




MOTHO KE MOTHO KA BATHO

LEPELLE-NKUMPI
LOCAL MUNICIPALITY

LOCAL ECONOMIC DEVELOPMENT STRATEGY

MARCH 2007

SUPPORTED BY:

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Abbreviations:

- ARC : Agricultural Research Council
- BBBEE : Broad Based Black Economic Empowerment
- CDM : Capricorn District Municipality
- DEAT : Department of Environmental Affairs & Tourism
- DEDET : Provincial Department of Economic Development, Environment & Tourism
- DFED : Department of Finance & Economic Development
- DHSD : Department of Health and Social Development
- DME : Department of Minerals & Energy
- GDP : Gross Domestic Product
- IDP : Integrated Development Plan
- ITP : Integrated Transport Plan
- LED : Local Economic Development Plan
- LIBSA : Limpopo Business Support Agency
- LIMAC : Limpopo Manufacturing Advisory Centre Programme
- LIMDEV : Limpopo Economic Development Enterprise
- LNLM : Lepelle-Nkumpi Local Municipality
- LT&PB : Limpopo Tourism & Parks Board
- NAFCOC : National African Federated Chamber of Commerce and Industry's
- PS : Private Sector Service Provider
- SDF : Spatial Development Framework
- SDF : Spatial Development Framework
- SDI : Spatial Development Initiatives
- SEDA : Small Enterprise Development Agency
- SETA : Services Sector Education and Training Authority
- SMME : Small Medium & Micro Enterprises
- T/A : Tribal Authority
- TIL : Trade and Investment Limpopo

Executive Summary

Lepelle-Nkumpi Municipality appointed Kayamandi Development Services (Pty) Ltd to undertake a Local Economic Development Strategy (LED) for the Municipality. The strategy provides the Municipality with guidelines to create and facilitate economic development, realise the underlying economic development potential, and encourage private sector investment and job creation.

Lepelle-Nkumpi Municipality is located at the southern tip of the Capricorn District Municipality (which is located in the centre of the Limpopo Province). Lepelle-Nkumpi Municipality covers an area of approximately 3.500 km^2 and comprises approximately 20% of the Capricorn District Municipal area. The municipality consists of 27 wards and 110 settlements. The town of Lebowakgomo is located in Lepelle-Nkumpi Municipality, and all the sittings of the Provincial Legislature takes place at Lebowakgomo in the parliamentary buildings of the former Lebowa homeland. A number of important national and regional routes transverse the area, of which the R37 (Polokwane-Burgersfort) is the most important, there is also the R579 between Chueniespoort and Jane Furse, R519 between Kushke and Roedtan, R518 between Mokopane and Lebowakgomo, Moletlane to Magatle, and Hlahla to Mathabatha. The Department of Economic Development, Environment and Tourism have identified the R37 road between Polokwane and Burgersfort as a SDI route. Development should be focussed along this route.

Large areas of land in the municipality (approximately 95% of the land) forms part of the former Lebowa homeland and is now held in trust for tribal and community authorities. These traditional authorities play a very important role in terms of their traditional culture and have a major influence in the manner in which land is made available to individuals for settlement, as well as the use thereof for economic purposes (e.g. agriculture, tourism, etc.). A further constraint in respect of development potential and investor confidence in the municipality is the large proportion of land subject to land claims. In Lepelle-Nkumpi Municipality, nearly half of the municipal area is affected by land claims. As this process is turning out to be rather lengthy, some uncertainty is created, and investors are becoming reluctant to invest in land until the land claim issues are resolved. Furthermore, no development can take place on land that has been claimed until the claim has been settled.

In terms of the socio-economic characteristics of the population, slightly more than 20% of the population is economically active, while nearly 20% of the population has no form of schooling whatsoever. The population therefore has low levels of skills, which is further evident from the fact that nearly a quarter of the economic active population are employed in elementary occupations, which does not require extensive qualifications. This, to some extent, constrains the development potential in the municipality for development of more advanced industries. While the low skills and education, levels to some extent constrain development potential, education levels have increased between 1996 and 2001, with more people obtaining schooling. If this trend continues, opportunities for more advanced industries could increase in the future.

The large population size also exercises considerable pressure on the water resources, with the effect that progressively less water will be available for secondary purposes such as agriculture and mining. Shortage of water in rivers during winter is also a constraint faced by these sectors. The local municipality also experiences the following environmental problems namely overgrazing, deforestation, urban sprawl, uncontrolled veld fires, and asbestos pollution at Mafefe and Mathabatha. There is also insufficient social, economic, physical and institutional infrastructure.

Lepelle-Nkumpi Municipality makes the third largest contribution to the District GDP. Furthermore, while Lepelle-Nkumpi Municipality experienced growth between 1999 and 2004, the economy of the municipality has grown significantly slower than the overall economy. The formal economy is concentrated in the rural areas (e.g. Lebowakgomo). This can largely be attributed towards the high contribution generated by Services, which in the case of the former homelands can assumed to be comprised of salaries paid to government officials. This high level of concentration renders the economy extremely vulnerable to any factor that may decrease the absolute number of government officials working and residing in the district or a factor that reduces the real value of total salaries paid.

The high levels of unemployment in the municipality (61%) and resultant low levels of income (from the formal sector) forced a portion of the population still residing in the area to enter and participate in informal and marginal activities (e.g. subsistence farming). The low levels of income (a third of the households have no income) also imply low levels of buying power and, therefore, few opportunities for related activities such as trade. This in turn supports the leakage of buying power since there are fewer local outlets from which can be bought. A second implication of the low levels of buying power is the inability of the community to pay taxes (e.g. property tax) and for even the most basic level of services. This situation on the other hand undermines the financial feasibility of the local municipality and makes it difficult to provide the necessary social services and municipal infrastructure in the area. The result is that a very few of the settlements located in Lepelle-Nkumpi can at the present levels of disposable income, generate the threshold required to establish an economic base of some sorts.

The lowest performing industries in Lepelle-Nkumpi Municipality are the retail and trade, transport and communication, finance and business services, and community services who all have Location Quotients below 0.75, which indicates that local needs are not being met by these sectors and the municipality is importing goods and services in these sectors.

Agriculture takes up large portions of land within the municipality, but only employs approximately 7% of the workforce. The presence of a strong agricultural sector usually also generates opportunities for the further development of the Manufacturing sector, particularly in terms of agro-processing, and other backward and forward economic linkages. The retail and trade sector in Lepelle-Nkumpi is also responsible for a substantial amount of the employment (more than 12%).

A further constraint is the dualistic economy comprising a formal component and an informal, marginal or non-commercial component. The majority of Lepelle-Nkumpi is comprised of a non-commercial component, which comprises informal and marginal activities such as subsistence farming and informal trading. However, the natural resource base and economy does not have the capacity to support the total population, forcing a large percentage of the labour force to seek employment opportunities outside of the district municipality (e.g. Gauteng). The effect of this migrating labour includes high levels of male absenteeism and therefore also a leakage of buying power. The creation of job opportunities needs to get priority as many qualified people leave the municipal area in search for work elsewhere.

Lepelle-Nkumpi Municipality can also benefit from its inclusion in development clusters set out by the Provincial Growth and Development Strategy (PGDS). There are opportunities for projects within the municipality to be included in the red and white meat cluster in the future. There are also areas to the north-eastern side of the Municipality along the Olifants River on the southern boundary, which has been earmarked for agricultural developments. Numerous areas are also identified to have potential for Agri-villages.

Lepelle-Nkumpi also offers unique opportunities for tourism development and should expand its competitive advantage in line with the tourism cluster of the PGDS. The key tourism related opportunities lie in the potential for commercialisation and merging of the Bewaarskloof, Lekgalameetse and Wolkberg nature reserves.

Mining development can also largely boost the local economy in the area. The mining cluster can promote value-adding activities and greater linkages in the mining value-chain and services sector, rather than exporting raw produce mined for beneficiation to locations outside the boundaries of the municipal area.

In terms of the expansion of the Business sector and business support, Lepelle-Nkumpi Municipality should capitalise on existing initiatives and support services provided by government and other institutions. In this respect, businesses in Lepelle-Nkumpi Municipality have the opportunity to particularly utilise the information and services provided by organisations such as LibSA, particularly given the proximity to LibSA offices in Lebowakgomo, which makes it particularly accessible for entrepreneurs and cooperatives in Lepelle-Nkumpi.

In short, the Municipality has inherent potential in its natural resource base, namely mining, agriculture, manufacturing and tourism opportunities, from which the economic base can be diversified, backward and forward linkages created, and job creation maximised.

In light of the key sectors identified in the District, namely Agriculture, Mining, Tourism, and Manufacturing as well as the existing opportunities identified in the LED strategy, five thrusts were developed. The Thrusts were developed during a process of consultations with various roleplayers including government departments, the community, businesses and sectoral workshops. Each of the Thrusts is further comprised of programmes, projects, and development facilitation actions.

The programmes identified per thrust aim at creating a critical mass of economic development in the Municipality. The successful implementation of the programmes and projects will ensure more job opportunities are created, skills developed and opportunities created for SMME development. The aims of these programmes are also to address poverty relief and to increase community ownership.

The following Table indicates the Thrusts along with the programmes, projects and development facilitation actions identified to assist in developing the economy and taking the municipality out of project consolidate.

