thrusts identified in this LED unit sit within the responsibility of the project coordinator. In addition to the 3 existing business development officers at level 5 which are under the control of the project coordinator a tourism officer and a agricultural officer is proposed. The tourism officer (which is proposed for the next financial year) should be dedicated to the coordination and management of tourism as well as tourism related implementation. The proposed tourism officer will interact with the three business development officers to assist with the monitoring and support of tourism related projects. The tourism officer should also become directly responsible for managing and organising the tourism cluster of the LED forum. As such the tourism responsibility will no longer sit with the project coordinator. The tourism officer is also proposed to be supported by a front desk officer. In the medium term, due to the large amount of land impacted upon by land claims with agricultural potential and the ongoing support and mentorship required by land claim beneficiaries, an additional post is proposed, namely that of an agricultural officer. Similar to the proposed tourism officer, the agricultural officer is also envisioned to function on the same level as that of the proposed tourism officer and the existing business development officers. The proposed agricultural officer will also need to interact with the three business development officers to assist with the monitoring and support of agricultural related projects. The agriculture officer should also become directly responsible for managing and organising the agriculture cluster of the LED forum. At this stage, the project coordinator will thus no longer be responsible for any tourism, nor agricultural related matters.

The existing project coordinator should ensure the necessary focus required in successfully planning, managing and implementing the Programmes and Projects of the LED Strategy, which in the short term includes both agriculture and tourism related projects. Once the tourism officer has been appointed, the project coordinator will focus on all LED related projects excluding those with a tourism focus. In the medium term, once the agricultural officer has been appointed the project coordinator will also no longer focus on agricultural related matters. This means that the project coordinator will be 'freed-up' to solely focus on mining and SMME or business support related matters. The project coordinator, however also needs to closely coordinate its functions with those of the tourism and agricultural officers, so that the requirements of the 3 business development officers with regards to agriculture, tourism and LED focus projects are clearly specified. The responsibilities of the project coordinator would entail functions such as:

- ❖ Attending of sector meeting, Provincial department and District meetings pertaining to LED;
- ❖ Attending to SMME and mining related requirements;
- ❖ Managing and organising the SMME and industrial clusters;
- ❖ The general running of the 3 development officers;
- ❖ Assessment and performance management of LED staff;
- ❖ Reporting to the divisional head and the Council;



- ❖ Ensuring that no discrepancies occur in budget expenditures;
- ❖ Management of LED projects;
- ❖ Strategic planning and management of the LED Strategy and its various Programmes;
- ❖ Marketing and promotion of the LED Strategy and the projects/opportunities identified in the Strategy;
- ❖ Ensuring that the LED plan is implemented;
- ❖ Ensuring coordination between various economic sectors in the Municipality and public participation in LED matters;
- ❖ Ensuring the continued and sustainable development of the local economic development;
- ❖ Ensuring that development facilitation is undertaken effectively;
- ❖ Mentoring of LED learners;
- ❖ Supporting and facilitating access to training for SMMEs; and
- ❖ Advising and assessing the economic impact of municipal activities and LED projects.

It is also recommended that in addition to the project coordinator, envisaged business registration unit, and museum staff, which fall under direct control of the LED divisional head, that a researcher be appointed. The sole purpose of the researcher will be to assist with all related economic research, compilation of statistics as and when required by the municipal manager or for investment opportunities, monitoring and evaluation of the LED strategy, etc. A compliance and investment officer is also proposed under the researcher in the longer term. It is envisioned that the proposed post of the investment officer gets the sole responsibility of business support and steering the process of promoting investment opportunities within Mogalakwena municipality. The proposed post should function as a designated implementation officer for local economic development in the municipality. The proposed investment officer should have the following key focus areas:

- ❖ The planning and implementation of catalytic economic projects that will contribute to economic growth and diversification across all economic sectors
- ❖ Marketing and promotion of the economic opportunities in the area, including investment promotion, research, brokerage/matchmaking and aftercare
- ❖ The provision of Business Support Services
- ❖ The provision of dedicated networking with the mining sector

The proposed investment and compliance officer should thus assist with:

- ❖ Undertaking a business inventory and assist with business linkages
- ❖ Launch outreach activities
- ❖ Undertake economic research and analysis
- ❖ Undertake annual business satisfaction surveys
- ❖ Understand existing business needs and addressing their concerns timely
- ❖ Promoting and developing business efficiencies and competitiveness
- ❖ Attracting new businesses and promoting investment in all sectors of the economy
- ❖ Enhancing inward investment
- ❖ Advising potential business owners on their business proposals
- ❖ Facilitating funding attainment of projects
- ❖ Facilitating partnerships (especially with the mining sector)
- ❖ Marketing

Over time this post (proposed for in the longer-term) is envisaged to be the focused driver of the business support and investment promotion agenda. In other words it is considered important that over time a specific role for the implementation of investment potential projects be created to ensure that initiatives do not remain only strategies and identified projects, but are followed through onto the ground.

Nonetheless, the current LED unit needs to take responsibility for implementation of bankable projects. The 3 business officers, the proposed tourism officer and the proposed agricultural officer needs to be responsible for:

- ❖ Coordinating projects within their SDA
- ❖ Undertaking Traditional leaders negotiations and conflict resolution
- ❖ Monitoring projects within their SDA
- ❖ Negotiating for land/communal land
- ❖ Reporting to the LED coordinator
- ❖ Assessment of economic ideas affecting the local economy
- ❖ Planning for local economic development
- ❖ Management of business/industrial, agricultural, tourism and mining sub-sections of LED in their respective SDA
- ❖ Development and review of sector plans for each sub-section of the economy
- ❖ Marketing of SMME, agricultural, mining, and tourism opportunities
- ❖ Identification of priority Programmes and Projects
- ❖ Undertaking feasibility studies and implementing identified projects.

In addressing these focus areas, the LED unit will be responsible for the identification, planning, conceptualisation, packaging, implementation, facilitation, development and monitoring of economic projects and initiatives that are commercially viable and sustainable.

Furthermore, other than addressing the proposed additional posts within the LED unit, it is relevant to note that it is not sufficient to only increase the number of personnel that is employed, but also that the right personnel with the appropriate qualifications, experience and training is appointed. In this regard, it may be necessary for staff appointed to the LED Unit to undergo specific LED training. This training could include aspects such as the economic theories that underlie local economic development, basic concepts and influences on economies, procedures related to LED, undertaking situational analyses to understand the socio-economic and economic profiles of the Municipality, identifying opportunities and constraints, converting opportunities and constraints into programmes and viable projects, compiling feasibility studies, gaining access to capital and funding, implementing the LED Strategy and programmes/projects, programme and project management, and monitoring and evaluating the progress, etc.

It is also necessary to not only create additional posts, and undertake training, but also for the LED unit's financial capacity to be improved. The LED unit does not have a dedicated budget for the implementation of LED projects. It is suggested that a **annual amount of R500,000** be made available to the LED unit to implement viable projects that are able to make a lasting difference in the local economy. A **pool fund**, is suggested, which is a fund that receives contributions from different agencies, and also internally, to finance a set of budget lines or activities agreed as eligible in support to a sector programme. As such eligibility criteria need to be agreed upon. In the interim this pool fund can be utilised for feasibility studies, etc. LED projects requiring grants can then loan and repay from this LED pool fund so as to ensure continued funds are available for successful implementation of LED projects.

A interim alternative aimed at overcoming the limitations of the current LED unit in terms of budgetary and capacity constraints, entails the outsourcing of the projects for implementation by separate implementing agencies, initially economic specialists and once up and running the Water Development Agency (WDA). By following this approach, the LED Unit will assume a more coordinating role, particularly at Programme level, concentrating its efforts on the identification of LED Programmes and Projects, the prioritisation thereof and the planning for local economic development. Through this

approach, the implementation of specifically identified projects is put out to tender, as is currently happening in a number of municipalities. This moves the time consuming responsibilities of conducting business plans, marketing the projects, sourcing financing and investors, as well as facilitating training and capacity building of participants to the implementing agencies.

Certain aspects are characteristic of successful Project level institutions. It is essential that these characteristics are actively sought in the institutions to which tenders are awarded for the implementation of LED Projects. The implementers appointed should:

- ❖ Be capable of producing results;
- ❖ Have sufficient staff capacity to implement the project efficiently and effectively;
- ❖ Be able to mobilise sufficient finance and human resources for the project;
- ❖ Be able to transfer skills from any outside agents involved to the Municipality and community members to build in-house capacity where applicable;
- ❖ Match LED objectives and strategies of the project;
- ❖ Inspire confidence among the stakeholders;
- ❖ Be able to minimise the potential liability of the LED programme institution, the Municipality and other stakeholders if the project experiences problems; and
- ❖ Monitor the progress of the project and satisfy the requirements of government legislation and commercial law.

Should this route be followed in the interim, it is also important that the implementers appointed contribute to the building of in-house capacity in the medium term, thereby ensuring that the Municipality will eventually be able to implement projects on their own. This can be achieved by involving the LED unit in the hands-on implementing process of projects from start to completion, allowing the transfer of skills to officials in the LED unit. This almost 'on-the-job' training approach could include training related to:

- ❖ Identification of local people to become involved in ownership of projects;
- ❖ Undertaking strategic workshops to engage relevant project stakeholders;
- ❖ Negotiating with communities, tribal authorities (where applicable), land owners etc. in finalising ownership;
- ❖ Putting projects out to tender by advertising and promoting opportunities for development of projects and evaluating tenders;
- ❖ Finding ways to obtain and secure start-up capital;
- ❖ Utilising feasibility studies to market projects to potential funders;
- ❖ Submitting applications for funding;
- ❖ Developing detailed business plans;
- ❖ Determining requirements in terms of location, such as licensing and rental;
- ❖ Determining infrastructure needs of project;
- ❖ Obtaining quotes for costs and appointing specialists;
- ❖ Finalising legal requirements/registration related to management of projects;
- ❖ Appointing appropriately skilled staff and developing suitable job descriptions;
- ❖ Identifying training and technical needs of members and sourcing appropriate training;
- ❖ Drawing up detailed marketing plans;
- ❖ Determining the market;
- ❖ Developing and implementing efficient financial and accounting systems;
- ❖ Undertaking progress and performance monitoring;
- ❖ Providing ongoing support and mentorship, etc.

### 3 Capacitation, partnerships, and human capital development

The aim of this sub-section is to capacitate Mogalakwena Local municipality to be able to perform its LED roles and responsibilities in the most effective way. The proposals in this regard include:

- ❖ Internal LED capacitation
- ❖ Human Capital Development
- ❖ Promote, develop and improve external resources and partnerships
- ❖ Community Economic Development Focus

#### 3.1 Internal LED capacitation

The strengthening and/ or capacitation of the LED unit is a major step to be taken on the way to the creation of an enabling environment regarding economic developmental issues within Mogalakwena Local Municipality. The LED unit currently has 5 posts. Three additional posts are proposed as well as training for the existing business development officers and the development of a LED pool fund. For more detail see proposed institutional structure.

The main tasks and components in support of LED capacitation include:

- ❖ Utilise the performance management system (see monitoring and evaluation)
- ❖ Appoint the proposed tourism officer in the short term, the agricultural officer in the medium term and the business investment officer in the long-term. Also consider unfreezing the tourism curator position and appoint a researcher.
- ❖ Develop training programmes for the LED Unit. Appoint an LED expert to determine the level of LED capacity and to provide the necessary internal LED training and capacitation
- ❖ Develop a LED pool fund

#### 3.2 Human Capital Development

The municipality, not only the LED unit is faced with skills shortages and as such, there is a need to undertake skills improvement initiatives within the municipality. The main projects identified in support of this component include:

- ❖ Develop a municipal official profile requirements strategy to ensure that appropriate person is appointed in the appropriate post
- ❖ Develop a municipal skills development strategy
- ❖ Undertake large-scale re-skilling

#### 3.3 Promote, develop and improve external resources and partnerships

LED involves local, national and international partnerships (e.g., twinning) between communities, businesses and governments to solve problems, create joint business ventures and build up local areas.

It is however, also relevant to note that in undertaking local economic development, the Municipality should make use of external support mechanisms, such as establishing linkages beyond the Municipality as part of working with a wider group of stakeholders to advance local economic development in the Municipality. One such mechanism is to establish a dedicated LED forum, which comprises the full spectrum of local stakeholders, including all sectors of the economy, relevant departments and local communities. LED forums can, therefore, assist in increasing involvement and community ownership of LED initiatives, by sharing the 'vision' of the desired state with local communities. This ensures that all players, and not only those at the centre of planning and managing

initiatives, can see how they fit into the process, see how they can benefit from being involved in LED and can pool relevant information.

The main functions of the LED forum clusters in Mogalakwena Municipality should be to ensure multi-stakeholder involvement in coordinating the activities of local stakeholders, mobilising local resources and commitment to LED and maintaining a common vision for the economic development of the Municipality. The LED strategy development should thus be utilised as a guide for each of the clusters in terms of the implementation and role required.

In other words, the role of the LED Forum clusters is not limited to giving inputs into the development of this local LED Strategy, but should also be involved in the implementation of the Programmes and Projects of the Strategy, the monitoring, evaluation and adjustment of the LED Strategy as local circumstances change, the identification of further opportunities as they arise, identifying and finding solutions for problems constraining local economic development, etc. The various clusters should also ensure the forging of business related linkages or partnerships between the public and private sectors in undertaking local economic development, providing mentorship and transferring skills.

It is also understood that the agricultural and SMME clusters are functioning, well although increased support from the tourism and industrial clusters are required.

Furthermore, it is vital that the clusters meet regularly to discuss the direction of local economic development in the Municipality and how to reach its vision and the Programmes and Projects identified in this LED. It is also imperative that Forum members are reminded of their roles and responsibilities, as well as the benefits of participating in the LED Forum, thereby ensuring that they remain committed to being involved in local economic development. The effective functioning of the LED clusters may also require members to undergo LED training, thereby capacitating them to give more informed and valuable inputs in respect of the local economic development of Mogalakwena Municipality.

In short, successful LED depends on the collective efforts of the public, private and community sectors. Formal and informal structures and processes should be established to ensure all stakeholders are involved and the planning process is well managed. The benefits of involving stakeholders include:

- ❖ Stakeholders bring specialist knowledge and different perspectives making the planning process more robust
- ❖ They bring professional, financial and physical resources to the table
- ❖ They legitimize the process by being involved
- ❖ They forestall problems by being engaged in the process
- ❖ Business partners are likely to know much more than local government representatives about the true state of the competitive position of the community
- ❖ By involving higher tiers of government, strategies are likely to benefit from their support (including financial)
- ❖ Local community representatives are likely to be best informed about local problems and opportunities that could be addressed by the LED strategy
- ❖ By involving communities, it is more likely that a volunteer effort could be established to support LED implementation programs
- ❖ Jobs and economic growth are created in the private sector. Government is usually merely a facilitator in this process.

Since the LED forum clusters have already been established, the procedures and requirements, or terms of reference, of the stakeholders forum needs to be established. The terms of reference should describe the following:



- ❖ Activities to be jointly undertaken;
- ❖ Roles of the participants throughout the process;
- ❖ Standards for information gathering and sharing;
- ❖ Decision making methods (including dispute resolution and review);
- ❖ Resources to be provided by partner; and
- ❖ Agreements on how the outcomes of the planning process will be integrated into the planning activities of the municipality.

These terms of reference should be formally agreed to by the members of the stakeholder forum and periodically reviewed.

The answers from the following questions can be used to write-up a terms of reference that all stakeholders can sign (Un-habitat International, Inc):

- ❖ What are the basic tasks of scheduling meetings? Writing agendas? (e.g., who will do it, how will it be agreed to)
- ❖ What activities are to be jointly undertaken?
- ❖ What are the roles and responsibilities of the participants throughout the process (e.g., provide leadership, come to meeting prepared, complete action items that result from meetings and workshops)?
- ❖ What information will be needed and what are the standards for information gathering and sharing? Will the project rely on work already completed and on the knowledge and experience of participants? How will this be gathered?
- ❖ Will additional research need to be conducted?
- ❖ What are the resources to be provided by each participant?
- ❖ What are the decision-making methods, including dispute resolution and review?
- ❖ What are the agreements on how the outcomes of the planning process that will be integrated into the planning activities of the municipality?
- ❖ What is the communication protocol? With other members? With members constituents? With the media? With public officials?
- ❖ What is the protocol for letting new members into the process – when and how?
- ❖ Have participants identified alternate members?

Stakeholders need to be involved in the process in a way in which they feel that their voice will be heard and taken into consideration. The key is to have a well-structured process that promotes openness, fairness and respect and yet does not overburden the LED planning process.

The following tasks are a guide as to how to successfully host a stakeholder forum meeting:

- ❖ Set a date and time for the meeting.
- ❖ Identify and confirm the availability and cost of a suitable venue. This venue should be centrally located and accessible to all relevant stakeholders.
- ❖ Draw up an agenda. A typical example of an agenda includes: 1) Tea / coffee, 2) Opening and Welcome, 3) Presentation of LED progress plan, 4) Questions and comments from stakeholders, 5) Way forward, 6) Close.
- ❖ Compose an invitation to be sent out to stakeholders. This invitation must include: date of the meeting, the venue of the meeting, the time of the meeting, RSVP contact details, RSVP date, agenda, and directions to the venue, if necessary.
- ❖ Send out the invitations to all stakeholders. Invitations may be posted, faxed or e-mailed. Invitations should be sent out at least three weeks in advance so as to ensure maximum attendance.
- ❖ Follow-up within stakeholders that do not RSVP by the specified date.

- ❖ Organise catering (e.g., tea, coffee and muffins / biscuits). Included in this is the organisation of cutlery, crockery, serviettes and necessary appliances, e.g., urn or kettle, if the caterer does not provide these items.
- ❖ Prepare any presentations that are to be made.
- ❖ Gather and make copies of all relevant documentation to be discussed at the meeting. It is a good idea to make copies of any presentations and allow space for stakeholders to make notes.
- ❖ Organise the venue at least one hour in advance of the designated starting time. Organisation of venues include: a projector (if necessary) for presentations, a white board and white board markers for making notes on stakeholders' comments and questions, extension cord for a laptop (if necessary), layout of chairs, tables etc, an individual to welcome stakeholders and provide them with a copy of all documentation and ask them to sign an attendance register.

The LED unit of Mogalakwena Municipality can not undertake local economic development in isolation, particularly in view of its currently constrained budget, but should also utilise other institutional arrangements which could assist in achieving a dynamic, diverse and sustainable economy which benefits all communities. It is, therefore, necessary for the LED unit to coordinate the involvement of various community groups, support service agencies and government structures to successfully implement the Programmes and Projects identified and described in this Strategy. This can be achieved by forging partnerships between the local LED unit, the LED Department of the District, and also the WDA once up and running. Partnerships with support organisations also have a vital role to play and have the capacity to support local economic development.

There is also a need for the capacity of the abovementioned organisations to be developed and expanded to better serve Mogalakwena Municipality.

The establishment of Public Private Partnerships (PPPs) should be explored, promoted, developed and improved in the implementation of the LED projects.

The main tasks in support of this component include:

- ❖ Develop a terms of reference for the LED forum per cluster based
- ❖ Revitalise the LED forum clusters and improve capacity
- ❖ Ensure that the LED forum clusters are fully familiar with the LED strategy and the requirements per cluster
- ❖ Continuously identify and promote PPP opportunities

### 3.4 Community economic development focus

In terms of the Municipal Systems Act, municipalities have a development role. However, in practice, most municipalities are finding it difficult to perform this new function efficiently. In addition, there is a paradigm shift in the country towards integrated, well-managed economic development through key partnerships and delivery-orientated programs. It is suggested that development facilitation and funding be based upon effective public-private community partnerships and which capitalises on the efficient use of resources, through development, for the benefit of the developer, affected local communities.

Community economic development is an important focus when considering the implementation of projects in Mogalakwena Municipality. Community economic development is aimed at altering traditional local economic development (LED) through stressing the importance of ownership within the community. Projects are thus implemented through NGO or local service providers. Community Economic Development in Mogalakwena would guide economic development in achieving the following:

build ownership of assets; facilitation by open and accountable community-groups / NPOs; increase the self-reliance of local communities; reconnect poorer communities to the mainstream; regenerate the locality to meet needs locally; retain wealth within the community; self-sustainable change; utilise community based solutions to economic issues.

Partnerships within a project are often established through CPPPs (community public private partnerships) and PPPs, although a formal document need not be signed. And while the community will be identified as the owners of the project, because of the general under-capacitated nature of communities (both in terms of skills and infrastructure) in the rural economy in which CED projects are based, it is necessary for external facilitators to maximise resources and build both operational and management capacities.

In light of this, the general roles for each stakeholder are shown below.

<b>Community</b>	<b>Local Government</b>
<ul style="list-style-type: none"> <li>▪ Identified as those both geographically proximate and who share a common goal / objective.</li> <li>▪ Role is project is as project owners (through joint ownership of commercialised asset) and to help mobilise project through participation in project (e.g. direct involvement in direction and/or day-to-day operations of project)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Local government 'buy-in' is critical in achieving project legitimisation within wider community.</li> <li>▪ Local government can mobilise project implementation by facilitating partnership development between community &amp; NPO.</li> <li>▪ Local government's role is to help provide common good infrastructure &amp; capacity building programmes.</li> </ul>
<b>NPO Facilitator</b>	<b>Private Sector</b>
<ul style="list-style-type: none"> <li>▪ NPO can include any number of entities including but not limited to: Non-Governmental Organisations, Voluntary Associations, Community-Based Organisation and/or Public-Benefit Organisations.</li> <li>▪ Facilitators are involved with project management and capacity building, as well as acting as central drivers in project implementation.</li> <li>▪ Necessary in order to address administrative &amp; technical capacities which accompany grant funding.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Not always included within the project, but can play a central role in project identification and development.</li> <li>▪ Private sector can help to identify market opportunities for community-owned assets, as well as providing needed financing to mobilise project.</li> <li>▪ Additionally, where specialized training is needed, private sector can provide non-common good infrastructure &amp; training.</li> </ul>

A community can structure the ownership of an asset through:

- ❖ **Community Trusts:** Community Trusts are particularly prevalent within the tourism sector and involve a community holding an asset through a trust which can then outsource the asset to a private sector entity. A good illustration of a community trust is the emergence of community-owned tourism lodges in which land has been acquired by the community (normally through the land rights process), and the community then commercialises this land by setting up a community trust, and then contracting out the rights to a lodge or tourism facility on the land through a Build-Operate & Transfer (BOT) agreement. BOT agreements allow for the community to receive a percentage of profits accrued by the private operator to be returned to the Community Trust, while at the end of the lease, the ownership of lodge is returned to the community through the trust. At this point, the community can choose to enter into another BOT with the same or another private sector firm, or they can choose to enter into a different project or take it on entirely themselves.

