

Lepelle-Nkumpi Local Municipality Economic Development Strategy

Submitted by:

Urban-Econ: Development Economists
Lake View Office Park, Area 7, 137 Muckleneuk Street,
Brooklyn, City of Tshwane
P.O Box 13554, Hatfield, 0028
Tel: 012 342 8686/7, Fax: 086 619 6911

Email: pta@urban-econ.com

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Executive Summary

1. Introduction

Lepelle-Nkumpi Local Municipality (LNLM) is committed to address poverty and unemployment through encouraging local economic growth and development. LNLM seeks to be a financially viable municipal council, geared towards the improvement in the quality of life for people by providing sustainable services. As a result, the municipality has appointed Urban-Econ Development Economist to review its Local Economic Development (LED) Strategy which will reflect new economic realities and opportunities in the region.

The municipality is pre-dominantly rural, and the town of Lebowakgomo is in Lepelle-Nkumpi Local Municipality as well as the offices of Lepelle-Nkumpi. All sittings of the Provincial Legislature take place at Lebowakgomo in the parliamentary buildings of the former homeland.

A gap exists in LNLM between the levels of development and the potential development which is noted by probable economic opportunities, that have not been utilised regardless of the comparative and competitive advantages of LNLM. To bridge this gap, the LED strategy attempts to recoup the underlying development potential through encouraging both private and public-sector investment which will result to economic prosperity in LNM.

The LED strategy will serve as a framework and tool used to promote local economic growth in a proactive and dynamic manner, thereby improving socio-economic outcomes in the municipality. It will achieve this through investigating sector-based economic opportunities which will contribute towards economic growth and development in the local economic sphere, thereby addressing the triple challenge of inequality, unemployment and poverty.

The purpose of the LED strategy is to assemble all economic information and investigate the coordinated and integration options, and opportunities available to broaden the economic base of the municipality which will be packaged as a strategic implementation framework, to address the creation of employment opportunities, investment growth and an enabling business environment throughout the economy.

The establishment of an LED has the benefit of encouraging partnerships between public, private and civil society to discover suitable solutions to local economic challenges. The establishment of partnerships results in the creation of a sustainable environment that seeks to stimulate economic prosperity, job creation and good governance practice. In this regard, LNLM aims to promote and meet these issues to create a vibrant local economy that meets the sustainable development goals.

1.1. Study Objectives

The approach to LED is grounded on the view that local mobilisation of resources, convergence of interest around competitive local advantages, and capacity building of local communities will enable local role-players and the municipality to plan for LED and implement the opportunities emanating from the LED strategy. Furthermore, the main goal of an LED Strategy is to re-focus on the municipality’s development needs and opportunities, as well as its competitive and comparative advantages which will help to address the triple challenges in the area.

Based on this goal the following objectives have been identified:

- To develop a strategy that will guide economic development for the municipality and support the development of infrastructure thereby, enhancing SMME growth and human resources development
- To undertake a sectoral LED development opportunity analysis which will be summarised through the SWOT technique
- Conducting an in-depth analysis of the opportunities in key economic sectors of the municipality
- To ensure the LED Strategy aligns and adds value with the existing policies
- To perform a comprehensive economic, socio-economic and business development analysis which enables understanding of the current development climate in the municipality
- Identification of sectoral programmes and projects that can be used as a basis for pro-active economic development initiatives
- To ensure integration with other municipal plans which will enable the municipality to partner with other stakeholders
- A review of the business models for LNLM to facilitate implementation of the LED and unlocking economic development potential in the area

1.2. Why an LED?

Local Economic Development (LED) is an approach towards economic development that enables and encourages local stakeholders to work together and achieve sustainable economic growth and development, thereby bringing economic benefits and improved quality of life for all residents in a local municipal area. In addition, LED involves the identification and use of local resources, ideas and skills to stimulate economic prosperity in an area.

An LED is characterised by the following:

- Establishing a job-creating economic growth path
- Embarking upon sustainable rural development and urban renewal
- Bringing the poor and disadvantaged to the centre of development

Local Economic Development is an ongoing process, rather than a single project or a series of steps to follow. It involves identifying and using local resources, ideas and skills to stimulate economic growth and development. Local economic development initiatives always take place in the context of changes in the global and national economies, as this has an impact on how the local economy will be structured. A local area has its unique set of opportunities and challenges, as a result LED's are developed to meet specific needs of the local market in the area.

The mandate of an LED seeks to create employment opportunities for residents, alleviate poverty, the redistribution of resources and opportunities to the benefit of all residents. In the South African context, an LED is viewed as a key macro-economic growth pillar as it seeks to create jobs and new economic opportunities and to increase income levels to broaden the tax and revenue bases of a municipality, thereby enabling municipalities to pay for services. LED encompasses a range of disciplines which include physical planning, economics and marketing. Additionally, it incorporates many local government and private sector functions such as environmental planning, business development, infrastructure provision, real estate development and finance which translate into a range of sector investment. According to the Department of Provincial and Local Government key principles underlying LED include:

- LED strategies must prioritise job creation and poverty alleviation as poverty and unemployment are the main challenges facing South Africa.
- LED must enhance black economic empowerment enterprises and SMMEs to allow them to participate fully in the economic life of the country, particularly for previously disadvantaged people, marginalised communities and geographical regions.
- LED promotes local ownership, community involvement, local leadership and joint decision making.
- LED involves local, national, and international partnerships between communities, businesses and government to solve problems, create joint business ventures and build local areas.
- LED uses local resources and skills and maximizes opportunities for development
- LED involves the integration of diverse economic initiatives in an all-inclusive approach to local development.
- LED relies on flexible approaches to respond to changing circumstances at local, national and international level.

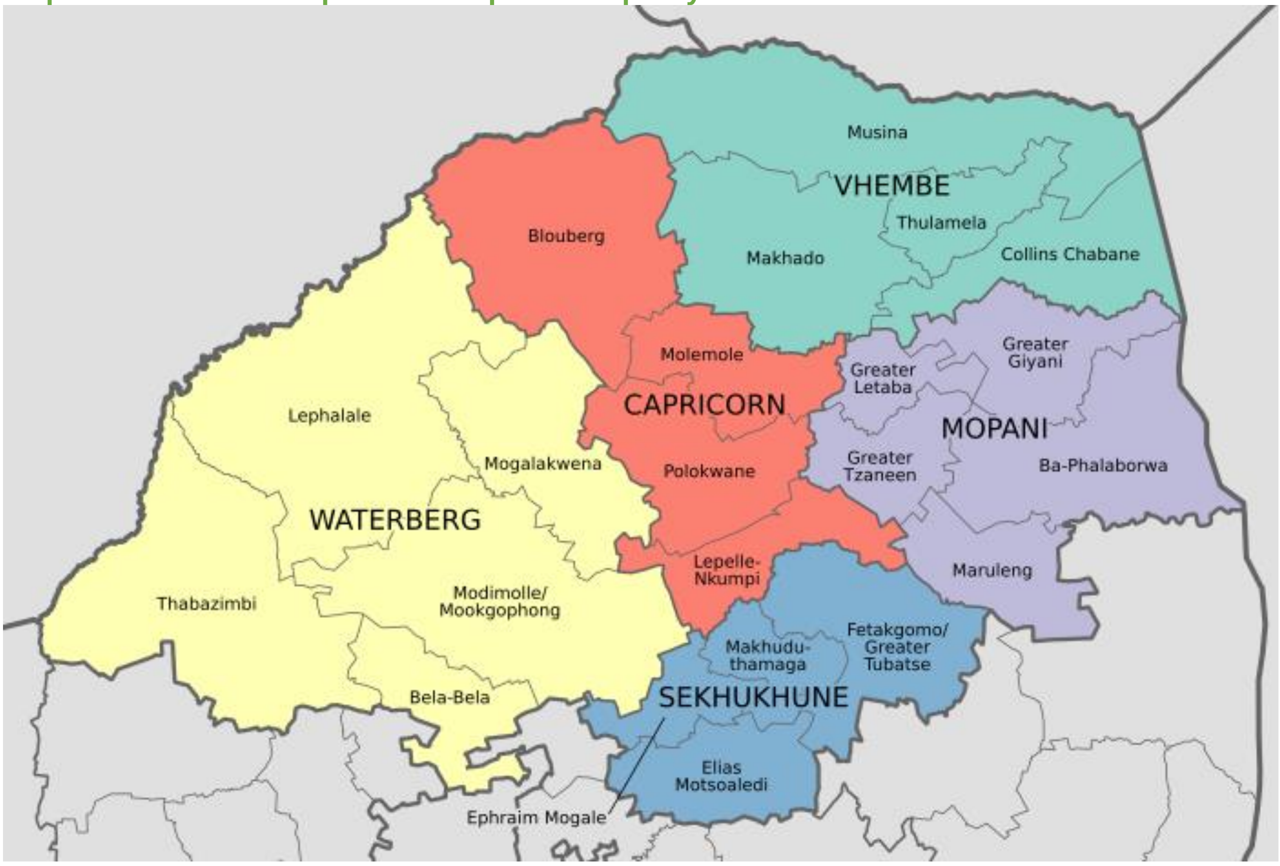
1.3. Study Area

Lepelle-Nkumpi Local Municipality is situated within the Capricorn District Municipality of Limpopo province in South Africa. It comprises of thirty (29) Wards covering 94 settlements. The Municipality is predominantly rural, with a population of approximately 233 925 and covers an area of 3,464 hectors.

Map 1 below shows the location of Lepelle-Nkumpi Local Municipality within Limpopo province. The Capricorn District consists of 5 Local Municipalities namely: Polokwane, Blouberg, Molemole, and Lepelle-Nkumpi Local Municipality. The municipality can be found at the southern tip of the Capricorn District Municipality (CDM) and borders onto Polokwane, Mogalakwena, Modimolle, Ephriam Mogale, Greater Tubaste, Makhuduthamaga, Maruleng and Greater Tzaneen.

Many of the large areas of land in the municipality form part of the former Lebowa homeland and are now held in trust for tribal and community authorities. In this regard, traditional authorities play a very important role in terms of their traditional culture and the availability of land for development purposes. The economy of Lepelle-Nkumpi Municipality has a dualistic approach in terms of having a formal economy and an informal economy. The first economy largely attributed towards the high contribution generated by the services sector whereas the second economy comprise of the subsistence farming and informal trading and which is largely practice in Lebowakgomo.

Map 1: Location of Lepelle-Nkumpi Municipality



SOURCE: ADAPTED FROM GOOGLE MAPS

The Limpopo province represents 10% of the total area of South Africa covering 123 910 km² square kilometres. The municipal area stretches for about 3.463km². The topography of the area consists of mainly of dolomite, shale, gabbro, basalt, granite and an iron formation. Regardless of LNLM having a low water availability as it has no major rivers or dams, agriculture plays a key role as it comprises of a well-developed commercial agriculture and of small-scale subsistence agriculture that has potential to grow.

LNLM is strategically located as all sittings of the Provincial Legislature take place at Lebowakgomo at the parliamentary buildings of the former homeland. This has become the pride of the area which the residents view as their heritage.

1.4. Study Methodology

The study will be conducted using a comparative analysis approach based on all neighbouring local municipalities and local municipalities located within the Capricorn District. The town of Lebowakgomo is in Lepelle-Nkumpi Local Municipality as well as the offices of Lepelle-Nkumpi and is the urban node in the area. The approach of using a comparative analysis enables the identification of local economic development opportunities. The study will compare LNLM with its neighbouring municipalities which are Polokwane, Mogalakwena, Modimolle, Ephriam Mogale, Greater Tubaste, Makhuduthamaga, Maruleng and Greater Tzaneen.

1.5. Document Structure

Lepelle-Nkumpi Local Economic Development Strategy is a comprehensive document providing a holistic view of the municipality and a framework for addressing the opportunities and challenges therein. The remainder of the report is summarised below:

Chapter 1: Provides the Introduction, study objectives and rational of the study

Chapter 2: Provides the overview of the policy framework

Chapter 3: Describes the development profile that clearly outlines the status for LNLM

Chapter 4: The sectoral analysis aims to identify the growth sectors and market opportunities that could potentially be exploited in the area

Chapter 5: Provides the sector potential analysis which identifies the business constraints and risks related to specific economic sectors towards the development of the LED strategy for LNM

Chapter 6: Provides the guiding principles for implementing catalytic projects/programmes that aim to rejuvenate and create an enabling economic environment that will attract investment in LNM

Chapter 7: will assess and manage the achievement of targets which guides the performance in terms of implementing the strategy

2. Policy Framework

2.1. National Policies

2.1.1. The Constitution of the Republic of South Africa

The most important legislation is the Constitution of the Republic of South Africa (Act 108 of 1996). Section 152 (1) outlines the objectives of local government as follows:

- To provide democratic and accountable government for local communities
- To ensure the provision of services to communities in a sustainable manner
- To promote social and economic development
- To promote a safe and healthy environment
- To encourage the involvement of communities and community organisations in the matters of local government

- **Implications for Lepelle-Nkumpi Municipality:** Lepelle-Nkumpi Municipality is constitutionally compelled to promote social and economic development in its area of jurisdiction. The LED strategy should be focused on addressing the basic needs of the population, reflecting on the importance of service and infrastructure provision, community services, educational components and business support to all the areas where there is lack thereof or where government improvements are required.

2.1.2. National Development Plan (NDP)

The National Development Plan 2030 is seen as a "blueprint" for the development of the country and aims to eliminate poverty and reduce inequality by 2030. The plan sets a target of reducing the unemployment rate and seeks to increase GDP almost threefold to achieve an increased GDP per capita of R110 000 per person by 2030 (at constant prices).

The strategic framework for the NDP is based on the following development priorities which are:

1. To promote an inclusive and labour absorbing economy
2. Increase capital spending, specifically on infrastructure
3. Transition into a low-carbon economy
4. To create an inclusive and integrated rural economy
5. Reverse apartheid constraints through spatial planning
6. Improve the quality healthcare for all South Africans
7. To invest in quality healthcare for all South Africans
8. To develop a robust social security system
9. To build safer communities and reduce crime
10. To reform the public sector
11. To fight corruption in government
12. Transform society and unite the country

- **Implications for Lepelle-Nkumpi Municipality:** The NDP guides decision making in all spheres of government. The directives provided in the NDP must be integrated into the LED Strategy for Lepelle-Nkumpi Municipality. It is envisioned that by implementing the strategic guidelines and directives outlined in the NDP, Lepelle-Nkumpi Municipality will achieve the NDP's goals for the country with regards to eliminating poverty and reducing inequality in the area.

2.1.3. New Growth Path

The New Growth Path (NGP) is a broad framework that sets out a vision and identifies key areas where jobs can be created. Furthermore, the NGP seeks to address the issues surrounding unemployment, inequality, and poverty through strategy implementation relating to job creation. Government seeks to achieve this objective through restructuring the South African economy to achieve labour absorption and accelerated economic growth. Towards achieving this objective Government intends to:

1. Identify areas where employment creation is possible on a large scale because of substantial changes in conditions in South Africa and globally
2. To develop a policy package to facilitate employment creation in these areas, through
    a. A comprehensive drive to enhance competitiveness and social equity
    b. Systemic changes to mobilise domestic investment around certain activities and
    c. Strong social dialogue to encourage growth in employment-creating activities

The New Growth Path prioritises sectors in which employment will be created which include:

- The agricultural value chains
- The mining value chains
- The Green economy
- Manufacturing sector
- Tourism and services

- **Implications for Lepelle-Nkumpi Municipality:** The New Growth Path is predicated on the importance of job creation. It is therefore important that these priorities inform recommendations and guidelines provided for the LED Strategy in terms of creating sustainable and decent employment opportunities.

2.1.4. National Industrial Policy Framework and Action Plan (NIPF)

The primary objective of the NIPF is to set out government's approach to the industrial development for the South African economy, with much focus on relatively low-medium skill intensity industries. The vision of NIPF for the industrial development is as follows:

- To facilitate the diversification of the South African economy beyond the current reliance on traditional commodities and non-tradable services
- To contribute towards industrial development on the African continent with an emphasis on building productive capabilities
- Promotion of a more labour-absorbing industrialisation path with an emphasis on tradable labour-absorbing goods and services and economic linkages that catalyse job creation
- The movement towards a knowledge economy through the intensification of South Africa's industrialisation process
- Promotion of a broader based industrialisation path characterised by greater participation by historically disadvantaged individuals and marginalised regions in the mainstream of the industrial economy
- Contributing to industrial development on the African continent with an emphasis on building its productive capabilities

- **Implications for Lepelle-Nkumpi Local Municipality**: The NIPF seeks to identify sector specific constraints and opportunities through different strategic programmes. The NIPF strategy informs the strategic direction industrialisation should take place on a national scale which signifies the long-term intensification process of South Africa's industrialisation process and movement towards a knowledge economy.

2.1.5. National Spatial Development Perspective (NSDP)

The NSDP plan is a framework that highlights the development of the future of the national spatial economy. The NSDP mandate is to essentially coordinate government action and alignment. The NSDP perspective highlights the future development of the national spatial economy. The NSDP mandate is to essentially coordinate government action and alignment, thereby maximising the social and economic of government spending. In addition, the NSDP provides a rigorous basis for interpreting strategic direction.

The NSDP assist the government in confronting three fundamental questions which include:

1. Where should government direct its investment and development initiatives to ensure sustainable and maximum impact?
2. What kind of spatial forms and arrangements are more conducive to the achievement of government objectives for democratic nation building and social and economic inclusion
3. How can the government;
   a. Capitalise on complementarities and facilitate consistent decision-making?
   b. Move beyond mere focusing on integration and coordination procedures to establishing processes ad mechanism that would bring strategic co-ordination, interaction and alignment?

The NSDP plan makes available a set of principles and mechanism for guiding infrastructure investment and serves as a tool for identifying key priority areas in achieving positive spatial outcomes.

- **Implications for Lepelle-Nkumpi Local Municipality:** The NSDP provides guidance on the principles that should underpin the strategic approach relating to the use, to spatial development and management in the province. The NSDP will inform the LED Strategy to identify areas of economic significance for government investment and development interventions.

2.1.6. Industrial Policy Action Plan (IPAP)

The IPAP is an annual series of industrial strategies aimed at promoting diversification beyond the current reliance on traditional commodities and non-tradable services. The purpose of the IPAP is to expand value-added sectors, promote labour absorbing industries, increase economic participation by historically disadvantaged individuals, and expand into regional markets. Furthermore, a key priority of the IPAP is to coordinate the efforts of different government departments, agencies and state-owned enterprises towards the goal of industry development and ultimately job creation. The IPAP is guided by the National Industrial Policy Framework and aims to implement the government's approach to industrialisation. The document is specifically concerned with promoting the following industries, identified as having long-term growth potential. These include:

- Metal fabrication and beneficiation, and equipment manufacturing
- Clothing, textiles, leather, footwear, and crafts
- Advanced and technology-based manufacturing
- Green and energy saving industries
- Agro-processing and biofuels
- Plastics and pharmaceuticals
- Automotive components and vehicles
- Forestry, paper, pulp and furniture
- Tourism related industries

- **Implication for Lepelle-Nkumpi Municipality:** The IPAP is guided by the National Policy Framework which aims to implement the government approach towards industrialisation. The IPAP supports cluster development thereby enhancing efficiency and competitiveness of local firms. It is therefore essential that the IPAP informs the LED Strategy which will yield towards improvement on the competitiveness and efficiency of local businesses within the area.

2.2. Provincial Policies

2.2.1. Limpopo Provincial Growth and Development Strategy

The LPGDS offers a vision for development that reflects the development priorities in terms of social needs and competitive economic growth potential of the province, but also consistent with national development imperatives. In addition, LPGDS guides and coordinates the allocation of national, provincial and local resources, as well as private sector investment to achieve sustainable development outcomes. The Provincial Government Development Plan identified seven provincial-specific clusters with development potential:

- Platinum mining cluster on the Dilokong Corridor between Polokwane and Burgersfort (Sekhukhune district) and in the Waterberg district
- Coal mining and petrochemical cluster at Lephalale on the East-West Corridor (Waterberg district)
- Fruit and Vegetable (horticulture) cluster in Vhembe, Mopani and Bohlabela
- Logistics cluster in Polokwane (Capricorn district)
- Red and White meat cluster on all the corridors (all districts)
- Eight tourism sub-clusters at several high-potential destinations
- Forestry cluster in the Mopani and Vhembe districts

- **Implication for Lepelle-Nkumpi Municipality**: The LPGDS is a policy of government which seeks to encourages economic development though private initiatives. The increase in investment from a local and foreign perspective into the region will have a significant impact on economic prosperity and the living standards of the residents in the Lepelle-Nkumpi Municipality area.

2.2.2. Limpopo Development Plan

The LDP is an ongoing journey to eliminate poverty, reduce inequality and improve the quality of life of citizens as visualised in the National Development Plan. The province needs to institutionalise long-term planning, integration and coordination to realise development objectives. The essence of the LDP is to improve standards of living and to reduce poverty, unemployment and unacceptable levels of inequality. To achieve development objectives, the province seeks to improve on sustainable economic development, social infrastructure and institutional development with emphasis on transformation.

With regards to economic prosperity and transformation the LDP plan will focus on mining, agriculture, tourism and manufacturing as well as empowering the SMME's sector and Cooperatives. In terms of enhancing development much focus will be placed horticulture, meat, forest and tourism clusters to promote development in the rural areas.

- Implications for Lepelle-Nkumpi Municipality: The LED Strategy for Lepelle Nkumpi Municipality needs to be aligned with the LDP to ensure appropriate measures for fostering social cohesion towards vibrant self-reliant and mutually supportive society in the area.

2.2.3. Limpopo Agro-Processing Strategy

The Limpopo Agro-Processing Strategy seeks to enhance agro-processing capabilities of the province to address economic development challenges. The strategy creates sustainable job opportunities in the medium to long-term periods by reaching the objectives. The key benefits of the Limpopo Agro-Processing Strategy entail:

- Job opportunities in the entire value chain of the agriculture sector
- Promotion and investment in the agro-processing sector for the province
- Rural development through interventions in a range of sectors
- Improved competitiveness in the local economy using resource base and locational advantages
- Integration between the different economic sectors of the province
- Enterprise and skills development enhancement in agriculture industries
- The overall growth and development of the agriculture industries

- Implication for Lepelle-Nkumpi Municipality: The agriculture value chain has been identified as one of the key sectors for employment creation, thus efforts to grow and develop agro processing will promote government action whilst contributing to the number and quality of jobs created in the area.

2.2.4. Limpopo Tourism Strategy

The Limpopo Tourism Strategy emphasises on the concept of tourism clusters and the importance to economic development for the province. The cluster focus is conducted to raise international competitiveness in the province and to combine with public and private contributions to have greater impact. The tourism strategy intends:

- To promote private and public partnerships
- To attract more tourist than isolated tourism products
- To increase the number of tourists coming in the province

Tourism development is important towards achieving economic prosperity. The Limpopo Tourism strategy identifies nine tourism cluster development which are listed below:

- South-East Bushveld
- Northern Bushveld
- Waterberg Central
- Polokwane
- Upper Lethaba
- Limpopo Low-veld
- Sekhukhune land
- North-East Limpopo
- Limpopo River Valley

Tourism in rural areas specifically is very important as it contributes to the local economic development; it provides a platform for small-scale businesses and fosters the local tourism. value chain. A strong and stable tourism value chain encourages tourists to travel to a specific destination and prevents leakages into other provinces.

- **Implication for Lepelle-Nkumpi Municipality:** Lepelle-Nkumpi Municipality needs to develop and expand the tourism market in the area in a way that promotes transformation, distribution and sustainability in the industry, as the tourism clusters have the potential to promote and bring public partnerships. If the local tourism can flourish the local populace will benefit from new jobs, opportunities and investment in the area. The Tourism Strategy should also inform LED Strategy for Lepelle-Nkumpi as the Gateway to the Kruger Canyons Biosphere.

2.2.5. Limpopo Five Year Industrial Plan

The Limpopo Five Year Industrial Plan seeks to contribute towards the development of key sectors within the province by strengthening industrial linkages, increased value-added activities and enhancing productivity. The province mandate is to create sustainable job opportunities in the medium to long-term periods by reaching the objectives as indicated by the Industrial Policy Action Plan 2. The master plan will also aim to intensify technology development to improve the comparative and competitive advantages of the economy as well as to promote overall growth and development of the industrial sector through promotion of and investment in high-value production and value-added technologies and activities.

- **Implication for Lepelle-Nkumpi Municipality**: The Limpopo Five Year Industrial Plan will industrialise the Lepelle-Nkumpi through innovative strategies to create sustainable job opportunities. Furthermore, this Lepelle-Nkumpi Municipality can also improve its comparative and competitive advantages which will promote the overall growth and the development of the industrial sector in the Lepelle Nkumpi.

2.3. District Policies

2.3.1. Capricorn District Municipality Local Economic Development Strategy

The Capricorn District Municipality Local Economic Development Strategy objective is to contribute towards economic growth and development thereby addressing unemployment and poverty. The Strategy’s priority area consists namely of:

- Growing the first economy
- Developing the second economy
- Building a Knowledge economy
- Land and infrastructure development
- Good Governance and Partnerships

The Capricorn LED highlights agriculture as one of the region’s main opportunities, with the agricultural sector set to play a strong role in the districts economy. Furthermore, the strategy also serves to position Capricorn District Municipality as the Hub of Creative Sustainable Economic Development within Limpopo Province due to its geographical positioning, South

Africa, SADC, Africa through establishing partnerships with communities in the Capricorn District.

- **Implication for Lepelle-Nkumpi Municipality:** The Capricorn LED strategy also serves as the Hub of Creative Sustainable Economic Development within Limpopo Province. Lepelle-Nkumpi LED Strategy should be focussed on stimulating job creation through creating a platform for entrepreneurs and emerging SMMEs to develop and thrive.

2.3.2. Capricorn District Municipality Investment and Marketing Strategy

The Capricorn District Municipality Investment and Marketing Strategy is focused on promoting integrated and sustainable development in the local economy. The District Municipality has specific coordination and facilitation responsibilities, which need to be addressed in an innovative manner to initiate and promote integrated and sustainable development and to attract investment. The Investment Strategy seeks to provide the following benefits:

- A clear understanding of the area's potential and the regulatory environment
- Assist in raising the awareness of the Capricorn DM among potential investors
- Create a working relationship between public sector and local businesses

The Investment and Marketing Strategy has identified the following projects in agriculture, mining, tourism and manufacturing for investment which have the potential to yield maximum benefits in terms of sectoral linkages. These include:

- Farming in oilseeds for oil extraction
- Production of indigenous medicinal plants
- Mining assisted small business development
- Establishment of food processing cluster
- Establishment of pharmaceutical cluster
- Processing of sorghum into beer brewing and cattle feed
- Developing the Nature Reserve Belt

- **Implication for Lepelle-Nkumpi Municipality:** The LED Strategy for Lepelle-Nkumpi Municipality should be aligned with the Capricorn District Municipality Investment and Marketing Strategy as agriculture and mining sector present several backward and forward linkage opportunities for the local economy and there is considerable potential to utilize these sectors as a catalyst for developing other economic activities by strengthening these linkages.

2.3.3. Capricorn District Municipality Integrated Development Plan

The Capricorn District Municipality Integrated Development Plan seeks to improve the coordination and integration of planning, budgeting, and development within the Capricorn

District Municipality. According to the Local Municipal Systems Act of 2000, the IDP is used by local municipalities as a method to plan and provide a framework for the future development in their areas, to improve the quality of life of its people and to achieve good long-term development. The Capricorn Integrated Development Plan further identifies key development priority issues for the district which will provide opportunities for rural development related to agriculture amongst others with the right levels of investment. These include:

- Health and Dignity
- Secure Living Conditions
- Education at early childhood
- Financial Security
- Good Governance

- **Implication for Lepelle-Nkumpi Municipality:** The Capricorn District IDP acts as a broad business plan for the Capricorn District. The IDP will improve the coordination and integration of planning, budgeting, and development for Lepelle-Nkumpi Municipality which will result in economic prosperity and economic linkages in the area.

2.3.4. Capricorn District Municipality Tourism Growth Strategy

The Tourism Growth Strategy for Capricorn seeks to address the tourism development gaps and opportunities identified in the area. The strategy suggest that Lepelle-Nkumpi echoes the all-time roles of the Olifants and Nkumpi rivers as the life-giving sources to the area, and the area comprises of the Wolkberg Wilderness Area, and Lekgalameetse Nature Reserve in the Drakensberg mountain range. The significant tourism attraction in the area include:

- Zebediela Citrus Estate
- Provincial Legislature Buildings – Lebowakgomo
- Segwaigwai Cableway
- Lekgalameetse Nature Reserve
- Wolkberg Wilderness
- Sefagafaga Magic Tree
- Mafefe Traditional History
- Cape Colony Vulture at Ga-Mathabatha

- **Implications for Lepelle-Nkumpi Municipality:** Linking tourism development with Local Economic Development (LED) is key to ensuring that the benefits of a local tourism development accrue to the local economy, rather than being lost through leakages to other economies.

2.3.5. Capricorn District Spatial Development Framework

The purpose of the Capricorn Spatial Development Framework is to evaluate the position of the District Municipality from a national and provincial perspective and to serve as a guide for the respective Local Municipalities to ensure spatial development links with the overall perspective of the District. The Capricorn SDF proposes focused primarily around these nodal points which include:

- Blouberg LM: Senwabarwana and Matlala
- Aganang LM: Chloe, Setumong and Bakone
- Molemole LM: Between Mogwadi and Mphakane, and Ga-Ramokgopha
- Polokwane LM: Mankweng
- Lepelle-Nkumpi: Lebowakgomo, Mphahlele and Mahlatjane/ Mafefe

The SDF was drafted in accordance with thirteen principles of which principle 7 aims to promote extensive commercial farming and subsistence farming activities in the district and principle 10 seeks to concentrate industrial and agro-processing activities around the Polokwane/Seshego cluster and at Zebediela, Key areas for economic growth that have been identified in the include agriculture, tourism and mining in the Capricorn District Municipality.

- **Implication for Lepelle Nkumpi Municipality:** The LED Strategy should be aligned with the SDF which identifies potential growth nodal points such Lebowakgomo in Lepelle-Nkumpi LM which has the potential to develop Lebowakgomo industrial park in the area.

2.4. Local Policies

2.4.1. Lepelle-Nkumpi Local Economic Development

The LED Strategy for Lepelle-Nkumpi forms part of the Municipality's overall strategic plan, which seeks to promote viable local economic activities that benefit the local population, through the creation of direct and indirect employment. According to of section 152 of the constitution (1996: 84), local government should promote social and economic development of communities and find sustainable ways to meet their needs and improve the quality of their lives. The LED Strategy investigates economic opportunities for broadening the local economic base to address the creation of employment opportunities and the resultant positive spin-off effects.

The Strategy is based on the underlying principle that there is a gap between the existing levels of development in Lepelle-Nkumpi Local Municipality and the potential level of development. In this regard the Strategy provides the municipality with:

- A strategically focused local economic development profile
- Identification of the development potential of the municipality
- Constraints to development in the municipality
- Opportunities for SMME development in the municipality
- Strategies to enhance co-ordination, integration and participation
- A local economic development plan
- Business opportunities that are sustainable

- **Implications for Lepelle-Nkumpi Municipality:** Lepelle-Nkumpi Municipality holds a significant potential, and thus further development and expanding of the agriculture sector should be supported as it has the potential inject into the local economy.

2.4.2. Lepelle-Nkumpi Integrated Development Plan (IDP)

The IDP vision and mission of the Lepelle-Nkumpi Local Municipality is to become a financially viable municipality which is geared towards improving the quality of life and providing sustainable services for people in the area. The IDP suggest that Lepelle-Nkumpi has significant agricultural development potential in terms of horticulture and livestock. The major economic sector focuses in the Lepelle-Nkumpi LM are agriculture, mining and tourism.

The municipality's key priorities areas include; water and sanitation, roads and storm water, employment, land and housing, community and sport facilities. The IDP suggest that high income earners are concentrated mostly in the Township of Lebowakgomo, which is the only pure urban area within the municipality. In respect of Lepelle-Nkumpi, the following routes play an important role, namely:

- 37: Provincial Corridor between Polokwane and Burgersfort;
- R518: Main Road (Lebowakgomo – Mokopane)
- R519: Main Road (Polokwane – Zebeliela – Roedtan)
- R579: Main Road (Lebowakgomo – Jane Furse

The IDP also identifies key economic development opportunities in the areas which include the following:

- Natural resource base
- Agro-processing and cluster development
- Mining, manufacturing and existing skills base in the area
- Retail and services
- Tourism and property development
- Location connectivity (From Polokwane to Burgersfort, one need to drive through Lepelle Nkumpi)

- **Implications for Lepelle Nkumpi Municipality:** The IDP sets out projects and strategies to upgrade service delivery as it is a great concern within this region. In this regard, the LED Strategy for Lepelle-Nkumpi will ensure effective, efficient and sustainable service delivery, which will achieve economic development, stimulate skills development and combat unemployment in the area.

2.4.3. Lepelle-Nkumpi Spatial Development Framework (SDF)

The SDF for Lepelle-Nkumpi sets guidelines for land use management, as well as the councils local economic development goals. SDF attempts to influence the overall spatial distribution of current and future land use within a municipality to give effect to the vision, goals and objectives of the Municipal Integrated development Plan (IDP). According to the Municipal Systems Act of 2000 (Act 32 of 2000), an SDF must include the provision of basic guidelines for a land use management system for the municipality. The development principles for Lepelle-Nkumpi Local Municipality is primarily based on the SPLUMA principles for development as contemplated in Chapter 2 namely:

- Spatial justice
- Spatial sustainability
- Efficiency
- Spatial resilience
- Good administration

To refine the growth points for the Municipality and further explore the unique opportunities within urban and rural development areas, the SDF for Lepelle-Nkumpi is based on six development principles which include:

- To achieve a sustainable balance between urban and rural development, conservation, mineral resources and agriculture
- To ensure sustainable human settlements and viable communities by promoting and creating compact urban settlements
- To Provide for rural development in a sustainable manner and ensure that residents in rural areas have adequate access to a quality life and equal protection of their environment
- Strengthening the economic activity within the municipal area
- Utilising the economic and development potential created by natural resources such as nature conservation areas and the biosphere
- Utilising the existing main road system of transport routes as functional links between nodal points in support of spatial patterns and economic activity within the municipality

- **Implications for Lepelle-Nkumpi Local Municipality:** The LED Strategy for Lepelle-Nkumpi Local Municipality needs to be aligned with the SDF as this will encourage integration, environmental and socio-economic sustainability in the local economy, wherein the residents have adequate access to a quality of life.

2.4.4. Lepelle-Nkumpi Investment and Marketing Strategy

The Lepelle-Nkumpi Investment Strategy focuses on retaining and expanding the existing businesses, and secondly, on attracting new investment to the area. The implementation of the Investment and Marketing Strategy has the potential benefit of:

- Creating a clear understanding of the area's potential
- Assist in raising the awareness of the Lepelle-Nkumpi LM among potential investors

- Creating a working relationship between public sector and local businesses
- Improving the regulatory environment of the Municipality regarding support of local and large companies

The Lepelle-Nkumpi Investment and Marketing Strategy also identifies land suitable for sorghum production and various irrigated pieces of land for further development just outside Lebowakgomo which provides an investment opportunity in the area.

- **Implications for Lepelle-Nkumpi Local Municipality:** The LED Strategy for Lepelle-Nkumpi Local Municipality needs to be aligned with the SDF as this will encourage integration, environmental and socio-economic sustainability in the local economy, wherein the residents have adequate access to a quality of life.

2.4.5. Lepelle-Nkumpi Spatial Development Framework

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- Spatial justice
- Spatial sustainability
- Efficiency
- Spatial resilience
- Good administration

To refine the growth points for the Municipality and further explore the unique opportunities within urban and rural development areas, the SDF for Lepelle-Nkumpi is based on six development principles which include:

- To achieve a sustainable balance between urban and rural development, conservation, mineral resources and agriculture
- To ensure sustainable human settlements and viable communities by promoting and creating compact urban settlements
- To Provide for rural development in a sustainable manner and ensure that residents in rural areas have adequate access to a quality life and equal protection of their environment
- Utilising the economic and development potential created by natural resources such as nature conservation areas and the biosphere

- **Implications for Lepelle-Nkumpi Municipality:** The LED Strategy for Lepelle-Nkumpi Municipality needs to be aligned with the SDF as this will encourage integration, environmental and socio-economic sustainability in the local economy, wherein the residents have adequate access to a quality of life.

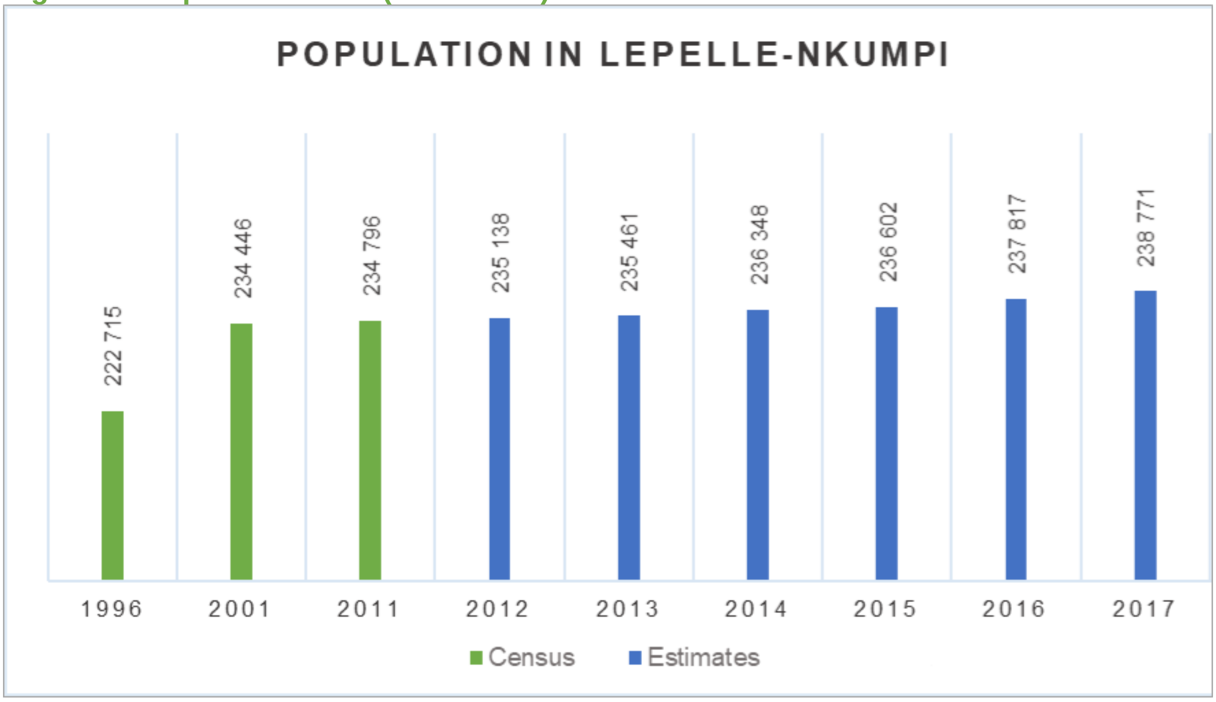
3. Development Profile

This section describes and clearly outlines the status quo which provides an understanding of the local economy of LNLM, its location advantages and disadvantages, the economic profile and natural resources, and the level of delivery of municipal services.

3.1. Population Overview

This section will provide an overview of the population of Lepelle-Nkumpi along with its surrounding neighbours and competitors. Population is the number of individuals that live within a specified area.

Figure 1: Population Size (1996-2017)



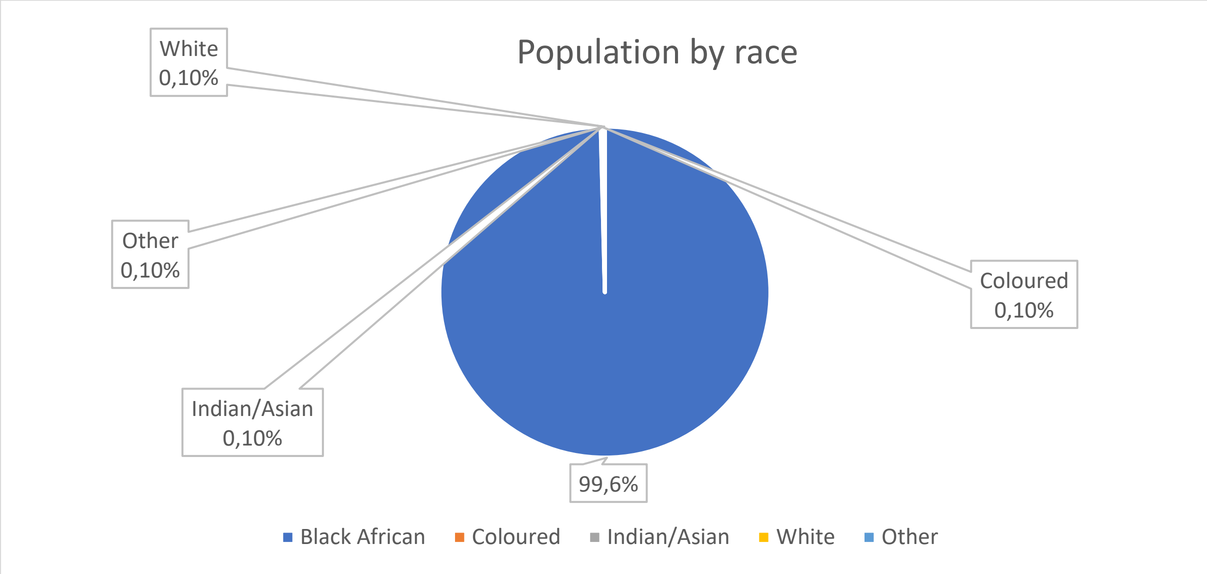
SOURCE: QUANTEC 2018

Figure 1 shows that the population trend for Lepelle-Nkumpi has been increasing overtime. It is important to note that in the population for Lepelle-Nkumpi Local Municipality increased from about 234 446 in 2001 to about 234 794 in 2013 at an annual growth rate of 0,35% between the census year of 1996 and 2011. The period between 2011-2017 also signifies an increase in the growth rate of 0,28% which indicates that more people have migrated into the area.

3.1.1. Population by race

In Lepelle-Nkumpi 99% of the municipal population is black African. The age dependency ratio is 77,9. For every 100 females there are 84 males. Most of the people (86,1%) speak Sepedi as their first language, followed by IsiNdebele at 4,6%, Xitsonga at 3,7% and other languages at 5,6%. Only 2% of the population have a degree or similar qualification, whereas 5% have completed secondary education. 12% of the population had no schooling. The municipality has 115 primary schools, 81 secondary schools and 1 FET College. The figure below shows the population groups for Lepelle-Nkumpi.

Figure 2: Population groups for Lepelle-Nkumpi

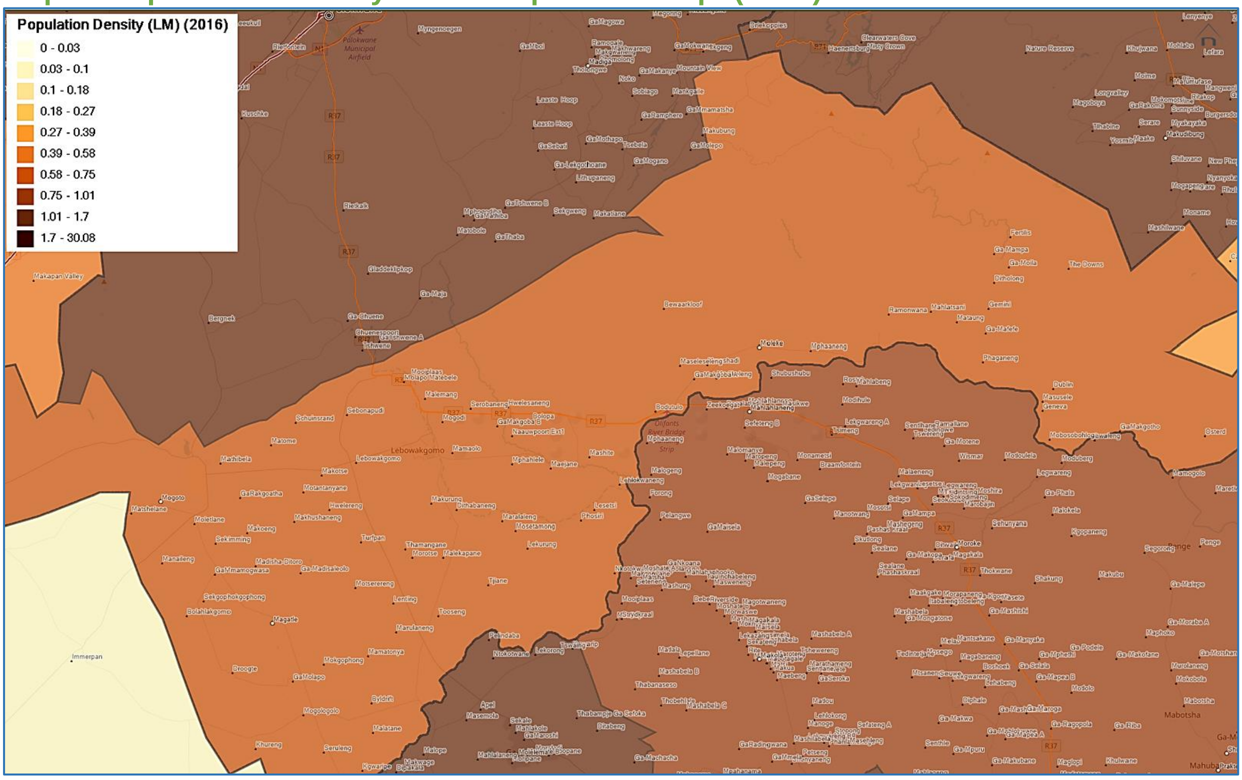


STATS SA,2018

3.1.2. Population density

Population Density is the number of individuals that live in an area per km². The population density in Lepelle-Nkumpi Local Municipality increased from about 68,55 people per km² in 2013 to about 71 people per km² in 2017 at an annual growth rate of about 0,91% per annum. The Map below illustrates the population density for Lepelle-Nkumpi Municipality.

Map 2: Population Density within Lepelle-Nkumpi (2016)



SOURCE: MAPABLE®

The competitors' population ranged between about 77 546 and 631 670 in 2017, which indicates that Lepelle-Nkumpi Local Municipality's population was at the midpoint of the range, giving it a rank of 6 compared to the competitors. Amongst the competitors, Polokwane had the largest population, while Modimolle had the smallest population.

The annual population growth rate amongst the competitor's ranged between about 24,25% and 27,98% per annum between 2013 and 2017. This indicates that Lepelle-Nkumpi Local Municipality's annual population growth rate was at the midpoint of the range, giving it a rank of 6 compared to the competitors. Amongst the competitors, Polokwane's population experienced the biggest growth, while Modimolle's population experienced the lowest growth.

The below summarises the information above for Lepelle-Nkumpi and its neighbouring local municipalities. The table also shows the ranking for Lepelle-Nkumpi relative its neighbours for indicators discussed.

Table 1: Population Overview for Competitors in 2017

Population Overview	Population	Population AGR	Population Density	Population Density AGR
Rank	**6**	**6**	**5**	**9**
Lepelle-Nkumpi	**238 771**	**0,35%**	**71,07**	**0,91%**
Polokwane	631 670	27,98%	175,87	1,57%
Blouberg	169 926	-7,83%	18,84	0,69%
Molemole	114 563	-16,48%	35,14	0,96%
Mogalakwena	333 953	9,13%	52,60	0,93%
Modimolle	77 546	-24,25%	16,27	1,35%
Ephraim Mogale	134 150	-13,12%	64,35	1,08%
Greater Tubatse	359 224	11,14%	73,87	1,42%
Makhuduthamaga	292 317	5,56%	137,48	0,98%
Maruleng	101 598	-18,95%	31,58	0,84%
Greater Tzaneen	419 439	15,53%	130,10	1,09%

SOURCE: QUANTEC 2018

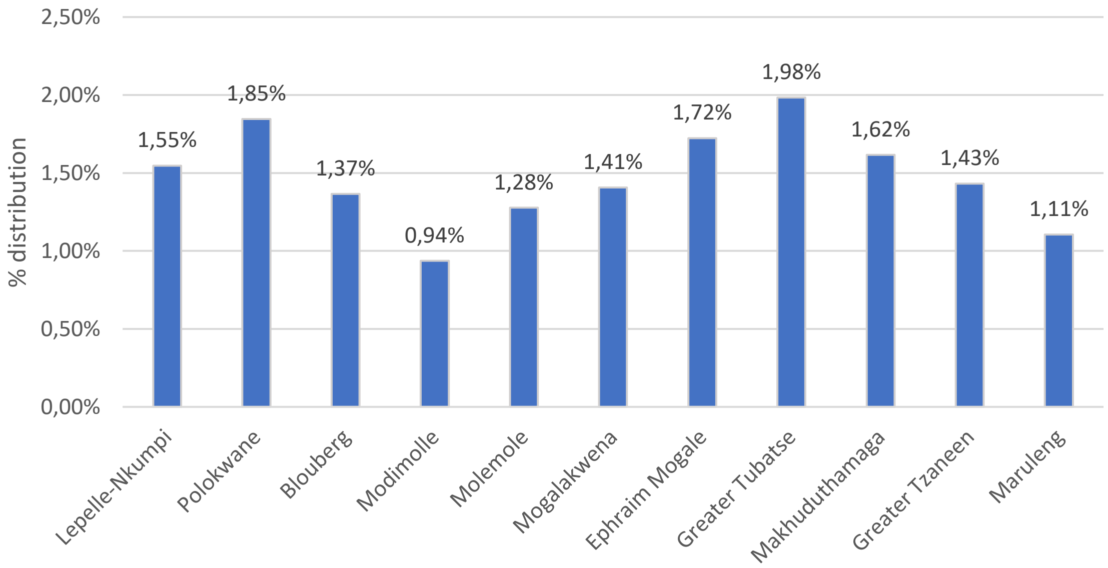
3.1.3. Number of households

Households is a group of people, often a family who dwell under the same roof or occupy a housing unit. The number of households in Lepelle-Nkumpi Local Municipality increased from about 59 231 in 2013 to about 62 983 in 2017 at an annual growth rate of about 1,55% per annum.

The competitors' number of households ranged about 19 613 and 185 551 in 2017, which indicates that Lepelle-Nkumpi Local Municipality's number of households was at the midpoint of the range, giving it a rank of 6 compared to the competitors. Amongst the competitors, Polokwane had the most households, while Modimolle had the least households.

The annual household growth rate amongst the competitor's ranged between about 0,94% and 1,98% per annum between 2013 and 2017. This indicates that annual household growth rate for Lepelle-Nkumpi Local Municipality was at the midpoint of the range, giving it a rank of 5 compared to the competitors. Amongst the competitors, households for Greater Tubatse experienced the biggest growth, while households in Modimolle experienced the lowest growth.

Figure 3: Percentage distribution of Household Growth (2013-2017)

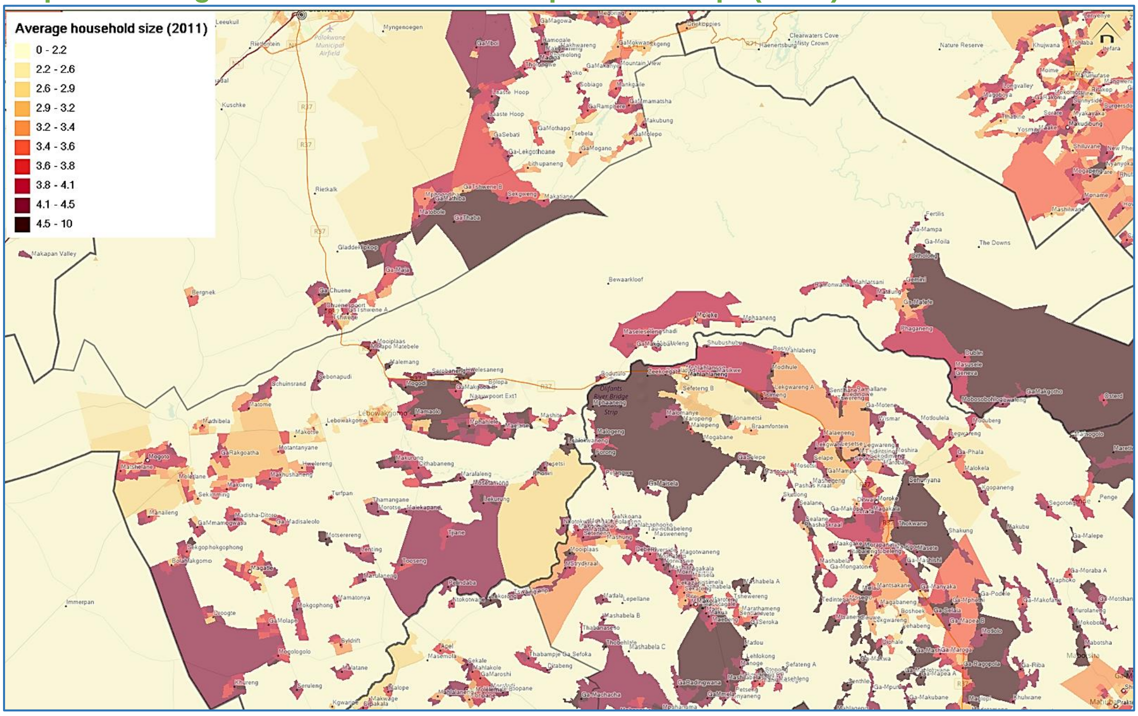


SOURCE: QUANTEC 2018

3.1.4. Average household size

The average household size is a measure obtained by dividing the population size by the number of households. The Map**Error! Reference source not found.** below illustrates the average household sizes across the Lepelle-Nkumpi Local Municipality. The figure shows that there were areas with relatively large households specifically on the eastern side of the municipality. Similarly, the western side shows scattered portions of large households particularly within the settlements. The town area shows smaller household sizes.