PROGRAMMES	PROJECTS AND DEVELOPMENT FACILITATION
THRUST 1: LOCAL BUSINESS SUPPORT AND STIMULUS	
Local marketing and promotion of investment opportunities	**Development facilitation:** ❑ Develop unique and competitive investment incentive packages ❑ Undertake poster campaign to entice start-up in projects identified ❑ Undertake investment attraction and LED marketing drive ❑ Undertake joint ventures with Zebediela to host agricultural expositions ❑ Improve communication and cooperation with District (and municipalities) to undertake sustained destination marketing ❑ Attend annual, provincial and national mining summits ❑ Undertake industrial expos and Lobby DTI to accredit expos ❑ Undertake 'Buy local' campaigns to assist marketing of local products
Establish entrepreneurial and small-business support structures	**Projects:** ❑ Develop a database of local businesses (business directory) and financial resources and distribute information ❑ Establish a tender, business plan, government incentives, local recruitment support desk/centre ❑ Establish incubators for small business **Development facilitation:** ❑ Facilitate the drawing up of public procurement policies to assist local and emerging businesses (regulatory reform) ❑ Assist in lobbying of financial sources ❑ Facilitate business linkages between SMMEs and larger private sector enterprises for financial support ❑ Facilitate sectoral discussion platforms to facilitate group learning, explore joint marketing & networking opportunities ❑ Initiate business visitation, customer care and information dissemination to support local emerging businesses ❑ Establish support recruitment service linked to local farmers and businesses

PROGRAMMES	PROJECTS AND DEVELOPMENT FACILITATION
Industrial strengthening and trade development	**Development facilitation:** ❑ Facilitate clean-up drives and formalisation of informal trade sector in economic nodes ❑ Identify retail and service needs through public consultation ❑ Market nodes to attract retail/industrial/wholesale enterprises linked to trade of agriculture and mining inputs ❑ Facilitate and negotiate differential rates in association with LIMDEV for industrial sites at Lebowakgomo
THRUST 2: RESTRUCTUING AND DIVERSIFYING THE RURAL ECONOMIC BASE	
Capacity building, mentorship, skills training, and youth development	**Projects:** ❑ Develop database and network of experienced business mentors to support local emerging entrepreneurs ❑ Examine the need for flexible learning centres and develop mobile learning facilities ❑ Develop a skills training centre **Development facilitation:** ❑ Negotiate improved practical training programmes, technical subjects at local schools, training facilities and FET college ❑ Undertake training programmes for interpretation & tour guides ❑ Develop a 'buddy system' to connect youth & entrepreneurs to mature companies or retired mentors ❑ Facilitate the development of an annual youth entrepreneurship competition ❑ Facilitate rural enterprise support network providing facilitation and advice ❑ Liase with educational institutions to promote career opportunities and host annual job fairs ❑ Facilitate the provision of study bursaries to matriculants interested in mining related fields
Social capital renewal and improved access to external markets	**Projects:** ❑ Develop truck-pooling co-operative focused on collection of agricultural produce at central village collection points ❑ Development of economic infrastructure **Development facilitation:** ❑ Promote improved access to support services and info in rural areas ❑ Facilitate rural business finance scheme and/or establish savings and credit co-operatives in villages areas ❑ Facilitate improved access to communications infrastructure in rural areas ❑ Examine integrated transport options and promotion of shared transportation of products to and from rural areas

PROGRAMMES	PROJECTS AND DEVELOPMENT FACILITATION
Sustainable farming practices for emerging farmers and youth	**Projects:** ❑ Establish agricultural demonstration plots and agricultural schools ❑ Undertake cattle branding programme on communal land **Development facilitation:** ❑ Support economic collaboration amongst farmers, especially smaller producers, to form and develop cooperatives ❑ Facilitate application and registration of local cooperatives with LibSA ❑ Facilitate the provision of business support for co-operative, development advice and linkages with intermediaries ❑ Facilitate in liaison with the DoA the development of succession plans for aged farmers to entice youth involvement ❑ Facilitate access to training for seasonal farm workers during off-peak ❑ Facilitate the development of agricultural commodity associations and link to Provincial commodity associations ❑ Facilitate the development of partnerships between emerging farmers, commercial farmers, traditional leaders, etc ❑ Facilitate the development of supply/service contracts with local SMME's and agricultural enterprises ❑ Liase with relevant departments for the successful implementation of agricultural projects linked to irrigation schemes ❑ Assist the DoA in revitalising dilapidated windmills ❑ Facilitate farmer support programmes for farmers on successfully claimed land in consultation with DLA and DOA ❑ Facilitate the review of commonage land policies and undertake cattle branding programme on communal land ❑ Facilitate the speedy implementation of the Communal Land Rights Act in order to address security of tenure issues
THRUST 3: AGRICULTURE SECTOR EXPANSION AND PROMOTION OF LOCAL VALUE ADDING	
Expansion and diversification of existing agricultural products	**Projects:** ❑ Develop agri-villages ❑ Expand poultry projects to supply local demand and extend value chain (e.g. feeds, hatcheries, etc) ❑ Undertake feasibility for farms practising organic farming, vegetarian niche products, and free range products ❑ Undertake feasibility of expanding fruit and nut production and investigate potential for diversification ❑ Undertake feasibility of expanding farming of sorghum, dried bean seeds, tobacco, and cotton

PROGRAMMES	PROJECTS AND DEVELOPMENT FACILITATION
Expansion and diversification of existing agricultural products	**Projects:** ❑ Undertake feasibility of commercialisation of subsistence livestock production (e.g. goat, beef and pork), development of co-operatives, identification of land for livestock farming and alignment to DoA initiatives ❑ Undertake feasibility of hydroponics crops and herbs production at Lebowakgomo and Mafefe ❑ Develop fish farms at Zebediela, Nkotokoane and Mathabatha and investigate potential for a aquaculture cluster **Development facilitation:** ❑ Ensure successful repositioning of Mafefe poultry and revitalisation of Makurung poultry in association with DoA ❑ Facilitate linkages to supply fruit and vegetables to local schools and other institutions ❑ Establish livestock improvement programmes and skills training ❑ Facilitate the DoA to host agricultural shows
Agro-processing industrial development	**Projects:** ❑ Undertake feasibility to establish goat meat and milk slaughtering, processing, packaging, and marketing plant ❑ Develop white meat (poultry) cluster centred around Lebowakgomo ❑ Establish Zebediela juice extraction and packaging plant ❑ Develop fruit and vegetable processing cluster ❑ Undertake a feasibility to establish a grape cluster processing grapes in juice, wine, vinegar, etc ❑ Undertake a feasibility for essential oil extraction and processing ❑ Undertake a feasibility for a oil extraction plant from tobacco, ground nuts and sunflowers to produce bio-fuels ❑ Undertake a feasibility for the production of fruit based beauty products (e.g. fruit shampoo and soaps) ❑ Undertake feasibility for further processing of sorghum into beer brewing and cattle feed ❑ Undertake a feasibility for maize milling and distribution **Development facilitation:** ❑ Provide support and assistance for start-up firms in white meat poultry value chain ❑ Provide support and assistance for start-up firms in red meat (e.g. goats) value chain

PROGRAMMES	PROJECTS AND DEVELOPMENT FACILITATION
Agricultural service and product development	**Projects:** ❑ Develop agricultural hub that specialise in packaging, storage and distribution of fresh produce ❑ Establish a co-operative involved with the letting of farm implements and processing equipment ❑ Establish manufacturers of agricultural pesticides and fertilisers **Development facilitation:** ❑ Facilitate development of SMME's in letting of agricultural equipment ❑ Initiate shared transport and machinery scheme to support emerging farmers
THRUST 4: MINING SECTOR EXPANSION AND PROMOTION ALONG VALUE-CHAINS	
Development of joint ventures in mining operations	**Projects:** ❑ Establish a database of available land for mining development and identification of mineral rights ownership **Development facilitation:** ❑ Facilitate discussions between potential prospectors, community and Tribal Authorities for formation of joint ventures
Mineral beneficiation and processing	**Projects:** ❑ Develop local clay processing cluster involved with manufacturing of tiles, bricks, ceramics, pots, etc ❑ Small-scale excavation and tile manufacturing of slate slabs in Mafefe ❑ Pebbles extraction and polishing of pebbles for landscaping purposes ❑ Stone crushers at Matabata, Molapo Matebele, Rietvlei, Staanplaas for civil, roads and buildings ❑ Small-scale lime mining in ward 5
Mining service and product development	**Projects:** ❑ Undertake a feasibility for a truck and machinery servicing and refurbishment facility at Lebowakgomo industrial area ❑ Establish a local retailer of mining sector inputs (such as tyres, spare parts, gear lubricants, protective wear, etc) ❑ Undertake a feasibility to access down stream opportunities involved in recycling of waste timber beams ❑ Undertake a feasibility study to produce products from waste truck tyres **Development facilitation:** ❑ Facilitate the drawing up of supplier contracts with mine houses ❑ Facilitate negotiations with management of mine houses to negotiate contracts with local SMMEs along value chains

PROGRAMMES	PROJECTS AND DEVELOPMENT FACILITATION
THRUST 5: TOURISM DEVELOPMENT AND PROMOTION	
Creation of clearly identifiable and unique tourism products	**Projects:** ❑ Merging and commercialisation of Legalameetse, Wolkberg & Bewaarskloof reserves ❑ Develop Ga-Mhpahlele route & link to African Ivory (at Mafefe), Biosphere and Blouberg route ❑ Undertake a feasibility for farm-based tourism and recreation opportunities linked to Zebediela citrus estate ❑ Develop 'Village Walkabout' to link Mafefe and Mphahlele (could include visits to sacred hot water springs, miraculous tree, meeting elders, traditional story-telling, visits to burial sites, etc.) ❑ Develop historic attraction point centred around former Lebowa government offices ❑ Undertake feasibility to develop adventure tourism route (4x4 trails, hiking, abseiling, canoeing) linking village areas ❑ Undertake feasibility to develop royal houses at Moshate as pillars of cultural tourism ❑ Undertake feasibility to develop tourism accommodation (rondavels) in villages ❑ Print and distribute a map of the areas featuring tourist attractions, reserves, walking and bike paths, heritage facilities **Development facilitation:** ❑ Promote edu-tourism focused on bird watching (Nylsvlei birding), butterflies, tree species ❑ Promote private sector hunting, mountain and quad biking as package of activities ❑ Promote joint ventures for lodge developments and game concessions on communal land ❑ Assist in lobbying funds for upgrade and expansion of sporting facilities: soccer and softball at Zebediela and Mphahlele; sportsfields at Lebowakgomo, Mathibela and Mamaola; renovation of old fire station ❑ Facilitate the development of a events centre at Limdev H.Q and showgrounds ❑ Promote establishment of annual mountain bike race around Strydpoort mountains ❑ Promote establishment of annual events (e.g. Nature conservation exhibitions, essay/art competitions, etc) ❑ Ensure rural gain from sporting games and the 2010 World Soccer Cup ❑ Facilitate development of community events (festivals and public celebrations) and promotion on the website

