

Ba-Phalaborwa Local Municipality

Local Economic Development (LED) Strategy for Ba-Phalaborwa Local Municipality



2023-2028



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File Name:	Ba-Phalaborwa LED Strategy_ver3.0
Council Resolution	145/23 (16/1/3/2)
Date approved	30 March 2023
Revision History:	3.0
Document Type:	Local Economic Development Strategy 2023-2028



Table of Contents

FOREWORD – MAYOR	8
FOREWORD – MUNICIPAL MANAGER	9
EXECUTIVE SUMMARY	10
1 INTRODUCTION & BACKGROUND.....	12
1.1 Purpose of the Document	12
1.2 Understanding Local Economic Development (LED)	12
1.2.1 Legislative Context for LED	12
1.2.2 Definition and Vision for LED.....	13
1.2.3 Objectives, Pillars Principles of LED and Alignment to SDGs.....	13
1.3 BPM’s Strategic Intent for LED	15
1.3.1 LED Vision for Ba-Phalaborwa Local Municipality	15
1.3.2 LED Objectives for BPM.....	15
1.3.3 Key Success Factors for BPM LED	16
1.4 Description of the Area of Analysis – Ba Phalaborwa Local Municipality	16
1.5 Process to develop the LED Strategy.....	18
1.5.1 Project Scope	18
1.5.2 LED Strategy Development Process	19
1.6 Layout of the LED Strategy Document.....	20
2 REVIEW OF CURRENT PLANS, STRATEGIES AND GUIDELINES	22
2.1 Introduction.....	22
2.2 National Development Plan	22
2.3 New Growth Path	23
2.4 The Industrial Policy Action Plan.....	23
2.5 Industrial Development Zones	23
2.6 National Small Business Amendment Act, 2004 (Act 29 of 2004)	23
2.7 Limpopo Growth and Development Plan	24
2.8 Mopani District Local Economic Development and Economic Growth Strategy	24
2.9 Ba-Phalaborwa Local Economic Development Strategy (2014- 2019).....	24
2.10 Growth Management Framework Plan for Ba-Phalaborwa Urban Core	25
2.11 Feasibility Report – Poverty Alleviation Plan	25
2.12 Ba-Phalaborwa Municipal Spatial Development Framework	26
2.13 Municipal Integrated Development Plan	26
2.14 Focus Areas for Economic Development for BPM	26
3 SITUATIONAL ANALYSIS	27
3.1 Introduction.....	27



3.2	Population Demographics and Social Characteristics	27
3.3	Contribution towards GVA	31
3.4	Local Economic Development Sectors' GDP	33
3.5	Spatial Development Framework for BPM	35
3.5.1	Introduction	35
3.5.2	Spatial Development Principles	35
3.5.3	SDF & LED Alignment	36
3.5.4	Main Land Use.....	36
3.5.5	The Urban Cluster	38
3.6	Road Network	40
3.7	Rail Network	42
3.8	Air Transport	42
3.9	Water Services	42
3.10	Sanitation Services	43
3.11	Electricity Services	45
3.12	Climate Change and Green Economy	46
3.13	Institutional Consideration	47
3.13.1	The District Development Model	47
3.13.2	Capacity of Ba-Phalaborwa LM to implement LED Projects	47
3.13.3	Local Economic Development Forum	48
4	LED STRATEGIC OPTIONS ANALYSIS	50
4.1	Introduction	50
4.2	Environmental Analysis	50
4.2.1	PESTEL Analysis.....	50
4.3	Agriculture, Land Reform and Rural Development Sector	53
4.3.1	Agricultural Sector Background	53
4.3.2	Agricultural Sector Overview	53
4.3.3	SWOT Analysis – Agricultural Sector	53
4.3.4	Economic Development Opportunities	54
4.4	Tourism, Arts & Culture Sector	55
4.4.1	Tourism, Arts & Culture Sector Background.....	55
4.4.2	Tourism, Arts & Culture Sector Overview.....	55
4.4.3	SWOT Analysis – Tourism, Arts & Culture Sector	56
4.4.4	Economic Development Opportunities	58
4.5	Mining Sector	59
4.5.1	Mining Sector Background.....	59
4.5.2	Mining Sector Overview.....	59
4.5.3	SWOT Analysis – Mining Sector	59
4.5.4	Economic Development Opportunities	60
4.6	Infrastructure Sector	61
4.6.1	Infrastructure Sector Background.....	61
4.6.2	Infrastructure Sector Overview	61
4.6.3	SWOT Analysis – Infrastructure Sector.....	62
4.6.4	Economic Development Opportunities	63
4.7	Manufacturing & Trade Sectors	64



4.7.1	Manufacturing Sector Background	64
4.7.2	Manufacturing Sector Overview	64
4.7.3	SWOT Analysis – Manufacturing Sector	65
4.7.4	Economic Development Opportunities	66
5	LED PLAN AND PRIORITISED LED PROJECTS	67
5.1	Introduction.....	67
5.2	Agriculture.....	69
5.3	Tourism, Arts & Culture	73
5.4	Mining	76
5.5	Infrastructure	79
5.6	Manufacturing & Trade	83
6	LED STRATEGY IMPLEMENTATION & MONITORING	86
6.1	Introduction.....	86
6.2	Organisational and Institutional Arrangements	86
6.2.1	Role of the Municipality in implementing LED Projects	86
6.2.2	Optimisation of Existing Capacity to implement LED Projects	87
6.3	Capacity Development	89
6.3.1	Public versus Private Sector Projects.....	90
6.4	Funding and Finance.....	92
6.5	Marketing and Promotion of LED.....	92
6.6	Implementation Process	92
6.6.1	IDP Integration.....	93
6.6.2	Feasibility Study.....	93
6.6.3	Partnership Identification	93
6.6.4	Business / Project Plan.....	93
6.6.5	Municipal Budgeting and Funding	93
6.6.6	Supply Chain Management Process	93
6.6.7	Project Handover	93
6.7	Monitoring, Evaluation and Knowledge Management.....	94
7	REFERENCES	95
	APPENDIX A – POSSIBLE CROPS FOR LIMPOPO PROVINCE.....	96



List of Figures

Figure 1-1: Mopani District Municipality Map	17
Figure 1-2: Process to Develop BPM LED Strategy	19
Figure 3-1: Population Distribution & Households for BPM	27
Figure 3-2: Population Distribution by Local Municipality for BPM	28
Figure 3-3: Education Levels for BPM	29
Figure 3-4: Employed v/s Unemployed Population.....	30
Figure 3-5: Employed v/s Unemployed Population.....	31
Figure 3-6: GDP Contribution – Mopani District.....	34
Figure 3-7: Main Land Use in BPM.....	37
Figure 3-7: Spatial Structure – BPM	38
Figure 3-9: BPM Urban Cluster.....	39
Figure 3-10: BPM Road Network.....	41
Figure 3-11: Water Supply in BPM	43
Figure 3-12: Sanitation Services for BPM.....	44
Figure 3-13: Sources of Energy across BPM Households	46

List of Tables

Table 3-1: Population Distribution and Households for BPM.....	27
Table 3-2: Population Distribution by Age Group for BPM	28
Table 3-3: Education Levels across BPM	29
Table 3-4: Employed v/s Unemployed Data	29
Table 3-5: Income Levels across BPM	30
Table 3-6:GVA per Economic Sector.....	32
Table 3-7: GDP Contribution In Mopani District Municipality.....	33
Table 3-8: Road Network Condition in BPM	42
Table 3-8: Water Supply in BPM.....	43
Table 3-9: Sanitation Services for BPM	44
Table 3-10: Sources of Energy	45
Table 4-3: SWOT Analysis – Agriculture, Land Reform and Rural Development Sector.....	53
Table 4-4: Development Opportunities – Agriculture, Land Reform and Rural Development Sector ..	54
Table 4-3: SWOT Analysis – Tourism, Arts & Culture Sector.....	57
Table 4-4: Development Opportunities – Tourism Sector.....	58
Table 4-7: SWOT Analysis – Mining Sector.....	59
Table 4-8: Development Opportunities – Mining Sector	60
Table 4-9: SWOT Analysis – Infrastructure Sector.....	62
Table 4-10: Development Opportunities – Infrastructure Sector	63
Table 4-11: SWOT Analysis – Manufacturing Sector	65
Table 4-12: Development Opportunities – Manufacturing Sector.....	66
Table 6-2: SMME Development Support Programmes	89



List of Abbreviations

BEE	:	Black Economic Empowerment
BRAIN	:	Business Referral and Information Network
CBD	:	Central Business District
CIS	:	Cooperative Incentive Scheme
CSIR	:	Council for Scientific and Industrial Research
CSI	:	Corporate Social Investment
DBSA	:	Development Bank of South Africa
BPM	:	Ba-Phalaborwa Local Municipality
DTIC	:	Department of Trade, Industry and Competition
EMIA	:	Export Marketing and Investment Assistance Scheme
EPWP	:	Expanded Public Works Programme
GDP	:	Gross Domestic Product
GVA	:	Gross Value Added
ICT	:	Information and Communications Technology
IDC	:	Industrial Development Corporation
IDP	:	Integrated Development Plan
IDZ	:	Industrial Development Zone
IPAP	:	Industrial Policy Action Plan
LED	:	Local Economic Development
LM	:	Local Municipality
MFA	:	Local Government: Municipal Finance Management, 2003 (Act 56 of 2003)
MIG	:	Municipal Infrastructure Grant
MMC	:	Member of Mayoral Committee
MSA	:	Municipal Systems Act, 2000 (Act 32 of 2000)
NDP	:	National Development Plan
NDPG	:	Neighbourhood Development Partnerships Grant
NGO	:	Non-Governmental Organisation
NGP	:	New Growth Path
NSBC	:	National Small Business Council
PESTLE	:	Political, Economic, Sociological, Technological, Legal and Environmental
PPP	:	Public-Private Partnership
PV	:	Photovoltaic
RDP	:	Reconstruction and Development Programme



ROI	:	Return on Investment
SADC	:	Southern African Development Community
SADF	:	South African Defence Force
SALGA	:	South African Local Government Association
SBU	:	Strategic Business Unit
SDF	:	Spatial Development Framework
SDG	:	Sustainable Development Goal
SDI	:	Spatial Development Initiative
SEDA	:	Small Enterprise Development Agency
SETA	:	Sector Education and Training Authority
SME	:	Small and Medium Enterprise
SMME	:	Small, Medium and Micro Enterprise
SSP	:	Skills Support Programme
SWOT	:	Strengths, Weaknesses, Opportunities, and Threats



Foreword – Mayor

The global expansion of resource industries is bringing an unprecedented window of opportunity to Ba-Phalaborwa Local Municipality. This is expected to drive strong business investment and expansion in Ba-Phalaborwa Local Municipality until 2028 and beyond. The challenge for us is to seize this opportunity to diversify and strengthen our municipality's economy to secure long term success and economic prosperity. Our vision is **"realising economic growth through collaborative partnerships and leveraging of resources to enhance the quality of life for the local community"**.

Ba-Phalaborwa Local Municipality appointed Ntiyiso Consulting to assist in facilitating the review of the strategy for Ba-Phalaborwa Local Municipality, in the facilitation of the strategy, an Economic Development Project Steering Committee was convened and after extensive consultations with provincial government, district, strategic partners and private sector, the Committee delivered the *final draft for Council to adopt*.

In line with the National Framework for Local Economic Development, the objectives of the LED strategy for Ba-Phalaborwa Local Municipality are:

- to facilitate and promote collaborative local economic development;
- to stimulate new local economic development initiatives;
- to enhance or improve access to economic opportunities for the local community;
- to diversify the economic base of the municipality, business and local community;
- to enable the municipality to become a tourist destination of choice;
- to facilitate access to local, national and global markets through tourism, agriculture and mining.

The strategy sets out the economic agenda that government, and private sector must address to maximise the returns from the current resources and deliver long term prosperity for our municipality and its residents. Our challenges are extensive, but by working in partnership with industry, other levels of government and through our own economic development unit, we will be able to meet and overcome these challenges.

The *Ba-Phalaborwa Local Economic Development Strategy 2023-2028* presents Council's resolve for delivering on the recommendations of the Economic Development Steering Committee and identifies additional priorities where Council should be working hard to support Ba-Phalaborwa's successful development.

I thank the Economic Development Steering Committee for their commitment and efforts in working with us to develop the Ba-Phalaborwa's Local Economic Development Strategy. We look forward to continuing to work with Ba-Phalaborwa's businesses to deliver a successful future for our municipality.

Cllr MM Malatjie

Mayor



Foreword – Municipal Manager

Local Economic Development (LED) is one of the core functions of local governance in South Africa. It is seen as one of the most important ways in the reduction of poverty. Sections 152 (c) and 153 (a) of the South African Constitution, states that local government must “promote social and economic development” and must “structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community”. One of the alternative drivers for LED in our municipality is tourism development, hence our vision as local government. Tourism provides a vast range of initiatives that is linked to most, if not all economic sector that Ba-Phalaborwa Local Municipality delves into creating long-term socio-economic opportunities.

The LED strategy is based on the overall vision outlined in the Integrated Development Plan. As part of the IDP process it is required from the local municipality to do a situational analysis. The primary data in this document has been obtained through a combination of a series of engagements between Ba-Phalaborwa Local Municipal officials and council, District Municipality, Provincial Government, NGO’, SALGA and the Private Sector. These engagements with stakeholders provide the most relevant information and provide guidelines for best practice towards creating an enabling environment for sustainable socio-economic development.

Dr KKL Pilusa

Municipal Manager



Executive Summary

Ba-Phalaborwa Local Municipality is part of the Mopani District Municipality within the eastern part of the Limpopo province in South Africa. It is located near the confluence of the Ga-Selati River and the Olifants, halfway up along the western border of the Kruger National Park in the Lowveld. It is the only town in South Africa that borders Kruger National Park. The border with Mozambique is two hours away.

The name "Ba-Phalaborwa" was given to the area by the Sotho tribes who moved there from the south. It means "better than the south". The municipality covers a vast geographic area of 7,462 km², with a total population estimated at 168 937 as per StatsSA Community Survey 2016 (150,237 as per Official Census last released in 2011). The seat of Ba-Phalaborwa Local Municipality is Phalaborwa, which is located along the western border of the Kruger National Park in the Lowveld. This area is also known as the Valley of the Olifants. Rainfall is low. It has the highest winter temperature in South Africa, with an average winter temperature range from 9 °C to 26 °C. During summer the average temperatures vary from 20 °C to 33 °C with occasional heavy rainfall.

A majority of the population in the municipality is black African, accounting to 56.8% of the total population, followed by whites representing 39.4% of the total population. The main places around Ba-Phalaborwa Local Municipality are: Phalaborwa, Ben Farm, Ga-Makhushane, Ga-Mashishimale, Ga-Selwana, Gravelotte, Kruger National Park, Leydsdorp, Lulekani, Mahale, Majeje, Maseke, Murchison, Namakgale, Nondweni, Priska-Majeje, Vuyelani.

The key economic sectors for Ba-Phalaborwa are: Agriculture; Mining; Manufacturing; Tourism and Property development. Ba-Phalaborwa has the highest concentration of minerals in the Mopani District. Hence, mining is the largest economic sector in the Municipality and is also the largest employer. The area is located in a volcanic pipe with vast deposits of phosphate, copper, iron, vermiculite, mica, aluminium, pyroxene, zirconium mineral deposits and gold. Known for its mining activities, including copper and phosphate, Phalaborwa is home to Foskor, PMC and Stibium Mopani mines. Tourism and wildlife also play a dominant role in the economy. Phalaborwa has a rich and diverse natural and cultural heritage, with potential for sustained economic growth. However, the municipality is confronted by service delivery challenges in the provision of basic services; with the state of electricity infrastructure, roads, water and sanitation in Phalaborwa needing urgent attention.

As part of the LED strategy review; Situational Analysis was conducted including analysis of the current demographics, social and economic characteristics for Ba-Phalaborwa Local Municipality area and the implications these factors have on future development in the area.. Environmental analysis was also undertaken to determine the macro-and micro-economic environmental factors which have an impact on economic growth in the area. Different stakeholders were engaged to solicit their views and perspectives around economic development within BPM. It is on this basis that different strategic options were developed and development opportunities identified across various sectors that contribute towards economic development in the area.

The interventions were determined on the basis of economic analysis, inputs from various stakeholders across various economic sectors and the associated environmental analysis that was undertaken. The strategic focus areas (Agriculture, Tourism, Mining, Infrastructure, Manufacturing and Trade) that were assessed will constitute the primary economic development focus areas, moreover, the interventions were also prioritised based on potential



economic impact of those interventions. The interventions outlined for each economic sector are those that have highest economic impact, some of which could be implemented in the shortest time frame possible. The critical aspects of implementation of this LED strategic interventions together with the possible sources of funding were accessed to fund the implementation of the LED strategy. Furthermore, the optimisation of the existing capacity in BPM to implement LED projects, as well as the development and support of SMMEs, are discussed. Finally, the general guidelines that apply to the implementation of the prioritised LED projects identified for BPM are outlined.



1 INTRODUCTION & BACKGROUND

1.1 Purpose of the Document

Ntiyiso Consulting was retained to review the Local Economic Development (LED) strategy for Ba-Phalaborwa Local Municipality. The Municipality aims to develop a sustainable, credible, and implementable LED strategy. The strategy is intended to facilitate economic development within the area of Ba-Phalaborwa Local Municipality. The primary objective for the LED strategy is to identify and package implementable projects that will have a meaningful impact on the local economy. Such initiatives will need to address unemployment, inequalities and poverty by opening up new economic and employment opportunities through leveraging upon existing and potential new economic opportunities.

Local economic development remains the cornerstone in developing local communities, advancing the needs of the society and alleviating poverty. Local economic development is intended to create jobs through developing and growing the local economy. The essence of local economic development is to bring together the local community, the business fraternity, various economic sectors, including those that are active and those which are not necessarily active and leverage upon the economic opportunities based on the available resources and economic opportunities within the area. Both the private sector and the public sector, including the local and provincial governments have an active role to play in local economic development. Additionally, local traditional councils also have an important role to play as the custodian of the land as well as the leaders of the local communities.

The national government sets policies and provides funding, ensures conducive economic environment and also provide different forms of support to facilitate local economic development. The provincial government provides support to municipalities in the development and coordination of local economic strategies. Municipalities evaluate various options available to facilitate economic development and implement the associated LED strategies to advance economic development in the area.

1.2 Understanding Local Economic Development (LED)

The LED strategy is aligned to the broader vision of the municipality as set out in the IDP. It takes into account the outcomes of the analysis to identify problems and opportunities, and prioritise development of appropriate projects. Therefore, municipalities must consider the integration of various economic sectors as part of the planning process including the integrated planning in relation to residential, business, recreational, transport related infrastructure, and subsequently develop corridors and supporting infrastructure (including housing, roads, commercial, etc. related facilities) in support of the economy in those areas.

1.2.1 Legislative Context for LED

The National Framework for Local Economic Development is derived from the Constitution of the Republic of South Africa which outlines the role of local government in relation to local economic development. Sections 152 (c) and 153 (a) of the South African Constitution, states that local government must “promote social and economic development” and must “structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community”.



Therefore, municipalities are directed to take responsibility for and lead efforts to develop the local economies and to make the municipal area an attractive place to live, work, invest and visit. Local government is not directly responsible for job creation, but rather for creating an enabling environment for employment opportunities by unlocking economic development opportunities through the development of the necessary infrastructure, and the provision of basic services required to stimulate economic development.

1.2.2 Definition and Vision for LED

According to ‘The National Framework for Local Economic Development, 2020’, a consensus of stakeholders arrived at the following vision:

“LED will seek to create competitive, sustainable, diverse, innovation-driven and inclusive local economies that are vibrant places in which to live, invest, work, innovate, maximise local opportunities, address local needs, and contribute to South Africa’s national development objectives, including sustainable ways of utilising local resources and expand learning capabilities.”

The definition of LED, as contained in ‘The National Framework for Local Economic Development, 2020’, is:

“LED is an adaptive and responsive process by which government, public sector entities, citizens, business and non-governmental sector partners work collectively to create better conditions for innovation-driven inclusive economic development that is characterised by knowledge transfer and competence building; employment generation; capacity development; investment attraction and retention; image enhancement and revenue generation in a local area in order to improve its economic future and the quality of life for all.”

1.2.3 Objectives, Pillars Principles of LED and Alignment to SDGs

‘The National Framework for Local Economic Development, 2020’, is anchored on the following core policy pillars, principles, objectives and the sustainable development goals that will influence the design, development and implementation of the Ba-Phalaborwa Local Municipality’s (BPM) LED:

LED Objectives	Core Policy Pillars for LED
<ul style="list-style-type: none"> • Ensure that the local investment climate is functional for local businesses; • Support of small and medium-sized enterprises; • Encourage the establishment of new businesses; • Attract external investments (national and international); • Investment in physical (hard) infrastructure; • Investment in soft infrastructure (education and workforce development, 	<ul style="list-style-type: none"> • Building diverse and innovation-driven local economies; • Developing inclusive economies; • Developing learning and skilful economies; • Enterprise development and support; • Economic governance and infrastructure; and • Strengthening local systems of innovation.