- ❖ **Community Foundations:** Community foundations, like community trusts, involve a community holding an asset, which is then outsourced for reinvestment back into the community. A community foundation operates to fund projects which meet the goals of CED but does not actually engage in the project's development itself. A good illustration of a working community foundation is the Greater Rustenburg Community Foundation (GRCF), which is a foundation which funds community social and economic development service providers. The GRCF operates by reinvesting 75% of the interest accrued on the monies received from mining corporate social responsibility funds, as well as private donors. The community owns the money invested, and in order to ensure that the local community is involved in the direction and management of the foundation, only residents of the Greater Rustenburg community can sit of the board of trustees, and those on the board must act in an individual capacity, irrespective of the firm or area he or she may also represent. Community foundations are particularly present within the mining industries and have become an increasingly popular method to help fund/ mobilise CED projects.
- ❖ **Cooperatives:** Cooperatives involve a group ownership and often, group participation, of a product. In terms of CED projects, cooperatives are particularly present within the agriculture and retail sectors given the ability of cooperatives to include multiple beneficiaries and to provide clear identification as to the redistribution of profits.
- ❖ **Voluntary associations:** Voluntary associations are groups of, at minimum 3 people, which come together and form a constitution which clearly illustrates each member's role under the Communal Properties Act (Act 28 of 1996). Voluntary associations are conducive to again agriculture and retail orientated CED projects because of their low membership requirements and because like a co-operative, they often involve the collective purchasing of inputs, growth and development of project and reinvestment of profits. A working illustration of a CED voluntary association includes the Masana MDC Retrenched Growth Project in Limpopo which involves 11 retrenched members who have formed a voluntary association and now engage in poultry farming. The farmers initially came together in order to reduce the transaction costs of having to purchase their inputs from a hatchery in Pretoria. Currently, the project has led to the pre-establishment phase (e.g. securing funding) for the development of a local hatchery to be owned by the community and once established, will need an additional 50 to 60 jobs within the Masana community.



## Section 8

# Conclusion & way forward

This Section concludes the LED strategy and provides an indication of the most critical components for the immediate way forward.

Drawn from this LED strategy is that an abundance of economic options and opportunities for addressing the challenges faced by Mogalakwena Local Municipality exist which can unlock its economic development potential, these are clustered around the following thrusts and programmes:

<b>LED THRUSTS:</b>			
<b>Sustainable rural and agricultural development</b>	<b>Mining development, support and promotion</b>	<b>Smme support and manufacturing diversification</b>	<b>Tourism resource maximisation and marketing</b>
<b>LED PROGRAMMES:</b>			
Support land claim beneficiaries	Development and support small-scale Black owned mines	Self-sufficiency and SMME development and support	Develop Makapan Valley as a tourism 'icon' and combine related historical/cultural assets
Water scarce new product development	Mining supplier development	Development and management of Mokopane Industrial Precinct	Develop the Waterberg Biosphere and its environs as an adventure and eco tourism destination
Emerging and small-scale Black farmer support services		Agro-processing industrial development	Special Interest tourism development
		Mineral beneficiation	Destination marketing, branding, promotion and awareness

With diligent implementation of this LED Strategy, which is rooted in the realities of the area, with a set of logical interventions aimed at enhancing the functionality and desirability of the area, it is expected that economic growth and development of the municipal area can be stimulated. The expected outcomes will be increased employment and income levels, reduced poverty, rural development, etc.

Successful implementation of this LED Strategy firstly urges the need for the proposed tourism and agriculture officers as well as the investment officer as described to be implemented. This is essential in ensuring that momentum and commitment is not lost, particularly as it could be difficult to turn around and could negatively influence future efforts to initiate similar development initiatives. It is also



suggested as a matter of urgency, that the investment attraction and retention strategy with the incentives policy (consult separate stand alone document) be marketed and distributed widely in order to ensure that it obtains the rightful recognition it deserves.

Secondly if a platform for local investment is to be built it is critical that all stakeholders and parties involved in the LED process (as identified in the 5-year action plans of the priority projects and actions) take ownership of the programmes and projects identified in this strategy. Most importantly, it requires alignment of different levels of government and government agencies, and a consensus and partnership with the private sector and (often competing) interest groups within the community. The LED unit alone will not succeed unless the political ambition to ensure success is not included in the LED process as a whole. This political ambition can be initiated and developed through the LED cluster forums. Through ensuring continued participation and inclusion of all of the stakeholders identified, and ensuring that the political will, interest and communication of stakeholders is stimulated during the various LED workshops, the combined LED cluster stakeholder and LED unit forces will contribute to the success of the strategy.

Thirdly, Mogalakwena needs to develop the capacity to package projects for funding and in so doing create a system through which local entrepreneurs can be developed. It is critical for Mogalakwena to assemble an accessible team of officials to consult, to facilitate site visits, with enough time allocated to share information with and facilitate trips with interested investors as recommended through the proposed business support marketing and investment attraction officer. This is more important than any incentive. There is no simple solution for leveraging the project inputs required for the successful implementation of local economic development projects. In most cases, such projects require long planning and implementation periods, the involvement of numerous agencies and/or stakeholders, ample persistence and skill, and continued support and nurturing committed to seeing the project through to the end.

Lastly, in order to ensure accountability and implementation, the monitoring and evaluation tool and economonitor needs to be utilised on an annual basis. Adjustments to the approach also need to be implemented whenever new information arises or new priorities for direction or action are identified.

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# Workshop attendees

## Tourism workshop attendees

Name	Organisation
Seaba MA	Dilokwena Cooperative
Samuel Maseko	Matlapa Farming Project
Lettie Mabokela	Hlalelo Farm
Vuki Mahlabegoane	Vuki Chuene Tourism
Moremi Matome	LEDET
Betty Molekwa	Waterberg District Municipality
Nghenabo Chris	LEDET
Shabaangu R	Tinmme Hotel
Becker M	Sleep n Go Guesthouse
Sebajan R.P	Telekishi Ramasobane Hospitality
Van Rensburg Elanie	Compass Academy of Learning
Mametja MCE	Limpopo Tourism and Parks
Lekalakala MM	Mokopane Town Council
Maisela Gladys	Maseroto Cop
Sibanda Orosi	Oasis Lodge
Mohamed Essack	Oasis Lodge
Fatima Lorgat	Limpopo Tourism and Parks
Mokoena TL	LEDET
Knight Wayne	Chamber of commerce
Opnaniadria Hellen	Mekorop Coast Protee
Ngobane Ida	Tshitjana
Shai Jolly	Mokgonete Transport
Ngobeni R Xabalation	Xabalation
Hendrick Seodisha	Mogalakwena Local Municipality

## Agriculture workshop attendees

Name	Organisation
John Baloyi	Mokopane Hawkers Association
Lee Moitona	NAFCOC
Binny Letshela	NAFCOC
Alpheus Mahapa	NAFCOC
Piet de Bruyn	Mokopane Business Chambers
Shabanga Ramoke	SNACO
Idah Ngobeni	Bakenberg Small Business Association
Emelia Mathibela	Radiaga Entertainment and Projects
Moremi Matome	LEDET
Frans Thloubatla	NAFCOC
Samuel Maseka	Enterprise Liseba Trading
L Maila	NAFCOC
Hendrick Seodisha	Mogalakwena Local Municipality

**Manufacturing workshop attendees**

Name	Organisation
Mmanoni Sarah Lamula	AVAXSA
Modube Salome Jobeth Ramodipa	Refiloe Matla
Mogomane Makama	MWM Laundry
Matete Duba	Waterberg District Municipality
M.H Seodisha	MLM
Calvin Ledwaba	C Major Studio
Moremi Matome	LEDET
Sonya Monama	Nghano
Hendrick Seodisha	Mogalakwena Local Municipality

**Wholesale, trade and SMME workshop attendees**

Name	Organisation
Samuel Maseko	Matlapa Farm Project
Josephine Mogale	Tshwarelang Project
Sydney Mokaba	Mokaba Livestock
R.M. Somelo	Mokaba Farmers
Mercy Mokaba	Mokaba Farmers
Isazah Setseta	Radiaga
Gladys Maisela	Maseroto Farmers
Portia Mafadza	LEDET
Moloko Mapatha	LEDET
M.A. Seaba	Dilokwena COP
R.L. Mabokela	Hlalefo Farm
Ramokone Shabanga	Mogalakwena COP
Johannes Setumu	Bamamafa
Virginia Langa	Ditlotswane Farming Project
Bethue Lekalakala	Bonhelong Day Care Project
Ida Ngobeni	Tshitjana
Emelda Mathibela	Mokaba Farmers
Hendrick Seodisha	Mogalakwena Local Municipality





## Role-players consulted

Organisation	Person
African Ivory Tour Guide	Jerry Mosehla
Anglo Platinum Mokopane Section	Shela Ledwaba
Anglo Platinum Mokopane Section	Cornelia Kleyn
Arend Dieperink Museum	Hendrina Ysel
Department of Mineral Resources	Miss Nkosi
Hygrotech	Suretha
LEDET	Moremi Matome
LEDET	Maylene Broderick
LEDET	Fatima Lorgat
LEDET	Moloko Mapatha
LEDET (Makapan Valley)	Chris Ngenabo
Limpopo Department of Agriculture	Ditshwanelo Lubuku
Limpopo Department of Local Government and Housing	Elphy Shikuhkuze
Makapan Valley Tour Guide	Ernest Mkhari
Marlin Granite	Christo Bruwer
Masebe Nature Reserve	Mr Mokoena
Mogalakwena Municipality	David Malepa
Mogalakwena Municipality	Abbas Shaker
Mogalakwena Municipality	Wilma Nel
Mogalakwena Municipality	I.A. de Villiers
Mogalakwena Rural Development Committee	Carol de Villiers
Mokopane Business Chamber	Andy Goetsch
Mokopane Business Chambers	Portia Seimela; Wayne Knight; Andy Goetsch
Mokopane Game Breeding Centre	Mark Howitt
Mokopane Hawkers Association	John Baloyi
NAFCOC	Frans Thlobatla
NAFCOC	Mr Tloubatla
Platreef Resources	Mr Kekana
Rudles Agricultural Enterprise	Rudzani Sadiki
Rudles Agricultural Enterprise	Lesiba Sebatjene
Rudolph Erasmus	Percy Fyfe Nature Reserve
SALGA	Douglas Cohen
Southern Era Diamonds	Barry Tooth
Telekishi Ramasobane Hospitality	Mrs Pinky Sebjane
Traffic and Emergency Mogalakwena	Ronel Venter
Waterberg Biosphere	Rupert Baber
Waterberg District	Matete Duba
Waterberg District Municipality	Matome Makgoba
Waterberg District Municipality	Betty Molekwa
Zebediela Brick Manufacturers & Clay Mining	Flip le Roux



# Policy framework

## 1 National policies and legislation

### 1.1 The Constitution of the Republic of South Africa

The cornerstone for all legislation and policy-making in South Africa is the Constitution (No 108 of 1996). Chapter 7 of the Act defines the role of local government in its community, and five objectives of local government are outlined in section 152:

- ❖ To provide democratic and accountable government for local communities.
- ❖ To ensure the provision of services to communities in a sustainable manner.
- ❖ To promote social and economic development.
- ❖ To promote a safe and healthy environment.
- ❖ To encourage the involvement of communities and community organisations in the matter of local government.

Furthermore, section 153 stipulates the following developmental duties of all municipalities:

- ❖ A municipality must structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote social and economic development.
- ❖ A municipality must participate in national and provincial development programmes.

#### Key implications for the Mogalakwena Local Municipality

All provinces and municipalities located within South Africa are legally bound to promote social and economic development within its community. This implies that public investment within Mogalakwena Local Municipality should largely focus on developing the municipal area in terms of local economic development and providing for the basic needs of the community.

### 1.2 The New Growth Path for South Africa

The South African Government has determined that a growing consensus exists in that to create decent work, reducing inequality and defeating poverty a new growth path has to be established through the restructuring of the South African economy to improve its performance in terms of labour absorption as well as the composition and rate of growth. The new growth path has been developed to be a new alignment of economic objectives and growth initiatives building on the previous growth initiatives GEAR and AsgiSA which sought to half poverty by 2014 and create economic recovery by raising economic growth to 6%.

The new growth path is based on determining:

- ❖ Where employment opportunity creation is possible, both within economic sectors as conventionally defined and in cross-cutting activities and,
- ❖ Analysis of the policies and institutional developments required to take advantage of these opportunities.

The new growth path further aims to target limited capital and capacity that maximise the creation of decent work opportunities within the context of macro and micro economic policies to create a favourable economic climate and to support the development of labour-absorbing activities.

In order to achieve the new growth path proposed, key tradeoffs have been identified which must be addressed in order to achieve the desired long term future economic development goals. These tradeoffs have been identified as:

- ❖ Between present consumption and future growth, since that requires higher investment and saving in the present,
- ❖ Between the needs of different industries for infrastructure, skills and other interventions,

- ❖ Between policies that promise high benefits but also entails substantial risks, and policies that are less transformative and dynamic but are also less likely to have unintended consequences,
- ❖ Between competitive currency that supports growth in production, employment and exports and a stronger rand that makes imports of capital and consumer goods cheaper and,
- ❖ Between present costs and future benefits of a green economy.

The strategy seeks to introduce changes in the wider economic systems by means of considering changes in the structure of savings, investments and production through constantly pursuing key policies and programmes. In support of the previously mentioned, the focus would be to encourage an effective social dialogue to help establish deliberation and consensus on long term policies, tradeoffs and sacrifices. The approach further focuses on the re-industrialisation on the back of opportunities identified in the growth path. This essentially focuses on the expansion and development of value-adding in the economy to produce final products and not only provide raw materials to international markets. This focuses on deepening the local and regional markets of South Africa as well as to widen the market through diversified products and goods.

In relation to the previous discussion, the strategy has identified main indicators of success. These indicators are listed below as:

- ❖ Jobs (the number and quality of jobs created),
- ❖ Growth (the rate, labour intensity and composition of economic growth),
- ❖ Equity (lower income inequality and poverty) and,
- ❖ Environmental outcomes.

#### **Key Implications for the Mogalakwena Local Municipality**

The LED Strategy for Mogalakwena must focus on sectors which will be able to provide employment on a large scale. In other words, focus should be placed on industries which would be able to provide large amounts of labour/employment. In the same approach, continued focus should also be placed on existing advanced industries crucial to sustained growth. This inevitably means that existing core industries should be encouraged to provide continued growth and development whilst, industries which provide labour intensive jobs or large amounts of jobs should be facilitated to grow to provide a wider base of employment. The LED must also encourage the investment by private and public sectors into proposed economic opportunities to enable the growth in employment-creating activities. The Strategy should further focus production/provision of products and services based on meeting local needs. This would essentially be aimed towards identifying possible regional products which can be exported throughout the South African domestic market, as well as servicing local communities in products necessary to advocate the basic needs to maintain sustainable livelihoods. Lastly the strategy should seek to provide a basis from which local SMME's and entrepreneurs can forge new businesses and opportunities as well as to facilitate the growth and development of skills and knowledge. The existing lack of skills within all sectors of the South African demography poses numerous problems related to growth and employment of persons which would be a necessary focal point of the strategy.

#### **1.3 Medium Term Strategic Framework (MTSF) 2006 to 2009**

The MTSF builds on the successes of democracy, and is a statement which identifying South Africa's development challenges and outlines the medium-term strategy for improvements in the conditions of life of the citizens of South Africa. The aim of the MTSF is focussed on sustaining higher GDP growth, job creation, investment and exports, as well as broadening economic participation and activity through Black Economic Empowerment and enterprise development. The MTSF provides:

- ❖ A translation of the electoral mandate.
- ❖ Priorities for the next 5 years.
- ❖ Focus on economic investment and growth.
- ❖ An expansionary fiscal outlook.

Planning and resource allocation across all the spheres of government should be guided by the MTSF. National and provincial departments in particular will need immediately to develop their five-year strategic plans and budget requirements taking into account the medium-term imperatives. Similarly, informed by the MTSF and their 2006 mandates, municipalities are expected to adapt their IDPs in line with the national medium-term priorities.

The MTSF is informed by the electoral mandate. The national government's mandate underscores the need to create a nation united in diversity, working together to weave the threads that will result in the creation of a democratic, non-racial, non-sexist and prosperous society.

The following objectives are identified:

- ❖ Halve poverty and unemployment by 2014.
- ❖ Ensure a more equitable distribution of the benefits of economic growth and reduce inequality.
- ❖ Improve the nation's health profile and skills base and ensure universal access to basic services.
- ❖ Improve the safety of citizens by reducing incidents of crime and corruption.
- ❖ Build a nation free of all forms of racism, sexism, tribalism and xenophobia.

The priority areas to give effect to the above strategic objectives are:

- ❖ More inclusive economic growth, decent work and sustainable livelihoods.
- ❖ Economic and social infrastructure.
- ❖ Rural development, food security and land reform.
- ❖ Access to quality education.
- ❖ Improved health care.
- ❖ The fight against crime and corruption.
- ❖ Cohesive and sustainable communities.
- ❖ Creation of a better Africa and a better world.
- ❖ Sustainable resource management and use.
- ❖ A developmental state including improvement of public services.

#### **Key implications for the Mogalakwena Local Municipality**

The LED strategy for Mogalakwena Local Municipality should strive to focus on crosscutting issues that will drive the local economy. Economic backlogs in Mogalakwena Local Municipality should be addressed by issues such as, amongst others, technological innovations, access to credit and infrastructure and human resources development. The LED strategy should strive to broaden the participation of local labour in the local economy through encouraging BEE and enterprise development. These elements will contribute to reducing poverty and inequality.

#### **1.4 Integrated Sustainable Rural Development Programme (ISRDP)**

The strategy is about coordinating existing initiatives and programmes to maximise the development of rural communities. Selected additional initiatives, specifically accelerated land reform and community-based income generating programmes, will complement this approach and mechanism. This vision is a radical one in that it envisages transformed rural economies, which move away from subsistence economic activities. Local government is the point of delivery and the implementation of the ISRDP.

The mechanism and the complementary support measures outlined in the ISRDP will ensure the realisation of the vision of the Integrated Sustainable Rural Development Strategy (ISRDS), namely to attain socially cohesive and stable rural communities with viable institutions, sustainable economies and universal access to social amenities, able to attract and retain skilled and knowledgeable people, who equipped to contribute to growth and development. To achieve this vision, the ISRDS proposes that government leads in the consolidation, formulation, implementation, monitoring and evaluation of well coordinated programmes and projects, which will allow for participation of all spheres of government and civil society.

The vision of ISRDP is informed by four elements, which include:

- ❖ **Rural development:** going beyond just the poverty alleviation connotation, but focusing on changing rural environments to create enabling platforms for people to earn more and to invest in themselves and their communities. This emphasises that rural people must be the masters of their own destiny and to survive and improve their own economic packages within their environments.
- ❖ **Sustainability:** sustainability evolves from increased local growth, with people enjoying own gains and maintaining available resources for future development.
- ❖ **Integrated:** this calls for coherent coordination across traditional sectors in all spheres of government. It requires the Municipal five year plan (IDP) to establish coordination and maintain integration at the municipal sphere.
- ❖ **Rural Safety net:** in responding to the continuous crisis facing rural people, social assistance has been extended to all rural people and the ISRDP is also consolidating that effort.

### **Key implications for the Mogalakwena Local Municipality**

The LED strategy for Mogalakwena Local Municipality has to be tailored towards creating an enabling environment for its people. The LED strategy must incorporate the local population, with rural youth women working in developmental projects to increase their income and investments in order to gain ownership of local businesses. This will require coordination and interaction among both public and private organisations in Mogalakwena Local Municipality.

### **1.5 Broad Based Black Economic Empowerment (BBBEE) Strategy**

The South African Government defines BBBEE as “an integrated and coherent socio-economic process that directly contributes to the economic transformation of South Africa and brings about significant increases in the numbers of black people that manage, own and control the country’s economy, as well as a significant decline in income inequalities”. The Strategy is underpinned by four key principles, which indicate that BBBEE is:

- ❖ An inclusive process.
- ❖ Broad-based.
- ❖ Part of the national growth strategy.
- ❖ Associated with good governance.

In addition to this, the Strategy calls for broader access to finance by SMMEs and cooperative enterprises. The Strategy states that companies, closed corporations, co-operatives, sole proprietorships and partnerships, will be assisted to acquire land and buildings, machinery, commercial vehicles and equipment for new projects or the expansion of existing projects related to manufacturing, high value agriculture, agro-processing, aquaculture, agro-processing, biotechnology, tourism, information and communication technology investment.

### **Key Implications for the Mogalakwena Local Municipality**

The Strategy proposes that local development strategies and social programmes be aligned with the BBBEE Strategy to create an environment in which marginalised groups can develop and flourish. The Mogalakwena Local Municipality should furthermore establish a communication vehicle that will provide information regarding available incentives and programmes to these groups. The LED projects identified for Mogalakwena Local Municipality should be geared towards business ownership by previously disadvantaged groups in the municipality. Certain measures are necessary to facilitate this, and skills development needs to be intensified in realising these efforts. The identified LED projects must also refrain from producing social projects without economic gains, and must create an enabling environment that will allow emerging black beneficiaries to develop enterprises and grow their businesses.