PROGRAMMES	PROJECTS AND DEVELOPMENT FACILITATION
Development of tourism associations and promotion of tourism	**Projects:** ❑ Development tourism information centres at Makapeng and Baobab ❑ Undertake a audit of tourism attractions, assets and harness development and implementation of District and Provincial e-tourism platform to maximize benefit to the rural economy **Development facilitation:** ❑ Promote the development of accommodation facilities in Lebowakgomo ❑ Develop community tourism associations ❑ Facilitate establishment of Tourism forum/organisation to enhance cooperation and effective partnerships ❑ Establish tourism support services to advise new landowners on tourism development opportunities ❑ Facilitate grading of accommodation facilities and inclusion of facilities on accommodation databases ❑ Develop dedicated tourism desk and appoint tourism officer at Municipality
Arts and crafts development and promotion	**Projects:** ❑ Develop arts and crafts incubator and skills training linked to Basadi Ba Bapedi ❑ Establish traditional clothing and sewing manufacturing co-operatives at Kgoloane and Itshohloreng and Lebowakgomo ❑ Develop a local textile industry and final product manufacturing (clothing, leather goods, traditional wear, etc) ❑ Undertake audit of arts and crafts skills and products **Development facilitation:** ❑ Facilitate access to training of artists and crafters on types, colours, pricing, marketing etc at the tourism incubator ❑ Facilitate the establishment of a marketing and distribution agent of local arts and crafts at the arts and crafts incubator ❑ Facilitate linkages with curio shop throughout District

It is not possible for the municipality to implement all of the above-indicated programmes and projects simultaneously. As such, the programmes were prioritised based on availability of information, ease of implementation, and overall economic impact (such as job creation). The following programmes were prioritised by various roleplayers:

- Agro-processing industrial development
- Creation of clearly identifiable and unique tourism products
- Expansion and diversification of existing agricultural products
- Mineral beneficiation and processing
- Local marketing and promotion of investment opportunities
- Development of joint ventures in mining operations

To ensure that these programmes are implemented the Municipality needs to have enough financial and institutional capacity. Currently the municipality does not posses the required financial or institutional capacity. Recognition of the importance of LED also needs to provided by the municipality. Two management structures are proposed for Lepelle-Nkumpi, namely strengthening of the LED unit for implementation and outsourcing projects for implementation.

A need for the implementation of the following projects and actions (for the immediate way forward) which need to be undertaken by the municipality, as well as the key roleplayers to be involved, the timeframes and estimated budgets, are as follows:

Key actions	Role-players	Timeframe	Estimated Budget (R)
Develop investment attraction & LED marketing campaign			
Undertake inter-departmental awareness campaign to promote the priority programmes and projects identified and to be implemented by the LED strategy	LNLM CDM T.I.L Provincial Depts.	Start: 4/2006 End: 4/2006	Internal
Undertake poster campaign to entice start-up firms to participate in all of the clusters and projects identified in the LED Strategy	LNLM CDM T.I.L PS	Start: 1/2007 End: 1/2007	5 000
Apply for funding of priority projects	LNLM	Start: 4/2006 End: 4/2007	Internal
Update and maintain vibrant and user-friendly website	LNLM PS	Start: 1/2007 End: Ongoing	50 000
Prepare for and attend annual, provincial and national mining summits to market mineral resources and mining opportunities	LNLM CDM PS	Start: 1/2007 End: ongoing	Internal
Prepare for and attend in consultation with District consumer and trade shows and major event such as the annual travel INDABA, held in Durban to market tourism opportunities	LNLM CDM LT&PB PS	Start: 1/2007 End: ongoing	Internal
Undertake a tourism strategy, focused on providing a plan for tourism development and include a audit of tourism components. Incorporate into E-Tourism Platform for Limpopo	LNLM PS	Start: 4/2006 End: 1/2007	150 000
		TOTAL	205 000
Develop database of business mentors to support local emerging entrepreneurs			
Contact and encourage experienced and retired businessmen to form part of mentorship programme	LNLM LIBSA SEDA	Start: 1/2007 End: 1/2007	Internal
Develop database of business mentors	LNLM, LIBSA SEDA	Start: 1/2007 End: 1/2007	Internal
Market mentorship programme	LNLM, LIBSA SEDA	Start: 2/2007 Ongoing	Internal

Key actions	Role-players	Timeframe	Estimated Budget (R)
Actions for developing Zebediela juice extracting plant			
Conduct feasibility for development of juice extracting	LNLM Zebediela citrus estate PS	Start: 4/2006 End: 4/2006	To be done as part of LED
Finalise ownership	LNLM Zebediela citrus estate	Start: 4/2006 End: 2/2007	Internal
Raise capital, seek funding, and seek potential investors	CDM LNLM	Start: 4/2006 End: 2/2007	Internal
Identify target markets, undertake marketing and branding of products	CDM, LNLM LIBSA, DOA SEDA, LIMDEV LIMAC, SETA Zebediela citrus estate Community	Start: 3/2007 End: ongoing	Internal
Facilitate implementation of Zebediela juice extracting plant	CDM, LNLM LIBSA, DOA SEDA, LIMDEV LIMAC, SETA Zebediela Citrus estate, Community	Start: 3/2007 End: 3/2007	Internal
Negotiate contracts with local and regional stores and buyers to purchase products and assist in accessing markets	CDM, LNLM LIBSA, DOA SEDA, LIMDEV LIMAC, SETA Zebediela Citrus estate	Start: 3/2007 End: 4/2007	Internal
Actions for developing goat meat and milk co-operative			
Conduct feasibility for development of goat meat and milk producer	LNLM PS	Start: 4/2006 End: 4/2006	To be done as part of LED
Raise capital, seek funding, and seek potential investors	CDM LNLM	Start: 4/2007 End: 1/2007	Internal
Facilitate implementation of pilot	LNLM PS	Start: 2/2007 End: 2/2007	Internal
Monitor and provide support and assistance to pilot	LNLM	Start: 2/2007 End: 3/2007	Internal
Based on outcomes of pilot, roll-out of feasibility study into other villages	LNLM PS	Start: 4/2007 End: 4/2007	Internal

Key actions	**Role-players**	**Timeframe**	**Estimated Budget (R)**
Actions for developing goat meat and milk co-operative (Cont.)			
Facilitate development and implementation of other start-ups	CDM, LNLM LIBSA, DOA SEDA, LIMDEV LIMAC SETA Emerging farmers	Start: 2/2007 End: 3/2007	Internal
Negotiate contracts with local and regional stores and buyers to purchase products and assist in accessing markets.	CDM, LNLM LIBSA, DOA SEDA, LIMDEV LIMAC, SETA Emerging farmers	Start: 3/2007 End: 4/2007	Internal
Actions for developing white meat cluster			
Provide support and development assistance to existing chicken farmers and determine locations, types, support needed, opportunities for roll-out of additional farms in village areas, etc	LNLM DOA Emerging farmers PS	Start: 1/2007 End: 1/2007	Internal
Conduct feasibility for the development of white meat cluster	LNLM DFED PS	Start: 1/2007 End: 1/2007	30 000
Raise capital, seek funding, and seek potential investors	CDM LNLM	Start: 1/2007 End: 2/2007	Internal
Facilitate development and implementation of other start-ups and access to linkages and resources	CDM, LNLM LIBSA, DOA SEDA, LIMDEV LIMAC, SETA Emerging farmers	Start: 2/2007 End: 3/2007	Internal
Negotiate contracts with local and regional stores and buyers to purchase products and assist in accessing additional markets and linkages	CDM, LNLM LIBSA, DOA SEDA, LIMDEV LIMAC, SETA Emerging farmers	Start: 2/2007 End: 4/2007	Internal
		TOTAL	30 000

Key actions	Role-players	Timeframe	Estimated Budget (R)
Develop aquaculture cluster involved with fish processing, freezing, packing, marketing			
Liase with DEAT and Mafefe fish farm to facilitate development of pilot, identify problems, provide support, access market, etc	LNLM, DOA Emerging farmers DWAF, ARC	Start: 4/2006 End: 1/2007	Internal
Once Pilot (namely Mafefe fish farm) is successfully, identify feasible locations for roll-out of project	LNLM, DOA Emerging farmers DWAF, ARC, PS	Start: 2/2007 End: 2/2007	20 000
Raise capital, seek funding, and seek potential investors	CDM LNLM	Start: 1/2007 End: 1/2007	Internal
Undertake studies on target markets and branding of products	CDM, LNLM LIBSA, DOA SEDA, LIMDEV LIMAC, SETA Emerging farmers	Start: 2/2007 End: 2/2007	Internal
Facilitate development and implementation of start-ups and support	CDM, LNLM LIBSA, DOA, SEDA, LIMDEV LIMAC, SETA	Start: 2/2007 End: 3/2007	Internal
Negotiate contracts with local and regional stores and buyers to purchase products and assist in accessing additional markets.	CDM, LNLM LIBSA, DOA SEDA, LIMDEV LIMAC, SETA	Start: 2/2007 End: 4/2007	Internal
		TOTAL	20 000
Facilitate discussions between potential prospectors, community and Tribal Authorities for formation of joint ventures			
Develop database of available land for mining development and mineral right owners	LNLM, DME DWAF, ARC PS	Start: 1/2007 End: 1/2007	60 000
Contact and encourage mineral right owners to mine minerals or sell rights to interested parties	CDM, LNLM DME	Start: 1/2007 End: 4/2008	Internal
Facilitate discussions between potential prospectors and communities for formation of joint ventures.	LNLM, LIBSA, LIMDEV, SETA	Ongoing	Internal
Facilitate access to appropriate technical and academic qualifications and training programmes and experience in the mining industry to prepare youth, women and community for mining jobs	CDM, LNLM SETA Local community	Ongoing	Internal
		TOTAL	60 000

Key actions	Role-players	Timeframe	Estimated Budget (R)
Actions for developing slate excavation and tile manufacturing			
Conduct feasibility for excavation and processing of slate	LNLM DME PS	Start: 4/2006 End: 4/2006	To be done as part of LED
Raise capital, seek funding, and seek potential investors	CDM LNLM DME	Start: 1/2007 End: 2/2007	Internal
Assist with the appointment of a specialist to undertake geo-technical surveys	LNLM DME Geoscience PS	Start: 2/2007 End: 2/2007	100 000
Assist with the appointment of a specialist to undertake environmental impact assessment	LNLM DEAT PS	Start: 2/2007 End: 2/2007	50 000
Facilitate development and implementation of start-up	LNLM LIMDEV TIL Small-scale miners	Start: 2/2007 End: 3/2007	Internal
Negotiate contracts with local and regional stores and buyers to purchase products and assist in accessing additional markets.	CDM, LNLM LIBSA, DOA, SEDA, LIMDEV, LIMAC SETA, Small-scale miners	Start: 3/2007 End: 4/2007	Internal
		TOTAL	150 000
Actions for merging and commercialisation of Legalameeste, Wolkberg and Bewaarskloof			
Liase with Parks Board for development of Nature reserves	LT&PB LNLM CDM	Start: 2/2007 End: 2/2007	Internal
Marketing and attraction of investors, entrepreneurs, visitors, etc	LT&PB LNLM CDM	Start: 3/2007 Ongoing	Internal
Recruit persons whom would undergo intensive programme of guide training	LNLM	Start: 4/2007 End: 4/2007	Internal

Key actions	Role-players	Timeframe	Estimated Budget (R)
Actions for developing farm stay at Zebediela			
Conduct feasibility	LNLM PS	Start: 4/2006 End: 4/2006	To be done as part of LED
Finalise ownership and accessing loans/funds	CDM LNLM Zebediela citrus estate	Start: 1/2007 End: 1/2007	Internal
Facilitate development and implementation of start-up	CDM, LNLM LIBSA, DOA SEDA, LIMDEV LIMAC, SETA Emerging farmers	Start: 2/2007 End: 2/2007	Internal
Facilitate marketing of farm stay	CDM LNLM	Start: 3/2007 End: 3/2007	Internal

The following Table indicates the location and capital budgets of the priority projects.

