

Local Economic Development Strategy Review and Economic Growth Development Strategy

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PREPARED FOR:



Government Building Main Road Giyani 0826

PREPARED BY:



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ABBREVIATIONS

B2B	Back to Basics
AWARD	Association for Water and Rural Development
B2B	Back to Basics
BD	Business Development
ВРМ	Ba-Phalaborwa Municipality
CoGTA	Department of Cooperative and Traditional Affairs
CRDP	Comprehensive Rural Development Programme
CSIR	Council for Scientific and Industrial Research
DALRRD	Department of Agriculture, Land Reform and Rural Development
DBSA	Development Bank of Southern Africa
DEA	Department of Environmental Affairs
DFFE	Department of Forestry, Fisheries and Environmental Affairs
DPW	Department of Public Works
DRDP District Rural Development Plan	
DSBD Department of Small Business Development	
DTI	Department of Trade and Industry
DWS	Department of Water and Sanitation
ED	Entrepreneurship Development
EGDP	Economic Growth and Development Plan
EPWP	Expanded Public Works Programme
FPL	Food Poverty Line
FPSU	Farmer Producer Support Unit
GEF	Global Environment Facility
GGM	Greater Giyani Municipality
GLM	Greater Letaba Municipality
GTM	Greater Tzaneen Municipality
GVA	Gross Value Added
HDI	Human Development Index
ICT	Information and Communication Technology
IDC	Industrial Development Corporation



LDP	Limpopo Development Plan		
IDP	Integrated Development Plan		
IDT	Independent Development Trust		
LBPL	Lower- Bound Poverty Line		
LDARD Limpopo Department of Agriculture and Rural Development			
LED	Local Economic Development		
LEDA Limpopo Econoic Development Agency			
LEDET	Limpopo Department of Economic Development and Tourism		
LEGDP	Limpopo Economic Growth and Development Plan		
M&E	Monitoring and Evaluation		
MDM	Mopani District Municipality		
MDRDP	The Mopani District Rural Development Plan		
MLM	Maruleng Local Municipality		
MTSF	Medium Term Strategic Framework		
NCPC	National Cleaner Production Centre		
NIBUS	National Informal Business Upliftment Strategy (NIBUS)		
NSDF	National Spatial Development Framework		
NSDP	National Spatial Development Plan		
PGDS	Provincial Growth and Development Strategy		
PMC	Phalaborwa Mining Company		
REFSO	Renewable Energy Finance and Subsidy Office (REFSO) established by the		
	Department of Minerals and Energy		
RLCC	Regional Land Claims Commissioner		
SALGA	South African Local Government Association		
SAM	Social Accounting Matrix		
SANEDI	SOUTH AFRICAN NATIONAL ENERGY DEVELOPMENT INSTITUTE		
SANRAL	South African National Roads Agency Limited		
SDF	Spatial Development Framework		
SEDA	Small Enterprise Development Agency		
SEIF	Shared Economic Infrastructure Facility		
SGF	Small Grants Facility		
SIC	Standard Industrial Classification		
L			



SMME	Small, Micro and Medium Enterprises		
SOE State-Owned Enterprise			
SPLUMA Spatial Planning and Land Use Management Act			
SSN	South South North		
SSNT	South South North Trust		
STI	Science, Technology and Innovation (STI)		
SWOT	Strenghts, Weaknesses, Opportunities, Threats		
TVET	Technical and Vocational Education and Training		
UBPL	Upper - Bound Poverty Line		
UNIDO	United Nations Industrial Development Organization		
WfW	Working for Water		



EXECUTIVE SUMMARY

The Mopani District Municipality appointed Kayamandi Development Services (Pty) Ltd to review their Local Economic Development (LED) strategy and include an Economic Growth and Development Strategy. Mopani District Municipality (MDM) is one of the five District Municipalities of Limpopo. The MDM consists of the following five local municipalities, namely: Ba-Phalaborwa; Greater Giyani; Greater Letaba; Greater Tzaneen; and Maruleng.

Various recent policies and strategies on a national, provincial and municipal level provides background context for the formulation of updated strategies on a District level.

On a national level, the National Development Plan (NDP) (2012) sets the overall strategic direction for the country as a whole. The focus on the NDP is on inclusive growth and the elimination of poverty through addressing social issues (e.g. health, education, public transport); economic issues (e.g. improved rural income levels; labour intensive growth); institutional factors (e.g. improved social compact; developmental state that is capable; improved public service delivery levels: economic infrastructure) and spatial issues (e.g. urban densification). Recent national policies focus on specific sectors and increased industrialisation; the National Strategy for the Development of Small and Medium Agro-Processing Enterprises (2015) highlights the need for Entrepreneurial and Business support programmes, industry research and economic infrastructure while the National Informal Business Upliftment Strategy (NIBUS) (2014) focuses on specific strategies to stimulate the informal economy.

On a spatial level the Draft National Spatial Development Framework (NSDF) (2019) promotes a network of consolidated, transformed and well-connected anchor areas and development corridors in the country through the provision of strategic economic infrastructure.

In terms of local government, policies and frameworks includes the Back to Basics (B2B) Programme (2014) which firstly focuses on sound municipal governance and basic service delivery and secondly on larger local economic development (LED) issues. The core focus areas of the updated National Framework for Local Economic Development (2018-2028) areas are developing diverse and innovation-driven local economies (e.g. through skills development, innovation, entrepreneur development and business support); the promotion of inclusive local economies (e.g. informal sector development) as well as on improved LED capacity.

On a provincial level the Limpopo Development Plan (LDP) (2015-2019) has not yet been updated. The LDP provides strategic direction for the province as a whole and focuses on economic transformation (employment and economic infrastructure); social transformation (skills development and education); service delivery and improved M&E. Specific economic sector focus areas include mining, tourism, agriculture, manufacturing, rural development, the green economy and ICT development.



On a district level the Mopani District IDP strategy for 2016 -2021 prioritises municipal governance and service delivery as well as on sustainable economic development with a specific focus on agriculture, mining, tourism, manufacturing and rural development.

Local municipal economic policies are mainly updated and contained in their latest IDPs. The Greater Tzaneen Municipality is the only local municipality in the District with an updated LED strategy. Typical economic focus areas in all five local municipalities in the District relates to developing key sectors (mainly emerging farmers and agriculture, agro-processing and other manufacturing and tourism); improved social and economic infrastructure and skills development.

The evaluation and analysis of the socio-economic status identified the following key strengths of and opportunities in the Mopani District:

- The District has a diverse and strong agriculture sector with access to fertile ground; available labour; existing large agricultural estates and a relatively good transport
- There is existing albeit limited agro-processing industries in the area as well as established timber manufacturing operations in Greater Letaba
- The District hosts a large number of existing tourism attractions and has is in close proximity to the Kruger National Park
- The District has a large range of mineral resources with areas like Ba-Phalaborwa and Maruleng already hosting some mining investments and showing continued growth
- There are some downstream processing and upstream manufacturing links to the mining sector in Ba-Phalaborwa area
- There is a strong potential and growth in trading activities as well as other tertiary sectors (services, finance and business services)
- Larger centres like Tzaneen offers opportunities as regional service centres
- The District experiences relative low per capita crimes
- There exists opportunity for the further beneficiation of raw agriculture and mining products
- District's proximity to Great Limpopo Transfrontier Park and internationally acclaimed Kruger National park holds potential for strengthening the tourism sector in the District
- The relatively low percentage of inputs that the services sector source locally suggests an opportunity for local procurement strategies in the public sector
- The non-metallic mineral sector (e.g. sand, gravel, limestone, clay, and marble) is a very labour intensive sector that could be developed further
- There are significant opportunities for higher agricultural productivity and new farming systems through resource sharing and co-operative efforts for purchasing better quality inputs (e.g. seed and fertiliser) and for bulking commodities for sale (e.g. out-grower schemes)
- There are opportunities in the green economy in terms job opportunities and up-skilling while
 addressing climate change and service delivery back-log challenges (e.g. renewable energy;
 water harvesting and storage facilities; drip irrigation; agro-forestry, the shift towards an
 increased use of resilient breeds of cattle etc.)
- There is an opportunity to further expand the EPWP programme in the District to address both job creation and basic infrastructure needs

The evaluation and analysis of the socio-economic status identified numerous weaknesses and external threats that pose a challenge to economic development of the District:



- The District experience relatively high out-migration of its local working-age population resulting in higher dependency rates encountered in the District
- The District is characterised by a large number of small villages scattered across a large area that increase the cost of public service delivery
- The District has very low functional literacy rates especially in in Greater Letaba and Greater Giyani
- The formal economy absorbs a low percentage of the labour force with the larger percentage being either unemployed or employed in the low-paying informal sector
- Unemployment rates in the District is higher than the national average
- Low-productivity subsistence agricultural activities dominate in Greater Giyani and also play a major role in Greater Letaba, Greater Tzaneen and Maruleng
- Average income levels and spending power in the District is low
- The District experiences low levels of industrialisation
- The large role of mining sector poses challenges in terms of economic decline in the post-mining phase and vulnerability of the local economy to external shocks due to changes in commodity prices
- · Public and private investment levels in the area are low
- Growth potential in agriculture and forestry is challenged by limited water availability i(mainly affecting Greater Giyani and Greater Letaba)
- The emerging farmer sector faces significant barriers in terms of commercialisation (e.g. secure tenure, infrastructure, skills, access to advisory services, small farm sizes and limited capital)
- Entrepreneurial capacity in the area is limited by low skill levels, limited training opportunities
 and a high percentage of entrepreneurial youth leaving the area in search of opportunities
 elsewhere
- SMMEs constraints include bridging finance, access to markets, physical infrastructure like water and electricity, shortage of informal market stalls)
- A high portion of the land area consists of tribal and former homeland territories with the
 potential to create unclear boundaries and division of responsibilities between local and tribal
 authorities
- The land distribution in the area is skew and there is a high number of land claims which leads to uncertainty in terms of land ownership and lack of investment
- Local municipalities in the District face challenges in terms of financial planning and management; economic developing planning as well as high service delivery backlogs (water, sanitation, refuse removal, electricity and roads)
- A very low percentage of the District's population have internet access
- The high influx of foreign nationals place a strain on municipal service delivery
- The District face risks in terms of climate change including water scarcity, reduced food security, higher livestock mortality, increased risk of spread of pests that cause damage to fruits, economic losses for small businesses and traders and damage to infrastructure
- Main challenges related to the roll-out of Green Economy programmes in Mopani District include the lack of training and skills development among municipal and provincial officials and the high costs related to green economy projects
- There is uncertainly in terms of the continued impacts of COVID-19 on the tourism industry
- The quality of water of the Blyde River could potentially affect citrus exports in Maruleng as a minimum standard of water quality has to be adhered to qualify for exports



The focus for the future development and growth of the District is based on the following development strategies:

Improved tele-communications in rural areas

Provide cheaper and improved access to digital information in rural villages and businesses in Mopani District. The Mopani District Rural Development Plan (MDRDP) identified six priority rural intervention areas in the District.

Strengthen EPWP roll-out in District

Expand the implementation of the EPW programme in the District with a specific focus on critical upgrade and repair of economic infrastructure.

Agriculture sector support

Support the growth and diversification of the existing agricultural sector and look to expand and develop the small scale farmers and underutilised areas of the district in the long term.

Small-scale mining support

To formalise and develop the small scale mining sector in the district.

Tourism development

Actively support the tourism sector to mitigate the COVID-19 impacts over the short term and build the strengths of the sector over the long term.

Small-scale industrial development

Develop manufacturing focussing on local products and opportunities.

Support of small and informal business sector

To support and grow the local business sector with focus on the small and informal sector

Human Capital development

To develop the local skills base and create more opportunities for local skills development.

Promote energy and water-saving in agriculture and agro-processing

Reduce the water use of the water-intensive agriculture and agro-processing sectors.

Biogas Digester Programme

Improved access to renewable energy for cooking purposes to improve household health, decrease illegal wood harvesting; provide a fertilising by-product to improve the agricultural productivity of smallholder farmers and provide employment to rural youth.

Promote water security and job creation in Nature Resource Risk Areas

Facilitate and support water management initiatives in the District's Nature Resource Risk Areas to promote water security and job creation.



LED capacity Building

Build capacity within MDM to plan, implement and monitor the planned LED programmes.

Development of strong representative stakeholder groups across the District.

Facilitate the development of strong representative stakeholder groups for LED including forums facilitated by municipalities (LED and EPWP forums) as well as private sector driven associations /groups (tourism associations and business chambers).

The projects identified for implementation with associated programmes and geographical priority areas are provided below:

Programme	Pro	pject	Priority areas
Improved tele-	1.	Design and implement telecommunications	The MDRDP six priority
communications		pilot project	rural intervention areas
In rural areas			
Strengthen EPWP roll-	2.	Develop and implement EPWP strategy for	Major towns and the
out in District		District	MDRDP six priority rural
Agriculture sector	3.	Facilitate finalisation of land-claims and	intervention areas District
support	٦.	utilisation of fallow land	District
Support	4.	Facilitate development of out-grower schemes	Greater Letaba and
	4.	· -	Greater Giyani
	5.	Facilitate the development of the AgriPark for	Agri-Hub south east of
		the District	Tzaneen, 14 FPSU's in all 5 local municipalities
Small-scale mining	6.	Formalise sand and gravel mining activity	District
support	٠.	across the District	2.0000
	7.	Support the development and environmental	Greater Giyani
		monitoring of small scale gold miners	, .
	8.	Feasibility study to determine development	Ba-Phalaborwa, Greater
		potential of dimension stone and gemstone	Letaba and Greater Giyani
		mining	
Tourism development	9.	Appoint an external tourism facilitator to	District
		assist in formulation, implementation of	
		tourism strategy and strengthen municipal	
		capacity	
	10.	Support the completion of infrastructure for	Greater Giyani
		the functioning of Shongoni Gate	
Small-scale industrial	11.	Develop local agro-processing niche products	District
development		(Marula, Mopani worms and arts &crafts)	
	12.	Develop small-scale manufacturing of local	Major towns and rural
		consumer goods	industrial areas
Support of small and	13.	Entrepreneurial development and Business	District
informal business sector		development support programme	
	14.	Establish local markets/farmer markets	Major towns
	15.	Develop a rural retail development plan	Smaller towns and settlements
	16.	Conduct a feasibility study for a logistics hub	Greater Tzaneen
		for the district	



Programme	Project	Priority areas
Human Capital	·	District
development	clause to work locally for specified period as	
	part of student loans and bursaries	
Promote energy and	18. Promoting water-saving technologies in	District
water-saving in	agricultural production	
agriculture and agro-	19. Promote off-grid solar PV technologies for	District
processing	smallholder farmers	
Biogas Digester	20. Facilitate the roll out of a biogas digester	District
Programme	programme in the District	
Promote water security	21. Expanded roll-out of WfW programme	Ba-Phalaborwa and
and job creation in		Maruleng
Nature Resource Risk		
Areas		
LED capacity Building	22. External mentorship	District
Development of strong	23. Mobilisation of different stakeholder groups	District
representative		
stakeholder groups		
across the District		

Each of the projects was unpacked in terms of a project implementation plan and potential project risks as well an identification of catalytic projects, estimated project budgets, responsible implementing institution and potential partnerships. The projects with associated budgets and responsible institutions are provided below.

Project		Catalytic	LED Budget 2021-2026	Responsible Institution
1.	Design and implement telecommunications pilot project	Yes	R300 000	MDM
2.	Develop and implement EPWP strategy for District	No	Internal	MDM
3.	Facilitate finalisation of land-claims and utilisation of fallow land	No	Internal	LDARD , MDM
4.	Facilitate development of out-grower schemes	Yes	R 200 000	LDARD , MDM
5.	Facilitate the development of the AgriPark for the District	No	Internal	LDARD , MDM
6.	Formalise sand and gravel mining activity across the District	No	Internal	MDM, DWS, DFFE, LEDET
7.	Support the development and environmental monitoring of small scale gold miners	No	Internal plus post for MDM environmental monitoring officer	DMR, MDM, DWS, Mintek, Council for Geoscience, LEDET
8.	Feasibility study to determine development potential of dimension stone and gemstone mining	No	R 300 000	DMR, MDM, Mintek, Council for Geoscience
9.	Appoint an external tourism facilitator to assist in formulation, implementation of tourism strategy and strengthen municipal capacity	Yes	R 800 000	MDM LED



Project	Catalytic	LED Budget 2021-2026	Responsible Institution
10.Support the completion of infrastructure for the functioning of Shongoni Gate	Yes	internal	NDT, MDM
11. Develop local agro-processing sector through needs analysis of niche products (maroela, Mopani worms and arts &crafts)	Yes	R200 000	LEDET, MDM, DSBD
12. Develop small-scale manufacturing of local consumer goods	No	Unknown	LEDET, MDM, DSBD, DPW, SEIF
13. Entrepreneurial development and Business development support programme	Yes	internal	MDM, LEDET, SEDA, SEIF
14. Establish local markets/farmer markets	No	R 50 000	MDM, LEDET, SEDA
15. Develop a rural retail development plan	Yes	R 500 000	MDM, LEDET
16. Conduct a feasibility study for a logistics hub for the district	No	R 400 000	MDM LED
17. Facilitate development and implementation clause to work locally for specified period as part of student loans and bursaries	No	Internal	MDM LED
18. Promoting water-saving technologies in agricultural production	No	internal	MDM-LED
19. Promote off-grid solar PV technologies for smallholder farmers	No	R600 000	MDM-LED
20. Facilitate the roll out of a biogas digester programme in the District	No	R500 000	MDM LED; Technical Services
21. Expanded roll-out of WfW programme	No	Internal	MDM LED; Water and Sanitation
22. External mentorship	Yes	R 500 000	MDM LED
23. Mobilisation of different stakeholder groups	Yes	Internal	MDM LED
		R 3 350 000	

A monitoring and evaluation framework was compiled for each of the projects and includes project objective, key performance indicators, benchmarks, information source, person responsible and reporting mechanism.



SECTION ONE: INTRODUCTION

1.1. PROJECT BACKGROUND

The Mopani District Municipality has appointed Kayamandi Development Services (Pty) Ltd to compile the Growth and Development Plan and to review the Local Economic Development (LED) strategy of Mopani District Municipality. This report provides the results of the study including literature review, status quo and the development strategies.

1.1.1. BACKGROUND AND PURPOSE

Kayamandi Development Services (Pty) Ltd has been appointed by Mopani District Municipality (MDM) to review their Local Economic Development (LED) Strategy and implementation plan. The LED Strategy forms part of the Municipality's overall strategic plan, as outlined in the Integrated Development Plan (IDP), in seeking to promote viable local economic activities that benefit the local population, through the creation of direct and indirect employment.

Mopani District Municipality (MDM) is one of the five District Municipalities of Limpopo. The District was named "Mopani" due to the abundance of nutritional Mopani worms in the area. MDM is located within the north-eastern quadrant of the province approximately 70km away from Polokwane and covers an area of ±20 011km². The district is bordered in the east by Mozambique, along the north by Vhembe District Municipality and Zimbabwe, in the south by Mpumalanga province through Ehlanzeni District Municipality and along the west by Sekhukhune and Capricorn District Municipalities

The MDM consists of five local municipalities, namely:

- Ba-Phalaborwa
- Greater Giyani
- Greater Letaba
- Greater Tzaneen
- Maruleng

The purpose of this study is to undertake a strategic economic evaluation of the district, devise a vision, programmes and projects that will aim to broaden the economic base of the local municipality in order to address the creation of employment opportunities and the resultant positive spin-off effects throughout the municipality.

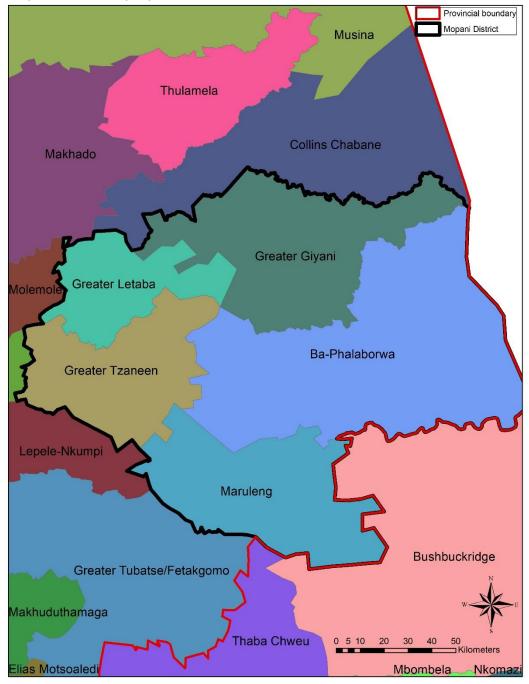
The LED Strategy aims to provide MDM with the following:

- the National, Provincial, District and Local government policy Review
- Social, Spatial and Demographic Profile
- A strategically focussed local economic profile (macro- and micro-economic sector analysis, social analysis and poverty trend identification)



- Opportunity Analysis of the municipality
- LED Framework with vision, principles, programmes and projects
- Strategic Implementation Plan
- An implementation and monitoring and evaluation plan
- Way forward

Figure 1: Mopani District Municipality



District government has a constitutional obligation to participate in development. In terms of section 152 of the constitution (1996: 84) government should "promote social and economic development of communities." It defines this role as a "central responsibility (for municipalities) to work together with local communities to find sustainable ways to meet their needs and improve the quality of their



lives. This has been crafted into a national framework for LED in South Africa. The framework acknowledges that "the majority of South Africans were kept out of the mainstream of the economy through inferior education, restrictions on movement and trade, no access to finance and resources, and deliberate state action that forced people into poverty and distress".

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

Numerous elements in a local economy can contribute to increased unemployment levels providing an unhealthy environment for investment, which in turns leads to a stagnating local economy. This in turn can place further strains on an already over extended local resource base, reinforcing the need for an innovative and effective broadening of the local economic base. This entails introducing new activities, offering incentives, applying new technologies, development of SMMEs, broadening ownership, etc.

The LED plan is based on the underlying needs, opportunities and comparative and competitive advantages of the Municipality and provides the Municipality with guidelines to create and facilitate economic development in order to realise the underlying development potential and in order to encourage both private and public-sector investment and local job creation.

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

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

- A strategically focused local economic development profile
- Identification of the development potential of Municipality
- Identification of opportunities for SMME development in Municipality
- Methods to enhance co-ordination, integration and participation in local economic development
- A local economic development plan
- Sustainable and commercially viable business opportunities appropriately packaged for investment
- An institutional analysis
- Implementation and monitoring and evaluation plan

1.1.2. DEFINING LED

Each and every local community is unique with a distinctive and unique environment that holds an array of opportunities and threats. These unique features are the foundation for any LED strategy as



a strong local economy can only be created once the community understand its strengths and weaknesses and learn how to transform these into opportunities and lucrative economic activities. The ability of communities to enrich themselves and improve their living conditions depend on them being able to adapt to the fast changing and increasingly competitive market environment. Prioritising the local economy and increasing the productive capacity of local businesses and individuals are crucial if communities are to succeed and prosper.

It is thus very important to state that the aim of LED is not for municipalities or public bodies to fund small local projects with government funds, neither for municipal officials to run or manage these or larger projects. In the past these types of projects have been initiated without proper business plans or any serious notion of sustainability, and the duration as well as employment created was temporary. Thus, LED is not about funding small unsustainable projects, but rather about developing robust and inclusive local economies.

LED is a term which is used to denote both local and broader actions which seek to build strengthen and further capacitate local markets i.e. business and employment developments. Defining LED is not an easy task, as it is an integrated strategy that incorporates a number of important components. One way of trying to better understand LED is by saying what it is not:

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

LED is also not about quick fixes or generating wish lists. It requires a practical understanding of what the local area does well and what it has to offer, where the weaknesses and gaps lie, what outside threats and opportunities exist, and what the local area wants and needs. LED actions are market based and are more often than not geared towards a business unit, namely SMMEs or even larger enterprises.

LED focuses on enhancing competitiveness, increasing sustainable growth and ensuring that growth is inclusive. LED actions are therefore those which:

- Focus on creating sustainable economic growth
- Are market-orientated (vis-à-vis business and commercial development)
- Are multi-sectoral involving the diversification of the economic and employment base within the economy
- Are participatory involving multiple stakeholder inclusive of both the public and private sector



- Beneficiary is at the individual level through private ownership of the businesses being support and facilitated
- And, are those which are focused in supporting businesses which are located in the first (e.g. mainstream) economy

The purpose of LED is to enhance the economic capacity of a local area and to improve its economic future and the quality of life for all. It is a process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation. LED actors and facilitators therefore usually include, but are not limited to national, provincial and local governments and parastatal and development agencies. A partnership between the aforementioned actors and stakeholders are key to the successful formulation and implementation of an LED, and it is often the strength of these partnerships that can make or break local economic development. LED encompasses a range of disciplines including physical planning, economics and marketing, and incorporates many local government and private sector functions including environmental planning, business development, infrastructure provision, real estate development and finance.

The idea driving LED today is that economic opportunities and activities can be utilised to improve the quality of life for all members of the community. LED should go beyond merely addressing economic aspects like growth in employment, income and business activity, and should consider development (the need for structural change, level of integration between informal and formal sectors, the quality of development, etc.) and the local community (poverty reduction, increased self-reliance, satisfying basic human needs, mutual commitment, integrated social and environmental objectives).

This above argument recognises that LED cannot succeed if it is about merely choosing a winning project, as this would be doing economic development planning backwards. Successful local economic development necessitates a clear LED strategy that correctly synthesises the current realities of the local economy. Furthermore, a successful LED reflects the values of its citizens and helps create a positive environment where economic activity and growth can thrive.

It is important that the LED is developed within the context of the municipal Integrated Development Plan (IDP), as described in Section 25 of the Municipal Structures Act. Integrated development planning is a process whereby a municipality prepares a comprehensive 5-year strategic plan (the IDP) that is reviewed annually in consultation with the local community and other stakeholders. In addition to the LED, the District's Economic Growth and Development Plan (EGDP) focusses on economic growth and long term development. The LED and EGDP need to be aligned to the IDP. The IDP outlines a long-term vision, includes an assessment of the existing level of social and economic development, and outlines the setting of development priorities and objectives, the existing spatial framework and land development objectives, operational strategies and municipal budgeting. By synthesising the development objectives, priorities, strategies and budgets, the IDP helps to ensure coordination between LED and other government initiatives. As the IDP is now the basic unit of planning for government as a whole, it is vital that the LED be fully integrated within the IDP. LED is based upon the following economic principles and should be practiced within the context of the economic principles, referred to in the table below:



Table 1: LED Economic Principles

ECONOMIC PRINCIPLE	DESCRIPTION	RELEVANCE TO LED
Broaden economic base/diversification	An important development principle underlying LED is to broaden the economic base, through the integration of diverse economic initiatives.	 Diversification and production of new products and services must be considered when identifying programmes and possible projects. Promote SMMEs, women, youth, disabled individuals and BEE ownership of new and existing companies.
Capacity building	This principle encompasses the building of capacity of the municipalities and associated public sector role players with respect to LED.	 Stakeholder participation at Economic Indabas in LED. LED training (theory and practice) for public officials Business start-up, management and financial training for private sector.
Comparative & competitive advantage	Comparative advantage indicates relatively more competitive production function for a product or service in a specific local economy than on the aggregate economy (provincial or national). It therefore measures whether a specific economy produces a product more efficiently.	All comparative advantages in the local area must be identified in a SWOT analysis and built upon when identifying programmes and potential projects, thereby exploiting the existing strengths and opportunities in the local area.
Creation of favourable locational factors	The environment in which businesses operate must be conducive to conducting business. This includes: Reducing the establishment and operating costs of businesses; Improving infrastructure; and Facilitating the provision of trained labour.	A locational analysis will reveal what locational factors need to be improved upon to promote the local area as a desirable location to conduct business.
Enabling environment	Creating favourable conditions for the growth and development of business enterprises by reducing risk and making it more calculable by: Creating a stable business environment (discussed above) Increase confidence levels of the public and private sector investors; and Unlocking under-utilised resources.	One of the roles of the local municipality is to create an environment that promotes both existing and new business in the local area. The LED process can be used to facilitate this process.
Historically disadvantaged individuals (HDIs)	LED should target HDIs, marginalized communities and geographic regions, BEE companies and SMMEs to allow them to participate fully in the economy.	This principle must be incorporated during the visioning and setting of LED objectives and may be implemented through specific LED projects.
Income generation potential	The sustainable income generation potential is a way to measure market potential (i.e. commercial viability) and is used to inform the prioritisation of projects.	The income generation potential of a specific project must be considered when prioritising potential projects.
Integrated / holistic approach	An integrated and holistic approach to the development planning process is of paramount importance. This implies that the interrelationships between economic activities and other development dimensions such as the social, demographic, institutional, infrastructural, financial and environmental aspects have been carefully considered.	The situational analysis of the local area will identify social, demographic, infrastructural, financial and environmental strengths and opportunities that must be considered and included in potential LED programmes and projects.



ECONOMIC PRINCIPLE	DESCRIPTION	RELEVANCE TO LED
Linkages	 <u>Linkages</u> refer to the flow of goods and services between at least two agents. Linkages with neighbouring economies refer to <u>Leakages</u> (the net outflow of buying power) i.e. households residing within the study but purchasing goods and services outside the local area; and <u>Injections</u> (the net inflow of buying power) i.e. businesses located outside the study area but purchasing products inside the study area. 	 It is important to encourage circular flow of capital within the community. One LED objective is to reduce leakages and increase injections through programmes and projects.
Local markets	LED aims at creating places and opportunities to match supply and demand as well as to discover, propagate and promote new business opportunities.	Current strengths and opportunities for expansion and new ventures will be identified during the SWOT analysis of the area.
Local ownership	LED promotes local ownership, community involvement, local leadership and joint decision-making.	 The identification and involvement of key stakeholders will ensure that local leadership and the local economy are involved in the LED process. Specific LED projects may be aimed at increasing the number of locally owned enterprises.
Public Private Partnerships (PPP)	LED involves local, national and international partnerships (e.g., twinning) between communities, businesses and governments to solve problems, create joint business ventures and build up local areas.	The establishment of PPPs should be explored in the implementation of projects.
Promoting business	This can be the promotion of existing business, start-ups or external companies coming into a location.	Local municipalities are responsible for creating an enabling business environment that encourages the expansion of existing business and the emergence of new business ventures.
Maximise the use of existing resources	LED aims at making better use of locally available resources and skills and maximises opportunities for development of resources.	Local skills and resources of the local area must be identified during the situational analysis and ideally must be utilised during the implementation of projects, as extensively as possible.
Promoting SMMEs	It is important to involve and uplift the SMME sector through enhancing the capacity of local entrepreneurs by establishing support measures and incentives to promote participation. This suggests that appropriate technology transfer needs to place in an environment conducive for the successful establishment of SMMEs.	 An enabling environment in which SMMEs can be established and maintained must be created; and SMMEs can be promoted through specific projects.



1.1.3. RELATIONSHIP OF IDP TO LED

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

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

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

By drawing together the development objectives, priorities, strategies and budgets in this way, the IDP helps to ensure co-ordination between LED, EGDP and other initiatives of government. The IDP is now the basic unit of planning for government as a whole. It is important to note that the IDP process is the single, inclusive planning process within which other processes must be located. LED must be fully integrated within the IDP.

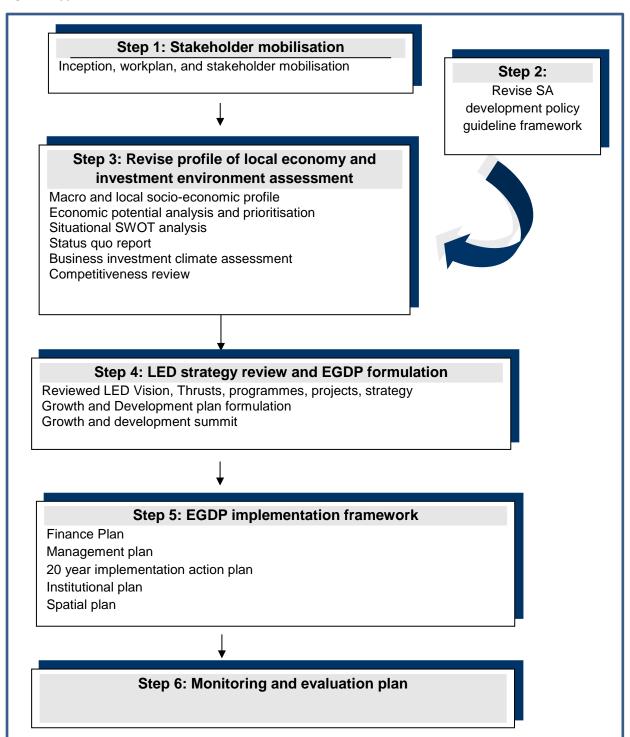
In conclusion, the LED strategy is a tool for sustainable economic growth and development, job creation and improvement of the quality of life for everyone community member. LED should be a combined effort from local government, businesses, companies and individuals, and should remove bureaucratic barriers, lower transaction costs, address market failures, strengthen competitiveness and create a unique advantage for local enterprises.

1.2. APPROACH

The study was conducted according to the following main steps/stages as provided hereunder:



Figure 2: Approach





1.3. STRUCTURE OF THE REPORT

The remainder of the report is structured as follows:

SECTION TWO: POLICY REVIEW: This Section sets out the National, Provincial, District and Local government policies, programmes and initiatives to which the LED strategy needs to align and/or take into consideration.

SECTION THREE: SOCIO-ECONOMIC BACKGROUND: This Section provides an overview of the main demographic characteristics of the District and the main features of the economically population in terms of education/skills levels, employment, income and poverty levels.

SECTION FOUR: ECONOMIC PROFILE: The Section entails a structural economic analysis of the District's economy in terms of output, employment and supply links per detailed sub-sector. Selected economic sectors are discussed in more detail including agriculture, mining, the green economy, tourism and the SMME sector.

SECTION FIVE: INSTITUTIONAL PROFILE: This Section focusses on the enabling institutional framework for Local Economic Development. The focus is on issues related to municipal governance, land reform, service delivery backlogs, financial and other administrative issues as well as the safety and security profile of the District. In this section we also investigate the past performance of LED programmes across the District.

SECTION SIX: PHYSICAL PROFILE: The Section focuses on physical factors that could constrain or support Local Economic Development in the District. These include the geographic spread of activities; the availability of economic infrastructure and the characteristics of the natural environment (water availability and quality: biodiversity, air quality etc.)

SECTION SEVEN: SWOT ANALYSIS: Based on the previous sections a strengths, weaknesses, opportunities and threats analysis of the District's economy is provided in this section.

SECTION EIGHT: DEVELOPMENT STRATEGIES: Strategies are provided in this section based on the following spheres, physical, economic, social, natural environment and institutional.

SECTION NINE: SPATIAL FOCUS AREAS: This section highlights the geographical spread of the programmes and strategies.

SECTION TEN: LED PROJECTS, FUNDING AND STRATEGIC PARTNERSHIPS: The description of each of the LED projects is provided in this section including project implementation plan and potential project risks as well an identification of catalytic projects, estimated project budgets, responsible implementing institutions and potential partnerships.

SECTION ELEVEN: THE MONITORING AND EVALUATION FRAMEWORK: This section provides the monitoring and evaluation framework.



SECTION TWO: POLICY REVIEW

This section sets out the relevant and recent National, Provincial and District government policies, programmes and strategies to which the LED strategy needs to conform and/or take into consideration. In other words, this section sets out the platform for future Economic Development so that the relationship between these are clearly articulated and to ensure alignment to existing policies, programmes, strategies, etc.

2.1NATIONAL POLICIES

2.1.1. GENERAL DEVELOPMENT POLICIES

National Development Plan, 2030 (2012): The NDP is a visionary blueprint of government with business and society as collaborative partners. The objective of the NDP is inclusive growth and the elimination of poverty. The NDP identifies the following critical actions to realise the 2030 vision:

- A social compact to reduce poverty and inequality and raise employment and investment;
- A strategy to address poverty and its impacts by broadening access to employment, strengthening the social wage, improving public transport and raising rural incomes;
- Steps by the State to professionalise the public service, strengthen accountability, improve coordination and prosecute corruption;
- Increase private investment in labour-intensive areas, competitiveness, and exports, with adjustments to lower the risk of hiring younger workers;
- An education accountability chain, with lines of responsibility from the State to the classroom;
- Phase in national health insurance, with a focus on upgrading public health facilities;
- Public infrastructure investment at 10% of Gross Domestic Product (GDP) financed through tariffs, public-private partnerships, taxes and loans and focused on transport, energy and water;
- Interventions to ensure environmental sustainability and resilience to future shocks;
- New spatial norms and standards densifying cities, improving transport, locating jobs where people live, upgrading informal settlements and fixing housing market gaps;
- Reduce crime by strengthening criminal justice and improving community environments.

Medium-Term Strategic Framework 2019-2024 (MTSF): The MTSF is a high-level strategic document of national government and is the central organising framework to guide the five-year implementation and monitoring of the NDP, 2030. In line with the electoral mandate, the 2019-2024 MTSF identifies the priorities to be undertaken during 2019-2024 to put the country on a positive trajectory towards the achievement of the 2030 vision. It sets targets for implementation of the priorities and interventions for the five-year period, and states the Outcomes and Indicators to be monitored. The relevant priorities for 2019 to 2024 are:

 Priority 1: A capable, ethical and developmental state: Main issues identified included modern service processes; 100% reduction of wasteful and fruitless expenditure: improved financial management capability and the implementation of a job competency framework;



- Priority 2: Economic Transformation and Job Creation: Main issues identified included small
 businesses and cooperatives support; job creation through Job Summit Commitments,
 Operation Phakisa and other public sector employment programmes; improvement of quality
 and rate of infrastructure investment; the implementation of a revised visa regime and
 comprehensive youth employment interventions;
- Priority 3: Education, skills and health: Main issues include improved training of Foundation
 Phase teachers, improved sanitation at schools; improved ICT devices to support learning;
 mobilising young people for teaching profession; introduction of Coding and Robotics
 curriculum: increase accredited TVET college lecturer qualifications; increase number of people
 screened and treated for tuberculosis; increase percentage of people living with HIV knowing
 their status and receiving treatment: improving infant malnutrition case fatality rates;
- Priority 4: Consolidating the social wage through reliable and quality basic services with a
 focus on Early Childhood Development (ECD) services; food and nutrition security initiatives for
 vulnerable households and integrated community-based personal assistance services to support
 independent living for persons with disability in communities regardless of geographical
 location;
- Priority 5: Spatial integration, human settlements and local government. Main focus areas
 include enterprise development in townships, Land Redistribution & Tenure Reform; Green
 House Gas reduction measures; smallholder farmer support to increase productivity: the
 establishment of Agri-hubs and agro-processing facilities and improvements in public transport;
- Priority 6: Social cohesion and safe communities. Main focus areas include promotion of the
 Constitution and its values; improved access to cultural facilities/ community arts centres and
 participation in arts, culture and heritage programmes; functional and effective community
 engagement structures, systems and processes on a municipal level; identified ports of entry
 equipped with biometric functionality; termination of Illegal mining operations; reduction in
 violence against women and children and preventative action against cyber-crime;
- Priority 7: A better Africa and World. Focus areas include increased Foreign Direct Investment
 (FDI); increased exports; increase international tourist arrivals and increase regional integration
 and trade.

2.1.2. SECTOR POLICIES

Industrial Policy Action Plan (2014): The Industrial Policy Action Plan (IPAP) stresses that employment in all sectors of the economy need to be underpinned by higher growth in production sectors, led by manufacturing sectors. It adds that there is a problem of low productivity in the manufacturing sector that has to be addressed. IPAP outlines the role of SEZs in regional industrial development. IPAP also identifies certain priority manufacturing sectors namely:

New focus areas:

- o Metal fabrication, capital and transport equipment sectors;
- Green and 'energy saving' industries;
- Agro-processing, linked to food security and food pricing initiatives.

Scale up and broaden interventions in existing IPAP sectors:

Automotive components, medium and heavy commercial vehicles;



- Plastics, pharmaceuticals and chemicals;
- Clothing, textiles, footwear and leather;
- Biofuels;
- Forestry, pulp and furniture;
- Cultural industries and tourism;
- Business process servicing.
- Sectors with potential for long-term advanced capabilities:
 - Advanced materials;
 - o Aerospace.