<p>institutional support systems and regulatory matters);</p> <ul style="list-style-type: none"> • Support the growth of specific groups of businesses; • Target specific parts of the municipality for rebirth or growth (areas-based initiatives); • Support for informal and emerging businesses; and • Aim at certain disadvantaged groups. 	
<p>LED is mainly driven by the following principles*:</p>	<p>This LED Strategy for BPM has relevance to the following Sustainable Development Goals (SDGs):</p>
<ul style="list-style-type: none"> • LED is never the business of a unit in the municipality alone. It is a collaborative effort between government, the business world, civil society, labour, academia, parastatals and the voluntary sector, as well as individuals. Collaboration extends to planning, financing, implementing, monitoring, reporting and reviewing programmes. • LED strategies must prioritise job creation and poverty alleviation. • LED must target previously disadvantaged people, marginalised communities and geographical regions, black empowerment enterprises and Small, Medium and Micro Enterprises (SMMEs), so that they can fully participate in the economic life of the country. • There is no single approach to LED. Each place can develop an approach that best suits its local context. • LED promotes local ownership, community involvement, local leadership and joint decision-making. • LED involves local, national and international partnerships between communities, businesses and the government to solve problems, create joint ventures and build local areas. 	<ul style="list-style-type: none"> • Goal 1: end poverty in all its forms everywhere; • Goal 2: end hunger, achieve food security and nutrition, and promote sustainable agriculture; • Goal 5: achieve gender equality and empower all women and girls; • Goal 8: promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work; • Goal 9: build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation; and • Goal 10: reduce inequality within and among countries



<ul style="list-style-type: none"> • LED uses local resources and skills and maximizes opportunities for development. • LED involves the integration of diverse economic initiatives in a comprehensive approach to local development. • LED depends on flexible approaches to respond to changing circumstances at local, national and international level. <p><i>*The UNDP: Local Economic Development through Strategic Planning, 2012</i></p>	
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The above listed Sustainable Development Goals are aligned with the National Framework for Local Economic Development, 2020. Consequently, the BPM LED Strategy is developed to align with the Sustainable Development Goals. Therefore, the LED strategy will focus on growing the local economy through the process of defining, implementing, and monitoring strategies at the local government level in line with the sustainable development goals and objectives. Localisation will ensure that LED strategies respond to local needs, address poverty and create jobs.

1.3 BPM’s Strategic Intent for LED

1.3.1 LED Vision for Ba-Phalaborwa Local Municipality

Ba-Phalaborwa has experienced very little economic growth in the past decade. This has been compounded by the COVID pandemic that has besieged the country in recent years. The lack of economic growth, rising unemployment and persistent protests from the local community requires a different approach towards economic development.

The vision of the Municipality is “Provision of quality services for community well-being and tourism development”. Accordingly, the LED vision for Ba-Phalaborwa Municipality is **"realising economic growth through collaborative partnerships and leveraging of resources to enhance the quality of life for the local community"**.

1.3.2 LED Objectives for BPM

In line with the National Framework for Local Economic Development, the objectives of the LED strategy for Ba-Phalaborwa Municipality are:

- to facilitate and promote collaborative local economic development;
- to stimulate new local economic development initiatives;
- to enhance or improve access to economic opportunities for the local community;
- to diversify the economic base of the municipality, business and local community;
- to enable the municipality to become a tourist destination of choice;
- to facilitate access to local, national and global markets through tourism, agriculture and mining.



1.3.3 Key Success Factors for BPM LED

The key success factors for the successful implementation of the LED strategies, as identified during the consultation exercise, are the following:

- More engagement and collaboration between different economic sectors, private sector, local and provincial governments as well as all stakeholders within the local municipality.
- Identification and facilitation of funding to develop and realise different economic opportunities.
- Development of new infrastructure and maintenance of current infrastructure to support economic activities in the area.
- Active participation and support from infrastructure divisions at Local, District and Provincial levels of government.
- Active local community participation and involvement in economic development opportunities and activities.
- Involvement of and buy-in from traditional authorities is required.
- Support from District and Provincial spheres of government as well as the coordination of various economic development interventions at District and Provincial levels.
- Allocation of appropriate budget/funds to implement LED related and/or associated projects.
- Availability of appropriately skilled people to package, manage and facilitate the execution of the identified interventions/ projects.
- Development and implementation of sound monitoring and evaluation framework for LED projects.
- Buy-in from political and administrative spheres of government, across all levels.
- A well-defined LED strategy that is realistic, practical, achievable and implementable.

1.4 Description of the Area of Analysis – Ba Phalaborwa Local Municipality

Located in the eastern part of the Province, Ba-Phalaborwa Local Municipality is part of the Mopani District Municipality in Limpopo, South Africa. The seat of Ba-Phalaborwa Local Municipality is Phalaborwa, which is located along the western boarder of the Kruger National Park in the Lowveld. The municipality covers a vast geographic area, with a total population estimated at 168 937 (as per StatsSA Community Survey 2016).

Phalaborwa is approximately 210 km from Polokwane and approximately 230 km Mbombela. It serves as a central gateway to the Greater Limpopo Transfrontier Park through the Giryondo Border post and provides easy access to the Kruger National Park through Phalaborwa gate.





Figure 1-1: Mopani District Municipality Map (source: <https://municipalities.co.za/>)

The total land area for Ba-Phalaborwa LM is 7,462 km². The main economic sectors within the Local Municipality are agriculture, tourism, mining, manufacturing and retail & trade.

The main places around Ba-Phalaborwa Local Municipality are:

- Phalaborwa
- Ben Farm
- Ga-Makhushane
- Ga-Mashishimale
- Ga-Selwana
- Gravelotte
- Kruger National Park
- Leydsdorp
- Lulekani
- Mahale
- Majeje
- Maseke
- Murchison
- Namakgale
- Nondweni
- Priska-Majeje
- Boelane

The key transport access links in/out of Phalaborwa town are:

- The R71, which is an important east-west transport link connecting Phalaborwa to Tzaneen and serves as the main link to local residents and tourists coming from the Gauteng Province and other areas, coming to / transiting through Phalaborwa to the Kruger National Park;
- The R40 road from Mica which connects Phalaborwa through Mica/Hoedspruit to the Mpumalanga Province;
- Phalaborwa airport which is located within a 5-minute drive from town, and just over an hour (1 hour and 10 minutes) from Johannesburg. Although there are currently no commercial flights, this is an important link for business, tourist, and local travellers from Johannesburg/ around the country as well as international tourists.

Phalaborwa has a rich and diverse natural and cultural heritage, with potential for sustained economic growth. The area is located in a volcanic pipe with vast deposits of phosphate, copper, iron, vermiculite, mica, aluminium, pyroxene, zirconium mineral deposits and gold. Known for its mining activities, including copper and phosphate, Phalaborwa is home to Foskor, PMC and Stibium Mopani mines (previously known as JCI/Consmurch).

1.5 Process to develop the LED Strategy

1.5.1 Project Scope

The development of the LED strategy for BPM requires assimilation of appropriate economic information and exploring different options and opportunities necessary to expand the economic base of BPM. The outcome will be packaged as a strategic implementation framework to address job creation, investment, business and community development. This exercise is also aimed at ensuring that the municipality can facilitate the creation of an appropriate enabling environment conducive to economic development and investment, in a manner that is both effective and efficient.

The scope of the LED strategy review covered the following:

- LED Policy review;
- Situational and economic sector analysis;
- Overview of the current local municipality's economy including sector performances for agriculture, mining, manufacturing, tourism, alternative energy, beneficiation and other sectors;
- Demand and supply analysis of existing economic activities in the local municipality and identification of key economic role players and drivers, identification of any further opportunities and developing an understanding of current and past economic development initiatives and projects, their successes and failures and the contributing reasons;
- Formulation of SWOT analysis, including an evaluation of identified strengths and opportunities and analysis of weakness and threats;
- Identify constraints to growth and development, exploitation of resource base, international market influences, environment degradation, lack of entrepreneurial skills and poverty;
- Review and develop the strategic development framework;
- Analysis of the different pillars and the linkage to Local Economic Development: (Section)
 - Infrastructure Development (Rail, Road, Water, Sanitation, Electricity etc.)



- Manufacturing Industry
- Mining and Beneficiation
- Tourism Development
- Retail and Leisure Development
- Information Technology Development
- Green Environment Development
- Agricultural Development
- Alternative Energy Generation (in a rural and urban development setting)
- Develop economic vision and objectives for the local municipality;
- Develop strategic pillars and programs;
- Develop detailed sector(s) plans, identify and prioritize projects and programs (Tourism, Trade & Manufacturing, Agriculture and Mining)
- Development of funding model for sector plans and financing of projects and programs
- Development of an implementation plan for each strategy
- Development of a monitoring and evaluation framework for each strategy

1.5.2 LED Strategy Development Process

The illustration below depicts the process undertaken to review, and develop the LED strategy for Ba-Phalaborwa Local Municipality.

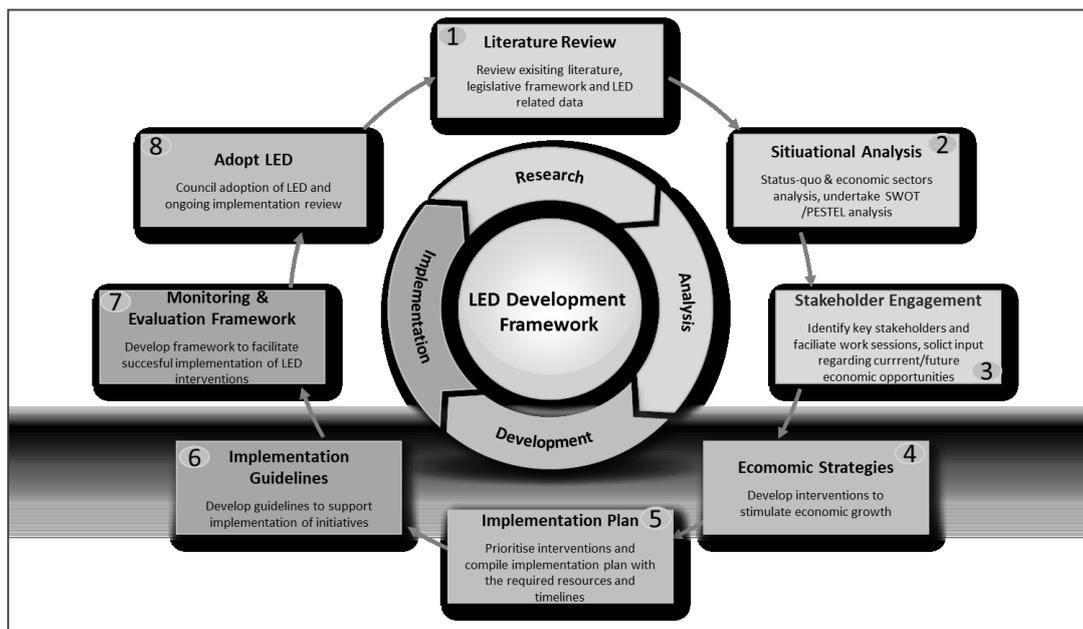


Figure 1-2: Process to Develop BPM LED Strategy



The process followed in developing the BPM LED Strategy is outlined below:

- **Literature Review:** Gather information contained in existing reports, including current investment initiatives, policies, and future plans and strategies. This information was synthesised to ensure strategic alignment with the BPM LED.
- **Situational Analysis:** Review the local economic development sectors. Analysis of the current demographic, social and economic characteristics for the area and the implications these factors have on future developments in the area. Review the current SDF, determine the impact on economic growth and development. Review institutional considerations.
- **Stakeholder Consultation and Opportunity Analysis:** Key stakeholders and industry players were consulted to obtain information necessary to develop LED strategies and plans, as well as to secure buy-in and support for the LED strategy. A SWOT & PESTEL analysis was carried out. Stakeholder expectations and possible development opportunities were identified.
- **Economic Development Opportunities and Potential Projects:** Economic development opportunities and potential projects were listed based on research and consultation with role-players in the various economic sectors. These were prioritised, based upon a predefined prioritisation criterion.
- **Implementation Plan:** A clear and practical Implementation Plan that outlines the steps to grow the economy was developed. The Implementation Plan contains a breakdown of prioritised projects for implementation by BPM.
- **Draft Implementation Guidelines:** General guidelines and action steps for the implementation of the prioritised projects arising from the LED strategy were discussed.
- **Monitoring and Evaluation Framework:** Indicators and targets to measure performance against set objectives were identified.
- **Adopt LED Strategy:** The LED strategy (including Implementation Plan, Monitoring and Evaluation Framework) to be made available to BPM Council to adopt.

Accordingly, the LED strategy document was compiled in line with the different activities undertaken to evaluate and develop various strategic interventions that will facilitate economic development within Ba-Phalaborwa Local Municipality. The document outline is discussed below.

1.6 Layout of the LED Strategy Document

This LED strategy developed for BPM consists of the following chapters:

- **Chapter 1: Background.** This chapter contains a generic write-up of the LED concept, and sets out the context for the study. The LED vision and objectives for BPM are listed. The study area is defined. Finally, a discussion about the scope of the assignment and the steps followed to develop the LED strategy for BPM follows.
- **Chapter 2: Linking with Existing Plans, Strategies and Policy.** Existing plans and strategy documents are analysed in order to identify focus areas for economic development.



-
- **Chapter 3: Situational Analysis.** The local economic development sectors are listed. An analysis of the current demographic, social and economic characteristics for the area and the implications these factors have on future developments in the area are included in the review. The implications of the latest SDF on economic growth and development are analysed. The chapter concludes with institutional considerations.
 - **Chapter 4: Stakeholder Consultation and Opportunity Analysis.** This chapter contains the results of several consultation sessions held with different economic sectors representatives. A SWOT & PESTEL analysis is undertaken and economic development opportunities are listed.
 - **Chapter 5: Approach and Prioritised LED Projects.** Prioritisation criteria are developed and applied to the economic development opportunities identified in Chapter 4. The prioritised LED programmes and projects for implementation are listed.
 - **Chapter 6: Enabling Processes to drive LED.** Some institutional aspects as well as possible funding sources are discussed. Furthermore, the optimisation of the existing capacity in BPM to implement LED projects, as well as the development and support of SMMEs, are discussed. Generic guidelines for the implementation of LED projects are provided. This chapter also describes the monitoring of the implementation of LED projects.
 - **Chapter 7. Key Source Documents.** Finally, the key source documents that were reviewed during the development of the LED strategy for BPM are listed.



2 REVIEW OF CURRENT PLANS, STRATEGIES AND GUIDELINES

2.1 Introduction

The development of a credible LED strategy must be aligned to the national, provincial and local municipality policies, strategies and plans. Therefore, information contained in key existing reports were collected and synthesised. This includes the current investment initiatives, policies, future plans and strategies which in one way or another contribute towards economic development at provincial, district and municipal/local levels of government.

This section of the LED strategy contains a description of information contained in the following source documents to ensure strategic alignment with broader LED initiatives:

- National Development Plan (NDP), 2030;
- The New Growth Path (NGP);
- The Industrial Policy Action Plan (IPAP), 2019-2021;
- Industrial Development Zones (IDZs); and
- National Small Business Amendment Act, 2004 (Act 29 of 2004).
- Limpopo Growth and Development Strategy (2004-2014);

Additionally, the following documents that are more pertinent to the LED strategic review process for BPM were also reviewed:

- Mopani District Municipality Local Economic Development Strategy and Economic Development Strategy, 2021
- Ba-Phalaborwa Local Economic Development Strategy, 2014- 2019
- Growth Management Framework Plan for Ba-Phalaborwa Urban Core, 2014-2018
- Feasibility Report – Poverty Alleviation Plan, 2012
- Ba-Phalaborwa Municipal Spatial Development Framework, 2019 -2024
- Ba-Phalaborwa Municipal Integrated Development Plan (IDP), 2022 -2023;

Some of the primary guiding documents are discussed in brief below.

2.2 National Development Plan

The National Development Plan (NDP) is a document consolidated by the National Planning Commission, and released in 2017. The NDP aims to eliminate poverty and reduce inequality before 2030. This will be achieved through growing an inclusive economy, capacity building, improving state capacity, and fostering leadership and partnerships throughout society.

The LED strategy for BPM needs to be aligned to the following policy objectives from the vision of the NDP:

- Develop IDPs and LED Strategies / Economic Development Masterplans that encourage economic diversification;



-
- Support and encourage small business development at municipal level; and
 - Develop inclusive rural and township economies driven by local economic planning which recognises spatial development frameworks, unique value chain architectures, development corridors, climate change and green economies, as well as science and technology.

2.3 New Growth Path

The New Growth Path (NGP), 2010, identifies infrastructure development, agriculture, mining, manufacturing, the “green” economy and tourism as the six fixed priority areas for job creation.

The LED strategy for BPM needs to be aligned to the following objectives of the NGP:

- Keep job creation central to LED through initiatives such as the Expanded Public Works Programme (EPWP);
- Integrate LED into the IDPs and increase public infrastructure investment at the local level, as well as municipal support for small business and skills development; and
- Broaden LED to include other drivers of inclusive economic growth like state-owned entities, green economies, and science, technology and innovation.

2.4 The Industrial Policy Action Plan

The Industrial Policy Action Plan (IPAP), 2019/2021, is a policy adopted by the government to address the key challenges of economic and industrial growth, poverty, inequality and unemployment.

The purpose of the IPAP is threefold:

- to promote labour-absorbing industrialisation;
- to broaden participation and economic transformation; and
- to improve competitiveness with manufacturing being an important driver for development.

2.5 Industrial Development Zones

An Industrial Development Zone (IDZ) is an area designated by the Minister of Trade and Industry in terms of the Manufacturing Development Act, 1993 (Act 187 of 1993). It is defined by the Department of Trade, Industry and Competition (DTIC) as a "purpose-built industrial estate linked to an international seaport or airport that leverages fixed direct investments in value-added and export-oriented manufacturing industries".

2.6 National Small Business Amendment Act, 2004 (Act 29 of 2004)

The National Small Enterprise Act, 1996 (Act 102 of 1996) provides for the establishment of the National Small Business Council and contains guidelines for state organs to promote small businesses. It seeks to promote the development of small businesses and cooperatives that contribute to inclusive economic growth as well as job creation. The act facilitates the promotion and development of small businesses and cooperatives in order to stimulate economic growth through small businesses amongst other economic drivers.



2.7 Limpopo Growth and Development Plan

The Limpopo Provincial Growth and Development Strategy (PGDS) is the leading document guiding economic development in the province. It was first adopted in 2004 to provide a framework for integrated and sustainable growth and economic development for the province and its inhabitants. The aim of the PGDS is to align provincial policy with national policy and to guide development in terms of effective and efficient governance to bring about growth and development in the province.

2.8 Mopani District Local Economic Development and Economic Growth Strategy

A District wide strategy developed to facilitate growth and development across Mopani District Municipality. This is an evolving long-term planning document that provides a conceptual framework to guide future growth and economic development across different economic sectors in the district. It sets forth the requisite mechanisms for a collaborative approach towards economic development and links various institutions, communities and the available resources.

The primary economic focus areas that were identified in the District relate to developing key sectors comprising mainly of emerging farmers and agriculture, agro-processing, other manufacturing, tourism, improved social and economic infrastructure and skills development. The document identified the key focus areas that will stimulate future economic development and growth in the District as follows:

- Improved telecommunications in rural areas
- Strengthening of EPWP roll-out in the District
- Agriculture sector support
- Small-scale mining support
- Tourism development
- Small-scale industrial development
- Support of small and informal business sector
- Human Capital development
- Promote energy and water-saving in agriculture and agro-processing
- Biogas Digester Programme
- Promote water security and job creation in Nature Resource Risk Areas
- LED capacity Building
- Development of strong representative stakeholder groups across the District.

2.9 Ba-Phalaborwa Local Economic Development Strategy (2014- 2019)

The previous LED strategy documented strategic interventions to create integrated and sustainable communities for Ba-Phalaborwa Local Municipality taking cognisance of the social well-being, economic development and environment sustainability. This formed an integral part of the municipal sustainable community development programme, implemented through the IDP based planning.

The following broad strategic programmes and projects were proposed to serve as interventions to grow the economy of Ba-Phalaborwa:



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

2.10 Growth Management Framework Plan for Ba-Phalaborwa Urban Core

The Growth Management Framework Plan (GMFP) for Ba-Phalaborwa Urban Core for the period 2014-2018 comprised of two major components, namely:

- A visualisation in the form of a map representing the spatial patterns and major components of the framework plan
- Strategies and proposals explaining components of the map and other aspects of the plan, which include strategies and proposals

The spatial framework plan/document was supported by specific proposals and measures recommended for implementation. The document identified the following elements required for the Growth Management Framework Plan for Ba-Phalaborwa Urban Core:

- Components and concepts of the growth management framework plan
- Strategies and proposals related to the GMFP, encapsulating the desired spatial patterns in the Ba-Phalaborwa urban core
- Human settlement and focus areas for urban development
- Activity Nodes
- Connectivity and movement routes
- Functional development zones
- Protection and Restriction Zones
- Other features and land uses

2.11 Feasibility Report – Poverty Alleviation Plan

The Feasibility Report aimed at Poverty Alleviation was developed in 2012. The report was developed as part of the feasibility study for a comprehensive poverty alleviation, improved service delivery and integrated development programme for Ba-Phalaborwa Municipality.

The document outlined the status quo analysis on the key social, economic and infrastructural situation in Ba-Phalaborwa. Furthermore, it identified the potential economic, infrastructural and capacity related projects and programs that could be implemented to create jobs, alleviate poverty and improve service delivery in the area.



2.12 Ba-Phalaborwa Municipal Spatial Development Framework

The Spatial Development Framework for the Ba-Phalaborwa Local Municipality was developed in line with the Municipal Systems Act 32 of 2000 (MSA) and The Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA) requirements and the Department of Rural Development and Reform: Guidelines for Development of Spatial Development Frameworks.

The Ba-Phalaborwa Municipal Spatial Development Framework, for the period 2019 -2024 was developed as an integral part to guide/ support the integrated development planning process, It remains an important tool used to redress historically distorted, unviable and unsustainable spatial patterns and challenges caused by legacy apartheid planning. The BPM SDF is reviewed in the next section of the document; this is reviewed within the context of local economic strategy development.