Key actions	Location	Estimated capital cost
Develop investment attraction & LED marketing campaign to create awareness of LED	Throughout the whole municipality	R205 000
Develop database and network of experienced business mentors to support local emerging entrepreneurs	Throughout the whole municipality, but focused on the rural areas	None
Establish Zebediela juice extraction plant	Zebediela	See separate feasibility study
Develop goat meat and milk slaughtering, processing, packaging, and marketing plant	Mphahlele	See separate feasibility study
Develop white meat (poultry) cluster centred around Lebowakgomo	Lebowakgomo	R5 million
Develop aquaculture cluster involved with fish processing, freezing, packing, marketing,	Mafefe	R3 million
Establish small-scale excavation and tile manufacturing of slate slabs in Mafefe	Mafefe	See separate feasibility study
Facilitate discussions between potential prospectors, community and Tribal Authorities for formation of joint ventures	Dilkong Corridor	None
Merging and commercialisation of Legalameetse, Wolkberg and Bewaarskloof reserves	Strydpoort mountains	None
Develop farm-based tourism and recreation	Zebediela	See separate feasibility study

Feasibilities have been compiled by Kayamandi Development Services, on four of the priority projects, namely:

- Agro-processing of citrus juice,
- Goat farming and meat processing,
- Small-scale excavation of slate slabs,
- Farm stay at Zebediela.

A monitoring and evaluation plan was also developed to enable the Municipality to be monitor the success achieved in the local economy and to be responsive to changing conditions within the economy.

1. INTRODUCTION AND BACKGROUND

This Section is aimed at providing the background and overview of the purpose of the study, the methodology followed in compiling the LED Strategy, and the study area. It also provides an indication of structure of the remainder of the report. The following sub-sections are included in Section 1:

- Background to study
- Concept of LED
- Study area
- Methodology

1.1 Background and purpose of LED strategy

Lepelle-Nkumpi Municipality appointed Kayamandi Development Services (Pty) Ltd to formulate a Local Economic Development Strategy (LED) for the Municipality. The strategy is based on identified development needs, opportunities and comparative advantages of the area, providing the Municipality with guidelines to create and facilitate economic development, realize the underlying economic development potential, and encourage private sector investment and job creation.

The Strategy should therefore be used as a tool by the Municipality to ensure dedicated and effective utilisation of available resources and to promote local economic development in a proactive and dynamic manner.

The purpose of this study is to evaluate the region (on an economic basis) and to identify trends and gaps within the economic base. The identification of opportunities and strategies follow this, in order to assist the municipality in addressing the creation of employment opportunities, investment and business development and the resultant positive spin-off effects throughout the local economy.

In view of the above this LED strategy aims to provide the Municipality with the following:

- A strategically focused local economic development profile
- Methods to enhance co-ordination, integration, participation in economic development
- Learning tool/s for the sharing of lessons learnt from the project
- A local economic development plan, and
- Sustainable and viable business opportunities appropriately packaged for investment

The underlying principle, is the fact that a gap exists between the existing levels of development and the potential level of development. In order to bridge this gap in the local municipality with this LED strategy, the following aspects will be addressed:

- A Sectoral composition profile
- Identification of latent development potential per municipality
- Identify opportunities for SMME development per municipality

- An institutional analysis
- An analysis of the main economic linkages
  - Resource base
  - Conservation areas
  - Sectoral linkages
  - Regional linkages
  - Proposed nodal expansions
  - Tourism corridors
  - Commercial activities
  - Comparative advantages

In-depth interviews were held with the following roleplayers and/or institutions (see Annexure A for a complete list of stakeholders consulted):

- Agriculture sector roleplayers,
- Capricorn District Municipality,
- Department of Economic Development, Environment and Tourism
- Lepelle-Nkumpi Municipality,
- LibSA
- LIMDEV
- Mining sector roleplayers,
- Nafcoc
- Premiers office
- SEDA
- Tourism sector roleplayers,
- Trade and Investment Limpopo
- Tribal Authorities located within the municipal boundaries

The following major secondary sources of data were consulted (consult Bibliography for a complete list of sources utilised):

- National and Provincial legislation, policies, strategies and programmes
- AGIS Natural Resource Atlas, 2006
- Capricorn District Municipality IDP, LED, and SDF
- Council for Geoscience, The Mineral Resources of South Africa, 1998
- Limpopo Province Project Consolidate, 2005

1.2 Clarification of LED roles and responsibilities

Local Economic Development (LED) is an approach towards economic development, which allows and encourages local people to work together to achieve sustainable economic growth and development, thereby bringing economic benefits and improved quality of life for all residents in a local municipal area.

While LED is a relatively recent phenomenon in South Africa, it has been applied, as a programme, to improve the economic performance of municipal areas. It focuses attention on the local level as the most appropriate place for economic intervention as this level should be the most readily accountable to the public, while having the legitimacy of being democratically elected.

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. The aim of LED is to create employment opportunities for local residents, alleviate poverty, and redistribute resources and opportunities to the benefit of all local residents.

In order for Local Economic Development (LED) to be effective, a community needs to identify and consider its own economic strengths, weaknesses, opportunities and threats, and agree a shared strategy.

LED involves government, the private sector and civil society. It is not a specific action or programme but occurs when a spectrum of stakeholders harness their individual resources and ideas to strive for a better economic status within a locality. Thus all the stakeholders have responsibilities and roles to play in the process. As such, the roles and responsibilities of the various tiers of government as well as civil society in local economic development are outlined below (Resource Book for Municipal Councillors and Officials, 2001):

- **National Government:**
- Co-ordinate and align support to municipalities for LED through their IDP process
- Provide support to municipalities to implement their developmental mandate
- Provide the overall legislative and regulatory framework for LED
- Maintain strong inter-governmental relationships and institutions
- Provide the necessary resources to Municipalities for the implementation of LED
- Disseminate information to Provincial and local government about LEE)
- Increase administrative efficiency (such as access to land and finances), and
- Monitor the outcomes and impact of municipal-led LED activities.
- **Provincial Government:**
- Align LED initiatives with National and local priorities
- Strengthen and support the capacity of local government
- Make available financial and technical resources to implement and sustain LED
- Share information regularly (Provincial economic trends, land use, investment, new developments) with municipalities, and
- Monitor and evaluate the impact of LED initiatives Provincially.
- **District Municipalities**: District municipalities are better positioned to provide a coordinatory and supporting role to the local municipalities within their broad geographic area. They have the following direct responsibilities:
- Plan and co-ordinate LED strategies within the frameworks of IDP
- Establish the LED structure comprising of the District and local municipalities, to foster co-operation and co-ordinate LED policies, strategies and projects within the District
- Identify lead LED sectors that can kick-start development within Districts by undertaking economic research and analysis
- Promote joint marketing, purchasing and production activities
- Promote networking of firms within the District (e.g. tourism routes)
- Collect and disseminate information to assist local municipalities with LED policies

