



# Steve Tshwete Local Municipality



## REVIEW AND UPDATE OF THE LOCAL ECONOMIC DEVELOPMENT STRATEGY FOR STEVE TSHWETE LOCAL MUNICIPALITY

29 December 2021

Submitted to:

**giz** Deutsche Gesellschaft  
für Internationale  
Zusammenarbeit (GIZ) GmbH

Block C, 2nd Floor  
333 Grosvenor Street  
Hatfield 0083, Pretoria  
T +27 12 423 5900

Submitted by:



Cwaninga (Pty) Ltd  
7 Corridor Cres, Route N4 Business Park  
Emalahleni,  
1049

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STRATEGY FOR THE STEVE TSHWETE LOCAL MUNICIPALITY

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Deutsche Gesellschaft für  
Internationale Zusammenarbeit (GIZ) GmbH ARUNDEL CLOSE  
Block C, 2nd Floor  
333 Grosvenor Street  
Hatfield 0083, Pretoria  
T +27 12 423 5900

Submitted by:  
Cwaninga (Pty) Ltd  
7 Corridor Cres, Route N4 Business Park  
Emalaheni,  
1049



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## ABBREVIATIONS

No.	ABBREVIATION	DESCRIPTION
1	BBBEE	Broad-Based Black Economic Empowerment
2	BEE	Black Economic Empowerment
3	CBD	Central Business District
4	CIDB	Construction Industry Development Board
5	COGTA	Cooperative Governance and Traditional Affairs
6	CWP	Community Works Program
7	DARDLR	Department of Agriculture, Rural Development and Land Reform
8	DEDT	Department of Economic Development and Tourism
9	DMR	Department of Mineral Resources
10	EPWP	Expanded Public Works Program
11	FET	Further Education and Training
12	GTZ	German Technical Cooperation
13	HDI	Human Development Index
14	HEDC	Highveld Entrepreneur Development Centre
15	IDP	integrated development plant
16	IUDF	The Integrated Urban Development Framework
17	ICLEI	International Council for Local Environmental Initiatives
18	LED	Local Economic Development
19	MDG	Millennium Development Goals
20	MEGA	Mpumalanga Economic Growth Agency
21	MEGDP	Mpumalanga Economic Growth and Development Path
22	MPCC	Multipurpose Community Centre
23	MSI	Mpumalanga Stainless Initiative
24	NDM	Nkangala District Municipality
25	NDP	National Development Plan
26	NYDA	National Youth Development Agency
27	SAIW	South African Institute of Welding
28	SALGA	South African Local Government Association
29	SEDA	State Enterprise Development Agency
30	SMME	Small Micro and Medium Enterprises
31	STLM	Steve Tshwete Local Municipality
32	SWOT	Strength Weaknesses Opportunities Threat



## CHAPTER 1 INTRODUCTION

### 1.1 BACKGROUND

This report is submitted as a final deliverable that envisions the Steve Tshwete Local Municipality's (STLM) review, update and implementation of the Local Economic Development (LED) Strategy. The LED review has been undertaken in an integrated manner, building upon the strengths of the municipality and identifying areas requiring additional support by focusing on various sectors that contribute to new distinctive opportunities of economic development notably in respective nodes. Importantly, the LED review has been undertaken in alignment with the national, provincial and local policy framework. The purpose of the report is to review and address the challenges of economic and institutional development of STLM by highlighting its state of readiness and using that as part of a tool to inform and guide the municipality in identifying and achieving its development goals.

The report aims to strengthen the alignment of the integrated development plan (IDP) with other municipal plans by integrating the private and public sectors' strategies and programmes to synchronise the economic and social conditions of the municipality. It is concluded that this reviewed LED strategy is a solution-driven and an implementable plan that will assist the Steve Tshwete Local Municipality to adhere to its constitutional mandate of promoting socio-economic development in its area of jurisdiction.

### 1.2 OVERALL OBJECTIVES AS PER THE TOR

The overall objective of the project is to undertake an LED strategy review in order to position STLM to effectively deliver on implementing a strategy to stimulate the local economy, in an inclusive way, based on collaboration with the intent to facilitate economic growth and job creation in the local space.

Further, the project intends to identify economic development needs, opportunities and comparative advantages of the STLM in order to:

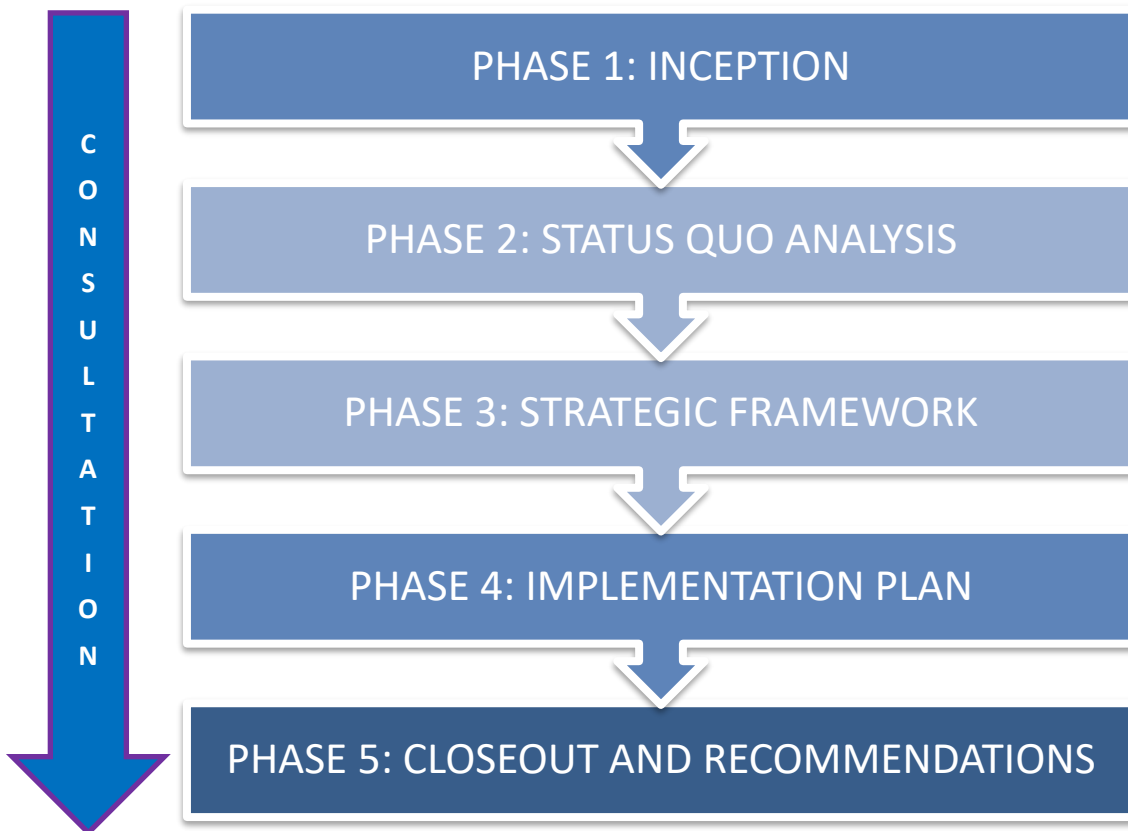
- inform and guide the municipality by meeting its constitutional obligation;
- facilitate development, job creation to cater to our rapid unemployed youth population growth and attract private sector investment;
- promote the establishment and growth of small enterprises; tourism, industrial and agricultural etc. industries;
- foster productive economic linkages between STLM and the wider regional economy;
- access markets, encourage competition and create platforms for strong demands of local goods and services;
- promote political stability and economic growth of STLM and surrounding economies;
- promote inward investment, and
- strengthen LED strategies and programmes through intergovernmental relations and private sector partnerships.

Furthermore, the current LED review will seek to determine whether the outcomes of the old LED strategy has been achieved whilst also identifying challenges that were encountered during the implementation.

### 1.3 METHODOLOGY

The research process for the Review of the Steve Tshwete Local Economic Development Strategy will be undertaken using the mixed method approach. Creswell (2003) pointed out that the mixed methods approach involves collecting or analysing data from the quantitative and qualitative research approaches in a single research study. Here a researcher collects or analyses not only numerical data, which is customary for quantitative research but also narrative data, which is the norm for qualitative research to address the research question(s) defined for a particular research study. The mixed method as presented above will be undertaken using various techniques and through a number of phases as shown below in picture form (diagram). The diagram and key action steps are unpacked into more detail thereafter in a table format.

Figure 1: Diagrammatic Methodology



Details of the main phases are presented below:

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### PHASE 1: INCEPTION

The focus here was reaching a firm consensus on the terms of reference, agreeing on the expected outcomes, the manner of engagement and reporting. This process required compiling the inception report to record all areas and terms of engagement.

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### PHASE 2: SITUATIONAL ANALYSIS AND LED REVIEW

The focus of Phase 2 is to assess the state of LED in STLM by reviewing the implementation of LED projects identified in the 2016-21 LED as well as the LED projects budgeted for in the Integrated Development Plan; examining the capacity of the Municipality in order to identify key issues and training requirements as well as gaps in support mechanisms both internal and external to the municipal structures.

This Phase includes conducting a local economic resource audit by collecting and analysing information. A preliminary assessment will determine available quantitative and qualitative information on the sources, structures and trends in production and employment, skills, and other LED resources and will identify gaps within this body of information. A local economic resource assessment will serve to fill in the information gaps highlighted by the preliminary assessment and provide the foundation for successful LED strategy development. This information will point towards projects and programmes that will strengthen the economic base of STLM. A review of relevant policies and a detailed analysis of sector performance will be undertaken. All findings will be reviewed in a SWOT Analysis to identify interventions.

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### PHASE 3: STRATEGIC DEVELOPMENT FRAMEWORK

This step focusses on the carrying through of the LED vision, which should be an unequivocal description of the preferred economic future for the community, that is, where the community of STLM wishes to be in the future (usually three, five and eight years). It is on the basis of this vision that programmes and project action plans will be developed.

Further, the focus here will be to facilitate the identification of key programmes that will become the core of the LED strategy. Many programme options are in use by communities today and usually, the programme options typify core choices. It will be important to consider the level of hard and soft infrastructure provision to ensure that appropriate strategies are suggested. In selecting the LED programmes, the STLM will be presented with a range of both problems and opportunities to tackle. One of the most effective ways of facilitating job creation is to develop LED programmes that improve the local business-enabling environment and support the development of small, medium and micro enterprises (SMMEs), especially in the key sectors. Within each programme area, projects shall be proposed and selected based on clear criteria.

Cost-benefit analysis is an important tool for prioritisation, especially in expensive projects. The timing for achieving these impacts is a critical issue in the prioritisation of the projects. This leads directly into the Implementation Framework in Phase 4.

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#### PHASE 4: IMPLEMENTATION FRAMEWORK

Implementation planning takes into account 'early-win' projects that can quickly achieve visible and tangible impacts in the short term and will be fundamental to the overall LED strategy. Complex projects with larger resource requirements and a longer timeframe will go through a more rigorous selection process and would include an initial viability assessment, feasibility studies, design review, business plan preparation and a tailored monitoring and evaluation programme.

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#### PHASE 5: CONSOLIDATION AND CLOSEOUT

This phase sees the drawing together of the Draft LED Strategy Report for presentation and consideration by the STLM LED Project Steering Committee. Comments will be incorporated into the final LED Report document, which will also include spatial alignment for LED interventions, identification of infrastructure requirements and LED support mechanisms.

### 1.4 REPORT STRUCTURE

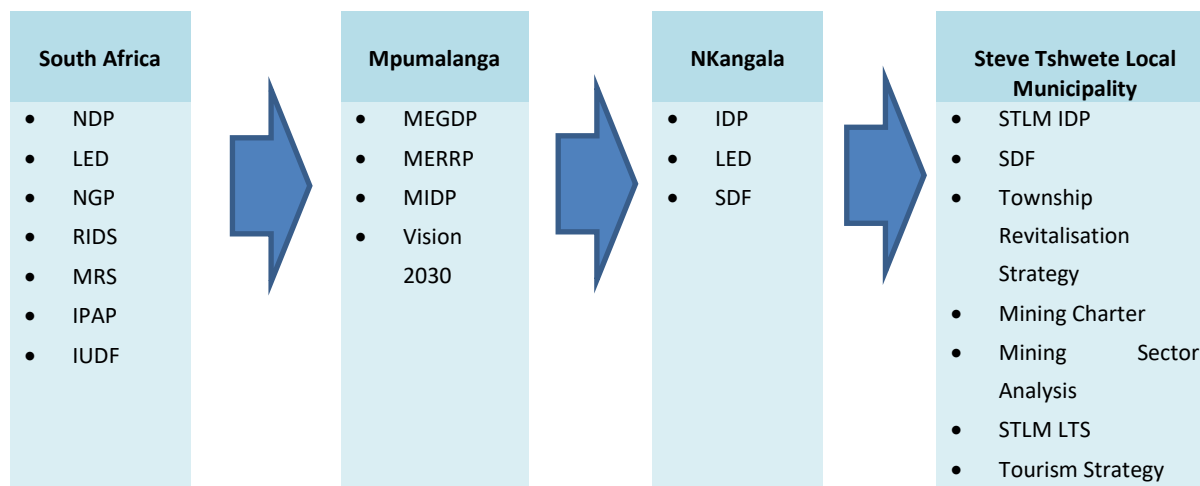
The report structure follows the logic of the methodology of the project as follows:

- Chapter 1: Introduction
- Chapter 2: Policy Framework
- Chapter 3: Review and Assessment of the 2016 STLM LED Strategy
- Chapter 4: Spatial Framework
- Chapter 5: Demographic and Socio-Economic Trends
- Chapter 6: Sector Analysis
- Chapter 7: SWOT
- Chapter 8: Strategic Framework
- Chapter 9: Implementation framework

## CHAPTER 2 POLICY FRAMEWORK

The STLM's LED is aligned with National, Provincial, District and Local policies, strategies and Framework's for development and growth.

Figure 2: LED Policy Alignment



### 2.1. NATIONAL POLICY FRAMEWORK

#### 2.1.1. NATIONAL DEVELOPMENT PLAN

The main aim of the National Development Plan is to eliminate poverty and reduce inequality by 2030. Thus, in order to attain this goal, South Africans need to partake in and commit to growing an inclusive economy, building the country, enhancing the capacity of the state and promoting leadership and partnerships throughout society. To have an economy that grows faster and in ways that benefit all South Africans, poverty must be eradicated, and inequality must be reduced. Young people in South Africa should have better educational and economic opportunities. Moreover, focused efforts are needed to eradicate gender inequality. Therefore, promoting gender equality and greater opportunities for young people are integrated themes that run throughout the National Development Plan (NDP).

Steve Tshwete LM has embarked on a programme of promoting inclusive growth and job creation through various partnerships with the private sector. STLM has identified strategic infrastructure that supports local growth points.

The NDP also outlines several strategic interventions to address issues facing South Africa. Among these are the following: economic development and job creation; expanding infrastructure; transitioning to a low-carbon economy; building an inclusive and integrated rural economy; positioning South Africa to seize opportunities of globalisation; and improving education, innovation

and training. Each of these is critical for the future development of STLM and should be mainstreamed in the LED Plan for the Municipality.

#### **Implications for STLM LED**

- Emphasis on inclusivity and job creation across all skills levels within the economy
- Need for the identification of key sectors of influence
- The creation of jobs through investment in key sectors
- Inward and outward strategies to enhance inter-regional trade and investment
- Beneficiation and agro-processing (developing on existing strengths)
- Transformation of rural and urban areas through LED interventions
- Building the capacity of Municipalities to *implement* LED plans and programmes

#### **2.1.2. NATIONAL FRAMEWORK FOR LOCAL ECONOMIC DEVELOPMENT 2018**

The unemployment rate in South Africa is currently above 30%, with the youth unemployment rate at over 55%. These statistics are alarming and place South Africa in a difficult position, therefore, developing methods for Local Economic Development has become significant for the South African government. The National LED Framework was developed to address issues affecting local economic growth.

The 2018 National LED Framework pinpoints the importance of LED as a strategy for the elimination of poverty, reduction of inequality, creation of jobs, and enhancement of competitiveness. The Framework calls on all key stakeholders to account for the issues facing South Africa, especially in disadvantaged areas such as rural areas and townships. All stakeholders are urged to invigorate township/rural economies targeting investments such as factories, workshops, technical hubs and locally owned retail operations

The following six Core Policy Pillars identified in the 2018 National LED Framework will influence the design, development and implementation of LED over the next ten years.

- Building diverse and innovation-driven local economies
- Developing inclusive economies
- Developing learning and skilful economies
- Enterprise development and support
- Economic governance and infrastructure
- Strengthening local systems of innovation

Moreover, to drive the implementation of the core policy pillars, five enabling pillars were identified. Without these pillars, the objectives of the National LED Framework will not be met:

- Research, planning and strategy
- Funding and finance

- Human resources and capacity development
- Monitoring, evaluation and knowledge management
- Organisational and institutional arrangements

Lastly, the following shows the strategic objectives of the National LED Framework:

- To launch a radical fight against poverty, inequality and unemployment and enhance the quality of life for all through the development of innovative, inclusive and competitive local economies;
- To support the potential of local economies to grow and develop the national economy;
- To raise greater awareness of the significance of regions, metropolitan municipalities and localities as focal points in generating national prosperity;
- To intensify the support for local economies in realising and building their economic potential, their diversity, levels of employment and the creation of decent work for their communities, and
- To strengthen intergovernmental coordination for the planning of inclusive economic development between government and non-governmental sectors.

#### **Implications for STLM LED**

- Multi-faceted and multi-dimensional LED Focus
- A more aggressive focus on infrastructure development and basic service delivery
- Implementing all the SMME Development plans (OSSC, NODE D, Funding Agreements)
- Importance of the Township Economic Revitalisation Strategy with a greater focus on the informal, secondary and rural economy.
- Implementing skills development and training programmes as detailed in the South African Steel and Metal Fabrication Master Plan
- Implementation of the business plan for the Centre of Excellence to achieve diversification in the manufacturing industry while building upon existing competitive advantages (strong steel production cluster and the incubation program as an entry point for SMMEs)
- Building a strong partnership with Columbus.

#### **2.1.3. NEW GROWTH PATH**

The New Growth Path's main focus areas are to create decent work opportunities and reduce inequality to end poverty in South Africa. The government aims to achieve this through a New Growth Path founded on a restructuring of the South African economy to achieve labour absorption and a steady economic growth rate. The government is committed to forging such a consensus and leading the way by:

1. Identifying areas where employment creation is possible on a large scale as a result of substantial changes in conditions in South Africa and globally.
2. Developing a policy package to facilitate employment creation in these areas, through:
  - A comprehensive drive to enhance both social equity and competitiveness;
  - Systemic changes to mobilise domestic investment around activities that can create sustainable employment; and
  - Strong social dialogue to focus all stakeholders on encouraging growth in employment-creating activities.

The New National Growth Path incorporates the Industrial Policy Action Plan and various other policies, programmes and strategies. The aim of the New Growth Path is to ultimately create a more developed, democratic, cohesive and equitable economy and society in South Africa.

Achieving the New Growth Path requires that certain key trade-offs be addressed. This will emphasise the government's prioritisation to support employment creation, equity and the directions business must move in to facilitate a growing economy. Some key trade-offs include:

1. Between present consumption and future growth, since that requires higher investment and saving in the present;
2. Between the needs of different industries for infrastructure, skills and other interventions;
3. Between policies that promise high benefits but also entail substantial risks, and policies that are less transformative and dynamic but are also less likely to have unintended consequences;
4. Between a competitive currency that supports growth in production, employment and exports and a stronger Rand that makes imports of capital and consumer goods cheaper, and
5. Between the present costs and future benefits of a green economy.

#### **Implications for STLM LED**

- Creation of decent work opportunities
- Reducing inequality and poverty eradication
- Transformation and equity combined with enhanced competitiveness
- Importance of tourism and high-level services in job creation and economic growth
- Importance of agricultural value chain – increasing agri-processing

#### **2.1.4. NATIONAL TOURISM SECTOR STRATEGY 2011.**

The guiding principles of the National Tourism Sector Strategy (NTSS) are designed to position South Africa, as one of the top 20 tourism destinations in the world by 2020. Thus, having significant growth in the sustainable tourism economy, with domestic, regional and international components, based on innovation, service excellence, meaningful participation and partnerships.



The National Tourism Sector Strategy is premised on the values of:

- Mutual trust
- Accountability
- Respect for our culture and heritage
- Responsible tourism
- Transparency and integrity
- Service excellence
- Upholding the values of our Constitution
- Commitment to transformation, and flexibility and adapting to change.

The key strategic objectives, clusters and thrusts of the National Tourism Sector Strategy that are relevant to the current marketing strategy are:

Table 1: National Tourism Sector Strategy objectives, clusters and thrusts

Strategic Objective	Cluster	Thrusts
<p>Theme 2: Visitor experience and the brand</p> <ul style="list-style-type: none"> <li>• To deliver a world-class visitor experience.</li> <li>• To entrench a tourism culture among South Africans.</li> <li>• To position South Africa as a globally recognised tourism destination brand.</li> </ul>	Tourism growth and development – demand	<ul style="list-style-type: none"> <li>• Marketing and brand management.</li> <li>• Domestic tourism.</li> <li>• Regional tourism.</li> <li>• Business and events tourism.</li> </ul>
	Tourism growth and development – supply	<ul style="list-style-type: none"> <li>• Relevant capacity building.</li> <li>• Niche-product development and rural tourism.</li> <li>• Product information.</li> <li>• Responsible tourism.</li> <li>• Investment promotion.</li> <li>• Quality assurance.</li> </ul>
	Enablers of growth	<ul style="list-style-type: none"> <li>• General tourism awareness among South Africans.</li> <li>• Safety and security.</li> <li>• International and regional airlift.</li> <li>• Ground transportation.</li> <li>• Domestic airlift.</li> </ul>

Source: Department of Tourism, 2011. National Tourism Sector Strategy

These clusters emphasise the strategic areas of the strategy. These are not discussed in their entirety and readers are referred to the strategy for the full list of strategic areas and interventions. The demand side was identified as a focus area. Therefore, interventions around marketing and brand management, domestic and regional travel, and business and event tourism were identified. On the supply side, the focus was on interventions around capacity development, niche product development, product information, responsible tourism, investment promotion, and quality assurance.

The strategy specifically indicates interventions to build municipal capacity with the assistance of the Department of Cooperative Governance and Traditional Affairs (CoGTA), and The South African Local Government Association (SALGA) to ensure that all municipalities:

- Have a comprehensive tourism framework.
- Allocate appropriate budget to ensure that tourism features strongly in the IDP.
- Identify key infrastructure projects that would have an impact on tourism.

It also advises on the development of mechanisms to encourage membership of local tourism organisations. Another area specifically targeted at local government was the improvement of local government's capacity and understanding of community-based tourism through the identification of best practice, and identifying areas where challenges occur. This links to the importance of building awareness within communities to prevent unrealistic expectations and identifying areas where communities could be beneficiaries of tourism ventures and developing a comprehensive community beneficiation framework were identified.

#### **Implications for STLM LED**

This plan has implications in designing tourism interventions and policy formulation at the local government level. The NTSS discusses five strategic pillars that are relevant to the development of the tourism sector in STLM:

- Pillar 1: Effective Marketing of the Municipality ensuring that the communication's strategy is adequate and there is uniformity in the messages, media, face of the municipality, ambassadorial approach, preservation of the STLM brand name and reputation
- Pillar 2: Market Barrier Removal including the fight against violence and crime, limited marketing of the area, etc.
- Pillar 3: The Visitor Experience ensuring that visitors receive quality services and value for money.
- Pillar 4: Destination Management Practices ensuring that the Municipality as a tourism destination of choice in the province
- Pillar 5: Broad-Based Benefits ensuring that the sector is transformed to cater for all citizens.

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#### **2.1.5. INTEGRATED URBAN DEVELOPMENT FRAMEWORK**

The Integrated Urban Development Framework (IUDF) is a policy initiative from the National Government, coordinated by the Department of Cooperative Governance and Traditional Affairs (COGTA). The IUDF seeks to foster a shared understanding across government and society about how best to manage urbanisation and achieve the goals of economic development, job creation and improved living conditions for the community.

The National Development Plan indicates that South Africa should observe meaningful and measurable progress in creating more functionally integrated, balanced and vibrant urban settlements. The Department of Cooperative Governance, worked in collaboration with the South African Local Government Association (SALGA), South African Cities Network (SACN) and the Deutsche Zusammenarbeit (GIZ) to develop the Integrated Urban Development Framework (IUDF) with the aim of transforming and restructuring South Africa's urban spaces. The IUDF provides a framework for reorganising the urban system so that cities and towns can become more inclusive, productive and resource efficient. In addition, IUDF seeks to foster a shared understanding across government and society on how best to manage urbanisation and achieve the macroeconomic goals which are in line with the NDP.

### **Implications for STLM LED**

The Integrated Urban Development Framework highlights 9 policy levers that enable the achievement of its strategic goals and are important for the development of STLM LED. These policy levers include:

- Integrated Urban Planning and Management
- Integrated Transport and Mobility
- Integrated Sustainable Human Settlements
- Integrated Urban Infrastructure
- Efficient Land Governance and Management
- Inclusive Economic Development
- Empowered Active Communities
- Efficient Urban Governance
- Sustainable Finances

#### **2.1.6. INDUSTRIAL POLICY ACTION PLAN**

In January 2007, the Cabinet adopted the National Industrial Policy Framework (NIPF) which sets out Government's broad approach to industrialisation. Implementation of industrial policy was set out in the Industrial Policy Action Plan (IPAP), which was later revised to incorporate a longer-term 10-year view of industrial development, to form the IPAP 2. The analysis indicated that seven sets of policies are critical to achieving a scale-up of industrial policy and a shift towards strengthening the productive side of the economy in general. These policies are:

1. Stronger articulation between macro and micro-economic policies;
2. Industrial financing channelled to real economy sectors;
3. Leveraging public and private procurement to raise domestic production and employment in a range of sectors, including alignment of BBBEE and industrial development objectives, and influence over private procurement;

4. Developmental trade policies which deploy trade measures in a selected and strategic manner, including tariffs, enforcement and SQAM (standards, quality assurance and metrology) measures;
5. Competition and regulation policies that lower costs for productive investments and poor and working-class households;
6. Skills and innovation policies that are aligned to sectoral priorities; and
7. Deploying these policies in general and in relation to more ambitious sector strategies, building on work already done.

#### **Implications for STLM LED:**

Steve Tshwete has an existing steel and metal manufacturing base and as such, the LED Strategy should ensure that the following key focus areas are addressed in order to strengthen and expand the current steel and metal manufacturing base to achieve full industrialisation:

- Increase support to the Centre of Excellence, steel and metal fabrication expansion programme as proposed by Columbus, beneficiation and localisation financing is made available for the expansion of real economic sectors;
- Leveraging of both public and private incentives to support the industry; and
- Alignment of skills towards sectoral priorities and industry demand.

#### **2.1.7. MICROECONOMIC REFORM STRATEGY**

The Microeconomic Reform Strategy (MRS) represents the integrated action plan of the economic, investment and employment cluster and seeks to improve the business environment for firms *at the microeconomic level*.

The MRS suggests specific measures for improvement in the areas of:

- Crosscutting issues: Technology, human resource development, access to finance and infrastructure
- Competitive input sectors: Transport, telecommunications and energy
- Prioritised growth sectors: Export sectors, investment, agriculture
- Equity and growth: BEE, small business development, employment and geographic spread.

In order to implement microeconomic reforms, certain sectors are prioritised at national and regional levels. At the national level, the sectors prioritised at present are as follows:

1. Clothing and textiles,
2. Automotive components and transport equipment,
3. Agro-processing,
4. Mining, metals and minerals beneficiation,
5. Chemicals and biotechnology,
6. Crafts, and
7. Information and Communication Technologies.

**Implications for STLM LED:**

- Micro-economic focus
- Importance of agriculture and agro-processing
- Small-scale, bottom-up development
- Self-sustainability at the micro-level

**2.1.8. OPERATIONS PHAKISA**

Operations Phakisa is an initiative of the South African government, which is intended to fast track achievements related to the target of the NDP. The focus areas of Operations Phakisa include oceans economy; health; information and communication technology in education; mining; the biodiversity economy, chemical and waste economy; and agriculture, land reform and rural development. The methodology consists of eight sequential steps. It focusses on bringing key stakeholders from the public and private sectors, academia as well as civil society organisations together to collaborate in:

- detailed problem analysis,
- priority setting,
- intervention planning, and
- delivery.

**Implications for STLM LED:**

- Ensuring that corridor improvement in order to link STLM production to Richards Bay Harbour
- Maximisation of socio-economic benefits for STLM
- Protection of environment for sustainability
- Ensuring efficient resource use

**2.1.9. SOUTH AFRICAN ECONOMIC RECONSTRUCTION AND RECOVERY PLAN**

All national policies and plans currently focus on short-term responses to the devastating economic impact of the pandemic and are implementing short-term interventions and incentives to augment the national economy and its productive sectors.

The long-term impact of the pandemic is most likely to play out in the most deprived areas of the country, i.e., the rural areas and the townships. Although the short-term impacts are currently mainly experienced in the cities and larger towns, these areas and nodes are likely to recover in time due to their inherent growth potential. The rural areas and townships are likely to experience in the longer term, should no corrective policy interventions be introduced, increases in unemployment and out-migration trends as households and communities seek to address the economic impact of the pandemic.

Implications for STLM LED is to ensure that the Municipality develop a quick win recovery plan to support all economic stakeholders directly affected by the pandemic. In this regard,

- the municipality will work with private and public institutions to provide various financial and non-financial support to all businesses that will be reopening during the different phases of lockdown.
- Further, the Municipality through the Local Economic Development Unit will need to establish funding of up to R5 million to support local SMMEs with tools of the trade.
- Furthermore, the municipality will need to accelerate business-to-business linkages to ensure that businesses share ideas, resources, markets, and transit to technology-based economies.
- Additionally, the Local Economic Development Unit will offer support to all SMMEs including those in the informal sector with compliance issues for eligibility.

## 2.2. PROVINCIAL POLICY FRAMEWORK

The sub-section below provides a review of the relevant provincial policies, strategies and frameworks.

### 2.2.1. THE MPUMALANGA ECONOMIC GROWTH AND DEVELOPMENT PATH

The Mpumalanga Economic Growth and Development Path (MEGDP) is central to all planning in the province. The key objective of the MEGDP is to foster economic growth that creates jobs and reduces poverty and inequality in the province. The LED strategy is developed within the context of this provincial development framework.

In accordance with the Municipal Systems Act 32, 2000 (Act 32 of 2000), sections 26 (c) and 26 (d):

An integrated development plan must reflect:

(c) The council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs.

(d) The council's development strategies must abide by any national or provincial sectoral plans and planning requirements mandated by the municipality's legislation.

MEGDP aims at creating labour absorbing economies and has identified the following initiatives to propel economic growth:

- Infrastructure development,
- Climate change and the green economy,
- Agriculture and agro-process and rural development,
- Minerals and beneficiation,
- Manufacturing,
- Knowledge-based economies,
- Tourism and business services,
- Social economy,

- Public sector, and
- The regional economy.

**Implications for STLM LED:**

To this end, the STLM LED needs to ensure:

- Focus on the development of key economic sectors (mining, agriculture, manufacturing, tourism, SMME & informal sector and services);
- Advancement of investment promotion and facilitation as a means to stimulate economic development;
- Development of SMMEs and promotion of entrepreneurship;
- Industry-driven skills development and training;
- Development of spatial concentration through the use of nodal and corridor development, and
- Enhanced coordination between all stakeholders.

**2.2.2. MPUMALANGA ECONOMIC RECONSTRUCTION AND RECOVERY PLAN**

The Mpumalanga Economic Reconstruction and Recovery Plan (MERRP) aims to align with the National Economic Reconstruction and Recovery Plan (NERRP) to prioritise those areas that are relevant to the province, that is, seek to address the negative impact of COVID- 19 on the provincial economy and livelihood, including stimulating growth and job creation through the implementation of key priority areas. The MERRP has identified several interventions that aim to address the six priorities as stated in the NERRP. These priorities and interventions are as follows

Priority	Interventions
<b>1. Rollout of infrastructure</b>	<ul style="list-style-type: none"> <li>• Rehabilitation of the Coal Haulage Network</li> <li>• Establishment of the Mpumalanga Parliamentary Village</li> <li>• Upgrading of Moloto Road (R573) and Moloto Rail Development Corridor</li> <li>• Arts-Focused School of Excellence (Cultural Hub)</li> </ul>
<b>2. Industrialisation through Localisation and Export promotion</b>	<ul style="list-style-type: none"> <li>• Establishment of the Nkomazi Special Economic Zone (SEZ)</li> <li>• Development of Forestry Industrial Technology Park</li> <li>• Development of Petrochemical Industrial Technology Park</li> <li>• Rejuvenation of Ekandustria Industrial Park</li> <li>• Establishment of the Mpumalanga International Fresh Produce Market</li> </ul>
<b>3. Energy security and the Green economy</b>	<ul style="list-style-type: none"> <li>• Industrial Symbiosis programme and Circular economy Initiatives</li> <li>• Green Cluster “Just Transition” &amp; other energy-related projects</li> </ul>
<b>4. Employment Stimulus</b>	<ul style="list-style-type: none"> <li>• Paving of township and municipal roads</li> <li>• National Youth Service</li> <li>• Contractor Development Programme</li> <li>• Siyatentela Roads Maintenance Programme</li> <li>• Expanded Public Works Programme (EPWP)</li> </ul>

	<ul style="list-style-type: none"> <li>• Social Enterprise Development Programme (SEDP)</li> <li>• Increase investment in the incubation programme to support industrialisation (MSI/ Furntech/Future Production Technologies Incubator)</li> <li>• Increased access to funding for businesses (SMMEs and Cooperatives)</li> </ul>
<b>5. Tourism, Cultural and Creative Industries</b>	<ul style="list-style-type: none"> <li>• God's Window Skywalk Project</li> <li>• The Barberton Makhonjwa Mountains World Heritage Site</li> <li>• Railway Heritage Tourism project</li> </ul>
<b>6. Agriculture and Food security</b>	<ul style="list-style-type: none"> <li>• Increase in Agricultural production</li> <li>• Increased Broader Participation in the Agro-Processing Industry &amp; Market Linkage</li> <li>• Release state land</li> <li>• Mpumalanga Young Farmer Incubator Programme</li> </ul>

#### Implications for STLM LED:

- STLM through the MERRP will gain support from the province such as the NEF Funding for SMME and cooperatives
- The MERRP will support the establishment and incubation of SMMEs in the steel and stainless steel fabrication industries
- The promotion of inclusive economic growth in STLM
- Empowering of SMMEs

#### 2.2.3. MPUMALANGA INDUSTRIAL DEVELOPMENT PLAN

The Mpumalanga Industrial Development Plan (MIDP), adopted by the Department of Economic Development & Tourism, Mpumalanga in 2015, promotes industrialisation in the province by establishing Industrial Centres of Competence in targeted industrial sectors within well-defined regions. The MIDP has identified several key industrial sectors that could lay the foundation for industrial development in the province, in particular, their diversification into downstream value-adding sectors for labour absorption, at the same time supporting current upstream value addition activities. The plan acknowledges the concentration of industrial sectors in specific regions and proposes the Industrial Centres of Competence accordingly. The MIDP has identified the need for further unpacking of Industrial Centres of Competence linking these with development interventions to establish the innovation platforms necessary for supporting sustainable industrial development in the targeted sectors, and to form a central hub or nerve centre from which the Industrial Centre of Competence can be effectively marketed, promoted, coordinated and managed. The MIDP proposes to develop the following central hubs:

- **Mining and Metals Technology Park-** A comprehensive facility for promoting industrial development within the mining and metals manufacturing sectors. This should be logistically well positioned, adjacent to the N4 between eMalahleni and Middleburg. The preferred size of this park is 600 hectares.