2.13 Municipal Integrated Development Plan

The Municipal Integrated Development Plan (IDP) is a document regulated by the Municipal Systems Act (MSA), 2000 (Act 32 of 2000) to guide the planning, budgeting, management and decision making in the planning for future development in the Municipality. The IDP framework for BPM was last reviewed by members of the local municipality in 2023, for the 2023-2024 planning period. The document reflects the associated projects necessary to enhance delivery of services in the planning cycle of the municipality.

It must be noted that the IDP is the overarching document which consolidates all the planned projects, interventions and programmes from sector plans, infrastructure plans, SDF and other related plans from Local, District and Provincial spheres of the government and prioritise these for implementation in the planning period together with the allocation of the appropriate budget to execute the identified projects/ initiatives.

2.14 Focus Areas for Economic Development for BPM

Based on the literature review, the following are high level strategies that the municipality should consider:

- **The development/upgrading of the infrastructure** to facilitate economic development within BPM (e.g., houses, transport, roads, water and electricity).
- **The promotion of tourism.** This includes developing local tourist sites and facilities, and enhanced collaboration across various economic sectors within the municipality;
- **Nurture and develop the small-scale farming** communities in the rural areas in Ba-Phalaborwa Local Municipality
- **Leverage the mineral resources and mining activities** and enhance economic participation for the benefit of the local communities and businesses
- **Develop manufacturing opportunities** utilising available resources from farming and mineral deposits.



3 SITUATIONAL ANALYSIS

3.1 Introduction

This section provides an analysis of the current demographics, social and economic characteristics for Ba-Phalaborwa Local Municipality area and the implications these factors have on future development in the area. The implications of the latest Spatial Development Framework (SDF) on economic growth and development are analysed. The chapter concludes with institutional considerations. The data presented has been sourced from various sources including the Stats SA 2011 census data, the Stats SA 2016 community survey, the Global Insights Demographic data and the IHS Markit Database.

3.2 Population Demographics and Social Characteristics

Covering a total area of 7,462 km², Ba-Phalaborwa Local Municipality has diverse population across the different locations within the municipality. Ba-Phalaborwa Municipality's population has been recorded at 168 937, this has increased from 131 089 to 150 637, from 2001 and 2011 census respectively. The Community Survey of 2016 recorded 49 100 households, which increased from 41115 in 2011, which represents a 19% increase in the number of Households.

Table 3-1: Population Distribution and Households for BPM (Source: Stats SA- Community Survey 2016)

Year	Population	Households
2001 – StatsSA Census	131098	33529
2011 – StatsSA Census	150637	41115
2016 – StatsSA Community Survey	168937	49100

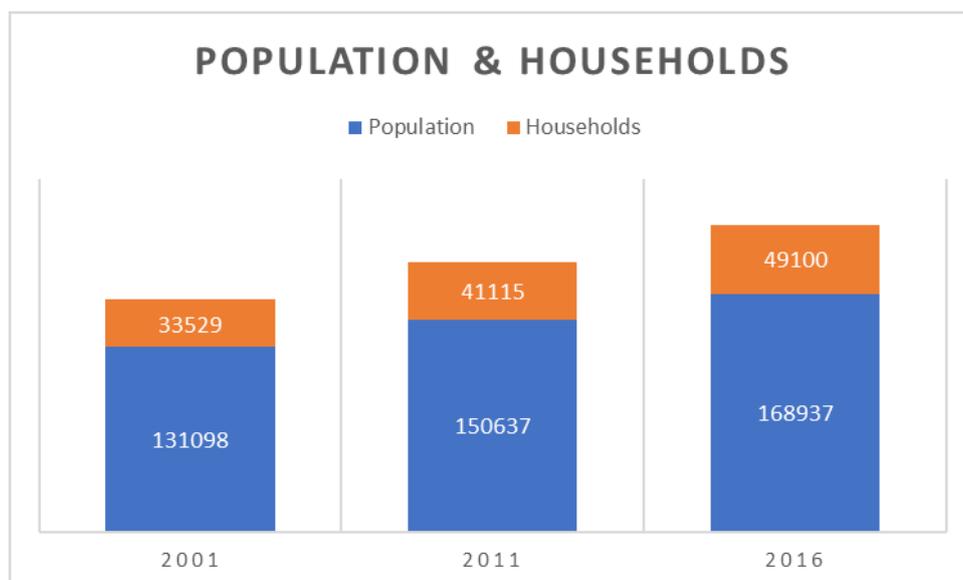


Figure 3-1: Population Distribution & Households for BPM



The majority of the population within the area of Ba-Phalaborwa Local Municipality is between the ages of 16 and 64, this age group largely comprises of youth and the working class. The relevant figures are depicted in the table & chart below:

Table 3-2: Population Distribution by Age Group for BPM (Source: Stats SA- Community Survey 2016, Census 2011)

Age Group	Year 2011	Year 2016
Under 15	32,90%	31,40%
Between 16 – 64	63,20%	65,20%
Over 65	3,90%	3,40%

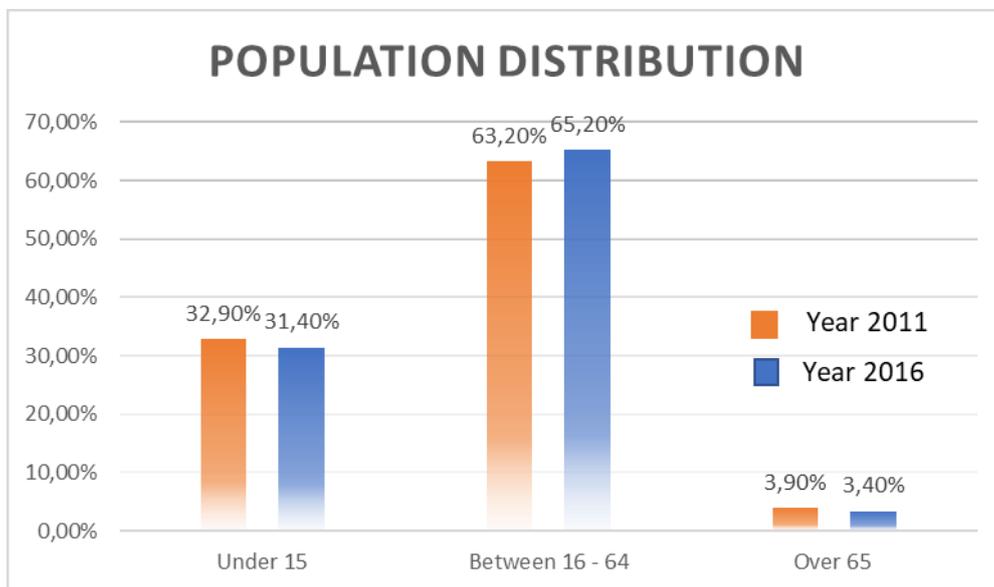


Figure 3-2: Population Distribution by Local Municipality for BPM

The levels of education amongst the residents of Ba-Phalaborwa Local Municipality are relatively low, with 4,2% of the population having higher levels of education. The majority of the population have attained secondary education level, this represents 62,7 % of the population. The levels of education has been determined for population aged 20 years and older. These are represented below:



Table 3-3: Education Levels across BPM (Source: Stats SA- Census 2011 Municipal report Limpopo)

Level of Education	Counts	Percentage
No-Schooling	12565	26,40%
Primary Education	3179	6,70%
Secondary Education	29850	62,70%
Higher Education	2012	4,20%

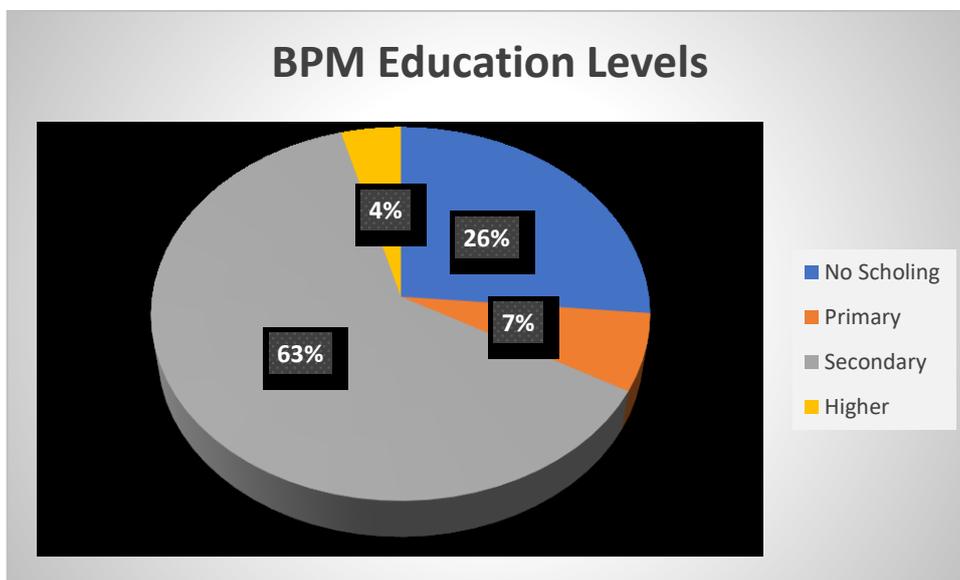


Figure 3-3: Education Levels for BPM

The majority of people within the municipality are unemployed, this represents 63% of the population who are eligible for employment. Moreover, 50% of youth (between the age of 15 – 34 years) who are eligible for employment remain unemployed. These are indicated below:

Table 3-4: Employed v/s Unemployed Data (Source: Stats SA- Census 2011)

Category	Population	Percentage
Employed	33695	62,5%
Unemployed	20196	37,5%
Total	53891	100%

Employed vs. Unemployed

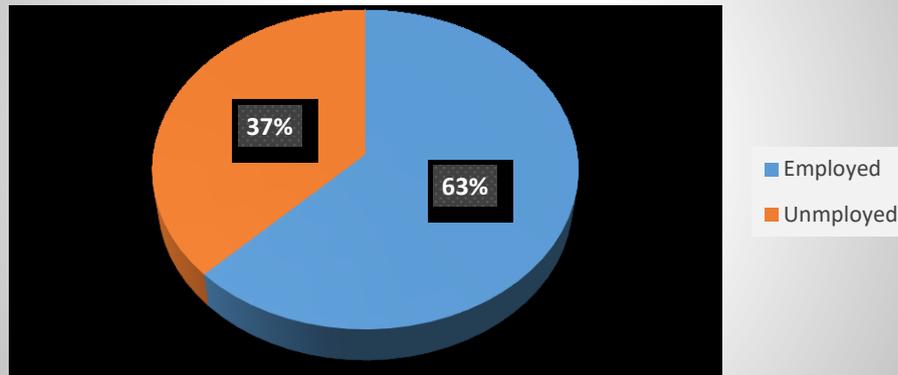


Figure 3-4: Employed v/s Unemployed Population

The income levels of different Households show generally lower levels of income across different households in BPM. The majority of households in Ba-Phalaborwa Local Municipality are illustrated under Category 4 & 5 in the table below, these earn an income of R9601 – R 38200 per annum, this is equivalent to a total of 15445 households. Households earning over R150 000 per annum represent a total of 4879 (10%) households. A total of 5141 (11%) households have no source of income. These are depicted below:

Table 3-5: Income Levels across BPM (Source: Stats SA- Census 2011 Municipal report Limpopo)

Households	Category	Category
5141	R0	1
2254	R 1 – R 4800	2
4381	R 4801 – R 9600	3
7676	R 9601 – R 19 600	4
7769	R 19 601 – R 38 200	5
4895	R 38 201 – R 76 400	6
4120	R 76 401 – R 153 800	7
2921	R 153 801 – R 307 600	8
1502	R 307 601 – R 614 400	9
311	R 614 001 – R 1 228 800	10
72	R 1 228 801 – R 2 457 600	11
73	R 2 457 601 or more	12

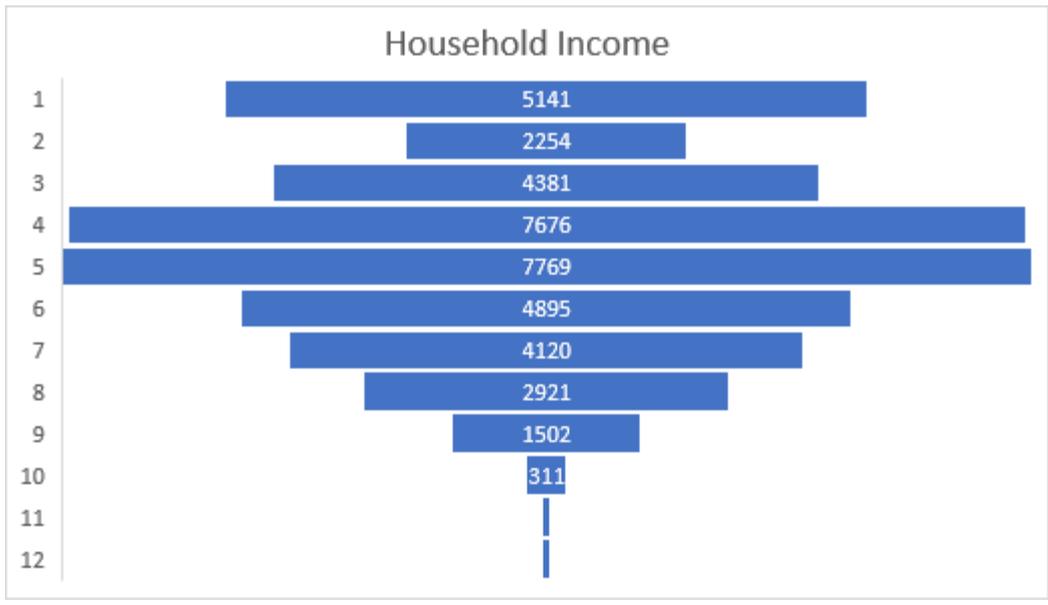


Figure 3-5: Employed v/s Unemployed Population

Ba-Phalaborwa has the lowest percentage of people living in poverty within Mopani District which was recorded at 58.6% of people living in poverty, using the upper poverty line definition. The average annual household income across the district R14 600 per annum. Greater Giyani Local Municipality has the highest percentage of people living in poverty, with a total of 76.9% within Mopani District.

3.3 Contribution towards GVA

The Gross Value Added (GVA) is an economic indicator which measures the value of goods and services produced in an area. The biggest contributor to the GVA in Phalaborwa is the Mining sector with R15.6 bn, followed by Finance and Business Services at R1.8bn. This is depicted in the table below.



Table 3-6:GVA per Economic Sector

Sector	GVA Current Prices R'000	Employment	% GVA	% of Employment	% Growth GVA	% Growth Employment
	2019	2019	2019	2019	2011-2019	2011-2019
Mining	15 678 202	8 164	72.5%	18.7%	0.7%	0.4%
Finance & Business Services	1 866 950	4 513	8.6%	10.3%	0.9%	6.3%
Social & Personal Services	1 753 959	14 423	8.1%	33.0%	1.1%	4.2%
Real Estate	1 280 138	43	5.9%	0.1%	0.7%	-5.1%
Trade & Accommodation	1 001 083	6 555	4.6%	15.0%	0.0%	6.8%
Public Admin & Defence	788 149	1 817	3.6%	4.2%	1.7%	1.4%
Wholesale, Retail & Trade	755 887	3 772	3.5%	8.6%	0.5%	5.5%
Telecomms	543 846	821	2.5%	1.9%	0.5%	2.8%
Education	495 699	2 888	2.3%	6.6%	-0.7%	0.1%
Transport	482 530	756	2.2%	1.7%	0.1%	3.0%
Finance & Insurance	332 825	661	1.5%	1.5%	2.1%	3.9%
Construction	302 216	1 892	1.4%	4.3%	-0.2%	1.0%
Health & Social Work	295 668	2 642	1.4%	6.0%	1.8%	5.7%
Motor Vehicle Sales, Repairs & Fuel	177 511	1 502	0.8%	3.4%	-1.5%	8.1%
Other Services	174 444	7 077	0.8%	16.2%	2.8%	6.8%
Agriculture, Forestry & Fishing	170 087	5 152	0.8%	11.8%	0.7%	9.0%



Sector	GVA Current Prices R'000	Employment	% GVA	% of Employment	% Growth GVA	% Growth Employment
	2019	2019	2019	2019	2011-2019	2011-2019
Utilities	158 415	176	0.7%	0.4%	-6.6%	-1.5%
Manufacturing	150 807	2 058	0.7%	4.7%	-0.7%	4.8%

Source: IHS Markit Database, (2020)

Agriculture only contributed the GVA of R170m in 2019. Overall, Mining's output was recorded at 73%, however, Mining only accounted for 19% towards employment after the Social & Personal Services sector, which accounts for 33% of employment.

The Trade & Accommodation (15%), Agriculture (12%) and Retail & Trade (8.6%) sectors also made relatively high contribution towards employment in BPM. The Manufacturing sector remains amongst the lowest contributors towards GVA recording only R150m in output in 2019. Manufacturing is comprised of agriculturally based products, metal and non-metal products. The abundance of marula fruit in the area has also spurred development of the processing facilities for marula fruit, which is processed into an alcoholic beverage called Amarula.

3.4 Local Economic Development Sectors' GDP

Ba-Phalaborwa Municipality is the biggest contributor towards the Gross Domestic Product within Mopani District Municipality, contributing 45% towards the District's GDP. This is largely due to the size and scope of the mining operations in the municipality. The percentage GDP contribution is depicted below:

Table 3-7: GDP Contribution In Mopani District Municipality (Source: IHS Markit database (2020))

Municipality	Contribution towards GDP in the District
Ba-Phalaborwa	45.0%
Tzaneen	20.3%
Giyani	16.7%
Letaba	8.9%
Maruleng	6.7%



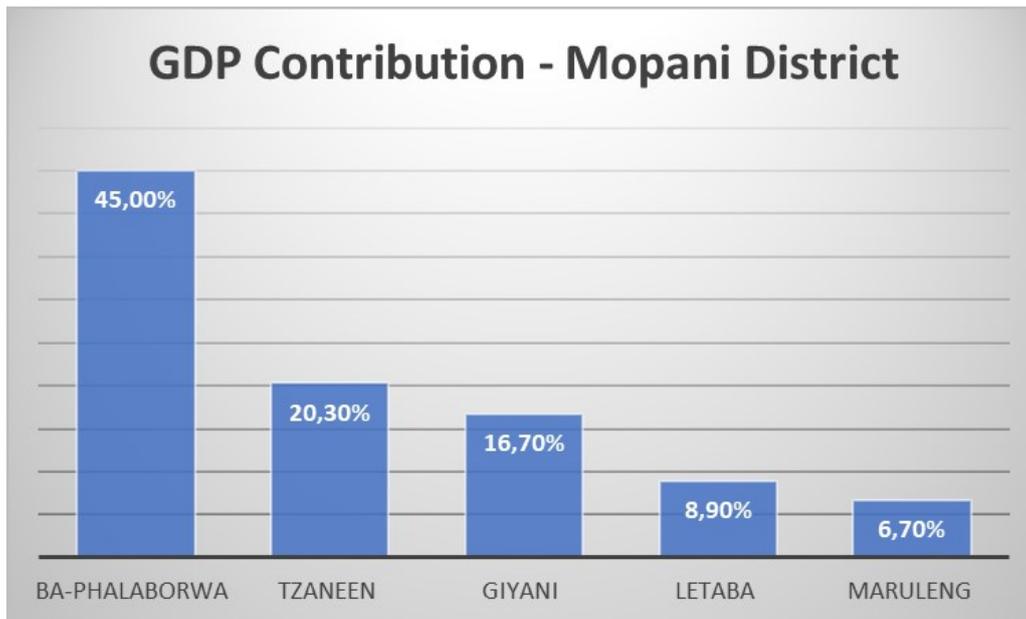


Figure 3-6: GDP Contribution – Mopani District

Different economic sectors which contribute towards the higher-than-average GDP in the municipal area are discussed. These include mining, agriculture, tourism, manufacturing and trade.

Primary Sector

The primary sector that drives the economy within Ba-Phalaborwa Municipality is mining. The area has rich deposits of both Copper and Phosphate mineral resources in Phalaborwa as well as across the Murchison extending from Gravelotte towards Tzaneen, this area has the most diverse mineral deposits which can be further exploited.

The mineral zones in the Murchison Greenstone Belt, extending from Gravelotte towards Leeuwkop in the Kruger National Park is signified by relatively small mining initiatives such as the small gold mining projects in Murchison. However, the most significant mining operations are found in the Phalaborwa mineral complex with both the Copper and Phosphate mining contributing significantly towards the economic activity and the GDP in the municipality.

Secondary Sectors

BPM's Agricultural sector, the Tourism sector, Retail & Trade as well as the Financial Services sectors all play an important role and contribute immensely towards employment, the GVA and the GDP. The proximity of Phalaborwa town and the wider community within BPM to the Kruger National Park bodes well for the local economy and in particular, the Tourism and Hospitality Sector.



3.5 Spatial Development Framework for BPM

The Spatial Development Framework (SDF) for BPM is examined at a high level. The SDF has direct impact upon economic development in any area. Therefore, economic planning must take into account the "space economy" of the local municipal, the spatial concentration of economic development around nodes and corridors and the geographical distribution of development needs.

3.5.1 Introduction

The SDF is an indicative plan indicating the desired patterns of land use, direction of growth, special development areas and areas worthy of conservation. The SDF directs the overall spatial distribution of current and desirable land uses within a municipality and consequently sets out the vision, future plans and objectives of the municipal IDP. The SDF is informed by the vision of the municipal area, the development objectives, as well as the strategies and outputs identified in the IDP of the municipality.