National Strategy for the Development of Small and Medium Agro-Processing Enterprises (2015):

The NDP and the IPAP identified the potential of agro-processing in terms of direct and indirect employment creation. However, the sector remains largely concentrated and entry and active participation of small and medium enterprises is limited. The aim of this Strategy is to adequately and comprehensively address these gaps and create an enabling environment for SME agro-processors to fully and actively participate in the mainstream economy. The strategy proposed four pillars namely:

- Entrepreneurial support through the entrepreneurial programmes
- Enterprise development focussed on:
 - Access to finance
 - Market access
 - Incubation
- Industry research and transfer of technology support
- Infrastructure investment to reduce obstacles such as the poor state of the roads, inadequate road networks, poor communication modes, lack of electricity and poor sanitation and lack of appropriate agro-processing. In this regard the National Agricultural Marketing Council (NAMC) is expected to perform the following functions:
 - provide infrastructure for the agro-processing hub as a custodian of Strategic Integrated
 Plan (SIP)
 - o facilitate the development of a network of warehouses at appropriate locations
 - o participate in public-private partnerships for infrastructure development
 - o institute evaluation and monitoring mechanism for projects assisted under SIP 11
 - facilitate market access linkages
 - o facilitate and support export promotion.

National Informal Business Upliftment Strategy (NIBUS) (2014): The government has identified the informal business sector as a major contributor to GDP, job creation and sustainable livelihoods and, in response, has developed a strategy to support informal businesses in the retail, manufacturing, services, agriculture and construction sectors based in townships and rural areas to assist them in becoming an integral part of the economic mainstream of the South African economy. Given the significant level of female representation in the informal sector, doing so is particularly important in ensuring the economic needs of women are represented in this Framework. Associated with NIBUS is the Shared Economic Facilities Fund (SEIF) which provides funding for new or upgraded infrastructure, or the maintenance thereof, that is shared by a number of informal businesses. This funding is granted on a 50:50 cost sharing basis with municipalities. The focus of NIBUS is not to



formalise businesses, but to provide them with much needed assistance. Services must be made available via local business chambers, associations and municipal structures including LED offices.

Human settlement /national housing policy: Section 26 of the Constitution states that everyone has the right to access to adequate housing and that, 'The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right' Based on its constitutional mandate the government has implemented various housing schemes to assist low income groups with proven South African citizen status. The Department of Human Settlements changed the Reconstruction and Development Programme (RDP) housing programme to 'Breaking New Ground' (BNG) in 2004. The objective of BNG is to integrate different types of housing – rented, bought and subsidised – and provide facilities like schools, clinics and shops, to improve the quality of people's lives. The pogramme potentially improves low income households access to collatoral (household assets), create potential job opportunities in the construction industry and are aimed at moving low income households closer to job opportunities.

2.1.3. SPATIAL DEVELOPMENT POLICIES

Spatial Planning and Land Use Management Act (SPLUMA) (2013): SPLUMA is concerned with a specific aspect of how land is used. It introduces a series of strategic and practical instruments for land use that are available to all spheres of government, which include development principles, spatial development frameworks, municipal land use schemes, municipal planning tribunals, and appeal authorities. SPLUMA specifically ensures that all sectors and spheres of government, as well as traditional authorities are included in municipal land use decisions. The Act provides for the following:

- A system of spatial planning and land use management which promotes social and economic inclusion;
- Redressing the imbalances of the past to ensure that there is equity in the application of spatial development planning and in land use management systems;
- The sustainable and efficient use of land, especially its potential to increase productivity;
- Intergovernmental relationships between national, provincial and local spheres of government to reform land use.

Draft National Spatial Development Framework (NSDF) (2019): The strategic objectives/outcomes that the latest NSDF aims to achieve on a national level are:

- A network of consolidated, transformed and well-connected national urban nodes, regional development anchors and development corridors that enable South Africa to derive maximum transformative benefit from urbanisation, urban living and inclusive economic development
- National corridors of opportunities enable sustainable and transformative national development, urbanisation, urban consolidation, mutually beneficial to urban and rural linkages and ecological management
- Nationally connectivity and movement infrastructure systems that are strategically located, extended and maintained to support a diverse, adaptive and inclusive space economy



- Productive rural regions supported by sustainable resource economies and strong resilient regional development anchors that provide access to people living in rural areas to the national and global economy
- National ecological infrastructure and the national natural resource foundation is well-protected and managed to enable sustainable and just access to water and natural resources for both current and future generations

In order to achieve these objectives the following general directives are provided:

- Extend and improve the transportation networks, ensure regular maintenance and upgrading of existing infrastructure, notably roads, increase investment in high-speed ICT infrastructure and enhance urban-rural and rural-rural connectivity;
- Develop a network of (1) strong and vibrant existing and emerging cities and large towns to fulfil the role of fully-fledged national urban nodes, (2) viable regional development anchors, and (3) well capacitated rural service centres;
- Ensure effective city and town management to prevent sprawl, ensure innovative settlement planning and urban land reform, well managed land-use, enabling infrastructure investment;
- Provide catalytic, innovative and contextually-suitable sustainable infrastructure, social and basic services to support enterprise development, well-being and inclusive growth with both an ecological and human-focussed approach.
- Prioritise human capital and people-centred enterprise development, e.g. arts and culture, tourism, knowledge creation, education and innovation;
- Optimise the agricultural opportunities in the region and support the establishment of small-scale farming activities, agri-enterprises and agri-led industrialisation, to foster productive rural regions, enhance national food security, and strengthen national water security;
- Develop the tourism sector and creative industries in the region, with an emphasis on small-and-medium-sized farming activities, and agri-eco production;
- Ensure the protection and management of ecological infrastructure and national resources and protected areas and;
- Establish strong regional growth and development compacts, including all role-players, i.e. the three spheres of government, traditional leaders, communities (notably youth), the private sector, CBOs, NGOs and organised labour, and ensure regional, cross —provincial and cross-municipal boundary collaborative spatial development planning and governance.

Within Mopani District the NSDF made the following classifications:

- Tzaneen was classified as an emerging national urban node. The investment guide for national
 urban nodes is to consolidate and direct rapid population growth in the country to national
 nodes, regional clusters and corridors by creating quality human settlements, human capital
 centres of excellence that focus on education, health, innovation, trade, inclusive green
 economies and regional enterprises;
- Thohoyandou, Giyani, Phalaborwa were classified as regional development anchors. Investment
 guideline for these rural towns include develop of these centres to provide a range of services,
 targeted town settlement planning and development, higher order social service provision and
 support for SME development, industrialisation and economic diversification. The guidelines also



recommends using the investment in enhanced social service provision to encourage officials that work in these regions to stay and spend in these areas instead of commuting;

- All municipalities of Mopani District fall within the Eastern Escarpment Transformation Corridor that stretches from Mbombela to Thohoyandou. The transformation corridors share (1) large, youthful populations, (2) histories of deep deprivation and neglect with large parts falling under former Apartheid Bantustans, (3) high levels of poverty and unemployment, and (4) dense and sprawling rural settlement forms. The Eastern Escarpment Transformation Corridor also includes large portions of the country's very limited high-value agricultural land, and as therefore key to the long-term food security of the country. These areas need to be developed in a sensitive manner including better land-use management and addressing unresolved issues of land tenure as a priority. Consideration should be given to a more consolidated land use pattern with more consolidated land being available for small scale and high-intensity commercial agriculture, Other policy guidelines for this corridor include the consolidation of integrated settlement development, human capital development focussed on youth development, urban economic diversification, upgrading of built environment infrastructure to support enterprise development with a focus on housing, basic service delivery and transport, support of the tourism industry, small scale trade and manufacturing including agri-enterprises and small scale farming;
- Within Mopani District Ba-Phalaborwa and Maruleng falls within the Olifants river catchment area which the NSDF classifies as one of the Natural Resource Risk Araes These areas are under severe stress from an ecological perspective, while also being 'resource critical regions' for other economic sectors, such as mining, agriculture and human settlement. In the Olifants Water Management Area (including parts of Mpumalanga and Limpopo) is characterised by large Irrigation schemes, major water quality issues, and pressure from mining activities and energy generation. Policy guidelines for Natural Resource Risk Areas include rehabilitation of degraded and/or contaminated areas, regional cooperation, caution in approving applications and proposals for land-uses that reduce stream flow or affect water quality (e.g. mining operations and huge plantations), wetlands to be kept in good condition, invasive alien plants clearing programmes and the support of eco-enterprise activities and related livelihood opportunities.

2.1.4. POLICIES FOCUSSING ON LOCAL GOVERNMENT

The Constitution Act 106 (1996): Section 152 describes local government mandate to provide democratic and accountable government to local communities; to ensure the provision of services to communities in a sustainable manner; to promote social and economic development; to promote a safe and healthy environment and to encourage the involvement of communities and community organisations in the matters of local government.

Back to Basics (B2B) Programme (2014): The objective of the B2B of the National Department of Cooperative Governance and Traditional Affairs (CoGta) is to create well- functioning municipalities that serve their communities better. Phase 1 of the B2B Programme encompassed the following five pillars:

Putting people first and ensuring effective public participation platforms for them;



- Creating conditions for decent living by consistently delivering municipal services to the desired quality and standard, which includes planning, delivery and maintenance of infrastructure and amenities;
- Promoting good governance, efficient administration and accountability;
- Facilitating sound financial management, accounting and prudent management of resources;
 and
- Creating sound institutional and administrative capabilities at all levels.

The second phase of the B2B Programme is meant to take local government to a higher developmental trajectory to realise the NDP goals. Classically, planning should stimulate local economies and improve planning capabilities at municipal level; enable municipalities to tackle spatial and socio-economic challenges facing localities; and build inclusive economies and sustainable human settlements.

Innovation for Local Economic Development (ILED) (2018): ILED is a framework of the Department of Science and Technology that is underpinned by the notion of local systems of innovation as an organising tool for LED. It encourages the following:

- Strengthening local Science, Technology and Innovation (STI) capabilities, networks and knowledge exchanges within local systems (comprised of living labs, private sector innovation centres, universities, colleges, collaborations with national institutions, science councils) to increase science and innovation activities that contribute to inclusive LED;
- Catalysing local industries and production value chains through the exploitation of technology and other forms of innovation; and
- Enabling local government, LED agents and actors to foster innovation-driven LED through capacity building, decision-support tools and knowledge products.

National Framework for Local Economic Development (2018-2028): The core policy pillars of the LED framework of CoGta are:

- Building Diverse and Innovation-driven Local Economies. The following programmes are recommended:
 - Local sector development
 - Metro economic development programmes
 - Link to Regional Economic Cooperation
 - Link to Regional Industrial Development
 - Advancing primary, secondary, tertiary and quinary sectors. The latter include services that focus on the creation, re-arrangement and interpretation of new and existing ideas; data interpretation and the use and evaluation of new technologies.
 - Exploiting Science, Technology and Innovation (STI) to advance sustainability, competitiveness and productivity.
 - Linking LED to corridor development and sub-national cross border programme
- Developing Inclusive Local Economies. The following programmes are recommended:
 - Development of informal economies
 - o Inner city economic revitalisation
 - o Improve Urban and Rural Linkages
 - o Township economic development



- Inclusive and integrated rural economies (e.g. land reform, productive agriculture, basic services, indigenous knowledge holders, agro-industries (or other non-agricultural sectors where appropriate).
- o Economic Empowerment of Women, Youth and People Living with Disabilities
- Expanded public and community works programmes
- Small towns economic development programme
- Promote Business Growth through Partnerships and Joint Ventures
- Developing Learning and Skilful Economies. The following are recommended programmes:
 - Enhancing Innovation, Skills and Productive Capacities with a focus on new skills required in the 21st century and the up skilling of the current work force
 - o Enterprise and Entrepreneurship Programmes
 - o Developing Leadership and Management Skills
 - Skills Development
 - Strengthening linkages between knowledge organisations and LED actors
- Enterprise Development and Support. The following are recommended programmes:
 - SMME support with a focus on support businesses of women, youth and people with disabilities
 - o Business Development Services and Collaboration
 - Techno-entrepreneurship which refers to a person who undertakes independent business activity to convert some form of innovation into revenue or to commercialise technology
 - Cooperatives Support also encouraging municipalities to work with the Department of Small Business Development's Cooperative Incentive Scheme (CIS)
 - o Business Incubation
 - Promotion of Business linkages
- Economic Governance and Infrastructure. The following are recommended programmes:
 - o Improving LED planning capacity
 - Improve access to development funding/finance
 - o Strengthening LED agencies
 - o Improve the ease of doing business
 - o Improve business attraction, retention and expansion
 - Image enhancement, beautification and marketing of local spaces
 - Support for Economic Infrastructure Development including special economic zones (SEZ), industrial
 - o parks, logistics parks, industrial estates, agri-parks and innovation hubs
 - Facilitate land- use development
- Strengthen Local Innovation Systems with the following recommended programmes:
 - o Strengthen municipality/university and municipality/science council linkages
 - Strengthen capacities of municipalities to promote innovation and techno-entrepreneurship by the Department of Science and Technology (DST), e.g. the Innovation Champions for LED programme
 - Provide support for science and technology infrastructure
 - Strengthen capacities of municipalities to undertake mapping of local innovation systems

Apart from the recommended focus areas for LED programmes within municipalities above, the Framework also make recommendations in terms of enabling policies namely:



- New funding and financial processes to improve on the current fragmentation of LED sources of funding
- The need to develop human resources and capacity for LED
- The need for the development of proper Monitoring and Evaluation (M&E) systems for LED programmes and projects
- The establishment of a national LED business as well as setting up of a national LED Inter-Ministerial Task Team (IMTT) to vigorously drive LED at a political level.

2.2 PROVINCIAL POLICIES

2.2.1 GENERAL DEVELOPMENT POLICIES

Limpopo Development Plan (LDP) (2015-2019): The development objectives of the LDP are classified into three broad development themes with fourteen priority outcomes. The broad development themes and their priority outcomes are:

- Economic Transformation (including infrastructure and workplace conflict reduction)
 - Decent Employment through Inclusive Growth
 - Skilled and Capable Workforce
 - Competitive Economic Infrastructure
 - Rural Development
 - Regional Integration
- Social Transformation, including improved quality of life, social cohesion, active citizens
 - o Quality Basic Education
 - Long and Healthy Life
 - All People are Safe
 - Human Settlement Development spatially, socially and economically integrated
 - Environmental Protection
 - Inclusive Social Protection System
 - Social Cohesion
- Improving Service Delivery (access to and quality of services and local government capacity)
 - Developmental Local Government
 - Developmental Public Service well-run and effectively coordinated provincial institutions with skilled public servants who are committed to the public good and capable of delivering high-quality services
- Monitoring and Evaluation (M&E): The LDP also endeavours to strengthen M&E of the plan.
 Monitoring of the LDP will be in accordance with the M & E framework and reporting will be done on a quarterly basis.

2.2.2. ECONOMIC DEVELOPMENT POLICIES



Limpopo Development Plan (LDP) (2015-2019): Specific economic sector focus areas in the LDP are the responsibility of the Limpopo Economic, Environment and Tourism (LEDET), with support from Limpopo Economic Development (LEDA). Focus areas include:

- Cluster value-chain development strategies, including
 - The platinum cluster
 - Tourism clusters (including improved signage, more effective tourism information centres, skills development, transformation, knowledge management and domestic tourism marketing and brand management, establishment of a provincial tourism forum)
 - Copper, phosphate and magnetite cluster specifically relevant to the long tradition of copper and phosphate production in Ba-Phalaborwa
 - Agriculture and rural development with a focus on horticulture (citrus, subtropical fruit, vegetables), meat production and forestry. Policy objectives include improved land administration and land reform, improved food security and smallholder farmer development and support, increased access to quality basic infrastructure and services including education, healthcare and public transport and support for sustainable rural enterprises and industries with strong rural-urban linkages;
 - Special Economic Zones (SEZs)
- The Green Economy Strategy (e.g. waste recovery, alien vegetation control, solar plants, water conservation and green settlement design principles)
- Information and Communication Technology (ICT) Development. The Limpopo Information Society and Knowledge Economy Plan puts forward suggestions on how Limpopo can transform itself from a resource-based economy to a knowledge economy of the twenty-first century based on four critical pillars of the knowledge economy:
 - Strengthening the economic and institutional regime (planned programmes included development of a free and open source software strategy, a youth engagement framework, ICT Policy framework and skills plan and the Limpopo Integrated Regional Innovation Strategy and Implementation Plan);
 - Developing educated and skilled workers (planned programmes included the establishment of the Limpopo ICT Institute Programme and ICT software testing laboratory and the development of 5 community centres/living labs to empower community members in rural areas to participate in an inclusive information society and knowledge economy);
 - Creating an efficient innovation system through a Regional Innovation Forum;
 - Building a dynamic information infrastructure (planned programmes included the establishment of affordable share open access broadband telecommunications infrastructure);
- SMME and Co-operative Development, including the informal sector; and
- Biodiversity Development with the objective to have development plans for the three megaconservation area and the three centres of endemism; strategic environmental frameworks to be compiled for each industrial cluster and for every district municipality to have an environmental management plan and for every local municipality to have a similar plan in place.

Limpopo Provincial Government Limpopo Provincial Treasury Socio-Economic Review and Overview Policy Brief 2016/17 (2016): The Policy brief highlights challenges to development of the



manufacturing sector in Limpopo Province and stresses the need for an "aggressive industrial revolution policy" with a focus on:

- Exploring foreign markets mainly in Africa (raw and value added articles)
- Mineral beneficiation
- Local procurement by government and private companies
- Strengthening network infrastructure
- Skills development and supply
- Construction and maintenance of public roads
- Improvement of public transport infrastructure
- Improved systems to enhance market linkages to support rural economic development
- Intensifying research and development to support products development , innovation and commercialisation
- Explore approaches to buffer manufacturers from exogenous shocks.

Limpopo Socio-Economy Recovery Plan (2020): This plan represents the government and its partners' commitment to implement economic and social relief measures in mitigating against the impact of the COVID-19 pandemic on the economy and the social fabric of Limpopo. The Medium to Long-Term Measures relevant to Mopani District include:

• Mega Industrialization Projects:

- o Waste Management and the Green Economy: Establishment of District recycling Centres
- o Low cost flights to all Limpopo commercial airports
- Establishment of regional flights to SADC
- Establish an International Convention Centre (location to be decided)
- Local manufacturing of windows, doors, door frams, wire, wood rpoducts, waste recycling products, implements and equipment

4th Industrial Revolution and Connectivity Projects

- Limpopo Broadband Network (Rollout 250 km of fibre and 20 microwave towers)
- o Digital Virtual Incubator for Entrepreneurs
- Limpopo 4IR Strategy development and implementation

Mega Agribusiness Projects:

- Avocado development Planning and the establishment of 800ha of avocado orchards in Afrupro, Makgoba & Morebeng
- o Boskop Citrus Re-development
- o Canning tomato production (2500ha tomato production linked to Norjax processing)
- Public Private Partnership Project (Agro-processing Pharmaceutical Hub still being conceptualised)

• Sector Development:

- Mining and Beneficiation (the development of battery economy, catalytic convertors)
- Agro Industrialization (high value production such as citrus, Agri-parks, stronger linkage between primary agriculture and agro-processing, increase farmer support: machinery, land, production and market access; develop production infrastructure linked to retail and export)



- Expand the construction and building material incubators (link the incubator to government infrastructure programmes, e.g. housing, roads)
- Expand the furniture incubation programmes (develop skills programme, develop a sourcing strategy including take-off with government and the retail sector, shared production facility, market emporium)
- Knowledge-driven economy and ICT (develop a Science and Technology Park)
- Green Economy (establishment of district-based recycling strategy through by-back centres; develop off-take agreement with municipality on the usage of landfills)
- Tourism destination and product development (research and impact assessment of COVID-19; implementation of revised cluster priorities; refocus and identify new commercial opportunities on provincial nature reserves; expand product development opportunities to enhance rural, heritage and niche (small group) tourism development through community owned tourism enterprises, products and services; enhance access by rural tourism products and SMMEs to internet)
- Creative Industry (implement support programmes).

The implementation of the industrialization agenda is dependent on government as an enabler and the following enablers have been identified as the critical success factors in that regard:

- Address the implementation backlog of the water master plan and develop new water resources to unlock industrialization
- Develop new energy sources
- Re-design provincial subsidy networks and contracts to ensure equal access to subsidized public transport services
- Ensure that the investment One-Stop Shop is functional
- Create a provincial incentive framework
- Ensure that the Limpopo Skills Academy is established and functional
- Implement Limpopo Infrastructure Master Plan in terms of Roads and Transport
- Implement a Local Procurement Strategy
- Implement Enterprise and Entrepreneurship Programmes
- Expedite the implementation of the Limpopo LED Capacity Building Strategy to empower councillors and LED officials on planning, LED support and project management.

2.3 DISTRICT POLICIES

2.3.1 GENERAL DEVELOPMENT POLICY

Mopani District Reviewed Integrated Development Plan (IDP) 2016 -2021 (June 2019): The Vision of the District is "To be the Food Basket of Southern Africa and the Tourism Destination of Choice". The strategic development focus areas of the District include:

- To provide integrated sustainable equitable services through democratic responsible and accountable governance
- Promoting the sustainable use of resources for economic growth to benefit the community.
- Efficient, effective and capable workforce



- Sustainable infrastructure development and maintenance
- Clean, safe and hygienic environment, water and sanitation services.
- Safe, healthy living environment
- Growing economy (through agriculture, mining, tourism and manufacturing).
- Sustainable, optimal, harmonious and integrated land development
- Reduced financial dependency and provision of sound financial management
- Democratic society and sound governance.

2.3.2 SPATIAL POLICY

Mopani District Reviewed Integrated Development Plan (IDP) 2016 -2021 (June 2019): The spatial objective for the District is to have efficient, effective, economic and integrated use of land space with a focus on the following:

- The provision of sustainable human settlements in the district
- Promotion of efficient land use and land development management
- Ensure that all local municipalities have SPLUMA compliant Land-Use Strategies and Spatial Development Frameworks by 2020
- Support Local Municipalities to eradicate informal land occupation occupied
- Develop corporate GIS that is accessible by respective line function users in the district and Local Municipalities.

2.3.3 LOCAL ECONOMIC DEVELOPMENT POLICY

Mopani District Local Economic Development Strategy 2013-2018 (2013): The last reviewed District LED strategy identified 6 LED policy Thrusts with 14 associated programmes. The main policy focus areas (and associated programmes) for the period include:

- Agricultural Development (capacity building of small scale farmers)
- Business Development (business retention and expansion; investment promotion; SMME development; local procurement; informal trade)
- Mining Development (small-scale mining)
- Economic Infrastructure development
- Rural Development (low skill jobs: rural infrastructure)
- Human Capital Development (workforce development; higher education).

The Mopani District IDP 2019/20 identified sixteen projects for the next five years (2019/20). These include:

- Agriculture Sector projects including:
 - Agri-Park program
 - Agri- Expo Support



- o Farmers Indaba
- Export market support
- Development of bankable business plans for agro-processing facilities (juice, dried fruits, oil and animal feeds)
- Institutional capacity building and partnership development
 - Cost benefit analysis of developing a District EDA versus conversion of GTEDA into a district wide agency
 - o Review of LED strategy into an EGDP
 - Develop Partnerships
 - LED marketing
- Market development
 - Marula festival
 - o Letaba Show
 - Rand Show
 - o Facilitate and Support Wholesale market (flea market)
 - Tourism Indaba Show
- Mining
 - Mineral Resources Prioritisation Study
 - Mining Stakeholder Engagement

The Mopani District Rural Development Plan (2016) was formulated with the aid of the National Department of Rural and Land Reform) and while driven by the MDM other stakeholders play a crucial role in plan implementation. These stakeholders include national departments (e.g. agriculture, economic development, trade and industry), development agencies, lending institutions, universities research organisations and the private sector.

The District Rural Development Plan (DRDP) for Mopani district seeks to contribute to the transformation of the rural economy and the development of an inclusive and competitive agricultural sector is informed by the appreciation of the on-going land reform processes as well as land tenure systems.

Rural Development Priorities include:

- Agriculture and agricultural businesses cornerstone of rural economic transformation in MDM.
- Fostering knowledge transfer and innovation in agriculture and forestry in rural areas
- Enhancing competitiveness of all types of agriculture and enhancing farm viability
- Promoting food security and risk management in agriculture
- Restoring, preserving and enhancing ecosystems dependent on agriculture and forestry
- Promoting the green economy through resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors.

The objectives of the DRDP are:

1. Improving productivity and competitiveness in the agriculture sector through the optimisation of Agri-Parks, supporting small-scale farmers and optimising the use of high potential agricultural land:

The following programmes associated with this objective were identified:



- Development of an Agri-Hub in Tzaneen with Farmer Production Support Units (FSPUs) in Bismarck Village and Modjadji
- Access to market for Mopani's unique commodities such as Marula Tree and Mopani worms;
- Access to funding for investment in new machinery and equipment, as well as agriculture and conservation-related research and development (R&D).
- Needs analysis in Selwane/Prieska for the development of businesses, funding sources for agricultural and irrigation equipment
- Land claims to be fast tracked
- More state owned land to be made available for agricultural use
- Erecting of fencing in the Khujwana Agricultural scheme
- 10 farms identified in the Sekororo/Bismark/Balloon require an assessment of constraints/ challenges experienced by the farmers and the development of action plans to restore inactive farms, training farmers through agricultural learnerships/ internships; partnerships for new farmers
- Needs analysis for water in the Mopani DM including the prioritising of water uses and the optimising of water in existing irrigation schemes such as Homu Banana Agric Scheme
- Skills development, Incubator programmes and agricultural colleges in alignment with the
 economic growth of Limpopo as well as the Agri-parks concept including the identification
 of beneficiaries with a special focus on youth, development of partnerships with commercial
 farmers and private sector entities (e.g. Banks), focus on agricultural schools and career
 guidance EXPO's focusing on agriculture as a career of choice
- Create and manage a database of all existing agricultural schemes and projects in the MDM in order to facilitate proper monitoring, support and administration of the schemes
- Identify suitable land for the establishment of agricultural schemes; source funding and partnerships for schemes
- 2. Investment in Rural Revitalisation to provide for infrastructural investments as well as the provision of basic services such as water, electricity, and decent housing, including the Identification of sustainable green energy sources for rural industrialisation and development: The following programmes associated with this objective were identified:
 - Identification of priority rural towns and villages to be targeted for renewal
 - Finalise the usage application for the informal landfill site being used in Ba-Phalaborwa Municipality
 - Building of a taxi rank in Khujawana
 - Develop a feasibility study for Mopani DM to establish the viability of a technology park
 - Develop a feasibility study for Mopani DM to establish the viability of a renewable energy park
 - Conduct feasibility studies for mining prospects with the aim of reopening some old mines in Givani
- **3. Promoting Integrated Human Settlements** through the reduction of service delivery backlogs and promoting integrated rural spatial planning:

The following programmes associated with this objective were identified:

- Township development for the Mohlabaneng area including
- Eradication of pit latrines in the Selwane/Prieska/Ellan area



- identify land that can be utilised as waste management sites for Greater Letaba and Greater Giyani
- **4. Improving Tourism Competitiveness** through Harnessing the cultural heritage development corridors and coordinated promotion of the Mopani region and its attractions:

The following programmes associated with this objective were identified:

- Formulation of skills development programmes for arts &
- Develop a tourism marketing strategy for the district including the development of brochures and materials, training of local tourist guides, strengthening the Mopani district heritage council

5. Development of the Mining Sector

The following programmes associated with this objective were identified:

- Investigate the revival of old mines in Giyani
- Small scale mining of sand and gravel to be regulated
- Monitoring the negative impact that mining operations may have on the environment

6. Conserving the natural environment

The following programmes associated with this objective were identified:

- Identifying and updating the databases of protected areas, conservation areas, environmentally sensitive areas in the MDM
- Ensure areas with protected status are properly registered accordingly
- Ensure the department of environmental affairs is represented in relevant forums and committees
- Finalisation and implementation of the Mopani Bioregional Plan

The RDRP identified six intervention areas in Mopani District:

- Area 1 in GGM north east of Giyani
- Area 2 in GGM south west of Giyani
- Area 3 in GLM around Modjadjiskloof
- Area 4 in GTM south of Tzaneen town
- Area 5 in MLM in the western parts of the municipal areas
- Area 6 in BPM east of Phalaborwa town

2.4LOCAL MUNICIPAL POLICIES

2.4.1 GREATER TZANEEN LOCAL MUNICIPALITY

The Greater Tzaneen Draft IDP 2020/21 (2020): The Vision of the Municipality is "A Green, Prosperous and United Municipality that Provides Quality Services to all". The strategic development focus areas of the Municipality include:

Promoting social and economic development



- Providing and maintaining sustainable services
- Ensuring efficient and effective utilization of all available resources
- Ensuring Promotion of Environmental sustainability
- Promoting effective stakeholder and community participation.

Greater Tzaneen Draft IDP 2020/21 (2020): The spatial objectives for the municipalities are:

- The sustainable utilization of all land within the municipal area to its fullest potential and benefit
- The restriction of wastage of land through urban sprawl, degradation of the natural environment and/or sterilization of resources
- The concentration of development to derive social and economic benefits for the community.
- The utilization of existing development and infrastructure capacity.
- The promotion of good internal and external accessibility through the optimal use of existing resources
- The support of economic growth through the judicious exploitation of natural and artificial resources
- The promotion of orderly development through timeous preparation and planning
- The manipulation of development to achieve a hierarchical settlement development pattern
- The promotion of land restitution and reform to achieve equitable access to land and security of tenure.

Greater Tzaneen Spatial Development Framework (2017 – 2022) identified the following growth points in the municipality:

- Tzaneen (Provincial Growth point) is identified as an area with a high potential for development
 with a sizeable population, economy and social infrastructure. The area is identified as primary
 development area through receiving first priority for provision and encouragement of
 residential, formal business, industrial, infrastructural, social and economic development. It also
 is regarded as first priority for tourism development.
- Nkowankowa (District Growth Point) is also identified as a primary development area that attracts people from the region or beyond, through the creation of a conducive environment for business, industrial and institutional development. In order to unlocking the development potential of the towns to attract investors and retain spending the revival of Bindzulani centre and the Nkowankowa industrial area is envisaged. The planning focus for the area should also be on the formalization of informal settlements and prevention of urban sprawl. In terms of the tourism sector the focus should be on community and village tourism development.
- Burgersdorp (Municipal Growth Point) is considered a second priority for residential, infrastructural, social and economic development. Priorities identified for the area include a Development community hall: development of filling station with taxi rank and hawker facilities as well as the development of Maake Shopping Centre. In terms of the tourism sector the focus should be on community and village tourism development.
- Moleketla / Mandlakazi (Municipal Growth Point) is considered a second priority for residential, infrastructural, social and economic development. Priorities identified for the area include a Development community hall: development of filling station with taxi rank and hawker facilities as well as the development of Nwamitwa Shopping Centre. In terms of the tourism sector the focus should be on community and village tourism development.



• Letsitele (Municipal Growth Point is considered a third priority for residential, infrastructural, social and economic development but a first priority for tourism development.

Greater Tzaneen Local Economic Development Strategy (2017-2022): The focus areas of the Greater Tzaneen LED strategy are:

- Creating an enabling environment to attract new businesses and investment, which will ultimately result in job creation and economic growth: Key programmes include:
 - o Improving electrical capacity in industrial areas
 - Improving water service delivery
 - Incentive policy
 - Fixing Roads in Industrial areas
 - Development of Tourism Brand
 - Website
- Value chain development in key sectors (Agriculture, Manufacturing, Tourism)
 - o Identify and Support Smallholder Farmers
 - Promote cluster farmer
 - Support Restitution Farms
 - Honey Production
 - Sepakoe Tea Estate
 - Roof Trusses Production
 - Coffin Production
 - Harvesting Rain Water
 - Solar Power in New Developments
 - Veld Management Programme
 - Sustainable Farming Methods
 - Tourism Product Development (Dam)
 - Road works on major routes
- Focus on service delivery improvement
- Promoting skills development

2.4.2 GREATER GIYANI LOCAL MUNICIPALITY

The Greater Giyani IDP 2020/21 (2020): The Vision of the Municipality is a "Municipality where environmental sustainability, tourism and agriculture thrive for economic growth". The strategic development focus areas of the Municipality include:

- To develop and retain the best human capital, effective and efficient administrative and operational support systems
- To develop an effective spatial framework that promotes integrated and sustainable development
- To develop sustainable infrastructure networks which promote economic growth and improve quality of life
- To create an enabling environment for sustainable economic growth
- To improve financial management systems and to enhance revenue base



 To develop governance structures and systems that will ensure effective public consultation and organizational discipline

The Greater Giyani IDP 2020/21 (2020): The IDP identifies Giyani Sections A, B, D, E and F as first order settlement and the villages of Dzumeri, Shawela, Nkomo as second order settlements. All other villages are considered third order settlements. Giyani is furthermore identified as a Provincial Growth Point; Ndhambi as District growth Point; Xawela, Nkomo, Xikhumba, Muyexe Gonono Dingamanzi as Municiapl growth points and Mavalani, Thomo Homu,, Ngove and Xikukwani as Local Growth points.

Strategic Land for development purposes were identified as follows:

- The land which is situated north of R81 road from Giyani to Polokwane is strategically located for residential purposes in line with the government objective of creating sustainable integrated human settlements. The land will accommodate high, medium and low income earners;
- The land which is situated adjacent to the CBD is strategically located for both residential and business purposes. The municipality is in the process of developing the infrastructure master plan which will assist to develop the land. Currently negotiations are going on between the municipality and traditional leaders for the release of land which is suitable for development
- The municipality has earmarked the government land which is situated east of the R81 road to Polokwane and north of the R71 road to Tzaneen next to area commissioner's office for business development
- Strategic Land of industrial development is located along R81 to Malamulele with envisaged growth to be towards the west. The area is ideal since it is not within environmental sensitive areas such as water bodies and minerals.

The Greater Giyani Local Economic Development Strategy (2014-2019): The LED vision for the municipality is to promote a municipality "where environmental sustainability, tourism and agriculture thrive for economic growth". The strategic objectives of the strategy are:

- Agriculture (to create opportunities for agro-processing and support emerging farmers)
- Tourism (to expand the tourism offering, improve support structures and transport)
- Manufacturing (sector links, skills, utilise existing opportunities)
- Trade (exploit business opportunities, establish structure, community support)
- Mining
- Transport and Logistics

Greater Giyani IDP 2020/21 (2020): The recent IDP for the municipality focusses on twelve smaller projects with a larger focus on institutional support of the LED unit.

2.4.3 BA-PHALABORWA LOCAL MUNICPALITY



Ba-Phalaborwa Reviewed IDP 2020/21: The Municipal Vision states that the Municipality aspires for the "*Provision of quality services for community well-being and tourism development*". The strategic development focus areas of the Municipality are:

- To ensure financial viability, sound administration and accountable governance for investor attractiveness
- To render all stakeholders with quality and affordable infrastructure and services for enhancing a safe and better life for all
- To manage the environment for future sustainable economic growth
- To promote and support mining and agricultural industries for economic growth; and
- To position Ba-Phalaborwa as a tourism destination of choice.

Ba-Phalaborwa Reviewed IDP 2020/21: Ba-Phalaborwa spatial priorities include the **p**romotion of corridors. The following corridors exist in Ba-Phalaborwa:

- The R40 (Kruger to Canyons route) connecting Phalaborwa-Hoedspruit-Acornhoek-Hazyview-White River and Nelspruit
- R71 connecting Phalaborwa-Gravelotte-Tzaneen, Polokwane –Pretoria and Johannesburg
- The new Phalaborwa-Giyani road that qualifies to be called the "Ivory Route" connecting Phalaborwa-Giyani-Thohoyandou-Makhado-Messina-Zimbabwe,
- The Ivory Route that goes through the Letaba Ranch and
- The Bush to Beach route connecting Phalaborwa-Masingir-Xai-Xai tourism route.

Within the municipality Phalaborwa is identified as a Provincial Growth Point: Namakgale and Gravelotte as District growth points and Lulekani and Selwane as Municipal growth points.

Ba-Phalaborwa Local Economic Development Strategy (2014-2019): The following broad strategic programs are proposed to serve as interventions to grow the economy of Ba-Phalaborwa:

- Infrastructure development,
- Property and housing development,
- Recycling and alternative Green Economy development,
- Tourism development,
- Mining reclamation of waste dumps, extended copper mining and Ilmenite mining,
- Settlement of land claims,
- Scarce game breeding and cattle farming,
- Big game and trophy hunting and allied offshoot trades
- Manufacturing and beneficiation of local commodities from mine dumps and agriculture,
- Retail, SMME and Informal trading support,
- Consolidate the Phalaborwa CBD.

Ba-Phalaborwa IDP 2020/21 (2020): The recent IDP for the municipality focus on five key economic sectors (agriculture, mining, manufacturing, tourism and property development) yet identified only one LED project namely the skills training for the production of pavement bricks and maintenance works.



2.4.4. GREATER LETABA LOCAL MUNICIPALITY

Greater Letaba Draft Reviewed Integrated Plan 2020/21 (2020): The Vision of the Municipality is "To be the leading municipality in the delivery of quality services for the promotion of socioeconomic development". Strategic objectives are:

- Promotion of accountable, transparent and consultative and co-operative governance;
- Promotion of local economic development and poverty alleviation;
- Strengthening cooperative governance;
- Provision of sustainable and affordable services and
- Ensuring a compliant, safe and healthy environment
- To improve the delivery of quality services through the use of smart technology.

Greater Letaba Draft Reviewed Integrated Plan 2020/21 (2020): The recent IDP for the municipality identifies the following spatial priorities in the area:

- Growth points/1st order settlements in the area include Modjadjiskloof, Ga-Kgapane and Senwamokgope. These settlements are located relatively close to each other and host meaningful economic and social activities as well as services for potential business
- Mokwakwaila is considered a 2nd order settlement with a relatively large population but virtually without an and no infrastructure services
- Mapalle, Rotterdam and Motlhele are 3rd 5th order settlements. The areas are traditionally rural areas with limited potential for self-sustained growth and no economic base.

Modjadjiskloof has been identified as a provincial node, Ga-Kgapane as a district node and Senwamokgope as a municipal growth node. Development initiatives and projects should be directed to those areas where development potential is present. Suitable land should be identified and reserved for development at each nodal point.

Greater Letaba Draft Reviewed Integrated Plan 2020/21 (2020): The Local Economic Development objective of the recent IDP aims for "an Improved and Inclusive Local Economy". The following LED programmes are prioritised for the next five years:

- Develop the marketing strategies to promote the municipality
- Intensify the functionality of the tourism forum
- Develop tourism strategy
- Develop partnership with agricultural business
- Develop strategies to assist emerging farmers
- Training of SMME's in business management
- To implement and develop a business registration centre.

2.4.5. MARULENG LOCAL MUNICIPALITY



Maruleng Draft Reviewed IDP 2020/21 (2020): The Vision of the Municipality is to become "The power house of socio-economic development through sustainable and integrated agriculture and tourism".

Strategic objectives are to:

- Build capable institution and Administration
- Improve Community well-being through accelerated service delivery
- Promote integrated human settlement and agrarian reform
- Promote local economic development Develop partnerships
- Ensure Sound financial management
- Put people first
- Promote inter-governmental function and coordination

Maruleng Draft Reviewed IDP 2020/21 (2020): There are no provincial growth points in the municipality. The following growth points are identified:

- Hoedspruit is identified as a District Growth Point (1st order) and is considered the centre of
 the tourism industry in the municipality. The town is well developed in terms of existing
 infrastructure and has potential for further growth
- Metz central (including Lorraine) is a Municipal Growth Point (2nd order) with strategically located villages, existing infrastructure and the potential for further development
- The Oaks, Kampersrus, Mica and Blyde are third order areas characterised by high population densities. The need is identified to establish a municipal development corridor linking the rural villages of Oaks-Metz-Trichardtsdal through an infrastructure network to stimulate economic development
- All other villages are considered fourth order areas with limited growth potential and challenges in terms of infrastructure backlogs. There is an opportunity for local economic development along the foothills of the Drakensberg Environmental Area.

Maruleng Draft Reviewed IDP 2020/21 (2020): The recent IDP of the municipality identified the following strategic focus areas (and programmes) for the next five years:

- Job creation (Expanded Public Works Programme)
- Poverty reduction (Improve the functionality of the tourism forum, establish partnerships with agricultural businesses, assist emerging farmers, establish partnerships for skills transfer to emerging farmers, SME support, local procurement, the partnership programme)
- Promotion of the local municipality (Develop and implement marketing strategies).



SECTION THREE: SOCIO-ECONOMIC BACKGROUND

3.1 POPULATION AND HOUSEHOLDS

3.1.1. POPULATION AND HOUSEHOLDS SIZE AND TRENDS

Table 2 below shows that a population of 1,159,186 resided in Mopani District in 2016, i.e. 20% of the population of Limpopo Province. As indicated in Table 2 below, the majority of the District's population resides in Greater Tzaneen (36%) followed by Greater Giyani (22%); Greater Letaba (19%): Ba-Phalaborwa (15%) and Maruleng (9%).