Map 3: Average Household Size in Lepelle-Nkumpi (2016)

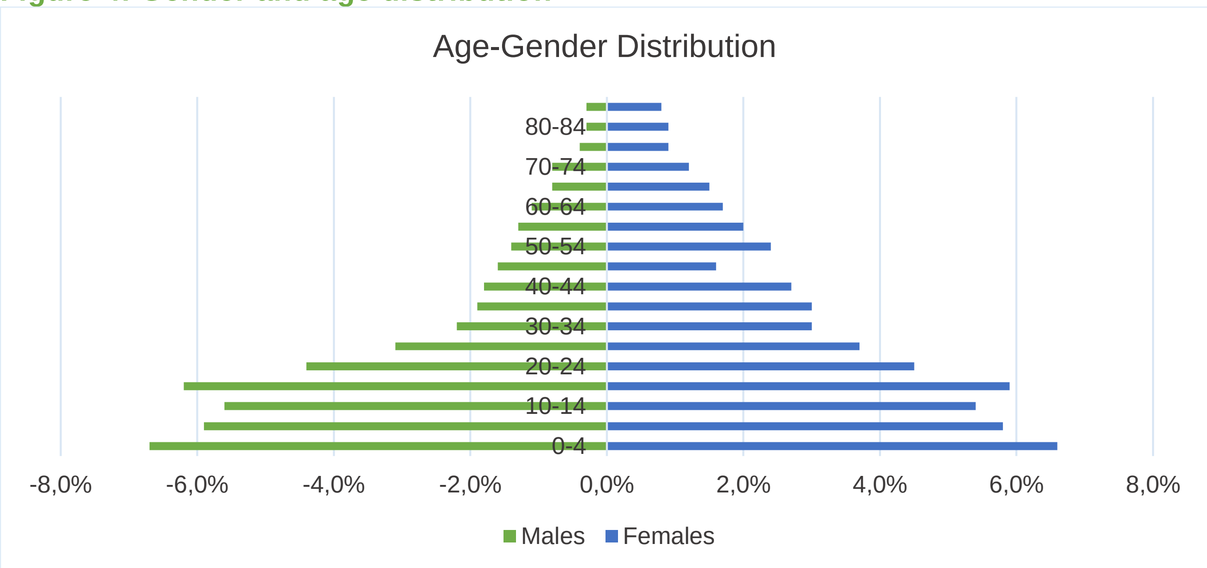


SOURCE: MAPABLE®

3.1.5. Gender and age distribution

The age-gender distribution profile provides a breakdown of the gender of the inhabitants of the area within age categories. Three age groupings are of importance within this section, namely 0-15-year olds which represents the youth, 16-64-year olds which represents the working age population and 65-year olds and older that represents the aged. From the diagram below, it can also be concluded that the large portion of the population is within the working age population (15 year – 64 years) while the youth (less than 15 years) and the aged (more than 64 years) are relatively smaller portions of the population respectively.

Figure 4: Gender and age distribution



SOURCE: QUANTEC 2018

Figure 4 above illustrates that Lepelle-Nkumpi has more females compared to males. Furthermore, this seems to be the trend with other competitors within the area except for Modimolle. Furthermore, within the three age groupings, the youth-gender breakdown was about 18,02% female and 18,48% male, the working-age-gender breakdown was about 30,94% female and 24,74% male and the aged-gender breakdown was about 5,34% female and 2,48% male.

The competitors' age-gender profiles indicate that the proportion of females within these municipalities ranged between about 47,66% and 55,94% in 2017, which indicates that the proportion of the females for Lepelle-Nkumpi Local Municipality was at the upper end of the range. Amongst the competitors, Makhuduthamaga had the highest proportion of females, while Modimolle had the lowest proportion of females.

The competitors' youth-gender profiles indicate that the proportion of females within this age segment ranged between about 14,09% and 19,31% in 2017, which indicates that the proportion of the females within this age segment for Lepelle-Nkumpi Local Municipality was at the upper end of the range. Amongst the competitors, Blouberg had the highest proportion of females within the youth segment, while Modimolle had the lowest proportion of females in the youth segment.

The competitors' working-age-gender profiles indicate that the proportion of females within this age segment ranged between about 30,02% and 33,71% in 2017, which indicates that the proportion of the females within this age segment Lepelle-Nkumpi Local Municipality was at the midpoint of the range. Amongst the competitors, Greater Tzaneen had the highest proportion of females within the working-age segment, while Blouberg had the lowest proportion of females in the working age segment.

The competitors' aged-gender profiles indicate that the proportion of females within this age segment ranged between about 3,03% and 5,69% in 2017, which indicates that the proportion of the females within this age segment for Lepelle-Nkumpi Local Municipality was at the upper end of the range. Amongst the competitors, Makhuduthamaga had the highest proportion of females within the aged segment, while Modimolle had the lowest proportion of females in the aged segment. Table 2 summarises the information above for Lepelle-Nkumpi and its neighbouring local municipalities. The table below shows the ranking for Lepelle-Nkumpi relative its neighbours for indicators discussed.

Table 2: Gender and Age Groupings Overview for Competitors

Gender and Age Grouping	Female	Youth	Working Age	Aged	Male	Youth	Working Age	Aged
Rank	**2**	**3**	**7**	**2**	**10**	**4**	**9**	**2**
Lepelle-Nkumpi	**54,30%**	**18,02%**	**30,94%**	**5,34%**	**45,70%**	**18,48%**	**24,74%**	**2,48%**
Polokwane	51,16%	14,58%	33,18%	3,40%	48,84%	14,93%	32,15%	1,76%
Blouberg	54,23%	19,31%	30,02%	4,89%	45,77%	20,33%	22,99%	2,44%
Molemole	53,54%	17,27%	31,15%	5,13%	46,46%	17,89%	26,15%	2,42%
Mogalakwena	53,04%	17,15%	30,88%	5,00%	46,96%	17,67%	26,78%	2,51%
Modimolle	47,66%	14,09%	30,54%	3,03%	52,34%	14,67%	35,19%	2,47%
Ephraim Mogale	52,85%	17,56%	30,53%	4,76%	47,15%	18,57%	26,23%	2,36%
Greater Tubatse	52,42%	17,52%	31,20%	3,71%	47,58%	18,04%	27,90%	1,63%
Makhuduthamaga	55,94%	18,97%	31,28%	5,69%	44,06%	19,66%	21,93%	2,47%
Maruleng	53,14%	16,83%	32,73%	3,58%	46,86%	17,41%	27,65%	1,81%
Greater Tzaneen	53,09%	15,53%	33,71%	3,85%	46,91%	15,90%	29,17%	1,84%

SOURCE: QUANTEC 2018

3.1.6. Dependency ratio

The dependency ratio can be shown as a child-dependency ratio, aged-dependency ratio or total dependency ratio. The child-dependency ratio illustrates the number of youths per 100 working-age population, while the aged-dependency ratio illustrates the number of aged per 100 working-age population. The total-dependency ratio is a ratio between those typically not in the labour force and those typically in the labour force which is normally showed as a ratio between the sum of the number of youth and the aged per 100 working-age population.

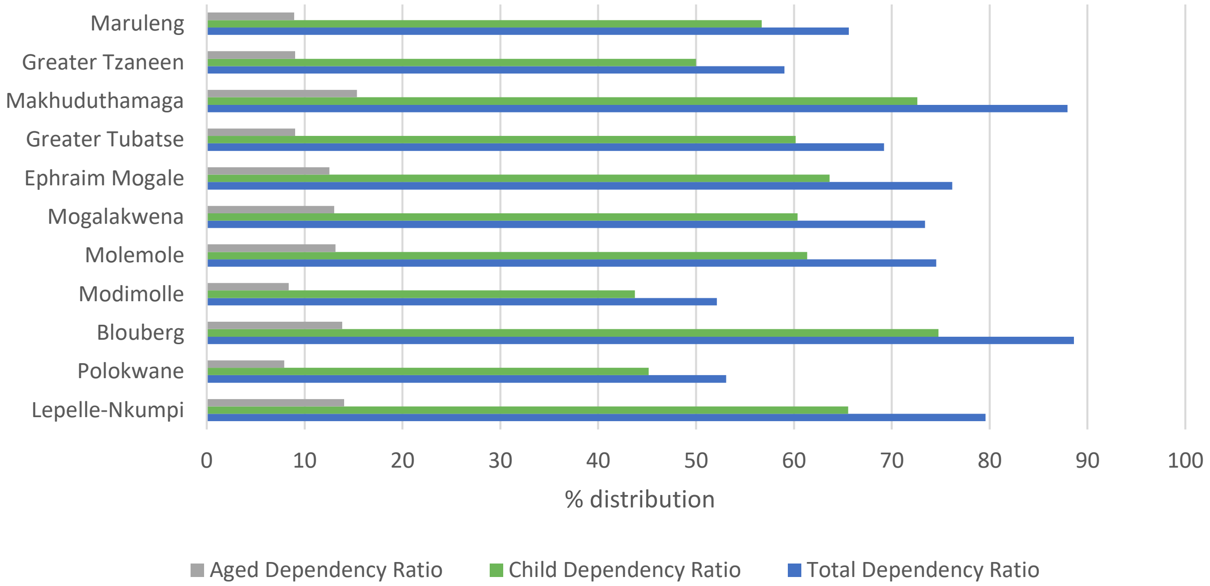
Lepelle-Nkumpi Local Municipality had a total-dependency ratio of about 79,59 dependents per 100 working-age population in 2017. This was divided into 65,55 child-dependents per 100 working aged population and 14,04 aged population per 100 working aged population.

The competitors' total-dependency ratio ranged between about 52,14 and 88,62 in 2017, which indicates that the proportion of youth and aged population were Lepelle-Nkumpi Local Municipality at the lower end of the range. Amongst the competitors, Blouberg had the highest total-dependency ratio, while Modimolle had the lowest total-dependency ratio.

The competitors' child-dependency ratio ranged between about 43,76 and 74,79 in 2017, which indicates that the proportion of youth population for Lepelle-Nkumpi Local Municipality was at the lower end of the range. Amongst the competitors, Blouberg had the highest child-dependency ratio, while Modimolle had the lowest child-dependency ratio.

The competitors' aged-dependency ratio ranged between about 7,90 and 15,34 in 2017, which indicates that the proportion of the aged population for Lepelle-Nkumpi Local Municipality was at the lower end of the range. Amongst the competitors, Makhuduthamaga had the highest aged-dependency ratio, while Polokwane had the lowest aged-dependency ratio.

Figure 5: Dependency Ratios for Competitors



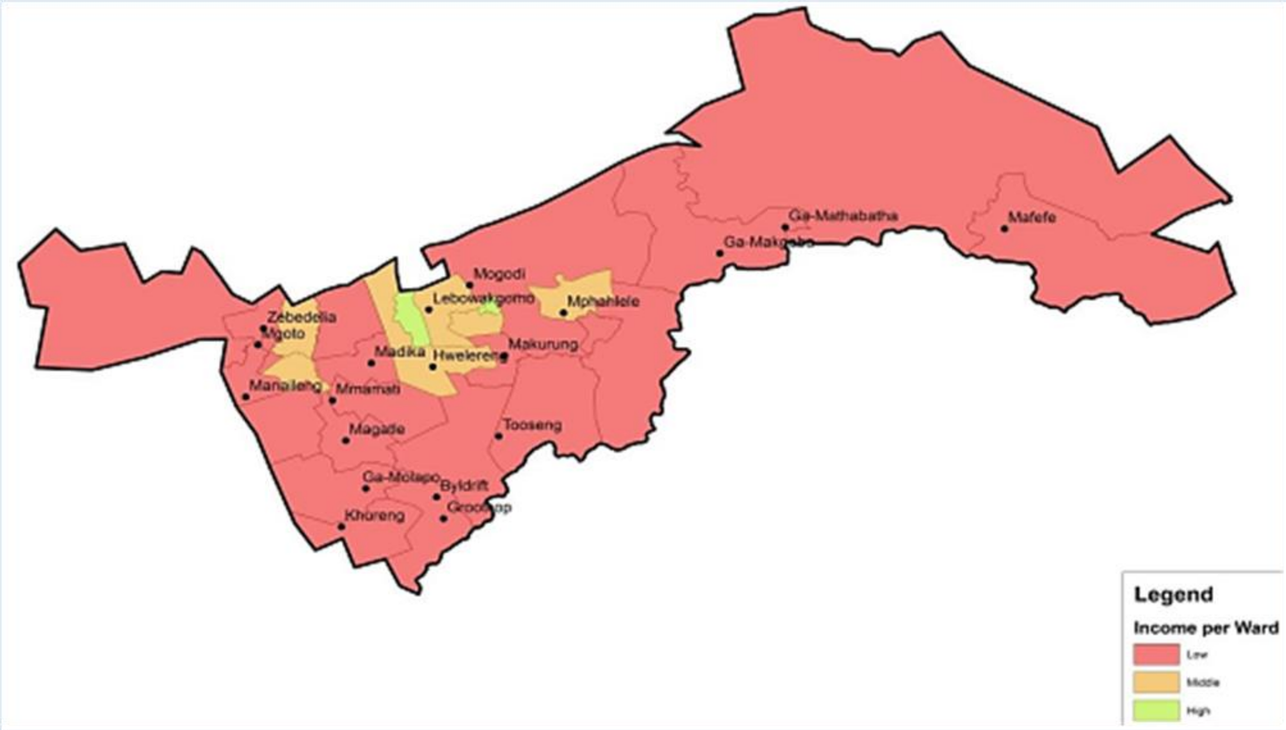
SOURCE: QUANTEC 2018

Figure 5 summarises the information above for Lepelle-Nkumpi and its neighbouring local municipalities in term of the dependency ratio.

3.1.7. Gini coefficient

The Gini Coefficient is a way of measuring the income inequality that condenses the entire income distribution for an area into a single number between 0 and 1, where a value closer to 1 indicates total inequality and a value closer to 0 indicates income equality. The Gini Coefficient for Lepelle-Nkumpi Local Municipality decreased from about 0,52 in 2013 to about 0,52 in 2017 and an annual decline of -0,28%. The Map below depicts the of income distribution for the Municipality.

Map 4:Income Distribution within Lepelle-Nkumpi Local Municipality



SOURCE: (LNLM IDP, 2016-2021)

The competitors' average Gini coefficient ranged between about 0,48 and 0,52 for 2017. This indicates that the Gini coefficient for Lepelle-Nkumpi Local Municipality was at the lower end of the range, giving it a rank of 10 compared to the competitors. Amongst the competitors, Blouberg had the best (lowest) Gini coefficient, while Molemole had the worst (highest) Gini coefficient.

The annual Gini coefficient change for Lepelle-Nkumpi Local Municipality's competitors ranged between -0,72% and 0,33% per annum between 2013 and 2017. This indicates that the Gini coefficient for Lepelle-Nkumpi Local Municipality change was at the upper end of the range, giving it a rank of 5 compared to the competitors. Amongst the competitors, the Gini coefficient for Molemole increased the most, while the Gini coefficient for Modimolle increased the least.

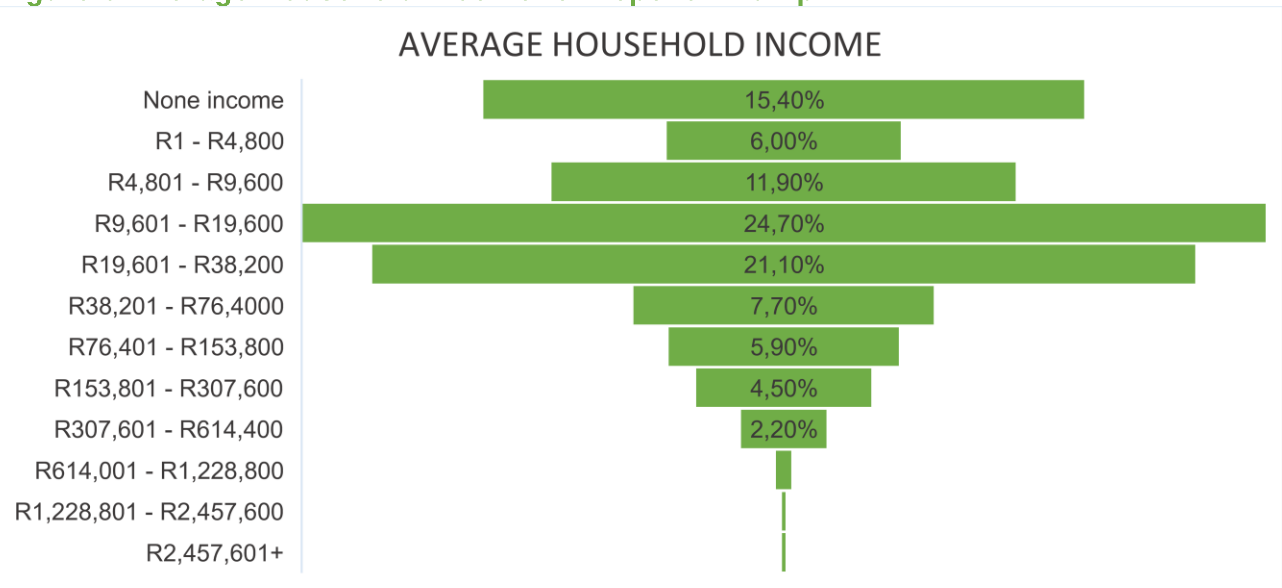
Table 3 summarises the information above for Lepelle-Nkumpi and its neighbouring local municipalities. The table also shows the ranking for Lepelle-Nkumpi relative its neighbours for indicators discussed.

Table 3: Gini Coefficient for Competitors

Gini Indicators	Gini Coefficient	Gini Annual Growth
Rank	**10**	**5**
Lepelle-Nkumpi	**0,52**	**-0,28%**
Polokwane	0,51	-0,68%
Blouberg	0,48	-0,67%
Molemole	0,52	0,33%
Mogalakwena	0,51	-0,22%
Modimolle	0,49	-0,72%
Ephraim Mogale	0,51	-0,16%
Greater Tubatse	0,50	-0,46%
Makhuduthamaga	0,51	0,10%
Maruleng	0,50	-0,34%
Greater Tzaneen	0,51	-0,59%

SOURCE: QUANTEC 2018

Figure 6:Average Household income for Lepelle-Nkumpi



SOURCE: STATS SA 2018

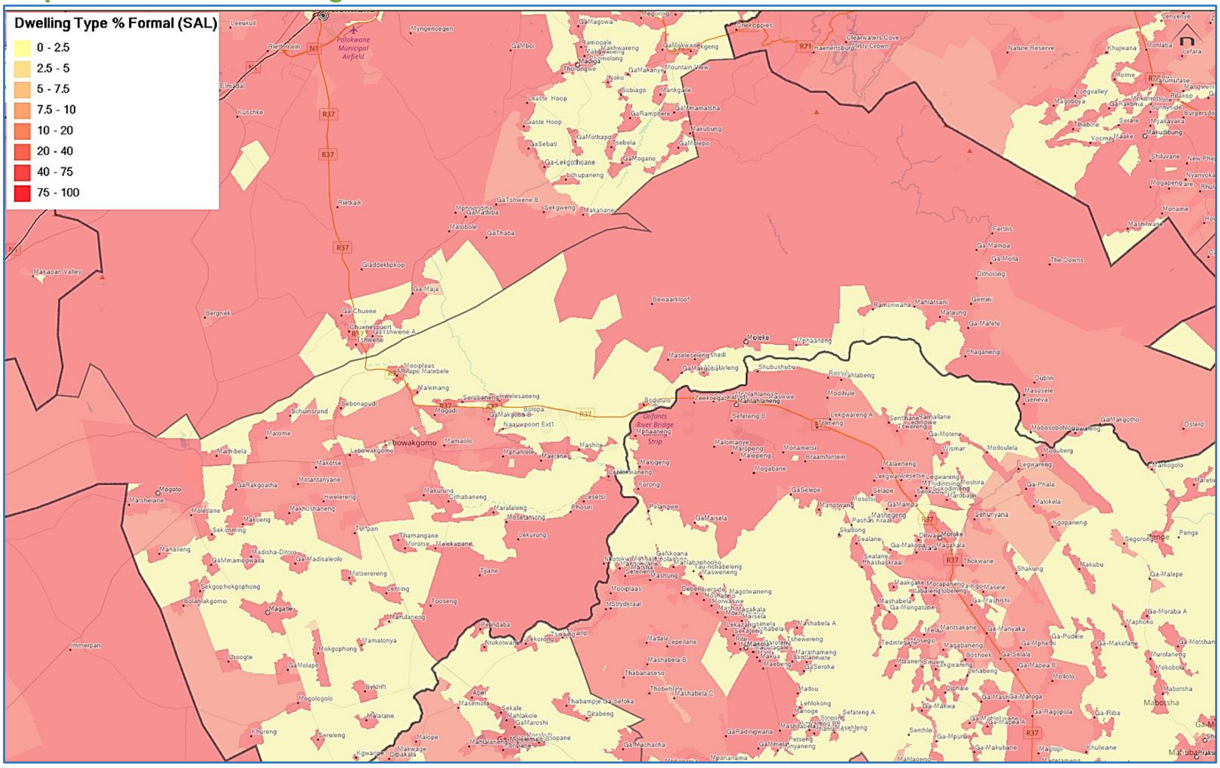
The figure above illustrates the average household income for Lepelle-Nkumpi. It can be concluded that most of the people in Lepelle-Nkumpi are low income earners, and the town region earns medium to high income.

3.1.8. Housing

3.1.8.1. Dwelling types

Map 5 illustrates the distribution of formal dwellings for Lepelle-Nkumpi in 2011. The Map shows that less than half of the dwellings in 2011 were formalised. The implication when comparing the 2017 and 2011 information is that the municipality has improved significantly with regards to the formalisation of dwellings over the period.

Map 5: Formal Dwellings Distribution



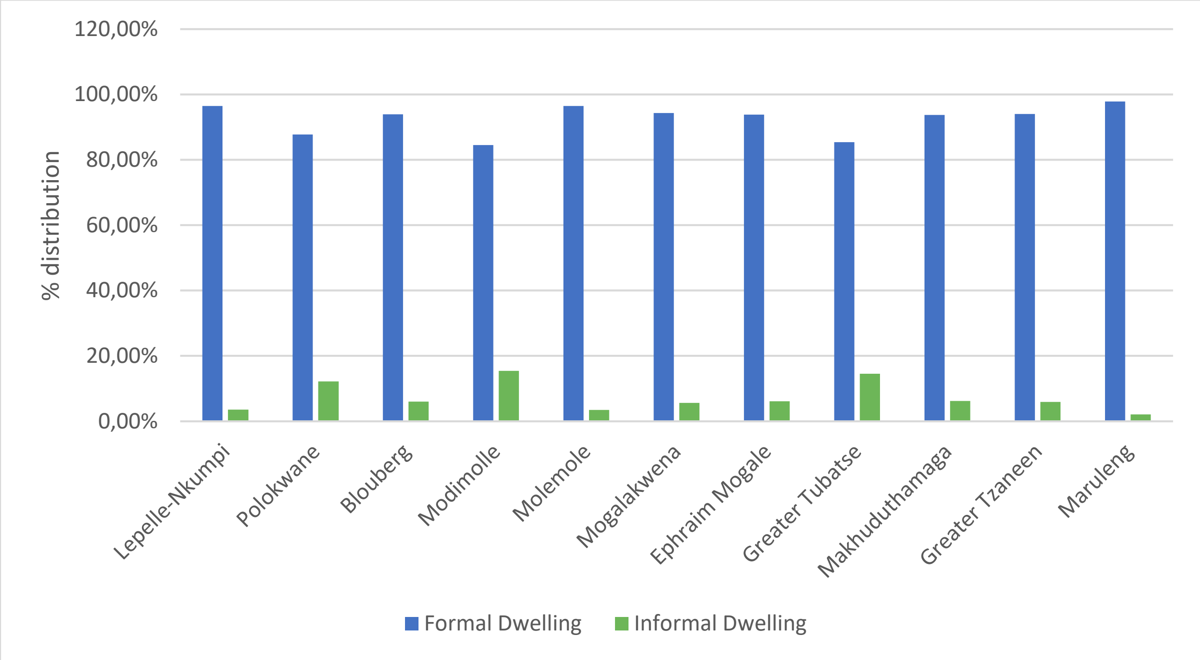
SOURCE MAPABLE®

Dwelling types can be classified into formal dwellings and informal dwellings. Formal dwellings refer to a structure built according to approved plans, i.e. house on a separate stand, flat or apartment, townhouse, room in backyard, rooms or flatlet elsewhere.

Informal dwellings are makeshift structures not erected according to approved architectural plans, for example shacks or shanties in informal settlements or in backyards.

The dwelling type profile provides a breakdown of the proportion of households who live within formal and informal housing.

Figure 7: Dwelling Types Overview for Competitors



SOURCE: QUANTEC 2018

The dwelling profile of Lepelle-Nkumpi Local Municipality indicates that most of the population live within formal housing. The settlement breakdown for the area was about 96,45% formal and 3,55% informal in 2017.

The competitors' proportion of households living in formal housing ranged between about 84,54% and 97,85% in 2017, which indicates that the proportion of households living in formal housing for Lepelle-Nkumpi Local Municipality was at the upper end of the range, giving it a rank of 3. Amongst the competitors, Maruleng had the largest proportion of households living in formal housing, while Modimolle had the lowest proportion of households living in formal housing.

The competitors' proportion of households living in informal housing ranged between about 2,15% and 15,46% in 2017, which indicates that the proportion of households living in informal housing for Lepelle-Nkumpi Local Municipality was at the upper end of the range, giving it a rank of 3. Amongst the competitors, Modimolle had the largest proportion of households living in informal housing, while Maruleng had the lowest proportion of households living in informal housing.

3.1.9. Health

3.1.9.1. HIV/AIDS

HIV/AIDS can be broken down into HIV infections and AIDS deaths. HIV infections refers to the number of people that are infected with the virus over an annual period, which is expressed as HIV infections per 1 000 people. AIDS deaths refer to the number of people that die because of AIDS, which is expressed in per 10 000 people.

The table below provides the breakdown of the HIV/AIDS prevalent rate found within the population.

Table 4: HIV/AIDS prevalence Overview

Health Indicators	HIV Infections per 1000 people	HIV Infections per 1000 people AGR	AIDS Deaths per 10 000 people	AIDS Deaths per 10000 people AGR
Rank	**6**	**10**	**7**	**10**
Lepelle-Nkumpi	**75**	**2,26%**	**27**	**4,76%**
Polokwane	87	2,49%	30	4,89%
Blouberg	69	2,02%	24	4,58%
Molemole	74	2,15%	26	4,65%
Mogalakwena	71	1,75%	25	4,24%
Modimolle	81	2,11%	28	4,44%
Ephraim Mogale	71	1,41%	25	3,85%
Greater Tubatse	75	1,43%	26	3,74%
Makhuduthamaga	69	1,59%	25	4,07%
Maruleng	78	1,68%	27	4,13%
Greater Tzaneen	83	1,79%	29	4,20%

Source: Quantec 2018

From Table 4 it can be noted that HIV/AIDS infections are a challenge for Lepelle-Nkumpi and potentially may have a distinct effect on the population totals in the future.

The health profile of Lepelle-Nkumpi Local Municipality indicates that the HIV infection rate increased from about 68 out of every 1,000 people in 2013 to about 75 out of every 1,000 people in 2017 at an annual growth rate of about 2,26%. Aids deaths in Lepelle-Nkumpi Local Municipality had increased from about 22 people out of every 10 000 in 2013 to about 27 people in 2017 at an annual growth rate of 4,76%.

The competitors' HIV infection rates ranged between about 69 people and 87 people out of every 1,000 in 2017, which indicates that the HIV infection rate for Lepelle-Nkumpi Local Municipality was at the midpoint of the range, giving it a rank of 6. Amongst the competitors, Polokwane had the largest HIV infection rate, while Blouberg had the lowest HIV infection rate.

The competitors' HIV infection annual growth rates ranged between about 1,41% and 2,49% for the same period, which indicates that the HIV infection growth rate for Lepelle-Nkumpi Local Municipality was at the lower end of the range, giving it a rank of 10. Amongst the competitors, Polokwane had the highest HIV infection growth rate, while Ephraim Mogale had the lowest HIV infection growth rate.

The competitors' Aids related deaths ranged between about 24 people and 30 people per 10 000 people in 2017, which indicates that the Aids related deaths for Lepelle-Nkumpi Local Municipality was at the midpoint of the range, giving it a rank of 7. Amongst the competitors, Polokwane had the most Aids related deaths, while Blouberg had the least Aids related deaths.

The competitors' Aids related deaths annual growth rates ranged between about 3,74% and 4,89%, which indicates that the Aids related deaths growth rate for Lepelle-Nkumpi Local Municipality was at the lower end of the range, giving it a rank of 10. Amongst the competitors, Polokwane had the highest Aids related deaths growth rate, while Greater Tubatse had the lowest Aids related deaths growth rate.

3.1.9.2. Mortality rate, Crude death rate & Other Deaths

Crude death rate is the measure of the number of deaths per year in a population, or group. Infant mortality rate is the number of deaths of young children, typically those less than one year of age.

Other deaths are the number of deaths that occur within an area over a period that are not crude deaths.

The health profile of Lepelle-Nkumpi Local Municipality indicates that the crude death rate increased from about 11 out of every 1,000 people in 2013 to about 11 out of every 1000 people in 2017 at an annual growth rate of about 0,64%. Other deaths in Lepelle-Nkumpi Local Municipality has increased from about 8 out of every 1,000 people in 2013 to about 9 people in 2017 at an annual growth rate of 0,20%.

The competitors' crude deaths ranged between about 9 people and 11 people out of every 1000 in 2017, which indicates that crude deaths in Lepelle-Nkumpi Local Municipality was at the lower end of the range, giving it a rank of 11. Amongst the competitors, Lepelle-Nkumpi had the highest crude deaths, while Greater Tubatse had the least crude deaths.

The competitors' crude deaths annual growth rates ranged between about 0,52% and 0,87%, which indicates that growth of crude deaths in Lepelle-Nkumpi Local Municipality rate was at the lower end of the range, giving it a rank of 9. Amongst the competitors, Polokwane had the highest growth rate in crude deaths, while Makhuduthamaga had least growth rate.

The competitors' other deaths ranged between about 6 people and 8 people out of every 1000 in 2017, which indicates that other deaths in Lepelle-Nkumpi Local Municipality was at the lower end of the range, giving it a rank of 11. Amongst the competitors, Lepelle-Nkumpi had the most other deaths, while Greater Tubatse had the least other deaths.

The competitors' other deaths annual growth rates ranged between about -0,95% and 0,13%, which indicates that other deaths growth rate for Lepelle-Nkumpi Local Municipality was at the lower end of the range, giving it a rank of. 11. Amongst the competitors, Lepelle-Nkumpi had the highest other death growth rate, while Greater Tubatse had the lowest other deaths growth rate.

summarises the information above for Lepelle-Nkumpi and its neighbouring local municipalities. The table also shows the ranking for Lepelle-Nkumpi relative its neighbours for indicators discussed.

Table 5: Mortality rate, Crude death rate & Other Deaths

Health Indicators	Crude Death Rate per 1000 people	Crude Death Rate per 1000 people	Other Deaths per 1000 people	Other Deaths per 1000 people AGR
Rank	**11**	**9**	**11**	**11**
Lepelle-Nkumpi	**11**	**0,64%**	**9**	**0,20%**
Polokwane	9	0,87%	7	-0,12%
Blouberg	10	0,55%	8	0,13%
Molemole	11	0,53%	8	0,06%
Mogalakwena	11	0,55%	8	-0,59%
Modimolle	10	0,57%	7	-0,90%
Ephraim Mogale	10	0,59%	7	-0,65%
Greater Tubatse	9	0,63%	6	-0,95%
Makhuduthamaga	11	0,52%	8	-0,50%
Maruleng	9	0,63%	7	-0,63%
Greater Tzaneen	10	0,77%	7	-0,35%

SOURCE: QUANTEC 2018

3.1.9.3. Health facilities and services

Clinics refer to an establishment or hospital department where outpatients are given medical treatment or advice, especially of a specialist nature. The number of clinics in Lepelle-Nkumpi Local Municipality was about 22 in 2016. This translates into one facility for every 10 810 population and covering about 157 km² in Lepelle-Nkumpi Local Municipality in 2016.

The number of clinics within the competitors' area ranged between about 4 and 32, which indicates that the number of clinics for Lepelle-Nkumpi Local Municipality was at the midpoint of the range, giving it a rank of 5. Amongst the competitors, Polokwane had the most clinics, while Modimolle had the least clinics.

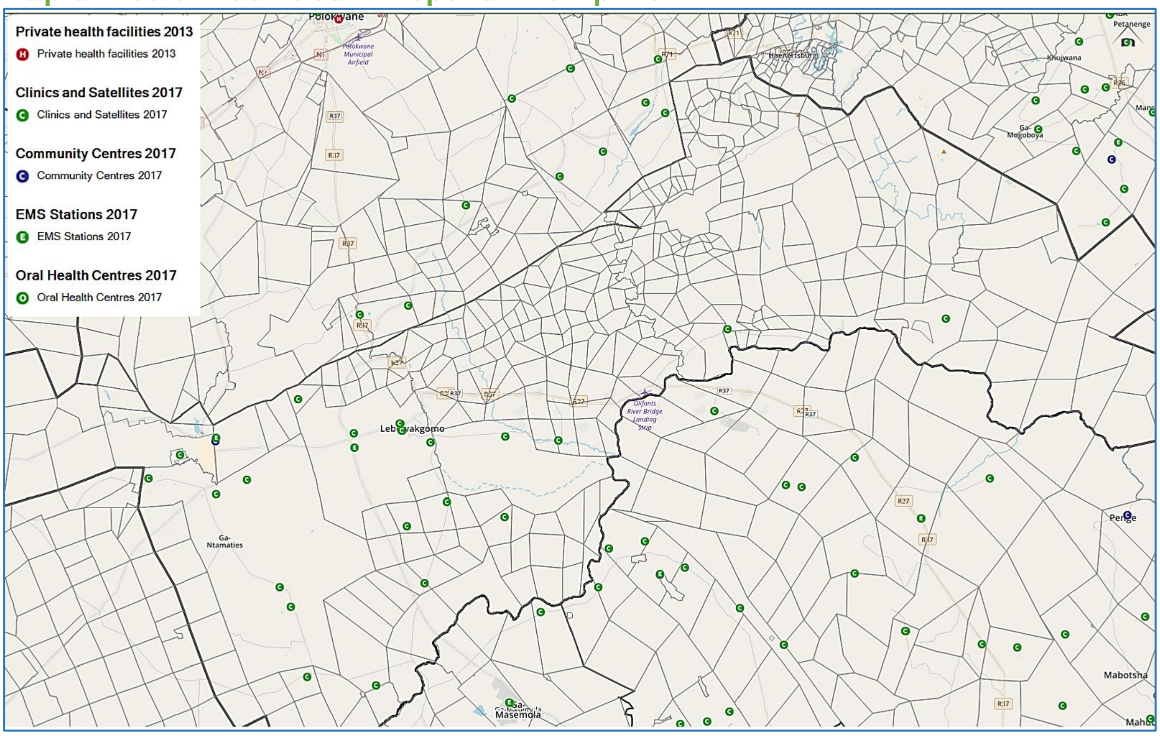
The number of people per clinic within the competitors' area ranged between about 8 084 and 19 486, which indicates that population per clinic for Lepelle-Nkumpi Local Municipality was at the midpoint of the range, giving it a rank of 5. Amongst the competitors, Polokwane had the largest population per clinic, while Blouberg had the lowest population per clinic.

The coverage per clinic within the competitors' area ranged between about 99,84 km² and 1 169,49 km², which indicates that coverage per clinic for Lepelle-Nkumpi Local Municipality was at the midpoint of the range, giving it a rank of 5. Amongst the competitors, Modimolle had the highest coverage per clinic, while Makhuduthamaga had the lowest coverage per clinic.

Emergency Medical Services (EMS) refer to the treatment and transport of people in crisis health situations that may be life threatening. The number of EMS facilities in Lepelle-Nkumpi Local Municipality was about 2 in 2016. This translates into one facility for every 118 909 population and covering about 1731,72 km² in Lepelle-Nkumpi Local Municipality in 2016. The number of EMS facilities within the competitors' area ranged between about 1 and 4, which indicates that the number of EMS facilities for Lepelle-Nkumpi Local Municipality was at the midpoint of the range, giving it a rank of 6. Amongst the competitors, Makhuduthamaga had the most EMS facilities, while Ephraim Mogale had the least EMS facilities.

The number of people per EMS facility within the competitors' area ranged between about 38 358 and 311 778, which indicates that the population per EMS facility Lepelle-Nkumpi Local Municipality was at the midpoint of the range, giving it a rank of 8. Amongst the competitors, Polokwane had the largest population per EMS facility, while Modimolle had the lowest population per clinic EMS facility. The coverage per EMS facility within the competitors' area ranged between about 524,15 km² and 3 082,71 km², which indicates that coverage per EMS facility for Lepelle-Nkumpi Local Municipality was at the midpoint of the range, giving it a rank of 6. Amongst the competitors, Blouberg had the highest coverage per EMS facility, while Makhuduthamaga had the lowest coverage per EMS facility. The Map below shows the health facilities within Lepelle-Nkumpi in 2017. The figure shows that health facilities are predominantly on the western side of the municipality with about two facilities on the eastern side as shown in below.

Map 6: Health Facilities in Lepelle-Nkumpi 2017



SOURCE: MAPABLE

3.1.10. Safety and security

A crime is defined as the number of serious offenses per 10,000 population. The serious offences include crimes against a person such as assault and robbery, as well as contact related crimes such as arson and malicious damage to property which relates to property related crime.

A high number of serious criminal offences may indicate a lack of law enforcement and lower safety and security within the area. High crime levels tend to hinder economic progression for the constituency of an area.

The number of crimes reported per 10,000 people in Lepelle-Nkumpi Local Municipality has increased from about 197 reported crimes in 2013 to about 253 reported crimes in 2017 at an annual growth rate of about 6,45%.

The number of murders reported per 10,000 in Lepelle-Nkumpi Local Municipality has increased from about 1,7 in 2013 to about 2,1 in 2017 at an annual growth rate of about 4,91%.

The competitors' reported crime per 10,000 ranged between about 128 reported incidents to 417 reported incidents in 2017, which indicates that reported crimes in Lepelle-Nkumpi Local Municipality was at the midpoint of the range, giving it a rank of 8. Amongst the competitors, Molemole had the most crimes reported, while Blouberg had the least crimes reported.

The competitors' reported crime growth rate ranged between about -1,82% and 9,42% between 2013 and 2017, which indicates that the crimes rate for Lepelle-Nkumpi Local Municipality reported was at the lower end of the range, giving it a rank of 9. Amongst the competitors, Blouberg had the most crimes reported per 10 000 population, while Greater Tubatse had the least crimes reported per 10 000 population.

The competitors' reported murders per 10,000 people ranged between about 0 reported incidents to 2 reported incidents in 2017, which indicates that reported murders for Lepelle-Nkumpi Local Municipality was at the lower end of the range, giving it a rank of 10. Amongst the competitors, Molemole had the most murders reported, while Modimolle had the least murders reported.

The competitors' reported murder growth rates ranged between about -34,19% and 17,33% between 2013 and 2017, which indicates that reported murder rate for Lepelle-Nkumpi Local Municipality was at the midpoint of the range, giving it a rank of 7. Amongst the competitors, Ephraim Mogale had the highest murder rate per 10 000 population, while Modimolle had the lowest murder rate per 10 000 population.

Table 6 summarises the information above for Lepelle-Nkumpi and its neighbouring local municipalities. The table also shows the ranking for Lepelle-Nkumpi relative its neighbours for indicators discussed.

Table 6: Safety and Security Overview for Competitors

Crime Indicators	No. of Crimes Reported	Crimes Reported AGR	No. of Murders Reported	No. of Murders Reported AGR
Rank	**8**	**9**	**10**	**7**
Lepelle-Nkumpi	**253**	**6,45%**	**2**	**4,91%**
Polokwane	304	4,05%	2	7,80%
Blouberg	128	9,42%	1	-7,96%
Molemole	417	3,44%	2	12,85%
Mogalakwena	223	4,29%	2	3,57%
Modimolle	330	1,11%	0	-34,19%
Ephraim Mogale	164	2,52%	1	17,33%
Greater Tubatse	160	-1,82%	1	1,20%
Makhuduthamaga	158	8,21%	1	3,93%
Maruleng	203	0,28%	2	5,13%
Greater Tzaneen	197	-0,82%	1	2,83%

SOURCE: QUANTEC 2018

3.1.11. Education

3.1.11.1. Adults with grade 12

Adults with Grade 12 education consist of individuals who have obtained basic education qualifications by completing 12 years of schooling. It reflects the acquisition of basic and required skills for the economy.

The education profile of Lepelle-Nkumpi Local Municipality indicates that the adult population with at least Grade 12 has increased from about 17,74% in 2013 to about 18,51% in 2017 at an annual growth rate of about 1,07%.

The competitors' adult population with Grade 12 rates ranged between about 10,78% and 29,38% in 2017, which indicates that adult population with Grade 12 rate for Lepelle-Nkumpi Local Municipality was at the upper end of the range, giving it a rank of 4. Amongst the competitors, Polokwane had the highest adult population with Grade 12 rate, while Blouberg had the lowest adult population with Grade 12 rate.

The competitors' annual adult population with Grade 12 growth rates ranged between about 0,35% and 1,56%, which indicates that the annual adult population with Grade 12 rate for

Lepelle-Nkumpi Local Municipality was at the upper end of the range, giving it a rank of 4. Amongst the competitors, Greater Tubatse had the highest annual adult population with Grade 12 growth rate, while Modimolle had the lowest annual adult population with Grade 12 growth rate.

3.1.11.2. Adults with tertiary education

Adults with tertiary education consist of individuals who have obtained Higher education qualifications. This consists of certificates, degrees and diplomas issued by an accredited institution.

The education profile of Lepelle-Nkumpi Local Municipality indicates that the proportion of adult population with tertiary education has increased from about 4,41% in 2013 to about 4,69% in 2017 at an annual growth rate of about 1,53%.

The competitors' proportion of adult population with tertiary education ranged between about 2,05% and 8,43% in 2017, which indicates that the proportion of adult population with tertiary education for Lepelle-Nkumpi Local Municipality was at the upper end of the range, giving it a rank of 2. Amongst the competitors, Polokwane had the highest proportion of adult population with tertiary education, while Ephraim Mogale had the lowest proportion of adult population with tertiary education.

The competitors' annual change in proportion of adult with tertiary education ranged between about -0,09% and 1,64%, which indicates that the annual change in proportion of adult with tertiary education for Lepelle-Nkumpi Local Municipality was at the upper end of the range, giving it a rank of 2. Amongst the competitors, Polokwane had the highest annual change in proportion of adult with tertiary education, while Modimolle had the lowest annual change in proportion of adult with tertiary education.

Table 7 summarises the information above for Lepelle-Nkumpi and its neighbouring local municipalities accompanied by ranking for Lepelle-Nkumpi relative its neighbours.

Table 7: Adult Education Overview for Competitors in 2017

Indicator	Adults with at least Grade 12	Adults with at least Grade 12 AGR	Adults with Tertiary	Adults with Tertiary AGR
Rank	**4**	**4**	**2**	**2**
Lepelle-Nkumpi	**18,51%**	**1,07%**	**4,69%**	**1,53%**
Polokwane	29,38%	0,88%	8,43%	1,64%
Blouberg	10,78%	0,92%	2,07%	1,32%
Molemole	15,68%	1,12%	3,66%	1,43%
Mogalakwena	17,19%	0,81%	3,54%	1,09%

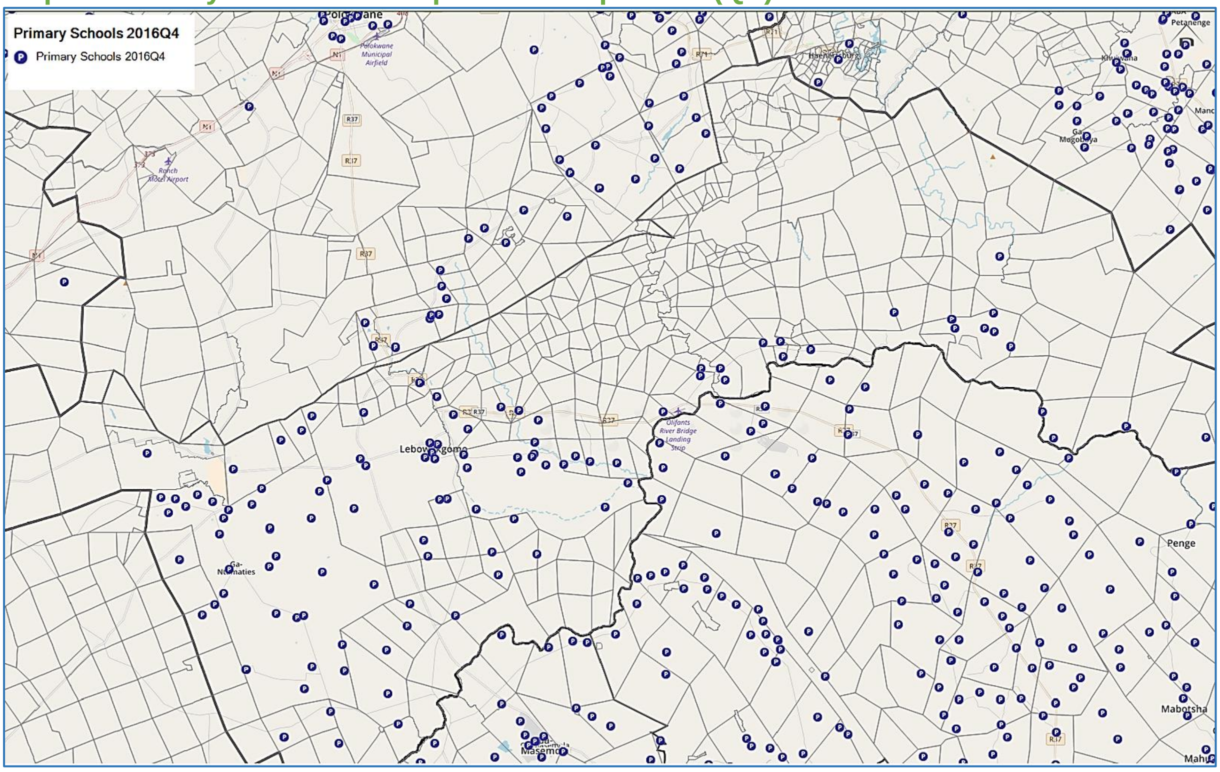
Modimolle	18,98%	0,35%	3,94%	-0,09%
Ephraim Mogale	13,37%	0,83%	2,05%	0,83%
Greater Tubatse	16,35%	1,56%	2,12%	1,34%
Makhuduthamaga	14,10%	1,16%	2,31%	1,16%
Maruleng	14,09%	0,51%	2,77%	0,06%
Greater Tzaneen	18,55%	0,96%	3,96%	1,19%

SOURCE: QUANTEC

3.1.11.3. Number of schools

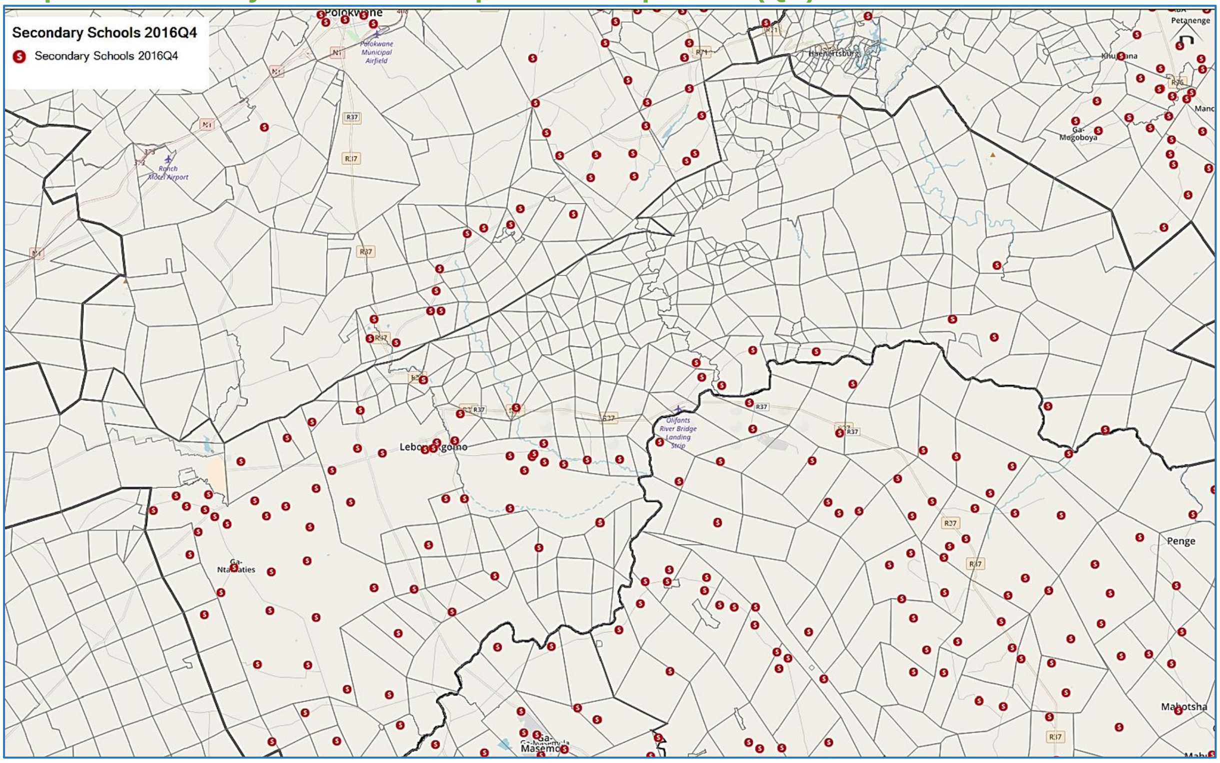
Schools are educational institutions within the area that are designed to provide learning spaces and learning environments for the teaching of students (or "pupils") under the direction of teachers. The number of schools in Lepelle-Nkumpi Local Municipality was about 189 in 2015. This translates into one facility for every 454-youth population and covering about 18,33 km² in Lepelle-Nkumpi Local Municipality in 2015. Map 7 bellow illustrates primary schools within Lepelle-Nkumpi in the last quarter of 2016. The Map shows that many primary schools are on the western side of the municipality.

Map 7: Primary Schools in Lepelle-Nkumpi 2016 (Q4)



SOURCE: MAPABLE

Map 8: Secondary Schools in Lepelle-Nkumpi 2016 (Q4)



SOURCE: MAPABLE

Map 8 shows secondary schools within Lepelle-Nkumpi in the last quarter of 2016. The figure shows a similar outcome to Map 7.

The number of schools within the competitors' area ranged between about 26 and 329, which indicates that the number of schools for Lepelle-Nkumpi Local Municipality was at the midpoint of the range, giving it a rank of 5. Amongst the competitors, Greater Tubatse had the most schools, while Modimolle had the least schools.

The number of youth population per school within the competitors' area ranged between about 341 and 1 331, which indicates that the population per school Lepelle-Nkumpi Local Municipality was at the upper end of the range, giving it a rank of 4. Amongst the competitors, Ephraim Mogale had the largest youth population per school, while Greater Tubatse had the lowest youth population per school.

The coverage per school within the competitors' area ranged between about 12,99 km² and 179,92 km², which indicates that the coverage per school Lepelle-Nkumpi Local Municipality was at the upper end of the range, giving it a rank of 4. Amongst the competitors, Modimolle had the highest coverage per school, while Polokwane had the lowest coverage per school.

3.2. Labour Profile

3.2.1. Total employment

Total employment covers formal work which is dependent on the establishment of working arrangements through a long-term contractual agreement, and informal work which is short-term or temporary employment. In Lepelle-Nkumpi Local Municipality, about 13 094 people were employed in 2013 and 33 502 people were employed in 2017. This indicates an increase of employment at an annual growth rate of 26% over the period.

The total number of people employed within the respective competitors ranged from 19 330 to 189 355 people for the same period. This indicates that Lepelle-Nkumpi Local Municipality's total employment was at the midpoint of the range, giving it a rank of 5 compared to the competitors. Amongst the competitors, Polokwane employed the most people, while Maruleng employed the least.

The annual employment growth rate for Lepelle-Nkumpi Local Municipality's competitors ranged between 1,77% to 3,26% per annum between 2013 and 2017. This indicates that Lepelle-Nkumpi Local Municipality's annual employment growth rate was at the lower end of the range, giving it a rank of 9 compared to the competitors. Amongst the competitors, Makhuduthamaga's employment rate was the highest and Maruleng had the lowest employment rate.

3.2.2. Employment rate

The employment rate is defined as a strict measure of the extent to which available labour resources (people available to work) are being used, generally calculated as the percentage between the employed population and the labour force. The employment rate for Lepelle-Nkumpi Local Municipality was about 57,04% in 2013 and 54,31% in 2017, indicating a decrease at an annual growth rate of -1,22% over the period.

The employment rate within the respective competitors ranged from 40,99% to 81,60% for the same period. This indicates that Lepelle-Nkumpi Local Municipality's employment rate was at the lower end of the range, giving it a rank of 9 compared to the competitors. Amongst the competitors, Modimolle had the highest employment rate, while Makhuduthamaga had the lowest employment rate.

The change in employment rate amongst Lepelle-Nkumpi Local Municipality's competitors ranged from -2,12% to -0,41% per annum between 2013 and 2017. This indicates that Lepelle-Nkumpi Local Municipality's change in employment rate was at the lower end of the range, giving it a rank of 9 compared to the competitors. Amongst the competitors, Modimolle's change in employment rate declined the least, while Greater Tubatse's change in employment rate had declined the most.

3.2.3. Unemployment rate

The unemployment rate is a measure of the prevalence of unemployment, which is generally calculated as a percentage of the number of unemployed by all individuals currently in the labour force. The unemployment rate for Lepelle-Nkumpi Local Municipality was about 42,96% in 2013 and 45,69% in 2017, indicating an increase at an annual growth rate of 1,55% over the period.

The unemployment rate within the respective competitors ranged from 18,40% to 59,01% for the same period. This indicates that Lepelle-Nkumpi Local Municipality's unemployment rate was at the upper end of the range, giving it a rank of 3 compared to the competitors. Amongst the competitors, Makhuduthamaga had the highest unemployment rate, while Modimolle had the lowest unemployment rate.

The change in unemployment rate amongst Lepelle-Nkumpi Local Municipality's competitors ranged from 0,92% to 2,34% per annum between 2013 and 2017. This indicates that Lepelle-Nkumpi Local Municipality's change in unemployment rate was at the lower end of the range, giving it a rank of 9 compared to the competitors. Amongst the competitors, Greater Tubatse's change in unemployment rate increased the most, while Makhuduthamaga's change in unemployment rate had increased the least.

3.2.4. Not Economically Active

Not economically active (NEA) refers to people between 15 year and 64 years who are neither employed nor unemployed such as students. The NEA for Lepelle-Nkumpi Local Municipality was about 79 744 in 2013 and 74 900 in 2017, indicating a decrease at an annual growth rate of -1,55% over the period.

The NEA within the respective competitors ranged from 17 483 to 165 964 for the same period. This indicates that Lepelle-Nkumpi Local Municipality's NEA was at the midpoint of the range. Amongst the competitors, Polokwane had the highest NEA, while Modimolle had the lowest NEA.

The change in the NEA rate amongst Lepelle-Nkumpi Local Municipality's competitors ranged from -1,67% to -0,86% per annum between 2013 and 2017. This indicates that Lepelle-Nkumpi Local Municipality's change in NEA rate was at the upper end of the range, giving it a rank of 7. Amongst the competitors, Modimolle's change in the NEA rate declined the least, while Makhuduthamaga's change in the NEA rate declined the most.

3.2.1. Labour Absorption Rate

Labour absorption rate is the proportion of the working-age population, aged 15-64 years, that are employed. The labour absorption rate for Lepelle-Nkumpi Local Municipality was about 22,99% in 2013 and 24,57% in 2017, indicating an increase at an annual growth rate of 1,68% over the period.

The labour absorption rate within the respective competitors ranged from 16% to 53% for the same period. This indicates that Lepelle-Nkumpi Local Municipality's labour absorption rate was at the lower end of the range, giving it a rank of 9 compared to the competitors. Amongst the competitors, Modimolle had the highest labour absorption rate, while Makhuduthamaga had the lowest labour absorption rate.