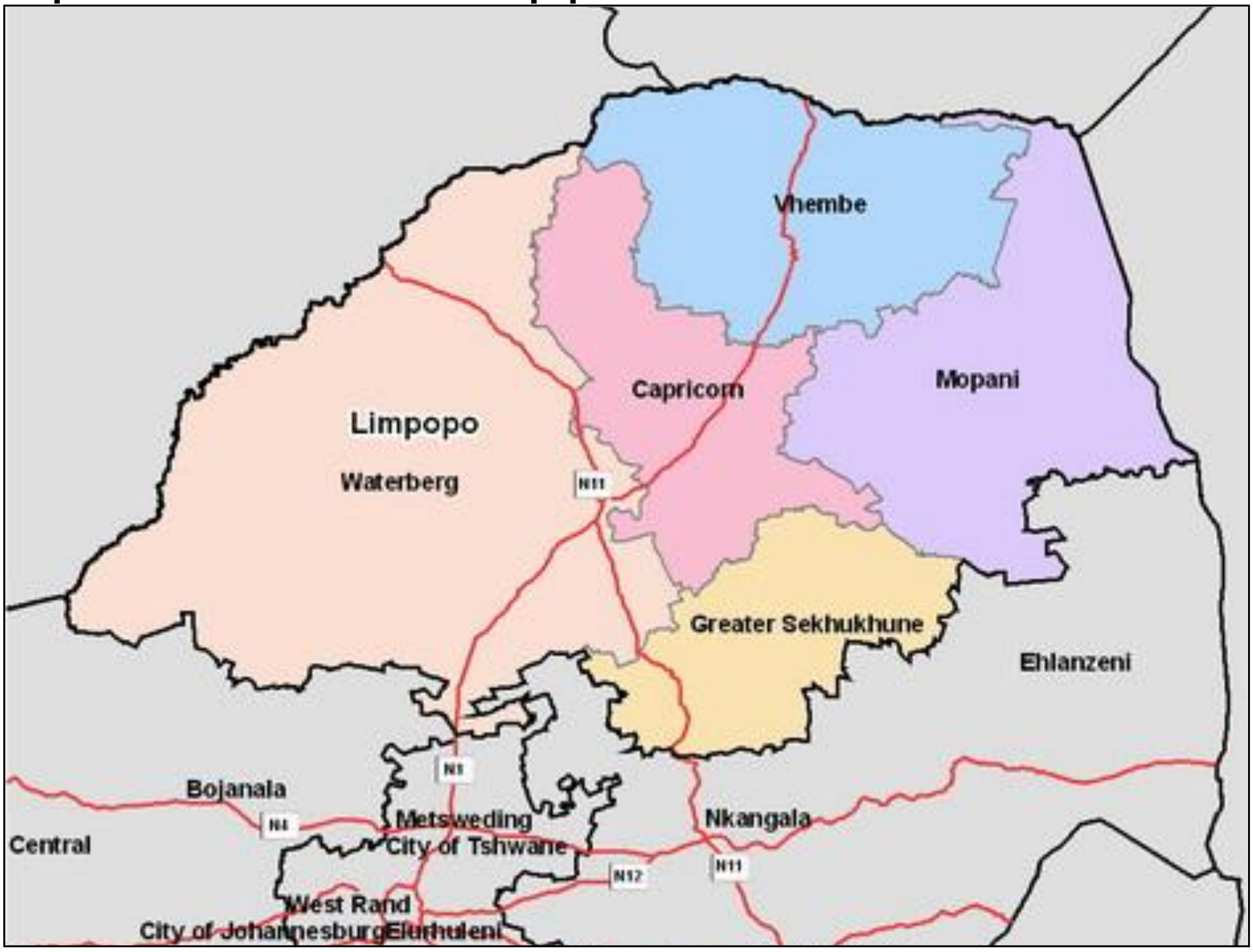
- Identify resource availability (e.g. grants, land, infrastructure, etc.)
- Maintain a strong relationship with the province, and
- Provide the necessary training to municipalities.
- **Local Municipalities:** The local municipalities are the key LED implementation agencies of government. They have a more direct impact on LED in terms of their potential influence on issues and factors such as by-laws, tender and procurement procedures and other regulations, access to land and the necessary infrastructure and services, promoting a positive image of their area, making their environment more appealing and welcoming of investors and visitors, facilitating skills development and by being responsive to the needs of the local and potential business concerns. Local authorities therefore need to be proactive in promoting economic development. In view of the above, local municipalities have the following responsibilities:
- Ensure that social and economic development is prioritised within the municipal Integrated Development Plans (IDPS)
- Conduct local economic regeneration studies as part of the IDPs
- Establish capacity within the municipality to promote interdepartmental collaboration
- Establish an LED forum within the community to mobilise the efforts and resources of local stakeholders around a common vision
- Build and maintain an economic database to inform decisions and act as an early warning system for the municipality
- Identify and market new economic opportunities
- Create an enabling environment for local businesses through efficient and effective service and infrastructure delivery
- Improve the quality of life of and facilitate economic opportunities for the local population by addressing infrastructure and service delivery backlogs
- Develop an understanding and communicate the complex local economic relations, limitations and advantages to role players
- Network with key sectors and role players to create partnerships and projects
- Motivate and support individuals, community groups and local authorities to initiate and sustain economic initiatives
- Mobilise civil society to participate in LED and encourage public participation, and
- Establish sector linkages and clustering of economic activity.
- **Civil Society:**
- The new developmental form of local government puts emphasis on civil society involvement in local government activities. For civil society involvement to have the desired effect however, the representatives should have the legibility and respect of the people or organisations they represent. Civil society should also share a common LED vision with the local municipality within which they reside.
- A community must have a core of local, capable and respected leaders who are prepared to commit time and energy to LED. That active engagement of women and young people in the leadership is essential.

- Community leaders need to have or acquire the necessary skills, knowledge and attitudes necessary to manage economic change
- Leaders must operate in a transparent manner and be accountable
- Leaders must be willing to report, listen and ensure the support of the community
- Leaders should provide inspiration and participate in developing new layers of leadership
- The community must adopt a practical development agenda which focuses on realistic and sustainable goals, long-term plans and achieving small visible improvements by getting people involved, and
- The goals must be realistic and address the community's needs. To achieve this, there needs to be constant evaluation and adjustment of the action plan.

1.3 Study Area

Lepelle-Nkumpi is situated within the Limpopo Province, which forms part of the border separating the Republic of South Africa from its neighbours, Zimbabwe and Mozambique. This province also has within its territory the former homeland areas of Lebowa, Venda and Gazankulu. Limpopo consists of five District Municipalities, namely Waterberg, Capricorn, Vhembe, Mopani, and Greater Sekhukhune (see below Map), and 23 Local Municipalities.

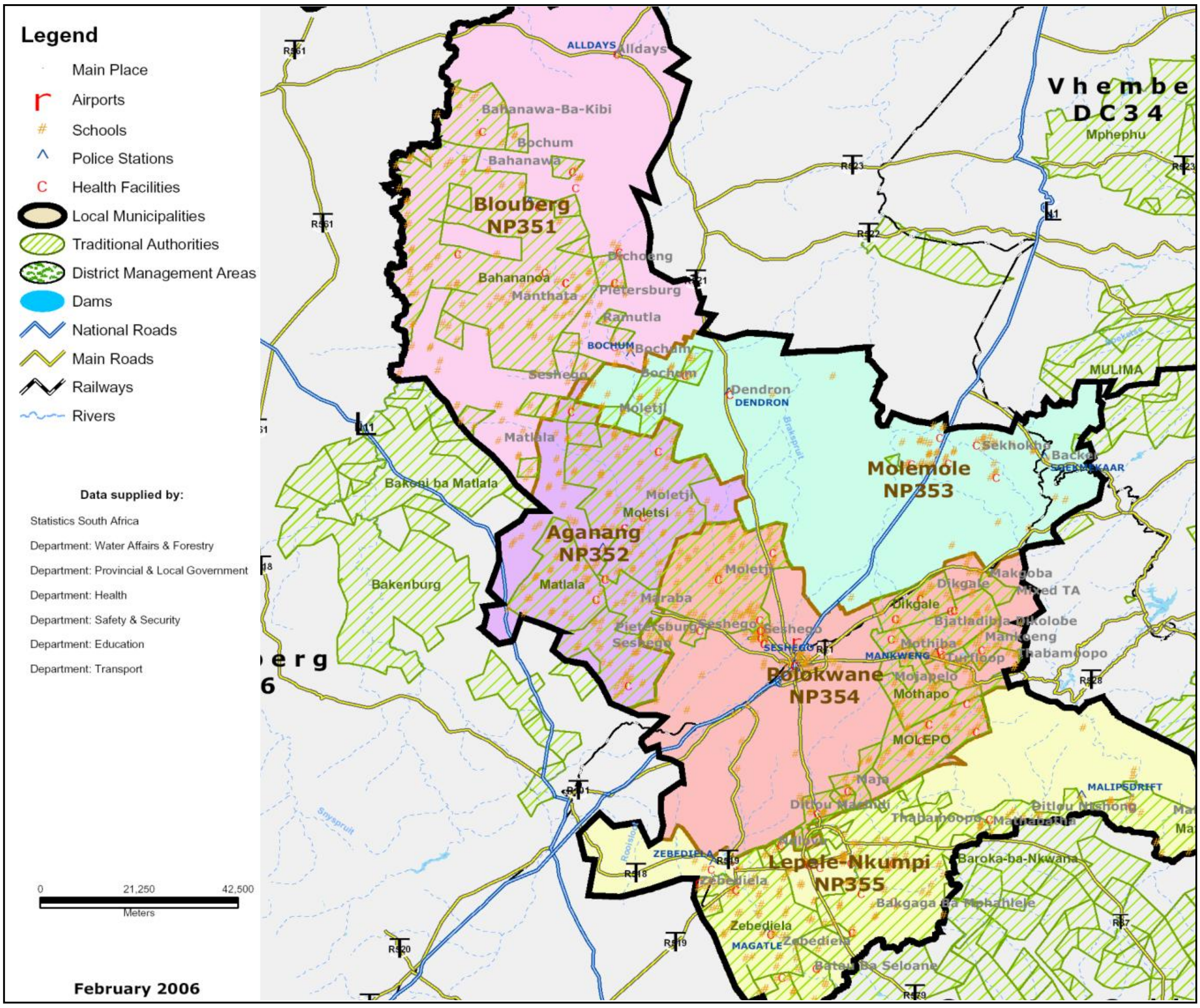
Map 1.1 - Districts within the Limpopo Province



Source: Demarcation Board, 2006

The Capricorn District Municipality, in which Lepelle-Nkumpi Municipality is situated, is located within the centre of the Limpopo Province. The Capricorn District consists of 5 Local Municipalities namely: Aganang, Blouberg, Molemole, Polokwane and Lepelle-Nkumpi Local Municipality (see below Map).

Map 1.2 – Local municipalities within the Capricorn District



Source: Demarcation Board, 2006

Lepelle-Nkumpi is situated at the Southern tip of the Capricorn District Municipality (CDM) and is bordered by Polokwane Municipality to the north and north-west.

The following Table provides an indication of the size of the five local municipalities situated within the CDM.

Limpopo covers an area of 123 910 square kilometres, representing 10% of the total area of South Africa. Lepelle-Nkumpi Municipality covers an area of approximately 3.500km^2 and comprises approximately 20% of the CDM area. The municipality is divided into 27 wards which comprises a total of 110 settlements. The town of Lebowakgomo is located in Lepelle-Nkumpi Municipality as well as the offices of Lepelle-Nkumpi (see below Map). All sittings of the Provincial Legislature takes place at Lebowakgomo in the parliamentary buildings of the former homeland.