### **1.6 Broad Based Black Economic Empowerment (BBBEE) Act**

The aim of the Act is mainly to establish a legislative framework for the promotion of black economic empowerment. This Act was promulgated in order to promote the achievement of the constitutional right to equality, to increase broad-based and effective participation of black people in the economy and promote a higher growth rate, and to increase employment and more equitable income distribution. The Act was further promulgated to establish a national policy on broad-based black economic empowerment so as to promote the economic unity of the nation, protect the common market, and promote equal opportunity and equal access to government services.

The objectives of this Act are to facilitate broad-based black economic empowerment by –

- ❖ Promoting economic transformation in order to enable meaningful participation of black people in the economy.
- ❖ Achieving a substantial change in the racial composition of ownership and management structures and in the skilled occupations of existing and new enterprises.
- ❖ Increasing the extent to which communities, workers, cooperatives and other collective enterprises own and manage existing and new enterprises and increasing their access to economic activities, infrastructure and skills training.
- ❖ Increasing the extent to which black women own and manage existing and new enterprises, and increasing their access to economic activities, infrastructure and skills training.
- ❖ Promoting investment programmes that lead to broad-based and meaningful participation in the economy by black people in order to achieve sustainable development and general prosperity.



- ❖ Empowering rural and local communities by enabling access to economic activities, land, infrastructure, ownership and skills.
- ❖ Promoting access to finance for black economic empowerment.

#### **Key implications for the Mogalakwena Local Municipality**

Every local municipality in the Limpopo Province has to cooperate to facilitate transformation in the Province. Therefore, local plans, strategies and development programmes put in place by the Mogalakwena Local Municipality must be compliant with the BBBEE legislation. This suggests that development projects and public infrastructure investment should focus on the upliftment of the previously disadvantaged community and ultimately increase their participation in the local economy.

### **1.7 National Industrial Policy Framework and Action Plan (NIPF)**

The NIPF sets out government's approach to industrialisation in the context of AsgiSA and its targets of halving unemployment and poverty through accelerated growth. The core objective of the NIPF is to outline government's approach to South Africa's industrialisation route in order to help align both private and public sector development efforts. Although the NIPF aims to improve growth and employment conditions across much of the economy generally, its primary focus is on the relatively low-medium skill intensity industries.

The vision of the NIPF is:

- ❖ To facilitate diversification beyond our current reliance on traditional commodities and non-tradable services.
- ❖ The long-term intensification of South Africa's industrialisation process and movement towards a knowledge economy.
- ❖ The promotion of a more labour-absorbing industrialisation path with a particular emphasis on tradable labour-absorbing goods and services and economic linkages that catalyse employment creation.
- ❖ The promotion of a broader-based industrialisation path characterised by greater levels of participation of historically disadvantaged people and marginalised regions in the mainstream of the industrial economy.
- ❖ Contributing to industrial development on the African continent with a strong emphasis on building its productive capabilities.

#### **Key implications for the Mogalakwena Local Municipality**

Development in the Mogalakwena Local Municipality should be geared towards the diversification of the local economy to better absorb economic shocks. Skills development and transfer is of vital importance, and job creation should be one of the key focus areas in the municipality. Labour-based production methods should receive preference, as this will ensure employment in the local economy and will result in the upliftment of the local community.

### **1.8 New Partnership for Africa's Development (NEPAD)**

NEPAD is a vision and strategic framework for Africa's renewal. The NEPAD strategic framework document arises from a mandate given to the five initiating Heads of State (Algeria, Egypt, Nigeria, Senegal, and South Africa) by the Organisation of African Unity (OAU) to develop an integrated socio-economic development framework for Africa. NEPAD is designed to address the current challenges facing the African continent, and issues such as the escalating poverty levels, underdevelopment and the continued marginalisation of Africa needed a new radical intervention. The primary objectives of NEPAD are as follows:

- ❖ To eradicate poverty.
- ❖ To place African countries, both individually and collectively, on a path of sustainable growth and development.
- ❖ To halt the marginalisation of Africa in the globalisation process and enhance its full beneficial integration into the global economy.
- ❖ To accelerated the empowerment of women.

The NEPAD priorities are to establish the conditions for sustainable development by ensuring:

- ❖ Peace and security.
- ❖ Democracy and good political, economic and corporate governance.
- ❖ Regional co-operation and integration.
- ❖ Capacity building.

### 1.9 National Spatial Development Perspective (NSDP) 2006

The NSDP provides a framework which outlines future developments of the national spatial economy in areas in need of certain economic activities and in areas of severe deprivation. The challenge facing South Africa is rooted in its failure to provide services to all communities. Another challenge is in the economic fraternity where the fruits or gains of the first economy are not shared in the second economy. These challenges have been compounded by the failure of the Constitutional principles of integrating, coordinating and aligning the actions of the three spheres of government.

The purpose of the NSDP is to reconfigure apartheid spatial relations and implement spatial priorities that meet the Constitutional imperative of providing basic services to all and alleviating poverty and inequality. It provides a set of principles and mechanisms for guiding infrastructure investment and development decisions. The NSDP serves as a tool for identifying key areas of tension and/or priority in achieving positive spatial outcomes.

The NSDP, therefore, involves the following:

- ❖ A set of principles and mechanisms for guiding infrastructure investment and developmental decisions.
- ❖ A shared understanding of the national space economy by describing the spatial manifestations of the main social, economic and environmental trends.
- ❖ An interpretation of the spatial realities and the implications for government intervention.

Given the objective to develop the economy, create jobs, address poverty and promote social cohesion, the NSDP assists government in confronting three fundamental planning questions, namely:

- ❖ Where should government direct its investment and development initiatives to ensure sustainable and maximum impact?
- ❖ What kinds of spatial reforms and arrangements are more conducive to the achievement of the objectives of democratic nation building and social and economic inclusion?
- ❖ How can government as a whole capitalise on complementarities and facilitate consistent decision making; and move beyond mere focus on integration and coordination procedures to establishing processes and mechanisms that would bring about strategic coordination, interaction and alignment?

The NSDP is also informed by the following principles:

- ❖ Rapid economic growth that is sustained and inclusive is a prerequisite for the achievement of other policy objectives, amongst which poverty alleviation is key.
- ❖ Government has a constitutional obligation to provide basic services to all citizens, wherever they reside.
- ❖ Beyond the constitutional obligation identified in Principle 2, government spending on fixed investment should be focused on localities of economic growth and/or economic potential in order to gear up private sector investment, stimulate sustainable economic activities and create long-term employment opportunities.
- ❖ Efforts to address past and current inequalities should focus on people, not places.
- ❖ In order to overcome the spatial distortions of apartheid, future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or link the main growth centres.

NSDP has a critical role to play in reconstructing the historical spatial distortions of the past. It is very relevant in surfacing spatial dimensions of social exclusion and inequality in accessing economic and social development projects in communities. This will also accelerate the level of development and contribute to the broader growth and development policy objectives of government.

#### Key implications for the Mogalakwena Local Municipality

Sustainable investment and growth in Mogalakwena Local Municipality can be ensured if the principles of the NSDP are applied. The economic and infrastructural development needs of Mogalakwena Local Municipality have to be aligned within the LED strategy, and sectors of importance such as mining, tourism and agriculture have to be strengthened to ensure progressive economic development. Investment in these areas needs to be coordinated and integrated with the IDP of Mogalakwena Local Municipality, and should form part of the LED programmes identified as part of the LED Strategy.

### 1.10 Regional Industrial Development Strategy (RIDS)

The purpose of RIDS is to respond to issues of spatial differentiation in economic welfare levels. The key challenge is however to support lagging regions while assisting leading regions to capitalise on their inherent strengths and potential. RIDS recognises the dynamics of social transition, as it is natural for people to migrate from poor regions to regions with greater economic opportunities.

RIDS provides a regional targeted development strategy rather than merely an industrial policy framework. It recognises the role played by the service sectors, notably tourism, and therefore does not only focus on the manufacturing industry. RIDS recognises that it is impossible to achieve a spatially uniform distribution of economic activity, and that the best policy is to encourage industrial development at a relatively limited number of locations which are able to develop a competitive edge in regional and international markets. In districts or regions where little economic potential can be identified, public sector investment into social services in the identified regional economies should be increased.

The strategic objectives of RIDS are:

- ❖ Attempt, as far as is possible to reduce economic disparities between regions, address the needs of both the first and the second economies, and narrow the gap between them.
- ❖ Pay particular attention to the needs of those regions which are lagging behind the national norms.
- ❖ Enhance current regional strengths and lead sectors of the economy.
- ❖ Promote sustainable economic growth and employment in provinces and municipalities.
- ❖ Build regional competitive capabilities and firm-level support measures.
- ❖ Enhance regional performance in attracting foreign direct investment.

These objectives will be achieved through:

- ❖ Localised direct support to the SMME sector using technical assistance funds to provide business advisory services, and upgrade overall productive capability, development and training.
- ❖ Advisory services including the maintenance of a database on developments. This is fundamental to success in a system based on value chains. RIDS will be embedded in a system where support is assured throughout the operating cycle in the regional interest.
- ❖ Creating a predictable regional investment and business climate to attract private sector investments that do not rely on public-sector guarantees.
- ❖ To increase production in, and improve competitiveness and diversification of, regional markets, especially in agro-industrial, manufacturing and services sectors with potential for export and employment creation.
- ❖ Organise dialogue between government and the private sector to develop a shared vision of an economic development strategy and remove constraints on private-sector development.
- ❖ Strengthen appropriate infrastructure support to regions through the provision of appropriate finance and improve access to productive support resources.
- ❖ Build effective industrial, trade and productive capacity needed to ensure optimisation of production and product diversification.

#### Key implications for the Mogalakwena Local Municipality

RIDS indicates that the optimal policy for poor regions might well lie in the upgrading of human capital in order to provide their populations with competitive skills to maximise their incomes. Through such action, it is anticipated that quality of life will be improved, based on the leveraging of appropriate talent, resources and innovative capacities in the different regions of the country. The Mogalakwena Local Municipality should maximise the region's comparative advantage and should support the lead sectors of the local economy. Capacity across all sectors should be increased and investment in the local economy should be priority.

### 1.11 Co-operatives Act (No. 14 of 2005)

The Act specifically indicates that government will facilitate targeted support for emerging cooperatives, especially those owned by black people and women. The Act regulates the functioning, purpose and registration procedures of cooperatives within the Republic, and recognises:

- ❖ The co-operative values of self-help, self-reliance, self-responsibility, democracy, equality and social responsibility.
- ❖ That a viable, autonomous, self-reliant and self-sustaining co-operative movement can play a major role in the economic and social development of the Republic of South Africa, in particular by creating employment, generating income, facilitating broad-based black economic empowerment and eradicating poverty.

- ❖ That the South African economy will benefit from increasing the number and variety of viable and sustainable economic enterprises.
- ❖ That government is committed to providing a supportive legal environment to enable co-operatives to develop and flourish.

In order to ensure that international co-operative principles are recognised and implemented in the Republic of South Africa, the Act:

- ❖ Enables co-operatives to register and acquire a legal status separate from their members.
- ❖ Facilitate the provision of targeted support for emerging co-operatives, particularly those owned by women and black people.

#### **Key Implications for the Mogalakwena Local Municipality**

The LED strategy should assist emerging cooperatives in finding a fixed position in business. The strategy and LED projects identified should also be aligned to the provision of the Co-operatives Act, which allows for the registration of cooperatives according to regulatory procedures. In Mogalakwena Local Municipality, this will facilitate a progressive and accelerated system of registration of emerging black farmers, agri-business, micro-enterprises, tourism enterprises, traders and other businesses owned by young black people and women, allowing them to have joint ownership, risk sharing and ultimately to expand.

#### **1.12 White Paper on Agriculture (1995)**

The Paper is aimed at ensuring equitable access to agriculture and the promotion of the contribution of agriculture to the development of all communities, society at large and the national economy, in order to enhance income, food security, employment and quality of life. Farmers have through this policy been assured of equitable access to efficient financial services, as most financial institutions, whether public or private, previously served only part of the agricultural sector. This had a major effect on many emerging farmers, black farmers, small-holders and part-time farmers. The policy recognises that all farmers should be made aware of issues surrounding the sustainable utilisation of the natural agricultural resources. In addition, South Africa's productive agricultural land should be retained for agricultural use.

The policy is based on addressing the following critical agricultural policy goals:

- ❖ Developing a new order of economically viable, market-directed commercial farmers, with the family farm as the basis.
- ❖ The broadening of access to agriculture via land reform should be enhanced by adequate agricultural policy instruments, and supported by means of the provision of appropriate services.
- ❖ Financial systems should focus on the resource-poor and beginner farmers, enabling them to purchase land and agricultural inputs.
- ❖ Trade in and the marketing of agricultural products should reflect market tendencies.
- ❖ Agricultural production should be based on the sustainable use of the natural agricultural and water resources available.

A critical premise of the policy is to direct efforts customised to promote, facilitate and support institutional development and to enhance the capacity of farm workers, farmers and other rural dwellers at local, provincial and national level and to ensure that they have a say in the formulation of policy that affects them.

#### **Key implications for the Mogalakwena Local Municipality**

The LED Strategy for Mogalakwena Local Municipality should support and encourage existing and emerging farmers and agricultural activities and agri-businesses in the area. Agricultural activities in the region are responsible for a large number of jobs and contribute immensely to the local economy, and should therefore be supported and invested in. The acceleration of land claims to ensure the speedy completion of this process should also be advocated by the LED Strategy.

#### **1.13 Land Redistribution for Agricultural Development (LRAD)**

Land reform in South Africa encompasses three primary segments, namely land restitution, tenure reform and land redistribution. The redistribution segment has different components which include:

- ❖ **Agricultural Development:** to make land available to people for agricultural purposes.
- ❖ **Settlement:** to provide people land for settlement purposes.

- ❖ **Non-agricultural enterprises:** to provide people land for non-agricultural enterprises, for example eco-tourism projects.

LRAD has two distinct parts. Firstly, LRAD deals with the transfer of agricultural land to specific individuals or groups. Secondly, LRAD deals with commonage projects, which aim to improve people with access to municipal and tribal land, primarily for grazing purposes.

The strategic objectives of the sub-programmes include:

- ❖ Contributing to the redistribution of 30% of the country's agricultural land over 15 years.
- ❖ Improving nutrition and incomes of the rural poor who want to farm on any scale.
- ❖ De-congesting over-crowded former homeland areas.
- ❖ Expanding opportunities for women and young people who stay in rural areas.

#### **Key implications for the Mogalakwena Local Municipality**

The agricultural sector in Mogalakwena Local Municipality is dominated by private land where the focus is on the production of high grade cotton, lucerne, grapes, wine, soft fruits, grains, stock, wool and mutton. In order to expand farming enterprises, land is required. Therefore, the LED for Mogalakwena Local Municipality needs to advocate the increased transfer of land to specific individuals or groups.

#### **1.14 Small Enterprise Development Agency (SEDA)**

SEDA is an agency aimed at supporting small business across South Africa, and is the government's initiative to provide small businesses with their rightful place in the economy. SEDA is based on the structural changes that have taken place in South African economy and internationally. Small businesses have been noted as critical component of government's strategy towards creating an economy for all South Africans. SEDA's critical task involves the support and promotion of co-operative enterprises, with bulk of the focus on those located in rural areas. The mandate of SEDA is executed in line with the Department of Trade and Industry's Integrated Small Enterprise Development Strategy and aims to:

- ❖ Strengthen support SMME's access to finance.
- ❖ Create an enabling regulatory environment.
- ❖ Expand market opportunities for specific categories of small enterprises.
- ❖ Localise small business support through a grid of SEDA-coordinated information and advice access points.
- ❖ Initiate a national entrepreneurship drive and expand education and training for small businesses.
- ❖ Co-fund minimum business infrastructure facilities in the Local Authority areas across the country.

#### **Key Implications for the Mogalakwena Local Municipality**

The LED strategy for Mogalakwena Local Municipality should be informed by the proposal of progressive, viable and organised micro-enterprises. These micro-enterprises have to be engaged in a sound regulatory framework that effectively governs business undertaking. This will assist small businesses such as game farming, or livestock farming, manufacturing and tourism enterprises to gain access to credit and loans. The Mogalakwena Local Municipality LED Strategy will need to include proposals for the establishment of enterprise groupings (such as co-operatives), SMME business centres to facilitate skills development and support small

#### **1.15 Municipal Systems Act (No. 32 of 2000)**

The Municipal Systems Act sets out a framework to guide a municipality's performance through the development of a performance management system. Performance management seeks to ensure that local government strategy and policy deliver concrete results. It measures the outcomes, behaviours and activities of an organisation, its departments and staff, which contribute to the achievement of the strategic vision of the organisation. It is a multi-level process comprising council-wide, departmental and individual performance. The aim of the Act is, amongst other factors, to:

- ❖ Provide for the core principles, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities.
- ❖ Provide for community participation.
- ❖ Establish a simple and enabling framework for the core processes of planning, performance management, resource mobilisation and organisational change which underpin the notion of developmental local government.



- ❖ Provide a framework for local public administration and human resource development.
- ❖ Empower the poor and ensure that municipalities put in place service tariffs and credit control policies that take their needs into account by providing a framework for the provision of services, service delivery agreements and municipal service districts.

According to section 4(2), the council of a municipality, within the municipality's financial and administrative capacity and having regard to practical considerations, has the duty to:

- ❖ Exercise the municipality's executive and legislative authority and use the resources of the municipality in the best interests of the local community.
- ❖ Encourage the involvement of the local community.
- ❖ Strive to ensure that municipal services are provided to the local community in a financially and environmentally sustainable manner.
- ❖ Promote and undertake development in the municipality.
- ❖ Promote a safe and healthy environment in the municipality.

### **The key implications for the Mogalakwena Local Municipality**

According to the Municipal Systems Act, all local municipalities are legally bound to fulfil its duties and produce an IDP document and accordingly a LED strategy to encourage development in their community. In addition to this, the Act outlines the duty of the Mogalakwena Local Municipality to provide services to its area of jurisdiction. The Mogalakwena Local Municipality must furthermore operate in a manner that satisfies the conditions set out by the Act.

### **1.16 National Framework for Local Economic Development (NFLED)**

The NFLED aims to serve as a guide that seeks to ensure an understanding of LED, and has put forward a strategic implementation approach that municipalities, provinces, national government, state-owned enterprises and communities can follow to improve local economic development. The NFLED seeks to mobilise local people and local resources in an effort to fight poverty. This framework also seeks to guide the implementation of the LED Key Performance Indicator of the 5-year Local Government Strategic Agenda.

The focus of the NFLED is upon:

- ❖ Improving competitiveness of the 52 District and Metropolitan municipal regions in South Africa by providing an approach to developing local economies with the participation of all relevant stakeholders.
- ❖ Rendering economic growth compatible with social equity and safeguarding the environment.
- ❖ What the state can do to support and reward citizens who organise locally and operate in local level partnerships to engage in greater economic activity, spreading economic activity in an even manner.
- ❖ How the state can be a platform to facilitate the inclusion of all to participate in the economy.

Flowing from the evolving practice of LED and the South African national context, there are ten principles identified that guide this framework. These are:

- ❖ Through a developmental approach, Government has a decisive and unapologetic role to play in shaping the economic destiny of our country.
- ❖ Creating an environment in which the overall economic and social conditions of the locality are conducive to the creation of employment opportunities is the responsibility of Local Government.
- ❖ LED is an outcome of actions and interventions resulting from local good governance and the constant improvement and integration of national priorities and programs in local spaces.
- ❖ Inward investment from the state or private sector will only be effective where the potential and competitive advantages of each area are known and exploited.
- ❖ Promoting robust and inclusive local economies requires the concerted, coordinated action of all spheres and sectors of government centred on the application and localisation of the principles espoused in the NSDP.
- ❖ Locally owned appropriate solutions and strategies must emerge to support national frameworks in both rural and urban local spaces and should promote sustainable development and sustainable human settlements.
- ❖ South Africa competes in a global and increasingly integrated world economy whose threats must be minimised and whose opportunities must be exploited.
- ❖ Private companies, including social enterprises and cooperatives, form the heart of the economy and have a crucial role to play as partnerships with public and community role players that will ultimately stimulate robust and inclusive local economies.

- ❖ People are the single greatest resource and including all citizens in development and increasing their skills leads to increased opportunities for stimulating local economies.
- ❖ Local initiative, energy, creativity, assertive leadership and skills will ultimately unlock the latent potential in local economies and will shape local spaces.

**Objectives of the framework:**

- ❖ To shift towards a more strategic approach to the development of local economies and overcome challenges and failures in respect of instances where municipalities themselves try to manage litany of non-viable projects or start-ups.
- ❖ To support local economies in realising their optimal potentials and making local communities active participants in the economy of the country.
- ❖ To elevate the importance and centrality of effectively functioning local economies in growing the national economy.
- ❖ To wage the national fight against poverty more effectively through local level debates, strategies and actions.
- ❖ To improve community access to economic initiatives, support programmes and information.
- ❖ To improve the coordination of economic development planning and implementation across government and between government and non-governmental actors.
- ❖ To build greater awareness about the importance and role of localities and regions which globally are playing an increasingly significant role as points of investment facilitated by supportive national policies.

**Key implications for the Mogalakwena Local Municipality**

According to the NFLED, the Mogalakwena Local Municipality should provide leadership and direction in LED policy-making; administer policy, programmes and projects and be the main initiator of economic development programmes through public spending, regulatory powers and their promotion of industrial- and small business development, social enterprises and co-operatives.