Table 2: Population and Household Size and Trends, 2011, 2016 and 2019

AREA	Population	gro	ulation owth annum	House-holds	Household growth per annum		Average household size
		Actual	Forecast		Actual	Projected	
	2016	2011- 2016	2016- 2019	2016	2011- 2016	2016- 2019	2016
Greater Giyani	256,126	1.0%	0.8%	70,478	2.0%	1.4%	3.6
Ba-Phalaborwa	168,937	2.3%	1.1%	47,891	2.9%	1.3%	3.5
Greater Letaba	218,029	0.5%	0.5%	66,157	2.2%	1.1%	3.3
Greater Tzaneen	416,146	1.3%	0.8%	122,776	2.3%	1.1%	3.4
Maruleng	99,946	1.0%	0.6%	29,009	2.6%	0.8%	3.4
Mopani District	1,159,184	1.2%	0.8%	326,192	1.7%	1.2%	3.6
Limpopo	5,799, 090	1.4%	0.9%	1,476,165	2.0%	1.2%	3.9
South Africa	55,653, 654	1.5%	1.5%	16,923,309	2.4%	1.8%	3.3

Source: Stats SA 2011 (Census) and Stats SA, 2016 (Community Survey); Quantec (2020)

The population growth of Limpopo Province and Mopani District was (with the exception of Ba-Phalaborwa Municipality) below the national average between 2011 and 2016. The unofficial projected growth rates for the past 3 years are even below the historic growth rates for the Province and District. These lower growth rates could either be attributed to higher mortality rates (mainly due to HIV/AIDS) or due to out-migration from the Province and District to larger urban centres in other Provinces.

Statistics for 2017 shows HIV/AIDS prevalence rates in Limpopo of 20% of the population (based on antenatal clinic estimates) lower than the national average of 30% and the third lowest rate after the Northern Cape and the Western Cape. In 2017, the HIV/AIDS prevalence rate in Mopani District was slighter higher at close to 25%. Within the District Ba-Phalaborwa Municipality had the highest HIV/AIDS prevalence rates in the District (31% in 2015/16) followed by Greater Tzaneen (30%); Maruleng (23%), Greater Letaba (18%) and Greater Giyani (14%) (MDM, 2019).



The relatively lower HIV/AIDS incidence rates in the Province and District would suggest that out-migration play the larger role in the relatively low population growth rates in the District. Population growth in Ba-Phalaborwa Municipality was higher than the national average between 2011 and 2016, but is also predicted to have declined to below the national average the past 3 years.

As is the case nationally, households grow at a higher rate than population growth as households split off in smaller units. The average household size in Mopani District is slightly lower than the provincial average but higher than the national average.

3.1.2 AGE AND GENDER

The relatively large percentage of females in Mopani District (with the exception of Ba-Phalaborwa) underlines the possibility of higher out-migration of single males from the area searching for employment in larger urban centres outside the District and possibly outside the Province.

As indicated in Table 3 below, the relatively lower percentage of population in the their economically active years are particularly low in Greater Giyani and Greater Letaba while the ratio is higher in Greater Tzaneen and Ba-Phalaborwa, albeit still lower than the national average. The relatively high portion of youth (below 15 years) is evident across Mopani, with the exception of Greater Tzaneen.

Table 3: Population Age and Gender, 2016

AREA	%	%	%	%	
	Females	below 15 years	15-64	65 years plus	
Greater Giyani	55.6%	34%	61%	5%	
Ba-Phalaborwa	51.2%	31%	65%	4%	
Greater Letaba	54.7%	32%	62%	6%	
Greater Tzaneen	52.3%	30%	66%	5%	
Maruleng	53.8%	32%	64%	5%	
Mopani District	53.5%	32%	64%	5%	
Limpopo	52.8%	33%	62%	5%	
South Africa	51.0%	30%	66%	5%	

Source: Stats SA, 2016 (Community Survey)

The relatively high portion of youth (below 15 years) underlies the importance of youth development strategies in Limpopo Province as well as Mopani District in general. In Greater Tzaneen the large percentage of the economically active population group (15-64 years) also suggests a high priority in this area for the development of the labour force.

3.1.3. MIGRATION TRENDS

Table 4 below largely confirms trends observed above. The table shows a relatively high presence of people born outside Limpopo Province and outside South Africa in Ba-Phalaborwa Municipality.



Coupled with the relatively high population growth rates, lower female ratios and relatively high portion of the economically active population, Ba-Phalaborwa is the only municipality within Mopani District that historically and recently have experienced net in-migration from other provinces as well as from as from other countries. As suggested by the predicted slow-down in population growth, in-migration into Ba-Phalaborwa could have declined and even reversed in recent times.

While Greater Tzaneen could historically have experienced inter provincial in-migration, the relatively low population growth rates in recent years suggest some recent out-migration form the area. The relatively low population growth rates, high females ratios and the relatively high percentage of people born within the Province in the other three municipalities of Mopani District (Greater Giyani, Greater Letaba and Maruleng) suggests a longer history of net out-migration from these areas.

Table 4: Place of Birth, 2016

AREA	% Born in Limpopo	% Born in other provinces	% Born outside South Africa
Greater Giyani	95.3%	1.7%	3.0%
Ba-Phalaborwa	88.8%	7.1%	4.1%
Greater Letaba	96.8%	1.9%	1.3%
Greater Tzaneen	96.9%	1.5%	1.6%
Maruleng	94.6%	3.9%	1.5%
Mopani District	95.2%	2.6%	2.2%
Limpopo	93.2%	4.5%	2.3%
South Africa	12.5%	84.7%	2.8%

Source: Stats SA, 2016 (Community Survey)

While the local population migrates from the District there is evidence of historic and current influx of foreign nationals from Mozambique and Zimbabwe to the area as evidenced by the Hluphekani informal settlement around Giyani, previous "Refugee camp" and in Ba-Phalaborwa, especially along the Kruger National Park boundaries (MDM, 2019).

3.1.4. POPULATION DENSITY AND DISTRIBUTION

The population density in Mopani District is at 57 persons per square kilometre slightly higher than the national and provincial average of 46 persons per square kilometre. Population densities however differ substantially between the different municipalities in the District.

As indicated in Table 5 below, the majority of the Mopani District population lives in Greater Tzaneen (36%) while the municipal surface area comprises only 14% of the total surface area of the District resulting in the highest population density in the District of 143 persons per square kilometre. While the Greater Giyani Municipality has the second highest share of the District's population (22%), it has an almost share in the District's land area. Ba-Phalaborwa and Maruleng have the lowest population densities in the District, well below the District average.



Table 5: Population Density, 2016

AREA	% of District Population	% of District Area	Population Density
			(persons/km2
Greater Giyani	22.1%	20.7%	61
Ba-Phalaborwa	14.6%	37.2%	23
Greater Letaba	18.8%	9.4%	115
Greater Tzaneen	35.9%	14.4%	143
Maruleng	8.6%	17.7%	28
Mopani District	100%	100.0%	57

Source: Stats SA, 2016 (Community Survey)

The district municipality has approximately 354 settlements, which include 82 first order settlements and 35 second order settlements and 237 third and fourth order settlements. The third and fourth order settlements host 44% of the district's population. There is limited accessibility to most villages due to inadequate access roads and internal street networks (MDM, 2019).

The population densities differ substantially within the different municipalities (based on data from Stats SA Census, 2011):

- Within Greater Giyani the Kruger National Park (KNP) comprises about 30% of the municipal surface area while the non-urban areas comprise about 65% of the total land area. This leaves less than 5% of the municipal surface area for some 125 small villages scattered fairly evenly in the western area of the municipal area adjacent to the KNP. These villages consist of between 2,000 to 6,000 people and have population densities of 800 and more people per square kilometre. Giyani town is has by far the largest settlement in the area with an estimated 26,000 people residing in the town in 2016. The population density in Giyani town is more than 1,300 persons per square kilometre;
- The population of Ba-Phalaborwa Municipality is concentrated in some 23 villages and 4 towns including the historic town of Phalaborwa. While the town of Phalaborwa has low population density of less than 5 people per square kilometre, the surrounding villages/townships of Ben farm and Ga-Makhushane host almost 70% of the municipality's population and occupy less than 1% of surface area. Population densities in most of the larger townships as well as some smaller ones (Ga- Slwana, Mahale, Nondweni) are above 1,000 people per square kilometre. The KNP forms the eastern section of the municipal area and comprise about 60% of municipal surface area;
- The population of Greater Letaba is concentrated in the eastern, northern and southern sections of the municipality in some 80 villages. Greater Letaba rural/non-urban area dominates the land area contributing more than 80% to the total municipal surface area. The larger section of the non-urban land is situated in the western section of the municipality. Larger urban settlements in the area with between 10,000 to 15,000 people include Mamaila, Medingeng and Ga-Kgapane. Urban settlement in Greater Letaba typically have population densities of 1,000 or more persons per square kilometre;
- The non-urban area of Greater Tzaneen comprises almost 80% of the total land area. This low-density space is mainly concentrated the central part of the municipal area around the town of Tzaneen. More than 100 villages with between 1,000 and 8,000 are mainly concentrated in the north-eastern and south central sections of municipality. Population densities in these small



settlements are higher than 1,000 persons per square kilometres. Almost 25% of the Greater Tzaneen population resides in six larger settlements namely Nkowakowa (23,000); Dan (20,000); Tzaneen (15,000); Mobhlaba (13,000); Lenyanye (12,000) and Khujwana (11,000);

• The administrative centre of the Maruleng Municipality is Hoedspruit, situated in the central western parts of the municipality area. Hoedspruit hosts a relatively small population of less than 4,000 people. Hoedspruit is surrounded by low density non-urban land that comprise of 90% of the total surface area. There is a conglomeration about 30 villages situated in the north western parts of the municipality with population sizes varying between less than 100 to 5, 000 people (e.g. The Oaks, Loriane, The willows). Population densities in these smaller settlements are relatively high; 500 people per square kilometre or more.

3.2SOCIAL PROFILE

3.2.1. LEVELS OF EDUCATION

Table 6 below shows the relatively high levels of functional illiteracy rates¹ in Mopani District compared to the national and even provincial average.

Table 6: Education levels of the Adult Population, 20 years plus, 2016

Education level	No	Primary	Some	Matric	Tertiary	Total	Functional
	schooling		secondary		education		illiteracy
Greater Giyani	21%	13%	35%	24%	7%	100%	34%
Ba-Phalaborwa	13%	12%	35%	33%	7%	100%	25%
Greater Letaba	27%	11%	35%	22%	5%	100%	38%
Greater Tzaneen	13%	15%	37%	29%	6%	100%	28%
Maruleng	13%	14%	42%	23%	8%	100%	27%
Mopani District	17%	13%	36%	28%	6%	100%	30%
Limpopo	14%	14%	37%	29%	6%	100%	28%
South Africa	7%	14%	35%	36%	8%	100%	21%

Source: Stats SA, 2016 (Community Survey)

The adult population without any schooling is alarmingly high in Mopani District especially in Greater Letaba and Greater Giyani where 27% and 21% of the adult population respectively do not have any form of schooling. The situation is slightly better in Ba-Phalaborwa, Greater Tzaneen and Maruleng however still under-performing in terms of the national average. The unskilled labour force would roughly correspond to the adult population who have not obtained functional literacy and, according to Table 6 the highest portion of the labour force in Greater Letaba and Greater Giyani.

Skilled Labour refers to workers who have specialized training or skills. People who perform skilled labour will most likely have a college or university diploma or degree or TVET trade certificate. Table 6 above shows that tertiary (post-secondary) skills in the District is concentrated in Maruleng which

¹ Functional literacy refers to basic skills needed to function in the labour market, normally defined as the population age 20 plus that completed Grade 7 or higher levels of education. For purposes of this analysis the adult population without some secondary education and higher were used as a proxy for functional illiteracy.



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has a tertiary education on par with the national average and slightly higher than the provincial average. Skilled labour, on the other hand, is most scarce in Greater Letaba.

3.2.2. EMPLOYMENT AND UNEMPLOYMENT

Figure 3 below illustrates the relative low percentage of the labour force in Limpopo Province and Mopani District that are employed by the formal economy compared to the case in the national economy (54%). Ba-Phalaborwa had the highest percentage of formal employment (51%) of all the municipalities in Mopani District. In Greater Giyani Municipality the share of formal as well as informal employment are the lowest in the District whilst recording the highest unemployment rates in the District of an estimated 48% of the labour force in 2019.

Informal employment made up close to 17% of the national and 18% of the provincial labour force in 2019. Informal employment, on average plays a relatively larger role in Mopani District, contributing 19% of the total labour force in 2019. The share of informal unemployment is particularly high in Greater Letaba, Greater Tzaneen and Maruleng.

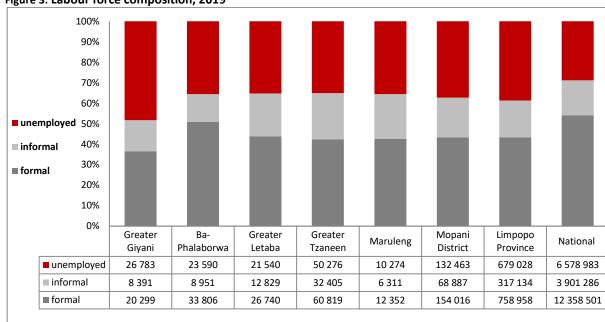


Figure 3: Labour force composition, 2019

Sources: Quantec Database, 2020

As indicated in Table 7 below, the national unemployment rate (official) was recorded at 29% in 2019, up from 25% in 2011. The official unemployment rates of Limpopo Province and Mopani District are lower than the national unemployment rate in 2011 as well as 2019. However the expanded unemployment rates (taken discouraged job seekers into account) in Limpopo and Mopani District were well above the national average in 2011 as well as 2019.

The unemployment rate is visibly higher in Greater Giyani Municipality than in the other municipalities of the District. Unemployment among the youth (15-24 years) is an even more acute



problem in Limpopo Province and Mopani District than nationally especially in Greater Giyani and Ba-Phalaborwa.

Table 7: Unemployment rates, 2011 and 2019

YEAR	Greater Giyani	Ba- Phalaborwa	Greater Letaba	Greater Tzaneen	Maruleng	Mopani District	Limpopo Province	National
2011 (Official)	22.5%	19.1%	20.2%	18.9%	19.8%	19.9%	19.7%	24.5%
2011 (Expanded)	57.5%	36.3%	39.5%	37.9%	39.5%	41.1%	43.6%	35.6%
2011 (youth rate)	72.0%	66.3%	61.2%	62.8%	64.3%	64.9%	63.4%	52.4%
2019 (Official)	20.8%	20.6%	19.8%	19.2%	19.6%	17.5%	20.8%	28.7%
2019 (Expanded)	53.0%	39.1%	38.7%	38.5%	39.0%	40.3%	42.5%	38.4%

Sources: Based on Quantec Database (2020); Stats SA (2011) and Stats SA (2020) (Quarterly Labour Force Survey)

3.2.3. HOUSEHOLD INCOME

As indicated in the table below, Mopani District has higher percentages of households that do not earn any income compared to the provincial and national averages. Greater Giyani has the highest share of households in the District that does not earn any income followed by Maruleng. Greater Letaba has the lowest portion of households earning R 75 000 or more per year. Ba-Phalaborwa on the other side of the spectrum has relatively low percentages of households not earning any income and comparatively higher portions of income in the higher income categories. As is the case nationally, by far the majority of households in the District (80% on average) earned less than R 40,000 a year in 2011 (roughly equal to R 65,000 a year or R 5,417 per month in 2021).

Table 8: Percentage of Households in Different Income Categories, 2011

Annual income	no income	(<r0-r40k)< th=""><th><r20k-r 75k<="" th=""><th><r75k-150k< th=""><th><r150k-r600k< th=""><th><r600k plus<="" th=""></r600k></th></r150k-r600k<></th></r75k-150k<></th></r20k-r></th></r0-r40k)<>	<r20k-r 75k<="" th=""><th><r75k-150k< th=""><th><r150k-r600k< th=""><th><r600k plus<="" th=""></r600k></th></r150k-r600k<></th></r75k-150k<></th></r20k-r>	<r75k-150k< th=""><th><r150k-r600k< th=""><th><r600k plus<="" th=""></r600k></th></r150k-r600k<></th></r75k-150k<>	<r150k-r600k< th=""><th><r600k plus<="" th=""></r600k></th></r150k-r600k<>	<r600k plus<="" th=""></r600k>
Greater Giyani	15.7%	67.2%	7.3%	4.3%	5.0%	0.4%
Ba-Phalaborwa	12.6%	53.6%	11.9%	10.0%	10.8%	1.1%
Greater Letaba	14.5%	71.3%	6.5%	3.7%	3.5%	0.5%
Greater Tzaneen	13.5%	65.7%	8.8%	5.0%	6.0%	0.9%
Maruleng	15.5%	67.6%	6.3%	4.5%	5.3%	0.7%
Mopani	14.2%	65.6%	8.3%	5.3%	5.9%	0.7%
Limpopo	13.9%	62.5%	9.7%	6.3%	6.7%	0.9%
South Africa	15.5%	47.9%	13.0%	9.2%	11.7%	2.7%

Source Stats SA (2011)

Corresponding to the observations above, average annual household income levels in the District were substantially below the national average and even fell behind the low provincial average. As is the case nationally, average household income levels in the District experienced low real growth since 2011. Average household income levels in the District are the lowest in Greater Giyani, followed by Greater Letaba and Maruleng. Ba-Phalaborwa, on the other hand, shows average household income levels higher than the national average. Household income levels in Ba-Phalaborwa on average furthermore showed strong real growth compared to the rest of the District, especially in Greater Giyani that experienced a decline in average household income since 2011.



Table 9: Average Annual Income per Household (2010 prices) (Rand)

AREA	2011	2019	real annual growth 2011-2015
Greater Giyani	69 832	62 156	-1.4%
Ba-Phalaborwa	148 447	161 686	1.1%
Greater Letaba	66 354	66 488	0.0%
Greater Tzaneen	76 624	79 464	0.5%
Maruleng	68 849	73 840	0.9%
Mopani District	82 401	84 256	0.3%
Limpopo	90 069	97 902	1.0%
South Africa	139 148	143 159	0.4%

Source: Quantec Database (2020)

As indicated in the table below, while income from work still remains the largest single source of income for households, households in Limpopo Province are more dependent on social grants and remittances as income sources than is the case nationally.

Table 10: Sources of Income, 2018

Income sources	Limpopo	National
Income from work	66.5%	72.6%
Income from capital	0.2%	1.8%
Pensions and grants	13.5%	8.2%
Remittances	3.8%	1.8%
Other income	0.9%	1.4%
Imputed rent on owned dwelling	15.0%	14.2%

Source: Stats SA (2017)

3.2.4. POVERTY LEVELS

There are three official income poverty rates in South Africa namely the food poverty line (FPL) only making provision for basic nutritional needs, the lower-bound poverty line (LPL) also making provision to some extent for other basic needs such as basic clothing, shelter and education. The upper-bound poverty line (UPL) makes full provision for all basic needs including food, clothing, shelter and basic education. The poverty lines below are expressed per person. Depending on household sizes and the basic cost of living households poverty lines differ among geographic areas in South Africa.

Table 11: National Poverty Lines, South Africa, 2011 and 2019

Table 11: National Poverty Lines, South Africa, 2011 and 2019								
Poverty line	Rand per person per month 2011	Rand per person per month 2019						
Food poverty line (FPL)	335	561						
Lower-bound poverty line (LBPL)	501	810						
Upper-bound poverty line (UBPL)	779	1,227						

Source: Stats SA: National Poverty Lines (2019)



Corresponding to unemployment rates discussed above poverty rates are higher in Mopani district than provincially and nationally. Income poverty rates are the highest in Maruleng followed by Giyani.

Table 12: Percentage of Households below the Different Income Poverty Lines, 2011 and 2019

Poverty Line	Greater Giyani	Ba- Phalaborwa	Greater Letaba	Greater Tzaneen	Maruleng	Mopani District	Limpopo	South Africa
2011 FPL	20.4%	20.7%	11.8%	16.9%	23.8%	17.8%	18.5%	22.8%
2011 LBPL	44.9%	37.1%	32.9%	34.6%	50.7%	38.3%	37.7%	36.0%
2011 UBPL	61.6%	48.0%	53.8%	55.8%	67.1%	56.6%	55.2%	51.0%
2019 FPL	25.0%	17.8%	16.7%	17.7%	25.6%	19.8%	20.8%	27.0%
2019 LBPL	46.9%	32.1%	33.8%	35.9%	49.3%	38.5%	37.3%	37.6%
2019 UBPL	64.4%	44.1%	54.7%	54.4%	64.0%	56.0%	53.0%	50.6%

Source: Quantec Database (2020)

According to the Census 2011 the number of indigent households for each local municipality are as follows: Greater Tzaneen (33%), Greater Giyani (26%); Greater Letaba (21%); Ba-Phalaborwa (11%) and Maruleng (9%) The distribution is provided in the map below.

MOPANI DRDP INDIGENT HOUSEHOLDS Vhembe Legend Towns Secondary roads Main Roads ---- railway ndigent Households Below: Infra & O&M Needs Below: Infra Needs Kruger National Park Below: Infra & Resource Needs NATIONAL PARK Mopani Capricorn Ehlanzeni ₩ N

Figure 4: Indigent households

Source: DRDLR, 2016

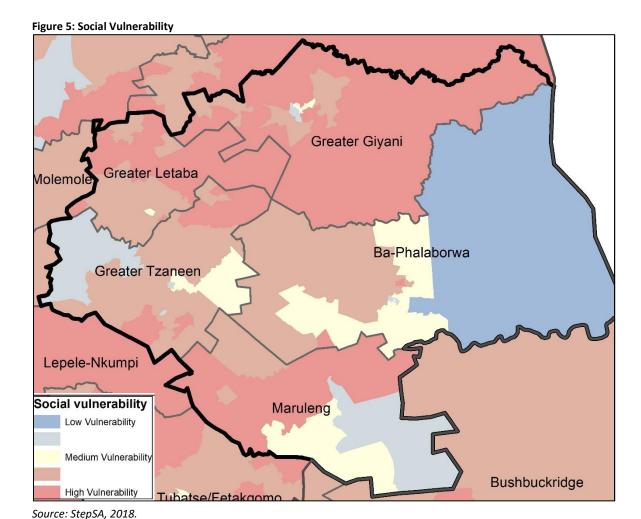
The social vulnerability index is a composite indicator, created statistically through principal components analysis. The index makes use of verified, routinely available public data hence it can



serve as a tool for tracking and monitoring change brought about by policy intervention investments. The Index was derived from a principal component analyses (pca) on a ward level using the South African 2011 national census data. The pca was based on 14 variables (household size average, age dependency ratio, percentage unemployed, percentage people below property line, percentage rural

Population, percentage shacks, percentage education, percentage disabled people, percentage female head of households, percentage population without electricity, percentage households without telephone lines, percentage people without a car, percentage people without public water, Percentage immigrants) each representing an aspect of social vulnerability within a community as identified through national and international research.

In Mopani little shared and inclusive growth has been experienced in these dense rural areas, with communities remaining highly vulnerable. Specific action will be required to address the needs of the youth and the poor in these areas, specifically access to education.





SECTION FOUR: ECONOMIC PROFILE

4.1 GROSS VALUE ADDED (GVA) AND EMPLOYMENT

4.1.1 SECTOR ANALYSIS OF THE MUNICIPAL ECONOMIES

A. MOPANI DISTRICT OVERVIEW

Table 13 below shows the sector composition of the District economy based on the contribution of the sectors of the Standard Industrial Classification (SIC) system.

The follow observations can be made from the table below:

- Mining is the largest contributor in terms to the District's output (29% in 2019) but due to its capital intensive nature makes a far smaller contribution towards employment (only 11%)
- The Services sector on the other hand is the biggest employer in the District (35% of employment) but is only the second largest sector in terms of its output share (24%). The largest Service sub-sectors in terms of employment is other (mainly private services and domestic workers) that contributes close to 17% of employment followed by the Education sub-sector (8% of employment)
- After mining and services, the trade sector (wholesale, retail and accommodation) is the third largest sector in terms of employment and output. This could indicate to the relatively large role that the tourism sector play in the District's economy
- The low level of industrialisation and value addition in the District is evident in the low contribution and the low growth of the manufacturing sector. Agro-processing is the largest manufacturing sub-sector in terms of output and employment
- Although agriculture & forestry makes a relatively small contribution towards output (2%), it is a
 labour- intensive sector that makes the fourth largest contribution towards employment (16%).
 There are several high-value pine and eucalyptus plantations in Mopani District, particularly
 within the Greater Tzaneen and Greater Letaba Municipalities
- The table shows relatively low growth of output in the District (0.5% per annum) between 2011 and 2019. Employment grew at a much higher rate of 4.5% during the same period.
- Sectors that experienced strong real per annum growth in output during this period include other services (private and domestic services (3.2%) telecommunications (2.6%), finance (2.4%), health and social work (2.0%) and public administration (1.9%)
- Sectors that experienced strong real per annum growth in employment during this period include agriculture (8.6%), the trade sector (7.0%) and the finance and business services sector (6.4%).



Table 13: Key Sectors in Mopani District, 2011 and 2019

SECTOR	GVA current prices '000	Employ- ment	% of GVA	% of employ- ment	% growth GVA	% growth employ- ment
	2019	2019	2019	2019	2011-2019	2011-2019
AGRICULTURE, FORESTRY, FISHING	8 038 676	30 414	2.4%	15.9%	0.9%	8.6%
MINING	97 108 875	21 098	28.8%	11.0%	0.5%	1.1%
Food, beverages and tobacco products	3 724 355	2 284	1.1%	1.2%	0.2%	2.0%
Textiles, clothing and leather goods	154 886	242	0.0%	0.1%	-2.6%	-0.3%
Wood and wood products	845 540	731	0.3%	0.4%	-1.1%	-0.3%
Fuel, petroleum, chemical and rubber products	1 125 991	697	0.3%	0.4%	0.4%	9.1%
Other non-metallic mineral products	247 875	1 765	0.1%	0.9%	-2.1%	5.5%
Metal products, machinery, appliances	1 225 091	1 833	0.4%	1.0%	-0.6%	7.2%
Electrical equipment	185 424	9	0.1%	0.0%	-0.9%	-22.8%
Transport equipment	322 405	0	0.1%	0.0%	1.2%	-100.0%
Furniture and other items NEC and recycling	735 694	223	0.2%	0.1%	-0.5%	-2.3%
MANUFACTURING	8 567 262	7 783	2.5%	4.1%	-0.3%	3.6%
UTILITIES	14 707 348	641	4.4%	0.3%	-2.4%	-2.1%
CONSTRUCTION	9 751 620	8 347	2.9%	4.4%	0.1%	1.3%
Wholesale, Retail Trade	42 026 628	22 366	12.4%	11.7%	1.0%	6.0%
Sale and repairs of motor vehicles, sale of fuel	6 806 160	6 407	2.0%	3.4%	-1.2%	8.3%
Hotels and restaurants	2 378 005	5 473	0.7%	2.9%	-1.9%	10.7%
TRADE & ACCOMMODATION	51 210 793	34 245	15.2%	17.9%	0.6%	7.0%
Transport	14 086 393	3 374	4.2%	1.8%	0.2%	2.8%
Post and telecommunication	2 956 145	391	0.9%	0.2%	2.6%	1.3%
TRANSPORT AND TELECOMMUNICATION	17 042 538	3 764	5.0%	2.0%	0.7%	2.6%
Finance and Insurance	15 795 207	2 379	4.7%	1.2%	2.4%	3.9%
Real estate activities	26 599 142	318	7.9%	0.2%	0.9%	-4.8%
Other business activities	8 377 880	15 490	2.5%	8.1%	1.3%	7.3%
FINANCE AND BUSINESS SERVICES	50 772 229	18 188	15.0%	9.5%	1.3%	6.4%
Public administration and defence activities	20 527 745	7 017	6.1%	3.7%	1.9%	1.4%
Education	38 390 760	15 700	11.4%	8.2%	-0.4%	-0.2%
Health and social work	14 207 703	12 347	4.2%	6.5%	2.0%	5.5%
Other service activities	7 257 000	31 569	2.1%	16.5%	3.2%	5.6%
SOCIAL AND PERSONAL SERVICES	80 383 208	66 634	23.8%	34.9%	0.8%	3.4%
TOTAL ECONOMY	337 582 550	191 113	100.0%	100.0%	0.5%	4.5%

Source: IHS Markit Database, (2020)

Table 14 below shows the large share of Greater Tzaneen Municipality in the District's total output (31%), followed closely by Ba-Phalaborwa (29%). Greater Giyani, Greater Letaba and Maruleng are the smaller municipalities in the District in terms of total economic production. Greater Tzaneen dominates economic activity in the District across all sectors apart from in the mining sector that is dominated by Ba-Phalaborwa and the utilities sector dominated by Greater Giyani where the District municipality as main water service provider for the District is located.



Table 14: The Geographic Distribution of Output, Mopani District, 2019

Sector	Greater Giyani	Ba- Phalaborwa	Greater Letaba	Greater Tzaneen	Maruleng	Mopani District
Agriculture, forestry, fishing	31%	7%	17%	41%	4%	100%
Mining	2%	61%	3%	11%	23%	100%
Manufacturing	10%	11%	17%	59%	4%	100%
Utilities	82%	3%	4%	10%	1%	100%
Construction	19%	16%	18%	43%	5%	100%
Trade & accommodation	16%	11%	21%	48%	4%	100%
Transport and Telecomms	11%	17%	17%	42%	13%	100%
Finance and business services	14%	19%	15%	49%	4%	100%
Social and personal services	25%	12%	17%	41%	4%	100%
Total Industries	17%	29%	12%	31%	11%	100%

Source: IHS Markit Database, 2020

B. GREATER TZANEEN MUNICIPALITY OVERVIEW

The commercial and industrial centres of Greater Tzaneen Municipality (GTM) is mainly concentrated in the central areas (Tzaneen and Nkowakowa) while commercial activities is concentrated in the central and eastern areas around Letsitele. Tourism and forestry activities are concentrated in the western parts of the municipal area around Heanertsburg and Magoebaskloof. Low productivity subsistence farming mainly occurs in the northern and southern sections of the municipality around the numerous rural villages scattered across these areas.

Table 15 below shows the sector composition of the GTM economy based on the contribution of the sectors of the SIC system.

The follow observations can be made from the table:

- The large role that GTM play as a regional centre is evident from the dominant role that the Services (27%); Finance (21%) and Trade (20%) play in municipal output. Apart from these tertiary, service —orientated industries, the mining sector also plays a relatively large role in the economy of GTM
- The Services sector in GTM by far dominates employment, employing almost a third of the labour force in the area, the largest portion employed by the private and domestic service subsector. Other large employers are the trade sector (20%), agriculture (15%) and mining (15%)
- The trade sector of GTM is concentrated to the Central Business District (CBD) of Tzaneen town, where there are 402 retail businesses. The retail sector in the Tzaneen town also serves the needs of neighbouring municipalities, particularly Greater Letaba. Other areas with formal retail activities are the township of Nkowankowa, Letsitele and Maake (GTM, 2017).
- As is the case with the District in general, the manufacturing sector in GTM is relatively small and is dominated by the food and beverage (agro-processing) sub-sector. The agro-processing sector of GTM is, in turn, very dependent on the local agriculture sector



- Sectors that experienced strong real per annum growth in output during this period include other services (private and domestic services (3.5%) telecommunications (2.8%), finance (2.7%), health and social work (2.3%) and public administration (2.3%)
- Sectors that experienced strong real per annum growth in employment during this period include trade (7.2%) and the finance and business services sector (6.6%), health and social work (5.7%) and other services (4.8%).

Table 15: Key Sectors in Greater Tzaneen Municipality, 2011 and 2019

Table 15: Key Sectors in Greater Tzaneen Mun	GVA current		9/ of CVA	% of	0/ gygyyth	0/ grouth
	prices '000	Employ- ment	% of GVA	employ- ment	% growth GVA	% growth employ-ment
	2019	2019	2019	2019	2011-2019	2011-2019
AGRICULTURE, FORESTRY, FISHING	994 752	10 060	4.4%	15.2%	1.1%	8.3%
MINING	2 856 466	9 723	12.5%	14.7%	-0.1%	1.8%
Food, beverages and tobacco products	371 950	964	1.6%	1.5%	0.3%	1.8%
Textiles, clothing and leather goods	9 436	112	0.0%	0.2%	-2.4%	-0.4%
Wood and wood products	113 178	241	0.5%	0.4%	-1.0%	-1.5%
Fuel, petroleum, chemical and rubber products	66 816	157	0.3%	0.2%	0.5%	9.9%
Other non-metallic mineral products	20 520	626	0.1%	0.9%	-2.0%	5.7%
Metal products, machinery, appliances	108 393	556	0.5%	0.8%	-0.4%	7.4%
Electrical equipment	11 726	3	0.1%	0.0%	-0.7%	-23.2%
Transport equipment	20 705	0	0.1%	0.0%	1.3%	-100.0%
Furniture and other items NEC and recycling	97 557	58	0.4%	0.1%	-0.4%	-2.4%
MANUFACTURING	820 281	2 716	3.6%	4.1%	-0.2%	3.2%
UTILITIES	520 152	233	2.3%	0.4%	-3.0%	-1.4%
CONSTRUCTION	823 306	2 769	3.6%	4.2%	0.3%	1.6%
Wholesale, Retail Trade	3 798 951	8 445	16.6%	12.7%	1.1%	6.2%
Sale and repairs of motor vehicles, sale of fuel	532 587	2 241	2.3%	3.4%	-1.0%	8.4%
Hotels and restaurants	187 245	1 802	0.8%	2.7%	-1.7%	10.9%
TRADE & ACCOMMODATION	4 518 784	12 487	19.8%	18.8%	0.8%	7.2%
Transport	1 122 513	1 188	4.9%	1.8%	0.2%	2.7%
Post and telecommunication	212 793	123	0.9%	0.2%	2.8%	1.4%
TRANSPORT AND TELECOMMS	1 335 305	1 311	5.8%	2.0%	0.9%	2.6%
Finance and Insurance	1 121 624	541	4.9%	0.8%	2.7%	3.5%
Real estate activities	3 148 446	96	13.8%	0.1%	1.1%	-4.6%
Other business activities	615 476	4 591	2.7%	6.9%	1.6%	7.5%
FINANCE AND BUSINESS SERVICES	4 885 546	5 228	21.4%	7.9%	1.5%	6.6%
Public administration and defence activities	1 298 213	1 908	5.7%	2.9%	2.3%	1.8%
Education	3 091 080	4 641	13.5%	7.0%	-0.2%	0.0%
Health and social work	1 274 949	3 596	5.6%	5.4%	2.3%	5.7%
Other service activities	441 113	11 590	1.9%	17.5%	3.4%	4.8%
SOCIAL AND PERSONAL SERVICES	6 105 355	21 734	26.7%	32.8%	1.1%	3.4%

Source: IHS Markit Database, (2020)

C. BA-PHALABORWA MUNICIPALITY OVERVIEW

Table 16 below shows the sector composition of the Ba-Phalaborwa Municipality (BPM) based on the contribution of the sectors of the SIC system.



Table 16: Key Sectors in Ba-Phalaborwa Municipality, 2011 and 2019

SECTOR	GVA current prices '000	Employ- ment	% of GVA	% of employ- ment	% growth GVA	% growth employ-ment
	2019	2019	2019	2019	2011-2019	2011-2019
AGRICULTURE, FORESTRY, FISHING	170 087	5 152	0.8%	11.8%	0.7%	9.0%
MINING	15 678 202	8 164	72.5%	18.7%	0.7%	0.4%
Food, beverages and tobacco products	48 386	282	0.2%	0.6%	-0.3%	2.0%
Textiles, clothing and leather goods	1 462	35	0.0%	0.1%	-3.0%	0.1%
Wood and wood products	13 562	98	0.1%	0.2%	-1.6%	-0.4%
Fuel, petroleum, chemical and rubber products	22 481	238	0.1%	0.5%	0.0%	7.5%
Other non-metallic mineral products	4 671	508	0.0%	1.2%	-2.5%	5.3%
Metal products, machinery, appliances	42 048	862	0.2%	2.0%	-1.0%	7.0%
Electrical equipment	2 684	1	0.0%	0.0%	-1.6%	-31.8%
Transport equipment	6 080	0	0.0%	0.0%	0.7%	-100.0%
Furniture and other items NEC and recycling	9 433	35	0.0%	0.1%	-1.0%	-3.2%
MANUFACTURING	150 807	2 058	0.7%	4.7%	-0.7%	4.8%
UTILITIES	158 415	176	0.7%	0.4%	-6.6%	-1.5%
CONSTRUCTION	302 216	1 892	1.4%	4.3%	-0.2%	1.0%
Wholesale, Retail Trade	755 887	3 772	3.5%	8.6%	0.5%	5.5%
Sale and repairs of motor vehicles, sale of fuel	177 511	1 502	0.8%	3.4%	-1.5%	8.1%
Hotels and restaurants	67 685	1 282	0.3%	2.9%	-2.3%	10.3%
TRADE & ACCOMMODATION	1 001 083	6 555	4.6%	15.0%	0.0%	6.8%
Transport	482 530	756	2.2%	1.7%	0.1%	3.0%
Post and telecommunication	61 316	66	0.3%	0.1%	2.2%	0.7%
TRANSPORT AND TELECOMMS	543 846	821	2.5%	1.9%	0.5%	2.8%
Finance and Insurance	332 825	661	1.5%	1.5%	2.1%	3.9%
Real estate activities	1 280 138	43	5.9%	0.1%	0.7%	-5.1%
Other business activities	253 988	3 809	1.2%	8.7%	1.1%	7.1%
FINANCE AND BUSINESS SERVICES	1 866 950	4 513	8.6%	10.3%	0.9%	6.3%
Public administration and defence activities	788 149	1 817	3.6%	4.2%	1.7%	1.4%
Education	495 699	2 888	2.3%	6.6%	-0.7%	0.1%
Health and social work	295 668	2 642	1.4%	6.0%	1.8%	5.7%
Other service activities	174 444	7 077	0.8%	16.2%	2.8%	6.8%
SOCIAL AND PERSONAL SERVICES	1 753 959	14 423	8.1%	33.0%	1.1%	4.2%
TOTAL ECONOMY	21 625 566	43 755	100.0%	100.0%	0.6%	4.1%

Source: IHS Markit Database, (2020)

The follow observations can be made from the table above:

- Mining overshadows all other sectors in the BPM economy in terms of output (73%) but only made the second highest contribution (19%) towards employment after the Services sector.
- After the services and mining sectors, the trade and agricultural sector also made relatively high contribution towards employment in BPM
- The manufacturing sector is a small sector in BPM in terms of output but made a slightly higher contribution towards employment. Manufacturing in the area is diverse with a combination of agricultural products, metals and non-metal products. In the food and beverages subsector, the major role player is Distiller which produces the alcoholic beverage, Amarula. This liqueur product is growing its market around the world, in particular India. Metal products is the largest manufacturing sub-sector and is linked to the mining sector in the area The metals and non-



metal subsector produces products such as copper rods, steel products, fencing, pipes and tubes (MDM, 2019).

- The trade sector in BPM is segmented between the formal and the informal sectors. Most of the registered traders are located in Phalaborwa town while informal traders dominate in rural nodes, such as Makhushane, Maseke, Mashishimale, Majeje and Selwaneare (MDM, 2019)
- Sectors that experienced strong real per annum growth in output during this period include other services (private and domestic services (2.8%) telecommunications (2.2%) and finance (2.1%)
- Sectors that experienced strong real per annum growth in employment during this period include agriculture (9.0%), trade and other services (6.8%) and finance (6.3%) and health and social work (5.7%).

D. GREATER GIYANI MUNICIPALITY OVERVIEW

Table 17 below shows the sector composition of the Greater Giyani Municipality (GGM) based on the contribution of the sectors of the SIC system.

