

LOCAL ECONOMIC DEVELOPMENT STRATEGY 2019 - 2024



**COLLINS CHABANE
LOCAL MUNICIPALITY**
Since 2016



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ACRONYMS

AADT	- Annual Average Daily Traffic
AAG	- Average Annual Growth Rate
AFF	- Agriculture, Forestry and Fisheries
AP	- Agri-Park
APAP	- Agricultural Policy Action Plan
ASGISA	- Accelerated Shared Growth Initiative of South Africa
BBBEE	- Broad Based Black Economic Empowerment
CCLM	- Collins Chabane Local Municipality
CRDP	- Comprehensive Rural Development Programme
COGHSTA	- Department of Co-operative Governance, Human Settlement and Traditional Affairs
CSIR	- Council for Scientific and Industrial Research
DAC	- Department of Arts and Culture
DAFF	- Department of Fishery and Forestry
DBSA	- Development Bank of South Africa
DEA	- Department of Environmental Affairs
DHS	- Department of Human Settlement
DMR	- Department of Mineral Resources
DOC	- Department of Communications
DOH	- Department of Health
DPW	- Department of Public Works
DRDLR	- Department of Rural Development and Land Reform
DSBD	- Department of Small Business Development
DST	- Department of Science and Technology
DTI	- Department of Trade and Industry
FDI	- Foreign Direct Investment
GDP	- Gross-Domestic Product

HDI	- Human Development Index
HSRC	- Human Science Research Council
IBP	- Index of Buying Power
IDC	- Industrial Development Agency
IDP	- Integrated Development Plan
IPAP	- Industrial Policy Action Plan
ISRDS	- Integrated Sustainable Rural Development Strategy
KNP	- Kruger National Park
LDP	- Limpopo Development Plan
LDA	- Limpopo Department of Agriculture
LDRT	- Limpopo Department of Roads and Transport
LED	- Local Economic Development
LEDET	- Limpopo Department of Economic, Environment and Tourism
LGEP	- Limpopo Green Economy Plan
LP	- Limpopo Province
LTA	- Limpopo Tourism Authority
MTSF	- Medium Term Strategic Framework
NDP	- National Development Plan
NGP	- New Growth Path
NIP	- National Infrastructure Plan
NIPF	- National Industrial Policy Framework
PPPFA	- Preferential Procurement Policy Framework Act
RSA	- Republic of South Africa
SA	- South Africa (National)
SACM	- South African Chamber of Mines
SDF	- Spatial Development Framework
SEDA	- Small Enterprise Development Agency
SEFA	- Small Enterprise Financing Agency

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- SEZ** - Special Economic Zones
 - SIC** - Standard Industrial Classification
 - SIPs** - Strategic Integrated Projects
 - VDM** - Vhembe District Municipality

FOREWORD BY THE MAYOR



CLLR. M
MALULEKE

The year 2019 has been declared as the year of Renewal and Unity in Action to achieve economic emancipation. This year

again marks the 19th anniversary since the establishment of local government in December 2000. It also marks 25 years of freedom and democracy in South Africa which is celebrated with the much anticipated 6th National Elections on the 8th of May 2019, where South Africans from all walks of life will get a chance to choose a government of their preference without hindrance and/or classifications and segregations as was the case during the apartheid rule.

Therefore, our economic plans should always take the national and global realities into account in order to enable Collins Chabane LED strategy to take advantage of opportunities that present themselves in the various sector of the economy while simultaneously mitigating the ever-present threats to inclusive economic growth.

This strategy strives to accelerate economic growth path along an inclusive and sustainable path, the achievement of much higher level of employment creation for the local communities, and the substantial reduction in inequality. Furthermore, the strategy intends to stimulate shared growth in the local economy by focussing limited resources on initiatives that are most likely to enhance the prospects of shared growth and employment creation. It is anticipated that the selected initiatives are likely to stimulate economic growth whilst strengthening local competitive advantage and creating a conducive environment for employment creation and business enterprises to thrive.

As emphasized in the National Development Plan and the Limpopo Development Plan, the Collins Chabane Local Municipality commits to accelerate the economic upliftment of the people of Collins Chabane. We also acknowledge that there is no doubt in our minds that we are going through tough times. Already in the midst of a radical phase of economic transformation, South Africa faces the pressing problems of unemployment, poverty, material inequality and a sluggish economy. The LED Strategy, as part of the municipal IDP, commits itself to:

- Make Local Government work better for you;
- The inclusive Agenda to create decent work and sustainable livelihood;
- Issues of education, health, Rural Development, Food Security and Land Reform;
- Delivery (effective implementation) and acceleration of Service Delivery;
- The quest to push back the frontiers of Poverty.

This LED Strategy sharpens the focus on the most critical issues constraining shared local economic growth, employment creation and where potential exists to improve. Greater pragmatism in selection of initiatives combined with success of implementation should boost the credibility of LED, as an effective process for local stakeholders to participate in and contribute to shared growth of the local economy and employment creation. The role of the municipality should move away from being the primary implementer of LED projects and should rather concentrate on facilitation of LED. In this regard, the role definition of the municipality in LED needs to be changed accordingly.

The strategy targets four main areas of impact that are likely to contribute sustainably towards the overarching goals of employment creation and poverty alleviation, by providing enhanced access to and utilisation of, economic opportunities by residents of Collins Chabane:

- Enhanced rate of enterprise start-ups, sustainability and expansion,
- Capital / Equity growth,
- Employment growth
- Lower costs of living.

Our move is in all honesty a resonance to the key pillars of the National Development Plan. The NDP emphasises the need for a more inclusive, dynamic, diverse and equitable economy that is able to absorb labour and accelerate growth and in doing so decrease unemployment and poverty. This move also found expression in President Ramaphosa's first State of the Nation Address wherein he highlighted that government holds strong belief that: the most effective weapon in the campaign against poverty is the creation of decent work and creating that work requires faster economic growth.

The Chinese Philosopher Lao Tzu wrote that the journey of a thousand miles begins with the first step.

CLLR. M MALULEKE

MAYOR: COLLINS CHABANE MUNICIPALITY

PREFACE BY THE MUNICIPAL MANAGER

Our Collins Chabane Local Council is technically, a new municipality established after the 2016 local elections in terms of Sec 12 of the Municipal Structures Act (no. 117 of 1998). In the less than 3 years of our existence, the progress made so far has been quite remarkable in the face of many challenges inherited from the past. Hasten to mention that through collective efforts, our municipality was honoured for being amongst the top performing councils (in terms of MIG) in the State of the Province Address 2019. Furthermore, this has been an indication that through true commitment to service delivery and focus to our Seven (7) strategic objectives so much more can be achieved despite the young age of the municipality. Without hard work, a strong team, knowledgeable civic organisations (stakeholders), inter-governmental support and a co-operative community these achievements would have been possible.

As informed by various legislative frameworks, the previous financial years to date has seen the Council directing more energy on the planning processes, building capacity and setting up of systems to make the administration function and work properly to meet its mandate. The Integrated Development Plan was finalised in 2018, proving a pathway for the Spatial Development Framework and this Local Development Strategy.

The Municipal Systems Act 32 of 2000 emboldens municipalities to realise their service delivery and developmental objectives by promoting local economic development in a participatory fashion to ensure inclusivity and impartial growth. Amongst the seven (7) strategic objectives "The integrated local economy" is key in the achievement of the municipality's vision "A spatial integrated and sustainable local economy by 2030" The effective implementation of the LED strategy directly addresses local economic development challenges which will eventually boost the local income and sustain service delivery. Through the LED strategy, the municipality intends to ignite economic activity, attract investors, support employment and address the urgent challenges that affect the lives of the vulnerable members of our community.

The LED Strategy is centred on the key economic industries, namely, Agriculture, Tourism, Manufacturing and the Retail sectors amongst others. The process was determined to include current trends, developments and concepts that can best take

our municipality forward based on existing socio-economic profile, capacity and available resources. Furthermore, the strategy should not be static but rather evolve through a continuous process of evaluation, monitoring and remediation. It is therefore our firm belief that through consistent robust and open engagements, this LED strategy should provide a solid path towards an integrated and inclusive growth, where results can be achieved in a short period and more people have sustainable jobs and livelihoods.

We therefore hope to begin the 2019/20 financial new year encouraged by the progress we have made, working together, in building our local economy not only through this LED Strategy, but through many other developmental plans and initiatives from all stakeholders with common interest. The task of building a better live for all is our collective responsibility as a community of Collins Chabane Local Municipality. The municipality remains grateful for the unwavering commitment by all stakeholders.

MR. R SHILENGE

MUNICIPAL MANAGER (ACTING)

1.1 INTRODUCTION

The impetus for local socio-economic development is strengthened by various legislative frameworks and policies in all spheres of government including municipalities. Hence the need for every municipality to have a comprehensive and integrated plan for the development of its juristic area, socially and economically amongst others. The government has put in place legislative frameworks aimed at aiding people to create better lives for themselves.

Nel (2005) argues that in order to promote economic development it is increasingly being recognized that microeconomic measures at the local level are needed as well as macroeconomic measures at the national level. The former is often collectively referred to as Local Economic Development (LED) and in the South African context, prioritizing the needs of the poor must feature prominently in the design of LED interventions and strategies.

LED is understood as a territorial concept aimed at stimulation of the local economy to grow, compete and create more jobs, in particular by making better use of locally available resources. The LED is about local activities that make markets work well and aims at creating suitable environments and opportunities to match supply and demand as well as promote new business opportunities. LED also aims at creating favourable locational factors such as qualities, which make conditions conducive to operate a sustainable business. This includes obvious elements such as improving the infrastructure, access to business development services, education, technology and other innovative resources for the ever-changing environment. However, it also includes less obvious elements such as the business acumen and efficiency of local administration to bring about innovative and sustainable interventions that will turn around the socio-economic conditions of its locality (Fiedeldei, 2004). The ability of communities to improve the quality of life, create new economic opportunities and fight poverty depends upon them being able to understand the processes of LED, and act accordingly in the changing and increasingly competitive market economy (Swinburn, Goga & Murphy, 2006).

Furthermore, the success of a community today depends upon its ability to adapt to the dynamic local, national and international market economy.

Strategically planned LED is increasingly used by communities to strengthen the local economic capacity of an area, improve the investment climate, and increase the productivity and competitiveness of local businesses, entrepreneurs and workers. Hence Collins Chabane Local Municipality (CCLM) has since embarked on this process of developing its first ever LED Strategy.

The LED Strategy is expected to clearly outline the current economic position of CCLM; where it should be and how to get there. Most importantly the strategy must present viable interventions that are sustainable, measurable, traceable and manageable.

1.2 MUNICIPAL BACKGROUND

Collins Chabane Local Municipality (CCLM) is a fairly new municipality established in 2016, after a protracted process that started way back in 2009. Suffice to mention that the issue of boundary redetermination was not necessarily new in 2009 but had been raised as an objection to the proposed boundaries of Thulamela Local Municipality in 1999, but failed on technical grounds.

Following formal submissions, imbizo, public participation forums and many other stakeholder engagements; in May 2014 the Municipal Demarcation Board resolved to commission a study that will determine the feasibility of an independent local municipality based on proposed boundaries re-determination. Furthermore, it was resolved that if the study favours the redetermination of the boundaries, then the process must be allowed to proceed after the 2016 local government elections.

The study was conducted in 2015 and amongst others the key motivational facts included:

- Promotion of spatial integration and nation building
- Equitable distribution of financial and administrative resources
- Effective local governance and leadership
- Viable land use, transportation, social and economic development
- Improvement of service delivery and comprehensive planning
- Reduction of systematic challenges and replication of resources

Subsequently, in 2016 Collins Chabane Local Municipality was established in terms of Sec 12 of the Municipal Structures Act (no. 117 of 1998) as a category B municipality after the local government elections held on the 3rd of August 2016. This effectively made the Collins Chabane Local Municipality the youngest in the history of the Republic of South Africa since the new dispensation.

CCLM is made up of the land that was previously part of Thulamela, Makhado Local Municipalities. This land covers at least 5 467,21 km² area and accommodates a population of approximately 346 000 people in more than 173 villages.

1.3 GEOGRAPHIC LOCATION

The CCLM municipality forms part of the Vhembe District in the Limpopo Province of the Republic of South Africa (RSA). The Limpopo Province (LP) is situated on the North Eastern part of South Africa as depicted on Map 1 below.



The Northern border line of Limpopo Province is along Botswana (North West), Zimbabwe (North) and Mozambique (North West) borders with the RSA. On the Southern border line, it shares border line with North West Province (on the Southern West), Gauteng Province (on the South) and Mpumalanga Province on the Southern East.

The Vhembe District Municipality (VDM) is situated on the Northern part of Limpopo Province where it shares borders with Botswana, Zimbabwe and Mozambique as depicted on Map 1.

Map 1. South Africa and its Provinces

Source. Wikipedia 2019



Map 2. Limpopo Districts Source. Wikipedia 2019

The Map 2 above shows the location of Vhembe District and other neighbouring districts (Capricorn, Mopani, Sekhukhune and the Waterberg Districts) constituting the entire Limpopo Province.

Map 3 depicts the entire district with its local municipalities. CCLM is on the southern western part of the Vhembe District Municipality. Its neighbouring municipalities within the district are Musina Local Municipality on the north, Thulamela Local Municipality on the North Western part, Makhado Local on the south western area as



Map 3. Vhembe Districts and its Local Municipalities Source: CCLM SDF 2018.

depicted on Map 3. On the southern part it is bordered by the Greater Giyane and Greater Letaba Local Municipalities of the Mopani District Municipality.

The municipality has identified four areas as developmental nodes; Saselemani, Vuwani, Hlanganani and Malamulela, where the latter forms part of the district nodes too. These four nodes are surrounded by all other villages and are characterised by shopping centres, service centres and can generally be referred to as central business hubs for their surrounding communities.

2.1 OVERVIEW

LED is defined as a process in which relationships between local government, communities, civic groups and the private sector are established and managed to create an environment where existing resources can be utilised to the maximum to stimulate the economy in a well-defined area. It is globally, but especially in developing countries, seen as the solution to improved quality of life, unemployment, poverty and inequality. LED is relatively a new field of research and policy formulation; planning processes and implementation plans are still evolving with various alternative theories and approaches. (Meyer, 2014)

According to Rodrigues-Pose (2001), traditional macro-economic policies have not been successful in the past in creating an enabling developmental environment at the local level and LED has provided an alternative to development. Rodrigues-Pose (2001) listed the following advantages of LED over traditional economic policies namely, LED empowers and ensures local participation, local people can play an active part in planning their own economic future, LED ensures that local business are involved in the process and are more open to play an active role in partnerships with local communities. In addition, LED ensures that local development is locality based and focused on local comparative advantages, it allows for more resilient local economies and LED could create local opportunities and local jobs, thereby improving the local quality of life.

Figure 1 below depicts a collaborative relationship that must prevail for a good strategy formulation and implementation.

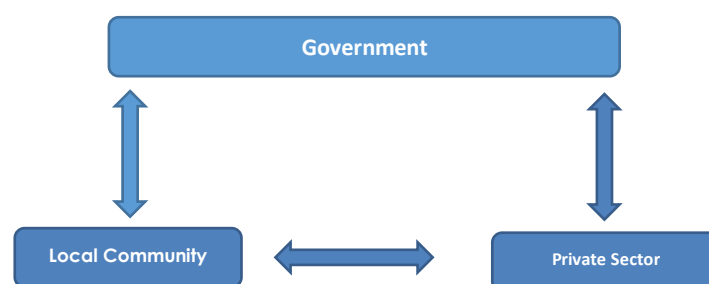


Figure 1. Approach to LED Formulation and Implementation

Source: Meyer. 2013

2.2 OBJECTIVES

A decent LED Strategy must be able to achieve the following objectives at least:

- Ensure poverty reduction and sustainable livelihoods through a thriving economy
- Mobilise investments that can create decent employment opportunities and deepen economic linkages across the sectors
- Maximise economic potential of various economic sectors and promote sustainable development based on available resources
- Transform economy and build inclusive growth where the second layer of the economy can participate and be sustainable
- Build long term financial viability of the local economy and empowerment of local role players

2.3 LED GUIDING PRINCIPLES

For the LED Strategy to be effective and successful, it has to be founded on the following basic principles:

- Community owned and driven initiative
- Inclusivity and participation by all stakeholders
- Strategic alignment to national, provincial legislation and policy
- Realistic, practical and viable
- Co-operation and collaboration of all stakeholders
- Institutional development and capacity.

2.4 METHODOLOGY

The methodology is based on the National LED Action Plan that is broadly accepted by various organs of the state involved in local economic development. A summary of the methodology and process flow is depicted in figure 2 below:

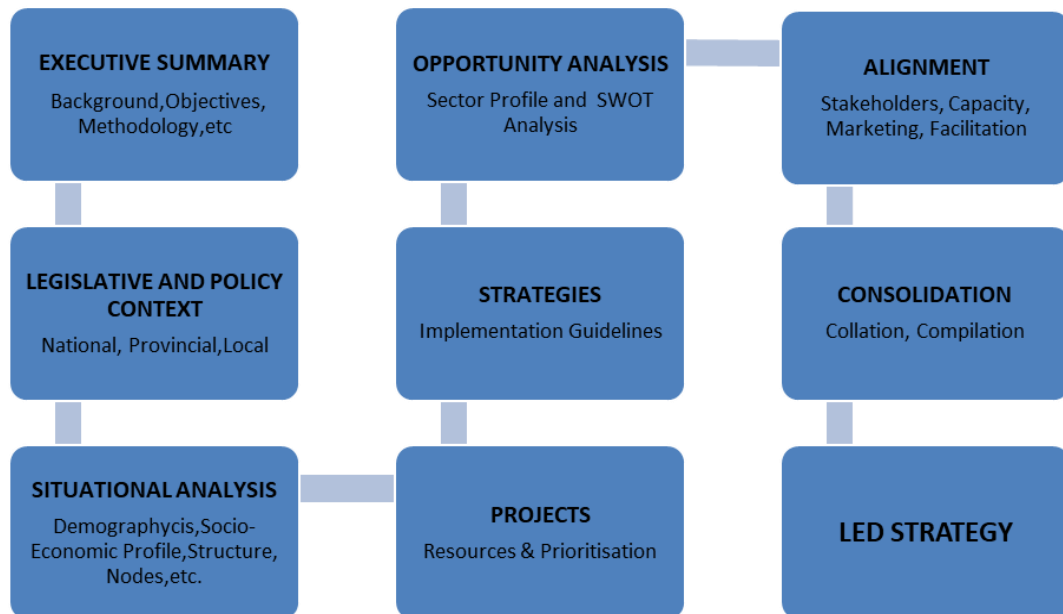


Figure 2. LED Methodology and Process Flow

The main purpose of this approach is to achieve a comprehensive document that will provide all stakeholders in CCLM valuable information and guidelines in the allocation of resources to achieve the local economic development objectives as outlined in section 2.2. Furthermore, the strategy will be informed by a functional regional approach. The basis of this approach rests on its emphasis on the nodal-areas' economic and socio-spatial linkages to rural economic development. Thus, the economic development of CCLM's villages and rural townships is essentially reliant on these places' linkages with established nodes. This approach is evident in most developmental plans of the province (LDP) as well as adjacent municipalities with similar characteristics. In addition, this plan was formulated through the extraction of information and fusion thereof from the following sources amongst others:

- Existing strategic spatial planning instruments and initiatives located at provincial, district and local levels of government. These include the National Development Plan (NDP), Comprehensive Rural Development Programme (CRDP), Limpopo Development Plan (LDP), Agriculture Policy Action Plan (APAP), district and local Integrated Development Plans (IDPs), Local Economic Development (LED) strategies, Spatial Development Frameworks (SDFs) and other related sector plans.
- Site visits to some villages and nodal points as identified in the CCLM SDF. Meetings were held with some of the stakeholders in order to find out the challenges and opportunities that need to be addressed in the identified intervention areas.

3.1 LEGISLATIVE FRAMEWORK

3.1.1 The Constitution of the Republic of South Africa, 1996

The Constitution, the founding document of our democracy was the first to signal and assert the place and role of local government in LED. It stated that as follows: "A municipality must structure and manage its administration, and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community."