- **Forestry Technology Park-** It will provide a platform for inter-firm cooperation, and lead to specialisation and improvement in quality standards for exports out of the province. The park will be based at Sabie.
- **International Fresh Produce Market-** A site has been identified on the Sabie/Mashishing Road close to Nelspruit and the Riverside Park mixed-use regional node.
- **Petrochemicals Technology Park-** One of the major industrialisation initiatives in the province, aimed at stimulating economic growth and job creation, both through small, medium and micro-sized enterprises (SMME) incubation and large-scale production. This park is based at Secunda. Land for the development of the proposed Technology Park has already been allocated by the Local Municipality.
- **Agro-processing Technology Park-** The park has been proposed within the Nkomazi SEZ. The proposed Technology Park will serve as a hub for the development of other rural nodes, such as the proposed agro-processing hub in Bushbuckridge linked to the Dumphries C Irrigation Scheme and the Giba Community Property Association farming development near Hazzyview.

#### Implications for STLM LED:

- Promotion of industrialists that are operational in STLM
- Creation of employment opportunities in manufacturing
- Promotion of SMMEs
- Strengthen local industries through resource provision
- As per the National Industrial Policy Plan, there will be the need to increase support to the Centre of Excellence, steel and metal fabrication expansion program as proposed by Columbus, beneficiation and localisation financing made available for the expansion of real economic sectors

#### 2.2.4. MPUMALANGA VISION 2030

The plan is the province’s approach to realising the objectives of the NDP in the provincial context and it builds on and informs past and existing sectorial and related planning interventions in Mpumalanga. The plan has the following organising structure:

Figure 3: Organising Structure of the Plan



Source: STLM IDP, 2021.

The logic of this approach is that in order for the socio-economic outcomes to be achieved, key mechanisms must be in place to facilitate the achievement of objectives. In turn, these mechanisms need to build on the strong foundations of a safe and cohesive society and honest and capable public service. Unless these conditions are in place, it will not be possible to drive development and create jobs through infrastructure development.

**Implications for STLM LED:**

- Improving access to healthcare in the region
- Ensuring adequate social protection
- Encourage education and innovative initiatives
- Creation of sustainable job opportunities
- Inclusive rural and urban economic growth

## 2.3. DISTRICT AND LOCAL MUNICIPALITY

### 2.3.1. NKANGALA DISTRICT MUNICIPALITY IDP

The IDP is the key instrument to achieving developmental local governance for decentralised, strategic, participatory, implementation-orientated, coordinated, and integrated development. It seeks to speed up service delivery by securing the buy-in of all relevant role-players and providing government departments and other social partners with a clear framework of the Municipality's development trajectory to harness implementation efforts.

Furthermore, it promotes intergovernmental coordination by facilitating a system of communication and coordination between local, provincial and national spheres of government. Local development priorities, identified in the IDP process, constitute the backbone of the local governments' budgets, plans, strategies and implementation activities. Hence, the IDP forms the policy framework on which service delivery, infrastructure development, economic growth, social development, environmental sustainability and poverty alleviation rests. The IDP, therefore, becomes a local expression of the government's plan of action as it informs and is informed by the strategic development plans at national and provincial spheres of government. The following are some of the objectives of the IDP:

- Integrated Sustainable Human Settlements and improved quality of household life;
- Efficient, competitive and responsive economic infrastructure network;
- Decent employment through inclusive economic growth;
- Inculcate and improve financial sustainability and management;
- Responsive, accountable, effective, efficient and sound Governance System;
- Skilled and capable workforce supportive of inclusive growth;
- Vibrant, equitable and sustainable rural communities and food security, and
- Protection and enhancement of environmental assets and natural resources.

### **Implications for STLM LED**

Looking carefully at the strategic advantages identified for Nkangala District, it is clear that some of the district's competitive advantages fall within STLM. The following key goals are related directly to the STLM and its strategic location within Nkangala District Municipality.

- Building upon strategic border location
- Export focus
- Cultural and heritage tourism opportunities
- Importance of the Green Economy (sustainable energy production)
- Development of hard infrastructure in the Nkangala District Municipality (NDM) includes key economic corridors and other tangible features that impact STLM's development.

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### **2.3.2. NKANGALA LED STRATEGY**

The District LED Strategy document contains goals, strategies and projects which should guide LED within the district. The goals and strategies are developed from the identified challenges and opportunities. It highlights the following as critical areas of the district economic focus:

- Mining
- Agriculture
- Manufacturing
- Tourism
- Business and Retail Growth
- Institutional Restructuring for Optimal LED
- LED Implementation
- Sustainability of LED Initiative and Projects

### **Implications for STLM LED**

- Alignment with other District Projects
- Partnership with the development agency for implementation
- Long Term as well as Short Term focus for projects

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### **2.3.3. NKANGALA SPATIAL DEVELOPMENT FRAMEWORK 2014**

The NDM Spatial Development Framework (SDF) 2014 is based on the following key pillars:

- Consolidating the urban and rural structure of the District around urban and rural nodal points.
- Optimally utilise all resources associated with the space economy of the District in a sustainable manner.

- Focus service delivery and infrastructure investment around the nodal structure which represent the highest population concentrations.
- Target intervention programmes around areas in need of service upgrading and areas requiring urban renewal.
- Implement comprehensive Environmental Management mechanisms and procedures

#### **Implications for STLM LED**

- STLM spatial projects including roads, housing development and other activities related to land acquisition will need to be aligned to district-wide SDF.
- STLM has several mining companies, and this has a major impact on the environment. In this regard, the implementation of the environmental management mechanisms and procedures will need to be aligned to the propositions suggested in the district SDF.

#### **2.3.4. STLM INTEGRATED DEVELOPMENT PLAN 2021-2022**

The Integrated Development Plan (IDP) is the principal strategic planning instrument that guides and informs all planning, budgeting, management and decision-making processes in the municipality. The purpose of the IDP is to ensure the effective use of scarce resources; help to speed up delivery and attract additional funds from all the spheres of government and the private sector; help to overcome the legacy of apartheid by lobbying for integrated rural and urban areas and to extend services to the poor and lastly promote coordination between local, provincial and national government.

Although the STLM IDP has a five-year time horizon (2017-2022), it takes a medium to long-term development perspective with the five-year plans and the annual reviews being a mechanism for a progressive and incremental move towards the ideal situation. It provides for the local implementation of the national and provincial development initiatives as outlined in the National Development Plan and the Provincial Growth and Development Strategy.

The IDP identifies LED as one of the key performance areas. It outlines several economic development issues and notes the strategic location of the STLM, as well as the associated comparative advantages. It commits the municipality to developing strategies and implementable programmes to facilitate industrial development and promote and stimulate rural development. It adopts a strategic approach and emphasises the need for a common or shared economic development vision, integrated approach development and sustainability.

In addition, the LED plan should be aligned and take into account the strategies and objectives of the IDP. These include the following:

- Job creation through linkage to policies, implementation of supply chain management, expanded public works programme implementation/labour intensive;

- Local Economic Development through targeted investment programmes including policy, diversification of value-add products, marketing, support to structures to support SMMEs and co-operatives;
- The implementation of an integrated crime-prevention strategy, to ensure lessening crime;
- Open access to land as a catalyst for BBBEE (Broad-Based Black Economic Empowerment);
- Recognising the role of tourism in the economy through broadening product development and marketing, and
- Recognising the necessity of infrastructure to support tourism, and the services, which treble during season needs to be accommodated.

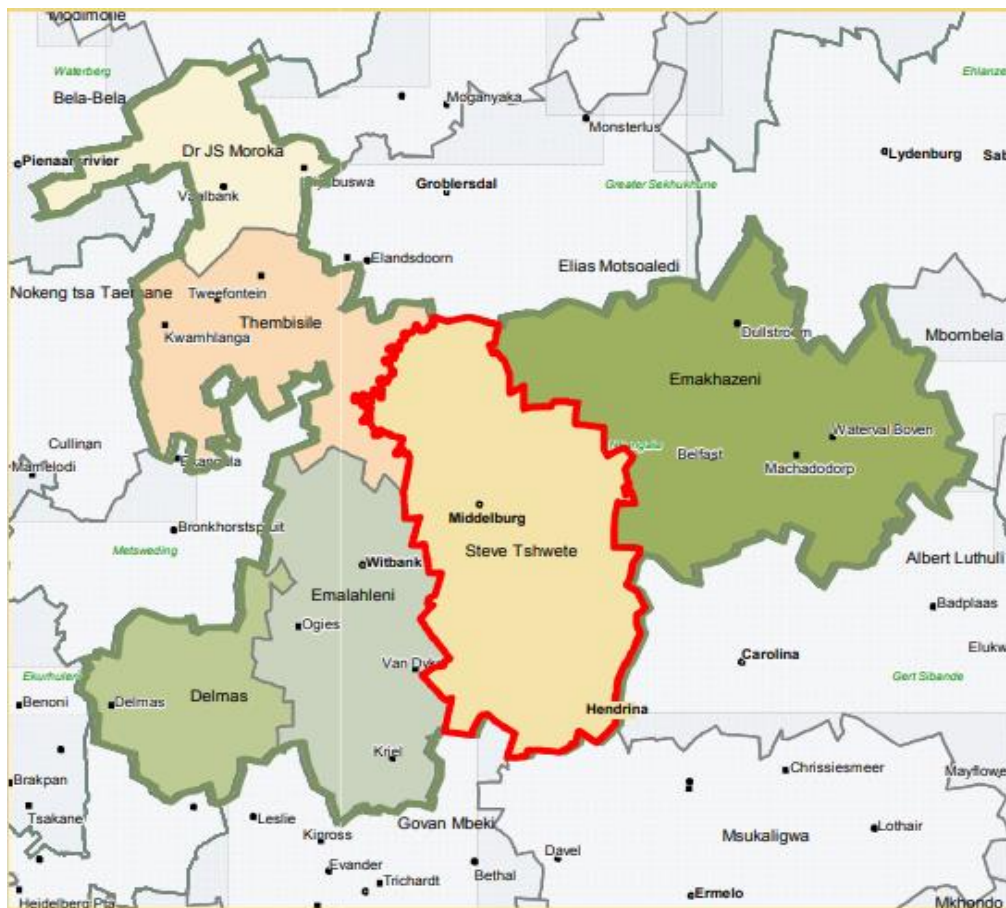
#### **Implications for STLM LED**

- Planning around key and strategic projects
- Nodal development and linkages
- Sustainable development and the green economy
- Tourism and a strategic sector for intervention
- Cognisance of spatial equity in development

#### **2.3.5. STLM SPATIAL DEVELOPMENT FRAMEWORK (SDF)**

The STLM Spatial Development Framework (SDF) forms part of the spatial component of the IDP and therefore its preparation is directly aligned to the IDP. It is considered the overarching strategic spatial planning tool that gives guidance towards a desired future spatial state. It is a process through which the municipality prepares a medium to long term strategic spatial development plan for the municipality's area of jurisdiction. The STLM SDF contains spatial strategies and objectives that aim to improve the spatial form and quality of the municipal area. This planning instrument informs land use management and the spatial decision-making process within Steve Tshwete. It is fundamentally a spatial representation or spatial expression of the development vision, objectives and strategies outlined within the IDP.

Figure 4: Steve Tshwete Local Municipality



Source: STLM SDF, 2014

The SDF commits the STLM to ensuring that all members of the community are presented with the maximum opportunity for growth and development. It further emphasises effective and efficient management of various resources within the municipal area, which is embedded in principles of spatial sustainability, spatial efficiency and spatial equity. The LED Strategy takes these aspects of development into consideration in the pursuit of achieving alignment.

#### Implications for STLM LED

- The areas of higher agricultural potential within STLM should be used for agricultural purposes. Primary goods are costly to transport, and this significantly impacts profit margins. The importance of value-adding cannot be understated. The STLM LED and Strategy needs to identify and focus on several niche value-adding markets for the municipality.
- Service delivery at key nodes needs to be focussed on and improved; there needs to be a greater variety of services at these nodes.
- Linkages between key nodes need to be strengthened.
- There needs to be a focus on LED planning that is area-specific.

- Environmental tourism is key and therefore cognisance needs to be taken of the importance of preserving the natural environment for tourism development.

#### 2.3.6. STLM TOWNSHIP ECONOMIC REVITALISATION STRATEGY

STLM also developed a Township Revitalisation Strategy, which presents a framework to develop township economies and address key challenges within these economies. The vision is to develop townships into productive economic development nodes in an inclusive manner. The strategy involves coordinating stakeholders to target three pillars:

- diversifying township sectoral base;
- building inclusive economies, and
- creating institutional and enabling conditions.

The purpose of the strategy is to present a strategic understanding of the efforts needed to stimulate township growth within STLM, enhance their development, contribute towards the transformation of township economies and enhance the participation of women and youth.

#### **Implications for STLM LED:**

- Promotion of inclusive economic growth in STLM townships and small towns
- Establishment and growth of township based economic nodes
- Empowerment of township based SMMEs
- Creation of sustainable job opportunities

#### 2.3.7. THE MINING CHARTER

The mining industry subscribes to the Broad-Based Socio-Economic Charter for the South African Mining Industry referred to as the Mining Charter. The Mining Charter is a government instrument designed to effect sustainable growth and meaningful transformation of the mining industry. In 2009, the Department of Mineral Resources conducted a comprehensive assessment of the progress made to transform the mining industry against the agreed objectives and targets contained in the Mining Charter 2004. Several shortcomings in the implementation of various elements of the Mining Charter were identified; namely, ownership, procurement, employment equity, beneficiation, human resources development, mine community development, housing and living standards.

The Department of Mineral resources (DMR), commencing with the 2009 assessment, has taken part in reviewing the mining charter over the years. The review of the Mining Charter recognises that the transformation of competitiveness and growth are mutually reinforcing. Therefore, the reviewed Mining Charter seeks to remove ambiguities and bring about regulatory certainty by introducing new definitions, terms and targets to harmonise with other legislation. The harmonisation of legislation is

intended to ensure meaningful participation of historically disadvantaged persons in accordance with the objects of the Mineral and Petroleum Resources Development Act (MPRDA).

The review further recognises that growth and transformation of the junior mining sector; precious metals sector and the diamond sector are important for the competitiveness of the upstream and downstream mineral sectors. In this regard, the Mining Charter 2018, has introduced new provisions applicable to junior miners and amendments to the provisions relating to the precious metals and diamond sectors.

The objectives of the Mining Charter 2018 are:

- a) The affirmation of the internationally recognised principle of state sovereignty; its right to exercise authority and make laws within its boundaries; over the life of its country – including all its mineral wealth;
- b) To deracialise ownership patterns in the mining industry through redress of past imbalances and injustices;
- c) To substantially and meaningfully expand opportunities of historically disadvantaged persons to enter the mining and minerals industry and to benefit from the exploitation of the nation's mineral resources;
- d) To utilise and expand the existing skills base for the empowerment of historically disadvantaged persons;
- e) To advance employment and diversify the workforce to achieve competitiveness and productivity of the industry;
- f) To enhance the social and economic welfare of South Africans to achieve social cohesion;
- g) To promote sustainable growth and competitiveness of the mining industry;
- h) To enable growth and development of the local mining inputs sector by leveraging the procurement the procurement spent of the mining industry, and
- i) To promote the beneficiation of South Africa's mineral commodities.

**Implications for STLM LED:**

- Building and stronger and sustainable mining environment
- Create an inclusive mining industry
- Encourage social welfare, more especially in communities next to mining operations, and
- Enable growth and development of the mining inputs sectors.

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#### 2.3.8. THE MINING SECTOR ANALYSIS

The mining sector strategy aims to address socio-economic imbalances and focus on driving socio-economic transformation in underdeveloped communities. Several challenges are identified in the mining sector strategy, and these include:

- Lack of adequate consultation;



- Lack of enough alignment with other meaningful documents and processes;
- Layout and standardisation of SLPs throughout the industry, and
- Lack of quality feasibility studies during the conceptualisation phase.

#### **Implications for STLM LED:**

- Improvement of mine worker conditions
- Harnessing the STLM 's main mining operations
- Creation of sustainable jobs in the mining sector
- Encouraging a more inclusive and transforming mining sector

#### **2.3.9. STEVE TSHWETE LONG TERM STRATEGY**

This Long-Term Strategy and Implementation Plan is a key milestone in shaping the future of Steve Tshwete Local Municipality (STLM) into a leading municipality. The decision to embark on a Long-Term planning exercise was informed by a bold ambition on the part of the leadership and management of the Municipality to create a desired future in which STLM is a destination of choice and a successful place that fulfils the dreams and aspirations of its people. In May 2018, the STLM Council adopted a Strategic Intent positioning the municipality on a longer-term strategic path focusing on inclusive economic growth and spatial transformation. The Strategic Intent represented the starting point of a long-term planning and implementation journey. The Strategic Intent is being further developed into this overall Long-Term Strategy document for STLM with a time horizon until 2040.

Long Term Planning is a powerful tool for envisaging the future, designing outcomes and formulating and implementing strategies to realise the outcomes. This Long-Term Strategy analyses the current realities and trends and outlines strategic objectives in five transformation areas that will contribute to achieving the desired future for STLM:

- Economic Positioning
- Spatial Restructuring
- Infrastructure Engineering
- Housing and Services Provisioning
- Governance and Management

The traditional pillars upon which the economy rests are collapsing. Coal mining and coal power generation are key platforms upon which the economy currently rests. However, the Sustainable Development Goals (SDGs) endorsed by the United Nations, is calling for a rapid transition from fossil fuels towards green and renewable energy. Moving into the future, renewable energy, agricultural production and the stainless-steel industry will be key drivers of the economy. STLM is experiencing a relatively high population growth, and this is already having a substantial impact on demand for services, housing and jobs. Parallel to population growth, there is the mushrooming of informal settlements close to work opportunities due to a lack of service land. Therefore, the formulation of the STLM 2040 Long Term Strategy and Implementation Plan is necessitated by the need to outline a

concept for a future municipality that is capable of enhancing the quality of life for the entire STLM population whilst simultaneously contributing towards sustainable development. The Long-Term Strategy pays much attention to managing urban growth, growing and diversifying the economy and addressing climate change.

**Implications for STLM LED:**

- Promotion of inclusive economic growth in STLM
- Empowering of SMMEs
- Improvement of infrastructure and service delivery
- Creation of sustainable job opportunities

**2.3.10. STEVE TSHWETE TOURISM STRATEGY**

STLM has prioritised tourism development as part of its local economic development strategy, to diversify the current local economy, create much-needed jobs, whilst increasing economic activity in the region. Both the National Development Plan (NDP) and the National Tourism Sector Strategy (NTSS) have identified the tourism sector as a significant contributor to much-needed jobs and entrepreneurial opportunities that are required by our country. Tourism is considered a 'labour-intensive' sector, which stimulates the development of small businesses. However, tourism enterprises in rural, peri-urban and townships have not been able to take full advantage of opportunities presented by the tourism industry.

**Implications for STLM LED:**

- Reduction of barriers to entry for SMMEs within the tourism sector
- Strengthening and establishing tourism nodes within STLM
- Empowering of SMMEs
- Sustainable job creation
- Encouraging township tourism

The above-discussed district and local municipality strategies are closely aligned with the national and provincial strategies. These all have similar objectives as they aim to reduce inequality amongst community members, eradicate poverty, create employment and encourage an environment that is conducive to local economic development initiatives.

## CHAPTER 3: REVIEW OF THE 2016 STLM LED STRATEGY

The section below reviews the previous STLM LED strategy. This development will seek to determine whether the outcomes of the previous strategy were achieved and identify challenges that were encountered during the implementation with the goal of developing a revised strategy aligned to national, provincial and district policies and strategies, noting the priorities of the Municipality. The key objectives here are to:

- To assess the extent to which the Steve Tshwete LED Strategy projects have been achieved;
- To identify challenges encountered during the implementation of the previous LED Strategy, and
- To determine their relevance, as well as identify further opportunities for interventions.

### 3.1. REVIEW OF THE 2016-21 LED STRATEGY

The following table presents the assessment of the LED projects suggested in the 2016-21 LED Report.

Table 2: Assessment of the 2016 LED Projects

OBJECTIVE / KEY PRINCIPLE	ACTIVITY	Implemented	In Progress	Not Implemented	Comment
<b>Principle 1</b>	Review of spatial development framework	x			This project has been implemented
<b>Principle 2</b>	Establishment of MPCCs, SMME Industrial Hub, Agri-Hub, improve agricultural infrastructure, establishment of a Steel and Metal Fabrication Hub	x			Various infrastructure projects have been constructed (MPCCs, NODE D)
<b>Principle 3</b>	Establishment of an LED Forum	x			Functional
<b>Principle 4</b>	Issuing of licensing and mine permits, land availability for mining purposes, agriculture		x		Ongoing process managed by DMRE

OBJECTIVE / KEY PRINCIPLE	ACTIVITY	Implemented	In Progress	Not Implemented	Comment
<b>Principle 5</b>	Improve the capacity of agricultural participants, eg. emerging farmers and cooperatives. Accelerate land reform policies	x			Ongoing process managed by Land Reforms and Rural Development
<b>Principle 6</b>	Preferential Procurement, Social Labour Plans	x			Gradually improving as an ongoing process by mining companies
<b>Principle 7</b>	Review of spatial development framework	x			Same as Principle 1
<b>Principle 8</b>	Land allocation, link to other initiatives in steel (steel incubation, tooling initiatives steel fabrication hub)	x			Land was allocated for the establishment of the Centre of Excellence
<b>Principle 9</b>	Feasibility study and developing a business plan for the establishment of a steel and metal fabrication hub	x			Business Plan was developed for the establishment of the Centre of Excellence
<b>Principle 10</b>	Recapitalise machinery and equipment of the steel incubator			x	Limited resources of the steel incubator
<b>Principle 11</b>	Access to more land at the show ground for SMMEs			x	Entire land has been allocated to SMMEs – no further land is available
<b>Principle 12</b>	Expansion of the Middelburg mall	x			Expanded into phase two
<b>Principle 13</b>	Upgrade of tourism centre	x			Tourism information centre. Middelburg Chamber of Commerce and Industry was expanded by Department of Tourism
<b>Principle 14</b>	Shopping Mall Industrial factory Acquisition of industrial stands by Council Aiding the transportation of raw by big conglomerate (Columbus,	x			Middelburg Mall expanded Regional hospital is under construction Hotel project is initiated

OBJECTIVE / KEY PRINCIPLE	ACTIVITY	Implemented	In Progress	Not Implemented	Comment
	Ferrochrome, Barloworld, Thos Begbie)				
<b>Principle 15</b>	Installation of solar energy at Doornkop MPCC	x			First phase completed
<b>Principle 16</b>	Establishment of a steel manufacturing plant in Mafube village			x	Investment was withdrawn
<b>Principle 17</b>	Artisan development in Tool, Die and Mould-Making			x	Tooling Initiative was discontinued
<b>Principle 18</b>	Car wash combined with shisanyama, saloon and a kiosk	x			One initiative established in Mhluzi, funded by Nkangala District Municipality
<b>Principle 19</b>	Establishment of flea markets		x		Partially started with Galitos and Dunlop projects established in extension 4 Mhluzi

Table 3: Steve Tshwete Local Municipality LED Strategy: Assessment of the 2016-2017 Projects (Yearly Plan Projects)

OBJECTIVES	ACTIVITY	Implemented	In Progress	Not Implemented	Reason for no Implementation
<b>Catalysts Projects</b>	▪ 3 Capital Investment Projects	x			Infrastructure projects established and funded through SLP commitment
<b>Social Labour Plan Projects</b>	▪ 5 Social Labour Plans/Projects	x			All projects implemented through mining companies, eg NODE D, Clinic in Rockdale, MPCC in Ward 7, upgrade of a clinic in Mhluzi, upgrade of school in ward 7 Arnot
<b>LED Forum Functions</b>	▪ 2 LED Forum Functions	x			Established and functional LED Forum

<b>OBJECTIVES</b>	<b>ACTIVITY</b>	<b>Implemented</b>	<b>In Progress</b>	<b>Not Implemented</b>	<b>Reason for no Implementation</b>
<b>Investment Campaigns</b>	<ul style="list-style-type: none"> <li>2 Investments Functions</li> </ul>	x			Investment seminars held in Middelburg and Sandton.
<b>SMME Skills Development</b>	<ul style="list-style-type: none"> <li>3 Skills Development</li> </ul>	x			Skills developments are facilitated on an ongoing basis, eg technical and business training conducted by MSI
<b>Job Creation Initiative (CWP)</b>	<ul style="list-style-type: none"> <li>Maintenance of 1000 job opportunities created through Community Works Programme</li> </ul>	x			CWP is ongoing
<b>Job Creation (EPWP)</b>	<ul style="list-style-type: none"> <li>298 FTEs created through EPWP</li> </ul>	x			EPWP is facilitated in all the government projects
<b>Tourism Indaba and Conference</b>	<ul style="list-style-type: none"> <li>Market STLM in the international tourism platform</li> </ul>	x			STLM is a regular participant in the Tourism Indaba
<b>Municipal Support</b>	<ul style="list-style-type: none"> <li>Construction of Nazareth Taxi Rank</li> </ul>	x			Multimodal taxi ranks is completed in the CBD
<b>Municipal Support – Infrastructure development</b>	<ul style="list-style-type: none"> <li>Construction of the Extension Two Mhluzi Taxi Rank</li> </ul>			x	Not done
<b>Municipal Support – Capacity Building</b>	<ul style="list-style-type: none"> <li>Support of 1 small scale/emerging farmer through vegetable farming methods/equipment</li> </ul>	x			Support was initiated by the Department of Agriculture
<b>Municipal Support - Infrastructure development</b>	<ul style="list-style-type: none"> <li>Implementation of the Steel Manufacturing and Beneficiation Hub</li> </ul>			x	This initiative has been reviewed and incorporated into the Centre of Excellence

OBJECTIVES	ACTIVITY	Implemented	In Progress	Not Implemented	Reason for no Implementation
<b>Municipal Support – Capacity Building</b>	<ul style="list-style-type: none"> <li>▪ Feasibility Study and development of Business Plan for the</li> <li>▪ Establishment of a Feed Mill in STLM</li> </ul>			x	Initiative of the Nkangala District Municipality which was not implemented
<b>Municipal Support - Infrastructure development</b>	<ul style="list-style-type: none"> <li>▪ Establishment of the Industrial Park in Mhluzi</li> </ul>	x			NODE D has been implemented and is expanding into next phases
<b>Municipal Support – Capacity Building</b>	<ul style="list-style-type: none"> <li>▪ Supply and delivery of Emergency Service</li> <li>▪ Hazmat Response</li> </ul>			x	Not relevant
<b>Municipal Support - Infrastructure development</b>	<ul style="list-style-type: none"> <li>▪ New 10ML reservoir Skietbaan (multi-year)</li> </ul>			x	Not relevant
<b>Municipal Support - Infrastructure development</b>	<ul style="list-style-type: none"> <li>▪ Upgrade 4<sup>th</sup> Phase Klein Olifants outfall sewer (roll over)</li> </ul>			x	Not relevant
<b>Municipal Support - Infrastructure development</b>	<ul style="list-style-type: none"> <li>▪ Roads &amp; Stormwater Ext 18 (multiyear)</li> </ul>			x	Not relevant

Table 4: Steve Tshwete Local Municipality (STLM) LED Sector Study: Assessment of Projects

DURATION	PROJECTS	Implemented	In Progress	Not Implemented	Reason for no Implementation
<b>Short- term (2020/2021)</b>	▪ Approve Business Plan for the CoE	x			Approved
	▪ Secure funding for the CoE		x		Not achieved
	▪ Develop business plan for the Agricultural Incubation Hub			x	Not a municipal project at this point
	▪ Receive approval on the Agricultural Incubation Hub business plan			x	Not done
	▪ Conduct assessment of existing Mhluzi Industrial Park Programme			x	Need to be clarified further as the industrial park in Mhluzi is a new initiative
	▪ Develop One Stop Service Centre business plan	x			Achieved
	▪ Receive approval on the A One Stop Service Centre business plan	x			Achieved
	▪ Develop Proof of Concept/Business Plan for the Coordinating Integrator, including operating model			x	Not a priority project but was recommended in the Economic Analysis study
▪ Evaluate progress of the LED forum, as well as the current KPIs and membership	x			Evaluation done at the end of each term – closeout report	



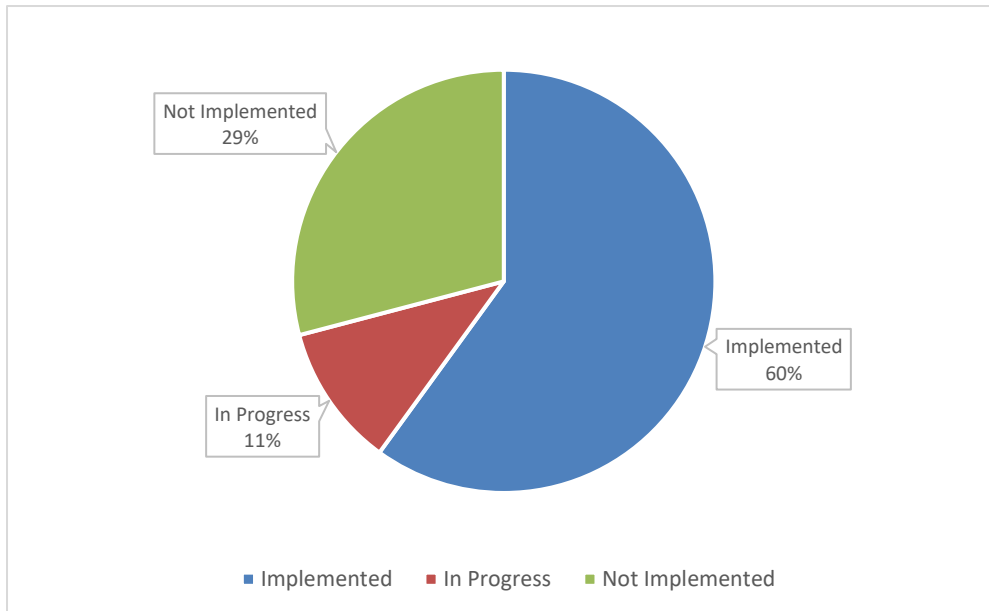
DURATION	PROJECTS	Implemented	In Progress	Not Implemented	Reason for no Implementation
	<ul style="list-style-type: none"> <li>Finalise CoE operating Model</li> </ul>	x			
	<ul style="list-style-type: none"> <li>ICT / Broadband Infrastructure Development</li> </ul>	x			Facilitated by IT within STLM as part of the smart city concept
<b>Medium-term (2020 / 2022)</b>	<ul style="list-style-type: none"> <li>Secure funding for the Agriculture Incubation Hub</li> </ul>			x	Not a project at this point – only project in Agriculture is the chicken broiler (business plan concluded)
	<ul style="list-style-type: none"> <li>Finalise Agricultural Incubation Hub Operating Model</li> </ul>			x	Not a project at this point
	<ul style="list-style-type: none"> <li>Conduct Gap Analysis for areas for improvement for Mhluzi Industrial Park</li> </ul>				Not part of the plan
	<ul style="list-style-type: none"> <li>Secure funds for One Stop Service Centre</li> </ul>		x		Company appointed to manage the centre and raise funds
	<ul style="list-style-type: none"> <li>Finalise One Stop Service Centre Operating Model</li> </ul>				
	<ul style="list-style-type: none"> <li>Secure funding for the LED Coordinating Integrator</li> </ul>			x	Not a priority
	<ul style="list-style-type: none"> <li>Open Coordinating Integrator contract to the market</li> </ul>			x	Not a priority
	<ul style="list-style-type: none"> <li>Finalise Coordinating Integrator contract to the market</li> </ul>			x	Not a priority
<ul style="list-style-type: none"> <li>Develop updated strategy for the LED Forum to ensure its effectiveness</li> </ul>	x			Closeout reports are done at the end of each term of office for office bearers -	

DURATION	PROJECTS	Implemented	In Progress	Not Implemented	Reason for no Implementation
	▪ Support Land Access and Reform Processes		x		Ongoing process as per applications for land access within STLM or Land Reform
	▪ Develop Agricultural Infrastructure (Irrigation Plan Focus)			x	Not relevant
<b>Long-term (2021 /2025)</b>	▪ Complete upgrades to Mhluzi Industrial Park Node D		x		Project is at the third phase
	▪ Construct One Stop Service Centre				Building already exists
	▪ Construct CoE Facilities			x	Limited resources to start the project
	▪ Construct new Agricultural Incubation Hub facilities			x	This project has not been implemented
	▪ Develop Strategy for Improving the Mhluzi Park, Including updated business plan and operating model		x		The facility is at third phase of development

### 3.2 THE OVERALL ASSESSMENT OF THE 2016-21 LED STRATEGY PROJECTS

The above tables illustrate that a significant number of projects, which were suggested in the STLM 2016 LED Strategy, have been implemented. Of the total of **55** projects that were suggested in the previous strategy, **33** have been implemented, **6** are in progress and **16** have not been implemented. The below diagram illustrates a summary of these findings.