The follow observations can be made from the table below:

- The large role that the utilities (water and energy) sector play in the output of the local economy
 is due to the presence of the Mopani District Offices as main waster service agent for the whole
 district. The sector is however highly capital intensive and employs a very small portion of the
 GGM labour force
- The services sector is the largest employer in the municipality (38%), followed by trade (19%) and agriculture (17%)
- The town of Giyani is the major business node and there are three main shopping centres
 located in the CBD of Giyani. In the villages, owner managed and foreign owned enterprises
 dominate the trade sector. Various new retail developments are in the pipeline within the
 Greater Giyani Local Municipality with three malls earmarked for the rural areas. There is a
 possible extension of Giyani Plaza and the Kremetart Township Shopping Initiative (MDM, 2019)
- The manufacturing sector of GGM is also relatively small and is centred on the small scale manufacturing. The sector is dominated by the agro-processing (food and beverages) sub-sector, which in turn is linked to the local agricultural sector. Products include atchar, marula beer, meat processing, dried indigenous vegetables, bakeries and maize-meal (MDM, 2019)
- In terms of real output growth, the GGM economy shows a slight decline of 0.5% per annum since 2011 although strong employment growth are recorded
- Sectors that experienced strong real per annum growth in output during this period include other services (private and domestic services) (2.3%) telecommunications (1.8%) and finance and business services (1.5%)
- Sectors that experienced strong real per annum growth in employment during this period include agriculture (10.0%), trade (7.0%) and other services (5.8%).



Table 17: Key Sectors in Greater Giyani Municipality, 2011 and 2019

Table 17: Key Sectors in Greater Giyani Mun SECTOR	GVA current prices '000	Employ- ment	% of GVA	% of employ- ment	% growth GVA	% growth employ- ment
	2019	2019	2019	2019	2011-2019	2011-2019
AGRICULTURE, FORESTRY, FISHING	747 861	5 425	5.8%	17.3%	0.2%	10.0%
MINING	521 213	1 022	4.1%	3.3%	-3.2%	1.9%
Food, beverages and tobacco products	69 330	387	0.5%	1.2%	-0.8%	2.4%
Textiles, clothing and leather goods	4 370	34	0.0%	0.1%	-3.4%	-0.8%
Wood and wood products	15 304	114	0.1%	0.4%	-2.0%	0.7%
Fuel, petroleum, chemical and rubber products	11 760	126	0.1%	0.4%	-0.5%	10.5%
Other non-metallic mineral products	2 781	272	0.0%	0.9%	-2.9%	5.8%
Metal products, machinery, appliances	18 867	172	0.1%	0.5%	-1.4%	7.6%
Electrical equipment	1 986	3	0.0%	0.0%	-1.8%	-20.8%
Transport equipment	1 642	0	0.0%	0.0%	0.3%	-100.0%
Furniture and other items NEC and recycling	9 266	56	0.1%	0.2%	-1.4%	-1.9%
MANUFACTURING	135 307	1 164	1.1%	3.7%	-1.2%	3.6%
UTILITIES	4 046 083	106	31.6%	0.3%	-2.0%	-4.3%
CONSTRUCTION	354 804	1 533	2.8%	4.9%	-0.8%	1.1%
Wholesale, Retail Trade	1 272 774	4 260	10.0%	13.6%	0.1%	6.1%
Sale and repairs of motor vehicles, sale of fuel	198 887	834	1.6%	2.7%	-2.0%	8.1%
Hotels and restaurants	46 401	790	0.4%	2.5%	-2.7%	11.0%
TRADE & ACCOMMODATION	1 518 061	5 884	11.9%	18.8%	-0.2%	7.0%
Transport	272 923	524	2.1%	1.7%	-0.8%	3.4%
Post and telecommunication	59 408	80	0.5%	0.3%	1.8%	1.2%
TRANSPORT AND TELECOMMS	332 331	604	2.6%	1.9%	0.0%	3.1%
Finance and Insurance	462 245	518	3.6%	1.7%	1.6%	4.0%
Real estate activities	663 546	75	5.2%	0.2%	2.0%	-3.2%
Other business activities	299 522	2 964	2.3%	9.5%	0.6%	7.3%
FINANCE AND BUSINESS SERVICES	1 425 313	3 557	11.1%	11.4%	1.5%	6.4%
Public administration and defence activities	1 150 197	1 397	9.0%	4.5%	1.2%	0.4%
Education	1 721 376	3 297	13.5%	10.5%	-1.2%	-0.7%
Health and social work	695 862	2 262	5.4%	7.2%	1.3%	4.8%
Other service activities	139 881	5 089	1.1%	16.2%	2.3%	5.8%
SOCIAL AND PERSONAL SERVICES	3 707 315	12 045	29.0%	38.4%	0.1%	2.7%
TOTAL ECONOMY	12 788 287	31 340	100.0%	100.0%	-0.5%	4.7%

Source: IHS Markit Database, (2020)

E. GREATER LETABA MUNICIPALITY OVERVIEW

Table 18 below shows the sector composition of the Greater Letaba Municipality (GLM) based on the contribution of the sectors of the SIC system.

The follow observations can be made from the table:

• The services sector dominates the local economy in terms of output (30% of output) and employment (37% of employment). The education sub-sector plays a major role within the sector in terms of output while other services (private and domestic) play a major role in terms of employment. The trade and finance sector are two other major sectors within the local economy both in terms of output and employment.



Table 18: Key Sectors in Greater Letaba Municipality, 2011 and 2019

Table 18: Key Sectors in Greater Letaba Mun SECTOR	GVA current prices '000	Employ- ment	% of GVA	% of employ- ment	% growth GVA	% growth employ- ment
	2019	2019	2019	2019	2011-2019	2011-2019
AGRICULTURE, FORESTRY, FISHING	411 499	4 636	4.8%	14.5%	1.7%	8.0%
MINING	826 038	1 296	9.7%	4.1%	-0.3%	0.9%
Food, beverages and tobacco products	102 942	424	1.2%	1.3%	0.8%	2.1%
Textiles, clothing and leather goods	2 870	49	0.0%	0.2%	-1.9%	0.0%
Wood and wood products	37 457	239	0.4%	0.7%	-0.5%	0.5%
Fuel, petroleum, chemical and rubber products	29 463	124	0.3%	0.4%	1.0%	10.4%
Other non-metallic mineral products	5 703	256	0.1%	0.8%	-1.5%	5.6%
Metal products, machinery, appliances	33 451	153	0.4%	0.5%	0.0%	7.3%
Electrical equipment	3 390	2	0.0%	0.0%	-0.3%	-18.5%
Transport equipment	6 479	0	0.1%	0.0%	1.8%	-100.0%
Furniture and other items NEC and recycling	19 663	67	0.2%	0.2%	0.1%	-2.0%
MANUFACTURING	241 418	1 315	2.8%	4.1%	0.4%	2.9%
UTILITIES	203 516	94	2.4%	0.3%	-4.1%	-2.3%
CONSTRUCTION	339 105	1 635	4.0%	5.1%	0.8%	1.6%
Wholesale, Retail Trade	1 671 789	4 293	19.5%	13.4%	1.6%	6.2%
Sale and repairs of motor vehicles, sale of fuel	205 291	1 499	2.4%	4.7%	-0.5%	8.8%
Hotels and restaurants	74 152	995	0.9%	3.1%	-1.2%	11.1%
TRADE & ACCOMMODATION	1 951 232	6 787	22.8%	21.2%	1.3%	7.3%
Transport	459 968	661	5.4%	2.1%	0.8%	2.6%
Post and telecommunication	73 269	95	0.9%	0.3%	3.3%	1.8%
TRANSPORT AND TELECOMMS	533 237	756	6.2%	2.4%	1.3%	2.5%
Finance and Insurance	392 815	541	4.6%	1.7%	3.2%	4.5%
Real estate activities	901 490	41	10.5%	0.1%	-0.2%	-5.9%
Other business activities	213 870	3 085	2.5%	9.7%	2.1%	7.7%
FINANCE AND BUSINESS SERVICES	1 508 174	3 667	17.6%	11.5%	0.9%	6.9%
Public administration and defence activities	461 308	1 278	5.4%	4.0%	2.8%	2.1%
Education	1 492 657	3 302	17.4%	10.3%	0.3%	0.1%
Health and social work	419 677	2 528	4.9%	7.9%	2.8%	6.0%
Other service activities	169 581	4 653	2.0%	14.6%	3.9%	6.0%
SOCIAL AND PERSONAL SERVICES	2 543 223	11 760	29.7%	36.8%	1.4%	3.6%
TOTAL ECONOMY	8 557 441	31 947	100.0%	100.0%	1.0%	4.8%

Source: IHS Markit Database, (2020)

Other observations include:

• The Modjadjiskloof and Kgapane are the major trade nodes in the Greater Letaba Municipality. One of the major shopping centres in the area is the Modjadji Plaza which is located in Kgapane. Two other retail centres are also found outside of the town, namely Ga-Kgapane Pick and Pay Centre and Mokwakwaila Shopping Centre, located in the south-east of the municipal area. While the trade sector play a relatively large role in the local economy, the majority of consumers are still relying in other towns such as Tzaneen and Polokwane. Wholesalers are absent from the area. Another spending leakage in the area could be ascribed the relatively large portion of skilled workers from outside the area working in GLM but spending their money in their places of residence (MDM, 2019)



- While the agricultural sector plays a relatively small role in terms of output it is the third largest employer (after services and trade)
- The manufacturing sector of GLM is small and dominated by the agro-processing (food, beverages and timber) sub-sectors, which in turn is linked to the local agricultural and forestry sectors. Timber manufacturing operations include companies such as Khulani Timber Industries, which produces and supplies electrification poles to Eskom and exporting as far as Central Africa. Other sawmills produce products such as wooden containers, mining timber and poles for construction purposes. Tiger Brand, which was located in Modjadjiskloof, has closed its tomato processing plant in favour of relocating their operations to Musina, leading to major job losses within the municipality. Small-scale manufacturing in Greater Letaba Municipality is more predominant in the rural communities and townships focusing on a range of products such as atchar, bread, maize meal, pottery, steel products, etc. The most notable small-scale food processor in the area is the Mohlao Foods which currently operates from a garage in the township of Ga-Kgapane. They produce a range of food products such as marula atchar, marula jam and citrus jam. Mohlao marula products have got SABS approval and they have also been tested by the University of Limpopo's Agrofood unit. Some of their produce also includes beads which are made from litchi seeds and water melon seeds. The major obstacle for small scale manufacturers is the lack of industrial infrastructure, lack of the required inputs locally (e.g. packaging, containers) etc. (MDM, 2019)
- Sectors that experienced strong real per annum growth in output during this period include other services (private and domestic services) (3.8%), public administration and health (2.8%) agriculture (1.7%) and transport (1.3%)
- Sectors that experienced strong real per annum growth in employment during this period include agriculture (8.0%), trade (7.3%), finance (6.9%) and health and other services (6.0%).

F. MARULENG MUNICIPALITY OVERVIEW

Table 19 below shows the sector composition of the Maruleng Local Municipality (MLM) based on the contribution of the sectors of the SIC system.

The follow observations can be made from the table below:

- Mining overshadows all other sectors in the MLM economy in terms of output (74%) but only made the fifth highest contribution (5%) towards employment
- The services sector made the highest contribution towards employment (38%) followed by agriculture (29%) and trade (14%)
- The major business node in the area is the town of Hoedspruit where the shopping centres are found. In the rural areas a range of small general dealer's outlets and spaza's exists. Many rural consumers travel to towns such as Hoedspruit, Tzaneen, etc. for shopping purposes. A shopping area in the Oaks was planned for the rural area but did not materialise due to the lack of water and waste management (sewage) infrastructure. A pre-feasibility study for the Metz shopping centre in the oaks found that there is sufficient purchasing power (R200m per year) for shopping centres in the rural areas of MLM (MDM, 2019).



- Due to the general shortage of technical skills in MLM many people working in Hoedspruit are from Bushbuckridge in Mpumalanga province and they spend their incomes generated in their areas outside MLM
- The manufacturing sector plays a small role in the local economy. Agro-processing (dried fruit, juice, pulp and atchar) related to the local agricultural sector (mangoes, citrus, bananas) is the major manufacturing sub-sector (e.g. Limpopo Processing Fruit; Hoedspruit Fruit Processors; Unifrutti; New Dawn Farming Enterprise, Winlake, Alliance Fruit; Mohlatsi Dried Fruit, Southampton Boerdery, Bavaria Fruit Estate and Landman Droe Produkte). Products are mainly exported although a fair portion is also sold in local markets by companies such as Ceres and Parmalat.

Table 19: Key Sectors in Maruleng Local Municipality, 2011 and 2019

SECTOR	GVA current prices '000	Employ- ment 2019	% of GVA 2019	% of employ- ment 2019	% growth GVA 2011-2019	% growth employ- ment 2011-2019
AGRICULTURE, FORESTRY, FISHING	105 832	5 141	1.3%	28.9%	0.6%	7.9%
MINING	5 848 284	893	73.7%	5.0%	0.9%	0.3%
Food, beverages and tobacco products	16 127	227	0.2%	1.3%	-0.4%	1.6%
Textiles, clothing and leather goods	552	13	0.0%	0.1%	-3.1%	-0.5%
Wood and wood products	5 718	39	0.1%	0.2%	-1.7%	-0.4%
Fuel, petroleum, chemical and rubber products	6 873	52	0.1%	0.3%	-0.2%	8.6%
Other non-metallic mineral products	1 734	103	0.0%	0.6%	-2.6%	4.8%
Metal products, machinery, appliances	10 590	91	0.1%	0.5%	-1.2%	6.4%
Electrical equipment	956	0	0.0%	0.0%	-1.7%	-28.5%
Transport equipment	2 182	0	0.0%	0.0%	0.6%	-100.0%
Furniture and other items NEC and recycling	4 633	6	0.1%	0.0%	-1.1%	-4.0%
MANUFACTURING	49 365	530	0.6%	3.0%	-0.9%	3.0%
UTILITIES	34 363	31	0.4%	0.2%	-7.0%	-2.4%
CONSTRUCTION	93 206	517	1.2%	2.9%	-0.4%	0.5%
Wholesale, Retail Trade	317 153	1 596	4.0%	9.0%	0.4%	5.2%
Sale and repairs of motor vehicles, sale of fuel	64 504	332	0.8%	1.9%	-1.7%	7.3%
Hotels and restaurants	25 537	604	0.3%	3.4%	-2.4%	9.9%
TRADE & ACCOMMODATION	407 194	2 532	5.1%	14.2%	-0.1%	6.4%
Transport	382 565	245	4.8%	1.4%	0.1%	1.8%
Post and telecommunication	18 676	27	0.2%	0.2%	2.1%	0.8%
TRANSPORT AND TELECOMMS	401 242	272	5.1%	1.5%	0.3%	1.7%
Finance and Insurance	101 734	118	1.3%	0.7%	1.9%	3.0%
Real estate activities	207 472	63	2.6%	0.4%	-0.3%	-5.8%
Other business activities	68 304	1 041	0.9%	5.8%	0.9%	6.5%
FINANCE AND BUSINESS SERVICES	377 510	1 221	4.8%	6.9%	0.4%	5.0%
Public administration and defence activities	211 013	618	2.7%	3.5%	1.6%	1.0%
Education	238 317	1 573	3.0%	8.8%	-0.9%	-0.7%
Health and social work	97 645	1 320	1.2%	7.4%	1.6%	5.1%
Other service activities	74 697	3 161	0.9%	17.7%	2.6%	5.1%
SOCIAL AND PERSONAL SERVICES	621 672	6 671	7.8%	37.5%	0.7%	3.0%
TOTAL ECONOMY	7 938 668	17 807	100.0%	100.0%	0.7%	4.5%

Source: IHS Markit Database, (2020)

- Sectors that experienced strong real per annum growth in employment during this period include agriculture (7.9%), trade (6.4%), finance (5.0%) and health and other services (5.1%).
- Sectors that experienced strong real per annum growth in output during this period include



other services (private and domestic services) (2.68%), post and telecommunications (2.1%), finance (1.9%) and public administration and health (1.6%)

4.1.2 THE IMPACT OF COVID-19 ON THE DISTRICT ECONOMY

Based on the potential impacts of COVID-19, the economy of Mopani District is forecast to decline by an average of close to 1.4% per annum between 2019 and 2024 compared to the forecasted decline of 0.6% in the provincial economy. By contrast the national economy is expected to grow at a low albeit slow annual growth rate of 0.08% over the same period. In the district the agriculture sector is the only sector that is expected to achieve a relatively high positive growth rate of 2.9% due to the sector facing less lockdown restrictions as well as an increasing global and domestic demand of agricultural commodities. The negative impact of COVID-19 is projected to be prolonged in the construction, mining and manufacturing sectors. The tourism sector is expected to recover gradually following the relaxation of lockdown restrictions. Over the next five years, the growth forecast is the lowest for Ba-Phalaborwa (-2.1%), followed by Greater Letaba (-0.3%), Greater Tzaneen (-0.1%) while the GGM and MLM are anticipated to face to positive albeit growth of 0.1% and 0.6% respectively (MDM, 2020).

Given the economic stress that business (formal and informal in various sectors) is experiencing, Limpopo Province introduced short term support measures to supplement national support measures. These measures are meant to be implemented during and the immediate post-lockdown period up to the end of financial year 2020/21 to ameliorate the effects of the COVID-19 lockdown. These measures include (MDM, 2020):

- Financial support to informal businesses (including spazas owned by South Africans and businesses owned by women youth and people with disabilities)
- Productivity/turnaround solutions for existing companies
- Establishment of a provincial call centre to assist struggling businesses
- Expansion of the EPWP and youth programmes
- Distribution of food parcels
- Implementation of the local procurement accord to fast track local government procurement
- Recycling enterprise programme
- Manufacturing support programme (for medical equipment related to COVID-19)
- Business registration and compliance programme.

The Mopani District recovery plan dovetails the provincial programme with a focus on the following Programmes over the short to longer term (MDM, 2020):

- Farmers support programme: The Mopani District Municipality will work closely with the Limpopo Department of Agriculture & Land Reform (LDARD) in ensuring that the farmers support Programme are popularised within the District and the necessary support is facilitated through partnership (extension services, provision of seeds etc.)
- The Moshupatsela farm action plan to promote agro-processing of local produce (MDM)
- Food security promotion through value addition (atchar, juice) (MDM, LMs and LDARD)
- Value adding of invasive plants (e.g. firewood, animal feed) (MDM, LMs and LDARD)



- Tourism support (exhibitions, SMME support focussed on business skills, access to market, local procurement) (MDM)
- Mining sector support (investigate the formalisation of informal/ Zama mining activities (MDM, LMs and LDARD)
- TREP (Township, Rural entrepreneur programme): Working relationship in support of spaza shops, Bakeries, Auto body repairs and Saloons with State owned Agencies and Sector Departments i.e. Seda, GTEDA, DSBD has been established. An MOU between Mopani District Municipality and Seda Mopani has been drafted and should be finalised to demonstrate the implementation process to undertake TREP & access to markets
- Spatial rationale: Township development, GIS system development, spatial planning review
- Institutional focus: Centralising the business registration and compliance programme on district level, the LED and 20 year growth plan review
- Cross-cutting: The EPWP programme roll-out; improved partnerships with the private and public sector.

4.1.3 COMPARATIVE ADVANTAGES

Comparative advantages of an economy could be revealed through the role that a sector plays in the local economy compared to its role in the national economy. The location quotient measures the percentage contribution of a local sector relative to its percentage contribution nationally. A quotient larger than one could signify to a comparative advantage of the local economy.

Shift share analysis is another way to measure a local economy's comparative advantage. According to shift share analysis a sector could have a competitive advantage within a specific geographic area if the sector shows growth over and above what could be ascribed to growth in the national economy or by the national sector's growth.

The comparative advantages of Mopani District are summarised in Table 20 below.

Table 20: Revealed Comparative Advantages of Mopani District, 2011- 2019

SECTOR/AREA	Greater Giyani	Ba- Phalabor wa	Greater Letaba	Greater Tzaneen	Maruleng	Mopani District
Agriculture and forestry	2.8		2.3	2.1		1.6
Mining		8.7	1.2	1.5	8.9	4.2
Utilities (water and energy)	8.3					1.8
Wholesale and Retail Trade			1.6	1.4		
Finance , real estate and business services		1.1	1.9	2.5		1.5
Public administration	1.3					
Education	2.0		2.5	2.0		1.4

LEGEND:

Location quotient > 1 and positive growth Location quotient > 1 and positive growth

Source: IHS Markit Database, (2020)



The table lists all the sectors that play a relatively large role in the different local areas:

- The agriculture and forestry sector has a comparative advantage in Mopani District mainly because of the large role that the sector plays in the local economy of Greater Giyani, Greater Letaba and Greater Tzaneen. In all three these economies the sector showed positive growth. In Greater Letaba and Greater Tzaneen the agricultural sector also grew at a rate over and above the national growth rates and the national agricultural sector's growth rate;
- The mining sector showed a comparative advantage across all municipalities in Mopani District apart from Greater Giyani. The sector only experienced positive growth in Ba-Phalaborwa since 2011 and Maruleng but declined in Greater Letaba and Greater Tzaneen. In Maruleng the mining sector reveals a strong competitive advantages due to its large role and its positive shift-share value, i.e. the sector grew at a rate over and above the national growth rates and the national mining sector's growth rate;
- The utilities sector (water and energy generation and distribution) is a relatively large sector in the District mainly because of the larger role that it plays in Greater Giyani. Since 2011 the sector however declined in real terms in Greater Giyani and in the District in general
- Wholesale trade showed a strong comparative advantage (including positive growth and a
 positive shift share value) in Greater Letaba and Greater Tzaneen but not in the District as a
 whole;
- Finance and insurance shows a strong competitive advantage (including positive growth and a positive shift share value) in the whole Mopani District mainly due to its strong role in the two larger municipalities within the District namely Ba-Phalaborwa and Greater Tzaneen. While the sector had a relative large share in Greater Letaba, the sector declined in this area since 2011;
- Public administration only plays a large role in Greater Giyani, the administrative seat of Mopani
 District. The sector furthermore showed strong growth since 2011 as well as a positive shift
 share value. The sector showed higher growth in Giyani than the sector's growth nationally as
 well as the national growth rate. The increased size of the public administration sub-sector
 without improved service delivery levels could be a negative sign of increased bureaucratisation
 in Greater Giyani
- The education sector played a relatively large role in Mopani District due to its role in Greater Letaba, Greater Tzaneen and Greater Giyani. The sector only showed positive real growth in Greater Letaba. The education's sector growth in Greater Letaba furthermore exceeded the growth in the sector based on the growth in the national economy as well as the national's sector growth.

There are a number of limitations of the comparative advantage measurements above. Firstly the analysis is based on the current economic realities within a local areas as well as past economic trends. The analysis does not comment on the hidden potential of sectors within a local area.

Secondly the analysis only considers the direct output contribution and growth of the economy without considering the sectors links to the local economy (i.e. value chain potential). It also does not consider the labour intensity and labour absorption capacity of each sector not the potential distributive impact (i.e. share to low-income households) of the sectors. For these purposes the subsections below focus on possible value chains in the district as well as the sectors potential impact income distribution within the District.



Thirdly the analysis focuses on economic sectors according to the SIC system. It therefore includes sectors such as tourism, information technology and the green economy which cut across the different SIC sectors.

4.1.4 ECONOMIC LINKAGES AND VALUE CHAINS

The table below shows the relatively strong local input linkages within the agricultural sector of Mopani. Most of the final agricultural produce is also consumed within the local (district) economy, while a considerable percentage (37%) is exported as raw products either within the wider region (10%) or overseas (27%). While the agro-processing industry (food, beverages and tobacco) sources a relatively high percentage of inputs from the local economy (mainly agriculture and transport) the agro-processing industry is still small in absolute terms. Value addition to the large percentage of raw agricultural exports could have a positive impact on output levels in the District (MDM, 2019).

Table 21: Sources of Inputs and Destination of Output, Mopani District

SECTOR	INPUTS				OUTPUT			
SECTOR	local	regional	foreign	total	local	regional	foreign	total
AGRICULTURE, FORESTRY, FISHING	75%	6%	18%	100%	63%	10%	27%	100%
MINING	87%	11%	2%	100%	37%	14%	49%	100%
Food, beverages and tobacco products	71%	20%	9%	100%	91%	2%	7%	100%
Textiles, clothing and leather goods	4%	42%	54%	100%	99%	0%	0%	100%
Wood and wood products	15%	73%	12%	100%	62%	15%	22%	100%
Fuel, petroleum, chemical and rubber products	2%	67%	31%	100%	100%	0%	0%	100%
Other non-metallic mineral products	21%	69%	10%	100%	94%	4%	3%	100%
Metal products, machinery	3%	54%	44%	100%	97%	1%	2%	100%
Electrical equipment	0%	48%	51%	100%	100%	0%	0%	100%
Transport equipment	4%	24%	72%	100%	99%	0%	1%	100%
Furniture and other items NEC and recycling	37%	20%	42%	100%	79%	7%	13%	100%
MANUFACTURING	20%	45%	36%	100%	89%	1%	10%	100%
UTILITIES	82%	15%	3%	100%	95%	5%	0%	100%
CONSTRUCTION	89%	11%	0%	100%	95%	5%	0%	100%
TRADE & ACCOMMODATION	55%	43%	2%	100%	61%	25%	14%	100%
TRANSPORT AND TELECOMMS	72%	15%	13%	100%	85%	5%	10%	100%
FINANCE AND BUSINESS SERVICES	78%	18%	5%	100%	92%	5%	3%	100%
SOCIAL AND PERSONAL SERVICES	48%	49%	3%	100%	94%	3%	3%	100%
TOTAL ECONOMY	55%	30%	15%	100%	77%	8%	16%	100%

Source: Based on Quantec Database (2020); IHS Markit Database (2020) and Limpopo Social Accounting Matrix (2007)

The relatively high portion of inputs that the mining sector sources from the local economy suggests limited room for the expansion of local procurement strategies in the mining sector. The high



percentage of raw mining exports to the foreign sector suggests opportunities for mineral beneficiation in the local economy.

In general, sectors with high local inputs (backward linkages) would also have higher economic multiplier effects in the local economy. According to Table 21 these sectors include agriculture, mining, agro-processing; transport, finance, construction and utilities. The relatively low percentage of inputs that the services sector source locally suggests a need for greater emphasis on local procurement strategies in the public sector.

4.1.5 LABOUR ABSORPTION CAPACITY AND DISTRIBUTIVE IMPACTS

The table below shows the sectors that stand out in terms of their labour absorption and/or distributive impacts:

Table 22: The Labour Absorption Capacity and Distributive Impacts of Different Sectors in Mopani District

	Labour intensity	Employment elasticity	Unskilled labour	Low income households	
SECTOR	employment/Rm GVA	% growth in employment/ % growth in output	% of total employment	% of GVA	
AGRICULTURE, FORESTRY	12.5	9.8	74%	7.6%	
MINING	0.8	2.2	22%	5.1%	
Food, beverages, tobacco	3.8	9.8	26%	7.3%	
Textiles, clothing and leather	13.0	0.1	15%	6.9%	
Wood and wood products	3.9	0.3	22%	7.5%	
Fuel, petroleum, chemical, rubber	5.1	23.1	17%	8.0%	
Other non-metallic minerals	49.9	- 2.7	21%	6.7%	
Metal products, machinery	8.6	- 11.8	12%	3.4%	
Electrical equipment	0.4	24.3	11%	5.3%	
Furniture and other items NEC	1.6	5.0	14%	4.4%	
MANUFACTURING	5.6	- 13.2	12%	6.3%	
UTILITIES	0.1	0.9	12%	3.9%	
CONSTRUCTION	4.4	20.2	37%	8.7%	
Wholesale, Retail Trade	2.9	6.2	26%	6.6%	
Sale and repairs of vehicles	5.4	- 6.8	26%	6.6%	
Hotels and restaurants	13.6	- 5.7	26%	13.8%	
TRADE & ACCOMMODATION	3.6	11.7	26%	6.9%	
Transport	1.2	14.9	54%	4.8%	
Post and telecommunication	0.9	0.5	14%	2.1%	
TRANSPORT AND TELECOMMS	1.2	3.7	50%	4.4%	
Finance and Insurance	1.0	1.6	14%	2.1%	
Real estate activities	0.1	- 5.6	14%	3.5%	
Other business activities	10.7	5.5	14%	3.4%	
FINANCE, BUSINESS SERVICES	1.8	5.1	14%	3.1%	
Public administration	1.8	0.7	17%	4.1%	
Education	2.2	0.5	17%	4.1%	
Health and social work	4.4	2.7	17%	4.1%	
Other service activities	31.6	1.8	17%	4.1%	
SERVICES	4.5	4.1	17%	4.1%	
TOTAL ECONOMY	2.6	8.3	27%	4.5%	

Source: Based on Reddy et.al (2016); IHS Markit Database (2020) and Limpopo Social Accounting Matrix (2007)

The following observations can be made:



- The agriculture and forestry sector is relatively labour intensive as it employs 12.5 workers for every Rm of GVA produced. The sector also shows high employment growth relative to output growth (i.e. employment elasticity). In terms of distributive impacts the sector also employs the highest percentage of unskilled workers (74%) of all the sectors. Low income households furthermore receives close to 8% of the total GVA (profits, salaries and wages) generated by this sector compared to 4.5% in the economy as a whole
- The food and beverage sub-sector (agro-processing) is less labour intensive than the agricultural sector although still higher than the average for the economy as a whole. The sector also shows high employment elasticity between 2011 and 2019. and low income households also received a relatively high percentage of the sector's GVA
- The textiles and leather sector shows a very high labour intensity. In terms of employment
 growth and unskilled labour it fared worse than the economy as a whole. The share of low
 income households in income generated by this sector is however higher than the average for
 the economy
- The non-metallic mineral sector (e.g. sand, gravel, limestone, clay, and marble) is a very labour intensive sector. Employment growth was however below average between 2011 and 2019 and it also employed a relatively low number of unskilled workers. The share of low income households in income generated by this sector is also higher than the average for the economy
- The construction sector, though not as labour intensive, employs a large percentage of unskilled labour and also distributes the highest portion of GVA to low income households
- The hotels and restaurant sub-sector stands out in terms of its labour intensity and the high share of low income households in income /GVA generated by this sector
- While other personal and social service activities (e.g. recreational activities, beauty salons, undertakers) are relatively labour intensive, these activities do not absorb many unskilled nor do they distribute a high portion of GVA to low income households.

4.1.6 ECONOMIC DIVERSITY

A more diversified economy evenly spread across a number of different economic sectors is usually more resilient than an economy concentrated in a few sectors and would normally experience less fluctuations in economic activity.

The tress index provides an indication to the level of concentration within an economy. The index varies between 0 to 100 with 0 showing a perfectly diversified economy while an index value of 100 shows an economy concentrated in one economic sector (completely undiversified).

Figure 6 below shows the relatively higher concentration of economy activity in Limpopo Province and in Mopani District compared to the national economy. This is due to the relatively large role of the mining sector and the relatively small role of the manufacturing sector in these areas. Within Mopani District, Ba-Phalaborwa and Maruleng stand out as the least diversified economies due to the dominant role that the mining sector plays in both these economies. The mining sector, in turn, is prone to external shocks since it relies on volatile international commodity prices. Economic diversification away from the mining sector and its finite sources should be top priority for these two municipalities.



The relatively high tress index in Greater Giyani is due to the large role of the utilities and services sector, both sectors dominated by government activities.

Greater Letaba and Greater Tzaneen are more diversified than the other municipalities in Mopani District although less so than the national economy. In both economies the services sector play a relatively large role and the manufacturing sector a smaller role than is nationally the case.

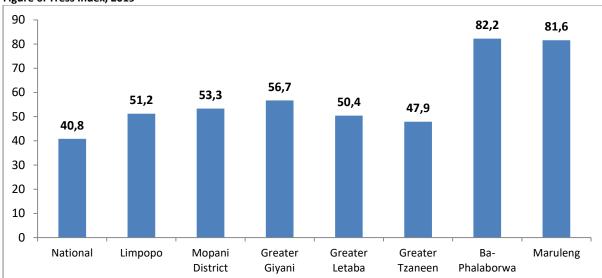


Figure 6: Tress Index, 2019

Source: IHS Markit Database (2020)

4.2 INVESTMENT AND PROJECTS

4.2.1 PUBLIC SECTOR INVESTMENT

A. THE EXPANDED PUBLIC WORKS PROGRAMME

The Expanded Public Works Programme (EPWP) is administered by the National Department of Public Works and consists of labour-intensive programmes implemented by different spheres of government and State Owned Enterprises (SOEs). The programmes are implemented through different national, provincial departments and municipal government while reporting is done to the National Department of Public Works. The programme covers four sectors namely:

- Public infrastructure (e.g. road infrastructure and upgrades, tourism infrastructure through Working of Tourism etc.);
- Environmental programmes (e.g. Working for Water, Working for Fire, Working for Waste);
- Culture programmes (e.g. museum facilities)
- Social programmes (including welfare, educational, health facilities and services)



The objective of the programme is to support public service delivery through labour intensive programmes in order to create short term opportunities for poor households. The EPWP also provides training and enterprise development support.

Table 23 below shows that EPWP spending in Mopani District was just over R244m in 2019/20, creating in the region of 2,350 full-time equivalent (FTE) jobs. Mopani District received 1.1% of total spending on EPWP in South Africa in 2019 and 0.6% of FTE jobs compared to the estimated 2% of total poor households in South Africa residing in the Mopani District. This implies that Mopani District is nationally under-represented in terms of EPWP spending and job creation.

Table 23: Outputs of the Expanded Public Works Programme, 2019

Year	2019/20	2019/20
AREA	EPWP spending in area	FTE jobs created in area
National	21,940,158,235	422,900
Mopani District	244,253,606	2,350

Source: Based on Department of Public Works, 2020 (EPWP project list)

Some 15% of EPWP project spending is channelled through MDM for implementation of projects across the District. It was assumed that the distribution of MDM's spending on EPWP projects is distributed among the municipalities proportionally to their current EPWP spending patterns.

As indicated in Table 24 below, the EPWP supported less than 2% of families living below the Lower-Bound Poverty Line (LBPL) in the District as less than 1% of poor families living in Maruleng. Most of the EPWP in the district occurs in Greater Tzaneen (61%) followed by Greater Giyani (29%). The relatively low spending on the EPWP in Ba-Phalaborwa and especially Greater Letaba and Maruleng need mention.

Table 24: EPWP Coverage of Poor Households in Mopani District, 2019/20

AREA	% of spending on EPW programmes in District	% of FTE jobs created by EPW programmes in District	% Contribution to poor households in Districts	Number of FTE jobs created by EPWP projects 2019	Estimate of number of households living in poverty (LBPL)	FTE as % of households living in poverty within each municipality
Greater Giyani	29%	28%	26%	647	34,462	1.9%
Ba-Phalaborwa	7%	4%	12%	96	15,980	0.6%
Greater Letaba	2%	7%	17%	159	23,107	0.7%
Greater Tzaneen	61%	59%	34%	1 382	45,547	3.0%
Maruleng	1%	3%	11%	66	14,647	0.5%
Mopani District	100%	100%	100%	2 350	133,744	1.8%

Source: Based on Department of Public Works, 2020 (EPWP project list)

Table 25 below shows that EPWP spending in the district is focussed on public infrastructure (roads and storm water) (46%); followed by Working on Waste Programmes (17%) the latter mainly focussed in greater Tzaneen and Greater Giyani. The larger portion of Full Time Equivalent (FTE) jobs generated from these programmes comes from public infrastructure projects (water and sanitation projects) (29%) followed by Working for Waste programmes (26%).



Table 25: Distribution of EPWP Projects per Sub-Programme, 2019/20

EPWP sub-programme	EPWP spending	FTE jobs created	Municipal focus areas
Public infrastructure - sport facilities	27,067,814	55	Greater Giyani, Ba-
r done initiastructure - sport facilities			Phalaborwa
Public infrastructurehousing	10,559,105	20	Greater Tzaneen, Greater
Fublic IIII astructure IIousiiig			Letaba, Greater Giyani
Public infrastructure - non-motorised	78,214	2	Greater Letaba
transport			
Public infrastructure -roads and storm water	111,796,667	405	Across the District
Public infrastructure – water and sanitation	22,767,204	689	Across the District
Environment - Parks	2,277,814	90	Across the District
Environment —-Cleaning of Public Open Spaces	155,171	7	Across the District
Environment- Working on Waste	42,319,694	621	Greater Tzaneen, Greater
Environment- working on waste			Giyani
Social - safety and security	27,231,923	461	Across the District
Total	244,253,606	2,350	

Source: Based on Department of Public Works, 2020 (EPWP project list)

Note: Spending by individual local municipalities includes MDMs spending on EPWP spending (15% of EPWP spending in the district)

B. OTHER PUBLIC INVESTMENT

The share of gross fixed investment (GFI) in South Africa's Gross Domestic Product (GDP) was 20% in 2019: the largest contribution made by the private sector (14%), followed by government (3%) and state-owned enterprises (SOEs) (3%). The total share of GFI is relatively low compared to countries such as China (44%); Australia 24% and the US (21%) (South African Reserve Bank, 2020).

In South Africa public investment's share (excluding state owned enterprises) is relatively low at 3% compared to averages in the developed world of 3.5% and above. Gross fixed investment's share in GDP have declined since 2011 due to the low growth rate of 0.7% per annum compared to the growth in GDP of 1.5% over the period. This low growth can be ascribed to the low growth of public investment of 0.8% per annum since 2011 and the decline in the investment of state-owned enterprises of 3.6% per annum in the same period (Ibid).

Table 26 below shows the low share of public fixed investment (including spending on the EPWP projects discussed above). The exception is Maruleng where public investment contributed 4.2%.to GVA in 2019, higher than the national average of 3%.

Public investment spending is very low relative to GVA in the other economies of the district most notably in the larger economies of Ba-Phalaborwa and Greater Tzaneen. Spending on roads and transport infrastructure is a larger component of public investment in all municipalities in the district with some smaller spending categories relating to waste management (Greater Giyani), sports facilities (Ba-Phalaborwa and Greater Giyani) as well as rail facilities (Greater Tzaneen).



Table 26: Public Fixed Investment in Mopani District, 2019/20

Table 20. I ubile like a investment in Mopani District, 2013/20									
AREA	Greater	Ba-	Greater	Greater	Maruleng	Mopani			
	Giyani	Phalaborwa	Letaba	Tzaneen		District			
GVA (Rm)	12 788	21 626	8 557	22 860	7 939	73 770			
EPWP (Rm)	71	17	5	149	2	244			
Other public investment (Rm)	110	48	156	143	333	790			
Total public investment (Rm)	181	65	161	292	335	1 034			
total public investment as % of GVA	1.4%	0.3%	1.9%	1.3%	4.2%	1.4%			

Source: Based on HIS Markit database, 2020 & National Treasury, 2020 (Municipal Finance Data Tables)

Note: Spending by individual LMs include MDMs spending (15% of EPWP spending)

Based on interviews major public investments related to economic infrastructure include the first phase of the revitalised Nkowankowa Industrial Park in Greater Tzaneen representing an investment of close to R40m by the DTI/IDC partnership as part of the Industrial Parks Revitalisation Programme which the department started to implement in 2016.

MOPANI DRDP POP GROWTH/DECLINE & EXISTING PROJECTS Legend • Towns Catalytic Projects CASP Projects REID Secondary roads Modjadjiskloof Kruger National Park National Park -4310.00 - -953.93 953.92 - 766.06 766.07 - 3108.08 Capricom 3108.09 - 7348.66 7348.67 - 15648.73 Greater Sekhukhune

Figure 7: Public Sector Existing Projects

Source: DRDLR, 2016.

4.2.2 PRIVATE SECTOR INVESTMENT

There are a limited number of large scale (i.e. over R20m) private investment projects in the area that could be identified. Most of the larger private sector investments are in the Ba-Phalaborwa



mining sector and are mainly concentrated around the Phalaborwa Copper Mine's Lift II (Life of Mine extension project to 2033). The total investment value is close to R 16bn.

4.3 ECONOMIC SECTOR ANALYSIS

4.3.1 AGRICULTURE AND AGRO-PROCESSING

As indicated in Table 27 below, the agriculture, forestry and agro-processing sectors (including food, beverage and wood processing) contributed 4% towards the total GVA produced in Mopani District, somewhat smaller than its role in the national economy (7%). The sector is, however, labour intensive and made a much higher contribution towards employment with a share of 17% in the total district's employment in 2019, just below the 19% share of these sectors in employment nationally.

The table below reveals the following:

- The agro-forestry production complex play a larger role in Greater Giyani, Greater Letaba and Greater Tzaneen compared to Ba-Phalaborwa and Maruleng
- Primary agriculture production dominates the agro-forestry production complex in the District while food and beverage processing and the forestry and timber played a relative small role
- Greater Giyani and Greater Tzaneen, in turn, dominate primary agriculture production within the District
- Food and beverage processing activities industries, primary forestry and related wood processing activities are mainly concentrated in the Greater Tzaneen
- Greater Giyani made the second largest contribution to the agro-forestry complex mainly due to
 its large contribution to primary agriculture and forestry activities. Value addition to these
 primary activities, though, plays a small role in Greater Giyani.