Table 1.1. Spatial Distribution of Municipalities within CDM

Local Municipality	Size of Location	% of CDM
Aganang local Municipality	1,852.22km^2	10.90%
Blouberg LM	4,540.84km^2	26.80%
Lepelle-Nkumpi LM	3,454.78km^2	20.40%
Molemole LM	3,347.25km^2	19.70%
Polokwane LM	3,775.21km^2	22.20%
Capricorn DM	**16,970.30km^2**	**100%**

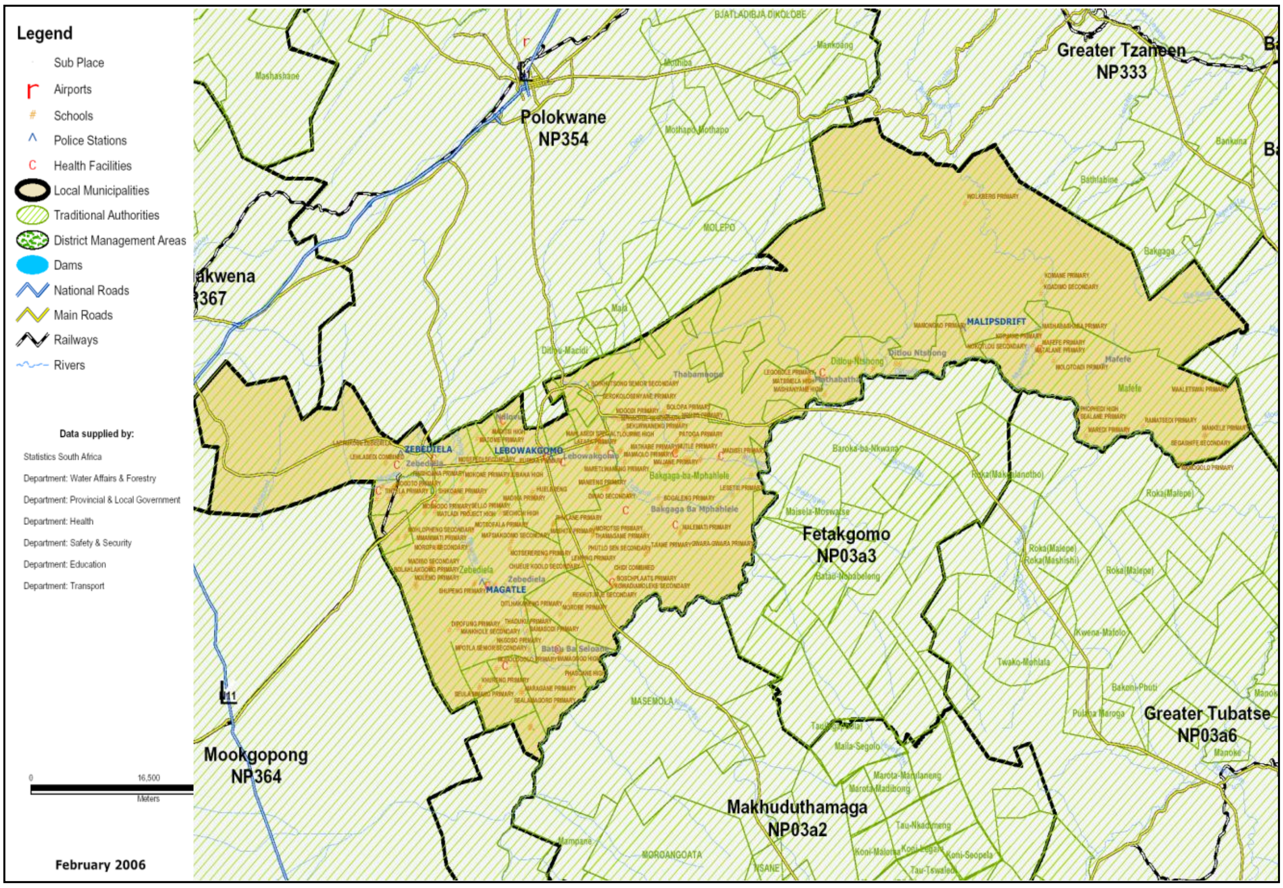
Source: CDM IDP, 2006

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. These traditional authorities play a very important role in terms of their traditional culture and therefore have a major influence in the manner in which land is made available to individuals for settlement, as well as the use thereof for economic purposes (e.g. agriculture, tourism, etc.). Most of these decisions are made on an ad hoc basis and usually without any consideration of the impact it may have on the spatial pattern and the rendering of cost effective and efficient services to communities. The areas shaded in green on the below Map show the traditional authority areas. Approximately 95% of the land falls under the jurisdiction of Traditional Authorities. Lebowa was reincorporated into South Africa in 1994.

As can be seen in the below Diagram, the majority of the settlements are clustered towards the southern half of the municipality. The municipality also has a dualistic economy comprising a component that for the purposes of this study can be considered "first-economy" and a component that can be described as "second-economy". The overwhelming majority of the municipality is however comprised of the non-commercial component. The second-economy within Lepelle-Nkumpi comprises informal and marginal activities such as subsistence farming and informal trading and is largely practice in the area that comprises the former homeland of Lebowa. The formal economy in Lepelle-Nkumpi is fairly concentrated in the rural area of Lebowakgomo. This can largely be attributed towards the high contribution generated by the services sector, which in the case of the former homelands can assumed to be comprised of salaries paid to government officials. This high level of concentration renders the economy extremely vulnerable to any factor that may decrease the absolute number of government officials working and residing in the municipality or a factor that reduces the real value of total salaries paid.

The average settlement size is small and the District has approximately 2050 people per settlement, while the average number of people per settlement in the Lepelle-Nkumpi Local Municipality is 2356 people per settlement. Lepelle-Nkumpi Local Municipality has approximately two-thirds of its total population residing in growth points and population concentration points (as identified in the Spatial Rationale, 2004).

Map 1.3 – Lepelle-Nkumpi Local Municipality

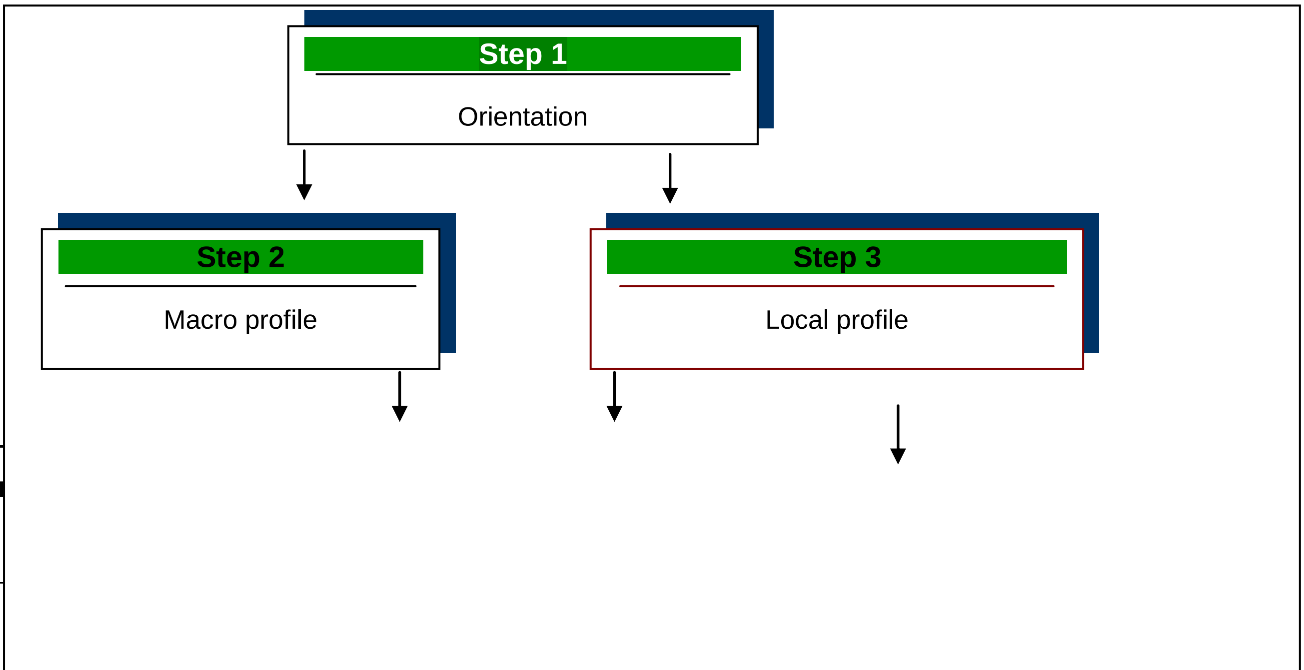


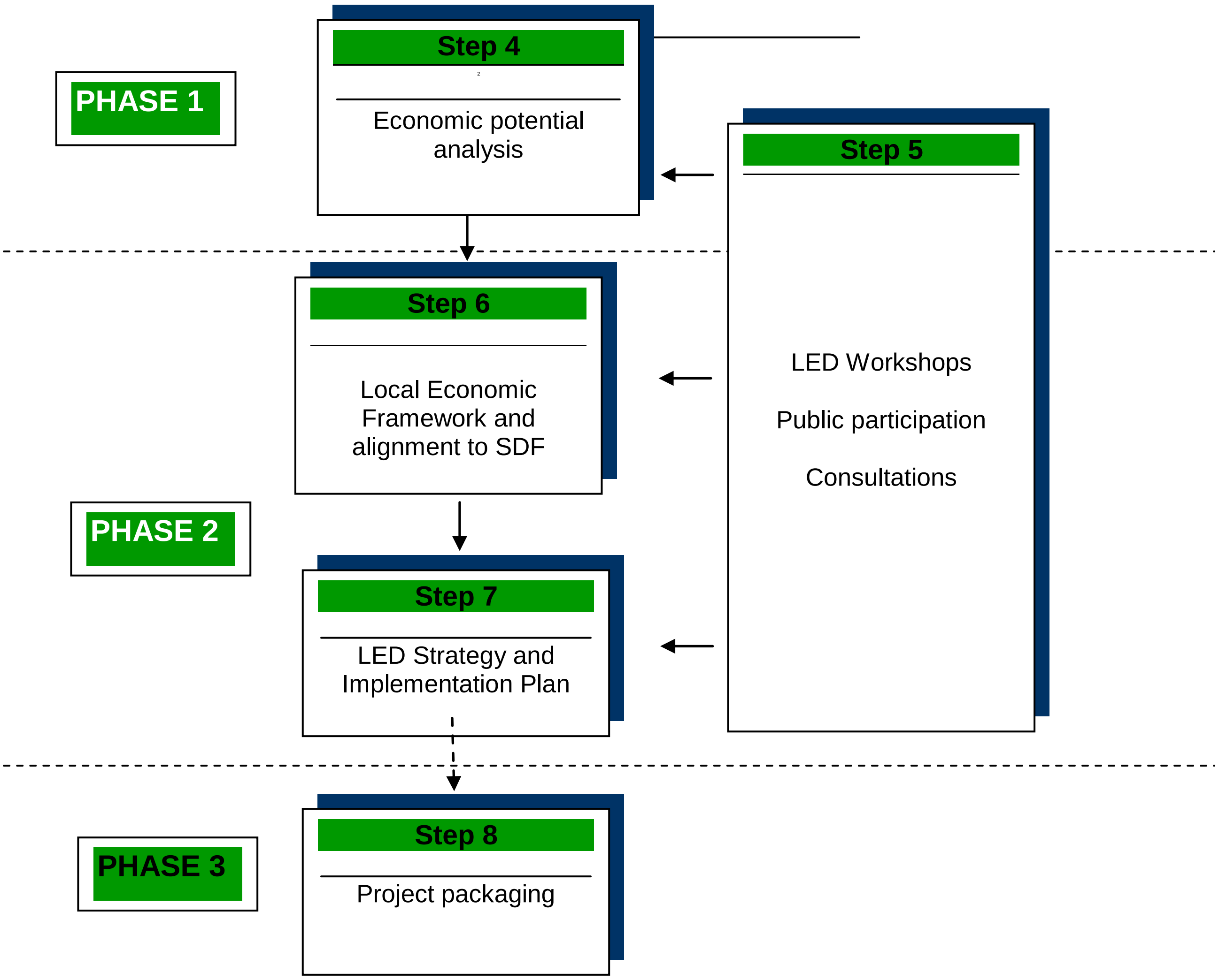
Source: Demarcation Board, 2006

1.4 Methodology

The methodology used for this study is shown with the below Diagram and detailed upon in the following sub-sections.