3.5.2 Spatial Development Principles

The White Paper on Spatial Planning and Land Use Management (2001) sets out the development principles that should guide spatial planning and the development or use of land. These principles include redressing spatial injustices and integrating socio-economic and environmental considerations into land use management to balance current development needs with those of future generations in a transformative way.

Furthermore, The White Paper also strengthens and unifies the NDP's vision and policies regarding the use of spatial planning mechanisms to eliminate poverty and inequality, while creating the conditions for inclusive growth by promoting a high-employment economy that promotes social and spatial cohesion.

The five basic principles as set out in Section 7 (a) to (e) of the said White Paper, which apply to spatial development, are:

- **Spatial justice:** Past imbalances need to be redressed through improved access to and use of land by disadvantaged communities and individuals.
- **Spatial sustainability:** Spatial planning and land use management systems must promote the principles of socio-economic and environmental sustainability; encourage the protection of fine and unique agricultural land; promoting land development in places that are sustainable and limit urban expansion; and take into account all current and future costs for all parties involved in the provision of infrastructure and social services to ensure the creation of viable communities.
- **Efficiency:** Land development must optimise the use of existing resources and the associated infrastructure, while procedures and time frames for development applications must be efficient and streamlined to promote growth and employment.



-
- **Spatial resilience:** Securing communities and livelihoods from spatial dimensions of socio-economic and environmental shocks through mitigation and adaptability accommodated by flexibility in spatial plans, policies and land use management systems.
 - **Good administration:** Government must ensure an integrated approach to land use and land development, and all departments must provide input to their sector and comply with the prescribed requirements when preparing or amending SDFs. The implementation of the spatial planning vision and objectives is not only very much dependent on a strong coordinating role of the central government, but also depends on mechanisms for good governance, with meaningful consultations and coordination around the desired outcomes across the different planning spheres and domains.

3.5.3 SDF & LED Alignment

The BPM Spatial Development Framework has been developed to address some of the challenges identified in the National Development Plan (NDP), 2030. The LED Strategy identifies and develops proposals, programmes and projects focussing on economic development. These are intended to create jobs and improve the livelihoods of communities. The Ba-Phalaborwa Local Municipality, the Provincial Government and other spheres of government need to identify and support the implementation of infrastructure projects that will facilitate economic development.

The BPM SDF (2019-2024) was developed and has identified strategies that will address the dysfunctional spatial form created by the apartheid regime. This includes consolidating development and investment in areas with potential for development to ensure maximum utilization of resources in what is referred to as nodal development areas, corridor development and infill/densification. Areas identified as displaying some development potential include Phalaborwa Town, Gravelotte, Namakgale, and Lulekani as identified in both the provincial as well as the municipal SDFs. Housing development and major economic and social infrastructure will have to be prioritised around these centres. In order to address the poor levels of literacy within the BPM Local Municipality, as well as a decline in people with tertiary qualifications and lack of job-related skills, the SDF has made certain proposals regarding the improvement of skills and education in the form of skills-training facilities.

3.5.4 Main Land Use

The main land use categories in the BPM municipality have been identified as follows:

- Human settlements – concentrated around the three (3) main clusters around Phalaborwa.
- Mining activities – mainly around Phalaborwa and Gravelotte.
- Nature Conservation – with the KNP, Letaba Ranch and Selati Conservancy taking up the largest proportion of the land coverage and game farming to the western part of the municipality;



- Agriculture – also including game farming, commercial (irrigation farming along the Letaba River) as well as subsistence agriculture alongside traditional settlements;

These are depicted / illustrated in the map below:

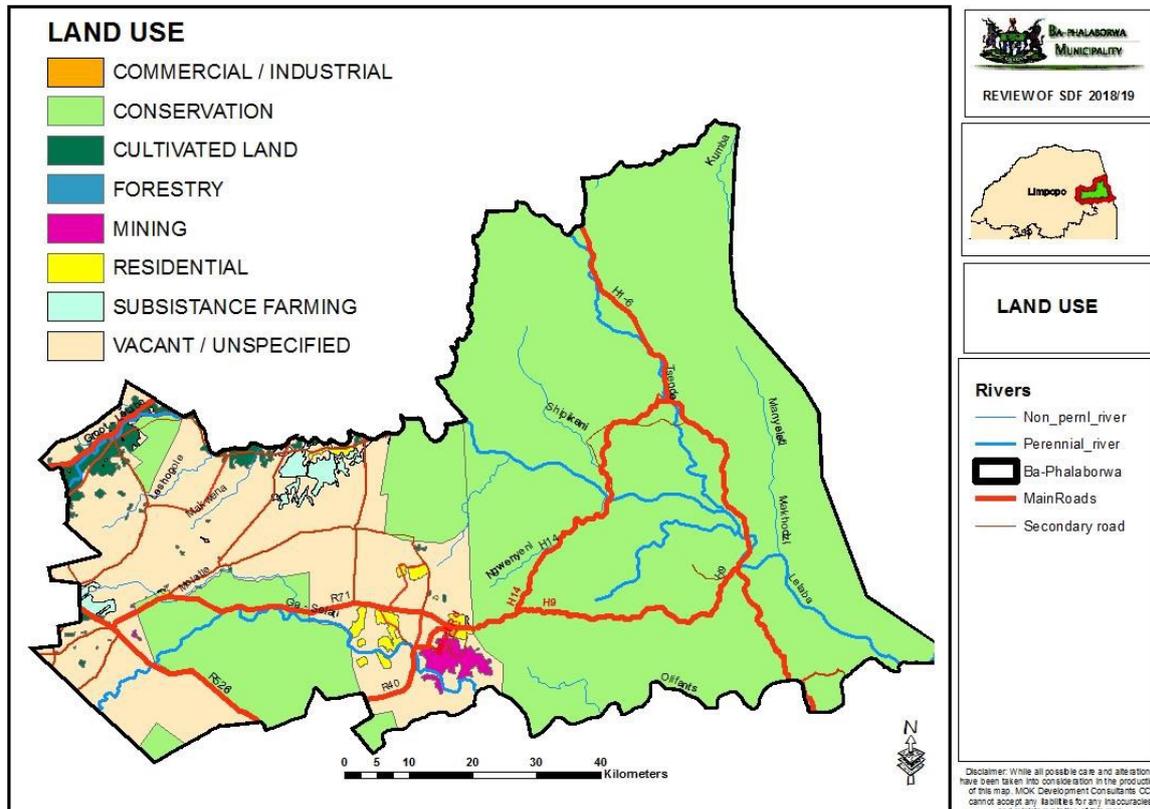


Figure 3-7: Main Land Use in BPM (Source: *Ba-Phalaborwa spatial development framework (2019-2024)*)

The BPM municipal spatial structure reflects major settlements within three main clusters including Phalaborwa town, Namakgale, and Lulekani (forming a core urban cluster) and Mahale/ Selwane/ Nondweni being the largest settlement outside the core cluster as well as smaller settlements of Prieska, Grietjie and Gravelotte (refer to Map below).

According to the 2008 MSDF for Ba-Phalaborwa, the specific identified development nodes for the area include:

- Phalaborwa town as the provincial and regional business and commercial node and home to approximately 9,3% of the municipal population;
- Namakgale as a municipal sub-regional business and service node;
- Lulekani as a municipal and local business and service node;
- Gravelotte as a District Growth Point
- Selwane/ Mahale/ Nondweni as a Local Service Point
- Scattered settlements of Prieska, Grietjie and Leydsdorp

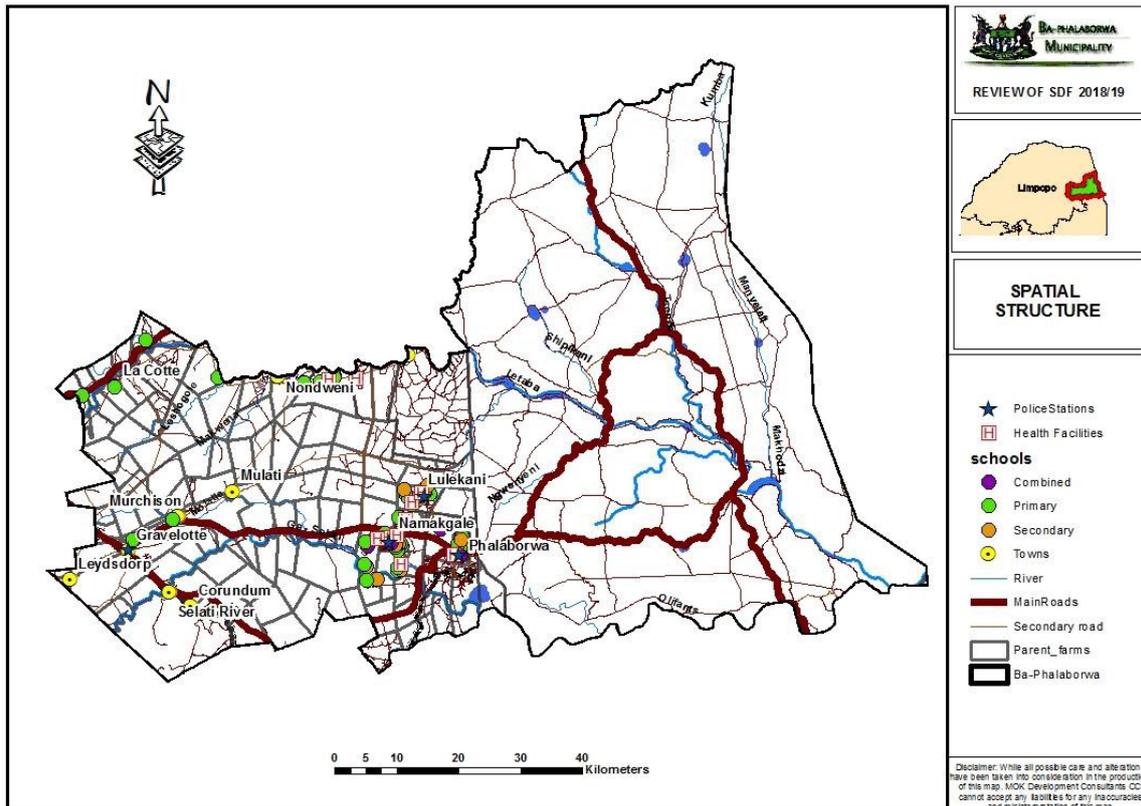


Figure 3-8: Spatial Structure – BPM (Source: Ba-Phalaborwa spatial development framework)

3.5.5 The Urban Cluster

The settlement cluster of Phalaborwa, Namakgale and Lulekani complemented by nearby villages can be regarded as the urban cluster, this is also home to a majority of the municipal population. This is the most densely populated area of the municipality and can be regarded as the urban cluster of Phalaborwa. With the settlements located within a 15 km radius of each other, any development will have the biggest impact. This cluster is depicted in the map below.



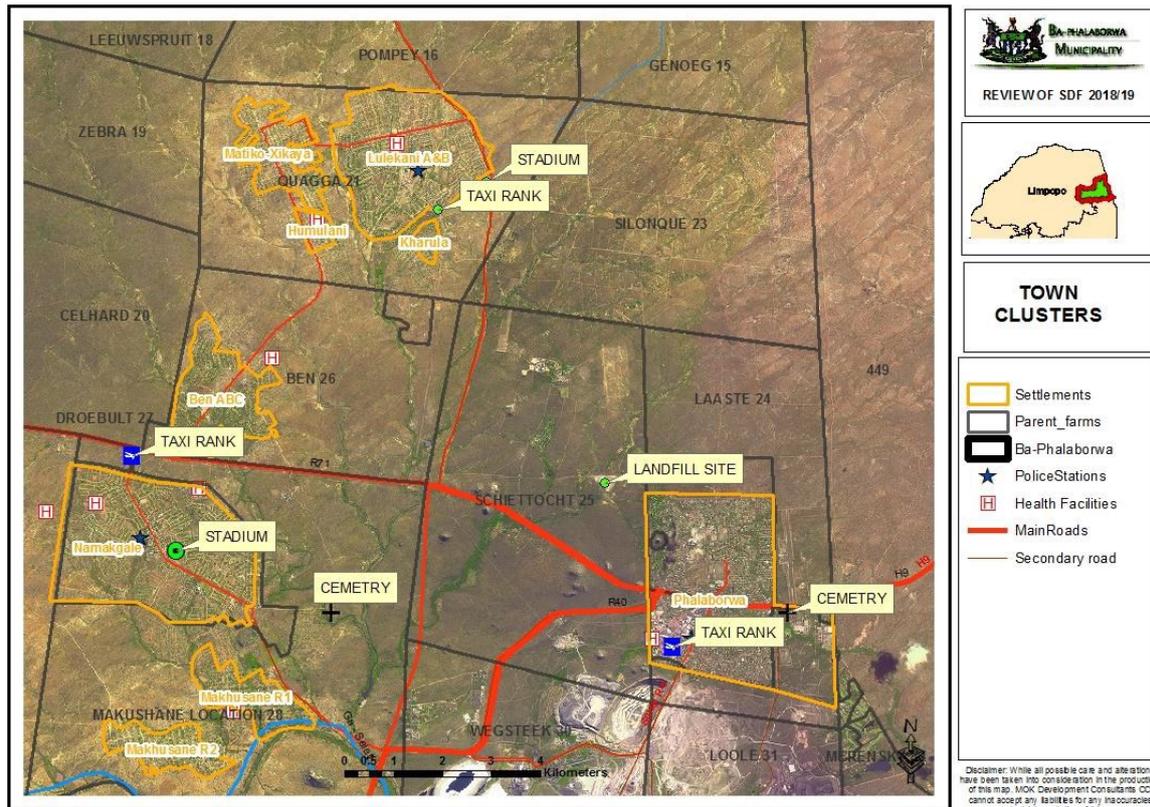


Figure 3-9: BPM Urban Cluster (Source: *Ba-Phalaborwa spatial development framework (2019-2024)*)

The **Phalaborwa cluster** consists of the town of Phalaborwa which can be classified as the Provincial Growth Point, with a wide range of specialised and well-planned land uses providing services to entire community of Ba-Phalaborwa. It is an urbanised population with a well-established central business district (CBD) as its primary activity node and some secondary activity nodes, recreational areas.

The **Namakgale cluster** comprises the Namakgale and Ben Farm township as a District Growth Point, surrounded by rural settlements, namely Makhushane, Maseke and Mashishimale. The townships of Namakgale and Ben Farm have well-planned land uses with their own business nodes which can be classified as a secondary activity node which provide convenience goods for these areas and surrounding villages. These secondary activity nodes mainly comprise business erven with other erven such as government and municipal. There is a newly constructed sub-urban shopping centre in Namakgale with a wide range of shops including some specialised uses such as clothing shops. The southernmost node of the Namakgale business area contains a great variety of institutional facilities such as SAPS, TVET College, post office and a community centre.

The **Lulekani Municipal Growth Point** comprises the Lulekani Township and its various extensions, as well as the surrounding rural settlements of Humulani, Kurhula and Matiko-Xikaya. However, the core of this Municipal Growth Point is the Lulekani Township. The

Lulekani Township is also a well-planned area with land uses such as single residential, business, industrial, educational, institutional and government. There is also a small sport complex and stadium. However, in terms of secondary activity nodes, there are two distinct nodes forming. The one node is the existing older shopping centre/shops in almost the middle of the township. This node also includes the magistrate's offices and SAPS as well as a filling station and taxi rank.

Other settlements in the municipality include:

- Ben A, B & C (Population Concentration Point)
- Humulani (Population Concentration Point)
- Makhushane (Population Concentration Point)
- Maseke (Population Concentration Point)
- Mashishimale (Population Concentration Point)
- Matiko Xikaya (Population Concentration Point)
- Mahale (Local Service Point)
- Nondweni (Local Service Point)
- Selwane (Local Service Point)
- Prieska (scattered rural settlement)
- Gravelotte (classified as a district growth point)
- Murchison mine (mining camp)
- Gritjie (scattered settlement)
- Leydsdorp (scattered settlement with only a hotel and some farm houses)

3.6 Road Network

Roads form an important part of the transportation infrastructure, and thus a necessary requirement for stimulation of local economic development. The municipality has a total of 798.5 km's of road network. More than half of the road network is unpaved, this represents a total of 542.4 km's within Ba-Phalaborwa which remains unpaved. This is primarily due to the limited financial resources of the BPM.

The key areas that require attention in relation to the road infrastructure include but not limited to storm water control and culverts, re-gravelling of roads, street paving and repairs of potholes on the roads. There are five access points in the focus area via the district and municipal roads as well as the National roads which traverse through the municipality. These are depicted in the diagram below:

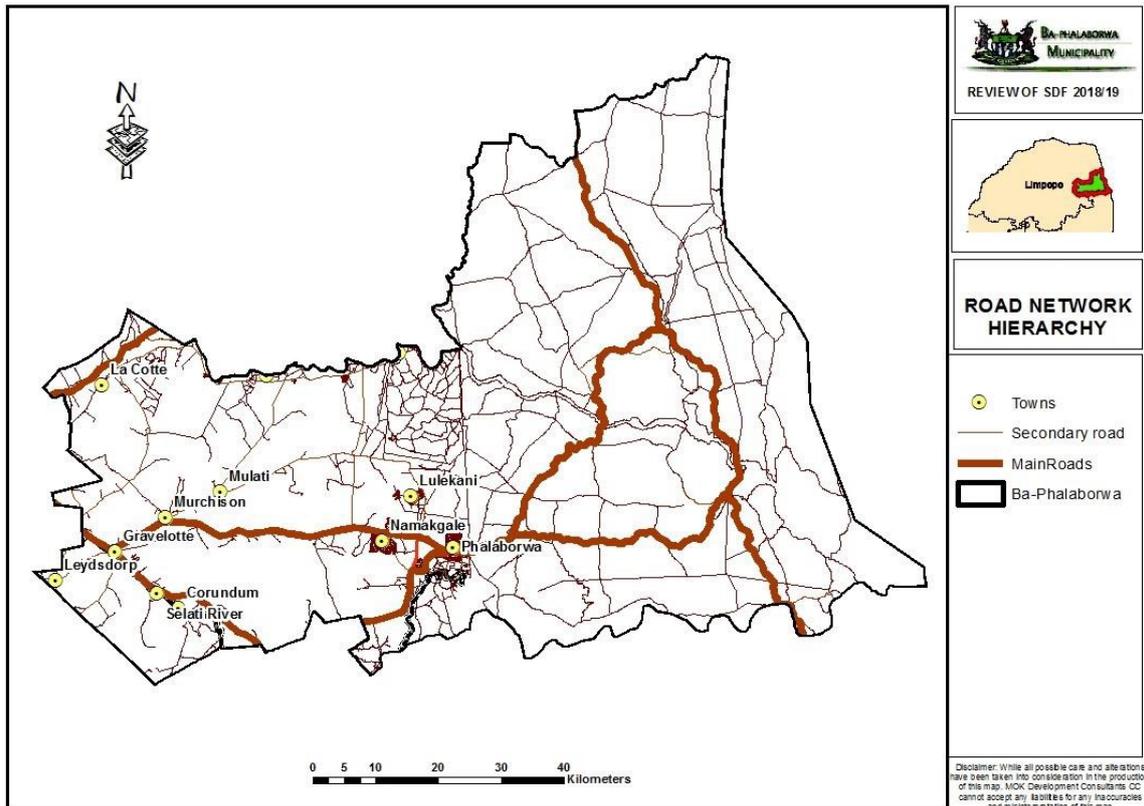


Figure 3-10: BPM Road Network (Source: *Ba-Phalaborwa spatial development framework (2019-2024)*)

The road transport network in BPLM is further categorised into:

- **Activity Corridors:** The primary development corridor is formed by the R71 Corridor between Polokwane and Kruger National Park which is of Provincial importance. The Corridor which follows the R71 in a West East direction traverses the Ba-Phalaborwa area and is regarded as a spatial opportunity to the area. This corridor also serves as a gateway to the Kruger National Park. It's not only the major link with areas such as Tzaneen, Polokwane and Giyani via the R529, but also the main link between the different nodes/clusters within the municipality.
- **Activity Spines:** Activity spines are major routes on which most of the roads based public transport services run and on which most of the activities are focused. R71, D3782 and D4424 are the main activity spines which connect the prominent development nodes in the municipality and support linkages to most of the neighbouring areas and other towns.
- **Internal Roads/Local Roads:** Internal roads form the major linkages between the different sections of the settlements and allows the transportation/ linkages within/of the villages. These also offer important opportunities for the stimulation of local economy, business development and community facilities. Most of the internal roads function as access roads into/out of various settlements, townships and the town itself.

The condition of major roads leading to/from Phalaborwa is outlined below:

Table 3-8: Road Network Condition in BPM

NAME OF ROAD	DESCRIPTION	CLASSIFICATION	CONDITION
R71	Phalaborwa to Polokwane via Gravelotte and Tzaneen	Provincial	Satisfactory
R526	Gravelotte to Mica	Provincial	Not Satisfactory
R40	Phalaborwa to Nelspruit via Mica	Provincial	Satisfactory
R529	Western border. Links Greater Giyani to Greater Tzaneen	Provincial	Satisfactory

Source: BPM IDP 2022-2023

3.7 Rail Network

The rail network serves to link Phalaborwa town with Hoedspruit and Tzaneen. Rail has predominantly been used for the transportation of goods, particularly from the mining operations in Phalaborwa. The rail infrastructure in Ba-Phalaborwa LM remains underutilized due to low demand for goods transportation, and no demand for passenger transport. This mode of transport if upgraded could relieve the overburdened road network.

3.8 Air Transport

Phalaborwa town has an Airport that is located next to the Kruger National Park's Phalaborwa Gate. The airport is predominantly utilised by the business community, in particular the mines and the local community to some extent. The capacity of the airport is limited to smaller sized aircraft due to the limited runway. The airport is owned and operated by SA Airlink and is currently not operational.