Table 27: The Agro-Forestry Production Complex in Mopani District, 2019

Sector	Greater Giyani	Ba- Phalaborwa	Greater Letaba	Greater Tzaneen	Maruleng	Mopani District			
	Distribution of GVA within the District								
Agriculture primary production	31%	7%	17%	40%	5%	100%			
Food, beverages and tobacco	11%	8%	17%	61%	3%	100%			
Forestry	25%	3%	14%	56%	2%	100%			
Wood and Timber products	8%	7%	20%	61%	3%	100%			
Total agro-forestry production complex	26%	7%	17%	46%	4%	100%			
Sha	re of total	GVA within the	Municipalitie	s					
Agriculture primary production	5.4%	0.8%	4.5%	3.8%	1.3%	3.0%			
Food, beverages and tobacco	0.5%	0.2%	1.2%	1.6%	0.2%	0.8%			
Forestry	0.4%	0.0%	0.3%	0.5%	0.1%	0.3%			
Wood and Timber products	0.1%	0.1%	0.4%	0.5%	0.1%	0.3%			
Total agro-forestry production complex	6.4%	1.1%	6.4%	6.4%	1.6%	4.3%			

Source: IHS Markit database (2020)



With primary agriculture activities dominating the agro-forestry production complex in the District, this sub-sector warrants further investigation. As indicated in Table 28 below, the horticulture sub-sector (fruits, vegetables and nuts) dominates the commercial agriculture sector in Mopani District, contributing 88% towards total commercial agriculture in 2017, compared to an 11% contribution of animals and animal products. Field crops play a minor role in the commercial agricultural sector across all municipalities. Greater Tzaneen, in turn, dominates horticulture and livestock production within the District.

Table 28: The Agriculture and Related Processing Industries across Mopani District

Sector	Greater Giyani & Greater Letaba	Ba- Phalaborwa	Greater Tzaneen	Maruleng	Mopani District						
Distribution of Income within the District											
Field crops	13%	4%	67%	17%	100%						
Horticulture	28%	2%	47%	23%	100%						
Animals and products	2%	10%	88%	0%	100%						
Other agricultural income	54%	5%	41%	0%	100%						
Share of Di	fferent Commodity	Groups within	the Municipalit	ies							
Field crops	0.8%	2.2%	2.1%	1.4%	1.7%						
Horticulture	98.2%	64.8%	80.0%	98.4%	87.7%						
Animals and products	0.8%	32.9%	17.8%	0.2%	10.5%						
Other agricultural income	0.2%	0.1%	0.1%	0.0%	0.1%						
Total income commercial agriculture	100.0%	100.0%	100.0%	100.0%	100.0%						

Source: Stats SA Census of Commercial Agriculture: Limpopo, 2017 (2020)

Table 29 below provides more detail of the dominant areas where individual agriculture commodities and forestry products are produced as well as provide an overview of the current processing status and opportunities for the identified different commodities.

Table 29: Individual Commodities in Mopani District

Commodities	Dominant areas	Current value addition	Opportunities
Macadamia nuts	Greater Tzaneen, Greater Letaba and Greater Giyani	Untapped potential	Oils and cosmetics (soap, sunscreen and shampoo).
Avocados	Greater Tzaneen (Westfalia) and Maruleng (Marieskop Estate).	Untapped potential. Large portion of raw products are exported. Some processing in GTM	Direct sales of primary products, processing into guacamole and oils, cosmetics
Tropical fruit (mangoes, bananas and litchis)	Greater Tzaneen, Maruleng, Ba Phalaborwa	Large portion of raw products are exported. Some processing in GTM and Hoedspruit including dried fruit, atchar and juices	Primary production, pack house, canning, juice and dried fruit for local and export market
Citrus	Letsitele area (GTM), Maruleng, Ba-Phalaborwa	Most produce exported. Limited value addition concentrated in GTM and some activities in Hoedspruit	Processing of citrus peel and essential oils, packaging and branding emerging farmers
Marula fruit	Ba-Phalaborwa and Greater Giyani	Liqueurs and wine processing in Ba- Phalaborwa	Unknown
Tomatoes:	Greater Letaba (ZZ2 in Mooketsi)	Most tomatoes and processed goods are destined for domestic market	Canning, freezing, dehydration, juices. Note that Tiger Brands a major tomato processor in GLM relocated out of the District



Commodities	Dominant areas	Current value addition	Opportunities
Livestock and game farming	GTM – beef, chickens Giyani – beef rearing Ba-Phalaborwa, Maruleng - game farming	Dairy, organic cheese, chicken abattoir (GTM) Gaza Beef (Giyani) - beef processing.	To meet shortage of supply there is opportunity for small-scale farmers to enter commercial beef farming establishing feedlots and abattoirs. Opportunity for broiler meat farms and contract growers, feed companies and other input suppliers and breeders, retailers.
Forestry	Greater Letaba (mainly eucalyptus) and Greater Tzaneen (mainly pine) covering the Magoebaskloof and Haenertsburg areas and stretching north-eastwards to Modjadjiskloof	Some timer mills and wood processing in GTM. Most of the raw material is exported either to other provinces or international markets which perform most of the value-adding activities. Honey production by Mabasotho Cooperative in Greater Letaba	Timber products for construction (e.g. trusses); f pallets; poles; charcoal; flat-pack furniture; non-timber forest products such as Mopani worms, honey, medicinal products etc.

Sources: MDM (2019; GTM (2017)

Another agricultural product important to the district is mopane worms. Mopane worms have become an important source of food and cash income for rural people living in or near the mopane woodlands. However, the continued over-exploitation and commercialisation has implications for long term management of the mopane woodlands in the northern parts of South Africa. In order to achieve a balance between sustainable harvesting of mopane worm and improving the livelihoods of the rural poor that depends on it for food and income, there is a need for policy makers to focus on the dynamics in household socio-economic conditions.

The agricultural and forestry sector in the District face some challenges that limits the growth of the agro-forestry production complex in the District. The dominant challenges that surface in the literature include the following:

- Limited water availability in the Great Letaba Catchment area (mainly affecting GGM and GLM) constrains the expansion of the agriculture and especially the forestry sector (MDM, 2019)
- The quality of water of the Blyde River in Maruleng could potentially affect citrus exports in Maruleng as a minimum standard of water quality has to be adhered to qualify for exports (MDM, 2019)
- Although a fresh produce market was planned in GTM, it did not yet materialise and there is still a lack of a fresh produce market in the District (MDM, 2019)
- Basic marula processing (gathering and pulping) done in Ba-Phalaborwa scaled down significantly in recent years probably due to low rainfall, reduced harvests and the shift of basic production and gathering activities to areas outside Ba-Phalaborwa in recent years. The final Amarula product is processed in Cape Town with only basic processing done in Ba-Phalaborwa
- As is the case nationally the Mopani agricultural sector consists of a productive commercial sector and an unproductive subsistence sector that evolved under the land and social policies of



pre-democracy governments. These new farmers, together with subsistence farmers attempting to commercialise, constitute was a termed the 'emerging farmer' sector. A large portion of agricultural production in the District is in the hands of the emerging farmer sector. This sector in turn faces significant barriers in terms of commercialisation. These include (Whitbread et.al, 2011)

- Lack of secure tenure
- o Poor infrastructure
- Limited technical skill and farming background
- Insufficient organisation skills
- Poor land management and agronomic practices resulting in low productivity poor ground cover and high erosion potential
- o Farm size too small to be commercially viable
- Limited capital and access to credit compared with commercial, capital intensive systems
- o Fragmented (often contradictory) sources of technical and financial advice
- o Poor access to extension officers, who are overcommitted and under-resourced

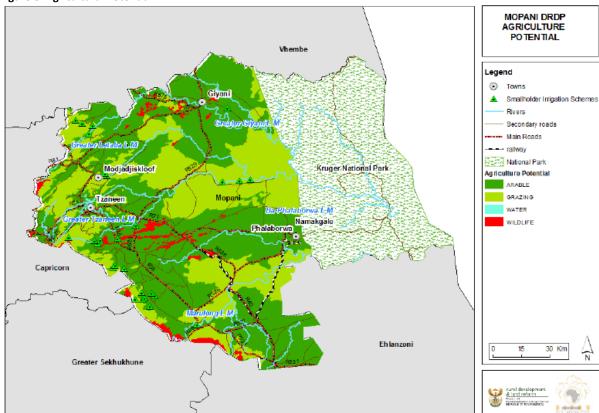


Figure 8: Agricultural Potential

Source: DRDLR, 2016.



MOPANI DRDP AGRICULTURE INFRASTRUCTURE Legend (0) To wns FPSUs Aprihub Grain Siles Red Meat Abattoirs Kruger National Park Poultry Abattoirs Smallholder Irrigation Schemes Agric Extension Office Secondary roads Namakoa Main Roads inkage - rail way National Park CRDP Sites N Greater Sekhukhuna

Figure 9: Agricultural Infrastructure

Despite the challenges facing the emerging farm sector, the sector represents a significant opportunity for new farming systems to emerge in Limpopo Province. Opportunities exist through resource sharing and co-operative efforts for purchasing better quality inputs (e.g. seed and fertiliser) and for bulking commodities for sale. Studies suggest the following critical elements to unlock the potential of the emerging farm sector in Limpopo (Whitbread et.al, 2011):

- An integrated systems approach is needed where intervention strategies consider the whole system, including social, technological, economic and environmental aspects, together with infrastructure and services
- A participatory approach is needed where farmers or communities are involved in the planning and development of any project from the outset.
- On-going support is needed to build local capacity to continue the development process when external support ceases
- Particular focus areas that require attention include:
 - Rural Infrastructure (e.g. better roads and communication infrastructure that could create improved access to markets).
 - o Improving Research, Development and Policy Agricultural research and development projects in Limpopo Province. The essential attributes of the more successful projects have been a high level of community involvement and a strong sense of ownership of the R&D activities by the members of the targeted communities and frequent communication between researchers, extension staff and the community
 - Appropriately trained and equipped extension staff, agricultural specialists and technical knowledge



 The growth in private agribusiness linkages to the emerging farm sector where the former contributes to developing programs to improve the productivity and purchase commodities from these enterprises, e.g. throughout-grower schemes.

4.3.2 MINING, MINERAL BENEFICIATION AND SMALL-SCALE MINING

As indicated in Table 30 below, the mining and mineral processing sector (including non-metallic mineral and metal products) contributed 35% towards the total GVA of Mopani District, substantially larger than its role in the national economy (11%). As is the case nationally, the sector is capital intensive and made a much lower contribution towards employment with a share of 13% in the total district's employment in 2019. The mining sector is specifically capital intensive in Maruleng contributing less than 10% to employment in the local area while being a dominant sector in terms of output.

Table 30: The Mining Complex in Mopani District, 2019

Sector	Greater Giyani	Ba- Phalaborwa	Greater Letaba	Greater Tzaneen	Maru- leng	Mopani District					
Distribution of GVA within the District											
Mining of coal and lignite	6%	59%	8%	14%	13%	100%					
Mining of gold and uranium ore	10%	53%	3%	11%	24%	100%					
Mining of metal ores	1%	61%	3%	11%	24%	100%					
Other mining and quarrying	2%	67%	3%	11%	17%	100%					
Other non-metallic mineral products	8%	13%	16%	58%	5%	100%					
Metal products, machinery	9%	20%	16%	51%	5%	100%					
Total mining complex	2%	61%	3%	11%	23%	100%					
	Share o	f GVA within th	e Municipali	ties							
Mining of coal and lignite	0.50%	2.80%	0.90%	0.60%	1.70%	1.40%					
Mining of gold and uranium ore	1.90%	6.00%	0.80%	1.20%	7.40%	3.30%					
Mining of metal ores	1.30%	56.50%	7.20%	9.60%	59.50%	27.00%					
Other mining and quarrying	0.40%	7.20%	0.80%	1.10%	5.10%	3.20%					
Other non-metallic mineral products	0.00%	0.00%	0.10%	0.10%	0.00%	0.00%					
Metal products, machinery	0.10%	0.20%	0.40%	0.50%	0.10%	0.30%					
Total mining complex	4.20%	72.70%	10.10%	13.10%	73.80%	35.20%					

Source: IHS Markit database (2020)

Other observations from the table above include the following:

• The mineral complex is dominated by Ba-Phalaborwa due to its dominance in primary mining productions. Phalaborwa Mining Company (PMC) is one of the largest copper producers in South Africa, and the only South African mine to produce refined copper. PMC's refinery produces continuous cast rod for the domestic market and cathodes for the export market. . The area also produces significant amounts of zinc and copper, mercury, paving and cladding stones and



emeralds. Current mining activities in this belt are being undertaken by the Murchison Consolidated Mine which is located in Gravelotte. Foskor currently operates a mine in the Ba-Phalaborwa area which mines phosphate rock that it mines used to manufacture phosphate fertilizers and phosphoric acid. — mainly produced outside the district area Apart from copper, the Murchison mining belt in Ba-Phalaborwa is South Africa's largest producer of antimony (MDM, 2019)

- There is potential for further beneficiation of copper in the District through the production of consumer electronics, electric motor, electrical appliances as well as industrial goods (MDM, 2019). There are however challenges related to mineral beneficiation in MDM. A proposed joint venture between the Iron Mineral Beneficiation Services (group of local mining companies) and the Industrial Development Corporation (IDC) to develop the Masonini Iron Beneficiation Project in Phalaborwa never materialised due to the lack of funds and project champions. There is further limited beneficiation of other minerals like magnetite and phosphor, the latter which is processed in Richards Bay
- Maruleng made the second highest contribution towards the mining complex in Mopani District
 in 2019. As mentioned above, its contribution toward as employment in the local area is
 however significantly lower. Limited if any mineral beneficiation furthermore occurs in
 Maruleng. Ingwe Mica Industries is a major mining company in the area with mica used in many
 applications in industries such as electronic, electrical, building, paints, plastics, rubber, etc.
 Another mining company in the area is the Pegmin Union Mine which currently produces the
 minerals feldspar, mica and quartzite
- In terms of manufacturing sectors associated with mineral processing (non-metallic minerals and metal products) the hub of activities in the District in Greater Tzaneen with some activity recorded in Ba-Phalaborwa as discussed above. The mineral processing sectors are the smallest in Maruleng, which also records the second largest primary mining sector in the district
- Other mining and quarrying activities could possibly be more suitable for small scale mining. Ba-Phalaborwa records the largest potential for small scale mining in terms of the size of its other mining and quarrying activities, followed by Maruleng. Currently small scale mines exist in the Greater Giyani area, with their main focus being sand mining, stone aggregate, etc.



Mopani DRDP
Mining

Legend
② Towns
▲ Active Mines
— Secondary roads
— Man Roads
— railway
National Park

Wining Commodities

Rruger National First

Caption

Figure 10: Active mines and commodities

A mineral scan study was undertaken by Mintek of all mineral commodities that occur in the district. The study revealed three critical commodity sectors that could hold potential for future development:

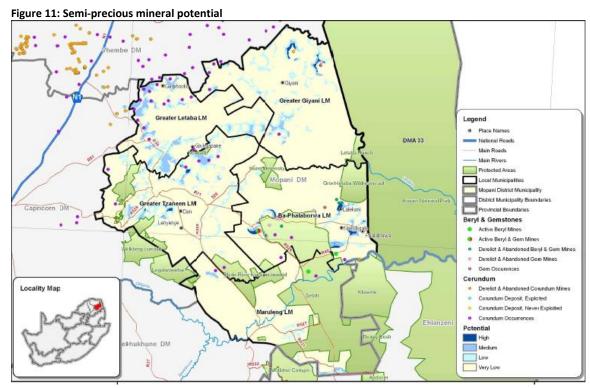
- Gold mining (particularly in the Giyani area)
- Dimension Stone mining
- Gemstone extraction

Gold shows high potential in the various greenstone belts. These have been exploited for decades and are not recommended for greenfields large scale projects. The area is however potentially suitable for small scale mining but should use environmentally friendly technologies due to the proximity to the KNP.

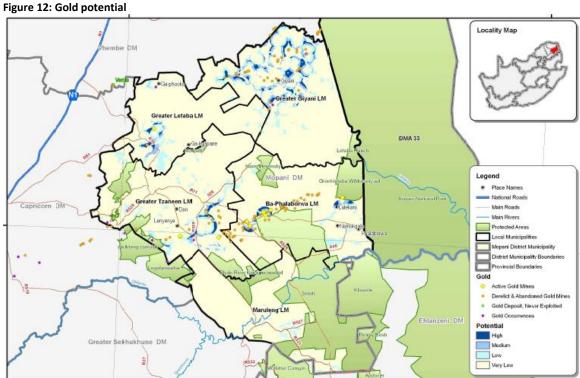
The development of a granite quarry is relatively simple assuming the terrain is suitable and the resource not too deep. One of the largest concerns with dimension mining is the costs of transport to the major markets. The granite mining however will need to be investigated to determine the possible negative impact on the tourism sector.

Gemstones mainly in the form of emeralds and aquamarine are found in the Murchison and Giyani belts. These have been sporadically mined in the Gravelotte and Giyani areas. The presence of beryl, corundum and other gemstones





Source: Mintek, 2008.



Source: Mintek, 2008.



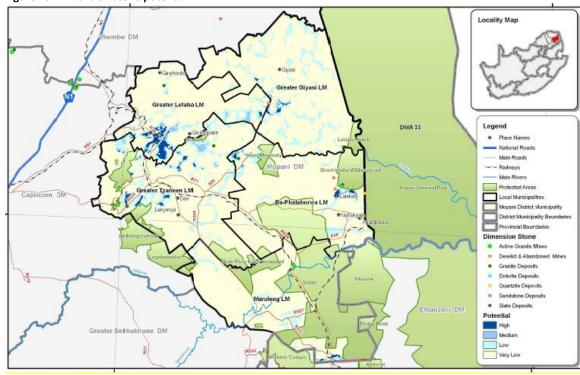


Figure 13: Dimension stone potential

Source: Mintek, 2008.

Challenges related to the mining complex in MDM is the dependence of the sector on volatile international commodity prices, the limited lifespans of mines, environmental challenges posed by mining activities, the resource intensity of mineral processing activities and the capital intensive nature of mining and associated activities.

4.3.3 THE GREEN ECONOMY

The Green Economy strategy in Limpopo Employment Growth and Development Plan (LEGDP) is the driving force in the province towards transitioning to a green economy. In line with national green economy strategies of the Department of Environmental Affairs (DEA) The Limpopo Green Economic strategy focus on the following programmes (Aoyi et.al, 2016):

- Water management (e.g. water harvesting, reduction in water losses: scaling up working for water programmes)
- Efficient waste management (prioritising waste beneficiation, which consists of waste recycling and reuse, establish facilities for waste recovery)
- Sustainable waste and energy efficiency by; focusing on facilitating waste to recovery methane for energy use
- Clean Energy and Energy Efficiency by looking at renewable energy complex in electricity production
- Green Buildings and the built environment by greening private and public buildings as well as including green principles in proper infrastructure and town planning



• Sustainable Transport and Infrastructure (e.g. alternative energy saving vehicles in public transportation, regulations that will reintroduce rail transport that is accessible and flexible to use, and establishing solar traffic and street lights).

In Mopani District Green economy initiatives mainly focuses on waste beneficiation (compost making); green buildings planning and a recycling initiative. The Mopani Waste Recycling and Buy Back Centre Project recycling project is focused on establishment of waste recycling and buy-back facilities in Maruleng, Greater Giyani and Greater Letaba Local Municipalities and has already employed 96 local people. The project was funded through the DEA. A recycling centre is furthermore planned as part of the new planned landfill in Ba-Phalaborwa (MDM, 2019).

The roll-out of off-grid renewable energy is under-utilised in the Mopani District: While 3% of in the district has no access to electricity less than 1% of households use solar energy lightning, cooking or heating. There is for example scope to roll out off-grid solar mini grids to the 10 000 or more households in remote rural areas in the district that still does not have access to electricity but where it is too costly to roll out grid-tied electricity (Stats SA, 2016).

The implementation of green economy programmes is significantly decentralised in South Africa and includes private sector, civil society and all levels of government. Various public funding initiatives exists to roll-out green economy programmes nationally including funding platform at the DEA, the Development Bank of Southern Africa (DBSA), The Industrial Development Corporation (IDC) (Aoyi et.al, 2016).

The Community Adaptation Small Grants Facility (SGF) led by SouthSouthNorth (SSN) Trust focussed on increasing climate resilience in rural communities and socio-economic systems in these two pilot district municipalities in South Africa identified as risk areas in terms of climate change namely the Namakwa District and the Mopani District. Climate change projections have indicated that both these districts will be subject to increasing temperatures and changing rainfall patterns including seasonal shifts and storm-related disaster events. Within Mopani District the local municipalities most at risk are Greater Letaba and Greater Giyani (SouthSouthNorth, 2021).

Socio-economic risks for these areas include water scarcity, reduced food security, higher livestock mortality, increased risk of spread of pests that cause damage to fruits, economic losses for small businesses and traders and damage to infrastructure. Some adaptation interventions suggested by the SGF for Mopani District include:

- Water harvesting and storage facilities (e.g. water tanks, reservoirs)
- Increase water use efficiency through, for example, drip irrigation.
- The introduction of agro-forestry, which among other things stabilises the soil and reduces nutrient and soil runoff
- Shift towards an increased use of Nguni breeds, a resilient breed of cattle.
- Construction of more drinking troughs for livestock

While the Green Economy programmes focuses on economic sustainability and is mainly driven by environmental concerns, the programmes could unlock jobs and up-skilling of the Mopani labour



force. It also provides another potential channel in which public infrastructure and sustainability issues could be addressed simultaneously.

There are some main challenges related to the roll-out of Green Economy programmes in Mopani District (Jonas et. al. 2015).

- There is a need for increase in training and skills development among municipal and provincial
 officials to raise awareness of the potential for the green economy in their areas especially in
 contributing to addressing pressing development and service delivery challenges in the local
 area
- Green economy projects are costly and there are reported challenges in terms of getting the money for actual implementation of programmes. Greater awareness is needed of the availability of and application for funding of Green Economy programmes.

4.3.4 TOURISM

Before COVID-19, the tourism sector played a major role in Mopani District with tourism spending contributing almost 10% to the district's GVA in 2017 compared to its 6% nationally. For the District on average 65% of total bed-nights were booked by domestic tourists mainly traveling through to the KNP. The majority of tourist trip were to Visit Friends and Relatives (VFR). There are variations among municipalities in the district with Maruleng recording higher percentages of foreign bed-nights and a larger portion of leisure tourists. The tourism sector plays a relatively larger role in the economies of Maruleng, Ba-Phalaborwa and Greater Letaba compared to Greater Tzaneen and Greater Giyani (IHS Markit, 2020).

Mopani District Municipality has good comparative advantage in nature-based tourism due its proximity to Kruger National Park (KNP). The KNP has one gate in the Mopani area namely the Phalaborwa gate (Ba-Phalaborwa), the busiest gate to KNP. The Shangoni gate (Greater Giyani) has been planned for the past 20 years but has not yet materialised. The District also has various national parks, game reserves and provincial parks (MDM, 2019).

Other types of tourism include:

- Agri-tourism (visiting a working farm for the purpose of enjoyment, education) for example in Magoebaskloof (Greater Tzaneen) and Greater Giyani including visits to crocodile, organic fruit and dairy farms, essential oils processing, Mopani worms and Marula fruit
- Adventure tourism around Magoebaskloof, Heanertburg and Hoedspruit (e.g. abseiling, hot air ballooning, microlights)
- Culture and Heritage tourism e.g. the Muti Wa Vatsonga Museum near the Hans Merensky Nature Reserve (Ba Phalaborwa); Modjadji Royal Kraal (Greater Tzaneen)
- Mining tourism includes the tours to the Phalaborwa opencast mine and mine museum as one of the largest copper mines in the world (Phalaborwa
- Township tourism is mostly limited to Maruleng and includes visits to sites and community projects in and around Hlokomela
- Sporting and other events, e.g. the Ebenezer dam mile swim, Wolkberg trail run, Tzaneen fly
 fishing competitions, the TCC golf day tour, Haenertsburg Food, Wine and Beer Festival,
 Magoebaskloof Berry Festival, Hoedspruit Game Festival etc.



 Tourism routes include the Bush to Beach Tourism Route that covers sites and sights between Phalaborwa and the east coast of Mozambique and the Kruger to Canyon Route links Phalaborwa to the Blyde River Canyon through the Kruger National Park.

Accommodation establishments in the area ranges from five star to budget accommodation, bed and breakfast, guest houses, hotels, caravan parks, and resorts. There are a total of 271 establishments offering an estimated 3,500 rooms and units per night, excluding accommodation in the Kruger National Park rest camps that fall within the Mopani District (MDM, 2019).

Specific issues were identified by the district municipality (MDM, 2019) that constrain the tourism development potential of the district. These issues include:

- The lack of tourism strategies on local or district level
- Institutional challenges such as the lack of clarity in terms of the role of industry based tourism forums and municipal based forums and the lack of knowledge of sustainable local tourism associations
- The lack of web-based information
- Challenges related to service delivery (e.g. insufficient road maintenance, water and energy disruptions and weak communications around potential disruptions)
- The lack of a Mopani tourism brand image, destination marketing and inconsistent tourism signage

Apart from the issues above, there seem to be inconsistency in the quality of tourism services and attractions offered in the district. Of the close to 40 tourist attractions listed across Mopani district a fair portion face challenges related to (MDM, 2019):

- Lack of marketing
- The need for further product development (e.g. The traditional Tsonga homestead, African ivory route and a potential fishing route)
- Poor road access to prime tourism spots (e.g. Baleni camp in Giyani; Modjadji cycad forest, Africa ivory route camps)
- Need for repair, upgrading and maintenance of facilities (e.g. Facilities within Hans Merensky reserve) traditional huts stay of African ivory route
- · Lack of trained staff and management skills

Lack of tourism facilitation skills on municipal level, including facilitation of tourism funding through access to funding sources such as the public Working for Tourism (WfT) Programme of National Department of Tourism.

4.3.5 SMMES, COOPERATIVES AND INFORMAL ACTIVITIES

The development of Small Medium and Micro Enterprises (SMMEs), Cooperatives and the informal sector is a priority for the Limpopo government, especially in terms of rural development (Limpopo



Provincial Treasury, 2019). The SMME sector² is of particular significance given Mopani high unemployment rate and large areas of settlements with very limited economic development. Entrepreneurial capacity in the area is however limited by poor education, limited training opportunities and a high percentage of entrepreneurial youth leaving the area in search of opportunities elsewhere. Some other major challenges that SMMEs list include (MDM, 2013):

- Securing finance for their operations is still a major challenge for local SMMEs. Although there are financial institutions operating in Mopani, they do not provide the right level of financial assistance needed by the bulk of the SMMEs. Even with the existing micro-lending institutions, there is no capacity to meet the diverse demand for micro loan finance
- Access to market opportunities, both local and international remains problematic for the sector.
 An easy win for SMMEs should be government business however according to SMMEs they still find it difficult to assess public opportunities. There is a perception that larger established businesses are favoured during procurement. The payment terms of the public sector could also pose challenges for SMMEs since smaller companies usually do not have to cash flow to wait for 2 or 3 months to be paid
- Absence and/or inadequacy of physical infrastructure (i.e. water and electricity)
- Confusion around how to access land for business (from Tribal Authorities).

Unlike most commercial business entities, cooperatives are legal entities owned and democratically controlled by its members. The legal entities have a range of social characteristics and are often based in a local area where profits are ploughed back into the local community. In 2012 there were around 758 registered in Mopani District area, involved in business activities such as (MDM, 2013):

- Farming: poultry, crop farming, and livestock farming, beekeeping, agro-processing;
- Manufacturing: bakery, brick making, textile, and concrete manufacturing, food and beverages;
- Green Economy: recycling of bottles and cans.

Due to the high priority that the Limpopo Government places on cooperatives, the promotion of cooperative development should be a shared a responsibility, and it seems relevant that all the local municipalities have a responsibility of formulating a Municipal Co-operative Implementation Plan located within their Integrated Developments Plans (IDPs), coupled with support programmes, business infrastructure and information centres (MDM, 2103).

As discussed in Section 2 above, informal employment plays a relatively large role in Mopani District, contributing 19% of the total labour force in 2019. The share of informal unemployment is particularly high in Greater Letaba, Greater Tzaneen and Maruleng. Some of the most popular trading activities undertaken in Mopani District Municipality include retail (mostly spaza shops, hawkers, fresh fruit and vegetables, and fast-food stands on the street); personal services (hair salons in street corners); and manufacturing (dress making, crafts, pottery, beadwork) (MDM, 2013).

The definition of a micro enterprise is 5 full-time employees and a turnover of R200 000 per annum; a small entreprise employes up to 50 full-time employees and has a annual turnover of up to R19m per annum while a medium enterprise employes up to 200 full-time employees and has a turnover of up to R64m per annum.



Challenges facing the informal sector include an acute shortage of markets stalls and as such, some of the traders are exposed to all weather conditions and this impact on the goods they sell; lack of ablution facilities; filth and dirt and the lack of formal jobs to migrate to (MDM, 2013).



SECTION FIVE: INSTITUTIONAL PROFILE

5.1 MUNICIPAL GOVERNANCE

5.1.1 INSTITUTIONAL PROFILE

The table below highlights various governance related issues in Mopani District that could impact on economic growth and development in the District:

There is a high portion of tribal and former homeland territories (the former Lebowa, Gazankulu and Venda) under the jurisdiction of the municipalities of Mopani District. While these traditional authorities play an important role in terms of the local traditional culture it could also result in unclear boundaries and responsibilities between local and tribal authorities. Former homeland areas are usually also associated with large infrastructure backlogs that could place an additional burden on municipal finances. In Greater Giyani 80% of land falls under tribal areas followed by Greater Letaba with 58% falling under previous homeland territories and traditional leaders.

Land ownership in the district is still a contentious problem. There are a total number of 185 land claims in the Mopani District of which 41 claims have been verified. The valid claims cover 8% of the total district area and covers as high as 25% of the land area in Greater Letaba. Skew land distribution and settlement patterns are especially evident in Maruleng where 90% of the population occupy 15% of the land for residential purpose. There are furthermore still challenges related to the release of land formerly owned by whites due to the high costs for the willing seller and buyer. That hampers further growth of the town Hoedspruit and other developments (MLM, 2019).

The different land uses affected in land claims range from Agriculture, conservation, game, hospitality, settlements and forestry. While land restitution may result in a more equitable distribution to land access, it could also result in large-scale sterilisation of economically productive land (e.g. high potential agricultural land, mining of certain minerals, nature conservation areas, etc.) and consequential loss of job opportunities. Capital projects also are stalled while claims processes are in progress.

Per capita crimes in the district are much lower than the national average, including both property-related crimes and violent crimes. Within the district per capita property related crimes are substantially higher in Maruleng and Greater Letaba than in the other municipalities although still well below the national average. Per capita crime (property related and violent crimes) are the lowest in Ba-Phalaborwa.



Table 31: Summary of Governance Issues in Mopani District

Table 31: Summary of Gov Governance issue		Ва-					South
Governance issue	Greater Giyani	Phalaborw a	Greater Letaba	Greater Tzaneen	Maruleng	Mopani District	Africa
% Land Area in Traditional Areas and former Homelands (2019)	80%	15%	58%	37%	17%	34%	23%
Number of land claims	44 (1	28 (11	72 (16 valid)	37 (12	4 (1 valid)	185 (41	
(2018)	valid)	valid)		valid)		valid)	
Valid Land claims (% of land area) (2018)	2.3%	9.6%	25%	13%	0.6%	8.4%	
Property crimes/100 000 people	735	245	1,141	477	1 187	836	5,326
Violent crimes /100 000 people	438	271	400	371	406	314	1,946
Housing backlogs (%) of households in informal dwellings	2.3%	0.5%	3.4%	2.5%	0.8%	1.9%	9.8%
% Households without access to piped water inside yard or in house	36%	52%	33%	36%	41%	44%	72%
% of Households without access to a flush toilet	11.9%	40.5%	6.7%	15.3%	8.3%	16.5%	45.1%
Municipal Audit Result (2018/19) or Latest Year	Qualified	Qualified	Unqualified	Qualifie d	Unqualified	Qualified	Unqualifi ed
Money Generated Locally % of Revenue (2018)	21%	68%	14%	61.8%	40.4%	15%	-
Current Debtors Collection Rate (%) (70%-80%) (2018)	39.0%	104.0%	30.7%	102.2%	70.6%	0.1%	64%
Fruitless And Wasteful Expenditure (Norm=0) (2018)	8%	24%	38%	8%	19%	57%	13%
Spending Operational Budget (% Over + Or – Below) (Norm 5% +/1) (2018)	7.3%	8.2%	16.2%	1.8%	-7.8%	6.5%	9%
Spending Of Capital Budget (% Over Or –Below) (Norm 5% +/-) (2018)	9.7%	0.1%	-35.8%	-32.8%	-8.7%	-1.4%	-29%
Cash Coverage (Months of Operating Expenses That Can Be Covered With Cash Available) (Ideally 3 Months) (2018)	1.3 months	0.8 months	0.1 months	0.4 months	8.8 months	1.5 months	1.6 months average
Spending on Maintenance and Repairs % of Capital Equipment (2018)	0.5%	0.0%	2.7%	0.0%	0.0%	3.2%	0.1% (8% norm)
Municipal Staff per 100 000 population (2018)	158	445	141	187	288	107	405
% of Vacancies at Municipality (2018)	2%	44%	27%	27%	30%	43%	14%
% Senior Management Vacancies	5%	34%	44%	9%	36%	3%	
% Vacancy in Finance Positions(2018)	1%	44%	15%	21%	25%	44%	
% Vacancy of Technical Positions (2018)	1%	48%	27%	26%	28%	21%	

Source: Municipal Demarcation Board (2018), National Treasury (2020) MDM (2019); Municipalities of South Africa (2021)



In terms of financial management only GLM and MLM received unqualified audit in 2018/19 while the credibility of the municipal financial statements are under question in all the other cases. The financial indicators in the table above also show that the smaller local municipalities in the district (MLM, GTM and GGM) are highly dependent on higher levels of government (provincial, national) for financial sources. These smaller municipalities also experienced very high levels of non-payment for services as indicated in the low debt collection rates.

Only Greater Giyani and Greater Tzaneen experienced levels of fruitless and wasteful expenditure below the national average. Fruitless and wasteful expenditure was the highest in the MDM in 2018/19, as high as 57% of total municipal expenses.

Under- or over spending of capital and operational budgets also suggests challenges with financial planning and project management within the different municipalities. All the municipalities in the District apart from the MLM face liquidity challenges as indicated by the low cash coverage periods.

Also of concern is the low spending on maintenance and repairs, almost absent in the case of the smaller municipalities. GTM and the District municipality however made relatively larger provisions for maintenance spending although the District's performance was still under the recommended level (8% of asset value).

In terms of human resources, the per capita staff levels of all local municipalities are well below the national average which together with the relative high vacancy rates across the district suggests municipal under-staffing. The high vacancy rate of environmental compliance officers at BPM, GTM and on a district level is a concern in light of the large role that the mining sector plays in the district as well as the reliance of the district on nature-based tourism.

The new District Development Model (DDM) is an "all of government" approach aimed at achieving the constitutional goal of cooperative governance through the strengthening of intergovernmental coordination in the planning, budgeting and implementation of government programmes. This will ensure that all of the province's five districts have one district plan with one budget, which will promote the Khawuleza (hurry up) way of bringing services to the people. "The DDM has also been adopted as a logical intergovernmental vehicle for integrating and coordinating the implementation of all of government's COVID–19 and Gender-Based Violence and Femicide (GBVF) response, as well as the Economic Recovery and Reconstruction Plans in the 52 district spaces dubbed 'Impact Zones'," the Premier's office said in a statement. During his State of the Province Address, Mathabatha reiterated the importance of rebuilding the province from the devastating effects of the COVID-19 pandemic. This includes provision of quality healthcare, education, water, construction of roads, housing, job creation and more. During the Office of the Premier budget speech, Mathabatha said a district-by-district approach to development is exactly what the country needs, as each district has its unique challenges and competitive advantages. Mopani District's vision is "to be the food basket of Southern Africa and the tourism destination of choice".



5.1.2 HISTORIC LED PERFORMANCE AND INSTITUTIONAL ARRANGEMENTS

All the local municipalities and the district municipality, has LED officers with managers as well as an official within the LED official dedicated to the tourism sector. Greater Tzaneen also has Section 21 Economic Development Agency that implements LED projects on behalf of the municipality.

While all the municipalities have industry/private sector tourism chambers, the industry-based tourism chambers are most active in Greater Giyani and Ba-Phalaborwa municipalities with limited activity in the other three municipalities.

There are registered chambers of business/business associations in most municipalities although the level of active engagement is questionable throughout the district. The Ba-Phalaborwa Chamber of Business has become less active over the years and currently has no limited if any active members.

In terms of the 2006-2012 MDM LED strategy, LED implementation gaps were reported ascribed to a variety of factors including the lack of local champions, lack of stakeholder buy-in, lack of institutional capacity; lack of funding; lack of marketing and lack of investment by the private sector. In addition, projects seldom seem to involve the private sector (MDM, 2013). The District Municipality last formulated a LED strategy for the period 2013 to 2019. Of the 20 identified LED projects in the 2019/20 District IDP, eight projects are in the process of implementation (six) or completed (two) while 12 projects either were postponed due to COVID-19 (six) and six were not implemented.

Of the 5 local municipalities in the District, only Greater Tzaneen has an updated LED strategy (2017 – 2022). No feedback was received from the municipality or the development agency in terms of the performance of the different LED programmes. It is unclear whether there is formal M&E reporting on a regular basis on the LED strategy.

Ba-Phalaborwa Municipality has no updated LED strategy and its last strategy (2014-2019) was not formally accepted by the municipal council nor implemented since it was considered 'non-implementable'. None of the other smaller municipalities in the District (Greater Letaba, Greater Giyani and Maruleng) has current updated LED strategies (after 2019). None of the municipalities or the district has a dedicated tourism strategy. Greater Tzaneen is in the process of developing a tourism strategy targeted to be completed this year.

The MDM COVID-19 recovery plan acknowledged the need to revamp the LED Forum and activate the Sector Fora especially the tourism sector in line with the National Tourism Sector Strategy (MDM, 2020).



SECTION SIX: PHYSICAL PROFILE

6.1PHYSICAL PLANNING

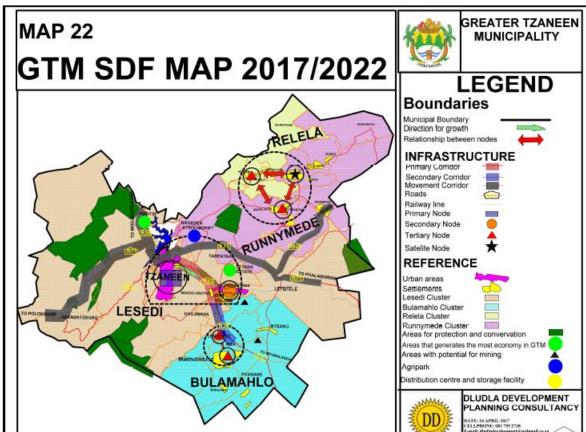
Figure 14: Greater Tzaneen SDF

6.1.1 SPATIAL DEVELOPMENT PLANNING

The Greater Tzaneen Spatial Development Framework (SDF) was updated in 2017 (2017 - 2022). The SDF identifies Nkowankowa, (a District Growth Point) as a primary development area that attracts people from the region or beyond, through the creation of a conducive environment for business, industrial and institutional development. In order to unlocking the development potential of the towns to attract investors and retain spending the revival of Bindzulani centre and the Nkowankowa industrial area is envisaged.

MAP 22 GTM SDF MAP 2017/2022

MUNICIPALITY EGEND Boundaries Municipal Boundary Direction for growth Relationship between nodes INFRASTRUCTURE Secondary Corridor Movement Corridor Roads Railway line Primary Node Secondary Node Tertiary Node Satelite Node REFERENCE Settlements Lesedi Cluste Bulamahlo Cluster Runnymede Cluster
Areas for protection and convervation Areas that generates the most economy in GTM Areas with potential for mining Agripark



The planning focus for the area is also on the formalization of informal settlements and prevention of urban sprawl. In terms of the tourism sector the focus should be on community and village tourism development.



Burgersdorp (Municipal Growth Point) is considered a second priority for residential, infrastructural, social and economic development. Priorities identified for the area include a Development community hall: development of filling station with taxi rank and hawker facilities as well as the development of Maake Shopping Centre. In terms of the tourism sector the focus should be on community and village tourism development.