**1.17 Tourism Growth Strategy (TGS)**

The TGS provides a three year plan (2008-2010) to boost South Africa's competitiveness in the global tourism- and travel market. The tourism industry aims to contribute significantly to AsgiSA's growth target through increasing global competitiveness. There are, however, some key challenges which include the following:

- ❖ Transformation of the tourism industry through increased participation of the previously disadvantaged community.
- ❖ Increased distribution of the industry through promoting less traditional tourism routes and activities.
- ❖ Creating an industry that is sustainable.

In order to address these challenges, the TGS stresses the need for South Africa to identify and pursue opportunities in the international, domestic and business tourism market, while simultaneously developing its existing market.

**Key implications for the Mogalakwena Local Municipality**

Mogalakwena Local Municipality has tremendous potential for tourism, and needs to develop and expand the existing tourism market in a way that promotes transformation, distribution and sustainability in the industry. This suggests that a local tourism strategy is essential for boosting and guiding economic development in the area.

**2. Provincial Policies and Legislation**

**2.1 Limpopo Employment, Growth and Development Plan 2009 – 2014 (LEGDP)**

The Limpopo Employment, Growth and Development Plan 2009 – 2014 (LEGDP) is based on the previous Limpopo Growth and Development Strategy of 2004. The LEGDP has been designed to provide an enabling framework through which provincial government would be able to develop a new growth path for the province which would seek to tackle the deep seeded issues of the province and to effectively and efficiently provide decent work and sustainable livelihoods which would in the end product achieve the goal of halving unemployment by 2014.

The LEGDP seeks to create opportunities for the structural change within the provinces within identified critical areas of the provinces economy. The document strives to provide a strategic base from which key decisions can be made in relation to the Medium Terms Strategic Framework (MTSF). The strategy further functions as a baseline construction tool for long term strategic future aspirations of the province. The strategy functions as a short term implementation tool for the longer term 2030 Provincial Growth and Development Strategy and the Limpopo Vision 2030 goals and objectives. Essentially the LEGDP is an alignment between National and Provincial Strategies which will in essence influence district and local levels by providing a unified approach in relation to national growth principles and objectives.

Provincial government has contextualised 10 priority areas which informs the strategic intent and objectives of the LEGDP. These objectives are:

- ❖ Ensuring more inclusive economic growth, decent work and sustainable livelihoods,
- ❖ Economic and social infrastructure,
- ❖ Rural development, food security and land reform,
- ❖ Access to quality education,
- ❖ Improved health care,
- ❖ Fighting crime and corruption,
- ❖ Cohesive and sustainable communities,
- ❖ Creation of a better Africa and a better world,
- ❖ Sustainable resource management and use, and
- ❖ A developmental state including improvement of public services.

Of the above mentioned government has selected five priorities which will form the priority areas over the next five years. These priorities are:

- ❖ Creation of decent work and sustainable livelihoods,
- ❖ Education,
- ❖ Health,
- ❖ Rural development, food security and land reform, and
- ❖ The fight against crime and corruption.

In order to achieve the above mentioned five priorities, government seeks to integrate and create bi-lateral plans and strategies which will tackle these priorities in a combined and integrated manner to achieve a supportive structure for sustainable implementation. One of the main drives for this strategy is to utilise the economic achievements of the province over the last 15 years as ground work to promote and accelerate economic growth and development, as well as the integration and collaboration between economic and social programmes which would be structured to support each other to promote economic sustainability. The selected priorities have been specifically selected to target the needs of the youth, woman, workers, the rural poor, the elderly and people with disabilities.

The LEGDP has highlighted key action programmes which will specifically function as the main directives to achieve the goals and objectives of the 5 priority areas for the province. The action programmes have been structured by reviewing the proposed programme, providing oversight into the key strategic challenges and lastly provides the key strategic interventions for each programme. These action programmes are reviewed below and are listed as:

#### **Industrial Development Programme: Priority Growth Sectors:**

- ❖ This section proposes the development of an Industrial Development Master Plan for the Limpopo Province which will seek to provide a number of high impact sectoral portfolios and initiatives. The initiatives will also seek to design strategic programmes and targets which would effectively align the various policies, plans and interventions relevant to this project. the plan will also seek to identify the challenges specifically associated with the industrial sector. The industrial plan will also be a vehicle that:
  - Enables industries to be competitive, innovative and diversified into value-added products,
  - Contributes significantly to the province GVA, balance of payments and can attract fixed direct investment,
  - Generates higher labour incomes and raises the living standards of the general population, thereby contributing significantly to eradicating poverty,
  - Produces goods encompassing increasingly higher value-added activities to complement its natural geographical advantages whilst balancing a more-labour absorption industrialisation pathway, and

- Has an extensive linkage with the rest of the domestic economy.

#### **Mining and Minerals Beneficiation Industries:**

- ❖ The programme proposes the diversification of the mining and minerals sector into not just a resource based industry, but through value-addition and a conducive environment, knowledge based industry by the year 2030.

#### **Enterprise Development: SMME's and Cooperatives Development Programme:**

- ❖ The programme seeks to transform the economy of the province through the promotion and development of the SMME sector. The SMME sector must be enabled to contribute and benefit from sustained economic growth to become more competitive, profitable, and create more sustainable employment opportunities. The principles on which this concept will hinge are:
  - The Limpopo Provincial Government provides oversight and leadership in the development of the SMME sector in the province, liaising with key national government departments and agencies, as well as with all district and local municipalities,
  - SMME development services enhance the potential for economic transformation in the province, removing the dualism that is currently found in the economy and practically supporting opportunities for broad-based black economic empowerment,
  - All SMME development services are carefully targeted, demand orientated, responsive and integrated,
  - Wherever possible, all actors engaged in the SMME sector – public, private and community, as well as national, provincial and local agencies, and the SMME sector itself (as represented by business membership organisations) – work together to ensure their actions are complementary and coordinated,
  - Provincial SMME development pays special attention to the constraints and challenges facing woman, young people, people with disabilities, and enterprises operating in previously disadvantaged areas in the province, and
  - New methods and instruments are developed to promote SMME development in the province, including the use of pilot and flagship projects, which test new approaches to SMME incubation, innovation and development.

#### **Regional Economic Development and Integration Programme:**

- ❖ The programme is used as an instrument to address the functioning of the economy. This is done to provide access to all regions to the economy by focussing on infrastructure interventions to capacitate regions to the full economic potential they poses in terms of market access and resources. This programme seeks to:
  - Attempt, as far possible to reduce economic disparities between regions, address the needs of both the first and the second economies, and narrow the gap between them,
  - Pay particular attention to the needs of those regions which are largely bypassed by national and provincial developments,
  - Enhance current regional strengths and lead sectors of the economy,
  - Promote sustainable economic growth and employment in the DM's,
  - Build regional competitive capabilities and firm-level support measures, and
  - Enhance regional performance in attracting foreign direct investment.

#### **Public Infrastructure Investment Programme:**

- ❖ This programme is aimed at the provision of physical, social and economic infrastructure within the socio-economic realms of the province. The core aspects associated with this are:
  - Bulk infrastructure (Sewer, water and sanitation, electricity and communication)
  - Social infrastructure such as housing, schools and hospitals, and
  - Economic infrastructure such as freight and logistics.

#### **Water Resource Development and Demand Management:**

- ❖ The programme seeks to enhance the delivery as well as the continued sustainable usage of water to local communities and water reliant industries. The province has numerous problems associated with the provision of engineers to successfully maintain the water supply and management of the province. The programme will focus on building up water sources, providing clean water, providing clean water to the communities of the province, maintaining water infrastructure and management of water sources.

**Agriculture and Rural Development Programme:**

- ❖ The programme is based on the promotion and expansion of the agricultural sector of the province, focussing on primary agricultural producers and promoting emerging up-coming farmers. The programme further seeks to promote international and national distribution of products as well as the sustainable management of resources. The programme lastly seeks to provide guidance in terms of food scarcity within the province and rural communities.

**Education and Skills Development Programme:**

- ❖ The programme directly seeks to provide education and skills training to individuals in order to grow the skills base of the province and the country as such to encourage economic growth as a whole. The programme looks towards the development and expansion of the reach of Sector Education and Training Agencies, the University of Limpopo and Venda and the skills related training provided by the local mining institutions. The focus will be to enable the local communities to be able to use and employ the skills and educational qualities learnt into sustainable jobs or enterprises.

**Health Care Development Programme:**

- ❖ The programme focuses on the upgrading and effective provision of health services within the province. This relates to the provision of medicines to all communities, the quality of health care provided, the employment of more health care practitioners, and the effective curing of diseases such as TB.

**Safety and Security:**

- ❖ The programme looks into the provision of safe and secure environments within which local communities can function. The plan looks into community safety forums and street committees, rural safety, violence and crimes against woman and children and border management to name a few.

**Environmental and Natural Resources Development Programme:**

- ❖ The programme directly focuses on management of environmental and natural resources such as national parks, wildlife and fauna and flora. The programme considers key aspects related to global warming and climate change initiatives, green job creation and the enforcement of environmental legislation and policies.

**The Green Economy and Creation of Green Jobs:**

- ❖ The programme is in line with global directions aimed towards environmentally lower impacts created by urban centres and people based on their footprint. The green economy is placed in context within the agricultural, manufacturing construction, installation, and maintenance, as well as scientific and technical, administrative and service related activities which can be utilised to restore and manage sustainable environmental assets and quality.

**Corporate Governance:**

- ❖ The programme is based on enforcing the Code of Governance Principles within the Limpopo Province. The province has identified challenges within the governmental structures that requires solutions to promote a coherent and integrity based government structure. The challenges identified are:
  - Risk management,
  - Audit committees,
  - Internal audit,
  - Internal financial controls and financial management capabilities, and
  - Conflicts of interest.

**ICT and Innovation Enabled Industries:**

- ❖ The strategy focuses its ICT interventions towards the achievement of broad-based development goals in diverse communities in key areas including health, education, economic opportunity, empowerment, participation and environment. It adopts a holistic and multi-dimensional approach to strengthen synergies between the components of the development dynamic, leverage spill-over effects, and directly addresses rural development imperatives by aligning interventions in a number of strategic areas.



**Key Implications for the Mogalakwena Local Municipality**

The LED must take consideration of the five priorities that have been selected for the provincial priority list over the next 5 years. These specifically focus on the development of employment opportunities, skills transfer and training and economic growth and diversification. In light of this, the LED must focus on the expansion and diversification of the economy through the continued growth of existing economic activities such as agriculture, mining and tourism. In conjunction to the previous statement, the development of SMME's in the municipality would also have to be a focal point, along with the necessary skills transfer and training opportunities to local communities. The LED would also need to take into consideration regional and national linkages with other economies and the strengthening of these linkages to promote agglomeration.

**2.2 Status of Co-Operatives in Limpopo, 2007**

The Status of Co-Operatives in the Limpopo Province is a study done by the Limpopo Provinces Department of Economic Development, Environment and Tourism to assess the growth and development of co-operatives within the province as well as to determine the constraints, challenges and issues related to these co-operatives to determine possible ways forward and solutions to the problems faced by these communities.

The project was based on a number of objectives which would provide the most sound information and directives in conjunction to co-operatives in the province. These objectives are:

- ❖ Assess the economic impact of co-operatives within the province,
- ❖ Determine the level of success amongst co-operatives within the province,
- ❖ Ascertain if there has been any significant growth or decline in the number of co-operatives within the province,
- ❖ Establish if the government can play a role in the proliferation of co-operatives as drivers of growth within the province,
- ❖ Based on the evaluation, make recommendations emanating from the findings of the study.

Co-operatives are used as a tool within the South African economy to provide equitable redistribution of wealth within a local community. In the Limpopo province co-operatives has shown a significant growth over the past 5 years from which co-operatives have grown from 9 to 93. The increases have been predominantly located within the rural areas, providing a basis from which to launch rural development objectives. The study showed that co-operatives within the province have a tendency to be non-sustainable in terms of jobs, the study also showed that, many of the co-operatives are not run in accordance to business structures which in turn showed that many of the co-operative members earn low income salaries. Co-operatives who had reasonable education would also do better than its counterparts who didn't have such a background. The members of co-operatives showed limited skills or knowledge in the adequate production and marketing of the business and so electively are struggling. Training structure are showed to be generic in nature not providing sector specific training and skills development, as well as insufficient mentorship, which are causing co-operatives to have limited capacity and capabilities.

The study has effectively drawn the following conclusions in terms of the status and impacts created by co-operatives in the Limpopo Province. These conclusions are as follow:

- ❖ There is no significant impact on the standard of living of the people since some co-operatives do not pay salaries. Where they do, the salaries paid are very low,
- ❖ There is confusion in the manner in which monitoring and evaluation is being conducted. Though mentoring has been identified as one of the mechanisms used to support co-operatives, the extent to which it is used is very minimal,
- ❖ Training for the co-operative members is inadequate as it does not cover some of the most salient facets for running a successful enterprise.

The study has identified that if mentorship and proper capacity building is done, co-operatives will be able drive economic growth within the province into the future. The research showed that no stable or sustainable co-operative has lasted longer than 10 years in the province. On the basis of the previously mentioned, the report had made recommendations to enable the growth and development of co-operatives. These recommendations are:

- ❖ All above projects should be continued,
- ❖ There should be proper media coverage over the success stories of co-operatives,

- ❖ Co-operatives should be run on pure and clear business principles to ensure that idealism and reality do not become intertwined,
- ❖ There should be a clear definition of roles in the co-operative. There should also be one agency responsible for monitoring and evaluation. Monitoring and evaluation should be done in a more systematic and organised manner,
- ❖ There should be an improvement of communication channels in the co-operative sector,
- ❖ Annual auditing of co-operatives should become compulsory,
- ❖ Government departments must include co-operatives in their tender procedures,
- ❖ There is a need for intensive education amongst the unemployed youth over the merits of being involved in co-operatives as business ventures,
- ❖ The private sector must be involved, for instance co-operatives that are in the financial sector can be linked with banks and those who are in the mining industry can be linked to established mining concerns,
- ❖ Co-operative members must be coached on the implementation of the business plans. The sector can use co-operative members from successful co-operatives for this purpose. This can also help in the building of co-operative unity,
- ❖ Co-operative members must be trained according to the specific needs of the industry. Members of co-operatives must not be grouped in one class because some of the literature might be relevant to certain production categories and marketing norms and yet irrelevant for other categories,
- ❖ Co-operative members must be trained according to their job criteria. They should not be expected to go through all the training modules. Those who are production managers must be trained on production skills, those who are marketing managers on marketing, financial managers of finance, administrator on administration and secretarial course,
- ❖ The co-operatives that are successful and have achieved economic sustainability must be used as classical success stories to other co-operatives,
- ❖ Business plans prepared for co-operatives are often grossly inadequate and should be critically revised and evaluated, and
- ❖ Production and marketing strategies must be developed before the project(s) commence(s).

#### **Key Implications for the Mogalakwena Local Municipality**

The LED must focus on the promotion and development of co-operatives within the various sectors of agriculture, mining and tourism. The LED must seek to provide clear and concise training and mentorship to identified and new co-operatives, as well as guidance in terms of marketing for regional and inter-regional distribution. The LED must also seek to enable the creation of business plans which provide a strong base and clear definition and directive for the business.

#### **2.3 The Impact of Government Procurement on Enterprises, 2007**

The impact of government procurement on enterprises study was done to determine whether historically disadvantaged individuals (HDI's) and small, medium and micro enterprises (SMME's) are benefitting from government procurement. The study also focussed on the challenges faced by these target groups in procuring government and sector specific opportunities. The objectives of the project research are:

- ❖ To ascertain if SMME's and HDI are benefitting from government procurement,
- ❖ To establish the impact, effectiveness and efficiency of procurement policy on HDI and SMME's,
- ❖ To establish sector specific opportunities on HDI and SMME procurement, and
- ❖ To establish if there is a link between HDI and SMME procurement and job creation.

The study revealed that HDI companies are benefitting largely by government procurement, showing that on average 65% of contracts and 81% of contract values are procured by HDI's. The research also showed that in certain sectors, non-HDI businesses were also benefitting from procurement. This inevitably indicated that departments were not completely complying with the Preferential Procurement Policy Framework Act (PPPF) in terms of points awarded for SMME promotion and in addition, treasury departments could not quantifiably show the extent to which SMME's are benefitting from procurement.

In contrast to the previous findings it was determined that HDI owned SMME's which have SMME status do not benefit from high value tenders as the HDI's previously mentioned do. The dominant challenge that had been identified by the report showed that HDI owned SMME's have significant problems when trying to access working capital to be able to initiate projects. This ultimately meant that contracts are awarded to bigger companies. The limited access to working capital to SMME's have created a questionable view of the effectiveness of the Procurement Policy for SMME's.

HDI's and SMME's are also further hampered by the limited or uncoordinated access to procurement support services. The report has determined that a lack of coordination exists between service providers and government departments which limits the essential tender support services to SMME's in relation to government tenders. Government departments have also been determined to be inefficient in terms of payments to SMME's and HDI's rendering services to government, as well as ill formed terms of references leading to resource wastage. The end result is a negative impact on the cash flow of the business which may have detrimental effects on the future operations of the business.

#### **Key Implications for the Mogalakwena Local Municipality**

The Mogalakwena LED should seek to provide an enabling environment through which SMME's and HDI's can access tenders from government departments. The LED should seek to create a electronic supplier database through which SMME's are contracted. The SMME's cited on the databases should also be selected based on merit and not rotation to ensure that a competitive nature is fostered between competing businesses. Tender monitoring should further be engaged to improve the economic benefit realisation from tenders. A form which scores the developmental goals of the tenders should be designed which would analyse the socio-economic impacts and outcomes proposed in tenders. The LED should also seek to enhance the access to working capital for SMME's and HDI's to promote the sustainability of projects and the efficient implementation thereof. Lastly, the LED must also seek to enhance the linkages between government departments and service providers to allow SMME's access to knowledge and assistance with projects and procurement.

### **2.4 The Status of Rural Trade in Limpopo, 2007.**

The Status of Rural Trade in Limpopo report was done to determine what the current status of rural trade is within the Limpopo Province from the perspectives of sustainability and viability. The study looked into determining the key challenges faced by rural SMME traders based on the adequacy of service provision, sustainability of prices charged, types of goods sold, service provided and whether businesses in the rural setting were benefitting from government initiated support services. The objectives for the have been determined as:

- ❖ To ascertain the challenges being faced by SMME's in the rural setting,
- ❖ To find out why rural consumers are choosing to shop in urban areas,
- ❖ To find out the level of service provision offered by SMME's in rural areas,
- ❖ To ascertain the impact of non-locals taking up business within the rural environment,
- ❖ To find out the level and composition of competition faced by SMME's in rural areas,
- ❖ To find out the products being sold, and prices being charged are sustainable in rural environments, and
- ❖ To find out if SMME's are benefitting from government support services, with a bias towards non-financial services aimed at enhancing business sustainability.

The report indicated that rural inhabitants classify themselves as urban shoppers and also predominantly choose to travel to urban centres to do shopping for basic goods and services. The preference to travel to urban centres for shopping purposes has been based on the perception of rural inhabitants that products and services in urban centres are of a better quality and have lower prices.

Rural inhabitants also travelled to urban centres to be able to gain access to clothing stores and supermarkets, which are not readily available within the rural areas or do not provide the expansive services the larger chain stores can. The influence of media and marketing of stores also play a large role in the sequential preference of urban stores above those located in rural areas. Local rural consumers, according to the findings of the report indicated that, prefer to purchase goods from Asian-owned businesses and not locally owned businesses (which are in the majority). The reason for this is based on the perception that goods sold from Asian-owned businesses are lower in price, and consequently, price sensitive rural inhabitants would prefer these businesses to local owned businesses.

The major challenges facing local rural businesses, as determined in the report, are:

- ❖ Lack of access to financial and non-financial services, and
- ❖ Lack of business skills and the inability to creatively deal with local as well as urban based competition.

The report identified that the majority of businesses in rural areas are operated as sole proprietorships and was not able to access financial and non-financial services. The failure to attain these services provided by government and service providers have been attached to limited awareness of the opportunities provided by these entities as well as not being registered as a business entity. Based on these, most local rural businesses have succumbed to competitors.

#### **Key Implications for the Mogalakwena Local Municipality**

The Mogalakwena LED should identify urban rural nodes (such as the ones identified within the SDF) through which support structure should be developed which would enable growth of the existing rural businesses in the area. The support structure should also encourage the growth and development of new businesses which can create a inter-linked value chain of good products and services. Campaigning to register businesses and enable accessing of funds must be marketed to inform local rural businesses of the possible opportunities and services at their disposal. Skills development such as marketing and basic business skills should also be a focus to encourage the effective management of the business.

### **2.5 The Limpopo SMME Strategy**

The Limpopo SMME Strategy evolves from the efforts by the Limpopo Department of Economic Development, Environment and Tourism to resurrect economic growth, by supporting the development of a small business driven economy. The Strategy was conceived by the Province, essentially to create a strong equilibrium between the startling unemployment rate and the growing provincial economy. The SMME strategy seeks to address obstacles to economic intensification by reducing poverty, creating employment opportunities at a larger scale and enhancing quality of life for all. The Strategy holds strong that SMME's are the impetus for economic growth as they directly generate income for community members and reduce poverty at a larger scale. The Strategy was informed by the research project that detected and identified major challenges facing SMME in Limpopo province and feasible solutions to conquer them. The main purpose of the SMME strategy is to create an enabling framework in the business environment to reach the following economic goals:

- ❖ To increase the contribution of small business towards the economic growth of the Province and to reduce the poverty levels;
- ❖ To increase the impact on job creation and reduction of poverty levels in the Province;
- ❖ To ensure that the Province's growing economy proportionally contribute to the GDP; and
- ❖ To ensure that there is effective and efficient co-ordination and integration of SMME programmes in the Province.