The airport has the potential to support both the local business and tourism sector due to its proximity to the KNP gate. Given this, the airport infrastructure should be upgraded to cater for bigger aircraft so it can be positioned to support the local and international tourists through providing easy access to the western side of the KNP. Additionally, valuable cargo from local business, including agriculture, retail & trade as well as the mining operations could to some extent best be transported by cargo carrier aircraft.

3.9 Water Services

While Ba-Phalaborwa Local Municipality is a Water Service Provider (WSP), Mopani District Municipality is the Water Service Authority (WSA). This implies the Mopani District Municipality is



responsible for the provision of bulk water infrastructure and the required infrastructure to treat water that is provided to the residents and commercial customers within BPM. As WSP, BPM only focuses on maintaining infrastructure which reticulates water to its customers. A total of 37516 out of 49100 households have access to water. Access to water connection within BPM is depicted in the table below:

Table 3-9: Water Supply in BPM

Service	Total Number of Households
Piped water (tap) water inside dwelling/institution	15 252
Inside yard	18 721
Community stand less than 200m	3 495
Community stand between 200m and 500m	1 129
Community stand between 500m and a kilometre	640
Community stand greater than a kilometre	653

Source: Stats SA Census 2011

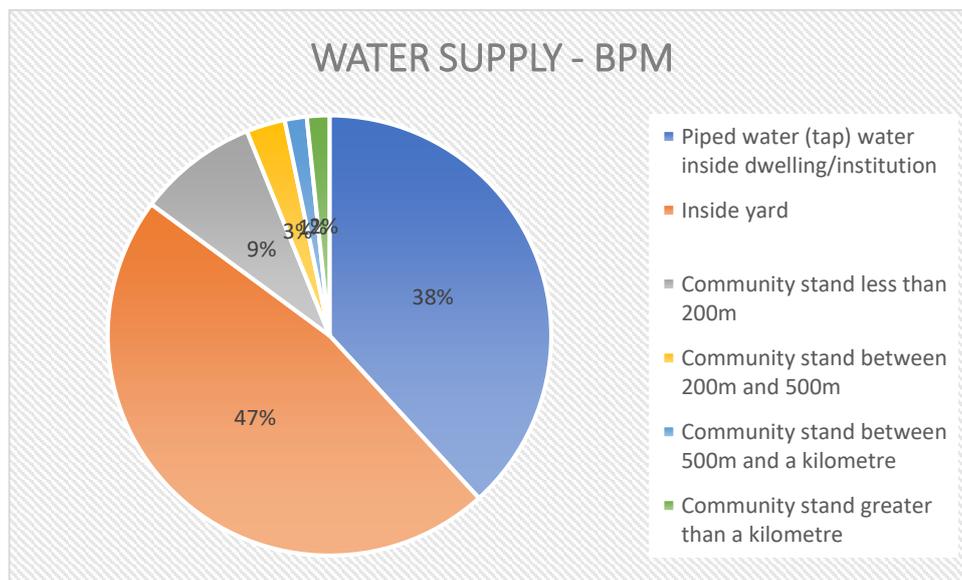


Figure 3-11: Water Supply in BPM

3.10 Sanitation Services

The Sanitation function is also the responsibility of Mopani District Municipality as the WSA. However, the BPM Local Municipality currently supplies water borne sanitation to Phalaborwa Town, Namagale and Lulekani. A total of 38057 of the 49100 households have access to sanitation. The table below shows access to sanitation in the three areas:



Table 3-10: Sanitation Services for BPM

Sanitation Provision	Number of Households
None	4 698
Flush toilet (connected to sewerage systems)	16 638
Flush toilet (septic tank)	860
Chemical toilet	424
Pit toilet with ventilation (VIP)	6 718
Pit toilet without ventilation	10 833
Bucket toilet	80
Other	864

Source: Stats SA Census 2011



Figure 3-12: Sanitation Services for BPM

Some of the challenges in relation to water and sanitation services provision as noted from the IDP (2022-2023) include:

- Ba-Phalaborwa Municipality water supply is constrained;
- Daily water supply interruptions are common in more than 75% of the wards;
- Bulk water infrastructure is unable to support the required demand for water;
- The distribution infrastructure is old, as it was commissioned more than 35 years ago;



- Illegal water connection affects water balancing, revenue collection and impacts on water losses;
- Unmetered areas cause a considerable increase in demand and negatively affecting system capacity;
- Low recovery of cost due to non-payment of services;
- Poor maintenance of boreholes resulting in boreholes not working and affecting communities that are reliant on boreholes;
- Sanitation infrastructure in Phalaborwa town needs to be upgraded in order to accommodate new developments.

3.11 Electricity Services

The BPM Local Municipality supplies electricity within the boundaries of the Phalaborwa area, including the town and some surrounding areas. Eskom supplies electricity to all the out-lying areas including Namakgale, Lulekani, and all the villages such as Makhushane, Selwane, Nondweni, etc. About 42316 households have access to electricity with a backlog of 746 households. Only 1125 indigent households have access to free basic electricity.

While the town has not developed substantially in the past decade, demand for new connections is growing in the rural areas within BPM. This is leading to incidents of illegal connection and an increase in demand for electricity, placing an unmanageable pressure on the electricity network infrastructure, which necessitates load reduction by Eskom. Different sources of energy for the households across BPM is depicted below.

Table 3-11: Sources of Energy

Energy Source	Number of Households
Electricity	37 345
Gas	27
Paraffin	153
Candles	3 380
Solar	84
Other	0

Source: Stats SA Census 2011



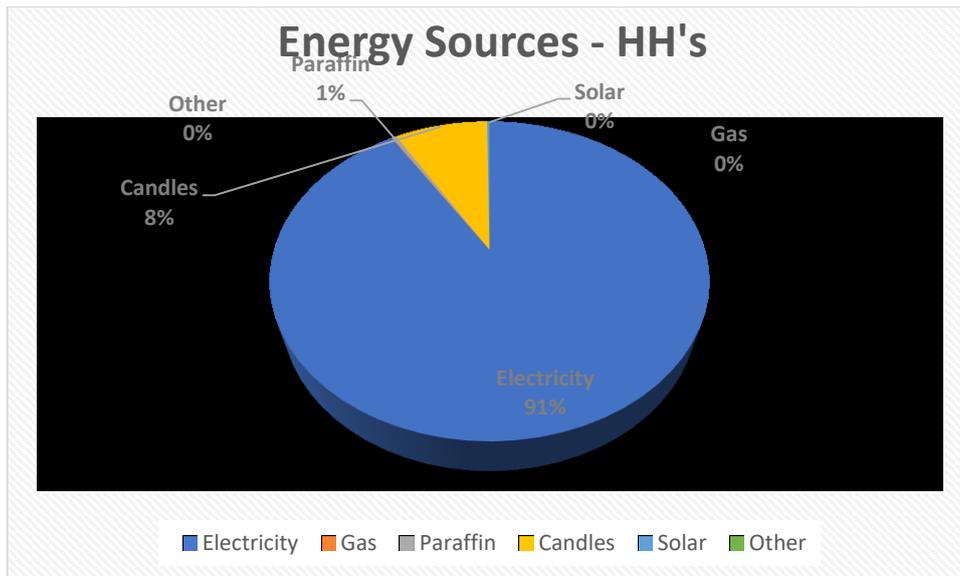


Figure 3-13: Sources of Energy across BPM Households

The key challenges in relation to electricity services provision are as follows (IDP: 2022-2023):

- Lack of street lighting in the rural areas, this results in high levels of crime;
- High mast lights are not properly maintained;
- Illegal connections lead to electricity and revenue losses;
- Inadequate revenues / rates income not enough to cover both capital and operational costs for electricity;
- Unreliable electricity supply in Phalaborwa due to old electrical infrastructure;
- There is a need for refurbishment of old electricity network in Phalaborwa;

3.12 Climate Change and Green Economy

Climate change is largely attributed to human activities such as the use of fossil fuels that contain high percentages of carbon and the emission of waste beyond the environment's ability to assimilate.

Municipalities are urged to recognise the urgency to respond to of climate change and develop LED strategies that are informed by green economy, and thus transition to sustainable development or a low-carbon, resource-efficient economy. Therefore, the need exists to incorporate SDGs and environmental considerations into economic planning processes and LED strategies developed for BPM. It is to be noted that the sources of renewable energy present and opportunity for BPM to diversify its sources of energy and limit its over-reliance on Eskom. The current data as presented in the preceding sections show a relatively low uptake in renewable energy in the form of solar power. This needs further consideration by BPM in a form of energy master plan as a way to derive additional revenues over and above the stated benefits as alluded to earlier.

3.13 Institutional Consideration

The development and successful implementation of LED initiatives has several dependencies, some of which include the institutional arrangements within BPM. Below are some of the institutional considerations that are discussed in this sub-section of the document:

- The District Development Model;
- Capacity of municipalities to implement LED projects;
- Local Economic Development Forum;
- Economic Development Agency in Limpopo Province.

3.13.1 The District Development Model

The District Coordinated Service Delivery Model (also known as the District Development Model) has been introduced to foster effective implementation of government priorities, key amongst them, is service delivery. The District Development Model seeks to provide optimal coordination for all spheres of government including National, Provincial and Local Government.

The model is intended to strengthen coordination and integration of services within the municipal context. The model recognises the need for intergovernmental coordination and integrated planning. The outcome of the District Development Model is a District-wide One Plan. The One Plan will reflect district wide plans encompassing economic, spatial, infrastructure as well as consideration for integrated provision of services, governance and management thereof. The development of the One Plan is an ongoing process in the Limpopo Province, and certainly within BPM. It is clear the One Plan will foster not only the District wide coordination, but also coordination at a Provincial level to a large extent.

3.13.2 Capacity of Ba-Phalaborwa LM to implement LED Projects

The municipality's current capacity (financial, human and infrastructure) to implement LED projects are outlined in this section of the document.

BPM consists of the following main departments that reside under the Municipal Manager:

- Corporate Services (administration, legal services and human resources);
- Budget and Treasury Office;
- Planning & Development Department;
- Technical Services;
- Community Services;
- Risk Management;
- Disaster Management;
- Internal Audit;
- Communication.

The Department of Planning & Development will ensure that the LED strategy is integrated and aligned with the IDP, as well as ensuring that specific projects are identified for inclusion in the IDP and the municipal budget. These include economic development projects, as well as projects needed to create an enabling environment for the implementation of such projects.



The Planning & Development Department is responsible for the implementation of the LED strategy. The limited staff capacity within the Planning & Development Department may have an impact on the initiation and subsequent implementation of LED related interventions. The breadth and complexity of LED interventions may in almost all circumstances require specialist skillsets to conceptualise, initiate and execute the interventions, leaving the municipality with limited options but to source external / specialised skills in the respective areas to support the projects from concept stages through to the implementation stage of the project.

Although the actual implementation of the LED initiatives may be multidisciplinary in nature, often spanning technical, financial as well as other disciplines, the most critical aspect is the need to have the necessary financial resources required to initiate and implement such projects, and specifically those projects that are catalytic in nature. Stemming from the limited access to financial resources, BPM is faced with critical challenges in relation to the required capital funds that are required to implement some of the LED interventions. To address this challenge, some of the possible funding instruments are discussed further and options are also presented in the subsequent sections (section 6.4) of this document.

3.13.3 Local Economic Development Forum

The Local Economic Development Forum has been established to integrate the interests of different departments, levels of government and the private sector

The purpose of the LEDF is to:

- to coordinate and ensure the effectiveness of LED in BPM;
- to ensure that all stakeholders have the same understanding and interpretation of LED initiatives in municipality;
- to mobilise internal and external resources, capabilities and skills required for the implementation of LED projects;
- to ensure optimal utilisation of available resources;
- to ensure the involvement of all potential stakeholders;
- to ensure that the economic development opportunities and needs of local municipalities are identified and addressed;
- to promote the sharing of strategies, priorities, activities and information with other departments, municipalities and service providers;
- to ensure coordination in terms of the implementation and monitoring of LED initiatives;
- to ensure that programmes are linked to the LED sector plan included in IDPs;
- to ensure integration and coordination of LED initiatives to prevent duplication of effort;
- to promote the alignment and coordination of LED initiatives according to the national and provincial priorities;
- to set-up PPPs;
- to determine where joint and complementary activities add benefits and value; and
- to identify sources of funding for projects approved in IDPs.



Stakeholders are interested, affected and influential individuals, organisations, governments or agencies with stakes in, or influence on, the planning outcome. Stakeholders may be identified by:

- their stake in the matter (for example, non-governmental organisations (NGOs);
- their formal position (for example, ward committees, local municipalities and chambers of business);
- their control over relevant resources (for example, local mines); and/or
- their power to promote, hinder or block implementation (for example, trade unions).

Key stakeholders in relation to the LED strategy within & external to BPM include:

- The Mayor
- Portfolio Chair Person;
- The Municipal Manager;
- The Head of Planning and Development Department;
- Limpopo Department of Economic Development, Environment and Tourism (LEDET);
- LEDA;
- Other relevant sector departments;
- South African Local Government Association (SALGA) – Limpopo;
- National African Federated Chamber of Commerce and Industry (NAFCOCI);
- Various Business sectors;
- Business forums;
- Mining houses; and
- Local community forums/groups.



4 LED STRATEGIC OPTIONS ANALYSIS

4.1 Introduction

The analysis of the strategic options available for BPM to implement in order to stimulate and sustain economic growth within the BPM are developed. Given the Situational Analysis outlined in the preceding section, different stakeholders were engaged to solicit their views and perspectives around economic development within BPM. Additionally, environmental analysis was also undertaken to determine the macro-and micro-economic environmental factors which have an impact on economic growth in the area.

It is on this basis that different strategic options were developed across various sectors which contribute towards economic development in the area. These options are not exhaustive in any way, however, the critical areas which impact the GDP/GDA as well as those economic sectors that have potential to create jobs through catalytic type projects have been analysed in detail with a view to identify specific interventions that will facilitate economic development. The different stakeholders and industry players were consulted to solicit information relevant to the different economic sectors that are active within BPM. The inputs sourced through the workshops will be further evaluated and associated interventions will be derived together with the appropriate strategic plans.

The key economic sectors identified as growth sectors and active within BPM have been evaluated in detail, these include:

- Agriculture Sector;
- Tourism, Arts & Culture Sectors;
- Mining Sector;
- Infrastructure Sector;
- Manufacturing and Trade Sectors;

The analysis of the environmental factors which directly impact upon economic development is undertaken, this will inherently lead the process towards the identification of economic development opportunities.

4.2 Environmental Analysis

4.2.1 PESTEL Analysis

A number of external factors that may influence the successful implementation/ realisation of the proposed strategic interventions or associated benefits are outlined. These factors are summarised in the table below.

PESTEL Analysis	
POLITICAL	<ul style="list-style-type: none">• The government supports local economic development through the various programmes at national and provincial spheres of government• National, provincial and sector departments focus on rural development and sustainable rural communities• IPAP (Industrial Policy Action Plan) policy focuses on agro-processing, and other economic sectors



PESTEL Analysis	
	<ul style="list-style-type: none"> • The political climate remains conducive to investment, from both the local investors and international investors • Political will exists within the Local Municipality, the District and at Provincial level for LED interventions to be implemented, this will form basis for further developments in the province
ECONOMIC	<ul style="list-style-type: none"> • Collaboration with District and other Local Municipalities will facilitate economic growth in both the District and Local Municipalities. • Rising cost of living; particularly input costs for agriculture, fuel and electricity is likely to hamper economic development • LED interventions will stimulate economic activities in the area as well as create much needed employment opportunities • The government has a number of incentives that support economic development in agriculture, manufacturing, tourism, mining and other sectors
SOCIAL	<ul style="list-style-type: none"> • The projects will contribute towards the wellbeing of the local communities • The identified projects will create jobs and contribute towards social upliftment • The province has abundant low-cost human resources • Levels of development in rural areas is poor • The availability of basic services critical to the well-being of society is a challenge including health and education • Low levels of skills and skills development in the different sectors • Limited earning potential in rural areas
TECHNOLOGICAL	<ul style="list-style-type: none"> • Access to internet remains a major stumbling block towards economic development/emancipation for the local community • Different economic sectors (e.g., mining / farming) may opt for more technologically advanced equipment that is less labour intensive • A move to energy efficient equipment across different sectors should be encouraged so as to minimise/lower production costs • Limited research and development capability within the area, and across the province, which would otherwise spur technological advances and subsequently enhance economic development
ENVIRONMENT	<ul style="list-style-type: none"> • There is limited water supply in Limpopo and across South Africa • Increased interest in ecologically sustainable farming methods and use of alternative energy sources as potential growth opportunities • Climate change considerations in different sectors is shifting sectors towards smart and environmental conservation-based methods (e.g., agriculture, manufacturing etc.). • Negative impact on agricultural products yield due to drastic change in climate across the country and the world over
LEGAL	<ul style="list-style-type: none"> • Legislation in relation to embedded generation should be capitalised upon to advance development of the economy through self sufficient supply of electricity. • The long lead times in relation to permits (e.g., environmental permits - EIA, water use licence etc.) remain a challenge in relation to development of infrastructure, these need to be catered for in the planning process for any future developments



PESTEL Analysis

- | | |
|--|---|
| | <ul style="list-style-type: none">• The available Legal and Regulatory instruments must be exploited to support economic development in BPM (e.g., The National Small Business Act 102 of 1996, Tourism Act 3 of 201 etc.) |
|--|---|

The analysis of BPM's strengths, weaknesses, opportunities, and potential threats (SWOT) outlines some of the key strengths that can be leveraged upon to exploit opportunities that exist and subsequently grow the economy. The outcomes of the SWOT analysis, and the projects that have meaningful impact on the local economy identified by different stakeholders were captured and are reflected in this chapter. The identified opportunities were used as a starting point to develop specific LED programmes and projects to take advantage of the competitive advantages of the local economy.

Different economic sectors are evaluated, some of the outputs (from stakeholder consultations) and suggested interventions which have been developed further into LED strategies are :

- Manufacturing of cement
- Manufacturing of cables
- Farming
- Long-term projects
- Fresh produce markets
- Cultural villages to boost tourism
- Skills improvement
- Upgrading of water treatment plants
- Solar plants
- Agriculture as a role player in the short and medium term
- Identification of business opportunities for SMMEs
- Partnership/support between LEDA and BPM
- Agribusinesses (Processing fruit and vegetables)
- Formalising the Mopane worms business
- Local processing plant for Marula fruit
- Moringa leaf processing
- Tomato processing
- Distribution centre and marketing for products
- Libraries to use as information centres in rural areas
- Awareness enhancement in cultural arts
- Establishment of cultural villages/heritage sites and museums
- Promotion of local crafts



- Refurbishment of Letaba Ranch

4.3 Agriculture, Land Reform and Rural Development Sector

The output of the Agricultural Sector analysis is documented. This includes the inputs from some of the stakeholders in the sector and the review of information pertinent to the sector.

4.3.1 Agricultural Sector Background

The agricultural sector in BPM is made up of the commercial farmers and subsistence farmers in the rural areas. Various farm produce is harvested and transported to various markets in the country, including the export market. The farm produce includes subtropical fruit, vegetables, nuts and ornamentals. Some of the farm produce is processed into dried fruit/vegetables, fruit juice and atchaar. The specific crops that can be farmed across the entire province is attached in appendix A

4.3.2 Agricultural Sector Overview

The potential of the agricultural sector to contribute to employment and added value in the local economy is greater than that of many other sectors. Not only can it have significant multiplier effects throughout the local economy, but it can also stimulate many other economic activities by linking to other sectors, more significantly the manufacturing sector through processing & packaging of the farm produce.

Ba-Phalaborwa is endowed with the potential of developing the agricultural industry immensely. The areas along the Greater Letaba River next to Selwane have the potential for heavy agricultural utilisation. There is small-scale farming currently underway in areas such as Waterbok. However, the bulk of the farms such as Masalal and Prieska are underutilised and were left to deteriorate over the years.

4.3.3 SWOT Analysis – Agricultural Sector

Table 4-1 contains the outcome of a SWOT analysis performed for the Agriculture, Land Reform and Rural Development Sector.

Table 4-1: SWOT Analysis – Agriculture, Land Reform and Rural Development Sector

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Farming & skills development programmes available to farmers • Great interest in agriculture across BPM • Agri SETA funding for farmers • Available institutions of learning • SEDA support – Feasibility studies, technical training • Support programmes from the Provincial Department of Agriculture 	<ul style="list-style-type: none"> • Beneficiation not implemented • Non-proclaimed land making it difficult to commercialise farms and raise the required funding • Little opportunities for internships aimed at youth
OPPORTUNITIES	THREATS



<ul style="list-style-type: none"> • Farmer support programmes from various institutions • Agricultural training centres • Start reliable plant nursery • Establish a hatchery and supply of day-old chicks' • Availability of land from the surrounding villages • Skills transfer from experienced farmers to the unemployed youth to ensure ongoing food security • Establish a poultry / chicken processing plant and an abattoir in the municipality • Identify prospective (subsistence) farmers where assistance (including training) is needed and develop them to become commercial farmers • Capacity building and mentoring of upcoming farmers • Train upcoming farmers in production of cotton, maize, sunflowers and planting of fruits • Support emerging farmers and expose them to local & international markets 	<ul style="list-style-type: none"> • Poor condition of infrastructure (e.g.. roads) • Climate change resulting in extreme weather conditions including drought • Land claims/disputes • Natural disasters, for example, veld fires and drought • Outbreaks of diseases • Crime that endangers the safety and security of farmers • Development of housing on land that can be used for farming • Onerous requirements for specific documentation may deter farmers who are capable, but lack the necessary support / know-how to access funding / support
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4.3.4 Economic Development Opportunities

Table 4-2 contains development opportunities in the Agriculture, Land Reform and Rural Development Sector within BPM.