Moleketla / Mandlakazi (Municipal Growth Point) is considered a second priority for residential, infrastructural, social and economic development. Priorities identified for the area include a Development community hall: development of filling station with taxi rank and hawker facilities as well as the development of Nwamitwa Shopping Centre. In terms of the tourism sector the focus should be on community and village tourism development. Letsitele (Municipal Growth Point is considered a third priority for residential, infrastructural, social and economic development but a first priority for tourism development.

The Greater Giyani Spatial Development Framework (SDF) was last updated in 2013 (2013-2018) and is currently up for review. The 2013 Spatial Development Framework identifies Giyani Sections A, B, D, E and F as first order settlement and the villages of Dzumeri, Shawela and Nkomo as second order settlements. All other villages are considered third order settlements. Giyani is furthermore identified as a Provincial Growth Point; Ndhambi as District growth Point; Xawela, Nkomo, Xikhumba, Muyexe Gonono Dingamanzi as Municipall growth points and Mavalani, Thomo Homu, Ngove and Xikukwani as Local Growth points.

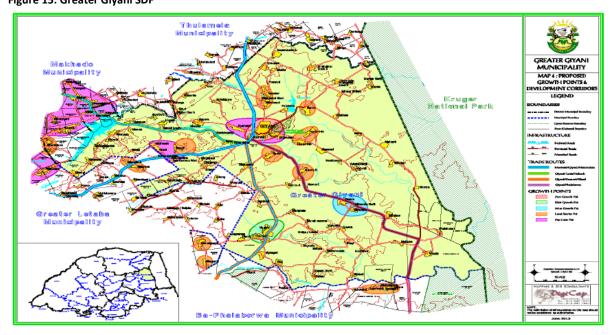


Figure 15: Greater Giyani SDF

The Greater Giyani Integrated Development Plan (2019/20) identifies the following strategic land for development purposes:



- The land which is situated north of R81 road from Giyani to Polokwane is strategically located for residential purposes in line with the government objective of creating sustainable integrated human settlements. The land will accommodate high, medium and low income earners;
- The land which is situated adjacent to the CBD is strategically located for both residential and business purposes. The municipality is in the process of developing the infrastructure master plan which will assist to develop the land. Currently negotiations are going on between the municipality and traditional leaders for the release of land which is suitable for development
- The municipality has earmarked the government land which is situated east of the R81 road to Polokwane and north of the R71 road to Tzaneen next to area commissioner's office for business development
- Strategic Land of industrial development is located along R81 to Malamulele with envisaged growth to be towards the west. The area is ideal since it is not within environmental sensitive areas such as water bodies and minerals.

The Ba-Phalaborwa Spatial Development Framework (SDF) was last reviewed as part of the Integrated Development Planning Plan in 2019/2020. Phalaborwa is identified as a Provincial Growth Point: Namakgale and Gravelotte as District growth points and Lulekani and Selwane as Municipal growth points.

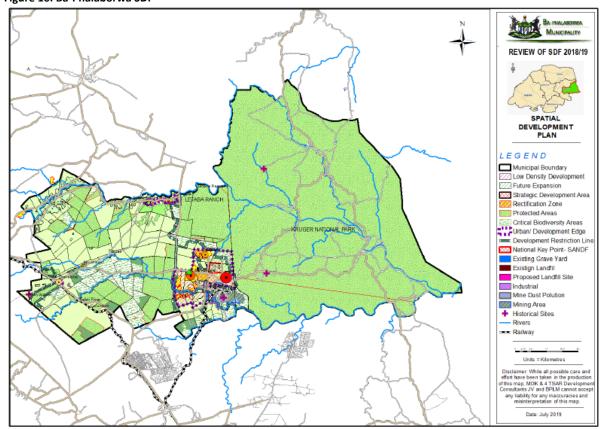


Figure 16: Ba-Phalaborwa SDF

Modjadjiskloof has been identified as a provincial node, Ga-Kgapane as a district node and Senwamokgope as a municipal growth node. Development initiatives and projects should be



directed to those areas where development potential is present. Suitable land should be identified and reserved for development at each nodal point.

Ba-Phalaborwa spatial priorities include the promotion of corridors. The following corridors exist in Ba-Phalaborwa:

- The R40 (Kruger to Canyons route) connecting Phalaborwa-Hoedspruit-Acornhoek-Hazyview-White River and Nelspruit
- R71 connecting Phalaborwa-Gravelotte-Tzaneen, Polokwane –Pretoria and Johannesburg
- The new Phalaborwa-Giyani road that qualifies to be called the "Ivory Route" connecting Phalaborwa-Giyani-Thohoyandou-Makhado-Messina-Zimbabwe,
- The Ivory Route that goes through the Letaba Ranch and
- The Bush to Beach route connecting Phalaborwa-Massingir-Xai-Xai tourism route.

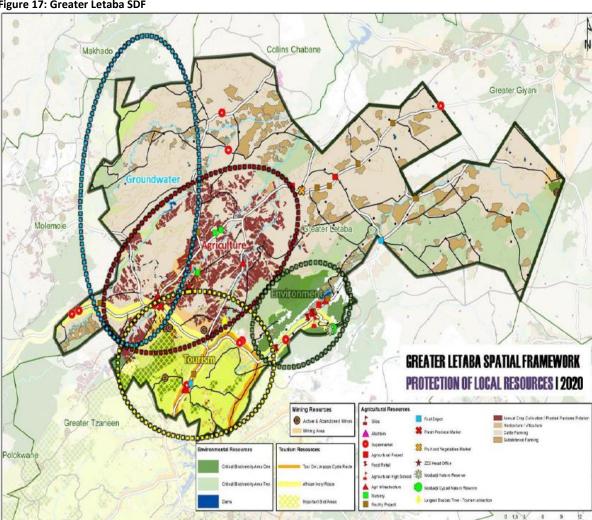


Figure 17: Greater Letaba SDF

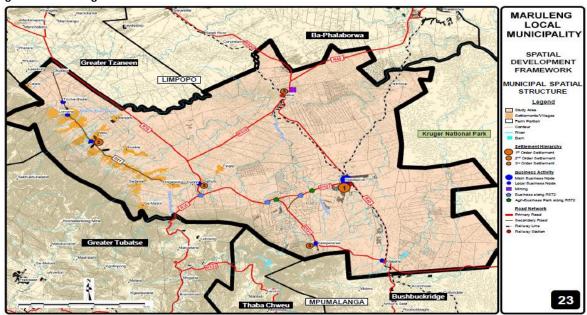
Greater Letaba Spatial Development Framework (SDF) was last reviewed in 2011. The municipal SDF identifies the following spatial priorities in the area:

Growth points/1st order settlements in the area include Modjadjiskloof, Ga-Kgapane and Senwamokgope. These settlements are located relatively close to each other and host meaningful economic and social activities as well as services for potential business



- Mokwakwaila is considered a 2nd order settlement with a relatively large population but virtually without an and no infrastructure services
- Mapalle, Rotterdam and Motlhele are $3^{rd} 5^{th}$ order settlements. The areas are traditionally rural areas with limited potential for self-sustained growth and no economic base
- The Greater Letaba Municipality SDF has identified the area around the Matswi Dam as a potential recreational area and planned to conduct a feasibility study around the potential to develop the area.

Figure 18: Maruleng SDF



Maruleng Spatial Development Framework (SDF) was last reviewed in 2014/15. There are no provincial growth points in the municipality. The following municipal growth points are identified:

- Hoedspruit is identified as a District Growth Point (1st order) and is considered the centre of the tourism industry in the municipality. The town is well developed in terms of existing infrastructure and has potential for further growth
- Metz central (including Lorraine) is a Municipal Growth Point (2nd order) with strategically located villages, existing infrastructure and the potential for further development
- The Oaks, Kampersrus, Mica and Blyde are third order areas characterised by high population densities. The need is identified to establish a municipal development corridor linking the rural villages of Oaks-Metz-Trichardtsdal through an infrastructure network to stimulate economic development
- All other villages are considered fourth order areas with limited growth potential and challenges
 in terms of infrastructure backlogs. There is an opportunity for local economic development
 along the foothills of the Drakensberg Environmental Area.

On a district level, 3 towns qualified as Industrial Development points, namely Giyani, Tzaneen and Nkowakowa. Major trading centres in the district include Tzaneen/ Nkowakowa/ Lenyenye node, the Phalaborwa/ Lulekani/ Namakgale node and to a lesser extent the Giyani node. The Mopani District



SDF was compiled in 2007 and a review was planned for 2018/29. The review has not yet been completed.

6.1.2 THE SPATIAL DEVELOPMENT FOCUS OF THE RURAL DEVELOPMENT PLAN

The Mopani District Rural Development Plan (MDRDP) identified the following six intervention areas in Mopani District.

MOPANI DRDP SPATIAL REPRESENTATION OF NICHE PRODUCTS Legend \odot Towns Secondary roads Main Roads Mopani Worms Marula Trees Kruger National Parl - National Park Modjadjiskloof Intervention Areas Functional Regions Ehlanzeni 30 Km Greater Sekhukhune

Figure 19: Intervention areas and niche products

Source: DRDLR, 2016.

The MDRDP provides the following rural development profiles of the different intervention areas (Department Rural Development and Land Reform, 2016).



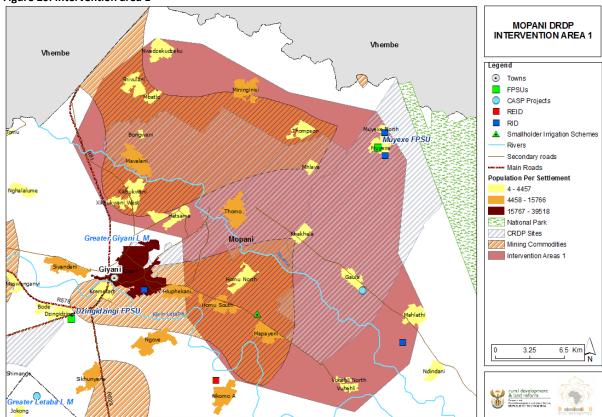


Figure 20: Intervention area 1

Intervention Area 1 (GGM): Muyexe and Surrounding Villages

- This area include Muyexe, Mapayeni, Nwazekuzeku and Homu and other villages
- Hudson Ntsanwisi dam needs to be utilized fully to provide water to the schemes since there are
 plenty of irrigation schemes in the area. Water scarcity that led to collapse of the schemes.
 There are agricultural schemes along the perennial rivers that are abandoned and they need to
 be revitalized so that they can enter the mainstream economy. Most of them produce
 vegetables and grain products, which are sold to the local markets
- The Homu Banana Agriculture Scheme is of the agricultural schemes that are not functioning properly. The scheme has infrastructure; it only needs to be revitalized and funded. Water shortage is one of the challenges for the survival of the scheme
- The intervention area links to the Shangoni gate planned for the Kruger National Park. The opening of this gate will lead to the opening of a lot of tourism opportunities and could local business such as guesthouses, lodges, and man-made sculptures
- The potential of the area can be realized by utilizing the Mopani worm which is a source of food that can be harvested and sold as a source of income
- There is an existing Muyexe Comprehensive Rural Development Programme (CRDP) site that is an initiative from the Department of Rural Development and Land Reform which is not functional at the moment and needs to be functionalized for it to operate further
- Potential for animal farming, there is an existing opportunity for animal farming but it is still
 conducted in a subsistence way. A typical example of thriving red meat business is Gaza
 beef/abattoir although it is privately owned. This is one of the successful projects in Giyani,
 amongst others, and it has employed a lot of people, although it is private



- There are many mines that closed down and that led to loss of plenty of jobs for the local people. There is therefore need for feasibility studies to be conducted in order to ascertain if mining can still be revitalized. In addition, there are a lot of minerals prospected in the intervention area that need to be taken further
- Illegal sand mining occurs along the rivers

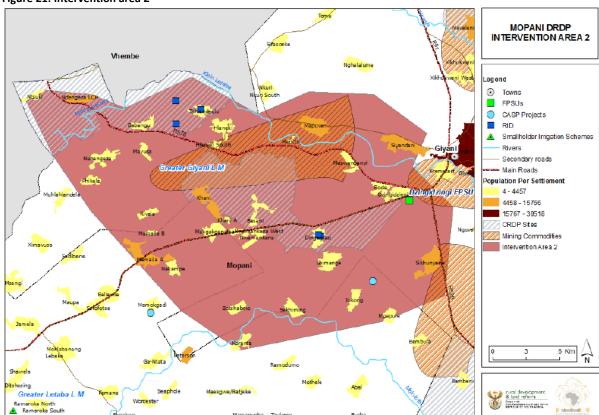


Figure 21: Intervention area 2

Intervention Area 2 (GGM): Dzingidzingi, Dingamanzi, Jokong, Ndengedza, Siyandani and surrounding villages

- The region is in close proximity to Giyani, which is a district gateway on the Western side. The villages are along R 81 road from Mooketsi and also along R 578 to Elim. It is well serviced by transport infrastructure as it is close to Kruger National Park
- There is a belt of farms in Hlaneki and Dzingidzingi area that were once functional but are now lying fallow due to water scarcity problems. While the area has a lot of potential but there is need for infrastructure development
- Giyani Essential Oils has been operational for years and the main function is the production of
 ointments oils, mosquito repellents candles, olive oils and other by-products. The only challenge
 they have is that the facility is currently using boreholes as a source of water and when they do
 not have electricity, production stops and that affects output. The facility has appointed a lot of
 people and this has had an impact on the creation of job opportunities.
- The Oyster mushroom and Bee keeping project is no longer operational and people have lost jobs. The infrastructure is currently used for a local crèche



- There are many mines that closed down resulting in local job losses. For example, Gold mines in Siyandani and Mencisi village that has closed needs revitalization and further research
- Giyani stone crusher used to be operational and it had appointed more than 60 people but it
 collapsed, leading to loss of jobs. At this moment, there is a new investor who is in the process
 of resuscitating it so that it can be operational. Other related projects that have closed down are
 Siyandani quarry and Xikukwani mining. There are prospected mining potential in the Homu 14
 area (birthday mines).
- The Mopane worm factory in Dzumeri (a MDM initiative) is not operational at this moment due to administration and management reasons. There is need for feasibility studies to be conducted on the operation of the facility as well as harvesting and storage and processing of the worms in other areas of the district
- Dzingidzingi village is located approximately 5km west of Giyani town along the R578 road to Elim and close to the junction. The proposed FPSU will boost the local farmers with services especially along the 578 road. This will assist in reviving the farms that are lying fallow and abandoned.

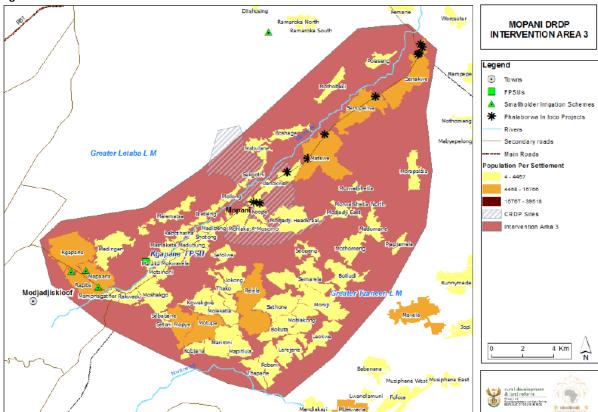


Figure 22: Intervention area 3

Intervention Area 3 (GLM): Ga-Modjadji, Malubana, and Budza

- This area encompasses numerous settlements including Ga-Modjadji, Senwamokgope,
 Malubana and Budza and others
- Accessibility in certain areas is a challenge due to the quality of the existing road infrastructure which consists of a combination of semi-tarred and gravel roads



- The area is also characterised by water scarcity, abandoned agricultural schemes and delays in land schemes
- There is an existing CRDP site in the intervention area at Sekgoti, Lenokwe, Modjadji and Mohlala villages that could assist in infrastructure development, supporting and boosting the rural economy
- Crop farming is one if the commodities dominant in the intervention area both commercial and subsistence. Availability of rivers and dams such as Matswi makes it possible for crop farming to be taken forward. There are many schemes that need to be supported through running and operating capital and infrastructure. The dominant crops are maize, tomatoes, potatoes and onions and they are transported to the close markets in Tzaneen and the surrounding areas.
- There are existing tourism potentials in the area that need to be marketed further so that they
 can boost the local economy. Tourism and cultural activities need to be marketed and supported
 further e.g. the Modjadji Nature reserve (cycad), Modjadji Kraal, Balobedu ruins, and Manukwe
 cave, which is approximately 7km long. There is a need for further research on each tourism
 activity.
- The Farmer Production Support Unit (FPSU) related to the District Agri-Park is planned at Kgapane/Modjadji and will assist the local farmers with services such as skills, capacity, marketing and other services

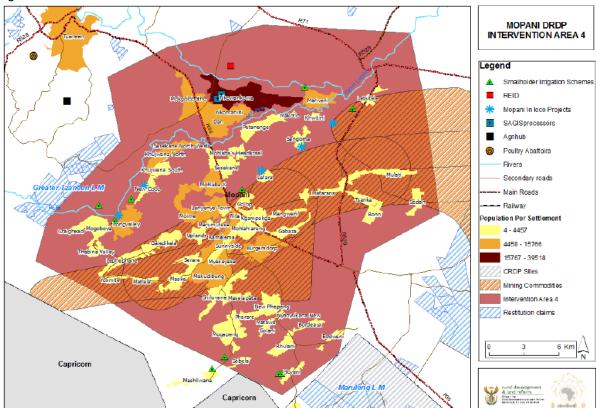


Figure 23: Intervention area 4

Intervention Area 4 (GTM): Burgersdorp, Moime and adjacent villages

 Settlements in the area include Burgersdorp and Moime with a population of over 5 000, New-Coop Thabina, Hovheni and Gabaza and others



- The area has a vast opportunity in crop farming and it has high rate of rainfall throughout the season. Crop farming is the dominant form of agriculture in the intervention area and the majority of crops are maize, vegetables (cabbage) and mango. There is an existing Atchar factory in the area that harvests mangoes from the local farmers and convert them into products such as Atchar and juice. There is also maize storage that assists farmers in storing their maize
- The region has 9 smallholder irrigation schemes that are close to some restitution claims and land reform programme
- There are still challenges in terms of the operation of the irrigation schemes with most of them
 are facing challenges such as poor infrastructure, lack of administration skills and lack of support
 from government
- The district's Moshupatsela Agri-Hub site is located along R71 route 9km east of Tzaneen town.
 The site measures approximately 2000Ha in extent and is strategically located adjacent to the
 regional route linking the economic node of Tzaneen to outlying areas such as Phalaborwa and
 Hoedspruit. Existing infrastructure on the site includes a dilapidated Atchar processing facility
 together with old disused warehouses
- The area is also in close proximity to the Agri-Park site is the Nkowankowa Industrial Park that has been earmarked by the DTI for revitalization. The area has experienced capital / investment flight over the years with a notable portion of factories lying vacant and in ruins. Existing activities in the industrial site include a number of milling sites such as the Letaba Milling which work directly with local farmers in terms of processing and packaging raw crops produced within local agricultural scheme
- There is an abandoned sisal factory that needs to be revamped and renovated
- Key issues identified in the intervention area are lack of water, lack of farming infrastructure, limited/ poor connectivity between areas and the lack of functional public transportation in certain areas.
- There is also gold mining belt in the intervention area with platinum, titanium and copper being prospected in the area.



Mithed be Gravela MOPANI DRDP INTERVENTION AREA 6 Mzilola Mayephu Leaend Matsotsosela (e) Towns FPSUs Catalytic Projects Smallholder Irrigation Scheme REID Ga Selwane FPSU Kodweri Gaselwana Nyakalara Mahala RID Development Nodes Rivers Secondary roads lation Per Settlement 4 - 4457 15767 - 39518 CRDP Sites Mining Commodities Restitution claims 7.5 Km Namakgale 0

Figure 24: Intervention area 5

Source: DRDLR, 2016.

Intervention Area 5 (MLM): North eastern sections of Maruleng including Bismark, Metz and Oaks

- Villages and settlements in the identified area include Finale, Sekororo, Bismark, Mabins, Lorraine, Madeira, Ofcolaco, Callais, Trichardal, Balloon and other areas including Metz and Oaks. Lorraine is categorised as a dense village with over 5 000 people
- There are 8 smallholder irrigation schemes in the area which are served by Olifants River
- The area is characterised by poor infrastructure
- Agricultural activities in the area are oriented towards mangos and crop production. Thus there
 is an atchar factory earmarked for the area.
- There are more than 10 farms that were restored through the land reform process. However the
 farms are not fully utilized as most of them are vandalized and are no longer in the state they
 were at transfer
- Agricultural Schemes in the areas include the Lebopo Scheme and privately administered schemes such as IMM Farming which focuses on crop production
- Similar to other rural areas in the district, subsistence farming is an ongoing reality for most of the poverty stricken households
- Animal production is also prevalent in the Loraine and Sekororo area and there is a proposed abattoir in the vicinity Morupu-Mmola village close to Madiera village, which will assist local farmers in selling their animals to the outside market
- There are a lot of tourism activities in the area ranging from bush camping and wild life in the proximity



- Although mining activities play a large role in the larger Maruleng area, there is little evidence of mining in the area although there is need for further investigation and prospecting
- There is evidence of illegal sand mining in the area.

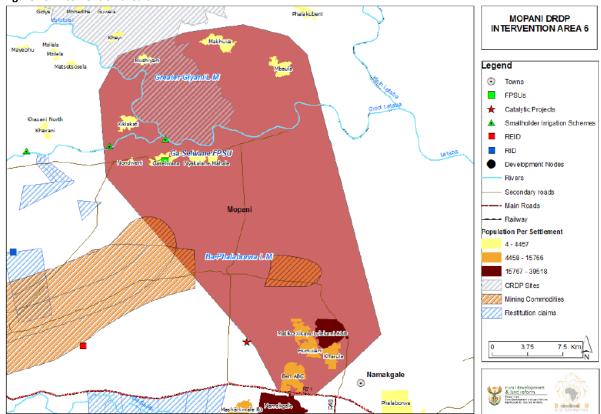


Figure 25: Intervention area 6

Source: DRDLR, 2016.

Intervention Area 6 (BPM): Humulani, Nondweni, Mahale and other settlements

- This intervention area includes Humulani, Nondweni, Mahale, Matiko-Xikaya and Selwane and others in the eastern parts of Ba-Phalaborwa
- Crop production is dominant in the northern part of the intervention area in Selwane and Prieska villages. The crops that are produced are peppadew, tomatoes, maize, cucumbers and other vegetables. The products are transported to local markets in Phalaborwa and even Tzaneen. Roads conditions are the greatest challenges hindering the marketing of products in this area
- The Selwane, Prieska-Eiland area is approximately 45km north of Phalaborwa toward Giyani and constitutes 40 50 functional irrigation schemes with a diverse agricultural focus. Current irrigation schemes contribute significantly towards the empowerment of local communities and in women in particular (200 + women currently employed in the irrigation schemes)
- The area receives external support for local farmers are through the Department of Agriculture
 which provides seeds and other start-up products. However, lack of farming infrastructure
 remains a clear challenge in the area
- Farmers use diesel engines to pump water from the river to the schemes. The average consumption of a diesel engine is 350 litres per day and they obtain diesel approximately 45km away in Gravelotte or Namakgale



- There are also abundant Mopani worms in the area which need to be marketed further.
- Marula trees are is one of the dominant commodities dominant in the Mopani region especially
 on the north-eastern part of the district. Some activities developed around Marula trees basic
 processing of pulp form Amarula liquor; Marula beer manufacturing, using the nut inside the
 seed for making oils and ointments. and an annual event for Marula beer in Mopani region held
 in Phalaborwa area
- The intervention area borders Kruger national park on the east and this makes the area to have greater advantage in as far as tourism is concerned
- Most of the people work for the mining companies in the Phalaborwa area however there are no mining activities in the intervention area itself
- There is evidence of illegal sand mining in the area.

6.2 ECONOMIC INFRASTRUCTURE

The Economic infrastructure provides enabling services such as Transport (Road, Rail & Aviation), Energy, Telecommunications, Water and Sanitation& Waste Management in to support a productive economy. Without these enabling services and proper service delivery economic activity is severely hampered and development (growth) virtually impossible.

6.2.1 TRANSPORT INFRASTRUCTURE

National Roads in the Mopani District are managed by the South African National Roads Agency (SANRAL) and are in good condition. Road Agency Limpopo (RAL) is the roads authority for provincial roads as well as District roads. RAL is currently responsible for paving/tarring of gravel roads. The Mopani District has a total of 3386 km of Provincial and District roads, of which less than 40% is tarred (MDM, 2019).

Table 32: Total Distances (km) tarred and gravel roads in the Mopani District

Municipality	Tarred roads (km)	% Tarred	Gravel roads (km)	% Gravel	Total (km)
Ba-Phalaborwa	211	46	245	54	456
Greater Tzaneen	419	40	612	59	1031
Greater Giyani	173	25	509	75	682
Greater Letaba	194	29	457	70	651
Maruleng	314	55	248	44	563
Mopani/Total	1313	39	2071	61	3385

Source: MDM (2019)

The under-serviced areas are mainly found in Greater Tzaneen and Greater Giyani Municipalities. Giyani has a large number of rural settlements that are scattered and not easily accessible as the road conditions are not well-serviced. This provides an opportunity for the application of labour intensive methods (EPWP) in the servicing of rural streets. This would require a conscious effort and strategy to establish community partnerships that would ensure the beneficiaries' physical involvement in government's rendering of public services (MDM, 2019). The District Rural



Development Plan(DRDP) identiied some 229 km of prioirty roads iin the district that needs to be upgraded (Department Rural Development and Land Reform, 2016).

In terms of public transport, minibus taxis is the most popular means of transport public to work, school, shops & health care and even rural and urban areas. It is clear that the public transport demand in the district cannot be met by the provision of services by the current bus operators due to the vastness of the area and the condition of, particularly, gravel roads in the district. The major bus termini in District are limited to Tzaneen, Modjadjiskloof, Giyani and Phalaborwa (MDM, 2019).

As indicated in the table below, 75% of the minibus taxi ranks/facilities are informal. The high percentage of informal taxi facilities especially in Ba-Phalaborwa is evident from the table (MDM, 2019).

Table 33: Minibus Taxi Facilities, 2019

Municipality	Number of formal minibus	Informal minibu	us taxi facilities	Total number of
wumcipanty	taxi facilities			minibus taxi facilities
Ba-Phalaborwa	1	9	90%	10
Greater Giyani	4	10	71%	14
Greater Letaba	4	7	64%	11
Greater Tzaneen	3	20	87%	23
Maruleng	4	2	33%	6
Total for MDM	16	48	75%	64

Source: MDM (2019)

Railway lines in Limpopo are dissected by various provincial borders and as such, do not form end to end corridors within the provincial borders themselves. The railway infrastructure in the Mopani District Municipality is not well developed and/or freight transported was diverted to road transport. The Groenbult- Tzaneen- Hoedspruit (and Phalaborwa branch) is the only railway line that runs through the District linking Hoedspruit, Tzaneen and Phalaborwa to Zimbabwe (via Beitbridge) and the rest of South Africa (Gauteng, Mpumalanga and seaports in KwaZulu-Natal). The line is mainly used for freight transport and services the District's agriculture and mining sectors. The only passenger rail service runs from Hoedspruit to Nelspruit (and hence to Gauteng) (Safiri, 2021).

The following are the airports and landing strips available in the Mopani District Municipality and the economic activity around each Local Municipality:

- Hoedspruit (Maruleng) Eastgate airport and landing strip Originally constructed for use by the South African Air Force. It is now commercial with flights to Gauteng and Cape Town. Mostly used by public and tourists, including game hunters
- Siyandani (in Giyani) is Government owned but not always maintained, used for mines, agriculture and shopping. Cattle and other animals roam on the strip.
- ZZ2 (GLM) agricultural produce (tomatoes) (Privately owned)
- Ba-Phalaborwa mines (Privately owned). Airlink services business tourists until 3 years ago.
 Currently no commercial flights service this airport with tourists to the area now using the Hoedspruit or Eastgate airport.
- Eiland (Ba-Phalaborwa) tourism (Privately owned)



Tzaneen – agricultural produce (Privately owned)

Privately owned air strips may not be relied upon for commercial purposes for either goods or public. The District is still investigating the possibility to operate airports in terms of its assigned Powers and Functions (MDM, 2019).

The MDM Integrated Development Plan (IDP) identified the following major challenges related to transport infrastructure in the district (MDM, 2019):

- Priority roads that need upgrading from gravel to paved/tar
- Backlog in the maintenance of tarred roads
- Backlog in storm water drainages
- Maintenance of street networks in villages
- Lack of access bridges
- Most bus terminals are without adequate facilities (shelters, toilets, ticket sales points etc.)
- The large percentage of informal taxi ranks is underserviced posing potential road and public safety risks as well as inconvenience to clients. Only 7% of the taxi ranks in the district have lighting and only 15% have shelters and ablution blocks.

6.2.2 TELECOMMUNICATIONS

Telecommunication is an information infrastructure that plays a crucial role in the development of society. The telecommunication sector is an indispensable backbone for the development of other socio-economic sectors. An effective telecommunication infrastructure, that includes universal access, is essential to enable the delivery of basic services and the development of deprived areas.

Within the district telephone access is reasonable, but Internet access is poor. The majority of households in Mopani do have access to cellular phones. Network coverage from Vodacom, MTN and Cell-C is fairly good. The district is fairly well provided with a public telephone system with more than 53% of all households having access to a public telephone at a nearby location. There are still few households who do not have telephones within their dwellings. Generally, the availability of telecommunication infrastructure is very similar across the various local municipalities. There are, however, some sparse areas where there is no network coverage (e.g Hlomela village).

In Mopani District only has 18 570 out of 305 498 (5.7%) of households with access to internet. This is a major concern in term of access to modern mainstream economic activities.

Table 34: Distribution of households by access to internet services

District and Local Municipality			
	Access to Internet	No Access to Internet	Access % of households
LIM331: Greater Giyani	4 156	64 483	6.1%
LIM332: Greater Letaba	2 215	60 391	3.5%
LIM333: Greater Tzaneen	6 129	109 799	5.3%
LIM334: Ba-Phalaborwa	3 252	44 989	6.7%
LIM331: Maruleng	2 818	25 836	9.8%
DC33: Mopani	18 570	305 498	5.7%

Source: Stats SA, Community Survey (2016)



6.2.3 ENERGY

Energy distribution has important economic development implications with a potential to make a considerable development impact. This impact relates to improved standard of living in which people are able to use electric stoves for cooking, electronic equipment such as TVs, sound systems, lights, etc. It also enables people to establish small businesses such as welding, catering and other mechanical works.

Within the Mopani District more than 94% of households have access to electricity for lighting purposes, 54% for cooking, 56% for water heating and 46% for space heating.

As indicated in the table below all the local municipalities have more than 92% households with access to electricity for lighting with the highest (98%) in Ba-Phalaborwa, which also has the highest figures for cooking (75%), water heating (65%) and space heating (61%). Greater Giyani and Greater Letaba have the highest portion of households without access to electricity for water heating which could signify a gap for the roll-out of solar water heaters to these areas. It would however largely depend on closing the gap of in-house water provision in the local area. There could also be a gap for off-grid cookers in these areas.

Table 35: Access to electricity for cooking, lighting, water heating and space heating

District and Local Municipality	Cooking	Lighting	Water heating	Space heating	Cooking	Lighting	Water heating	Space heating
		Num	nber		%			
LIM331: Greater Giyani	22 463	65 223	22 664	20 783	31.9%	92.5%	32.2%	29.5%
LIM332: Greater Letaba	33 382	64 116	35 402	29 352	49.8%	95.6%	32.2%	43.8%
LIM333: Greater Tzaneen	80 111	114 974	80 637	64 591	65.2%	93.6%	52.8%	52.6%
LIM334: Ba-Phalaborwa	37 177	48 237	37 915	30 098	75.7%	98.2%	65.7%	61.3%
LIM331: Maruleng	12 442	27 632	12 994	12 397	42.9%	95.3%	77.2%	42.7%
DC33: Mopani	185 575	320 182	189 612	157 221	54.8%	94.6%	56.0%	46.5%

Source: Stats SA, Community Survey (2016)

Despite the relatively high access to electricity, households make use of a variety of different sources to meet their energy needs, especially for cooking and heating purposes. Informal wood harvesting for cooking or heating fuels could also have environmental impacts if indigenous trees are harvested at an unsustainable rate. It could also have negative health impacts on households if indoor ventilation conditions are not sufficient.

In Mopani, electricity is largely provided by ESKOM. Only two Local municipalities (BPM & GTM) are licenced to provide electricity. The GGM, MLM and GLM are fully dependent on ESKOM. Mopani District Municipality has a role of providing bulk electricity to the local municipalities. However, this function is yet to be fully undertaken (MDM, 2019).



The MDM Integrated Development Plan (IDP) identified the following major challenges related to energy infrastructure in the district (MDM, 2019):

- Continuous establishment of uncoordinated new settlements aggravates the high demand of electricity supply
- ESKOM power stations and distribution network needs to be upgraded
- Theft and vandalism of transformers and cables
- High cost of electricity compels poor households to top up the energy with wood
- Negative Impacts of energy outages on economic activities.

6.2.4 WATER AND SANITATION

Water scarcity was highlighted as one of the primary barriers to rural development in Mopani. The Mopani district is characterized by low rainfall and regular drought conditions especially in lowerlying areas of the district such as Greater Giyani and Phalaborwa. This results in limited water resources and water shortages. To eradicate the water backlog, Mopani district as the water services authority has prioritized water services as the first service among all the other services. Climate change could furthermore result in extreme rainfall patterns (droughts and floods) in the region in future.

The district experiences the following challenges in terms of water supply (Maake, 2015):

- Inadequate water resources
- Capacity of the water infrastructure
- Poor planning and intergovernmental relations
- Poor implementation of water service by-laws
- Municipal Financial management.

The 2018 Municipal Strategic Self-Assessment survey Mussa (2018) indicates the following vulnerabilities in the district:

- Water Conservation & Water Demand Management (WC/WDM) (35%)
- Infrastructure Asset Management (IAM) (35%)
- Drinking Water Safety & Regulatory Compliance (30%)
- Water Resource Management (WRM) (25%)
- Staff Skill Levels (Technical) and Capacity (Numbers) (20%)
- Wastewater/Environmental Safety & Regulatory Compliance (10%)
- Operation & Maintenance of Assets (0%)

There are over 20 (small and large) dams in the district with 9 being used for primary consumption (domestic, industrial and commercial) - the other dams are used mainly for irrigation purposes.

The three biggest dams (Middle Letaba, Tzaneen and Ebenezer) have a total capacity of 400 million m³. The total yield from the dams for primary usage is 273 million m³ per annum. The agricultural sector uses the greatest portion of the available yield in the district, which is estimated at 70%, leaving 30 % for the other water users. The following dams are envisaged to augment the water



supply to the Mopani District: Nandoni, in the Luvuhvu River in Vhembe District, Nwamitwa in Greater Tzaneen Municipality and Blyde River Mpumalanga (MDM, 2019).

In terms of water infrastructure Ba-Phalaborwa municipality has an adequate reticulation system, followed by Greater Tzaneen Municipality. The limited availability of infrastructure in Greater Giyani is attributed to the fact that the villages in the Greater Giyani area are spatially scattered, resulting in difficult and expensive processes to provide water supply pipelines in the villages. Poorly managed waste disposal sites also have adverse impact on the water resources as they cause contamination/pollution of surface and ground water (MDM, 2019).

Waste water treatments works currently only serve a fraction of the district's population. As indicated above, most people in the district use pit latrines (74%). The lack of access to basic sanitation services has created massive environmental and health problems in both rural and urban areas in the district. The high backlog in the RDP level sanitation in villages constitutes a major risk in terms of ground water pollution. The main types of sanitary systems used in the district are water-borne sewerage (flush toilets), septic tanks, Ventilated Improved Pit latrines (VIP), French drains and ordinary pit latrines. Water-borne sewerage is mainly found in towns and townships, septic tanks are mainly on privately owned properties like farms, hotels, etc., with the rest mainly found in rural areas (MDM, 2019).

6.2.5 WASTE MANAGEMENT

The Mopani District Municipality is still having a serious challenge with waste management despite the existence of the Integrated Waste Management Plans for all local Municipalities in the district. Most of waste management services are rendered in townships and to a limited scale to rural households. It is the responsibility of the Mopani District Council to ensure that there are appropriate and authorized waste disposal sites that are well managed. Hazardous and medical wastes are transported to disposal facilities in Gauteng by private contractors.

As indicated earlier, there are still large backlogs in terms of regular waste collection in the Mopani District. Most rural communities in Mopani do not have access to regular waste removal services by their local municipalities. Only 72 out of the 354 (20%) of Rural Settlements have access to refuse removal and 16% of households has access to a local authority/private company/community to collect refuse at least once a week. There are numerous illegal dumping sites that are utilized by the communities and industries, posing a serious health risk and contamination surface and ground water.

The MDM Integrated Development Plan (IDP) identified the following major challenges related to waste management infrastructure in the different municipalities (MDM, 2019):

Ba-Phalaborwa

- The current waste disposal site is full, and needs closure and rehabilitation
- The new identified landfill site is delayed because of a problem in the outcome of a land claim. A recycling centre is planned for the new landfill.

Greater Letaba

There is no general waste landfill site. Waste is transported to Greater Tzaneen municipality



- A new site has been identified between Modjadjiskloof and Mooketsi, the necessary agreement is yet to be finalized and the facility to be developed.
- The garden refuse site which is located at a stream bank causes serious water pollution.

Greater Giyani

- The Giyani town is currently using an unlicensed waste disposal site and is waiting for the new site to be developed
- GGM is authorized for a Waste Disposal site at Ngove/ Dzingidzingi village.

Greater Tzaneen

- Greater Tzaneen has a properly licensed landfill site
- The municipality has contracted out the waste removal services to a private company
- Rural areas are serviced by transfer facilities located at schools where villagers put their household refuse for further collection

Maruleng

- The Maruleng Municipality has licensed the London landfill site
- The municipality has been providing waste collection services in three management areas: Hoedspruit, Kampersrus and Drakensig for a total of 660 households. Twice a week kerb side collection in urban residential, and township take place. This accounts for collection from about 3% of households in both commercial and residential areas.

6.2.6 ECONOMIC ZONES AND DEVELOPMENTS

The following major development that could stimulate economic development in the district have been identified:

The Mopani District municipality has purchased a piece of land in extent of 158,5 ha, named Moshupatsela, strategically located along the road R71, about 9km from Tzaneen on the Phalaborwa road, to advance economic development in atchar factory, dried fruits, orchard and vegetables & chilli production. (MDM IDP, 2019)

The Agri-Hub for the Mopani District will be located to the south east of Tzaneen. The agri-park will include the following:

- Administrative facilities.
- Rental facilities,
- Agro-Processing facilities and machinery,
- Storage and freezing facilities,
- Storage and Packaging facilities,
- Quality control facilities,
- Agricultural input distribution and sales centre,
- Retail facilities,
- Training centre,
- Student and staff housing,
- Logistics and transport facilities,
- Parking,
- Warehousing facilities.



The first phase of the revitalised Nkowankowa Industrial Park in Greater Tzaneen began in 2020. It represents an investment of close to R40m by the DTI/IDC partnership as part of the Industrial Parks Revitalisation Programme which the department started to implement in 2016.

The Marula Industrial Hub envisaged for the Phalaborwa area will provide a platform to further exploit the tasty marula fruit, which has a high vitamin C content and is already produced as a beer and a liqueur. The Limpopo Department of Economic Development and Tourism (LEDET) is encouraging research into the uses of marula and the development of commercial products such as cosmetics and jams. The University of Limpopo is making good progress with a marula wine. Facilities at the hub will include a centre for research and processing facilities to create more value from the raw product. Advisors will be available to help small-scale farmers and SMMEs enter the formal economy.

6.3 ENVIRONMENTAL PROFILE

6.3.1 WATER AVAILABILITY AND QUALITY

The MDM is characterised by low rainfall, especially in the lower-lying areas of the district, namely, Greater Giyani and Ba-Phalaborwa. This results in limited water resources culminating in severe water shortages and regular drought conditions. The main surface water resources for the Mopani DM are the Letaba River catchment and all its tributaries. There is a huge potential for usage of borehole water as an augmentation to the surface water resources.

Climate has substantially altered and resulted in increasing heat episodes and dwindling and unreliable rainfall in Mopani District. This was further stressed in the IDP recognizing the changing climate and its threats on access to potable water, food security, and health effects to poverty-stricken communities.