Figure 5: Project Status Summary



### 3.3 CHALLENGES ENCOUNTERED

Several challenges were identified as hindering the implementation of more projects. Some of these challenges are listed in the table below:

Table 5: Challenges Preventing Project Implementation.

No.	Identified Challenge	Suggested mitigation
1	Limited resources of the steel incubator	Motivate for additional resources to capacitate the steel incubator
3	Tooling Initiative was discontinued	Investigate the reasons for the discontinuation of the tooling initiative
4	Need to be clarified further as the industrial park in Mhluzi is a new initiative	Investigate possible uses of the Industrial Park in Mhluzi and align it with implementable strategy projects
5	Limited resources to start projects	Advocate for improvement in resource allocation to ensure that suggested projects are implemented.

The assessment of the 2016-2021 LED Strategy has assisted in the understanding of several challenges that the Municipality has faced during the overall implementation of the suggested projects. Some of the key lessons learned during the implementation of the previous LED include among others the following:

- Projects will need to be suggested taking into account the financial possibilities of the Municipality.
- As per other municipalities in the district, STLM has scarce financial and other resources to implement all suggested projects at once. In this regard, there will be a need to ensure that a thorough prioritisation process is undertaken to ensure that key projects with multiplier effects are given preference.
- While all projects will not be implemented solely by STLM, there is a need to ensure that frank collaboration is undertaken with the District and Province.
- The land availability in the country has been a challenge for development and this applies as well to STLM. Therefore, the land availability issue needs to be taken into consideration during the suggestion of projects.

Based on the preceding lessons, it is significant to ensure that new projects are designed to avoid similar challenges. In doing so, the reviewed strategy will definitely achieve the overall economic goals of the Municipality which include:

- To identify development needs, opportunities, priorities,
- to guide the budget and service delivery implementation process,
- to unlock investor potential,
- to create economic and job opportunities, driven by inclusive growth, and
- to measure economic performance and the impact of private investment.

## CHAPTER 4: SPATIAL TRENDS OF THE STLM

### 4.1. LOCATION OF THE MUNICIPALITY

STLM is one of the six municipalities located in the centre of the Nkangala District Municipality of Mpumalanga Province. It is a Category B municipality, and its seat is in Middelburg. The area is divided into 29 political wards with a total of 58 councillors.

Below is a list of road/border network corridors that are linked to the location of the STLM:

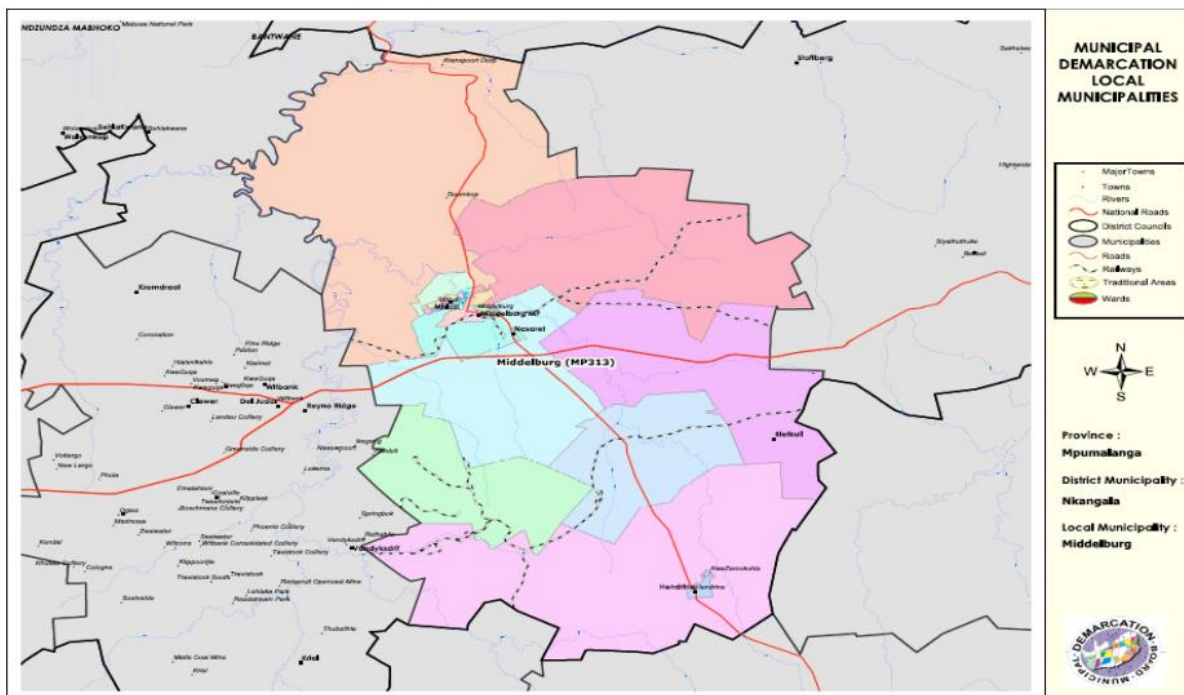
- It is located along the N4/N12 corridor that connects Pretoria and Johannesburg to Mbombela and Mozambique.
- N11 corridor runs through the CBD town and links the Limpopo Province through Middelburg – Hendrina – Ermelo to Kwa-Zulu Natal province and the Richards Bay harbour.
- Railway lines link the municipality to the regional economic Maputo harbour; one railway line runs from Johannesburg through Delmas and Ogies and connects with the other line that runs from Pretoria through Bonkhorstspuit and Emalahleni. It runs parallel to the N4/N12 and provides an alternative freight route between Gauteng and Mpumalanga to Maputo.
- Midlen corridor links Middelburg and Emalahleni, the two largest economies of the Mpumalanga province.
- The municipality houses three power stations (Komati, Hendrina, Arnot) south of the N4/N12.

Figure 6: Nkangala District within Nkangala District



STLM Long Term Strategy 2019

Figure 7: Steve Tshwete Local Municipality



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The STLM is situated approximately 150 km to the east of Pretoria on the way to Mbombela (Nelspruit). It covers a geographic area of 39 976 km<sup>2</sup>. The N4 freeway traverses the study area from east to west, and the N11 freeway traverses it from north to south, intersecting with the N4 just to the south of Middelburg Town in the central extents of the LM.

Mpumalanga Province is predominantly a rural province as it comprises urban and non-urban land uses, whereas there is a discrete settlement pattern with significant inequalities in terms of population distribution and densities in the Nkangala District. The Municipality comprises two main urban areas, namely Middelburg/Mhluzi, which is the primary commercial and administrative centre; and the much smaller Hendrina/Kwazamokuhle situated near the south-eastern border of the Municipality. Several smaller settlements are dispersed throughout the municipal area, primarily to the south of the N4 freeway.

These smaller settlements are arranged into four categories for planning purposes as follows:

- a) **Small Villages:** Small villages that serve as agricultural service centres, include Somaphepha, Sikhululiwe (Mafube), and Doornkop. These villages, located in the northern parts of the municipal area, offer limited services and basic amenities to a small and localised rural community.
- b) **Holiday Towns:** The second category of settlements is the two holiday towns of Presidentsrus and Kranspoort. Development in these towns is strictly regulated in order to maintain a specific character.
- c) **Mines and Power Stations:** The third and final settlement category comprises the towns associated with mines and power stations. The towns related to power stations are namely Rietkuil, Pullenshope

and Komati, which were all developed by Eskom. Mining villages in the STLM are namely Blinkpan/Koornfontein, Naledi and Lesedi.

- d) **Farm Worker Villages:** Finally, Kanhym (a farming company) developed Thokoza and Eikeboom villages specifically for farm workers.

Notably, STLM exhibits the second-highest urbanisation rate in the NDM at 72.1% (Steve Tshwete ITP, Draft 2013). This high urbanisation rate is coupled with the depopulation of rural areas. The northern boundary of the LM bisects Loskop Dam, with the Loskop Dam Nature Reserve surrounding the dam. To the east of Middelburg Town is the Middelburg Dam, and to the northwest, thereof is the Botshabelo Nature Reserve.

#### 4.2. STLM KEY NODES

The hierarchy of activity nodes/areas within STLM area is described in the following table.

Table 6 Steve Tshwete Key Nodes

Nodes	Descriptions
<b>Primary Nodes</b>	Middelburg Central Business District is the primary activity node, the largest commercial centre of the municipality. Concentrated on Cowen Ntuli, OR Tambo, SADC and Walter Sisulu Streets, it is a strong location for retail and commercial development, service industries, community facilities; government buildings and municipal offices are located here. Hendrina Central Business District forms part of the primary economic activity node within the municipality. It also comprises a combination of retail, wholesale trade, financial services, municipal and government services.
<b>Secondary Nodes</b>	<p>The existing secondary nodal points are:</p> <ul style="list-style-type: none"> <li>• Midwater business complex</li> <li>• The Middelburg Mall, located south towards the N4</li> <li>• OK node, east of Fountain Street</li> <li>• Kanonkop node within the residential area, Kanonkop</li> <li>• Rockdale node</li> <li>• Nazareth node</li> <li>• Mhluzi node</li> <li>• Mhluzi Mall, extension 2/4 towards the south of Mhluzi</li> </ul>
<b>Proposed Nodes</b>	<ul style="list-style-type: none"> <li>• Kanonkop node is a proposed node that will be located at the intersection between Walter Sisulu and Protea Street.</li> <li>• Node D south of Mhluzi towards the bricks manufacturing industries; earmarked for light industries.</li> </ul>

<b>Neighbourhood Nodes</b>	<p>Local neighbourhood nodes compliment the primary and secondary nodes and should be located in a way to serve all suburbs. There are currently eleven nodes of neighbourhood importance throughout the STLM area. Future development of these nodes should be promoted in order to realise their full potential. Existing neighbourhood nodes:</p> <ul style="list-style-type: none"> <li>• Dennesig</li> <li>• Kanonkop</li> <li>• Tosca</li> <li>• Merino</li> <li>• Ermbee</li> <li>• Middelburg Extension 18</li> <li>• Aerorand</li> <li>• Middelburg Extension 22</li> <li>• Nasaret</li> <li>• Mhluzi</li> <li>• Kwazamokuhle</li> </ul>
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#### 4.3. HIGH POTENTIAL AND ECONOMIC CORRIDORS

Mpumalanga is directly linked with an integrated system of economic development corridors supporting regional, provincial and socio-economic development. The various regional service centres are connected to the neighbouring provinces and countries through the national corridor. The Municipality is well located alongside the Maputo Development Corridor that runs through the most highly industrialised and productive regions of Southern Africa: the Middelburg/Steelpoort mining resource link, the Middelburg/Bethal/Ermelo/Richard's Bay Corridor, as well as the Midleni Corridor. Middelburg is located along the two most important transport/development corridors in Mpumalanga (the N4 corridor and the N17-N2 corridor).

The three major national corridors in Mpumalanga are N4 or Maputo Corridor, N17/N2 Corridor and N11 Corridor, described in more detail below.

##### **Maputo Development Corridor (N4 Corridor)**

The Maputo Development Corridor is a true transportation corridor, comprising road, rail, border posts, port, terminal facilities and the N12 and N4 routes form part of the Maputo Corridor. These roads provide the main east-west linkage between the Middelburg and eMalahleni towns and Gauteng in the west, and the rest of Mpumalanga to the east. The corridor that is directly affected by economic development: The Maputo



Development Corridor as part of the Coast 2 Coast Corridor (C2C) attracting the public as well as private investment

The section of the N4 freeway between eMalahleni and Middelburg, as well as the supporting road infrastructure and the parallel railway line, pose the ideal opportunity for developing a strong activity link supporting the Maputo corridor.

Mpumalanga contains the bulk of South Africa's electricity-generating coal-fired power stations. The province accounts for 76% of South Africa's coal mining output and 50% of national coal reserves, a lot of which is exported via the Matola Coal Terminal in Matola Port, Maputo

The Maputo Corridor also passes through vast industrial and primary production areas such as those in the Nkangala District Municipality, comprising amongst others, the cities and towns of Delmas, Witbank and Middelburg, important centres for South Africa's coal, vanadium and stainless steel mining and production as well as being principal areas of maize production in the province's agricultural sector

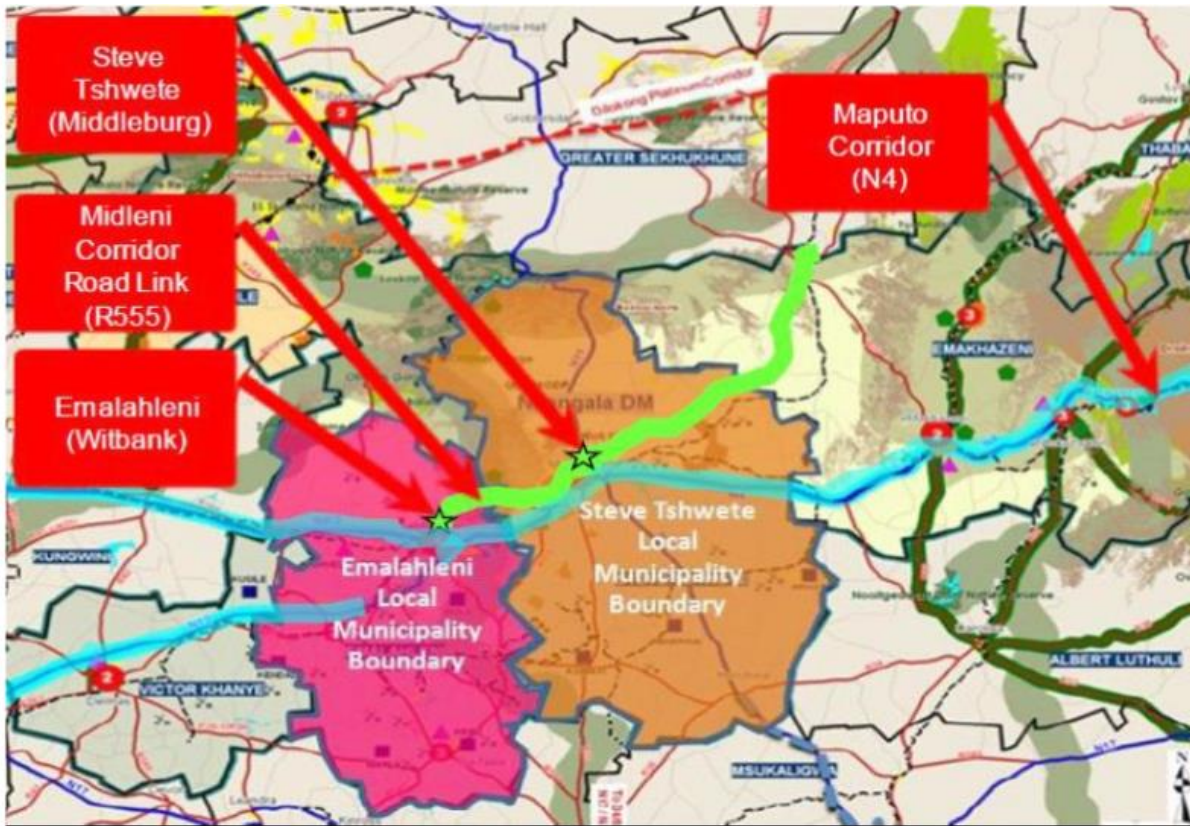
#### **Middelburg/Bethal/Ermelo/Richards Bay Corridor (N11 Corridor)**

The N11 is an intersecting corridor of N4 and N17/N2 and runs through the CBD town and links the Limpopo Province through Middelburg – Hendrina – Ermelo to Kwazulu-Natal province and the Richards Bay harbour.

#### **Midleni Development Corridor**

The Midleni Corridor refers to a section of route R555 – the main arterial link between Middelburg and eMalahleni (Witbank) – as well as the parallel railway line.

Figure 8 High Potential Corridors



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**Rail transport** is restricted to carrying long-distance goods with very few passenger services and no daily commuting service. The importance of the railway line in terms of export potential via Maputo-Richard Bay harbours should be promoted.

## CHAPTER 5: DEMOGRAPHICS AND SOCIO-ECONOMIC TRENDS

### 5.1. STLM DEMOGRAPHIC PROFILES

This section provides an analysis of the socio-economic composition of STLM and the following sources have been used to gather the information presented:

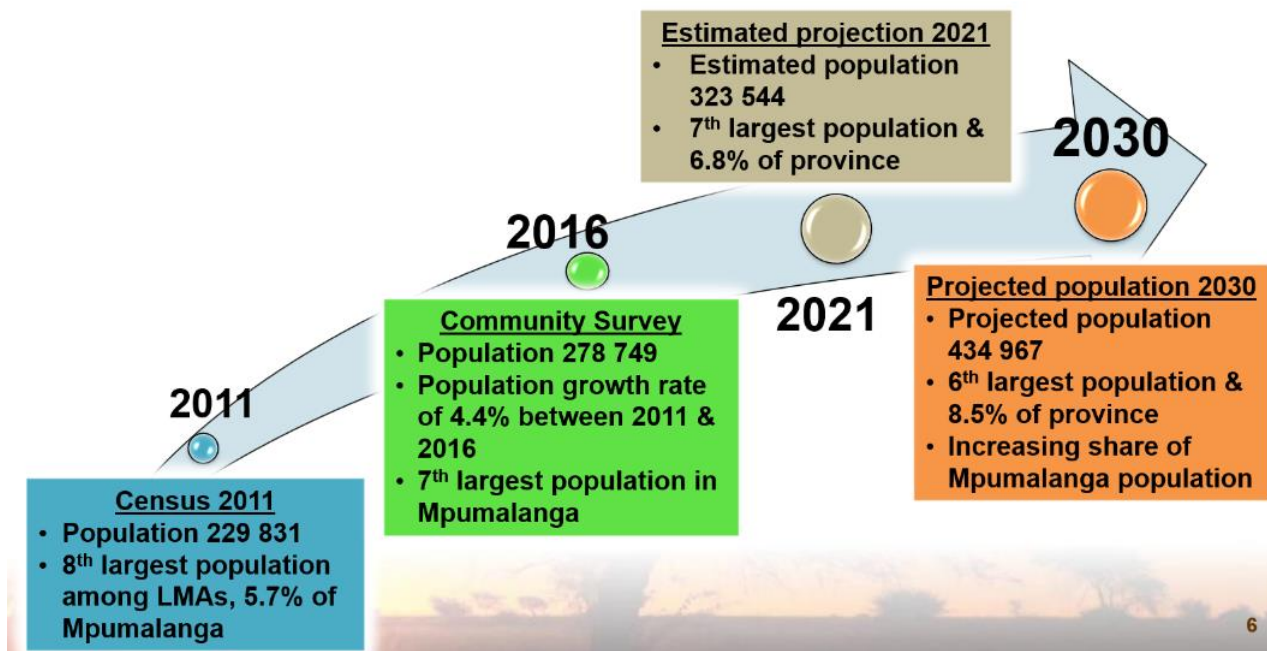
- Socio-Economic Profile of Steve Tshwete (SERO),
- Community Surveys and
- Labour Surveys.

It should be noted that the demographic perspective of a local municipality not only allows the observation of changes in population growth but also explores other developments influence the social life of every citizen. This section emphasises aspects of society such as gender, age and ethnic groups.

#### 5.1.1. POPULATION TRENDS

According to Stats SA (2016 Community Survey-CS), the STLM's population numbers increased from 229 831 in 2011 to 278 749 people in 2016. This represented the 7<sup>th</sup> largest population in the province and 19.3% of Nkangala's population in 2016. The population of STLM grew by 48 918 between 2011 and 2016 at an average annual growth rate of 4.4% which was the highest among the local municipal areas. Based on this growth trend, the population number for STLM is estimated at 323 544 people or 19.7% of Nkangala's population. The Council for Scientific and Industrial Research (CSIR) Green Book population projection for 2030 is more or less 435 000 people or 23.3% of Nkangala's population, which is likely to put pressure on the infrastructure, service delivery and economic/employment opportunities available to the population of STLM.

Figure 9 Steve Tshwete population data and projections



Source: STLM-SERO, 2021.

The increase in population growth can be attributed to various social factors including better healthcare provision, which leads to decreased death rates and decreased child mortality rates. Further, the population would rise not only due to enhanced birth rate or decline in death rate but also due to enhanced migration. STLM is known for its strong mining sector; therefore, the sector will always attract job seekers from neighbouring municipalities and areas.

Additionally, in some rural areas, cultures are more enforced and there is pressure from the family and society to have children. Social norms influence decisions of starting and extending one's family. In cultures where a woman's role is considered to be that of a child-bearer, large families become the norm. The table below presents the actual population numbers for Mpumalanga Local Municipal Areas between 2011 and 2016 as well as the estimates for 2021 and 2030.

Table 7: Population Number Per Municipal Area

Local Municipal Area	Population		Average annual population growth	Estimated number	Projected number by 2030
	2011 Census	2016 CS	2011-2016	2021	CSIR Green Book
<b>Steve Tshwete</b>	<b>229 831</b>	<b>278 749</b>	<b>4.4%</b>	<b>323 544</b>	<b>434 967</b>
Govan Mbeki	294 538	340 091	3.3%	377 446	437 067
Emalaheni	395 466	455 228	3.2%	553 562	648 163
Victor Khanye	75 452	84 151	2.5%	95 698	109 556
Msukaligwa	149 377	164 608	2.2%	186 494	196 342
Mkhondo	171 982	189 036	2.1%	241 510	236 304
Thembisile Hani	310 458	333 331	1.6%	378 481	394 697
Lekwa	115 662	123 419	1.5%	136 763	135 959
Dipaleseng	42 390	45 232	1.5%	42 530	47 083
City of Mbombela	655 950	693 369	1.3%	771 797	814 098
Nkomazi	393 030	410 907	1.0%	470 830	470 381
Thaba Chweu	98 387	101 895	0.8%	120 438	118 249
Dr Pixley Ka Isaka Seme	83 235	85 395	0.6%	94 360	86 053
Emakhazeni	47 216	48 149	0.4%	56 965	52 178
Bushbuckridge	541 248	548 760	0.3%	476 788	529 300
Chief Albert Luthuli	186 010	187 630	0.2%	184 682	173 189
Dr JS Moroka	249 705	246 016	-0.3%	231 695	227 585
<b>Mpumalanga</b>	<b>4 039 939</b>	<b>4 335 964</b>	<b>1.6%</b>	<b>4 743 584</b>	<b>5 111 171</b>

Source: STLM-SERO, 2021.

While population growth creates positive impacts on the increased availability of human resources, the Municipality will need to increase provision for educational facilities (teachers, schools, learning institutions) and access to these facilities. Moreover, increased pressure is placed on the Municipality to provide basic services as well as more employment opportunities.

### 5.1.2 HOUSEHOLD TRENDS

Between the years 2011 and 2016, household numbers in STLM increased by almost 22 000 from 64 971 (2011) to 86 713 (2016). However, the household size declined from 3.5 to 3.2 between these years. The CSIR Green Book projects that 156 500 households will make up STLM in 2030. The table below presents the actual household numbers for Mpumalanga Local Municipal Areas between 2011 and 2016 as well as the estimates for 2021 and 2030.

Table 8: Household Number Per Municipal Area

Local Municipal Area	Households		Average annual household growth	Estimated number	Projected 2030 number
	2011 Census	2016 CS	2011-2016	2021	CSIR Green book
<b>Steve Tshwete</b>	<b>64 971</b>	<b>86 713</b>	<b>5.9%</b>	<b>108 785</b>	<b>156 456</b>
Govan Mbeki	83 874	108 894	5.4%	131 231	178 891
Emalahleni	119 874	150 420	4.6%	194 507	233 142
Msukaligwa	40 932	51 089	4.5%	60 238	70 623
Mkhondo	37 433	45 595	4.0%	68 214	73 037
Lekwa	31 071	37 334	3.7%	44 629	48 904
Victor Khanye	20 548	24 270	3.4%	29 614	36 426
Dipaleseng	12 637	14 877	3.3%	14 440	16 936
Dr Pixley Ka Isaka Seme	19 838	22 546	2.6%	25 177	28 611
City of Mbombela	181 336	205 496	2.5%	249 120	271 366
Chief Albert Luthuli	47 705	53 480	2.3%	55 182	50 202
Thaba Chweu	33 352	37 022	2.1%	44 932	43 157
Thembisile Hani	75 634	82 740	1.8%	95 499	101 204
Nkomazi	96 202	103 965	1.6%	130 721	123 784
Emakhazeni	13 722	14 633	1.3%	17 993	18 768
Bushbuckridge	134 197	137 419	0.5%	130 168	132 325
Dr JS Moroka	62 162	62 367	0.1%	61 382	58 355
<b>Mpumalanga</b>	<b>1 075 488</b>	<b>1 238 861</b>	<b>3.2%</b>	<b>1 461 831</b>	<b>1 642 187</b>

Source: STLM-SERO, 2021.

### 5.1.3 EDUCATION PROFILE

In comparison to other municipal areas in the province, Steve Tshwete is one of the best performing municipalities when it comes to the matric pass rate. In 2014, the municipality achieved a pass rate of 85.6% which was slightly higher than the recent pass rate of 84.7% for the matric class of 2020. Steve Tshwete was the 2<sup>nd</sup> best performing municipal area in the province for 2020. The STLM's pass rate declined between 2019 and 2020 by 4.3 percentage points due to factors related to the COVID-19 pandemic. Steve Tshwete has the 2<sup>nd</sup> highest functional literacy in the province.

Steve Tshwete also achieved an admission rate to university/degree studies of 42.0% in 2020, which was the highest of the 17 municipal areas in the province of Mpumalanga. The below table provides an illustration of



the pass rate for basic education between 2014, 2019 and 2020, as well as the rate of admission to Bachelor's degree studies for 2020.

Table 9: Basic Education Data & Performance per Municipal Area

Local municipal area	Grade 12 Pass Rate			Trend	Admission to B degree studies
	2014	2019	2020	2019-2020	2020
Emakhazeni	85.7%	83.5%	88.0%	😊	38.4%
Steve Tshwete	85.6%	89.0%	84.7%	😞	42.0%
Thaba Chweu	81.1%	84.0%	81.9%	😞	41.9%
Emalahleni	81.9%	81.2%	78.8%	😞	31.9%
Msukaligwa	80.6%	83.9%	76.4%	😞	35.7%
Dipaleseng	81.4%	77.9%	75.3%	😞	29.8%
City of Mbombela	80.5%	82.7%	74.9%	😞	34.4%
Lekwa	84.7%	85.2%	74.8%	😞	28.3%
Nkomazi	86.0%	87.1%	74.0%	😞	28.7%
Bushbuckridge	76.4%	76.0%	74.0%	😞	28.7%
Thembisile Hani	77.1%	79.1%	73.7%	😞	28.4%
Govan Mbeki	76.3%	83.2%	71.9%	😞	30.2%
Chief Albert Luthuli	80.1%	81.6%	71.4%	😞	28.4%
Dr JS Moroka	73.8%	75.6%	66.0%	😞	24.0%
Dr Pixley Ka Isaka Seme	68.1%	75.7%	65.9%	😞	26.5%
Mkhondo	70.9%	64.6%	63.5%	😞	28.8%
Victor Khanye	74.6%	78.2%	62.9%	😞	27.3%

Source: STLM-SERO, 2021.

All the municipal areas of Mpumalanga experienced an increase in literacy levels between 2011 and 2015. The percentage of individuals who completed grade 7 or higher has also increased between 2016 and 2020 across all municipal areas of the province as can be seen in the table below.

Table 10: Functional Literacy Rate per Municipal Area

Local municipal area	Age 15yr+ & completed gr 7 or higher		Trend	Age 15yr+ & completed gr 7 or higher		Trend
	2011	2015	2011-2015	2016	2020	2016-2020
Emalahleni	86.4%	87.8%	😊	88.2%	90.9%	😊
Steve Tshwete	85.3%	87.0%	😊	87.5%	90.4%	😊
Govan Mbeki	83.6%	84.9%	😊	85.4%	88.7%	😊
Thaba Chweu	80.7%	83.7%	😊	84.4%	87.7%	😊
City of Mbombela	80.5%	81.5%	😊	81.9%	86.2%	😊
Msukaligwa	79.0%	80.8%	😊	81.4%	85.6%	😊
Victor Khanye	77.6%	79.5%	😊	80.0%	84.3%	😊
Lekwa	77.2%	79.0%	😊	79.5%	83.7%	😊
Emakhazeni	77.0%	78.3%	😊	78.8%	83.4%	😊
Bushbuckridge	74.6%	76.1%	😊	76.6%	81.9%	😊
Dipaleseng	74.2%	76.3%	😊	76.9%	81.6%	😊
Thembisile Hani	72.7%	75.3%	😊	76.1%	81.4%	😊
Chief Albert Luthuli	72.9%	74.9%	😊	75.6%	81.0%	😊
Dr JS Moroka	72.3%	74.8%	😊	75.6%	80.9%	😊
Mkhondo	70.4%	72.3%	😊	73.0%	78.6%	😊
Dr Pixley Ka Isaka Seme	71.0%	72.3%	😊	72.8%	78.2%	😊
Nkomazi	68.5%	71.2%	😊	72.1%	78.1%	😊

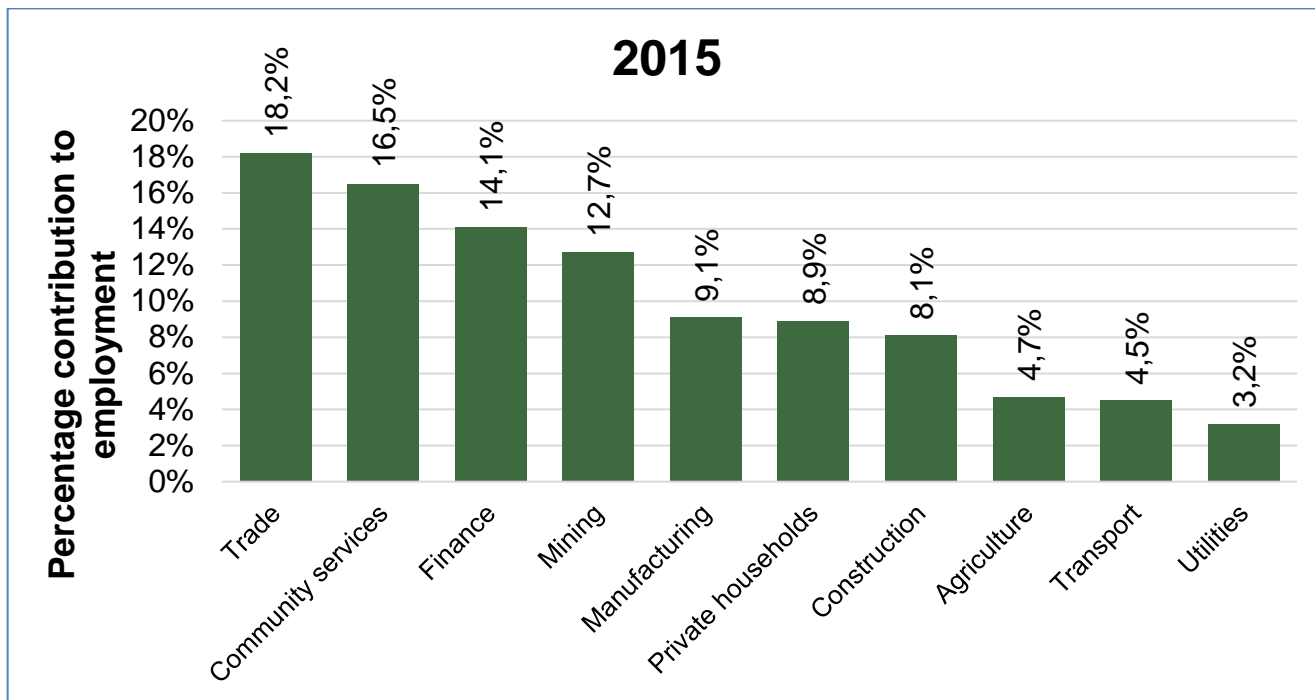
Source: STLM-SERO, 2021.

#### 5.1.4 LABOUR PROFILE

The expanded unemployment rate of Steve Tshwete was 23.1% in 2020, which was considered one of the lowest in the province's municipal areas. However, this is still very high in comparison to the target of 6% in 2030. The level of unemployment is worse for females when compared to males in STLM. For 2020, the expanded unemployment for females was 30.1% while male unemployment was recorded at 18.3%. Youth unemployment in STLM was recorded to be 34.4% over the same period (i.e., labour force between 15-34 years). Steve Tshwete contributed 10.3% to total employment in the province.