The change in labour absorption rate amongst Lepelle-Nkumpi Local Municipality's competitors ranged from 1,04% to 2,79% per annum between 2013 and 2017. This indicates that Lepelle-Nkumpi Local Municipality's change in labour absorption rate was at the midpoint of the range, giving it a rank of 5 compared to the competitors. Amongst the competitors, Makhuduthamaga's change in labour absorption rate increased the most, while Maruleng's change in labour absorption rate had increased the least.

The table below shows the labour overview for Lepelle-Nkumpi and its neighbours for 2017. The table also shows the rank for Lepelle-Nkumpi relative to its neighbours for the labour indicators discussed above.

Table 8: Labour Overview for Competitors

Indicator	Total Employment	Total Employment AGR	Employment Rate	Employment Rate AGR	Unemployment Rate	Unemployment Rate AGR	Not Economically Active	Not Economically Active AGR	Labour Absorption Rate	Labour Absorption Rate AGR
Rank	**5**	**9**	**9**	**9**	**3**	**9**	**6**	**7**	**9**	**5**
Lepelle-Nkumpi	**33 502**	**2,20%**	**54,31%**	**-1,22%**	**45,69%**	**1,55%**	**74 900**	**-1,55%**	**24,57%**	**1,68%**
Polokwane	189 355	3,00%	70,88%	-0,84%	29,12%	2,21%	165 964	-1,47%	43,81%	1,37%
Blouberg	21 900	2,17%	66,37%	-0,78%	33,63%	1,62%	59 289	-1,06%	23,76%	1,90%
Molemole	21 594	2,71%	64,31%	-1,01%	35,69%	1,97%	34 146	-1,60%	31,96%	1,87%
Mogalakwena	56 058	2,31%	62,46%	-1,03%	37,54%	1,84%	96 902	-1,56%	30,09%	1,68%
Modimolle	26 817	2,72%	81,60%	-0,41%	18,40%	1,93%	17 483	-0,86%	53,33%	1,07%
Ephraim Mogale	20 801	3,19%	60,20%	-0,89%	39,80%	1,43%	39 207	-1,42%	28,26%	2,24%
Greater Tubatse	49 638	2,51%	49,71%	-2,12%	50,29%	2,34%	100 600	-1,63%	24,84%	1,28%
Makhuduthamaga	24 186	3,26%	40,99%	-1,25%	59,01%	0,92%	93 809	-1,67%	15,87%	2,79%
Maruleng	19 330	1,77%	66,77%	-1,00%	33,23%	2,17%	33 101	-0,88%	31,19%	1,04%
Greater Tzaneen	95 921	2,39%	67,31%	-0,89%	32,69%	1,97%	124 064	-1,13%	36,04%	1,29%

SOURCE: QUANTEC 2018

3.2.2. Formal employment

Formal work refers to the employment of a person under an established working agreement which include salary and defined working hours. In Lepelle-Nkumpi Local Municipality, about 22 567 people were in formal employment in 2013 and 23 752 people were in formal employment in 2017. This indicates an increase of formal employment at an annual growth rate of 1,29% over the period.

The total number of people in formal employment within the respective competitors ranged from 12 554 to 130 511 people for the same period. This indicates that Lepelle-Nkumpi Local Municipality's formal employment was at the midpoint of the range, giving it a rank of 5 compared to the competitors. Amongst the competitors, Polokwane had the most formally employed people, while Maruleng had the least formally employed people.

The annual formal employment growth rate for Lepelle-Nkumpi Local Municipality's competitors ranged from 0,98% to 2,55% per annum between 2013 and 2017. This indicates that Lepelle-Nkumpi Local Municipality's annual formal employment growth rate was at the lower end of the range, giving it a rank of 10 compared to the competitors. Amongst the competitors, Ephraim Mogale's formal employment rate was the highest and Greater Tubatse had the lowest formal employment rate.

3.2.3. Informal employment

Informal employment refers to the employment of a person without establishing a working agreement, and the work is often temporary in nature. In Lepelle-Nkumpi Local Municipality, about 8 137 people were informal employment in 2013 and 9 782 people were informally employed in 2017. This indicates an increase of informal employment at an annual growth rate of 4,71% over the period.

The total number of people in informal employment within the respective competitors ranged from 5 581 to 59 079 people for the same period. This indicates that Lepelle-Nkumpi Local Municipality's informal employment was at the midpoint of the range, giving it a rank of 5 compared to the competitors. Amongst the competitors, Polokwane had the most informally employed people, while Ephraim Mogale had the least informally employed people.

The annual informal employment growth rate for Lepelle-Nkumpi Local Municipality's competitors ranged from 1,63% to 7,18% per annum between 2013 and 2017. This indicates that Lepelle-Nkumpi Local Municipality's annual informal employment growth rate was at the midpoint of the range, giving it a rank of 7 compared to the competitors. Amongst the competitors, Greater Tubatse's informal employment rate was the highest and Maruleng had the lowest informal employment rate.

The table below shows the formal and informal employment overview for Lepelle-Nkumpi and its neighbouring local municipalities.

Table 9: Formal and Informal Employment Overview for Competitors

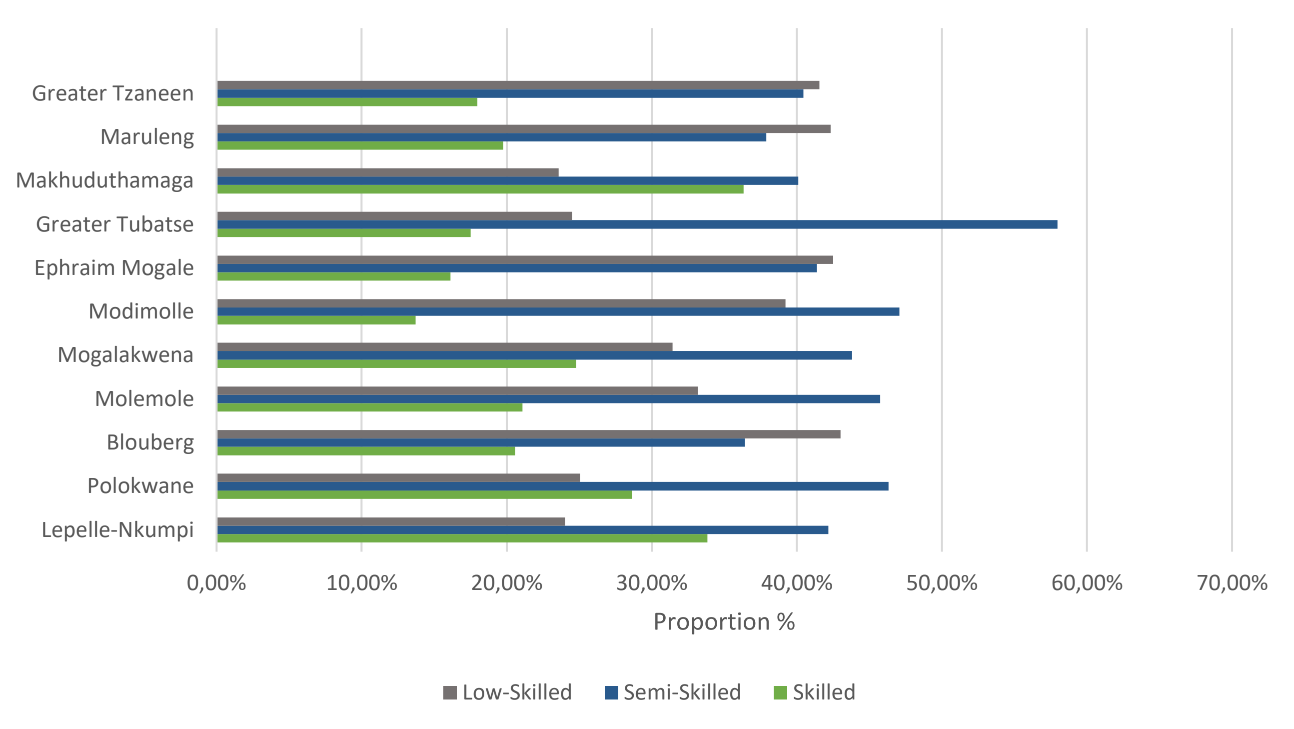
Indicator	Formal Employment	Formal Employment AGR	Informal Employment	Informal Employment AGR
Rank	**5**	**10**	**5**	**7**
Lepelle-Nkumpi	**23 752**	**1,29%**	**9 782**	**4,71%**
Polokwane	130 511	1,93%	59 079	5,70%
Blouberg	13 977	1,84%	7 927	2,78%
Molemole	14 893	2,53%	6 703	3,12%
Mogalakwena	39 688	1,40%	16 428	4,80%
Modimolle	19 371	1,93%	7 467	4,99%
Ephraim Mogale	15 232	2,55%	5 581	5,10%
Greater Tubatse	35 595	0,98%	14 150	7,18%
Makhuduthamaga	15 043	1,99%	9 174	5,61%
Maruleng	12 554	1,84%	6 777	1,63%
Greater Tzaneen	61 191	1,34%	34 830	4,46%

SOURCE: QUANTEC 2018

3.2.4. Skills profile

The skills profile refers to employment of individuals in the formal economy according to level of expertise, capacity and ability to perform a task according to the job expectations. Formal employment skill is categorised according to skilled, semi-skilled and low skilled.

Figure 8: Skills Profile Overview for Competitors 2017



SOURCE: QUANTEC 2018

From the figure above, it can be concluded that Lepelle-Nkumpi Local Municipality workforce comprised of about 34% skilled, 42% semi-skilled and 24% low skilled workers in 2017. Between 2013 and 2017, the skilled workforce has increased from 33% to 34% at a growth rate of 0,56%, while the semi-skilled workforce has decreased from 43% to 24% at a growth rate of -13,65% over the same period.

The competitors' skilled workforce ranged from 13,72% to 36,32% in 2017, which indicates that Lepelle-Nkumpi Local Municipality's skilled workforce was at the upper end of the range, giving it a rank of 2 compared to the competitors. Amongst the competitors, Makhuduthamaga had the largest proportion of skilled workers, while Modimolle had the lowest proportion of skilled workers.

The competitors' semi-skilled workforce ranged from 36,42% to 58% in 2017, which indicates that Lepelle-Nkumpi Local Municipality's semi-skilled workforce was at the midpoint of the range, giving it a rank of 6 compared to the competitors. Amongst the competitors, Greater Tubatse had the largest proportion of semi-skilled workers, while Blouberg had the lowest proportion of semi-skilled workers.

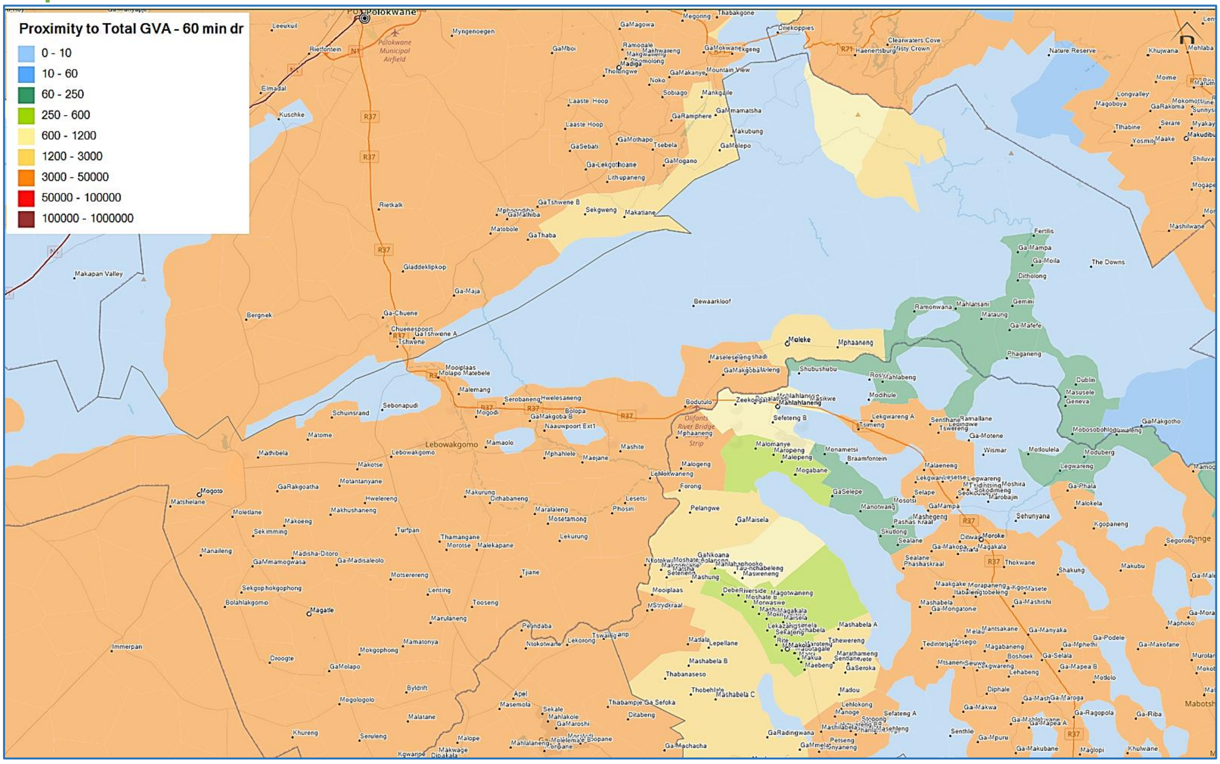
3.3. Economic Profile

This sub section will provide the broader understanding of the local economy in Lepelle-Nkumpi relative to its competitors. This section highlights the gross value added (GVA) which indicate the relative size of Lepelle-Nkumpi' s economy and which sectors are of importance. The table below illustrates the economic profile for Lepelle-Nkumpi.

3.3.1. GVA

Gross value added is the measure of the value added to goods and services produced in an area, industry or sector of an economy. The Map below shows that there is better accessibility to GVA on the western side of Lepelle-Nkumpi which indicates that there was a higher level of production than on the eastern side. Most of economic activity is situated on the western side of Lepelle-Nkumpi compared to the eastern side. The eastern side is very mountains and in terms of accessibility road conditions are not favourable.

Map 9: Drivetime to GVA – 60 minutes



SOURCE: MAPABLE®

The table below illustrates the overview of GVA for competitors for Lepelle-Nkumpi. The competitors' GVA ranged from R1 962,07 to R35 947,70 for the same period. This indicates that Lepelle-Nkumpi Local Municipality's GVA was at the midpoint of the range, giving it a rank of 5 compared to the competitors. Amongst the competitors, Polokwane had the highest GVA, while Maruleng had the least GVA.

The annual GVA growth rate for Lepelle-Nkumpi Local Municipality's competitors ranged from -0,07% to 2,61% per annum between 2013 and 2017. This indicates that Lepelle-Nkumpi Local Municipality's annual GVA growth rate was at the upper end of the range, giving it a rank of 4 compared to the competitors. Amongst the competitors, Greater Tubatse's GVA growth rate grew the most, while Blouberg Local Municipality's GVA growth rate declined the most.

Table 10: GVA overview for Competitors

Indicator	GVA (R mil constant 2010 prices)	GVA per Capita	GVA Growth Rate (2013-2018)
Rank	**5**	**6**	**4**
Lepelle-Nkumpi	**R 6 124,28**	**R 24 880,68**	**1,22%**
Polokwane	R 35 947,70	R 54 275,35	1,71%
Blouberg	R 2 232,65	R 12 814,93	-0,07%
Molemole	R 2 204,88	R 18 745,67	0,26%
Mogalakwena	R 8 814,99	R 27 179,04	1,00%
Modimolle	R 3 345,95	R 43 972,80	0,86%
Ephraim Mogale	R 2 367,81	R 18 293,63	1,06%
Greater Tubatse	R 19 220,74	R 56 538,74	2,61%
Makhuduthamaga	R 3 305,01	R 11 466,46	1,64%
Maruleng	R 1 962,07	R 19 149,49	0,27%
Greater Tzaneen	R 11 681,20	R 27 690,64	0,65%

SOURCE: QUANTEC 2018

3.3.1. Tress index

Tress index is a measurement of a region's economic diversification ranging between zero and one, were zero represents a totally diversified economy, and one represents an economy that is concentrated in only one industry. The Tress index therefore provides an indication of economic risk within an area.

Lepelle-Nkumpi Local Municipality had a tress index of 56,94 in 2017, compared to 55,9 in 2013. This indicates that Lepelle-Nkumpi Local Municipality's economy has diversified at a rate of 0,46% per annum and is therefore becoming more vulnerable against economic threats.

Lepelle-Nkumpi Local Municipality's competitors' Tress index ranged from 41,02 to 80,26 in 2017. This indicates that Lepelle-Nkumpi Local Municipality's Tress index was at the upper end of the range, giving it a rank of 4 compared to the competitors. Amongst the competitors, Greater Tzaneen had the most diversified economy while Greater Tubatse had the least diversified economy.

The annual change of Lepelle-Nkumpi Local Municipality's competitors' Tress index ranged from -0,11% to 0,71% between 2013 and 2017. Lepelle-Nkumpi Local Municipality's annual Tress index change of 0,46% puts it at the midpoint of improving on economic diversification compared to the competitors, giving it a rank of 6. Amongst the competitors, Greater Tzaneen has diversified the most while Modimolle has diversified the least, during this period.

The table above summarises the tress index for Lepelle-Nkumpi and its competitors.

Table 11: Overview of Tress index for Lepelle-Nkumpi

Indicator	Tress	Tress Annual Change
Rank	**4**	**6**
Lepelle-Nkumpi	**56,94**	**0,46%**
Polokwane	58,56	0,33%
Blouberg	49,55	0,59%
Molemole	56,53	0,55%
Mogalakwena	50,98	0,64%
Modimolle	48,45	0,71%
Ephraim Mogale	49,30	0,41%
Greater Tubatse	80,26	0,14%
Makhuduthamaga	62,92	0,13%
Maruleng	52,91	0,53%
Greater Tzaneen	41,02	-0,11%

SOURCE: QUANTEC 2018

3.4. Bulk services

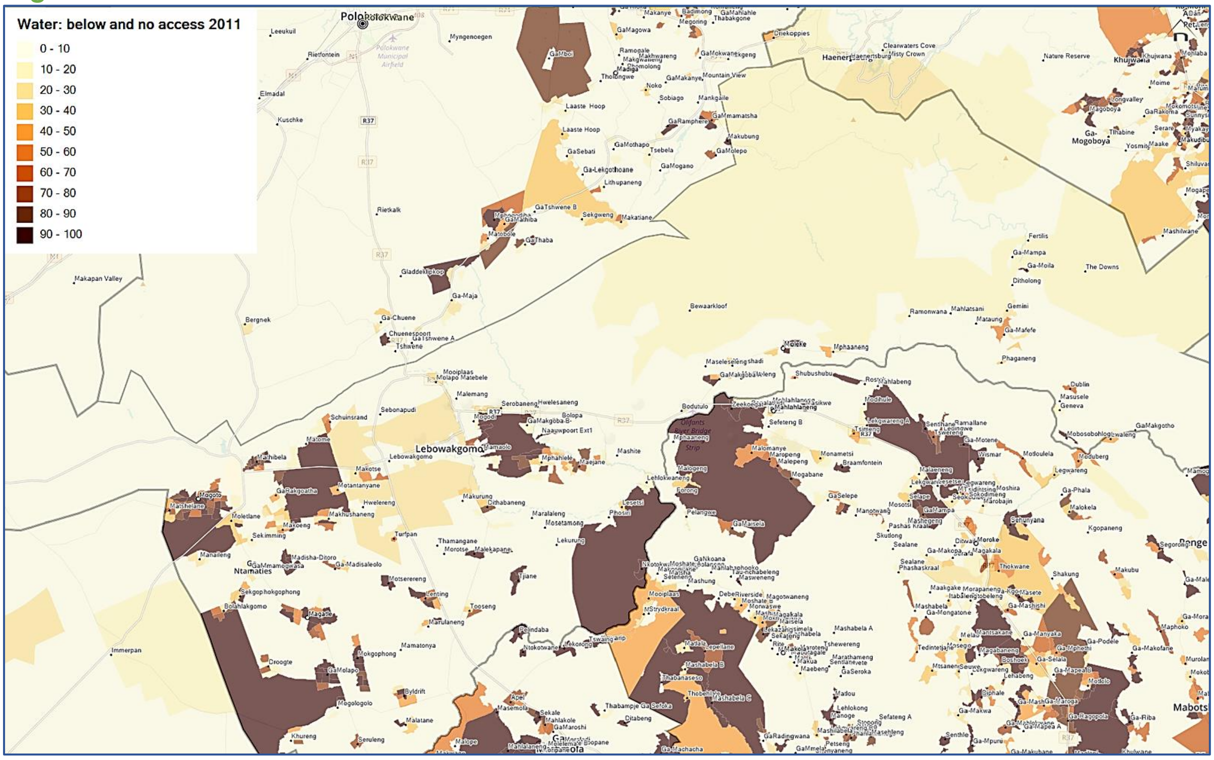
This section will provide an overview of the provision of bulk services and phone access in Lepelle-Nkumpi along with its surrounding neighbours and competitors.

3.4.1. Access to water

Access to water is a basic service that municipalities provide to residents and refers to piped water in the yard as well as piped water inside dwelling. Water is a major challenge in the Capricorn district and has major effect on agriculture productivity for the area. There are 12 irrigation schemes in which lack of proper infrastructure and water use rights for communities in adjacent areas make it difficult to exploit the available resource (cropping land) maximally.

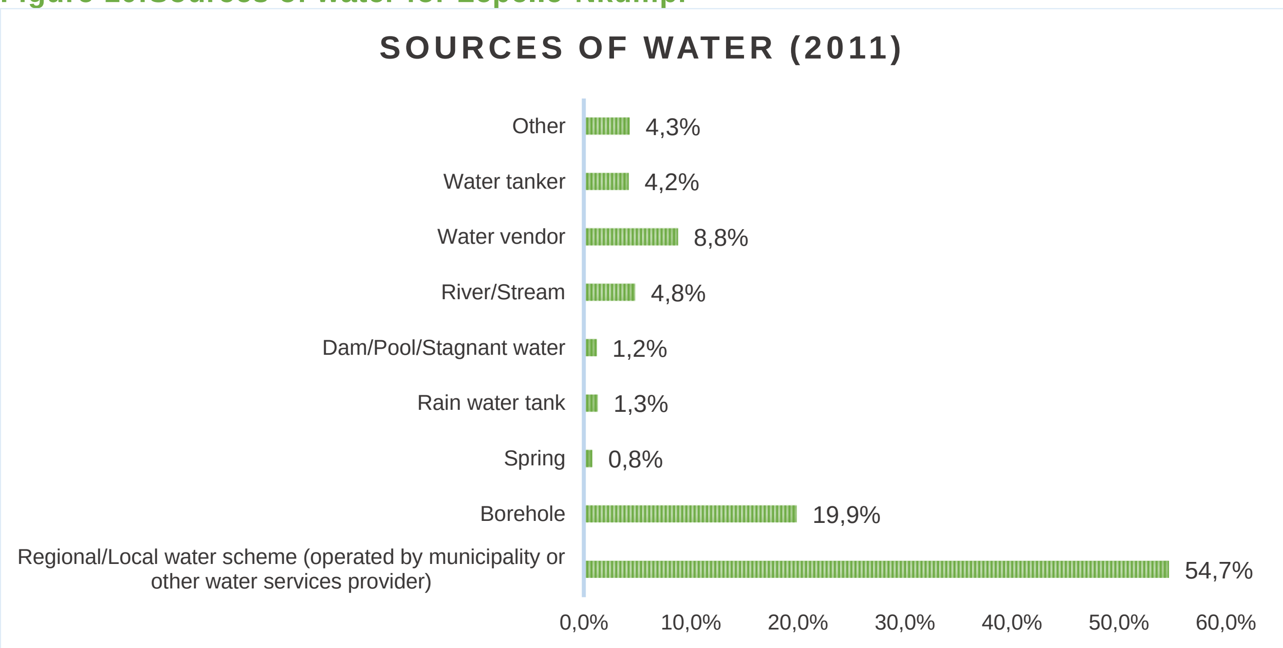
The figure below illustrates areas that have water below the required amount and areas with no access within Lepelle-Nkumpi in 2011. There has been a slight improvement in access to water within the municipality as briefly mentioned above.

Figure 9:Lack of Access to water 2011



SOURCE: MAPABLE®

Figure 10:Sources of water for Lepelle-Nkumpi



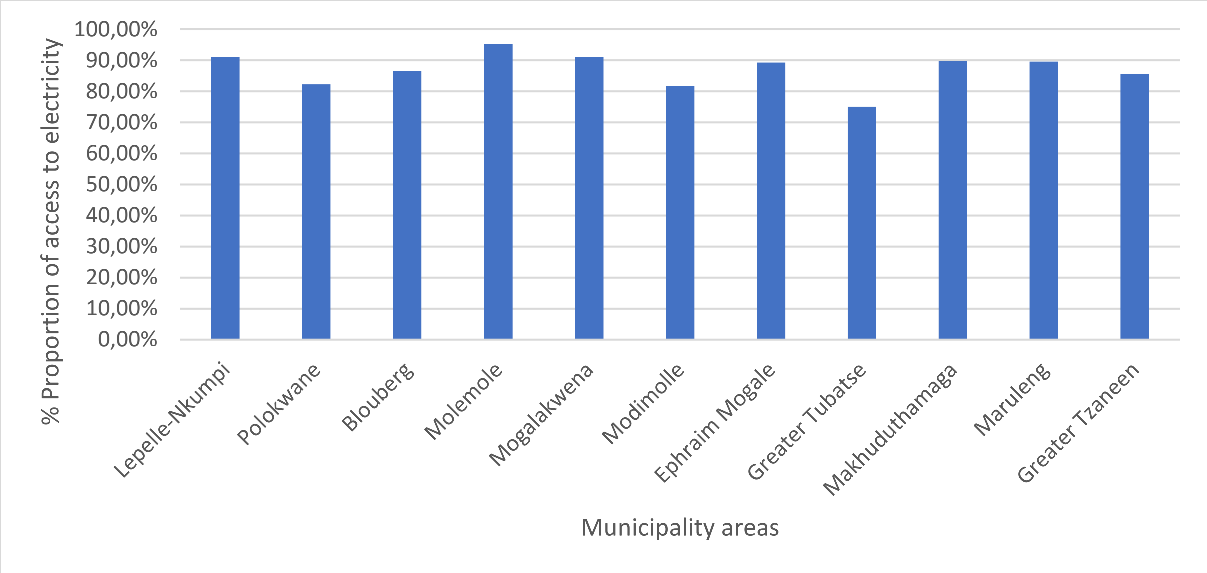
SOURCE: STATS SA 2018

The figure above illustrates the sources of water for Lepelle-Nkumpi. According to the (LNLM IDP, 2016-2021) Water is supplied via the Olifantspoort Water Treatment Works, which acquires its raw water from the Olifantspoort weir on the Olifants River, which runs along the eastern boarder of the cluster. Water is pumped from the Olifantspoort weir through a rising, to the water treatment works which has a full design average capacity of 11 Million m3/a rising to a peak treatment of 15.30Million m3/a.

3.4.2. Access to electricity

Electricity is very important when it comes to the aspect of development. In Lepelle-Nkumpi, electricity has been provided to most of the households in the area. Furthermore, there are electricity projects are aimed at electrifying new settlements or villages' extensions which will always be here now and beyond (LNLM IDP, 2016-2021). The table below shows the proportion of households with access to electricity.

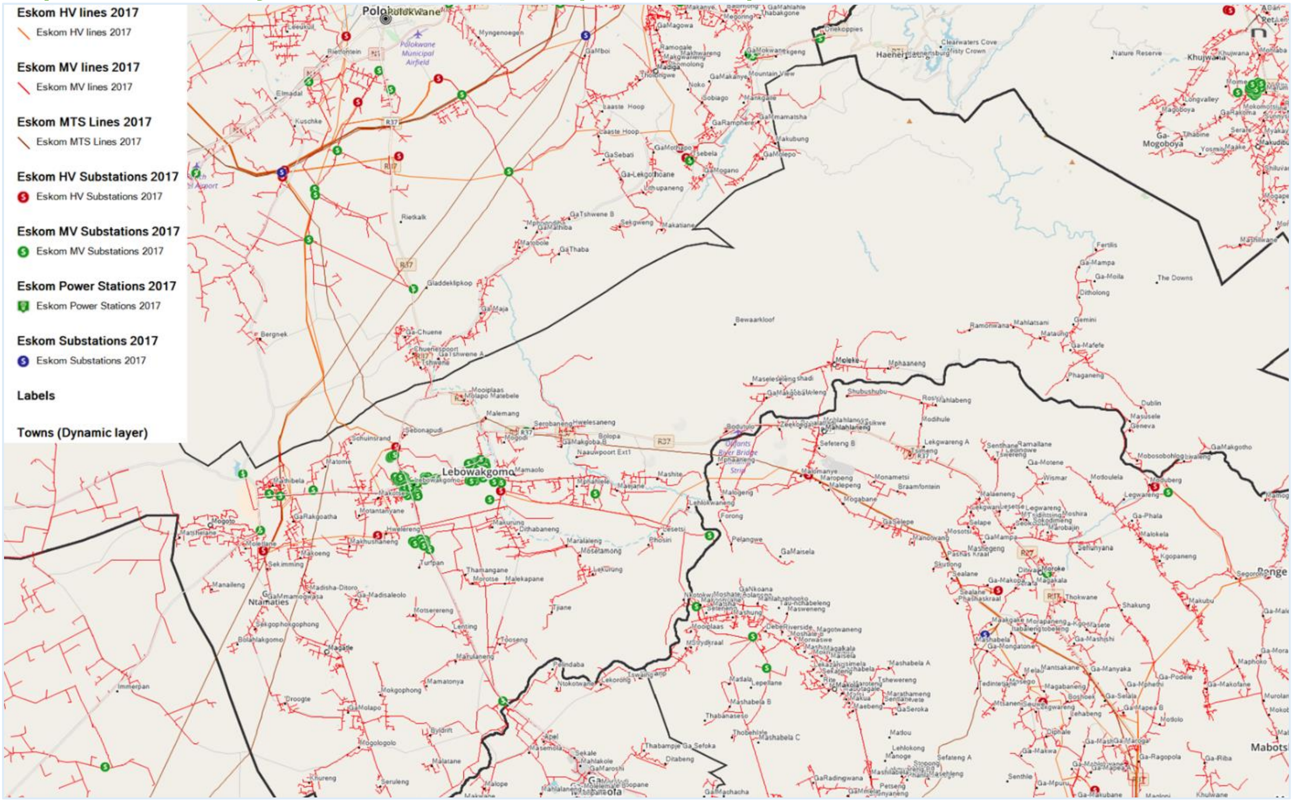
Table 12: Proportion of household with access to electricity



SOURCE: QUANTEC 2018

From the table above, the proportion of households with access to electricity in the competitors' areas ranged from about 75,00% to 95,22% in 2017. This indicates that the proportion of households with access to electricity in Lepelle-Nkumpi Local Municipality was at the upper end of the range, giving it a rank of 3 compared to the competitors. Amongst the competitors, Molemole had the highest proportion of households with access to electricity, while Greater Tubatse had the lowest proportion of households with access to electricity.

Map 10: Electricity Infrastructure for Lepelle-Nkumpi



SOURCE: MAPABLE®

The number of households with access to electricity in the competitors' areas ranged from about 16 018 to 152 718 in 2017. This indicates that the number of households with access to electricity for Lepelle-Nkumpi Local Municipality was at the midpoint of the range, giving it a rank of 6 compared to the competitors. Amongst the competitors, Polokwane had the most households with access to electricity, while Modimolle had the least households with access to electricity.

The proportion of households with access to electricity in the competitors' areas ranged from about 75,00% to 95,22% in 2017. This indicates that the proportion of households with access to electricity in Lepelle-Nkumpi Local Municipality was at the upper end of the range, giving it a rank of 3 compared to the competitors. Amongst the competitors, Molemole had the highest proportion of households with access to electricity, while Greater Tubatse had the lowest proportion of households with access to electricity.

3.4.3. Access to refuse removal

Access to refuse removal is a basic service that municipalities provide to residents. Refuse is removed by local authorities at least once a week. According to Census 2011 results, 21% of households in Lepelle-Nkumpi have access to solid waste disposal service. Refuse removal services are being provided at Lebowakgomo Township and two rural villages of Mathibela and Rakgoatha (LNLM IDP, 2016-2021).

Refuse removal is a challenge in Lepelle-Nkumpi because of illegal dumping taking place within the municipality. Some residents in Lepelle-Nkumpi dispose their waste via burying whereas some discard their green waste to nearby empty fields. One of the challenges encountered in the municipality is that members of the community still dump regardless of a sign stating, “NO DUMPING”. There is need for a behavioural change through educating resident on the proper way of disposing waste in a proper way.

Map 11: Lack of Access to Refuse Removal 2011

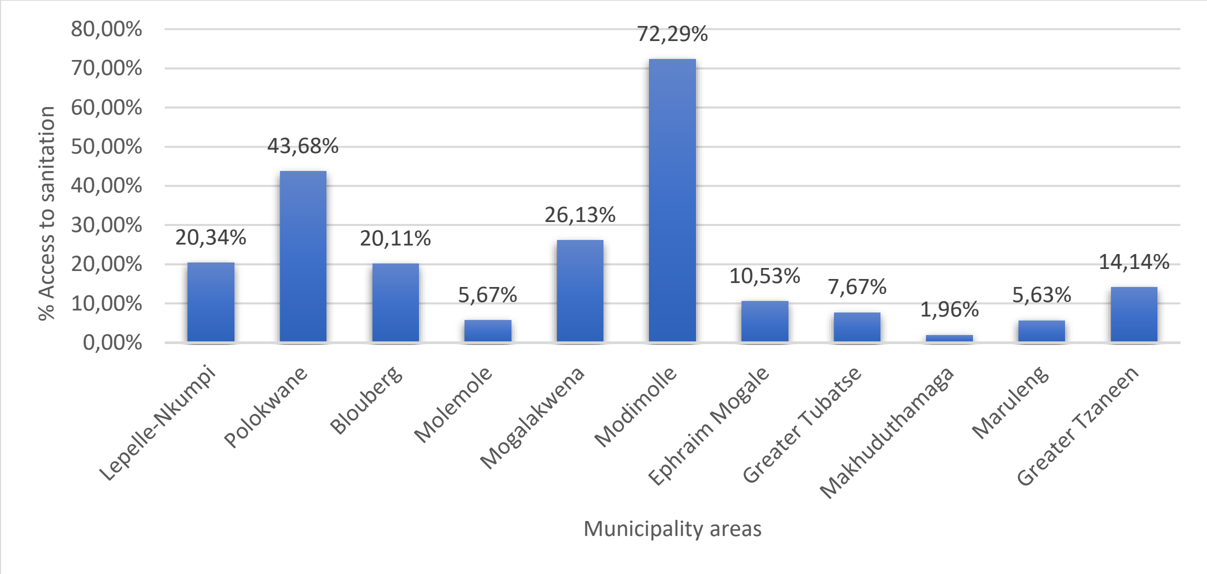
SOURCE: MAPABLE®

The Map above illustrates areas that have refuse removal below the required amount and areas with no access within Lepelle-Nkumpi in 2011. The figure shows a large portion of households lacked access to sanitation, with sluggish improvement towards 2017.

3.4.4. Access to sanitation

The table below shows the proportion of households with access to sanitation. The number of households with access to sanitation in Lepelle-Nkumpi Local Municipality increased from about 11 252 households in 2013 to about 12 033 households in 2017, at an annual growth rate of about 1,69%. The table below illustrates the proportion of households with access to sanitation.

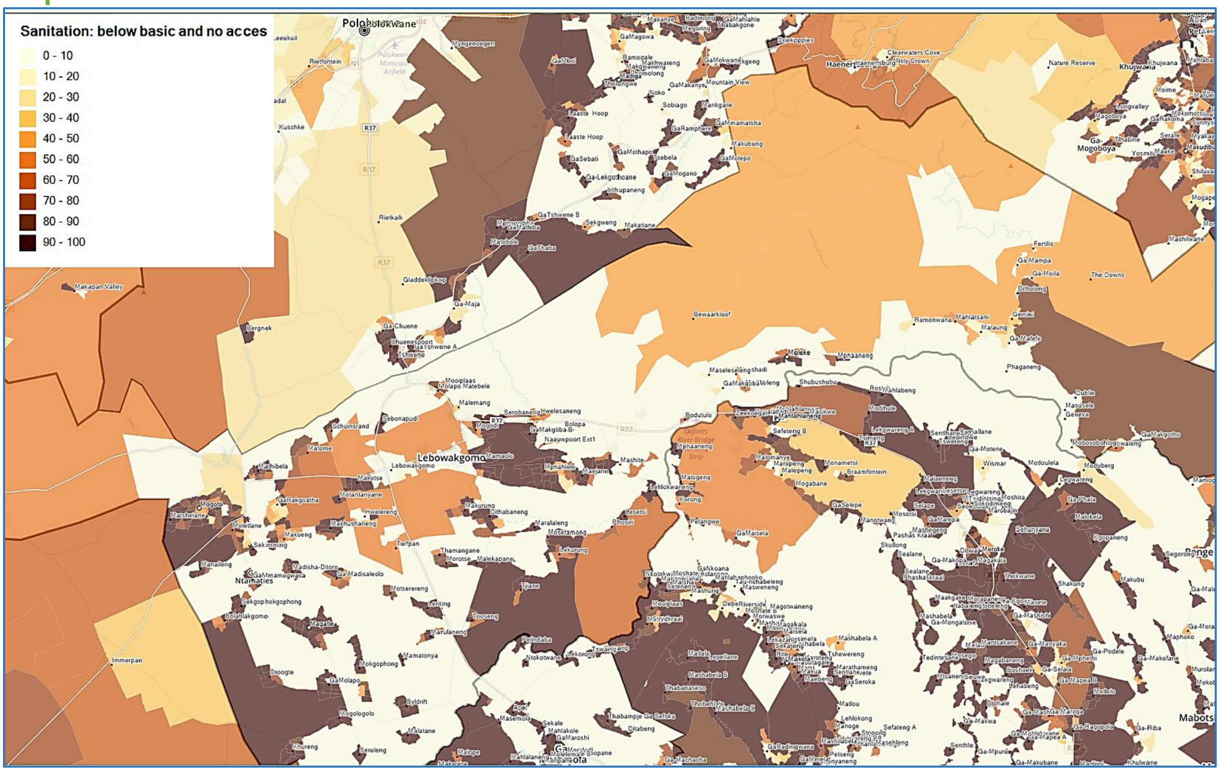
Table 13: Proportion of households with Access to sanitation



SOURCE: QUANTEC 2018

The proportion of households with access to sanitation in the competitors' areas ranged from about 3,73% to 70,78% in 2017. This indicates that the proportion of households with access to sanitation for Lepelle-Nkumpi Local Municipality was at the upper end of the range, giving it a rank of 4 compared to the competitors. Amongst the competitors, Modimolle had the highest proportion of households with access to sanitation, while Makhuduthamaga had the lowest proportion of households with access to sanitation.

Map 12: Lack of Access to Sanitation 2011



SOURCE: MAPABLE®

Access to sanitation is a very important to consider when it comes to local economic development. An investor would invest in an area that has access to sanitation services rather than a lack. It is important for the municipality to take note of sanitation services as sanitation facilities, communication facilities and roads in most parts of the municipality prohibit development and growth of SMMEs in the area.

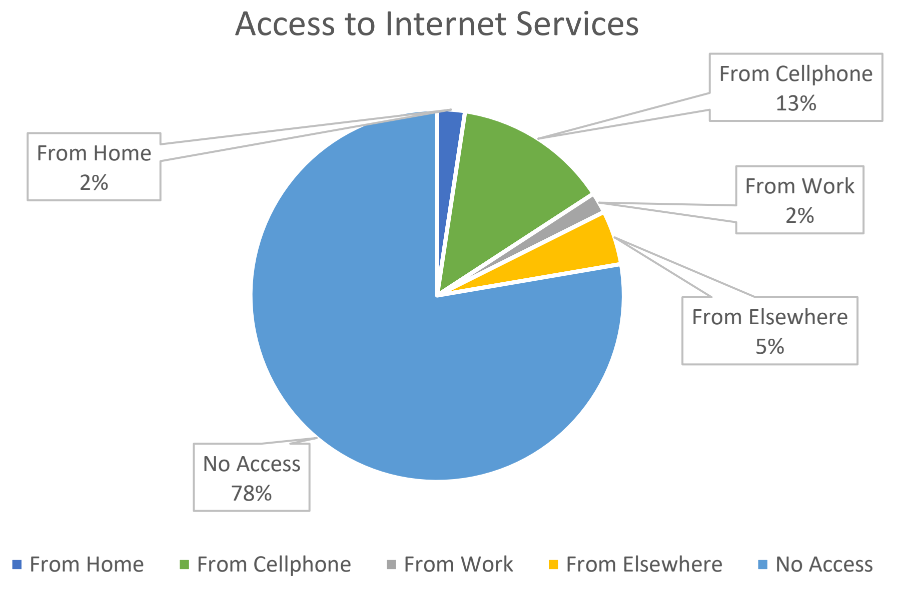
3.4.5. Access to Phone Facilities

Access to telephone facilities refers to the accessibility to communication services that connect residents. The number of households with access to a telephone in Lepelle-Nkumpi Local Municipality increased from about 47 671 households in 2013 to about 53 613 households in 2017, at an annual growth rate of about 2,98%.

The number of households with access to a telephone in the competitors' areas ranged from about 17 038 to 168 340 in 2017. This indicates that the number of households with access to a telephone in Lepelle-Nkumpi Local Municipality was at the midpoint of the range, giving it a rank of 6 compared to the competitors. Amongst the competitors, Polokwane had the most households with access to a telephone, while Modimolle had the least households with access to a telephone.

The proportion of households with access to a telephone in the competitors' areas ranged from about 80,49% to 90,72% in 2017. This indicates that the proportion of households with access to a telephone Lepelle-Nkumpi Local Municipality was at the midpoint of the range, giving it a rank of 8 compared to the competitors. Amongst the competitors, Polokwane had the highest proportion of households with access to a telephone, while Blouberg had the lowest proportion of households with access to a telephone. The figure below shows internet access in Lepelle-Nkumpi which shows that people in the area have limited access to internet services.

Figure 11: Access to Internet Services



SOURCE: STATS SA 2018

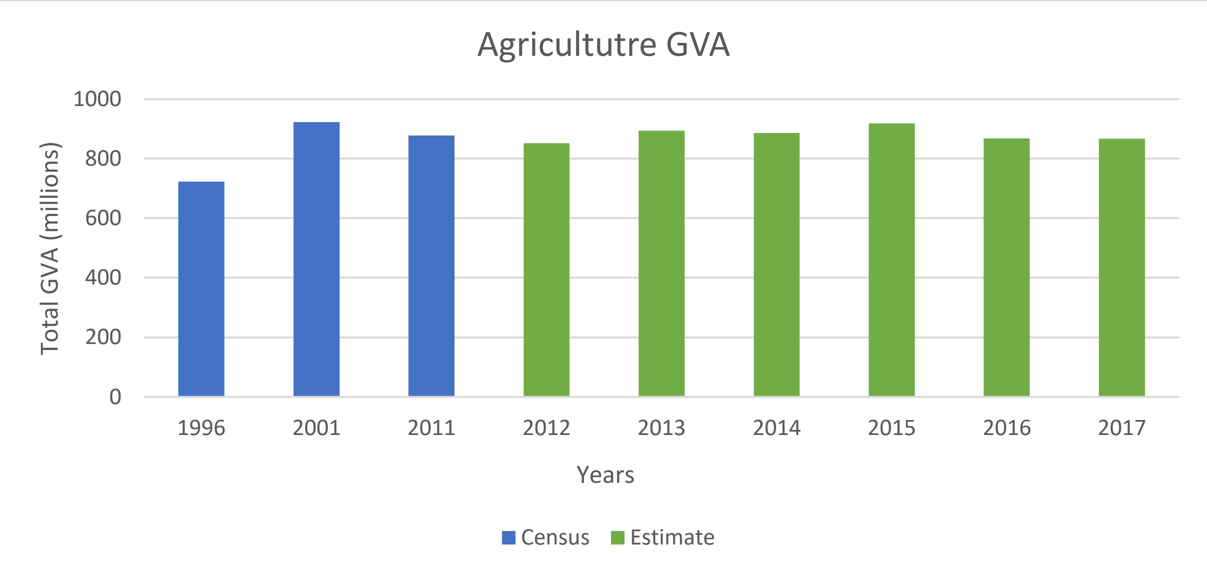
4. Section 4: Sectoral Analysis

This section is aims to examine the economic sectors for Lepelle-Nkumpi Municipality. This analysis will be helpful towards analysing the local economy and identifying the key sectors that are essential for local economic development for Lepelle-Nkumpi.

4.1. Agriculture, forestry and fishing

The Agriculture, Forestry and Fishing (Agriculture) industry comprises of establishments primarily engaged in growing crops, raising animals, harvesting timber, hunting animals and harvesting fish on farms or from their natural habitats. Below is the agriculture GVA and trend over time.

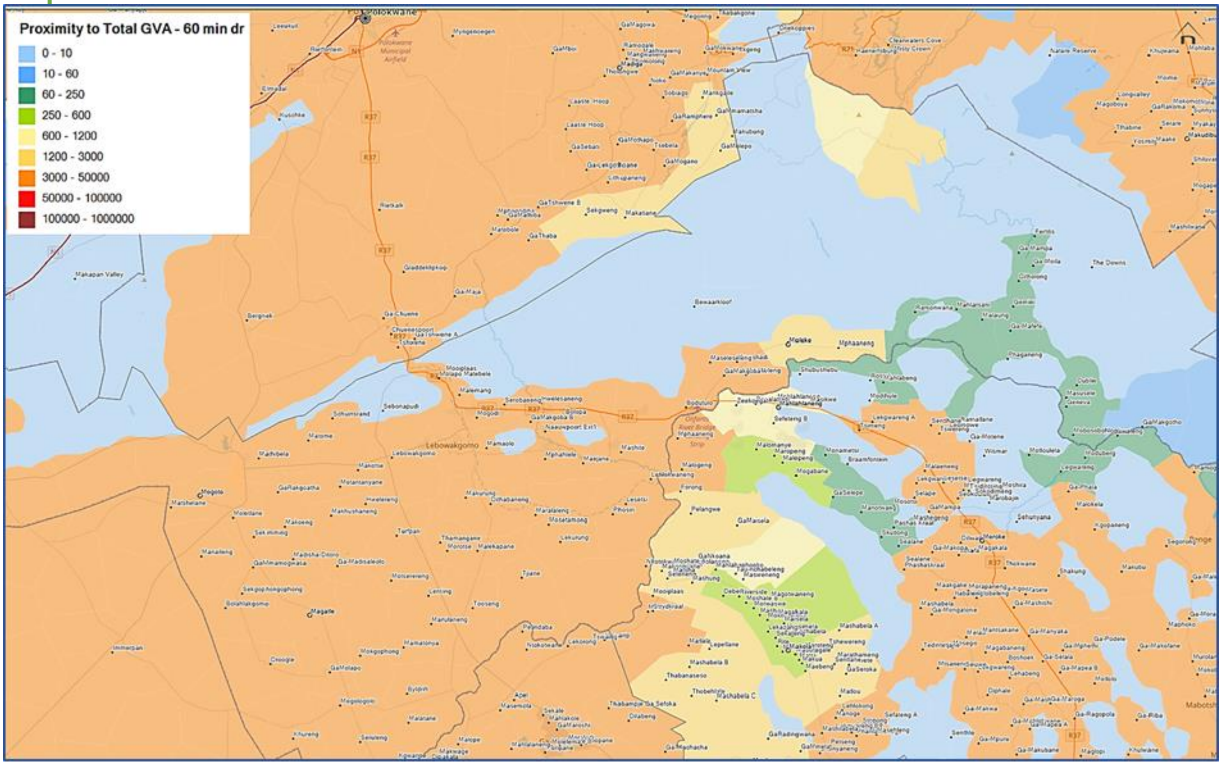
Figure 12: Agriculture GVA



SOURCE: QUANTEC 2018

The figure above shows the GVA for agriculture trend overtime. Between 1996 and 2001 agriculture GVA increased at a growth rate of 5,025 over the period between 1996 and 2001. The period between 2001 and 2011 showed a decline in GVA at a rate of -0,50%. From 2011 to 2017 agriculture activity has slightly been fluctuating at growth rate of -0,21%. The decline in agriculture activity for Lepelle-Nkumpi can be attributed to the Zebediela estate that has not been fully functional at 100% from the past years and the challenges of water that has affected the district.

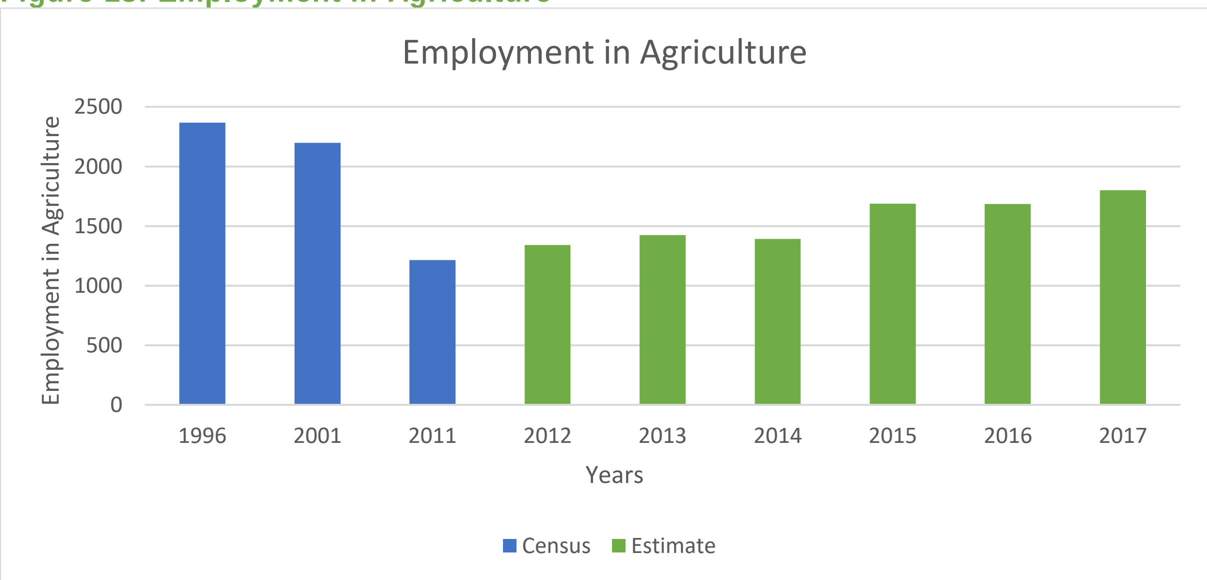
Map 13: Drive time to GVA - 60minutes



SOURCE: MAPABLE®

The Map above illustrates the proximity to GVA within a 60-minute drivetime. As shown on the Map, there is better accessibility to GVA on the western side of Lepelle-Nkumpi which indicates that there was a higher level of production than on the eastern side.

Figure 13: Employment in Agriculture



SOURCE: QUANTEC 2018

The figure above shows the employment in agriculture from 1996 to 2017. There was a decline in employment in agriculture from 1996 to 2001 at rate of -1,48%. From 2001 to 2011 employment in agriculture further declined at a rate of -5,76% illustrating that less people were employed in the agriculture sector. However, from 2011 to 2017 employment in agriculture increased by 6,79% in Lepelle-Nkumpi. This shows that that agriculture constitutes slightly a larger proportion of the economy on a local level.

4.1.1. Location quotient (LQ)

Location quotient (LQ) is a measurement of productivity, indicating a competitive advantage in the production of goods and services in the area relative to the district, province or the country. An LQ of zero indicates an area that has no comparative advantage to its competitors, while one indicates an area that has equal comparative advantage compared to its competitors. A score above one indicates that the area has a comparative advantage over its competitors. The higher the LQ score, the bigger the comparative advantage.

Table 14: Agricultural location quotient

Indicator	LQ Employment Agriculture (Nation)	LQ GVA Agriculture (National)
Rank	**8**	**8**
Lepelle-Nkumpi	**0,81**	**0,63**
Polokwane	0,45	0,37
Blouberg	3,81	4,03
Molemole	4,77	5,23
Mogalakwena	0,91	0,72
Modimolle	3,01	2,76
Ephraim Mogale	4,19	3,85
Greater Tubatse	0,66	0,21
Makhuduthamaga	0,18	0,21
Maruleng	4,61	4,58
Greater Tzaneen	2,97	2,83

SOURCE: QUANTEC 2018

The location quotient for agriculture in Lepelle-Nkumpi Local Municipality's was 0,6 in 2013 and 0,57 in 2017 compared to the provincial LQ. The LQ was 0,8 in 2013 and 0,78 compared to the district LQ in 2017. This indicates that Lepelle-Nkumpi Local Municipality's productivity within this industry was lower than the provincial LQ and lower than the district LQ. This implies that Lepelle-Nkumpi Local Municipality does not have a competitive advantage compared to other local municipalities within the province and does not have a competitive advantage compared to other local municipalities in the district.

The LQ for agriculture in Lepelle-Nkumpi Local Municipality, compared to all local municipalities in South Africa, was 0,5 in 2013 and 0,63 in 2017 improving by 1,40% per annum. This indicates that Lepelle-Nkumpi Local Municipality's productivity within this industry was lower than the national LQ and had been improving.

The competitors' LQ for agriculture ranged from 0,21 to 5,23 compared to all the municipalities in South Africa in 2017, which indicates that Lepelle-Nkumpi Local Municipality's agriculture LQ was at the midpoint of the range, giving it a rank of 8 compared to the competitors. Amongst the competitors, Molemole had the largest agricultural industry LQ, while Greater Tubatse had the smallest agricultural industry LQ.

The location quotient for employment in agriculture in Lepelle-Nkumpi Local Municipality was 0,45 in 2013 and 0,46 in 2017 compared to the provincial LQ. The LQ was 0,51 in 2013 and 0,52 compared to the district LQ in 2017. This indicates that Lepelle-Nkumpi Local Municipality's productivity within this industry was significantly lower than the provincial LQ and lower than the district LQ. This implies that Lepelle-Nkumpi Local Municipality does not have a competitive advantage compared to other local municipalities within the province and does not have a competitive advantage compared to other local municipalities in the district.

The LQ for employment in agriculture in Lepelle-Nkumpi Local Municipality, compared to all local municipalities in South Africa, was 0,80 in 2013 and 0,81 in 2017, improving by 0,14% per annum. This indicates that Lepelle-Nkumpi Local Municipality's productivity within this industry was lower than the national LQ and had been improving.

The competitors' LQ for employment in agriculture ranged from 0,2 to 4,8 compared to all the municipalities in South Africa in 2017, which indicates that Lepelle-Nkumpi Local Municipality's LQ for employment in agriculture was at the midpoint of the range, giving it a rank of 8 compared to the competitors. Amongst the competitors, Molemole had the largest LQ for employment in agriculture, while Makhuduthamaga had the lowest LQ for employment in agriculture.