Table 4-2: Development Opportunities – Agriculture, Land Reform and Rural Development Sector

Development Opportunity	Potential Project
Potential new products	<ul style="list-style-type: none"> • Farming may be diversified from basic crop farming to include the following additional products could include for instance Herbs, Honey, Canola, Pecan nuts, Almonds, Prickly pears, Sugar beet, Garlic and Cannabis
Value chain enhancement	<ul style="list-style-type: none"> • Red meat and cattle breeding • Strengthening white meat production (chicken and pork, and eggs) • Aquaculture (catfish production) • Non-edible animal products (leather and leather products) • Oilseeds (sunflower, groundnuts, soya and oil extraction) • Agro-based pharmaceuticals (indigenous medicinal plants and natural cosmetics)
Support of emerging farmers and SMMEs	<ul style="list-style-type: none"> • Provide financial and technical support to emerging farmers and SMMEs to improve access to the commercial market. • Provide skills transfer and mentoring to upcoming farmers.



Development Opportunity	Potential Project
	<ul style="list-style-type: none"> • Undertake capacity building of upcoming farmers in farming and processing of maize, cotton, sunflower (oil) and fruit. • Undertake training on marketing strategies to introduce farmers to new markets • Establish agro-based production facilities informed by the available fresh produce
Availability of land	<ul style="list-style-type: none"> • Formulate clear policy on how to distribute / access available land, in conjunction with traditional leaders • Facilitate resolution of land claims • Introduce measures to prevent development on arable agricultural land
Supporting infrastructure	<ul style="list-style-type: none"> • Establish a center for farmers in the township/s to sell their own products, which enables them to influence prices instead of selling through retail stores that add a mark-up. • Establish a poultry / chicken processing plant and abattoir • Ensure the protection and development of water infrastructure, which is crucial to ensure the expansion and sustainability of agricultural activities. • Establish a plant nursery to supply local farmers • Establish a hatchery and supply of day-old chicks'
Mechanisation	<ul style="list-style-type: none"> • Introduce sustainable & efficient ways of farming e.g., of move from working largely or exclusively by hand or with animals to doing work with machinery, such as a tractor.

4.4 Tourism, Arts & Culture Sector

The Tourism sector is analysed. Specific opportunities in the identified sector are looked into against the backdrop of the internal environmental analysis, taking into account the prevailing status quo in relation to Tourism within BPM.

4.4.1 Tourism, Arts & Culture Sector Background

Tourism comprises the activities of persons travelling to or transiting through a place, for leisure, business and other purposes. Tourism creates economic opportunities for local business and residents alike as the tourists are likely to spend money in the course of visiting a place, in some form or another. The propensity for the tourists to visit the place and benefit local business or residents from trade, retail, accommodation or other forms of goods and services available to tourists, is a function of the quality of the goods and services on offer.

4.4.2 Tourism, Arts & Culture Sector Overview

Tourists transiting through Phalaborwa to the Kruger National Park contribute immensely to the tourism sector and the economy at large in BPM. Additionally, the presence of the mines implies regular business-related travel to Phalaborwa from visitors coming from different places around the country. The potential for arts and cultural related activities to contribute towards tourism and economic growth is often times underestimated and misrepresented.



The primary tourist attraction in BPM are as follows :

- Wildlife – Given the easy access to the Kruger National Park and game farms across the surrounds of Phalaborwa;
- Cultural activities – The annual marula festival, and sites of interest located within the local municipality(e.g., archaeological sites and the history of the arrival of the Malatji clan);

These are augmented by travellers from local commuters, from around the country, businesses travellers and the abundant availability of quality accommodation facilities in the area. The fact that Phalaborwa shares the boundaries with the Kruger National Park has had positive impact on the continued sustainability of the tourism sector in the area. This is from both the local and international tourists who visit the place or transit through Phalaborwa.

The most notable aspects in relation to tourism in Ba-Phalaborwa are (Mopani LED Strategy, 2021):

- The Municipality has high business tourism flows – especially linked to commerce, industry and the mines.
- Leisure traffic stops briefly in and around the town usually en-route to and from the Kruger National Park (KNP).
- There is a limited amount of traffic that stays outside the Park to make day visits into the Park.

Arts and culture contributes towards sustainable economic and social development in the area and the wider community, as well as encouraging and entrenching the local community's cultural identity.

Bollanoto Tourism Centre is facility aimed at encouraging participation of locals in tourism sector. It is located near the Kruger National Park gate and was established to provide such appeal to tourists thereby providing compelling reasons for them to stay over at local accommodation facilities in Phalaborwa. Although the facility has great potential to advance participation of locals in tourism, provide added value to visitors transiting through Phalaborwa, the facility has not brought about envisaged/ intended benefits, particularly in view of the fact that some of the intended beneficiaries have since left the facility.

The annual Marula festivities have become well renowned not only in the province, but country wide, due to the variety of activities that take place annually in Phalaborwa. This is initiated and hosted by the BPM in conjunction with various sponsors of the event. The continued existence of this event is of utmost importance, given the contribution to the local economy it brings with.

4.4.3 SWOT Analysis – Tourism, Arts & Culture Sector

The table below outlines the outcome of a SWOT analysis performed for the Tourism, Arts & Culture Sector.



Table 4-3: SWOT Analysis – Tourism, Arts & Culture Sector

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Proximity to the Kruger National Park • Good winter destination, due to comparatively warm weather and good climate conditions • Annual events/ marula festival contributes positively to local economy • Good facilities for accommodation, restaurants and sites of attraction • Availability of Game farms around Phalaborwa • Easy access to Mozambique through Giryondo border post 	<ul style="list-style-type: none"> • High levels of unemployment in rural areas and amongst the youth • Tourism centre (Bollanoto) not being fully utilised • Poor infrastructure in the townships & rural areas • Limited public-private partnerships (PPPs)/ poor private sector participation • Limited budget for tourism initiatives
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Refurbishment of Letaba Ranch • Upgrade & operation the airport to cater for local, business and tourist related travel • Repositioning of Hens Merensky Golf Resort • Winter tourism destination • Marula Festival – more targeted development & promotion of marula-based products to benefit locals • Establishment of middle-class/mid-range hotel at the KNP gate • Explore sustainable uses of Bollanoto to support tourism, wildlife excursions and local community development (e.g., Craft centre) • Introduce local attractions that will allow tourists to stay in the area for longer periods • Development/repositioning of game farms for hunting • Introduce the “Rendzo-Leeto” (“journey”) initiative in collaboration with the KNP and local tourism sector to encourage tourism • Increased marketing of tourism attractions in and around Phalaborwa • Establish recreational centres in the townships, rural areas and town • Introduce additional recreational events and link with marula festivities (e.g., marathon, indigenous games etc.) • Introduce tournaments and link with other events (e.g., soccer/netball tournament) involving local communities • Document and promote all un-documented heritage archaeological /sites 	<ul style="list-style-type: none"> • Giyani Airport and the newly proposed access (gate) to the Kruger National Park from Giyani • Poor profiling / marketing of BPM • Poorly maintained tourism attractions • Declining service delivery • Increasing levels of crime • Unregistered local accommodation facilities



4.4.4 Economic Development Opportunities

Table 4-4 contains development opportunities in the Tourism Sector.

Table 4-4: Development Opportunities – Tourism Sector

Development Opportunity	Potential Project
Tourism Route	<ul style="list-style-type: none"> Develop attractions that link up with the KNP and local archeological sites (packaged excursion through different sites and into the KNP, including bush-walks, day/night game drives etc.)
Information Sharing	<ul style="list-style-type: none"> Share authentic stories with visitors and increase the profiling / marketing of BPM: <ul style="list-style-type: none"> Share the story of the arrival of Malatji Clan Share the story of the first settlers in the area Share the story of the establishment and development of Phalaborwa town, and the discovery of mineral resources Document all un-documented heritage archaeological /sites Arrange annual networking sessions during which stakeholders in the Tourism Sector meet and discuss potential opportunities
Events	<ul style="list-style-type: none"> Introduce additional recreational events and link with marula festivities (e.g., marathon, indigenous games etc.) Introduce tournaments and link with other events (e.g., soccer/netball tournament during marula festivities) involving local communities
Eco-tourism	<ul style="list-style-type: none"> Promote tourism development along the Kruger National Park, village tourism and game farms
Infrastructure	<ul style="list-style-type: none"> Link existing roads with prominent roads / routes and tourist sites. Maintain strategic roads infrastructure Upgrade of the Airport in collaboration with the owners of the property Establish recreational centers in rural areas, township and town
Partnerships and SMME support	<ul style="list-style-type: none"> Establish support programme for SMMEs in the tourism sector, including mentoring, marketing skills development, basic business skills development, exposure to tourism sector support programmes Increase private sector participation through PPPs aimed to support tourism
Institutional	<ul style="list-style-type: none"> Secure additional resources (human and financial) in the LED office of BPM.
Marketing	<ul style="list-style-type: none"> Market and promote events in sport / arts / culture online, through the radio, television and/or through the print media.



4.5 Mining Sector

This section of the details the information sourced as part of consultation with some of role players in the Mining Sector.

4.5.1 Mining Sector Background

The Mining Sector includes the extraction and refining of naturally occurring minerals, including solids, liquids and different chemicals resulting from the processing the raw minerals. It also includes underground mining, surface mining and quarrying together with all ancillary activities for the beneficiation of ores and other raw materials.

4.5.2 Mining Sector Overview

Mining is one of the most important sectors in the Ba-Phalaborwa area and contributes substantially towards the GDP and GVA , and more importantly employment in the local municipality, District and the Province. Although some of the mining operations may scale back in the foreseeable future, however, the need to explore opportunities in the mining sector still require attention as this has the potential to further inspire economic growth more than any other sector.

Ba-Phalaborwa is well endowed with vast mineral deposits. Therefore, mining operations can still be harnessed well into the future, this may require further diversification and considerable investment in new technologies that will support / introduce efficient mineral extraction and processing, whilst reducing the associated production cost. The most prevalent mineral resources in the Ba-Phalaborwa area include both phosphate and copper.

Palabora Mining Company (PMC) operates South Africa's largest copper mine producing copper as the primary product. Additionally, PMC by-products including magnetite, nickel sulphate, anode slimes, sulphuric acid and vermiculite are produced. Some of PMC's products are intended for the export market, whilst copper is refined and supplied to meet the country's demand for copper.

Foskor, also a major role player in the mining industry and located in Ba-Phalaborwa, is the world's largest producer of phosphate and phosphoric acid. The company has two mining operations, namely a phosphate rock mine and beneficiation plant situated in Phalaborwa. Foskor produces phosphate rock, copper concentrate, magnetite and fused zirconia's. Foskor also supplies both the local market and international markets through export.

Stibium Mopani mine, known as the world's largest antimony ore body is located in Gravelotte. The mine produces large quantities of stibnite ore on annual basis. This is supplemented by the production of gold, which is a co-product of antimony.

The mining sector is a major catalyst for the development of other industries, especially the manufacturing sector. The inability to exploit/take advantage of opportunities to beneficiate some of the mined products and poor market orientation among many local SMME's and manufacturing companies is hampering the full utilisation of this opportunity.

4.5.3 SWOT Analysis – Mining Sector

Table 4-5 contains the outcome of a SWOT analysis performed for the Mining Sector.

Table 4-5: SWOT Analysis – Mining Sector

STRENGTHS	WEAKNESSES
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<ul style="list-style-type: none"> • Proximity to mineral resources • Availability of water sources (from rivers in the area) • Population has a lot of youth that can be upskilled. • Mining is one of the key sectors contributing towards economic development and job creation in the area • Roads in town are well maintained and provide good access to mines 	<ul style="list-style-type: none"> • Maintenance of infrastructure • Community protests • Lack of reliable electricity supply • Lack of critical skills necessary to support the mining industry • Poor service delivery (e.g. water interruptions) • Lack of appropriate skills development programmes
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Improvement of FET college curriculum and staff to support local mining industry • Beneficiation (processing) of minerals • Opportunities to process minerals from mine dumps through efficient technology • Introduce skills development programmes to support economic participation of youth /SMMEs in the mining industry 	<ul style="list-style-type: none"> • Lack of experienced staff members in FET college • Unavailability of land for prospecting of minerals • Illegal gold mining in the area • Crime due to illegal mining from zamazamas • Mines scaling down their production, which will affect the livelihoods of people due to retrenchments • Vandalism of infrastructure • Acid drainage from mine dumps has a negative impact on the quality of groundwater • Exporting raw products abroad to be processed due to lack of infrastructure and expertise • Poor implementation of the Social and Labour Plan (SLP) and subsequent loss of potential opportunities by locals and SMME's

4.5.4 Economic Development Opportunities

The table below contains development opportunities in the Mining Sector.

Table 4-6: Development Opportunities – Mining Sector

Development Opportunity	Potential Project
Infrastructure	<ul style="list-style-type: none"> • Maintain roads infrastructure especially in rural areas to support potential mining activities including prospecting and development of new mines • Develop infrastructure in the area so that raw minerals can be processed locally
Processing and beneficiation of mining products / by-products	<ul style="list-style-type: none"> • Phosphate based products • Magnetite based products • Cement manufacturing



Development Opportunity	Potential Project
	<ul style="list-style-type: none"> Gold (application of gold in catalysis and other industrial uses, such as electronics and dentistry, refining and jewelry).
Assisting SMMEs	<ul style="list-style-type: none"> Provide opportunities to SMMEs in the rehabilitation of mine dumps and slime dams Encourage specialist skills to explore/ prospect rural areas around BPM for minerals Explore ways that mines can engage in catalytic projects, contributing to economic growth and job creation. Align the SLPs and the LED strategy, identify areas of collaboration with mines and involve youth/ SMME's Develop expertise in the area so that raw products can be processed locally
Skills transfer / development	<ul style="list-style-type: none"> Introduce a skills development programme in consultation with the appropriate SETAs Introduce diversification plans indicating how people can be employed in an alternative way, should the mine scale down its activities

4.6 Infrastructure Sector

This section of the document contains the information sourced through engagement with different stakeholders / role players in the Infrastructure Sector.

4.6.1 Infrastructure Sector Background

Local government plays an important role in developing and maintaining infrastructure in South Africa. Section 153 of the Constitution places the responsibility on municipalities to ensure the provision of services (which includes water, sanitation and electricity amongst others) to communities is undertaken in a sustainable manner as well as to promote economic and social development.

Infrastructure services remain the cornerstone of economic development in the country and across different sectors of the economy. The appropriate infrastructure includes key infrastructure necessary to support and stimulate economic development covering roads, transportation, solid waste, water, sanitation and electricity/ energy related infrastructure.

4.6.2 Infrastructure Sector Overview

Water related services are provided by the Ba-Phalaborwa Local Municipality as alluded to earlier in the document. However, Mopani District Municipality provides bulk infrastructure services for both water and sanitation.

Access to water in BPM is relatively high at 91%, with approximately 9% of the households not having access to water (Stats SA Community Survey, 2016). Villages in the area including Bern-farm, Matikoxikaya, Mashishimale, Maseke, Lulekani and Selwane have water within 200 m from their place of residence, this is provided through communal stand pipes. Water supply interruptions remain one of the critical challenges which has negative impact on economic development. Furthermore, instances of ground water pollution from lack of appropriate sanitation infrastructure and poor solid waste management practices & infrastructure is exacerbating the situation.



The Sanitation infrastructure (waste water treatment works) does not have adequate capacity for the current households in the area, particularly in Phalaborwa Town. This is also old and requires upgrading given the increased number of households and population over the years, including the pumpstation located in town. Additionally, there is also a need to upgrade old pipework which reticulate sewer.

The electricity infrastructure is also notably old, and requires replacement and upgrading to improve the reliability of electricity supply. Although the area of supply for electricity is limited to town and surrounding areas for BPM, there is a need to focus on addressing the needs of the customers which are serviced by the municipality as well as potentially new customers who may need to be connected to the grid.

The uncontrolled mushrooming of new developments, predominantly in the rural areas and those areas located close to townships results in illegal connections to water and electricity infrastructure. This places substantial pressure on both the water and electricity infrastructure, which is far beyond the capacity of these to meet the growing demand. This also translates to the undesired losses in revenues for BPM, which makes the provision of these services unsustainable.

The opportunity exists to expand renewable energy supply through solar power (solar geysers and solar photovoltaic technologies), this will also improve energy efficiency, address the growing demand for energy whilst minimising reliance on Eskom, which is currently unable to meet the country's demand for electricity.

It has been noted earlier that the internal roads in the townships, most notably Namakgale, Lulekani and some rural areas, are in a state of disrepair and require rehabilitation as a matter of urgency. The budget constraints imposed on BPM and limited machinery / earthmoving equipment is negatively impacting maintenance of roads. Road infrastructure has important implications for the accessibility of/ mobility within BPM. The condition of road and transport infrastructure is particularly important in the economic functionality of the municipality, including the cost-effectiveness with which freight, passengers, tourists and business travellers can access / transit through the municipality.

Infrastructure investment dictates and requires focus on improved availability and reliability of infrastructure services. Thus, spending on water infrastructure, water & waste water supply networks, energy generation & distribution infrastructure, roads and transportation infrastructure as well as the information, communication and telecommunications infrastructure is of paramount importance.

4.6.3 SWOT Analysis – Infrastructure Sector

The table below contains the outcome of a SWOT analysis performed for the Mining Sector.

Table 4-7: SWOT Analysis – Infrastructure Sector

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Willingness to explore green energy • Good road network that connects the BPM with other areas in the province • Availability of rail network • Availability of airport in BPM 	<ul style="list-style-type: none"> • No sustainable source of water supply • Internal roads within townships in poor condition • Old electricity infrastructure • Outdated energy master plan



OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> Alternative renewable energy sources / solar power plant Waste (from dumping sites) to be used for energy generation Municipality to take over distribution of electricity in Eskom areas Planning on bulk service provisions Opportunity for public-private partnerships (PPPs) in relation to infrastructure development 	<ul style="list-style-type: none"> Poor and non-constant supply of electricity Sanitation infrastructure in poor condition Illegal electricity connections to water & electricity network Natural catchments have worsened Theft and vandalism on rail infrastructure Effects of global warming on the sustainability / security of water supply Contamination of groundwater due to poor or lack of sanitation and lack of proper solid waste control measures Water supply interruptions Poor Information and communications technology (ICT) / communications infrastructure in rural areas

4.6.4 Economic Development Opportunities

The table below contains development opportunities in the Infrastructure Sector.

Table 4-8: Development Opportunities – Infrastructure Sector

Development Opportunity	Potential Project
Alternative energy sources	<ul style="list-style-type: none"> Explore the development of solar energy plants across BPM, identify undeveloped land in rural areas / townships / town Introduce standalone /off-grid supply to reduce / minimize illegal connections in rural areas. Explore the use of waste (from dump sites / waste water treatment works) for energy generation (waste-to-energy)
Electricity generation & distribution	<ul style="list-style-type: none"> Investigate opportunities for outsourcing the generation of electricity to the private sector through PPPs Provide and upgrade bulk electricity infrastructure Develop Energy master plan to cater for current supply constraints and growth in (future) demand for electricity
Roads	<ul style="list-style-type: none"> Improve / upgrade access routes to the rural villages from the main roads to support development (e.g., agricultural activities) Address the dilapidated state of roads (potholes) in townships Upgrade gravel roads, particularly in rural areas
Rail transport system	<ul style="list-style-type: none"> Improve rail infrastructure and maintenance thereof Improve rail passenger transport Improve bulk cargo transport through rail, road and air



Development Opportunity	Potential Project
Residential, commercial and rural developments	<ul style="list-style-type: none"> Initiate discussions with Traditional Leaders, secure land for proclamation and align with SDF for future residential & commercial developments Expand the focus on rural land development, foster sustainability through small scale farming & embedded / self-generation of electricity
Township development	<ul style="list-style-type: none"> Develop townships by providing access to basic services including reliable supply of water, sanitation, electricity and waste collection
Airport	<ul style="list-style-type: none"> Determine feasibility to acquire ownership of Airport - conduct a feasibility study for the development of a logistics and transportation hub connected to the Kruger National Park, other airports in the province / country wide; determine potential use of the Airport by tourists, the South African Defense Force (SADF), business and the wider community
SMMEs	<ul style="list-style-type: none"> Introduce & promote programmes to support the growth of SMMEs and active participation in Infrastructure services sector, including infrastructure development Focus on new labour-intensive methods/initiatives to maximise job creation opportunities.
Partnerships	<ul style="list-style-type: none"> Introduce PPPs type projects and participation by the private sector to address lack of funds for development and service delivery backlogs
Water infrastructure	<ul style="list-style-type: none"> Develop master plans to support growing demand for water and sanitation services whilst catering for maintenance backlogs.

4.7 Manufacturing & Trade Sectors

This section of the document contains the information sourced from stakeholders and role players in the Manufacturing Sector.

4.7.1 Manufacturing Sector Background

Manufacturing of products is concerned with processing raw material into finished product. This sector is broadly defined as the physical or chemical transformation of materials or compounds into new products which can either be further processed, or sold through various distribution channels to consumers. Retail & Trade on the other hand focusses on providing finished products or services to consumers.

4.7.2 Manufacturing Sector Overview

Although manufacturing is limited within the Municipality as seen from the GVA and GDP figures in the preceding sections of this document, it remains a potential growth area for the local economy. This is primarily due to the unexploited manufacturing opportunities that exist, in particular in relation to agricultural produce as well as the raw minerals extracted through different mining activities in the area. There is, however, also a potential for the processing and packaging of agricultural related products such as poultry, vegetables, eggs, etc..