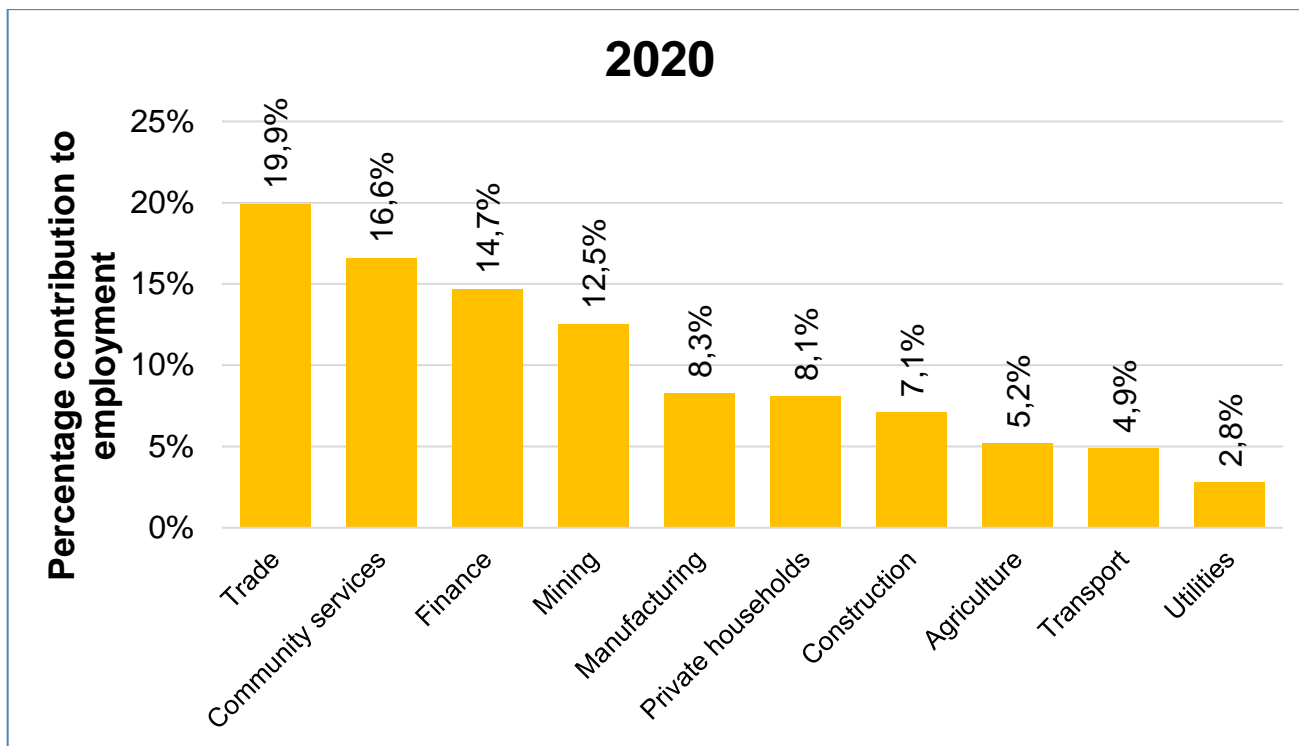
There is concern about the high share of unemployed youth and females in Steve Tshwete. There appears to be a mismatch between their offering of education and skills (or lack thereof) and the demand of the labour market, but also a lack of investment to create jobs. There was an increase in the employment level between 2016 and 2020, but at a modest rate of 1.0% p.a. The average annual employment growth deteriorated when compared with the growth of 4.7% p.a. between 2011 and 2015. The following diagrams illustrate the level of employment contribution per sector in 2015 and 2020.

Figure 10: Sector Percentage Contribution to Employment, 2015.



Source: STLM-SERO, 2021.

Figure 11: Sector Percentage Contribution to Employment, 2020.



Source: STLM-SERO, 2021.



The job losses in 2020, due to the COVID-19 lockdown, was estimated at 9 972. However, in the 4-year period between 2016 and 2020, Steve Tshwete gained 4 582 jobs, despite the devastation of COVID-19. In 2020, the largest employing industries in Steve Tshwete were trade (including tourism), community services, finance, and mining.

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#### 5.1.5 LEVEL OF INEQUALITY AND POVERTY RATES

The share of the population in the STLM below the lower-bound poverty line (LBPL) deteriorated from 25.5% in 2016 to 31.5% in 2020. Currently, at R561, the food poverty line refers to the amount of money that an individual will need to afford the minimum required daily energy intake. This is also commonly referred to as the “extreme” poverty line. The LBPL, currently at R810 for South Africa, refers to the food poverty line plus the average amount derived from non-food items of households whose total expenditure is equal to the food poverty line.

In 2020, the STLM’s share of the population below the LBPL was the lowest (most favourable) among the municipal areas. The number of people below the LBPL was 90 283, and in the calculation of the Local Government Equitable Share (LGES), National Treasury estimates that Steve Tshwete has 43 298 poor households. In 2020, the STLM’s poorest 40% of households shared 6.5% of income, which was lower/worse than the 6.8% in 2016. Steve Tshwete had an improved Human Development Index (HDI) from 0.66 in 2016 to 0.70 in 2020 which was the highest in the province.

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#### 5.1.6 HEALTH PROFILE

Health care is the prevention, treatment, and management of illness and the preservation of mental and physical well-being through the services offered by the medical, primary healthcare, and allied health professions to the population of STLM. The healthcare sector is developing through the expansion of both public and private health facilities. Midmed hospital has expanded to increase its capacity. The new regional public hospital has been constructed and new clinics have been built in Sikhululiwe village and Rockdale and an additional one planned for Newtown.

#### **HIV/AIDS Trends**

The HIV prevalence rate for pregnant women has decreased in the Nkangala district from 43% in 2013 to 32% in 2017. This change can be attributed to the active Aids Council, vigorous HIV counselling and testing (HCT) campaigns and community awareness. HIV/AIDS has a devastating effect on the social and economic development of the STLM’s population and the Council, in collaboration with various stakeholders, is maximising its efforts in this area, to ensure that prevalence rates decrease. Antenatal HIV prevalence is 16% in STLM and HIV prevalence among 15-49-year-old individuals is 11.3%.

The four key drivers identified in the STLM HIV Framework that account for the rise in new infections in STLM are:

- Structural drivers - lack of access to basic services, including water, sanitation, housing and health services;
- Economic drivers - income status, employment levels, education;
- Psycho-social drivers - key risk behaviours (alcohol and drug abuse, having multiple concurrent partners) and gender-based violence, including rape, as well as
- Bio-medical drivers - mother-to-child transmission, teenage pregnancy, sexually transmitted infections and lack of access to sexual reproductive health.

The following are the likely effects of HIV/AIDS on **social systems**:

- ⇒ Poor households become more vulnerable, and the epidemic is likely to deepen poverty and compromise upward mobility;
- ⇒ Increased demand for housing, education and other community facilities;
- ⇒ Greater demand for health care services and facilities;
- ⇒ Greater demand for financial support for orphans, child-headed households and households run by grandparents, and
- ⇒ Negative population growth rate that affects the sustainability of projects based on certain population projections.

The following are the likely effects of HIV/AIDS on the **economic systems**:

- ⇒ Possibility of a shift from savings to current expenditure, limiting fixed investment and economic growth;
- ⇒ Possibility of 'technological deepening' of the economy as a result of higher absenteeism rates: Machinery will replace people in the labour market, with negative outcomes in the long term for job creation;
- ⇒ Further erosion of household savings and skills shortage, and
- ⇒ Increased spending on pharmaceuticals and funerals.

In light of the above, the mining, agricultural and other labour-intensive sectors will suffer the most as they rely heavily on the availability of a physically active workforce.

## 5.2 ACCESS TO SERVICES

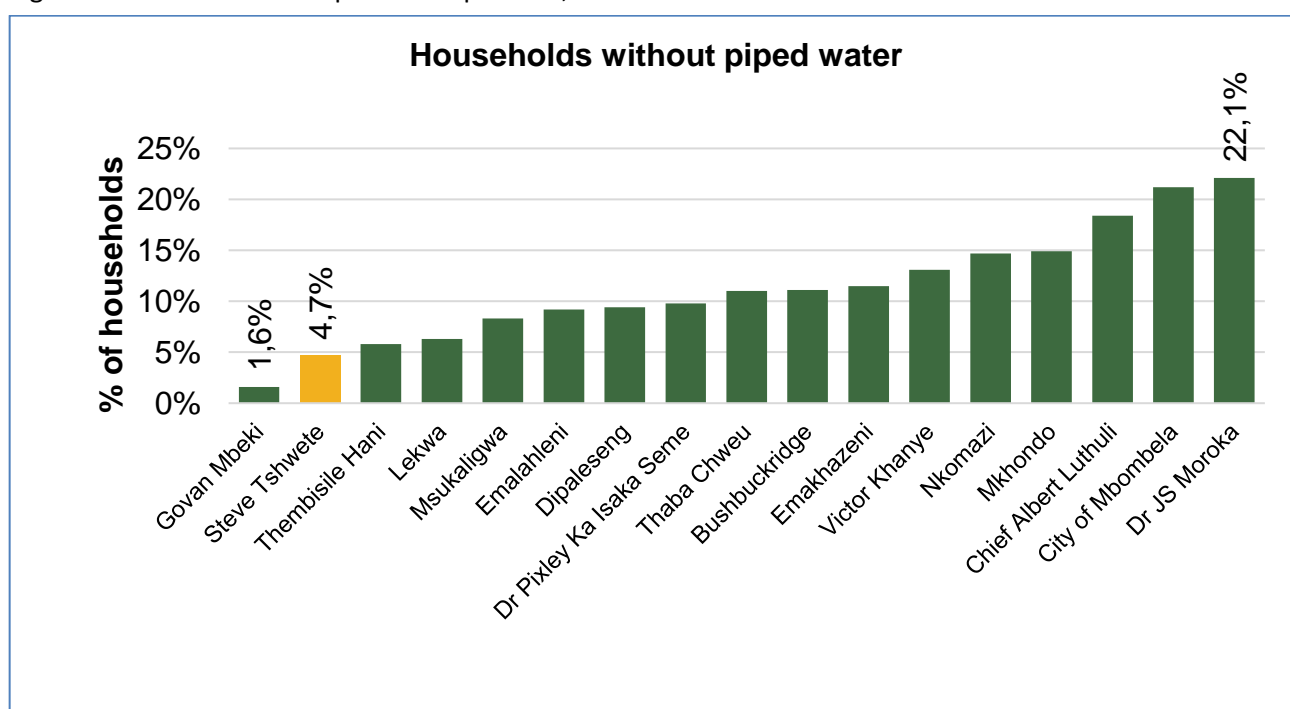
This sub-section examines the access to services of the Steve Tshwete population in terms of housing, electricity, water, sanitation, refuse, telephone usage, etc. This will provide an understanding of the underlying social situation. When compared to the other local municipal areas, Steve Tshwete performs well in terms of household services, however, the continued growth in population numbers adds pressure to service delivery in the municipality.

## 5.2.2 ACCESS TO WATER

Access to water remains fairly high in STLM. In 2016, the number of households with access to piped water was 82 631 households or a share of 95.3% which was considered to be the 2<sup>nd</sup> best in the province. The share was, however, lower/worse than the 98.2% access in 2011 and 4 082 households were without access to piped water in 2016. In 2014, STLM received a score of 97.4% from the Blue Drop Certified Systems ranking it 1<sup>st</sup> in the province, noting that the municipality continues to manage drinking water within their area of jurisdiction with distinction. The diagram and tables below illustrate the following:

- Access to piped water for different municipal areas of Mpumalanga for 2016
- Access to piped water for different municipal areas of Mpumalanga for 2011 and 2016
- Distance between water supply and the household for different municipal areas of Mpumalanga for 2016

Figure 12: Access to Water per Municipal Area, 2016.



Source: STLM-SERO, 2021.

Table 11: Access to Water per Municipal Area Between 2011 and 2016.

Local Municipal Area	Number of households without access to Piped Water		Share of total households	
	2011	2016	2011	2016
Chief Albert Luthuli	8 690	9 824	18.2%	18.4%
Msukaligwa	3 841	4 243	9.4%	8.3%
Mkhondo	8 039	6 805	21.5%	14.9%
Dr Pixley Ka Isaka Seme	1 410	2 212	7.1%	9.8%
Lekwa	731	2 347	2.4%	6.3%

Local Municipal Area	Number of households without access to Piped Water		Share of total households	
Dipaleseng	688	1 397	5.4%	9.4%
Govan Mbeki	885	1 704	1.1%	1.6%
Victor Khanye	882	3 177	4.3%	13.1%
Emalahleni	6 273	13 792	5.2%	9.2%
<b>Steve Tshwete</b>	<b>1 194</b>	<b>4 082</b>	<b>1.8%</b>	<b>4.7%</b>
Emakhazeni	642	1 686	4.7%	11.5%
Thembisile Hani	3 459	4 768	4.6%	5.8%
Dr JS Moroka	13 750	13 769	22.1%	22.1%
Thaba Chweu	1 730	4 082	5.2%	11.0%
City of Mbombela	36 819	43 573	20.3%	21.2%
Nkomazi	18 042	15 290	18.8%	14.7%
Bushbuckridge	28 124	15 217	21.0%	11.1%

Source: STLM-SERO, 2021.

Table 12: Water supply share per Municipal Area, 2016.

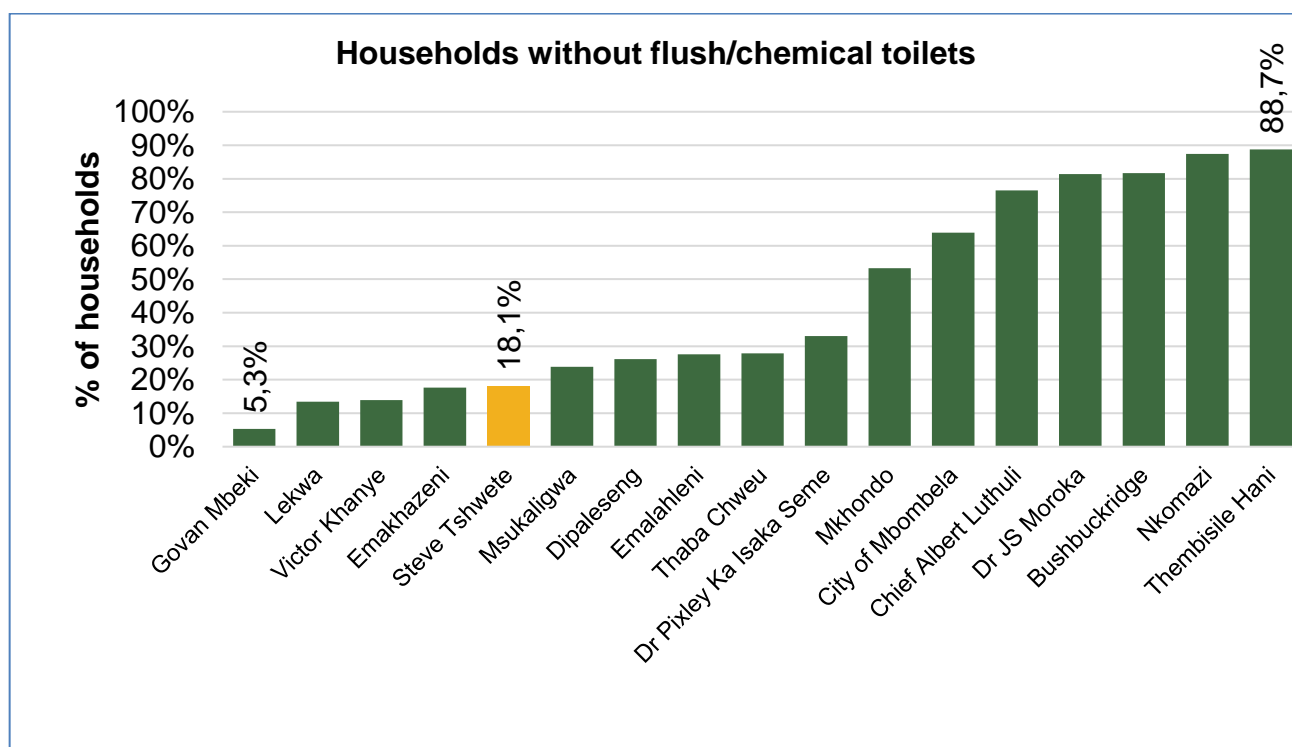
Area	Water supply share			Number of	
	Inside the yard	<200m from yard	>200m from yard	Domestic units	Non-domestic units
Gert Sibande	86.5%	8.9%	3.9%	310 898	8 403
- Chief Albert Luthuli	73.7%	8.0%	18.7%	48 333	500
- Msukaligwa	91.3%	8.7%	0.0%	41 893	832
- Mkhondo	73.4%	24.0%	2.6%	43 263	3 118
- Dr Pixley Ka Isaka Seme	83.8%	14.2%	2.0%	21 503	867
- Lekwa	87.0%	5.2%	1.4%	34 987	1 530
- Dipaleseng	100.0%	0.0%	0.0%	12 490	1 556
- Govan Mbeki	94.5%	4.4%	1.1%	108 429	0
Nkangala	89.7%	5.4%	5.0%	366 100	7 923
- Victor Khanye	88.0%	6.2%	6.8%	24 319	341
- Emalahleni	92.5%	7.0%	0.5%	142 967	1 865
<b>- Steve Tshwete</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>43 211</b>	<b>2 075</b>
- Emakhazeni	95.1%	4.9%	0.0%	15 637	1 200
- Thembisile Hani	92.6%	5.1%	2.2%	72 159	455
- Dr JS Moroka	73.4%	5.5%	21.1%	67 807	1 987
Ehlanzeni	67.8%	29.3%	2.9%	486 361	32 153
- Thaba Chweu	83.3%	11.3%	5.4%	31 950	1 218
- Nkomazi	75.8%	21.8%	2.5%	89 701	2 154
- Bushbuckridge	81.7%	14.8%	3.5%	146 720	272
- City of Mbombela	52.9%	44.8%	2.3%	217 990	28 509

Source: STLM-SERO, 2021.

### 5.2.3 ACCESS TO SANITATION

The number and share of households with access to flush/chemical toilets deteriorated between 2011 and 2016 from 84.9% with access to 81.9% making it the 5<sup>th</sup> best in the province with the best performing municipal area, Govan Mbeki Local Municipality, having just only 5.3% households without access to flush toilets. Steve Tshwete had 1 042 households without any toilet facilities in 2016.

Figure 13: Lack of Access to Flushed Toilets, 2016.



Source: STLM-SERO, 2021.

Table 13: Number and share in toilet backlog

Local Municipal Area	Number of households without toilets		Share of total households	
	2011	2016	2011	2016
Chief Albert Luthuli	2 476	1 801	5.2%	3.4%
Msukaligwa	1 987	1 295	4.9%	2.5%
Mkhondo	4 823	1 965	12.9%	4.3%
Dr Pixley Ka Isaka Seme	907	958	4.6%	4.2%
Lekwa	1 280	1 114	4.1%	3.0%
Dipaleseng	766	901	6.1%	6.1%
Govan Mbeki	1 519	726	1.8%	0.7%
Victor Khanye	465	318	2.3%	1.3%
Emalahleni	2 987	2 186	2.5%	1.5%
<b>Steve Tshwete</b>	<b>1 381</b>	<b>1 042</b>	<b>2.1%</b>	<b>1.2%</b>
Emakhazeni	894	756	6.5%	5.2%
Thembisile Hani	1 963	2 117	2.6%	2.6%

Local Municipal Area	Number of households without toilets		Share of total households	
	2011	2016	2011	2016
Dr JS Moroka	1 215	768	2.0%	1.2%
Thaba Chweu	980	326	2.9%	0.9%
City of Mbombela	12 468	8 261	6.9%	4.0%
Nkomazi	14 873	6 461	15.5%	6.2%
Bushbuckridge	16 966	7 178	12.6%	5.2%

Source: STLM-SERO, 2021.

The table below provides an analysis of the toilet backlog to assess the changes between 2011 and 2016 across the municipal areas in the province.

Table 14: Number and share – flush/chemical toilets backlog

Local Municipal area	Number of households without flush/chemical toilets		Share of total households	
	2011	2016	2011	2016
Chief Albert Luthuli	36 959	40 921	77.5%	76.5%
Msukaligwa	10 788	12 194	26.4%	23.9%
Mkhondo	20 812	24 283	55.6%	53.3%
Dr Pixley Ka Isaka Seme	6 789	7 443	34.2%	33.0%
Lekwa	4 171	5 016	13.4%	13.4%
Dipaleseng	2 846	3 881	22.5%	26.1%
Govan Mbeki	7 604	5 808	9.1%	5.3%
Victor Khanye	3 742	3 373	18.2%	13.9%
Emalahleni	34 160	41 552	28.5%	27.6%
<b>Steve Tshwete</b>	<b>9 780</b>	<b>15 713</b>	<b>15.1%</b>	<b>18.1%</b>
Emakhazeni	2 941	2 573	21.4%	17.6%
Thembisile Hani	68 022	73 411	89.9%	88.7%
Dr JS Moroka	52 450	50 738	84.4%	81.4%
Thaba Chweu	10 408	10 332	31.2%	27.9%
Nkomazi	82 278	90 897	85.5%	87.4%
Bushbuckridge	121 994	112 304	90.9%	81.7%
City of Mbombela	113 955	131 337	62.9 %	63.9%

Source: STLM-SERO, 2021.

Other forms of toilet facilities available to households include the bucket system as well as ventilated pit toilets. The below table illustrates the split in the type of toilet facilities available across the different municipal areas.

Table 15: Different types of toilet facilities per municipal area, 2019

Area	Flush connected to public sewerage	Flush connected to septic tank	Bucket system	Ventilated improved pit	Other
<i>Gert Sibande</i>	76.4%	2.1%	0.0%	11.2%	10.3%
- Chief Albert Luthuli	21.2%	0.2%	0.0%	40.9%	37.7%
- Msukaligwa	94.6%	0.0%	0.0%	5.3%	0.1%
- Mkhondo	55.7%	12.5%	0.0%	7.1%	24.7%
- Dr Pixley Ka Isaka Seme	69.7%	2.2%	0.0%	25.2%	2.9%
- Lekwa	88.4%	1.1%	0.0%	10.5%	0.0%
- Dipaleseng	100.0%	0.0%	0.0%	0.0%	0.0%
- Govan Mbeki	94.9%	0.6%	0.0%	1.1%	3.3%
<i>Nkangala</i>	59.1%	2.4%	0.0%	23.7%	14.8%
- Victor Khanye	86.1%	4.2%	0.2%	9.5%	0.0%
- Emalaheni	91.3%	2.6%	0.0%	6.1%	0.0%
<b>- Steve Tshwete</b>	<b>75.4%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>24.6%</b>
- Emakhazeni	92.1%	2.6%	0.0%	0.0%	5.3%
- Thembisile Hani	33.6%	3.1%	0.0%	19.4%	43.9%
- Dr JS Moroka	15.7%	2.3%	0.0%	81.9%	0.0%
<i>Ehlanzeni</i>	19.9%	1.5%	0.0%	53.6%	25.0%
- Thaba Chweu	67.5%	4.8%	0.0%	22.5%	5.2%
- Nkomazi	7.6%	2.8%	0.0%	31.9%	57.6%
- Bushbuckridge	5.2%	1.1%	0.0%	93.7%	0.0%
- City of Mbombela	28.0%	0.6%	0.0%	43.5%	27.9%

Source: STLM-SERO, 2021.

#### 5.2.4 ACCESS TO ELECTRICITY

STLM is licensed to supply the following areas with electricity: Middelburg, Hendrina, Kwaza, Doornkop, Komati, Blinkpan and Koorfontein and comprises the following divisions: Small Consumer, Distribution and Planning and Bulk Connection. In 2016, the number of households with electricity connectivity was 78 147, while 7 458 households were without electricity. The share of households connected to electricity improved marginally from 91.1% in 2011 to 91.4% in 2016.

Table 16: No electricity number and share

Local Municipal area	Number of households not connected*		Share of total households	
	2011	2016	2011	2016
Chief Albert Luthuli	5 868	1 902	12.3%	3.6%
Msukaligwa	10 315	6 415	25.2%	12.6%
Mkhondo	12 315	9 018	32.9%	19.8%
Dr Pixley Ka Isaka Seme	2 877	2 561	14.5%	11.4%
Lekwa	3 480	3 190	11.2%	8.5%
Dipaleseng	2 098	2 655	16.6%	17.8%

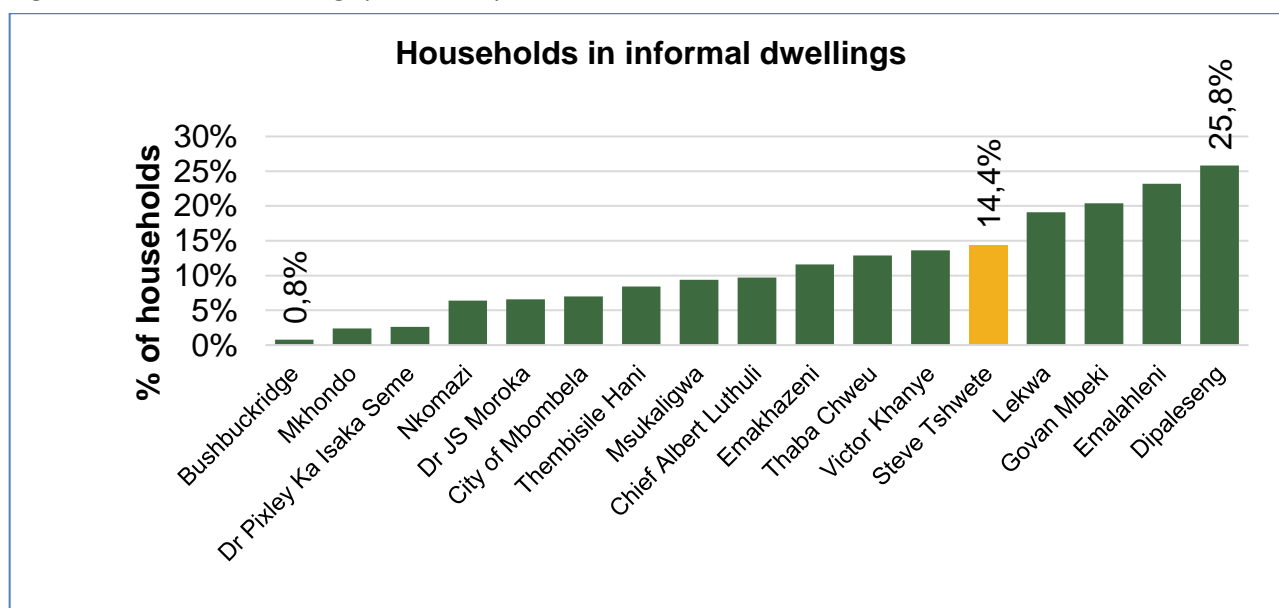
Local Municipal area	Number of households not connected*		Share of total households	
	2011	2016	2011	2016
Govan Mbeki	7 884	5 487	9.4%	5.0%
Victor Khanye	3 062	1 585	14.9%	6.5%
Emalahleni	31 527	40 721	26.3%	27.1%
<b>Steve Tshwete</b>	<b>5 782</b>	<b>7 458</b>	<b>8.9%</b>	<b>8.6%</b>
Emakhazeni	2 209	2 074	16.1%	14.2%
Thembisile Hani	5 673	1 636	7.5%	2.0%
Dr JS Moroka	1 927	912	3.1%	1.5%
Thaba Chweu	5 103	3 535	15.3%	9.5%
City of Mbombela	18 970	8 026	10.5%	4.0%
Nkomazi	16 356	3 839	16.4%	3.7%
Bushbuckridge	7 783	2 921	5.8%	2.1%

Source: STLM-SERO, 2021.

### 5.2.5 DWELLING TYPES

Dwelling type implies the structure of the dwelling a family occupies as their home. The main categories can be distinguished; these are formal permanent structures, traditional structures and informal non-permanent structures. The number of informal dwellings increased from 9 190 in 2011 to 12 480 in 2016 which represents an increase of almost 3 300 households. About 14.4% of households lived in informal dwellings in STLM. STLM had the 5<sup>th</sup> largest portion of informal dwellings. The following illustrates the number of informal dwellings across the municipal areas of Mpumalanga.

Figure 14: Informal Dwellings per Municipal Area, 2016.



Source: STLM-SERO, 2021.



Table 17: Informal Dwellings per Municipal Area in 2011 and 2016.

Local Municipal Area	Number of households in informal dwellings		Share of total households	
	2011	2016	2011	2016
Chief Albert Luthuli	2 857	5 206	6.0%	9.7%
Msukaligwa	5 715	4 819	14.0%	9.4%
Mkhondo	1 150	1 086	3.1%	2.4%
Dr Pixley Ka Isaka Seme	1 448	578	7.3%	2.6%
Lekwa	7 414	7 129	23.9%	19.1%
Dipaleseng	3 985	3 832	31.5%	25.8%
Govan Mbeki	23 365	22 212	27.9%	20.4%
Victor Khanye	3 158	3 290	15.4%	13.6%
Emalahleni	23 138	34 845	19.3%	23.2%
<b>Steve Tshwete</b>	<b>9 190</b>	<b>12 480</b>	<b>14.1%</b>	<b>14.4%</b>
Emakhazeni	1 537	1 694	11.2%	11.6%
Thembisile Hani	7 678	6 915	10.2%	8.4%
Dr JS Moroka	4 813	4 093	7.7%	6.6%
Thaba Chweu	6 790	4 791	20.4%	12.9%
City of Mbombela	10 173	14 286	5.6%	7.0%
Nkomazi	2 797	6 684	2.9%	6.4%
Bushbuckridge	1 597	1 099	1.2%	0.8%

Source: STLM-SERO, 2021.

## CHAPTER 6: SECTOR ANALYSIS

### 6.1. MAJOR SECTORS

The municipality has identified five sectors for analysis and prioritised them as high potential sectors. These sectors are Mining, Agriculture, Manufacturing, Tourism and Energy. The objective of the analysis was to identify pockets of opportunities for SMMEs within the value chain of each sector, understand the sector trends, risks and changing skills requirements as well as labour dynamics of each sector. In analysing these sectors, the following logic will be followed for each of the 5 key sectors:

- Analysis of the national sector trends (South Africa)
- Analysis of the provincial sector trends (Mpumalanga)
- Analysis of the local sector trends (STLM)

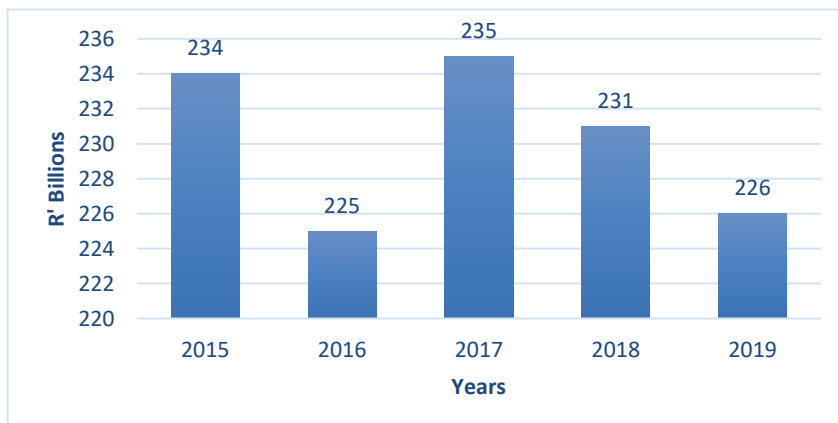
#### 6.1.1. MINING SECTOR

##### National Analysis

South Africa is world-renowned for its mining sector, with an abundance of mineral resources, and reserves with an estimated worth of R20.3 trillion (US\$2.5 trillion). The sector produces 75% of the world's platinum, 80% of its magnesium, 73% of its chrome and 45% of its vanadium. The sector is also one of the oldest and largest employers in South Africa.

In 2019, the industry's value-add contracted by 1.9% declining from R231 Billion to R226 Billion. This follows a second consecutive year of negative growth, as illustrated in the figure below. The decline was largely due to weak performance and the slump in gold and diamond production. The production decline of gold in particular was due to the five-month-long strike that started at the end of 2018. World demand for coal also fell in 2019, due to European countries and the United States of America's continuous transition from coal-fired power plants to renewable alternatives, driving down the global demand for coal. Between 2015 and 2019 the sector experienced a contraction of 2.9%. Factors contributing to this decline include increases in labour costs, higher costs of electricity supply, high import costs and policy uncertainty.

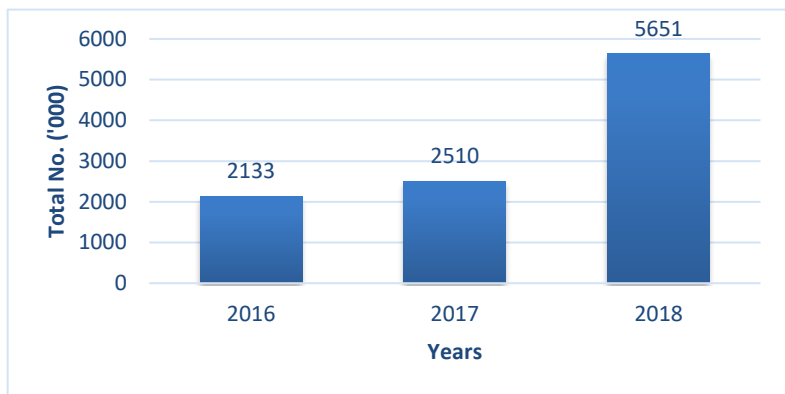
Figure 15: National Mining Industry Value Add (ZAR Billion)



In 2018, the Mining sector had approximately 5.6 million SMMEs operating in the sector. This is a significant increase from the previous year where there were only 2.5 million SMMEs in the sector. The increase in SMME presence in the sector indicates that regardless of

sector forecast a lot of entrepreneurs are taking advantage of opportunities in the sector.

Figure 16: Number of SMMEs recorded in the Mining Sector ('000)



On a national level, a mandate of Mining Land Rehabilitation influences the sector. Land rehabilitation is the restoration of mining land to its previous capabilities and as of 2016, mining companies are required to submit rehabilitation plans before mining permits are granted. They are required to make a rehabilitation deposit with the Department of Mineral

Resources (DMR) before mining commences. The deposit acts as an incentive for mining companies to complete the land rehabilitation in order to get back their deposit.