4.1.2. Local agricultural produce

Maize, sorghum, millet, vegetables, runner crops like watermelons, cow peas and dry beans are the main crops grown in Lepelle Nkumpi Local Municipality. The Zebediela estate is well known to produce citrus fruits and macadamia nuts. The municipality is very much suitable for both large-scale and small-scale farming activities.

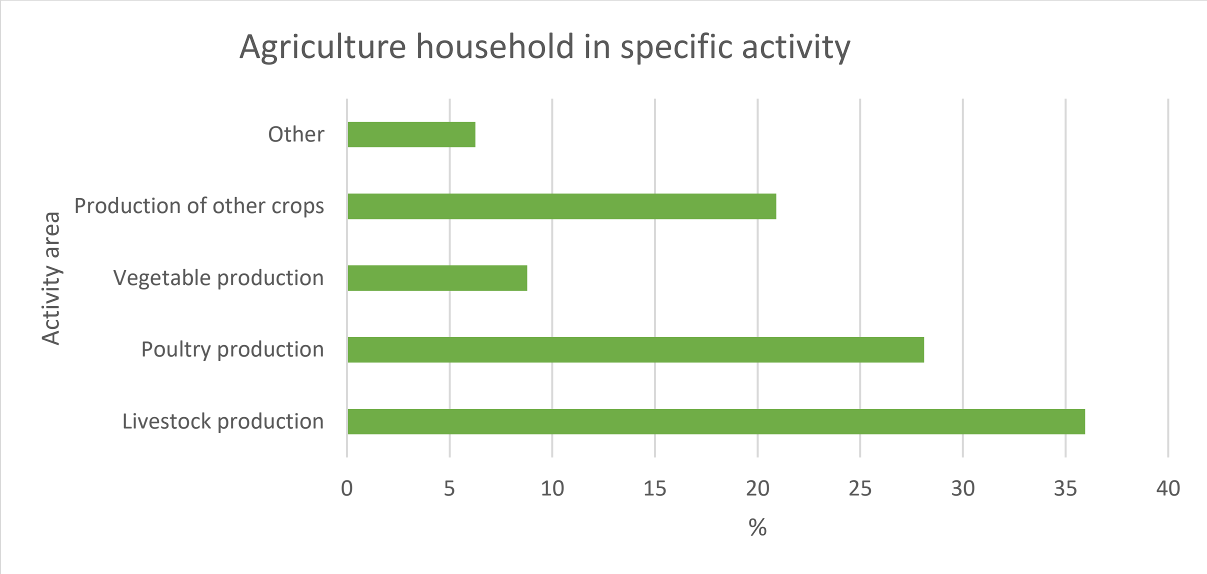
The small-scale farming activities entails goats, sheep and pigs, while large stock are beef cattle and both broilers and layers are produced in Lepelle-Nkumpi. The Zebediela Citrus is one of largest citrus farms in the Southern Hemisphere. Agriculture remains a key important strategic for economic growth and rural development in the Lepelle-Nkumpi. The table below shows the optimal plant species for Lepelle-Nkumpi.

Table 15: Optimal plant species for Lepelle-Nkumpi 2008

Apple	Cole; Cole-seed (Canola)	Rape Cole (Canola)	Lentil
Apricot	Common / Runner Bean	Rapeseed (Canola Oil)	Lettuce
Arabica Coffee	Common Garden Pea	Red Pepper	Llama
Artichoke	Coriander	Rice	Luquat
Banana	Cotton	Rocket Salad	Maize
Barley	Cow Cabbage	Rye	Mango
Basil	Cumin	Safflower	Mexican Hawthorn
Beetroot	Dalmation Insect Flower	Skirret	Millet
Bengal Bean	Date Palm	Soy Bean	Mountain Spinach
Big Kidney Bean	Dill	Spinach	New Zealand Spinach
Bitter Melon	English Rhubarb	Strawberry	New Zeeland Hemp
Black Mustard	Field Mustard	Sugar Cane	Oats (Common)
Brinjal / Eggplant	Flax; Linseed (Fibre)	Summer Wheat	Old-man Saltbush
Broadbean	Gherkin, Musk-melon	Sunflower	Olive
Brown Mustard (Oil)	Grapes	Sweet Anise	Onion, Garlic
Brussels Sprouts	Ground Nut	Sweet Cherry	Oyster Plant
Buckwheat	Guava	Sweet Cicely Cicle	Parsley
Butter Bean	Headed Cabbage	Sweet Pepper	Parsnip
Carrot	hemp (fibre)	Sweet Potato	Pawpaw; Papaja
Cashew Nut	Horse Radish	Tea	Pineapple
Cassava	Hungarian Turnip	Tobacco (Turkish)	Plum
Caster-Oil Plant	Indian Beal	Tomato	Potato
Cauliflower	Indian Colze (Canola)	Topinambur	Pumpkin, Squash
Celery	Indian Millet	Valencia	Purple Granadilla
Chicory	Italian Broccoli	Velvet Apple	Pusa Hemp
Chinese cabbage	Japanese Plum	Winter Wheat	Radish
Chinese Kale	Japanese Radish		Rape

SOURCE: LEPELLE-NKUMPI INVESTMENT STRATEGY

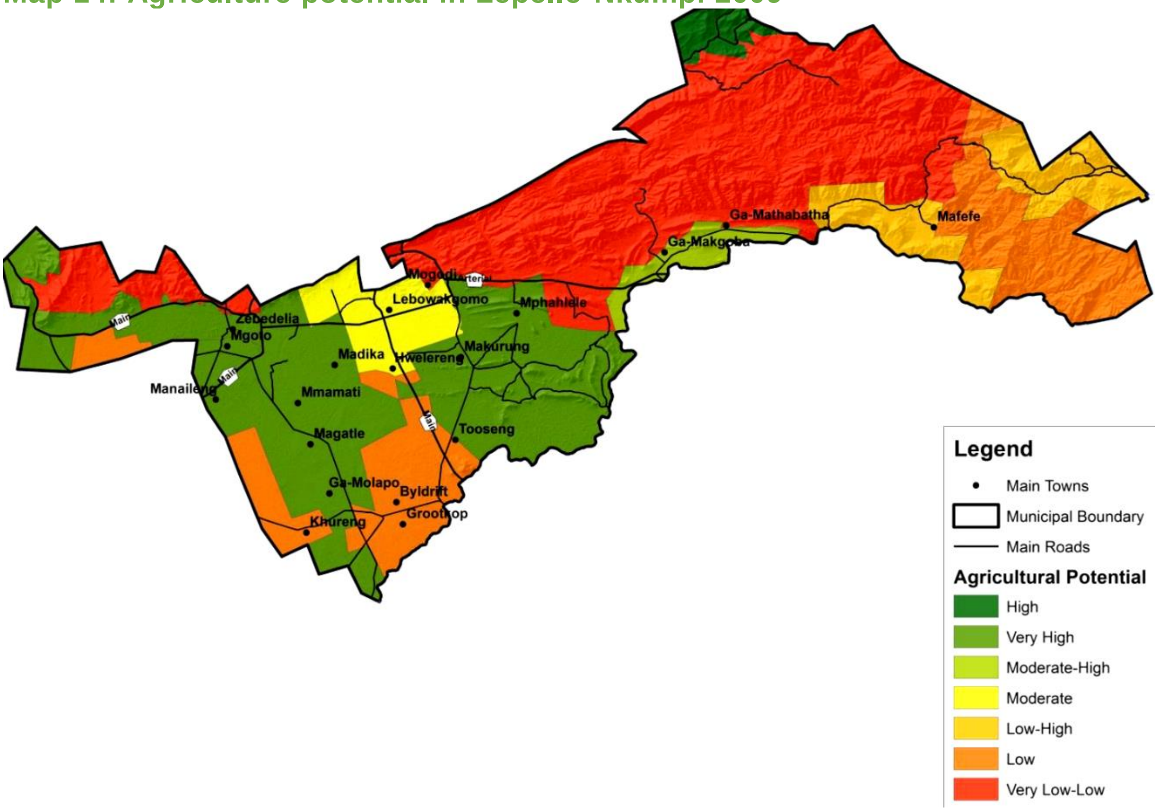
Figure 14: Agriculture activities for households



STATS SA 2018

The figure above illustrates agriculture household activity for Lepelle Nkumpi. From the diagram above it can be noted that livestock, poultry and production crops is predominantly practiced in Lepelle-Nkumpi.

Map 14: Agriculture potential in Lepelle-Nkumpi 2009



SOURCE: LEPELLE-NKUMPI AGRICULTURAL HUB, ENVIRONMENTAL ANALYSIS

The map above illustrates agriculture potential within Lepelle-Nkumpi Local Municipality. From the map, it can be noted that much of agriculture activity is on the western side. The eastern side has little agriculture activity in terms of forestry which has great potential in the area.

4.1.3. Market opportunities

The market opportunity in the agricultural sector of Lepelle-Nkumpi Local Municipality is contained in the agro-processing based industries that are focused on the beneficiation of the existing agricultural products. Agro-processing involves the transformation of raw materials from primary agriculture into finished or semi-finished products ready for use by the end user or immediate user. The opportunities under the agriculture sector that can be investigated are below.

Table 16: Market opportunities

Market opportunity	Development constraints
Expansion of citrus production	• Revitalisation of irrigation schemes • Skills development • Poor infrastructure • Blue drop status
Agro-processing capacity development	• Revitalisation of the industrial park • Inadequate equipment and machinery • Lack of technical skills development • Zoning for development/investment purposes
Expansion in livestock farming	• Limited abattoirs • Poor accessibility of road infrastructure
Agri-tourism (Zebediela Farm Stay and Caravan Park	• Road accessibility • Limited activities for tourism and hospitality • Road signage

SOURCE: URBAN-ECON

4.1.4. Key findings and issues

- The expansion and development of citrus processing facilities will mainly benefit emerging and small-scale producers to prevent post-harvest loss and wastage (Limpopo Provincial Government, 2012)
- There is potential for the agritourism at the Zebediela Estate Farm which would be key towards development in Lepelle-Nkumpi
- The development and expansion of the citrus production will enable the province to compete nationally with other companies
- Most of the youths in this area are unemployed and only few youths are involved in agriculture activity

4.2. Mining and quarrying

Mining and quarrying refer to the investigation of potential sites for the extraction of valuable minerals or other geological materials from the earth (usually from an orebody, lode, vein, seam, reef or placer deposit), and processing the geological materials with heat or chemicals to extract the metal or any other substance of interest.

In Lepelle-Nkumpi mining activities take place in these following areas:

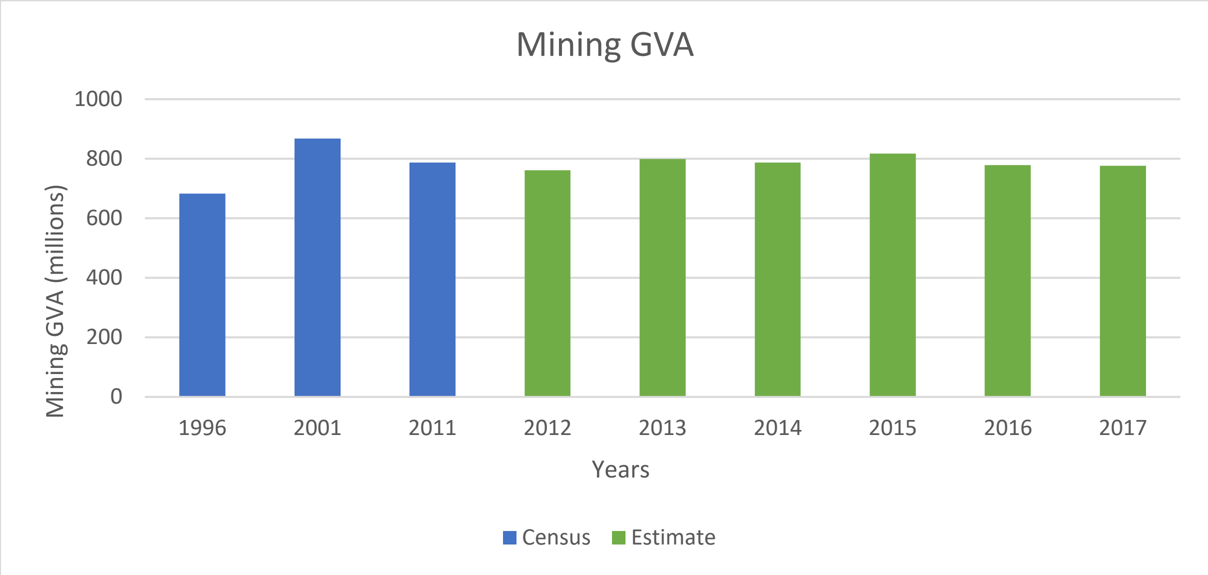
Table 17: Mining activities in Lepelle-Nkumpi

Mine	Location	Description
LONMIN Mine	Hwelereng	Platinum Mining
Boynton Mine	Mphahlele	Platinum Mining
Tameng Mine	Mphahlele	Platinum Mining
Aquarius Platinum Mining	Mphahlele	Platinum Mining
Slate Slabs	Mafefe, Mashadi, Komantjas, Hoegenog	Slate slabs mining
Klipspringer Mine	Zebediela	Diamond Mining
Cement Mine	Zebediela	Cement mining
Lesego Mining	Mphahlele	Platinum Mining

SOURCE: (LNLM IDP, 2016-2021)

The figure below illustrates the GVA for mining in Lepelle-Nkumpi.

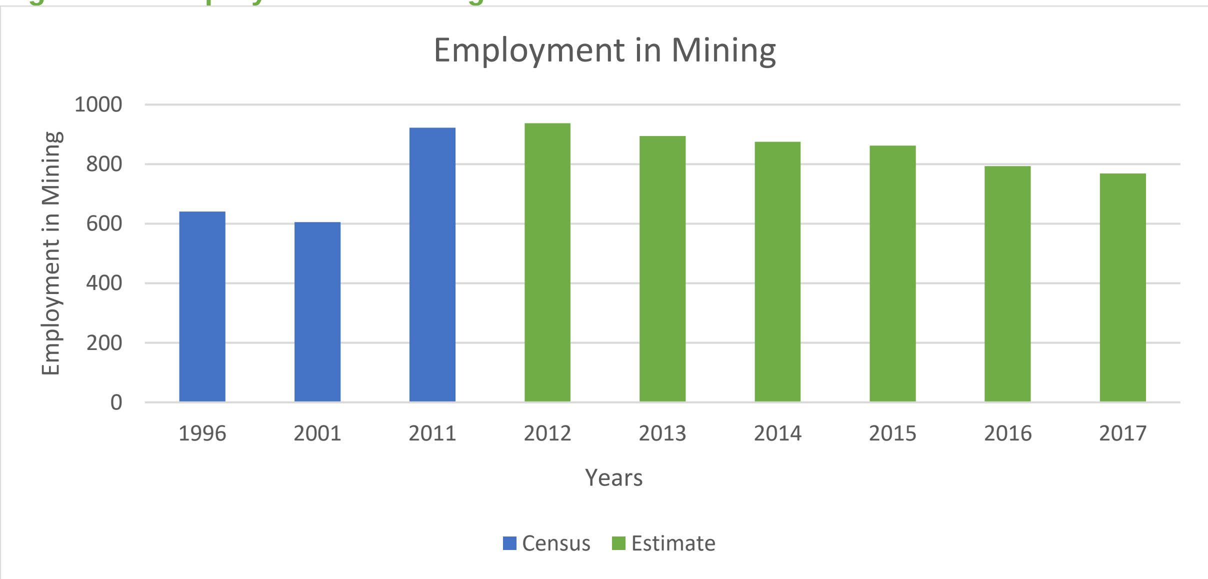
Figure 15: Mining GVA for Lepelle-Nkumpi



SOURCE: QUANTEC 2018

From the figure above, it can be noted that mining increased from 1996 to 2001 at a growth rate of 4,92 during the post-apartheid period. The period from 2001 to 2011 reflected a decline in mining at a growth rate of -0,98% and further to -0,12% for the period between 2012 and 2017. Mining productivity has been on a downward scale and there hasn't been much growth in mining sector.

Figure 16: Employment in Mining



SOURCE: QUANTEC 2018

The figure above shows the employment in mining overtime. Employment in between 1996 and 2011 increased at a growth rate of 2,46% and declined between 2012 and 2017 at a growth rate of 0,87%. Employment in mining has been on a downward scale which can be attributed to most mines adopting automated machinery and some championing green mining initiatives to preserve and protect the environment.

4.2.1. Mining location quotient

The location quotient for mining and quarrying in Lepelle-Nkumpi Local Municipality's was 0,50 in 2013 and 0,50 in 2017 compared to the provincial LQ. The LQ was 5,5 in 2013 and 5,6 compared to the district LQ in 2017. This indicates that Lepelle-Nkumpi Local Municipality's productivity within this industry was lower than the provincial LQ and significantly higher than the district LQ. This implies that Lepelle-Nkumpi Local Municipality does not have a competitive advantage compared to other local municipalities within the province and has a competitive advantage compared to other local municipalities in the district.

The LQ for mining and quarrying in Lepelle-Nkumpi Local Municipality, compared to all local municipalities in South Africa, was 1,60 in 2013 and 1,60 in 2017, improving by 0,00% per annum. This indicates that Lepelle-Nkumpi Local Municipality's productivity within this industry was significantly higher than the national LQ and had been improving. The competitors' LQ for mining and quarrying ranged from 0,10 to 9,01 compared to all the municipalities in South Africa in 2017, which indicates that Lepelle-Nkumpi Local Municipality's mining and quarrying LQ was at the upper end, giving it a rank of 2 compared to the competitors. Amongst the competitors, Greater Tubatse had the largest mining and quarrying industry LQ, while Polokwane had the smallest mining and quarrying industry LQ.

The location quotient for employment in mining and quarrying in Lepelle-Nkumpi Local Municipality was 0,55 in 2013 and 0,52 in 2017 compared to the provincial LQ. The LQ was 0,17 in 2013 and 0,23 compared to the district LQ in 2017. This indicates that Lepelle-Nkumpi Local Municipality's productivity within this industry was lower than the provincial LQ and significantly lower than the district LQ. This implies that Lepelle-Nkumpi Local Municipality does not have a competitive advantage compared to other local municipalities within the province and does not have a competitive advantage compared to other local municipalities in the district. The LQ for employment in mining and quarrying in Lepelle-Nkumpi Local Municipality, compared to all local municipalities in South Africa, was 0,85 in 2013 and 0,83 in 2017, declining by -0,74% per annum. This indicates that Lepelle-Nkumpi Local Municipality's productivity within this industry was lower than the national LQ and had been declining. The competitors' LQ for employment in mining and quarrying ranged from 0,03 to 7,53 compared to all the municipalities in South Africa in 2017, which indicates that Lepelle-Nkumpi Local Municipality's LQ for employment in mining and quarrying was at the upper end of the range, giving it a rank of 2 compared to the competitors. Amongst the competitors, Greater Tubatse had the largest LQ for employment in mining and quarrying, while Molemole had the lowest LQ for employment in mining and quarrying.

Table 18: Mining location quotient

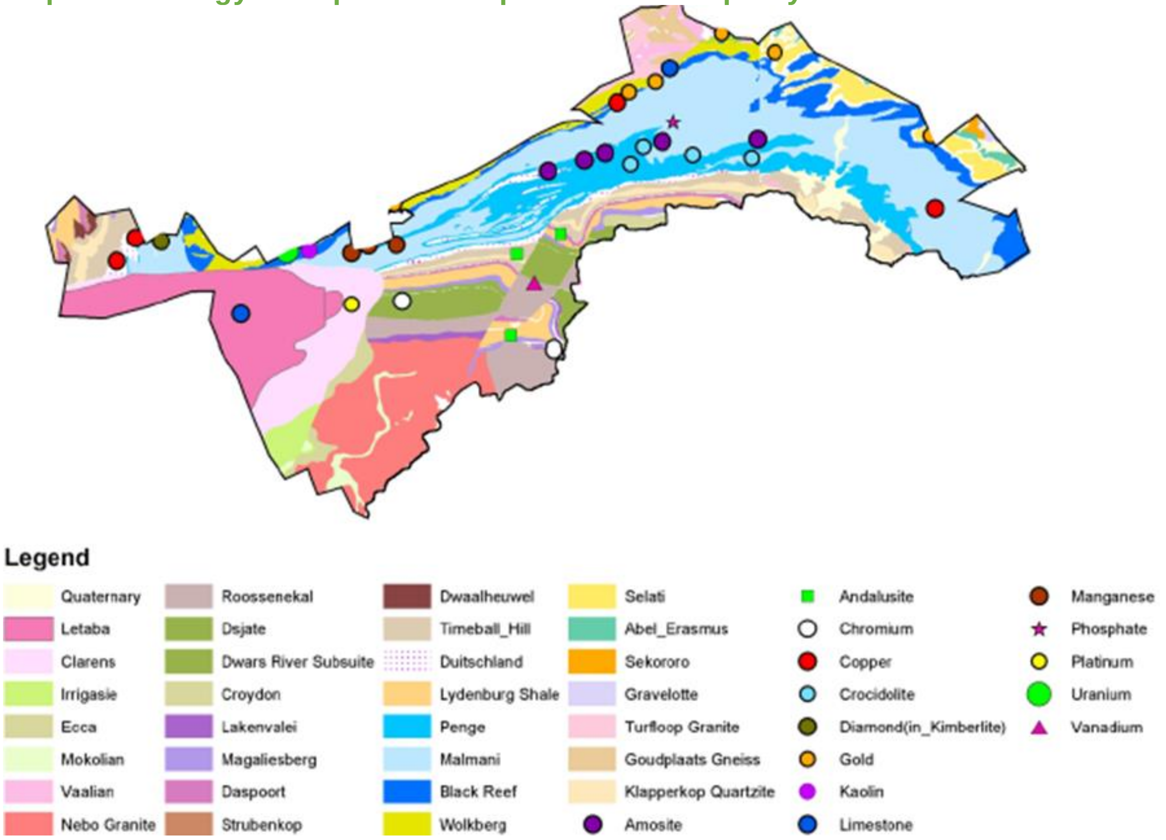
Indicator	LQ GVA Mining and quarrying (National)	LQ Employment Mining and quarrying (Nation)
Rank	**2**	**2**
Lepelle-Nkumpi	**1,60**	**82,66%**
Polokwane	0,10	3,91%
Blouberg	0,35	11,84%
Molemole	0,10	3,07%
Mogalakwena	0,73	36,79%
Modimolle	0,10	4,78%
Ephraim Mogale	0,10	4,65%
Greater Tubatse	9,01	753,27%
Makhuduthamaga	0,33	22,27%
Maruleng	0,30	14,37%
Greater Tzaneen	0,63	28,20%

SOURCE: QUANTEC 2018

4.2.2. Local mining produce

The mining industry is thus a valuable driver of the economy, as the province possesses large mineral reserves. The map below shows the geology with the mineral composition in Lepelle-Nkumpi.

Map 15: Geology of Lepelle-Nkumpi Local Municipality



SOURCE: COUNCIL FOR GEOSCIENCE

4.2.3. Market opportunities

The industrial area in Lepelle-Nkumpi Local Municipality has not productive in terms of the expected out come and the potential in the area. However, opportunities in mining that can be identified are shown below.

Table 19: Market opportunities

Market opportunity	Development constraints
Development of mining zones and environmental protected areas	• Illegal mining • Skills development and capacity • Road signages in the area
Mining, beneficiation and processing	• Road signages in the area • Revitalisation of the industrial park • A need for more support to mining activities
Recycling	• Machinery and equipment • Skills development and capacity • Industrial park needs to be revitalised

SOURCE: URBAN-ECON

4.2.4. Key findings and issues

- Dilokong Corridor mining corridor is a key enabler for Lebowakgomo and Zebediela areas
- Lack of skills is required to provide more support in mining initiatives
- Illegal mining still is a challenge that is being face in the area
- Funding still needs to be attained for the establishment of small-scale excavation and tile manufacturing of slate in Mafefe

4.3. Manufacturing

Manufacturing is a value adding process which involves the large production of goods that converts raw materials, components, or parts into finished goods that meet customer's expectations or specifications using manual labour or machines. Finished goods from manufacturing can be sold directly to consumers, to other manufacturers to produce more complex products, or to wholesalers who distribute the goods to retailers.

4.3.1. Manufacturing GVA

The figure below shows manufacturing GVA for Lepelle-Nkumpi over the period of the study as shown below. Manufacturing increased from 1996 to 2001 at a growth rate of 1,11%, and at a growth rate of 2,05% between 2001 and 2011. It can also be noted that GVA growth for manufacturing between 2011 and 2017 declined and has been fluctuating at a growth rate of 0,65%.

Figure 17: Manufacturing GVA

SOURCE: QUANTEC 2018

The competitors' manufacturing industries ranged from R 34,35 million to R 1 214,62 million in 2017, which indicates that Lepelle-Nkumpi Local Municipality's manufacturing industry was at the midpoint of the range, giving it a rank of 6 compared to the competitors. Amongst the competitors, Polokwane's had the largest manufacturing industry, while Molemole had the smallest manufacturing industry.

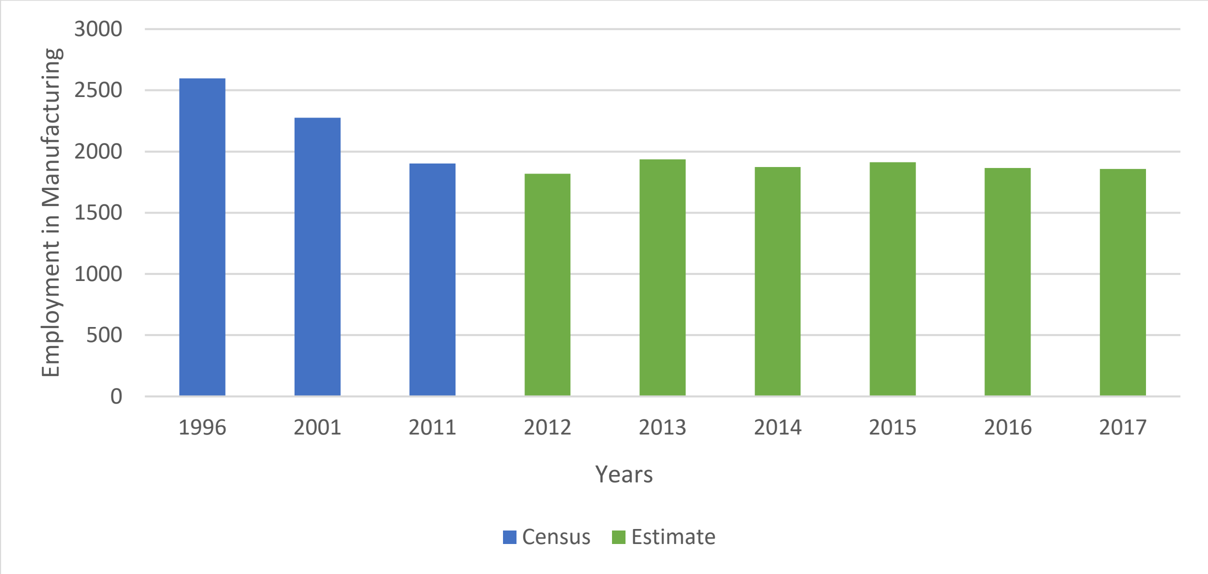
The annual growth rate for the manufacturing industry amongst the competitor's ranged from -1,69% to 1,38% per annum between 2013 and 2017. This indicates that Lepelle-Nkumpi Local Municipality's annual growth rate for the manufacturing industry was at the midpoint of the range, giving it a rank of 7 compared to the competitors. Amongst the competitors, Greater Tubatse's manufacturing industry experienced the biggest growth, while Blouberg' s manufacturing industry experienced the least growth.

The manufacturing industry contributed between 1,56% to 7,12% of the competitors overall GVA in 2017, which indicates that Lepelle-Nkumpi Local Municipality's manufacturing industry's proportionate share in GVA was at the lower end of the range, giving it a rank of 9 compared to the competitors. Amongst the competitors, Modimolle had the largest proportionate share in GVA for manufacturing, while Makhuduthamaga had the smallest proportionate share in GVA for manufacturing.

Employment in manufacturing contributed between about 2,33% to 8,71% of the competitors' overall employment in 2017, which indicates that Lepelle-Nkumpi Local Municipality's share in manufacturing employment was at the midpoint of the range, giving it a rank of 6 compared to the competitors. Amongst the competitors, Greater Tubatse had the largest proportionate share in manufacturing employment, while Maruleng had the smallest proportionate share in manufacturing employment. The location quotient for employment in manufacturing in Lepelle-Nkumpi Local Municipality was 1,06 in 2013 and 1,05 in 2017 compared to the provincial LQ. The LQ was 0,58 in 2013 and 0,53 compared to the district LQ in 2017. This indicates that Lepelle-Nkumpi Local Municipality's productivity within this industry was higher than the provincial LQ and lower than the district LQ. This implies that Lepelle-Nkumpi Local Municipality has a competitive advantage compared to other local municipalities within the province and does not have a competitive advantage compared to other local municipalities in the district.

The LQ for employment in manufacturing in Lepelle-Nkumpi Local Municipality, compared to all local municipalities in South Africa, was 0,66 in 2013 and 0,66 in 2017, declining by -0,09% per annum. This indicates that Lepelle-Nkumpi Local Municipality's productivity within this industry was lower than the national LQ and had been declining.

Figure 18: Manufacturing Employment



SOURCE: QUANTEC 2018

The figure above illustrates employment in manufacturing in Lepelle-Nkumpi. Employment between 1996 to 2001 decreased at a growth rate of -2,61% and -1,77% between 2001 and 2011. On the same note, a decline in employment was also noted between 2011 and 2017 which shows that not much has taken place in term of manufacturing productivity and considering that the industrial park has become a ghost town.

4.3.2. Manufacturing location quotient

The location quotient for manufacturing industry in Lepelle-Nkumpi Local Municipality's was 0,6 in 2013 and 0,60 in 2017 compared to the provincial LQ. The LQ was 0,6 in 2013 and 0,6 compared to the district LQ in 2017. This indicates that Lepelle-Nkumpi Local Municipality's productivity within this industry was lower than the provincial LQ and lower than the district LQ. This implies that Lepelle-Nkumpi Local Municipality does not have a competitive advantage compared to other local municipalities within the province and does not have a competitive advantage compared to other local municipalities in the district.

The LQ for manufacturing in Lepelle-Nkumpi Local Municipality, compared to all local municipalities in South Africa, was 0,1 in 2013 and 0,10 in 2017 improving by 0,00% per annum. This indicates that Lepelle-Nkumpi Local Municipality's productivity within this industry was lower than the national LQ and had been improving.

The competitors' LQ for manufacturing ranged from 0,10 to 0,50 compared to all the municipalities in South Africa in 2017, which indicates that Lepelle-Nkumpi Local Municipality's manufacturing LQ was at the lower end of the range, giving it a rank of 9 compared to the competitors. Amongst the competitors, Modimolle had the largest manufacturing industry LQ, while Lepelle-Nkumpi had the smallest manufacturing industry LQ.

The location quotient for employment in manufacturing in Lepelle-Nkumpi Local Municipality was 1,06 in 2013 and 1,05 in 2017 compared to the provincial LQ. The LQ was 0,58 in 2013 and 0,53 compared to the district LQ in 2017. This indicates that Lepelle-Nkumpi Local

Municipality's productivity within this industry was higher than the provincial LQ and lower than the district LQ. This implies that Lepelle-Nkumpi Local Municipality has a competitive advantage compared to other local municipalities within the province and does not have a competitive advantage compared to other local municipalities in the district.

The LQ for employment in manufacturing in Lepelle-Nkumpi Local Municipality, compared to all local municipalities in South Africa, was 0,66 in 2013 and 0,66 in 2017, declining by -0,09% per annum. This indicates that Lepelle-Nkumpi Local Municipality's productivity within this industry was lower than the national LQ and had been declining.

The competitors' LQ for employment in manufacturing ranged from 0,28 to 1,04 compared to all the municipalities in South Africa in 2017, which indicates that Lepelle-Nkumpi Local Municipality's LQ for employment in manufacturing was at the midpoint of the range, giving it a rank of 6 compared to the competitors. Amongst the competitors, Greater Tubatse had the largest LQ for employment in manufacturing, while Maruleng had the lowest LQ for employment in manufacturing.

Table 20: Manufacturing location quotient

Indicator	LQ GVA Manufacturing (National)	LQ Employment Manufacturing (Nation)
Rank	**9**	**6**
Lepelle-Nkumpi	**0,10**	**66,06%**
Polokwane	0,31	79,90%
Blouberg	0,20	46,97%
Molemole	0,10	29,62%
Mogalakwena	0,30	81,32%
Modimolle	0,50	99,12%
Ephraim Mogale	0,20	44,92%
Greater Tubatse	0,30	103,83%
Makhuduthamaga	0,10	33,80%
Maruleng	0,24	27,71%
Greater Tzaneen	0,34	71,51%

Source: Quantec 2018

4.3.3. Local manufacturing productivity

Manufacturing productivity in Lepelle-Nkumpi has not been competitive as compared to its competitors in the region. The industrial park in Lebowakgomo has potential to improve the economy in Lepelle-Nkumpi in terms of manufacturing. One of the fundamental stumbling blocks has been poor infrastructure and the need on the revitalisation of the industrial park. Furthermore, the lack of basic skills largely constrains further development of manufacturing, and agro-processing and mining industries in the municipal area. The picture below depicts the status quo of the industrial activity in Lebowakgomo.

4.3.4. Market opportunities

Regardless if of inactivity in the industrial park an opportunity exist which could be a key enabler for the economy in Lepelle-Nkumpi. The market opportunity in the manufacturing sector are shown below.

Table 21: Market opportunities

Market opportunity	Development constraints
Agro-processing	• Infrastructure development and rehabilitation • Inadequate technical skills • Information and technology
Mineral and beneficiation	• Machinery and equipment • Poor infrastructure • Weak forward and backward linkages
Industrial Park facility	• Industrial park facility is not operational • Lack of finance • Information and technology • Leakages in the economy (manufactured good need buying power locally)

Textile and clothing	• Advanced machinery • Information and Technology

4.3.5. Key findings and issues

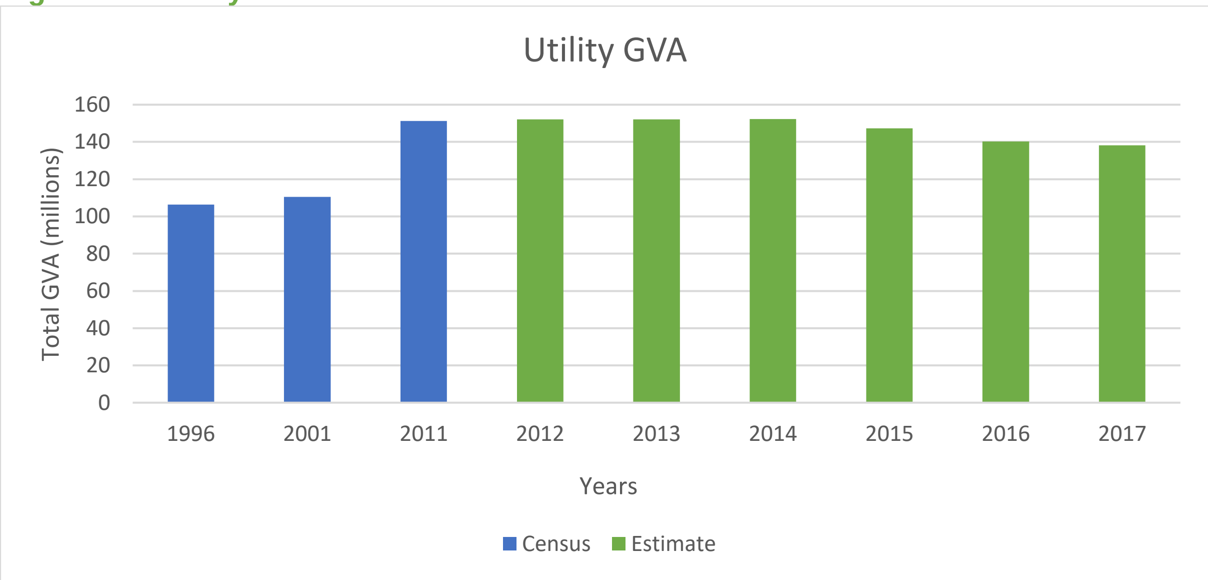
- The processing of raw materials from mining will contribute significantly in expanding the manufacturing sector within the Municipality
- Agglomeration of mining and manufacturing activities will result in economies of scale that would increase both economic development and employment opportunities
- Poor service infrastructure at the industrial park
- The industrial area has turned into a ghost town with underutilised buildings

4.4. Utility (electricity, gas and water)

The utilities industry refers to a service which includes electricity, gas and water and is often regulated by the government. Electricity has been provided to 92% of the households and all villages within the municipality have access to electricity grid.

From the figure below, GVA in the utility sector between 1996 to 2001 increased at a growth rate of 0,73% and increased significantly by 3,20% between 2001 and 2011. GVA has declined from 2011 to 2017 at a growth rate of -1,49% which is shown below.

Figure 19: Utility GVA

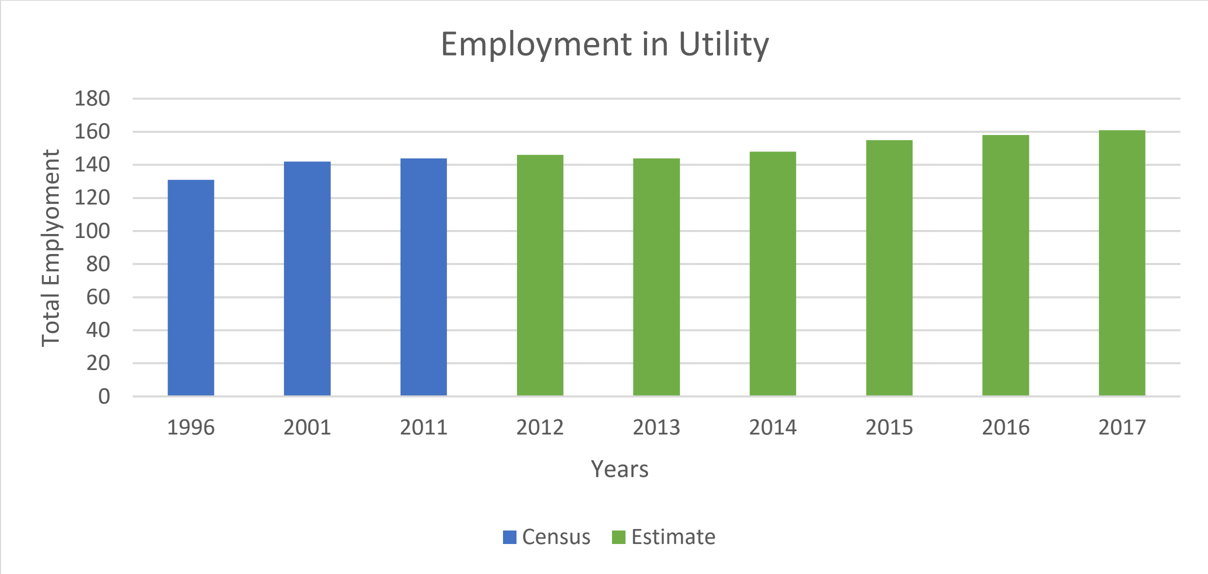


SOURCE: QUANTEC 2018

4.4.1. Utility labour

The figure below shows the employment in the utility sector. It can be concluded that employment in the sector has been increasing overtime. From 1996 to 2001 at a growth rate of 1,63%. In 2001 to 2011 employment in the sector in declined at a growth rate of 0,14% and only increased by 1,87% between 2011 and 2017 period.

Figure 20: Utility labour



SOURCE: QUANTEC 2018

4.4.2. Utility location quotient

The LQ for the utilities industry in Lepelle-Nkumpi Local Municipality, compared to all local municipalities in South Africa, was 1,00 in 2013 and 1,00 in 2017, improving by 0,00% per annum. This indicates that Lepelle-Nkumpi Local Municipality's productivity within this industry was lower than the national LQ and had been improving.

The competitors' LQ for the utilities industry ranged from 0,30 to 1,97 compared to all municipalities in South Africa in 2017, which indicates that Lepelle-Nkumpi Local Municipality's utilities industry LQ was at the midpoint of the range, giving it a rank of 7 compared to the competitors. Amongst the competitors, Ephraim Mogale had the largest utilities industry LQ, while Greater Tubatse had the smallest utilities industry LQ.

The location quotient for employment in utilities in Lepelle-Nkumpi Local Municipality was 0,89 in 2013 and 0,90 in 2017 compared to the provincial LQ. The LQ was 1,10 in 2013 and 1,01 compared to the district LQ in 2017. This indicates that Lepelle-Nkumpi Local Municipality's productivity within this industry was lower than the provincial LQ and higher than the district LQ. This implies that Lepelle-Nkumpi Local Municipality does not have a competitive advantage compared to other local municipalities within the province and has a competitive advantage compared to other local municipalities in the district.

The LQ for employment in utilities in Lepelle-Nkumpi Local Municipality, compared to all local municipalities in South Africa, was 1,13 in 2013 and 1,14 in 2017, improving by 0,36% per annum. This indicates that Lepelle-Nkumpi Local Municipality's productivity within this industry was higher than the national LQ and had been improving.

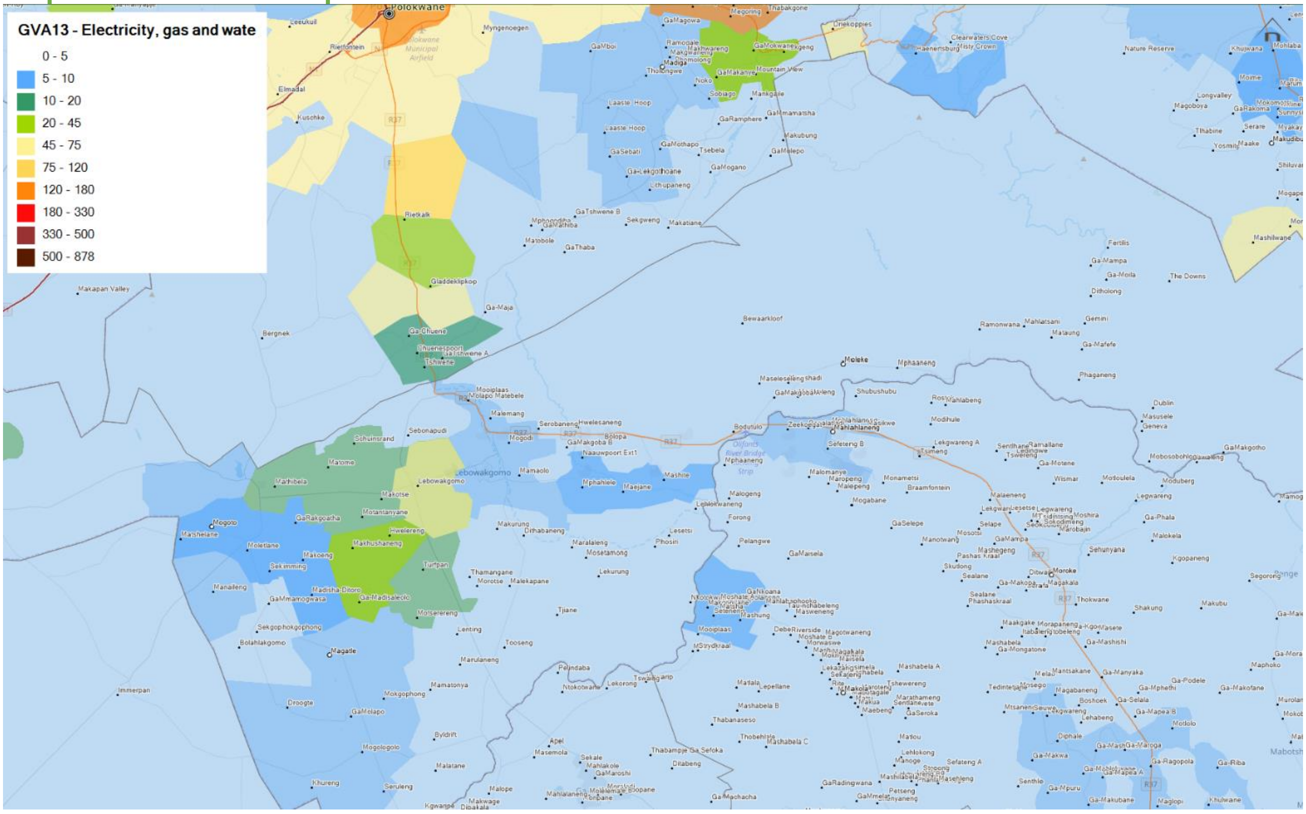
The competitors' LQ for employment in the utilities industry ranged from 0,37 to 1,35 compared to all the municipalities in South Africa in the utilities industry in 2017, which indicates that Lepelle-Nkumpi Local Municipality's LQ for employment in the utilities industry was at the upper end of the range, giving it a rank of 3 compared to the competitors. Amongst the competitors, Polokwane had the largest LQ for employment in the utilities industry, while Maruleng had the lowest LQ for employment in the utilities industry.

Table 22: Utility location quotient

Indicator	LQ GVA Utilities (National)	LQ Employment Utilities (Nation)
Rank	**7**	**3**
Lepelle-Nkumpi	**1,00**	**114,33%**
Polokwane	1,33	135,06%
Blouberg	1,10	71,72%
Molemole	1,30	82,09%
Mogalakwena	0,80	81,72%
Modimolle	0,93	68,56%
Ephraim Mogale	1,97	113,68%
Greater Tubatse	0,30	75,41%
Makhuduthamaga	1,30	118,40%
Maruleng	0,53	37,25%
Greater Tzaneen	1,38	112,16%

Source: Quantec 2018

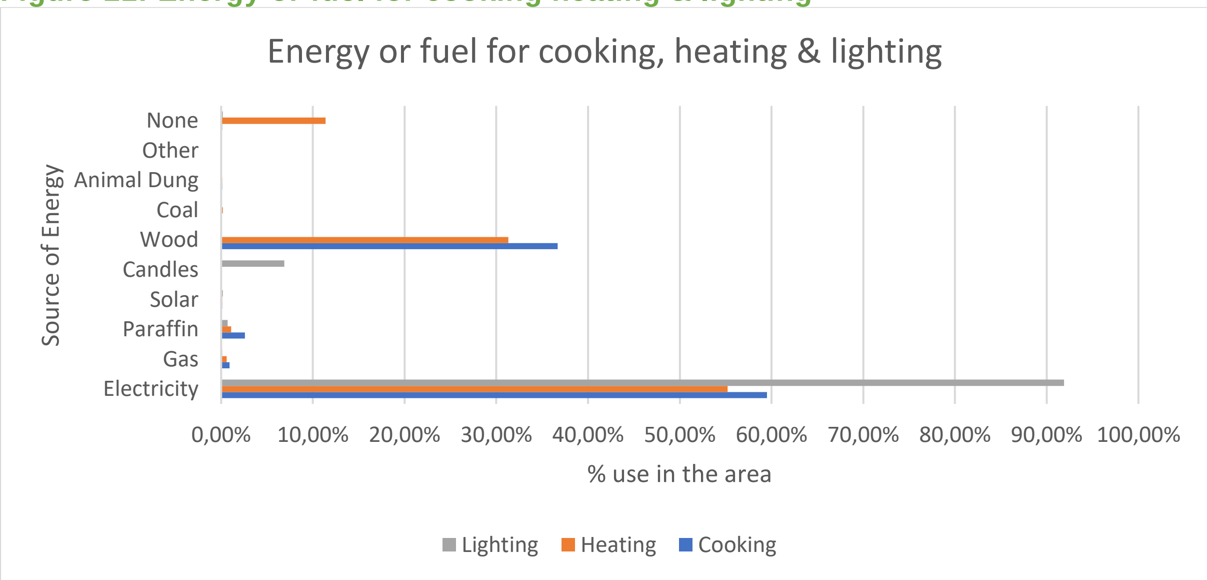
Map 16: GVA Utilities per Mesozone 20113



SOURCE: MAPABLE®

Map above shows GVA is fairly distributed in the western side compared to the eastern side.

Figure 21: Energy or fuel for cooking heating & lighting



SOURCE: STATS SA 2018

The diagram above shows the status in terms on the energy use for cooking, heating and lighting for Lepelle-Nkumpi.

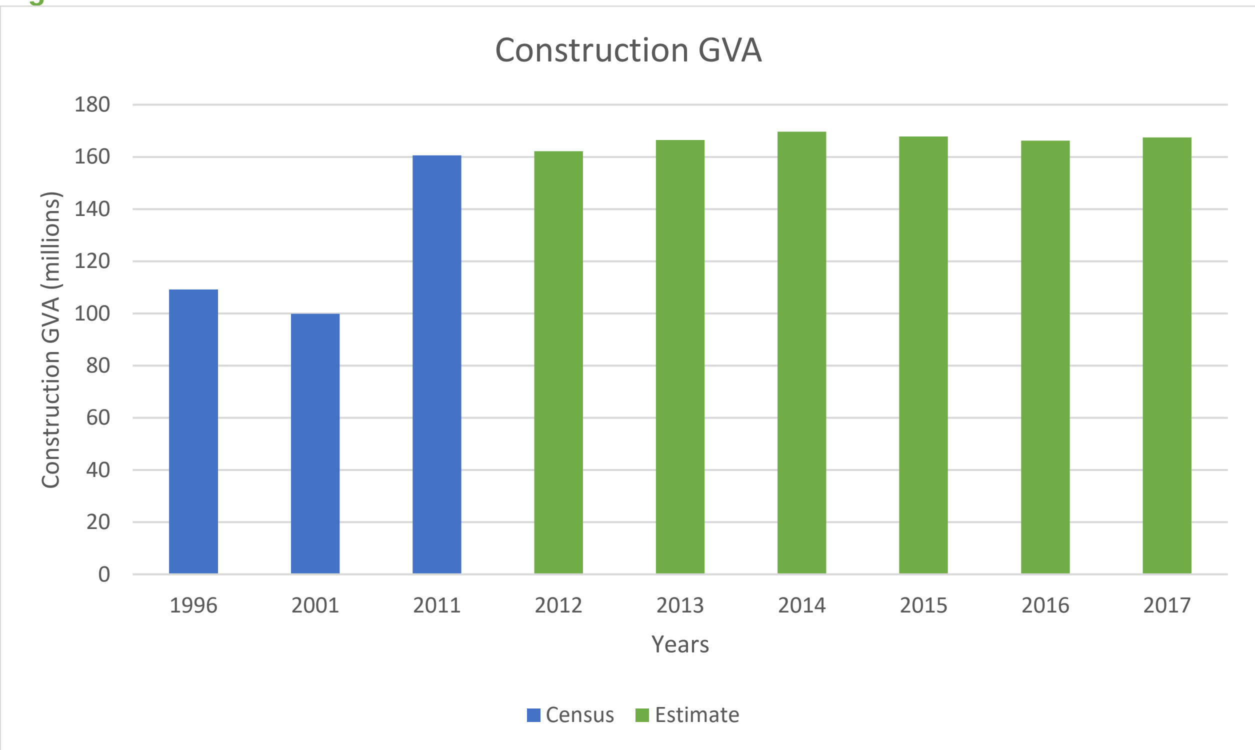
4.4.3. Key findings and issues

- Current electricity projects are aimed at electrifying new settlements or villages' extensions which will always be here now and beyond
- Energy saving bulbs are being used to replenish old ones in maintenance of electricity infrastructure of the municipality
- Upgrading of transformers and feeder lines to improve electricity access

4.5. Construction

The construction sector includes the building, erection, demolition and putting up large or small infrastructure in an area. Construction in Lepelle-Nkumpi Local Municipality was worth about R 167,44 million in 2017 and contributed about 2,73% to the overall GVA generated by the municipality. In Lepelle-Nkumpi Local Municipality, construction output has increased from R 166,46 million in 2013 to R 167,44 million in 2017 at an annual growth rate of 0,15%. The figure below illustrated the performance of the construction sector overtime.

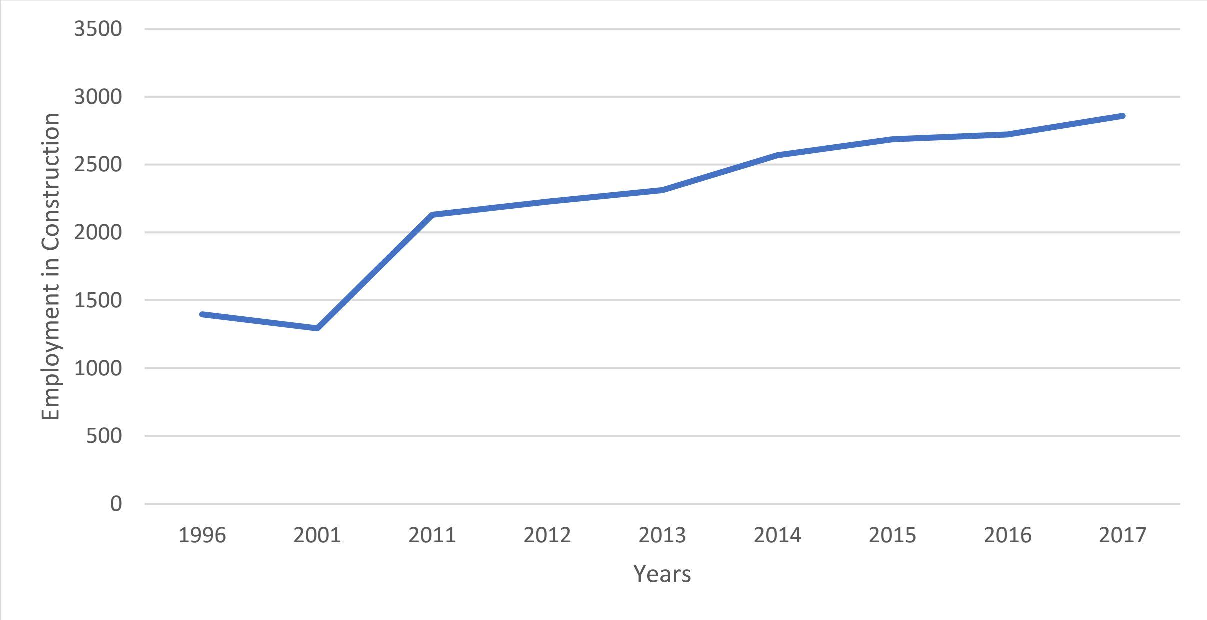
Figure 22: Construction GVA



SOURCE: QUANTEC 2018

The figure above depicts performance of the construction sector overtime. From 1996 to 2001 GVA decreased at a growth rate of -1,76% and recovered in terms of performance between 2001 and 2011 at a growth rate of 4,86%. Between 2011 and 2017, the growth rate was 0,70 which was a decline from the previous periods.

Figure 23: Employment in Construction



SOURCE: QUANTEC 2018

The figure above shows that employment in the construction sector between 1996 to 2001 decreased at a growth rate of -1,42%. The period between 2001 and 2011 showed an increase in terms of employment in the sector at a growth rate of 5,11%. Employment in the sector decreased between 2011 and 2017at a growth rate of 5,03%.

4.5.1. Construction location quotient

The location quotient for construction in Lepelle-Nkumpi Local Municipality was 0,7 in 2013 and 0,67 in 2017 compared to the provincial LQ. The LQ was 0,7 in 2013 and 0,6 compared to the district LQ in 2017. This indicates that Lepelle-Nkumpi Local Municipality's productivity within this industry was lower than the provincial LQ and lower than the district LQ. This implies that Lepelle-Nkumpi Local Municipality does not have a competitive advantage compared to other local municipalities within the province and does not have a competitive advantage compared to other local municipalities in the district.