3.1.2 The White Paper on Local Government, 1998

The vision was further expressed in the White Paper on Local Government which, amongst others, introduced the notion of 'developmental local government' which got defined as "Local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs, and improve the quality of their lives". It further stated as that: "Local Government is not directly responsible for creating jobs. Rather, it is responsible for taking active steps to ensure that the overall economic and social conditions of the locality are conducive to the creation of employment opportunities"

3.1.3 Local Government Legislation

The Local Government Transition (Act of 1996) and its amendment are major post-apartheid legislations and refer to LED as a municipal strategy aimed to promote economic and social development. The Act

assigns powers and functions to local government relating to service provision and requires municipal council to promote integrated economic development, the equitable distribution of municipal resources and the delivery of service with a developmental focus in mind.

The mandate for municipalities is expressed further in the Municipal Structures Act 117 of 1998. The Act provides that executive major must identify the needs of the municipality, review and evaluate those needs in order of priority, recommend to municipal council strategies, programmes and services to address those priorities through integrated development planning from which LED emanates.

The Municipal Systems Act 32 of 2000 requires municipalities to realise developmental local government objectives through the formulation and adoption of a single and inclusive integrated development plan. It assigns municipalities with the responsibility to create and promote economic development in a participatory way that allows for informed municipal decisions and strategies.

The municipal budget comes to serve as a tool through which priorities and strategies identified in the LED could be effectively implemented. Hence, the Municipal Financial Management Act 56 of 2003 provides for municipalities to develop budget to meets its obligations and mandate.

3.1.4 Broad-Based Black Economic Empowerment (Act 53 of 2003)

The Broad Based Black Economic Empowerment Act, as amended, mandates all spheres of Government and the private sector to promote the achievement of the Constitutional right to equality, increase broad-based and effective participation of black people in the economy and promote a higher growth rate, have increased employment and more equitable income distribution, and 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 revised codes, published in the Government Gazette (Notice 800 of 2012) for public comment, include enhanced recognition of “black people with disabilities, black youth, black people living in rural areas and black unemployed people”. The amendments to the BBBEE Act and the Codes fundamentally change the current BBBEE framework and are a powerful expression of the Government's intention to implement BBBEE for local economic development through procurement.

3.1.5 The Infrastructure Development Act, 2014

This Act provides for the facilitation and co-ordination of public infrastructure development, which has been identified as the major contributor towards economic development in South Africa.

In accordance with the Infrastructure Development Act, a National Infrastructure Plan was developed, where 18 Strategic Integrated Projects (SIPs) were identified. These SIPs are based on spatial analysis of the country's needs and cover a range of economic and social infrastructure across all nine provinces, with emphasis on poorer provinces. Each SIP comprises a large number of specific infrastructure components and programmes.

The Infrastructure Development Act is an enabling piece of legislation that provides the mechanism through which the long-term infrastructure (and related job creation) plans of Government will be undertaken. It has a significant impact to the Collins Chabane LED strategy, in that two of the SIP's (SIP2 and SIP11) directly impact Collins Chabane at local level (SIP2) and at district level (SIP11). A detailed analysis of the impact of these two SIPs on Collins Chabane, is undertaken later in the document.

3.1.6 The Special Economic Zones Act

In 2014, The Special Economic Zones (SEZ) Act (Act No. 16 of 2014) was promulgated. The Act aims to contribute to the revitalisation of previously under-served regions by drawing in greater volumes of foreign direct investment (FDI), strengthening the local manufacturing sector and creating significant numbers of new jobs.

The 2014/15 - 2016/17 Industrial Policy Action Plan (IPAP) identifies SEZs as key contributors to economic development. They are growth engines towards government's strategic objectives of industrialisation, regional development and employment creation. Special Economic Zones may be sector-specific or multi-product and the following categories of SEZs have been defined as per the SEZ Act:

- **Category 1 Sector Development Zone:** A zone focused on the development of a specific sector or industry through the facilitation of general or specific industrial infrastructure, incentives and business services primarily for the export market
- **Category 2 Free Trade Zone:** A duty free area offering storage and distribution facilities for value-adding activities within the Special Economic Zone for subsequent export.

- Category 3 Free Port A duty free area adjacent to a port of entry where imported goods may be unloaded for value-adding activities within the Special Economic Zone for storage, repackaging or processing, subject to customs import procedures.
- Category 4 Industrial Development Zone A purpose-built industrial estate that leverages domestic and foreign fixed direct investment in value added and export orientated manufacturing industries and services.

The SEZ Act is particularly relevant to Collins Chabane LED Strategy, because the National Government granted a Special Economic Zone (M-SEZ) license to the municipality.

3.1.7 The Preferential Procurement Policy Framework Act, 2000 (PPPFA ACT)

The PPPFA Act, 2000 was enacted to give effect to section 217 (3) of the Constitution which requires that "National legislation must prescribe a framework that allows for;

- a) categories of preference in the allocation of contracts; and
- b) the protection or advancement of persons, or categories of persons, disadvantaged"

The PPPFA Act requires organs of state to determine their preferential procurement policy and implement it within the framework described in the PPPFA Act.

3.2 NATIONAL POLICY FRAMEWORK

3.2.1 The National Development Plan

In order to deal with the envisaged growth in the local economy, the LED strategy must be aligned to the National Development Planning. The National Development Plan ("NDP") provides a broad strategic framework to guide key development policy choices and actions in South Africa. The plan presents a long-term strategy to promote job creation and broaden opportunities through the active intervention of government. Whilst the NDP does not refer specifically to or focus on Local Economic Development, it does however focus on the broader economic growth principles that would by implication require municipalities to align their economic development initiatives thereto.

The main economic growth and development policy instrument referred to in the NDP is the New Growth Path ("NGP") and the enabling legislative framework it has included.

Given that the rural and semi-urban characteristics of CCLM, the chapter on "An Integrated and Inclusive Rural Economy" is therefore of specific relevance to this LED Strategy.

3.2.2 Medium Term Strategic Framework (MTSF)

The MTSF is the first 5-year cycle of the implementation plan of the NDP. According to Outcome 4 for the creation of decent employment through inclusive growth emphasis is on:

- Attracting investment through infrastructure
- Focus on productive sectors
- Eliminating unnecessary regulatory burdens
- Appropriate upskilling of labour force
- Expanded unemployment in Agriculture
- Reduced workplace conflict
- Public employment schemes.

National targets for Outcome 4 on employment and economic growth, as an example, are:

- An increase in the GDP growth rate from 2.5% in 2012 to 5% in 2019/20
- An increase in the rate of investment to 25% in 2019/20
- The share in household income of the poorest 60% of households rising from 5.6% in 2011/12 to 10% in 2019/20
- A decrease in the official unemployment rate from 25% in quarter one of 2013 to 14% in 2019/20

Based on Outcome 7 for the comprehensive rural development which is vibrant, equitable and sustainable focuses primarily on seven imperatives that are core for an inclusive and integrated rural economy, namely:

- Improved land administration and spatial planning for integrated development, with a bias towards rural areas
- Improved and sustainable agrarian reform and food security

- Smallholder farmer development and support (technical, financial, infrastructure)
- Increased access to quality basic infrastructure and services, particularly in education, healthcare and public transport
- Sustainable rural enterprises and industries characterised by strong rural-urban linkages, increased investment in agro-processing, trade development and access to markets and financial services
- Reduce rural unemployment
- Improved integration and coordination of rural development across all spheres of government and between government departments as a result of implementation of synchronised rural development strategies.

3.2.3 The New Growth Path 2011

The New Growth Path (NGP) represents governments' framework for economic policy and is the driver of the country's jobs strategy. It places decent work and jobs at the centre of the fight against inequality and identifies sector and policy jobs drivers as indicated on Table 1 below.

5 NEW GROWTH PATH DRIVERS FOR JOBS	
Public Investment in infrastructure to create direct jobs in construction, and maintenance & indirect jobs through economic efficiency	<i>Most public infrastructure related jobs will from the construction of houses, public works or transport have a multiplier effect through manufacturing of components for construction</i>
Target labour absorbing activities in main economic sectors	<i>Agriculture, mining, manufacturing, and services sectors offer the best opportunity to absorb more labour</i>
Maximum opportunities in new economic sectors	<i>Green and knowledge economies create opportunities in manufacturing, construction, recycling related to renewable energy technologies, research and development</i>

Leverage social capital in the social economy and public services	<i>Government has made a commitment to set targets for public employment by way of youth brigades, public and community works programmes and internships</i>
Foster rural development and regional integration	<i>Through the provision of public infrastructure and housing in rural areas, support for small scale agriculture, and small business support</i>

Table 1. Five Job drivers as per the New Growth Path

Source: NGP 2011

3.2.4 The National Industrial Policy Framework

The National Industrial Policy Framework (NIPF) sets out Government's approach to industrial development, providing strategic direction to the economy with respect to the issue of industrial development. The NIPF will be given effect through the implementation of thirteen strategic frameworks which are:

- SP1 Sector Strategies
- SP2 Industrial Financing
- SP3 Trade Policy
- SP4 Skills and Education for Industrialization
- SP5 Competition Policy and Regulation
- SP6 Leveraging Public Expenditure
- SP7 Industrial Upgrading
- SP8 Innovation and Technology
- SP9 Spatial and Industrial Infrastructure
- SP10 Finance and Services of small Enterprises
- SP11 Leveraging Empowerment for Growth and Employment
- SP12 Regional and African Industrial and Trade Framework
- SP13 Co-ordination Capacity and Organisation

3.2.5 Accelerated Shared Growth Initiative of South Africa (ASGISA)

ASGISA introduced in 2004, a national shared growth initiative, seeks, as its core objective, to halve poverty and unemployment by 2014 (RSA, 2006). It is clear that ASGISA is focusing its attention on women and youth, particularly on women with an emphasis on human resource training; access to finance; fast

tracking women out of the second economy; ensuring participation in agriculture and creative industries; improving access to basic services; and increasing their participation in expanded public works programmes.

3.2.6 The Integrated Sustainable Rural Development Strategy (ISRDS), 2000

The ISRDS of 2000 aims at transforming rural South Africa into an economically viable sector which can make a significant contribution to the Growth Domestic Product of the country. It attempts to coordinate existing initiatives and programmes towards the end of achieving greater impacts over the short term. The strategy further states that any strategy for development should be based on the socio-economic realities in provinces and the country as a whole. The framework also recognizes the link between economic, social and physical factors. Any attempt to implement LED strategies should therefore consider the socio-economic realities of the area and its wider context.

3.2.7 Comprehensive Rural Development Programme (CRDP)

The CRDP is aimed at being an effective response against poverty and food insecurity by maximizing the use and management of natural resources to create vibrant, equitable and sustainable rural communities. The CRDP takes a three-pronged approach to rural economic development which are as follows:

- A coordinated and integrated broad-based agrarian transformation
- Strategically increasing rural development
- An improved land reform programme.

Agrarian transformation focuses on, but not limited to the establishment of rural business initiatives, agro-industries, co-operatives, cultural initiatives and vibrant local markets in rural settings, the empowerment of rural people and communities (especially women and youth). Rural development focuses on the optimal use and management of natural resources for the benefit of rural communities. Land reform focuses on reviewing the Restitution, Redistribution and Tenure Reform Programmes.

The Strategy also takes into account various accords developed and adopted on various areas of economic development over the past few years. These

include the Youth Accord, National Skills Accord, Local Procurement Accord and the Green Accord

3.2.8 The COGTA 2014 Framework for Local Economic Development

In 2006, the then Department of Provincial and Local Government developed South Africa's first National Framework for Local Economic Development with a view to standardising the approach of municipalities to LED and inter alia, standards for LED good practice. Its vision for local economic development as stated in the 2014 LED Framework is as follows:

"Competitive, sustainable, inclusive local economies; World-class and dynamic places to live, invest, and work; maximizing local opportunities, addressing local needs, and contributing to national development objectives".

3.2.9 Agricultural Policy Action Plan (APAP)

The APAP is a programmatic response to key policy documents including the NGP, the NDP and the MTSF in respect of the following outcomes which have been explained in more in section 3.2.2:

- Outcome 4 - Decent employment through inclusive growth
- Outcome 7 - Vibrant, equitable, sustainable rural communities contributing towards food security for all

3.3 PROVINCIAL POLICY FRAMEWORK

3.3.1 Limpopo Development Plan 2015-2019

The purpose of the Limpopo Development Plan (LDP), 2015-2019, is to:

- Outline the contribution from Limpopo Province to the national MTSF1 for this period,
- Provide a framework for the strategic plans of each provincial government department, as well as the IDP's and sector plans of district and local municipalities,
- Create a structure for the constructive participation of private sector business and organised labour towards the achievement of provincial growth and development objectives

- Encourage citizens to be active in promoting higher standards of living in their communities.

3.3.2 Limpopo Spatial Development Framework (SDF)

The Limpopo SDF states that the future spatial pattern for the province will be determined by political and economic forces and processes. Further, the availability of resources will have a direct impact on economic development in the area and will be the most important factor for development in the province in the future.

3.3.3 Limpopo Green Economy Plan

The Limpopo Green Economy Plan (LGEP) aims to create jobs through the green economy. Limpopo is in the process of developing policies and projects aimed at increasing employment and growing the economy via the creation of green jobs. It envisages a green economy in agriculture, construction, manufacturing, science and technology.

3.3.4 Limpopo Youth Development Strategy

The Youth Development Strategy of Limpopo Province has the following objectives:

- To reassert youth development as a cross-cutting responsibility of all sector departments and state agencies in Limpopo Provincial Government and Municipalities;
- To ensure that youth development issues are mainstreamed and occupy their rightful place and space in the planning, budgeting and implementation of programmes of the Limpopo Provincial Government;
- To strengthen the capacity of key youth development institutions in the province and ensure integration and coordination in the delivery of youth services;
- To create a wider range of learning pathways to provide young people with multiple routes and exit opportunities for them to realize successful transition from youth to adulthood; and
- To design and implement interventions that seek to provide a wide variety of opportunities for needy young people, especially in rural areas.

3.3.5 Limpopo Agro-processing Strategy

The purpose of the agro-processing strategy is to enhance agro-processing capabilities of the province in order to address economic development challenges. The strategy will create sustainable job opportunities in the medium to long-term periods by reaching the objectives as indicated by IPAP2 and the LEGDP. The key benefits that will be obtained from the implementation of the agro-processing strategy will include:

- Job opportunities in the entire value chain of the agriculture sector
- Promotion and investment in the agro-processing sector of the Limpopo province
- Rural development through interventions in a range of sectors such as agro-processing, bio-fuels and forestry
- Improvement in competitiveness of the local economies through using the local resource base and locational advantages
- Stronger integration between the different economic sectors of the province
- Enhancement of local businesses/enterprises and skills development for the agriculture industries
- Promote overall growth and development of the agriculture industries

4.1 OVERVIEW

Fundamental to the development of CCLM LED strategy is a profound understanding of the socio-economic profile of the area. This includes a thorough analysis of key economic development such as the population structure and dynamics; development indicators; infrastructure; spatial structure; access to basic services, public facilities, social amenities, etc. These should provide a perspective on the economic status of Collins Chabane Local Municipality whilst benchmarking it on a spatial level with its neighbouring locals, Vhembe District Municipality, Limpopo Province and South Africa.

Suffice to mention that various other developmental aspects are addressed in detail and with better clarity in other CCLM strategic documents such as the Integrated Development Plan (IDP) and the Spatial Development Framework (SDF). Issues highlighted and expatiated upon in the analysis are critical for the delineation and contextualisation of the entire LED Strategy at the end.

Data has been sourced from various sources including IHIS Markit 2016, Statistical Services of South Africa as well as other documents ratified by various organs of the state e.g. Vhembe District IDP, Limpopo Province Rural Development Strategy, CCLM IDP, etc.

The analysis should be able to afford CCLM a clear perspective of where it is currently. Furthermore, it should provide guidance regarding where it would prefer to be and the basis of how to get there and/or achieve its development objectives.

4.2 DEMOGRAPHIC PROFILE

4.2.1 Population Dynamics

Table 2 below indicates the percentage population of CCLM compared to the District, Province and National statistics. CCLM has a population of approximately 347 974 people growing at an average annual growth rate (AAG) of 0,39%. The total population of CCLM makes up about 25% of the total population in the District, 6% and provincially and 0,61% nationally.

YEAR	CCLM	VHEMBE	LIMPOPO	NATIONAL	DISTRICT	PROVINCE	NATIONAL
2016	343 000	1 370 000	5 750 000	55 700 000	25%	6%	0,61%
2017	347 974	1 390 000	5 810 000	56 500 000	24,5%	5,9%	0,61%
AAG	0,39%	0,87%	0,83%	1,92%			

Table 2. Population Average Annual 2016 – 2017

Source: IHS Markit 2016

There are factors attributing to the population growth in CCLM, chief amongst them being the fact that the biggest employer in the region is the state through its various spheres, where district and provincial offices are located mainly in Thulamela Local Municipality (Thohoyandou). This pattern illustrates a direct correlation between employment and population dynamics. The rate of population in growth in CCLM is lower than that of the region and the province because of limited employment opportunities in the local municipality. An increase in employment opportunities will lead to a higher population in CCLM.

4.2.2 Population by Gender

MUNICIPALITY	MALE	%	FEMALE	%	TOTAL	% TOTAL
CCLM	153 474	45%	194 500	55%	347 974	24,5%
Musina	64 500	49%	64 700	51%	129 000	10%
Thulamela	224 000	46%	263 000	54%	487 000	35%
Makhado	201 000	47%	224 000	53%	425 000	30,5%

Table 3. Population by Gender

Source: IHS Markit 2016

Table 3 depicts the population structure in terms of gender in CCLM and other municipalities within the District. 55% of CCLM population are female in the area, making it the municipality with the highest females within the District. Therefore, government programmes targeted at women empowerment can be motivated towards CCLM within the district.

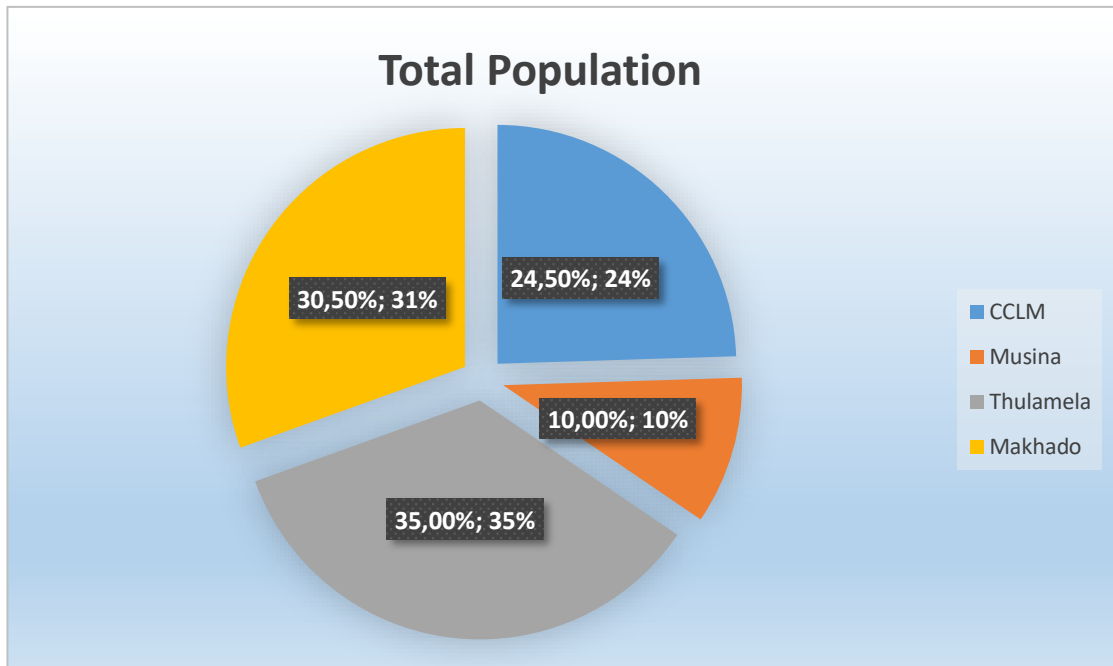


Figure 3. Vhembe District Total Population Distribution Source: IHS Markit 2016

Figure 3 illustrates that CCLM is the 3rd largest municipality in terms of population within the district; though with the highest population of the most vulnerable members of the society; female gender. The higher number of the female gender effectively places a high burden on the CCLM with regard to issues related to social welfare, security and health care.