The National Environmental Management Act of 1998 governs land rehabilitation and despite measuring up to international standards; there are very few cases of successful land rehabilitation in South Africa. Since 1977, dunes along the coast of Richards Bay, KwaZulu-Natal were mined for heavy minerals and whilst the soil and sand were replaced, the previous landform could not be replicated. As such, a large number of coil flora and fauna were introduced to increase soil nutrients, classing it as one of the few cases of successful land rehabilitation in South Africa.

The challenges presented by land rehabilitation present an opportunity for SMMEs to assist both mining companies and the Department of Mineral Resources. Land rehabilitation can be incredibly costly, accounting for as much as 10% of mining costs. However, these costs can be minimised by good environmental practice from the beginning of the mining process. SMMEs can appeal to mining companies and offer to conduct land rehabilitation at a price point lower than the expected rehabilitation deposit pay out.

Rehabilitation programmes often use cheap, commercially available seeds with high water requirements, and they tend to prohibit the germination of other seeds, resulting in deteriorated grass cover and low crop yields. SMMEs can provide rehabilitation-friendly seed and fauna, which will result in environmental benefits, and more successful rehabilitation programmes as well as improving local health and creating more opportunities for SMMEs to use the healthy, rehabilitated land.

### Provincial Analysis

The Mpumalanga province is one of South Africa's mining provinces. The sector is a large contributor to the province's GDP, contributing 25.9%. Within the Mining sector, coal and lignite contribute the vast majority to the GDP followed by the mining of metal ores at 7%. The key minerals map depicted below offers justification for the large contribution of coal and iron ores to the GDP of the province as the map confirms that these

minerals are concentrated within the Mpumalanga province. Within the province, 80 000 people working in the sector at the end of Quarter 4 in 2019. Compared to the same period – Quarter 4 2018 – the sector increased employment by 7 000.

Figure 17: Map of Key Minerals in South Africa



### STLM Analysis

Within STLM, the mining sector contributes 45.8% to GDP and contributes 20.7% to overall employment. Due to the locational advantage of STLM, the area is one of the key economic hubs for coal mining in the Mpumalanga province and the local mining sector is projected to grow by more than 1.3% by 2022. Given the large contribution to STLM’s GDP, this is indicative of the municipal economy’s reliance on coal mining. With the Mining sector receiving mixed projections regarding the long-term sustainability of coal mining, STLM needs to be cognisant of this and consider the development of other sectors as key economic contributors to GDP.

In terms of the role of mines in LED, several factors are associated with the LED environment.

- Mines within STLM are primarily coal, iron ore and limestone mines.
- They contribute substantially to employment and the GDP of the municipality.
- Companies are mandated to develop initiatives for their Social Labour Plans (SLPs), Enterprise and Supplier Development (ESD), as well as Corporate Social Investment (CSI) within the mining sector.
- The major mines within STLM have relatively more established economic development initiatives, however, there is limited coordination of these programmes.

- Most of their LED coordination is centralised at the parent companies, but there are programmes that specifically target the communities they operate in.
- A few players in the landscape are interested in developing/strengthening their initiatives but do not have the capacity to do so.
- Overall, stakeholders expressed challenges with working with SMMEs, and highlight the need for them to receive contract and financial literacy training.
- They are HIGH priority mines to partner with because they have a larger resource pool, there is great pressure on the sector from the government and can offer support beyond ESD.

#### **Opportunities for STLM**

- The majority of the mines in STLM are coal mines and appear to be clustered around Middelburg, presenting an opportunity for businesses in the area to become involved in procurement within the mines.
- The commodity distribution of STLM revealed that coal is the dominant mineral in STLM. This can easily be misconstrued as the sector being latent with equal opportunities for all potential entrants. However, mining has high capital input costs, which creates barriers to entry.
- Despite these obstacles, an analysis of the coal mining value chain revealed that there are high opportunities for SMMEs in land rehabilitation, which is the last step of the coal value chain, following on from exploration, extraction, processing, transportation, and end market.













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#### **6.1.2. AGRICULTURE SECTOR**

##### **National Analysis**

South Africa has a dual agricultural economy, with both well-developed commercial farming and more subsistence-based products in the deep rural areas making up the sector. The main products produced by the agriculture sector on a national level include maize, wheat, citrus, sorghum, marula, deciduous fruits, soya beans, nuts, and cotton.

Figure 18: Main Sector Products

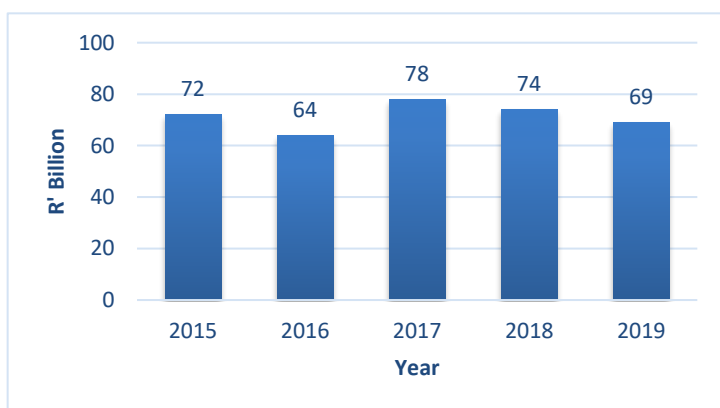
 Maize	 Sugar cane
 Wheat	 Sunflowers and flowers
 Citrus	 Rooibos and honeybush tea
 Wines	 Deciduous fruits
 Sorghum	 Soya Beans and nuts
 Marula	 Cotton

Non-exhaustive

The national value-add of the industry was approximately R69 Billion in 2019, the lowest contributor to the overall GDP of the key sectors and a decline in the industry value add in 2017 and a 0,7% compounded annual decline since 2014. The decline was largely due to uncertainty regarding the redistribution of land in the country leaving both investors and farmers unsure of the future of their investments. The number

of formalised SMMEs within the agricultural sector also declined to 55 000 in 2018 from 80 000 in 2016.

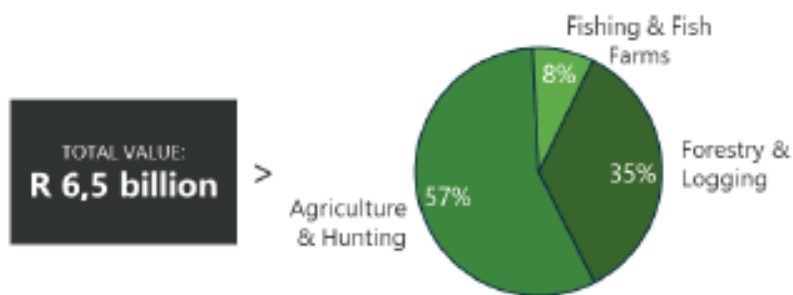
Figure 19: National Agriculture Industry Value Add (ZAR billion)



### Provincial Analysis

From a provincial perspective, the agriculture sector in Mpumalanga accounts for only 3.4% of the provincial GDP, despite 14% of the province’s land being a natural grazing area used in the production of beef, mutton, poultry, dairy and wool. The structure of the province’s agriculture sector is such that Agriculture and Hunting contributes 57%, to the total value of R6.5 billion.

Figure 20: Structure of the provincial agriculture sector



Mpumalanga produces summer cereals and legumes (maize, soya, canola and sunflower) in the Highveld region, and subtropical and citrus fruits, nuts and cane sugar, as well as cattle and poultry in the Lowveld region. One of the key agricultural sector initiatives by the provincial government is the

Mpumalanga International Fresh Produce Market, which is currently under construction in Mbombela, located approximately 200 km away from STLM.

### STLM Analysis

The agriculture sector contributes an even smaller percentage to STLM’s GDP, at 1.9% and is forecasted to grow by 2.8% by 2022. The sector contributed 3.4% to employment within STLM. The key sectors in STLM include cattle farming, poultry and crop farming.

Moderate opportunities exist for SMMEs with secondary processing because they may not have or may be unable to access the required machinery. SMMEs wanting to operate in a part of the value chain will require capital support, which will unlock the opportunities within secondary production. Additionally, SMMEs have the opportunity to bypass this stage and offer raw produce to the market directly.

The wholesale and retail market remains dominated by large-scale retail chain stores but there is potential for SMMEs to make use of technology to have an added advantage in directly reaching customers as well as selling directly to the communities they operate in.

While the provincial and local agriculture sectors do not contribute largely to GDP, agriculture is an important sector for small scale businesses and may be a strategic focus for achieving STLM’s LED objectives. There are components of the value chains within the agriculture sector that present high opportunities for SMMEs within STLM.

### Opportunities for STLM

Main opportunities in STLM’s agricultural sector are:

- Cattle Farming:** The majority of the province’s cattle farms are situated within the Nkagala District Municipality, making STLM well-positioned for this industry. The weather conditions and accessibility to quality feed, with 14% of the province being grazing land, make STLM and Mpumalanga suitable for beef cattle farming; the province also has some of the rarest and versatile cattle breeds. There is potential for SMMEs to enter the growing and feeding component of the value chain as there are minimal barriers to entry and it is less capital intensive.

- **Poultry Farming:** There may be opportunities for small-scale farmers to enter into the poultry sub-sector due to high demand and low barriers to entry. The poultry value chain comprises growing, processing, packaging and distributing and selling. At the growing and feeding stage, there are low barriers to entry and potential for small-scale farmers to enter as there is high demand for poultry products, indicating market potential. Although the barriers to entry are low, the key challenge will be growing larger quantities of chicken. The processing and packaging stage is often conducted by the farmers themselves. However, there is market potential in this stage as there are several wholesalers who act as intermediaries between the farmers growing the chickens and the distributors, given the activity in STLM.
- **Crop Farming:** STLM is in the greater highveld region of the country thus offering great opportunities to produce crops exclusive to the highveld region. The crop farming value chain consists of production, primary processing, secondary processing, distribution, package and handling, and wholesale and retail. In the production and primary processing stages, there are a large number of small businesses and subsistence farmers operating as a result of favourable weather conditions in the region for crops such as soya beans. There is the opportunity for more SMMEs to enter this stage as a result of low input costs and market demand from other areas within Mpumalanga and the rest of South Africa. There are moderate opportunities for SMMEs with secondary processing due to the machinery required that some SMMEs may not have or are unable to access. SMMEs wanting to operate in this part of the value chain will require capital support which will unlock the opportunities within secondary production. Additionally, SMMEs have the opportunity to bypass this stage and offer raw produce to the market directly. The wholesale and retail market remains dominated by large-scale retail chain stores but there is potential for SMMEs to make use of technology to have an added advantage in directly reaching customers as well as selling directly to the communities they operate in.

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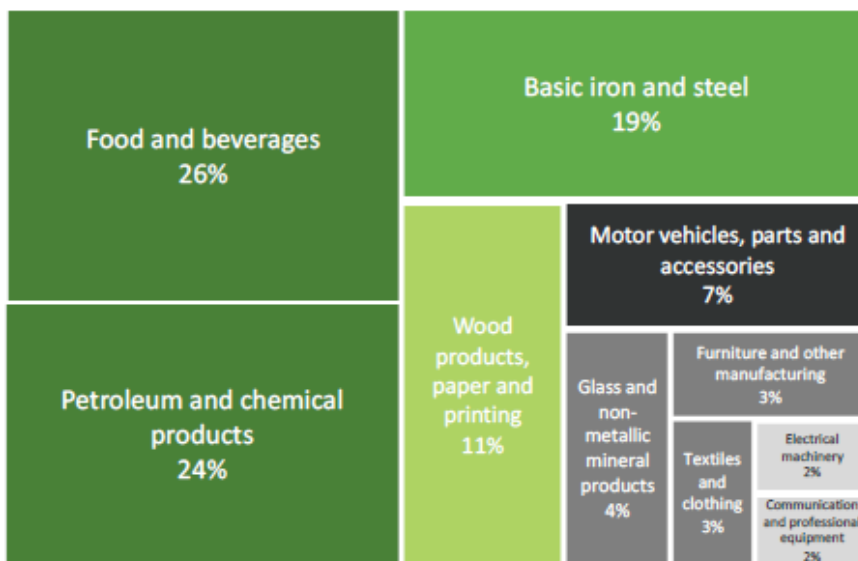
### 6.1.3. MANUFACTURING SECTOR

#### **National Analysis**

The manufacturing sector is one of the largest private-sector contributors to South Africa's GDP, contributing R384 Billion in 2019. The largest manufacturing sub-sector is food and beverages followed by petroleum and chemical products and basic iron and steel, as illustrated in the figure below.

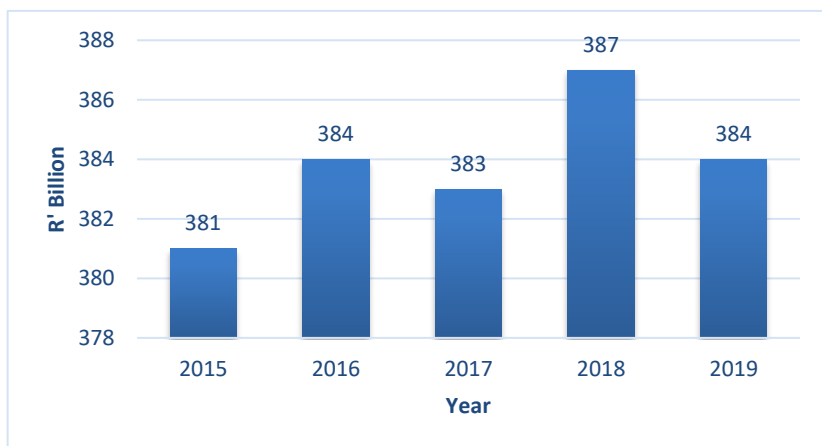


Figure 21: Manufacturing Sector Composition



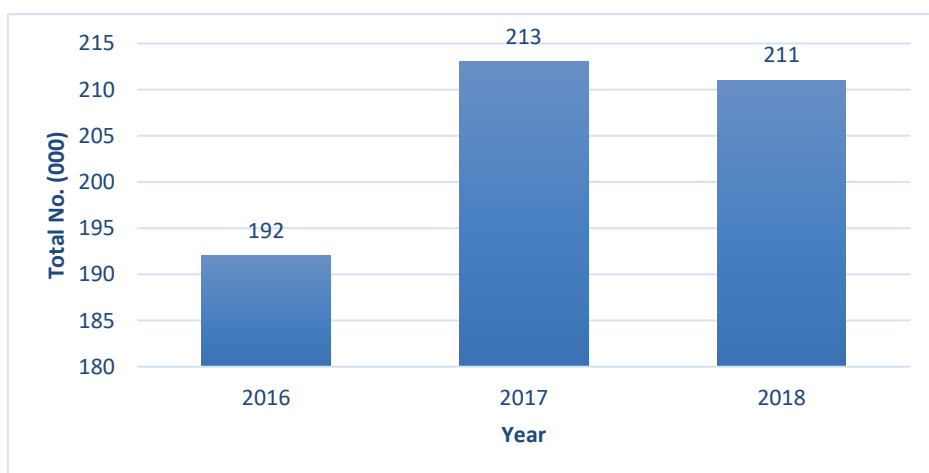
This sector has experienced modest growth of 0.2% since 2015, mostly attributable to increases in iron and steel, machinery, wood, paper and vehicle production. However, overall industry value add declined to R384 Billion in 2019 from the sector's previous improvement in 2018.

Figure 22: National Manufacturing Industry Value Add (ZAR billions)



There are currently 211 000 SMMEs operating in the manufacturing sector as per data recorded in 2018 and there is a national focus on increasing localisation, reviving old industrial parks and increasing the participation of SMMEs in the manufacturing sector, which will probably result in an increase in the number of SMMEs in the sector.

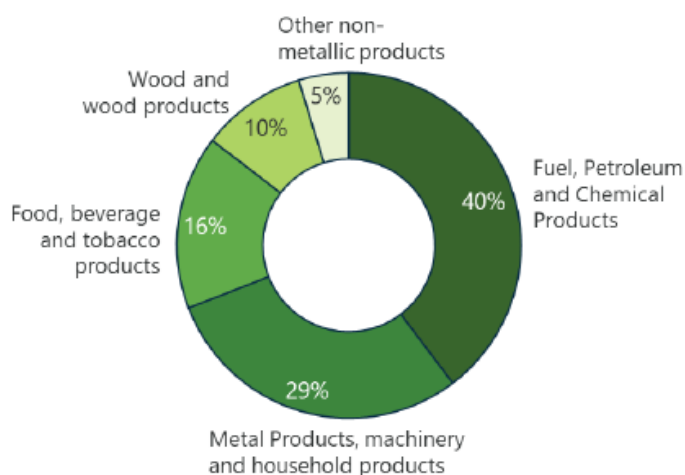
Figure 23: Number of Manufacturing SMMEs



### Provincial Analysis

Manufacturing accounts for 15% of GDP in Mpumalanga with the biggest contributors being the manufacturing of fuel, petroleum and chemical products, followed by that of metal, machinery and household products as depicted in the figure below.

Figure 24: Manufacturing sub-sectors within Mpumalanga (Percentage)



### STLM Analysis

STLM is a manufacturing hub for Mpumalanga, as the municipality is home to a number of steel production, petrochemical and beverage production sites. This results in the manufacturing sector contributing 17.2% to STLM’s GDP, higher than that of the province. Manufacturing only contributes 6.5% to local employment. The sector is forecasted to grow by 2.6% by 2022. Manufacturing companies contribute to LED by tendering goods/services from SMMEs, creating employment opportunities and contributing to skills development through other LED initiatives.

### Opportunities for STLM

Opportunities and limitations for manufacturing in STLM fall under two main categories:

- **Food and Beverage Industry:** The Food and Beverage value chain involves agriculture, processing and distribution and sale stages. The processing stage presents barriers to entry for SMMEs wanting to undertake processing due to competition and high start-up costs. The existing Twizza factory in Middelburg presents employment opportunities as well as a potential target customer for small businesses. In the distribution and sale stage, there is a high opportunity for SMMEs, some of whom are already exploiting it as evidenced by the number of informal tuckshops selling food and beverages in the Township Economy Survey. As such, the focus should be placed on formalising trade and scaling these businesses if they are found to hold market potential.
- **Steel Manufacturing:** The steel value chain involves the primary metallurgy, secondary metallurgy, casting and/or milling, rolling and distribution or sale stages. During the primary and secondary metallurgy stages,

there are limited opportunities for SMMEs to enter this space as a result of large capital requirements and barriers to entry. These costs and barriers are higher in the primary stage than in the secondary. The casting and/or milling and rolling stages present the most opportunity for SMMEs to enter the value chain and manufacture basic steel products. It is hypothesised that steel beneficiation, which is currently being leveraged by the Mpumalanga Stainless Initiative, presents a sizeable market opportunity for SMMEs and could be expanded. This would require artisanal skills such as welding. The distribution and sale stage is mostly business-to-business (B2B) and there are large logistical requirements that may make it difficult for SMMEs to co-ordinate, limiting the opportunities available in this stage.

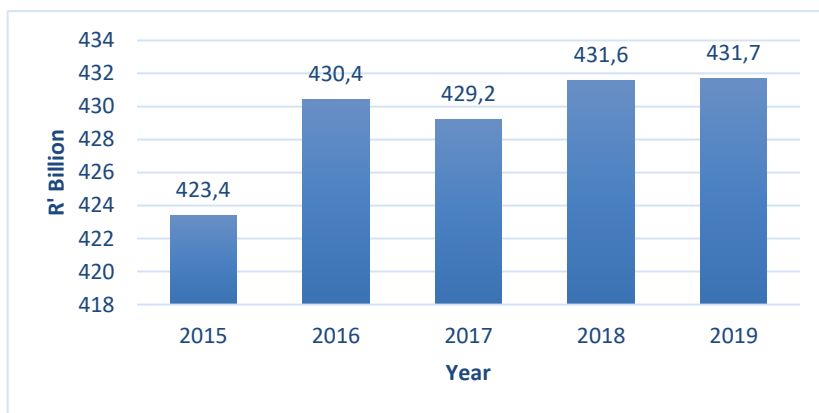
#### 6.1.4. TOURISM SECTOR

##### National Analysis

The tourism sector is a labour-intensive industry and has the potential to create jobs and opportunities for SMMEs. Key tourism industries include accommodation, food and beverage serving, passenger transport, travel agencies, sports and recreation and the cultural industry.

Nationally, the 2019 value-add to GDP from trade, catering and accommodation (used as a proxy for Tourism) was R431,7 billion, which is a compound annual growth rate of 0,5% since 2015.

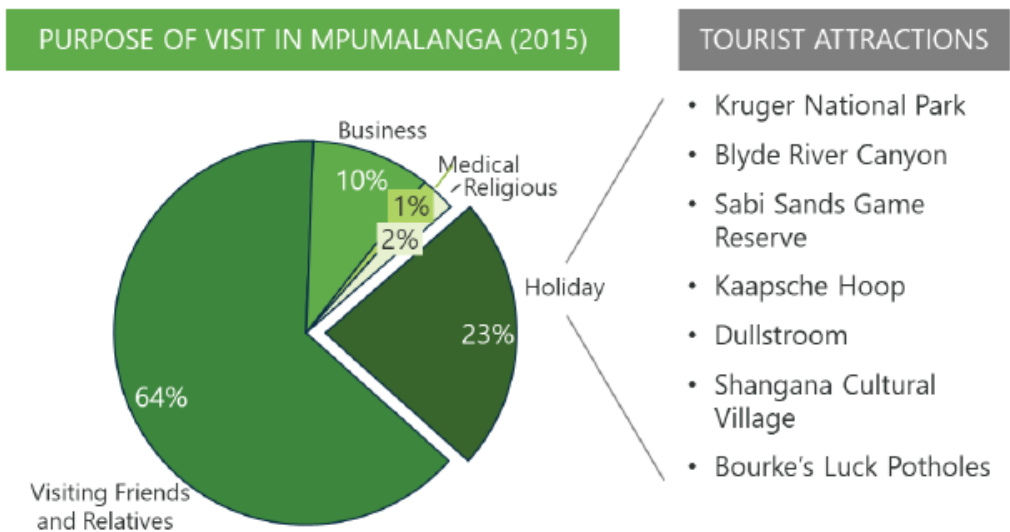
Figure 25: National Tourism Value Add (ZAR billions)



##### Provincial Analysis

The Mpumalanga Province is the third most visited province in the country. It is host to key attractions, including the Kruger National Park and Blyde River Canyon which attract a large number of both domestic and international tourists. The majority of people visiting Mpumalanga go there to visit friends and family, and thereafter for holiday purposes, as illustrated below.

Figure 26: Tourism within Mpumalanga



**STLM Analysis**

There are 48 accommodation facilities, 51 resorts, and several key attractions in STLM. Trade, which includes tourist activities, contributes 7.1% to GDP. However, the contribution to employment is significant, employing 21.4% of residents, making the sector important for achieving LED objectives. While the Kruger National Park and the Blyde River Canyon are the main tourist attractions within the province, the other sites are:

<ul style="list-style-type: none"> <li>• Middleburg Dam</li> <li>• Botshabelo Heritage Site</li> <li>• Olifants River Lodge</li> <li>• Pieraarsdam</li> <li>• Loodswaai Game Ranch</li> <li>• De Voetpadkloof Resort</li> <li>• Ruby River Lodge</li> <li>• Matombu Wild</li> <li>• Little Elephant Ndlovu Encane Arts and Crafts Market</li> <li>• Leopards Train</li> </ul>	<ul style="list-style-type: none"> <li>• The Middleburg Air show</li> <li>• The Great Train Race</li> <li>• Loskop Marathon</li> <li>• Loskop Kuper Bonanza</li> <li>• Loskop Leisure Resorts (Aventura)</li> <li>• The Amazing Race</li> <li>• Cycad Trail</li> <li>• The Middleburg Club</li> <li>• Loskop Dam</li> <li>• Amanzi Mountain reserve</li> <li>• Arts and Cultural Festival</li> </ul>	<ul style="list-style-type: none"> <li>• Waterfall Safari</li> <li>• Isiyala Lodge</li> <li>• Imbambala Wilderness Trail</li> <li>• Panorama Route</li> <li>• The Mpumalanga Heritage Route</li> <li>• The Liberation Route</li> <li>• The Genesis Route</li> <li>• The Cultural Heartlands</li> <li>• Kruger National Park</li> </ul>
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**Opportunities for STLM**

Main opportunities in STLM's Tourism sector are within:

- **Accommodation:** There are no major hotel chains in Middelburg, presenting an opportunity for SMMEs to deliver in this space. However, there is a high supply of small guest houses that are experiencing limited demand. Although this is a high opportunity stage of the value chain, the sustainability of additional accommodation providers needs to be carefully considered.

- **Cultural and Recreational Activities Sectors:** The small number of visitors to STLM results in limited demand for cultural and recreational activities. However, there is still untapped potential in this market that could be leveraged and marketed to attract visitors to the region.

### 6.1.5. ENERGY SECTOR

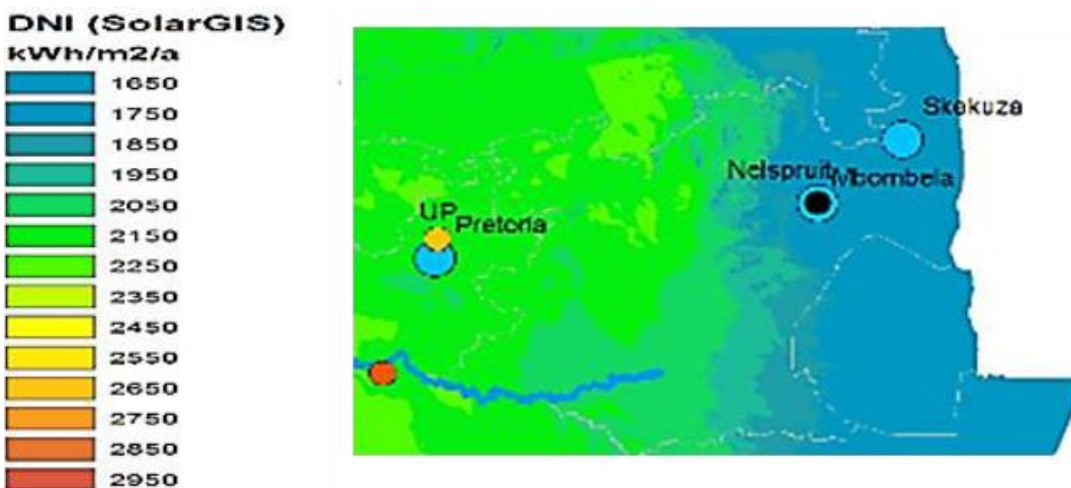
#### National Analysis

Nationally, a focus has been placed on diversifying the energy mix and transitioning towards cleaner energy to reduce pollution and limit health risks as outlined in the Integrated Resource Plan. Thus, there has been an increased focus placed on renewable energy, chiefly on solar and wind energy. Based on the country's geographic position, there is high potential for these types of energy. The rising financial and environmental cost of coal-fuelled energy as well as the unreliability of coal-generated energy presents an opportunity to consider the renewable energy market.

#### Provincial Analysis

Despite this national shift towards renewable energy, from a provincial perspective, the coal industry heavily dominates Mpumalanga's energy sector. There are over 10 coal-fired power stations in the province, based on a large number of mines and coal reserves within the province – as explored above. Despite this, Mpumalanga has a Green Economy Development Plan which aims to change the province's economy from relying on coal-based energy to one boasting biomass-based energy, sustainable agriculture, tourism and eco-conscious towns by 2030. The plan proposes biomass as the priority green energy initiative for the province. It will explore energy generation from forestry and sugar cane, which face decline because of the reduced demand for paper and the sugar tax. While solar is one option for greener energy, the sun coverage experience in Mpumalanga is between 1650 and 1950 kWh/m<sup>2</sup>/a, as illustrated below. For an industrial solar plant, direct normal irradiation (DNI) of 2100 kWh/m<sup>2</sup>/a is required. Thus, the province has a low potential for solar energy.

Figure 27: Sun Coverage in Mpumalanga



### STLM Analysis

Within STLM, there is a relatively low potential for solar and wind energy due to geographic constraints. There are several solar energy companies across STLM, such as Solarmid, Ram Solar, Green Africa Power Solutions and Maxsolair, which specialise in private installation and indicate there is a capacity for utilising solar energy in smaller, private-use environments.

### Opportunities for STLM

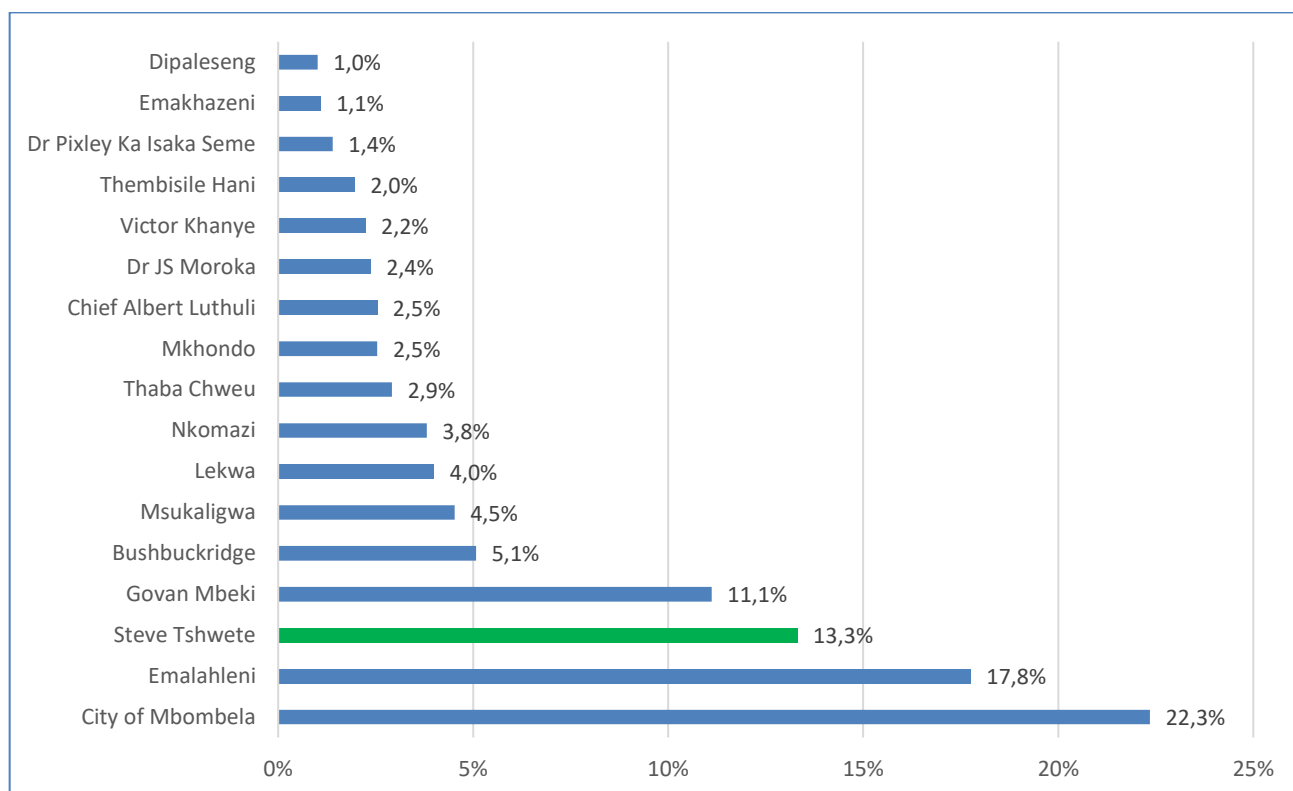
Main opportunities in STLM's energy sector are within:

- **Solar Energy:** Presents a viable opportunity for smaller appliances and private use.
- **Wind Energy:** Wind speeds in STLM are too slow to accommodate wind turbine requirements. Wind turbines require a wind speed of 9 mph, however in Middleburg; the windiest seasons report an average wind speed of only 7.4 mph. Given the lower than desirable wind speeds, wind energy is an unlikely opportunity for STLM.
- **Biomass Energy:** there is medium potential for biomass and specifically waste-to-power within STLM. Biomass energy is energy generated or produced by living or once-living organisms. Potential sources for biomass energy include domestic organic waste, sludge from water purification plants, sugar cane, nut and seed oils, forestry and invasive alien plants. As STLM is home to these types of biomass, there is an opportunity to unlock the potential. However, at present, a lack of productivity means that biomass is still relatively expensive to produce, at a cost of R62/GJ compared to only R49/GJ for coal. Biomass energy presents a medium potential opportunity for SMMEs but is constrained by environmental and cost factors.

## 6.2. SECTORAL CONTRIBUTION TO GROSS DOMESTIC PRODUCT AND EMPLOYMENT

STLM's contribution to the GDP of Mpumalanga accounts for 13.3% which makes it the 3<sup>rd</sup> largest economy in the province. The municipality accounts for 34.4% of the district's GDP and is the 2<sup>nd</sup> largest economy in the district. STLM is the leading contributor to the district's agricultural and manufacturing sectors. The below diagram illustrates the GDP contribution of each municipal area to the province of Mpumalanga for 2020.

Figure 28: Percentage Contribution to Mpumalanga Economy



Source: STLM-SERO, 2021.

Table 18: GDP Contribution per Municipal Area to the District, 2020.