Diagram 1.4: Methodology




PHASE 1
Step 4
Economic potential analysis
Step 5
LED Workshops
Public participation
Consultations
Step 6
Local Economic Framework and alignment to SDF
PHASE 2
Step 7
LED Strategy and Implementation Plan
PHASE 3
Step 8
Project packaging

Step 1: Orientation

An inaugural meeting was held with the client to finalise the project goal, objectives, process deliverables and programme and identify and source all the relevant background information.

The first step also involved examining existing documents and studies pertaining to the study area, which includes a review of National, Provincial government documents in order to set the legislative background and policy context within which the LED Strategy needs to be formulated.

Step 2: Macro Profile Analysis

The purpose of this step was to undertake an economic and socio-economic evaluation of the larger region, including the Local, District, Provincial and National levels, with a view to compile a development perspective and identify trends within the larger region. This analysis provided critical basic information required for economic development planning. This step also analysed the legislative and policy framework within which the Lepelle-Nkumpi is to be developed, taking into account National policies and initiatives, Provincial growth strategies, District IDPs and LED and any other programmes, policies or initiatives affecting the Municipality and its development.

The Macro-economic profile entailed identifying aspects such as sectoral production, economic base, employment, growth, specialisation, linkages, comparative advantages, market trends, etc. The focus of this profile was to determine the economic status quo of the study area, in a broader geographical context, to understand the economic functioning and sectoral specialisation of the area (sub region) with emphasis on growth potential, sectoral composition, historic growth and comparative advantages.

Step 3: Local profile analysis

Step 3 involved the analysis of the local economic situation of Lepelle-Nkumpi Municipality in order to compile an economic profile, taking into account the economic activities such as businesses, industries, mining, tourism, agricultural practices present in the municipality.. Through this information the level of economic development and linkages between sectors within the economy was determined.

This step also involved the undertaking of business surveys to obtain relevant information on the current business environment in the Municipality and to ensure the involvement and opinions of key business role-players throughout the area is taken into account. This allowed for the compilation of complete and updated development profiles for the study area. The analysis was done using the Standard Industrial Classification System of Economic Activities (SIC) and taking into account the existing studies within the municipality, so that alignment to existing studies was ensured.

Step 4: Economic Potential Analysis and prioritisation per municipality

The purpose of this step was to address the gaps, which exist between the existing levels of development and the potential level of development. This was done through the analysis of the population and settlement characteristics of the study area, the establishment of the availability of the local human resources, the identification of nature of the institutional environment, which can provide support services, and the compilation of a profile of the sectoral composition of existing activities.

This step also involved identifying the latent development potential of the area, analysing the main economic linkages, which could create opportunities for cluster development and to identify opportunities for SMME development.

Step 5: *LED* workshops and public participation

The purpose of this step was to hold workshops with key stakeholders and role-players within the study area to assist with prioritising economic development opportunities. Sectoral focus group workshops were held with mining roleplayers, tourism roleplayers and agricultural roleplayers. The workshops were held at critical stages throughout the undertaking of the study. The focus of the workshops was on:

- Identifying and verifying economic opportunities
- Interpreting and collating of opportunities in terms of economic thrusts
- Undertaking resolutions to be addressed in the economic development plan
- Ensuring involvement and commitment of key stakeholders and communities to the economic development of the area
- Educating the community, business and municipality on LED, and

For a complete list of workshop attendance, please consult Annexure A.

In addition the workshop had a strong economic component to enlighten the community, business and municipality on the nature of the economic process, linkages and development theory and best practice.

Step 6: Local Economic Framework

The purpose of this step was to develop a strategic framework in terms of key projects and programmes based on the thrusts and opportunities identified in the preceding steps. The sectoral programmes were interpreted in terms of strategic targets, focused on unlocking the inherent development potential, exploiting comparative and competitive advantages in specific sectors of the economy, as well as intensifying sub-regional specialisation.

Programmes formulated as part of this step included sectoral development, institutional development and restructuring, marketing, economic competitiveness, poverty alleviation, resource mobilisation and programme linkages. This step also included the identification of realistic and practical projects for the sectoral programmes.

Step 7: Strategy, Implementation, and Monitoring Plan

This step integrates the different components of the study into an integrated economic strategy consisting of integrated programming to ensure the optimal rate of implementation and economic development of Lepelle-Nkumpi Municipality, a financial plan to focus project phasing in terms of financial requirements, a purpose-directed management and monitoring plan, a locational plan which allows the spatial representation of the proposed development vision and programmes in terms of economic activities and supporting infrastructure.

This step also unpackages the opportunities and interventions in a manner that clearly indicates what actions need to be taken, by whom, when, and at what estimated cost, with recommendations on linkages. This step also proposes a realistic and achievable timetable for the implementation of the strategy, as well as an appropriate performance monitoring system to ensure that all the objectives and expectations of the municipality are met over a period of time and includes fast track, medium term and long term actions that need to be taken.

Step 8: Feasibility studies

In order to ensure that the LED Strategies can be taken further, four projects were packaged into feasibilities in order to attain economic development in the Lepelle-Nkumpi Municipality.

1.5 Structure of the remainder of the Report

The Remainder of the report is structured as follows:

- **Section 2: Policy Framework** This section provides background on the history and the current policies, which direct Local Economic Development (LED), at the National, Provincial and Local Level.
- **Section 3: Macro and local economic profile** This section provides an economic and socio-economic evaluation of the region with a view to compile development perspectives and identify trends in the economy. This analysis provides critical base information required for economic development planning.
- **Section 4: Sectoral Analysis** This section brings the analysis down to a local level, providing an indication of the local economy and the key economic sectors in the Municipality. Through this analysis the potential for development in the sectors in the economy are identified.
- **Section 5: Local economic framework** in this section the strategic thrusts are provided. Each thrust is support by programmes and the programmes are prioritised in order of importance
- **Section 6: LED Strategy implementation guidelines** this section provides guidelines with regards to the implementation of the programmes in the LED and makes suggestions on strengthening the capacity of the municipality.

2. POLICY FRAMEWORK DIRECTING FUTURE DEVELOPMENT

The purpose of this Section is to better understand how the Lepelle-Nkumpi Municipality fits into the larger economy, as well as the broader aspects of the provincial and regional economy, which affects the municipality, creating the background against which development potential in the municipal area can be determined.

LED Strategies cannot stand alone, but need to conform to and take into consideration National, Provincial and Local government policies, programmes and initiatives. This Section covers the broad legislative framework within which local economic development on a local level should be conducted.

An analysis of the following key policies and strategies that affect the Lepelle-Nkumpi Municipality are analysed in this Section:

- ❑ National Polices and Strategies
- ❑ Provincial Policies and Strategies
- ❑ Municipal Policies and Strategies

The policies and programmes discussed are by no means the only legislative frameworks to be considered, but gives a general indication of legislation that is linked to matters of employment creation, poverty eradication and economic growth. Taking these frameworks into consideration when formulating and implementing Local Economic Development initiatives, will ensure wider government support and easier access to grants and other funding from government and donor organisations.

2.1 National polices and programmes

The most relevant national policies and programmes, which need to be taken into consideration in this LED strategy, are:

- ❑ Accelerated and Shared Growth Initiative for South Africa
- ❑ National Spatial Development Framework
- ❑ Small Enterprise Development Agency
- ❑ DTI Strategies: Broad-based Black Economic Empowerment Strategy
- ❑ Integrated Sustainable Rural Development Programme

2.1.1 Accelerated and Shared Growth Initiative for South Africa

AsgiSA is an initiative by the National Government of South Africa and lead by the Deputy President. The Initiative is essentially a guiding development framework and provides an indication of government planned priorities and investment. In order to promote private-sector investment, sector strategies are being prepared, and some are in the implementation stage. In this context, two sectors have been identified for special priority attention: business process outsourcing (BPO) and tourism. A third sector, biofuels, is being finalised. What these industries have in common is that they are labour-intensive, rapidly growing sectors worldwide, suited to South African circumstances, and open to opportunities for Broad-Based Black Economic Empowerment (BBBEE) and small business development.

AsgiSA's vision of a development path is a vigorous and inclusive economy where products and services are diverse, more value is added to our products and services, costs of production and distribution are reduced, labour is readily absorbed into sustainable employment, and new businesses proliferate and expand.

The initiative identifies a number of challenges that are to be addressed if it is to be successful. The challenges within the powers of municipalities:

- Infrastructure backlogs and investment retention and promotion;
- The inefficiencies that are produced by the irrational settlement patterns that resulted from the apartheid period;
- The economic impact of living far away from work opportunities; and
- Constrains that are caused to investment and development initiatives as a result of municipal planning constrains.

Countering these constraints requires a series of decisive interventions. These interventions do not amount to a shift in economic policy so much as a set of initiatives to achieve objectives more effectively. The responses to the binding constraints fall into six categories:

- **Infrastructure programmes:** This programme is aimed at improving the availability and reliability of infrastructure services in response to rapidly growing demand. The programmes are distributed to provincial and local government through the municipal and provincial infrastructure grant programmes.
- **Sector investment (or industrial) strategies**: In order to promote private-Sector investment, Sector strategies are being prepared, and some are in the implementation stage. Sector investment programmes that were identified by AsgiSA include tourism projects, agriculture, manufacturing, mining and business process outsourcing programme.
- **Second economy interventions:** Government has already initiated intervention to address deep-seated inequalities and target the marginalised poor, to bridge the gap with the Second Economy, and ultimately to eliminate the Second Economy. One key mechanism is to use the leverage of the First Economy to address the Second Economy. This includes leveraging the increased levels of public expenditure through promotion of small businesses, broad-based empowerment and development of Sector strategies.