4.2.3 Population by Group Gender and Age

AGE GROUP	FEMALE	TOTAL/CATEGORY	MALE	TOTAL/CATEGORY
00-04	21,500	85 100	21,900	85 700
05-09	23,100		23,500	
10-14	20,800		20,700	
15-19	19,700		19,600	
20-24	16,300	50 400	15,600	36 530
25-29	16,900		11,600	
30-34	17,200		9,330	
35-39	12,400	39 790	6,610	20 260
40-44	7,310		4,360	
45-49	5,980		3,320	
50-54	7,670		3,010	
55-59	6,430		2,960	
60-64	4,820	17 810	2,820	9 380
65-69	4,250		2,520	
70-74	3,130		1,920	
75+	5,610		2,120	
Total	193,500	193 500	152,500	152 500

Table 4. Population by Group and Age

Source: IHS Markit 2016

Table 4 indicates that the largest share of population of CCLM is the babies, kids and teenagers (0-19 years highlighted in green on the Table 4) age category with a total number of **131 500** (85 700 females and 85 100 males), constituting almost 49% of the total population. This category is mainly dependent on the income from the head of the household, alternatively social grants and other social welfare support programmes. Given this pattern, it is crucial to plan ahead to accommodate future needs of this category especially with regard to skill development initiatives for new job requirements for emerging and developed economic markets.

The second largest category of the population is the youth (20 - 34 years) at almost **86 930** (50 400 females and 36 530 males highlighted in yellow), constituting almost 25% of the CCLM population. This therefore suggests the programmes and initiatives to reduce unemployment and poverty should be designed in consideration of the youth category of CCLM. The 3rd largest category are adults 35 – 59 years at **60 050** (39 790 females and 20 260 males highlighted in tan). People in the second and third categories are considered the economically active members of the society. Economically active therefore constitute 42% (**86 930** plus **60 050**) of the total population of CCLM. This pattern is expected to improve over a medium-term period based on the high number of persons between the ages of 15 – 19 years. This should augur well for the municipality as it prepares to unleash its economic potential across various sectors of the economy.

The last category are mainly senior citizens (60 years and above highlighted in grey) who are mostly recipients of social welfare grants or pensioners based on previous employment, etc. This category constitutes 9% of CCLM population. Lastly, it is also important to note that the female gender remains higher the male gender across all age categories.

4.3 DEVELOPMENT

4.3.1 Human Development Index (HDI)

HDI is the combination of three basic dimensions of human development; namely long and healthy life, knowledge and a decent standard of living. A long and healthy life is typically measured using life expectancy at birth. Knowledge is normally based on adult literacy and/or the combination of enrolment in primary, secondary and tertiary schools. A decent standard of living, is measured by GDP per capita. HDI can have a maximum value of 1, indicating a very high level of human development, while the minimum value is 0, indicating no human development. Figure 4 indicates the HDI of CCLM compared to the District, Province and National indicators.

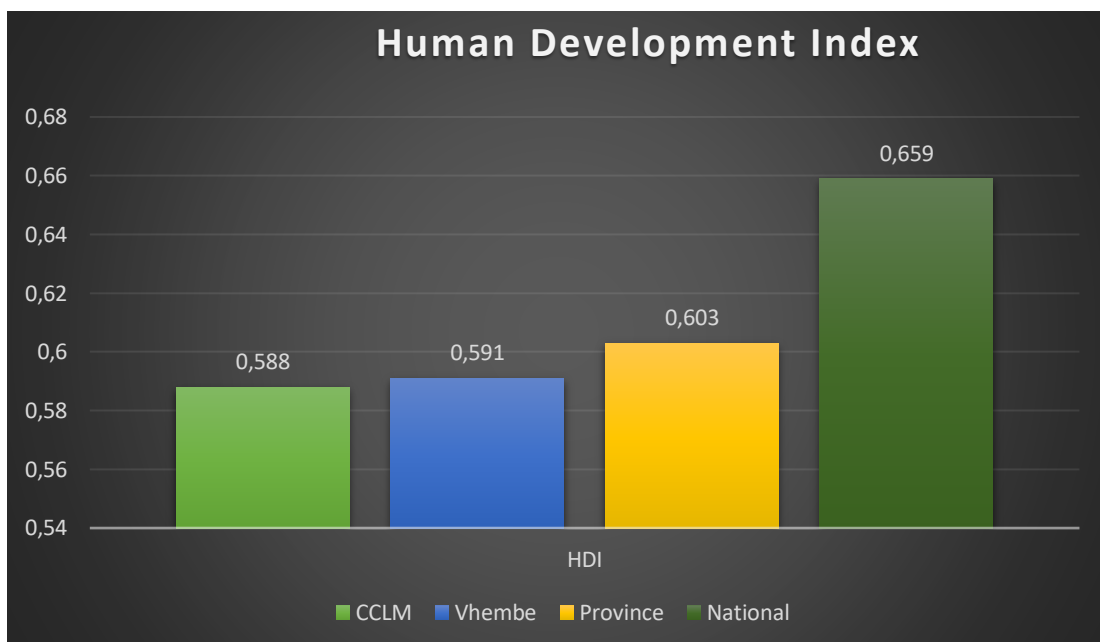


Figure 4. CCLM Human Development Index

Source: IHS Markit 2016

In 2017 CCLM had the lowest HDI of 0.588 compared to the Vhembe with an HDI of 0.591 and 0.659 of National. Therefore, for the HDI to improve there has to be adequate intervention via various mechanisms to improve the lives of the people in CCLM, chief amongst them being the creation of decent employment through economic growth as per Outcome 4 of the MSTF.

4.3.2 Education Profile

Education is a critical source of the energy for development in any society. The quality of education and literacy levels provides a sound indication with regard to skills levels and the readiness of the people to participate in the mainstream

economy. As illustrated in Figure 5, CCLM has more of its population at a primary and secondary levels of education.

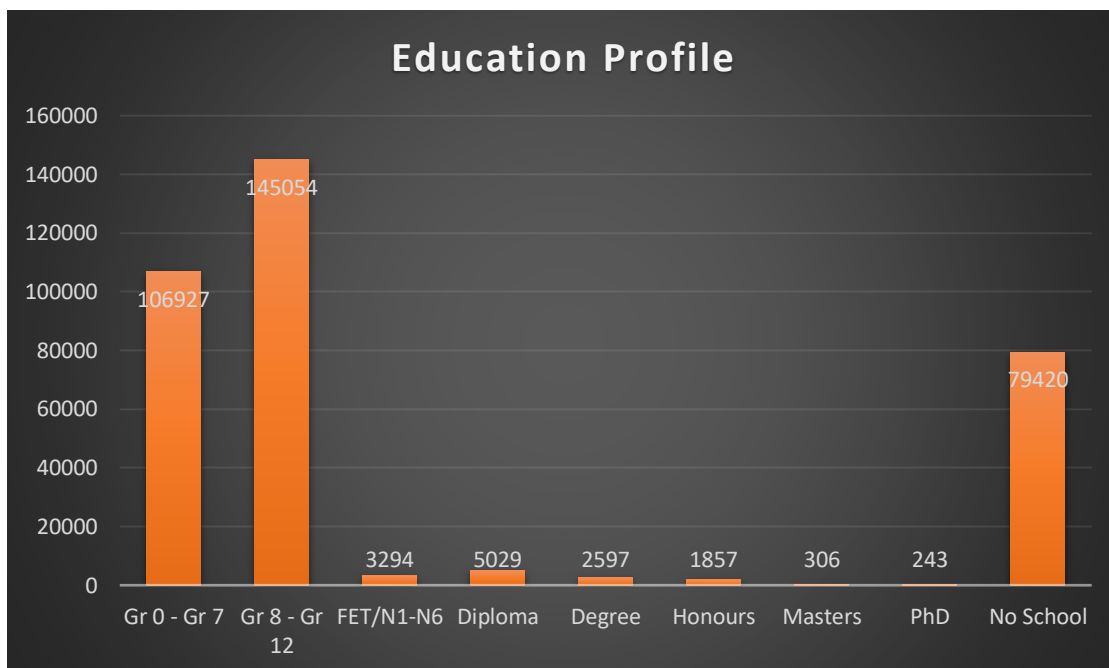


Figure 5. Educational Profile of CCLM Population

Source: IHS Markit 2016

Persons with post matric qualifications are fewer than in other categories, constituting less than 5% of the entire CCLM population. Persons who have achieved primary and high schools, constitute more than 70% of the population at 251 000 people going through centres of learning.

Only 30% of the population has achieved post matric qualifications, which presents a great challenge with regards to the availability of skilled labour. However, given the fact that the highest population categories are those of the kids, teenagers up to youth; there exist ample opportunities to improve and develop required skills within the CCLM, presuming that most of these persons are currently undergoing training across all educational levels as depicted in Figure 5.

4.3.3 Employment Statistics

CCLM employs at least 66 000 people within the Vhembe District. Table 5 outlines the distribution of the labour force by sector within CCLM.

SECTOR	CCLM	MUSINA	MAKHADO	THULAMELA	TOTAL
Agriculture	5 020	11 600	3 410	11 800	31 818
Mining	485	665	862	653	2 263
Manufacturing	3 030	1 490	2 880	5 740	13 143
Electricity	574	191	802	695	2 263
Construction	6 610	4 160	8 240	9 520	28 532
Trade	16 000	9 040	17 600	25 700	68 323
Transport	2 660	1 500	3 110	3 940	11 209
Finance	5 170	3 020	6 330	7 760	22 287
Community Services	20 700	5 170	26 300	28 200	80 412
Households	5 810	3 750	6 160	9 840	25 548
TOTAL	66 000	40 600	40 600	104 000	286 199

Table 5. CCLM Total Employment

Source: IHS Markit 2016

The highest employing sectors in the CCLM as well as the District are Community Services, Trade, Construction, Agriculture and Manufacturing respectively. The mining sector is the least contributor to employment in CCLM at less than 1% (485) compared to other sectors.

It is critical to also mention that of the 66 000 people employed in 2017, 44 600 which is about 67.55% is formally employed, whereas the informal sector accounts for 21 400 (32.45%) of total employment. Table 6 outlines the concentration of informal and formal employment across the sectors.

SECTOR	FORMAL	INFORMAL	% CONTRIBUTION	RANKING
Agriculture	5 020	-	7,6%	5
Mining	485	-	0,7%	10
Manufacturing	1 510	1 520	4,5%	8
Electricity	574	-	0,8%	9
Construction	1 690	4 920	10%	3
Trade	7 060	8 890	24,2%	2
Transport	890	1 770	4%	7
Finance	4 250	917	7,8%	6
Community Services	17 300	3 400	31,4%	1
Households	5 810	-	8,8%	4
Total (66 000)	44 589	21 411	100%	

Table 6. Informal and Formal Employment in CCLM

Source: IHS Markit 2016

Informal market is able to generate employment that is more than 50% in sectors such as trade, construction and manufacturing signifies huge potential for growth in CCLM. It also suggests that the economy will not take long to boom with some capital injection in CCLM. Unemployment in CCLM was estimated at 20,41%, which is lower than the 27,1% national unemployment rate in 2017.

4.3.4 Income

Household income is calculated as the sum of all household gross disposable income; namely payments in kind, gifts, homemade goods sold, old age pensions, income from informal sector activities, subsistence income, etc.

INCOME	CCLM	VHEMBE	NATIONAL	%VHEMBE	%NATIONAL
0-2400	12	51	1 650	23,8%	0,73%
2400-6000	201	835	32 500	24,1%	0,62%
6000-12000	1 890	7 720	315 000	24,5%	0,60%
12000-18000	3 380	15 500	626 000	24,8%	0,74%
18000-30000	12 800	51 500	1 730 000	24,9%	0,75%
30000-42000	13 100	53 100	1 750 000	24,6%	0,75%
42000-54000	11 500	46 500	1 550 000	24,7%	0,73%
54000-72000	12 200	49 300	1 670 000	24,7%	0,73%
72000-96000	9 550	38 900	1 520 000	24,5%	0,63%
96000-132000	7 720	31 600	1 430 000	24,5%	0,54%
132000-192000	6 240	25 500	1 370 000	24,5%	0,46%
192000-360000	6 230	25 500	1 760 000	24,5%	0,35%
360000-600000	3 130	12 800	1 160 000	24,4%	0,16%
600000-1200000	1 900	7 890	840 000	24,1%	0,23%
1200000-2400000	571	2 440	266 000	23,3%	0,21%
2400000+	66	302	42 000	22%	0,16%
TOTAL	90 900	369 000	16 100 000	24,6%	0,57%

Table 7. CCLM Household Income

Source: IHS Markit 2016

At least 44 283 households (highlighted in red) in CCLM live on an annual household income that is below the minimum wage rate per month. The minimum wage rate is R3 440 per month, translating to 41 280 per annum. This households constitutes 45% of the households in CCLM. Most of the income is pent mainly for consumption and subsistence. Other services such as shelter, utilities, healthcare and education are difficult to access.

55% of the households (yellow, green and blue) are able to generate income above the minimum wage rate as stipulated in the National Minimum Wage Act recently. This therefore implies that there is a need for investment in CCLM to improve the GDP of the area which will certainly lead to decent jobs, salaries and livelihood.

It has been established that the total personal income of CCLM amounted to approximately R11.1 billion in 2017. The African population group earned R 10.5 billion (94.46%), white population R458 million (4.12%) of the total personal

income. This personal income increases at an average rate of 9,4% per annum for CCLM (IHS Markit 2016).

Income per capita which refers to the average income per person (where the total personal income per annum is divided equally among the population) is estimated at R32 100 per person in CCLM. Figure 6 below provides a comparison of income per capita between the local municipalities in the Vhembe District.

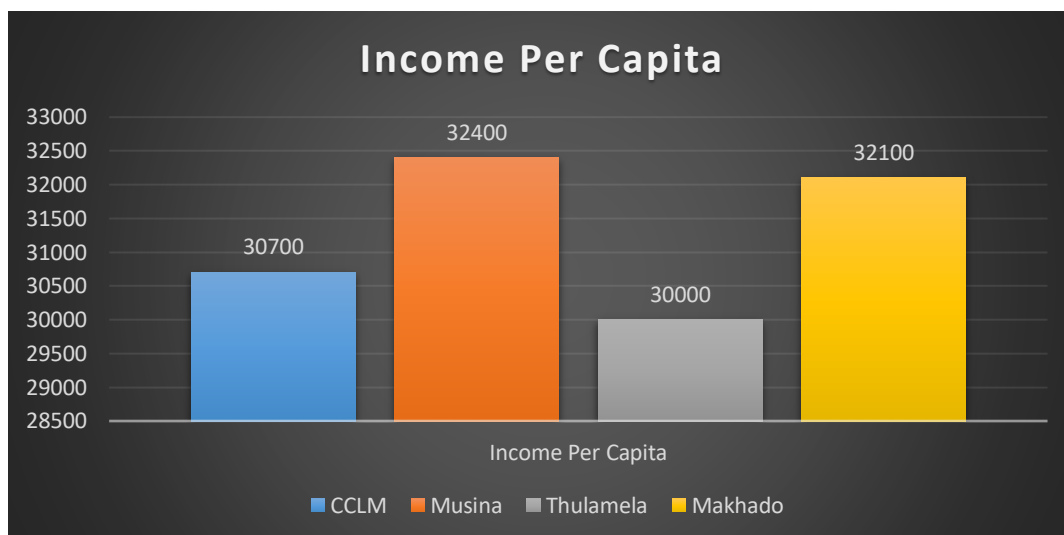


Figure 6. CCLM Income per capita.

Source: IHS Markit 2016

As indicated the income per capita is highly affected by the population size. Musina will therefore have the highest income per capita compared to CCLM since it has the lowest population size against its total personal income.

4.3.5 Index of Buying Power

The Index of Buying Power (IBP) is a measure of a region's overall capacity to absorb products and services. Buying power usually depends on three factors; the size of the population, total income and the spending patterns of the area (measured by retail sales within the area). Table 8 shows the CCLM index of buying power in comparison with the District and National buying power.

INDICATORS	CCLM	VHEMBE	LIMPOPO	NATIONAL
Population	347 974	1 382 513	5 813 302	56 548 694
Population % of National	0,6%	2,4%	10,3%	100%
Income	11 110	45 645	215 432	3 237 318
Income % of National	0,3%	2,4%	6,7%	100%
Retail	1 801 422	7 347 517	33 876 322	1 005 961 000
Retail Share of National	0,2%	0,7%	3,4%	100%
Index of Buying Power	0,0032	0,001	0,06	1

Table 8. CCLM Index of Buying Power

Source: IHS Markit 2016

CCLM has a 0.6% share of the national population, 0.3% share of the total national income and a 0.2% share in the total national retail sales. This equates to an IBP index value of 0.0032 relative to South Africa as a whole which is very low compared to its share of income. The considerable low index of buying power of CCLM suggests that the local municipality has access to only a limited availability of goods and services in its area compared to other regions of the Vhembe District Municipality. Residents are most likely spending some of their income in neighbouring municipalities. This further suggest a need to attract investments in retail and trade sectors of the economy where goods can be available as and when needed and promote spending and circulation of money within the municipality.

4.4 OVERALL ECONOMIC OUTLOOK

A comparison of the CCLM with other regions nationally is provided in this section, including on other aspects not highlighted earlier. This should provide a base from which the CCLM could evaluate its performance towards meeting its objectives in the future. This is precisely to enhance the flow of information and ensure cohesion of facts towards a comprehensive LED Strategy that is viable and bankable. The information is a comparison against 213 regions throughout the country.

4.4.1 Economic Size Indicators

INDICATORS	CCLM	LIMPOPO	NATIONAL
Population	347 974	5 810 000	56 500 000
GDP	14.1 billion	335,7bn	4,65 trillion
Employment	66 000	1 300 000	15 900 000
Land Size	5 000 km ²	125 000 km ²	122 000 000 km ²

Table 9. CCLM Economic Size Indicators

Source: IHS Markit 2016

CCLM ranks no 29 in population, faring well against other regions with a Gross Domestic Product (GDP) contribution of R14,1 billion in 2017 on Table 9. GDP represents the value of all goods and services produced within a region, over a period of one year, plus taxes and minus subsidies. The GDP of CCLM is highlighted on Table 10 below in comparison with the District, Limpopo and the National GDPs over the last 3 years since its inception.

YEAR	CCLM	VHEMBE	LIMPOPO	NATIONAL	DISTRICT	LIMPOPO	NATIONAL
2016	13bn	54,2bn	311,7bn	4,350tn	24%	4,2%	0,30%
2017	14,1bn	58,6bn	335,7bn	4,651,8tn	24%	4,2%	0,30%

Table 10. CCLM GDP Contribution

Source: IHS Markit 2016

Given the consistent GDP contribution as a percentage of District, Province and National, a fair conclusion can be made that much as there may be annual increases, CCLM will have to do more to increase its share of contribution to the overall GDP. That will be a remarkable indication that there are significant interventions in the local region to improve its economic performance and the living standards of its people.

4.4.2 Economic Performance Indicators

Performance indicators measure the rate at which the economy of CCLM is growing compared to other regions. Table 11 indicates that CCLM has been having a moderate growth over the last 2-3 years of its existence. Employment growth rate is at 3,9% higher than the National employment growth rate by more than 2%. However, GDP growth rate as indicated earlier is lower than the

National GDP growth rate. All available resources will have to be employed to the maximum capacity to change this situation on production.

INDICATORS	CCLM	LIMPOPO	NATIONAL
Employment Growth	3,9%	3,78%	1,6%
Household Income Growth	0,6%	0,78%	0,2%
GDP Per Capita Growth	7,9%	6,02%	6,3%
GDP Growth	1,2%	1,8%	1,8%
Population Growth	0,4%	1,07%	1,6%

Table 11. CCLM Economic Performance Indicators

Source: IHS Markit 2016

4.4.3 Economic Development Indicators

INDICATORS	CCLM	LIMPOPO	NATIONAL
Unemployment Rate	20,4%	19,5%	27,4%
Literacy Rate	78,8%	78,9%	84,1%
Standard of Living - GDP per Capita	40 600	37 100	82 300
Dependency Ratio	0,78	0,62	0,54
Household Services	0,571	0,611	0,744

Table 12. CCLM Development Indicators

Source: IHS Markit 2016

The unemployment rate of CCLM is lower than the National rate at 20,4% as depicted on Table 12. CCLM has a literacy rate of 78,8% compared to the other regions, attributable to the high number of learners currently at institutions of learning. In the long run CCLM will have adequate numbers of skilled labour to improve its GDP per employee (which is lower than the National by almost 80 000 and ultimately GDP per capita which is almost half of the National figure at 40 600.

4.5 INFRASTRUCTURE OUTLOOK

Infrastructural services such as water, electricity, transport and communication networks are fundamental for a vibrant economic environment in any municipality. These are vital for a sustainable municipality and better living standards of the people who are the drivers of economic activities in their communities.