The Strategy has also identified ways to overcome the challenges as identified in the previous strategies. The current framework strives to enhance the impact of small businesses on the socio-economic crisis facing South Africa. The Strategy focuses on:

- ❖ The need to have business development information. This set of strategies is critical in assisting development planning and the monitoring and review of the impact of small business development support services.
- ❖ The need to integrate business development support strategies in order to streamline activities and maximize the impact and resources allocated to small business development.
- ❖ To overcome the challenges of unemployment, there is a need to improve the competitiveness of small business, which will then ensure sustainability and increase profitability of small businesses. This will include tailor made capacity building programmes.
- ❖ There is also a need to increase access to local and international markets, as well as business linkages within small business.
- ❖ The issue of lack of or inadequate funding resources is also dealt with as the research has proven that the available funding programmes don't respond to the needs of the different categories of SMMEs. Small business promotion is the last strategy to be dealt with, which also emphasizes the role of the formal education system in assisting to educate and create awareness on small business development.
- ❖ The institutional framework will seek to define the role of the different government institutions in small business development.
- ❖ The Strategy will be reviewed mid-term in order to gauge the impact it will have on society and specifically to the business community.

It is a geographical reality that Limpopo Province is well positioned in the international markets and particularly close to the South African borders with other major African countries. The economic

activities of Limpopo Province are integral to the Southern African Development Community (SADC) and the New Partnership for African Development (NEPAD) initiatives. Limpopo Province is located in the northern-most part of the Republic of South Africa and has a conducive competitive advantage to trade economically with SADC countries. The Limpopo Provincial government has already implemented programmes to generate economic growth. The Provincial Spatial Development Initiative (SDI's) aim to unlock the potential of four developed corridors by attracting investments for various projects. Polokwane International Airport is in a better position to facilitate movement of goods and services to and from SADC region and Africa. Taking advantage of all these factors should assist developing and initiating trade for SMME programmes in the Province.

The expansion of trade to international players will necessarily not only boost economic growth in the Province, but will go beyond and also empower SMME's and other business ventures in SADC countries. The government procurement policy has positioned itself to realize its mandate of affording the local communities opportunities to access resources that will enable them to participate and contribute significantly to economic growth of the Province and SADC region. In addition and most importantly, supply chain management makes provision for the SMMEs to render a variety of expertise in economic growth, either in Agriculture, Manufacturing, Tourism, Mining, Construction, etc. In order to ensure that the SMMEs involvement in the procurement process yields positive results, local communities need to be well informed about the process. Through proper co-ordination, the Department should ensure effective monitoring of the impact of the procurement process and how the process benefits the Black Economic Empowerment (BEE) initiatives. Taking into account the levels of literacy and inability to access information by the majority of rural communities in Limpopo Province, the government is compelled to monitor procurement related issues, such as ensuring that the targeted groups are benefiting from the process and ensuring the establishment of sustainable SMME's, whilst facilitating an information dissemination mechanism on procurement policy.

The implementation of the SMME Strategy is tailored towards reducing poverty, creating employment opportunities, reducing dependency, improving quality of life for all etc. All these objectives are benchmarks against which the success of the Strategy will be evaluated. The Strategy also takes cognisance of the fact that the implementation process is not a static process and must not be pursued in a vacuum. Most critically, the environmental factors around which the SMME programmes are implemented often change in response to social, economic, political and cultural changes taking place. The Strategy review process should then take due cognisance of all environmental factors that may impact negatively on the successful implementation of SMME activities and should focus on the planning, implementation, monitoring and evaluation of the proposed and prioritised SMME activities from all stakeholders.

#### **Key Implications for Mogalakwena Local Municipality**

In developing the LED Strategy, Mogalakwena Municipality must take note of the importance of SMME's in reducing poverty in the locality. Therefore, the availability of relevant business information and support in Mogalakwena Municipality should urgently be addressed, together with education and skills development. Particular focus should be placed on providing local business with the skills to write business plans and proposals for funding, as well as other skills related to managing a small business. Furthermore, issues related to access to funding needs a concerted effort. The Mogalakwena Municipality LED Strategy also needs to advocate the improved competitiveness of small businesses in the Municipality, particularly in the Agricultural and Tourism sectors, which are currently predominating. The LED Strategy must also emphasize the importance of small business agglomeration or clusters in order to enhance competitiveness in trade and to boost the economy of the locality.

#### **2.6 Limpopo Co-operatives Strategy**

The Limpopo Co-operatives Strategy is one of the government approaches and plan to promote economic development based on the provincial agenda to implement this. The strategy focuses on the establishment of co-operatives within the province as a mechanism as part of enterprise development to address issues related poverty and unemployment. The purpose and objectives of the strategy has been based on objectives within the Co-operatives Act No.14 of 2005 and has been formulated to be in line with these objectives. The objectives can be listed as:

- ❖ Create an enabling environment for establishment, development, sustenance and profitability of co-operatives in all sectors,
- ❖ Encourage persons and groups who subscribe to values of self-reliance and self-help, and who choose to work together in democratically controlled enterprises, to register co-operatives,



- ❖ Promote equity and greater participation by black persons, especially those in the rural areas of the province, woman, persons with disabilities and youth in the formation of, and management of, co-operatives,
- ❖ Outline institutional arrangements, and the implementation plan of the province,
- ❖ Facilitate the provision of support programmes that target emerging co-operatives, especially those co-operatives that consist of black persons, woman, youth, disabled persons or persons in the rural areas and that promote equity and greater participation by its members,
- ❖ Ensure the design and implementation of the Limpopo co-operative support measures across all spheres of government, including delivery agencies and adherence to a framework that reflect fairness, equity transparency, economy, efficiency, accountability and lawfulness,
- ❖ Facilitate the effective co-ordination and reporting mechanism across all spheres of government on co-operatives, and
- ❖ Provide guidelines and direction for support of co-operatives by government, other institutions, organisations and the private sector.

In recent years the performance of co-operatives within the provincial economy has been insignificant in nature and hasn't posed any development and growth toward expansion and opportunity creation. Various constraints and challenges have been identified in relation to the establishment and continued running of co-operatives. According to studies done for the co-operative strategy, low skills, literacy and education levels are posing numerous problems. Members may poses complete or some schooling but various parties have issues related to business knowledge and skills, financial implementation and marketing. The data suggested that people have been knowledge on what the principles of a co-operative are but are actually operating the co-operative in another manor or direction. Co-operatives also have trouble accessing funds from the private sector as a result of the co-operatives democratic formation and management structures, the limitations to joint responsibilities on liabilities and the historical management of co-operatives as a project instead of a business.

Co-operatives also have a number of challenges associated with access markets locally and regionally base on the limited access to existing main stream economic systems, as well that co-operatives are not viewed as being formal businesses. Government structures have also not made it possible for co-operatives to access government orders. In addition to not access markets, co-operatives tend to have various problems related to management and internal conflicts. The basis of various members having voting rights and the gap between educated and non-educated individuals create an ignition point for internal conflicts. Further limitations are created by that co-operatives pay low or no salaries to its members because of low funding for salaries and when money is available, a fear exist to actually remunerate the members.

Some co-operatives have been provided machinery when they had been established, and in essence have been used for extended time periods. the necessary knowledge concerning the durability and also maintenance of these machines are not provided to co-operative members, which in turn causes the machines to break or become dormant. Other factors influencing the working capacity of machines are related to the availability of parts and that budgets are very constraining and so further disable to effective functioning of the business. In relation to machinery and the production of products, co-operatives also have extensive problems related to the supply of products to customers. The limited business and production skills hamper the production of sufficient amounts of products and cause the business to either stagnate or fail. Lastly, access to information for co-operative entities are in many cases limited and as such do not allow for the co-operative to expend the knowledge base needed to grow the business or attend to issues such as marketing, production and financials. Information sharing would pose to be a constant barrier and would require extensive implementation and solutions.

The strategy has based interventions based on the concept of four pillars for sustained co-operative development. For the four pillars a number of subset interventions have been devised which seek to implement or achieve the four pillars. The four pillars and the subset interventions are listed below:

**Increase access to information:**

The Limpopo Province as well as local level government entities and private businesses must have knowledge concerning co-operatives in order to have a base from which to create inclusion into larger mainstream economic systems or provide assistance in terms of production, marketing, etc. also access to literature or sources of information concerning co-operatives and the basics to the business approach would be essential to all co-operatives. This may provide value-chain development and

support structures between co-operatives, between government and co-operatives and between the private sector and co-operatives. The interventions for this pillar are listed below:

- ❖ Develop a comprehensive database
- ❖ Information material
- ❖ Access to information
- ❖ Continuous research and development, annual surveys, conferences

#### **Increase skills levels within co-operatives:**

In various examples, co-operatives do not have the necessary skills, knowledge or education to be able to effectively and efficiently run a business or ensure the continued and future sustainability of that business. The increase in skills levels within co-operatives will seek to enhance the business knowledge of members, knowledge on how to produce effectively and cater for demand, producing quality products and in-depth knowledge of co-operatives and how they function. The main interventions for this pillar are listed below:

- ❖ Education and training on co-operative principles
- ❖ Provide business management training to increase skills level
- ❖ Innovation and technological enhancement
- ❖ Technical training
- ❖ Competitive and quality assurance

#### **Increase access to resources:**

A major issues for new and start-up businesses are resources for funding and the accessibility of infrastructure. In accessing infrastructure, co-operatives should be provide a chance to access existing vacant buildings owned by government in which the co-operative may be able to establish. Also financing for co-operatives are especially hard to attain and poses numerous threats in insuring that businesses stay afloat, the accessing of funds must be a priority initiative for government. The intervention for this pillar are listed below:

- ❖ Facilitate access to business infrastructure for co-operatives
- ❖ Increase access to finance for co-operatives
- ❖ Facilitate access to incentives from national, provincial and local government for co-operatives development and promotion

#### **Increase access to markets:**

An important component of any business is the marketing of that business to its intended target market. A problem for un-educated co-operatives who do not own the skills associated with businesses and the marketing thereof cause co-operatives to not market their products or do ill marketing and essential do not entice or attract potential customers. This pillar seeks to address the marketing and skills associated with marketing of the co-operatives business. The interventions would focus on focussing on the demand of target markets, establishing value-chains with other co-operatives, procurement in projects and marketing of the products to intended target markets locally and regionally. The intended interventions for this pillar are listed below:

- ❖ Demand driven production
- ❖ Value-chain approach
- ❖ Access to procurement opportunities for co-operatives
- ❖ Marketing assistance

#### **Key Impacts for the Mogalakwena Local Municipality**

The Mogalakwena LED must identify the importance of existing and future co-operatives within the Mogalakwena Municipality. The identification of market sectors in which co-operatives can be established are essential as well as the types of co-operatives that can be established, eventually aiming to create value-chains within the various economic sectors of Mogalakwena. The LED should further focus on the institutional components of co-operatives and look towards training, accessible financing opportunities and skills development.

### **2.7 Outcome 9**

National Government have designed 12 Outcomes for Government and all its service delivery functions. The 12 Outcomes are based on a concept of The Outcomes Approach which is essentially a strategic approach which focuses on achieving the expected real improvements in the life of all South Africans. The outcomes approach broadly defines what is expected to be achieved, how it is to be expected to be achieved and whether the outcomes are being achieved. The overall goal of the 12 outcomes that have

been designed is to ensure that government does not just carry out the functions it is suppose to but to ensure that results from these functions are achieved and show impacts on the lives of South Africans.

The outcomes approach mainly:

- ❖ Focuses on results,
- ❖ Makes explicit and testable the chain of logic in our planning, so we can see the assumptions we make about the resources that are needed,
- ❖ Links activities to outputs and outcomes and to test what works and what doesn't,
- ❖ Ensure expectations are as clear and unambiguous as possible,
- ❖ Provides clear basis for discussion, debate and negotiation about what should be done and how it should be done,
- ❖ Enables learning and regularly revising and improving policy, strategy and plans through experience, and
- ❖ Makes co-ordination and alignment easier.

The 12 Outcomes have been based on the Election Manifesto and the Medium Term Strategic Framework, as well as consultation on ministerial and administrative levels. The outcomes are a representation of the desired development impacts to be achieved by governments policy priorities. The 12 Outcomes are listed as:

- ❖ Improved quality of basic education,
- ❖ A long and healthy life for all South Africans,
- ❖ All people in South Africa are and feel safe,
- ❖ Decent employment through inclusive economic growth,
- ❖ A skilled and capable workforce to support an inclusive growth path,
- ❖ An efficient, competitive and responsive economic infrastructure network,
- ❖ Vibrant, equitable and sustainable rural communities with food security for all,
- ❖ Sustainable human settlements and improved quality of household life,
- ❖ **A responsive, accountable, effective and efficient local government system,**
- ❖ Environmental assets and natural resources that are well protected and continually enhanced,
- ❖ Create a better South Africa and contribute to a better and safer Africa and World, and
- ❖ An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship.

The Limpopo Provincial Government has realised that local municipalities are different in nature and as a result varying approaches and concepts need to be applied to address the issues related to resource spending, weaknesses and addressing the needs of the local communities within that specific municipality. In response to the above mentioned, the adoption of Outcome 9 and the application of this approach within government within the Limpopo Province is a strategic process whereby government is aiming at producing a **responsive, accountable, effective and efficient local government system**. Outcome 9 has been build around 7 critical issues which have been identified as the vision for outcome 9. These critical issues are:

- ❖ Output 1: Implement a differentiated approach to municipal financing, planning and support
- ❖ Output 2: Improving access to basic services
- ❖ Output 3: Implementation of the community work programme
- ❖ Output 4: Actions supportive of the human settlement outcomes
- ❖ Output 5: Deepen democracy through a refined ward committee model
- ❖ Output 6: Administrative and financial capability
- ❖ Output 7: Single window of coordination

The outputs have been designed to engage a new approach which would allow for the support and implementation throughout the local municipalities within the province. **Implementation of differentiated approach** encumbers the assistance to local municipalities in terms of case specific circumstances in each municipality, focussing on the special circumstances which exist within the context of that municipality. **Improving the access to basic services** focuses on improving the way, quantity and quality of services provided to communities accounting for growth in socio-economic terms. The **implementation of the community work programme** looks towards providing opportunities for citizens to gain employment opportunities based on a 1 to 2 or one week a month basis. A number of actions which are **supportive of the human settlement outcomes** have been designed to allow for effective and efficient provision thereof. These actions are:

- ❖ Increasing densities in metros and large towns,
- ❖ Release of public land for low income and affordable housing,

- ❖ Supporting the expansion of the national upgrading support programme in 45 priority municipalities to facilitate the upgrading of informal settlements,
- ❖ Developing and monitoring a national coordination grant framework, and
- ❖ Finalising new national legislation on spatial and land use planning.

**The refined ward committee model** seeks to implement a more democratic and communicative framework between the wards and local government to enable information sharing and local decision-making. Outcome 6 will look towards **improving the administrative and financial capabilities** of municipalities within the province to ensure the accountability and transparency of municipal structures as well as the coordinated management of these systems. Lastly, the **single window of coordination** seeks to create a cross-cutting system of inter-departmental cooperation and coordination to ensure the efficient and effective working and delivery of governmental departments.

#### Key Implications for the Mogalakwena Local Municipality

The Mogalakwena LED will require initiating cross-cutting collaboration between departments to ensure efficient delivery of proposed outcomes. Collaboration with other departments will also require to entail the implementation of projects, information sharing and promotion and inter-departmental marketing. Aspects such as case specific analysis of the municipality and the inherent circumstances are required, and focussing on the community work programme within the local communities.

### 2.8 Limpopo Province Simplified Standardised Framework for LED

The drafting of Local Economic Development Plans (LED) within each municipality is part of its official mandate. This holds true for the drafting of Integrated Development Plans as well. The Limpopo Province Department of Local Government and Housing has through workshops with representatives from LED departments within the 30 local municipalities within Limpopo has devised a standardised framework for the drafting of a LED document. This has been done to provide technical assistance to local government departments to collectively draft aligned and co-ordinated LED documents, which represent all the necessary information and directives, as well as to enable that outcomes and strategic projects are created.

The standardised framework for LED is reviewed below, showing all the necessary components to a LED within the Limpopo Province.

1. Cover page
2. Table of content
3. Acronyms
4. Foreword: Mayor
5. Preface: Municipal Manager
6. Executive summary (Maximum of 2 pages)
  - ❖ Summary of the entire document
7. Introduction
  - ❖ Purpose of the document
  - ❖ Methodology
  - ❖ Outline of the structure of the document
8. Legislative / policy framework (the purpose of this section is to situate the LED strategy in the IGR Mandate)
  - ❖ National imperatives
  - ❖ Provincial context
  - ❖ Municipal
9. Situational analysis
  - ❖ Demographic information
  - ❖ Economic analysis (opportunities / economic drivers)
  - ❖ Spatial analysis (where growth is / where to invest / land resources)
  - ❖ Environmental profile
  - ❖ Infrastructure analysis
10. LED strategy framework
  - ❖ Vision
  - ❖ Mission
  - ❖ Economic department critical interventions – anchor projects
  - ❖ Stakeholder engagement / management / mobilisation / partnership establishment
11. Implementation plan

- ❖ Conceptualise programmes and projects, and sources of funding
- ❖ Project plan
- ❖ Institutional arrangements (both internal and external resources, PPP)
- ❖ Risk analysis
- 12. Monitoring and evaluation
  - ❖ Framework for monitoring and evaluation
  - ❖ Indicators for monitoring and evaluation
  - ❖ Document best practices and gaps
  - ❖ Strategic overview
- 13. Conclusion
- 14. References
- 15. Annexure

### Key Implications for the Mogalakwena LED

The standardised framework for LED is guideline tool to the development of a LED. All LED frameworks in Limpopo Province must be compiled according to these guidelines.

### 2.9 Limpopo Agriculture Development Strategy, 2007

The Limpopo Agriculture Development Strategy (LADS), 2007, is a strategic document designed to guide and assist agricultural growth and development throughout the Limpopo Province. The document sought to analyse various components of the agriculture industry such as land capability, commodity suitability, agriculture economics, etc. The LADS builds upon the Strategic Plan for the Limpopo Department of Agriculture.

The plan looks to strategically mobilise, distribute and utilise resources equitably and efficiently to achieve the four Governmental objects namely:

- ❖ Growing the economy,
- ❖ Job creation,
- ❖ Economic empowerment, and
- ❖ Poverty alleviation.

The LDA has also further identified twelve key strategic programmes which look at the promotion of economic development and growth within the agriculture sector as well as to enable job creation and poverty alleviation. The twelve key strategic programmes are:

- ❖ Restructuring of State Assets to empower farmers, communities and workers through revitalisation of Smallholder Irrigation Schemes (RESIS) as well as projects under the Agricultural Rural Development Corporation (ARDC);
- ❖ Promotion and implementation of AgriBEE;
- ❖ Development and implementation of succession planning based on youth infusion into the agricultural sector;
- ❖ Promotion and development of appropriate research based production and value adding technologies for successful agri-businesses;
- ❖ Redistribution of agricultural land, capacitating beneficiaries and promoting sustainable commercial enterprises;
- ❖ Sustainable Graduating Poverty alleviation and household food security and nutrition strategies;
- ❖ Promotion and establishment of reliable information and communication strategy through information technology for knowledge and information sharing;
- ❖ Formation of farmer based commodity associations and other agri-business entities for farmer support to ensure full participation in local economic development opportunities;
- ❖ Provision of appropriate advisory support to develop and strengthen capacity of commodity association and other farmer formations;
- ❖ Promotion of sustainable natural resource utilisation and agricultural land use management;
- ❖ Animal production and health to improve livestock and also control animal diseases;
- ❖ Human Resource Development to increase knowledge, skills and competency of motivated officials.

Based on the above information the LADS (2007) had created a number of projects and recommendations based on each of the analysis sections focussed on within the LADS (2007). The discussion below will focus on the sections contained within the strategy as well as the projects and recommendations proposed.



**Land Capability:**

- ❖ The section focussed on determining the land capabilities for the Limpopo for dry-land cultivated agriculture. The objectives were to determine the sustainable and efficient natural resource management and to analyse the production base / land capability / agricultural enterprises.
- ❖ Recommendations:
  - Agricultural zonation: zoning of high potential agriculture areas,
  - Agricultural hubs: using the zoning information determine optimal places for the development of agricultural hubs,
  - Agriculture policy: to protect high potential agricultural land,
  - Land use planning: of the areas identified as hubs,
  - Implementation: integration of the agricultural strategy into local level plans.

**Commodity Suitability Study:**

- ❖ This section focuses on the analysis of the commodity and production base to determine agricultural development enterprises at local level which would be able to contribute to the economy in real terms as well as assist in the growth and development of the agriculture sector.
- ❖ Recommendations
  - Local Municipality IDP's: integration of the result of the commodity suitability study into IDP's, LED's and SDF's to ensure provincial alignment and the promotion of development of appropriate projects and initiatives,
  - Agricultural Hubs: the development of business plans for these proposed hubs and the promotion thereof,
  - Niche Crops: the development of suitability models for selected niche crops.

**Agricultural Economics:**

- ❖ This section focuses on the status-quo conditions within the Provinces agriculture sector. The various aspects considered are agricultural industries overview, value-chains, key economic drivers and socio-economic aspects.

**Recommendations:**

- Profile of game ranch owners: determine game ranch owner motives and possibly develop a game ranching policy,
- Game ranch policy: compile a game ranch policy,
- Gross margin databank for Limpopo Province: compilation of a gross margin database of commercial and emerging farmers to be incorporated in to local plans,
- Establishment of a development parastatal: investigations into the establishment of a parastatal to facilitate land claims and provide supportive structures to local farmers,
- Business plans for Agricultural Hubs: compile business plans to determine development objectives, farming programme, capital requirements, financial and economic viability.

**Human Resources Analysis**

- ❖ This section looks at the human resources contained within the LDA and within the agricultural community of Limpopo.