Industry	Victor Khanye	Emalahleni	Steve Tshwete	Emakhazeni	Thembisile Hani	Dr JS Moroka	Nkangala
Agriculture	16.6%	15.4%	46.7%	6.6%	8.6%	6.1%	100.0%
Mining	7.6%	61.8%	26.0%	3.5%	0.9%	0.2%	100.0%
Manufacturing	3.0%	32.8%	58.2%	1.6%	3.1%	1.4%	100.0%
Utilities	1.9%	56.0%	31.6%	1.4%	4.3%	4.8%	100.0%
Construction	5.2%	43.1%	31.3%	2.4%	10.6%	7.4%	100.0%
Trade	5.9%	43.9%	33.6%	2.7%	8.0%	5.9%	100.0%
Transport	8.7%	42.1%	32.5%	4.1%	7.2%	5.5%	100.0%
Finance	4.2%	36.7%	30.6%	2.3%	6.4%	19.8%	100.0%
Community services	4.6%	39.3%	33.9%	2.5%	9.7%	10.0%	100.0%
Total	5.8%	45.8%	34.4%	2.8%	5.1%	6.1%	100.0%

Source: STLM-SERO, 2021.

The average annual economic growth for Steve Tshwete was 2.1% over the period 1996 to 2020. As a result of the weak economic climate in Steve Tshwete, the economy contracted by 1.0% per annum between 2015

and 2020. The estimated contraction in 2020 of between 8% and 9% was largely due to the COVID-19 lockdown with the construction; transport; manufacturing; mining; and trade (including tourism) sectors being the most negatively affected sectors. The GDP is expected to grow at approximately 5% in 2021 and to average at 2.9% between 2020 and 2025. The table below illustrates the average economic growth rates per municipal area and their contribution to Mpumalanga's GDP.

Table 19: Economic Contribution & Growth per Municipal Area

Local municipal area	% Contribution to Mpumalanga economy 2020	Average annual economic growth 1996-2020	Average annual economic growth 2015-2020	Average annual economic growth 2020-2025
City of Mbombela	22.3%	2.6%	-2.5%	1.2%
Emalahleni	17.8%	1.4%	-1.0%	3.6%
<b>Steve Tshwete</b>	<b>13.3%</b>	<b>2.1%</b>	<b>-1.0%</b>	<b>2.9%</b>
Govan Mbeki	11.1%	-0.2%	-2.3%	1.2%
Bushbuckridge	5.1%	0.9%	1.0%	3.1%
Msukaligwa	4.5%	2.2%	-0.1%	2.9%
Lekwa	4.0%	1.5%	2.9%	3.8%
Nkomazi	3.8%	1.7%	0.2%	2.2%
Thaba Chweu	2.9%	1.5%	-3.9%	1.5%
Mkhondo	2.5%	2.4%	-1.4%	1.8%
Chief Albert Luthuli	2.5%	2.4%	-0.5%	1.4%
Dr JS Moroka	2.4%	0.4%	0.5%	2.0%
Victor Khanye	2.2%	2.4%	0.0%	3.8%
Thembisile Hani	2.0%	0.8%	0.3%	2.3%
Dr Pixley Ka Isaka Seme	1.4%	2.3%	3.5%	5.5%
Emakhazeni	1.1%	1.5%	0.6%	1.9%
Dipaleseng	1.0%	2.6%	3.2%	4.5%

Source: STLM-SERO, 2021.

In 2020, the largest industries for Steve Tshwete were mining, manufacturing, community services and finance. Together these four industries contributed 72.9% to the Steve Tshwete economy. Steve Tshwete holds comparative advantages in agriculture, mining, manufacturing and utilities.

Table 20: Largest Industries per Municipal Area, 2021.

Region	Industries			
Nkangala	Mining	Community services	Manufacturing	Finance
- Victor Khanye	Mining	Community services	Trade	Finance



Region	Industries			
- Emalahleni	Mining	Community services	Finance	Trade
<b>- Steve Tshwete</b>	<b>Mining</b>	<b>Manufacturing</b>	<b>Community services</b>	<b>Finance</b>
- Emakhazeni	Mining	Community services	Finance	Trade
- Thembisile Hani	Community services	Finance	Trade	Manufacturing
- Dr JS Moroka	Finance	Community services	Trade	Utilities

Source: STLM-SERO, 2021.

## CHAPTER 7: SWOT ANALYSIS

### 7.1 STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT).

This section serves as the concluding part of the phase and provides a breakdown of the Municipal’s strengths, weaknesses, opportunities and threats (SWOT). The strengths and weaknesses are based on the present situation while the opportunities and threats consider the future implications of various factors. It should be noted that SWOT analysis leads to the understanding of strengths to be worked upon as well as weaknesses to be counteracted in the Municipality. The SWOT analysis is presented not only in terms of industries, but it includes both social and economic gaps and opportunities discovered in the STLM.

Key factors and questions were considered during the development of the SWOT Analysis. As presented below, strengths and weaknesses are the internal factors within the Municipality while opportunities and threats are mostly the external factors.

1

	Helpful to Achieving Goals	Harmful to Achieving Goals
Internal Factors (inside the organization)	STRENGTHS	WEAKNESSES
External Factors (from the environment)	OPPORTUNITIES	THREATS

2

**Strengths –**  
what do you have that will help you achieve your goals?  
What resources are available to you; skill sets, relationships etc.?

**Weaknesses –**  
what internal weaknesses may inhibit your progress?

**Opportunities –**  
what in the external environment could speed your progress?

**Threats –**  
what in the environment could block your progress?

3

- What **Strengths** do you possess that can help you **grasp, or take advantage of, an Opportunity?**
- What **Strengths** do you have to **tackle an oncoming Threat?**
  - What **Weaknesses** will you **need to overcome** in order **to grasp an Opportunity?**
  - And what **Weaknesses** will you **need to overcome** in order **to tackle a Threat?**

### 7.1.1 STLM ECONOMIC STRENGTHS

<ul style="list-style-type: none"> <li>• Existing of sound economic and sector-specific strategies and plans including the Long Term Strategy, Tourism Strategy, Township Revitalisation Strategy, Mining Strategy, IDP, SDF, etc</li> <li>• Municipal financial viability and stability             <ul style="list-style-type: none"> <li>○ Good governance</li> <li>○ Good income base</li> <li>○ Sound financial planning and management</li> <li>○ Proper credit control</li> </ul> </li> <li>• Large number of local small shopping facilities</li> <li>• Adequate level of service delivery</li> <li>• Land availability and adequate infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>• Good corporate image with awarding of a number of awards.</li> <li>• Surrounded by well-established tourism drawcards e.g., the Kruger National Park and the Blyde River Canyon, Loskop Dam, LD Natural Reserve, Botshabelo Natural Reserve, Ribbokloff holiday farm lodge, rustic boutique Hotel</li> <li>• Situated along the N4, N12, N11 and N2 national roads that link STLM to JHB, Limpopo and KZN</li> <li>• Sound relationship between STLM and the business community</li> <li>• STLM is an investor-friendly municipality</li> <li>• Slow growth in township economies</li> </ul>
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### 7.1.2 STLM ECONOMIC WEAKNESSES.

<ul style="list-style-type: none"> <li>• The long-term sustainability of the coal mining and coal power generation is not guaranteed</li> <li>• The mining sector is currently competing with agriculture, industrial and residential for land availability and this limits the process of economic diversification</li> <li>• Limited access to farm implements and finance by small scale farmers.</li> <li>• Lack of institutionalised investment standard operating procedures</li> <li>• Aging infrastructure including water and electricity</li> <li>• Limited source of water – Middleburg Dam</li> </ul>	<ul style="list-style-type: none"> <li>• Old CBDs/towns (Doornkop, Rockdale) are not attractive to investors.</li> <li>• Limited participation of people living with disabilities in the local economy.</li> <li>• The backlog on basic services such as water, sanitation, electricity in rural and farming communities.</li> <li>• Mismatching of the skills produced in the Municipality vs the current labour market demand</li> <li>• Lack of promotion of tourism products and some of the rich cultural heritage sites</li> <li>• Limited access to fibre infrastructure in rural areas.</li> </ul>
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### 7.1.3 STLM ECONOMIC OPPORTUNITIES

<ul style="list-style-type: none"> <li>• Diversification of the economy with several promising sectors such as agriculture, tourism, green economy</li> <li>• Availability of natural mineral resources and well established and strong mining sector</li> <li>• Develop STLM as a logistics hub along the Gauteng-Mozambique corridor</li> <li>• Opportunity for the creation of a Farmer’s Market in Middleburg</li> <li>• Establishment of industry-driven training and skills development through internships and apprenticeships</li> <li>• To promote the existing diverse and rich cultural heritage.</li> <li>• Potential investment in steel production facilities.</li> </ul>	<ul style="list-style-type: none"> <li>• Agricultural and agro-processing opportunities including: <ul style="list-style-type: none"> <li>○ Potential opportunity for cotton processing</li> <li>○ Potential for hydroponic farming</li> <li>○ Potential opportunity for blueberry and strawberry production</li> <li>○ Poultry farming</li> </ul> </li> <li>• To tap into the under-utilised agricultural and industrial land for economic diversification</li> <li>• To provide economic nodes in the rural communities</li> <li>• Implementation of the recommendations from Policies and Plans to fast track the economic growth</li> </ul>
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### 7.1.4 STLM ECONOMIC THREATS

<ul style="list-style-type: none"> <li>• Significant carbon footprint from coal mines with major environmental hazards and impact: <ul style="list-style-type: none"> <li>○ Veld fires</li> <li>○ Hazardous material in transit</li> <li>○ Pollution by mining activities</li> </ul> </li> <li>• Lack of integration between rural and urban economies</li> <li>• Depleting mineral resources coupled with the international market fluctuation.</li> <li>• No clear post-mining plan or rehabilitation especially for the land</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of bulk infrastructure to meet the growth of local and in-migration population demand coupled with aging existing infrastructure.</li> <li>• Infrastructure does not accommodate the high influx of trucks.</li> <li>• Escalating high unemployment levels among young people under the age of 35</li> <li>• Negative impact of HIV/AIDS on health, as well as on the socio-economic status of the economy</li> <li>• COVID-19 Pandemic resulting in the closure of economic activities and some tourism products. Reduction of tourists</li> </ul>
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## 7.2 ASSESSMENT OF STLM READINESS

The following table presents the state of readiness of STLM in terms of the economic and institutional development of the Municipality:

- Job Creation
- Human Resource Development
- Human and Community Development
- Strategic Infrastructure
- Environmental Sustainability
- Governance and Policy
- Spatial Equity
- Radical Agrarian Socio-Economic Transformation (RASET).
- Youth Employment
- Radical Economic Transformation

Table 21 Institutional and Economic Development Themes

No	Themes	STLM Status
1	Job Creation	There are many projects suggested in Municipal Strategies capable of creating job opportunities; however, to date, it looks the target set in the Provincial Economic Growth and Development Path will not be met soon
2	Human Resource Development	The suggested projects are designed to have an impact on job creation for local people; however, the education levels of the local people sometimes pose a challenge as it had been seen when people were hired from outside STLM because of the lack of local qualified individuals
3	Human and Community Development	Capacity building concerning human development is among the institutional challenges of the Municipality. Regarding the community development that includes access to various services, there are some challenges, especially in rural areas, in comparison to CBDs.
4	Strategic Infrastructure	While there are many strategic infrastructural projects suggested in many plans (water provision, electricity supply, road construction, etc.), the implementation of some of them poses a challenge because of the lack of funds and limited budget.
5	Environmental Sustainability	Environmental Sustainability is a challenge in STLM as there are a number of mining companies that have operations impacting the environment. Another challenge to be addressed includes settlement encroachment into sensitive areas, land degradation, alien invasive species, mining impact on biodiversity, and poor water quality.

No	Themes	STLM Status
6	Governance and Policy	<p>Based on COGTA LED Framework, the evaluation of the STLM Local Economic Development Strategy 2016-21 has been undertaken and the overall observation is that the report did not include some of the sub-phases required for an effective LED Strategy Document. Consequently, the lack of the inclusivity of some sub-phases in the LED Report may lead to:</p> <ul style="list-style-type: none"> <li>• Chance of having a long wish list of unimplementable projects,</li> <li>• Challenging implementation process of the recommended projects,</li> <li>• Difficult monitoring and evaluation of the implementation process,</li> <li>• Lack of alignment of the recommendations to the provincial and national vision,</li> <li>• Lack of proper understanding of the current realities of the local area.</li> </ul>
7	Spatial Equity	The predominant land in the Municipality is under the private sector and this poses challenges regarding its redistribution, tenure, reform, restitution, land suitable for housing and other development
8	Radical Agrarian Socio-Economic Transformation.	While more still need to be done, STLM started the implementation of the programme through the support of small scale farmers
9	Youth Employment	There is a need to fully implement this programme in STLM
10	Radical Economic Transformation	RET is somehow implemented in STLM through the SMME procurement programme. This programme enables Black traders from the Municipality to play a significant role in the mainstream of the wholesale and retail sectors.

Source: Cwaninga 2021

## SECTION 8: STRATEGIC FRAMEWORK

This strategy formulation section follows the preceding situational analysis section that assessed the existing economic situation of the study area within the context of the Municipality's current Long Term Framework, the Economic Recovery Plan, SDF, IDP and other initiatives of relevance.

The current section deals with the formulation of a strategic framework and interventions that are necessary to turn around the current economy of Steve Tshwete. This will be achieved through the creation of a vision and strategy, which takes into consideration the projects within the area as well as stakeholder linkages and project implementation. The section starts with the vision of the LED, followed by strategies and identified projects.

### 8.1 THE VISION

A vision is a point of reference to keep the stakeholders and the Municipality focused on the important issues and steer in the right direction. A vision provides an opportunity for the community and relevant stakeholders to think in broad and general terms about the future.

The vision is a key element of the LED study and one of the steps to strategy implementation. From the assessment of the local economy and the sector analysis of the LED, it is clear that there are challenges and constraints facing Steve Tshwete. However, the Municipality also plays host to a wealth of opportunities across a variety of sectors, from good potential for retail and business through to the opportunities in the services and manufacturing sectors. Therefore, the Municipal vision from the IDP reads as:

*The number 1 African city (municipality) in service delivery, innovation and good governance*

Further, the STLM Long Term Framework Vision reads as follows:

1. *Reduce unemployment to 8% by 2040.*
2. *By 2040, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average.*
3. *Reduce poverty to less than 3% by 2040.*
4. *Provide universal, high quality and accessible basic, community and social services to all inhabitants of STLM.*
5. *Ensure access for all residents to adequate, safe and affordable housing by 2040.*

Additionally, the Local Economic Development vision from the previous LED Strategy reads as follows:

*“To be the leading community-driven Municipality in the provision of sustainable services and developmental programmes”.*

Based on the previous various visions, the reengineered vision for Steve Tshwete Local Economic Development states as follows:

***To have a sustainable economy supported by the efficient and transparent provision of infrastructure and basic services emanating in job creation and inevitably poverty alleviation”.***

The vision is for Steve Tshwete to become a people-focused, efficient and cost-effective municipality providing quality service and addressing unemployment and poverty through the promotion of agriculture, commercial and industrial productivity, education, tourism and conservation. The basis of this vision is to identify and explore economic development opportunities, take advantage of local economic comparativeness and competitiveness and overcome local economic development challenges. It implies that Steve Tshwete should develop as a people-focused, efficient and cost-effective Municipality providing quality service, addressing unemployment and poverty through the promotion of agriculture, commercial and industrial productivity, education, tourism and conservation.

## 8.2 MISSION STATEMENT

The following Mission Statement was also developed to achieve the vision:

- To fight and diminish poverty in the area
- To promote good governance and intergovernmental relations
- To Deliver basic services to all our people
- To maximise the opportunities offered by our Unique Natural assets and Cultural Heritage
- To conserve our Natural Diversity
- To ensure that local areas and villages are efficiently supported to become economically sustainable and viable.

The STLM can achieve this by ensuring that community participation is guaranteed in all projects, improving skills of municipal staff, promoting sound financial governance, addressing infrastructure needs and offering sustainable services enhance economic development.

## 8.3 STRATEGIES

The prior sub-sections presented the Municipality's vision and missions of the local economic development. Thus, the strategic framework provides several strategies as well as some proposed projects/activities. It



should be noted that strategies have been developed based on the following core enabling pillars of the National LED Framework:

- Research, planning and strategy
- Funding and finance
- Human resources and capacity development
- Enterprise development and support
- Economic governance and infrastructure
- Organisational and institutional arrangements

In order to develop a meaningful strategic framework for LED in Steve Tshwete, it is important to ensure that the current challenges are translated into potential opportunities, while the existing opportunities are strengthened to drive LED. This will require the identification of a strategic framework that promotes the existing strengths, conversion of weaknesses into potential opportunities, and diversification of current activity to ensure expanded and productive growth in the local economy.

The strategies are classified as:

- 1) Sector-specific strategies,
- 2) Crosscutting strategies.

#### **SECTOR-SPECIFIC STRATEGIES:**

The sector-specific strategies are:

1. **Strategy 1:** Support for the mining sector,
2. **Strategy 2:** Expansion and diversification of the manufacturing sector,
3. **Strategy 3:** Expansion of the agricultural sector
4. **Strategy 4:** Development and support for the tourism sector
5. **Strategy 5:** Support for small enterprises

#### **CROSS-CUTTING STRATEGIES:**

The cross-cutting strategies are:

1. **Strategy 6:** Improve the institutional capacity and policy environment for effective LED,
2. **Strategy 7:** Ensure effective education, skills and capacity development,
3. **Strategy 8:** Expansion and development of strategic economic infrastructure.

The sectoral and crosscutting strategies are all unpacked below.

## SECTOR-SPECIFIC STRATEGIES

### 8.4 STRATEGY 1: SUPPORT FOR THE MINING SECTOR

The mining sector is one of the key economic sectors of the STLM and contributes 32% to GDP and contributes 19% to overall employment. Due to the locational advantage of STLM, the area is one of the key economic hubs for coal mining in the Mpumalanga province and the local mining sector is projected to grow by more than 1.3% by 2022. Given the large contribution to STLM's GDP, this is indicative of the municipal economy's reliance on coal mining. One of the key challenges of the mining sector in STLM is that the sector receives mixed projections regarding the long-term sustainability of coal mining. STLM needs to be cognisant of this and consider the development of other sectors as key economic contributors to GDP. Further, the mining sector in STLM is currently competing with agriculture for land availability. Additionally, the municipal economy is relying on the mining sector whilst mines are closing down without replacement sectors filling in at the same pace.

The following programmes were identified to address these challenges:

#### **Programme 1.1: Mining sector policy and planning**

This programme is about developing a clear mining sustainable vision and the identification of projects to address some of the challenges faced in the sector. Identified projects include among others the following:

No	Project Description
1	To review the STLM Mining Sector Analysis and ensure that all suggested economic-driven projects are implemented
2	Improve the relationship/partnership with the Department of Mineral resources (DMR) on the rehabilitation of mining land for future post-mining use
3	Lobby for DMR to fast track the provision of the new prospecting and mining permit applications in the south of the N4, the R555 and D20 triangle.
4	To undertake a feasibility study for the creation of secondary industries to sustain the local economy beyond the mining era
5	To develop a feasibility study for a transition towards a green economy with a focus on developing renewable energy production to reduce the carbon footprint

#### **Programme 1.2: Coordination and support of SMMEs participation within the sector**

The national and provincial governments have emphasised the need to develop small businesses as the backbone of the local economies. However, the exploration, extraction and processing stages in the mining sector have high barriers to entry for SMMEs due to high input costs, domination of large and established companies as well as stringent regulation. Further, the majority of SMMEs have entered this space resulting in

increasing competition. In the sector, mines are mandated to contribute to economic development through Social Labour Plans (SLPs), Enterprise and Supplier Development (ESD), as well as Corporate Social Investment (CSI). Furthermore, while some mines within STLM are executing these, it was discovered that there is a lack of better coordination and strengthening of partnerships among the key partners (SMMEs and mines).

Therefore, this programme suggests projects that will assist in enhancing the participation of local SMMEs in the mining sector output. Identified projects include among others the following:

No	Project Description
1	Facilitate through the internal growth rate (IGR) that the mines appoint local personnel before those from outside the STLM communities
2	Facilitate and coordinate the development of the capacity building programme for the mining companies to upskill their communities, leveraging technology-based learning institutions
3	To improve the communication platform between stakeholders, mines, businesses, communities and the municipality
4	Facilitate potential investment in steel production facilities.

## 8.5 STRATEGY 2: EXPANSION AND DIVERSIFICATION OF THE MANUFACTURING SECTOR

The manufacturing sector is currently among the major contributors to gross value added (GVA) in the STLM with 21% contribution to GVA and 19% to employment. Despite the contribution of the sector to GVA and employment, the sector however faces many challenges, the most significant of which are a lack of diversification within the sector, a need for investment into new technology and renewable energy products and a need for SMME participation within the manufacturing sector. In order to address these challenges, the following programmes were identified:

### **Programme 2.1: Manufacturing sector policy and planning**

As pointed in the status quo phase, manufacturing is among the biggest sectors in the STLM with activities such as food and beverages followed by petroleum and chemical products and basic iron and steel. One of the manufacturing drawcards is the Centre of Excellence which aims for a steel and metal fabrication expansion programme. Manufacturing should be supported to maintain its contribution to the GVA and employment, since it contributes substantially to those two factors..

One of the challenges in this sector is the limited support on specific priority industries (steel and metal production) which are able to promote SMMEs in the manufacturing sector. Various industrial policies that have been developed at the national and provincial levels that seek to guide the development of the manufacturing sector may be consulted to address the preceding concern. This programme identifies projects that are aimed at the development of a clear manufacturing vision and expansion plan, the identification and

promotion of specific incentives, and the identification of potential future industrial nodes within Steve Tshwete.

No	Project Description
1	To fast track the development of the Investment Promotion and Facilitation Strategy
2	Leverage of national incentives and funds to encourage industrial development
3	To fast track the establishment of the industrial cluster consisting of a network of production firms, incubators, a research centre, and a marketing hub

### **Programme 2.2: Manufacturing expansion and small business participation within the sector**

As one of the backbones of the Municipality’s economy, the manufacturing sector needs to be continually supported for its expansion and growth. Further, small enterprises comprise a crucial component of the manufacturing sector within Steve Tshwete, and the need to increase SMMEs’ participation is paramount. The national and provincial governments have both emphasised the need to develop small businesses as the backbone of the economy, and to this end, this programme suggests projects that will assist in enhancing the SMME participation and contribution to the manufacturing sector output. This programme however deals with the identification and packaging of funding and apprenticeship and internship opportunities within the manufacturing sector.

No	Project Description
1	To support the existing steel incubator as the entry point of SMMEs in the metal industry
2	To ensure that trading bylaws are enforced to <ul style="list-style-type: none"> <li>▪ Strengthen zero tolerance on counterfeit goods</li> <li>▪ Undertake business inspections</li> </ul>
3	To fast track the establishment of a centre of excellence in the Municipality
4	To promote the clothing and textile industry to diversify the manufacturing sector (SMMEs and Black Industrialists)

## **8.6 STRATEGY 3: EXPANSION OF THE AGRICULTURAL SECTOR**

The agriculture sector is not the most dominant sector within the STLM and has seen a dramatic decrease in employment within the sector and the contribution to GVA. However, the sector faces numerous challenges, the most significant include drought, underinvestment in bulk infrastructure (predominantly road infrastructure), a lack of diversification, a need for stronger relationships between stakeholders, limited small-scale farmer support and assistance, and the need for redevelopment/ regeneration of vacant farms.

In this regard, a number of strategic interventions are required that specifically target the major challenges faced by both commercial and emerging farmers. This includes significant investment into infrastructure such

as access roads, identification of new potential agricultural opportunities, improving and strengthening the institutional relationships and partnerships between stakeholders, and provision of support and assistance to the agricultural sector, particularly small-scale farmers.

To this end, strategic programmes are identified which pave the way for the identification of related projects aimed to tackle the challenges. The programmes identified within this strategy are identified below:

**Programme 3.1: Coordination improvement among all stakeholders involved in agricultural development**

The improvement of coordination between all relevant parties is crucial for agricultural development. This can be done through the development of a formal platform for frequent engagement between the local Farmers Association, municipal officials and other relevant stakeholders like the Department of Agriculture, Rural Development and Land Reform (DARDLR), the Farmers Association and the Agricultural Development Agency (ADA). This will result in increased information sharing and a better understanding of the problems facing the sector.

No	Project Description
1	Bi-annual agri-workshops/meetings for frequent engagement between the Agricultural Association, municipal officials and other relevant stakeholders like African Farmers Association of South Africa (AFASA) and ADA.
2	Regular farmers’ satisfaction surveys to understand their needs to be highlighted through a monthly municipal agri-newsletter.
3	Undertake agricultural awareness campaigns, roadshows and exhibitions to increase youth interest in agriculture, because most youths do not see agriculture as a viable source of income
4	To undertake research on indigenous livestock to preserve genetic material as a factor that will allow adaptation and production despite climate change effects

**Programme 3.2: Supporting Emerging and Small-scale farmers**

This programme deals specifically with the provision of assistance to and development of emerging and small-scale farmers. This is important in ensuring that diversification of the agricultural sector can occur by specifically supporting emerging and small-scale farmers towards the development of new commodities. This includes the establishment of a consolidated database of all the commercial and emerging farmers as well as their products. The requirements of small-scale and emerging farmers are different to those of commercial farmers, as a large emphasis needs to be placed on skills development and training (agricultural techniques, business and financial management, etc.), as well as basic infrastructure, facilities and equipment. This will require close cooperation with national and provincial departments mandated to assist small-scale agricultural development. Established commercial farmers and organised agricultural must be encouraged to assist in the development of small-scale farmers through the provision of mentorship and training, as well as the

identification of new opportunities and potential linkages between small-scale farmers and commercial production.

No	Project Description
1	To support the development of the Agricultural Sector Plan in the Municipality
2	To facilitate the establishment of farmers' production support units (FPSU) in STLM to allow access to farm implements and finance by small scale farmers
3	To facilitate the implementation of Agri-hubs (Production and agro-processing) in partnership with DARDLR
4	To support farmers in the fight against crop theft and to improve general safety and security of the industry
5	Facilitate and coordinate the provision of funds to struggling small scale farmers
6	To facilitate the establishment of a Virtual Fresh Produce Market - an online trading platform for agricultural commodities in Steve Tshwete.
7	To fast track the establishment of the Middelburg Farmer's Market

### Programme 3.3: Commodity and infrastructure development

Commodity development is crucial in ensuring diversification and expansion of the agricultural sector and creating a base of which agro-processing can occur. This requires the development of the agri-business programmes that aim to specialise in abattoir, feedlots and livestock centres, processing plant and storage and agri-village. This should be done in partnership with the Department of Agriculture, Rural Development and Land Reforms (DARDLF), the Department of Economic Development, the Agricultural Development Agency (ADA).

No	Project Description
1	To undertake the study for the establishment of the cotton processing plant in STLM
2	To establish a cannabis production & processing plant to assist locals in establishing the cannabis farms and certification.
3	To fast track the rabbit and poultry farming in STLM
4	To undertake the business case to introduce the modern hydroponic methods in the agricultural sector
5	To audit and fast track the utilisation of the under-utilised or un-utilised agricultural land

## 8.7 STRATEGY 4: DEVELOPMENT AND SUPPORT FOR THE TOURISM SECTOR

While Steve Tshwete is among the tourist destinations within Mpumalanga, especially for its tourism products and activities such as the Botshabelo Heritage Site, Loskop Leisure Resorts (Aventura), Loskop Marathon and Train Race, Middelburg Dam, Little Elephant, Olifants River Lodge, Arts and Cultural Festival.

The challenges within the tourism sector include among others the following: some of the attractions/facilities appear to be in need of attention with respect to infrastructure upgrade and identification of tourism niche and value proposition; limited coordination and central champion/coordinator for the tourism sector (both public and private); low levels of transformation and inclusivity; lack of central repository for tourism statistics; limited business development support for local tourism businesses; and limited collective and aggressive marketing efforts of the sector. The following programmes have been developed to address the challenges within the sector:

**Programme 4.1: Expansion of the tourist attractions and activities**

Although there is a wide range of tourist activities and products within Steve Tshwete, the potential exists to enhance the sector through the development of new activities and attractions. Ecotourism, agri-tourism, business and event tourism in particular has the potential to attract a wide range of visitors to the area throughout the year, and it is suggested that the Municipality develop a guideline pack for events that can guide event organisers. Furthermore, adventure tourism and rural tours should be promoted, and the current cultural tourism offerings should be expanded.

No	Project Description
1	Create a concise Municipality wide tourism events calendar or action plan that can guide event organisers.
2	Support the promotion of adventure tourism, agri-tourism, arts and crafts, and township/rural tourism
3	To facilitate the development of the Middleburg Dam as per the developed precinct plan - water sports, recreation activities, etc
4	Development of a tourism transformation programme that will allow the renewal of the sector and full participation of all South Africans

**Programme 4.2: Information, marketing and promotion**

The provision of information and dissemination of this information to potential tourism markets through advertising is a critical component of tourism. The Municipality does not have its own information centre to advertise its tourism potentials. This programme provides solutions to address the challenges surrounding information and marketing of tourism products, destinations, and attractions.

No	Project Description
1	To ensure that tourism information centre is able to promote tourism products including some of the rich cultural heritage sites
2	Improve the marketing of the tourism sector in the Municipality in terms of the following: <ul style="list-style-type: none"> <li>• Ensure that tourism products (e.g. crafts) move to online sales and adapt their product lines (e.g. practical products as opposed to ornaments for tourists)</li> <li>• Lobby for the provincial tourism authority to ensure that tourism SMMEs are listed and promoted on their websites</li> <li>• Identification and lobbying for funding for tourism signage in STLM</li> </ul>
3	To facilitate the revitalisation of the local tourism organisation (LTO) and CTOs

#### **Programme 4.3: Tourism specific infrastructure upgrades**

Several tourist attractions within Steve Tshwete are in serious need of an infrastructural upgrade. This programme focusses on these attractions. Additionally, signage plays a large part in ensuring that tourism corridors and attractions are easy to navigate.

No	Project Description
1	To implement the STLM 2020 Tourism Strategy
2	To improve the access to the tourism route
3	To improve the current sports facilities for a variety of sport and tourism activities
4	To assist black-owned tourism establishments with grading.

#### **8.8 STRATEGY 5: SUPPORT FOR SMALL ENTERPRISES**

Investing in enterprise development is instrumental in overcoming challenges such as unemployment and other poverty-related issues. Enterprise development consists of market development, commercial business services, social enterprise, finance, entrepreneurship development, investment and growth in Small Medium and Micro Enterprises (SMMEs), formalising the informal economy, including initiatives that range from enabling the start-up of small businesses to providing business skills development through training, mentoring, coaching.

Beneficiaries of enterprise development are SMMEs from a broad range of firms, from traditional family businesses to survivalist self-employed individuals. Through the development of small-enterprises and informal economies, beneficiaries of enterprise development can earn a living and rise out of poverty. Developing enterprises have positive outputs, whereby over time they create jobs for previously disadvantaged individuals as well as empower other individuals and communities in which they live. The specific programmes identified are listed below.



### **Programme 5.1: Assistance and support**

The location of informal economic activities is important for their performance. This programme envisages the development of an informal economy strategy, as a starting point. The strategy should then envisage the support of STLM in the provision of trade centres with all supporting facilities. It is also important that, under this programme, the Municipality facilitates the organisation of informal economy actors, as a collective bargaining exercise. This platform will form the basis of the ongoing engagement between the Municipality and the informal economy traders. Further, there is a need to recommend the development of the SMME and the co-operatives support strategic plans that will pave the way to address all small business-related challenges in STLM.

No	Project Description
1	To develop the Co-operative and SMME Strategy for STLM
2	To develop the Informal Economy Strategy for STLM
3	To fast track the implementation of the STLM Township Revitalisation Strategy -2019
4	Design a program/plan for informal traders' participation in Public Works' initiatives
5	To continually evaluate the impact of COVID 19 on survivalist and micro enterprises (number of enterprises, type of enterprise, geographical spread, demographics)

### **Programme 5.2: Value-chain development and local procurement**

Interventions that aim at understanding the current value chain within the informal economy, and facilitating the development of these value chains, will have a significant impact on the informal industry. Further, the programme suggests the constant registering of all SMMEs on the local municipal data systems to promote local procurement.

No	Project Description
1	To fast track the launch of a One-stop Service Centre aimed at assisting local SMMEs with enterprise development programmes including market linkages and business support services such as Advisory and Access to finance.
2	Facilitate linkage platforms involving SMMEs, cooperatives and local large businesses for market access and procurement.
3	To promote home-based workers – to get them registered on a database to produce masks and other personal protective equipment (PPE)
4	To provide training on business compliance, business acumen and entrepreneurial skills as well as exports.
5	Buy local campaigns to be undertaken to motivate and encourage the community to buy local products.

### **Programme 5.3: Support / Promote Innovation**

As part of supporting the informal economy in Steve Tshwete, creating and facilitating opportunities for entrepreneurship and innovation is an important factor to consider. Projects include conducting an annual business innovation fair in conjunction with DEDT. Presenting innovation awards will also potentially incentivise business entrepreneurship.

Further, it is vital to ensure that existing businesses are satisfied with the business environment and that all their needs are addressed. This includes ensuring that businesses have a voice that is being heard by the government and that challenges and constraints being faced are addressed. A business retention and expansion programme is required to focus on the identification of key issues and challenges, and monitoring changes in business perception based on recurring questions to business.

No	Project Description
1	To run an annual small business innovation fair in the Municipality
2	To consult with informal traders, representatives and associations on any projects that are planned for the informal economy.
3	To provide mobile or customised ready to use infrastructure like containers, customised mobile homes, carts, display carts etc.
4	To develop Business Retention and Expansion programmes
5	Ensure STLM has institutionalised investment standard operating procedures to avoid red-tape when supporting businesses.

## **CROSSCUTTING STRATEGIES**

### **8.9 STRATEGY 6: IMPROVING THE INSTITUTIONAL & POLICY ENVIRONMENT FOR EFFECTIVE LED**

Steve Tshwete has a functional LED Department; however, for some reason, it struggles to implement its mandate. The institutional challenges facing the LED Department includes insufficient project and financial management for LED initiatives, limited intergovernmental relations and coordination, limited public-private partnerships, the need for a business retention and expansion programme, and sometimes red tape and collective administrative burden. To address these challenges and meet the overarching goal, the following programmes have been developed:

#### **Programme 6.1: Coordination and communication of LED stakeholders**

In order to improve the coordination and communication between LED stakeholders, a formal platform for frequent engagement between government officials and the local business bodies should be developed. Additionally, the improvement of intergovernmental relations should be encouraged so that the Municipality's

LED capacity can be strengthened through strategic partnerships with the Provincial Department of Economic Development and Tourism and COGTA.