Lack or poor delivery of these basic services will certainly lead to lower production, poverty and ultimately immigration of people to other areas where conditions are conducive for economic growth and survival.

4.5.1 Water and Sanitation

Water in CCLM is provided by the Vhembe District Municipality (VDM) from the dams such as Nandoni, Vondo, Nzhelele, etc. However, there is huge water and sanitation backlog in the CCLM even though efforts are made to cover a large number of households and business precincts in the municipality.

The CCLM IDP together with VDM has gone to greater length and depth regarding strategies to address these backlogs within its communities (Strategic Framework for Water Services).

The aim is to supply 25 litres of potable water per person per day within a 200m radius from each household, for at least 350 days per year uninterrupted. At least more than 80% of the households have access to quality water services, whilst the municipality is in the process of installing infrastructure for reticulation and sanitation in other areas.

There is a concerted effort by the VDM and CCLM to provide free water and sanitation to the indigent of the municipality. All actions are aimed at ensuring that water reticulation and sanitation do not become impediments for economic development in CCLM. It is also adequate to mention that key economic sectors such agriculture, mines and manufacturing are heavily dependent on water as a key production input.

4.5.2 Electricity

Electricity in CCLM is supplied by Eskom. Majority of households in the municipality have access to electricity through pre-paid meter system.

Electricity is a main source of energy in CCLM, much as other areas where there are no connections, gas, paraffin, coal, solar, etc are used as sources of energy.

In the CCLM IDP areas that still need to be electrified and connected to the main grid have been identified. These have been outlined in detail and prioritised accordingly across the various wards of the municipality.

The incapacity of Eskom to supply electricity constantly has a spiral effect on future plans of CCLM in terms of development. Sectors such as mines, manufacturing and commercial business rely heavily on electricity from the main grid. So long as Eskom continues to have challenges to supply adequate and uninterrupted electricity, the economic development of these sectors will remain hamstrung.

There is a proposal for construction of 100MW solar plant on a farm Malamulele 234LT at Mavhambe Village to augment current electricity supply in the region. This will have a huge and positive impact on energy supply in CCLM as it continues to formalise its village structure for better planning and service delivery.

4.5.3 Road and Transport Network

Most of the roads in CCLM are gravel with an Annual Average Daily Traffic (AADT) of between 0 – 500 vehicles per day. Most of the paved and surfaced roads are regional and national roads passing through the municipality i.e. the R81, R524 and the R578. Of these roads the highest AADT is on R81 at a range between 5 000 – 7 500 vehicles per day from Shangoni to Roadhouse. The R81 connects Malamulele to Giant Reefs and Giyani.

The R524 road north of Thohoyandou connects to R81 road to Malamulele Basani up to Saselamani. The D4 links the National Road N1 crosses through Vleifontein, Elim, Vuwani, Malamulele until Shangoni gate connects Kruger National, Thohoyandou to Malamulele.

Tourism, trade, manufacturing, agriculture and transport sectors are heavily dependent on this road network in this region. Thus, consistent maintenance and improvement of these road networks is invaluable for economic growth of CCLM.

There are no other modes of transport in CCLM. The public depends mainly on taxis, buses and mini buses transport systems for travelling to their destinations. There are taxi and bus ranks in the central business hubs of the four nodal points identified by CCLM, Hlanganani, Saselemanani, Vuwani and Malamulele.

Two small aircraft airports in the adjacent Makhado Local Municipality. The only international airport is in Polokwane, which is almost 150km from CCLM.

4.5.4 Communication Network

Communication network in all its forms, such as telecommunication and digital are of crucial importance to any society including CCLM. A strong communication network is essential to the health and competitiveness of any industrial sector. Perhaps the most fundamental change in terms of technology and its implications to industry structure has been in the architecture of telecommunications. The system has evolved from fixed landlines, to wireless and recently to optic-fibre network to enhance speed and efficiency.

No official records exist to determine access to telecommunications and/or digital communication networks for CCLM communities. However, it is worth noting that there are existing landlines, internet facilities and mobile networks by various service providers for most of the community members and businesses in CCLM e.g. Vodacom, MTN, Telkom, Cell C, etc. Even though access to internet in the most rural villages may be limited due to inadequate infrastructure by the service providers.

Investment in telecommunications in CCLM has a huge potential for success and growth. It is a key complementary factor for the success of other sectors in the area. It will contribute immensely towards the 4th industrialisation programme as planned by the national state especially in the education, trade and health sectors.

It is also noteworthy to mention that CCLM as a new municipality, is not included in the **national broadband network services (SA Connect)** rollout programme initiated by the Department of Communications. The programme was initiated in 2013 when CCLM was not yet a municipality. SA Connect aims to deliver 100% broadband connectivity to government facilities such as health, education and offices by 2020.

4.5.5 Properties

As outlined in the SDF, CCLM has identified areas for the following development and initiatives:

- Renewable energy proposals
- Agri-park intervention areas
- Mining for prospecting applications
- Agricultural projects
- Tourism Corridors
- Retail centres
- Residential development
- Industrial complex
- Office Space

These are in line with the vision of CCLM to create a sustainable, spatially integrated and inclusive municipality with a vibrant, job creating local economy based on its environmental, agricultural and tourism resources. Land availability is key for commercial and industrial development as well.

4.6 SPATIAL SETTLEMENT PATTERNS

4.6.1 Overview

The socio-economic conditions and dominant settlement pattern are to a large extent aligned with the bio-physical environment spanning the area of CCLM. Most of the people over time tend to settle more towards the urban parts due to better livelihood opportunities offered by the essential services offered by the government, business and other social welfare formations, as well as improved access to main routes network.

Most areas original agricultural resource base has either largely disappeared or have become fragmented with a greater propensity towards more 'urban' like gearing services such as administration, recreation, institutional and finance. The dominant spatial settlement system comprises a variety of settlements that, according to the VDM's SDF, 2015/2016 can be classified as follows:

- **Scattered isolated villages:** More than 173 of these villages unevenly spread over the municipal area. Some of these villages form part of the tribal area and are subordinate to the tribal system of land allocation and land tenure.
- **Low intensity service settlements:** These are settlements that require some sort of restructuring to accommodate the new demands of access, business and services created due to increased threshold services
- **Extended Residential Food Cropping Areas:** These settlements contain a significant amount of food gardens interspersed with growing numbers of homes and ancillary buildings. These areas originated from the traditional dispersed rural villages settlement system and tend to be closely linked to their original agricultural and hydrological resource base. Opinions gathered are that should the necessary food supply chains be established, these food gardens could become important assets to the rural economy and as such, focus areas to be integrated into the proposed agricultural development plan. Although more prominent within the greater Levubu valley area, these settlements are in need of protection while the majority of residents still have limited access to significant arable land and urban-like occupations.
- **Administrative settlements:** such as Malamulele, Vuwani and Hlanganani, originally designed as urban conurbations. Although different in terms of size and functional mix, these centres carry a sufficient diversity of functional mix to be described as 'urban'. These areas, however, are highly exposed to potential land use conflict and settlement growth and require efficient and effective management of the adjacent arable land resources utilisation as agriculture remains an integral source of employment and food security.

CCLM as a newly established municipality has recently developed its first Spatial Development Framework. Given the fact CCLM was formed by integrating parts of Makhado and Thulamela Municipalities which had their own SDFs, CCLM had to review their strategies to determine the possibility of spatial development proposals applicable to the areas that now form part of CCLM. Of crucial importance to mention here is the five development principles emanating from the CCLM vision:

- To protect natural and other resources in CCLM e.g. rivers, streams, biodiversity and ecological support areas such as the Kruger National Park (KNP)
- Establish hierarchy of nodes with emphasis on spatial differentiation and spatial targeting, mainly to achieve stronger spatial coordination and clustering of limited resources such health, education, transport, etc.
- Improve access to nodes as well as higher order services through an efficient network of corridors to link population concentration and allow ease of mobility for trade
- Exploit economic opportunities offered by the region such as the proximity to Punda Maria and Shangoni KNP gates for tourism development, Agri-park and energy renewal initiatives
- Spatial integration and inclusivity to exploit bulk capacity and growing villages towards each other. As well as to achieve an optimum transport system between the identified nodes and their surrounding villages.

4.6.2 Land Ownership and Tenure

Information gathered reveals that most of the land, is still under tribal ownership. However, there is a cooperation between the municipality and tribal authorities to avail land for developmental opportunities across all the sectors of the economy.

As agriculture remains a main source of rural development within CCLM, the present land tenure system (communal land rights), can best be turned into golden opportunities through deliberate and obstinate engagements between Traditional leaders, the municipality and key stakeholders, to propel development and growth within this sector and others such as mining, retail and manufacturing.

4.6.3 Nodal (Growth) Points

4.6.3.1 Malamulele

Malamulele has been identified as one of the first order growth point by the District and CCLM. It was identified by the District mainly because of its proximity to provincial and national network with a strong potential for

agriculture and mineral resources. It is connected to Giyani by the R81 provincial road and to Thohoyandou by the R524 regional road.

The municipality identifies growth points based on large rural settlement areas and where there is a provincial network to service people in those areas. CCLM head office is based in Malamulele and most of administrative functions are handled from there. It is the fastest growing point of the rest. The area has a huge shopping mall recently upgraded along the R81 road intersection. The mall houses blue chip tenants such as Shoprite, Mr Price, Banks, Pep and restaurants such as KFC, Debonairs, etc. In the CBD there are various other retail shopping centres such as Mala Plaza, Build-It Malamulele, Malamulele Hardware, etc.

The area is abuzz with vibrant economic activity across various industries. Key developments that are unfolding in the area include the following:

- A potential prospective mining proposal along the Madonsi area
- Infrastructure development e.g. roads and water reticulation
- An expansion of retail shopping complex
- Rapid residential developments

4.6.3.2 Saselemani

Saselemani, which is on the northern part of CCLM toward Punda Maria, is also growing steadily to be a formidable trade and business centre. It is a municipal growth point given its structure and proximity to regional road to Punda Maria KNP gate. This is earmarked for a development corridor to promote tourism and trade.

Major retail stores such as Spar, Cashbuild, Pep stores, Boxer, Ok Furniture play a major role in serving and creating employment for the Saselemani area and villages around it. Xikhundu village, which is about 15km away has a strong base of patrons for the retail centres in Saselemani. Saselemani residential area/township is fairly well organised and serviced for a small village.

There is a decent sports facility (stadium) built in Saselemani which is rare resource in other villages. This is another competitive edge for the area to attract tourism and further investment towards further commercial property development and economic growth.

4.6.3.3 Hlanganani

Hlanganani, which is also a municipal growth point on the far southern part of CCLM. It is also a well-developed in terms of properties, both residential and commercial.

R578 passes through Hlanganani towards the Shangoni gate of Kruger national park. Arts and crafts informal businesses are dominant in the area, providing an opportunity to develop it into a formal business by creating a tourism park as part of the R578 Development Corridor.

4.6.3.4 Vuwani

Vuwani, the area well known because of the Vuu hill where for hundreds of years until the late 1800s, the Ngoni people smelted iron. They fashioned farming, artefacts and weapons from a stone called mbwedi.

The central business district of Vuwani is abuzz with various facilities such as medical centres, government offices, shopping centres, recreational facilities and many other resources for economic development. Currently road networks are being upgraded for ease of mobility in and out of Vuwani and its central business area.

Most notable is the increased activity of informal and SMME operations such as the Internet shops, cellular shops, fresh produce, spaza shops and street vendors for fast foods, etc. The “informal” fresh produce market towards Vuwani plays a significant role for local small farmers produce.

5.1 INTRODUCTION

This section aims at providing more insights and salient features on the profile and potential of key economic sectors of CCLM. These sectors have been identified as such based on historic performance, contribution to the GDP, availability of natural resources and the ability grow and strengthen other sectors which are complimentary amongst others.

Furthermore, the terms of reference for the LED Strategy development have clearly identified these sectors as crucial for the overall economic stimulation and intervention mechanisms towards a sustainable economy and a conducive business environment within the CCLM. A SWOT Analysis technique is applied in the analysis of these sectors. However, a deviation will apply on some sectors with diverse characteristics. Table 13 below offers a description of the various economic sectors as per the Standard Industrial Classification (SIC). The main categories of the South African Standard Classification of all Economic Activities (SIC) of 1993 (CSS, 1993) are utilised for this purpose.

SECTOR	DESCRIPTION
AGRICULTURE	The agriculture sector incorporates establishments and activities that are primarily engaged in farming activities, but also includes establishments focusing on commercial hunting and game propagation and forestry, logging and fishing.
MINING	This sector includes the extracting, beneficiating of minerals occurring naturally, including solids, liquids and crude petroleum and gases. It also includes underground and surface mines, quarries and the operation of oil and gas wells and all supplemental activities for dressing and beneficiating for ores and other crude materials.
MANUFACTURING	This sector is broadly defined as the physical or chemical transformation of materials or compounds into new products and can be classified into ten sub-groups of which the most relevant are: <ul style="list-style-type: none"> • Fuel, petroleum, chemical and rubber products • Other non-metallic mineral products, e.g. glass • Metal products, machinery and household appliances • Electrical machinery and apparatus
TRADE	The trade sector entails wholesale and commission trade; retail trade; repair of personal household goods; sale, maintenance and repair of motor vehicles and motor cycles; hotels, restaurants, bars, canteens, camping sites and other provision of short-stay accommodation
TOURISM	The tourism industry generally spans across all the economic sectors, ranging from accommodation and catering (classified under SIC number: 6410 and SIC no: 6420), retail and wholesale (classified under SIC number: 61221 and SIC no: 6220), manufacturing (e.g. of arts and craft – classified under SIC number: 39299), business services and social services.

Table 13. Economic Sector Definition

Source: LAS 2012

5.2 AGRICULTURE SECTOR

5.2.1 Overview

Agricultural development is one of the most powerful tools to end extreme poverty, boost shared prosperity and feed a projected 9.7 billion people by 2050. Growth in the agriculture sector is two to four times more effective in raising incomes among the poorest compared to other sectors. 2016 analyses found that 65% of poor working adults made a living through agriculture. Much as agriculture-driven growth, poverty reduction, and food security is at risk of climate change which could cut crop yields, especially in the world's most food-insecure regions; it remains crucial to economic growth as it accounted

for one third of the global gross domestic product (GDP) in 2014. (www.worldbank.org).

Recent heat waves, floods and severe droughts in recent years provides sufficient evidence that Southern Africa has also been extremely affected by climate change and global warming. These desperate times necessitated a whole different approach to farming and other methods of production for food security. Hence the new approach to agriculture is to at least have an agricultural sector development strategy that is:

- Climate-smart-agriculture, more productive and resilient in the face of climate change while reducing emissions, both for crops and livestock;
- Improves livelihoods and creates more and better jobs, including for women and youth;
- Boosts agribusiness by building inclusive and efficient value chains; and
- Improves food-security and produces enough safe, nutritious food for everyone, everywhere, every day.

For CCLM to participate in the greater agricultural value chain, it is critical that the analysis of this sector takes into consideration the fact that this sector is not only vital to CCLM alone but to the entire country and the world at large. Agriculture, forestry and fisheries (AFF) are widely recognised as sectors with significant job creation potential and with strategic links to beneficiation opportunities (APAP 2014). As depicted on in earlier sections Agriculture is one of the largest contributors to not only GDP (Table 1) but to employment (Table 7) creation in CCLM. On the Table 8 it ranks at position 5 against all other sectors contributing to employment.

According to the NGP and Outcome 4 of the MTSF, agriculture has been identified as the sector that has potential to create one million jobs by 2030. The sector also ranks high in terms of its backward linkages with the manufacturing sector, and acts as a major labour-intensive employer in the economy. Continued investment in extension, research and infrastructure (particularly transport and irrigation) will have a significant impact on a large number of households and the greater economy due to its employment and food security effects. This would also ensure that the sector maintains its

international competitiveness and resulting positive trade balance. (www.grainsa.co.za).

Agriculture (primary and secondary) within the CCLM is diverse in the sense that it is made up of commercial, emerging or small scale and subsistence farming. For instance,

- The **commercial agriculture** sector is well structured, and it is more predominant in southern western areas of CCLM.
- **Small-scale and subsistence farming** and greatly correspond with traditional authority areas in the south. Some small-scale farming activities are found in the various irrigation schemes such as Mavambe, Dovheni, Makuleke, Makuleke, Chivirikani, Gonani, Mahungu and Xixalo. Some of these schemes are currently dormant and requires revitalisation e.g. Tshikonelo and Chivirikani. Subsistence agriculture forms an integral part of community life and it is one of the main community-based economic activities and survival strategies.
- **Emerging farmers** are still lagging behind in agricultural production due to lack of fruit and vegetable processing facilities, cold storages for the fruits traded and packaging machines for sorting and transportation. As part of linking emerging farmers with the markets, Vhembe District Municipality has established the Vhembe Fresh Produce Market which is located in the village of Tshakhuma to assist farmers including those in CCLM. It specialises in fresh produce sourcing, grading, packaging, distributing and market linkages, and it is open and accessible to all local farmers.
- **Agri-business** comprises largely agricultural input suppliers and the agro-processing sector such as Matshela Agro-processing Plant.

5.2.2 Commodities

The main commodities within CCLM Agricultural industry are outlined below as per enterprise type.

- Livestock Enterprise: Cattle, Sheep and Goats, Chickens and Game.
- Grain Enterprise: Maize, etc.
- Vegetables: Tomato, etc.

- Citrus Fruits: Mango, Avocado, Peach, Macadamias, Litchi and Banana
e.g. Malamulele, Hlanganani

Table 14 below outlines the growth potential of various agricultural commodities in South Africa at large.

1	High Growth Potential		2
Non-labour Intensive ≤ 0.01 labour/ha	<ul style="list-style-type: none"> • Cattle, Sheep, Pigs, Poultry • Dairy, Wool, Eggs • Soya Beans, Lucerne, Canola, Hay, Yellow Maize, Oats 	<ul style="list-style-type: none"> • Peacan Nuts, Macadamias, Olives, Litchis, Avocados, Mangoes, Bananas • Nectarines, Prunes, Plums, Apples, Pears • Sugar Cane, Cotton, Vegetables • Table grapes, Raisins 	Labour Intensive ≤ 1,3 labour/ha
	<ul style="list-style-type: none"> • White Maize, wheat, Sorghum, Barley • Groundnuts, forestry 	<ul style="list-style-type: none"> • Peaches, Apricots • Tobacco, Wine 	
4	Low Growth Potential		3

Table 14. Agricultural Growth potential and Employment Potential

Source: NDP 2012

- The **red meat industry** is seen as a medium performer in terms of labour absorption. The industry grew above inflation for the past 10 years and is one of the top 10 contributors towards agricultural GDP. The consumption of red meat has increased by about 49% since the 2012/13 period, and is projected to increase by a further 20% by 2023 (BFAP, 2013). The small livestock industry competes mainly against imports from neighbouring countries, but, the wool industry consistently earns foreign exchange. The industry experiences many challenges due to prevalent predators and stock theft, sometimes quite severe natural disasters such as droughts and floods. Recently outbreak of Food and Mouth disease has presented formidable challenges on the industry as consumption of red is prohibited in affected areas and various countries have now banned the import of red meat from South Africa.

Vhembe District, of which CCLM is a constituent has been greatly affected by this recent development.

- The **Subtropical fruit industry**, with a labour multiplier of two workers per hectare, can create a significant number of jobs if the necessary technical and financial support is injected into just one third of the underutilised area. Similarly, the avocado industry has a lot to offer in employment creation. While the hectares under banana production have been declining over the past decade, the area under avocado production has expanded rapidly (APAP 2014).
- Fruit and vegetable production are critical for employment and the agro-processing sector in South Africa more especially in rural areas and peri-urban zones. Fresh fruit in particular is a prominent export sector, while vegetable production is largely for the domestic market. South Africa is globally known for being a net exporter of citrus, deciduous and subtropical fruits and Limpopo produces at least 24% of the total fruit crops in the country.

Limpopo Province is home to South Africa's major tomato producer, who is also the largest producer of the commodity in the Southern Hemisphere (Mandizvidza 2013). There is scope for increasing efficiency of tomato marketing in the province especially in CCLM.

- **Niche commodities** that are prevalent in CCLM as well as in Vhembe district include:
 - Mopani worms spatially distributed around Messina, Punda Maria, Mapungubwe, Blouberg Mountains
 - Mpesu tree spatially distributed around Thohoyandou.
 - Marula tree spatially distributed around Madonsi, Phungwa, Bobo, Makhasa.