The LQ for construction in Lepelle-Nkumpi Local Municipality, compared to all local municipalities in South Africa, was 0,7 in 2013 and 0,65 in 2017, declining by -1,71% per annum. This indicates that Lepelle-Nkumpi Local Municipality's productivity within this industry was lower than the national LQ and had been declining.

The competitors' LQ for construction ranged from 0,50 to 1,59 compared to all the municipalities in South Africa in 2017, which indicates that Lepelle-Nkumpi Local Municipality's construction LQ was at the lower end of the range, giving it a rank of 10 compared to the competitors. Amongst the competitors, Modimolle had the largest construction industry LQ, while Greater Tubatse had the smallest construction industry LQ.

The location quotient for employment in construction in Lepelle-Nkumpi Local Municipality was 0,89 in 2013 and 0,90 in 2017 compared to the provincial LQ. The LQ was 1,09 in 2013 and 1,05 compared to the district LQ in 2017. This indicates that Lepelle-Nkumpi Local Municipality's productivity within this industry was lower than the provincial LQ and higher than the district LQ. This implies that Lepelle-Nkumpi Local Municipality does not have a competitive advantage compared to other local municipalities within the province and has a competitive advantage compared to other local municipalities in the district.

The LQ for employment in construction in Lepelle-Nkumpi Local Municipality, compared to all local municipalities in South Africa, was 1,00 in 2013 and 1,01 in 2017, improving by 0,29% per annum. This indicates that Lepelle-Nkumpi Local Municipality's productivity within this industry was higher than the national LQ and had been improving.

The competitors' LQ for employment in construction ranged from 0,76 to 1,31 compared to all the municipalities in South Africa in 2017, which indicates that Lepelle-Nkumpi Local Municipality's LQ for employment in construction was at the midpoint of the range, giving it a rank of 7 compared to the competitors. Amongst the competitors, Modimolle had the largest LQ for employment in construction, while Maruleng had the lowest LQ for employment in construction.

Table 23: Construction location quotient

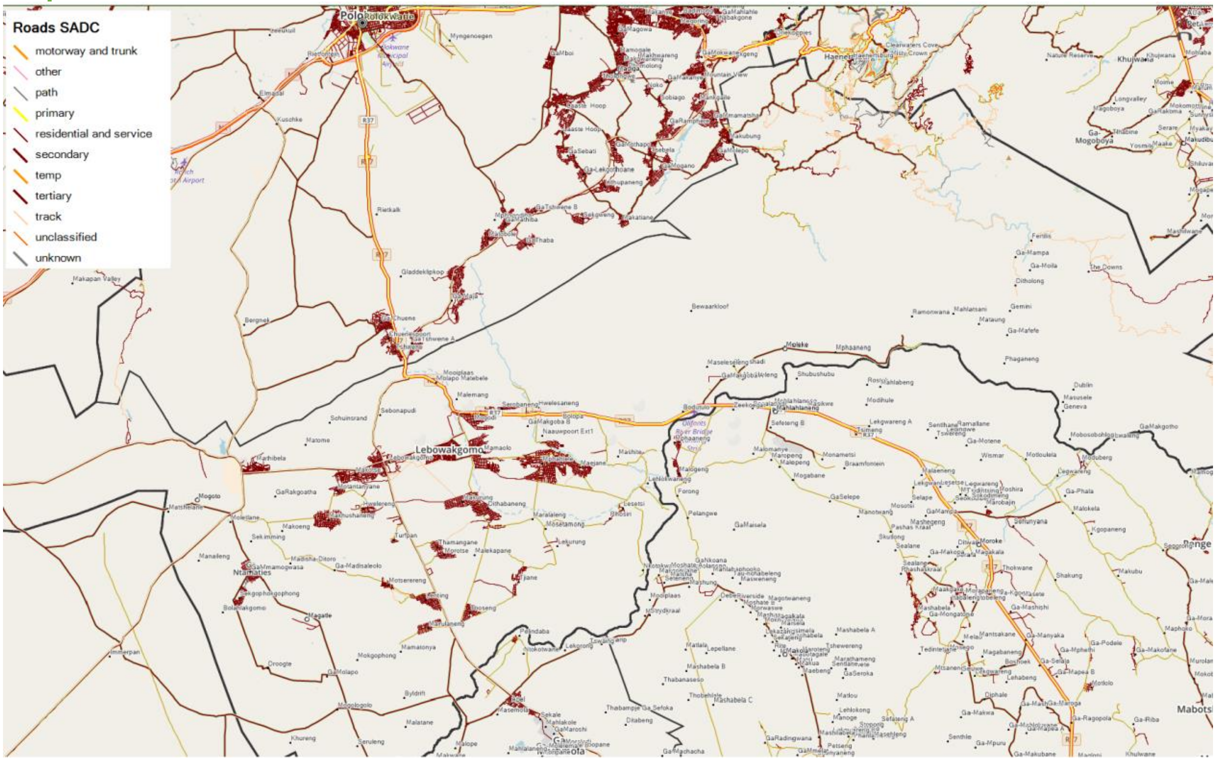
Indicator	LQ Employment Construction (Nation)	LQ GVA Construction (National)
Rank	**7**	**10**
Lepelle-Nkumpi	**101,18%**	**0,65**
Polokwane	115,52%	1,20
Blouberg	101,76%	1,09
Molemole	79,62%	0,85
Mogalakwena	101,15%	1,10
Modimolle	130,63%	1,59
Ephraim Mogale	80,76%	1,00
Greater Tubatse	108,03%	0,50
Makhuduthamaga	106,59%	1,00
Maruleng	76,25%	0,96
Greater Tzaneen	107,58%	1,53

SOURCE: QUANTEC 2018

4.5.2. Local construction in the area

The building and construction sector are key towards the growth of an economy. It has been seen to be at forefront for economic development in a country.

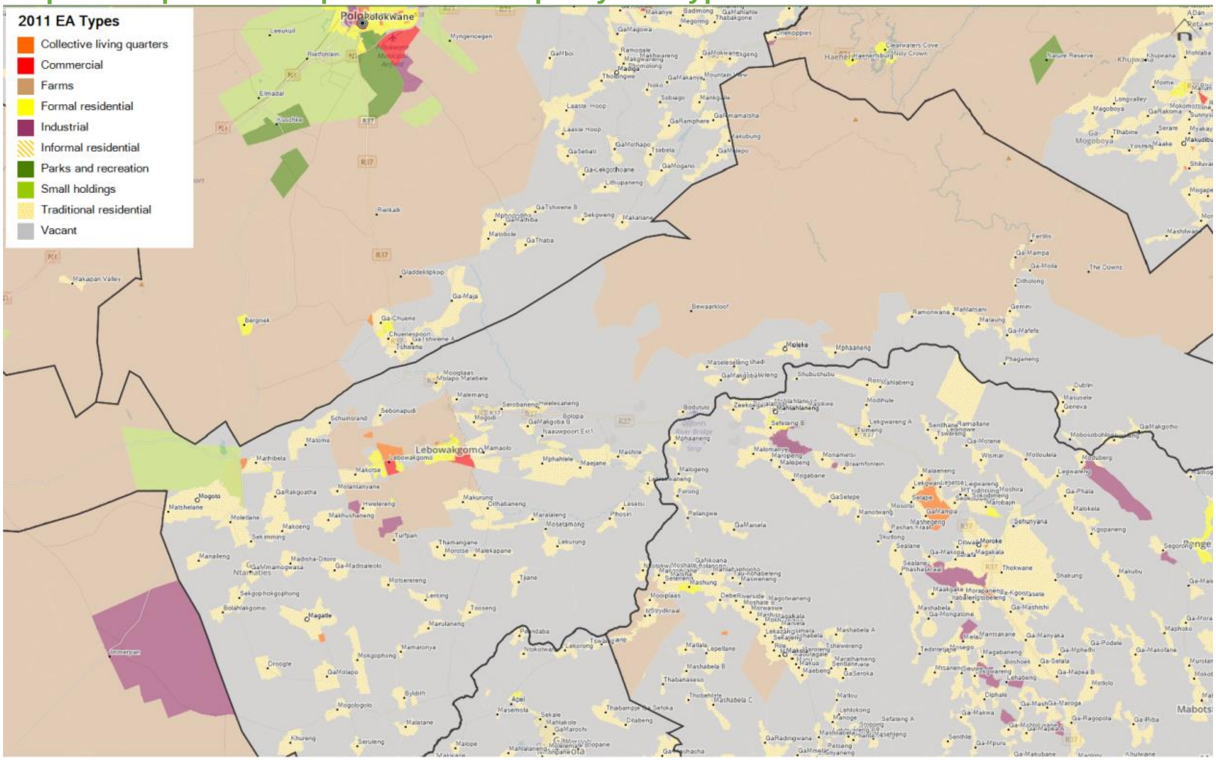
Map 17: Road Infrastructure



SOURCE: MAPABLE®

The Map above illustrates road infrastructure for Lepelle-Nkumpi. It can also be observed that Rural places are often the most places with a dire need for urbanisation, which is mostly in the eastern and some parts of the western side. Construction brings enormous economic opportunities which are key towards local development.

Map 18: Lepelle-Nkumpi Local Municipality EA Types 2011



SOURCE: MAPABLE®

The Map above shows the enumerated area types (EA) for Lepelle-Nkumpi. Most of development has taken place on the western side of the area as compared to the eastern side which is predominantly rural. There are numerous road construction projects envisioned in the municipality IDP plan as well as numerous housing projects. This would be key towards local economic development if the construction of EA types improves in the municipality area which includes commercial space created, forma residential places (property market development) and parks and recreational activities etc.

4.5.3. Market opportunities

Market opportunities identified in the construction sector are shown below:

Table 24: Market Opportunities

Market opportunity	Development constraints
Demand for bricks and construction materials	• Poor economic linkages (forward and backward linkages) • Revitalisation of the industrial park • Blue drop status/water challenges affecting the district
Housing developments (property market development)	• Infrastructure development in term of road expansion

Refurbishment of infrastructure	• Red tape/bureaucracy (decisions to be made may take time)
Constriction of educational facilities	• Financial obstacles • Land availability for construction • Bargaining for construction of the land with Traditional leaders

4.5.4. Key findings and issues

- Natural disasters may affect construction activities and operation of basic services infrastructure
- Construction and maintenance of Public facilities is still required
- Construction of Pump Houses for Boreholes in GaMakgoba is still required
- Need for the construction of roads to improve the connectivity of Lepelle-Nkumpi and other areas

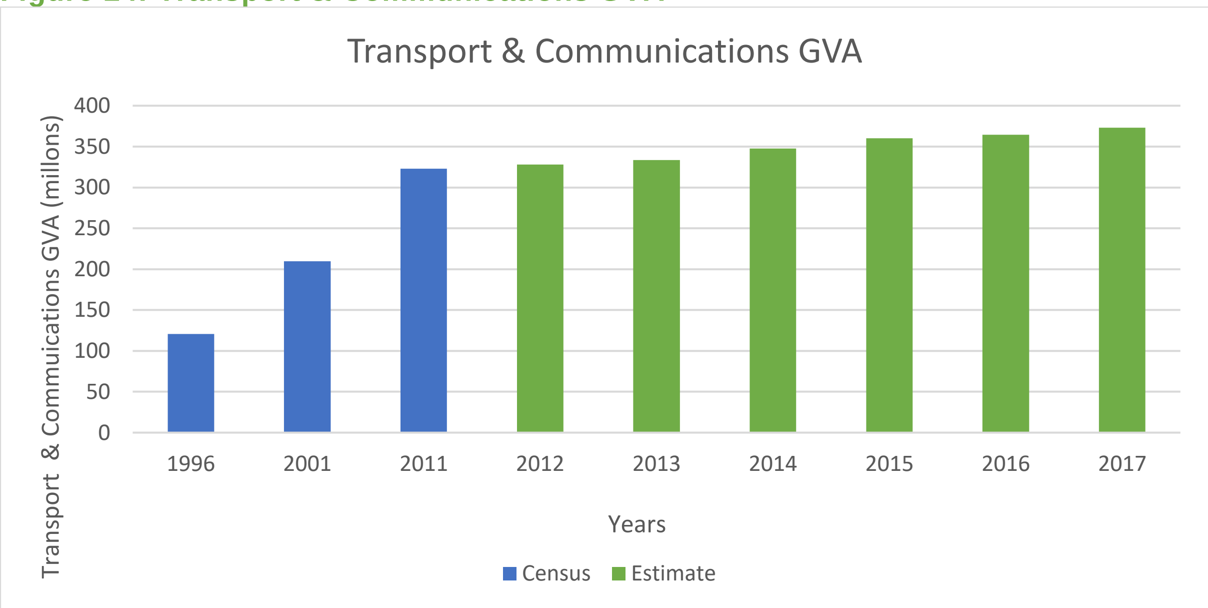
4.6. Transport, storage and Communications

Transport, storage and communication (Transport) refers to the movement of people, animals, goods or information from one location to another, and the action or method of storing something for future use.

4.6.1. Transport & communications GVA and trend

The transport industry in Lepelle-Nkumpi Local Municipality contributes 6,09% to the overall GVA generated by the municipality. In Lepelle-Nkumpi Local Municipality, transport output has increased from R 333,52 million in 2013 to R 373,23 million in 2017 at an annual growth rate of 2,85%. The figure below shows the GVA overtime for transport and communications.

Figure 24: Transport & Communications GVA



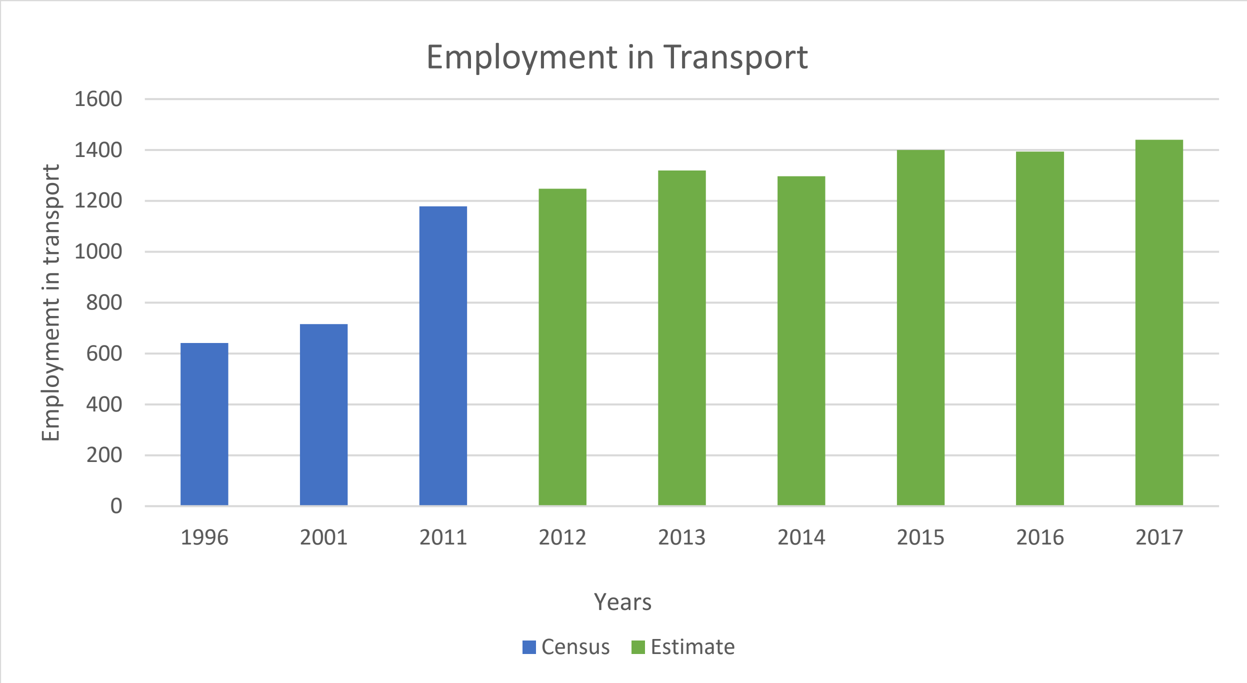
SOURCE: QUANTEC 2018

From the figure above, GVA for transport increased between 1996 to 2001 at a growth rate of 11,7% and decreased by 4,41% between 2001 and 2011. The decline was further experienced between 2011 and 2017 at a growth rate of 2,44% between the two periods.

4.6.2. Transport & communications employment

Transport, storage and communication in Lepelle-Nkumpi Local Municipality employed about 1 440 people in 2017 and contributed about 4,30% to the overall employment in the municipality as shown below.

Figure 25: Transport & Communications employment



SOURCE: QUANTEC 2018

From 1996 to 2001, employment increased by 2,21% between 1996 and 2001 and 5,13% between 2001 to 2011. Employment in the sector grew at a slower rate between 2011 and 2017 at a growth rate of 3,39%.

4.6.3. Transport location quotient

Lepelle-Nkumpi Local Municipality has a significantly smaller transport industry compared to its competitors and contributed significantly more to overall GVA than its competitors. The transport industry in Lepelle-Nkumpi Local Municipality has grown significantly faster compared to its competitors. The industry was not competitive compared to all other local municipalities in South Africa and has shown an improvement in its competitiveness.

Lepelle-Nkumpi Local Municipality employed significantly less people in transport compared to its competitors and made up a small proportion of employment in the area. Employment in transport in Lepelle-Nkumpi Local Municipality has grown relatively slower than its competitors. Employment in the industry was not competitive compared to all other local municipalities in South Africa and has shown an improvement in its workforce competitiveness.

Table 25: Transport location quotient

Indicator	LQ Employment Transport (Nation)	LQ GVA Transport (National)
Rank	**4**	**9**
Lepelle-Nkumpi	**0,82**	**0,60**
Polokwane	0,89	0,80
Blouberg	0,66	0,67
Molemole	0,65	0,70
Mogalakwena	0,76	0,70
Modimolle	0,50	0,50
Ephraim Mogale	0,67	0,67
Greater Tubatse	0,64	0,20
Makhuduthamaga	0,87	0,70
Maruleng	1,25	1,05
Greater Tzaneen	0,70	0,71

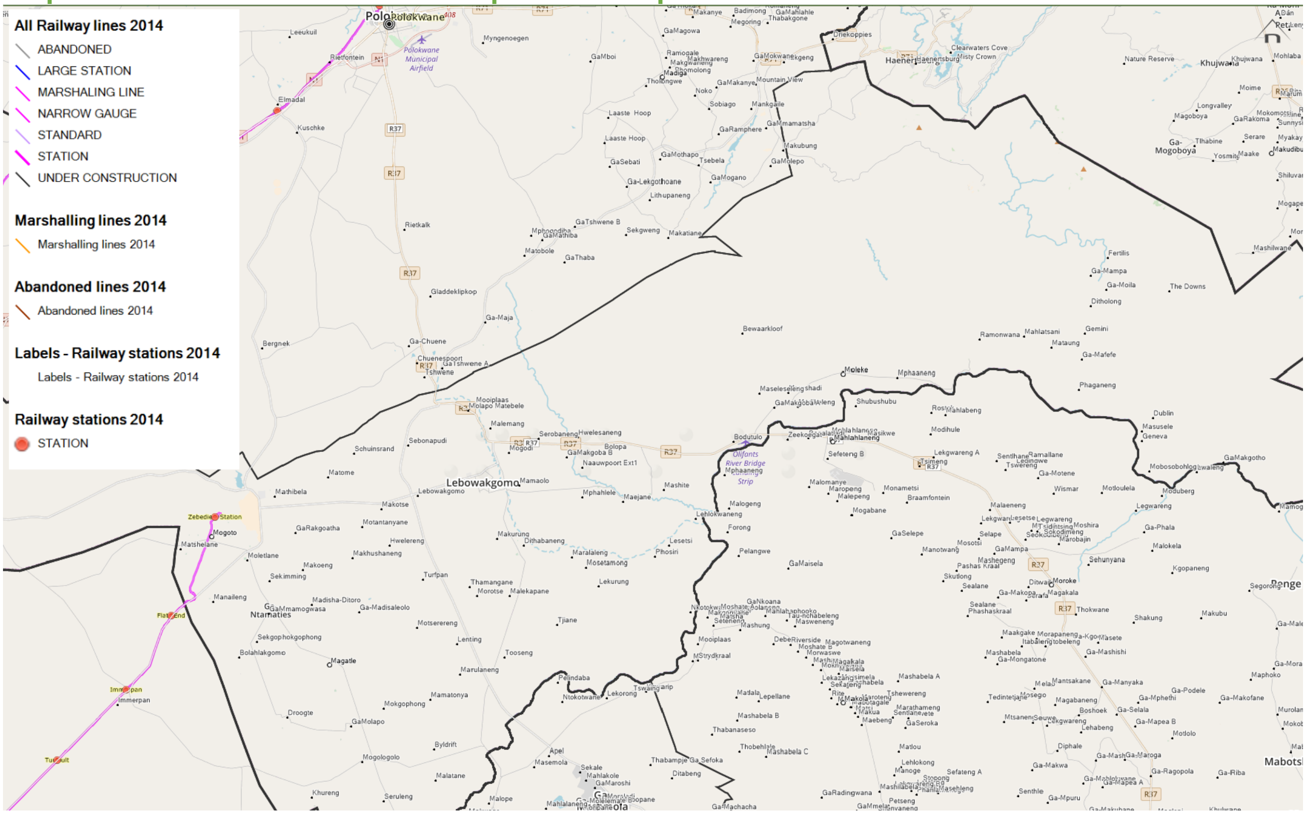
SOURCE: QUANTEC 2018

4.6.4. Transport infrastructure

The location of Lepelle Nkumpi municipality is an advantage to open economic opportunities in the area provided the transport nodes are developed to open which will open economic activity. The most form of transport services are minibus taxis and buses are the most popular form of transport.

Regardless of minibus taxis and buses being the most common facility rural roads are poorly maintained with no specific attention given to storm water drainage and this discourages bus and taxi operators to go to these roads. This does not promote economic opportunities in the area which prohibits development. In some cases, roads are in a bad condition in a way that public transport is not available for people in such areas. The Maps below illustrates the infrastructure transport for Lepelle-Nkumpi.

Map 19: Rail infrastructure for Lepelle-Nkumpi 2014



SOURCE: MAPABLE®

The Map above shows the rail infrastructure for Lepelle-Nkumpi. The railway line from Zebediela Citrus Estate needs to be developed as it is a key enabler for the development and connectivity between Zebediela and Johannesburg for the exportation of oranges.

As shown above, the transport sector forms bottlenecks for development, with poor connectivity and access to villages. Lepelle Nkumpi Local Municipality is also situated in a mountainous area which inhibits development, which the topography also causes physical obstruction on transport routes.

4.6.5. Market opportunities

The municipality is situated in a mountainous area which inhibits development and causes physical obstruction on transport routes. Despite of the mountainous area opportunities avail in the area which are shown below.

Table 26: Market opportunities

Market opportunity	Development constraints
Development of a logistic hub	• Poor transport connectivity • Revitalization of the rail network connecting Zebediela and Johannesburg • There is no infrastructure investment plan

Road expansion	• Storm-water drainage is not channelled or controlled in most areas • Shortage of technical/engineering skills • 95% of land is owned by traditional authorities where municipality has little control over matters on • land allocation and development

4.6.6. Key findings and issues

- There is need for the establishment of an effective, affordable public transport
- Roads are poorly maintained with no specific attention given to storm water drainage in rural area
- Proximity to Polokwane makes it easy of locals in Lepelle-Nkumpi to travel considering that Polokwane has well-established suppliers and support services which are within reach
- Proximity to Polokwane creates the perception that there is no need for further the development of the municipal area which results in leakages out of the economy
- The municipal area lacks signages on the road
- Revitalization of the railway line from Zebediela Citrus Estate to Johannesburg for the exportation of oranges
- The Municipality is also constrained by inadequate public transport, and the bad road conditions aggravate the shortage of transportation
- Municipality is situated in a mountainous area which inhibits development, and causes physical obstruction on transport routes

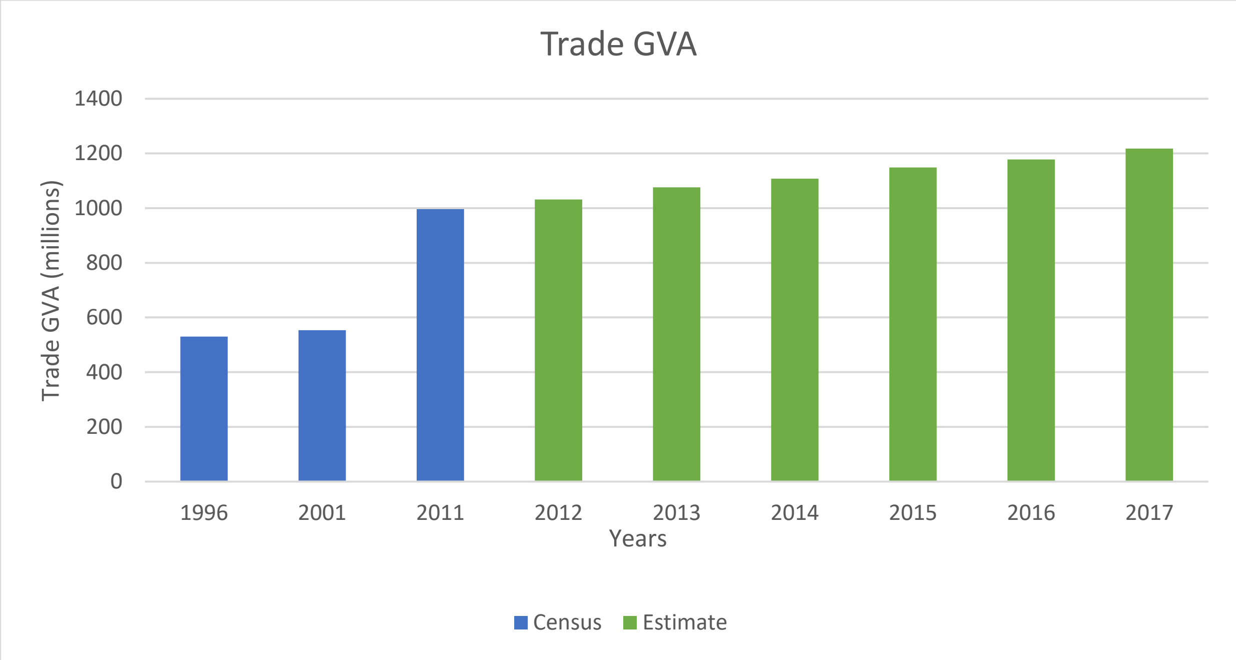
4.7. Trade (wholesale and retail trade)

Wholesale, retail, trade, catering and accommodation (Wholesale, Retail and Trade) can be broken up into wholesale which refers to the sale of goods in bulk at a discount to merchants for resale to retailers; industrial, commercial, institutional or professional users; or other wholesalers.

The transport industry in Lepelle-Nkumpi Local Municipality contributes 6,09% to the overall GVA generated by the municipality. In Lepelle-Nkumpi Local Municipality, transport output has increased from R 333,52 million in 2013 to R 373,23 million in 2017 at an annual growth rate of 2,85%.

The figure below illustrates the GVA trend for Trade (wholesale and retail trade) overtime for the municipality. From the figure, GVA in the trade sector between 1996 to 2001 increased at a growth rate of 0,89% and 6,05% between 2001 and 2011. The period between 2011 and 2017 signified a decrease at a growth rate of 3,405. This shows that trade activity within the municipality has declined which can be linked to the poor economic linkages (forward nd backward) in the area.

Figure 26: Trade (Wholesale and Retail trade) GVA



SOURCE: QUANTEC 2018

The trade in Lepelle-Nkumpi Local Municipality employed about 1 217 people in 2017 and contributed about 4,30% to the overall employment in the municipality. In Lepelle-Nkumpi Local Municipality, employment in wholesale, retail and trade has increased from about 1 076 in 2013 to 1 217 in 2017 at an annual growth rate of 2,20%.

The competitors' employment in transport ranged from about 698 to 8 883 people in 2017, which indicates that Lepelle-Nkumpi Local Municipality's employment in transport was at the midpoint of the range, giving it a rank of 5 compared to the competitors. Amongst the competitors, Polokwane employed the most people in transport, while Modimolle employed the least people.

Figure 27: Employment in the Trade sector

SOURCE: QUANTEC 2018

From the above, employment in the trade sector between 1996 and 2001 decreased at a growth rate of -0,29% and improved between 2001 and 2011 at a growth rate of 5,97%. Employment between 2011 and 2017 decreased at a growth rate of 1,76% compared to the previous period. This shows that the retail sector has not been productive, and this can be a result of the Zebediela Estate that has not been productive over the past few years resulting to spill over effects to the trade sector.

4.7.1. Trade location quotient

Lepelle-Nkumpi Local Municipality has a significantly smaller wholesale, retail and trade industry compared to its competitors and contributed relatively less to overall GVA than its competitors. The wholesale, retail and trade industry in Lepelle-Nkumpi Local Municipality has grown relatively slower compared to its competitors. The industry was not competitive compared to all other local municipalities in South Africa and has shown an improvement in its competitiveness. Lepelle-Nkumpi Local Municipality employed significantly less people in agriculture compared to its competitors and made up a small proportion of employment in the area. Employment in wholesale, retail and trade in Lepelle-Nkumpi Local Municipality has grown relatively slower than its competitors. Employment in the industry was not competitive compared to all other local municipalities in South Africa and has shown a decline in its workforce competitiveness.

Table 27: Trade location quotient

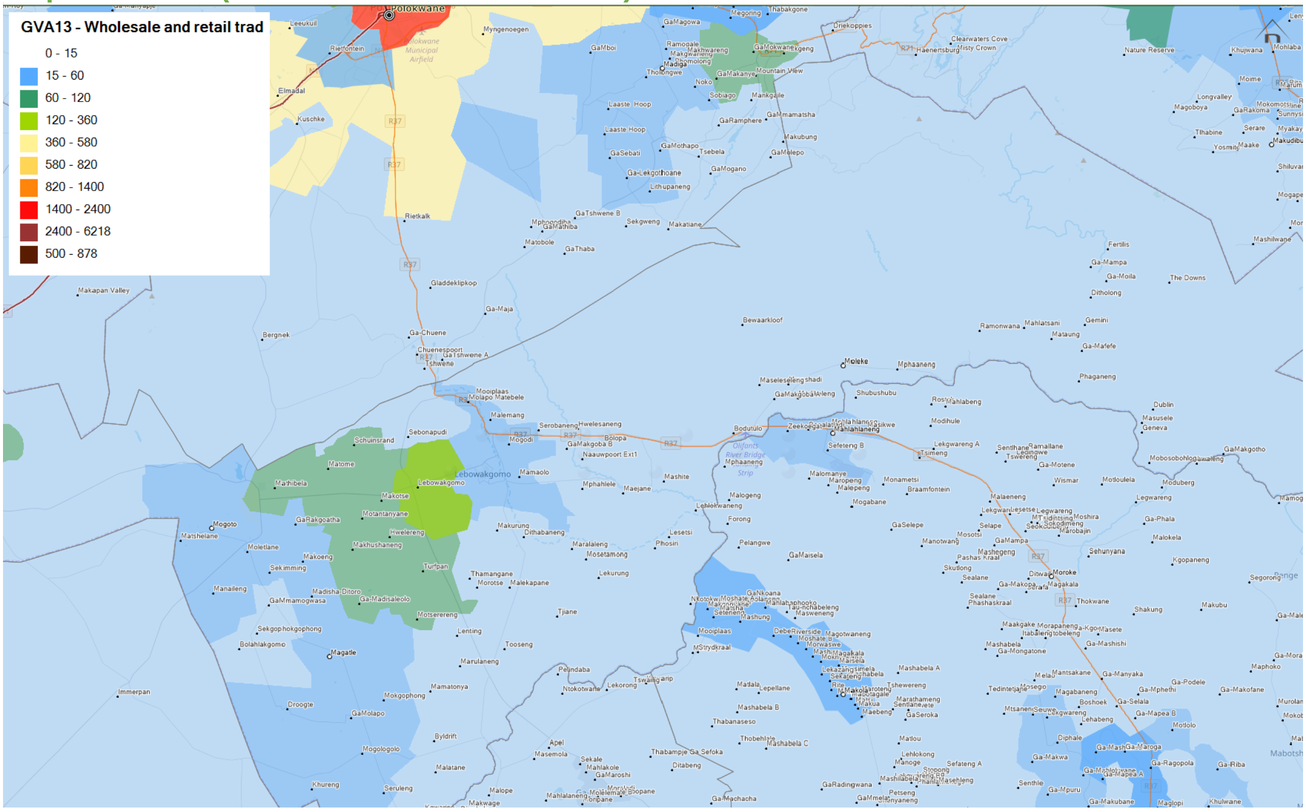
Indicator	LQ GVA Wholesale and trade (National)	LQ Employment Wholesale and trade (Nation)
Rank	**10**	**11**
Lepelle-Nkumpi	**0,80**	**80,27%**
Polokwane	1,40	113,14%
Blouberg	1,27	88,15%
Molemole	1,19	83,10%
Mogalakwena	1,50	113,58%
Modimolle	1,40	87,52%
Ephraim Mogale	1,50	84,59%
Greater Tubatse	0,45	93,54%
Makhuduthamaga	1,40	127,28%
Maruleng	1,30	89,92%
Greater Tzaneen	1,70	106,72%

SOURCE: QUANTEC 2018

4.7.1.1. Local trade produce

According to the (LNLM IDP, 2016-2021) strong agricultural sector in the region is key towards opportunities arising for the trade of agricultural inputs. This includes inputs such as fertilizers, pesticides, machinery and seeds or seedlings. The development of the retail and services sectors should also be focused on serving the needs of the residents and business support should be provided to ensure the development of viable and sustainable businesses. The trade sector in Lepelle-Nkumpi Local Municipality is mainly confined to the retail component, in respect of both formal and informal trade activities.

Map 20: Trade (Wholesale and Retail trade) 2013



SOURCE: MAPABLE®

The Map above illustrates how GVA for the trade sector is spread across in the municipality area. From the map it can be noted that most formal trade activities are confined in Lebowakgomo. Given the extensively rural nature of the remainder the eastern side has a low GVA outcome in the area.

4.7.2. Market opportunities

The wholesale and retail sector can be a key enabler for the local economic development for Lepelle-Nkumpi. The potential market opportunities are shown below:

Table 28: Market Opportunities

Market opportunity	Development constraints
Development of the informal sector	• Land availability for zoning • Red tape/Bureaucracy

Agro-processing to stimulate SMME growth	• Industrial park not fully productive • Skills development • Advanced machinery and equipment
Development of arts and crafts markets	• Development of the tourism sector if road connectivity is improved • Skills development and training

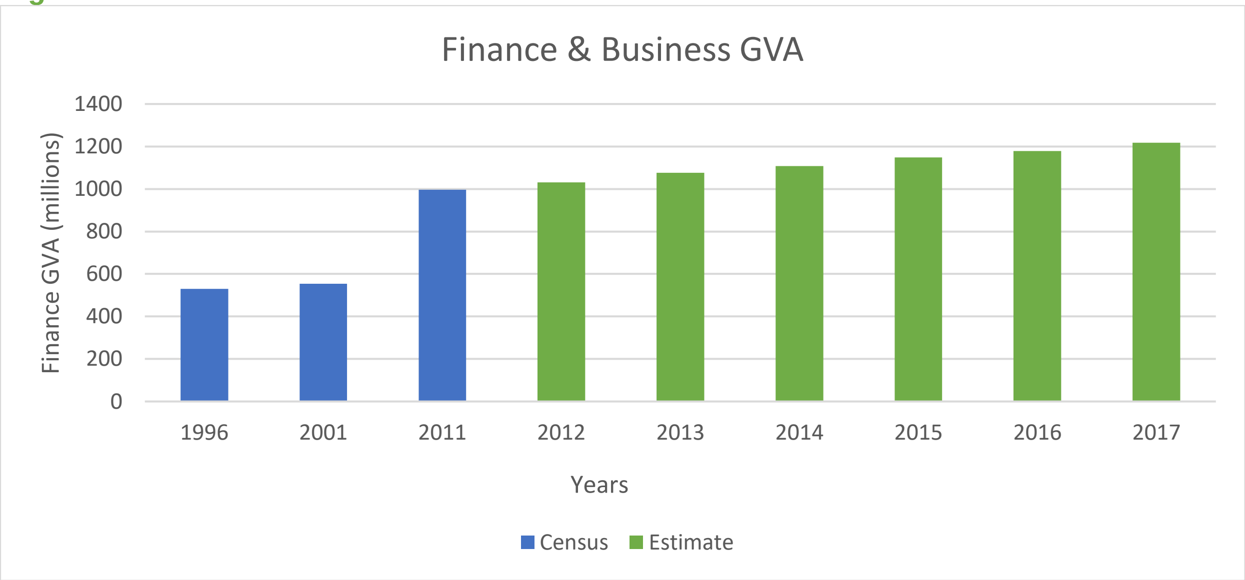
4.7.3. Key findings and issues

- The retail and trade sector in Lepelle-Nkumpi is key towards employment in the area
- There are opportunities for recycling projects and initiatives in the area
- Municipality area is served only by small retail shops, which are scattered throughout the villages
- Trade sector needs to expand as there are limited activities found within Lepelle-Nkumpi Local Municipality
- Trade services do not sufficiently cater for the rural settlements

4.8. Finance, insurance, real estate and business services

Finance services refers to economic services that encompass a broad range of businesses that manage money, including credit unions, banks, credit-card companies, insurance companies. The finance services in Lepelle-Nkumpi Local Municipality was worth about R 1 217,90 million in 2017 and contributed about 19,89% to the overall GVA generated by the municipality.

Figure 28: Finance and Business GVA



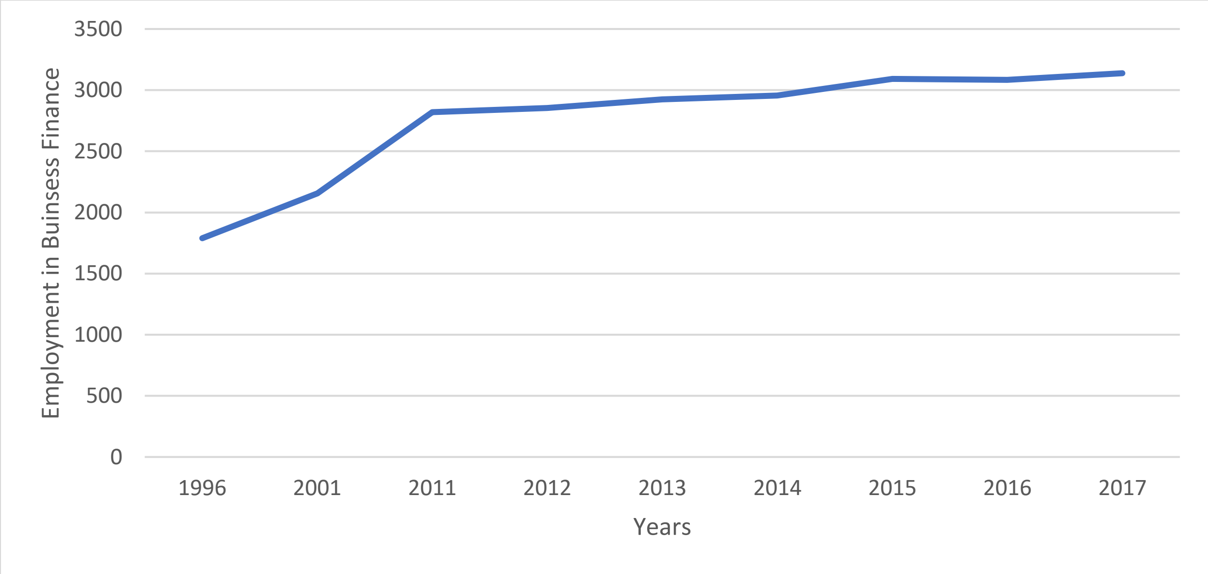
SOURCE: QUANTEC 2018

From the figure above, GVA for the Finance and Business sector increase at a growth rate of 0,89% between 1996 to 2001 and increased by 6,05% between 2001 and 2011. The period between 2011 and 2017 GVA decreased at a growth rate of 3,40% showing that the economy for Lepelle-Nkumpi has been experiencing leakages to other competitor areas.

4.8.1. Finance and business labour and trend

The finance services in Lepelle-Nkumpi Local Municipality employed about 3 138 people in 2017 and contributed about 9,37% to the overall employment in the municipality. The figure below shows the finance and business sector employment overtime.

Figure 29: Finance and Business Employment



SOURCE: QUANTEC 2018

From above it can be noted that, employment by 3,79% between 1996 and 2001 increased and decreased by 2,73% between 2001 and 2011. The period between 2011 and 2017 shows a growth rate of 1,80% in employment. Since most leakages occur in the economy, businesses available don’t have the capacity to employ more people due to operational expenses etc. this results in more people being unemployment and some opting to migrate to other areas in search for economic opportunities.

4.8.2. Finance and business location quotient

Lepelle-Nkumpi Local Municipality has a significantly smaller finance services industry compared to its competitors and contributed relatively more to overall GVA than its competitors. The finance services industry in Lepelle-Nkumpi Local Municipality has grown significantly faster compared to its competitors. The industry was relatively competitive compared to all other local municipalities in South Africa and has shown an improvement in its competitiveness.

Lepelle-Nkumpi Local Municipality employed significantly less people in finance services compared to its competitors and made up a large proportion of employment in the area. Employment in finance services in Lepelle-Nkumpi Local Municipality has grown relatively faster than its competitors. Employment in the industry was not competitive compared to all other local municipalities in South Africa and has shown a decline in its workforce competitiveness.

Table 29: Finance and business location quotient

Indicator	LQ Employment Finance Services (Nation)	LQ GVA Finance Services (National)
Rank	**3**	**3**
Lepelle-Nkumpi	**0,60**	**0,94**
Polokwane	0,86	1,27
Blouberg	0,39	0,50
Molemole	0,38	0,60
Mogalakwena	0,68	0,93
Modimolle	0,48	1,10
Ephraim Mogale	0,50	0,90
Greater Tubatse	0,50	0,20
Makhuduthamaga	0,47	0,50
Maruleng	0,30	0,40
Greater Tzaneen	0,50	0,76

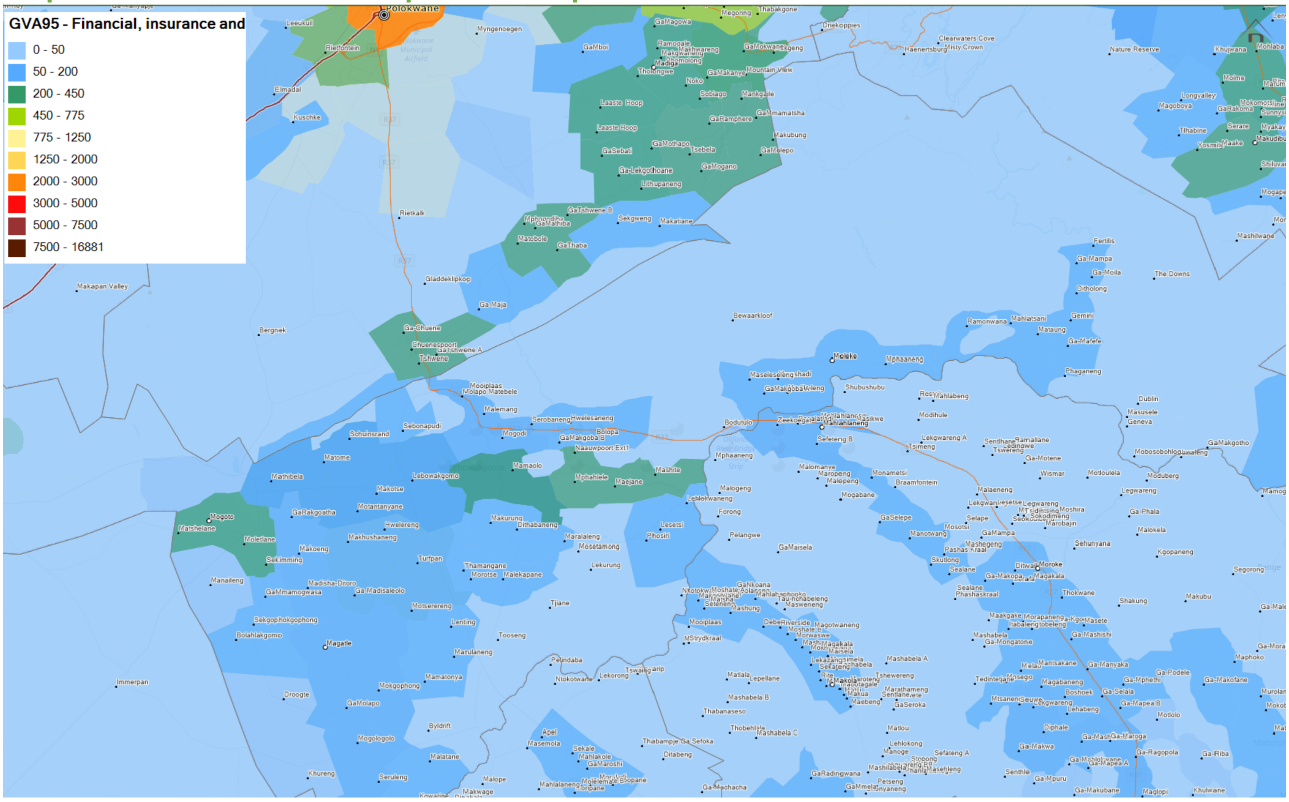
SOURCE: QUANTEC 2018

The LQ for employment in finance services in Lepelle-Nkumpi Local Municipality, compared to all local municipalities in South Africa, was 0,60 in 2013 and 0,60 in 2017, declining by -0,12% per annum. This indicates that Lepelle-Nkumpi Local Municipality's productivity within this industry was lower than the national LQ and had been declining.

The competitors' LQ for employment in finance services ranged from 0,30 to 0,86 compared to all the municipalities in South Africa in 2017, which indicates that Lepelle-Nkumpi Local Municipality's LQ for employment in finance services was at the upper end of the range, giving it a rank of 3 compared to the competitors. Amongst the competitors, Polokwane had the largest LQ for employment in finance services, while Maruleng had the lowest LQ for employment in finance services.

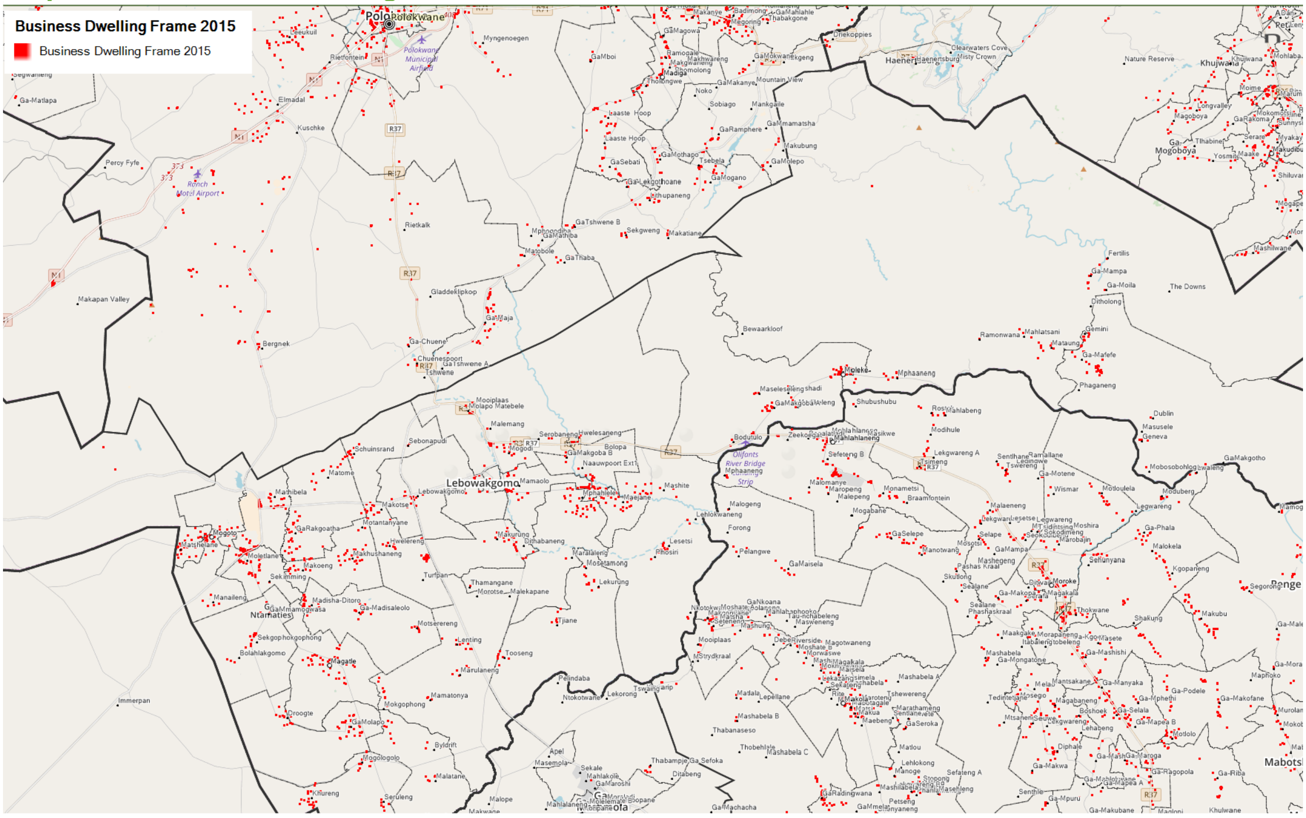
The map below illustrated how GVA is spread across Lepelle-Nkumpi Municipality and Business Dwelling Frame for Lepelle Nkumpi. It can be noted that most of the business activities are on the western side of the municipality compared to the eastern side.

Map 21:GVA Finance for Lepelle-Nkumpi



SOURCE: MAPABLE®

Map 22: Business Dwelling Frame



SOURCE: MAPABLE®

4.8.3. Key findings and issues

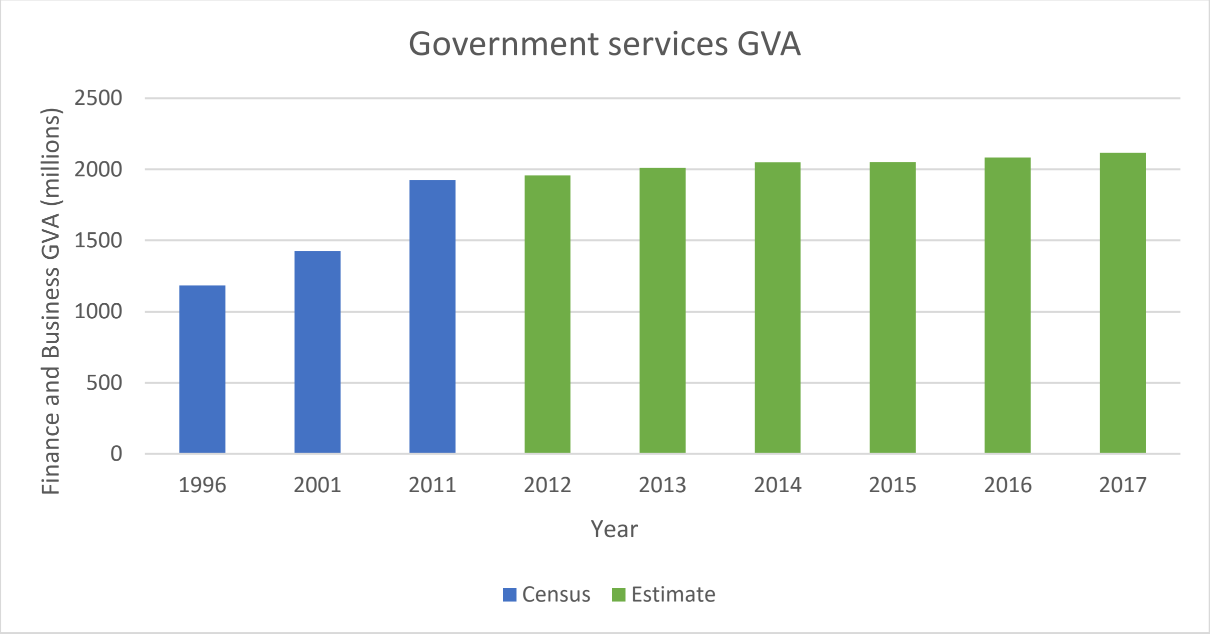
- Finance industry is one of the lowest performing sectors in Lepelle-Nkumpi
- There is need of diversification in this industry
- Relatively few people are employed in this sector

4.9. Government services

Government services refers to services that are provided by the government to people living within its jurisdiction, either directly (through the public sector) or by financing provision of services. The government services in Lepelle-Nkumpi Local Municipality was worth about R 2 116,04 million in 2017 and contributed about 34,55% to the overall GVA generated by the municipality.

The figure below illustrates the Government services GVA overtime. The period between 1996 to 2001 shows a growth increase of 3,83% and a growth rate of 3.04% between 2001 and 2017. Government services GVA has also decreased at a growth rate of 1,59% between 2011 and 2017 as shown below on the figure for Government services and GVA.

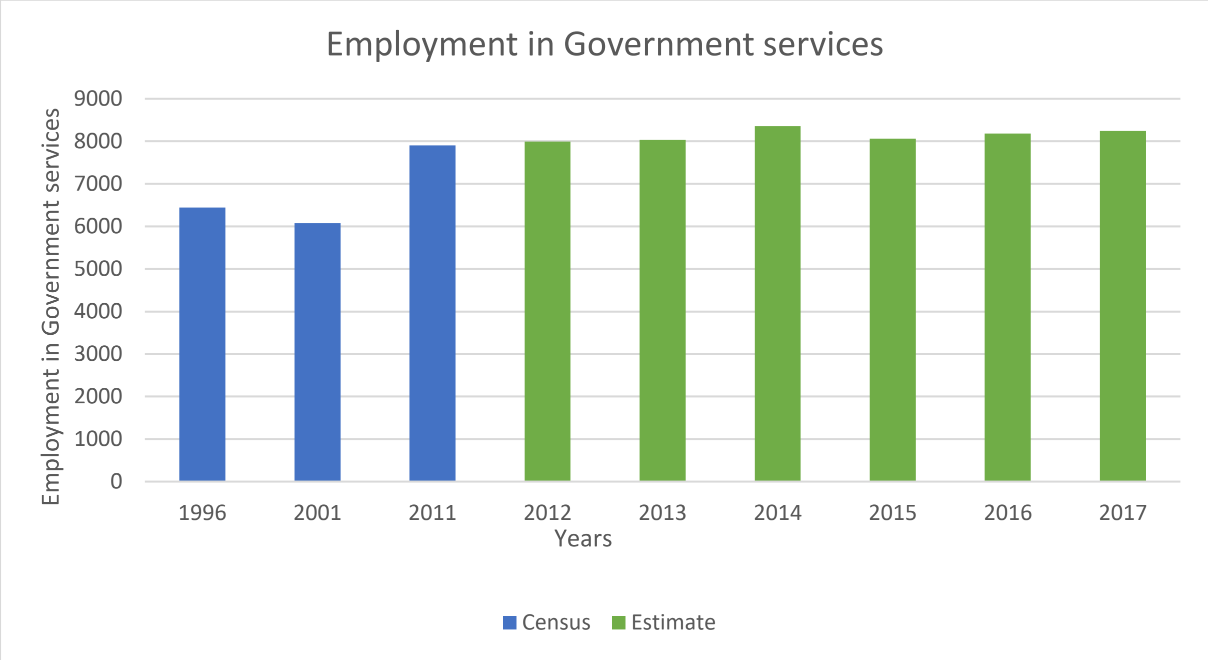
Figure 30: Government services GVA



SOURCE: QUANTEC 2018

From the figure above, GVA for Government services between 1996 to 2001 increased at a growth rate of 3,83% and 3,04% between 2001 and 2011. These growth rates are higher than that of 2011 to 2017 which was 1,59%.