**Management and Organisation Strategy**

- ❖ The section dissects the roles and challenges associated within management structure of departmental and organisations and those who manage the core functions of departments. The core functions include strategic decision making, resource management, strategic control and reward systems, service delivery and technology, diversification, cooperative strategy, creation and mobilisation of knowledge and the composition and process of top management teams and decision makers.

**Analysis of Trans-Boundary Environment (Multi Lateral Issues)**

- ❖ This section considers the issues pertaining to cross-boundary natural resources and the effective management and usage thereof.

**Provincial Analysis**

- ❖ This section reviews certain stakeholder's specific to their role and linkages to the LDA. The section further investigates the linkages between these role-players and the LDA.
- ❖ Recommendations
  - The establishment of a committee to monitor all agreements as well as look at progress and constraints of projects,
  - The development of a coordination forum to coordinate actions and interaction between various departments and role-players.

The projects and recommendations provided throughout the LADS (2007) is based on developing a basis from which local level authorities can implement these actions and facilitate effective development projects and the implementation thereof.

#### **Key Implications for the Mogalakwena LED**

The Mogalakwena LED must take due cognisance of the projects and recommendations proposed within the LADS. The proposed interventions such as departmental co-ordinations may require implementation at all levels to facilitate the effective transfer of information and intergovernmental alignment. Further opportunities exist for the development of agricultural databases and the growth of regional importance through agricultural hubs and support.

### **3. District level Policies and Legislation**

#### **3.1 Waterberg Spatial Development Framework, 2009 (WSDF)**

The Waterberg Spatial Development Framework (WSDF) has compiled a number of development objectives for the District Municipality in terms of the SDF. The objectives have been compiled out of the development objectives noted within the District Integrated Development Plan, as well as giving consideration to the results obtained from the spatial analysis of the Waterberg District. The development objectives of the WDM are:

- ❖ Stimulate development and growth where there is proven demand.
- ❖ Use future growth and development to consolidate and to improve municipal performance.
- ❖ To ensure sustainable use of environmental resources, their enhancement and replenishment.
- ❖ Capitalise on the valuable role of environmental resources.
- ❖ Enhance the uniqueness, ecological sustainability, and liveability of the municipal area.
- ❖ Meet community needs and promote community values and aspirations.
- ❖ Ensure that the municipal structure has timeless qualities and that it does not short-sightedly respond to the mere current needs, circumstances, and fashion.
- ❖ Create new social and economic opportunities and to improve access to the existing ones.
- ❖ Promote the viability of public transport.
- ❖ Promote all aspects of spatial integration.
- ❖ Enrich people's lives, as well as to enhance uniqueness and identity of WDM, by means of a readable municipal form.
- ❖ Enhance the functionality of all the elements constituting the municipal area.
- ❖ Create healthy, comfortable and safe living and working environments for all.
- ❖ Instil business confidence in the municipal area as a whole by providing an enabling spatial framework that supports development.

The WSDF in accordance to the above mentioned development objectives have applied these development objectives to the spatial realities of the district and has created the development proposals. The spatial strategy shall be viewed in terms of its impacts on the Mogalakwena Local Municipality.

- ❖ Mokopane (Potgietersrus) has been identified as the only First Order Node because of its strong and diversified economic centre and diversified economy. The town also functions as the major regional node of the district, servicing various communities urban and rural.
- ❖ The R518 is the proposed corridor for the area linking Mokopane with Lephalale.
- ❖ The Mogalakwena Local Municipality has significant importance in terms of tourism with features such as the Makapan's World Heritage Site, collective sections of the Waterberg Biosphere and proclaimed nature reserves. These features provide significant advantages to tourism development.
- ❖ The availability of natural resources within Mogalakwena has been identified and pose a large advantage to employment creation and sustained economic growth. The major mining opportunities within Mogalakwena are the Potgietersrus (Mokopane) Platinum Belt, and the Potgietersrus (Mokopane) Tin Field.
- ❖ The rural components of the district and municipalities are extremely limited in terms of development potential and only provides basic opportunities in terms of housing and subsistence farming. Subsistence farming in the area is further hampered by the low level of agricultural potential.

**Key Implications for the Mogalakwena Local Municipality**

The Mogalakwena Local Municipality LED should focus on the identified potential contained within the major economic sectors such as mining. The potential surrounding tourism in the area has vast opportunities and marketability. Agriculture is largely stunted in the area because of its low potential, but provides opportunities in relation to game farming or eco-tourism opportunities. Rural communities must be a focus in terms of the absorption of labour within the existing urban core and surrounding opportunities. Development focus and expansion should fall on the main town of Mokopane and look toward providing opportunities to rural communities.

**3.2 The Mining Development Strategy, (2006)**

The mining development strategy has been compiled to create a vehicle through which leadership and strategic direction can be given to the mining industry in the Waterberg District Municipality in terms of increased competitiveness on a sustainable basis, increased investment as a basis for job creation and economic growth, improvements in the quality of life of the district population, including priorities such as BEE, as well as reductions in HIV/AIDS and poverty and regional integration.

The goals for the strategy have been termed as: ***WDM will provide leadership and interventions to increase the contribution from the mining sector to job creation and economic growth in the District by:***

- ❖ Creating a conducive environment for mining expansions and new mine developments, specifically by facilitating the removal of constraints to such developments,
- ❖ Promoting the capacity of Black economic empowered companies from within Waterberg District to supply the procurement needs of mines according to the required quality standards,
- ❖ Augmenting the capacity of local municipalities, traditional leaders and communities to respond to and consolidate the benefits of mining developments within a cluster context'.

The strategy has also provided recommendations in relation to Project Development Opportunities which provide indications and interventions in terms of accelerating economic development within the district based on mining activities. The main project development opportunities are listed below:

**The Mining Cluster Value Chain**

- ❖ Gaps exists for value-addition, employment and HDSA procurement, which would should become the main targets for mining development and the establishment for clustering of mining activities for the purposes of comparative advantages.

**Mineral Development Projects**

- ❖ The development projects in this regard require two roles to be accomplished, firstly the facilitation of high-impact mining projects by major mining companies and secondly the promotion of small-scale mining projects among local co-operatives.

**Infrastructure Development Projects**

- ❖ Water services development planning within the Mogalakwena Local Municipality would be of essence to ensure that mining activities are not constrained by a lack of resources, as well as the considerations to an application to MIG funding in terms of unused roads and infrastructure funding to fast tract roads development and continuous updates from Spoornet in regards to Lephalale coal exports via railway.

**Human Resource Development Projects**

- ❖ The improvement of co-ordination between the Department of Labour, Education, the Mining Qualifications Authority and HR Departments be improved to facilitate objectives related to skills development and training amongst unemployed persons in the district, the promotion of skills development in the district, the development of career guidance services by the Department of Education and the appointment of a representative from the operating mines in the Waterberg District to be a part of the Limpopo Skills Development Forum.

**Business Development Projects**

- ❖ The co-ordination of the Lephalale, Thabazimbi and Mogalakwena LED's with the Social and Labour Plans of the affiliated mines in the area to encourage stakeholder participation resource growth.

### **Spatial Development Projects**

- ❖ The development opportunities within this section is based on the promotion that detailed spatial development frameworks be created for the nodes of Mapela in Mogalakwena, the urban complex of Ellisras, Onverwagt and Marapong and for the Northam Town.

### **Social Development Projects**

- ❖ This objection seek to promote the consultation between local municipalities and local mines in relation to social development projects stipulated within the IDP and the Social and Labour Plans of the mines.

### **Institutional Development Projects**

- ❖ It is recommended that the Waterberg District Municipality consider the procurement of external service over the short term to assist with the implementation of development proposals.

### **Regional Integration Projects**

- ❖ This development proposal proposes the exploration of discussion with various realms in terms of mining cluster activities and the associated institutional framework. The discussions should firstly occur between the other platinum producing district within the Limpopo Province, secondly the building of a relations between the mining provinces of Limpopo, North West and Mpumalanga and thirdly between the Waterberg District Municipality and Kumba Resources and Spornet in terms of the export of coal to Botswana.

The strategy has identified possible opportunities for development within the mining sector of the WDM which was used to develop the project and development opportunities for the district. The opportunities for expansion was based on the major mining activities within the district as well as looking into the up and coming activities and possible mining activities which had been decommissioned previously. The opportunities for expansion that had been identified within the strategy are:

#### **Platinum Group Metals**

- ❖ The expansion and development of new and existing mines are at the forefront of this section. Platinum is one of the major minerals mined in the area and takes president as a main development directive.

#### **Coal**

- ❖ Waterberg has large deposits of coal fields, and will act as a replacement to the Mpumalanga coal fields. The coal fields are located away from primary markets and require to be integrated into these markets to create more feasible practices.

#### **Iron Ore**

- ❖ Various opportunities exist for the processing of iron ore waste located within Thabazimbi. Also the focus would be to extend the life of the activities in this area.

#### **Dimension Stone**

- ❖ Dimension stone is largely exported and distributed within its raw form. Beneficiation of this material into end user products may open various doors to economic development and diversification.

#### **Chrome**

- ❖ The mines associated with chrome have been largely decommissioned within the area as a result of its non-profitability. Opportunities exist for the re-opening of these mines.

#### **Tin and Fluorite**

- ❖ As was the case with chrome the same situation falls upon tin and fluorite mines. The focus would be to revitalise these mines.

The strategy also outlined three scenarios which depict the possibilities for job creation based on the historical trend in employment and economic growth. The three scenarios, "Business as Usual", "Best Case" and "Intermediate Case" are dependent on the development opportunities described within the strategy and whether they are implemented. The scenarios has a variance between 2800 and 7250 new jobs created, where "Business as Usual" showed the continued growth based on current trends, "Best Case" indicated accelerated growth, whilst "Intermediate Case" showed the situation between accelerated growth and continued development.

The final projects or development project proposals have been divided into several units which combine to form interlinked sections of the mining sector. The proposals specifically targeted mining development and mines, infrastructure, human resources, business development, spatial development,

social development, institutional development and regional integration. The projects have all been based on the mining clustering approach, proposed within the Limpopo Growth and Development Strategy. The clustering approach looks at development of a mining value-chain throughout the province, by the clustering of mining activities and relevant beneficiation practices.

#### **Key Implications for the Mogalakwena Local Municipality**

The Mogalakwena LED should focus on the promotion and expansion of the mining sector in the municipality. The focus should fall upon the continued growth and sustainability of the mining sector, the co-ordination between the LED and the labour and social plans of the mines, the promotion of skills development and employment creation, the facilitation of small-scale mining opportunities and the incorporation of SMME's and HDI's in the procurement of mining projects and developments.

### **3.3 The Waterberg District Municipality Local Economic Development Plan, 2007**

The Waterberg District LED Strategy is a tool which provides an investigation into the economic development opportunities which exist within the district. The WDM has compiled a number of strategies and plans which are used to accomplish these development opportunities and the LED is used to combine all these plans and strategies into a unified response to strategic economic development.

The WDM is primarily dependent on mining activities as the main economic driver for growth and development, causing a single dependency on one activity posing numerous obstacles related to future economic sustainability and broader economic sectoral growth. The LED strategy focuses on determining the strengths and weaknesses of the local economy to determine the possible avenues through which economic diversification can be accomplished. The economic diversification will allow for the counteraction of fluctuations within certain sectors of the economy and provide the basis from which numerous job opportunities can be created and from where diversified skills and competitive advantages can be fostered.

The LED has identified a number of objectives which allow the WDM to achieve its set out economic development goals. These objectives are:

- ❖ Growing the district economy to 6% to meet national targets,
- ❖ To create jobs in order to reduce unemployment,
- ❖ Reduce poverty amongst the rural and urban poor,
- ❖ To enhance human resource development relevant to the economic productivity requirements of the district, and
- ❖ Enhance the district and six municipalities' capacity to manage LED.

The LED has determined four development thrusts which will be the primary drive and linkage between projects and actions. These thrusts have subsequently identified key programmes which will allow each thrust to be fully accomplished. The table below indicates the strategic thrusts and its key programmes.

<b>Strategic Thrust</b>	<b>Key Programmes</b>
Value adding in the mining sector	<ul style="list-style-type: none"> <li>❖ Cluster Development</li> <li>❖ Mining-tourism</li> <li>❖ Processing and beneficiation</li> </ul>
Sustainable agriculture sector	<ul style="list-style-type: none"> <li>❖ Opportunity for agri-tourism</li> <li>❖ Agro-processing and cluster development</li> </ul>
Manufacturing and industrial development	<ul style="list-style-type: none"> <li>❖ Cluster development programme</li> <li>❖ Processing and beneficiation programme</li> </ul>
Tourism Development	<ul style="list-style-type: none"> <li>❖ Cluster development</li> <li>❖ Tourism marketing</li> <li>❖ Infrastructure</li> </ul>

#### **Key Implications for the Mogalakwena Local Municipality**

The Mogalakwena Led must strive to align itself with the strategic thrusts and project proposals contained within the District LED. This alignment will ensure that provincial objectives are met and effectively national directives as accomplished. The LED should further consider diversification and development of existing stronger sectors such as mining, and the growth of weaker sectors in the



economy such as agriculture and tourism. the focus should further be on local businesses and aspiring entrepreneurs to encourage local growth imperatives and further expand economic functions.

### 3.4 The Waterberg Investment Policy, 2008

The WDM Investment Policy fulfils the purpose ensuring that any investment may by any governing authority (WDM or its municipal entity) is compliant with investment regulations issued by the National Treasury in terms of the Municipal Finance Management Act No.56 of 2003.

The policy provides regulations and guidance in terms of the standard care that needs to be exercised in terms of investments, the investments that are permitted, investment denominated in foreign currencies prohibited, the payment of commission and procedures for investing funds.

The objectives of the policy are:

- ❖ Ensuring that cash resources are managed effectively and efficiently,
- ❖ Ensuring that investments are placed with reputable institutions, for the purpose of capital investments and diversification of the investment portfolio,
- ❖ Ensuring that adequate liquidity is maintained at all times, for management of cash flows, and
- ❖ Ensuring that WDM receives optimal interest on its investments with financial institutions, at minimal risk.

### Key Implications for the Mogalakwena Local Municipality

The Mogalakwena LED must take due cognisance of the procedures and management principles associated with procurement and management of investments to the municipality, as well as the investments owned by the municipality.

### 3.5 The Waterberg Marketing and Investment Strategy

The Waterberg Marketing and Investment Strategy has been compiled to act as a tool to promote the Waterberg District Municipality as a preferred investment location within South Africa by highlighting the investment opportunities which exist and their competitive advantages to potential investors. The strategy has the primary aim “to promote local initiatives that contribute towards poverty reduction and unemployment in the District, as much as attracting both national and international investors in order to ensure that local human capital and resources are effectively integrated.

The strategy provides the following information:

- ❖ First, it provides a broad definition of Waterberg District Municipality in terms of its strategic location within the Limpopo Province and its significance in terms of proximity to neighbouring countries such as Botswana, Zimbabwe and Mozambique;
- ❖ The Waterberg District Municipality Profile, which includes the population, employment status, income, age groups and education levels;
- ❖ The economic profile of Waterberg as well as the existing opportunities in terms of investing in agriculture, mining and tourism;
- ❖ The Policy and Legislative Framework guiding the marketing and investment strategies;
- ❖ The Marketing Growth Analysis, its trends and projections of potential growth in Waterberg area;
- ❖ The Product Portfolio in the different strategic economic sectors of Waterberg;
- ❖ The Value Chain Cluster of Waterberg Strategic sectors;
- ❖ Adoption of corporate strategies such as vertical and horizontal integration to advance the cause of BEE companies, PPP and SMME initiatives;
- ❖ The overall Strategy for Marketing and Investment of Waterberg as a region; and
- ❖ Essential guidelines of branding and positioning Waterberg as a preferred region for investment.

The desired economic development changes required within the WDM can be brought on by creating a strong synergetic relationship between various role-players such as the spheres of government, public and private institutions, donors and civil society organisations and respective local and international investors. The district seeks to unlock key resources for local communities which can be utilised to enable local economic growth and the development of new and upcoming enterprises. The resources sought to be unlocked will also be in connection to creating sustainable environments in which local communities can live and prosper and achieve equilibrium where poverty and unemployment can be eradicated.

Investment opportunities have been identified within the Tourism, Agriculture and Mining economic sectors of the district. The strategy also outlines strategic documents which hold projects that may pose as possible investment opportunities.

#### **Key Implications for the Mogalakwena Local Municipality**

The Waterberg Marketing and Investment Strategy outlines possible projects at district, local and provincial levels in which investments can be made by local and/or international investors. The Mogalakwena LED must take notice of the investment opportunities prescribed within this strategy as well as the products that are being marketed to insure that an alignment between the various spheres of government projects and objectives are achieved.

### **3.6 The Waterberg District Agriculture Development Strategy, 2005**

The Agriculture Development Strategy (ADS), 2005, for the Waterberg District Municipality has been compiled as part of a number of strategic directives for economic growth acceleration in the province and the district itself. The ADS has specifically been set up to lead and direct the development of commercial and emerging farmers.

The strategy has been compiled to provide information concerning the current realities associated with farming in the district, province, as well as within the local municipalities that make up the WDM. The document further reviews recent trends within agriculture for 2005 as well as a statement on the future state and development of each agricultural enterprise. The report also incorporates the latest statistics and information on crop production, pricing and employment.

The agricultural landscape has significantly changes since deregulation in the nineties. All major facets of the industry has needed to adjust and make necessary change to be able to operate and survive. Changes had to occur within the traditional enterprises, the better usage of resources and the incorporation and development of value-addition and marketing. The strategy highlights that cropping has been largely affected by lower international prices for cotton, tobacco, maize and sorghum. Horticulture on the other hand has shown some increase, whereby farmers have selected special micro-climates within the province from where the production of citrus and vegetables are done. The focus is also on timing with international market windows. The co-ordination of supply and marketing, as well as, value-adding and processing has been a disruptive component within the sector. The livestock enterprise has remained fairly consistent, whereby chicken and egg production, as well as pork production has stayed the same. The crocodile enterprise has cemented itself and has become a role-player within the local markets, with a focus on possible expansion. Cattle and game farming has been subject to transformation, whereby water restrictions have caused areas have been converted to facilitate extensive livestock farming.

The strategy has based its approach to opportunity development and project identification on the clustering approach outlined within the Limpopo Growth and Development Strategy. The ADS has identified the opportunities and projects within the 1) Meat Cluster and 2) Horticulture Cluster. The opportunities identified under the Meat Cluster are:

#### **Feed manufacturing,**

- ❖ The WDM does not have large-scale feed manufacturers in the district and requires feed to be transported from Gauteng and Marble Hall. On this basis the opportunity exists to facilitate the development of new feed manufacturers in the district for the local farmers. This would enable clustering and economic diversification.

#### **Livestock farmers support programme,**

- ❖ This opportunity considers the expansion of currently livestock production as well as the facilitation of communal livestock farming. The focus further extends to assists small-scale existing and new farmers.

#### **Goat meat production,**

- ❖ Goat meat production has become a viable option based on that large proportions of rural South African predominantly consume goat meat. The WDM does not particularly have a significant share in goat production, which may be a option that may be exercised.

#### **Game,**

- ❖ Eco-tourism has become a major role-player in the South African tourism industry and pose numerous opportunities for the WDM. The Limpopo province is predominantly associated with hunting activities, and many people travel to the area to do hunting. Game farming in this instance

may become a contributing commodity to the economy, through the careful planning and facilitation of hunting and game meat production.

**Fattening scheme, and**

- ❖ This opportunity focuses on the rounding-off section of livestock like cattle before they are transported to local abattoirs. The focus is the promotion and establishment of feedlot projects within communal areas, LRAD projects and restitution land.

**Meat processing,**

- ❖ Aligned with the clustering approach proposed in the strategy, meat processing opportunities also exist within the district, whereby, value addition can be facilitated through the processing of meat within the district and distributing the final products throughout the district and province.

The opportunities identified within the Horticulture Cluster are:

- ❖ Reactivating food gardens and food garden production, and
  - The existence of defunct irrigation schemes particular to homeland schemes have caused the approach to revive these projects to promote small-scale emerging farmers. The concept will be based on the development of food gardens and food garden production.
- ❖ Commercial horticulture clusters,
  - This section reviews the opportunities for value-chain development within horticultural activities. The proposal will look at the growth of current vegetable production, as well as the development of additional opportunities for entrepreneurial farmers within the upstream and downstream sections of this enterprise.

The opportunities outlined above have also been used as the potential development projects within the district. These projects will highlight the major potential markets as well as encourage the growth and diversification of this sector. The projects also seek to build on the existing farming in the district and allow for the entrance and successful development of new farmers and the encouraging the sustainability of these emerging farmers.

**Key Implications for the Mogalakwena Local Municipality**

The Mogalakwena LED would require to take into consideration the various opportunities highlighted within this strategy to align itself with district and provincial outcomes. The incorporation of these projects would require extensive marketing and promotion to local and potential farmers. The LED would also require to take into consideration infrastructural requirements and implementation to successfully develop these enterprises. Local skills development and educational directives may be appropriate approaches to enabling local community farmers. Lastly, support networks would possibly be required to enable local farmers to collectively create a structure for the support and assistance to one another.

## 4. Local Level Policies and Legislation

### 4.1 The Mogalakwena Local Municipality Spatial Development Framework, 2009

The Mogalakwena SDF is a strategic document which informs the spatial objectives and future spatial form of the municipal area. The SDF functions to co-ordinate and organise the various spatial structuring elements such as urban areas, rural areas, industrial areas, etc to construct a sustainable spatial layout of core functions to improve long term sustainable practices, strategically promote development and growth along lines providing optimal growth advantages and enable accessibility to the various functions provided by the urban and rural cores.

The SDF has outlined two sets of objectives necessary to guide the final outcomes of the strategy. The objectives can be classified according to the overall objectives and objectives specific to Mogalakwena. The overall objectives ensure the alignment with national, provincial and district strategies. These can be classified as:

- ❖ To promote sustainable development;
- ❖ To promote efficient development;
- ❖ To promote equitable development;
- ❖ To ensure integrated development, and
- ❖ To improve the quality and image of the physical environment.