5.2.3 Natural Resources

CCLM has a conducive environment with key critical natural resources for agricultural production, development and growth, for instance;

- East and western parts of the municipality consist largely of level plains with minimal slopes, thus making it suitable for agricultural production

- The municipality is mainly made up of lithosols (shallow soils on hard or weathering rock) which may receive water runoff from associated rock
- The soil is mainly swelling clays which have a relatively high natural fertility and a resilience against nutrient depletion and retains water very strongly and release it to plant roots very slowly
- The eastern part of the municipality is dominated by land with low susceptibility to water erosion
- Rainfall in the municipality averages between 401 mm to 600 mm annually in the eastern area and 601 mm to 800 mm in the western areas
- Average groundwater resource potential which ranges between 25 000 - 50 000 m³/km² in the south eastern region of the municipality and 50 001- 100 000 m³/km²/a in the western regions
- Primary rivers; Little and Letaba rivers running across the western part of the municipality, Levubu and Mphongolo on the eastern side provide are good sources of water for irrigation (CCLM SDF)

5.2.4 SWOT Analysis for the Agricultural Sector

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Land is fertile and well suited to agriculture • Support programmes such as the CRDP, CASP, etc. • Fairly adequate water resources and water schemes for emerging farmers • Niche commodities such as the Mopani worms, Marula tree and the Mpesu tree • Provincial and District Support Units such as the Agri-hub, Farmer Production Support Unit, Rural Urban Market Centre Unit • Bargaining power as suppliers of niche products • Leveraging on economies of scale presented by the Agri-hub • Technological improvements on production methods to cut costs and improve quality of produce 	<ul style="list-style-type: none"> • Access to markets and agricultural finances remain the main hurdles for the historically excluded farmers' meaningful participation in the sector. • Emerging farmers experience post-harvest losses due to unavailability of adequate market infrastructure and formal markets such as fresh produce markets and processing facilities. • Lack of entrepreneurial and technical skills by emerging / smallholder farmers also as cause of their inability to

	<p>access credit and formal markets</p> <ul style="list-style-type: none"> • Traditional slaughtering and capturing the hides and skins (goat skins) lost due to the lack of transport of small quantities in rural homeland areas. • High transport costs between markets • Lack of resources such as mechanisation, implements, tools, etc.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • In collaboration with industry stakeholders agro-processing opportunities for further developments will be explored (including agro-logistics) • Recruitment of young engineers and veterinary doctors through a bursary scheme is encouraged, as well as provided experiential training • Infrastructure both for production and post-harvest handling of produce will be provided to farmers in line with the strategic infrastructure plan • Production input support, mechanization services and technical advice to be provided by the government • To ensure improved quality of produce, farmers will be supported on crop pest management by state • Establishment of cooperatives to encourage cooperative actions such as bulk procurement to reduce cost • Establishment of Atchar facility for mangos and vegetable farmers (villages) as well as vegetable sort and pack house facilities • Establishment of a fruit juice and drying facility • Enhance and facilitate provision of structured agricultural education and training • Access to African markets based on the proximity to Zimbabwe, Mozambique and Botswana • Establishment of Agri-Parks (AP) as a means of stimulating rural economy • Promotion of niche products such as mpesu, moringa, marula, cannabis, etc. as sunrise industries 	<ul style="list-style-type: none"> • Widespread theft of stock and implements (equipment) • Lack of researched data on critical agricultural areas • Skills shortage • Encroachment into prime agricultural land by non-agricultural users (informal settlements/land invasions) • Diminishing natural resources (soil erosion) • Natural disasters (floods and drought) • Rising production/input costs • Non-compliance to food safety and health standards • Fierce competition from commercial farmers who practice precision farming techniques • Outbreak of parasitic pests and diseases Such as Foot and Mouth disease recently broken in parts of VDM.

Table 15. SWOT Analysis of CCLM Agriculture Sector

5.3 TOURISM SECTOR

5.3.1 Overview

Tourism is a collection of activities, services and industries which deliver a travel experience comprising transportation, accommodation, eating and drinking establishments, retail shops, entertainment businesses and other hospitality services provided for individuals or groups traveling away from home. The role accommodation plays in the tourism industry is vital, hence Callon, Miles and Muniesa (2007) assert that the "accommodation sector is one of the most important sectors of the tourism industry and by far the largest and decidedly ubiquitous sub-sector within the tourism industry".

As indicated in section 4.7.1 of the introduction to economic sectors, the tourism industry spans across all the sectors of the economy especially trade. This explains why trade is the second largest contributor towards GDP in the CCLM. Therefore, the analysis of the tourism industry is in tandem with trade and retail patterns in within the municipality.

A new study by Human Sciences Research Council (HRSC) has found that Limpopo tourism industry contributes significantly to the economy of South Africa, where 5% is to Limpopo's economy and 3% to the national economy. The study further highlighted the following:

- The largest component of the accommodation category was the bed and breakfast (B&B) component, followed by guest houses at 25%, lodges at 18% and hotels at 14%, with the remaining accommodation types accounting for less than 5%. Smaller establishments tend to be more numerous when compared to the bigger establishments.
- In terms of attraction composition, the largest category was represented by nature reserves (32%), followed by art galleries, wildlife and adventures (14%). All other types of attractions accounted for less than 10%.
- 54% of the accommodation establishments employed up to three people, while 23% of the establishments employed between four and six employees.
- The majority (54%) of employees are female, and 56% of family members who worked at establishments qualified as employees.

- Majority of establishments are compliant with South African regulations but did not belong to industry associations
- Half of accommodation establishments (48%) were graded, while most of the attractions (67%) were not graded, which may not necessarily be the case in CCLM. Grading emphasises quality dimensions.

5.3.2 SWOT Analysis for the Tourism Sector

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Unique rich culture and heritage offerings e.g. Chieftaincy such Madonsi, Mhinga, Mulamula, Traditional dances, Celebrations, etc. • Support through tourism programmes entailed in the Provincial Tourism Master plan, Provincial Spatial Development Frameworks, PGDPs and IDPs, • Availability of State/communal land, accessibility, land, air, rivers, dams e.g. Nandoni dam, Levubu River, Shingwedzi River, etc. • Beautiful climate conditions and Bio-diversity -Ubuntu • Friendliness, warmth and humbleness of rural communities, • Land zoning, geographical, historic and strategic heritage locations e.g. Late Collins Chabane village of birth and burial, Vuu hills, • Eco-tourism potential, Nature Reserves. Academic institutions (FETs) e.g. KNP, Pafuri Entrance Gate • Tourism Association to organise all businesses in tourism 	<ul style="list-style-type: none"> • Key tourist attractions such as heritage sites located in CCLM are not receiving the benefits stemming from the tourism industry • Limited involvement of local communities is a major constraint • Tourism in rural areas is not resourced adequately • Red tape and long processes for rezoning of land for development • Limited information on heritage sites • Poor marketing of the tourism sector • Most accommodation places not graded and marketed sufficiently • No tourism centres available yet
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Culture and heritage tourism i.e. historic sites, cultural villages, etc. • Unspoilt natural and rural tranquillity i.e. buffer zone, streams, etc. • Indigenous knowledge systems, e.g. Herbs, Camping, etc. 	<ul style="list-style-type: none"> • Land ownership/availability for tourism development e.g. Retail space, Hotels, etc. • Competition from neighbouring municipalities e.g. Makhado and Thulamela • Environmental degradation

<ul style="list-style-type: none"> • Agri-tourism, e.g. Mango/Atchar Festival • Sport tourism e.g. (Saselemani Stadium, Malamulele Gymnasium) - major annual events for sports i.e. boxing and soccer • Adventure tourism e.g. Hunting, River Cruise, etc. • Eco-tourism e.g. Bio-diversity areas • Township tourism e.g. Chesa-Nyama, Shebeen and Car-wash experiences • Business tourism e.g. Conference facilities, Team building resources, etc. • Leisure tourism, birds watching, game drives, resorts, etc. • Agri-tourism e.g. Mango/Marula Festival • Tourism development corridors e.g. Punda Maria KNP Corridor, R81 Development Corridor • Identification of local tourism hotspots across emerging economies 	<ul style="list-style-type: none"> • Balance between environment and tourism e.g. buffer zone • Political instability e.g. Xenophobia, - Perceptions created by media and bad publicity, • Global recession • Land demarcation e.g. Vuwani • Land boundary issues, e.g. KNP • Lack of reliable data and statistics e.g. heritage data
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Table 16. SWOT Analysis of CCLM Tourism Sector

5.4 MINING SECTOR

5.4.1 Overview

Mining impacts local communities by creating economic linkages with local markets; contributing positively to local industrialisation, economic development, and poverty reduction. It deepens the economic linkages so that the rate and scale of local development rises faster and substantially to limit as much as possible the negative impacts it could have on society (Musawenkosi. 2016). Recent statistics indicates that the industry contributed about 5.1 % in 2018 to the country's GDP compared to the previous two years of 5.4% and 6%.

The total income for the mining industry in 2015 was R419,5 billion. In the whole of Africa alone there were 482 companies held mining rights in 2016 versus 35 in 2002. According to Africa Mining IQ, mining in Limpopo yields important

quantities of coal, copper, diamonds, gold, iron ore, nickel, platinum group metals, rare earth minerals and tin to South Africa's mineral industry.

Mining contributes about 30% to provincial gross domestic product (GDP). According to the Limpopo Business 2012 publication, the province has 41% of South Africa's platinum group metals (PGMs), 90% of South Africa's red granite resources and approximately 50% of the country's coal reserves.

The most important mineral occurrences and zones in the Vhembe District include:

- Beit Bridge Complex / Limpopo Belt which hosts a number of minerals, the most important of which include: Iron, Dolomite, Diamonds, Marble and Graphite.
- The Tuli, Mopane, Tshipise and Pafuri coal fields
- Tshipise magnesite field
- Mussina copper
- Schiel Complex
- Soutpansberg group host a number of minerals associated with corundum, feldspar, garnet, graphite, kieselguhr, limestone, phosphates and talc.

In CCLM, mining is the least contributor to economy and employment as per Table 7 in section 4.3.3. The scope for mining is still under exploration. Some of the mine endeavours under exploration include gold and iron mineral ores and quarries in the villages. When these are established some economic linkages can be established through:

- Localising more supply chain activities
- Systemising technology and skills transfer from original equipment manufacturers (OEM) to locally owned businesses
- Supplier development programs within the mining industry e.g. petroleum
- Procurement of services such as food catering can be localised
- Decentralise procurement of goods and services to local mine plants

Creating an environment with adequate infrastructure, less policy and regulatory uncertainty, and a skilled, yet flexible workforce goes a long way towards attracting investment and benefiting all stakeholders in this industry. This information therefore presents mining as a worthy a sector for CCLM to

investigate further given its overall potential, presence and contribution to the entire Limpopo province.

5.4.2 SWOT Analysis for the Mining Sector

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Significant strides in beneficiation have been made • Support from province and CCLM through various programmes such zoning and research • Budget allocation for geoscientific data gathering, analysis and dissemination by CCLM (SDF 2018) as well as supporting infrastructure e.g. roads, electricity, etc. • Potential external investors currently conducting due diligence studies • Associations such as Chamber of Mines provide needed information and guidance • Presidential framework agreement to Stabilise industrial relations environment (SACC 2016) 	<ul style="list-style-type: none"> • Potential mines at exploration stage • Limited availability external investors • Insufficient data on possible mineral resources within CCLM • Long compliance issues required prior to take off • Long lead times from exploration through to mine development and closure • Beneficiation constraints such as equipment, haulage, etc. • Few participants into the market due to mineral rights challenges as well as land with minerals since it geographically captured sector • Mineral prices in rand terms have stagnated or declined • Viability challenges facing gold, platinum, coal commodities • Binding infrastructure constraints (electricity shortages since 2007)

OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Beneficiation as a means to increase value from mining • Mining charter presents new opportunities to the mining value chain • Establishing auto-catalyst and jewellery manufacturing sectors • Infrastructure development for mines as well as the community • Increased tax base and local economic development through economic linkages • Development of local businesses by promoting local content supply of equipment, etc. • Adoption of emerging technologies emerging technologies to support digital transformation to reduce costs of establishment and safety issues • The sector stimulates other sectors such renewal energy, construction, education, medical care, housing, etc. • Integrated and inclusive rural economy 	<ul style="list-style-type: none"> • Volatile commodity prices and foreign exchange fluctuations • The regulatory, political and legal environment • Socio economic environment around mines • Sustainable business plans or budgets • Labour relations i.e. Instability in labour market and high wage demand pressures linked to social wage issues • High capital and operating costs • Reliance on third-party infrastructure • Water supply and power security • Employee safety and health • Liquidity and capital management • Compliance with environmental standards

Table 17. SWOT Analysis of CCLM Mining Sector

5.5 MANUFACTURING SECTOR

5.5.1 Overview

The manufacturing industry is of the least contributors of employment in ranking at no 8 as indicated in Table 7 earlier and yet ranks amongst the top 5 sectors contributing to GDP in CCLM. Table 18 below highlights a summary of at least 20 top manufacturing categories and their percentage contribution to total manufacturing in South Africa as at January 2018:

Top10		Top 11 - 20	
Category	% Contribution	Category	% Contribution
Meat, fish, fruit, etc.	7,2	Other fabricated metal products	3,71
Coke, petroleum products, nuclear fuel	7,02	Paper and paper products	3,61
Motor vehicles	6,74	Grain mill products	3,11
Basic iron and steel products	6,45	Plastic products	2,96
Beverages	6,41	Special purpose machinery	2,48
Other chemical products	6,08	Non-metallic mineral products	2,41
Other food products	5,39	Dairy products	2,04
Non-ferrous metal products	5,29	General purpose machinery	1,71
Basic chemicals:	4,32	Publishing	0,79
Parts and accessories	3,79	Rubber products	0,77

Table 18. Top 20 Manufacturing categories Source. SA Market Insights 2016

The pie chart on Figure 7 below shows the relative contribution of each of South Africa's provinces to South Africa's total manufacturing in 1995.

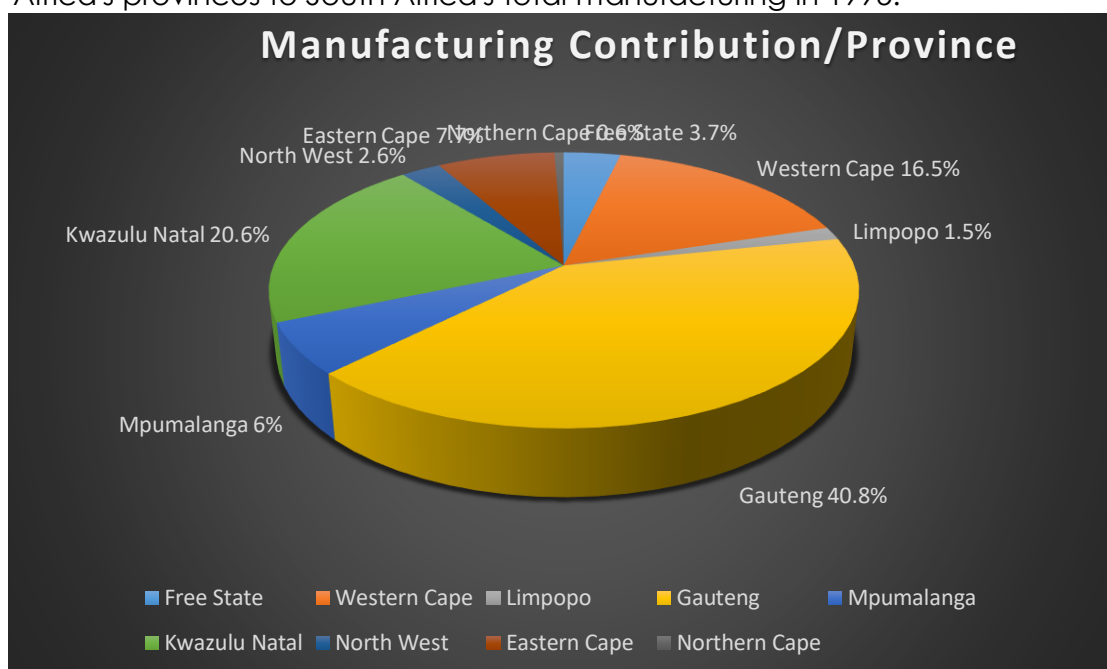


Figure 7. Provincial Contributions to Manufacturing Source. SA Market Insights 2016

Manufacturing in the Limpopo province is centred on mining areas (smelters and refineries), agricultural estates (juices and concentrates) as well as other foods (Atchar) and beverages.

In CCLM, the manufacturing sector is very limited as indicated earlier on. The informal and SMME segment throughout the entire municipality have taken advantage of the primary agricultural outputs such as mango and other fruits to produce atchar and jam for sale on the street vendors. At almost every strategic corner there are vendors and hawkers selling atchar in different packages. The Mopani worms are also dried and sold on the street vendors by the informal businesses. Informal sector has also taken advantage of niche commodities like Mpesu and produce own traditional medicine for their patrons.

Artefacts are produced in areas around the Shangoni and Punda Maria gates for tourists. However, these are limited given the low tourism drive in the CCLM currently.

5.5.2 SWOT Analysis for the Manufacturing Sector

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Agro-processing opportunities for sunrise industries such marula, cannabis, moringa, mpesu etc. • Sufficient supply from primary agriculture • Support from department through incubator programmes e.g. DTI • High potential market for new entrants at low costs based on best innovative ideas • Support to investors on key production inputs by the local authorities e.g. rebates on rates, electricity, water, etc. as well as zoning requirements for less sensitive production factories • Development of infrastructure to support high value production plants • Strong relationship between communities and the business fraternity • Availability of land as earmarked by the municipality for business development (SDF) 	<ul style="list-style-type: none"> • High capital costs especially for start-ups e.g. machinery and equipment • Power supply constraints in recent years as well as the cost of electricity
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Value chain opportunities and development • Increased quality of service and adaptability of products • Innovation and promotion of new technology solutions for sustainable production • Reduced transportation costs for inputs and supply to customers. • Entrance opportunities in the mainstream economy • Creation of sustainable market for local primary production from agriculture • Infrastructure development that can benefit the local communities • Exploring of new markets in neighbouring countries for processed products based on location of CCLM • Creation of adequate storage hubs that can accommodate supply from the entire region • Backward integration for the supply of inputs to other sectors e.g. agriculture and mining 	<ul style="list-style-type: none"> • Lack of foreign direct investment and local company investments • Unresolved land claims in CCLM • Increased open economy for South Africa in last two decades • Lack of skills and know how (partly due to the "brain drain" where skilled people have left CCLM for greener pastures in other provinces) and lack of investment in skills development

Table 19. SWOT Analysis of CCLM Manufacturing Sector

5.6 TRADE SECTOR

5.6.1 Overview

The trade sector has been the fastest growing in recent years, reflecting the existence of a strong demand for goods and services, as well as the growth of the tourism industry. For instance, the retail market grew 2.4% in 2014, according to Statistics South Africa, almost a point above GDP. It remained consistent in 2015, whilst affecting disposable income and credit in spending patterns.

The South African trade industry is made up of five divisions, namely; wholesale, motor, accommodation, food & beverages (i.e. restaurants and catering), and retail. A detailed list of products shows meat as the most popular commodity in the retail trade industry, contributing 8,1% to total sales income in 2014/15. Pharmaceutical goods and female clothing were the second and third most popular products, according to Stats SA's Retail trade industry, 2015 report. The clothing stores have been seen to create more employment opportunities in the sector after the food and beverage industry. The biggest players in the retail industry for 2017 are displayed in the figure 8 below.