Figure 31: Government services employment



SOURCE: QUANTEC 2018

The government services industry in Lepelle-Nkumpi Local Municipality employed about 8 244 people in 2017 and contributed about 24,61% to the overall employment in the municipality. From the figure, above employment for Government services has grown overtime and decreased at a growth rate of -1,19% for the period between 1996 and 2001 and 2,76 for the period between 2001 and 2011. Employment between 2011 and 2017 has been at a growth rate of 0,01%.

4.9.1. Location quotient

The location quotient for employment in government services in Lepelle-Nkumpi Local Municipality was 1,70 in 2013 and 1,70 in 2017 compared to the provincial LQ. The LQ was 1,16 in 2013 and 1,15 compared to the district LQ in 2017. This indicates that Lepelle-Nkumpi Local Municipality's productivity within this industry was significantly higher than the provincial LQ and higher than the district LQ. This implies that Lepelle-Nkumpi Local Municipality has a competitive advantage compared to other local municipalities within the province and has a competitive advantage compared to other local municipalities in the district.

The LQ for employment in government services in Lepelle-Nkumpi Local Municipality, compared to all local municipalities in South Africa, was 2,03 in 2013 and 1,97 in 2017, declining by -0,76% per annum. This indicates that Lepelle-Nkumpi Local Municipality's productivity within this industry was higher than the national LQ and had been declining.

The competitors' LQ for employment in government services ranged from 0,81 to 1,85 compared to all the municipalities in South Africa in 2017, which indicates that Lepelle-Nkumpi Local Municipality's LQ for employment in government services was at the upper end of the range, giving it a rank of 1 compared to the competitors. Amongst the competitors, Lepelle-Nkumpi had the largest LQ for employment in government services, while Greater Tzaneen had the lowest LQ for employment in government services.

Table 30: Government services

Indicator	LQ Employment Government Services (Nation)	LQ GVA Government Services (National)
Rank	**1**	**2**
Lepelle-Nkumpi	**1,97**	**2,10**
Polokwane	1,31	1,50
Blouberg	1,08	1,90
Molemole	1,12	2,07
Mogalakwena	1,26	1,50
Modimolle	1,01	1,30
Ephraim Mogale	0,98	1,37
Greater Tubatse	0,85	0,40
Makhuduthamaga	1,85	2,46
Maruleng	1,02	1,90
Greater Tzaneen	0,81	1,10

SOURCE: QUANTEC 2018

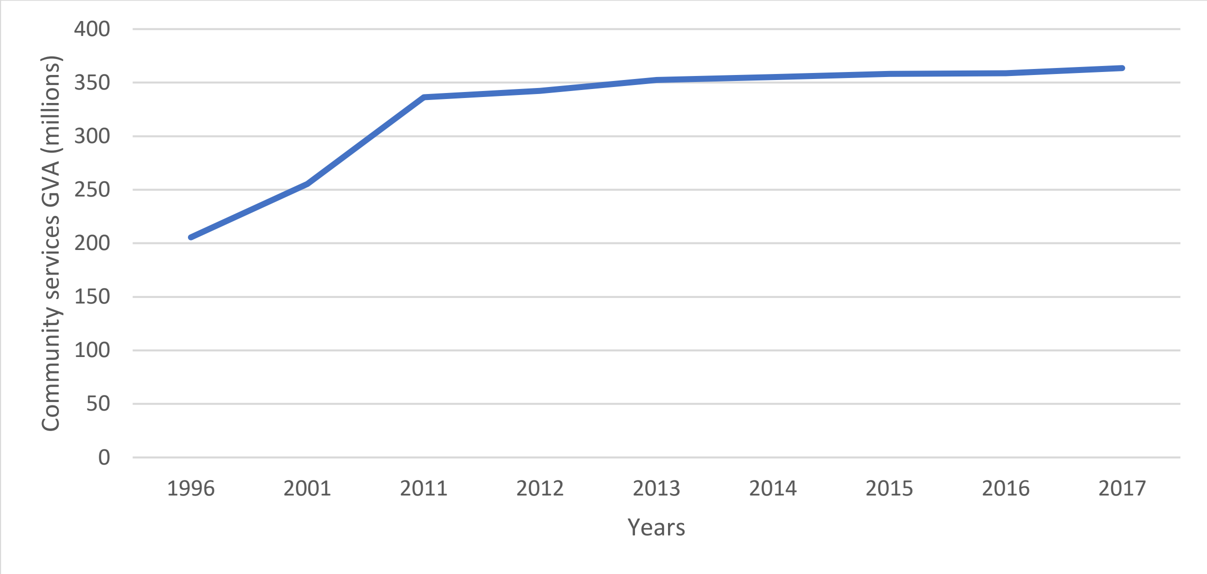
4.9.2. Key findings and issues

- The movement of the legislator would have a negative impact on the economy of Lepelle-Nkumpi as it has been key towards the history and development of the municipality area
- The municipality's dependency on the government services are very high
- There is need for greater focus on creating other sectoral employment opportunities
- The economy is rather centred on the government services sector, leaving the local economy vulnerable for any significant changes in this industry
- The municipality should be aiming to diversify its economy into other sectors

4.10. Community services

Community services sector refers to services provided by a broad range of national, state and territory governments and non-government agencies. The community services in Lepelle-Nkumpi Local Municipality was worth about R 363,57 million in 2017 and contributed about 5,94% to the overall GVA generated by the municipality.

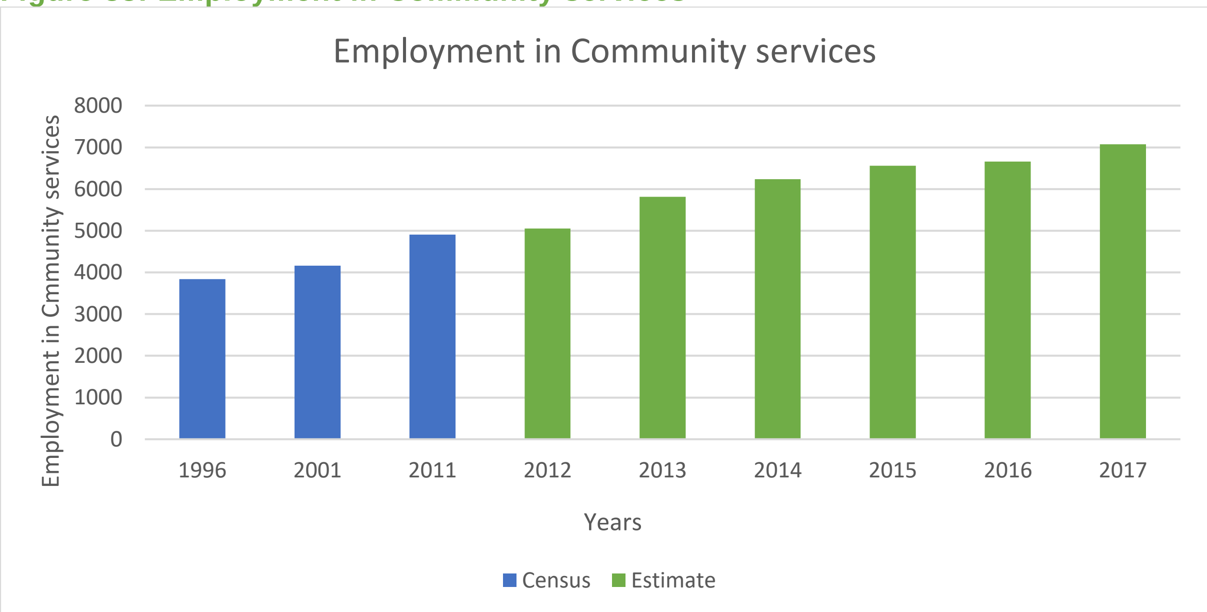
Figure 32: Community GVA



SOURCE: QUANTEC 2018

From the figure above, the GVA for community services increased by 4,4% between 1996 and 2001 and 2,79% for the period between 2001 and 2011. The growth rate for between 2011 and 2017 was 1,31% which is lower than that of the previous period. The community services industry in Lepelle-Nkumpi Local Municipality employed about 7 073 people in 2017 and contributed about 21,11% to the overall employment in the municipality. In Lepelle-Nkumpi Local Municipality, employment in community services has increased from about 5 810 in 2013 to 7 073 in 2017 at an annual growth rate of 5,04%. The competitors' employment in community services ranged from about 3 022 to 36 600 people in 2017, which indicates that Lepelle-Nkumpi Local Municipality's employment in community services was at the upper end of the range, giving it a rank of 4 compared to the competitors. Amongst the competitors, Polokwane employed the most people in community services, while Molemole employed the least people.

Figure 33: Employment in Community services



SOURCE: QUANTEC 2018

Employment in community services between 1996 to 2001 on the above diagram increased at a growth rate of 1,64% and 1,66% between 2001 and 2011. The growth between the periods is lower than that between 2011 to 2017 which was 6,28%.

4.10.1. Location quotient

Lepelle-Nkumpi Local Municipality has a significantly smaller community services industry compared to its competitors and contributed significantly more to overall GVA than its competitors. The community services industry in Lepelle-Nkumpi Local Municipality has grown relatively slower compared to its competitors. The industry was relatively competitive compared to all other local municipalities in South Africa and has shown an improvement in its competitiveness.

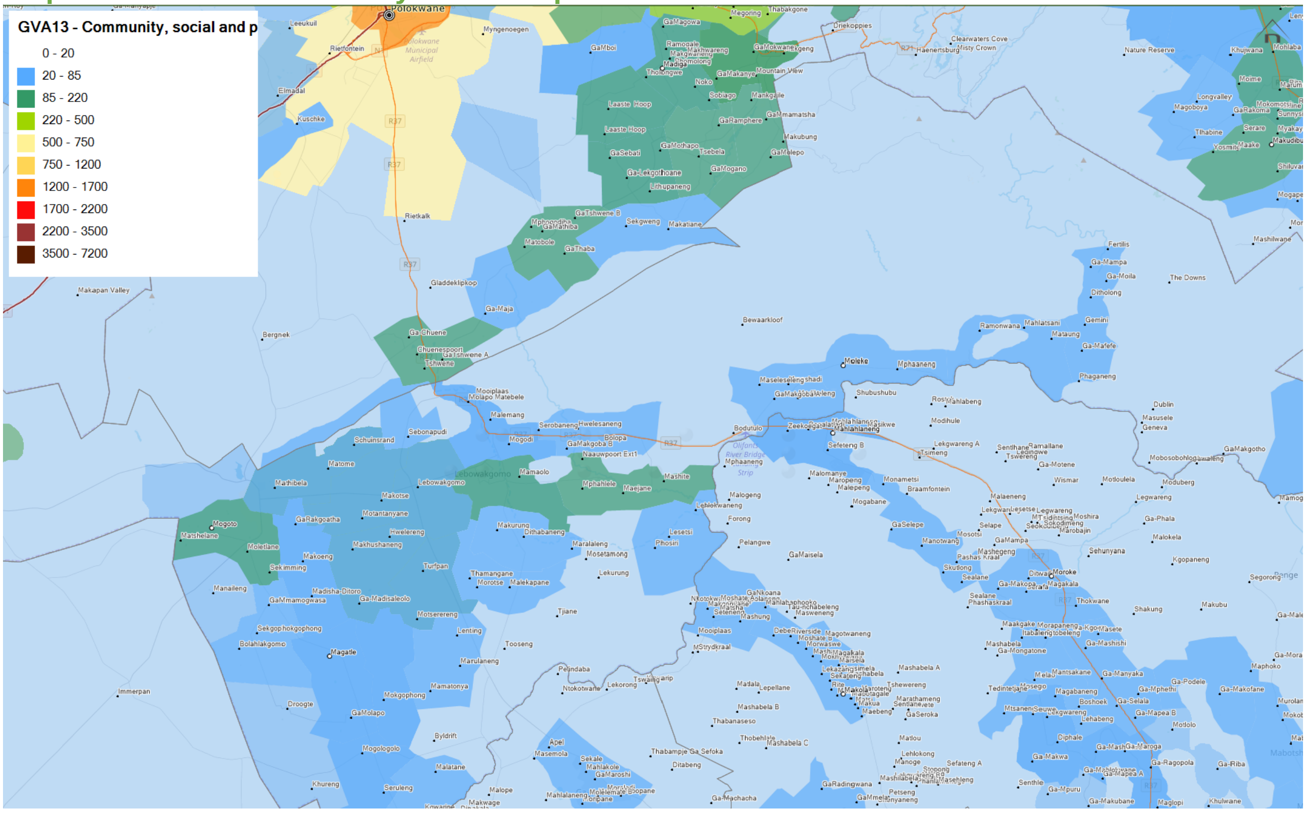
Lepelle-Nkumpi Local Municipality employed significantly less people in community services compared to its competitors and made up a large proportion of employment in the area. Employment in community services in Lepelle-Nkumpi Local Municipality has grown significantly faster than its competitors. Employment in the industry was relatively competitive compared to all other local municipalities in South Africa and has shown an improvement in its workforce competitiveness.

Table 31: Community location quotient

Indicator	LQ Employment Community Services (Nation)	LQ GVA Community Services (National)
Rank	**2**	**4**
Lepelle-Nkumpi	**1,25**	**1,00**
Polokwane	1,14	0,80
Blouberg	1,09	1,17
Molemole	0,96	1,00
Mogalakwena	1,23	0,90
Modimolle	1,02	0,90
Ephraim Mogale	1,06	1,00
Greater Tubatse	0,79	0,20
Makhuduthamaga	1,28	1,20
Maruleng	0,92	1,20
Greater Tzaneen	1,05	0,90

SOURCE: QUANTEC 2018

Map 23:GVA for Community services per Mesozone



SOURCE: MAPABLE®

4.10.2.Key findings and issues

- There is still a poor turn-out of community members during public/community meetings
- There is potential to improve the community service sector in term of diversified economy
- Need for further development of these industries locally

4.11. Tourism

4.11.1.1. Overview

Tourism comprises activities of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes(UNWTO, 2018). Tourism is prominent in the local municipalities within Capricorn and its strategic location off the national and provincial movement corridors is of prime advantage. Of key importance is the potential international and national cross boundary linkages and marketing with the N1, The African Ivory Route (Open Africa) including the Blouberg and Mafefe Camps, etc.

Lepelle-Nkumpi is highly favourable tourist destination, and in a perfect position to absorb and entice a fairly large number of visitors and should therefore, be promoted to reach full potential considering the vibrant mix of tourism assets identified and the strategic location. The municipality can develop into a major tourist destination due to the vast tourism opportunities in the area.

The Olifants and Nkumpi river in the municipality area play a major role in terms of strategically locating Lepelle-Nkumpi towards tourism potential. The Olifants river forms the southern boundary of Lepelle-Nkumpi. Several branches of the Olifants River divide the municipality including the Nkumpi River, Hlakaro River and the Mohlapitse River. These rivers flow from north to south through the municipality and end in the Olifants River. The area always boasts of wetlands which have the potential to bring out a beauty scenic view, provided other facilities that support the development are established.

Furthermore, Lepelle-Nkumpi is positioned in a province that is rich in wildlife, wealth and a great history in term of culture and heritage. The municipality is strategically situated close to the Kruger to Canyons Biosphere and this is a low hanging fruit that Lepelle-Nkumpi can take advantage of its strategic position to increase the number of tourists in the area.

It should also be considered that natural resources if used responsibly in an efficient manner could result in the tourism sector flourishing. Opportunities in Lepelle-Nkumpi which will be discussed in the following section fall under, ecotourism, adventure, recreational activities, agritourism, cultural and heritage activities.

4.11.2.Market opportunities

The status qou of Lepelle-Nkumpi in terms of tourism development still requires improvement as the sector has a huge development potential and linkages to the surrounding areas such as the African Ivory Route etc. The table below illustrates the opportunities for tourism development in Lepelle-Nkumpi

Table 32; Market opportunities in the tourism sector

Development Potential & site location	Brief Description
Lekgalameetse Nature Reserve in Ga-Mafefe	• Has the potential to be the main tourist attraction in Capricorn • There is a waterfall which guest enjoy Low/ non - existence signage in the area • There is a need for a 4x4 to access the reserve • Poor road conditions (gravel roads) • There is a need for resting points to the reserve
Wolkberg Wilderness Area in Ga-Mafefe	• Popular reserve which is the home to the Iron Crown (highest point in Limpopo) • May be a useful resort area for hiking and bird watching • The area is supposed to have leopards and brown hyenas • Low signage and no accommodation in this mountainous area
Bewaarkloof Nature Reserve in Ga-Mafefe	• No fencing, signage, water, electricity in this reserve • Illegal squatters using this reserve as pasture for cattle and for timber collection
Asbestos Museum in Ga-Mathabatha	• The museum can be a useful tool to educate visitors about the history of the area • Museum is decorated attractively • There is need for maintenance of the restrooms and decorations • Need for construction of parking bays for the museum to cater for visitors

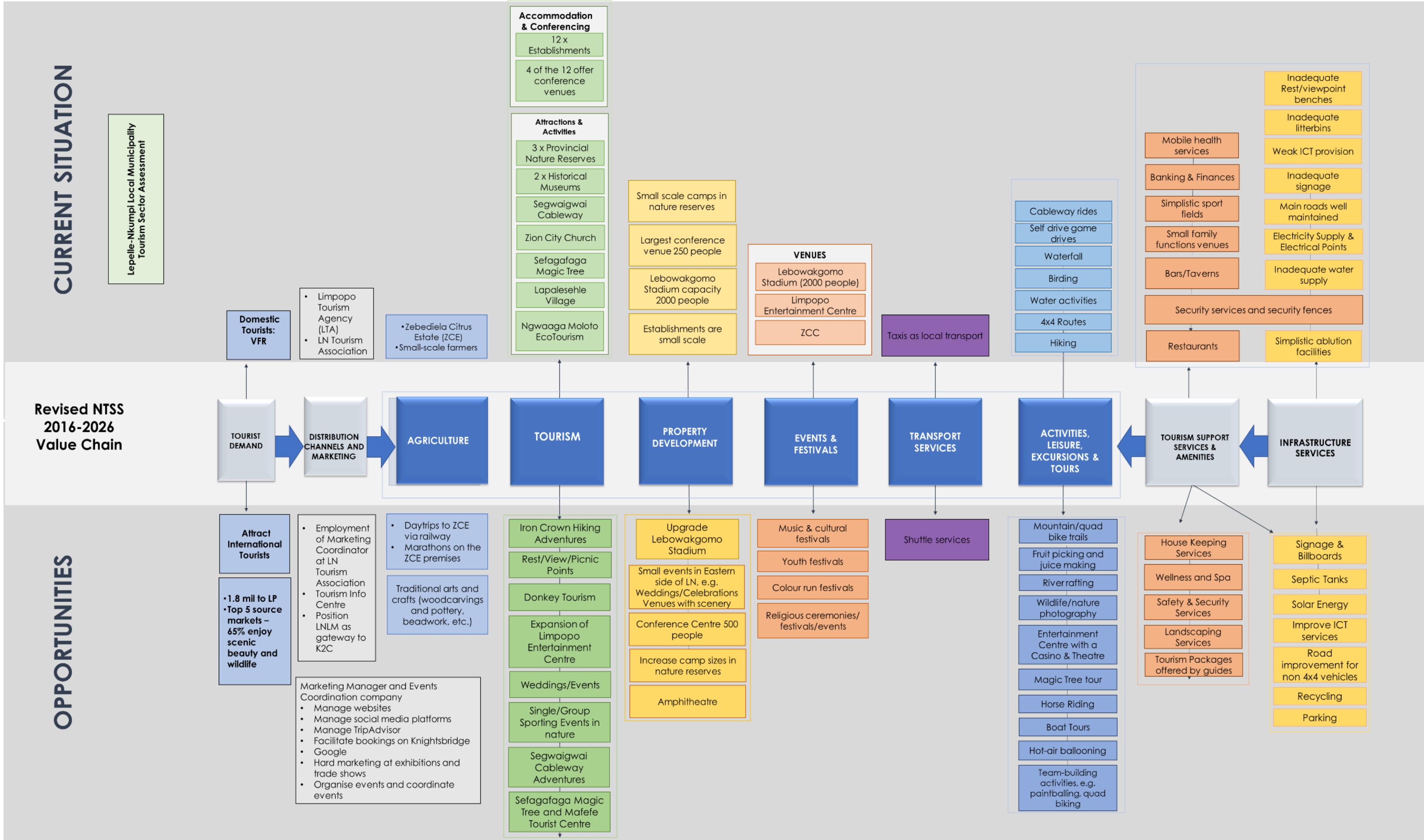
Makgatho Air Museum in Ga-Mathabatha	• Open air museum free of charge with no security checks • No official parking • Museum has potential to employ a tour guide wo could inform visitors and guide the them as they tour the museum
Segwaigwai Cableway in Ga-Mafefe	• Built by locals to cross the Olifants river • The construction of the bridge has eased the use of the cableway • Has potential to be a tourist destination activity but safety checks are needed
Sefagafaga Magic Tree in Ga-Mafefe	• Very sacred tree and accessibility is limited due to traditional practices that regularly take place • Has a potential to have an impact on tourist • Limited/No signage in the area
Mafefe Information Centre in Ga-Mafefe	• Information centre is in a dilapidated state • Has the potential to become the launch pad for tourism • The centre has three rondawels in desperate need of maintenance with limited electricity
Lebowakgomo Stadium in Lebowakgomo	• Stadium is in need for upgrade and further development • Signage for this establishment is also very limited • There is need for shade at the terraces and the stadium will have to meet the international standards for it to become a sporting destination for tourism • There us a lot litter in the area
Lapalesehle Village in Ga-Mafefe	• Establishment offers river rafting in summer for beginners • Natural scenery and water sports • There is also need for the signage • No building in the area and the construction of a building with proper tables, chairs and ablutions systems would help the owner to expand
Limpopo Entertainment in Lebowakgomo	• The centre is ideal for family gatherings, picnics and swimming activates • There is potential for more signage and expansion • Is an essential site for people to relax and engage in various activities
Zion City Church in Serobaneng	• A key tourist destination for religious purposes • Big establishment with regional offices located in Serobaneng • Attracts a lot of people during the Passover holiday • Upgrading parking and allocating more signage could increase the number of tourists
Zebediela Citrus Estate in Zebediela	• Largest citrus estate in South Africa • Has potential for agritourism to grow • Railway from Mookgophong to Zebediela currently not used

SOURCE: URBAN-ECON

4.11.3.Tourism Value chain

The tourism value chain describes the full range of activities that are required to facilitate visitor and how private sector firms in collaboration with government and civil society receive or access resources, as inputs add value through various processes (planning, development, financing, marketing, distribution, pricing, positioning, among others) and sell the resulting products to visitors. Tourism on a provincial level creates a supporting and conducive environment for all tourism establishments to perform to the best of their abilities. Furthermore, it can also be concluded that if the nature reserves if developed would be a key enabler for local economic development.

The involvement and intervention projects that create a more efficient and functional external environment for the tourism sector will develop the tourism sector to be competitive for Lepelle-Nkumpi. One of the essential elements is that the tourism value chain should be driven by the passion, pride and confidence of key stakeholders that visitors will experience the best that a destination can offer. The Lepelle-Nkumpi Tourism Sector Value Chain, showcasing the link between different sectors within the tourism systems. The opportunities identified are also depicted on below.



SOURCE: REVISED NTSS 2016-2026

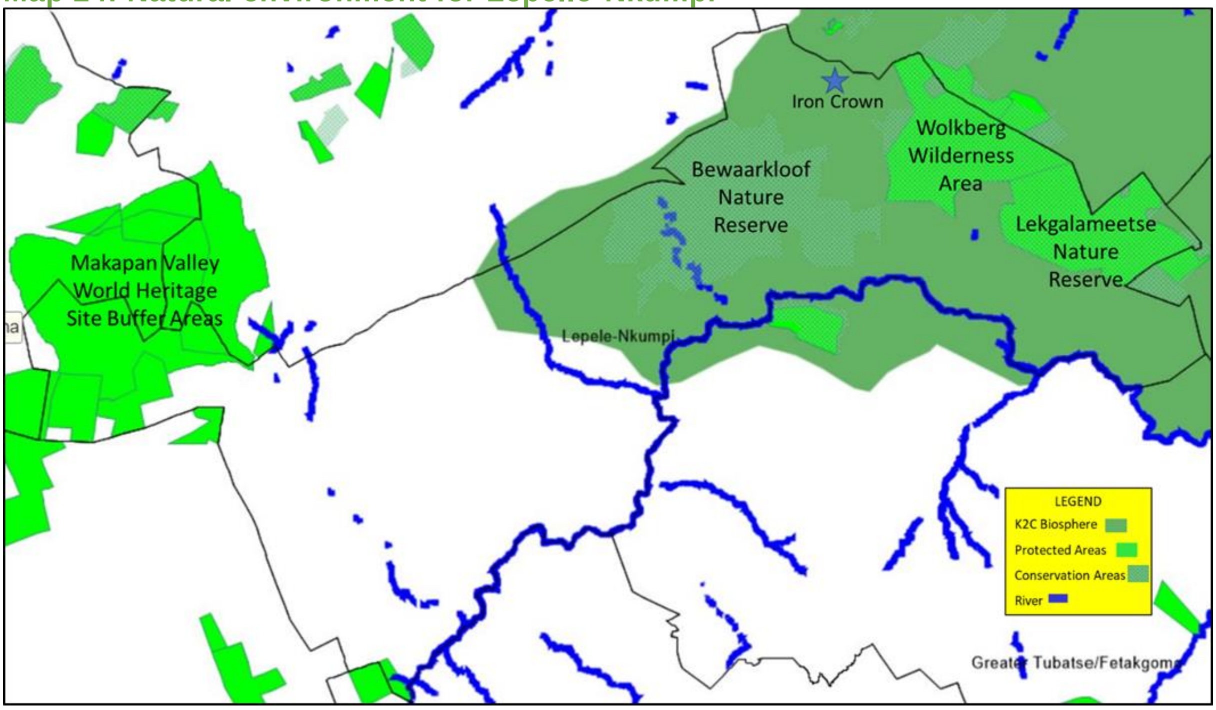
4.11.4.Nature reserve

Nature reserves are key towards protecting biodiversity and the degree of variation of life of which a satisfactory biodiversity is required to keep our ecosystem in natural balance. Lepelle-Nkumpi is very mountainous especially on the north-eastern side where the Wolkberg Wilderness Area, Lekgalameetse Nature Reserve, and Bewaarkloof Nature Reserve in the Northern Drakensberg mountain range can be found. These three reserves are provincial nature reserves and form part of conservation efforts as formally protected areas. It is considered that 35% of the municipal area consists of “irreplaceable” biodiversity.

The Wolkberg Wilderness Area consists of 40 000 hectares of almost pristine Afromontane grasslands, indigenous forests, spectacular mountain scenery and clean, running streams and rivers. It is the largest wilderness area open to the public of South Africa and its wilderness qualities and integrity must be protected in the face of possible inappropriate tourism development. The Wolkberg region is one of the leading international floral hotspots and should be prioritised as a conservation area. The highest point in Limpopo, better known as the Iron Crown (2128m above sea level) also forms part of the Wolkberg mountain range and is located close to the Greater Tzaneen Local Municipality border.

Nature reserves also allows a large gene pool to be conserved and protected so that it can serve as an invaluable resource for future usage. The map below illustrates the natural environment for Lepelle-Nkumpi.

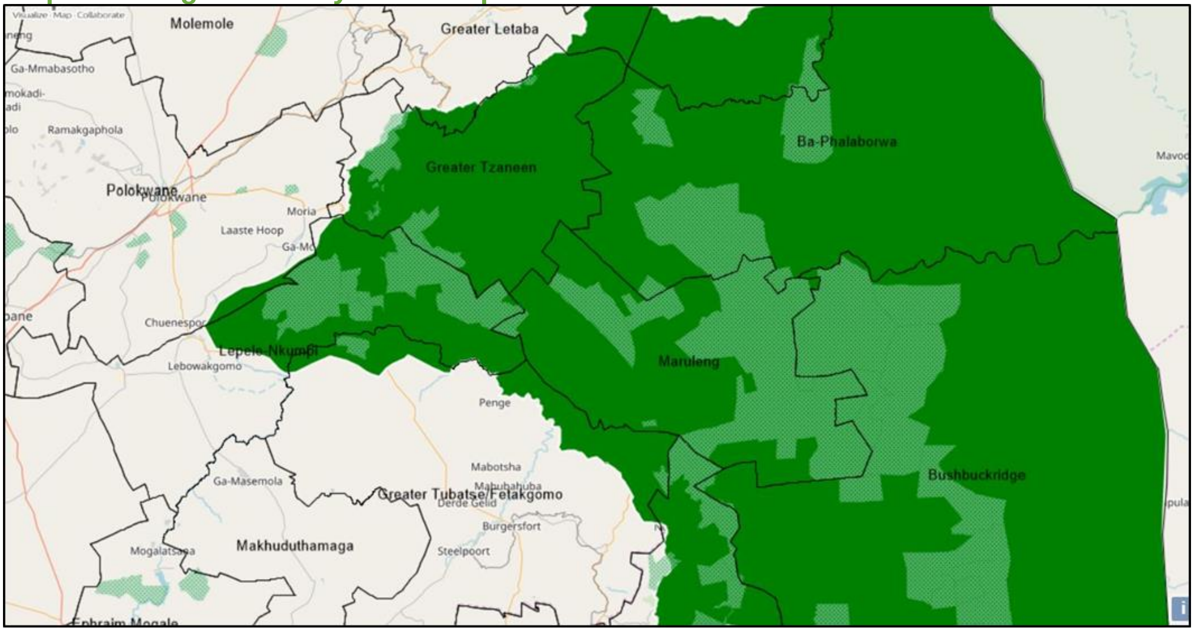
Map 24: Natural environment for Lepelle-Nkumpi



SOURCE: MAPABLE®

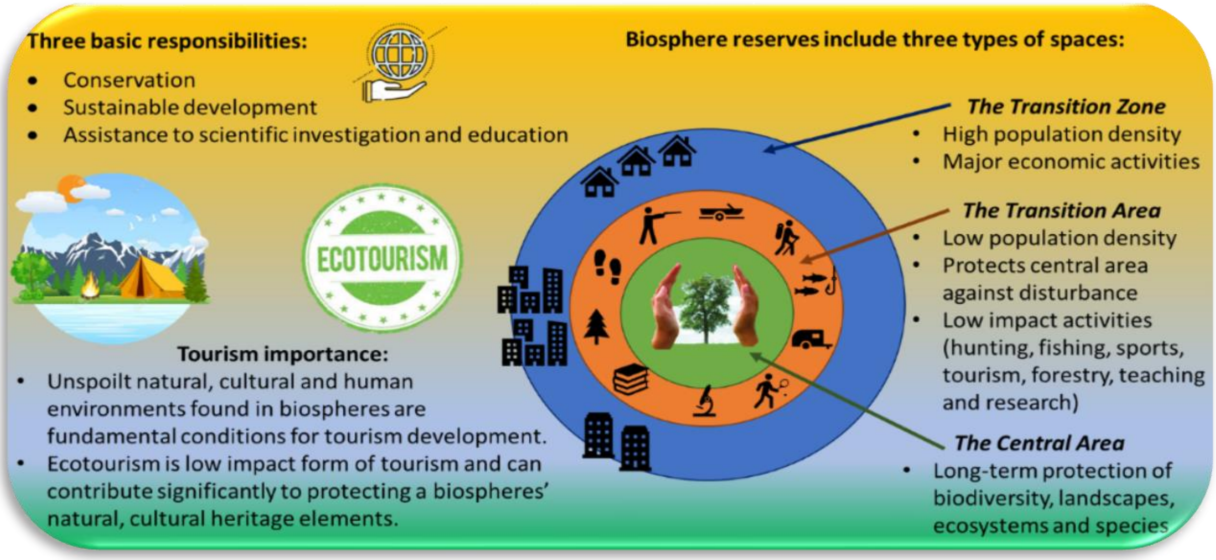
Lepelle-Nkumpi is also well positioned to be the Biosphere which is a low hanging fruit that could be tapped into. The potential development of the Biosphere will potentially position the Lepelle-Nkumpi is the gateway to the Kruger Canyons Biosphere. The map below illustrates the biosphere reserve

Map 25: Kruger to Canyons Biosphere



SOURCE: MAPABLE®

LNLM can leverage from these natural features found in the K2C biosphere. The picture below explains the importance of tourism development in UNESCO declared biosphere reserves.



4.11.5. Key findings and issues

- The natural scenic beauty creates a feeling of escapism and isolation
- The rivers and mountains offer great potential for adventure tourism such as river rafting, 4x4 routes, cable way trips, quad biking, mountain biking, hiking, abseiling and rock climbing
- The climate reduces seasonality slightly due to the pleasantly warm temperatures in the winter
- There is insufficient information available on the internet and no tourism information centre in the municipality. Increasing the spread of information will help with awareness and marketing efforts, thus increasing the number of tourists to the area.
- Poor communication is a barrier due to some of the residents who do not understand or speak English

5. Sector Potential Analysis

This section will provide an in depth and a potential analysis for LNLM identified within the previous chapters. The chapter includes the analysis of LNLM from a secondary and a primary perspective.

5.1. Socio Demographic Profile

The table below shows the potential analysis for socio-demographic for LNLM by employing a SWOT analysis approach.

Table 33: Socio Demographic Potential Analysis SWOT

Strengths	Weaknesses
• LNLM has the third largest formal and informal dwellings amongst its competitors. • Proportionately, LNLM is third when it comes to households with access to water. • Based on the annual growth rate LNLM is ranked second for adults with tertiary education.	• LNLM has the largest number of the aged population amongst its competitors. • LNLM has the highest number of HIV infections. • Based on the dependency ration LNLM is ranked ninth amongst its competitors.
Opportunities	**Threats**
• LNLM has the third largest youth population amongst its competitors. • Adults with tertiary education.	• Based on the working age LNLM is ranked ninth. • High crime rates growth reported in the area.

5.2. Market Growth and Conditions

Table below shows the potential analysis for market growth and Conditions for LNLM through employing a SWOT analysis approach.

Table 34: Market Growth and Conditions SWOT

Strengths	Weaknesses
• LNLM is ranked first on the durable goods share amongst its competitors. • LNLM has the firth largest household size income amongst its competitors.	• LNLM has the third highest unemployment rate in the area. • Based on the annual growth rate, LNLM has a low.
Opportunities	**Threats**
• Based in informal employment LNLM is ranked fifth amongst its competitors. • LNLM has the fourth largest skills workforce amongst its competitors. • Household income growth is ranked seventh amongst its potential but has the potential to grow.	• LNLM has the lowest annual growth rate for formal employment. • LNLM is ranked sixth amongst its competitors in terms of the population that is not economic active.

5.3. Agriculture

The table below shows the potential analysis for the agriculture industry for LNLM through employing a SWOT analysis approach.

Table 35: Agriculture Industry SWOT

Strengths	Weaknesses
• The growth rate in the agriculture industry for LNLM is relatively better than other local municipalities in the district. • The annual GVA growth in the agriculture industry rate for LNLM is ranked third highest amongst its competitors. • Compared to its competitors LNLM has a proportionately skilled and a semi-skilled work force in the agriculture industry.	• Based on the GVA, LNLM has the smallest agriculture industry compared to all the local municipalities in the district. • Compared competitors, LNLM does not have a competitive industry based on GVA LQ (0,63) and employment LQ (0,81). • LNLM has the smallest work force amongst competitors employing 1800 people.
Opportunities	**Threats**
• Zebediela Citrus • Potential for forestry farming in the eastern side • Converting small scale farmers to commercial farmers. • Co-operative farming • Commercialising individual farms • Agriculture tour base walks	• Poor road conditions and connectivity. • Traditional land vs municipal land. • Low water supply in the area.

5.4. Mining

The table below shows the potential analysis for the mining industry for LNLM through employing a SWOT analysis approach.

Table 36: Mining Industry SWOT

Strengths	Weaknesses
• Based on GVA, LNLM has the second largest mining industry amongst the competitors. • LNLM has the second largest workforce amongst the competitors. • Proportionately, LNLM does have skilled and semi-skilled workforce amongst the competitors. • LNLM has the most competitive industry based on GVA LQ and the employment LQ amongst the competitors.	• LNLM has the slowest growth in the mining industry amongst its competitors. • Low annual employment growth rate in the mining industry. • Inadequate signages in the area.
Opportunities	**Threats**
• Beneficiation of raw mineral resources and mining materials has the potential to contribute significantly in expanding the manufacturing sector.	• Green mining has a potential threat to affect employment opportunities for the workforce in the mining industry.

5.5. Manufacturing

The table below shows the potential analysis for the manufacturing industry for LNLM through employing a SWOT analysis approach.

Table 37: Manufacturing Industry SWOT

Strengths	Weaknesses
• LNLM is strategically located.	• Proportionately LNLM has the least skilled and semi-skilled workforce amongst the competitors.

• Lebowakgomo showground which can host activities for both commercial and emerging enterprises.	• Compared to its competitors, LNLM does not have a competitive manufacturing industry based on GVA LQ (0,10) and employment LQ (0,66) • Lack of infrastructure development • Limited infrastructure and services provided. • Lack of finance hindering the development.
Opportunities	**Threats**
• LNLM manufacturing industry has potential to grow as it is ranked sixth amongst other municipalities, provided there is an improvement in agriculture production. • Agro Processing	• Accessibility of roads • Land issues

5.6. Utilities (Electricity, Gas and Water)

The table below shows the potential analysis for the utility industry for LNLM through employing a SWOT analysis approach.

Table 38: Utilities Industry SWOT

Strengths	Weaknesses
• Based on the GVA, LNLM has the fourth largest industry amongst its competitors. • The LNLM utilities industry annual GVA growth rate is fifth amongst the competitors. • LNLM has the fourth largest workforce amongst the competitors. • The utilities industry has the third most competitive utilities industry based on employment LQ (1,14) amongst the competitors. • Proportionately, LNLM has the third most skilled workforce amongst the competitors.	• Limited water supply in the district. • Lack of formal housing.
Opportunities	**Threats**
• Amongst its competitors LNLM has potential to improve on the competitiveness of the utility industry based on the GVA LQ.	• Poor infrastructure

5.7. Construction

The table below shows the potential analysis for the construction industry for LNLM through employing a SWOT analysis approach.

Table 39: Construction Industry SWOT

Strengths	Weaknesses
• Strategically located	• Based on the GVA, LNLM is ranked 7th compared amongst its competitors in the construction industry. • The LNLM construction industry annual GVA growth rate is 0,15%, which is ranked 8th amongst the competitors. • Compared to its competitors, LNLM does not have a competitive construction industry based on GVA LQ (0,65).
Opportunities	**Threats**
• Residential construction. • Road infrastructure improvement will be a key enabler for the growth in construction.	• Inadequate development planning. • Water shortages.

5.8. Wholesale and Trade

The table below shows the potential analysis for the wholesale and trade industry for LNLM through employing a SWOT analysis approach.

Table 40: Wholesale and Trade Industry SWOT

Strengths	Weaknesses
• Based on GVA, LNLM is ranked 5th with a GVA size of R 773,91 (million) amongst industry amongst the competitors. • The LNLM wholesale and trade industry annual GVA growth rate is the third 5th highest amongst the competitors. • The wholesale and trade industry play a significant role in the workforce amongst its competitors. • Proportionately, LNLM has the 3rd most skilled workforce amongst the competitors.	• Compared to its competitors, LNLM does not have a competitive wholesale and trade industry based on GVA and employment LQ of (0,80). • A payment fee to use the toilets at the mall
Opportunities	**Threats**
• Information centre	• Hawkers close to the mall • Lack of an ambush system around the mall

5.9. Transport and Communication

The table below shows the potential analysis for the transport, storage and communication industry for LNLM through employing a SWOT analysis approach.

Table 41: Transport and Communication Industry SWOT

Strengths	Weaknesses
• Based on GVA, LNLM is the 4th largest transport and communication industry amongst the competitors. • The LNLM transport and communication industry annual GVA growth rate is the 3rd highest amongst the competitors. • Proportionately, LNLM has the 4th skilled and semi-skilled workforce amongst the competitors.	• LNLM has the least competitive transport and communication industry based on the GVA LQ amongst the competitors. • Poor road conditions
Opportunities	**Threats**
• Road connectivity	• Very few signages

5.10. Finance Services

The table below shows the potential analysis for the finance service industry for LNLM through employing a SWOT analysis approach.

Table 42: Finance services Industry SWOT

Strengths	Weaknesses
• Based on GVA, LNLM has the 4th largest finance service industry amongst the competitors. • The LNLM finance service industry annual GVA growth rate is the 2nd highest amongst the competitors.	• The LNLM has the 2nd largest semi-skilled workforce amongst the competitors.

Opportunities	Threats
• LNLM has potential to improve in the competitiveness for the finance service industry based on GVA and employment LQ which is (0,94) and (0,64) respectively.	

5.11. Government services

Error! Reference source not found. The table below shows the potential analysis for the government services industry for LNLM through employing a SWOT analysis approach.

Table 43: Government services Industry SWOT

Strengths	Weaknesses
• Based on GVA, LNLM has the 4th largest government service industry amongst its competitors. • Compared to its competitors, LNLM has a competitive industry based on the GVA and employment LQ of (2,10) and (1,97) respectively.	• The LNLM government industry annual GVA growth rate of (1,29%) is the ranked 9th amongst its competitors.
Opportunities	**Threats**
	• Moving the Legislator offices to Polokwane

5.12. Community services

The Table below shows the potential analysis for the community services industry for LNLM through employing a SWOT analysis approach.

Table 44: Community services Industry SWOT

Strengths	Weaknesses
• LNLM has the most skilled workforce in the community service industry amongst the competitors. • LNLM has the 4th largest community service workforce amongst competitors employing about 363,57 people. • Proportionately, LNLM has the most skilled community service workforce amongst competitors. • Compared to its competitors, LNLM does have a competitive community service industry based on GVA LQ (1.00) and employment LQ (1.25)	
Opportunities	**Threats**
• Education awareness	

5.13. Tourism

The table below shows the potential analysis for the community services industry for LNLM through employing a SWOT analysis approach.

Table 45: Tourism Industry SWOT

Strengths	Weaknesses
• Kruger to Canyons Biosphere • Escapism • Adventure potential • Warmer winter climate	• Plenty of litter • Lack of facility maintenance (stadium & rest points) • Lack of signage along roads

• Scenic beauty (Wet lands	• Lack of tourist information (physically & online) • Lack of medical facilities • Poor communication and telephone skills • Insufficient water provision for residents
Opportunities	**Threats**
• Marketing (Kruger to Canyons Biosphere • Iron Crown • Agritourism/Citrus route • Pre- and/or post business events tours • Adventure & Ecotourism (Zipline, hiking, quad biking, river rafting etc) • View/Rest points with historical/environmental information • Culture exposure • Donkey tourism • Limpopo Entertainment Centre • Wedding/Other Cultural celebrations • Sport events	• Competitors (Polokwane and surrounding areas development rate) • Political instability and manipulation • Tourist safety and security • Implementation temp

6. Section 6: Local Economic Development Framework

6.1. Introduction

The previous sections of the study analysed the policy review that mandates Lepelle-Nkumpi Municipality towards local economic development. The study further investigated the development profile, sectoral analysis of the industries and the sector potential analysis.

This chapter formulates the framework that will guide the LED strategy for Lepelle Nkumpi Local Municipality. The strategy seeks to advance the opportunities identified in the sectoral potential analysis. The opportunities identified for local economic development will be considered in terms of their ability to broaden the local economic base of the region and the creation of job opportunities that would stimulate business development.

Sectoral opportunities identified will be grouped according to strategic interventions, programmes and projects. Strategic interventions will be further be broken down into numerous programmes identified which will be beneficial for local economic development, which results to projects for the LED strategy development. It is also important to note that appropriate linkages and interactions between programmes and projects be established, as such an integration is essential towards the development of the strategy that seeks to re-focus on the municipality's development needs and opportunities, as well as its competitive and comparative advantages which will help to address the triple challenges of poverty, unemployment and inequity in the area.

6.2. Vision, Mission & LED Development Objectives

The vision for Lepelle-Nkumpi Municipality is to be a financially viable municipality, geared towards the improvement of quality of life of the people by providing sustainable services.

The mission for the municipality is to effectively and efficiently provide quality basic services and thus make a significant contribution to social and economic development of the community.

Based on the mission of the municipality, as well as guided by the Provincial and National focus areas, the Key Performance Areas of the municipality are as follows:

- Basic Services and Infrastructure development
- Community Empowerment
- Economic Development
- Institutional transformation

The main development principles for local economic development for Lepelle-Nkumpi Municipality are;

- To promote the well-being of all communities through job creation and alleviation of poverty
- To ensure economic growth and financial viability and accountability
- To promote a conducive environment for business, SMMEs and Cooperative development
- To attract, develop and retain human capital
- To improve the skills level in Lepelle-Nkumpi
- To promote community involvement and ensure effective communication

- To ensure the management and efficient use of local resources, skills and maximising opportunities for development
- To encourage concentration of business activities, formal and informal, within identified activity nodes to optimise their development potential.
- To improve accessibility within settlements by tarring main transport networks
- To develop and implement an integrated management and governance systems

It is also essential to consider that the principles of economic growth should be focused upon were the identified strategic interventions address the key essential gaps and potential sector economic opportunities that are suitable for the LED framework for Lepelle-Nkumpi economy.

6.3. Strategic Intervention Areas

To achieve the objectives of the LED strategy for LNLM the following strategic intervention areas are proposed and shown below:

Figure 34: Strategic Interventions Areas

SOURCE: URBAN ECON

Based on the above Strategic Intervention Areas to be considered for stimulating local economic development for Lepelle-Nkumpi include: Agro-processing, Tourism development, Mining, Trade and business environment enablement. In addition, strategic interventions shown above are based on the socio-potential analysis experienced for the economy in Lepelle-Nkumpi. The LED framework including programmes and projects is further summarised in the Table below.

Table 46: Strategic Interventions, Programmes & Projects

Strategic Intervention	Programmes	Projects

Create an enabling environment	Infrastructure and zoning	• Blue drop status at water treatment works
		• Land rezoning for investment purposes
		  ○ Tarring of Internal roads
		  ○ Upgrade gravel roads to surfaced roads
		  ○ Upgrading of access roads
		  ○ Road signage

	Business skills development	• Small business skills training incubator - (finance, human resources, marketing etc.) • Entrepreneurship incubators • Entrepreneurship training at schools
	Technical skills development	• FET College • Agricultural “Hands on” skills development (ploughing, planting, harvesting, irrigation, mechanical skills, animal care, etc.) • Youth in agriculture programme • Technical “Hands on” skills development (mechanics, plumbing, carpentry, gardening, electrical etc.) • Basic hospitality skills training • Repairing of machinery parts and farming equipment • Establishment of the Lepelle-Nkumpi Technical Skills Academy
Agro-processing	Citrus agro-processing (cultivation & production)	• Grootklip irrigation scheme • Expansion of the Zebediela citrus juice (orange) and packaging plant • Packaging and distribution of processed oranges • Frozen canned juice • Sweet orange oil production • Beverages production • Marmalade production • Baked Products • Production of sauces • Spice mixtures • Construction of cold storage units

		• Supplying of pesticides, feedlots machinery parts
	Livestock farming	• Integrated goat farming • Processing of dairy milk (goat milk) • Expansion of abattoirs • Meat processing plants • Supply of pesticides • Housing expansion for goats (shelter) • Construction of cold storage facilities • Establishment of collection centres (promotion skinning, storage and preservation) • SMMEs butcheries
	Expansion of poultry production	• Expansion and the revitalisation of the chicken abattoir • Broiler chicken farming & processing • Chicken pies, burgers, polony and Vienna's • Production of cushions • Deboning of chicken • Production of bioenergy • Supply of fertiliser/manure • Housing of chickens
	Agro-processing capacity development	• Revitalisation of the Industrial area in Lebowakgomo • Establishment of a research and development centre
Tourism development	Promotion of arts, crafts and heritage festivals	• Protection and promotion of heritage sites • Sorghum beer brewing • Mafefe Camp - African Ivory Route

	Development of conservation areas	• Bewaarskloof Conservancy
		• Wolkberg wilderness area
		• Lekgalameetse reserve
		    ○ Develop hiking trails
		    ○ Rock climbing
		    ○ River rafting
		    ○ Quad biking

	Tourist product development	• Revitalisation of the Tourism centre • (Mafefe) 4X4 vehicle Tour guide • Limpopo entertainment centre • Picnic sites

	Agritourism	• Zebediela Farm Stay and Caravan Park (Agri tourism)
		  ○ Citrus trail walks
		  ○ Picnic sites
		  ○ Development of a play park
		  ○ Train drives in the farm
		  ○ Treasure hunt activities
		  ○ Cultural route (awareness of heritage)
		  ○ Orange picking season
		  ○ Summer orange festival
		  ○ Kiddies birthday party special
		• Establishment of restaurants

Mining & mineral beneficiation	Development of mining zones and environmental protected areas	• Development of the Dilokong Platinum Corridor (Town planning) • Environmental protection of non-mining zones
	Mining, beneficiation and processing	• Expansion of brick making in Zebediela • Gravel and stone crushes at Matabata, Molapo, Matebele, Rietvlei, Staanplaas for civil, roads and buildings • Polishing of stones • Slate excavation & Tile manufacturing in Mafefe
	Recycling	• Plastics, Paper • Produce products from waste car and truck tyres
Retail & business environment enablement	Revitalisation of the informal sector	• Land rezoning for informal sector development (Town planning) • Upgrading of hawker's stalls • Construction of storage units (hawkers) • Hawkers information centre (registration and licencing) • Amenities at the hawker's stalls (toilets, wash room, etc.)
	SMME development	• Establishment of a green market • Establishment of a logistic hub • Business precinct development (Town planning) • Business incubators for SMMEs • Street facing shops space • Pedestrian walkways in front of shops • Street parking in front of shops

		• Transport node development next to business precinct (bus and taxi rank)
Marketing	Develop local marketing promotion on campaigns	• “Buy Lepelle Nkumpi” local coupon incentives • “Buy Lepelle Nkumpi” develop an advertising campaign for local products • Lepelle-Nkumpi agriculture marketing

SOURCE: URBAN ECON

6.3.1. Strategic Intervention 1: Create an enabling environment

An enabling environment is essential towards providing support for certain activities develop. For local economic development to take place, it is crucial for an enabling environment to be established which generally provides the foundation for economic development.

[1]An enabling environment, understood in its broadest sense, encompasses the whole panoply of national and international policies, measures and institutions in the economic, social, legal and political domains that influence or affect the growth and development prospects of a country. In a local economic context, an enabling environment can be viewed as the key launch pad needed to kick off development in a certain area.

Lepelle-Nkumpi needs to establish an environment in the area that will enable the attraction of investment and the development of catalytic projects to take place. The following programmes under creating an enabling environment have been identified which include:

6.3.1.1. Programme 1: Infrastructure and zoning

This main goal of this programme is to rezone land for investment purposes. This is essential towards enabling the ease of doing business for potential investors. One of the key essential elements under infrastructure and zoning is the purification of water, tarring of Internal roads, upgrading of gravel roads to surfaced road and road signages.

The eastern side of Lepelle-Nkumpi is very mountainous and has challenges in term of accessibility as the road conditions are very poor. The western side comprise of Lebowakgomo town where most economic activity takes place. It is known as the economic centre of the LNLM. The core activities in this town range from specialised services to functions such as government offices, hospitals, shopping facilities for luxury goods and financial services. The area still has infrastructure and zoning challenges as it still does not provide an enabling environment for local economic development.

The infrastructure and zoning approach will provide greater flexibility and adaptive management of land used for the provision of public or private infrastructure development. It is very crucial for Lepelle-Nkumpi to market to be an area that that attracts investment. This can be achieved

[1] www.un.org/documents/ecosoc/docs/1997/e1997-67.htm

the key aspects of blue drop status, the upgrade of gravel roads to surfaced roads, which is essential to an investment eye.

6.3.1.2. Programme 2: Business skills development

Business skills development is one of the fundamental elements towards creating an enabling environment for businesses to operate. [2]Skills development is a powerful motivator for new and existing employees, whether is through learnerships, internships or workplace-based training programmes. It enables the ease of doing business relatively favourable and individuals who feel that their company is investing in them, personally and professionally, are more likely to be loyal to the organisation.

Success in every economy is dependent on the availability of a skilled workforce that can serve the sectors where growth can be best achieved, and the same principle can also be applied in a business set up. In Lepelle-Nkumpi there is a gap between the demand for skills that can help economy to grow and supply of skills from within the domestic labour market. This programme seeks to close the gap that exist and offer programmes that can develop small businesses and develop entrepreneurship training at early childhood development.

6.3.1.3. Programme 3: Technical skills development

The technical skills development programme will develop the appropriate skills, setting standards for training and qualifications, building institutions capable of delivering high quality courses, training of trainers and creating links with business and communities.

Technical skills development is of importance towards local economic development as it can embed interventions in ministries companies, chambers of commerce and enterprises that are best positioned to make change happen. Technical skills in Lepelle-Nkumpi can be developed when it comes to “hands on” skills such agriculture development, mechanics, plumbing, carpentry, gardening, electrical etc.

A well-developed technical skills economy enables governments to mobilise private capital for productive investment, delivering improved infrastructure provision and higher economic growth. Technical skills development in Lepelle-Nkumpi can be beneficial towards creating an enabling environment for local economic development to take place.

[2] https://www.entrepreneurmag.co.za/advice/business-leadership/performance-monitoring/the-role-of-employers-in-skills-development/

Table 47: Creating an enabling environment description

#	Project	Project programme	Project description
1	Blue drop status at water	Infrastructure zoning	• This project seeks to investigate the water purification/treatment in Lepelle-Nkumpi which will result in a blue drop status for the environment.
2	Land rezoning for investment purposes	Infrastructure zoning	• This project seeks to zone areas that will be suitable for investment purposes.
3	Small business skills training incubator	Business skills development	• This project will provide business skills training in relation to finance, human resources, marketing etc.).
4	Entrepreneurship incubators	Business skills development	• This programme seeks to establish entrepreneurship incubators that help new and start-up companies to develop by providing services such as management training or office space.
5	Entrepreneurship training at schools	Business skills development	• This project seeks to introduce early child hood internship at schools. The municipality should engage with organisation like SEDA to develop this concept.
6	FET College	Technical skills development	• This project should strive to achieve three goals: making graduates employable; creating a diverse workforce; and meeting the needs of the local economy for Lepelle-Nkumpi.
7	Agriculture “Hands on” skills development	Technical skills development	• This project seeks to provide skills in relation to agriculture which entail (ploughing, planting, harvesting, irrigation, mechanical skills, animal care, etc.).
8	Youth in agriculture programme	Technical skills development	• This project seeks to incorporate youth into the agriculture where they will be trained on farming skills by the farmer.