The processing of marula is a notable initiative in Phalaborwa, this is processed into marula pulp which is utilised in the production of the Amarula, which is an alcoholic drink. Additionally, the latest project which is under development is the marula oil extraction initiative, which is supported by the Palabora Mining Company (PMC) and the Ba-Phalaborwa Municipality (BPM).

Potential for further manufacturing operations within BPM exists, including the iron ore beneficiation initiative by IMBS. Furthermore, additional opportunities that will facilitate beneficiation of other minerals in the area need to be further explored and developed into tangible / bankable projects. These have an enormous potential to revive and stimulate both the economic growth and development in the area.

Retail and Trade absorbs and provides a sizeable amount of job opportunities in the area, along with contributing towards the GDP/GVA and economic growth. Therefore, the advent of the manufacturing sector focussing on food processing and beneficiation of minerals bodes well for the local economy and the society at large.

4.7.3 SWOT Analysis – Manufacturing Sector

The table below contains the outcome of a SWOT analysis performed for the Manufacturing Sector.

Table 4-9: SWOT Analysis – Manufacturing Sector

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Availability of labour in the area • Existing transport (road) infrastructure to support logistics associated with manufacturing • Institutions of learning • Support programmes from private and public sector institutions geared to support manufacturing sector • The airport may facilitate transportation of high value items • Strong retail sector from local and tourists visiting Phalaborwa 	<ul style="list-style-type: none"> • Low levels of skills/ limited expertise in the area • Limited pool of qualified individuals to exploit opportunities • Lack of necessary facilities to support industrialisation (e.g.. Industrial Park) • Processing of raw material (from mines) locally is limited
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Beneficiation of minerals remains the biggest potential contributor to economic growth • Processing of fresh produce can contribute to economic growth • Establishment of an Industrial Park in the area • Support centre for SMME wishing to exploit opportunities in manufacturing 	<ul style="list-style-type: none"> • Poor condition of infrastructure (e.g., some of the roads are in bad condition) • Community unrest, may deter potential investors in the area



- Increased trade from additional finished products from manufacturing sector

4.7.4 Economic Development Opportunities

The table below contains development opportunities in the Manufacturing Sector.

Table 4-10: Development Opportunities – Manufacturing Sector

Development Opportunity	Potential Project
Metal products	<ul style="list-style-type: none"> • Initiate steel manufacturing activities that focus on servicing the mining / local industry • Manufacturing of copper cables
Agro-processing	<ul style="list-style-type: none"> • Milling • Packaging of fresh produce • Vegetable and fruit canning (e.g., tomato processing) • Juice making • Moringa leaf (processing)
Mineral processing	<ul style="list-style-type: none"> • Explosives • Phosphates • Magnetite • Phosphate • Fertilizer based products
Development support	<ul style="list-style-type: none"> • Support centers to improve SMME's and youth participation in the manufacturing sector (facilitate collaboration, funding support, business skills mentoring etc.) • Improve the environment to enable industrial development, i.e., infrastructure, ICTs, business confidence and business environment • Address market access through access to finance and information • Introduce investment incentives to promote investment in targeted industrial activities
New industrial and commercial developments	<ul style="list-style-type: none"> • Establishment of an Industrial Park in the area and introduce business incubation support (facilitate collaboration, funding support, business skills mentoring etc.)
Skills transfer / development	<ul style="list-style-type: none"> • Address skills shortages relevant to agro/food processing, and beneficiation of minerals
Diversification	<ul style="list-style-type: none"> • Diversify the economy and focus on tertiary services, as well as forward and backward linkages • Integrate the informal market / trade into the formal economy (e.g., atchaar manufacturing, or processing/packaging of mopani worms)



5 LED PLAN AND PRIORITISED LED PROJECTS

5.1 Introduction

This section details specific interventions that have been outlined in the previous section of the document. The interventions were determined on the basis of economic analysis, inputs from various stakeholders across various economic sectors and the associated environmental analysis that was undertaken. The strategic focus areas that were assessed will constitute the primary economic development focus areas, moreover, the interventions will also be prioritised based on potential economic impact of those interventions.

The different strategic priorities will highlight how best the BPM Municipality can exploit the different economic development opportunities across different sectors of the service delivery value chain as well as on the basis of the resources and other related opportunities in the area. The approach for the implementation of the documented LED strategy is also outlined in detail. Various strategic interventions are represented in a tabular format together with the required external support and implementation timelines.

The strategic focus areas for BPM's local economic development have been developed as follows:

- Strategic Focus Area 1: Agriculture
- Strategic Focus Area 2: Tourism, Arts & Culture
- Strategic Focus Area 3: Mining
- Strategic Focus Area 4: Infrastructure
- Strategic Focus Area 5: Manufacturing & Trade

Project selection involves the identification of possible strategic projects, the assessment of the viability of projects in terms of community involvement, job creation, economic impact and spin-offs, location, and implementation considerations. Strategic projects are those initiatives with a high economic impact (such as sustainable jobs for local people, skills transfer, empowerment, infrastructure development) that create spinoffs for inclusive development in other areas through backward and forward links. These projects have not been selected in a random or subjective way, but rather through a consultative and constructive process.

The implementation timeframe/horizon has been determined as short-term, medium term and long-term interventions, thus the estimated timeframes for each category are

- Short-term: these interventions should take between 1-2 years to implement, these constitute Priority 1 interventions
- Medium-term: these interventions should take between 3-5 years to implement, these constitute Priority 2 interventions
- Long-term: these interventions should take between 5-8 years to implement, these constitute Priority 3 interventions



The interventions outlined for each economic sector are those that have highest economic impact, some of which could be implemented in the shortest time frame possible. Additionally, these require varying efforts & resources to implement. Those initiatives which are resource intensive will be prioritised over a longer-term time horizon.



5.2 Agriculture

A detailed implementation plan to stimulate growth in the Agricultural Sector is outlined based on the development opportunities identified in the previous section. The prioritisation of these interventions is determined through the implementation timelines (Short-term, Medium-term, Long-term).

Focus Area	LED Initiative	Responsible	Technical Support	Estimated Budget	Milestones/Outcomes	Timelines		
						Short-term	Mid-term	Long-term
Potential new products	Investigate the development of an agri-hub to support agricultural industrialization for agricultural products prevalent in the municipality including Marula, Mango, Herbs, Cannabis, Pecan nuts, Almonds, Sugar beet and Garlic	Planning & Development Dept.	Dept of Agriculture	• Depends on identified product	• Potential export market • Job creation		X	
Value chain enhancement	<ul style="list-style-type: none"> • Red meat and cattle breeding • Strengthening white meat production (chicken and pork, and eggs) • Aquaculture (catfish production) • Non-edible animal products (leather and leather products) • Oilseeds (sunflower, groundnuts, soya and oil extraction) 	Planning & Development	Dept of Agriculture	• Depends on activity	<ul style="list-style-type: none"> • Increased revenues from value chain optimization • Development of rural areas from increased farming activities 			X



Focus Area	LED Initiative	Responsible	Technical Support	Estimated Budget	Milestones/Outcomes	Timelines		
						Short-term	Mid-term	Long-term
	<ul style="list-style-type: none"> Agro-based pharmaceuticals (indigenous medicinal plants and natural cosmetics) 							
Support of emerging farmers and SMMEs	Provide financial and technical support to emerging farmers and SMMEs to improve access to the commercial market.	Planning & Development	Dept of Agriculture, SEDA, LEDA	• R0	<ul style="list-style-type: none"> Access to funding required to develop farms Farming equipment/ inputs Improved yields/ production 		X	
	Provide skills transfer and mentoring to upcoming farmers.	Planning & Development	Agri Seta	• R0	<ul style="list-style-type: none"> Enhanced farming skills Improved output 	X		
	Undertake capacity building of upcoming farmers in farming and processing of maize, cotton, sunflower (oil) and fruit.	Planning & Development	Agri Seta	• R0	<ul style="list-style-type: none"> Broader prospects for developing local farmers 		X	
	Undertake training on marketing strategies to introduce farmers to new markets	Planning & Development	Outsourced services	• R500k	<ul style="list-style-type: none"> Increased access to markets 	X		
	Establish agro-based production facilities	Planning & Development	Agri Seta/ DFI's	• Depends on product	<ul style="list-style-type: none"> Increased revenues from value chain optimization 		X	



Focus Area	LED Initiative	Responsible	Technical Support	Estimated Budget	Milestones/Outcomes	Timelines		
						Short-term	Mid-term	Long-term
	informed by the available fresh produce				• Job creation			
Availability of land	Formulate clear policy on how to distribute / access available land, in conjunction with traditional leaders	Planning & Development	Dept of Agriculture, Rural Development, and Land Reform (DARDLR)	• R0	<ul style="list-style-type: none"> Better prospects for farming related economic development Increased prospects for upcoming farmers, youth and SMME's 		X	
	Facilitate resolution of land claims	Planning & Development	DARDLR	• R0	• Increased farming activities			X
	Introduce measures to minimise development on arable agricultural land	Planning & Development	DARDLR	• R0	• Increased farming activities		X	
Supporting infrastructure	Establish a center for farmers in the township/s to sell their own products, which enables them to influence prices instead of selling through retail stores that add a mark-up.	Planning & Development (P&D), Technical Services Dept.)	-	• > R10m	<ul style="list-style-type: none"> Improved turnaround to realise revenues Easier access to market for famers & consumers 			X
	Establish a poultry / chicken processing plant and abattoir	Planning & Development	Dept of Agriculture	• >R5m	• Increased participation in farming		X	
	Ensure the protection and development of water infrastructure, which is crucial to ensure the	Technical Services Dept.	Mopani District Municipality (WSA)	• Depends on size of project	• Continued / sustained and potential growth in farming			X



Focus Area	LED Initiative	Responsible	Technical Support	Estimated Budget	Milestones/Outcomes	Timelines		
						Short-term	Mid-term	Long-term
	expansion and sustainability of agricultural activities.							
	Establish a plant nursery to supply local farmers	Planning & Development	Dept Agriculture of	• R 2.5m	• Increased access for famers and potential new crops	X		
	Establish a hatchery and supply of day-old chicks'	Planning & Development	Dept Agriculture of	• R1.5m (Depends on scale)	• Increased participation in farming • Increased market reach • Job creation		X	
Mechanisation	Introduce sustainable & efficient ways of farming e.g., of move from working largely or exclusively by hand or with animals to doing work with machinery, such as a tractor.	Planning & Development	Dept Agriculture of	• Depends on method of mechanisation	• Increased/higher yields, output/ production • Longer tenure in farming for farmers • Optimised production/farming methods		X	



5.3 Tourism, Arts & Culture

A detailed implementation plan to stimulate growth in the Tourism, Arts and Culture Sector is outlined based on the identified development opportunities above. The prioritisation of these intervention is determined through the implementation timelines (Short-term, Medium-term, Long-term).

Focus Area	LED Initiative	Responsible	Technical Support	Estimated Budget	Milestones/Outcomes	Timelines		
						Short-term	Mid-term	Long-term
Tourism Route	Develop attractions that link up with the KNP and local archeological sites (packaged excursion through different sites and into the KNP, including bush-walks, day/night game drives etc.)	Planning & Development	Dept. of Tourism / Local Tourism Forum	<ul style="list-style-type: none"> Determined by type of initiative 	<ul style="list-style-type: none"> Increased local participation in the sector Increased job prospects 		X	
Information Sharing	Share authentic stories with visitors and increase the profiling / marketing of BPM: <ul style="list-style-type: none"> Share the story of the arrival of Malatji Clan Share the story of the first settlers in the area Share the story of the establishment and development of Phalaborwa town, and the discovery of mineral resources 	Planning & Development	Dept of Sports, Arts & Culture	<ul style="list-style-type: none"> R0 	<ul style="list-style-type: none"> Increased numbers of tourists Enhanced cultural identity / awareness 	X		



Focus Area	LED Initiative	Responsible	Technical Support	Estimated Budget	Milestones/Outcomes	Timelines		
						Short-term	Mid-term	Long-term
	Document all un-documented heritage archaeological /sites	Planning & Development	Dept. of Sports, Arts & Culture	• R0	<ul style="list-style-type: none"> Increased numbers of tourists Cultural heritage awareness within local community/visitors 	X		
	Arrange annual networking sessions during which stakeholders in the Tourism Sector meet and discuss potential opportunities	Planning & Development	Local Tourism Forum	• R250k	<ul style="list-style-type: none"> Increased tourism opportunities Increased collaboration amongst role players 	X		
Events	<ul style="list-style-type: none"> Introduce additional recreational events and link with marula festivities (e.g., marathon, indigenous games etc.) Introduce tournaments and link with other events (e.g., soccer/netball tournament during marula festivities) involving local communities 	Planning & Development	Local Tourism Forum	<ul style="list-style-type: none"> R0 R0 	<ul style="list-style-type: none"> Increased trade & tourism Networking & collaboration within local community members / businesses 	X		
Eco-tourism	Promote tourism development along the Kruger National Park, village tourism and game farms	Planning & Development	DTIC – Tourism Assistance Programme	• R300k	<ul style="list-style-type: none"> Increased job opportunities 		X	



Focus Area	LED Initiative	Responsible	Technical Support	Estimated Budget	Milestones/Outcomes	Timelines		
						Short-term	Mid-term	Long-term
Infrastructure	<ul style="list-style-type: none"> • Link existing roads with prominent roads / routes and tourist sites. • Maintain strategic roads infrastructure • Upgrade of the Airport in collaboration with the owners of the property • Establish recreational centers in rural areas, township and town 	Technical Services Dept.	Dept of Transport;	<ul style="list-style-type: none"> • Determined by type of infrastructure project 	<ul style="list-style-type: none"> • Increased job opportunities • Increased economic activities across different sectors 			X
Partnerships and SMME support	<ul style="list-style-type: none"> • Establish support programme for SMMEs in the tourism sector, including mentoring, marketing skills development, basic business skills development, exposure to tourism sector support programmes • Increase private sector participation through PPPs aimed to support tourism 	Planning & Development	Dept of Tourism - Market Access Support Programme/ Tourism Support Programme	<ul style="list-style-type: none"> • R0 	<ul style="list-style-type: none"> • Enhanced tourism services offering • Better appeal to local and international tourists 		X	
Institutional	Secure additional resources (human and financial) in the LED office of BPM.	Corporate Services	-	<ul style="list-style-type: none"> • Determined by the requisite skills/experience 	<ul style="list-style-type: none"> • Effective delivery of LED Strategic Plan 	X		



Focus Area	LED Initiative	Responsible	Technical Support	Estimated Budget	Milestones/Outcomes	Timelines		
						Short-term	Mid-term	Long-term
Marketing	Market and promote events in sport / arts / culture online, through the radio, television and/or through the print media.	Planning & Development	Dept of Tourism	• R750k	• Increase economic activities & trade	X		

5.4 Mining

A detailed implementation plan to stimulate growth in the Mining Sector is outlined based on the identified development opportunities above. The prioritisation of these intervention is determined through the implementation timelines (Short-term, Medium-term, Long-term).

Focus Area	LED Initiative	Responsible	Technical Support	Estimated Budget	Milestones/Outcomes	Timelines		
						Short-term	Mid-term	Long-term
Infrastructure	• Maintain roads infrastructure especially in rural areas to support potential mining activities including prospecting and development of new mines and support agricultural activities	Technical Services Dept.	Dept of Transport	• Determined by the required maintenance/required infrastructure	• Increased economic activities • Increased job for prospects locals			X



Focus Area	LED Initiative	Responsible	Technical Support	Estimated Budget	Milestones/Outcomes	Timelines		
						Short-term	Mid-term	Long-term
	<ul style="list-style-type: none"> Develop infrastructure in the area so that raw minerals can be processed locally 							
Processing and beneficiation of mining products / by-products	<ul style="list-style-type: none"> Phosphate based products Magnetite based products Cement manufacturing Gold (application of gold in catalysis and other industrial uses, such as electronics and dentistry, refining and jewelry) 	Planning & Development Dept.	DFIs, DTIC	<ul style="list-style-type: none"> Determined by the mineral to be processed 	<ul style="list-style-type: none"> Increased job opportunities Increased trade Increase in development of social (schools, clinics etc. & residential infrastructure 		X	
Assisting SMMEs	<ul style="list-style-type: none"> Provide opportunities to SMMEs in the rehabilitation of mine dumps and slime dams Encourage specialist skills to explore/ prospect rural areas around BPM for minerals Explore ways that mines can engage in catalytic projects, contributing to economic growth and job creation. Align the SLPs and the LED strategy, identify areas of collaboration with mines and involve youth/ SMME's Develop expertise in the area so that raw products can be processed locally 	Planning & Development Dept.	Local Mines / Local Business Forums	<ul style="list-style-type: none"> R 0 	<ul style="list-style-type: none"> Increased prospects for job opportunities Local SMME participation Increase in higher education & tertiary qualifications 	X		



Focus Area	LED Initiative	Responsible	Technical Support	Estimated Budget	Milestones/Outcomes	Timelines		
						Short-term	Mid-term	Long-term
Skills transfer / development	Introduce appropriate skills development programme in consultation with the appropriate SETAs.	Planning & Development Dept.	Mining SETA	• R 0	• Increase in higher education & tertiary qualifications	X		
	Introduce diversification plans indicating how people can be employed in an alternative way, should the mine scale down its activities (undertake a detailed analysis/research)	Planning & Development Dept.	Local Mines / Trade Unions	• R0	• Better labour relations (Mines, Trade Unions, Employees) • Increased levels of job security		X	



5.5 Infrastructure

A detailed implementation plan to stimulate growth in the Infrastructure Sector is outlined based on the identified development opportunities above. The prioritisation of these intervention is determined through the implementation timelines (Short-term, Medium-term, Long-term).

Focus Area	LED Initiative	Responsible	Technical Support	Estimated Budget	Milestones/Outcomes	Timelines		
						Short-term	Mid-term	Long-term
Alternative energy sources	<p>Explore the development of solar energy plants across BPM, identify undeveloped land in rural areas / townships / town</p> <ul style="list-style-type: none"> • Introduce standalone /off-grid supply to reduce / minimize illegal connections in rural areas. • Explore the use of waste (from dump sites / waste water treatment works) for energy generation (waste-to-energy) 	Technical Services Dept. – Electricity	Outsourced Services	<ul style="list-style-type: none"> • Depends on the size of solar plant • R1.0m for Feasibility Study (Waste to energy) 	<ul style="list-style-type: none"> • Reliable energy supply • Additional source of revenue • Reduction in power supply interruptions 	X		
Electricity generation & distribution	<ul style="list-style-type: none"> • Investigate opportunities for outsourcing the generation of electricity to the private sector through PPPs • Provide and upgrade bulk electricity infrastructure • Develop Energy master plan to cater for current supply constraints and growth in (future) demand for electricity 	Technical Services Dept. – Electricity	MISA/ DBSA/ Outsourced Services	<ul style="list-style-type: none"> • R0 • Determined by require upgrade (Electricity) 	<ul style="list-style-type: none"> • Economic development • Reliable energy supply • Reduction in power supply interruptions 		X	



Focus Area	LED Initiative	Responsible	Technical Support	Estimated Budget	Milestones/Outcomes	Timelines		
						Short-term	Mid-term	Long-term
				• R 1.5 m for Energy Master Plan				
Roads	<ul style="list-style-type: none"> • Improve / upgrade access routes to the rural villages from the main roads to support development (e.g., agricultural activities) • Address the dilapidated state of roads (potholes) in townships • Upgrade gravel roads, particularly in rural areas 	Technical Services Dept.	Department of Transport	• Determined by the required upgrade	<ul style="list-style-type: none"> • Increased business activities • Improved accessibility to different areas 			X
Rail transport system	<ul style="list-style-type: none"> • Improve rail infrastructure and maintenance thereof • Improve rail passenger transport • Improve bulk cargo transport through rail, road and air 	Planning & Development	Transnet	• Determined by the required upgrade	<ul style="list-style-type: none"> • Reduction in road haulage & improved road conditions • Increased trade for bulk goods 		X	
Residential, commercial and rural developments	<ul style="list-style-type: none"> • Initiate discussions with Traditional Leaders, secure land for proclamation and align with SDF for future residential & commercial developments • Expand the focus on rural land development, foster sustainability through small scale farming & embedded / self-generation of electricity 	Planning & Development	DARDLR/ Traditional Leaders	• R0	<ul style="list-style-type: none"> • Infrastructure services development • Job creation • Increased economic participation from the rural community 			X



Focus Area	LED Initiative	Responsible	Technical Support	Estimated Budget	Milestones/Outcomes	Timelines		
						Short-term	Mid-term	Long-term
Township development	Develop townships by providing access to basic services including reliable supply of water, sanitation, electricity and waste collection	Planning & Development	COGTA / MISA / DBSA/ DWS / DME	<ul style="list-style-type: none"> Determined by the required upgrade 	<ul style="list-style-type: none"> Improved access to basic services Enhanced well-being of the society Job creation through EPWP 		X	
Airport	Determine feasibility to acquire ownership of Airport - conduct a feasibility study for the development of a logistics and transportation hub connected to the Kruger National Park, other airports; determine potential use of the Airport by tourists, the South African Defense Force (SADF), business and the wider community	Planning & Development	Outsourced Services	<ul style="list-style-type: none"> R2.0m for Feasibility Study 	<ul style="list-style-type: none"> Efficient mode of transport / accessibility to BPM / KNP and surroundings 		X	
SMMEs	<ul style="list-style-type: none"> Introduce & promote programmes to support the growth of SMMEs and active youth participation in Infrastructure services sector, including infrastructure development Focus on new labour-intensive methods/initiatives to maximise job creation opportunities. 	Technical Services Dept.	-	<ul style="list-style-type: none"> R0 	<ul style="list-style-type: none"> SMME's and youth development Job creation 		X	



Focus Area	LED Initiative	Responsible	Technical Support	Estimated Budget	Milestones/Outcomes	Timelines		
						Short-term	Mid-term	Long-term
Partnerships	Introduce PPPs type projects and participation by the private sector to address lack of funds for development and service delivery backlogs	Technical Services Dept.	DFI's/ Outsourced Services	• R0	<ul style="list-style-type: none"> Enhanced/accelerated infrastructure development Job creation (through EPWP) 			X
Water infrastructure	Develop master plans to support growing demand for water and sanitation services whilst catering for maintenance backlogs.	Technical Services Dept.	Mopani DM; DWS	• R2.5m	<ul style="list-style-type: none"> Local economic development Job creation (through EPWP) 	X		



5.6 Manufacturing & Trade

A detailed implementation plan to stimulate growth in the Manufacturing & Trade Sector is outlined based on the identified development opportunities above. The prioritisation of these intervention is determined through the implementation timelines (Short-term, Medium-term, Long-term).