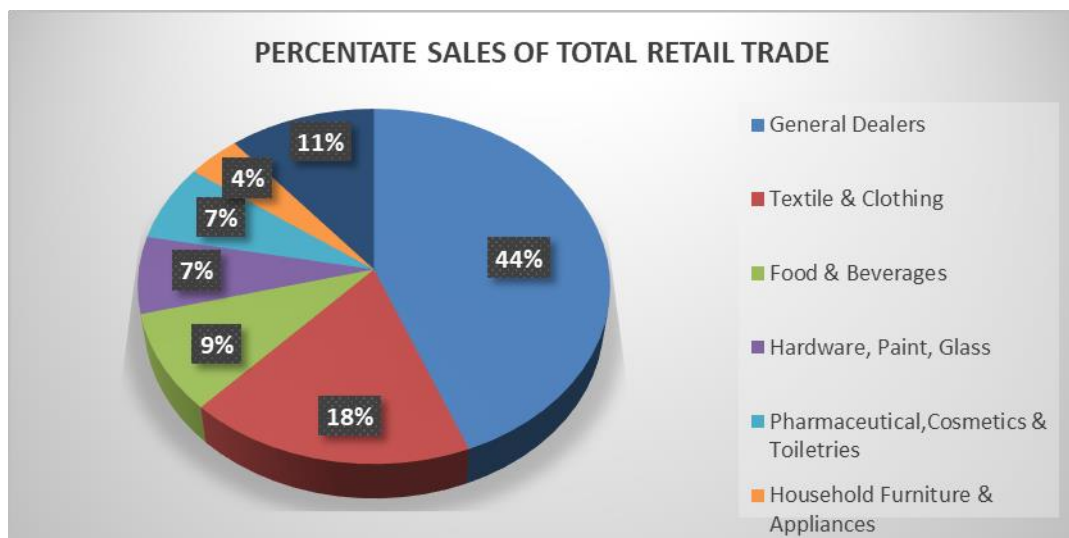


Figure 8. Biggest Players in the Retail Trade Sector

Source. Stats SA 2018

These players contribute immensely towards employment and poverty alleviation in general.

In the CCLM trade is the second largest contributor to GDP and employment creation after the Public sector. It is a lucrative industry that has seen growth over the last three years in CCLM and over the Limpopo Province at large.

The biggest players in CCLM within the trade include retail stores such as Ok, Pep, Mr Price, Express and Shoprite amongst others. Shoprite has taken a lead in this area where it has gone throughout the entire region and encouraged local people to develop own properties which it then hires to operate its business over a long period. The same applies in the petroleum category of the retail sector, where Global and Viva Petroleum companies are prevalent in most areas of the CCLM. Local businesses develop their own properties and get supply from Global and Viva Petroleum. Other big suppliers such as Sasol and Engen are found at highly clustered areas such as Malamulele.

Hardware stores were found to be highly prevalent within the CCLM Trade sector. There are more than two hardware stores in every village's business hub all across the CCLM, with Build It being the biggest store of them all. This significantly indicates growing trends in the property development and construction sectors of the CCLM economy.

Visibly prevalent in the CCLM trade sector are the informal and SMME segment from all sectors of the CCLM economy. This segment competes fiercely in the food and beverage category with retail stores, fast food outlets and restaurants such as KFC, Fishaways, etc. Furthermore, the cellular, liquor, convenience and internet shops are seen to be thriving in this sector. A detailed outline of the informal and SMME sector is provided in the next section.

In the pharmaceutical segment of the trade sector, Mpesu products from the Mpesu tree in this region have made it to the shelves of most big retailers such as Sasol, Viva, Global garages and private supermarkets in the CCLM. This could be a significant game changer for the CCLM municipality over a long term if harnessed and supported sufficiently.

5.6.2 SWOT Analysis for the Trade Sector

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Huge lucrative market • Largest private employer • Strong market for local producers • Organised formally • Informal sector thrives better in trade and retail products • Strong linkages with tourism • Strong ICT technology to boost efficiency and improve customer experience 	<ul style="list-style-type: none"> • Barriers to entry due big players • Volume driven, thus needs an organised market • Abundance of some products in the market resulting in duplication and low margins e.g. atchar, maize meal • Price competition is very strong and most of the time big players end up destroying smaller outfits, most informal
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Informal sector can be strengthened and formalised through take off agreements • Producers can be introduced into mainstream economy • New mall and shopping centres to provide a conducive environment for growth of the sector • Various areas in nodal points earmarked for retail centres and other development initiatives and tourism • Warehousing for goods of various shops such as Game, Pick n Pay, etc. • Investment in traditional food and retail businesses such as Nandos, Spar, etc. • Digital strategy to transform customer experience and exposure (SA Connect) e.g. Apps, Media, etc. • Facilitating licence applications for emerging fuel suppliers 	<ul style="list-style-type: none"> • Spatial patterns in CCLM i.e. villages spread all over the municipality e.g. where some services such as electricity for storage facilities do not exist • Some products especially perishables have a short term shelve life e.g. avocados • Increasing prices due to inflation, transport, etc. • Changing demographic patterns causing change in consumer buying patterns

Table 20. SWOT Analysis for CCLM Trade Sector

5.7 THE SMMES AND INFORMAL SECTOR

5.7.1 Overview

The definition for SMMEs encompasses a very broad range of firms, some of which includes formally registered, informal and non-VAT registered organisations. A broad definition of SMMEs in the National Small Business (NSB) Act is as follows:

- **Survivalist enterprise:** The income generated is less than the minimum income standard or the poverty line e.g. hawkers, vendors and subsistence farmers.
- **Micro-enterprise:** The turnover is less than the value added tax (VAT) registration limit (that is, R150, 000 per year) e.g. spaza shops, minibus taxis and household industries.
- **Very small enterprise:** These are enterprises employing fewer than 10 paid employees and operate in the formal market and have access to technology.
- **Small enterprise:** Small enterprises are generally more established than very small enterprises and exhibit more complex business practices.
- **Medium enterprise:** The maximum number of employees is 100 or 200 for the mining, electricity, manufacturing and construction sectors.

Informal enterprise refers to the businesses that are not registered in any way. They are generally small in nature, and are run from homes, street pavements and other informal arrangements. Stats SA 2016. Most of these enterprises operate within the agriculture, trade, manufacturing and tourism amongst others. Recent studies conducted in Limpopo, with Malamulele as one of the research sites indicate that:

- that the informal economy creates sustainable opportunities for self-employment and is not disconnected to the formal economy
- Informal enterprises create opportunities downstream for entrepreneurship, because micro-entrepreneurs reciprocate rather than dominate access to new opportunities
- Businesses operating in the informal economy display a high level of sustainability

- Informal trade does not only serve the marginalised poor, but provide goods and services to formally employed workers and the middle-income classes. Thus, providing an important means for the transfer of wealth from the rich to the poor

Most informal enterprises in CCLM generally share the following strong aspects for ease of employment creation:

- Ease of entry.
- Reliance on indigenous (accessible) resources.
- Family ownership.
- Small scale of operation.
- Labour-intensive.
- Limited technology adoption.
- Use of skills acquired outside of the formal school system.
- Participation in unregulated and highly competitive markets.

The government has recognised the importance of this segment of business activity in the economy, so much that a new Ministry of Small Business Development was established in early 2014. Table 32 below provides SMME distribution by provinces in South Africa in 2015.

PROVINCE	FORMAL	INFORMAL	OTHERS	TOTAL
Western Cape	110 107	110 188	10 030	230 324
Eastern cape	50 670	141 739	4 957	197 366
Northern Cape	8 534	9 058	3 019	20 611
Free State	26 224	60 816	9 806	96 846
Kwazulu-Natal	74 976	283 165	15 293	373 434
North West	27 430	79 153	6 273	112 856
Gauteng	306 231	465 100	13 989	785 321
Mpumalanga	35 208	141 129	9 063	185 399
Limpopo	28 054	207 512	14 098	249 663

Table 21. SMMEs in the RSA Provinces.

Source: StatsSA, 2016

Among the provinces, **Limpopo had the highest growth rate in its number of SMMEs (34%)**, followed by Gauteng (14%) between 2008 and 2015. In Limpopo, as well as 6 other provinces, there are significantly more informal SMMEs compared to formal ones. The correlation between the number of formal SMMEs per province to GDP is 98%, while that of informal SMMEs is 92%. In **CCLM, the informal sector contributes by more 31%** to the total employment figure.

5.7.2 SWOT Analysis for the SMME Sector

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Home/family-based businesses with low start-up capital requirements • High potential for employment creation • Most occupy best-selling spots or locations such as street corners, intersections, roadsides, doorways and driveways into formal shopping centres given their mobility character and flexibility • Changes products/services easily compared to formal businesses and never affect issues such as branding, etc. • Can easily follow formal business anywhere and compete fiercely (strong linkage to formal business) • Sustainable over many years compared to formal small enterprises • Takes advantage of cultural tourism opportunities, recycling, etc. easily 	<ul style="list-style-type: none"> • Access to finance constraints due to poor record keeping, etc. • Access to training & empowerment due to lack of contact/address of business • Access to infrastructure & basic services due to location limitations • Lack or limited if not reliable information on informal sector because mostly are no registered • Lack of/or poor storage facilities for products especially for perishables like fruits and vegetables overnight • No/limited government support due its unstructured character

<ul style="list-style-type: none"> • Ease of product packaging and differentiation e.g. atchar, vegetable mix, etc. as per customer needs • Low overhead expenses including tax burdens, etc. 	
<p style="text-align: center;">OPPORTUNITIES</p>	<p style="text-align: center;">THREATS</p>
<ul style="list-style-type: none"> • Cross-border trade opportunities given CCLM proximity to neighbouring countries • Must be used to address inequality and distribute income to the poorest of the community • Must be formalised and strengthened through skills development initiatives • Should be registered as sole proprietor businesses for regulation, protection and ease of access to support services • Decent infrastructure at street corners, road side, drive ways can be installed and managed efficiently to promote eco-tourism, cleanliness and safety • Develop storage facilities around the operating locations for overnight storage • Home-based accommodation businesses to be graded accordingly to promote township tourism 	<ul style="list-style-type: none"> • Crime due to operating from any environment even street payments and other unsafe locations • Unprotected market due to ease of entry and non-regulation • Rising input costs • Can easily be outplayed/acquired by established formal businesses • No/limited business management systems/controls due to their subsistence character • Regulatory requirements and controls

Table 22: SWOT Analysis for the SMME Sector

6.1 OVERVIEW

The vision of the CCLM is to be “A Spatially Integrated & Sustainable Local Economy by 2030” as indicated in its IDP. Hence the objectives of the LED Strategy have been aligned to this broad vision of the municipality. It therefore follows that the basis for local economic development should be investment (economic and infrastructure), community development (employment and welfare) and growth (productivity and GDP).

Current socio-economic realities observed in the situational and opportunity analysis phase are examined further and strategies are developed in this phase to create a viable economic roadmap that is implementable, manageable and measurable. Engagements with stakeholders has also highlighted a growing need for decent livelihoods against scarce natural resources, thus placing an emphatic need for a locally-orientated, sustainable local economic development strategy.

The key economic thrusts and/or sectors that have been identified in prior chapters will provide a framework towards meeting the goals and objectives of the CCLM LED strategy. Furthermore, the strategies are drawn having taken the following into consideration:

- CCLM is part of the greater VDM and does not operate as a silo. Hence resources available in and around CCLM locality should strengthen its LED strategy; and co-operation with neighbouring municipalities is key for the overall regional economic development
- Other sectors such as finance and transport play an important role towards local economic development, but CCLM need to first focus on primary sectors of the economy.
- The informal and SMME sector operates within the sectors for which strategies are developed below. Hence intervention and support for SMMEs and informal business sections of the economy will be included in the sector strategies

6.2 AGRICULTURE SECTOR

6.2.1 Introduction

The main objective of the agricultural sector growth strategy is to improve productivity & competitiveness of the industry as well as to include informal agriculture into the formal economy for potential value-add and commercialisation. The strategy will therefore seek to take advantage of the available natural resources that can be strengthened and processed into end products for the consumer.

A special focus on the secondary segment of the agricultural sector i.e. the agro-processing to enhance the agricultural produce is crucial as an intervention criteria. Industries such as the mango production, drying of fruits/medicine production (traditional and scientific) based on available resources are the cornerstone of this approach.

Agricultural production has a spiral effect on almost every sector of the economy in CCLM since it provides base inputs for most of the other sectoral outputs. Hence, strategic linkages with various stakeholders as per the target product will also be investigated to determine possible co-operation and reduce duplication where possible given the state of available resources for growth and development. A backward integration with other sectors is also explored in the strategies to provide agricultural inputs from the other sectors such as manufacturing e.g. fertilisers, compost (from recycling), etc.

6.2.2 Strategic Interventions

Table 23 below outlines challenges, strategic interventions and possible projects for the Agricultural sector in the CCLM.

ITEM	ISSUES	STRATEGIES	INITIATIVE
6.2.2.1	<ul style="list-style-type: none"> Lack of resources such as mechanisation, implements, tools, etc. Lack of researched data on critical agricultural areas 	<ul style="list-style-type: none"> Design and develop local farmer support programme that can leverage on economies of scale for mechanisation, implements & tools, as well as inputs e.g. seeds & fertilisers, pesticides and medicine Technical advice on advance and efficient production methods Training and skills development Compliance issues e.g. health, insurance, etc Business management and admin support Disaster management 	<ul style="list-style-type: none"> Shared services centre for agricultural support within a 10km radius to emerging farmers with: Mechanisation e.g. Small Tractors, Ploughs, Planters, Implements & tools Pesticides and medicine for livestock Training and skills development (Livestock and Plants Production) Health and safety standard compliance, etc.
6.2.2.2	<ul style="list-style-type: none"> Collapse of projects due to various challenges such as limited resources, obsolete infrastructure, poor management, etc. 	<ul style="list-style-type: none"> Strengthen existing projects that are performing by enhancing their capacity. And resuscitate projects with existing infrastructure for increased local production and employment creation. Thus, increasing employment opportunities and output growth 	<ul style="list-style-type: none"> Enhance projects with additional inputs to reach production capacity e.g. Production equipment refurbishment, Egg Production Chickens e.g. Mahonisa Poultry Project e.g. (RGS Poultry – Nhlengani) Banana Projects in CCLM and provide natural resources needed and viability for growth e.g. water, land, etc. (Makuleke and Matsika)
6.2.2.3	<ul style="list-style-type: none"> Lack of entrepreneurial, production and technical skills by emerging / smallholder farmers 	<ul style="list-style-type: none"> Support and provide assistance for the development of rare skills needed to assist farmers in CCLM and work closely with Madzivandela College 	<ul style="list-style-type: none"> Offer bursaries & support to youth in veterinary and essential agricultural services training in exchange for support to rural farmers during experiential phases of their training

6.2.2.4	<ul style="list-style-type: none"> Fierce competition from commercial farmers who practice precision farming techniques arising from rising production/input costs, theft of stock and implements (equipment), high transport costs between markets resulting in small margins 	<ul style="list-style-type: none"> Establish backward integration linkages with commercial suppliers through strategic partnerships for consistent supply and support of rural farmers with current technology, cultivars, expertise and other resources through strategic partnerships with captains in the industry 	<ul style="list-style-type: none"> Establishment secondary cooperatives to encourage bulk procurement, co-ordinated distribution and sales. Thus, minimising costs and maximising profits
6.2.2.5	<ul style="list-style-type: none"> Access and participation into the high value chain markets due to poor breed types, cultivars, financial exclusion and limited financial resources 	<ul style="list-style-type: none"> Improve the quality of farmers produce by reviewing enterprises e.g. preferred type of livestock breed and plants cultivars 	<ul style="list-style-type: none"> Facilitate and support a feedlot establishment to improve livestock of rural farmers to meet abattoir standards and requirements as suppliers from primary agriculture in CCLM Facilitate and support formulation of farming co-operative for niche commodities such as moringa, marula, mpesu, cannabis, etc. Identify and ringfence high value agricultural commodities in the green fields through spatial planning
6.2.2.6	<ul style="list-style-type: none"> Traditional slaughtering and capturing the hides and skins (goat skins) lost due to the lack of transport of small quantities in rural homeland areas. 	<ul style="list-style-type: none"> Develop a complete value chain for the red meat market which happens to be the biggest contributing category within the retail and trade sector: From the farm – feedlot – abattoir - meat processing – packaging – distribution – butchers – end user 	<ul style="list-style-type: none"> Facilitate and support establishment of a medium abattoir with meat processing facilities for end products such sausages, mince, biltong etc. and; Facilitate and support establishment a facility for by-products from the abattoir as a secondary mark e.g. Hides, Offal, Blood meal (Dog feed and polish), etc.
6.2.2.7	<ul style="list-style-type: none"> Non-compliance to food safety and health standards 	<ul style="list-style-type: none"> Design and introduce a health inspection and agricultural advisory 	<ul style="list-style-type: none"> Establish and support a local agricultural advisory office to protect agricultural sector

	resulting in an outbreak of parasitic pests and diseases such as Foot and Mouth disease	services office to monitor the market and malpractices and be proactive in averting disasters that could harm the local economy within the agricultural sector	
6.2.2.8	<ul style="list-style-type: none"> Lack of or poor infrastructure/facilities to benefit from the tertiary segment of the agricultural sector 	<ul style="list-style-type: none"> Establishment of forward vertical integration infrastructure support systems 	<ul style="list-style-type: none"> Facilitate and support the following facilities based on available primary agricultural outputs: <ul style="list-style-type: none"> o Mango and Vegetables Atchar Manufacturing Factory o Jam & Sweets Manufacturing Factory o Fruit Juice and Drying Factory o vegetable Sort and Pack refrigerated housing facility
6.2.2.9	<ul style="list-style-type: none"> Losses due to unavailability of adequate market infrastructure and formal markets such as fresh produce markets and processing facilities. 	<ul style="list-style-type: none"> Develop a marketing and promotion programme for local farmers produce 	<ul style="list-style-type: none"> Establish a Fresh Produce Market at a central location accessible to main market players and the factories as identified above (in Malamulele capitalising on existing networks and capital resources)

Table 23. Strategy for CCLM Agricultural Sector

6.3 TOURISM SECTOR

6.3.1 Introduction

Establishing a tourism industry that tells a story of the diverse tribes in CCLM should be a cornerstone of the strategy. It also should ensure inclusivity of entrepreneurs across the informal and formal business segments of the CCLM tourism. A holistic approach is vital in this sector since the tourism cuts across all other sectors of the economy. Therefore, to delineate the subject certain aspects of tourism are discussed under the trade and retail sector strategies.

Initiatives proposed by the tourism strategies will focus on the vast tourism attractions of the CCLM that offer the potential for private sector investment and cluster development in recreational facilities throughout Municipality. For an example road networks, electricity, water and signage of CCLM will be prioritised.

6.3.2 Strategic Interventions

Table 24 below outlines challenges, strategic interventions and possible projects for the Tourism sector in the CCLM.

ITEM	ISSUE	STRATEGIES	INITIATIVE
6.3.2.1	<ul style="list-style-type: none"> Limited involvement of local communities is a major constraint and general tourism awareness 	<ul style="list-style-type: none"> Public participation and awareness strategy with tribal authorities and use Ubuntu as competitive edge. Promote indigenous knowledge systems such as herbs, camping, etc and Collaborate with CCLM business and sector associations to promote agri-tourism. 	<ul style="list-style-type: none"> Annual tourism awareness programme for all stakeholders and community. e.g. Easter Tourism Show (With exhibition stalls, food stalls, Circus halls, Children's' Rides Park, etc) and: Agri-tourism promotion through Mango/Marula annual festivals CCLM ambassador/representative to market in other tourism areas of South Africa (Gauteng, KZN, Western Cape) Take out old municipal boards Install new signage boards for CCLM to create greater awareness of the new CCLM
6.3.2.2	<ul style="list-style-type: none"> Tourism in rural areas is not resourced and marketed adequately Most accommodation places not graded and marketed sufficiently Competition from neighbouring municipalities e.g. Thulamela 	<ul style="list-style-type: none"> Identify key tourism thrusts in CCLM, develop a marketing strategy through a tourism centre in one of the four municipal growth points. Tourism centres to assist with grading of accommodation facilities and home-based accommodation facilities. Consider the digital technology to market tourism in CCLM 	<ul style="list-style-type: none"> Establish a tourism centre in one of the nodal points for information dissemination on: <ul style="list-style-type: none"> Lodges, hotels, conference facilities, etc. Adventure, sports and township tourism sports such as Shisa-nyama, car wash, etc. Home based accommodation facilities

			<ul style="list-style-type: none"> Establish a digital network to market and link tourism destinations and activities
6.3.2.3	<ul style="list-style-type: none"> Lack of reliable data and statistics e.g. heritage data, culture, customs, environment, accommodation, indigenous knowledge, etc. 	<ul style="list-style-type: none"> Collect reliable information on culture, customs, heritage, environment, routes, accommodation, adventure sites, etc related to tourism. Develop marketing tool kits for information dissemination and tourism promotion in CCLM and a system to collect information on tourism information for future use in decision making 	<ul style="list-style-type: none"> Design and produce tourism marketing packages on: <ul style="list-style-type: none"> Agri-tourism e.g. Mango/Marula Tree Routes and Festivals Sport tourism e.g. Collins Chabane Boxing Tournament or Soccer Tournament Township tourism e.g. Shisa-Nyama, Shebeen and Car-wash Business tourism e.g. Hotel and Conference facilities Culture and Heritage e.g. Swizz Church,
6.3.2.4	<ul style="list-style-type: none"> Political instability e.g. Xenophobia, Strikes, tribal polarisation, etc. 	<ul style="list-style-type: none"> Promote moral cohesion and religious tourism for moral regeneration. Promote inter-country sports and educational tourism Promote inclusion of history as a compulsory subject in CCLM 	<ul style="list-style-type: none"> Identification and development of local tourism hotspots across emerging tourism economies: <ul style="list-style-type: none"> Theme Park on the Vuu Hills and mini museum (similar to Gold Reef in Johannesburg, Ratanga Junction in Cape Town) A mini zoo and museum along the Mhinga Tourism Development Corridor Lodge facilities could be rebuilt into a theme park given heritage sites around the area

			<ul style="list-style-type: none"> ○ A recording studio for local music and youth with singing talent. The Late Hon. Collins Chabane was a good singer. ○ Lifestyle and fashion tourism e.g. Mr & Miss CCLM for the youth, theatre for cultural shows, etc. ○ Cultural centre delving deeper into the rich history of the CCLM people
6.3.2.5	<ul style="list-style-type: none"> • Land demarcation and boundary issues e.g. Punda Maria Gate. 	<ul style="list-style-type: none"> • Engage tribal authorities and KNP regarding the Punda Maria gate 	<ul style="list-style-type: none"> • Develop a process plan to engage issues around KNP (Punda Maria gate) for the local tourism beneficiation
6.3.2.6	<ul style="list-style-type: none"> • Environmental degradation and infrastructure upgrade 	<ul style="list-style-type: none"> • Build new roads and upgrade the existing ones including inwards roads to accommodation and tourism spots. Encamp and protect tourism attraction areas. 	<ul style="list-style-type: none"> • Upgrade and build development corridor roads e.g. Punda Maria Corridor R524, R81 Business Development Corridor, Shangoni Gate Road.
6.3.2.7	<ul style="list-style-type: none"> • Poor development of tourism destinations 	<ul style="list-style-type: none"> • Develop Parks and Stadiums (picnic, sports and festival spots), KNP Gates, Roads as development corridors 	<ul style="list-style-type: none"> • Support and facilitate development of areas for picnics, stalls along the development corridors for business, etc.