No	Project Description
1	To improve the current roundtable discussion in Steve Tshwete.
2	Strengthening the intergovernmental relations (LED forum, IDP, local councillors, SOEs, NGOs and traditional authorities) through information sharing and project feedback.

#### **Programme 6.2: Improving the Capacity and Funding for LED implementation**

Funding of LED implementation is a major challenge not just at the municipality level, but at the provincial and national levels too. It will be important to consolidate all LED funding sources into a single database and make deliberate efforts to engage these sources, rather than rely fully on government funding. Previous examples of funding applications should also be included. The packaging of LED projects needs to be done on an ongoing basis by officials.

Further, in Steve Tshwete some LED Department is under capacitated and they struggle to implement their mandate. The institutional challenges facing the LED Departments include efficient project and financial management for LED initiatives, lack of capacity to deal with agriculture, SMMEs, Tourism, Investment promotion and other related LED special assignments in the Municipality. Therefore, there is a need to capacitate the LED portfolio if the Municipality wants to adhere to its constitutional mandate of efficiently providing services to its citizens.

No	Project Description
1	Compile a database of all potential funding sources for LED implementation as well as previous examples of funding applications
2	To support the staffing of the LED portfolio in STLM where necessary
3	To undertake the customer satisfaction survey to gauge the level of service delivery in their areas

### **8.10 STRATEGY 7: ENSURING EFFECTIVE SKILLS AND CAPACITY DEVELOPMENT**

Overall, inadequate capacity and low skills level are major gaps in STLM's economy. The key economic sector of the Municipality, as well as the size of the informal economy, suggest that the STLM's future economic performance will depend on the skill levels of the populace. Formal (small) enterprises also do not have sufficient skills. To bridge the foregoing skill gaps, two programmes are recommended, as follows.

#### **Programme 7.1: Skills training and development**

The role of ongoing skills programmes cannot be overemphasised as it was seen that there is mismatching of the skills produced in the Municipality versus the current labour market demand. Programmes should focus

on entrepreneurial skills especially for SMMEs as well as informal traders. These programmes should be run in conjunction with either the Small Enterprise Development Agency (SEDA) or DEDT. Furthermore, trades (like refrigeration and air-conditioning, hairdressers, carpenters, electricians, plumbers, etc.) should be promoted through linkages with Further Education and Training (FET) Colleges.

No	Project Description
1	Facilitate training for SMME and informal businesses (SEDA or DEDT programme) with general and technical skills.
2	Awareness campaign promoting trades as employment opportunities to young people (domestic air conditioning services, hairdressers, carpenters, electricians, plumbers, etc.) through linkages with FET colleges.
3	To develop a plan ensuring the full participation of people living with disabilities in the local economy.

**Programme 7.2: Development of relationships between industry and tertiary and training institutions and Retention of skilled residents**

The development of business capacity and skills will only be effectively achieved through stakeholder engagement. Stakeholders such as SEDA, SETA as well as tertiary institutions will need to be networked with both formal and informal businesses to ensure that programmes are aligned with industry demand. Future research is required to investigate the need for higher education in the Municipality.

Further, Steve Tshwete is struggling to retain skilled residents, and this is negatively impacting the economy. A marketing and retention programme should be developed in conjunction with the local business bodies that focus on the quality of life promotion in Steve Tshwete.

No	Project Description
1	Establish a platform for engagement between tertiary institutions and businesses to ensure programmes are aligned with industry demand.
2	Development of a retention programme in conjunction with the local business bodies that focusses on the quality of life to retain skilled residents in Steve Tshwete.

**8.11 STRATEGY 8: EXPANSION AND DEVELOPMENT OF STRATEGIC ECONOMIC INFRASTRUCTURE**

The provision of infrastructure is one of the most critical elements of LED as a lack of it (particularly bulk services and transportation infrastructure) can inhibit economic growth and development. Infrastructural interventions that are crucial to unlocking the potential of these sectors are addressed within this strategy,

along with general infrastructural development which is required to ensure that enough capacity is in place for future growth and investment.

The provision of access roads is important in stimulating growth in the agricultural sector, while the provision of consistent bulk services and strong road and rail infrastructure is crucial for the success of the manufacturing sector. Accordingly, this strategy focusses on identifying programmes that deal with infrastructural challenges. The specific programmes developed are identified below.

### **Programme 8.1: Transportation infrastructure capacity and maintenance**

Ensuring sufficient capacity with regard to transportation infrastructure is critical for the success of LED. At a local level, however, there is little control over national and provincial roads, as well as the rail line. In this regard, the Municipality needs to ensure that there are good channels of communication with the relevant departments including the Department of Transport etc. and to ensure that the dire need for such infrastructure development and upgrades is translated to these departments. This programme suggests projects that deal specifically with how to address the challenges faced in the development and maintenance of road, rail and air transportation infrastructure.

No	Project Description
1	To fast track the provision of economic nodes in the rural communities
2	To develop STLM as a logistics hub along the Gauteng-Mozambique corridor
3	To fast track the transformation of the Middleburg airport into a satellite aircraft parking, logistics and servicing centre linked to OR Tambo International

### **Programme 8.2: Provision of bulk services and facilitating easy access to land for development**

Bulk services are extremely important to ensure not only LED but also general growth and development within a region. Currently, the provision of water to support the agricultural and other sectors has become a challenging issue, not only in the STLM but also across the province and country as a whole. A focus of this programme is to ensure that bulk water capacity is enough and available now and for future growth and development. Furthermore, the development of bulk electricity supply is critical for growth in the manufacturing sector.

Further, businesses and other sectors have also been affected by the electricity problems affecting South Africa. To this end, there is a need to fast track the development and supply of lower-cost methods of power generation.

Furthermore, access to land has been highlighted among the challenges to investment and much of the land is owned by the private sector. Sometimes accessing such land for major investments seems challenging.

Therefore, there is a need to ensure that the land is available for the development of STLM and the surroundings.

No	Project Description
1	To fast track the implementation of the waste to energy project in STLM;
2	To improve the provision of water, sanitation and electricity in rural and farming communities and meet the growth of the local and in-migration population;
3	To fast track the provision of fibre infrastructure in rural areas for better integration between rural and urban economies
4	To improve the capacity of bulk infrastructure as well as the high influx of trucks.
5	To undertake the beautification of the CBDs/towns to attract potential investment

**Programme 8.3: Fight against crime in the Municipality and addressing the Covid-19 challenges**

With regard to the level of crime, it should be noted that the safety and security issue is a countrywide challenge, and this applies to STLM. Any crime is considered a threat to business development and investment promotion and facilitation. There is a perception that crime in the STLM is persistent and infringes on the growth of all categories of businesses including large, SMMEs, co-operatives and informal traders by targeting and stealing their goods and assets. To this end, there is a need to improve the community policing approach and business against crime in Steve Tshwete to fight the crime.

Further, and as pointed above, the COVID-19 pandemic as a global crisis has disrupted the functioning of the South African economy and is having serious socio-economic effects on the Mpumalanga regional economy. The lockdown of the country has affected many sectors from the municipality to the national level including tourism, SMMEs and informal businesses, agriculture and manufacturing. Further, other unintended consequences of the pandemic include:

- the cessation of operations for several businesses and the complete shut down for others
- the dwindling of Government revenue,
- the retrenchment of several workers,
- an increase in the poverty level as people lose their sources of income.

Therefore, while the national government has been providing relief packages for some sectors, a multi-sectoral approach needs to be undertaken in Steve Tshwete to urgently revive the economic sectors affected by the COVID-19 pandemic.

No	Project Description
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1	Support the establishment of community policing forums and businesses against crime in respective communities.
2	Fast track the implementation of the STLM economic Recovery Plan 2020.
3	<p>Assist businesses and individuals to tap into the various national COVID-19 recovery funds instituted by the national government during the lockdown period including:</p> <ul style="list-style-type: none"> <li>• National/Provincial Disaster Relief Grant,</li> <li>• National Solidarity Fund,</li> <li>• Small Business Fund,</li> <li>• Small Business Debt Relief Financial Scheme,</li> <li>• IDC COVID-19 Fund,</li> <li>• IDC COVID-19 Working Capital Fund,</li> <li>• DRLD Food and Agricultural Sector Support Fund,</li> <li>• DRLD Grant to Land Bank,</li> <li>• Tourism Fund,</li> <li>• SMME Business Growth Facility, etc.</li> </ul>

## SECTION 9: IMPLEMENTATION FRAMEWORK

The Implementation Framework provides a guideline for the implementation of Local Economic Development within the STLM. It provides practical steps necessary to implement the projects that have been identified in the previous section. This includes a timeframe and estimated budget for each of the projects, and a monitoring and evaluation framework for the suggested projects. The sub-sections of this main section are structured as follows:

- Implementation Plan,
- Financial Plan,
- Institutional and Organisational Arrangements,
- Monitoring and Evaluation Plan.

### 9.1. IMPLEMENTATION PLAN

The Project Implementation Plan provides a time-based perspective of the projects proposed for implementation. The table below displays the project number, the project name, and the proposed start and end date. The GANTT chart starts from year 2021/2022 and ends in year 2025/2026.

It should be noted that:

- Where activities did not have a defined end date, the end of the five-year term was used as the end date, i.e., year 2025/2026,
- A number of projects start in the early parts of the five-year term and the potential for achieving this should be reconsidered based on resources, including human capacity and funds in STLM.



Table 22 Projects Time Frame

STRATEGIES	PROGRAMMES	PROJECTS	5 YEARS				
			21-22	22-23	23-24	24-25	25-26
<b>1. SUPPORT FOR THE MINING SECTOR</b>	<b>1.1: Mining sector policy and planning</b>	1.1.1 To review the STLM Mining Sector Analysis and ensure that all suggested economic driven projects are implemented					
		1.1.2 Improve the relationship/partnership with DMR on the rehabilitation of mining land for the future post-mining use					
		1.1.3 Lobby for DMR to fast track the provision of the new prospecting and mining permit applications in the south of the N4, the R555 and D20 triangle					
		1.1.4 To undertake a feasibility study for the creation of secondary industries to sustain local economy beyond the mining era					
		1.1.5 To develop a feasibility study for a transition towards a green economy with a focus on developing renewable energy production to reduce the carbon footprint					
	<b>1.2: Coordination and support of SMMEs Participation within the sector</b>	1.2.1 To facilitate through IGR the appointment of local personnel before those from outside STLM communities at the mines					
		1.2.2 To facilitate and coordinate the development of the capacity-building programmes for the mining companies to upskill their communities, leveraging technology-based learning institutions					
		1.2.3 To improve the communication platform between stakeholders, mines, businesses, communities and the municipality					
		1.2.4 To facilitate potential investment in steel production facilities.					
	<b>2. EXPANSION AND DIVERSIFICATION OF THE</b>	<b>2.1: Manufacturing sector policy and planning</b>	2.1.1 To fast track the development of the Investment Promotion and Facilitation Strategy				
2.1.2 Leverage of national incentives and funds to encourage industrial development							

STRATEGIES	PROGRAMMES	PROJECTS	5 YEARS				
			21-22	22-23	23-24	24-25	25-26
<b>MANUFACTURING SECTOR</b>		2.1.3 To fast track the establishment of the industrial cluster consisting of network of production firms, incubators, research centre, and marketing hub					
	<b>2.2: Manufacturing expansion and small business participation within the sector</b>	2.2.1 To support the existing steel incubator as the entry point of SMMEs in the metal industry					
		2.2.2 To ensure that trading bylaws are enforced to <ul style="list-style-type: none"> <li>▪ Strengthens zero tolerance on counterfeit goods</li> <li>▪ Undertake business inspections</li> </ul>					
		2.2.3 To fast track the establishment of the centre of excellence in the Municipality					
		2.2.4 To promote the Clothing and Textile industry to diversify the manufacturing sector (SMMEs and Black Industrialists)					
<b>3. EXPANSION OF THE AGRICULTURAL SECTOR</b>	<b>3.1: Coordination improvement among all stakeholders involved in agricultural development</b>	3.1.1 Facilitate bi-annual agri-workshops/meetings for frequent engagement between Agricultural Association, municipal officials and other relevant stakeholders like the African Farmers Association of South Africa and ADA.					
		3.1.2 Regular farmers' satisfaction surveys to understand their needs to be highlighted through a monthly municipal agri-newsletter.					
		3.1.3 Undertake agricultural awareness campaigns, roadshows and exhibitions to increase youth interest in agriculture, because most youth do not see agriculture as a viable source of income					
		3.1.4 To undertake research on indigenous livestock to preserve genetic material as a factor that will allow adaptation and production despite climate change effects					

STRATEGIES	PROGRAMMES	PROJECTS	5 YEARS				
			21-22	22-23	23-24	24-25	25-26
	<b>3.2: Supporting Emerging and Small-scale farmers</b>	3.2.1 To support the development of the Agricultural Sector Plan in the Municipality					
		3.2.2 To facilitate the establishment of farmers' production support units (FPSU) in STLM to allow access to farm implements and finance by small scale farmers					
		3.2.3 To facilitate the implementation of Agri-hubs (Production and agro-processing) in partnership with DARDLR					
		3.2.4 To support farmers in the fight against crops theft and to improve general safety and security of the industry					
		3.2.5 Facilitate and coordinate the provision of funds to struggling small scale famers					
		3.2.6 To facilitate the establishment a Virtual Fresh Produce Market - an online trading platform for agricultural commodities in Steve Tshwete.					
		3.2.7 To fast track the establishment of the Middelburg Farmer's Market					
	<b>3.3: Commodity and infrastructure development</b>	3.3.1 To undertake the study for the establishment of the cotton processing plant in STLM					
		3.3.2 To establish a cannabis production & processing plant to assist locals in establishing the cannabis farms and certification.					
		3.3.3 To fast track the rabbit and poultry farming in STLM					
		3.3.4 To undertake the business case to introduce the modern hydroponic methods in the agricultural sector					
		3.3.5 To audit and fast track the utilisation of the under-utilised or un-utilised agricultural land					

STRATEGIES	PROGRAMMES	PROJECTS	5 YEARS				
			21-22	22-23	23-24	24-25	25-26
4. DEVELOPMENT AND SUPPORT FOR THE TOURISM SECTOR	Programme 4.1: Expansion of the tourist attractions and activities Programme	4.1.1 Create a concise Municipality wide tourism events calendar or action plan that can guide event organisers.					
		4.4.2 Support the promotion of adventure tourism, agri tourism, arts and crafts, and township/rural tourism					
		4.1.3 To facilitate the development of the Middleburg Dam as per the developed precinct plan - water sports, recreation activities, etc					
		4.1.4 Development of a tourism transformation programme that will allow the renewal of the sector and full participation of all South Africans					
	4.2: Information, marketing and promotion	4.2.1 To ensure that tourism information centre is able to promote tourism products including some of the rich cultural heritage sites					
		4.2.2 Improve the marketing of the tourism sector in the Municipality in terms of the following: <ul style="list-style-type: none"> <li>To ensure that tourism products (e.g. crafts) move to online sales and adapt their product lines (e.g. practical products as opposed to ornaments for tourists)</li> <li>To lobby for the provincial tourism authority to ensure that tourism SMMEs are listed and promoted on their websites</li> <li>Identification and lobbying for funding for tourism signage in STLM</li> </ul>					
		4.2.3 To facilitate the revitalisation of the local tourism organisation (LTO) and community tourism organisations (CTOs)					
	4.3: Tourism specific infrastructure upgrades	4.3.1 To implement the STLM 2020 Tourism Strategy					
		4.3.2 To improve the access to the tourism route					
		4.3.3 To improve the current sport facilities for a variety of sport and tourism activities					
		4.3.4 To assist black owned tourism establishments with grading.					

STRATEGIES	PROGRAMMES	PROJECTS	5 YEARS				
			21-22	22-23	23-24	24-25	25-26
5. SUPPORT FOR SMALL ENTERPRISES	5.1: Assistance and support	5.1.1 To develop the Co-operative and SMME Strategy for STLM					
		5.1.2 To develop the Informal Economy Strategy for STLM					
		5.1.3 To fast track the implementation of the STLM Township Revitalisation Strategy -2019					
		5.1.4 Design a program/plan for informal traders’ participation in Public Works initiatives					
		5.1.5 To continually evaluate the impact of COVID 19 on survivalist and micro enterprises (number of enterprises, type of enterprise, geographical spread, demographics)					
	5.2: Value-chain development and local procurement	5.2.1 To fast track the launch a One-stop Service Centre aimed at assisting local SMMEs with enterprise development programmes including market linkages and business support services such as Advisory and Access to finance.					
		5.2.2 Facilitate linkage platforms involving SMMEs, cooperatives and local large businesses for market access and procurement.					
		5.2.3 To promote home-based workers – to get them registered on a database to produce masks and other personal protective equipment (PPE)					
		5.2.4 To provide training on business compliance, business acumen and entrepreneurial skills as well as on exports.					
		5.2.5 Buy local campaigns to be undertaken to motivate and encourage the community to buy local products.					
	5.3: Support/Promote Innovation	5.3.1 To run an annual small business innovation fair in the Municipality					
		5.3.2 To consult with informal traders, representatives and associations on any projects that are planned for informal economy.					

STRATEGIES	PROGRAMMES	PROJECTS	5 YEARS				
			21-22	22-23	23-24	24-25	25-26
		5.3.3 To provide mobile or customised ready to use infrastructure like containers, customised mobile homes, carts and display carts.					
		5.3.4 To develop Business Retention and Expansion programmes					
		5.3.5 Ensure STLM has institutionalised investment standard operating procedures to avoid red-tape when supporting businesses.					
6. IMPROVING THE INSTITUTIONAL & POLICY ENVIRONMENT FOR EFFECTIVE LED	6.1: Coordination and communication of LED stakeholders	6.1.1 To improve the current roundtable discussion in Steve Tshwete.					
		6.1.2 Strengthening the intergovernmental relations (LED forum, IDP, local councillors, SOEs, NGOs and traditional authorities) through information sharing and project feedback.					
	6.2: Improving the Capacity and Funding for LED implementation	6.2.1 Compile a database of all potential funding sources for LED implementation as well as previous examples of funding applications.					
		6.2.2 To support the staffing of the LED portfolio in STLM where necessary					
		6.2.3 To undertake the customer satisfaction survey to gauge the level of service delivery in their areas					
	7. ENSURING EFFECTIVE SKILLS AND CAPACITY DEVELOPMENT	7.1: Skills training and development	7.1.1 Facilitate training for SMME and informal businesses (SEDA or DEDT programme) with general and technical skills.				
7.1.2 Awareness campaign promoting trades as employment opportunities to young people (domestic air conditioning services, hairdressers, carpenters, electricians, plumbers, etc.) through linkages with FET colleges.							
7.1.3 To develop a plan ensuring the full participation of people living with disabilities in the local economy.							
7.2: Developing relationships between		7.2.1 Establish a platform for engagement between tertiary institutions and business to ensure programmes are aligned with industry demand.					

STRATEGIES	PROGRAMMES	PROJECTS	5 YEARS				
			21-22	22-23	23-24	24-25	25-26
	<b>industry and tertiary &amp; training institutions</b>	7.2.2 Development of a retention programme in conjunction with the local business bodies that focusses on the quality of life to retain skilled residents in Steve Tshwete.					
<b>8. EXPANSION AND DEVELOPMENT OF STRATEGIC ECONOMIC INFRASTRUCTURE</b>	<b>8.1: Transportation infrastructure capacity and maintenance</b>	8.1.1 To fast track the provision of economic nodes in the rural communities					
		8.1.2 To develop STLM as a logistics hub along the Gauteng-Mozambique corridor					
		8.1.3 To fast track the transformation of the Middleburg airport into a satellite aircraft parking, logistics and servicing centre linked to OR Tambo International					
	<b>8.2: Provision of bulk services and facilitating easy access to land for development</b>	8.2.1 To fast track the implementation of waste to energy project in STLM					
		8.2.2 Improve the provision of water, sanitation, electricity in rural and farming communities and to meet growth of local and in-migration population					
		8.2.3 To fast track the provision of fibre infrastructure in rural areas for a better integration between rural and urban economies					
		8.2.4 To improve the capacity of bulk infrastructure as well as the high influx of trucks.					
		8.2.5 To undertake the beautification of the CBDs/towns to attract potential investment					
	<b>8.3: Fight against crime in the municipality and</b>	8.3.1 Support the establishment of community policing forums and business against crime in respective communities					
		8.3.2 To fast track the implementation of the STLM economic Recovery Plan 2020					

STRATEGIES	PROGRAMMES	PROJECTS	5 YEARS				
			21- 22	22- 23	23- 24	24- 25	25- 26
	address COVID-19 challenges.	<p>8.3.3 To assist businesses and individuals to tap into the various national COVID -19 recovery funds instituted by the national government during the lockdown period including:</p> <ul style="list-style-type: none"> <li>• National/Provincial Disaster Relief Grant;</li> <li>• National Solidarity Fund;</li> <li>• Small Business Fund;</li> <li>• Small Business Debt Relief Financial Scheme;</li> <li>• IDC COVID 19 Fund;</li> <li>• IDC COVID Working Capital Fund;</li> <li>• DRLD Food and Agricultural Sector Support Fund;</li> <li>• DRLD Grant to Land Bank;</li> <li>• Tourism Fund;</li> <li>• SMME Business Growth Facility, etc.</li> </ul>					



## 9.2. FINANCIAL PLAN

The Financial Plan reflected in the table below provides an overview of budget requirements per project for its implementation over a certain period. The budgets indicated in the table are indicative only. Detail cost estimates can only be made once feasibility studies for the actions have been undertaken that includes the conceptualisation of the designs of the facilities and actions.

Table 23 *Projects* Financial Considerations

STRATEGIES	PROGRAMMES	PROJECTS	BUDGET
<b>1. SUPPORT FOR THE MINING SECTOR</b>	<b>1.1; Mining sector policy and planning</b>	1.1.1 To review the STLM Mining Sector Analysis and ensure that all suggested economic driven projects are implemented	R 250 000
		1.1.2 Improve the relationship/partnership with DMR on the rehabilitation of mining land for the future post mining use	R 0
		1.1.3 Lobby for DMR to fast track the provision of the new prospection and mining permit applications in the south of the N4, the R555 and D20 triangle	R 0
		1.1.4 To undertake a feasibility study for the creation of secondary industries to sustain local economy beyond the mining era	R 250 000
		1.1.5 To develop a feasibility study for a transition towards a green economy with a focus on developing renewable energy production to reduce the carbon footprint	R 250 000
	<b>1.2: Coordination and support of SMMEs Participation within the sector</b>	1.2.1 To facilitate through IGR the appointment of local personnel before those from outside STLM communities at the mines	R 0
		1.2.2 Facilitate and coordinate the development of the capacity building programme for the mining companies to upskill their communities, leveraging technology-based learning institutions	R 0
		1.2.3 To improve the communication platform between stakeholders, mines, businesses, communities and the municipality	R 0
		1.2.4 Facilitate potential investment in steel production facilities.	R 0
	<b>2. EXPANSION AND DIVERSIFICATION OF THE MANUFACTURING SECTOR</b>	<b>2.1: Manufacturing sector policy and planning</b>	2.1.1 To fast track the development of the Investment Promotion and Facilitation Strategy
2.1.2 Leverage of national incentives and funds to encourage industrial development			R 0
2.1.3 To fast track the establishment of the industrial cluster consisting of network of production firms, incubators, a research centre and a marketing hub			R 0
<b>2.2: Manufacturing expansion and small</b>		2.2.1 To support the existing steel incubator as the entry point of SMMEs in the metal industry	R 250 000

STRATEGIES	PROGRAMMES	PROJECTS	BUDGET
	<b>business participation within the sector</b>	2.2.2 To ensure that trading bylaws are enforced to <ul style="list-style-type: none"> <li>▪ Strengthen zero tolerance on counterfeit goods</li> <li>▪ Undertake business inspections</li> </ul>	R 0
		2.2.3 To fast track the establishment of the centre of excellence in the Municipality	R 0
		2.2.4 To promote the Clothing and Textile industry to diversify the manufacturing sector (SMMEs and Black Industrialists)	R 250 000
<b>3. EXPANSION OF THE AGRICULTURAL SECTOR</b>	<b>3.1: Coordination improvement among all stakeholders involved in agricultural development</b>	3.1.1 Bi-annual agri-workshops/meetings for frequent engagement between Agricultural Association, municipal officials and other relevant stakeholders like African Farmers Association of South Africa and ADA.	R 200 000
		3.1.2 Regular farmers' satisfaction surveys to understand their needs to be highlighted through a monthly municipal agri-newsletter.	R 200 000
		3.1.3 Undertake agricultural awareness campaigns, roadshows and exhibitions to increase youth interest in agriculture, because most youth do not see agriculture as a viable source of income	R 100 000
		3.1.4 To undertake research on indigenous livestock to preserve genetic material as a factor that will allow adaptation and production despite climate change effects	R 250 000
	<b>3.2: Supporting Emerging and Small-scale farmers</b>	3.2.1 To support the development of the Agricultural Sector Plan in the Municipality	R 250 000
		3.2.2 To facilitate the establishment of farmers' production support units (FPSU) in STLM to allow access to farm implements and finance by small scale farmers	R 250 000
		3.2.3 To facilitate the implementation of Agri-hubs (Production and agro-processing) in partnership with DARDLR	R 250 000
		3.2.4 To support farmers in the fight against crops theft and to improve general safety and security of the industry	R 0
		3.2.5 Facilitate and coordinate the provision of funds to struggling small scale famers	R 0

STRATEGIES	PROGRAMMES	PROJECTS	BUDGET
		3.2.6 To facilitate the establishment a Virtual Fresh Produce Market - an online trading platform for agricultural commodities in Steve Tshwete.	R 0
		3.2.7 To fast track the establishment of the Middelburg Farmer's Market	R 250 000
	<b>3.3: Commodity and infrastructure development</b>	3.3.1 To undertake the study for the establishment of the cotton processing plant in STLM	R 250 000
		3.3.2 To establish a cannabis production & processing plant to assist locals in establishing the cannabis farms and certification.	R 250 000
		3.3.3 To fast track the rabbit and poultry farming in STLM	R 250 000
		3.3.4 To undertake the business case to introduce the modern hydroponic methods in agricultural the sector	R 250 000
3.3.5 To audit and fast track the utilisation of the under-utilised or un-utilised agricultural land	R 0		
<b>4. DEVELOPMENT AND SUPPORT FOR THE TOURISM SECTOR</b>	<b>Programme 4.1: Expansion of the tourist attractions and activities Programme</b>	4.1.1 Create a concise Municipality wide tourism events calendar or action plan that can guide event organisers.	R 0
		4.4.2 Support the promotion of adventure tourism, agri tourism, arts and crafts, and township/rural tourism	R 250 000
		4.1.3 To facilitate the development of the Middleburg Dam as per the developed precinct plan - water sports, recreation activities, etc	R 250 000
		4.1.4 Development of a tourism transformation programme that will allow the renewal of the sector and full participation of all South Africans	R 400 000
	<b>4.2: Information, marketing and promotion</b>	4.2.1 To ensure that tourism information centre is able to promote tourism products including some of the rich cultural heritage sites	R 0
		4.2.2 Improve the marketing of the tourism sector in the Municipality in terms of the following:	R 0

STRATEGIES	PROGRAMMES	PROJECTS	BUDGET
		<ul style="list-style-type: none"> <li>To ensure that tourism products (e.g. crafts) move to online sales and adapting their product lines (e.g. practical products as opposed to ornaments for tourists)</li> <li>To lobby for the provincial tourism authority to ensure that tourism SMMEs are listed and promoted on their websites</li> <li>Identification and lobbying for funding for tourism signage in STLM</li> </ul>	
		4.2.3 To facilitate the revitalisation of the local tourism organisation (LTO) and community tourism organisations (CTOs)	R 0
	<b>4.3: Tourism specific infrastructure upgrades</b>	4.3.1 To implement the STLM 2020 Tourism Strategy	R 0
		4.3.2 To improve the access to the tourism route	R 0
		4.3.3 To improve the current sport facilities for a variety of sport and tourism activities	R 250 000
		4.3.4 To assist black owned tourism establishments with grading.	R 0
<b>5. SUPPORT FOR SMALL ENTERPRISES</b>	<b>5.1: Assistance and support</b>	5.1.1 To develop the Co-operative and SMME Strategy for STLM	R 250 000
		5.1.2 To develop the Informal Economy Strategy for STLM	R 250 000
		5.1.3 To fast track the implementation of the STLM Township Revitalisation Strategy -2019	R 0
		5.1.4 Design a program/ plan for informal traders' participation in Public Works initiatives	R 200 000
		5.1.5 To continually evaluate the impact of COVID 19 on survivalist and micro enterprises (number of enterprises, type of enterprise, geographical spread, demographics)	R 0
	<b>5.2: Value-chain development and local procurement</b>	5.2.1 To fast track the launch a One-stop Service Centre aimed at assisting local SMMEs with enterprise development programmes including market linkages and business support services such as Advisory and Access to finance.	R 0
		5.2.2 Facilitate linkage platforms involving SMMEs, cooperatives and local large businesses for market access and procurement.	R 0
		5.2.3 To promote the home-based workers – to get them registered on a database to produce masks and other personal protective equipment (PPE)	R 0

STRATEGIES	PROGRAMMES	PROJECTS	BUDGET	
		5.2.4 To provide trainings on business compliance, business acumen and entrepreneurial skills as well as on exports.	R 0	
		5.2.5 Buy local campaigns to be undertaken to motivate and encourage the community to buy local products.	R 0	
	<b>5.3: Support/Promote Innovation</b>	5.3.1 To run an annual small business innovation fair in the Municipality	R 100 000	
		5.3.2 To consult with informal traders, representatives and associations on any projects that are planned for informal economy.	R 0	
		5.3.3 To provide mobile or customised ready to use infrastructure like containers, customised mobile homes, carts, display carts etc.	TBD	
		5.3.4 To develop Business Retention and Expansion programmes	R 200 000	
		5.3.5 Ensure STLM has institutionalised investment standard operating procedures to avoid red-tape when supporting businesses.	R 0	
	<b>6. IMPROVING THE INSTITUTIONAL &amp; POLICY ENVIRONMENT FOR EFFECTIVE LED</b>	<b>6.1: Coordination and communication of LED stakeholders</b>	6.1.1 To improve the current roundtable discussion in Steve Tshwete.	R 0
			6.1.2 Strengthening the intergovernmental relations (LED forum, IDP, local councillors, SOEs, NGOs and traditional authorities) through information sharing and project feedback.	R 0
		<b>6.2: Improving the Capacity and Funding for LED implementation</b>	6.2.1 Compile a database of all potential funding sources for LED implementation as well as previous examples of funding applications.	R 0
6.2.2 To support the staffing of the LED portfolio in STLM where necessary			R 0	
6.2.3 To undertake the customer satisfaction survey to gauge the level of service delivery in their areas			R 350 000	
<b>7. ENSURING EFFECTIVE SKILLS AND CAPACITY DEVELOPMENT</b>		<b>7.1: Skills training and development</b>	7.1.1 Facilitate training for SMME and informal businesses (SEDA or DEDT programme) with general and technical skills.	R 0
	7.1.2 Awareness campaign promoting trades as employment opportunities to young people (domestic air conditioning services, hairdressers, carpenters, electricians, plumbers, etc.) through linkages with FET colleges.		R 0	

STRATEGIES	PROGRAMMES	PROJECTS	BUDGET
		7.1.3 To develop a plan ensuring the full participation of people living with disabilities in the local economy.	R 250 000
	<b>7.2: Developing relationships between industry and tertiary &amp; training institutions</b>	7.2.1 Establish a platform for engagement between tertiary institutions and business to ensure programmes are aligned with industry demand.	R 0
		7.2.2 Development of a retention programme in conjunction with the local business bodies that focusses on the quality of life to retain skilled residents in Steve Tshwete.	R 250 000
<b>8. EXPANSION AND DEVELOPMENT OF STRATEGIC ECONOMIC INFRASTRUCTURE</b>	<b>8.1: Transportation infrastructure capacity and maintenance</b>	8.1.1 To fast track the provision of economic nodes in the rural communities	R 350 000
		8.1.2 To develop STLM as a logistics hub along the Gauteng-Mozambique corridor	R 350 000
		8.1.3 To fast track the transformation of the Middleburg airport into a satellite aircraft parking, logistics and servicing centre linked to OR Tambo International	TBD
	<b>8.2: Provision of bulk services and facilitating easy access to land for development</b>	8.2.1 To fast track the implementation of waste to energy project in STLM	R 350 000
		8.2.2 Improve the provision of water, sanitation, electricity in rural and farming communities and to meet growth of local and in-migration population	R 350 000
		8.2.3 To fast track the provision of fibre infrastructure in rural areas for a better integration between rural and urban economies	R 350 000
		8.2.4 To improve the capacity of bulk infrastructure as well as the high influx of trucks.	R 350 000
		8.2.5 To undertake the beautification of the CBDs/towns to attract potential investment	R 350 000
	<b>8.3: Fight against crime in the Municipality and address COVID-19 challenges.</b>	8.3.1 Support the establishment of community policing forums and business against crime in respective communities	R 0
		8.3.2 To fast track the implementation of the STLM economic Recovery Plan 2020	R 0
		8.3.3 To assist businesses and individuals to tap into the various national COVID -19 recovery funds instituted by the national government during the lockdown period including: <ul style="list-style-type: none"> <li>National/Provincial Disaster Relief Grant;</li> </ul>	TBD

STRATEGIES	PROGRAMMES	PROJECTS	BUDGET
		<ul style="list-style-type: none"> <li>• National Solidarity Fund;</li> <li>• Small Business Fund;</li> <li>• Small Business Debt Relief Financial Scheme;</li> <li>• IDC COVID 19 Fund;</li> <li>• IDC COVID Working Capital Fund;</li> <li>• DRLD Food and Agricultural Sector Support Fund;</li> <li>• DRLD Grant to Land Bank;</li> <li>• Tourism Fund;</li> <li>• SMME Business Growth Facility, etc.</li> </ul>	



### 9.3. INSTITUTIONAL AND ORGANISATIONAL ARRANGEMENTS

In order to implement the projects and recommendations described in this document careful attention has to be given to drivers, institutional arrangements and existing capabilities. To this end, this sub-section examines the institutional arrangements that would best facilitate the implementation of the projects suggested in this report within the Municipal area. The lack of a clear institutional framework in place, LED projects will be implemented in an uncoordinated fashion that might sometimes lead to duplication and a waste of scarce resources. Therefore, the following suggested institutional framework is crucial for an optimal implementation of LED strategy within the STLM.