The objectives identified specifically for the Mogalakwena LM have been designed to be case specific, relating to the current status quo conditions, barriers and obstacles which form the spatial attributes of the municipality. The objectives identified specifically for the Mogalakwena LM are:

- ❖ Stimulate development and growth where there is proven demand.
- ❖ Use future growth and development to consolidate and to improve municipal performance.
- ❖ To ensure sustainable use of environmental resources, their enhancement and replenishment.
- ❖ Capitalise on the valuable role of environmental resources.
- ❖ Enhance the uniqueness, ecological sustainability, and liveability of the municipal area.
- ❖ Meet community needs and promote community values and aspirations.
- ❖ Ensure that the municipal structure has timeless qualities and that it does not short-sightedly respond to the mere current needs, circumstances, and fashion.
- ❖ Create new social and economic opportunities and to improve access to the existing ones.
- ❖ Promote the viability of public transport.
- ❖ Promote all aspects of spatial integration.
- ❖ Enrich people's lives, as well as to enhance uniqueness and identity of Mogalakwena, by means of a readable municipal form.
- ❖ Enhance the functionality of all the elements constituting the municipal area.
- ❖ Create healthy, comfortable, and safe living and working environments for all.
- ❖ Instil business confidence in the municipal area as a whole by providing an enabling spatial framework that supports development.

The SDF has proposed a number of interventions based on the proposals elicited within the SDF document. These interventions combine the final proposals and combine them into a single descriptive component for the SDF. The proposed interventions are:

- ❖ A precinct plan of the CBD that includes the enterprise zone as indicated in the SDF proposals (recently completed in May 2011)
- ❖ 2A transport plan that addresses the transport and related issues in the CBD and the secondary road system in the Mokopane/Mahwelereng core.
- ❖ The upgrading of the land tenure rights in the Mmotong/Bakenberg node as a priority.
- ❖ The development of an Infrastructure Investment Plan in order to determine a framework for sustainable service delivery to supplement the SDF.

#### **Key Implications for the Mogalakwena Local Municipality**

The SDF provides a strategic spatial concept for the Mogalakwena LM and has determined strategic layouts and growth factors which would provide optimal developmental benefits and advantages. The LED must take due cognisance of these strategic layouts and approaches, in the promotion and selection of areas for development. The corridor and nodal development zones should provide some direction to the locality of proposed projects or be used as a directive to establishment.

#### **4.2 The Mogalakwena Tourism Strategy, 2008**

The Mogalakwena Tourism Strategy has been developed to identify, coordinate and propose relevant tourism opportunities and factors which could provide the necessary components to grow and facilitate the identified tourism potentials. The Mogalakwena Local Municipality poses a number of tourism opportunities such as the Makapans Valley World Heritage Site and the Waterberg Bio-dome Natural Park. For these purposes the tourism strategy has identified a strategic vision which would direct the tourism strategy towards the ideal state. The vision can be termed as:

***“For all the friendly and welcoming communities of Mogalakwena to prosper by promoting and developing the area as an affordable overnight ecotourism destination in the Waterberg through partnerships and good communication among all tourism stakeholders.”***

The strategy further outlines the core strategic thrusts which create the strategic direction of the tourism industry and tourism proposals. These thrusts further function inter-twined with one another to effectively promote and create a conducive environment in which tourism potential can be achieved. These strategic thrusts can be depicted as:

- ❖ Use Mogalakwena's natural environment as a canvas for tourism development to attract a variety of visitors,
- ❖ Position Mogalakwena's people and cultures as the differentiating factor for enhancing any visitors experience, and
- ❖ Maintain the affordable nature of Mogalakwena's tourism product offering.

The tourism strategy further outlines the potential project in accordance to the strategic thrusts that have been identified. The project seek to focus on all elements and aspects contained within the local municipality which may assist in the development of project or products, and also integrate local communities and SMME's into the potential spin-offs developed from implementing such projects. The strategy identifies the potential markets within international visitors as well as domestic visitors focussing on leisure travel and educational purposes. The potential products identified are:

- ❖ Family leisure experience
- ❖ Nature-based leisure experience
- ❖ Experiencing stories of the people of Mogalakwena
- ❖ A visit to Makapan Valley
- ❖ Visiting friends and family
- ❖ Business tourism
- ❖ Events
- ❖ Educational experience
- ❖ Business travel
- ❖ Transit stop en-route to Botswana or Zimbabwe
- ❖ Soft adventure holidays
  - Walking trails
  - Horse riding
  - Hunting
  - 4x4
- ❖ Hard adventure holidays
  - Rock climbing
  - Kloofing
  - Hiking
  - Mountain biking
  - Hang gliding
- ❖ Special interest holidays
  - Archaeology
  - Conservation/game breeding
  - Ecology
  - History
  - Bird watching
  - Photography
  - Golf
  - Mining
  - Agriculture
  - A train visit from Gauteng or Polokwane

#### **Key Implications for the Mogalakwena Local Municipality**

The Mogalakwena LED must take into consideration the various concepts projects and products proposed within the tourism strategy. The various projects proposed are in line with local identified objectives and opportunities. Tourism has become a vital sector within the economy and may pose great strengths and advantages which need to be incorporated within the LED.

#### **4.3 Mogalakwena Local Economic Development Strategy, 2006**

In 2006 Mogalakwena Local Municipality contracted Urban-Econ Development Economists to create the Local Economic Development Strategy (LED) for the municipality. The purpose of the LED is to combine the existing strategies and programmes of the municipality into a single usable format as well as to guide economic development and investment opportunities within the municipal area. The aim of the LED is to combine the relevant economic information of the municipality and to investigate possible opportunities and options available to the municipality to grow and develop the economic base of the municipality. This is all packaged within a strategic implementation framework which seeks to address the socio-economic constraints and problems of the area as well as to provide a basis from which an enabling environment for development and implementation can be facilitated.

The overall goal for the LED was determined as:

*To formulate a Local Economic Development Strategy based on newly identified development needs, opportunities and comparative advantages to inform and guide the Municipality to facilitate*



*development, unlocking latent economic development potential, encourage private sector investment and create economic development and job opportunities for the poor. As such, the economic strategy will purposefully inform the budget of the municipality, and will provide a baseline against which the performance of the budget and government spending can be measured.*

The objectives of the LED had been identified as:

- ❖ Utilisation of state-of-the-art technology to facilitate an in-depth analysis of the real (but latent) development opportunities in the key economic sectors in the study area.
- ❖ Identify practical sectoral programmes that could be used as a basis for proactive economic development initiatives.
- ❖ Identify micro-level business opportunities.
- ❖ Identify financing sources and investment options that could enhance practical implementation.
- ❖ Emphasise local job creation, alleviation of poverty and redistribution of opportunities and wealth.
- ❖ Focus explicitly on opportunities for SMME development in all economic sectors.
- ❖ Packaging of economic data in an electronic database to be utilised as investment marketing tool.
- ❖ Achieve skills transfer as part of the interaction with the client by utilising known approaches such as counterpart training.
- ❖ Ensure that the strategy aligns with and add value to existing policies and strategies such as the IDP.

The LED set out to analyse the potential for development within the main economic sectors of Agriculture, Mining, Manufacturing, Utilities, Trade, Transport and Communication, Finance, Social Services and Tourism.

- ❖ **Agriculture:** the potential exists for the development of horticultural activities within the agricultural sector incorporating new technologies with old practices to renew agricultural potential as well as enabling linkages with other sectors. Opportunities Identified:
  - Biodiesel
  - Value addition and diversity
  - Organic farming
  - Biotechnology
- ❖ **Mining:** the mining sector would be able to provide opportunities for growth and development, within the local communities as well as an agent for employment creation and skills transfer. The mining industry might also play a catalytic role through investments and community upgrading. Lastly the potential exists for tourism activities.
- ❖ **Manufacturing:** potential for the manufacturing sector is mainly associated with processing activities in the primary sector of the economy relating to food products and beverages, leather goods, wood and wood products and mineral beneficiation. It is also proposed that industrial development be based on stand-alone activities as well as in an incubator set-up to encourage and facilitate growth.
- ❖ **Utilities:** the continued provision and upgrading of water and electricity supply throughout the municipal area is the focus. The potential would be created based on the continued provision and enabling community new access to utilities.
- ❖ **Trade sector:** the main directive for potential in this sector would be to focus on the informal markets in the municipality. The main objective would be to facilitate the traders and provide some basis from which they can establish themselves.
- ❖ **Transport and communication:** this sector structurally focuses on the enabling of persons to be able to communicate with one another as well as being able to travel and access the variety of other areas in the vicinity. On this basis, the economic sector was determined to have a limited impact on employment creation and economic growth. Opportunities Identified:
  - Rural and urban integration
  - Poverty alleviation through road maintenance programmes
  - Internet and e-trade
  - Sale of pre-paid telephone vouchers (cell-phone and land-line)
- ❖ **Social services:** the potential for social services lies in the provision of adequate healthcare facilities to all communities within the municipality. Opportunities further exist in the development of telemedicine which essentially is technology which can provide healthcare opportunities to the rural communities and the effective application of campaigns to inform people concerning immunisation and the prevention of infectious diseases.
- ❖ **Tourism:** opportunities for tourism development are facilitated by the availability of infrastructure and resources within the Mogalakwena Local Municipality. Mogalakwena has advantages related

to tourism in regards to having locational advantages, eco tourism potential and low crime levels within the municipality. Various opportunities exist to establish arts and crafts SMME's, new tourist routes, attraction development, training of tour operators and establishment of travel agents.

The LED proposed the development and facilitation of Development Focus Clusters, which seeks to utilise the strengths and opportunities of the municipality as well as encourage linkages between the various economic sectors and opportunities. Each of the proposed clusters have identified key programmes to initiate the development clusters as well as other components related to role players, funding/financing, components and facilitation/implementation activities.

The clusters proposed in the LED are:

- ❖ Agriculture Development Strategy
- ❖ SMME Development Strategy
- ❖ Tourism Development Strategy
- ❖ Industrial Development Strategy

#### **Key Implications for the Mogalakwena Local Municipality**

The new LED for the Mogalakwena Local Municipality must take into consideration the existing LED framework. The programmes and development direction has been the primary focus of the municipality for the previous LED term and must collectively take note and incorporate the previously proposed programmes to ensure continued building and growth of the already implemented and still to be implemented projects. The existing LED must act as an informative document to the new LED and help construct new and diversified ideas and concepts.



## Annexure

# Farms with game permits for hunting

Registered Farm Name	Farm No.	Farm Owner	Area (ha)	No. Game Species
Alkantrant	519 LR	Geerkens AG	2084	12
Amatava (Ptn 41 & 25)	41 KS	Erasmus JC	280	11
Amatava (Ptn 1, 2 & 3)	41 KS	Wreyford Dr. AJ	989	9
Baviaanskloof	290 KR	Nel JJG	2200	15
Buffelshoek	277 KR	Viljoen E	1300	12
Cyferfontein	298 KR	Swart EJ	700	10
Cyferkuil	321 KR	Moller P & du Randt J	1735	15
Cyferkuil	322 KR	Coetzer MC	321	12
Daggakraal	591 LR	Klopper PS	517	11
De Hoop	54 KS	De Klerk CA	1000	13
De Hoop	55 KS	Grobler WJ	1000	14
Delagoa	809 LR	Potgieter HJ	300	14
Delagoa	807 LR	Potgieter HJ	300	11
Delagoa	809 LR	Marques RF	1200	15
Diespruit	463 LR	Liebenberg C	Unknown	Unknown
Doornhoek	284 KR	Prinsloo MW	451	10
Doornhoek	285 KR	De Villiers M	533	11
Doornkom	657 LR	Van der Merwe W	1500	21
Eastland	441 LR	Rosema CD	603	18
Frishevaaght	597 KS	Smith A	1270	8
Goede Hoop	300 KR	Van der Biesen JC	2350	23
Goededacht	146 KS	Rust PJ	410	9
Grasvalley (Ptn 11)	293 KR	De Lang S	250	7
Grobelaarshoek	462 LR	Liebenberg NJ	1240	15
Groot Denteren	533 LR	Geerkens HJ	2000	14
Groot Denteren	534 LR	Ravenswaay FP	1000	12
Groot Rivier	251 KR	Barnard D	Unknown	Unknown
Hartebeesfontein	8 KS	Van Wyk M (Ms)	2700	14
Klipfontein	322 KR	Prinsloo Dr PW	Unknown	Unknown
Keerom	204 LR	McIntyre SH	8500	16
Keerom	204 KR	Kotze R	200	7
Kirstenbos	497 LR	Van der Walt HB	1250	6
Klippan	469 LR	Kruger JL	1227	14
Kwarriehoek	584 LR	Muller JJ	1187	9
Landsberghoek	10 KS	Van der Heerver FH	826	13
Landsberghoek (Ptn 4)	10KS	Jordaan F	189	3
Lilliefontein	506 LR	Scott HL	1800	13

Registered Farm Name	Farm No.	Farm Owner	Area (ha)	No. Game Species
Marken	497 LR	Van Tonder MS (Ms)	Unknown	Unknown
Mooimeisiesfontein	563 KR	Van der Walt CJH	1700	6
Mooimeisiesfontein	564 KR	Rood S	4000	15
Mooimeisiesfontein	565 KR	Van der Walt CJH	1700	6
Mooiplaas	296 KR	Van der Merwe DF	878	8
Moordrift	289 KR	Smit KW	2450	16
Morgenzon	491 LR	Hordum K	800	9
Murchison	460 LR	Van Rensburg AJ	975	9
Naauwkloof	247 KR	Matheson MR	867	15
Nachtwacht	492 LR	Ferreira M	723	18
Nooitverwacht	299 KR	Potgieter I	1123	15
Nooitverwacht	299 KR	Liebenberg MB	1123	16
Olifantsklip	336 KR	Wallis FS	1800	13
Olifantsklip	336 KR	Wessels M	1315	8
Planknek	43 KS	Howitt MJ	2600	15
Rietfontein	249 KR	Rall J	1400	18
Rietfontein	345 KR	De Preez S	160	10
Rietfontein	345 KR	Du Preez FSH	800	8
Rietfontein	249 KR	Barnard D	1300	18
Rietfontein	340 KR	Kruger PB	136	11
Rietvalley	464 KR	Potgieter LJ	827	8
Ronderbosche	295 KR	Tayob AK	800	11
Rooibokpan	216 LR	Esterhuizen WAH	660	12
Rooipoort	46 KR	van Rensburg Dr. H	549	9
Rooipoort	46 KR	van Rensburg H	550	8
Rooipoort	46 KR	Venter A	410	8
Rooipoort	46 KR	Van der Walt WA	Unknown	Unknown
Rooipoort	46 KR	Mientjie JIS	300	11
Rooiwal	281 KR	Jordaan JA	273	11
Rooywal	281 KR	Lucas JW	280	10
St Leger	205 KR	Van der Merwe P	1830	11
Sterkfontein	305 KR	Botha WMJ	207,47	6
Sterkfontein	306 KR	Ferreira T	380	11
Sterkfontein	305 KR	Coetzee BJ	250	13
Sterkfontein	306 KR	Pont JW	300	6
Sterkfontein	305 KR	Nortje SJ	205	11
Twenty Four Rivers	49 KS	Naudi HF	336	11
Vaalkop & Volspruit	325 KP ; 326 KP	Steenkamp LP	3240	Unknown
Vischat	520 KR	Briel JH	770	11
Vlakfontein	723 KS	Becker B	84	4
Vlakfontein	173 KS	Visser D	350	9
Vlakfontein	702 KS	Andreka GE	4805	16
Vlakpan	136 KS	de V Pienaar P	1300	16
Vlakpan	467 LR	Goslett IC	230	10

<b>Registered Farm Name</b>	<b>Farm No.</b>	<b>Farm Owner</b>	<b>Area (ha)</b>	<b>No. Game Species</b>
Vlakpan	674 LR	Koch GC	1631	13
Vlakpan	537 KR	Van der Merwe SS	1205	9
Welgevonden	343 KR	Bademer H	3000	16
Welgevonden	343 KR	Coetzee GD	606	7
Wydenhoek	216 KR	Van Rooyen G	3000	13
Zandspruit	287 KR	Minaar RM	1545	17
Zwartbult	466 LR	Smith WL	548	11
Zwartkop (Ptn 7)	219 KR	du Plessis M	436	9
Zwartkop	219 KR	Stokwell R	553	16



# Annexure

## Project prioritisation criterion

THRUST: SMME SUPPORT AND MANUFACTURING DIVERSIFICATION					
	PROJECTS	Criteria			Score
		C	I	E	
Self-sufficiency and SMME development and support	▪ Launch LED poster marketing campaign of LED opportunities and investment attractions	1	1	3	5
	▪ Develop a Infrastructure Plan for sustainable service delivery to supplement LED activities	3	2	3	8
	▪ Develop a grocery purchase and delivery SMME to serve local facilities and households	1	1	3	5
	▪ Establish a pilot community bank and roll-out to other communities if proven successful	1	2	2	
	▪ Establish refuse buy-back voucher centres, undertake pilot and roll-out	3	2	2	7
	▪ Establish a construction workers association	1	1	2	4
	▪ Develop a mobile rural learning centre	2	3	3	8
	▪ Develop, populate and maintain a business directory & distribute to facilitate linkages	1	2	3	6
	▪ Establish and maintain an unemployment desk with a skills register.	1	2	3	6
▪ Develop a one-stop business shop in Bakenberg	3	2	2	7	
Development & management of Industrial Precinct	▪ Develop the Northern industrial area of Mokopane, to function as Industrial Precinct	3	3	2	8
	▪ Build a database of existing industries and create a comprehensive website	1	3	3	7
	▪ Undertake an Industrial Development & Marketing Strategy per node	3	3	3	9
	▪ Develop Manufacturing Advice and Incubation Centre (MAC) in Industrial Precinct	3	2	1	6
Agro-processing industrial development	▪ Establish horticulture agro-processing co-operative linked to land claim beneficiaries	3	2	2	7
	▪ Establish a poultry processing co-operative linked to land claim beneficiaries.	3	2	2	7
	▪ Establish a red meat processing co-operative linked to land claim beneficiaries	3	2	2	7
	▪ Establish candle and soap-making cooperative	1	1	3	5
	▪ Establish a bakery, biscuits and sweets processing cooperative	1	1	3	5
	▪ Establish a citrus processing plant	3	2	2	7
	▪ Establish a small scale grape processing co-operative	2	2	2	6
	▪ Establish a small-scale beer brewing co-operative	1	1	3	5
	▪ Establish off-cut leather tannery to manufacture bags and belts	3	2	3	8
	▪ Establish an animal/pet feed factory using existing crops and wastage	2	3	2	7
	▪ Undertake feasibility for tobacco processing, such as making tobacco snuff	3	2	3	8
	▪ Establish a production of plastics, containers and bottles for packaging and distribution	2	2	2	6
▪ Initiate the making of farm equipment required for farming	3	2	2	7	
▪ Establish a local fertiliser and pesticide manufacturer in the Mokopane Industrial Precinct	3	2	2	7	
Mineral beneficiation	▪ Establish building material manufacturing co-operatives	3	2	2	7
	▪ Develop clay processing businesses involved in manufacturing of pottery	1	1	3	5
	▪ Establish a granite processing co-operative for building activities	3	2	2	7
	▪ Establish a small-scale tin processing co-operative to process tin	3	3	2	8
	▪ Establish a small-scale fluorite processing facility	3	3	2	8
	▪ Acquire PPP and continued support for the pebble co-operative	1	1	2	4
▪ Acquire PPP and continued support for the Matlala stone crushers	1	1	2	4	