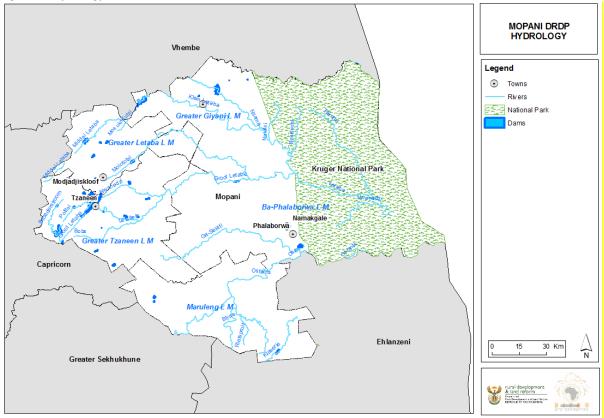
There are over 20 large dams in the district with 9 being used for primary consumption (domestic, industrial and commercial) and most of the other dams used for irrigation purposes. Some private small dams also exist and are used for irrigation purposes as well. The total yield from the dams for primary usage is 273 million m3 per annum. The agricultural sector uses the greatest portion of the available yield in the district, which is estimated at 70%, leaving 30% for other water users. Bulk water supply in Mopani is characterized by numerous surface water schemes in various stages of full development to all consumer points. Water supply scheme clusters are well defined and the service area boundaries are well established. Major upgrading and refurbishment are needed at most localities. The Middle Letaba Sub Scheme area and Modjadji areas are in need of extensions to the existing bulk supply systems. In general, the MDM is well provided with bulk water supply infrastructure.

Ba-Phalaborwa and Maruleng falls within the Olifants river catchment area which the NSDF classifies as one of the Natural Resource Risk Areas. These areas are under severe stress from an ecological perspective, while also being 'resource critical regions' for other economic sectors, such as mining, agriculture and human settlement. The Olifants Water Management Area (including parts of Mpumalanga and Limpopo) is characterised by large Irrigation schemes, major water quality



issues, and pressure from mining activities and energy generation. Policy guidelines for Natural Resource Risk Areas include rehabilitation of degraded and/or contaminated areas, regional cooperation, caution in approving applications and proposals for land-uses that reduce stream flow or affect water quality (e.g. mining operations and huge plantations), wetlands to be kept in good condition, invasive alien plants clearing programmes and the support of eco-enterprise activities and related livelihood opportunities.

Figure 26: Hydrology



Source: DRDLR, 2016.

6.3.2 AIR QUALITY

Air pollution is a major environmental problem affecting most areas in the MDM. Vehicles, mines and industries, as well as burning on the refuse dumping sites and onsite incineration by households pollute the air by releasing harmful gasses, especially in urban areas. In the villages, air pollution is caused by the burning of wood and coal to make fire, releasing carbon dioxide. Another source of air pollution is leakage of sewage and companies burning their waste.

The MDM is rated as having potentially poor or deteriorating air quality with Ba-Phalaborwa and Greater Tzaneen municipality's priority areas for air pollution control. The major contributors to this rating are the mining activities in Ba-Phalaborwa municipality and wood-drying activities concentrated in Greater Tzaneen municipality.45



6.3.3 BIODIVERSITY

The Savanna biome covers approximately 68% of the District with the remainder being made up of Grassland (16%) and Forest (10%) biomes. Azonal vegetation is found in patches along rivers and wetlands. MDM has twenty-five different vegetation types. Of these, 24 lie outside of the KNP. Nine of the 25 vegetation types are classified as *Threatened ecosystems*. Of these, 5 are classified as *Vulnerable*, 2 as *Endangered* and 2 as *Critically Endangered*. The majority of *Threatened ecosystems* are dispersed along the escarpment and in the north west of the District.

In addition to unique and diverse vegetation, the Lowveld region has a number of important geothermal springs (the resort in the Hans Merensky Nature Reserve and Soutini Baleni on the banks of the Little Letaba River.)

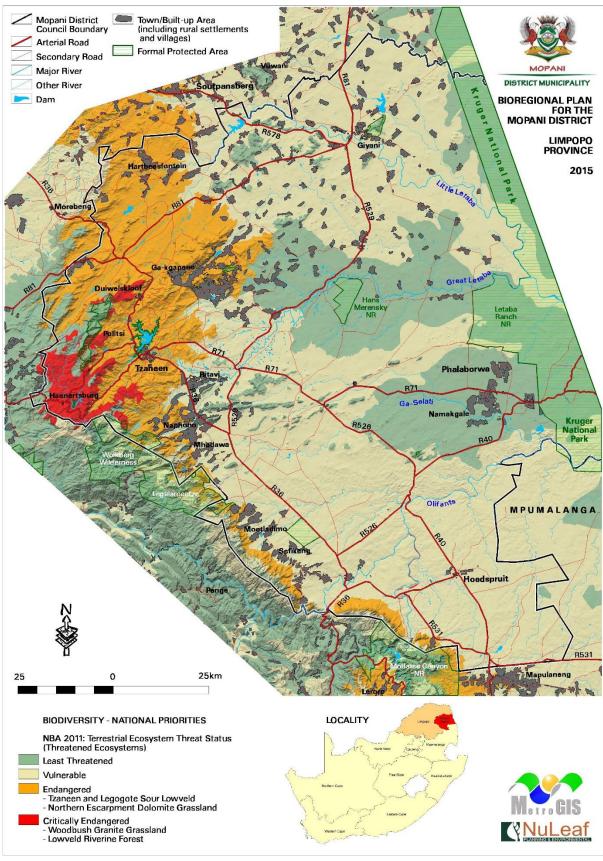
Protected areas including a portion of the KNP, cover 31.7% of MDM and Private Nature Reserves (PNR) cover an additional 10.2%. The Amalgamated Private Nature Reserves represents the bulk of the PNRs in the District. These conservation areas also represent part of the core area of the Kruger to Canyons (K2C) Biosphere Reserve.

Notwithstanding the large percentage under formal protection, 48% of the vegetation types found in the District are *under-protected*, which is the collective term used to refer to ecosystems that are unprotected, poorly protected and moderately protected. The Wolkberg area is highly significant, functioning as an important biodiversity hotspot, ecological corridor, centre of endemism, Important Bird Area (IBA), Strategic Water Source area and the source of the Great Letaba River system. In addition, the Haenertsburg Modjadji focus region is one of the highest scoring sites for expansion of Protected Areas in the Province, being particularly valuable in terms of Critical Biodiversity Areas and freshwater features. This was also identified as Limpopo's largest *endangered* landscape.



Figure 27: Biodiversity - national priorities





Source: LEDET, 2016

6.3.4 RESOURCE INTENSITY OF THE LOCAL ECONOMY



The table below shows the relative inefficient water use across the district in terms of very low production values for every million cubic metres of water consumed. This could mainly be ascribed the relative large role of the agriculture sector in the district, a high water using sector compared to the economic value it produces. For the district economy to become more water efficient the economy could either diversity towards the more water efficient tertiary sectors (trade, finance, services and transport). Most manufacturing sub-sectors are not a good choice for water saving water strategies since they are fairly water intensive compared to the economic value it produces, especially the food processing industry.

Table 36: Water and Energy Efficiency, 2019

Opportunity	Greater Giyani	Ba- Phalaborwa	Greater Letaba	Greater Tzaneen	Maruleng	Mopani District	National
GVA Rm /million cubic							
metre water	116	108	48	70	70	78	223
GVA R'000 /GWh	17	10	17	17	9	14	22

Sources: Conningarth, 2019 and Inglesi-Lotz and Blignaut 2011

Compared to the national economy, Mopani District economy is also quite energy inefficient producing only R14 000 worth of GVA for every Giga Watt hour (GWh) consumed compared to the national economy's R 22 000 GVA /GWh. This is because of the large role that relatively energy inefficient sector like agriculture and mining play in the District economy - evident in the low energy efficiencies of Ba-Phalaborwa and Maruleng where mining plays a larger role. Diversifying towards the tertiary sectors as well as some manufacturing sectors (most notably the food and wood processing industries) would improve the efficiency of the district. Another energy saving strategy would be to improve the energy efficiency of the mining industry in the district.



SECTION SEVEN: SWOT ANALYSIS

Based on the analysis above, the following strengths, weaknesses, opportunities and threats were identified across the District.

7.1 KEY STRENGTHS

- The District has strong competitive advantages in agriculture. It is a very diverse sector with
 fertile ground; availability of labour; favourable geophysical conditions with vast land available
 in rural areas for agricultural purposes;; existing large agricultural estates such as Westfalia
 (avocadoes) and ZZ2 in Greater Letaba (tomatoes) as well as a relatively good transport network
 within the area to service the agriculture industry;
- There are existing albeit limited agro-processing industries with some serving international niche markets e.g. Amarula in Ba-Phalaborwa;
- There are established timber manufacturing operations in Greater Letaba that is involved in downstream processing (e.g. Khulani Timber Industries which produces and supplies electrification poles to Eskom and exporting as far as Central Africa);
- The agriculture and forestry sector is relatively labour intensive, employs a relatively high portion of unskilled workers and historically shows high employment growth;
- There are existing tourism attractions in the District especially around Haenertsburg and Magoebaskloof. Before COVID-19, the tourism sector played a major role in Mopani District especially in Maruleng, Ba-Phalaborwa and Greater Letaba and to some extent Greater Tzaneen and Greater Giyani;
- There is a large range of mineral resources within the District, with areas like Ba-Phalaborwa and Maruleng already hosting some mining investments and showing continued growth;
- There exist some downstream processing and upstream manufacturing links to the mining sector in Ba-Phalaborwa area;
- Apart from agriculture and mining, there is evidence of other existing backward (supply) in the agro-processing; transport, finance, construction and utilities sectors which could suggest larger local multiplier effects resulting from investment in these sectors
- Due to the large concentrations of population in certain areas there is strong potential and growth in trading activities as well as other tertiary sectors (services, finance and business services) sector growth;
- Larger centres like Tzaneen offers opportunities as regional service centres;
- Per capita crimes in the district are much lower than the national average, including both property-related crimes and violent crimes.

7.2. KEY WEAKNESSES

• There is evidence of out-migration of the local economically active population in search of job opportunities in larger urban centres, increasing local dependency rates;



- Greater Giyani is characterised by a large number of small villages scattered across a large area that increase the cost of public service delivery;
- The District is characterised by very low functional literacy rates across the MDM especially in in Greater Letaba and Greater Giyani;
- The formal economy absorbs a relatively low percentage of workers while the share of informal employment is particularly high;
- Unemployment rates is also higher in MDM as in country in general;
- Low-productivity subsistence agricultural activities is the dominant land-use in Greater Giyani and also play a major role in Greater Letaba, Greater Tzaneen and Maruleng;
- The District is characterised by low income and spending power due to the high dependence on grants and social pensions as well as relatively high percentage contribution of remittances;
- The District experience low levels of industrialisation;
- The District economy is relatively undiversified due to the large role of the mining sector and the small role of the manufacturing sector. The mining sector, in turn, is prone to external shocks since it relies on volatile international commodity prices. Economic diversification away from the mining sector and its finite sources should be top priority especially in Ba-Phalaborwa and Maruleng;
- There are challenges related to mineral beneficiation in MDM due to the lack of funds, project champions and political will
- There was some disinvestment in the agro-processing industry (tomatoes) in Greater Letaba with Tiger Brand relocating their operations to Musina;
- Basic marula processing in Ba-Phalaborwa scaled down significantly in recent years due to low rainfall, reduced harvests and the shift of marula gathering to areas outside the District. This specifically had a negative impact on low income households benefiting from the local harvests;
- There is a limited number of large scale private investment projects in the area;
- Investment by the public sector is below international norms and even fall below the already low national average;
- Growth potential in agriculture and forestry is challenged by limited water availability in the Great Letaba Catchment area (mainly affecting Greater Giyani and Greater Letaba);
- Although a fresh produce market was planned in Greater Tzaneen, it did not yet materialise and there is still a lack of a fresh produce market in the District;
- The emerging farmer sector faces significant barriers in terms of commercialisation including
 - Lack of secure tenure
 - Poor infrastructure
 - Limited technical skill and farming background
 - Poor land management and agronomic practices
 - o Fragmented (often contradictory) sources of technical and financial advice
 - o Poor access to extension officers, who are overcommitted and under-resourced
 - Insufficient organisation skills
 - Farm size too small to be commercially viable
 - Limited capital and access to credit
- The tourism sector in the district are constraint by:
 - The lack of tourism strategies on local or district level



- Institutional challenges such as the lack of clarity in terms of the role of industry based tourism forums and municipal based forums and the lack of knowledge in of sustainable local tourism associations
- The lack of marketing (including brand image, web-based information, signage)
- o Insufficient road maintenance and poor road access to prime tourism spots
- o Inconsistency in the quality of tourism services and attractions offered in the district.
- The need for further product development
- o The need for repair, upgrading and maintenance of facilities
- Lack of trained staff and management skills
- o Lack of tourism facilitation skills on municipal level
- Entrepreneurial capacity in the area is limited by low skill levels, limited training opportunities
 and a high percentage of entrepreneurial youth leaving the area in search of opportunities
 elsewhere;
- The constraints that SMMEs face include:
 - Securing finance and the lack of institutions providing bridging finance
 - Access to market opportunities
 - Absence and/or inadequacy of physical infrastructure (i.e. water and electricity)
 - o Confusion around how to access land for business (from Tribal Authorities).
 - An acute shortage of markets stalls for informal traders
- The high portion of tribal and former homeland territories could result in unclear boundaries and responsibilities between local and tribal authorities and restrict the availability of land for private development;
- The skew land distribution in the District has resulted in a high percentage of land being under land claims which, if not managed properly, could result in large-scale sterilisation of economically productive land and consequential loss of job opportunities. Capital projects also are stalled while claims processes are in progress;
- All municipalities In MDM experience challenges in terms of financial management in terms of under- or over spending of capital and operational budgets, high levels of non-payment for services, low liquidity and low spending on maintenance and repairs;
- All municipalities face challenges in terms of service delivery (water, sanitation, refuse removal, electricity and roads) The under-serviced areas are concentrated in Greater Tzaneen and among the large number of scattered settlements in Greater Giyani Municipalities. Giyani has a large number of rural settlements that are scattered and not easily accessible as the road conditions are not well-serviced;
- Transport infrastructure in the district face some challenges in terms of upgrade, repair and maintenance backlogs:
- Within the district telephone access is reasonable, but Internet access is poor;
- The District face major challenges related to energy infrastructure in terms of the backlog in the upgrade of ESKOM power stations and distribution network and large electricity backlogs in continuously expanding informal settlements;
- Inconsistent water and electricity supply which has a negative effect on the manufacturing sector;
- A large portion of households top-up energy use with wood with negative health and environmental consequences;



- The MDM economy is water intensive due to the large role of the agriculture and food processing industry;
- The Mopani District economy is also quite energy because of the large role that relatively energy inefficient sector like agriculture and mining play in the District economy;
- Poor communication and lack of relationship with stakeholders, especially during service interruptions e.g. water disruptions in Ba-Phalaborwa in December 2021 (MDM IDP, 2019);
- Lack of updated LED and tourism strategies;
- Lack of rigorous LED M&E systems.

7.3. KEY OPPORTUNITIES

- Most of the final agricultural produce is consumed within the local (district) economy, while a
 considerable percentage (37%) is exported as raw products either within the wider region (10%)
 or overseas (27%). Value addition to the large percentage of raw agricultural exports could have a
 positive impact on output levels in the District;
- The District's proximity to Great Limpopo Transfrontier Park and internationally acclaimed Kruger National park holds potential for strengthening the tourism sector in the District;
- The relatively low percentage of inputs that the services sector source locally suggests an opportunity for local procurement strategies in the public sector;
- There is potential for further beneficiation in the District e.g. through the beneficiation of copper through the production of consumer electronics, electric motor, electrical appliances as well as industrial goods; converting iron ore waste material into usable elements in the manufacture of steel (the proposed Masonini Iron Beneficiation Project);
- The Iron Mineral Beneficiation Services entered into a joint venture with the Industrial Development Corporation (IDC) to develop an iron making plant in Phalaborwa.
- The non-metallic mineral sector (e.g. sand, gravel, limestone, clay, and marble) is a very labour intensive sector and hold potential for employment in the small scale mining sector;
- Gold, dimension stone and gemstones have been identified for potential future small scale mining in the area.
- There are significant opportunities for new farming systems to emerge in Limpopo Province.
 Opportunities exist through resource sharing and co-operative efforts for purchasing better quality inputs (e.g. seed and fertiliser) and for bulking commodities for sale. Suggested approaches include;
 - An integrated systems approach is considering social, technological, economic and environmental aspects together with infrastructure and services
 - A participatory approach is needed where farmers or communities are involved in the planning and development.
 - The provision of on-going support
 - o Improved rural Infrastructure (e.g. better roads and communication infrastructure that could create improved access to markets).
 - o Improving Research, Development and Policy Agricultural research and development projects in Limpopo Province.
 - Appropriately trained and equipped extension staff, agricultural specialists and technical



knowledge

- O The growth in private agribusiness linkages to the emerging farm sector where the former contributes to developing programs to improve the productivity and purchase commodities from these enterprises, e.g. out-grower schemes;
- The green economy hold potential in the District in terms job opportunities and up-skilling while
 addressing climate change and service delivery back-log challenges for example renewable
 energy solutions for industrial, business and residential developments, recycling to manage waste
 management in rural areas; off-grid cookers; climate change adaptation interventions such as
 water harvesting and storage facilities; drip irrigation; agro-forestry, the shift towards an
 increased use of resilient breeds of cattle etc.,
- Mopani District is nationally under-represented in terms of EPWP spending and job creation. The
 under-serviced areas in the District provide an opportunity for the application of labour intensive
 methods (EPWP) e.g. in the servicing of rural streets, rural waste collection etc.;
 - Niche areas for economic development in Greater Giyani:
 - Mopani worms
 - o Tourism related to Shangoni gate
 - Abandoned farms
 - o Cultural tourism
- Niche areas for economic development in Greater Letaba:
 - o Agriculture and related sectors including agro-processing and transport
 - o The depot of tomato production and exportation
 - African Ivory route
 - Timber production
 - Tourism related to the Biggest Baobab tree in the world (24m circumference) and Modjadji
 Rain Queen
- Niche areas for economic development in Greater Tzaneen:
 - o The municipality has the largest population in the District
 - o Agro-processing should be developed to add value to raw products that is currently exported
 - Cultural heritage sites
 - Tourism related to adventure, sport and events routes tourism; the Tallest tree at Magoebaskloof @ 48m high: nature based and agri-tourism
- Niche areas for economic development in Ba-Phalaborwa
 - Manufacturing related to the mining sector
 - Mopani worms
 - Marula fruit processing
- Niche areas for economic development in Maruleng
 - Agro-products across the seasons
 - Strategic location in relation to the Maputo Corridor, positions it to can attract investment to its area.
 - Tourism related to the Kruger to Canyon Biosphere that is recognized internationally through UNESCO; the valley of Olifant route; largest game farms; well-serviced tourism centre; large game farms and East Gate Airport
 - Stone crushing at Mica



7.4. KEY THREATS

- Abutting with Mozambique pose challenges in continued influx of foreign nationals that put stress and strain on service delivery;
- Mopani District was identified as a risk area in terms of climate change. Climate change
 projections have indicated that both these districts will be subject to increasing temperatures
 and changing rainfall patterns including seasonal shifts and storm-related disaster events. Socioeconomic risks for these areas include water scarcity, reduced food security, higher livestock
 mortality, increased risk of spread of pests that cause damage to fruits, economic losses for
 small businesses and traders and damage to infrastructure.
- Main challenges related to the roll-out of Green Economy programmes in Mopani District (include the lack of training and skills development among municipal and provincial officials and the high costs related to green economy projects.
- Water availability is a concern across the district
- There is uncertainly in terms of the continued impacts of COVID-19 on the tourism industry
- The quality of water of the Blyde River in Maruleng could potentially affect citrus exports in Maruleng as a minimum standard of water quality has to be adhered to qualify for exports
- Agriculture threats: theft, diseas outbreaks (e.g. foot and mouth); climate change, declared min
 wage; land invasion, bulk water storage gae for irrigation, loss of prime agriculture land, water
 rights to farmers.
- Mining threats: red tape for applications, illegal mining, abandoned mines, unstable commodity
 prices, job losses due to mechanisation, scarce water resources, land claims, undeveloped
 infrastructure, limited lifespan of mines.



SECTION EIGHT: STRATEGY OVERVIEW

This section provides an overview of the key strategic focus areas for the Economic Growth and Development Strategy (EGDS) and the Local Economic Development (LED) strategy for Mopani District as well as recommended programmes associated with each focus area. The Section also shows the alignment between the EGDS and LED focus areas and the development focus areas in the different local municipalities in Mopani District.

The strategy has been developed considering the latest development trends in Mopani District and includes references to the updated National Spatial Development Framework (2019); Mopani District Rural Development Strategy (2016) and the National LED Framework (2018).

8.1. KEY STRATEGIC FOCUS AREAS

Corresponding to the broader framework for sustainable development, the strategic focus areas for the LED strategy and EGDS include the following:

- Physical Sphere (economic infrastructure development)
- Economic Sphere (sector focus on agriculture; small-scale mining, tourism; small scale industrial development as well as business and trade development)
- Social Sphere (human capital development)
- Environmental Sphere (developing the green economy and water management in risk areas)
- Institutional Sphere (capacity building for LED implementation and the development of stakeholder forums).

Table 37: Summary of Key Strategic Focus Areas for Mopani District

KE	Y FOCUS AREAS	PROGRAMMES
PH'	YSICAL SPHERE	
1.	Economic infrastructure	Telecommunications
		Strengthening the EPW programme
ECC	DNOMIC SPHERE	
2.	Agricultural Development	Mobilise unproductive land
		Develop small scale farmers
3.	Mining Development	Small scale mining (dimension stone and gold)
4.	Tourism development	Tourism development
5.	Industrial development	Small scale manufacturing
		Agro-processing
6.	Business Development /Trade	Business support
	development	Informal trade areas
SO	CIAL SPHERE	
7.	Human Capital Development	Skills development of labour force
EN	/IRONMENTAL SPHERE	
8.	Developing the Green economy	Promote energy and water saving in agriculture and agro-processing
		Biogas Digesters



KE'	Y FOCUS AREAS	PROGRAMMES		
9.	Water management in risk areas	Water management in nature risk areas		
INSTITUTIONAL SPHERE				
10.	Institutional Development	Capacity building for LED implementation		
		Develop stakeholder forums		

8.2. ALIGNMENT OF KEY STRATEGIC AREAS WITH MUNICIPAL FOCUS AREAS

The Mopani District Municipality (MDM) LED Strategy 2013/14 vision for the local economic development was (Mopani District Municipality, 2013): "A competitive local economy built on a broad range of economic sectors and entrepreneurial culture, within an enabling environment that will promote new business investment and economic development." An updated vision for the District as in the Mopani District Reviewed Integrated Development Plan (IDP) 2016 -2021 (Mopani District Municipality, 2019) is "To be the Food Basket of Southern Africa and the Tourism Destination of Choice".

As indicated in Table 38 below, the key strategy focus areas for the updated strategy corresponds to the strategic focus areas of the previous Mopani District Municipality (MDM) Local Economic Development (LED) strategy for 2013 to 2018. Three new strategic focus areas are added namely tourism development; (small scale) industrial development and institutional development.

The vision of the Greater Tzaneen Local municipality (GTM) LED strategy (Greater Tzaneen Local municipality, 2017) is "to develop an inclusive local economy with opportunities which will generate sustainable economic growth and employment". In the most recent IDP document for the municipality (Greater Tzaneen Local Municipality, 2020), the vision of GTM shifted towards the green economy and an enabling institutional framework in its vision for "A Green, Prosperous and United Municipality that Provides Quality Services to all". As indicated in Table 38 all the MDM strategic focus areas apart from mining and rural development are also strategic focus areas for GTM.

The vision of the Greater Giyani Local Municipality (GGM) Local Economic Development Strategy (2014-2019) as well as the updated IDP (Greater Giyani Local Municipality, 2020) is to promote a municipality "where environmental sustainability, tourism and agriculture thrive for economic growth". The key strategic focus areas of the updated MDM LED strategy corresponds will all the key focus areas of GGM as indicated in the table below.

The focus of the Ba-Phalaborwa Local Municipality (BPM) LED strategy 2014-2019 (BPM, 2014) was to diversify the composition of its local economy using tourism, agriculture and manufacturing as drivers to offset the potential of mine closures in the area. The Reviewed IDP 2020/21 (Ba-Phalaborwa Local Municipality 2020) focuses on institutional and tourism development stating that the Municipality aspires for the "provision of quality services for community well-being and tourism development". As indicated in Table 38 all the MDM strategic focus areas apart from human capital and rural development are also strategic focus areas for BPM.



The LED strategies of Greater Letaba Local municipality (GLM) and Maruleng Local Municipality (MLM) have not been updated since 2014. The more recent vision statements for these municipalities are sourced from their updated IDP documents.

Table 38: Alignment of Themes with Key Municipal Focus Areas

CUF	RRENT THEMES	MDM LED strategy (2013-2018)	GTM LED (2017-2022)	GGM LED (2014-2019)	BPM LED (2014-2019)	GLM IDP (2020/21)	MLM IDP (2020/21)
1.	Economic infrastructure	Yes	Enabling environment	Transport logistics	Infrastructure development	No	EPWP and job creation
2.	Agriculture	Yes	Land reform; smallholder farmers	Key sector- emerging famers	Yes, land claims	Assist emerging famers	Assist emerging farmers
3.	Mining	Yes	No	Yes	Yes	No	No
4.	Tourism	No	Yes	Yes	Yes (hunting; game farms)	Yes	Yes
5.	Industrial development	No	Yes	Yes	Yes, mining beneficiation	Yes, agro- processing	Yes, linked to agriculture
6.	Business Development /Trade	Yes	Yes	Yes	Yes (focus on retail and informal)	Yes, SMME focus	Yes, local procurement support
7.	Human Capital Development	Yes	Yes, skills development	Yes, industrial skills	No	No	No
8.	Rural development	Yes	No	Yes, rural roads	No	No	No
9.	Green economy	Yes	No (in IDP, 2020)	Yes	Yes	No	No
10.	Institutional Development	No	Focus , service delivery	Institutional support for LED unit	No (in IDP, 2020)	Tourism forum development	Tourism forum; institutional capacity

The Greater Letaba Draft Reviewed Integrated Plan 2020/21 (2020) has a vision of "an Improved and Inclusive Local Economy". The LED strategic areas in the latest IDP for the municipality correspond with half of the key strategic areas recommended for the updated MDM LED strategy, excluding key areas related to economic infrastructure: mining development; human capital development, rural development and the green economy.

The Vision of the Maruleng Local Municipality as contained in the Maruleng Draft Reviewed IDP 2020/21 (2020) is to become "The power house of socio-economic development through sustainable and integrated agriculture and tourism". The LED strategic areas in the latest IDP for the municipality correspond with more than half of the key strategic areas recommended for the updated MDM LED strategy, excluding key areas related to mining development; human capital development, rural development and the green economy.

In summary, the key strategic focus areas of updated MDM strategy is more inclusive than the Mopani LED Strategy 2013/14 as well as the focus areas of the individual municipal focus areas and takes a broad approach towards economic development taking into account the physical, economic, social, environmental and institutional drivers behind economic growth and development.



SECTION NINE: DEVELOPMENT STRATEGIES

9.1 THE PHYSICAL SPHERE

Economic infrastructure provides an enabling environment for economic growth and development. There are substantial technical and financial gaps in provision and maintenance of economic infrastructure across the District, including roads, energy, water, sanitation and waste infrastructure.

In order to address some priority gaps, programmes are recommended that focus on improving telecommunication networks in marginalised rural areas as well as strengthening the roll-out of the Expanded Public Works Programme (EPWP) across the District.

9.1.1 IMPROVED TELECOMMUNICATIONS NETWORKS

a. Background

An effective telecommunication infrastructure, that includes universal access, is essential to enable the delivery of basic services and the development of deprived areas. Modern telecommunication network that allow fast access to the internet will play an increasingly important role in modern economies leaving marginal groups without access further behind.

b. Problem Statement

While many people in Mopani Distirct have access to mobile phones, the cost of data and the availability of smart phone devices to access the internet is not so readily available and only 6% of households have internet access to internet. This is a major concern in term of access to modern mainstream economic activities. Access rates are the lowest in GLM (less than 4% of households) followed by GTM (5% of households) and GGM (6% of households).

c. Objective

Provide cheaper and improved access to digital information in rural villages and businesses in Mopani District. The Mopani District Rural Development Plan (MDRDP) identified six priority rural intervention areas in the District.

d. Proposed Projects

- Design and implement a pilot **village Wi-Fi hot spot area** project for the District to determine user needs, costing, potential partnerships and institutional arrangements
- Scale up the roll-out of the programme based on the outcomes of the pilot:
 - o Develop the institutional model for the programme
 - Select and prioritise village areas in district for roll-out
 - o Assess service provider options through PPP and determine cost of programme
 - o Develop and implement a clear M&E framework for the programme.



O Prioritise roll-out in the six priority areas of the Mopani District Rural Development Programme (MDRDP).

Programme: Improved Telecommunications Networks						
Strategic objective	LED activity (2021-2026)	EGDS activity	Outcomes	Impact		
Provide public Wifi hotpot areas to rural villages and businesses in Mopani District	Design and implement pilot project	Roll-out of programme to targeted rural areas	Reliable, accessible, affordable internet access in rural areas; decrease in digital divide	Improved access to information, job opportunities increase in income; improved educational outcomes		

9.1.2 STRENGTHENING THE EPWP ROLL-OUT IN THE DISTRICT

a. Background

The Expanded Public Works Programme (EPWP) is administered by the National Department of Public Works and consists of labour-intensive projects implemented by different spheres of government and State Owned Enterprises (SOEs). The programme is implemented through different national, provincial departments and municipal government while reporting is done to the National Department of Public Works. The programme covers four sectors namely:

- Public infrastructure (e.g. road infrastructure and upgrades, tourism infrastructure through Working of Tourism etc.);
- Environmental programmes (e.g. Working for Water, Working for Fire, Working for Waste);
- Culture programmes (e.g. museum facilities)
- Social programmes (including welfare, educational, health facilities and services)

The objective of the programme is to support public service delivery through labour intensive programmes in order to create short term opportunities for poor households. The EPWP also provides training and enterprise development support.

b. Problem Statement

For the financial year 2019/20 Mopani District received 1.1% of total spending on EPWP in South Africa in 2019 and 0.6% of FTE jobs compared to the estimated 2% of total poor households in South Africa residing in the Mopani District. This implies that Mopani District is nationally underrepresented in terms of EPWP spending and job creation. At the moment only Greater Tzaneen Local Municipality has an official EPW policy evident in the relatively larger percentage of poor households that the municipality reaches through job creation in the programme. While the roll-out of the EPW Programme is limited, the District face severe backlogs in terms of the maintenance of economic infrastructure including roads, industrial sites that need refurbishments, energy networks etc.

c. Objective

Expand the implementation of the EPW programme in the District with a specific focus on critical upgrade and repair of economic infrastructure.



d. Proposed Project

- Expand the implementation of the EPW programme in the District with a specific focus on critical upgrade and repair of economic infrastructure through the development of an official EPW strategy for MDM including the following:
 - Assign responsibilities through the main department in MDM responsible for the EPWP for critical infrastructure and establish a coordinating committee to take into account the four EPWP sectors (infrastructure; Environment; Culture and Social)
 - Participate in the identification and monitoring of tourism-related EPW programmes (tourism signs, roads, tourism info centres) for the District.
 - Update an inventory of critical infrastructure in the District that needs repair including roads, energy infrastructure, water infrastructure and economic facilities (e.g. tourism information centres, industrial areas, business districts) that is most relevant to key sectors in the economy including agriculture, mining, tourism, trade, small scale industry. The inventory should include current condition and rehabilitation costs
 - Develop socio-economic impact criteria to prioritize EPWP spending on the identified projects across the District
 - Strengthening the monitoring and reporting on the implementation of EPWP projects.
 - Prioritise critical infrastructure in the six priority areas of the MDRDP. This includes neglected industrial and commercial rural sites such as Muyexe Comprehensive Rural Development Programme (CRDP) site (Area 1); Dzumeri site (Area 2); rural road infrastructure (Area 3, 5 and 6) as well as the CRDP site; the District's Moshupatsela Agri-Hub and the Nkowankowa Industrial Park - all located in Area 3.
 - Develop and implement measures to support the outcome of the EPW programme in long term job creation and SMME development including Enterprise development and Business development support programmes
 - Link SMMEs that participate in the programme to public procurement strategy

Programme: Strengthen EPWP roll-out							
Strategic objective	LED activity (2021-2026)	EGDS activity	Outcomes	Impact			
Strengthen EPWP roll-out in District	Develop and implement EPWP strategy for District	Update on a regular basis and implement EWP strategy for District	Increased EPW spending on priority economic infrastructure; sustainable jobs through SMME development	Improved economic infrastructure; sustainable jobs through SMME development			



9.2 THE ECONOMIC SPHERE

9.2.1 SUPPORTING THE AGRICULTURE SECTOR

a. Background

The agriculture, forestry and agro-processing sectors contributed 4% towards the total GVA produced in Mopani District but is labour intensive and made a much higher contribution towards employment with a share of 17% in the total district's employment in 2019. The large and diversified existing agricultural sector provides an opportunity for expansion into the unutilised or underutilised areas of the district and for the development of small scale farmers.

b. Problem Statement

The large scale commercial agricultural sector is expanding and growing but large areas of land are unproductive or underutilised due to:

- Land claims uncertainty
- Settled land claims which are not supported
- Land in the traditional authority areas(lack of secure tenure)
- State owned land
- Limited skills levels
- Limited capital

c. Programme Objectives

Support the growth and diversification of the existing agricultural sector and look to expand and develop the small scale farmers and underutilised areas of the district in the long term.

d. Proposed Projects:

Assist with fast tracking and finalise land claims and utilisation of fallow land: Build inventory
to assist LDARD in identifying fallow land and outstanding land claims including a contact list and
list of constraints and interventions needed including under-utilised irrigation schemes. Priority
irrigation schemes should be considered in the six MDRDP priority areas. These include the
Homu Banana Agriculture Scheme in Area 1; nine smallholder irrigation schemes in GTM (Area
4); 8 smallholder irrigation schemes in the area which are served by Olifants River (Area 5, MLM)
and various schemes in Area 6 (BPM)

Facilitate development of out-grower schemes:

- o Facilitate contacts between small and existing large farmers in the area
- Build a directory of out-grower schemes in the country and establish contact between out-growers and emerging and small holder farmers in the District
- Focus on energy and water saving technologies in the roll-out of out-grower schemes.
 This include the consideration of water-saving cultivars and agricultural products in the promotion of out-grower schemes as well as the promotion of closed/integrated production systems (e.g. hydroponics, aquaponics).



Facilitate the development of the Agri-Park for the District: Establish contact between
Department of Agriculture, Land Reform and Rural Development (DALRRD); Limpopo
Department Agriculture and Rural Development and other roll-players to facilitate the rollout of the Mopani Agri-Park. DMR, MDM, DWS, DFFE, LEDET.

	Program	me: Agricultuı	al sector developme	ent
Strategic objective	LED activity (2021-2026)	EGDS activity	Outcomes	Impact
Support the growth and diversification of the existing agricultural sector and look to	Facilitate finalisation of land claims and under-utilised state land and projects, including irrigation schemes	Support land claim recipients, inactive farmers and new farmers	Land claims settled and finalised; functional and efficient use of agricultural land	Sustainable farming enterprises creating employment
expand and develop the small scale farmers and	Facilitate development of out- grower schemes	Support out- grower schemes-	Newly established small scale farmers	Successful small scale farmers with access to markets
underutilised areas of the district in the long	Facilitate the establishment of an Agri-Hub in District	Support Agri- Hub activities	Increased agricultural productivity	Higher income and employment
term.		Train and develop small scale farmers	More options for agricultural training, skills development and mentoring	Batter trained and supported farmers

9.2.2 SMALL SCALE MINING SUPPORT

a. Background

The mining and mineral processing sector contributed 35% towards the total GVA of Mopani District but a reduced contribution towards employment with a share of 13% in the total district's employment in 2019. The sector is however dominated by a few large mines in Ba-Phalabowa and there is very little other mining activity other than a few illegal mines and zama zamas operating in the district mainly relating to sand and gold mining. A mineral scan study undertaken by Mintek revealed three critical commodity sectors that could hold potential for future development:

- Gold mining (particularly in the Giyani area)
- Dimension Stone mining
- Gemstone extraction

b. Problem Statement

Excluding the major mines, existing mineral resources in the district are either not being exploited or are being mined illegally with little benefit to the district or state.

c. Programme Objectives

To formalise and develop the small scale mining sector in the district.

d. Proposed Projects



- Formalise the sand and gravel mining activity and stop indiscriminate environmental degradation: Assist the Department of Mineral Resources (DMR) by assisting with the establishment of a formal forum; establishing a list of current people involved in activities and current rights. Facilitate the appointment of an environmental officer on District level to monitor activities in small scale mining on a regular basis.
- Support the development of small scale gold miners in Giyani area: Formalise small scale mining operations- facilitate and lobby for the appointment of an environmental officer in district dedicated to monitoring the environmental impacts of small-scale mining (including gold mining). (DMR, MDM, DWS, Mintek, Council for Geoscience, LEDET).
- **Determine development potential of dimension stone and gemstone mining:** Commission a **feasibility study of mining potential through Mintek and the Council for Geoscience.**

Programme: Small scale mining development						
Strategic objective	LED activity (2021-2026)	EGDS activity	Impact			
To formalise and develop the small scale mining sector in the district	Formalise the sand and gravel mining activity- list of people and sorting out rights DMR apply for rights	Support small-scale miners	Creation of businesses and employment with reduced impact on environment			
	Support the development of small scale gold miners	in terms of business development, environmental practices	Greater impact on job creation with reduced impact on environment			
	Determine development potential of dimension stone and gemstone mining		Potential mining diversification and job creation			

9.2.3 TOURISM DEVELOPMENT

a. Background

Before COVID-19, the tourism sector played a major role in Mopani District with tourism spending contributing almost 10% to the district's GVA in 2017 compared to its 6% nationally. Mopani District Municipality has good comparative advantage in nature-based tourism due its proximity to Kruger National Park (KNP). Other types of tourism include agri-based tourism, adventure tourism; culture and heritage tourism, tourism related to mining, townships and sporting events.

b. Problem Statement

Despite the comparative advantage of the sector, the tourism sector in the District still remains relatively under-developed due to a number of factors including:

- Lack of tourism strategies on local or district level
- Institutional challenges such as the lack of clarity in terms of the role of industry based tourism forums and municipal based forums
- Challenges related to service delivery (e.g. Insufficient road maintenance, access roads to prime spots; water and energy disruptions and weak communications around potential disruptions)
- The lack of a Mopani tourism brand image, destination marketing and inconsistent tourism signage the lack of web-based information
- Lack of consistency in the quality of tourism services and attractions offered in the district,



- The need for product development (e.g. the traditional Tsonga homestead, African ivory route and a potential fishing route)
- The need for repair, upgrading and maintenance of facilities (e.g. Facilities within Hans Merensky reserve) traditional huts stay of African ivory route
- The lack of trained staff and management skills
- Lack of tourism facilitation skills on municipal level, including facilitation of tourism funding through access to funding sources

c. Programme Objectives

Actively support the tourism sector to mitigate the COVID-19 impacts over the short term and build the strengths of the sector over the long term.

d. Proposed Projects

- Appoint an external tourism facilitator and mentor to MDM LED department to assist with:
 - o The development of short, medium and long term tourism strategies for the District
 - The implementation of short term tourism strategies to mitigate against COVID-19 impacts
 - o Assist in activating the relevant tourism associations throughout the District
 - Build internal municipal capacity to facilitate tourism development within the District over the long term (including sourcing of funding, mediating partnerships etc.)
- Support the completion of infrastructure for the functioning of Shongoni Gate: Support the National Department of Tourism through exploring different funding options for the completion of the gate.