Table 24. Strategy for CCLM Tourism Sector

6.4 MINING SECTOR

6.4.1 Introduction

This mining sector strategies are aimed at exploring small-scale mining activities in CCLM. If promoted vigorously, small-scale mining can contribute to poverty alleviation through employment creation, income earning opportunities, and sustaining local businesses by means of purchases through strategic linkages to other sectors.

Potential local entrepreneurs are encouraged to apply for prospecting mining licenses and are guaranteed support from the municipality. Quarry licensing seems to fall amongst the low-lying fruits within this sector in CCLM. Crusher stones and gravel sand can be generated from mining dumps which were shut down some time ago and be sold to housing construction business, road construction business and others. Currently only prospecting licences are held by potential mining companies including the Madonsi mining project.

6.4.2 Strategic Intervention

Table 25 below outlines challenges, strategic interventions and possible projects for the Mining sector in the CCLM.

ITEM	ISSUE	STRATEGIES	INITIATIVE
6.4.2.1	<ul style="list-style-type: none"> Potential mines at exploration stage due to insufficient data on possible mineral resources within CCLM 	<ul style="list-style-type: none"> Support research efforts for existing licenses and identified land for prospective mines 	<ul style="list-style-type: none"> Support mines with research and information during exploration stage
6.4.2.2	<ul style="list-style-type: none"> Heavy compliance issues required prior to take off, couple by long lead times from exploration through to mine development 	<ul style="list-style-type: none"> Assist and support applications for mining licenses where there is a potential for success and viability 	<ul style="list-style-type: none"> Speed up processes within the municipality jurisdiction such as zoning certificates, etc.
6.4.2.3	<ul style="list-style-type: none"> Binding infrastructure constraints such as water, electricity, roads, housing, etc. 	<ul style="list-style-type: none"> Develop a plan for infrastructure development around the prospective mines with great potential 	<ul style="list-style-type: none"> Design and facilitate infrastructure development around potential mining locations
6.4.2.4	<ul style="list-style-type: none"> Resuscitating mines that were long shutdown is costly 	<ul style="list-style-type: none"> Consider beneficiation from mine dumps with specific focus on building material for roads and houses e.g. rocks, crusher and gravel sand 	<ul style="list-style-type: none"> Support entities applications for mining licenses for potential quarry mines in CCLM
6.4.2.5	<ul style="list-style-type: none"> Beneficiation from the mining sector and DMR support 	<ul style="list-style-type: none"> Engage and facilitate emerging businesses with regard to mineral beneficiation and other related resources such as petroleum 	<ul style="list-style-type: none"> Support entities applications for mining beneficiation licences as well as fuel and petroleum licences for distribution in the trade sector

Table 25. Strategy for CCLM Mining Sector

6.5 MANUFACTURING SECTOR

6.5.1 Introduction

The main of strategic interventions within the manufacturing sector is to establish a secondary market for the primary produce which is highly prevalent in CCLM. Introducing this secondary economy would boost the SMMEs and the informal as contributors to employment creation and poverty alleviation in CCLM.

Recycling of waste in CCLM would be a game changer for the manufacturing sector. Currently most municipalities including CCLM are struggling with waste management initiatives that can reduce carbon emissions and promote eco-tourism.

6.5.2 Strategic Intervention

Table 26 below outlines challenges, strategic interventions and possible projects for the Manufacturing sector in the CCLM.

ITEM	ISSUE	STRATEGIES	INITIATIVE
6.5.2.1	<ul style="list-style-type: none"> High capital costs for manufacturing factories e.g. infrastructure, building, machinery and equipment 	<ul style="list-style-type: none"> Establish linkages with various development finance houses and assist local businesses to prepare compelling investment proposals to potential funders/investors 	<ul style="list-style-type: none"> Enter into an MOU with financing institutions to attract funding to CCLM, including non-financial support services e.g. LEDET, DBSA, SEDA, SEFA, etc.
6.5.2.2	<ul style="list-style-type: none"> Market for finished products and recycled products 	<ul style="list-style-type: none"> Establish linkages with local stores and chain retailers with a national footprint for external market, whilst producing recycled products for eco-tourism development 	<ul style="list-style-type: none"> CCLM must have off-take agreements for local produce as part of its strategy with all retail industry investors and set up waste recycling plant
6.5.2.3	<ul style="list-style-type: none"> Unresolved land claims in CCLM and zoning issues for development 	<ul style="list-style-type: none"> Identify land claims with key investment potential and speed up processes to finalise barriers for development 	<ul style="list-style-type: none"> Establish a local housing tribunal with powers to deal with zoning issues and land claims
6.5.2.4	<ul style="list-style-type: none"> Limited storage and distribution facilities for various goods and services resulting in high prices that limit growth of the sector 	<ul style="list-style-type: none"> Encourage and support building of storage, warehousing and distribution hub in the CCLM around Saselemani nodal point given the potential airport development in the area 	<ul style="list-style-type: none"> Support the airport development in Saselemani nodal point for distribution logistics in the manufacturing sector

Table 26. Strategy for CCLM Manufacturing Sector

6.6 TRADE SECTOR

6.6.1 Introduction

CCLM considers the trade sector to be central to the economic and social wellbeing of its communities. It is key in addressing LED objectives of decent employment creation, poverty alleviation and inclusive rural development. This sector is the link between the agricultural, manufacturing, tourism sectors and consumer. It influences supply and demand, and is a valuable route to market for manufacturers.

Retail sales are indicators of the wider economy and of consumer confidence. The sector plays a vital role in communities as a provider of the goods and services people want and need, and as a force for social cohesion. The future for this sector as a whole depends on the wider economic climate, the preferences and confidence of consumers – for which there are no simple solutions.

Therefore, this strategy focuses on where there is potential for CCLM and the industry to work in partnership to support retail growth and performance local levels.

6.6.2 Strategic Intervention

Table 27 below outlines challenges, strategic interventions and possible projects for the Manufacturing sector in the CCLM.

ITEM	ISSUE	STRATEGIES	INITIATIVE
6.6.2.1	<ul style="list-style-type: none"> Barriers to entry due big players due to price competition which is very strong and big players end up destroying smaller outfits, most informal 	<ul style="list-style-type: none"> Support ICT infrastructure to open up communication channels so that businesses can access information and technology to improve their products and services 	<ul style="list-style-type: none"> Invest and facilitate ICT infrastructure development for the CCLM and link up to existing optic fibre infrastructure line as spearheaded by the national government
6.6.2.2	<ul style="list-style-type: none"> Abundance of some products in the market resulting in duplication and low margins e.g. atchar, maize meal 	<ul style="list-style-type: none"> Create demand in external areas by establishing linkages with adjacent municipalities for supply of primary products in a less costly channel 	<ul style="list-style-type: none"> Engage Atchar manufacturers in Tzaneen to procure from an organised market in CCLM e.g. Fresh Produce Market
6.6.2.3	<ul style="list-style-type: none"> Spatial patterns in CCLM and changing demographic patterns causing change in consumer buying patterns i.e. villages spread all over the municipality, some services such as electricity for industrial storage facilities do not exist 	<ul style="list-style-type: none"> Spatial development framework to encourage clustered movements around areas with resources to benefit from economies of scale 	<ul style="list-style-type: none"> Provide land for new malls and shopping centres to be developed and encourage movement towards nodal points where services are clustered and mobility challenges are addressed
6.6.2.4	<ul style="list-style-type: none"> New ways to preserve and maintain quality of perishable goods for future growth and sustainability of the agriculture and manufacturing sectors are needed 	<ul style="list-style-type: none"> Link sectors such as agriculture, manufacturing with new technology innovations 	<ul style="list-style-type: none"> Facilitate and support establishment of a research and development facility for the natural resources to assist SMMEs in CCLM

6.6.2.5	<ul style="list-style-type: none"> • Lucrative market for local producers and largest private employer organised formally and has strong linkages with tourism 	<ul style="list-style-type: none"> • Informal sector can be strengthened and formalised through take off agreements and this can be part of the zoning application by chain stores 	<ul style="list-style-type: none"> • Revise zoning applications to ensure inclusion of SMMEs in the development initiatives of CCLM and incentivise with attractive business rates and levies
6.6.2.6	<ul style="list-style-type: none"> • Changing lifestyles and trends in CCLM for a better life increases demand for goods that are organic and healthy 	<ul style="list-style-type: none"> • Establish linkages with chain stores for the SMMEs who are mostly capable of producing organic products such as cage free chicken eggs, mopani worms, etc. 	<ul style="list-style-type: none"> • Collate and register a list of organic products manufacturers and suppliers for registration with retailers such as Woolworths, etc.
6.6.2.7	<ul style="list-style-type: none"> • Poor and old apartheid infrastructure plans that do not support retail development 	<ul style="list-style-type: none"> • Review infrastructure plans that accommodate modern retail and trade development 	<ul style="list-style-type: none"> • Ensure that plans for roads in town allow parking next to retail stores and parking facilities correspond to available retail floor space

Table 27. Strategy for CCLM Retail Sector

CHAPTER 7: POTENTIAL LED PROJECTS

7.1 INTRODUCTION

The LED strategy does not necessarily capture all issues which may impact the CCLM economy. Specific focus and emphasis are on those sectors where policies and initiatives would have a huge impact upon the economy and the living conditions of the communities. There are wider business landscape issues on the other sectors which are best addressed at provincial and national spheres of government already e.g. transport, finance, etc. Hence this chapter seeks to provide a strategy implementation guideline on projects identified per sector.

7.2 PROJECTS AND IMPLEMENTATION GUIDELINES

7.2.1 Agriculture

PROJECT	STAKEHOLDERS	INTERVENTION AREAS	GUIDELINES	COST ESTIMATES
Shared services centre for agricultural support within a 10km radius to emerging farmers in every nodal point	CCLM, VDM, LDRDA, DAFF, DRDLR, AGRISETA, Strategic Partners	Malamulele Hlanganani Saselemani Vuwani	Implement in phases over a 5 - year period. Must be self-sustainable after 10 years. R5 000 000 per centre. Subject to review after 5 years	R20 000 000.00
Enhance Projects with additional inputs to reach production capacity	CCLM, VDM, LDRA, DAFF-SA, Strategic Partners	Makuleke Mahonisa Mogoro Vuwani	Once-off assistance based on project potential.	R30 000 000.00
Offer bursaries & support to youth in veterinary and essential agricultural services training	CCLM, Strategic Partners	CCLM	R1 000 000.00 per annum over 5 Years. Subject to annual review.	R5 000 000.00
Establishment cooperatives and formalising established informal businesses to encourage stronger supply base	CCLM, Strategic Partners	Malamulele Hlanganani Vuwani	Once-off assistance. Based on Needs Analysis	R200 000.00
Facilitate and support a feedlot to improve livestock of rural farmers to meet abattoir standards and requirements	CCLM, VDM, LDRA, DRDLR, DAFF, Strategic Partners	Saselemani Malamulele	Once-off assistance in every nodal point. R1 500 000.00 facility per nodal point. Must be self-sustainable. Due diligence	R5 000 000.00
Facilitate and support a medium abattoir with meat processing facilities	CCLM, VDM, LDRA, DRDLR, DAFF, Strategic Partners	Malamulele	Once-off investment at a Central area on the basis of supply/market. Must be self-sustainable	+R20 000 000.00

Facilitate and support a facility for by-products from the abattoir as a secondary mark e.g. Hides, Offal, Blood meal	CCLM, VDM, LDRA, DRDLR, DAFF, Strategic Partners	Hlanganani	Once-off investment next to Abattoir. Self-sustainable Feasibility studies	+R6 000 000.00
Facilitate and support setting up a local agricultural advisory office to protect agricultural sector	CCLM, VDM, LDRA, DRDLR, DAFF	Malamulele	Implement on a Need Analysis basis. Can share resources with some of the Shared Services Centres	R2 000 000.00
Facilitate and support setting up a Fresh Produce Market at a central location accessible to main market players	CCLM, VDM, LDRA, DRDLR, DAFF	Vuwani	Once-off investment in a strategic location based on supply/market. Self-sustainable Feasibility study	R5 000 000.00
Facilitate and support factories for end products of Mango, Fruits, Vegetables and Marula	CCLM, VDM, DTI, LDRA, DRDLR, DAFF, Strategic Partners	Malamulele	Once-off investment in a strategic location based on supply/market. Self-sustainable Feasibility studies	+R20 000 000.00
Establish farm corporative with specific focus on niche commodities e.g. marula, mpesu, cannabis, moringa, etc	CCLM, CSIR, VDM, LDRA, DAFF, DRDLR, Strategic Partners	Vuwani	Long-term approach (5-10 years) Target pharmaceutical industry Research & feasibility studies	R20 000 000.00

Table 28. Potential Projects in the Agricultural Sector of CCLM

7.2.2 Tourism Sector

PROJECT	STAKEHOLDERS	INTERVENTION AREAS	GUIDELINES	COST ESTIMATES
Annual tourism awareness programme for all stakeholders and community. e.g. Easter Tourism Show, Mango/Marula Festival	CCLM, VDM, LTA, LDRA, Strategic Partners	CCLM	Implement annually over a 5-year period. R2 000 000.00 per annum. Subject to annual review. Due diligence	+R10 000 000.00
Set up a tourism centre in one of the four nodal points for information dissemination. With a complete digital network for marketing purposes	CCLM, VDM, DT-LP, Strategic Partners	Malamulele	Once-off investment. R1 000 000 budget per centre.	+R4 000 000.00
Design and produce tourism marketing packages	CCLM, VDM, LEDET, Strategic Partners	Malamulele Saselemani	Subject to annual review.	+R2 000 000.00
Identification of local tourism hotspots across emerging tourism economies e.g. mini zoo, museum, theme park, recording studio, lodging & conferencing facilities	CCLM, VDM, LEDET, DEA, DAC, Strategic Partners	Malamulele Vuwani Saselemani	Based on Needs Analysis and Strategic Partner. Based on stakeholder engagements. Due diligence	+R100 000 000.00
Upgrade and build development corridor roads e.g. Punda Maria Corridor R524, R81 Business Development Corridor, Shangoni Gate Road	CCLM, VDM, LDRT, DEA, Strategic Partners	CCLM	LDRT Competency. Based on CCLM/Department engagements	+R500 000 000.00
Develop a process plan to engage issues around KNP for the local beneficiation	CCLM, KNP, COGHSTA, DEA, Strategic Partners	CCLM	On-going process. Due diligence	R20 000 000.00
Build stalls and develop areas for tourism along the development corridors for business, picnic areas, etc.	CCLM, LTA, DEA, LDRT, Strategic Partners	Mhinga, Malamulele Hlanganani	Based on Needs Analysis and Strategic Partner.	R30 000 000.00

Table 29. Potential Projects in the Tourism Sector of CCLM

7.2.3 Mining Sector

PROJECT	STAKEHOLDERS	INTERVENTION AREAS	GUIDELINES	COST ESTIMATES
Support mines with infrastructure development e.g. housing, flats, etc.	CCLM, VDM, DMR, LEDET, COGHSTA, Strategic Partners, etc.	Malamulele	Based on Needs Analysis. Subject to annual review Due diligence	Subject to further study & analysis.
Speed up processes within the municipality jurisdiction such as zoning certificates, etc.	CCLM, VDM, Strategic Partners	CCLM	Based on application merits.	No cost implications
Design and build infrastructure around the prospective mining areas e.g. Electricity, Roads, Water, etc.	CCLM, VDM, DMR, LDRT, Strategic Partners, etc.	Malamulele	Based on Needs Analysis. Subject to annual review	Subject to further study & analysis.
Support and facilitate license applications of entities for potential quarry mines around in CCLM	CCLM, VDM, DMR, DEA, Strategic Partners	Saselemani Mhinga Vuwani Mogoro	Subject to further studies & application merits	No cost implications

Table 30. Potential Projects in the Mining Sector of CCLM

7.2.4 Manufacturing Sector

PROJECT	STAKEHOLDERS	INTERVENTION AREAS	GUIDELINES	COST ESTIMATES
Enter into an MOU with financing institutions to attract funding to CCLM, including non-financial support services e.g. LEDET, DBSA, SEDA, SEFA, etc.	VDM, DTI, LEDET, DBSA, IDC, SEDA, SEFA, Strategic Partners	CCLM	Subject to annual review	Based on needs analysis and potential investment
Off-take agreements for local produce	CCLM, VDM, DTI, Strategic Partners	CCLM	Based on potential investment	Based on needs analysis and potential investment
Establish a local housing tribunal/authority to assist with rezoning/zoning applications	CCLM, VDM, DTI, DEA, Strategic Partners	CCLM	Subject to annual review.	No cost implications
Facilitate a distribution hub for local producers	CCLM, VDM, LEDET, DEA, Strategic Partners	Malamulele	Based on stakeholder engagements	+R5 000 000.00
Facilitate a research and development facility for medicinal factory based on niche products (pharmaceutical)e.g. cannabis, mpesu, moringa, etc.	CCLM, VDM, DTI-LP, CSIR, DOH, Strategic Partners	Malamulele	Based on stakeholder engagements	+R5 000 000.00

Table 31. Potential Projects in the Manufacturing Sector of CCLM

7.2.5 Trade Sector

PROJECT	STAKEHOLDERS	INTERVENTON AREA	GUIDELINES	COST ESTIMATES
Invest in ICT infrastructure for the CCLM and link up to existing optic fibre infrastructure line as spearheaded by the national government	CCLM, VDM, DTI, DOC, Strategic Partners	CCLM	Subject to annual review Due diligence	Based on needs analysis and potential investment
Provide land for new malls and shopping centres to be developed	CCLM, VDM, Tribal Leaders, Strategic Partners	Malamulele, Hlanganani	Based on potential investment Due diligence	Based on needs analysis and potential investment
Set up a research and development facility for the natural resources to assist SMMEs in CCLM e.g. Medicinal herbs e.g. cannabis, moringa, mpesu, etc	CCLM, VDM, DTI, DEA, DOC, DST, DAC, Strategic Partners	Malamulele	Subject to annual review. Due diligence	R5 000 000.00
Revise zoning applications to ensure inclusion of SMMEs in the development initiatives of CCLM	CCLM, VDM, Strategic Partners	CCLM	Based on stakeholder engagements	No cost implications
Collate and register a list of organic products manufacturers and suppliers for registration with retailers such as Woolworths	CCLM, Strategic Partners	CCLM	Based on stakeholder engagements	No cost implications
Improve infrastructure and support plans for retail developments e.g. roads in town to allow parking next to retail stores and parking facilities	CCLM, Strategic Partners	Malamulele Saseleman Vuwani Hlanganani	Based on potential investment and development plans	Based on potential investment and development plans

Table 32. Potential Projects in the Trade Sector of CCLM

8.1 INTRODUCTION

LED institutional arrangements refer to organisations, structures and networks that are directly or indirectly involved in the implementation of LED. These institutions serve as mechanism through which LED strategies are coordinated, managed, implemented, as well as monitored and evaluated (DPLG, 2000). Institutional arrangements may range from formal to informal, with varying degrees of authority, accountability, and responsibility for coordination, handover, and delivery. This refers to individuals, businesses, civic organisations or groups in the public, private and NGOs with interest in implementing LED initiatives

Successful implementation of local economic development (LED) calls for a multi-disciplinary and multi-stakeholder approach (Swinburn, Goga & Murphy 2003; Zaaijer & Sara 1993; Meyer-Stamer, 2002; UNHSP, 2005; ILO cited in Nel and Lynell, 2006 and requires effective management of such stakeholders. The rationale behind involvement of multiple stakeholders in the LED processes is to:

- Increase the credibility, equity, transparency, and finally ownership of the strategy
- Promote an inclusive approach to LED implementation and a better understanding of the socio-economic needs of the beneficiaries
- Enhance the ability of stakeholders to mobilise their own resources to support the process of LED implementation.