#	Project	Project programme	Project description
9	Technical "Hands on" skills development	Technical skills development	• This project seeks to provide practical specific skills in relation to (mechanics, plumbing, carpentry, gardening, electrical etc.)
10	Basic Hospitality skills training	Technical skills development	• The project will provide the basic training for the hospital such as (how to make a bed, telephone/communication skills etc.).
11	Repairing of machinery parts and farming equipment	Technical skills development	• This project seeks to assign a local company that will focus on the repairing of machinery parts and farming equipment.
12	Establishment of the Lepelle-Nkumpi Technical Skills Academy	Technical skills development • ICT*	• The establishment of the academy will seek to transfer technical skills (through training and development) relevant for the development of Lepelle-Nkumpi.

SOURCE: URBAN-ECON

6.3.2. Strategic Intervention 2: Agro-Processing

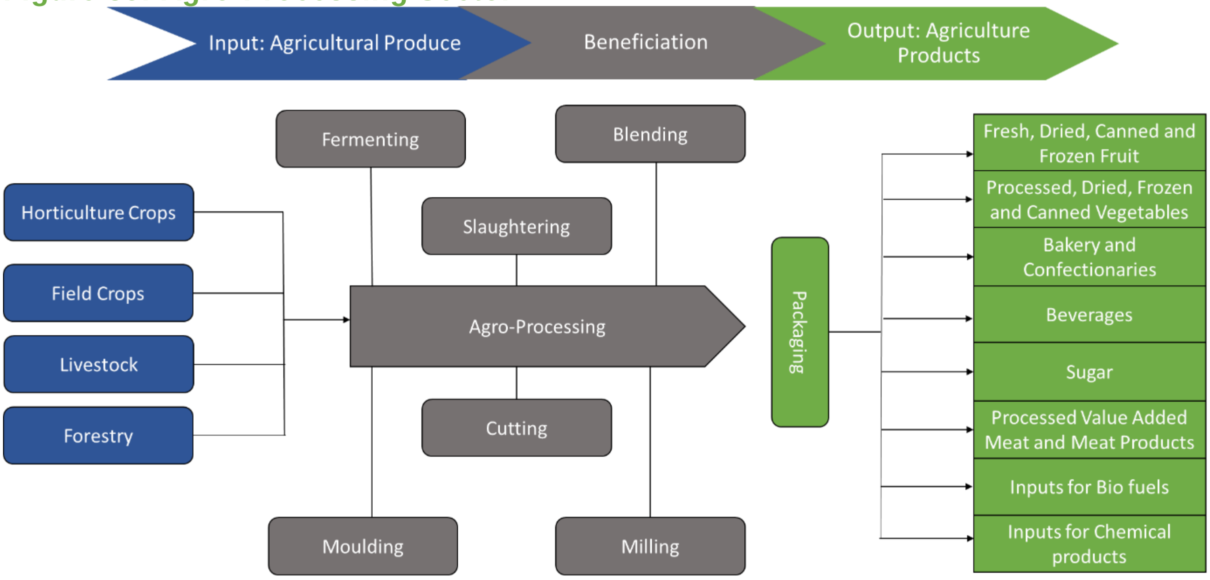
The agro-processing industry is amongst the sectors identified by the industrial Policy Action Plan (IPAP), the New Growth Path and the National Development Plan for its potential to spur up economic growth and job creation due to its backward and forward linkages (DAAF, 2017).

Agro-processing involves the transformation of agricultural produce into a different physical or chemical state. The process includes technical and mechanical procedures that rage from the packaging to the transformation of raw materials into the final products (DTI, 2018).

The objective of this strategic intervention which encompasses ago-processing envisions the regeneration of the agriculture sector economy in Lepelle-Nkumpi, thereby adding value to agricultural products and activities which improves efficiency and diversification. In addition, the agriculture value chain represents an important source of labour-intensive growth which is a key enabler to towards job creation.

The diagram below illustrates the Agro-processing sector which involves seven distinctive processes, which include fermenting, slaughtering, blending, moulding, cutting, milling and packaging

Figure 35: Agro-Processing Sector



SOURCE: ADAPTED FROM THABAZIMBI AGRICULTURAL STRATEGY

The figure above illustrates agro-processing which involves the transformation of raw materials from primary agriculture into finished or semi-finished products ready for use by the end user or immediate user. This process of transformation involves seven distinctive processes, which include fermenting, slaughtering, blending, moulding, cutting, milling and packaging. Furthermore, a well-developed agro processing sector has important benefits for food price stability and food security.

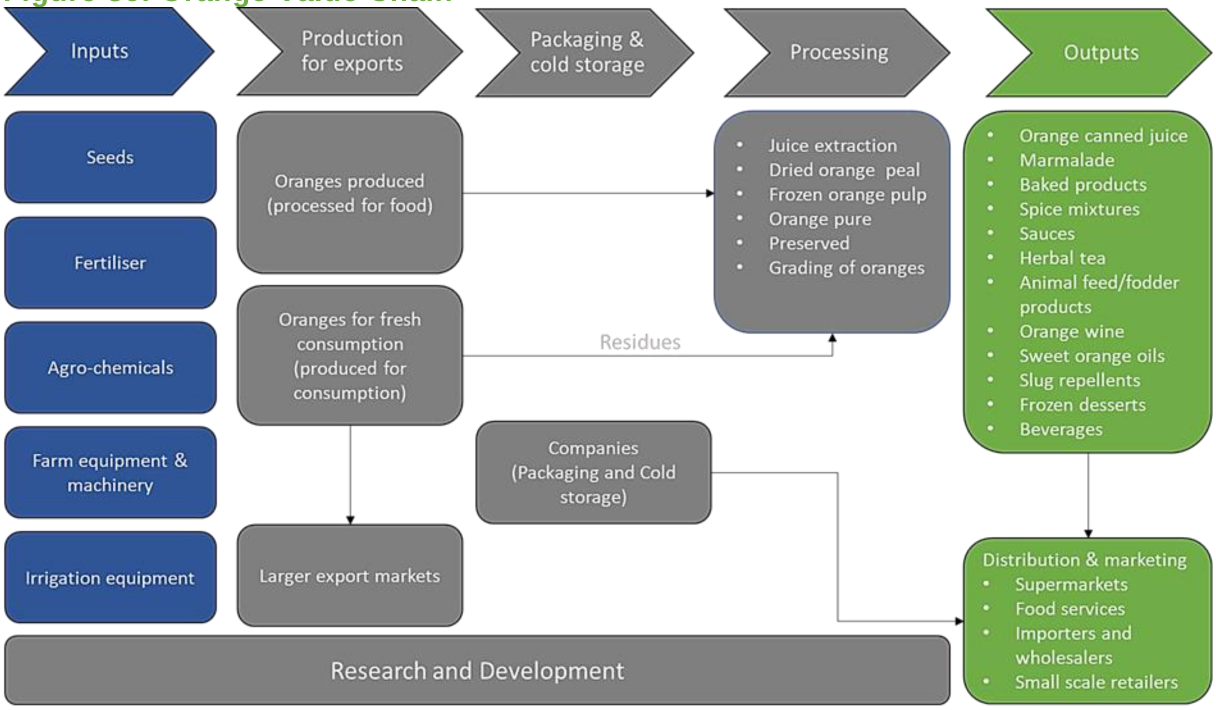
It is also important to note that for agro-processing to be successful one of the factors to consider that influence the agro-processing sector are R&D, technology and marketing, input supplies, government support, multinationals, logistics, training and skills development, machinery, quality assurances and standards and investors. The following programmes under the Agro-Processing which have been identified which include:

6.3.2.1. Programme 1: Citrus Agro-processing (cultivation & production)

The programme is a key enabler for employment opportunities and SMME sector development in the municipality. The citrus industry has vast employment opportunities for local SMME as they can produce fertilizer, packaging material and nurseries to provide the industry with seedlings. Furthermore, expanding cultivation by assisting current farmers in producing quality fruits can assist them in market access and ensure processing facilities have enough supply.

The citrus and agro-processing cluster has a lot of opportunities which exist with fruit and juice extraction and packaging at the Zebediela citrus farm. Citrus processing entails juices, fruit pulp, concentrates and blending it with other fruits where the final product is packaged and sold as juice products to retailers or sold as bulk concentrate for further processing. Lepelle-Nkumpi has a very advantageous climate and land for the development of high value organic food products, which could complement the activities of the tourism cluster. Citrus Agro-processing for Lepelle-Nkumpi will mainly benefit emerging and small-scale producers to prevent post-harvest loss and wastage. Produced products can be branded for local market making products within reach to local communities. The citrus value chain includes several species, mainly oranges, grapefruit and lemons. Below is an example of a citrus value chain.

Figure 36: Orange Value Chain



SOURCE: URBAN: ECON

6.3.2.2. Programme 2: Livestock farming

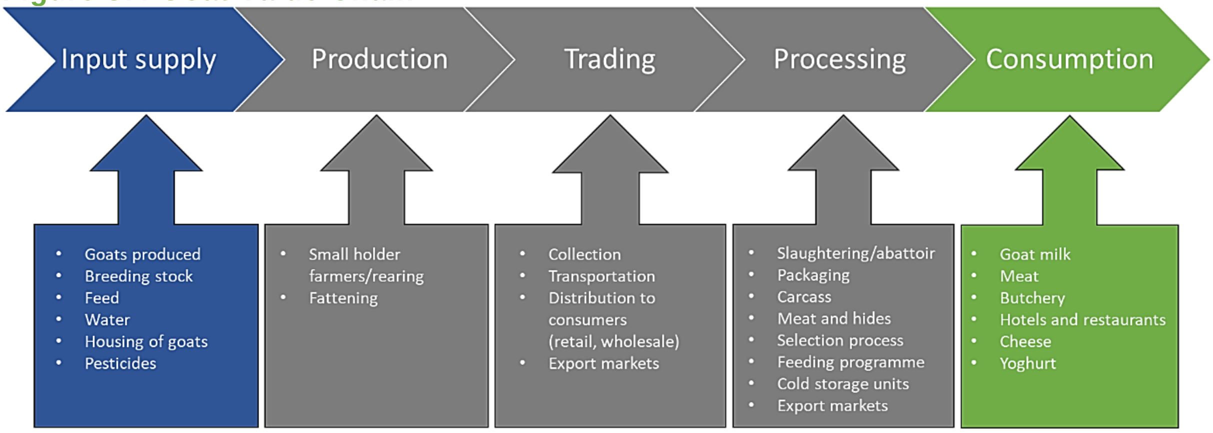
Lepelle Nkumpi Local Municipality is suitable for both small and large stock. Small stock are goats, sheep and pigs, while large stock are beef cattle. Both broilers and layers are produced. Furthermore, beef production has been identified and on the south-west of which the production of meat in Lepelle-Nkumpi involves goats, cattle, sheep and poultry.

The livestock farming programme aims to expand the goat production for exports, optimising slaughtering of goats and meat processing and developing the SMME opportunity in meat and hide processing (butcheries and leather tanneries). In Lepelle-Nkumpi livestock farming of goats constitute most livestock in the area. Goats are scattered all over Lepelle-Nkumpi but are reportedly more abundant in the Ga-Mphahlele, Zebediela and Mafefe areas. It can also be noted that opportunities for developing a goat slaughtering, meat and milk processing, packaging and marketing plant exists in Mphahlele.

Goat products have become popular over the years and is suitable for small-hold farm conditions. Goats currently offer the biggest scope for improvement and development in the animal agriculture industry. This includes the commercialisation of the unimproved indigenous goat resources as well as the development of value-added traits and products.

The diagram below illustrated the value chain in livestock farming which essentially will be focused on goat production

Figure 37: Goat Value Chain



SOURCE: URBAN: ECON

6.3.2.3. Programme 3: Expansion of poultry production

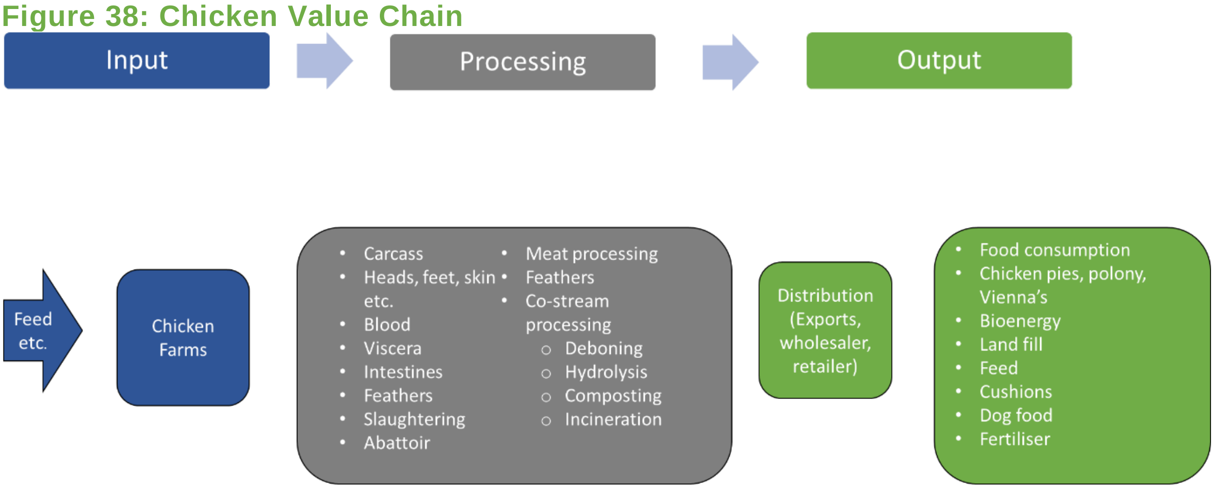
The expansion of poultry programmes seeks to expand existing poultry production, thereby optimising the existing abattoirs in Lepelle-Nkumpi. The programme also aims to provide inputs to animal feed suppliers and the opportunity of meat (butcheries) development in the SMME sector.

White meat production encompasses two main commodities which are pork and poultry production. The poultry industry plays a huge role in income generation and providing food security. In the production of poultry, processing of broilers has the largest profit margins that exist in the poultry industry, thus the need for processing activities to be established and maintained.

The white meat industry uses easier processing technologies as compared to other meats thus productivity is higher than other meats and is a healthier and cheaper alternative to red meat explaining the rapid growth in white meat production over the past years. In Lepelle-Nkumpi, poultry production is mostly in Lebowakgomo, Mphahlele, Mafefe and Khureng.

The diagram below illustrated the value chain which essentially will be focused on chicken production.

Figure 38: Chicken Value Chain



SOURCE: (Adler, 2016)

6.3.2.4. Programme 4: Agro-processing capacity development

The aim of this programme is to capacitate and develop one's own potential to enhance performance. The Agro-processing capacity development programme is key towards sustainable development in agro-processing and improving agriculture production.

The agro-processing capacity development is concerned with developing the conditions, skills and the ability to manage and facilitate productive change. This programme will make use of the existing infrastructure of the Lebowakgomo Industrial Park as well as any other infrastructure available in and around Lebowakgomo, to contribute to the development the agro-processing sector. The revival of the industrial park and the establishment of a research and development centre would be a catalyst for the economy in Lepelle-Nkumpi in terms of economic growth, job creation and improvement in trade.

The projects supporting the achievement the strategic intervention for Agro-processing in Lepelle Nkumpi include:

Table 48: Agro-processing project description

#	Project	Project programme	Project description
1	Grootklip irrigation scheme	Citrus agro-processing (cultivation & production	• This project seeks to maximise opportunities in the along Lepelle River where production of citrus and grapes can take place.
2	Expansion of the Zebediela citrus juice	Citrus agro-processing (cultivation & production	• This project involves the expansion of the Zebediela citrus juice which focuses on the processing of juice.
3	Beverage production (frozen canned juice)	Citrus agro-processing (cultivation & production	• This project will entail the packaging and canning frozen juice.
4	Packaging and distribution of processed oranges	Citrus agro-processing (cultivation & production	• This project will package and distribute processed oranges from the Zebediela estate farm to other areas.
5	Sweet orange oil production	Citrus agro-processing (cultivation & production	• Production of sweet orange oil which can be beneficial for health purposes.
6	Marmalade production	Citrus agro-processing (cultivation & production	• This project will produce marmalade from juice and peels of citrus fruits boiled with sugar and water.
7	Baked products	Citrus agro-processing (cultivation & production	• Production of bakery products from oranges such as (orange cookies, orange liqueur desserts,

#	Project	Project programme	Project description
			chocolate orange fudge etc.).
8	Production of sauces (Spice mixtures)	Citrus agro-processing (cultivation & production	• This project will produce spice mixtures that are used when preparing food.eg orange pure recipe, orange barbeque sauce.
9	Construction of cold storage units	Citrus agro-processing (cultivation & production	• This project will entail storage units that need to be constructed to store orange products.
10	Supplying of pesticides, feedlots & machinery parts	Citrus agro-processing (cultivation & production	• This project entails supplying pesticides, feedlots and machinery parts that are used at the input stage in the production/cultivation of oranges.
11	Integrated goat farming	Livestock farming	• Farming for the purposes of selling living live goat meat or goat products.
12	Processing of dairy milk	Livestock farming	• This project will focus on the processing of milk to produce other products such as (cheese, yoghurt, etc.)
13	Expansion of abattoirs	Livestock farming	• The expansion of more abattoirs as the opportunity of developing a goat slaughtering, meat and milk processing, packaging and marketing plant exists in Mphahlele.
14	Meat processing plants	Livestock farming	• This project looks at the development of a meat processing plant in Mphahlele
15	Housing expansion for goats	Livestock farming	• This project will expand and create more housing for goats.
16	Establishment of collection centres (promotion, skinning and preservation)	Livestock farming	• This project will establish a collection centre that will (preserve, skinning and promotion) of the carcass.
17	SMMEs butcheries	Livestock farming	• This project seeks to establish and support SMMEs butcheries in the area.
18	Expansion and the revitalisation of	Expansion of poultry production	• The expansion and revitalisation of more

#	Project	Project programme	Project description
	the chicken abattoir		abattoirs and the provision of the necessary equipment needed to slaughter chicken.
19	Broiler chicken farming & processing	Expansion of poultry production	• This project will supply local demand and extend value chain (e.g. feeds, hatcheries, etc).
20	Chicken pies, burgers, polony and Vienna's	Expansion of poultry production	• This project will investigate the production of products for consumption which include (chicken pies, burgers, polony and Vienna's).
21	Production of cushions	Expansion of poultry production	• This product will produce cushions from chicken feathers.
22	Deboning of chicken	Expansion of poultry production	• An establishment of a centre that focuses on deboning chickens.
23	Production of bio-diesel	Expansion of poultry production	• This project focus on the production of biodiesel from orange oils.
24	Supply of fertiliser/manure	Expansion of poultry production	• This project will produce fertiliser/ manure from livestock farming.
25	Housing of chickens	Expansion of poultry production	• This project will construction housing needed for chicken.
26	Revitalisation of the industrial area in Lebowakgomo	Agro-processing capacity development	• This project will revitalise the industrial park in Lebowakgomo and can a place for agro-processing can take place.
27	Establishment of a research and development centre	Agro-processing capacity development	• A centre that will focus on research and development for agro processing and development.

SOURCE: URBAN-ECON

6.3.3. Strategic Intervention 3: Tourism development

Tourism development is one of the key enablers for local economic development for Lepelle-Nkumpi. According to the National Department of Tourism's 2015/16 – 2019/20 Strategic Plan, the South African national tourism's overall strategy has three pillars, namely:

- On the supply side, the Department of Tourism is enhancing the South African tourism destination by improving infrastructure at tourism magnets, developing skills, instilling a culture of service excellence and ensuring quality of offerings. These are all factors that contribute to the enhancement of tourists' experience.
- On the demand side, though SA Tourism, the Department of Tourism has implemented a marketing strategy to promote tourism in South Africa.
- Through inter-governmental coordination and collaboration, the Department of Tourism is addressing barriers to seamless travel and connectivity to develop South Africa's tourism asset base.

The municipality area has vast amount of natural resources that can scale up the tourism sector if used efficiently. Opportunities for development in the tourism sector include agritourism (thus agri tour base), recreational activities, adventure, ecotourism, and the promotion of arts, culture and heritage activities.

Lepelle-Nkumpi has a suitable climate to make the region a pleasant all-year round holiday destination. Natural and cultural resources could be transformed or developed into tourism attractions that create jobs and generate income for the community of Lepelle-Nkumpi. Furthermore, natural features of the area such as parks and reserves, waterfalls, and other water catchment areas, caves, rock formations and the general unhampered beauty of the region provides infinite potential activities.

Lepelle-Nkumpi also boasts because of the Olifants and Nkumpi rivers which forms the southern boundary of Lepelle-Nkumpi including the Nkumpi River, Hlakaro River and the Mohlapitse River. In addition, the wetlands in the area provides the scenic beauty which can be a catalyst towards drawing tourist to Lepelle-Nkumpi.

The municipality area is mountainous towards the north-eastern side where the Wolkberg Wilderness Area, Lekgalameetse Nature Reserve, and Bewaarskloof Nature Reserve in the Northern Drakensberg mountain range can be found. These areas can be commercialised into a main tourism attraction of Lepelle-Nkumpi and Capricorn District as a whole. Furthermore, the Kruger to Canyons Biosphere that is located on the western side encompasses the Kruger National Park along with other reserves such as the Blyde River Canyon Nature Reserve. This biosphere consists of three biomes, namely grasslands, Afromontane forests and savanna and can be a useful took towards tourism growth and development. It can also be considered that the location of the Kruger to Canyons Biosphere in LNLM creates an ideal opportunity to position the municipality as the gateway to the Kruger to Canyons Biosphere reserve. The municipality many has natural resources that can result in a flourishing tourism sector if used sustainably and responsibly. The following programme under Tourism development identified is explained below:

6.3.3.1. Programme 1: Promotion of arts, crafts and heritage festivals

The main objective of this programme is to promote, foster and develop tourism in Lepelle-Nkumpi as a resort tourist pleasant destination, considering that Lepelle-Nkumpi is the gateway to the Kruger to Canyons Biosphere. Tourism is prominent in the local municipalities within Capricorn and its strategic location off the national and provincial movement corridors is of prime advantage.

Literature suggest that the promotion of arts, crafts and heritage festivals has been viewed to have a key role towards marketing and developing a corporate brand for a city (Karabağ, Yavuz, & Berggren, 2011). Furthermore, promotion of arts, crafts and heritage festivals is also seen as a key substitute to compensate for the seasonality of ordinary tourism. According to Seisdedos (2006), face-to-face promotional activities such as trade fairs, business seminars, cultural and sporting events sponsorship, road shows, and study tours tend to have a greater impact on tourism development within an area.

Lepelle-Nkumpi has potential to develop the tourism segment provided the promotional and heritage activities are put in place. The programme for promotion of arts, crafts and heritage festival would, create an interactive, relational, and experience-based atmosphere that attract people from all walks of life.

The municipality area has a strong rich history which elaborates how Lepelle-Nkumpi has evolved over time. The cultural aspect of the programme that could be a key enabler towards the tourism enhancement. The programme will take advantage of religion as one of the drivers towards promoting arts, crafts and heritage festivals, considering that the municipal area received a high number of tourists for religious purposes due to the Moria Pilgrimage and the ZCC religious events and ceremonies.

Lepelle-Nkumpi could attract this whole market by hosting regular events at the ZCC regional offices found in the municipality. In addition, Lepelle-Nkumpi' s ideal natural mountain settings it would be ideal for these kinds of events and celebrations. Development opportunities include, sorghum beer brewing, sewing of traditional clothing, arts and crafts manufacturing (wooden crafts, beadwork, jewellery). The figure below illustrates the locations of tourism sites in Lepelle-Nkumpi that are low hanging fruits for potential development.

6.3.3.2. Programme 2: Development of conservation areas

Conservation areas seek protect a variety of ecological resources and services such as biodiversity, productive farmland. The development of conservation areas can be a useful programme towards developing tourism potential. The province is very rich in wildlife, spectacular scenery and a wealth of historical and cultural treasures.

Lepelle-Nkumpi is very mountainous especially on the north-eastern side where the Wolkberg Wilderness Area, Lekgalameetse Nature Reserve, and Bewaarkloof Nature Reserve in the Northern Drakensberg mountain range can be found. These areas have a challenge in term of accessibility, as the road conditions tend to be not favourable and require a tourist to have a 4X4 vehicle. These areas are suitable for hiking, rock climbing, quad biking and river rafting. The development of these areas such as developing hiking trails and offering support amenities for development could attract more tourist in the area.

The Iron Crown in the Wolkberg wilderness area presents an opportunity for the more adventurous type of hikers and rock climbers. By putting a big frame like the big yellow frames in Cape Town at the Iron Crown could further inspire tourists to get to the highest point in Limpopo. Development of such route(s) along with eco-adventure companies would challenge tourists to reach this point of the Wolkberg.

Lepelle-Nkumpi should develop conservation areas as this will increase marketing efforts for the unique attractions and activities such as the Cable way, Miraculous tree, African Ivory Route Camp, Iron Crown and the three nature reserves. The municipality should upgrade from grave to tar roads which will be a key enabler towards increasing the number of tourist visits into the area. Furthermore, extending this road towards the eastern side of the mountains towards the towns in the Greater Tzaneen and Maruleng municipalities, and the Kruger National Park, will increase the flow of travellers as it becomes more convenient.

6.3.3.3. Programme 3: Tourism product development

Tourism product development is the result of collaborative efforts of various stakeholders. It involves identifying all the stakeholders in private and public sectors, DMOs, Tourism and allied businesses, and their respective roles in creating or developing a part of a tourism product. Tourism product includes natural or man-made attractions, hotels, resorts, restaurants, theatres, activities, festivals and events[3].

This programme aims to develop the tourism product for Lepelle-Nkumpi which includes the revitalisation of the tourism centre in Mafefe, the provision of a 4x4 tour guide vehicle for the Mafefe camp, revitalisation of the Limpopo entertainment centre and provision of picnic sites.

The programme will also create a tourism village, thus bringing people together from different regions due to the various product offerings. Product development in the tourism sector is identified as a catalytic element for future growth in the whole of the Limpopo province. In addition, a sense of identity in the different market levels such as in the local, national and international market can also be attained.

The development of the tourism product will help the municipality to achieve its vision in tourism which seeks to position *“Lepelle-Nkumpi as a gateway to the Kruger to Canyons Biosphere Reserve and to develop tourism as a sustainable competitive economic sector, thereby improving the quality of life for the residents by means of creating employment through a financially viable municipality.”* It is of importance that the quality of tourism establishments in Lepelle-Nkumpi benchmarks with its competitors to attract more tourists and further develop the tourism sector of the LNLM.

The strategic directions that will develop the tourism product for LNLM entail

- The improvement in connectivity in terms of access to strategic areas in the municipality
- The enhancement and the development of conservation areas, thereby making the areas the main tourist attractions

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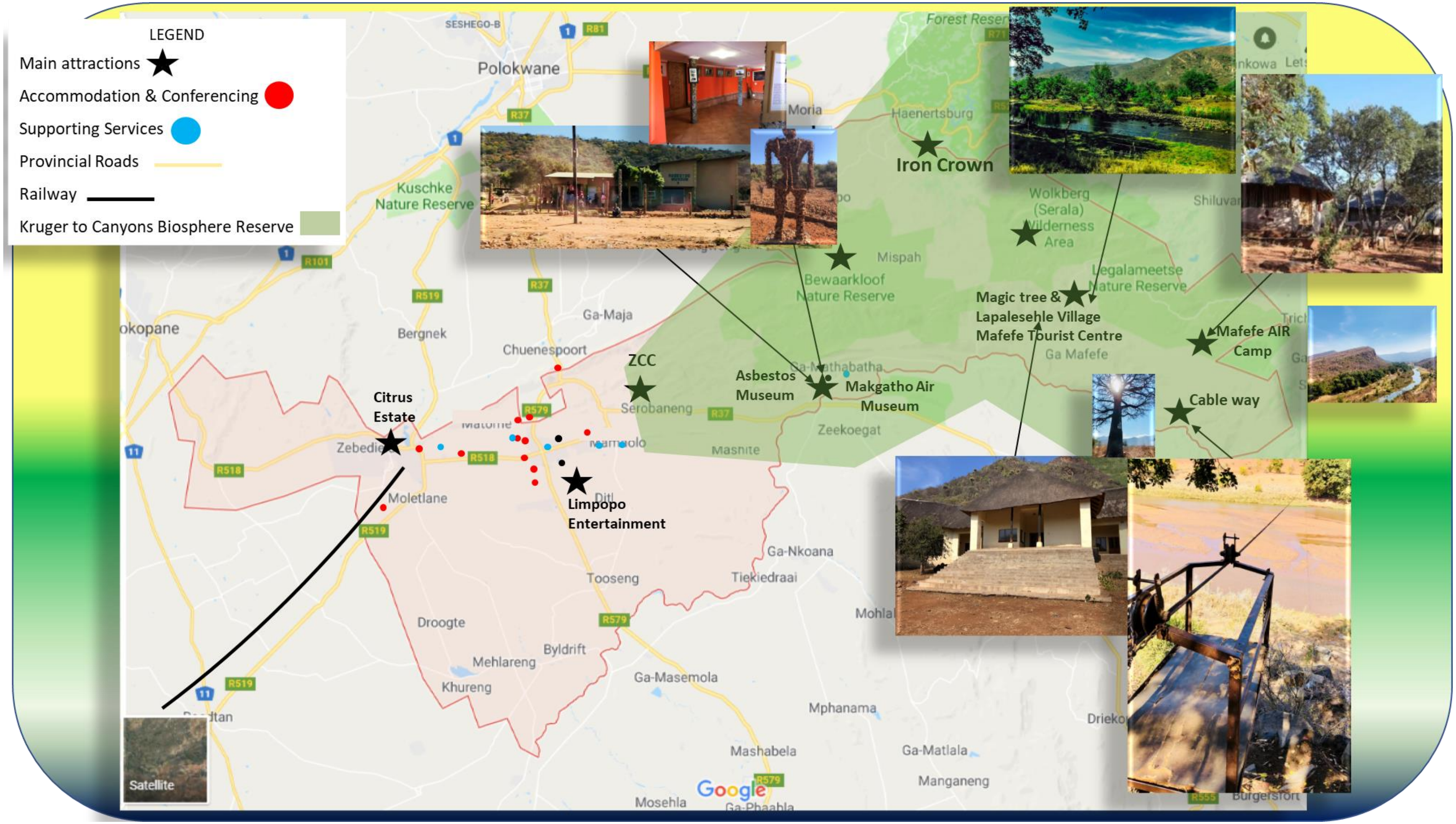
[3] www.esade.edu/.../tourism_product_development_dds__esade_3r_may_2006.pdf

- The enhancement of institutional structures and the quality of skilled manpower
- To increase the investment in product development and marketing
- To benchmark with competitors to have a comparative advantage
- To enhance security and safety measures for tourism as poor safety and security measures result in negative perception of the area

Product development for tourism is a vital component which also provides a platform for quality management. It is essential for the quality of tourism establishment in Lepelle-Nkumpi to be upgraded to meet the standards of their competitors. Figure 29 below illustrates the tourism destination and activities for Lepelle-Nkumpi

Map 26: Lepelle-Nkumpi Tourism Destinations



Source: URBAN: ECON

The potential projects supporting the achievement the strategic intervention for Tourism development in Lepelle Nkumpi include:

Table 49: Tourism project descriptions

#	Project	Project programme	Project description
1	Protection and promotion of heritage sites	Promotion of arts, crafts and heritage festivals	• This project seeks to market Lepelle-Nkumpi as a tourism resort area with vast of activities to engage in the area.
2	Sorghum beer brewing	Promotion of arts, crafts and heritage festivals	• Locals can produce sorghum beer which could be sold during festivals that take place in Lepelle-Nkumpi.
3	Mafefe Camp – African Ivory Route (4X4 tour guide)	Promotion of arts, crafts and heritage festivals	• Mafefe Camp would benefit by having a 4x4 vehicle/tour guide which could ferry people to the camp, considering that the road conditions require a 4x4. • Furthermore, this creates employment for the driver who will also be the tour guide.
4	Conservation areas (Bewaarskloof Conservancy, Wolkberg wilderness area & Lekgalameetse reserve)	Development of conservation areas	• Conservation areas need to be developed and be easily accessible for tourist. This entails; developing hiking trails, rock climbing, river rafting and quad biking.
5	Revitalisation of the tourism centre	Tourism product development	• The centre needs to be revitalised which can then function as a launch pad for tourism activities in the area.
6	Limpopo entertainment centre expansion	Tourism product development	• The entertainment centre needs to be revamped in terms of road expansion, having accommodation and conference facilities.
7	Picnic sites	Tourism product development	• Picnic sites needs to be developed in areas such as Zebediela Citrus farm, Mafefe with facilities to support the sites that are well maintained.

#	Project	Project programme	Project description
8	Zebediela Farm Stay Caravan Park	Agritourism	• The Zebediela farm stay Caravan park will be a tourist destination area with a vast amount of activities to partake in and establish restaurants.
	• Citrus trail walks	Agritourism	• Citrus trail walks need to be developed were tourist can tour the citrus estate at a fee.
	• Development of a play park	Agritourism	• A play park needs to be developed to cater for children activities with recreational equipment such as (seesaw, merry-go-round, swingset, slide, jungle gym, chin-up bars, sandbox, spring rider, trapeze rings, playhouses, and mazes)
	• Train drives in the farm	Agritourism	• Train drives in the farm should be developed to move children around the estate at a fee, as train drives are a highlight event for children
	• Treasure hunt activities	Agritourism	• Treasure hunt activities should be established at the Zebediela Stay Caravan which provides children with activities to do at the park.
	• Cultural route (awareness of heritage)	Agritourism	• A cultural route with historical exhibitions can be hosted by the Zebediela Caravan park during festivals or historical events which informs the tourist on the activities taking place.
	• Orange picking season	Agritourism	• An orange picking season can take places during summer were people pay a certain fee to enter the estate to pick up fresh oranges.

#	Project	Project programme	Project description
	• Kiddies birthday party	Agritourism	• Kiddies birthday parties can be hosted at the park. This will require the necessary facilities to support this development
	• Summer orange festivals	Agritourism	• Festivals can be hosted during the year at the park which will host a variety of different cultures from diverse areas.

SOURCE: URBAN-ECON

6.3.1. Strategic Intervention 4: Mining & mineral beneficiation

Mining and beneficiation are one of the strategic importance to the economic development of the municipality. The Platinum mining cluster on the Dilokong Corridor that extends through the municipal area is a development priority for provincial government and creates a range of opportunities. This strategic intervention offers key essential elements for mining and beneficiation which include economic linkages (backward linkages and forward linkages). These economic linkages have potential to develop the mining sector by expanding on the supply and value chains during various stages of production.

Strengthening and developing economic linkages has the potential impact to prevent any further leakages from occurring within the municipality. The following programmes support the strategic intervention for mining.

6.3.1.1. Programme 1: Development of mining zones and environmental protected areas

Mining remains an important part for local economics in the foreseeable future. The essence of this programme is to develop zones that are precisely suitable for mining. The development of areas that are specifically zoned for mining results in untapped minerals being discovered, which could potential improve the growth of the economy and provides job opportunities for the locals. The municipality need to establish a database of available land in the municipality for mining development which would ease the identification of mineral rights ownership towards mining development. It is also of importance for mineral zones areas to be identified and made known to prospectors and/or investors.

In addition, zoning also develops a sustainable mining sector. Environmental protected areas also have a long history and are a feature of cultures around the area. Environmentally protected areas essentially provide for biodiversity conservation. Programmes that support the strategic intervention for mining and beneficiation include the following as shown below:

6.3.1.2. Programme 2: Mining, beneficiation and processing

Mining, beneficiation and processing programme is essential towards providing economic linkages which potentially could create more jobs for the municipality area. Beneficiation is key in mining as this entails the transformation of a mineral (or a combination of minerals) to a higher value product which can either be consumed locally or exported.

The mining, beneficiation and processing programme has the potential to develop economic linkages i.e. (both backwards and forwards linkages). This programme consists of the expansion of the brick making in Zebediela due to the demand in bricks and construction material, gravel and stone crushes, slate and scale manufacturing in Mafefe.

The programme also ensures improvements in the value chain process which can create jobs and generate income for the municipality.

6.3.1.3. Programme 3: Recycling

Globally, the mining industry plays a leading role in waste management and is one of the few industries that recycles most of its own waste[4]. Lepelle-Nkumpi is rich area is rich in manganese, platinum, silicon and granite (EMNP, 2010). Mining waste comes in many forms and varies from harmless to highly hazardous, of which much of it has little or no economic value but the mining industry is trying to find new alternative uses for waste to reduce environmental impacts considering the prices of commodities moving up and down by large amounts. Products that can recycle in mining are paper and cardboard, plastic bottles, batteries and other e-waste, and steel and aluminium cans.

This programme entails the development and recycling of waste products from mining. The mining sector also produces a lot of wastes such as tyres, timber beams, etc. Furthermore, the sector also produces a lot of wastes such as tyres, timber beams, of which such wastes such products can be ideal opportunities for local community owned entities such as furniture manufacturers.

Recycled is not only more sustainable, but it is also fundamentally cheaper and is good for the environment and it can beneficial for local economic development in Lepelle-Nkumpi. Recycling has resulted to the belief that what may be waste today can suddenly become a valuable resource tomorrow. The table below shows the mining and mineral project descriptions:

[4] http://www.enviroserv.co.za/industries/mining

Table 50: Mining and Mineral beneficiation project description

#	Project	Project programme	Project description
1	Development of the Dilokong Platinum Corridor (Town planning)	Development of mining zones and environmental protected areas	• The development of the Dilokong platinum corridor should be a zone for platinum mining which has the potential to create jobs.
2	Environmental protection of non-mining zones	Development of mining zones and environmental protected areas	• Project seeks to develop the environmental protected areas and ensure that the beauty of the natural environment is not harmed.
3	Expansion of brick making in Zebediela	Mining, beneficiation and processing	• This project seeks to expand brick making in Lebowakgomo considering the demand in the bricks and construction materials.
4	Gravel and stone crushes	Mining, beneficiation and processing	• This project entails gravel and stone crashes for civil, roads and buildings for the municipality.
5	Polishing of stones	Mining, beneficiation and processing	• This project entails extraction and polishing of pebbles for landscaping purposes.
6	Slate excavation & Tile manufacturing	Mining, beneficiation and processing	• Zoning of areas should be done to ensure that slate exaction & tile manufacturing does not affect tourism.
7	Produce products form waste car and trucks	Recycling	• This project seeks to produce products from waste truck tyres.
8	Plastics, paper	Recycling	• This project seeks to recycle plastic and paper.

Source: Urban-Econ

6.3.2. Strategic Intervention 5: Retail & business environment enablement

Retail & business environment enablement is amongst one of the key drivers towards local economic development in an area. Trade is defined as a "commercial transaction involving the sale and purchase of a good, service, or information."[5] According to a municipal perspective, trade can either be formally developed through town planning and other activities or left to grow organically, mostly within informal trade structures.

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[5] http://www.businessdictionary.com/definition/trade.html

Retail & business enablement pillar seeks to expand and diversify trade in Lepelle-Nkumpi, thereby enabling a favourable ease of doing business. This can be achieved if business support structures are developed to stimulate business development in Lepelle-Nkumpi.

Currently, the business environment and structure in Lepelle-Nkumpi needs entrepreneurship support through developing the SMMEs sector which is predominate in the area. This will have a spin off effect towards business growth and the creation of further job opportunities in the area. Lepelle-Nkumpi also needs to market itself to attract investment in the municipality area through creating an enabling environment which enables the ease of doing business. To mention a few these, include a business information centre, provision of basic amenities near the mall, infrastructure and facilities to support the development of the informal sector trade.

The following programmes under the Retail & business enablement have been identified which include:

6.3.2.1. Programme 1: Revitalisation of the informal sector

The revitalisation of the informal sector programme is geared towards the development of skills, enhancing the employability and opportunities of its population within the municipality. The programme envisions the SMMEs sector having a distinct and vital role to play in Lepelle Nkumpi in terms of creating a vibrant socially inclusive, labour-absorbing and growing economy.

This programme will also guide the municipality in towards ensuring that hawkers have the necessary facilities such as upgrading of the hawker's stalls and the provision of storage facilities for the smooth operational of business activities. For the revitalisation of the informal sector programme to be successful the municipality also needs to provide zoning of land for hawkers which will also enable the ease of doing business.

Furthermore, there is also a need for a business information centre to be established as this will assisting with the registration of businesses and the approval of business licences and permits for operation.

6.3.2.2. Programme 2: SMME development

The SMME development programme is designed to assist existing businesses to grow and diversify their trade offering to Lepelle-Nkumpi. The establishment of small business support structures is key towards the local economic development for Lepelle-Nkumpi as this will be catalyst towards development for the municipality.

Existing business in Lepelle-Nkumpi face various challenges which restricts them in terms of growth and development. Business in the municipality need of support in the provision of skills training related to all the sectors in the economy. This has a key aspect in terms of improving business and financial management skills which is essential towards SMMEs. Furthermore, having an information centre could be a very useful resource to the business community. An information centre will be the voice of business which will provide the capacity to enable the growth of the SMME sector. Businesses Lepelle-Nkumpi have raised several issues pertaining to the littering which has a detrimental effect when it comes to investment attraction. It is key for the municipality to support the business environment through having clean-up crew camp to ensure that the business vicinity is always appealing to an investors eye.

Table 51: Retail & business enablement project description

#	Project	Project programme	Project description
1	Land rezoning for informal sector development (Town planning)	Revitalisation of the informal sector	• Land needs to be zoned for hawkers so that informal sector development takes place.
2	Upgrading of hawker's stalls	Revitalisation of the informal sector	• Hawkers stalls need to be renovated and the necessary amenities need to be provided to support the development.
3	Construction of storage units (hawkers)	Revitalisation of the informal sector	• Storage facilities need to be established for hawkers to store their products. This enables the ease of doing business for hawkers.
4	Hawkers information centre (registration and licencing)	Revitalisation of the informal sector	• An information centre for hawkers needs to be established which will assist hawkers with registration and licencing for operational purposes
5	Amenities at the hawker's stalls	Revitalisation of the informal sector	• Amenities such as (toilets, stalls, safety features, seating capacity at the refreshment centres improved ventilation etc.).
6	Business precinct development	SMME development	• Zoning of areas to be developed for business activities to take place.
7	Business incubators for SMMEs	SMME development	• Establishment of organisations geared towards speeding up growth, start up and early stage companies (domestic/local companies).
8	Street facing shops space	SMME development	• Development of under-serviced areas and transforming them to street shopping space.
9	Transport node development next to business precinct	SMME development	• Development of a taxi rank close to the business precinct to support the growth of the local SMME in the area.

SOURCE: URBAN-ECON

6.3.3. Strategic Intervention 6: Marketing

The marketing strategic intervention for Lepelle-Nkumpi will play a critical role towards strategically positioning and marketing the municipality for investment purposes. [6]Marketing is about determining the value of your product or service and communicating that information to customers. A gap exists in Lepelle-Nkumpi when it comes to the marketing of local products and SMMEs that are still at a developmental stage. It is of importance that marketing is considered a pillar as this will position Lepelle-Nkumpi towards attracting investment in the area.

Lepelle-Nkumpi is as an attractive investment location for larger enterprises to establish offices or industries, which in turn creates further job opportunities and spin-offs for local people and increase investment and economic growth for the municipality.

Lepelle-Nkumpi has many buying leakages as many of its citizen’s venture outside the municipality to do most of their shopping. It is of importance that local producers are developed so as keep more business within the municipality. Strengthening local businesses will lead to a constant growth of SMMEs, which will also bring in job opportunities and reduce buying leakages out of the municipality. This strategic intervention is supported by the following programme below;

6.3.3.1. Programme 1: Develop local marketing and promotion of investment opportunities

Developing the local market and promoting investment opportunities for Lepelle-Nkumpi is an essential catalytic programme that yield towards investment growth in the area. The objective of this programme is to develop the SMMEs sector in Lepelle-Nkumpi and promote the municipality as a suitable investment destination. Development of the SMMEs has the potential to create job opportunities for the local market. The end of this programme is to have “Buy Lepelle-Nkumpi” initiative concept were local consumers buy products from the local economy.

This programme will create incentives that were local consumers obtain a membership card that enables them to get discounts for certain products purchased. Most of the locals in the municipality predominantly do their shopping in Polokwane. This results in a large some of leakages in the economy which potentially does not lead towards the development of the municipality. The table below shows the project descriptions for the strategic intervention for marketing.

[6] https://canadabusiness.ca/managing-your-business/marketing-and-sales/marketing-basics/what-is-marketing/

Table 52: Marketing project description

#	Project	Project programme	Project description
1	"Buy Lepelle Nkumpi" local coupon incentives	Develop local marketing and promotion of investment opportunities	• This project seeks to provide small percentage-based discounts towards the purchase of certain key local products for Lepelle-Nkumpi. To obtain this consumer should have a membership card that will offer them discounts.
2	"Buy Lepelle Nkumpi" develop an advertising campaign for local products	Develop local marketing and promotion of investment opportunities	• This project initiative is geared towards promoting local products, identifying potential linkages and market access that leads towards the promotion of Lepelle-Nkumpi products.
3	Lepelle-Nkumpi agriculture marketing	Develop local marketing and promotion of investment opportunities	• This project seeks to create a brand for agriculture products for Lepelle-Nkumpi.

SOURCE: URBAN-ECON

6.4. Conclusion

The LED framework for Lepelle-Nkumpi Local Municipality was formulated to guide the local economic development for the municipality. An LED Framework is of importance when it comes to planning and the implementation of the strategic interventions for the economy.

The development of an LED should be an integral approach thus developing a short, medium and long-term range of activities for the Municipality to undertake in supporting their LED Strategy and achieving increased localised employment, investment, and ultimately socio-economic benefit and growth in the local economy. It essential to note that Lepelle-Nkumpi Local Municipality have the capacity to enforce the strategic interventions for the local economy in line with the programmes. Key questions that the municipality needs to consider include:

- Who takes the responsibility for each programme or project?
- What targets are to be taken in terms of outputs, time and funding?
- What steps that need taken to achieve the targets?
- What will be the reporting structures (including stakeholders)?
- What is the performance monitoring and evaluation systems and process?
- What must happen to ensure the monitoring and evaluation processes are in place?
- What budgetary and human resource requirements for the sustained delivery of the project or program?

7. Project prioritisation

The previous section highlighted the LED framework with a comprehensive list of potential projects and programmes that are key towards the development of the local economy for Lepelle-Nkumpi. Furthermore, projects identified need to be prioritised in terms of each project's importance to the municipality.

Projects identified under the LED Strategic Framework are evaluated using a prioritisation model. The prioritisation model was developed specifically for Lepelle-Nkumpi Local Municipality. Therefore, each indicator in the model and its weighted importance reflects the objectives of the strategy and the needs and priorities for the local economy. Annexure A prioritises the programmes/projects identified for Lepelle-Nkumpi Municipality which are

- Strategic Importance
- Feasibility of the project
- Economic impact
- SMME development potential

The model evaluates the projects potential according to the following indicators which is shown on the table below.

Table 53: Evaluation Criteria

Criteria	Description
Strategic Importance	• Strategic importance is based on the potential impact the project will have in the local economy. This evaluation criteria considers elements such as the project scale, the impact the project will have on the economy, and the comparative advantage the project has on the local economy.
Feasibility of the Project	• This evaluation criteria evaluates the financial feasibility of the project and it is essential to these indicators in the assessment of the project. Aspects to be considering entail: ○ Existing research on the project topic ○ Availability of resources, skills and technology
Economic Impact	• Economic impact criterion is used to assess the project in terms of socio-economic aspects. Economic impact refers to the sum of projects' influences on the local economy and includes the following aspects ○ Increased income ○ Growth in businesses and sales ○ Creation of jobs ○ Potential agglomeration effects and advantages ○ Foreign direct investment in the economy
SMME Development Support	• The criteria are based on aspects such as providing support and training to small, medium and micro enterprises and supporting companies that actively promote development and skills transfer to its employees.

Source: Urban-Econ

From the prioritisation model (Annexure A) the following main Anchor Projects have been identified which are shown below

Table 54: Anchor projects identitfied for Lepelle-Nkumpi

Strategic Intervention	Projects
Create an enabling environment	• Tarring of internal roads and upgrading gravel to surfaced • Small business skills incubators • Entrepreneurship incubators • Lepelle-Nkumpi Technical skills Academy • Youth in Agriculture
Agro-processing	• Revitalization of the industrial park area in Lebowakgomo • Expansion of the Zebediela citrus juice (orange) and packaging plant • Integrated goat farming • Expansion of abattoirs (chicken & goat) • Establishment of collection centres
Tourism development	• Protection and promotion of heritage sites • Mafefe Camp - African Ivory Route • Mafefe 4X4 Tour guide • Zebediela Farm Stay and Caravan Park (Agri tourism) • Revitalisation of the Mafefe Tourism centre
Mining & mineral beneficiation	• Development of the Dilokong Platinum Corridor (Town planning) • Environmental protection of non-mining zones • Gravel and stone crushes at Matabata, Molapo, Matebele, Rietvlei, Staanplaas for civil, roads and buildings • Plastics, Paper recycling • Produce products from waste car and truck tyres
Retail & business environment enablement	• Upgrading of hawker's stalls • Construction of storage units (hawkers) • Hawkers information centre (registration and licencing) • Business precinct development (Town planning) • Street facing shops space
Marketing	• "Buy Lepelle Nkumpi" local coupon incentives • "Buy Lepelle Nkumpi" develop an advertising campaign for local products • Lepelle-Nkumpi agriculture marketing

SOURCE: URBAN-ECON

These projects have received the highest rating in the project prioritisation model due to their strategic importance to the Lepelle-Nkumpi local economy, their potential to support entrepreneurs and small businesses as well as the potential impact they are anticipated to have on employment creation. The table below further provides project cost estimates for the projects identifieid. Please note the budget provided is an estimate and may vary according to economic conditions, extra requirements and unforeseen circumstances.

Table 55: Example Project Cost Estimates

Project	Timeframe	Key role players	Estimate budget (R)	Actions
Strategic Intervention 1: Creating an enabling environment				
Tarring of internal roads & upgrading gravel to surfaced	Ongoing	DPW, LEDA, LNLM	5 400 000	• Expand road network connectivity
Small business skills incubator	Ongoing	SEDA, DTI, LNLM,	400 000	• Partnering with institutions such as SETA, SEDA etc.
Entrepreneurship incubators	Ongoing	SEDA, DTI, LNLM,	300 000	• Partnering with institutions such as SETA, SEDA etc.
Establish Lepelle-Nkumpi Technical Skills academy	Ongoing	SEDA, DTI, LNLM, DST	1 300 000	• Improve ICT services and offerings • Develop technical skills
Youth in Agriculture	3 years	DPA, LNLM	500 000	• Develop Agriculture hands on skills • Develop a mentorship programme
Strategic Intervention 2: Agro-processing				
Revitalization of the industrial park area in Lebowakgomo	3 years	DPA, LNLM	1 200 000	• Acquire the required machinery for agro-processing • Skills development and training

Project	Timeframe	Key role players	Estimate budget (R)	Actions
Expansion of the Zebediela citrus juice (orange) and packaging plant	Ongoing	DPA, LNLM	1 320 000	• Attain funding and seek potential investors
Establishment of collection centres	Ongoing	DPA, LNLM	300 000	• Establish a collection centre for animal skin etc.
Strategic Intervention 3: Tourism development				
Protection and promotion of heritage sites	Ongoing	LTA, LNLM, LEDET,	300 000	• Host an annual festival/event • Develop heritage offerings
Mafefe Camp - African Ivory Route (upgrading of the gravel road) & 4X4 Tour guide	3 years	LTA, LNLM, LEDET,	5 000 000	• Create and improve tourist attractions • Road upgrade and signages • 4X4 mobile tour guide vehicle
Iron Crown Hiking Adventures	Ongoing	LTA, LNLM, LEDET,	600 000	• Develop hiking trails and routes • To conduct a feasibility study to determine different routes
Zebediela Farm Stay and Caravan Park (Agri tourism)	Ongoing	LTA, LNLM, LEDET,	1 100 000	• Devise tourism activities • Refine and improve tourism offerings
Revitalisation of the Mafefe Tourism centre	Ongoing	LEDET, LED Forum,	1 200 000	• Upgrading and revitalisation of the centre

Project	Timeframe	Key role players	Estimate budget (R)	Actions
				• Refine and improve tourism offerings
Strategic Intervention 4: Mining & mineral beneficiation				
Development of the Dilokong Platinum Corridor (Town planning)	3 years	DME, LPLM, LN	350 000	• Develop a database of available land for mining development and ownership of mineral rights land
Environmental protection of non-mining zones	Ongoing	DME, LNLM	450 000	• Identification of non-mining zones
Gravel and stone crushes at Matabata, Molapo, Matebele, Rietvlei, Staanplaas for civil, roads and buildings	Ongoing	LNLM, LEDA	850 000	• Technical skills development • Development of ancient rocks (flake granite, ironstone and marble, and other precious stones)
Plastics, Paper recycling	3 years	LNLM, LEDA	350 000	• Conduct feasibility for the recycle of plastic and paper
Produce products from waste car and truck tyres	3 years	LNLM, LEDA	450 000	• Conduct feasibility to produce products from waste car and truck tyres
Strategic Intervention 5: Retail & business enablement				

Project	Timeframe	Key role players	Estimate budget (R)	Actions
Upgrading of hawker's stalls	3 years	LNBF, LNLM	850 000	• Provision of amenities for hawkers
Construction of storage units (hawkers)	3 years	LNBF, LNLM	2 000 000	• Zoning of land for hawkers
Hawkers information centre (registration and licencing)	3 years	LNBF, LNLM	700 000	• Establish an information centre • Develop a mentorship programme
Street facing shops space	3 years	LNBF, LNLM	700 000	• Zone land for hawkers • Develop and establish a Business Precinct
Strategic Intervention 6: Marketing				
"Buy Lepelle Nkumpi" local coupon incentives	3 years	LNLM, CDM, LEDA, LNBF	750 000	• Update and maintain vibrant and user-friendly website
"Buy Lepelle Nkumpi" develop an advertising campaign for local products	3 years	LNLM, CDM, LEDA, LNBF	1 300 000	• Radio announcements, information on municipal website
Lepelle-Nkumpi agriculture marketing	3 years	LNLM, CDM, LEDA, LNBF	750 000	• Advertise on radio and municipal website

SOURCE: URBAN-ECON

7.1. Identification of location

Identification of project location is key towards a potential investor. Once the project to be implemented has been identified, the next step would be to identify where it will be located. Aspects that investors consider when doing a site assessment include:

- Proximity and accessibility to transport routes and/or the target market.
- Proximity to inputs such as raw materials and labour.
- Communities that are forward looking and exhibit a high standard of land management.
- Informed communities who understand the value of the development and have data on their own needs, strengths and weaknesses.
- Proper due diligence of the site has been conducted in terms of any rezoning or Environmental Impact Assessment planning procedures to be followed and the bulk and geotechnical capacity is appropriate for the development.