<b>THRUST: TOURISM RESOURCE MAXIMISATION AND MARKETING</b>					<b>Score</b>
	<b>Projects</b>	<b>Criteria</b>			
		<b>C</b>	<b>I</b>	<b>E</b>	
<b>Develop Makapan Valley as a tourism 'icon' and combine related historical/cultural assets</b>	<ul style="list-style-type: none"> <li>Facilitate the development of a PPP for the development of a lodge in Makapan Valley</li> </ul>	3	2	2	7
	<ul style="list-style-type: none"> <li>Undertake a feasibility to develop hiking trails in Makapan Valley. Erect proper signage.</li> </ul>	1	1	3	5
	<ul style="list-style-type: none"> <li>Undertake a feasibility to develop rural accommodation (rondavels), taverns/traditional restaurants offering local cuisine within Makapan Valley and environs.</li> </ul>	3	2	3	8
	<ul style="list-style-type: none"> <li>Upgrade the Arend Dieperink Museum with interpretation material and guided historic tour to battlefields, Graves of King Mokopane and Piet Potgieter, ancient rock paintings, etc</li> </ul>	3	1	3	7
	<ul style="list-style-type: none"> <li>Develop township tour to Mahwelereng and Bakenberg</li> </ul>	1	1	3	5
	<ul style="list-style-type: none"> <li>Develop half/full day guided special interest tours to heritage resources and monuments such as to the historic mountains, wetlands, miraculous rocks, meeting elders, etc</li> </ul>	1	1	3	5
	<ul style="list-style-type: none"> <li>Establishment of locally produced curio artefacts outlets at tourism attractions</li> </ul>	2	2	2	6
<b>Develop the Waterberg Biosphere and its environs as an adventure and eco tourism destination</b>	<ul style="list-style-type: none"> <li>Develop a day visitor facilities and fishing/picnic spots along Mogalakwena River</li> </ul>	1	2	3	6
	<ul style="list-style-type: none"> <li>Lobby for the development of a family resort/day visitor activities at Nature Reserves</li> </ul>	3	2	2	7
	<ul style="list-style-type: none"> <li>Develop both soft &amp; hard adventure activities centre and outdoor adventure survival/boot camp with hunting packages, canoeing, kloofing, rock climbing, mountain biking, etc</li> </ul>	2	2	2	6
	<ul style="list-style-type: none"> <li>Develop nature reserves as viable tourist destinations, with game viewing, overnight facilities, guided trails, teambuilding/conferencing/bosberaad, etc</li> </ul>	3	2	3	8
	<ul style="list-style-type: none"> <li>Establish budget accommodation (backpacker, camping)</li> </ul>	3	1	3	7
	<ul style="list-style-type: none"> <li>Establish community owned tea gardens/kiosks at various nature reserves</li> </ul>	1	1	3	5
	<ul style="list-style-type: none"> <li>Develop Moepel Farm eco-training centre in association with the District</li> </ul>	1	2	3	6
	<ul style="list-style-type: none"> <li>Investigate and implement one or two hiking circuits linked to Amatuva trails and Thabaphaswa hiking and mountain bike trails. Erect proper signage.</li> </ul>	1	1	3	5
<b>Special Interest tourism development</b>	<ul style="list-style-type: none"> <li>Develop a leisure train trip using existing infrastructure within Mogalakwena</li> </ul>	3	1	3	7
	<ul style="list-style-type: none"> <li>Establish Edu-tours to the game breeding centre linked with game farming</li> </ul>	1	2	3	6
	<ul style="list-style-type: none"> <li>Undertake a feasibility to establish a game hunting safari hub in Mokopane</li> </ul>	3	2	2	7
	<ul style="list-style-type: none"> <li>Undertake feasibility for farm stays for community benefit on citrus farms through PPP</li> </ul>	3	2	3	8
	<ul style="list-style-type: none"> <li>Undertake tourism activities on reclaimed communal land with tourism potential</li> </ul>	3	3	2	8
<b>Destination marketing, branding and awareness</b>	<ul style="list-style-type: none"> <li>Establish Mogalakwena destination branding through packaging and promotion of unique selling points (such as Makapan Valley)</li> </ul>	2	2	3	7
	<ul style="list-style-type: none"> <li>Print maps, brochures of local tourism facilities and attractions.</li> </ul>	1	1	3	5
	<ul style="list-style-type: none"> <li>Invest in tourism signage in the area and establish information cairns along main routes (e.g,N1,N11 and R518)</li> </ul>	1	1	3	5
<b>THRUST: SUSTAINABLE RURAL AND AGRICULTURAL DEVELOPMENT</b>					<b>Score</b>
	<b>Projects</b>	<b>Criteria</b>			
		<b>C</b>	<b>I</b>	<b>E</b>	
<b>Support land claim beneficiaries</b>	<ul style="list-style-type: none"> <li>Develop a poultry cluster with chicken farmer land claim beneficiaries and a shared central processing co-operative.</li> </ul>	3	2	1	6
	<ul style="list-style-type: none"> <li>Develop a red meat cluster with livestock farmer land claim beneficiaries and a shared central processing co-operative.</li> </ul>	3	2	1	6
	<ul style="list-style-type: none"> <li>Develop horticulture and crops cluster with land claim beneficiaries and a shared central processing co-operative</li> </ul>	3	2	1	6
	<ul style="list-style-type: none"> <li>Revitalise agriculture community gardens and joint production surrounding public owned facilities and roll-out</li> </ul>	1	1	2	4
<b>Water scarce new product development</b>	<ul style="list-style-type: none"> <li>Establish bee farming and honey production co-operative linked to existing grape farming</li> </ul>	1	2	3	6
	<ul style="list-style-type: none"> <li>Undertake feasibility for aquaculture production and fishing initiatives at utilising existing water reserves Alpine/Doordraai dams</li> </ul>	2	2	3	7
	<ul style="list-style-type: none"> <li>Establish hydroponic and organic farming methods to produce a variety of niche products (e.g. mini vegetables, vegetarian niche products, etc)</li> </ul>	3	2	2	7
	<ul style="list-style-type: none"> <li>Increase emerging and small-scale famer access to water through the use of Revitalisation of Smallholder Irrigation Schemes (RESIS) to make irrigation schemes,</li> </ul>	3	2	1	6

Emerging & small scale Black farmer support	such as the Mapela Irrigation Scheme, operational.				
	<ul style="list-style-type: none"> <li>▪ Create a multi-faceted open trade market in Mokopane to trade in fresh fruit and vegetables and livestock/meat produce</li> </ul>	2	3	3	8
	<ul style="list-style-type: none"> <li>▪ Create a Farming Education and Information Sharing Centre in Bakenberg for farmers to share information on farming practices</li> </ul>	1	1	3	5
	<ul style="list-style-type: none"> <li>▪ Develop a cooperative to hire out small-scale machinery, equipment, transport, tools, etc</li> </ul>	2	1	3	6
<b>THRUST: MINING DEVELOPMENT SUPPORT AND PROMOTION</b>					
Develop and support small-scale Black owned mines	<b>Projects</b>	<b>Criteria</b>			<b>Score</b>
		<b>C</b>	<b>I</b>	<b>E</b>	
	<ul style="list-style-type: none"> <li>▪ Undertake a feasibility for the development of a mining development and beneficiation support hub to support permit access, skills development, training, S&amp;LP advice, and mining linkages amongst others.</li> </ul>	3	3	1	7
	<ul style="list-style-type: none"> <li>▪ Revitalise existing stagnant mining operations (Grasvalley Chrome Deposits, Tin, Fluorite Mines around Mokopane)</li> </ul>	3	2	2	7
	<ul style="list-style-type: none"> <li>▪ Develop small-scale clay mining co-operatives to the South-Eastern parts of Mogalakwena</li> </ul>	3	2	2	7
	<ul style="list-style-type: none"> <li>▪ Develop small-scale limestone quarrying co-operatives</li> </ul>	3	2	2	7
	<ul style="list-style-type: none"> <li>▪ Develop small-scale granite quarrying co-operatives surrounding Marulaneng</li> </ul>	3	2	2	7
	<ul style="list-style-type: none"> <li>▪ Develop small-scale fluorite mining co-operatives along the western border of Mogalakwena</li> </ul>	3	2	2	7
	<ul style="list-style-type: none"> <li>▪ Develop small-scale tin mining co-operatives in Mokopane Tin Fields</li> </ul>	3	2	2	7
	<ul style="list-style-type: none"> <li>▪ Develop small-scale diamond mining co-operatives based on The Oaks diamond mining model</li> </ul>	3	1	2	6
Mining supplier development	<ul style="list-style-type: none"> <li>▪ Create a database of existing businesses engaged in the mining value chain in order to create linkages</li> </ul>	1	1	3	5
	<ul style="list-style-type: none"> <li>▪ Investigate the need for a regional mining supplier park which focuses on mining inputs like lubricants, spare parts, tyres, protective wear, mechanical servicing and repair depot, etc</li> </ul>	3	2	1	6
	<ul style="list-style-type: none"> <li>▪ Develop local cleaning services and catering SMMEs</li> </ul>	1	2	2	5
	<ul style="list-style-type: none"> <li>▪ Establish a recycling co-operative associated with mining related waste such as paper, plastic, wood beams, steel pipes</li> </ul>	2	2	2	6

# F Annexure

## Potential funding sources

A range of institutions have been identified which could possibly be utilised as potential funding sources. Each of the institutions mentioned are categorised according to the type of economic support for which they could provide funding.

Type of Support	Potential Funders	Comments
<b>Skills development and support</b>	Department of Labour	Skills support programmes
	National Productivity Institute Dept. of Labour DPLG	Social plan programme
<b>Community economic development</b>	Local Government	Consolidated Municipal Infrastructure Programme
	DWAF	Working for water programmes
	National government (all departments)	Poverty relief programmes
	Independent Development Trust	Development of the local capacity of communities and business ventures
	DTI	<ul style="list-style-type: none"> <li>• Incentive packages for SMME development</li> <li>• Khula provides loans and guarantees to reduce risk for SMMEs</li> <li>• Small and Medium Enterprise Development Programme</li> </ul>
<b>Business support</b>	Ntsika	Support and funding
	DPLG	Social plan fund
	ARTPAC	Financial capacity support for small contractors and artisans
	Business Partners	Support services for small businesses
	NAMAC	<ul style="list-style-type: none"> <li>• Small Enterprise Development Fund</li> <li>• Business Referral and Information Network (BRAIN)</li> <li>• Franchise Advice and Information Network</li> </ul>
	Industrial Development Corporation (IDC)	Financial incentives to encourage exports
	Dept. of Arts, Culture, Science and Technology	GODISA, which strives to create economic growth and long-term employment opportunities through the enhancement of technological innovation, improvement of productivity, sustainability and international competitiveness of

		SMMEs
	DTI	The Support Programme for Industrial Innovation
<b>Technological support</b>	Dept. of Communications	Bridging the Digital Divide programme
	Small Business Project	Private Sector Initiative
<b>Tourism Promotion</b>	Dept. of Environmental Affairs & Tourism	Tourism related activity benefit
	DTI	Tourism development finance
<b>Manufacturing Development</b>	Business Partners	Support services to SMMEs
	NAMAC	Coordinates, facilitates, monitors and evaluates activities of MAC's
	Coega Development Corporation	Job creation community-based projects
	CSIR	Conducts research, development and implementation activities
	DTI	<ul style="list-style-type: none"> <li>• Sector Partnership Fund</li> <li>• Support Programme for Industrial Innovation</li> <li>• Competitiveness Fund</li> <li>• Technology and Human Resources for Industry Programme</li> <li>• Competition Policy</li> <li>• Procurement reform</li> <li>• Finance for textile, clothing, leather and footwear industries</li> </ul>
	IDC	Low interest loans
	Development Bank of South Africa	Donor funding
<b>Agricultural Development</b>	Agricultural Research Council	Research
	DTI	Agro-industry Development Fund
<b>Local Economic Development promotion</b>	DPLG	LED fund for job creation
	Khula Enterprises	<ul style="list-style-type: none"> <li>• Equity Fund</li> <li>• Emerging Entrepreneur Fund</li> </ul>
	DPLG	Consolidated Municipal Infrastructure Programme





# Business confidence survey - sample

SECTION 1: BACKGROUND INFORMATION										
Name of business?		V1	Name of business owner?		V2					
Telephone number?		V3	Settlement/Town?		V4					
Indicate in which economic sector the business may be classified? Identify and use applicable code below.									V5	
1=Agriculture 2=Mining 3=Manufacturing 4=Construction 5=Retail/shop 6=Motor vehicle sales and repairs		7=Wholesale 8=Accommodation 9=Restaurants, take-aways, bars 10=Transport 11=Storage and warehousing 12=Banking and loans			13=Insurance (life, pension, medical) 14=Real estate and property 15=Business services (legal, professional, etc) 16=Social services (education, health, sport, etc) 17=Personal services (Dry cleaning, hairdressing)					
SECTION 2: BUSINESS CONFIDENCE INDICATORS										
Please indicate the percentage split of the value of inputs (products purchased) from your business.										
	Mogalakwena Municipality	Rest of WDM	Rest of L.P	Rest of SA	SADC countries	Other international	Total			
Inputs	%	%	%	%	%	%	100%	V6-V11		
What is the current level (in percentage) of utilisation of resources/production capacity?								%	V12	
Indicate the real (NOT inflation) business growth over the past 5 years.										
PAST GROWTH	Large Increase	Small increase	Same	Small decrease	Large decrease					
Turnover	1	2	3	4	5	V13				
Employment	1	2	3	4	5	V14				
Are you considering relocating within the next 12 months?						Yes	1	No	2	V15
Please rate the degree of optimism of doing business in Mogalakwena Municipality.		Very bad	Bad	Fair	Good	Excellent	V16			
		1	2	3	4	5				
Please rate the effectiveness or quality of service delivery for the following services.										
SERVICES	Do not make use of service	If utilized, please rate effectiveness/quality								
		Very bad	Bad	Fair	Good	Excellent				
Electricity	1	2	3	4	5	6	V17			
Water and sewerage	1	2	3	4	5	6	V18			
Roads and stormwater	1	2	3	4	5	6	V19			
Refuse removal	1	2	3	4	5	6	V20			
Finance (accounts and payments)	1	2	3	4	5	6	V21			
Town planning department	1	2	3	4	5	6	V22			
Building plans	1	2	3	4	5	6	V23			
How do you rate the overall efficiency and effectiveness of the Mogalakwena Municipality?									V24	
Very bad	1	Bad	2	Fair	3	Good	4	Excellent	5	

# Annexure

## Monitoring and evaluation matrix

Consult separate excel sheet.

## Annexure

# Strategic target considered

This section constitutes the targets considered for monitoring and evaluation and refers to the Millennium Development Goals (MDG); National Spatial Development Perspective (NSDP) principles, Five National Key Performance Areas for Local Government, the state of the nation address [SONA]; the New Growth Path, the state of the province address [SOPA], and the LEGDP.

### Millennium Development Goals:

GOAL 1: ERADICATE EXTREME POVERTY AND HUNGER	
TARGET	INDICATOR
Target 1: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day.	1. Proportion of population below \$1 (PPP) per day 2. Poverty gap ratio (incidence x depth of poverty) 3. Share of poorest quintile in national consumption
Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger.	4. Prevalence of underweight children under five years of age 5. Proportion of population below minimum level of dietary and energy consumption
GOAL 2: ACHIEVE UNIVERSAL PRIMARY EDUCATION	
TARGET	INDICATOR
Target 3: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.	6. Net enrolment ratio in primary education 7. Proportion of pupils starting grade 1 who reach grade 5 8. Literacy rate of 15-24 years-olds
GOAL 3: PROMOTE GENDER EQUALITY AND EMPOWER WOMEN	
TARGET	INDICATOR
Target 4: Eliminate gender disparity in primary and secondary education preferably by 2005 and to all levels of education no later than 2015	9. Ratios of girls to boys in primary, secondary and tertiary education 10. Ratio of literate females to males of 15-24 year-olds 11. Share of women in wage employment in the non agricultural sector 12. Proportion of seats held by women in national parliament
GOAL 4: REDUCE CHILD MORTALITY	
TARGET	INDICATOR
Target 5: Reduce by two thirds, between 1990 and 2015, the under five mortality rate.	13. Under five mortality rate 14. Infant mortality rate 15. Proportion of 1 year-old children immunized against measles
GOAL 5: IMPROVE MATERNAL HEALTH	
TARGET	INDICATOR
Target 6: Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio.	16. Maternal mortality rate 17. Proportion of births attended by skilled health personnel
GOAL 6: COMBAT HIV/AIDS, MALARIA AND OTHER DISEASES	
TARGET	INDICATOR
Target 7: Have halted by 2015 and begun to reverse the spread of HIV/AIDS	18. HIV prevalence among 14-24 year old pregnant women 19. Condom use rate of the contraceptive prevalence rate 20. Number of children orphaned by HIV/AIDS
Target 8: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases.	21. Prevalence and death rates associated with malaria 22. Proportion of population in malaria risk areas using effective malaria prevention and treatment measures 23. Prevalence and death rates associated with TB 24. Proportion of TB cases detected and cured under directly observed treatment short course
GOAL 7: ENSURE ENVIRONMENT SUSTAINABILITY	
TARGET	INDICATOR
Target 9: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environment resources.	25. Proportion of land area covered by forest 26. Ratio of area protected to maintain biological diversity to surface area 27. Energy use (kg oil equivalent) per \$1 GDP (PPP) 28. Carbon dioxide emissions (per capita) and consumption of ozone depleting CFCs 29. Proportion of population using solid fuels
Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water.	30. Proportion of population with sustainable access to an improved water source, urban and rural
Target 11: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers.	31. Proportion of urban population with access to improved sanitation 32. Proportion of households with access to secure tenure (owned or rented)

GOAL 8 : DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT	
TARGET	INDICATOR
Target 12 : Develop further an open , rule – based, predictable , non-m discriminatory trading and financial system. Includes a commitment to good governance ,development and poverty reduction –both nationally and internationally.	
Target 13: Address the special needs of the least developed countries. Includes: tariff and quota free access of least developed countries' exports; enhanced programme of debt relief for HIPC and more generous ODA for countries to poverty reduction.	<u>Official development Assistance</u> 33. Net ODA , total and to LDCs, as percentage of OECD/DAC donors gross national income 34. Proportion of total bilateral, sector-allocable ODA of OECD/DAC donors to basic social services (basic education, primary health care, nutrition, safe water and sanitation) 35. Proportion of bilateral ODA of OECD/DAC donors that is untied
Target 14: Address the special needs of landlocked countries and small island developing states. (through the programme of Action for the sustainable Development o f small island Developing states and the outcome of the twenty- second special session of the General Assembly)	<u>Market access</u> 38.Proportion of total developed country imports ( by value and excluding arms) from developing countries and LDCs admitted free duties. 39. Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries 40. Agricultural support estimate for OECD countries as per GDP 41. Proportion of ODA provided to help build trade capacity
TARGET	INDICATOR
Target 15 : Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term.	<u>Debt sustainability</u> 42. Total number of countries that have reached their HIPC decision points and number that have reached their HIPC completion points 43. Debt relief committed under HIPC initiative, US\$ 44. Debt service as a percentage of exports of goods and services
Target 16 :In co- operation with developing countries , develop and implement strategies for decent and productive work for youth	45. Unemployment rate of 15-24 years, each sex and total
Target 17 :In co-operation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries	46. Proportion of population with access to affordable essential drugs on a sustainable Basis
Target 18: In co-operation with the private sector, make available the benefits of new technologies, especially information and communication	47. Telephone lines and cellular subscribers per 100 population 48. Personal computers in use per 100 population and internet users per 100 population

#### Five Principles of the NSDP:

- ❖ Rapid economic growth that is sustained and inclusive is a pre-requisite for the achievement of other policy objectives, amongst which poverty alleviation is key;
- ❖ Government has a constitutional obligation to provide basic services to all citizens (e.g. water, energy health and educational facilities) wherever they reside;
- ❖ Beyond the constitutional obligation identified in Principle 2 above, Govt spending on fixed investment, should be focused on localities of economic growth and/or economic potential in order to:
  - gear up private sector investment
  - stimulate sustainable economic activities
  - create long-term employment opportunities
- ❖ Efforts to address past and current social inequalities should focus on people not places: In localities with low development potential, Govt spending should focus on providing social transfers, human resource development and labour market intelligence which would enable people to become more mobile and migrate to localities that are more likely to provide sustainable employment or other economic opportunities.
  - o In localities where there are both high levels of poverty and development potential, this could include fixed capital investment beyond basic services to exploit the potential of those localities.
- ❖ In order to overcome the spatial distortions of Apartheid, future settlement and economic development opportunities should be channeled into activity corridors and nodes that are adjacent to or link the main growth centres:
  - Infrastructure investment should primarily support localities that will become major growth nodes in South Africa and the SADC region to create regional gateways to the global economy.

### **Reflections from the State of the Nation Address, 11 February 2010**

- ❖ Five government priorities
  - 1. Education
  - 2. Health
  - 3. Rural development and land reform
  - 4. Creating decent work, and
  - 5. Fighting crime
- ❖ Improve the effectiveness of local government, infrastructure development, and human settlements
- ❖ Improving planning as well as performance monitoring and evaluation
- ❖ Integrate gender equity measures into government's programme of action
- ❖ Education and skills development at the centre of government policies
- ❖ Improve health care system
- ❖ Reduce new HIV infections and to effectively treat HIV and TB
- ❖ Reduce infant mortality through a massive immunization programme
- ❖ Reinstate health programmes in schools
- ❖ Implement the undertakings made on World AIDS Day relating to new HIV prevention and treatment measures
- ❖ Establishment of a National Health Insurance System
- ❖ Reduce serious and violent crimes, and ensure that the justice system works efficiently
- ❖ Upgrade well located informal settlements
- ❖ Introduction of municipal turnaround strategy
- ❖ Integrate land reform and agricultural support programmes
- ❖ Reduce the cost to communicate
- ❖ Eradicate corruption and fraud in procurement and tender processes and in application of drivers licenses, social grants, and identity documents

### **Five Key Performance Areas of Local Government Transformation:**

- ❖ Municipal Transformation and Institutional (Capacity) Development;
- ❖ Improving Basic Service Delivery and Infrastructure Investment;
- ❖ Improve Local Economic Development;
- ❖ Improvement of Financial Viability and Financial Management; and
- ❖ Strengthening Good Governance, Community Participation and Ward Committee Systems.

### **New Growth Path:**

The jobs drivers identified are:

- ❖ 1. Substantial public investment in infrastructure both to create employment directly, in construction, operation and maintenance as well as the production of inputs, and indirectly by improving efficiency across the economy.
- ❖ 2. Targeting more labour-absorbing activities across the main economic sectors – the agricultural and mining value chains, manufacturing and services.
- ❖ 3. Taking advantage of new opportunities in the knowledge and green economies.
- ❖ 4. Leveraging social capital in the social economy and the public services.
- ❖ 5. Fostering rural development and regional integration.

Prioritise efforts to support employment creation in the following key sectors:

- ❖ Infrastructure
- ❖ The agricultural value chain
- ❖ The mining value chain
- ❖ The green economy
- ❖ Manufacturing sectors, which are included in IPAP2, and
- ❖ Tourism and certain high-level services.



**Reflections from the State of the Province Address, 18 February 2010:**

- ❖ New Limpopo Employment Growth and Development Plan(LEGDP);
- ❖ Integrated industrial development strategy;
- ❖ Enterprise development: SMMEs and Cooperatives' Development Programme;
- ❖ Regional economic development and integration programme;
- ❖ Public infrastructure investment programme;
- ❖ Water resources development programme;
- ❖ Agriculture and rural development programme;
- ❖ Education and skills development programme;
- ❖ Health care development programme;
- ❖ Environment and natural resources development programme;
- ❖ The green economy and green jobs programme;
- ❖ ICT and information society development programme;
- ❖ Cooperate governance programme and, most importantly
- ❖ Building capacity for the state to deliver