Table 24 Projects Institutions Arrangement

STRATEGIES	PROGRAMMES	PROJECTS	Responsible	Partners
<b>1. SUPPORT FOR THE MINING SECTOR</b>	<b>1.1: Mining sector policy and planning</b>	1.1.1 To review the STLM Mining Sector Analysis and ensure that all suggested economic driven projects are implemented	STLM	DMR & DEDT
		1.1.2 Improve the relationship/partnership with DMR on the rehabilitation of mining land for the future post mining use	STLM	DEDT
		1.1.3 Lobby for DMR to fast track the provision of the new prospection and mining permit applications in the south of the N4, the R555 and D20 triangle	STLM	DMR & DEDT
		1.1.4 To undertake a feasibility study for the creation of secondary industries to sustain local economy beyond the mining era	STLM	DMR & DEDT
		1.1.5 To develop a feasibility study for a transition towards a green economy with a focus on developing renewable energy production to reduce the carbon footprint	STLM	DEDT
	<b>1.2: Coordination and support of SMMEs Participation within the sector</b>	1.2.1 To facilitate through IGR the appointment of local personnel before those from outside STLM communities at the mines	STLM	DEDT
		1.2.2 Facilitate and coordinate the development of the capacity building programme for the mining companies to upskill their communities, leveraging technology-based learning institutions	STLM	DEDT
		1.2.3 To improve the communication platform between stakeholders, mines, businesses, communities and the municipality	STLM	DMR & DEDT
		1.2.4 Facilitate potential investment in steel production facilities.	STLM	DEDT
	<b>2. EXPANSION AND DIVERSIFICATION OF THE</b>	<b>2.1: Manufacturing sector policy and planning</b>	2.1.1 To fast track the development of the Investment Promotion and Facilitation Strategy	STLM
2.1.2 Leverage of national incentives and funds to encourage industrial development			STLM	DEDT

STRATEGIES	PROGRAMMES	PROJECTS	Responsible	Partners
<b>MANUFACTURING SECTOR</b>		2.1.3 To fast track the establishment of the industrial cluster consisting of network of production firms, incubators, research centre, and marketing hub	STLM	DEDT
	<b>2.2: Manufacturing expansion and small business participation within the sector</b>	2.2.1 To support the existing steel incubator as the entry point of SMMEs in the metal industry	STLM	DEDT
		2.2.2 To ensure that trading bylaws are enforced to <ul style="list-style-type: none"> <li>▪ Strengthens zero tolerance on counterfeit goods</li> <li>▪ Undertake business inspections</li> </ul>	STLM	SAPS
		2.2.3 To fast track the establishment of the centre of excellence in the Municipality	STLM	DEDT
		2.2.4 To promote the Clothing and Textile industry to diversify the manufacturing sector (SMMEs and Black Industrialists)	STLM	DEDT
<b>3. EXPANSION OF THE AGRICULTURAL SECTOR</b>	<b>3.1: Coordination improvement among all stakeholders involved in agricultural development</b>	3.1.1 Bi-annual agri-workshops/meetings for frequent engagement between Agricultural Association, municipal officials and other relevant stakeholders like the African Farmers Association of South Africa and ADA.	STLM	AFASA, ADA
		3.1.2 Regular farmers' satisfaction surveys to understand their needs to be highlighted through a monthly municipal agri-newsletter.	STLM	DARDLR
		3.1.3 Undertake agricultural awareness campaign, roadshows and exhibition to increase youth interest in agriculture, because most youth don't see agriculture as a viable source of income	STLM	DARDLR
		3.1.4 To undertake research on indigenous livestock to preserve genetic material as a factor that will allow adaptation and production despite climate change effects	STLM	DARDLR
		3.2.1 To support the development of the Agricultural Sector Plan in the Municipality	STLM	DARDLR

STRATEGIES	PROGRAMMES	PROJECTS	Responsible	Partners
	<b>3.2: Supporting Emerging and Small-scale farmers</b>	3.2.2 To facilitate the establishment of farmers' production support units (FPSU) in STLM to allow access to farm implements and finance by small scale farmers	STLM	DARDLR
		3.2.3 To facilitate the implementation of Agri-hubs (Production and agro-processing) in partnership with DARDLR	STLM	DARDLR
		3.2.4 To support farmers in the fight against crops theft and to improve general safety and security of the industry	STLM	SAPS, DARDLR
		3.2.5 Facilitate and coordinate the provision of funds to struggling small scale famers	STLM	DEDT
		3.2.6 To facilitate the establishment a Virtual Fresh Produce Market - an online trading platform for agricultural commodities in Steve Tshwete.	STLM	DEDT, DARDLR
		3.2.7 To fast track the establishment of the Middelburg Farmer's Market	STLM	DEDT, DARDLR
	<b>3.3: Commodity and infrastructure development</b>	3.3.1 To undertake the study for the establishment of the cotton processing plant in STLM	STLM	DEDT, DARDLR, Private sector
		3.3.2 To establish a cannabis production & processing plant to assist locals in establishing the cannabis farms and certification.	STLM	DEDT, DARDLR, Private sector
		3.3.3 To fast track the rabbit and poultry farming in STLM	STLM	DEDT, DARDLR, Private sector
		3.3.4 To undertake the business case to introduce the modern hydroponic methods in the agricultural sector	STLM	DEDT, DARDLR, Private sector

STRATEGIES	PROGRAMMES	PROJECTS	Responsible	Partners
		3.3.5 To audit and fast track the utilisation of the under-utilised or un-utilised agricultural land	STLM	DEDT, DARDLR
<b>4. DEVELOPMENT AND SUPPORT FOR THE TOURISM SECTOR</b>	<b>Programme 4.1: Expansion of the tourist attractions and activities Programme</b>	4.1.1 Create a concise Municipality wide tourism events calendar or action plan that can guide event organisers.	STLM	DEDT
		4.4.2 Support the promotion of adventure tourism, agri tourism, arts and crafts, and township/rural tourism	STLM	DEDT, Private sector
		4.1.3 To facilitate the development of the Middleburg Dam as per the developed precinct plan - water sports, recreation activities, etc	STLM	DEDT, Private sector
		4.1.4 Development of a tourism transformation programme that will allow the renewal of the sector and full participation of all South Africans	STLM	DEDT, Private sector
	<b>4.2: Information, marketing and promotion</b>	4.2.1 To ensure that tourism information centre is able to promote tourism products including some of the rich cultural heritage sites	STLM	DEDT
		4.2.2 Improve the marketing of the tourism sector in the Municipality in terms of the following: <ul style="list-style-type: none"> <li>To ensure that tourism products (e.g. crafts) move to online sales and adapting their product lines (e.g. practical products as opposed to ornaments for tourists)</li> <li>To lobby for the provincial tourism authority to ensure that tourism SMMEs are listed and promoted on their websites</li> <li>Identification and lobbying for funding for tourism signage in STLM</li> </ul>	STLM	DEDT
		4.2.3 To facilitate the revitalisation of the local tourism organisation (LTO) and community tourism organisations (CTOs)	STLM	DEDT
	<b>4.3: Tourism specific infrastructure upgrades</b>	4.3.1 To implement the STLM 2020 Tourism Strategy	STLM	DEDT
		4.3.2 To improve the access to the tourism route	STLM	DEDT
		4.3.3 To improve the current sport facilities for a variety of sport and tourism activities	STLM	DEDT, Private sector

STRATEGIES	PROGRAMMES	PROJECTS	Responsible	Partners
		4.3.4 To assist black owned tourism establishments with grading.	STLM	DEDT, Private sector
<b>5. SUPPORT FOR SMALL ENTERPRISES</b>	<b>5.1: Assistance and support</b>	5.1.1 To develop the Co-operative and SMME Strategy for STLM	STLM	Cogta, DEDT
		5.1.2 To develop the Informal Economy Strategy for STLM	STLM	Cogta, DEDT
		5.1.3 To fast track the implementation of the STLM Township Revitalisation Strategy -2019	STLM	Cogta, DEDT
		5.1.4 Design a program/plan for informal traders' participation in Public Works initiatives	STLM	Cogta, DEDT, SEDA
		5.1.5 To continually evaluate the impact of COVID 19 on survivalist and micro enterprises (number of enterprises, type of enterprise, geographical spread, demographics)	STLM	Cogta, DEDT, SEDA
	<b>5.2: Value-chain development and local procurement</b>	5.2.1 To fast track the launch a One-stop Service Centre aimed at assisting local SMMEs with enterprise development programmes including market linkages and business support services such as Advisory and Access to finance.	STLM	Cogta, DEDT, SEDA
		5.2.2 Facilitate linkage platforms involving SMMEs, cooperatives and local large businesses for market access and procurement.	STLM	Cogta, DEDT, SEDA
		5.2.3 To promote home-based workers – to get them registered on a database to produce masks and other personal protective equipment (PPE)	STLM	Cogta, DEDT, SEDA
		5.2.4 To provide trainings on business compliance, business acumen and entrepreneurial skills as well as on exports.	STLM	Cogta, DEDT, SEDA
		5.2.5 Buy local campaigns to be undertaken to motivate and encourage the community to buy local products.	STLM	Cogta, DEDT, SEDA
			5.3.1 To run an annual small business innovation fair in the Municipality	STLM

STRATEGIES	PROGRAMMES	PROJECTS	Responsible	Partners
	<b>5.3: Support/Promote Innovation</b>	5.3.2 To consult with informal traders, representatives and associations on any projects that are planned for informal economy.	STLM	Cogta, DEDT, SEDA
		5.3.3 To provide mobile or customised ready to use infrastructure like containers, customised mobile homes, carts, display carts etc.	STLM	Cogta, DEDT, SEDA
		5.3.4 To develop Business Retention and Expansion programmes	STLM	Cogta, DEDT
		5.3.5 Ensure STLM has institutionalised investment standard operating procedures to avoid red-tape when supporting businesses.	STLM	Cogta, DEDT, SEDA
<b>6. IMPROVING THE INSTITUTIONAL &amp; POLICY ENVIRONMENT FOR EFFECTIVE LED</b>	<b>6.1: Coordination and communication of LED stakeholders</b>	6.1.1 To improve the current roundtable discussion in Steve Tshwete.	STLM	Cogta, DEDT
		6.1.2 Strengthening the intergovernmental relations (LED forum, IDP, local councillors, SOEs, NGOs and traditional authorities) through information sharing and project feedback.	STLM	Cogta, DEDT
	<b>6.2: Improving the Capacity and Funding for LED implementation</b>	6.2.1 Compile a database of all potential funding sources for LED implementation as well as previous examples of funding applications.	STLM	Cogta, DEDT
		6.2.2 To support the staffing of the LED portfolio in STLM where necessary	STLM	DEDT
		6.2.3 To undertake the customer satisfaction survey to gauge the level of service delivery in their areas	STLM	Cogta, DEDT
	<b>7. ENSURING EFFECTIVE SKILLS AND CAPACITY DEVELOPMENT</b>	<b>7.1: Skills training and development</b>	7.1.1 Facilitate training for SMME and informal businesses (SEDA or DEDT programme) with general and technical skills.	STLM
7.1.2 Awareness campaign promoting trades as employment opportunities to young people (domestic air conditioning services, hairdressers, carpenters, electricians, plumbers, etc.) through linkages with FET colleges.			STLM	Cogta, SEDA
7.1.3 To develop a plan ensuring the full participation of people living with disabilities in the local economy.			STLM	Cogta, DEDT
<b>7.2: Developing</b>		7.2.1 Establish a platform for engagement between tertiary institutions and business to ensure programmes are aligned with industry demand.	STLM	Cogta, private sector

STRATEGIES	PROGRAMMES	PROJECTS	Responsible	Partners
	<b>relationships between industry and tertiary &amp; training institutions</b>	7.2.2 Development of a retention programme in conjunction with the local business bodies that focusses on the quality of life to retain skilled residents in Steve Tshwete.	STLM	Cogta, private sector
<b>8. EXPANSION AND DEVELOPMENT OF STRATEGIC ECONOMIC INFRASTRUCTURE</b>	<b>8.1: Transportation infrastructure capacity and maintenance</b>	8.1.1 To fast track the provision of economic nodes in the rural communities	STLM	Cogta, DEDT
		8.1.2 To develop STLM as a logistics hub along the Gauteng-Mozambique corridor	STLM	Cogta, DEDT
		8.1.3 To fast track the transformation of the Middleburg airport into a satellite aircraft parking, logistics and servicing centre linked to OR Tambo International	STLM	Cogta, DEDT
	<b>8.2: Provision of bulk services and facilitating easy access to land for development</b>	8.2.1 To fast track the implementation of waste to energy project in STLM	STLM	Cogta, DEDT, private sector
		8.2.2 Improve the provision of water, sanitation, electricity in rural and farming communities and to meet growth of local and in-migration population	STLM	Cogta, DM, DEDT
		8.2.3 To fast track the provision of fibre infrastructure in rural areas for a better integration between rural and urban economies	STLM	DDT, private sector
		8.2.4 To improve the capacity of bulk infrastructure as well as the high influx of trucks.	STLM	DDT, private sector
		8.2.5 To undertake the beautification of the CBDs/towns to attract potential investment	STLM	Cogta, DEDT
	<b>8.3: Fight against crime in the Municipality and address Covid-19 Challenges.</b>	8.3.1 Support the establishment of community policing forums and business against crime in respective communities	STLM	SAPS
		8.3.2 To fast track the implementation of the STLM economic Recovery Plan 2020	STLM	Cogta, DM, DEDT
		8.3.3 To assist businesses and individuals to tap into the various national COVID -19 recovery funds instituted by the national government during the lockdown period including:	STLM	Cogta, DM, DEDT, etc



STRATEGIES	PROGRAMMES	PROJECTS	Responsible	Partners
		<ul style="list-style-type: none"> <li>• National/Provincial Disaster Relief Grant;</li> <li>• National Solidarity Fund;</li> <li>• Small Business Fund;</li> <li>• Small Business Debt Relief Financial Scheme;</li> <li>• IDC COVID 19 Fund;</li> <li>• IDC COVID Working Capital Fund;</li> <li>• DRLD Food and Agricultural Sector Support Fund;</li> <li>• DRLD Grant to Land Bank;</li> <li>• Tourism Fund;</li> <li>• SMME Business Growth Facility, etc.</li> </ul>		

#### 9.4. MONITORING AND EVALUATION PLAN

The monitoring and evaluation (M&E) process is always seen as an essential component used in the process of developing and implementing local economic projects. It is aimed at improving the effectiveness, efficiency and impact of programmes and projects. Without proper examination of the work undertaken, programmes initiated, and projects funded, there can be no understanding of what is being successfully implemented, hence the important role that monitoring and evaluation plays in effectively undertaking and implementing LED projects and related processes.

The main objectives of the monitoring and evaluation mechanisms are to:

- Ensure that the correct milestones, as planned, are being achieved,
- Act as an early warning system in cases where targets are unlikely to be achieved,
- Provide regular information to all stakeholders on progress of the projects and an informed basis for any reviews,
- Ensure the continuous sharpening and focusing of strategies and assist in the mobilisation of appropriate interventions.

It should be noted that monitoring and evaluation of the projects would be a continuous implementation review function to provide the main stakeholders with early indications of progress or lack thereof in the achievement of objectives and outputs. The monitoring team (that will include the members of the LED forum or any established group for such a task) should make use of the key performance indicators as specific tools and indicators to gauge the status of the implementation of each project.

Key Performance Indicators (KPIs) are a set of signs and guides that against which the projects can be measured and gives direction as to what needs to be achieved so that the projects can be successfully completed. It also provides a benchmark when evaluating the state, performance and progress of the projects.

Table 25 Projects Monitoring and Evaluation

STRATEGIES	PROGRAMMES	PROJECTS	Key Performance Indicators	Means of Verification
<b>1. SUPPORT FOR THE MINING SECTOR</b>	<b>1.1: Mining sector policy and planning</b>	1.1.1 To review the STLM Mining Sector Analysis and ensure that all suggested economic driven projects are implemented	STLM Mining Sector Analysis reviewed	STLM Mining Sector Analysis Review Report
		1.1.2 Improve the relationship/partnership with DMR on the rehabilitation of mining land for the future post mining use	The DMR-STLM relationship improved, and the mining land rehabilitation plan developed	Mining land rehabilitation plan report. Minutes of the meeting, attendance register
		1.1.3 Lobby for DMR to fast track the provision of the new prospection and mining permit applications in the south of the N4, the R555 and D20 triangle	Issuing of mining prospection and permit fast tracked	Copies of the new mining prospection and permits
		1.1.4 To undertake a feasibility study for the creation of secondary industries to sustain local economy beyond the mining era	Feasibility study for the creation of secondary industries developed	Feasibility Study Report
		1.1.5 To develop a feasibility study for a transition towards a green economy with a focus on developing renewable energy production to reduce the carbon footprint	A plan for a transition towards a green economy developed	Plan for a transition towards a green economy report
	<b>1.2: Coordination and support of SMMEs Participation within the sector</b>	1.2.1 To facilitate through IGR the appointment of local personnel before those from outside STLM communities at the mines	Locals appointed by mining companies	Appointment letters of locals
		1.2.2 Facilitate and coordinate the development of the capacity building programme for the mining companies to upskill their	Capacity building programme	Capacity building programme report

STRATEGIES	PROGRAMMES	PROJECTS	Key Performance Indicators	Means of Verification
		communities, leveraging technology-based learning institutions		
		1.2.3 To improve the communication platform between stakeholders, mines, businesses, communities and the Municipality	Communication platform improved	Minutes and attendance registers of the meeting
		1.2.4 Facilitate potential investment in steel production facilities.	Steel production facilities established	Meeting report, etc
<b>2. EXPANSION AND DIVERSIFICATION OF THE MANUFACTURING SECTOR</b>	<b>2.1: Manufacturing sector policy and planning</b>	2.1.1 To fast track the development of the Investment Promotion and Facilitation Strategy	Investment promotion and facilitation strategy developed	Investment promotion strategy report
		2.1.2 Leverage of national incentives and funds to encourage industrial development	National incentives and funds leveraged	Incentive's form signed
		2.1.3 To fast track the establishment of the industrial cluster consisting of network of production firms, incubators, research centre, and marketing hub	The industrial cluster established	Business plan report, etc
	<b>2.2: Manufacturing expansion and small business participation within the sector</b>	2.2.1 To support the existing steel incubator as the entry point of SMMEs in the metal industry	More supports provided to the manufacturing incubator	Manufacturing incubator's needs assessment report
		2.2.2 To ensure that trading bylaws are enforced to <ul style="list-style-type: none"> <li>▪ Strengthen zero tolerance on counterfeit goods</li> <li>▪ Undertake business inspections</li> </ul>	Zero tolerance applied and business inspection undertaken through enforced Bylaws	Physical inspection roster for various site visits
		2.2.3 To fast track the establishment of the centre of excellence in the Municipality	Centre of excellence established	Feasibility study report

STRATEGIES	PROGRAMMES	PROJECTS	Key Performance Indicators	Means of Verification
		2.2.4 To promote the Clothing and Textile industry to diversify the manufacturing sector (SMMEs and Black Industrialists)	Clothing and Textile industry promoted	Feasibility study report
<b>3. EXPANSION OF THE AGRICULTURAL SECTOR</b>	<b>3.1: Coordination improvement among all stakeholders involved in agricultural development</b>	3.1.1 Bi-annual agri-workshops/meetings for frequent engagement between Agricultural Association, municipal officials and other relevant stakeholders like the African Farmers Association of South Africa and ADA.	2 meetings organised with key stakeholders	Letter of invitation to relevant stakeholders. Attendance registers
		3.1.2 Regular farmers' satisfaction surveys to understand their needs to be highlighted through a monthly municipal agri-newsletter.	Farmers' satisfaction surveys organised	Farmers' satisfaction survey report and articles in the agri-newsletters
		3.1.3 Undertake agricultural awareness campaigns, roadshows and exhibitions to increase youth interest in agriculture, because most youth don't see agriculture as a viable source of income	Awareness campaign organised yearly	Invitation letter, Advert in the newspapers, Pictures of the campaign
		3.1.4 To undertake research on indigenous livestock to preserve genetic material as a factor that will allow adaptation and production despite climate change effects	Research on indigenous livestock undertaken	Indigenous livestock research report
	<b>3.2: Supporting Emerging and Small-scale farmers</b>	3.2.1 To support the development of the Agricultural Sector Plan in the Municipality	Agricultural Sector Plan developed	Agricultural Sector Plan document
		3.2.2 To facilitate the establishment of farmers' production support units (FPSU) in STLM to allow access to farm implements and finance by small scale farmers	FPSU established	Feasibility study Report.
		3.2.3 To facilitate the implementation of Agri-hubs (Production and agro-processing) in partnership with DARDLR	Agri Hub established	Feasibility study Report

STRATEGIES	PROGRAMMES	PROJECTS	Key Performance Indicators	Means of Verification
		3.2.4 To support farmers in the fight against crops theft and to improve general safety and security of the industry	Crops theft eradicated	Safety meetings, safety need audit report.
		3.2.5 Facilitate and coordinate the provision of funds to struggling small scale famers	Fund provided to struggling farmers	Application forms
		3.2.6 To facilitate the establishment a Virtual Fresh Produce Market - an online trading platform for agricultural commodities in Steve Tshwete.	Virtual market established	Virtual Market link
		3.2.7 To fast track the establishment of the Middelburg Farmer's Market	Middelburg Farmer's Market established	Feasibility study report, image of the Market
	<b>3.3: Commodity and infrastructure development</b>	3.3.1 To undertake the study for the establishment of the cotton processing plant in STLM	Cotton processing plant established	Feasibility study document
		3.3.2 To establish a cannabis production & processing plant to assist locals in establishing the cannabis farms and certification.	Cannabis production and processing established	Feasibility study document
		3.3.3 To fast track the rabbit and poultry farming in STLM	Rabbit and poultry farming fast tracked	Feasibility study report
		3.3.4 To undertake the business case to introduce the modern hydroponic methods in the agricultural sector	Hydroponic agriculture introduced in STLM	Feasibility study and business plan document
		3.3.5 To audit and fast track the utilisation of the under-utilised or un-utilised agricultural land	Under-utilised agricultural land audited	under-utilised agricultural land audit report

STRATEGIES	PROGRAMMES	PROJECTS	Key Performance Indicators	Means of Verification
4. DEVELOPMENT AND SUPPORT FOR THE TOURISM SECTOR	Programme 4.1: Expansion of the tourist attractions and activities Programme	4.1.1 Create a concise Municipality wide tourism events calendar or action plan that can guide event organisers.	tourism events calendar completed	Action plan and guideline packs documents/ brochure
		4.4.2 Support the promotion of adventure tourism, agri tourism, arts and crafts, and township/rural tourism	Adventure, agri, arts and crafts and rural tourism developed	Number of tourists participating in adventure and rural tourism programme
		4.1.3 To facilitate the development of the Middleburg Dam as per the developed precinct plan - water sports, recreation activities, etc	Middleburg Dam developed	Number of tourists participating in marine sport activities
		4.1.4 Development of a tourism transformation programme that will allow the renewal of the sector and full participation of all South Africans	Tourism transformation programme developed	tourism transformation programme report, selection criteria and programme schedule
	4.2: Information, marketing and promotion	4.2.1 To ensure that tourism information centre is able to promote tourism products including some of the rich cultural heritage sites	Tourism products promoted by the information centre	Brochure, flyers, newspapers, signage, etc
		4.2.2 Improve the marketing of the tourism sector in the Municipality in terms of the following: <ul style="list-style-type: none"> <li>To ensure that tourism products (e.g. crafts) move to online sales and adapting their product lines (e.g.</li> </ul>	Marketing of the tourism sector in STLM improved	Online links. Financial lobbying and fundraising meetings.

STRATEGIES	PROGRAMMES	PROJECTS	Key Performance Indicators	Means of Verification
		<p>practical products as opposed to ornaments for tourists)</p> <ul style="list-style-type: none"> <li>To lobby for the provincial tourism authority to ensure that tourism SMMEs are listed and promoted on their websites</li> <li>Identification and lobbying for funding for tourism signage in STLM</li> </ul>		Local tourism products included in various websites and visible online
		4.2.3 To facilitate the revitalisation of the local tourism organisation (LTO) and community tourism organisations (CTOs)	LTOs, and CTOs revitalised	Municipal list of established LTOs & CTOs
	<b>4.3: Tourism specific infrastructure upgrades</b>	4.3.1 To implement the STLM 2020 Tourism Strategy	STLM 2020 Tourism Strategy implemented	Projects implementation progress report
		4.3.2 To improve the access to the tourism route	Access to the current tourism route improved	Feasibility study document
		4.3.3 To improve the current sport facilities for a variety of sport and tourism activities	Sport facilities upgraded	Photos, feasibility study report
		4.3.4 To assist black owned tourism establishments with grading.	Grading received	Attendance register & grading certificates
<b>5. SUPPORT FOR SMALL ENTERPRISES</b>	<b>5.1: Assistance and support</b>	5.1.1 To develop the Co-operative and SMME Strategy for STLM	Co-ops & SMME Strategy developed	Co-ops & SMME Strategy report
		5.1.2 To develop the Informal Economy Strategy for STLM	Informal Economy Strategy developed	Informal Economy Strategy report



STRATEGIES	PROGRAMMES	PROJECTS	Key Performance Indicators	Means of Verification
		5.1.3 To fast track the implementation of the STLM Township Revitalisation Strategy -2019	2019 STLM Township Revitalisation Strategy implemented	Projects implementation progress report
		5.1.4 Design a program/plan for informal traders' participation in Public Works initiatives	Informal sector participation in public works Plan developed	Informal sector participation plan report
		5.1.5 To continually evaluate the impact of COVID 19 on survivalist and micro enterprises (number of enterprises, type of enterprise, geographical spread, demographics)	COVID-19 Informal sector impact evaluation done	COVID-19 impact evaluation report
	<b>5.2: Value-chain development and local procurement</b>	5.2.1 To fast track the launch a One-stop Service Centre aimed at assisting local SMMEs with enterprise development programmes including market linkages and business support services such as Advisory and Access to finance.	One-stop Service Centre established	Feasibility study and business plan report
		5.2.2 Facilitate linkage platforms involving SMMEs, cooperatives and local large businesses for market access and procurement.	Partnership developed between all concerned parties	MOU signed, Minutes of the facilitation meetings/workshops
		5.2.3 To promote home-based workers – to get them registered on a database to produce masks and other personal protective equipment (PPE)	Home-based workers promoted and their database developed	A copy of the database
		5.2.4 To provide trainings on business compliance, business acumen and entrepreneurial skills as well as on exports.	Training provided	Attendance registers and certificates
		5.2.5 Buy local campaigns to be undertaken to motivate and encourage the community to buy local products.	Buy local campaign undertaken	Buy local programme document

STRATEGIES	PROGRAMMES	PROJECTS	Key Performance Indicators	Means of Verification
	<b>5.3: Support/Promote Innovation</b>	5.3.1 To run an annual small business innovation fair in the Municipality	Fair organised	Letter of invitation, event programme brochure
		5.3.2 To consult with informal traders, representatives and associations on any projects that are planned for informal economy.	Consultation with informal traders undertaken	Attendance register for the consultation meetings
		5.3.3 To provide mobile or customised ready to use infrastructure like containers, customised mobile homes, carts, display carts etc.	Customised ready to use infrastructure provided	List of beneficiaries, photos of the infrastructure
		5.3.4 To develop Business Retention and Expansion programmes	Business retention and expansion programme developed	Business retention and expansion programme report
		5.3.5 Ensure STLM has institutionalised investment standard operating procedures to avoid red-tape when supporting businesses.	Institutionalised Investment Standard Operating Procedures Developed	Institutionalised Investment Standard Operating Procedures Document
<b>6. IMPROVING THE INSTITUTIONAL &amp; POLICY ENVIRONMENT FOR EFFECTIVE LED</b>	<b>6.1: Coordination and communication of LED stakeholders</b>	6.1.1 To improve the current roundtable discussion in Steve Tshwete.	Current roundtable breakfast with key stakeholders strengthened	Letter of invitation to all stakeholders. Attendance register
		6.1.2 Strengthening the intergovernmental relations (LED forum, IDP, local councillors, SOEs, NGOs and traditional authorities) through information sharing and project feedback.	IGR information sharing meetings strengthened with key stakeholders	Letter of invitation to all stakeholders. Attendance register

STRATEGIES	PROGRAMMES	PROJECTS	Key Performance Indicators	Means of Verification
	<b>6.2: Improving the Capacity and Funding for LED implementation</b>	6.2.1 Compile a database of all potential funding sources for LED implementation as well as previous examples of funding applications.	Potential fundings' database compiled	Funding database brochure
		6.2.2 To support the staffing of the LED portfolio in STLM where necessary	STLMLED portfolio fully staffed	Advert and letter of appointment
		6.2.3 To undertake the customer satisfaction survey to gauge the level of service delivery in their areas	Customer Satisfaction Survey undertaken	Customer Satisfaction Survey Report
<b>7. ENSURING EFFECTIVE SKILLS AND CAPACITY DEVELOPMENT</b>	<b>7.1: Skills training and development</b>	7.1.1 Facilitate training for SMME and informal businesses (SEDA or DEDT programme) for general and technical skills.	SMME and informal businesses training facilitated	Meetings and signing of SLA with potential service providers
		7.1.2 Awareness campaign promoting trades as employment opportunities to young people (domestic air conditioning services, hairdressers, carpenters, electricians, plumbers, etc.) through linkages with FET colleges.	Promotion of trades as employment opportunities to young people undertaken	Number and list of schools where programmes where promoted
		7.1.3 To develop a plan ensuring the full participation of people living with disabilities in the local economy.	People with disability economic participation Plan developed	Economic participation Plan report people with disability
		<b>7.2: Developing relationships between industry and tertiary &amp; training institutions</b>	7.2.1 Establish a platform for engagement between tertiary institutions and business to ensure programmes are aligned with industry demand.	Platform established and programmes undertaken

STRATEGIES	PROGRAMMES	PROJECTS	Key Performance Indicators	Means of Verification
		7.2.2 Development of a retention programme in conjunction with the local business bodies that focusses on the quality of life to retain skilled residents in Steve Tshwete.	Marketing and retention programme undertaken and completed	Marketing and retention programme report
<b>8. EXPANSION AND DEVELOPMENT OF STRATEGIC ECONOMIC INFRASTRUCTURE</b>	<b>8.1: Transportation infrastructure capacity and maintenance</b>	8.1.1 To fast track the provision of economic nodes in the rural communities	Economic nodes established in rural communities	Feasibility study and business plan report
		8.1.2 To develop STLM as a logistics hub along the Gauteng-Mozambique corridor	Logistics hub established	Feasibility study and business plan report
		8.1.3 To fast track the transformation of the Middleburg airport into a satellite aircraft parking, logistics and servicing centre linked to OR Tambo International	Middleburg airport transformed into a satellite aircraft parking, logistics and servicing centre	Feasibility study and business plan report
	<b>8.2: Provision of bulk services and facilitating easy access to land for development</b>	8.2.1 To fast track the implementation of waste to energy project in STLM	Waste to energy project implanted in STLM	Feasibility study and business plan report
		8.2.2 Improve the provision of water, sanitation, electricity in rural and farming communities and to meet growth of local and in-migration population	Rural and farming communities and nodes provided with basic services	Water & electricity bills, SLA with service provider who undertook the work
		8.2.3 To fast track the provision of fibre infrastructure in rural areas for a better integration between rural and urban economies	Fibre infrastructure provided in rural areas	Images of the fibre infrastructure, subscription forms

STRATEGIES	PROGRAMMES	PROJECTS	Key Performance Indicators	Means of Verification
		8.2.4 To improve the capacity of bulk infrastructure as well as the high influx of trucks.	Bulk infrastructure capacity improved	Feasibility studies, images of the new infrastructure
		8.2.5 To undertake the beautification of the CBDs/towns to attract potential investment	Beautification of Old CBDs/towns undertaken	Images/photos, Feasibility studies
	<b>8.3: Fight against crime in the Municipality and address COVID-19 challenges.</b>	8.3.1 Support the establishment of community policing forums and business against crime in respective communities	community policing forums established	Minutes of the meeting, Organogram of the forum
		8.3.2 To fast track the implementation of the STLM economic Recovery Plan 2020	STLM Recovery Plan Implemented	Project progress report
		8.3.3 To assist businesses and individuals to tap into the various national COVID -19 recovery funds instituted by the national government during the lockdown period including: <ul style="list-style-type: none"> <li>• National/Provincial Disaster Relief Grant;</li> <li>• National Solidarity Fund;</li> <li>• Small Business Fund;</li> <li>• Small Business Debt Relief Financial Scheme;</li> <li>• IDC COVID 19 Fund;</li> <li>• IDC COVID Working Capital Fund;</li> <li>• DRLD Food and Agricultural Sector Support Fund;</li> <li>• DRLD Grant to Land Bank;</li> <li>• Tourism Fund;</li> <li>• SMME Business Growth Facility, etc.</li> </ul>	businesses and individuals assisted	Application forms