Programme: Tourism Development				
Strategic objective	LED activity (2021-2026)	EGDS activity	Outcomes	Impact
Actively support the tourism sector to mitigate COVID-19 tourism impacts over short term and strengthen sector over the long term	Appoint external tourism facilitator/mentor	Implement and support tourism strategy	Short, medium and long term tourism strategy formulation for MDM including identification of priority interventions, marketing of area, institutional development of tourism sector Implement short-term	Tourism sector growth, job creation tourism sector
			strategy to mitigate against negative impacts of COVID-19	of tourism sector
			Build local municipal capacity to facilitate long term interventions in the sector	Stable growth of tourism sector supported by strong institutional capacity
Support the completion of infrastructure for the functioning of Shongoni Gate:	Assist with mobilising funding for completion of gate		Increase in tourism in GGM	Income increases and employment

9.2.4 INDUSTRIAL DEVELOPMENT



a. Background

The manufacturing sector in the district is small and undeveloped contributing approximately 2.5 % to the economy and 4.1 % to the employment in the district. Nearly 60% of the contribution comes from the Greater Tzaneen local municipality.

b. Problem Statement

There are numerous local resources in the district which are being exported without any value adding

c. Programme Objectives

Develop manufacturing focussing on local products and opportunities.

d. Proposed Projects

- Develop local agro-processing sector through needs analysis of niche products (Marula, Mopani worms and arts &crafts): Develop manufacturing enterprises based on local resources, including Marulas, Mopani worms, arts and crafts, gemstones, local wood and by-products
- Develop small-scale manufacturing focussed on the local market: Develop and support small
 manufacturing enterprises focussing on the local market especially households. Provide
 manufacturing, warehousing and incubation facilities at strategic locations throughout the
 district with a focus on soft infrastructure (business support and entrepreneurial development
 centres) as well as hard infrastructure (warehouses, serviced areas).

Programme: Manufacturing development				
Strategic objective	LED activity (2021-2026)	EGDS activity	Outcomes	Impact
Develop local agro- processing sector	Niche products including marula mopani, arts and crafts	Main stream agricultural processing (e.g. avocadoes, citrus, tomatoes)	Industrial development	Higher incomes and job creation
Develop and support small manufacturing enterprises focussing on consumer goods for local market	Small scale manufacturers focussed on the local consumer market	On-going ED and BD support	Increased activity of manufacturing SMMEs	Higher incomes and job creation

9.2.5 BUSINESS AND TRADE DEVELOPMENT

a. Background

The SMME sector is of particular significance given Mopani high unemployment rate and large areas of settlements with very limited economic development. Entrepreneurial capacity in the area is however limited by poor education, limited training opportunities and a high percentage of entrepreneurial youth leaving the area in search of opportunities elsewhere.

b. Problem Statement

A large share of local business is small and informal and lacks access to formal markets to expand

c. Objectives



To support and grow the local business sector with focus on the small and informal sector

d. Proposed Projects

- Entrepreneurial development and Business development support programme with the
 objective to formalise and develop informal businesses to enable them to compete for
 government and private sector work, including retail, personal services, construction
 and related activities, business services: Support to focus on:
 - Training and mentoring
 - Access to markets
 - Access to finance
 - Access to facilities/incubation
- Establish local markets/farmer markets: Establish local markets/farmer markets in strategic locations throughout the district. MDM could assist private sector operator through lease of identified sites and limited service (e.g. sanitation) in the first year of operation.
- **Develop a rural retail development plan:** Conduct a study to determine potential for retail developments in the rural areas and market opportunities as packages once sites are identified and rights obtained.
- Conduct a feasibility study for a logistics hub for the district: A logistics hub is a central point in a local area located relatively closer to main markets where goods are assembled, packaged and distributed at lower costs that could be achieved by individual businesses sending or receiving goods from their own premises. Depending on the needs of the local area, a logistics hub could consist of storage facilities (warehouses), cooling chambers, packaging and transport facilities. A logistics hub could focus on just one mode of transport or make use of various types of transport (e.g. road, rail) (multi-modal). A logistics hub could also link to smaller distribution points within the local area. Facilitate the development of a Logistics Hub for the District by conducting a feasibility study that includes assessment of best location; modal model; needs assessment in the trading sectors as well as a the funding model for the hub.

	Programme: Small business development			
Strategic objective	LED activity (2021-2026)	EGDS activity	Outcomes	Impact
To support and grow the local business sector with focus on the small and informal sector	Entrepreneurial and Business development Establish local markets/farmer markets Feasibility study to determine potential for retail developments in the rural areas	On-going ED and BD - -	Trained entrepreneurs with thriving businesses Local markets established throughout district Small retail centres in the rural areas	More and better entrepreneurs Market access for local farmers/entrepreneurs and reducing capital outflow Small retail centres throughout district supporting local entrepreneurs and reducing capital outflow
	Develop a logistics hub to lower freight transport costs in the District	Roll-out of logistics hub if feasible	Logistics hub that saves transport costs for local retailers and other sectors	Lower transport costs, increase in output, higher employment

9.3 THE SOCIAL SPHERE



9.3.1 HUMAN CAPITAL DEVELOPMENT

a. Background

The analysis revealed that the labour force suffers from a severe shortage of employable skills at all levels. The availability of employable skills is one of the major determinants of how readily new job seekers find employment. A highly skilled labour force will prove to be beneficial in reducing the high unemployment rates within the area. It is therefore essential that the educational achievements of residents are improved, and where possible, the linkages between education and employment are enhanced.

b. Problem Statement

The labour force lacks employable skills and also does not have the necessary entrepreneurial skills to start a business. The residents who leave the district to develop their skills do not often return.

c. Objectives

To develop the local skills base and create more opportunities for local skills development.

d. Proposed Project

Facilitate development and implementation clause to work locally for specified period as part
of student loans and bursaries. In collaboration with organisations in the district that provides
student loans and bursaries, develop a strategy to retain students in the district for some time
period after completing their studies.

	Programme: Human capital development			
Strategic objective	LED activity (2021-2026)	EGDS activity	Outcomes	Impact
To develop the local skills base and create more opportunities for local skills development	Facilitate retention of local students in bursary and loan programmes	Develop additional higher learning facilities	Additional colleges or satellite campuses	Improved skills levels and employability

9.4 THE NATURAL ENVIRONMENT

9.4.1 PROMOTE ENERGY AND WATER-SAVING IN THE AGRICULTURE AND AGRO-PROCESSING SECTORS

a. Background

The further processing of raw agriculture products (agro-processing) is a priority manufacturing sector for further development in the District. The agriculture and agro-processing sectors are however a water intensive sector compared to the economic value it produces. .

b. Problem Statement



Mopani District is considered a water scarce area and areas such as Greater Letaba, Greater Giyani and Ba-Phalaborwa could especially be subject to more extreme weather conditions and droughts due to climate change in future.

c. Objectives

Reduce the water use of the water-intensive agriculture and agro-processing sectors.

d. Proposed Projects

- Link small-scale farmers to water-saving mentorship programmes
- Promotion of off-grid renewable energy systems in farming areas currently without energy access (e.g. solar irrigation systems; stand-alone PV or mini-grids to power warehouses). The MRDP highlights Area 6 as potential area to roll-out solar irrigation pumps since farmers are currently using diesel engines to pump water from the river to the schemes. Giyani Essential Oils (Area 1) is another example where a pilot solar PV mini-grid could assist in providing a more stable supply of electricity access.

Programme: Promote energy and water efficiency in the agriculture and agro-processing sectors				
Strategic objective	LED activity (2021-2026)	EGDS activity	Outcomes	Impact
Lower the impact of agriculture and agro- processing on water and energy use	Link small-scale farmers to mentorships in Water-saving methods	-	Water saving agriculture techniques	Water efficiency of small-scale farming sector — i.e. higher economic output per unit water and energy used
	Promote off- grid solar PV technologies for smallholder farmers	-	Lower grid-based energy use of small- scale agriculture	Energy efficiency of small-scale farming sector — i.e. higher economic output per unit water and energy used
	-	Facilitate water – saving options for agro-processing hub	Lower water use of agro-processing sector	Improved water-efficiency of agri-processing sector

9.4.2 BIOGAS DIGESTER PROGRAMME

a. Background

Biogas digesters for rural households and small holder farmers involve an off-grid energy technology that provides biogas that could be used as fuel for cooking stoves. Several donor programmes is driving the roll-out of domestic and smallholder biogas digesters in rural countries in the developing countries. Currently the programmes also place a high focus on combining agricultural productivity with RE, combining the energy producing capacities (biogas) of bio digesters with the co-production of bio-slurry used to improve agricultural productivity.

Since 2016, the United Nations Industrial Development Organization (UNIDO) and Global Environment Facility (GEF) supported the Waste-to-Energy South Africa project. The project has been working to improve awareness and capacity surrounding the benefits of biogas. While the



project targets industrial biogas projects operated by the private sector, it also has a component that deals with domestic biogas in rural settings. To that end, the programme has been training youth to construct and maintain domestic biogas digesters, in turn helping to catalyse youth employment and strengthen rural economies in South Africa. The executing agencies in South Africa include the Department of Forestry, Fisheries and Environmental Affairs (DFFE), South African National Energy Development Institute (SANEDI), Department of Trade and Industry (DTI), Department of Agriculture, Land reform and Rural Development (DALRRD), Council of Scientific and Industrial Research (CSIR) and the National Cleaner Production Centre (NCPC). The University of Venda is also a strategic partner of the programme and provide guidance to households with installed digesters (GEF, 2021).

b. Problem Statement

While 95% of households in Mopani District have access to electricity for lightning purposes, only 55% use electricity for cooking purposes, with the majority of households in GGM, GLM and MLM using wood, charcoal and paraffin for cooking purposes. Wood burning stoves have negative impacts on household health, air pollution as well as the illegal harvesting of wood and deforestation.

c. Objectives

Improved access to renewable energy for cooking purposes to improve household health, decrease illegal wood harvesting; provide a fertilising by-product to improve the agricultural productivity of smallholder farmers and provide employment to rural youth.

d. Proposed Project

Facilitate the roll out of a biogas digester programme in the District: Facilitate the roll-out of a
pilot project and biogas digester programme in rural villages in Mopani District that linked to
biogas for cooking purposes, employment for youth and bio-slurry that could be used to increase
small-holder agricultural productivity. Prioritise the six MDRDP priority areas in the roll-out of
the programme.

		Programme: Bio	gas Digester Programme	
Strategic objective	LED activity (2021-2026)	EGDS activity	Outcomes Impact	
Improved access to renewable energy for cooking purposes through roll-out of biogas digester programme	Facilitate the roll-out of a pilot project of the Waste to Energy donor programme in Mopani District	Based on outcome of pilot project, roll-out the programme in the rest of the District	 Rural villages without access to modern cooking devices provided with access to biogas technology Access to bio-slurry to improve productivity of agriculture Training of youth to construct and operate digesters Improved health, a quality; improved agricultural productivity; youth employment 	



9.4.3 WATER MANAGEMENT IN NATURE RESOURCE RISK AREAS

a. Background

Within Mopani District Ba-Phalaborwa and Maruleng fall within the Olifants River catchment area which the National Spatial Development Framework classifies as a Natural Resource Risk Area. Nature Resource Risk Areas are under severe stress from an ecological perspective, while also being 'resource critical regions' for other economic sectors, such as mining, agriculture and human settlement. Policy guidelines for Natural Resource Risk Areas include rehabilitation of degraded and/or contaminated areas, regional cooperation, caution in approving applications and proposals for land-uses that reduce stream flow or affect water quality (e.g. mining operations and huge plantations), wetlands to be kept in good condition, invasive alien plants clearing programmes and the support of eco-enterprise activities and related livelihood opportunities.

b. Problem Statement

If not managed properly, water resource quality and quantity could become potential growth constraints in Mopani District and in particular in the Natural Resource Risk Areas of MLM and BLM.

c. Objectives

Facilitate and support water management initiatives in the District's Nature Resource Risk Areas to promote water security and job creation.

d. Proposed Project

- Expanded roll-out of Working for Water (WfW) programme: Facilitate an expanded roll-out of the Working for Water in BPM and MLM.
- Facilitate downstream manufacturing linked to Working for Water (WfW): Facilitate the development of the further downstream processing of wood harvested from the Working for Water Programme in the area and link to small scale manufacturing strategy for the District.

Р	Programme: Water Management in Nature Resource Risk Areas							
Strategic objective	LED activity (2021-2026)	EGDS activity	Outcomes	Impact				
Promote water security and job creation in Nature Resource Risk Areas	Expanded roll-out of WfW programme	Facilitate downstream manufacturing	Eradication of alien plants; temporary jobs; new business activities linked to processing of harvested wood from programme over long term	Available quality water resources to support economic growth				

9.5 THE INSTITUTIONAL SPHERE

Due to the historic weak performance of LED in South Africa, the National Framework for Local Economic Development (Department of Cooperative Governance and Traditional Affairs, 2018) emphasises the need for the development of strong institutions to improve the planning, implementation and M&E of LED programmes.



9.5.1 LED CAPACITY BUILDING

a. Background

The National Framework for Local Economic Development (Department of Cooperative Governance and Traditional Affairs, 2018) emphasises the need for strong institutions and trained personnel to drive LED strategies.

b. Problem Statement

In terms of the 2006-2012 MDM LED strategy, LED implementation gaps were reported ascribed to a variety of factors including the lack of local champions, lack of stakeholder buy-in, lack of institutional capacity; lack of funding; lack of marketing and lack of investment by the private sector. In addition, projects seldom seem to involve the private sector (MDM, 2013). The District Municipality last formulated a LED strategy for the period 2013 to 2019. Of the 20 identified LED projects in the 2019/20 District IDP, eight projects are in the process of implementation (six) or completed (two) while 12 projects either were postponed due to COVID-19 (six) and six were not implemented. Due to the historic weak performance of LED in the District and in South Africa in general, there is a lack of local confidence in LED plans.

c. Objectives

Build capacity within MDM to plan, implement and monitor the planned LED programmes.

d. Proposed Project

• External mentorship: Appoint an external advisor to provide mentorship and support in the implementation of the LED strategy in the first year of implementation. This will include a detailed action plan, active sourcing of funding and the mobilisation of strategic partners.

Programme: LED capacity building						
Strategic objective	LED activity (2021-2026)	EGDS activity	Outcomes	Impact		
Build capacity within MDM to plan, implement and monitor the planned LED programmes	External mentorship	-	Implementation of updated LED strategy aligned to M&E framework outcomes	Economic growth and employment creation		

9.5.2 STAKEHOLDER FORUMS

a. Background

LED is described as a collaborative process between different stakeholders including the government sector, private sector and civic society. For the successful implementation of LED strategies, strong local stakeholder representative groups play an essential role.

b. Problem Statement

While all the municipalities have industry/private sector tourism chambers, the industry-based tourism chambers are most active in Greater Giyani and Ba-Phalaborwa municipalities with limited



activity in the other three municipalities. There are registered chambers of business/business associations in most municipalities although the level of active engagement is questionable throughout the district. The Ba-Phalaborwa Chamber of Business has become less active over the years and currently has no limited if any active members. The MDM COVID-19 Recovery Plan acknowledged the need to revamp the LED and other sector forums in the District (MDM, 2019).

c. Objectives

Facilitate the development of strong representative stakeholder groups for LED including forums facilitated by municipalities (LED and EPWP forums) as well as private sector driven associations /groups (tourism associations and business chambers).

d. Proposed Project

Mobilisation of different stakeholder groups:

- Develop a comprehensive stakeholder and contact lists for potential stakeholders across the District that would include stakeholders in LED in general, the tourism sector and stakeholders relevant for EPWP forums
- Organise meetings between different stakeholder groups to record and address challenges related to the development of associations in the District
- Establish an open door policy, communication protocol and reliable contact point between the LED office and the different stakeholder groups.

Programme: Water Management in Nature Resource Risk Areas						
Strategic objective	LED activity (2021-2026)	EGDS activity	Outcomes	Impact		
Development of strong representative stakeholder groups across the District	Mobilisation of different stakeholder groups	Continuous development and support of LED and tourism stakeholder forums	Strong local representative input into and support for LED strategies	More effective LED strategies		



SECTION TEN: SPATIAL FOCUS AREAS

Since financial resources are limited, spatial areas need to be prioritised. The different programmes are also not equally important across the District.

Special economic zones should be rationalised as far possible and made to serve different purposes (e.g. logistics assembly points, farmer support units, informal trading areas, industrial zones could all be located in a single location within a municipal area). The tables below provides an indication of the spatial focus areas in the District for each programme and project.

Mopani District Rural Development Plan (MDRDP identified six priority rural intervention areas in the District:

- Two in the north east and north west of GGM (Areas 1 And 2)
- One in GLM around Modjadjiskloof Ga-Modjadji, Senwamokgope, Malubana and Budza and other (Area 3)
- One n GTM south of Tzaneen town including Burgersdorp; Moime, New-Coop Thabina, Hovheni and Gabaza and others (Area 4)
- One in MLM in the western parts of the municipal areas including Bismark, Metz, Oaks, ekororo, Mabins, Lorraine, Madeira, Ofcolaco, Callais, Trichardal, Balloon and other areas (Area 5)
- One in BPM east of Phalaborwa town including Humulani, Nondweni, Mahale, Matiko-Xikaya and Selwane and others (Area 6) (Department Rural Development and Land Reform, 2016).

Table 39: Spatial focus areas of the Programmes

Pro	ogrammes	Priority areas
1.	Improved Telecommunications Networks	The MDRDP six priority rural intervention areas in the District.
2.	EPWP roll-out strengthening	Across the District, based on gap analysis of critical economic infrastructure. Focus on MDRDP six priority rural intervention areas in the District with focus on Greater Letaba: Greater Giyani and Maruleng
3.	The Agriculture Sector	Production zones: Farmer support units/ Small holder farmer support – MDRDP six priority rural intervention areas in the District with focus on Greater Letaba: Greater Giyani and Maruleng
		Central marketing area: support the marketing hub that already developed in Mooketsi (Greater Letaba)-operated by ZZ2
4.	Small Scale Mining	Greater Giyani
5.	Tourism Development	Greater Tzaneen, Ba-Phalaborwa and Maruleng
6.	Industrial Development	Small scale manufacturing: Across the District, focus on existing industrial facilities
		Agro-processing zone: Greater Tzaneen
7.	Business and Trade Development	Across the District
8.	Human Capital Development	Across the District



Small-Scale farming resource use management	MDRDP six priority rural intervention areas in the District with focus on Greater Letaba: Greater Giyani, Maruleng and Ba-Phalaborwa				
10. Water Saving Agro-processing Hub	Greater Tzaneen				
11. Biogas digester programme	MDRDP six priority rural intervention areas in the District with focus on Greater Letaba: Greater Giyani and Maruleng				
12. Water Management in Nature resource Risk Areas	Maruleng and Ba-Phalaborwa				
13. LED Capacity Building	Mopani District Municipality				
14. Stakeholder Forums	Mopani District Municipality				

The spatial focus areas of each of the projects is provided in Table 40.

Table 40: Spatial focus areas of the Projects

	le 40: Spatial focus areas of the Projects	Duiouitu ouses
Pro	pjects	Priority areas
1.	Design and implement telecommunications pilot project	The MDRDP six priority rural intervention areas
2.	Develop and implement EPWP strategy for District	Major towns and the MDRDP six priority rural intervention areas
3.	Facilitate finalisation of land-claims and utilisation of fallow land	District
4.	Facilitate development of out-grower schemes	Greater Letaba and Greater Giyani
5.	Facilitate the development of the AgriPark for the District	Agri-Hub south east of Tzaneen, 14 FPSU's in all 5 local municipalities
6.	Formalise sand and gravel mining activity across the District	District
7.	Support the development and environmental monitoring of small scale gold miners	Greater Giyani
8.	Feasibility study to determine development potential of dimension stone and gemstone mining	Ba-Phalaborwa, Greater Letaba and Greater Giyani
9.	Appoint an external tourism facilitator to assist in formulation, implementation of tourism strategy and strengthen municipal capacity	District
10.	Support the completion of infrastructure for the functioning of Shongoni Gate	Greater Giyani
11.	Develop local agro-processing niche products (Marula, Mopani worms and arts &crafts)	District
	Develop small-scale manufacturing of local consumer goods	Major towns and rural industrial areas
13.	Entrepreneurial development and Business development support	District



programme	
14. Establish local markets/farmer markets	Major towns
15. Develop a rural retail development plan	Smaller towns and settlements
16. Conduct a feasibility study for a logistics hub for the district	Greater Tzaneen
17. Facilitate development and implementation clause to work locally for specified period as part of student loans and bursaries	District
18. Promoting water-saving technologies in agricultural production	District
19. Promote off-grid solar PV technologies for smallholder farmers	District
20. Facilitate the roll out of a biogas digester programme in the District	District
21. Expanded roll-out of WfW programme	Ba-Phalaborwa and Maruleng
22. External mentorship	District
23. Mobilisation of different stakeholder groups	District



SECTION ELEVEN: LED PROJECTS, FUNDING AND STRATEGIC PARTNERSHIPS

The description of each of the LED projects is provided in this section followed by two tables providing the project implementation plan and potential project risks (Table 41) as well an identification of catalytic projects, estimated project budgets, responsible implementing institution and potential partnerships (Table 42).

11.1. IMPLEMENTATION FRAMEWORK

Table 41 below provide recommended steps for implementation and identify potential risks related to each project.

Table 41: Summary of Programmes, Projects, Budget Estimates and Strategic Partnerships

Programme	Pro	oject	lm	plementation Plan		Project risks
Improved tele- communications In rural areas	1.	Design and implement telecommunica tions pilot project	a. b. c. d.	Source strategic partner for funding and implementation of the pilot project Identify potential pilot area in consultation with local municipalities Obtain permission and negotiate pilot agreement with the pilot village Design pilot project and monitoring plan in consultation with strategic partner	•	Lack of consensus on location of pilot Lack of funding for pilot Lack of access to digital data due to lack of people with Smart phones could lead to pilot failure
Strengthen EPWP roll-out in District	2.	Develop and implement EPWP strategy for District	a. b. c.	Determine relevant department in MDM to facilitate the formulation and coordination of the strategy Develop the strategy (and M&E plan) in coordination with relevant divisions in the MDM local municipalities Update an inventory of critical infrastructure in the District that needs repair Develop clear consensus and criteria among municipalities in terms of prioritising critical infrastructure gaps	•	Lack of national fund available for more extended roll-out of EPWP in district Lack of consensus between local municipalities with regard to priority infrastructure programmes
Agriculture sector support	3.	Facilitate finalisation of land-claims and utilisation of fallow land	a. b.	Build inventory to assist LDARD in identifying fallow land and outstanding land claim Determine and analyse the needs of the identified farmers in terms of hard and soft infrastructure needs	•	Delays in response by LDARD Lack of national funds available for small and emerging farmer support
Agriculture sector support	4.	Facilitate development of out-grower schemes	a. b.	Compile a database of out-grower schemes in MDM and potential large scale farmers and other business that can participate in scheme Compile a list of potential small-scale farmers that would be interested to participate in out-grower schemes Create a platform where local out-growers could be linked to interested small-scale farmers	•	Land rights issues Lack of out-grower opportunities in MDM Lack of small scale farmer support provided by out- growers Lack of funding for start-up capital for



Programme	Pro	ject	lm	olementation Plan	Project risks
			d. e.	Develop water and energy saving guidelines for out-grower programmes Expand the list of local out-growers to national out-grower schemes that MDM could tap into	small-scale farmers to participate in the out- grower schemes
Agriculture sector support	5.	Facilitate the development of the AgriPark for the District	a. b.	Establish contact between main players to facilitate the roll-out of the programme Determine needs and action list where MDM can participate in	 Lack of funds on a national level
Small-scale mining support	6.	Formalise sand and gravel mining activity across the District	a. b. c.	Compile a database of informal activities in the area Organise meeting with DMR to determine needs and action list where MDM can participate in Execute the joint action plan developed between MDM; DMR and the respective local municipalities Facilitate the appointment of an environmental officer on District level to monitor activities in small scale mining on a regular basis	 Resistance of informal miners to be formalised Lack of internal funds to conduct environmental monitoring of activities
Small-scale mining support	7.	Support the development and environmental monitoring of small scale gold miners	a. b. c.	Compile a database of informal gold mining activities in the area Facilitate the establishment of a forum of relevant stakeholders to assist in the formalisation of industry in MDM Facilitate the appointment of an environmental officer on District level to monitor activities in small scale mining on a regular basis	 Resistance of informal miners to be formalised Lack of internal funds to conduct environmental monitoring of activities
Small-scale mining support	8.	Feasibility study to determine development potential of dimension stone and gemstone mining	a.	Commission a feasibility study of mining potential through Mintek and the Council for Geoscience.	Lack of available funding for a feasibility study
Tourism development	9.	Appoint an external tourism facilitator to assist in formulation, implementation of tourism strategy and strengthen municipal capacity	a. b.	Develop terms of reference for eternal tourism facilitator in cooperation with local tourism associations and municipal LED offices Procure an external tourism facilitator/mentor through public procurement processes for a two year mentorship period Monitor the development of contract outcomes (including internal capacity building)	 Lack of internal capacity building Lack of clout and authority of LED mentor Lack of buy-in from local tourism offices Lack of available funding to procure external tourism mentor
Tourism development	10.	Support the completion of infrastructure for the functioning of Shongoni Gate	a.	Organise meeting with NDT to determine needs and action list where MDM can participate in	 Lack of available funding
Small-scale industrial development	11.	Develop local agro- processing niche products	a. b.	Conduct needs analysis of procedures and determine status of available infrastructure and marketing channels Develop and implement action list for	 Lack of available funding Weather conditions Competition from



Programme	Pro	ject	lm	olementation Plan		Project risks
Small-scale industrial development	12.	(Marula, Mopani worms and arts &crafts) Develop small- scale manufacturing of local consumer goods	a. b.	different stakeholders based on needs analyses Compile a list of physical locations that could be developed for facilitate the provision of manufacturing, warehousing and incubation facilities in each municipality Determine needs for soft and hard infrastructure support in these locations	•	other areas (e.g. Modimole) being closer to larger market areas Land availability Available funding for soft and hard infrastructure
Support of small and informal business sector	13.	Entrepreneurial development and Business	c. a.	Facilitate the roll-out soft infrastructure (incubation, ED, BD) and hard infrastructure where needed Facilitate the roll-out of an ED and BD programme in MDM trhough existing public programmes and the mobilisiation of CSI	•	Lack of funding Lack of good practice support to small
Support of small	1/1	development support programme	b.	funding from large private sector companies in mining ad agriculture Link the BD and ED programme to local public procurement programmes Identify suitable venues for farmer markets	•	business sector through poorly deigned programmes Lack of local ED and BD expertise Lack of available land
and informal business sector		markets/farme r markets	a. b. c.	Raise awareness among local entrepreneurs of possibilities for local farmer markets Provide start-up support in terms of marketing and basic facilities for first year of lease agreement	•	Lack of local expertise and interest
Support of small and informal business sector		Develop a rural retail development plan	a. b.	Conduct a study to determine potential for retail developments and available land rights Put sites with potential out on tender for private retail development	•	Diversion of spending from small retailers to new large outlet without new job opportunities created
Support of small and informal business sector	16.	Conduct a feasibility study for a logistics hub for the district	a.	Conduct a feasibility study to determine the best model and location for a logistics hub in MDM	•	Lack of available funding to conduct and implement the findings of a feasibility study
Human Capital development	17.	Facilitate development and implementatio n clause to work locally for specified period as part of student loans and bursaries	a. b.	Develop a list of private and public institutions granting student loans and bursaries in MDM Engage with the institutions and develop a strategy to retain students in the district for some time period after completing their studies	•	Lack of buy-in from institutions
Promote energy and water- saving in agriculture and agro-processing	18.	Promoting water-saving technologies in agricultural production	a. b.	Compile a list of water- saving technologies and farmers that implement water and energy saving technologies in MDM Facilitate mentorship programmes between water and energy saving farmers and small-scale farmers not familiar with the latest technologies	•	Lack of interest of private sector to participate in the programme Lack of funding available to implement recommended technologies
Promote energy and water- saving in agriculture and	19.	Promote off- grid solar PV technologies for smallholder	a. b.	Develop a list of smallholder with potential demand for solar PV off-grid solutions as part of needs assessment in project 3 above Develop a list of potential mechanisms for	•	Lack of buy-in from smallholder farmers Lack of ability to pay- back



Programme	Proj	ject	lm	olementation Plan		Project risks
agro-processing		farmers	c. d.	funding off-grid solar for productive use (e.g. solar irrigation) Raise awareness among farmers of off-grid technologies available and develop contact between programme farmers and small- scale farmers Facilitate the sourcing of funding to implement solar irrigation pilots based on priority projects identified in MDRP		
Biogas Digester Programme	20.	Facilitate the roll out of a biogas digester programme in the District	a. b.	Approach donors organisations like Waste to Energy to assess potential for pilot biogas digester project in MDM Assist pilot implementing agency in selection of pilot site, design and monitoring by setting up and managing a steering committee of relevant stakeholders	•	Lack of donor /NGO funding /interest for pilot in MDM Lack of interest in technology in local communities
Promote water security and job creation in Nature Resource Risk Areas	21.	Expanded roll- out of WfW programme	a. b.	Liaise with farmers, BPM and MLM to identify potential areas for the WfW programme Facilitate the development of WfW projects in BPM and MLM based on identified list	•	Lack of national funds Lack of local interest
LED capacity Building	22.	External mentorship	a.	Source an external advisor to provide mentorship and support in the implementation of the Led strategy in the first year of implementation	•	Lack of funding Lack of local buy-in and authority of external advisor
Development of strong representative stakeholder groups across the District	23.	Mobilisation of different stakeholder groups	a. b. c.	Develop a database of all relevant associations (business, tourism) in MDM Organise meetings between different stakeholder groups to record challenges related to the development of associations in the District Develop an action plan to assist stakeholders groups in addressing the identified challenges Establish an open door policy, communication protocol and reliable contact point between the LED office and the different stakeholder groups	•	Consulting fatigue of local community Lack of interest in community issues Lack of confidence of the local community in public planning processes

11.2. PROJECT BUDGET, RESPONSIBLE INSTITUTION AND PARTNERSHIPS

Table 42 below provides details on funding, responsible institutions and potential partnerships for the recommended projects for the Local Economic Development Plan for 2021 to 2026.

Table 42: Summary Table of Programmes, Projects, Budget Estimates and Strategic Partnerships

Programme	Project	Catalytic	LED Budget 2021-2026	Responsible Institution	Potential partnerships
Improved tele- communications	 Design and implement 	Yes	R300 000	MDM	LEDA: USAID's Digital Inclusion;
In rural areas	telecommunication	ns			University of



Programme	Project		Catalytic	LED Budget 2021-2026	Responsible Institution	Potential partnerships	
	pil	ot project				Limpopo; Liquid Telecomms	
Strengthen EPWP roll-out in District	imp	elop and lement EPWP tegy for District	No	Internal	MDM	Local municipalities; DPW, SEDA	
Agriculture sector support	land	litate finalisation of -claims and sation of fallow land	No	Internal	LDARD , MDM	LDARD, RLCC,Agri-hubs, Commercial farmers, funding and grants schemes and organisations	
Agriculture sector support		litate elopment of out- wer schemes	Yes	R 200 000	LDARD , MDM	Commercial farmers, Agri-hubs, , funding and grants schemes and organisations	
Agriculture sector support	dev	litate the elopment of the Park for the rict	No	Internal	LDARD , MDM	LDARD, RLCC	
Small-scale mining support	grav	malise sand and vel mining activity oss the District	No	Internal	MDM, DWS, DFFE, LEDET	Funding and grants schemes and organisations, private sector	
Small-scale mining support	dev env mor	port the elopment and ironmental nitoring of small e gold miners	No	Internal plus post for MDM environmental monitoring officer	DMR, MDM, DWS, Mintek, Council for Geoscience, LEDET	Funding and grants schemes and organisations, private sector	
Small-scale mining support	dete dev pote dim	sibility study to ermine elopment ential of ension stone and astone mining	No	R 300 000	DMR, MDM, Mintek, Council for Geoscience	Funding and grants schemes and organisations	
Tourism development	toui assi imp toui stre	oint an external rism facilitator to st in formulation, lementation of rism strategy and ngthen municipal acity	Yes	R 800 000	MDM LED	Private enterprise social funds; Tourism associations in District	
Tourism development	10. Sup com infra fund	port the hpletion of astructure for the ctioning of ngoni Gate	Yes	internal	NDT, MDM	Private enterprise social funds	
Small-scale industrial development	11. Dev prod thro ana prod Moj	elop local agro- cessing sector ough needs lysis of niche ducts (maroela, pani worms and &crafts)	Yes	R200 000	LEDET, MDM, DSBD	Funding and grants schemes and organisations,	
Small-scale industrial development	12. Dev mar	elop small-scale nufacturing of Il consumer goods	No	????	LEDET, MDM, DSBD, DPW, SEIF	Funding and grants schemes and organisations,	



Programme	Project	Catalytic	LED Budget 2021-2026	Responsible Institution	Potential partnerships
Support of small and informal business sector	13. Entrepreneurial development and Business development support programme	Yes	internal	MDM,LEDET, SEDA, SEIF	Training institutions, Funding and grants schemes and organisations
Support of small and informal business sector	14. Establish local markets/farmer markets	No	R 50 000	MDM, LEDET, SEDA	Private sector
Support of small and informal business sector	15. Develop a rural retail development plan	Yes	R 500 000	MDM, LEDET	Funding and grants schemes and organisations,
Support of small and informal business sector	16. Conduct a feasibility study for a logistics hub for the district	No	R 400 000	MDM LED	Municipalities: DoT; Transnet
Human Capital development	17. Facilitate development and implementation clause to work locally for specified period as part of student loans and bursaries	No	Internal	MDM LED	Large local companies, provincial government, Provincial university
Promote energy and water-saving in agriculture and agro-processing	18. Promoting water- saving technologies in agricultural production	No	internal	MDM-LED	AWARD; SSNT; DFFE; DWS: LEDET; Mopani Local municipalities; Mopani Farmers' Association; South Africa Food Lab; local farmers
Promote energy and water-saving in agriculture and agro-processing	19. Promote off-grid solar PV technologies for smallholder farmers	No	R600 000	MDM-LED	AWARD; SSNT; DFFE; DWS: LEDET; Mopani Local municipalities; Mopani Farmers' Association; South Africa Food Lab; local farmers
Biogas Digester Programme	20. Facilitate the roll out of a biogas digester programme in the District	No	R500 000	MDM LED; Technical Services	Waste to Energy project, Mopani Municipalities; Mopani Farmers' Association
Promote water security and job creation in Nature Resource Risk Areas	21. Expanded roll-out of WfW programme	No	Internal	MDM LED; Water and Sanitation	DFFE –Working for Water (WfW), AWARD; Mopani municipalities
LED capacity Building	22. External mentorship	Yes	R 500 000	MDM LED	SALGA; CoGTA
Development of strong representative stakeholder groups across the District	23. Mobilisation of different stakeholder groups	Yes	Internal	MDM LED	Local Private sector, NGOs and other LED stakeholders
TOTAL COSTS			R 3 350 000		



SECTION TWELVE: THE MONITORING AND EVALUATION FRAMEWORK

Table 43 below provides the M&E framework for the MDM LED strategy for the next five years.

Table 43: The Monitoring and Evaluation Framework for the LED programme, 2021-2026

Pro	ect Objective KPI			e LED programme Benchmark	Info source	Person responsible	Reporting mechanism (when, where, how)
1.	Design and implement pilot village wi-fi hot spot project	Improved access to digital information In rural areas	Roll-out 1 pilot project to demonstrate effective roll- out of Wi-Fi hotspot	increase in access to digital data for 50% of households in pilot village	Pilot study	MDM LED manager	Quarterly, LED forum
2.	Develop and implement EPWP strategy for District	Increase EPWP roll-out aligned to critical infrastructure gaps in District	% of critical infrastructure addressed; number of jobs created	1 EPWP strategy in District (GTM); 176 projects in 2019	EPWP database	MDM LED manager	Annual LED reporting
3.	Assist with finalisation of land claims and	Facilitate finalisation of land-claims and utilisation of fallow land	% of land claims and under- utilised areas facilitated through MDM	144 land claims outstanding; Unknown number of fallow areas	LDARD	LDARD, MDM	Annual LED reporting
4.	Facilitate development of out- grower schemes	Newly established small scale farmers	Number of out- grower schemes	Unknown number of current schemes	Out-growers	MDM LED manager	Annual LED reporting
5.	Facilitate the development of the AgriPark for the District	Establish Agri- Park in District to improve agriculture productivity	Agri-Park established	No progress to date	DALRRD	MDM LED manager	Annual LED reporting
6.	Formalise sand and gravel mining activity across the District	Facilitate formal rights, environmental monitoring	Establishment of small-scale miners forum; number of mining rights formalised	Limited formal activities	MDM database; DMR database	MDM LED manager	Quarterly, LED forum
7.	Support the development of small scale gold miners	Facilitate formal rights, environmental monitoring	Establishment of small-scale miners forum; number of mining rights formalised	Limited formal activities	MDM database; DMR database	MDM LED manager	Quarterly, LED forum
8.	Feasibility study to determine development potential of dimension stone and gemstone mining	Develop dimension stone and gemstone mining in District if financially feasible	Feasibility study conducted	Limited activities	Feasibility Study	MDM LED manager	Quarterly, LED forum
9.	Appoint an external tourism facilitator to assist in formulation, implementation of tourism strategy and strengthen municipal capacity	Support tourism sector through short and long term strategic interventions	Growth in tourism sector	Tourism spending 10% of GVA	Tourism info centres, associations	MDM tourism official (LED)	Quarterly, LED forum



Proj	ject	Objective	KPI	Benchmark	Info source	Person responsible	Reporting mechanism (when, where, how)
10.	Support the completion of infrastructure for the functioning of Shongoni Gate	Facilitate completion and opening of Shongoni Gate	Growth in tourism sector	No visitors to KNP from GGM	GGM tourism information centre	NDT, MDM LED	Annual LED reporting
11.	Develop local agro- processing sector through needs analysis of niche products (marula, Mopani worms and arts &crafts)	Develop small scale manufacturing sector	Sustainable jobs in niche sector	Low level of activity	Local business chambers and municipal LED offices	MDM LED	Annual LED reporting
12.	Develop small-scale manufacturing focussed on the local market	Develop small scale manufacturing sector	Sustainable jobs in niche sector	Low level of activity	Local business chambers and municipal LED offices	MDM LED	Annual LED reporting
13.	Entrepreneurial development and Business development support programme	Number of new business activities, sustained over time	Number of new establishments and jobs created	New businesses established each year unknown	Local business chambers and municipal LED offices	MDM LED	Annual LED reporting
14.	Establish local markets/farmer markets	Increase in retail income	Increase in informal retail enterprises and employment	Limited farmer markets in operation	Local business chambers and municipal LED offices	MDM LED	Annual LED reporting
15.	Develop a rural retail development plan	Increase in local retail spending	Number of new retailers established	No current retail plan for district	Local business chambers and municipal LED offices	MDM LED	Quarterly, LED forum
16.	Conduct a feasibility study for a logistics hub for the district	Lower transport costs	Feasibility report and logistic hub (if feasible)	No central logistics hub in district	MDM LED	MDM LED	Annual LED reporting
17.	Facilitate development and implementation clause to work locally for specified period as part of student loans and bursaries	Retaining of local skills	Number of bursaries or loans with local service period requirement	Unknown number of bursaries with local retention requirement	Organisations responsible for loans and bursaries	MDM LED	Annual LED reporting
18.	Promoting water- saving technologies in agricultural and agro-processing production	Lower water consumption of select sectors	Higher output per unit water use	R78 output/cubic metre water	Water Research Commission; Farmers' Union	MDM LED	Annual LED reporting
19.	Promote off-grid solar PV technologies for smallholder farmers	Lower grid- based energy consumption of sector	Increase in number of RE infrastructure rolled-out	Unknown	Farmers' Union	MDM LED	Annual LED reporting
20.	Facilitate the roll out of a biogas digester programme in the District	Improved access to renewable energy for cooking purposes through roll- out of biogas digester programme	1 pilot project successfully completed	None rolled out currently	Waste to Energy donor programme	MDM LED	Annual LED reporting
21.	Expanded roll-out of WfW programme	Improve water quantity in	10 WfW projects completed in	No WfW project in district 2019	Local municipalities; EPWP forum	MDM LED	Annual LED reporting



Pro	ject	Objective	КРІ	Benchmark	Info source	Person responsible	Reporting mechanism (when, where, how)
		water service area	MLM and BPM		(district)		
22.	External mentorship	Effective roll- out of LED strategy	Facilitate the roll-out of 75% of KPIs	No official record of KPIs reached before	MDM LED	MDM LED	Quarterly, LED forum
23.	Mobilisation of different stakeholder groups	Strong local representative input into and support for LED strategies		LED forums; tourism forums; Business associations	MDM LED, local municipalities	MDM LED	Quarterly, LED forum



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