Focus Area	LED Initiative	Responsible	Technical Support	Estimated Budget	Milestones/Outcomes	Timelines		
						Short-term	Mid-term	Long-term
Metal products	Initiate steel manufacturing activities that focus on servicing the mining / local industry	Planning & Development	DFI's	<ul style="list-style-type: none"> Determined by the size/output of facility 	<ul style="list-style-type: none"> Job creation Specialised trade & associated skills development 		X	
Metal products	Manufacturing of copper/electrical cables	Planning & Development	DFI's	<ul style="list-style-type: none"> Determined by the size/output of facility 	<ul style="list-style-type: none"> Job creation Skills development 		X	
Agro-processing	<ul style="list-style-type: none"> Milling Packaging of fresh produce. Vegetable and fruit canning (e.g., tomato processing) Juice making Moringa leaf processing 	Planning & Development	DFI's	<ul style="list-style-type: none"> Determined by the size/output of facility 	<ul style="list-style-type: none"> Job creation Economic participation from local SMME's/ community 	X		
Mineral processing	<ul style="list-style-type: none"> Explosives Phosphates Magnetite Phosphate Fertilizer based products 	Planning & Development	DFI's; Outsourced Services	<ul style="list-style-type: none"> Determined by the mineral to be processed 	<ul style="list-style-type: none"> Economic participation from local SMME's/ community Skills development 	X		



Focus Area	LED Initiative	Responsible	Technical Support	Estimated Budget	Milestones/Outcomes	Timelines		
						Short-term	Mid-term	Long-term
Development support	<ul style="list-style-type: none"> Support centers to improve SMME's and youth participation in the manufacturing sector (facilitate collaboration, funding support, business skills mentoring etc.) Improve the environment to enable industrial development, i.e., infrastructure, ICTs, business confidence and business environment Address market access through access to finance and information Introduce investment incentives to promote investment in targeted industrial activities 	Planning & Development; Technical Services Dept.	DFI's, LEDA, SEDA	• R0	<ul style="list-style-type: none"> Increase in employment (including youth) Economic participation from local SMME's/ community Increased investment in local economy 		X	
New industrial and commercial developments	Establishment of an Industrial Park in the area and introduce business incubation support (facilitate collaboration, funding support, business skills mentoring etc.)	Planning & Development; Technical Services Dept.	DFI's; Outsourced Services	• > R500m	<ul style="list-style-type: none"> Increased collaboration & business opportunities Improved access to markets & funding for local SMME's 			X
Skills transfer /development	Address skills shortages relevant to agro/food processing, and beneficiation of minerals	Planning & Development	SETA's	• R0	<ul style="list-style-type: none"> Increased participation of locals in mainstream economy 	X		



Focus Area	LED Initiative	Responsible	Technical Support	Estimated Budget	Milestones/Outcomes	Timelines		
						Short-term	Mid-term	Long-term
Diversification	<ul style="list-style-type: none"> Diversify the economy and focus on tertiary services, forward and backward linkages Integrate the informal market / trade into the formal economy (e.g., atchaar manufacturing or processing/packaging of Mopani worms) 	Planning & Development	DFI's, Local Business Forums	<ul style="list-style-type: none"> Determined by the appropriate projects 	<ul style="list-style-type: none"> Increased participation of locals in mainstream economy 	X		



6 LED STRATEGY IMPLEMENTATION & MONITORING

6.1 Introduction

This section outlines the critical aspects of implementation of the developed LED strategic interventions together with the possible sources of funding which could be accessed to fund the implementation of the LED strategy. Furthermore, the optimisation of the existing capacity in BPM to implement LED projects, as well as the development and support of SMMEs, are discussed. Finally, the general guidelines that apply to the implementation of the prioritised LED projects identified for BPM are outlined.

The implementation of the documented LED strategy is dependent on various factors, and in particular factors which may also impact on the successful implementation of the outlined interventions. However, the primary responsibility to ensure successful rollout of these interventions' rests with the BPM municipality. As a way to provide assurance that the required interventions are being implemented, on-going monitoring of the LED Strategic Plan by management will be critical to ensure successful implementation. It is recommended that the on-going progress reporting and the status of the LED Strategic Plan gets incorporated as an agenda item in the various forums including Departmental meetings.

The overall responsibility to implement the Strategic Plan lies with the Head of Planning and Development and to a large extent the Municipal Manager as well as BPM's senior management team. The senior management team will remain at the forefront in regards managing the actual projects/initiatives on a day-to-day basis. This will include resourcing the interventions, managing the schedule, risks and issues, as well as any items related to the successful implementation of these interventions. It must be emphasised that some of the strategies set out in this Plan relate to activities that must be institutionalised and performed by various municipal officials as part of their routine duties, who have been appointed to such positions and given specific roles, responsibilities and delegations.

6.2 Organisational and Institutional Arrangements

The following institutional aspects related to the implementation of LED projects are discussed:

- Role of the BPM (Municipality) in implementing LED projects;
- Readiness of BPM to Implement LED projects;
- Optimisation of existing capacity to implement LED projects;
- SMME development support programmes; and
- Public versus private sector projects.

6.2.1 Role of the Municipality in implementing LED Projects

The implementation and monitoring of LED interventions to ensure successful roll-out of the identified LED interventions remains the responsibility of BPM Local Municipality. The role of BPM in the implementation of the LED strategy include the following:

- Coordinate and manage LED planning within the municipal area;
- Facilitate the implementation of LED projects;



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- Facilitate and promote inter-departmental & inter-governmental co-operation;
 - Source and obtain the necessary funding from both the public and the private sector for the implementation of LED projects;
 - Collaborate with infrastructure/technical department, and the respective local, provincial and national departments to provide infrastructure necessary to facilitate/support economic development;
 - Consult extensively with District and other local municipalities to ensure that local initiatives are complementary to the district as a whole;
 - Determine the needs of communities by doing an in-depth analysis;
 - Identify local resources and expertise that will be utilised/deployed in implementing the strategic interventions;
 - Encourage and facilitate the process of public participation;
 - Promote and organise PPPs initiatives, in particular those which have a bearing on economic development;
 - Monitor and evaluate the implementation of the LED strategy, together with the relevant projects.

There is a need for increased collaboration from all the Local Municipalities and the District Municipality across the district as there is a need to collectively integrate some of the identified interventions, for instance water related infrastructure development. The general rule is that programmes or projects (government interventions) that are located within the boundaries of BPM and that are affordable for BPM, should be implemented by the BPM. Where programmes or projects extend beyond the boundaries of BPM and are too large in terms of the required resources (financial and human), the District Municipality (Mopani) must take the necessary actions to implement the project.

6.2.2 Optimisation of Existing Capacity to implement LED Projects

The capacity of BPM to execute LED projects and sustain the different LED interventions can be optimised through skills development and training; internal re-organisation / rationalisation as well as outsourcing where appropriate. This section of the document details these options that are available to optimise the existing capacity within the Planning and Development department responsible for implementing the LED strategy and projects.

(a) Skills Development and Training

Local Government SETAs offer the following two programmes to educate and strengthen the knowledge and skills of LED units in South Africa:

- **Management Programme:** This programme aims to facilitate a more efficient process of coordination, capacity building and skills development initiatives between government departments, local government, water agencies and other key stakeholders. Furthermore, this programme aims to create synergies between different elements of the development project by promoting leadership, skills development programmes and other educational



interventions that will improve the efficiency and effectiveness of the LED Unit and the provision of basic services of this department.

- **Pupil Programme:** This programme aims to educate prospective members of LED Units by providing educational opportunities for the National Qualifications Framework (NQF) (levels 4, 5 and 6). Additional details are available on the SETA website of local government.

(b) Internal Reorganisation / Rationalisation

A LED Unit can improve its efficiency by adapting its organisational structure to the needs and specific circumstances of the municipality. For example, a LED unit can be organised across a number of sub-departments. Sub-departments can be organised according to specific priority issues in LED within the municipality, such as infrastructure development, small business development, investment facilitation, marketing and tourism.

In cases where there is a lack of experience and capacity, it can be detrimental to distribute resources too thinly across multiple sub-departments. The internal organisation of the LED unit should then rather be rationalised to create a more streamlined and cost-effective structure.

In the case of BPM, it may be necessary to reorganise the department to ensure an efficient distribution of labour, time and resources. It may also be necessary to create additional positions / functions within the LED Unit to focus on the following priority areas:

- **Investment Finance:** The purpose of the Investment Finance function is to connect specific projects and project teams with funding sources. This can be done by an official within the LED unit, or it can be outsourced to a consulting firm. The decision where this function should be placed should be based on where the knowledge and experience of project financing, funding sources and funding application processes are most concentrated in the municipality.
- **Marketing and investment promotion:** The function of marketing and investment promotion aims to use public and private investment in the municipality and should ideally be fulfilled by the District Development Agency. It relates to the packaging and communication of information on the socio-economic status of the municipality and economic opportunities to existing businesses, entrepreneurs, investors and professionals and local and regional development, recruitment and financing professionals. This function can also be extended to include coordinated assistance and technical support for land and real estate options, structural and financial packaging, risk assessment and management, and growth management planning for existing and new businesses. This function requires close collaboration between the LED unit and the Economic Development Agency, at District and Provincial levels.
- **Inter-governmental liaison:** The inter-governmental liaison function serves to ensure that the requirements of projects are communicated in a timely manner to the appropriate local, district, provincial or national department for timely approval, processing and inclusion in the budget and planning process.

(c) Outsourcing

Certain functions may need to be outsourced to consultants or other specialists due to specialised knowledge required during different phases of development facilitation, such as feasibility studies, environmental impact assessment (EIA) studies and financial planning.



BPM may also consider establishing partnerships with other institutions, such as LEDA or SEDA, to support / undertake certain specialised tasks related economic development on behalf of BPM.

6.3 Capacity Development

The table below contains a number of programmes to support the development of SMMEs. It is incumbent upon BPM to facilitate the process to expose the local SMME's to these development support programmes.

Table 6-1: SMME Development Support Programmes

Programme	Discussion
The DTIC's Black Business Supplier Development Programme Grant (BBSDP)	Provides black-owned companies with access to business development services that assist them to improve their core competencies, upgrade managerial capabilities, and restructure their processes to become more competitive.
The Small Enterprise Development Agency (SEDA)	A key function of SEDA is to provide information to small enterprises and prospective entrepreneurs that will help and encourage them to start and build sustainable businesses. Information is provided online on the SEDA webpage, and by way of brochures and newsletters. There is also a National Information Centre contactable by telephone on 0860 103 703. The SEDA Technology Programme provides support services and incubation facilities to small technology enterprises.
Limpopo Economic Development Agency	LEDA offers various programmes which are relevant to BPM's identified economic development interventions. These include the Mining Input Supplier Park Beneficiation Hubs and Supplier Development Programme, the Agriculture and agro-processing support programmes as well as the Environmental and natural resources development programme amongst other programmes.
NTSIKA Enterprise Promotion Agency	Facilitates non-financial support and business development services.
Khula Enterprise Finance	Provides loans, grants and guarantees for retail banking institutions that service the SMME sector.
National Small Business Council (NSBC)	A non-profit membership organisation chartered to promote small business utilisation by the federal government.
Skills Support Programme (SSP)	A cash grant for skills development with the objective of encouraging greater investment in training and creating opportunities for the introduction of new advanced skills.
The Small and Medium Enterprise Development Programme (SMEDP)	A grant paid to local and foreign investors, starting new or expanding their current operations, based on approved qualifying assets and activities / projects.



Programme	Discussion
Service Provider Network Programme	Ensures that SMMEs receive effective business development services from a network of Service Providers (Local Business Support Centres) that have been identified, selected, developed and supported for this purpose.
The Land Reform Credit Facility	Aims to establish joint partnerships and to enable the previously disadvantaged farm workers, neighbouring communities and emerging farmers to acquire land through mortgage finance and control of land based on productive assets.
Competitiveness Fund (CF)	A cost-sharing grant that provides financial support to entrepreneurs for up to 50% of their eligible costs. Qualifying entrepreneurs must be involved in manufacturing and providing qualifying business services.
Products / Thuso Mentorship Programme	A Khula programme with the aim to ensure the transfer of skills on a one-to-one basis, offering a pre-and-post loan services. During the pre-loan stage entrepreneurs are assisted with advice, counselling and development of viable business plans. In the post-loan phase clients are assisted with all aspects of managing a successful business as identified by a client, mentor or both.
The Department of Labour	Provides support to employers including SMMEs by way of legislation that guides employment conditions (Department of Labour website, 2009).
Business Partners	A specialist investment company which provides debt and equity investment, mentorship and property management services to SMMEs.
The NAMAC Trust	An SMME support agency within the DTIC which provides advisory and information services to new and existing SMMEs in line with best practices globally.
Business Referral and Information Network (BRAIN)	Provide up-to-date information for business owners on everything from starting a small business to where you can find finances, find news on tenders and how to learn more about setting up a business plan.
Small Business Project	Assists small businesses through their Linkage Programme with link-ups and joint ventures with corporate role-players.

6.3.1 Public versus Private Sector Projects

The economic development opportunities call for the involvement of both the private and public sectors. The public sector should play a facilitating role in economic development. The public sector must focus on creating an empowering / enabling environment for development, providing the necessary infrastructure, market failure and fostering stakeholder cooperation.



The following development opportunities can be implemented by BPM and associated departments within the local and provincial government sectors, these will play a particularly important role in creating an enabling environment for development and facilitating the implementation of projects.

- **Incentives for industrial investment / business marketing campaign:** These projects will form part of creating an empowering environment for industrial development in BPM. Cooperation between the Department of Trade, Industry and Competition (DTIC), Limpopo Provincial Government, BPM, other LMs, Mopani District Municipality and the private sector is essential.
- **Urban renewal:** BPM must work with the District Municipality to identify specific projects to upgrade and renew infrastructure and obtain the necessary funding.
- **Upgrading of existing airfield:** BPM should play an important role in the development and upgrading of transport infrastructure through upgrading the local airport.
- **Promotion of training in scarce skills:** Specific skills shortages must be identified and addressed in collaboration with the relevant SETAs, trade unions and the private sector.
- **SMMEs Support Projects:** BPM should implement projects focusing on the development of the local small business sector.
- **Spatial Development Initiative (SDI):** This project involves collaboration with the Mopani District Municipality and Limpopo Provincial Government, due to the scope and nature of the SDI.

Many of the development opportunities call for private sector involvement to respond to economic opportunities and promote the implementation of these projects. The private sector refers to the part of the economy that is run for private profit and not controlled by the state.

Private sector projects can be defined as projects that aim to generate profit, demand the efficiency and provide goods and services that are not part of the government mandate (such as personal services and goods for which prices are determined by market forces), or not within the capacity of the government (such as large infrastructure projects that can be outsourced or implemented through PPPs).

PPPs can be entered into to provide electricity, water, transport and telecommunications through projects in the following sectors:

- Energy;
- Telecommunications and ICT;
- Transport;
- Water and sanitation
- Solid waste management

Any PPP entered into must be informed by the South African Code of Good Practice for PPPs.

6.4 Funding and Finance

This section of the document lists the sources of funding from the private and public sectors and the process to be followed to access these funds.

The funding sources include:

- Private Investors;
- Local Equity;
- Department of Trade, Industry and Competition (the DTIC);
- Neighbourhood Development Partnerships Grant (NDPG);
- Municipal Infrastructure Grant (MIG);
- Industrial Development Corporation (IDC); and
- Development Bank of Southern Africa (DBSA).

6.5 Marketing and Promotion of LED

An important cornerstone of LED promotion is improving the overall image and reputation of a location and raising awareness of its unique features and strengths. To this end, a marketing campaign should be launched that highlights the strengths and opportunities of BaPhalaborwa Local Municipality.

The marketing campaign should aim:

- to promote BPM as pro-business environment with the Municipality dedicated to meeting the needs of potential investors and creating an environment conducive to business development; and
- to make potential investors and stakeholders aware of the BPM's competitive advantages.
- Raise awareness of various tourism, mining, services and agricultural related potential/opportunities within BPM.

The marketing campaign can use different marketing tools, such as promotional materials, including glossy brochures; website; and media campaign, including print, radio and television.

6.6 Implementation Process

This section of the document outlines general guidelines that apply to the implementation of the prioritised LED projects identified for BPM. These guidelines take the form of project implementation process view in the context of local government; these include:

- IDP integration;
- feasibility study;
- partnership identification;
- business / project plan;
- municipal budgeting and funding;
- Supply chain management process;
- Project handover.



6.6.1 IDP Integration

The LED projects for the various economic sectors, which have been identified for implementation, should be included in the IDP of BPM. As there are many LED projects, the implementation of these projects will take place over a period of time in the light of limited financial and human capital.

6.6.2 Feasibility Study

A feasibility study is an analysis that takes into account all the relevant factors of a proposed project (including economic, technical, legal and budgetary considerations) to determine whether the project is viable and likely to be completed successfully. Decision makers need to use the results of the feasibility study to determine if the project is viable, considering the financial and social benefits, before investing into it.

6.6.3 Partnership Identification

The purpose of this step is to identify all stakeholders, partners, funders and the project leader to coordinate the process/project. This team of professionals will carry out the project, which will be handed over to the developer / operator when it is completed.

6.6.4 Business / Project Plan

Investors need not only the feasibility study, but also a comprehensive business plan, which is drawn up to map out how the project will be implemented as well as the associated benefits of the project.

Aspects that must be included in the business / project plan are:

- a description / design of the proposed project;
- an impact study;
- a financial plan;
- an implementation action plan;
- a risk and mitigation plan; and
- a monitoring and evaluation framework.

6.6.5 Municipal Budgeting and Funding

BPM must ensure that the budget for a public sector project is reflected in the municipal budget, taking into account the municipal planning cycle/s such as the IDP process.

6.6.6 Supply Chain Management Process

After the project has been described / designed, the Supply Chain Management process is initiated. After completion of the tender process and after a service provider/contractor has been identified, the project can be implemented.

6.6.7 Project Handover

The BPM Planning & Development function will facilitate the project initiation phase. The role of the BPM LED function will gradually become a supportive and mentoring role as the project is implemented by the appropriate technical department, the government department and / or the private sector until the hand-over phase.



6.7 Monitoring, Evaluation and Knowledge Management

A monitoring and evaluation plan is needed so that BPM can monitor and evaluate how well the local economy is performing against certain the set criteria / pre-identified benefits. The evaluation component is also intended to include lessons learnt in the decision-making process for the implementation of future development programmes.

The indicators that can be used to measure the performance of implementing LED projects are:

- Sector's gross regional product (GRP) over a period of one year;
- Sector's total direct and indirect local employment;
- Number of LED projects in the sector implemented successfully; and
- Number of locally registered SMMEs service providers in the sector, particularly those who benefited from the associated LED projects whether directly or indirectly.
- Number of locals who have benefited directly from LED interventions through job opportunities.



7 REFERENCES

- National Development Plan (NDP), 2030;
- The New Growth Path (NGP);
- The Industrial Policy Action Plan (IPAP), 2019-2021;
- Industrial Development Zones (IDZs); and
- National Small Business Amendment Act, 2004 (Act 29 of 2004).
- Limpopo Growth and Development Strategy (2004-2014);
- Mopani District Municipality Local Economic Development Strategy and Economic Development Strategy, 2021
- Ba-Phalaborwa Local Economic Development Strategy, 2014- 2019
- Growth Management Framework Plan for Ba-Phalaborwa Urban Core, 2014-2018
- Feasibility Report – Poverty Alleviation Plan, 2012
- Ba-Phalaborwa Municipal Spatial Development Framework, 2019 -2024
- Ba-Phalaborwa Municipal Integrated Development Plan (IDP), 2022 -2023;



Appendix A – Possible Crops for Limpopo Province

Vegetable Planting Chart												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Beans (Broad)				█	█							
Beans (Bush)	█							█	█	█	█	█
Beans (Climbing)								█	█	█	█	█
Beetroot	█	█	█	█				█	█	█	█	█
Broccoli	█	█										█
Brussel Sprouts	█	█										
Cabbage	█	█									█	█
Carrot								█	█	█	█	
Cauliflower	█	█										█
Celery								█	█	█	█	
Corn									█	█	█	
Cucumber									█	█	█	█
Eggfruit (Brinjal)									█	█	█	
Lettuce	█	█	█					█	█			
Melons									█	█	█	
Onion		█	█									
Parsnip									█	█		
Peas								█	█	█		
Peppers								█	█	█		
Potatoes								█	█	█	█	
Pumpkin									█	█	█	
Radish		█	█	█								
Swiss Chard / Spinach	█	█	█	█				█	█	█	█	█
Tomato								█	█	█	█	
Watermelon									█	█	█	

Source: www.seedsforafrica.co.za/pages/limpopo-vegetable-planting-chart