It therefore follows that the current institutional capacity of CCLM must be analysed and amendments be made where necessary, for the successful implementation of the LED Strategy. Recent research and trends promote strong and appropriate institutions for pursuing local economic development and these are based on four cardinal pillars, namely;

- First, support for institutions and strategies should combine governance with culture, to gain respect, legitimacy and acceptance of the local citizens.
- Second, there is a need for clear decision rules and procedures in government, such as effective business codes and land use zones that promote long-term plans and a clear and stable economic "playing field."
- Third, the political environment must be safe, consistent, predictable with clear government policies and regulations for the business environment
- Fourthly, enabling environments should have a high ease of business entry, few constraints and an efficient regulation enforcement.

8.2 STATUS OF STAKEHOLDERS IN CCLM

Table 33 below outlines stakeholders and their roles within the CCLM.

STAKEHOLDERS	ROLES
COGHSTA	<ul style="list-style-type: none"> • Institutional arrangements, etc. • Assistance with business survey
Department of Mineral Resources	<ul style="list-style-type: none"> • Establishment of legal entities • Guidance towards the identification of mineral deposits • Mining feasibility and market studies • Environmental Impact Assessment Development of the mining equipment
Department of Trade and Industry	<ul style="list-style-type: none"> • Provision of information on the latest market trends • Assistance with inward and outward trade missions • Business development services • Funding Independent
Limpopo Provincial Department of Roads and Transport (LDRT)	<ul style="list-style-type: none"> • Assistance with the development of a database of roads network • Upgrading and maintenance of road infrastructure
Limpopo Department of Agriculture	<ul style="list-style-type: none"> • Facilitate the establishment of a feedlot • Funding of projects • Build capacity of farmers
Limpopo Department of Economic Development & Tourism	<ul style="list-style-type: none"> • Support with setting up of business incubators • Capacity building & Funding of projects

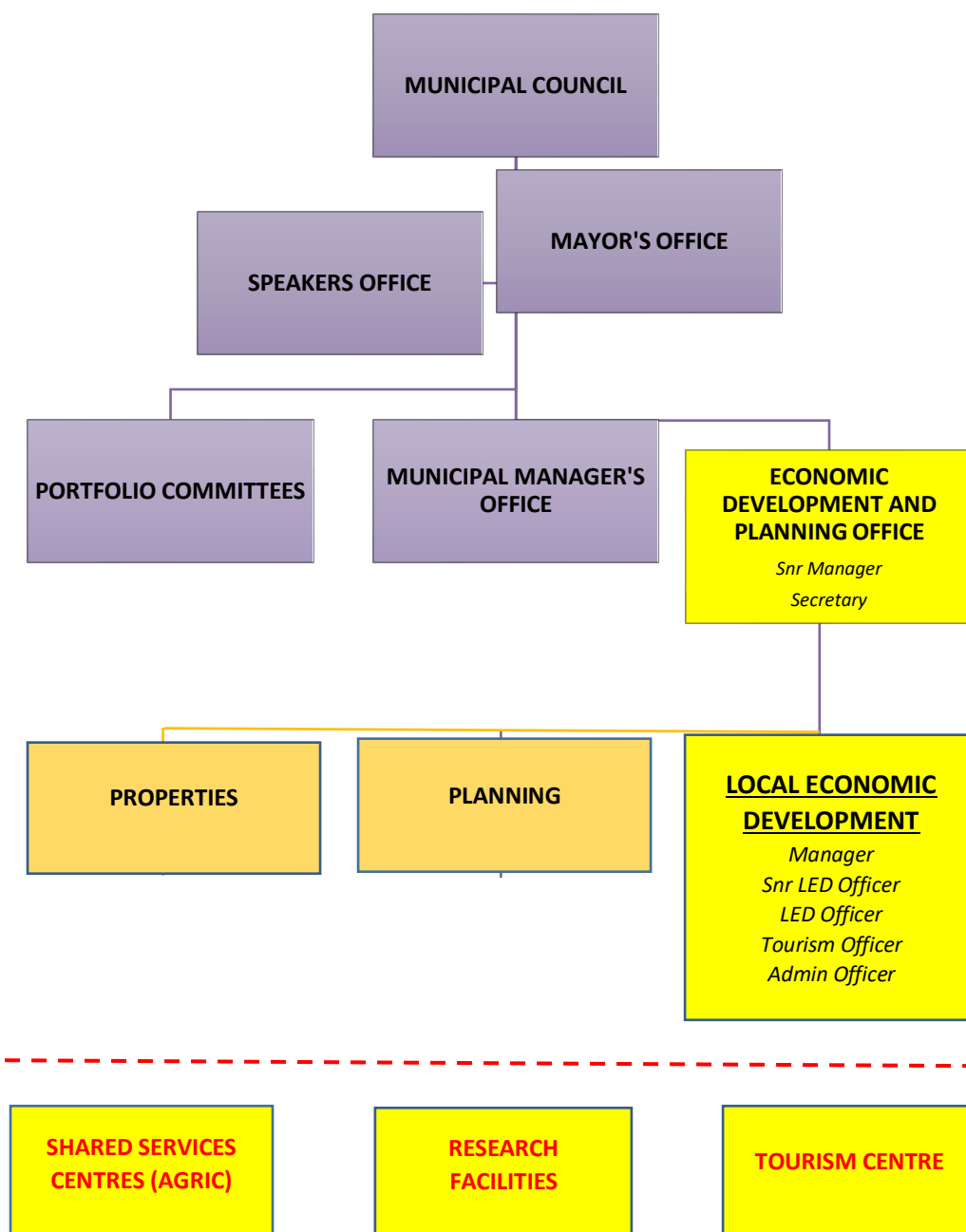
Vhembe District Municipality	<ul style="list-style-type: none"> • Funding of identified projects • Institutional capacity support
CCLM Business Chamber	<ul style="list-style-type: none"> • Promote local businesses • Bargain for local businesses
Limpopo Tourism Authority	<ul style="list-style-type: none"> • Tourism marketing • Capacity building and skills development
CCLM Tourism Association	<ul style="list-style-type: none"> • Identification of businesses without location signage • Development of a Tourism Image
CSIR (Bio-sciences)	<ul style="list-style-type: none"> • Research and Product Development • Human Capital Development
Local Traditional Authorities	<ul style="list-style-type: none"> • Making land available for economic development project
Department of Rural Development and Land Reform	<ul style="list-style-type: none"> • Making land available for economic development project
Private Sector (Business)	<ul style="list-style-type: none"> • Creation of low skilled jobs • Investment in the development of infrastructure such shopping centres, tourism facilities, etc. as well as the Investment in the identified projects
Other Associations & Co-operatives	<ul style="list-style-type: none"> • Sector support such as transport, farming, NGOs, etc.
Communities	<ul style="list-style-type: none"> • Support LED initiatives

Table 33. CCLM Stakeholders and their Roles

8.3 CURRENT CAPACITY IN THE MUNICIPALITY

Collins Chabane municipality must establish appropriately structured and capacitated institutional mechanisms through which the LED Strategy can be coordinated, managed, implemented and monitored.

The current LED supporting structure in CCLM is illustrated in the yellow diagrams of figure 9 below. Under the red dotted lines is the proposed supporting structure based on the strategy and envisaged projects.



8.4 MARKETING AND LED PROMOTION

The main feature in the marketing and promotion of LED is the ability to address conflicting or diverse interests and seek out cooperative actions through good governance. Good governance provides a foundation for citizens to use their talents to improve their social and economic conditions. Governance includes established institutions as well as informal social arrangements and networks as indicated in section 8.3.

One critical link between the concepts of good governance and LED is the need to establish a business-enabling environment. For many investors, consistency, predictability and clarity of government policies and regulations are as important as a business environment with few restraints. Without a safe investment environment, local human and financial capital will migrate away from the local area, and outside investment will be difficult to attract. Enabling environments are achieved by simplifying bureaucratic procedures, creating regulatory certainty (including property rights), pursuing broadly supported actions, and encouraging local business.

Regardless of who takes the leadership role, best practice bears out that representatives of key sectors from government, the private sector and civil society should be involved early in the planning process. Even when local government does not take the lead, local government should be included as a participating stakeholder to understand how their policies, programmes and plans affect the local economy. This will lead to partnerships that often play a central role in implementing LED strategies. This is essential in creating a participatory-based LED.

8.5 PROGRAMMING OF PROJECTS AND IMPLEMENTATION PLAN

For integrated programming of projects there must be a strong linkage between Institutional arrangements and strategies. As informed by the National Framework for LED 2014-19 of; the intention should be to achieve the objectives of the CCLM local economic development through intended projects and interventions initiated by all stakeholders as identified in section 8.2 above. The programming of projects with clear action plans is outlined in the subsections below for each sector.

8.5.1 Agricultural Sector

PROJECT	DELIVERABLES	LEADING ROLE	PROGRAMMES	TIMEFRAME	ACTION PLAN
Facilitate Farmer Support and Development	Improved farmer production and growth	<ul style="list-style-type: none"> LDA 	<ul style="list-style-type: none"> Farmer Support and Development (FPSU) 	Short – medium term	Provide mechanisation, implements & tools
	Trained personnel and readily available specialised skills	<ul style="list-style-type: none"> AGRISETA LDA 	<ul style="list-style-type: none"> Skills Development Structure Agricultural Education and training 	Short – Long term	Provide skills assessment, training and empowerment Bursaries and Sponsorship
	Good governance, efficient administration, sustainability; and a well-regulated agricultural sector	<ul style="list-style-type: none"> CCLM LDA 	<ul style="list-style-type: none"> LED Administration (Agri-Hub) 	Short - Long term	Set up SSCs and co-ordinate farmer support and development programmes, health and compliance issues
Facilitate Farmer Revitalisation and Sustainability	Increased production and growth	<ul style="list-style-type: none"> LDA 	<ul style="list-style-type: none"> LED Farmer Support and Development (FSPU) 	Short term	Provide assistance to replace obsolete equipment, infrastructure for boreholes and water schemes for the poultry & tropical fruits farmers. Review business models of the businesses e.g. partnerships
	Enhanced production and supply	<ul style="list-style-type: none"> CCLM 	<ul style="list-style-type: none"> LED 	Short term	Co-ordinate informal farmers and facilitate co-operatives establishment
	An established market for outputs	<ul style="list-style-type: none"> LDA 	<ul style="list-style-type: none"> LED Farmer Support and Development (RUMC) 	Short - medium term	Fresh produce market linked to the secondary market (Agro-processors)

Improve Production Quality and Increase Demand	Feedlot for livestock	<ul style="list-style-type: none"> • LDA 	<ul style="list-style-type: none"> • LED • Farmer Support and Development (FSPU) 	Short – medium term	Encourage farmers to change to pure breed livestock with high market value
	Agro-processing factories to absorb primary farming produce	<ul style="list-style-type: none"> • CCLM • DTI 	<ul style="list-style-type: none"> • LED • Enterprise Investment Programme 	Medium – Long term	Facilitate the establishment of Agro-processing factories for 'low-lying' fruits e.g. Mango, Banana, Marula
	Improved quality and supply of inputs for sustainable farming operations	<ul style="list-style-type: none"> • CCLM • CSIR 	<ul style="list-style-type: none"> • LED • Sustainable Agriculture 	Long term	Facilitate research for farming production methods against changing climate conditions. Research recycling of waste to produce compost and reduce carbon emissions
Expand the Agricultural sector through	Readiness for the emerging market of the sunrise industries	<ul style="list-style-type: none"> • CCLM, • CSIR • DOH 	<ul style="list-style-type: none"> • LED • Medicinal Chemistry • Medicinal Control Council 	Long term	Facilitate and prepare farmers for the production of medicinal produce such as Cannabis, Moringa, Mpesu, etc. Research processing of medicine production and the establishment of such factories in CCLM

Table 34. Implementation Plan for the Agricultural Sector Projects

8.5.2 Tourism Sector

PROJECT	DELIVERABLES	LEADING INSTITUTIONS	PROGRAMMES	TIMEFRAME	ACTION PLAN
Promotion of CCLM Tourism	Tourism Centre	<ul style="list-style-type: none"> • CCLM 	<ul style="list-style-type: none"> • LED 	Short term	Co-ordinate and disseminate tourism information and services
	Annual Tourism Programme: Harnessing Cultural heritage, Eco-tourism, Township tourism, Agri-tourism, Rural tourism, etc.	<ul style="list-style-type: none"> • CCLM • LTA 	<ul style="list-style-type: none"> • LED • Limpopo Tourism Month 	Long term	Co-ordinate activities for the week-long annual tourism in CCLM Link to Limpopo Tourism month to gain from economic of scale
	Marketing tools	<ul style="list-style-type: none"> • CCLM 	<ul style="list-style-type: none"> • LED 	Short term	Develop marketing material, Erect signage along the tourism corridors, and create a digital marketing network linking all available tourism hotspots and facilities
Build and Improve Tourism Supporting infrastructure	Improved road networks and tourism corridors	<ul style="list-style-type: none"> • LDRT 	<ul style="list-style-type: none"> • Roads Infrastructure development and Maintenance 	Long term	Improve roads to tourism areas such as the Shangoni and Punda Maria Gates
	Improved infrastructure at tourism outlets	<ul style="list-style-type: none"> • CCLM 	<ul style="list-style-type: none"> • LED 	Medium – Long term	Facilitate development of decent tourism space, such as picnic areas, stadiums, etc.

					Install stalls for SMMEs at strategic tourism hot spots
	First grade facilities for conferencing and lodgings	<ul style="list-style-type: none"> • CCLM • (LDA, SEFA, SEDA) • BUSINESS CHAMBER 	<ul style="list-style-type: none"> • LED • SMME Finance • SMME Registration & Listing 	Medium – Long term	Facilitate financing of SMMEs to improve their accommodation and conferencing facilities e.g. Home-based lodgings, BNBs, etc. Assist with identification and registration of such facilities with Tourism Centre
Expand the Tourism sector of CCLM	New tourism attracting activities in CCLM but available in other the provinces	<ul style="list-style-type: none"> • CCLM • LEDET 	<ul style="list-style-type: none"> • LED 	Long term	Facilitate establishment of high value tourism facilities: museum, zoo, theme park
	Climate orientated tourism development	<ul style="list-style-type: none"> • CCLM • DPW • DEA 	<ul style="list-style-type: none"> • LED • Expanded Public Works Programme • Environmental Protection & Infrastructure Programme 	Short – Long term	Encourage and promote cleanliness Plant trees and flowers along the development corridors
	Support emerging tourism activities	<ul style="list-style-type: none"> • CCLM 	<ul style="list-style-type: none"> • LED 	Long term	Facilitate and support township Tourism: Musical Studio, Car wash and Shisa-Nyama

Table 35. Implementation plan for the Tourism Sector projects

8.5.3 Mining Sector

PROJECT	DELIVERABLES	LEADING INSTITUTIONS	PROGRAMMES	TIMEFRAMES	ACTION PLAN
Infrastructure Support and Facilitation	Housing	<ul style="list-style-type: none"> • CCLM/TRADITIONAL AUTHORITIES • COGHSTA 	<ul style="list-style-type: none"> • LED • FLISP 	Long term	<p>Facilitate land availability in partnership with tribal authorities for housing development</p> <p>Facilitate development of housing and shelter</p>
	Services	<ul style="list-style-type: none"> • LDRT • ESKOM • VDM 	<ul style="list-style-type: none"> • Roads Infrastructure Development • Electricity • Water 	Long term	Facilitate and design plans for the installation of critical infrastructure for business and the community
Support and Encourage Compliance	Entities with licences for exploration and/or petroleum distribution to grow the industry	<ul style="list-style-type: none"> • CCLM 	<ul style="list-style-type: none"> • LED 	Medium term	Encourage business to apply for licences and comply with requirements
	Efficient processing of application to drive economic development	<ul style="list-style-type: none"> • CCLM 	<ul style="list-style-type: none"> • LED 	Medium term	Assist with the application and facilitate shorter processes to take advantage of available opportunities

Table 36. Implementation Plan for the Mining Sector

8.5.4 Manufacturing Sector Programme

PROJECT	DELIVERABLES	LEADING INSTITUTIONS	PROGRAMMES	TIMEFRAMES	ACTION PLAN
Promote and Support Manufacturing In CCLM	Increased manufacturing plants in CCLM	<ul style="list-style-type: none"> • CCLM • LEDET, IDC, LDA, SEFA • DTI 	<ul style="list-style-type: none"> • LED • SMME Finance • Enterprise Investment Programme 	Long term	<p>Facilitate and encourage potential local businesses to set up factories for Agro-processing</p> <p>Facilitate funding for the established entities</p>
Create Market for Local Producers	Off-take agreements for producers	<ul style="list-style-type: none"> • CCLM 	<ul style="list-style-type: none"> • LED 	Medium – Long term	Through planning incorporate support of local producers as a condition for development in CCLM

Table 37. Implementation Plan for the Manufacturing Sector

8.5.5 Retail Sector Programme

PROJECT	DELIVERABLES	LEADING INSTITUTIONS	PROGRAMMES	TIMEFRAMES	ACTION PLAN
Promote and Support Retail In CCLM	Available land for retail centre developments	<ul style="list-style-type: none"> CCLM/Tribal Authorities 	<ul style="list-style-type: none"> LED 	Long term	Identify land for development and engage traditional authorities for land availability
	ICT infrastructure that supports business effortlessly	<ul style="list-style-type: none"> CCLM DOC 	<ul style="list-style-type: none"> LED SA Connect 	Medium – Long term	Provide ICT infrastructure for seamless communication network and speed
Integrate Local Retailers into the Mainstream Economy	Registered and formalised SMMEs that are part of the high value	<ul style="list-style-type: none"> CCLM Business Chamber 	<ul style="list-style-type: none"> LED Registration of Businesses 	Short – Medium term	Facilitate registration of SMMEs with big retail outlets for supply and provision of other services such as cleaning, security, etc.

Table 38. Implementation Plan for the Trade Sector

8.6 MONITORING AND EVALUATION FRAMEWORK

Monitoring and evaluation (M&E) should be considered during each step of both the LED Strategy development and project implementation process. It is a continuous process of collecting information using key performance measures (or indicators) to gauge the progress 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 and employ remedial actions where needs be. Components of monitoring and evaluation are:

- Review the success of the newly capacitated structures after a period of one year
 - Review the performance of the LED Committee, LED Forum and Project leaders
 - Review staff capacity
 - Determine strengths and weaknesses in the new approach and identify mechanisms to enhance performance
- Review success of project implementation
 - Review status of projects
 - Determine if projects are on track or not
- Review & update LED Strategy on a regular basis. The LED Strategy is an evolving document that needs to be reviewed consistently to accommodate the ever-changing economic environment. It will need to be updated regularly to ensure
- Optimal use of resources, and to create an enabling environment, taking advantage of new opportunities and averting risk and threats.

8.7 CONCLUSION

Local Economic Development (LED) is an important instrument for the development of sustainable local economies and for local economic growth. It can be used to unlock economic opportunities in CCLM, creating jobs and uplifting the livelihoods of the people. This, however, can only be achieved if all parties get involved and a strong work ethic is established among the members of the community, the Municipality and the private sector.

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