7.2. Pre-feasibility and detailed feasibility studies

Feasibility studies are conducted to determine the viability of a project/area. In some cases, the project/area may require a pre-feasibility study, which would serve as the pre-cursor for the feasibility study. The pre-feasibility study ensures a solid basis for the feasibility study.

- A pre-feasibility assessment entails the following:
- Location data
- Potential project limitation
- Potential alternatives
- Preliminary estimated cost
- Detailed information required in a feasibility study
- Potential funding sources
- The terms of reference for the feasibility study

Feasibility assessments comprise the following:

- Location analysis
- An initial environmental assessment
- Market research (demand and supply analysis)
- Identification and qualification of income streams and the identification of potential funding sources

The development concept is then refined and concrete concept designing, and planning is done. The feasibility study translates into information for the investor(s) on:

- Demonstrated existence of a market that it is viable for a new entrant to gain enough size of the market share
- Macro-economic environment is sufficiently stable to support and/or grow the current market
- Costs such as start-up capital, labour, supply chain logistics, utilities and taxation are investigated and accurately estimated
- Income streams are accurately calculated based on market research and the income will be enough to cover cost and earn a Return on Investment (RoI)

7.3. Partnership identification & Project match making

The purpose of this step will be to identify stakeholders, potential partners, funders and project leaders. A project leader is needed who will drive and coordinate the process going forward. The person will be responsible for the steps that follow and, as such, should be provided with the necessary information, data and authority to successfully and timeously lead the project from this point to eventually hand it over to the developer/operator. This can be someone from within the LED Unit, the LED Forum or another suitable industry driver.

Stakeholders may range from government departments that are required in the planning process, industry experts or representative bodies, communities/beneficiaries, land owners and so on. At this stage of the project preparation it is necessary to ensure that all parties understand the project. The requirements of stakeholders, if any, are identified. This may include training requirements, for example.

It is also possible at this stage to begin to engage investors and match them with existing or potential projects. Investors will require not only the feasibility studies, but also a comprehensive business plan as described below. Depending on the attractiveness of the opportunity, some potential investors may develop their own business plans, while in other scenarios a business plan will be needed to draw investors to the project.

7.4. Potential Funders and Support Services

This section presents potential funders to facilitate successful implementation, of the projects identified. Local Authorities and Regional Councils are responsible for mobilising as much funding as possible for LED initiatives locally within their respective stakeholder networks. For longer term programmes that require regular funding, local and regional budgets must reflect these priorities and they should be motivated through LED. The funding component includes funding sources for private sector investors and public sectors interventions. These can be explained below which entails

- **Funding sources for private sector investors**: Various incentive schemes and other funding sources exist in the form of subsidies and loans to contribute to the start-up capital requirements of large development projects.
- **Funding sources for public sector interventions**: Various grants and other funding sources exist for municipalities working toward improving their readiness for investment by the private sector

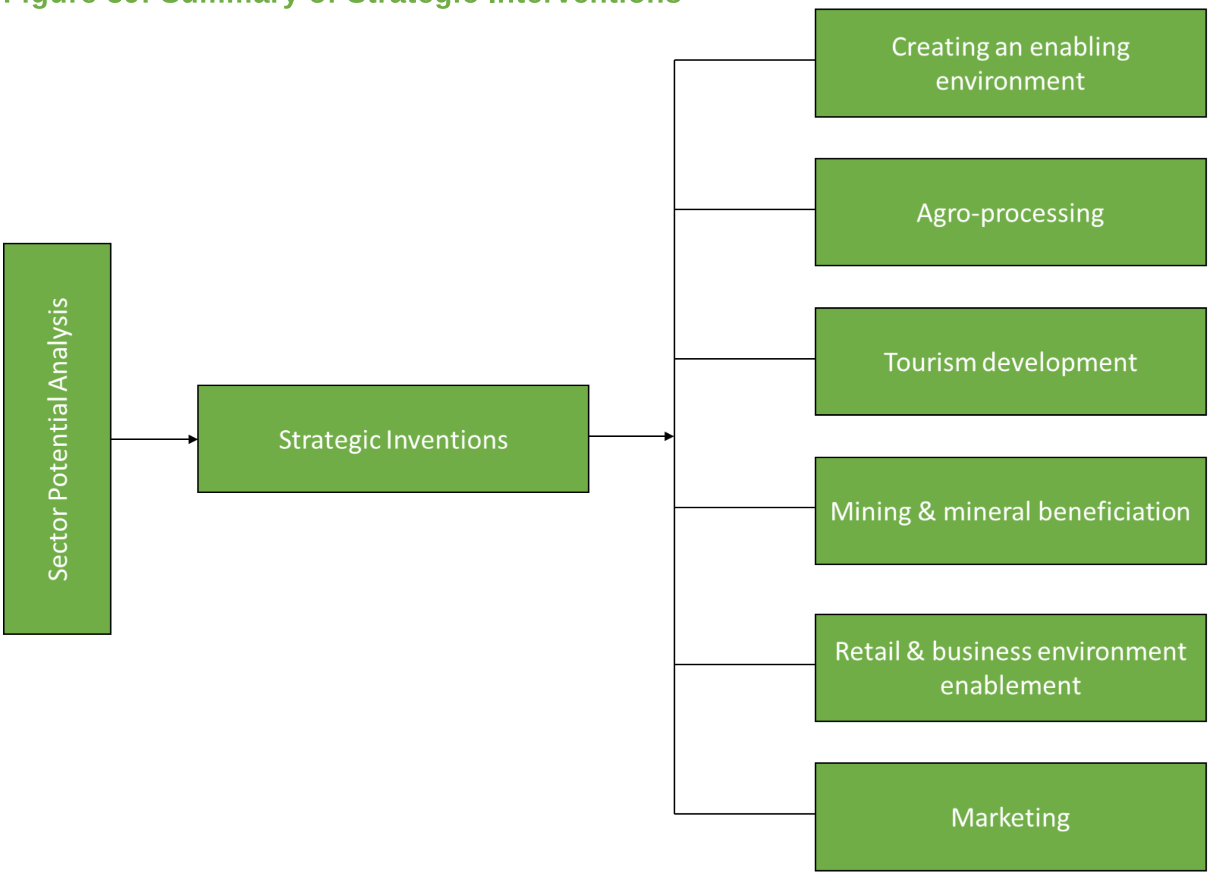
Potential Funders and Support Service agencies have a vital role to play in the development of a sustainable, dynamic, diverse for Lepelle-Nkumpi. Most residents, entrepreneurs, SMMEs and established businesses in the municipality do not have access to the services provided by support services agencies. Other potential funders that could be made use of are:

- The Department of Trade and Industry (dti)
- The Industrial Development Corporation (IDC)
- Trade and Investment South Africa (TISA)
- Small Enterprise Development Agency (SEDA)
- Development Bank of South Africa (DBSA)
- Agriculture Research Council & CSIR

7.5. Conclusion

The LED Strategy framework was formulated to guide local economic development efforts for Lepelle-Nkumpi Municipality. It is essential that the LED framework significant in the planning and implementation of the strategic interventions in alignment with the projects and programmes key towards local economic development for the area. In summary key actions and projects are identified and prioritised as shown on the figure below which shows the summary of the strategic interventions.

Figure 39: Summary of Strategic Interventions



SOURCE: URBAN-ECON

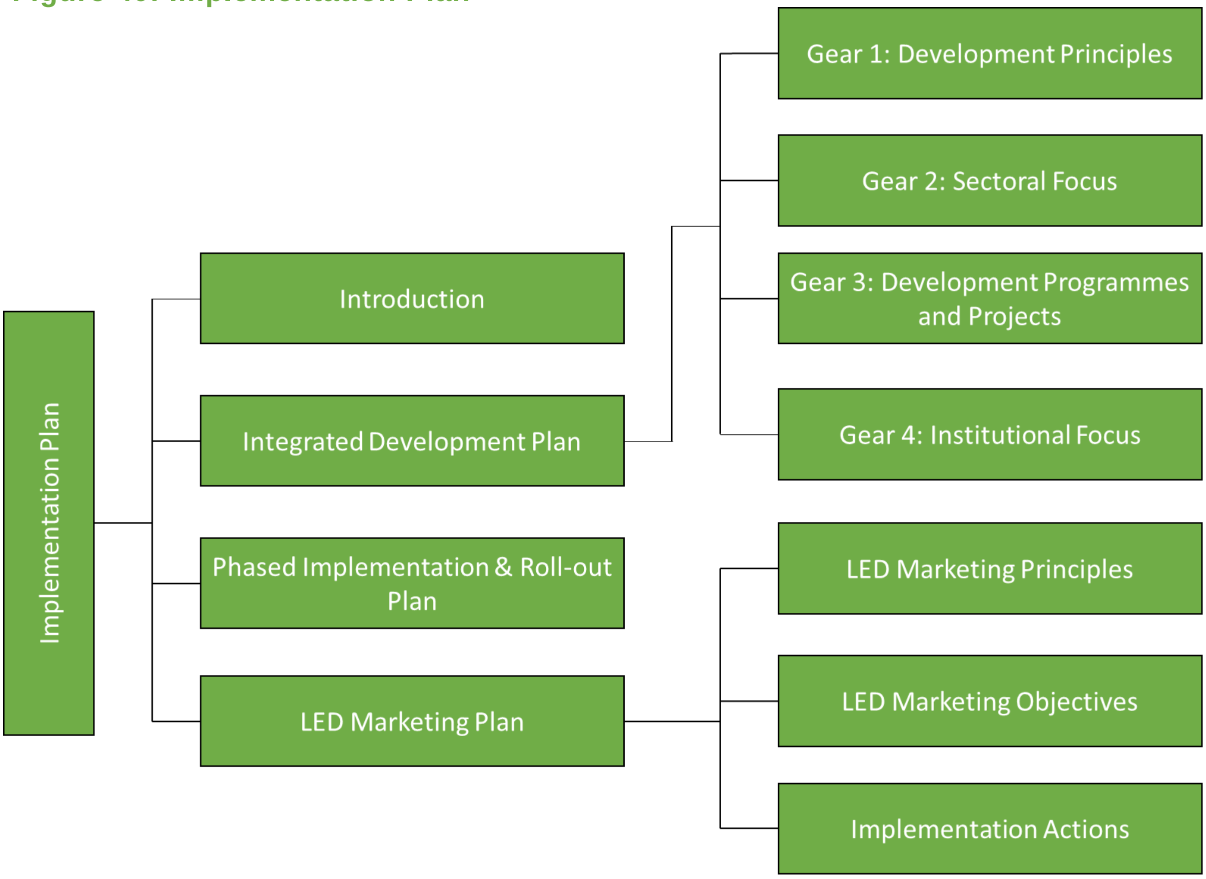
8. Implementation Plan

This section presents the Implementation Plan for the projects identified in the prioritisation mode (previous section). The success of these projects will depend on the role players for Lepelle-Nkumpi Local Municipality to create a conducive environment that will enable local economic development to take place.

8.1. Introduction

The success of the strategic interventions for Lepelle-Nkumpi identified will depend on the role-players if the municipality whose task would be to create an enabling environment that would be key towards local economic development. This requires the implementation of selected turn-key projects, as well as the provision of effective investment brokering activities to attract investment from the private sector. The figure below provides the contents in this section that pertains to the implementation plan.

Figure 40: Implementation Plan



SOURCE: URBAN-ECON

The accomplishment of investment would have a substantial impact on the implementation of other related projects thus spin-off projects which would create economic opportunities in the area. Systematic targeting and negotiations with potential investors are usually left to the last phases of project implementation – resulting in less time spent on this exercise. The Limpopo Development Agency is the ideal vehicle to serve as the basis for such a framework.

The Implementation Plan is a key component of any development strategy. It ensures that the programmes, projects and recommendations made in the strategy are effectively planned and implemented according to defined budgets and timeframes while maximising the strategies socio-economic impact.

8.2. Integrated Implementation Plan

An Integrated Implementation Plan enables the facilitation, streamlining and fastpacking of the delivery of the various stages of the LED Development Plans and the respective programmes for development. The Lepelle-Nkumpi implementation plan is sub-divided into four gears which entail:

- Development Principles
- Development Programs
- Sectoral Focus
- Institutional Focus

The gears listed above will be discussed in the section to follow in a practical, action-oriented, context within the overall integrated implementation plan. It is essential to consider the integrated nature of these gears to ensure the alignment and coordinated approach to the development. Each gear will be clearly explained on the table below:

8.2.1. Gear 1: Development Principles

Development principles for Lepelle-Nkumpi are shown on the table below. They must be followed throughout the entire implementation process as they are vitally important considering overall community development and empowerment consideration.

Table 56: Development Principles

Principles	Description
Sustainability	• Sustainability essential on terms of economic, social as well as environmental impacts. Accurate assessment of this dimension prior to the implementation of any LED initiative must be undertaken to limit the irresponsible application of resources.
Broad Based Black Economic Empowerment	• Considering the distribution of opportunities in terms of demographic characteristics, the development of the economy should be performed against the background of national BBBEE guidelines.
Employment	• All development projects that are implemented must be guided by employment creation as the goal of the project. In other words, where applicable labour-intensive methods should be employed.
Income	• LED initiatives must aim to better the income profile of local households and communities. As far as possible steps should be taken to ensure an equitable distribution of income emanating from projects. Good results in this regard can be observed among cooperatives and Joint Ventures.
Comparative advantage	• The Development Pillars have been identified (from the outcomes of Project Khulis Umnotho) based on the rationale of building on local comparative advantages. Local economic sectors with such advantages will be

	targeted for investment and expanded upon. Investment constraints should also be mitigated through development interventions (e.g. a lack of serviced business plots).
Identified needs	• LED Initiatives should be presented to targeted local communities and beneficiaries before implementation. The purpose of such communication is not only to obtain buy-in and support but also to identify additional community needs which the project can potentially address in a creative manner. These needs should be translated into development priorities for the implementation of projects
Investment	• Investment attraction from outside Lejweleputswa is important as this implies that funds are injected into the District economy. This also implies efforts to increase local levels of investment as well as the circulation of locally generated capital.
Capacitation	• A key element to the success of LED initiatives is the availability of skills and the competency of workers. As most workers in Lejweleputswa as regarded as low to medium skilled, capacity building should form part of all projects. It is recommended that this component be addressed in the feasibility study and business plans of projects to ensure it is properly budgeted for. Contributing factors also includes business mentoring and SMME Incubation.
Latent potential	• Existing but under-utilised resources and development opportunities are regarded as latent potential. Such resources and opportunities should be utilised to implement LED projects (e.g. unused mine buildings such as workshops).
Linkages	• Linkages in the economic development context refer to both the flow of economic goods and services as well as the communication of both government and non-government entities with each other. The business models presented in this report are all based on such linkages.
Efficiency	• Efficiency improvement can be regarded as the increase in the rate at which work (or specific tasks) is completed. This concept focuses on the outcomes that must be achieved. An overall improvement of efficiency is central to the Implementation Plan and applicable to all role players in Lejweleputswa. This term is viewed as “doing things right”. The road to improved efficiency can be achieved through rethinking institutional mandates and organisational arrangements (such as task teams and institutional systems), as well as implementing LED projects in accordance with most appropriate business models.
Effectiveness	• Closely related to efficiency is effectiveness. This term is, however, aimed at the improvement of the relationship between the outputs and the energy or inputs required to perform a specific task. Therefore, the focus should be “doing things right with less”. This concept is central to LED which will always be faced with resource constraints. Effectiveness in economic

	development is achieved through a partnership between role players and creative thinking.
Poverty alleviation	• Specific focus should be placed on poverty alleviation throughout the implementation process. Although market forces would determine the optimal location of investment, communities subject to poverty and hardship should always be considered during project planning. If market forces dictate that a project will not be feasible in such an area the business plan must outline how the initiative will benefit those who are most disadvantaged in Lejweleputswa society.

SOURCE: URBAN-ECON

8.2.2. Gear 2: Sectoral Focus

The first gear provided the descriptive principles for development that are essential during the implementation of the LED for Lepelle-Nkumpi Local Municipality. An LED Implementation Plan is seen a s living document subject to review and change over time. Lepelle-Nkumpi Local Municipality is not only restricted to only the pillars or projects identified in this report. The sectoral focus assumes a broader framework to guide the development planning and implementation in the municipality. The table below denotes the specific direct and indirect LED benefits of the sectoral focus selected.

Strategic Intervention	Sector	Direct Benefits	Indirect Benefits
Creating an enabling environment	• Infrastructure • Industrial development	• Informed spatial planning • Increased job opportunities • Ease of doing business	• Economic growth • Investment attraction • Business retention • Strategic infrastructure provision
Ago-processing	• Agriculture • Manufacturing	• Technical skills development • Increased job opportunities	• Innovation and creativity • Entrepreneurship
Tourism development	• Tourism • Agri-tourism	• Skills development • Attract tourist	• Environment sustainability • Broadening the economic base
Retail & business environment enablement	• Development of the informal economy • Skills development	• Better information flows • Increased job opportunities • Informed spatial planning	• Business retention • Business retention • Investment attraction • Entrepreneurship
Marketing	• Enterprise Development and Support	• Institutional development • Trust & participation between the municipality and external partners	• Community well-being • Investment attraction • Economic growth

SOURCE: URBAN-ECON

8.2.3. Gear 3: Development Programmes and Projects

Development projects and programmes listed in the previous sections must be implemented to facilitate an improvement in the local economic climate for Lepelle-Nkumpi. The development projects are aligned with specific focus areas and will be further explained below.

8.2.3.1. Strategic Intervention 1: Creating an enabling environment

The main LED initiatives associated with this Strategic Intervention are:

- Blue drop status at water treatment works
- Land rezoning for investment purposes
  - Tarring of internal roads
  - Upgrade of gravel roads to surfaced road
  - Upgrading of access roads
  - Road signage
- Small business skills training incubator - (finance, human resources, marketing etc.)
- Establishment of entrepreneurship incubators
- Establishment of entrepreneurship training at schools
- Develop agricultural “Hands on” skills development (ploughing, planting, harvesting, irrigation, mechanical skills, animal care, etc.)
- Develop technical “Hands on” skills development (mechanics, plumbing, carpentry, gardening, electrical etc.)
- Develop basic hospitality skills training
- Establishment of the Lepelle-Nkumpi Technical Skills Academy

8.2.3.2. Strategic Intervention 2: Agro-processing

The main LED initiatives associated with this Strategic Intervention are:

- Grootklil irrigation scheme
- Expansion of the Zebediela citrus juice extraction and packaging
- Frozen canned juice
- Sweet orange oil production
- Beverages production
- Marmalade production
- Baked Products
- Production of sauces
- Spice mixtures
- Construction of cold storage facilities
- Establishment of collection centres (promotion skinning, storage and preservation)
- SMMEs butcheries
- Expansion and the revitalisation of the chicken abattoir
- Broiler chicken farming & processing
- Chicken pies, burgers, polony and Vienna’s
- Production of cushions
- Deboning of chicken
- Production of bioenergy
- Construction of cold storage units
- Supplying of pesticides, feedlots machinery parts
- Integrated goat farming
- Processing of dairy milk (goat milk)
- Expansion of abattoirs
- Meat processing plants
- Supply of pesticides
- Housing expansion for goats (shelter)

- Supply of fertiliser/manure
- Housing of chickens
- Revitalisation of the Industrial area in Lebowakgomo
- Establishment of a research and development centre

8.2.3.3. Strategic Intervention 3: Torurism development

The main LED initiatives associated with this Strategic Intervention are:

- Lepelle-Nkumpi Cultural Festival
- Sorghum beer brewing
- Mafefe Camp - African Ivory Route
- Bewaarskloof Conservancy (Develop hiking trails, rock climbing, river rafting, quad biking)
- Wolkberg wilderness area Develop hiking trails, rock climbing, river rafting, quad biking)
- Lekgalameetse reserve Develop hiking trails, rock climbing, river rafting, quad biking)
- Revitalisation of the Tourism centre
- Mafefe 4X4 vehicle Tour guide
- Limpopo entertainment centre expansion
- Development of picnic sites
- Establishment of restaurants
- Zebediela Farm Stay and Caravan Park (Agri tourism)
- Citrus trail walks
- Picnic sites
- Development of a play park
- Train drives in the farm
- Treasure hunt activities
- Cultural route (awareness of heritage)
- Orange picking season
- Summer orange festival
- Kiddies birthday party special

8.2.3.4. Strategic Intervention 4: Minigng and mineral beneficiaiton

The main LED initiatives associated with this Strategic Intervention are:

- Development of the Dilokong Platinum Corridor (Town planning)
- Environmental protection of non-mining zones
- Expansion of brick making in Zebediela
- Gravel and stone crushes
- Polishing of stones
- Slate excavation & Tile manufacturing in Mafefe
- Plastics & Paper recycling
- Produce products from waste car and truck tyres

8.2.3.5. Strategic Intervention 5: Retail & business enviroment enablement

The main LED initiatives associated with this Strategic Intervention are:

- Land rezoning for informal sector development (Town planning)
- Upgrading of hawker's stalls
- Construction of storage units (hawkers)
- Hawkers information centre (registration and licencing)
- Amenities at the hawker's stalls (toilets, wash room, etc.)
- Establishment of a green market
- Establishment of a logistic hub
- Business precinct development (Town planning)
- Business incubators for SMMEs
- Street facing shops space
- Pedestrian walkways in front of shops
- Street parking in front of shops
- Transport node development next to business precinct (bus and taxi rank)

8.2.3.6. Strategic Intervention 5:Marketing

The main LED initiatives associated with this Strategic Intervention are:

- "Buy Lepelle Nkumpi" local coupon incentives
- "Buy Lepelle Nkumpi" develop an advertising campaign for local products
- Lepelle-Nkumpi agriculture marketing

8.2.4. Gear 4: Institutional Focus

The implementation of the activities associated with the development of the LED Strategy must be facilitated by Lepelle-Nkumpi Local Municipality. The municipality should have a dedicated LED manager who will oversee all aspects pertaining to LED development in Lepelle-Nkumpi. Furthermore, the unit requires LED assistances to effectively manage and execute office duties which will ensure the effective economic planning in the key economic sectors for the municipality. The unit also needs to have a budget that enables the smooth operation, as it is evident that effective planning, management and implementation of the LED Strategy will be successful in terms of poverty alleviation and employment creation. This is essential as it will ensure that the LED Strategy is comprehensively executed.

The development status and needs in the LED unit for the municipality will have to be address the key following key focus areas which entail:

- The planning and implementation of catalytic and turn around projects that will contribute to economic growth, employment creation and diversification across the key target economic sectors
- The implementation of projects that enable local economic development within specific focus areas in Lepelle-Nkumpi
- The facilitation and implementation initiatives that promote job creation, entrepreneurship and skills development
- Establishing networks that will enables skills to be matched with demand

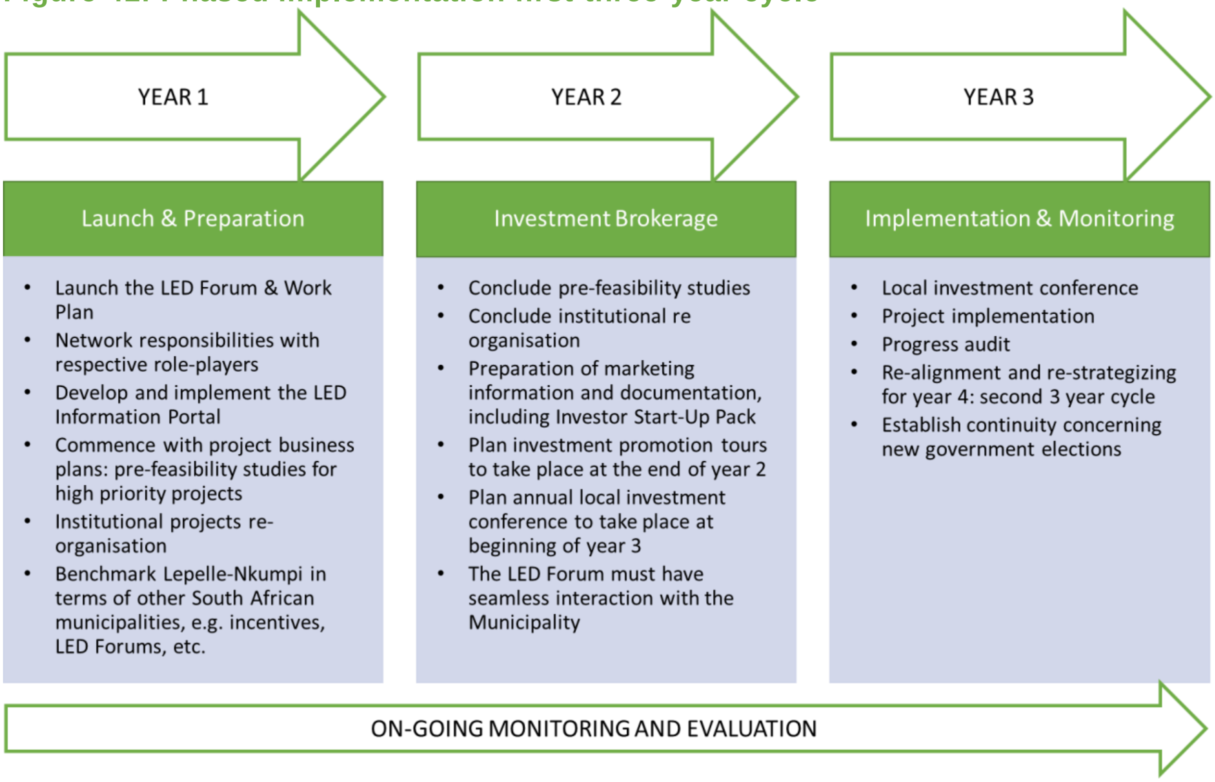
- The marketing and promotion of economic opportunities in Lepelle-Nkumpi including investment brokerage and aftercare

The strengthening of the Lepelle-Nkumpi Local Municipality division is creating an enabling environment within the institution which will be essential for capacity development to take place. The division is tasked with performing the necessary functions and activities associated with LED. The capacitation of the LEED department is viewed is viewed as a catalyst in the overall economic development for Lepelle-Nkumpi. Therefore, the strengthening of the LED department must be undertaken to facilitate and initiative the re-structing of the current LED implementation environment.

8.2.4.1. Phased Implementation and Roll-Out Plan

The phased Implementation and Roll-Out plan for Lepelle-Nkumpi is shown on the figure below: The figure summarises the important sections and

Figure 41: Phased implementation first three-year cycle



SOURCE: URBAN-ECON

Budgetary allowances for business plans, investment tours and the investment conference should provide for R3 to R7 million per annum over the first three-year cycle.

8.2.5. LED Marketing Plan

The sector potential analysis together with the proposed a host of implications for the Lepelle-Nkumpi with reference to the image of the area and what is needed to change how the area is being perceived. These implications inform the marketing plan, but there are several other issues that are worth highlighting.

8.2.6. LED Marketing Principles

There are several features for Lepelle-Nkumpi that need to be strengthened and exposed to drive and underpin the LED marketing of the area.

Table 57: LED Marketing Principles

Marketing Indicator	Principle
Existing strengths on which to build:	LED Place Marketing should not be about re-inventing Lepelle-Nkumpi, but rather about doing everything possible to ensure that specific audiences really understand what the area has to offer them now regardless of their preconceptions about the area.
Growing a local sense of place.	The locals see Lepelle-Nkumpi as their home and have strong feelings of connection to specific parts of the area; for many others the area is an 'adopted' home. Although much of the marketing drive will be externally focused, it must also ensure that the people already working and living in the area understand the region and are willing to speak up for the area.
Clarifying the message	Lepelle-Nkumpi suffers from inadequate signages in the areas. Some locations in the municipality are well-known with signage. The entire municipality as an entity is not well positioned in terms of marketing. Marketing efforts need to build basic awareness of the geographic make-up of an area and identify and link locations and attractions which are near of each other. When addressing individual audiences, it is vital to create awareness of the greatest attractions the Lepelle-Nkumpi has to offer.
Ensure cross functional involvement:	Lepelle-Nkumpi is home for most of the locals in the community. It is essential for the community to buy into the marketing process and communicate the same message to target audiences.

SOURCE: URBAN-ECON

8.2.7. LED Marketing Objectives

The following LED marketing objectives have been identified for the Lepelle Nkumpi Municipality based on the marketing principles shown above. The objectives are to:

- Develop a common language to describe the Lepelle- Nkumpi Local Municipality and ensure that this language is used consistently across the Municipality.
- To Improve the image for Lepelle-Nkumpi in the eyes and minds of specific audiences whose perceptions of the area have an impact on the economic well-being of the area.
- Support and extend the work of partners across the Lepelle-Nkumpi where their planned activities make a direct contribution to the delivery of changed perceptions among the target audiences.

8.2.7.1. Objective 1: Developing and using a common language

Lepelle-Nkumpi needs a compelling, up-to-date description (words and images) of what the area is and what it is like to live and work in the area. It needs to provide connotations and associations of the area that will furnish and build an understanding and awareness of the physical boundaries of the area. In developing the first version of this description across multiple media the following actions need to be incorporated:

- Re-branding exercise for Lepelle-Nkumpi. The value of a re-branding exercise will not in the short-term solve image problems. A re-branding exercise risks masking some of the positive aspects of the current image behind the Lepelle-Nkumpi. Furthermore, there is considerable work to do to resolve the broader use of brands throughout Lepelle-Nkumpi and beyond. It would be erroneous to embark on a re-branding exercise for the Municipality before the wider branding context is resolved.
- Develop a small number of concise, focused messages which address key aspects of living in, working in, investing in and visiting Lepelle-Nkumpi that are linked to specific images.
- Focus specifically on raising awareness of the rural and natural parts of Lepelle-Nkumpi, both as part of the overall area and as major contributors to not only the area’s economy but also to its quality of life.
- Build on the knowledge people already have about locations and icons of the area and extend these to build links with places, themes and people that are not generally associated with the area.

8.2.7.2. Objective 2: Improving Lepelle-Nkumpi’ s image among key audiences

This objective seeks to focus on improving the image of the Lepelle-Nkumpi for specific audience groups whose perceptions have an impact on the economic well-being of the area. These audiences entail:

Table 58: Image Among Key Audiences

Indicator	Description
Business decision-makers	This includes decision makers who are making investment, location and re-location decisions on behalf of businesses whose continued presence in the area or whose choice of Lepelle-Nkumpi as a location for one or more

	of their operations would contribute to the delivery of the marketing drive.
Visitors to the area	This includes tourists, business visitors, people who visit Lepelle-Nkumpi for a short while. Marketing efforts should be focussed on instilling positive images on these visitors as an area that provides for a good quality of life with excellent business opportunities.
The national and international media community	This entails good publicity such as the Limpopo media community who need to better understand for themselves the make-up and strengths of Lepelle-Nkumpi and, as a result, be better placed to portray the area positively and fairly.
Local communities	This is specifically three groups: school children who can be educated on the history, make-up and potential future of Lepelle-Nkumpi; the 16-34 population group who are already enjoying the lifestyle on offer in the area and whose long-term perceptions of it can be influenced by marketing; and the local and national decision makers who belong to or came from Lepelle-Nkumpi.

SOURCE: URBAN-ECON

8.2.7.3. Objective 3: Supporting and extending the work of partners

The marketing drive must recognise that there are already marketing activities either underway or planned across the area, which directly contributes to the aims of the marketing drive, particularly the delivery of changed perceptions among target audiences. It is vital to consider the marketing drive as a framework for coordinating the activities of organisations around the area and specifically a framework for ensuring that, by making the right connections across sub-areas and organisations, marketing resources of the area are used as effectively as possible to change perceptions. Therefore, the marketing drive should be integrated with the networking and collaboration activities of the Lepelle-Nkumpi's LED Forum.

8.2.8. Implementation Actions

The marketing drive needs to be owned and delivered by people and organisations around Lepelle-Nkumpi. At the same time the right balance needs to be achieved of mandating a group, with the right expertise that will be accountable for and able to deliver a particular objective. The following steps or actions for delivering the marketing objectives are now discussed.

1.1.1.1. Action 1: Developing and using a common language

Lepelle-Nkumpi Municipality must co-ordinate local role-players in the development of a compelling, up-to-date description of the area and a description of what it is like to live and work in the area.

A delivery group of 10-15 people from across Lepelle-Nkumpi should be commissioned to develop creative concepts behind the development of a common language. At key stages of development, they will engage with other marketers and communication professionals from across the District and use this group as a sounding board for their ideas.

The short-term actions of the delivery group will include:

- Produce a description (across multiple media) of Lepelle-Nkumpi as a place to live and work in.
- Create a bank of digital images that represent the area.
- Disseminate the description to public and private organisations across the area.
- Find ways to encourage the use of the new description and image bank across the area and monitor its adoption.
- Agree on a procedure for refreshing this description and image bank over time.

1.1.1.2. Action 2: Improving Lepelle-Nkumpi's image among key audiences

Delivery and consultation groups should be established through the LED Forum for each of the four target audiences. Although the target audience of each delivery group is different, the actions required of each are similar:

- Understand the target audience's starting point in terms of perceptions of the Municipality.
- Agree on quantifiable objectives with regards to the audience and how progress towards achieving these will be measured.
- Understand the work that is currently being undertaken in Waterberg that addresses this audience.
- Develop and deliver awareness-building and image-development campaigns for each audience, both within and beyond Waterberg, which build on and extend current work.
- Develop and deliver programmes of awareness-building and education to key contacts within the media to which the audience is exposed to build and extend current work.
- Measure and report on progress.

The delivery and consultation groups for each target audience will comprise of:

- **Business decision-makers:** The Lepelle-Nkumpi LED Forum, once established, should lead this delivery group comprised, not only of businesses from across the area, but also business intermediaries and partner organisations, including organised business who works with businesses looking to locate to and re-locate within the area.
- **Visitors to the area:** The dedicated team should lead the "Business and Leisure Visitors" delivery group, joined by conference/hospitality businesses.

1.1.1.3. Action 3: Supporting and extending the work of partners

The Lepelle-Nkumpi Municipality should lead this delivery group along with individuals from the private, public and voluntary sectors. The short-term actions of this group will include:

- Establishing a baseline from which it will be possible to measure the performance of the marketing drive.
- Constructing a balanced programme of support of partners' activities.
- Putting in place arrangements with third party providers to monitor performance versus objectives.
- Publishing an annual report on progress for dissemination across the area.

8.3. Project Implementation guidelines

The following factors lead to the successful implementation of projects:

- Good planning
- Clear systems of procedures for business plan approvals
- The LED Unit supports LED Projects due to their involvement during the project planning processes
- Clear roles and responsibilities are outlined throughout project implementation
- Excellent Performance Management Systems in place to track implementation in terms of deliverables, quantities, duration and budget spending
- Commitment from stakeholders including political support for projects
- Good communication among stakeholders as well as among government departments

The following factors lead to the failure of implementing projects:

- Budget Constraints
- All role-players and stakeholders not supporting the projects including political support
- Procurement takes too long as well as other red tape delaying project implementation
- Change in strategic direction of LED Projects
- Lack of proper planning
- Lack of administrative leadership
- Not having the right stakeholders involved in projects

The following resources are listed as important resources regarding project implementation:

- Skilled Staff
- Financial Resources
- Strategic Partners
- Realistic Business and Implementation Plan
- Accredited Training in LED
- Good Intergovernmental Relations to promote coordination

9. Monitoring and Evaluation Plan

9.1. Introduction

The implementation of an LED Strategy needs to be monitored on an ongoing basis. Monitoring and Evaluation (M&E) is commonly seen as one concept, but in actual fact monitoring and evaluation are two different organizational activities which are related to one another, but not identical.

Monitoring refers to the continuous assessment of a project's implementation. The main aim is to improve the efficiency and effectiveness of the project. Monitoring is based on set targets which are determined in the planning phases of the project.

Evaluation is the comparison of the actual impacts of the project against the agreed targets (objectives). Evaluation can be formative (during the life of the project with the intention of improvement) or summative (learning from a completed project or project that is no longer functioning).

Monitoring and evaluation framework aims to improve the efficiency and effectiveness of projects/policies mainly through the evaluation of expected and actual impacts. The table provides the rationale according to the World Bank for implementing a monitognf and evalutation framework.

Table 59: Rationality behind Implementation of M&E Plan

Track Progress	Better allopcate resources	Improve delivery
Improve management	Increase accountability	Improve quality
Inform decision-making	Design better policies	Facilitate benchmarking
Track flows of funds	Provide answers	Identify side-affects
Demonstrate results	Draw lessons	Compare different groups
Clarify objectives	Identify leakages	Empower poor people
Identify problems	Take corrective action	Learn from experience

SOURCE: WORLD BANK

The prime benefits of benefits of implementing a good monitoring and evaluation plan are

- The improvement on the management of projects
- It can report on internal and external progress of projects
- The comparison of actual impact with intended impacts (and provides adjustment where necessary)

Monitoring and evaluation needs to take place in twofold, of which on one hand, projects need to monitored and evaluated and on the other, the institutional capacity needs to be monitored and evaluated. The M&E framework presented within the LED Strategy is performed as follows:

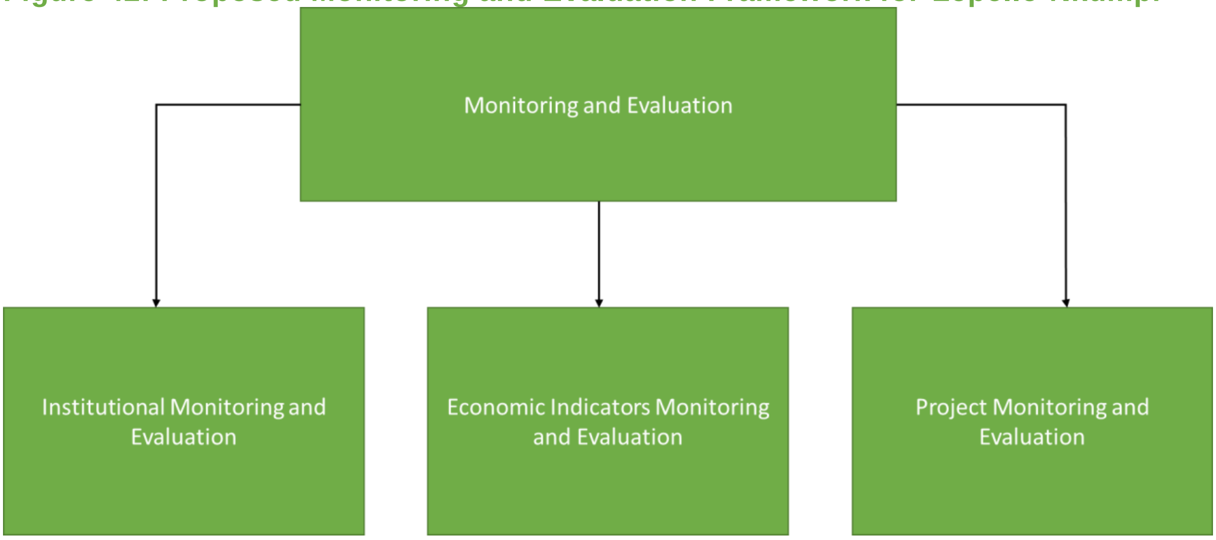
- Monitoring framework for projects and institutional capacity
- To monitor if projects are meeting targets within the desired timeframe and budget
- To monitor if the LED institutional capacity is effective in terms of implementing the LED Strategy
    - Evaluation framework for projects and institutional capacity
    - Evaluate whether the implementation of the LED Strategy is leading to positive or negative impacts of identified indicators linked to the drivers of the LED Strategy

9.2. Proposed Lepelle-Nkumpi Monitoring and Evaluation Framework

The measuring and evaluation of the LED must be done in accordance with baseline criteria which represent the minimum criteria that must be met for KPI Targets to be set and reached successfully each year.

The diagram below shows the proposed monitoring and evaluation framework for Lepelle-Nkumpi Local Municipality.

Figure 42: Proposed Monitoring and Evaluation Framework for Lepelle-Nkumpi



The monitoring and evaluation framework for Lepelle-Nkumpi is divided into three main dimensions which entail:

Table 60: Broad Framework

Indicator	Description
Institutional	Institutional Monitoring and Evaluation focusses on ensuring that the foundations of LED have been laid. This includes evaluating the institutions paying special attention to their activities and their ability to build relationships with key stakeholders
Economic	This will provide an overview of both the general success of LED implementation, as well as whether the Lepelle-Nkumpi has created the environment within which investors will want

	to invest by focussing on the size and sectoral composition of the local economy.
Project Monitoring and Evaluation	Project Monitoring and Evaluation includes evaluating the project pipeline in terms of the number of projects and the stages of the projects. The most critical element of each project that needs to be evaluated is the impact that the project had.

SOURCE: URBAN-ECON

9.3. Institutional Indicators

9.3.1. LED Department Institutional Review

It is essential to review the institutions responsible for local economic development within the municipality. This focus on the capacity of the unit to function properly. It is beneficial to a municipality as it can have a functioning LED department. The table below shows the LNLM

Table 61: LED Department Institutional Review

Indicator	Baseline	KPI Target
Do you have a functioning LED Department?	Yes	Yes
How many personnel in your LED Department (Including LED Manager)?	Yes	Yes
Do you have a LED strategy that is less than 5 years old?	Yes	Yes

SOURCE: URBAN-ECON

9.3.2. LED Department Activity Review

It is of importance for the department to comply with institutional requirements. Furthermore, the department unit should be the voice of the community regarding local economic development. Key things to take note of that the LED department can be held accountable for items summarised are shown below:

Table 62: LED Department Activity Review

	Indicator	Baseline	Annual KPI target
How many LED forum meetings were held in your LM during the past 12 months?	# of meetings held	12	18
How many people attended these meetings (cumulative number) during the past 12 months?	# of people attending meetings	50	80

How many feasibility studies have you conducted in the past 12 months?	# of studies	2	4
How many investors did you approach during the past 12 months?	# of investors approached	10	15
How many investors did you take for site visits?	# of investors taken for site visit	3	6
How much LED funding was secured during the past 12 months?	% of requirement reached		
How many LED projects were successfully implemented during the past 12 months	# of successful projects	8	20

SOURCE: URBAN-ECON

9.3.3. LED Stakeholder Development and Management

The effectiveness and success of the Lepelle-Nkumpi LED department will be affected by Lepelle-Nkumpi LEDs stakeholders. In general, there are four types of stakeholders that the Lepelle-Nkumpi LED department will have to build and maintain relationships with:

- **Enabling stakeholders** have some control and authority over the organization. These stakeholders provide an organization with resources and necessary levels of autonomy to operate.
- **Functional stakeholders** are essential to the operations of the organization and are divided between:
  - input—providing labour and resources to create products or services.
  - output—receiving the products or services.
- **Normative stakeholders** are associations or groups with which the organization has a common interest. These stakeholders share similar values, goals or problems.
- **Diffused stakeholders** are the most difficult to identify because they include publics who have infrequent interaction with the organization and become involved based on the actions of the organization. These are the publics that often arise in times of a crisis; linkages include the media, the community, activists and other special interest groups.

It is essential to note that a stakeholder scorecard needs to identify which stakeholders are the most important with which to build relationships. A stakeholder scorecard should also include how each stakeholder will contribute, as well as the inducement they will receive for participating. The lack of these inducements will most likely result in a deterrent for participation or result in a weakened relationship with Waterberg LED scorecard.

Table 63: Stakeholder Scorecard

Contribution	Inducements and Deterrents	Score	How can relationship be improved
Critical Relationships			
Lepelle-Nkumpi LED Staff	• Time, • Effort, • Ideas, • Results, • Functioning organisation, • Support • Personal incentives		
Projects Steering Committee	• Time, • Effort, • Ideas, • Results, • Functioning organisation, • Support • Personal incentives		
Investors	• Returns on Investment • Project Risk		
Development Agencies	• Returns on Investment • Project Risk		
Important Relations			
Provincial and National Spheres of Government	• Increased employment • Policy Implementation		
Business Chambers	• Business Protection • Return on Investment • Employee productivity • Skill development		
Labour Unions	• Labour Protection • Skill development • Competitive salaries		

Agricultural Unions and Organisations	• Farmer Protection • Return on Investment • Employee productivity • Skill development		
Political Parties	• Political Policy input		
Lepelle-Nkumpi Business Forum	• Business Protection • Return on Investment • Employee productivity • skill development		
Lepelle-Nkumpi residents	• Improved living conditions • Work opportunities		
Other relations			
NGOs	• Participation • Voice for Members and their interest		
Voters	• Improved living conditions		

SOURCE: URBAN-ECON

9.4. Economic Indicators

The main objective of LED is to create an environment within which investors will want to invest. Investment in return is necessary to create jobs and to reduce unemployment. The three main criteria against which Lepelle-Nkumpi will be able to measure success are:

- Local quotient of each of the main economic sectors
- GDP
- Employment

This LED document suggests that Lepelle-Nkumpi focus its efforts on economic sectors which indicated that they have placed emphasis. Successful implementation of LED in these sectors will be reflected in the LQ of each of the sectors as it would be expected that Lepelle-Nkumpi should become more competitive in these sectors. Targets for these sector's LQs should reflect Lepelle-Nkumpi' s intention to be competitive in these sectors:

- A minimum requirement for each of the economic sectors that Lepelle-Nkumpi will focus on is to have a LQ of 1 for both the GVA and employment by the end of the next three years (2018 to 2020).
- In tourism, has a competitive advantage over the other areas, the competitive advantage needs to be increased.
- In agrilculte, where Lepelle-Nkumpi has a significant competitive advantage over the other areas , the competitive advantage needs to be increased.

- The other sectors, Manufacturing, SMMEs, Mining, Construction, Finance, Personal and Government will be monitored to identify changes and opportunities.

Successful implementation of LED will also be reflected in GDP and Unemployment figures within Waterberg and its LMs. The GDP numbers should increase, and the unemployment should decrease if LED was successfully implemented.

9.5. Project indicators

9.5.1. Number and stages of LED projects

For the purpose of monitoring and Evaluation, a LED Project will be defined as any LED project that has at least reached the Feasibility stage. LED in general can be described in six main status criteria:

- **Potential Project Identification** - LED forums and LED managers will identify potential project concepts that have the potential to become a LED project
- **Pre-Feasibility** – a project concept that has not been clearly defined, but some basic research would already have been implemented, including potential problems and opportunities, possible objectives, outcomes and benefits. The Led will still be in a conceptual or planning phase.
- **Feasibility study** - a controlled process for identifying problems and opportunities, determining objectives, describing situations, defining successful outcomes and assessing the range of costs and benefits associated with several alternatives for solving a problem.
- **Business Plan** - formal statement of a set of business goals, the reasons they are believed to be attainable and the plan for reaching those goals. It may also contain background information about the organization or team attempting to reach those goals.
- **Active LED Project** – A LED project that is in the process of being implemented against a set scope of work, budget and schedule for all participating role players.
- **Completed LED Project** – A LED project that had been completed against the scope of work, budget and schedule that was set out before implementation commenced.

9.5.2. LED Project Monitoring and Evaluation

Each LED project has to be monitored through the project stages. Project Monitoring will focus on enhancing the efficiency and effectiveness of the project and bring the project to a successful conclusion.

9.5.2.1. Project Planning Phase

The planning phase of the project will have three main components:

- The outcome of the feasibility study will indicate whether a project should be undertaken or not.
- The Business Plan will formulise the LED Project by providing it
- Put together a Comprehensive Project Plan based on the Business Plan with project objectives, scope, budget and schedule.

Table 64: Comprehensive project Plan Delieverbles

Comprehensive Project Plan Deliverables	Completed
Refine Objectives of Project • Determine baseline data • Quantify Objective: in real numbers and timing	
Create comprehensive project plan with clearly defined project phases, including: • Scope of work for project phase • Cost of project phase • Schedule for each • Assign responsibility to a project team member for each of the project phases • Determine how project communication will take place, including how a completed phase will be signed off and how the next phase will be initiated	
Determine KPIs against each of the project phases	
Determine how frequent the project team will meet to monitor the project. This will be determined by: • How 'big' the project is in terms of importance, cost, technical requirements, etc. • How long the project will take • How long each of the project phases will take • The importance of certain project phases • The cost and time involved to meet	

9.5.2.2. Project implememtnation and Monitoring Phase

The implementation phase of the project will consist of two main phases:

- Project Inception
  - Setup Project Team
  - Adopt and make final alterations to Comprehensive Project Plan
- Continues Project Monitoring

Table 65: Continuous project Monitoign Questionaaire

Continues Project Monitoring Questionnaire	Yes / No
Is the project on schedule? (compared to the Comprehensive Project Plan) • Are we in the project phases indicated on the Comprehensive Project Plan? • What is the status of each of the project phases is currently being implemented**?**	
Is the project on budget? (compared to the Comprehensive Project Plan) • How much has already been spent on each of the project phases that are currently being implemented? • How much is estimated to still be spent on each of the project phases that are currently being implemented? • What is the cumulative amount spent on all phases already implemented or in progress compared to the Comprehensive Project Plan?	
Does the project team foresee any issues or problems that will affect schedule, cost or scope of work?	
Does the Comprehensive Project Plan require amendments?	

9.5.2.3. Project Completion and Evaltion

Once a project had been completed, the project needs to be evaluated against the initial Comprehensive

Project Completion Evaluation	Yes / No	Reason / Learning
Did the project achieve its objectives?		
Did the project achieve its scope of work?		
Was the project implemented on budget?		
Was the project completed on schedule?		

It is also suggested that a personal evaluation of all team members is conducted at the end of the project to improve future team cohesion and project success.

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Annexure A

Project name	PRIORITISATION					Key (Rating): 1 = low 2 = below average 3 = average 4= above average 5 = high	
	Strategic Importance	Feasibility of the Project	Economic Impact	SMME Development	BEE Capacity Building		
WEIGHTING	**30%**	**20%**	**25%**	**15%**	**10%**	**RATING**	**RANK**
Creating an enabling environment							
Blue drop status at water	4	4	4	4	3	3,9	6
Tarring of Internal roads & upgrading of gravel to surfaced	5	5	4	3	3	4,25	1
Road signage	4	4	3	3	3	3,5	10
Small business skills training incubator	5	4	4	4	3	4,2	2
Entrepreneurship incubators	5	4	4	4	3	4,2	2
Entrepreneurship training at schools	4	4	3	3	3	3,5	10
Establishment of the Lepelle-Nkumpi Technical Skills Academy	5	4	4	4	3	4,2	2
Agricultural “Hands on” skills development	4	4	4	3	3	3,75	7
Youth in agriculture programme	5	4	4	3	3	4,05	5
Technical “Hands on” skills development	4	3	4	3	3	3,55	9
Basic hospitality skills training	4	4	4	3	3	3,75	7
Repairing of machinery parts and farming equipment	4	3	3	3	3	3,3	12
Agro-processing							
Grootklip irrigation scheme	4	4	4	4	4	4	7
Expansion of the Zebediela citrus juice (orange) and packaging plant	5	5	5	4	4	4,75	1
Packaging and distribution of processed oranges	4	4	4	4	3	3,9	8
Frozen canned juice	4	3	4	3	3	3,55	14
Sweet orange oil production	3	3	3	3	3	3	19
Beverages production	3	4	3	4	3	3,35	17

Marmalade production	3	3	3	3	3	3	19
Baked Products	3	3	4	3	3	3,25	18
Production of sauces	3	2	3	3	3	2,8	24
Spice mixtures	3	2	3	2	3	2,65	26
Supplying of pesticides, feedlots machinery parts	3	3	2	2	2	2,5	27
Integrated goat farming	5	4	4	4	4	4,3	4
Processing of dairy milk (goat milk)	4	4	3	4	3	3,65	13
Expansion of abattoirs (chickens and goats)	5	5	4	4	3	4,4	3
Meat processing plants	4	4	4	4	3	3,9	8
Housing expansion for goats (shelter)	4	4	4	4	3	3,9	8
Establishment of collection centres	5	4	4	3	4	4,15	5
SMMEs butcheries	3	3	3	3	3	3	19
Broiler chicken farming & processing	4	3	4	4	4	3,8	12
Chicken pies, burgers, polony and Vienna's	3	2	3	3	3	2,8	24
Production of cushions	4	4	4	3	4	3,85	11
Deboning of chicken	3	3	3	3	2	2,9	23
Production of bioenergy	4	3	4	3	3	3,55	14
Supply of fertiliser/manure	3	3	3	3	3	3	19
Housing of chickens	4	3	4	3	3	3,55	14
Revitalisation of the Industrial area in Lebowakgomo	5	5	5	4	4	4,75	1
Establishment of a research and development centre	4	5	4	4	3	4,1	6
Tourism development							
Protection and promotion of heritage sites	5	4	4	4	4	4,3	5
Sorghum beer brewing	4	4	4	3	3	3,75	8
Mafefe Camp - African Ivory Route	5	5	4	4	4	4,5	2
Development Bewaarskloof Conservancy	3	3	3	3	3	3	10
Development Wolkberg wilderness area	3	3	3	3	3	3	10
Development Lekgalameetse reserve	3	3	3	3	3	3	10

Revitalisation of the Mafefe Tourism centre	5	4	4	5	4	4,45	4
(Mafefe) 4X4 vehicle Tour guide	5	5	5	5	4	4,9	1
Limpopo entertainment centre revitalisation	4	4	4	4	4	4	6
Development of Picnic sites	4	3	4	4	4	3,8	7
Zebediela Farm Stay and Caravan Park (Agri tourism)	5	5	4	4	4	4,5	2
Establishment of restaurants	4	4	3	3	3	3,5	9
Mining & Mineral beneficiation							
Development of the Dilokong Platinum Corridor (Town planning)	5	4	4	3	4	4,15	1
Environmental protection of non-mining zones	5	4	4	3	4	4,15	1
Expansion of brick making in Zebediela	4	3	3	3	3	3,3	8
Gravel and stone crushes	4	3	4	3	3	3,55	5
Polishing of stones	4	4	3	3	3	3,5	6
Slate excavation & Tile manufacturing in Mafefe	4	4	3	3	3	3,5	6
Produce products from waste car and truck tyres	5	3	4	3	3	3,85	3
Plastic and Paper recycling	4	4	4	3	3	3,75	4
Retail & business environment enablement							
Land rezoning for informal sector development (Town planning)	5	4	5	4	4	4,55	6
Upgrading of hawker's stalls	5	5	5	4	4	4,75	1
Construction of storage units (hawkers)	5	5	5	4	4	4,75	1
Hawkers information centre (registration and licencing)	4	5	5	5	4	4,6	5
Amenities at the hawker's stalls (toilets, wash room, etc.)	5	4	5	4	4	4,55	6
Establishment of a green market	4	4	4	4	4	4	10
Establishment of a logistic hub	5	4	4	4	4	4,3	9
Business precinct development (Town planning)	5	5	5	4	4	4,75	1
Street facing shops space	4	5	5	5	5	4,7	4
Pedestrian walkways in front of shops	4	4	5	5	5	4,5	8
Street parking in front of shops	4	4	4	3	3	3,75	12
Transport node development next to business precinct (bus and taxi rank)	4	4	4	4	4	4	10

Marketing							
“Buy Lepelle Nkumpi” local coupon incentives	5	5	4	4	4	**4,5**	**1**
“Buy Lepelle Nkumpi” develop an advertising campaign for local products	4	4	5	4	4	**4,25**	**2**
Lepelle-Nkumpi agriculture marketing	4	4	4	4	4	**4**	**3**