- **Macro-economic issues:** the development of a new capital expenditure management information system by the National Treasury is one of the innovations recently introduced to address the issue of poor expenditure and budgeting at macro level.
- **Public administration issues**: The focus of this intervention is placed on the realisation of a people's contract on economic matters, the effective implementation of agreed BEE Charters, and leveraging benefits from offsets. On local government and service delivery, focus is placed on addressing the skills problems through Project Consolidate.
- **Skills and education initiatives:** skill shortages have been the impediment on infrastructure programmes and private Sector investment .The AsgiSA response range from: medium-term educational interventions to raise the level of skill in areas needed by the economy, to immediate measures to acquire skills needed for the implementation of AsgiSA projects. Programmes that was identified by AsgiSA to address the skills and education backlog includes QUIDS-UP programme; Maths and Science (Dinaledi) Programme and Joint Initiative for Priority Skills Acquisition (JIPSA).

The AsgiSA consists of a set of interventions that are intended to serve as catalysts to accelerated and shared growth and development. AsgiSA is not a new economic policy; rather it is mostly micro-economic reforms within a Growth, Employment and Redistribution (GEAR) macro-economic framework. These reforms are designed to improve the efficiency of the state, create better conditions for business, close the skills gap in both the short and long term, and to link the 1st and 2nd economy. AsgiSA is intended to improve the delivery of services at all levels of government and also within the Department of Trade and Industry (DTI), the Department of Minerals and Energy (DME), the Department of Home Affairs (DHA) and the Department of Land Affairs (DLA).

AsgiSA have set the following targets:

- Halving poverty by 2014, to 1/6 of households
- Halving unemployment by 2014 from 30%
- Achieving growth of approximately 4.5% to 2009, and 6% after 2010
- 50% of the total to be spent on infrastructure should be spent by the three spheres of government.

2.1.2 National Spatial Development Programme (NSDP)

The National Spatial Development Perspective (NSDP) was prepared by the Presidency and approved by Cabinet in January 2003. It was approved with the intention that it will serve as a planning tool that will promote coordination between departments and spheres of government by providing a set of planning principles and specific development perspective.

The NSDP vision includes: South Africa will become a nation in which investment and infrastructure and development programmes support government's growth and development objectives:

- By focusing economic growth and employment creation in areas where this is most effective and sustainable;
- Supporting restructuring where feasible to ensure greater competitiveness;
- Fostering development on the basis of local potential; and
- Ensuring that development institutions are able to provide in basic needs throughout the country

The NSDP principles are as follows:

- Economic growth is a pre-requisite for the achievement of other policy objectives, key amongst which would be poverty alleviation;
- Government spending on fixed investment, beyond the constitutional obligation to provide basic services to all citizens (such as water, electricity as well as health and educational facilities), should therefore be focused on localities of economic growth and/or economic potential in order to gear in private sector investment, stimulate sustainable economic activities and/or create long-term employment opportunities;
- Efforts to address past and current social inequalities should focus on people not places. In localities where there are both high levels of poverty and development potential, this could include fixed capital investment beyond basic services to exploit the potential of those localities. In localities with low development potential,
- Government spending, beyond basic services, should focus on providing social transfers, human resource development and labour market intelligence which would enable people to become more mobile and migrate, if they chose to, to localities that are more likely to provide sustainable employment or other economic opportunities; and
- In order to overcome the spatial distortions of Apartheid, future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or link the main growth centres. Infrastructure investment and development spending should primarily support localities that will become major growth nodes in South Africa and the SADC region to create regional gateways

The premise on which the National Spatial Development Perspective (NSDP) is based is one, which seeks to redress the spatial imbalances caused by Apartheid planning. This it aims to do by encouraging government to make major infrastructure investments in major urban centres where economic growth is happening much faster and in areas where economic development is not currently growing as fast. It seeks to encourage government to invest in basic services in these areas and in the development of skills.

The NSDP encompasses a mechanisms aimed at aligning spatial choices around government investment and development spending across all sphere of government with the focus on achieving government’s growth and development objectives. The priority issues emphasized by the NSDP are as follows:

- Economic growth

- Employment creation
- Sustainable service delivery
- Poverty alleviation
- Eradication of historic inequities

2.1.3 Small Enterprise Development Agency (SEDA)

The mandate of **SEDA** is to design and implement a standard national delivery network that must uniformly apply throughout the country. Its role includes the support and promotion of co-operative enterprises, particularly those located in rural areas. The work of **SEDA** is carried out in line with the Department of Trade and Industry's Integrated Small Enterprise Development Strategy.

SEDA aims to:
- Strengthen support for SMME's access to finance
- Create an enabling regulatory environment
- Expand market opportunities for specific categories of small enterprises
- Localise small business support through a grid of SEDA-coordinated information and advice access points
- Initiate a national entrepreneurship drive and expand education and training for small businesses
- Co-fund minimum business infrastructure facilities in the Local Authority areas across the country.

The programmes that SEDA currently has in its stable are:
- The National Small Exporter programme: That was known as the Trade and Investment Development Programme (TIDP) under Ntsika.
- The National Procurement Support programme: An expansion of the old Tender Advice Centres, but is set to incorporate access to bridging finance.
- The National Small-scale Manufacturing programme: An expansion of Namac's Manufacturing Advice Centre (Mac) programme, to look specifically at Sectors such as agriculture, mineral beneficiation and marine culture.
- TechnoNet Africa: A programme sponsored by the Japanese government.
- Business Turnaround: Highly specialised business interventions aimed at businesses with 20 or more employees.

The Municipality should thus facilitate the development of a regulatory environment that is conducive to the development and growth of small enterprises as well as the formalisation of informal businesses. There is also a need to develop additional SMME support centres.

2.1.4 Mining Charter, 2002

The Mining Charter is a Broad-based Socio-economic Empowerment Charter for the South African Mining industry and associated Scorecard. The charter was developed to provide a framework for progressing the empowerment of historically disadvantaged South Africans (HDSAs) in the Mining and Minerals Industry. The objectives of the Mining Charter are to:

- Promote equitable access to the nation's mineral resources to all the people of South Africa.
- Substantially and meaningfully, expand opportunities for HDSAs including women to enter the mining and minerals industry and to benefit from the exploitation of the nation's mineral resources.
- Utilise the existing skills base for the empowerment of HDSAs.
- Expand the skills base of HDSAs in order to serve the community.
- Promote employment and advance the social and economic welfare of mining communities and the major labour sending areas.
- Promote beneficiation of South Africa's mineral commodities.

The following table outlines the priority issues, focus areas and the targets of the Mining Charter, 2002.

2.1.5 Integrated Sustainable Rural Development Programme (ISRDP)

The Sustainable Rural Development Strategy (ISRDS) is a federal policy designed to realize a vision that will "attain socially cohesive and stable rural communities with viable institutions, sustainable economies and universal access to social amenities, able to attract and retain skilled and knowledgeable people, who are equipped to contribute to growth and development"

Table 2.1- Mining Charter Key Priorities

Priority issue	Focus area	Targets
Human Resources Development	Skills Development Training and Education	❑ Comprehensive skills development strategies (incl. Skills audit) ❑ Promote educational advancement ❑ Increase number of registered learners to no less than 5000 ❑ Promote skills training opportunities
Employment equity	Opportunities for HDSAs Women empowerment	❑ Baseline of 40% HDSA participation in management within 5 years ❑ Focus overseas placement and/or training programmes on HDSAs ❑ Talent pool and fast tracking ❑ Baseline of 10% women participation in mining industry within 5 years

Priority issue	Focus area	Targets
Migrant labour	Non-discrimination against foreign migrant labour	
Mine community and rural development	Mine and rural communities	❑ Integrated Development plans for mining communities and major labour- sending areas
Housing & Living conditions	Housing & living conditions of mine employees	❑ Improve standard of housing ❑ Improve nutrition of mine employees
Procurement	Preferential procurement for HDSAs	❑ 5% of procurement from HDSA companies ❑ Encourage partnerships with HDSA companies ❑ Develop HDSA procurement capacity
Ownership and Joint ventures	Ownership and participation by HDSAs	❑ 26% HDSA ownership of mining industry assets in 10 years

Source: Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry, 2004

The Mining charter provides a framework within which mining companies in the municipality must operate within and adhere to.

There are four elements behind the vision of the ISRDS. Those are:

- **Rural development**: is multi-dimensional and much broader than poverty alleviation through social programmes and transfers; it places emphasis on changing environments to enable poor people to earn more, invest in themselves and their communities and contribute toward maintenance of key infrastructure; a successful strategy will make people less poor, rather then more comfortable in their poverty.
- **Sustainability**: derived from increased local growth, and where rural people are able to access resources to maintain development.
- **Integrated**: integration is complex and requires effective co-ordination across traditional Sectors in all levels of government; the Integrated Development Plan (IDP) process will establish a primary locus of integration at the municipal level.
- **Rural Safety net**: Safety nets are still needed, and South Africa is exceptional amongst developing countries in that many of the key programmes of social assistance extend to rural people and prevent much hardship. The findings of the current review of social assistance should be incorporated to complement the ISRDS.

The LED programs for the Municipality should thus be designed to reduce poverty rather than alleviate it and the resources and/or the information on how to access resources to the public need to be shared. It is also vitally important for the Municipality to have effective coordination across all the Departments.

2.1.6 Department of Trade and Industry's Strategies

The Department of Trade and Industry's (DTI) Broad-Based Black Economic Empowerment Act No 53 of 2003 provides for the release of a Strategy Document on Broad-Based Black Economic Empowerment (BBBEE), as well as the drawing up of Codes of Good Practice.

The DTI developed a strategy document in 2003, entitled South Africa's Economic Transformation: A Strategy for Broad-Based Black Economic Empowerment. The strategy document lays the foundation for the objectives and measurement of BBBEE in South Africa. The DTI's Codes to Good Practice on Broad-Based Black Economic Empowerment provides a standardised means of recognition and measurement of BBBEE across the various Sectors of the economy.

In this section the Strategy for Broad-Based Black Economic Empowerment and the Codes to Good Practice will be discussed under the relevant headings.

Prior to 2003, no framework existed that assisted the measurement of broad-based black economic empowerment. In 2003, a strategy for broad based BEE was developed as an outcome of an extensive consultation process within government and with the private Sector. The strategy consists of a policy statement and a statement of the policy instruments that government will be applying. The policy instruments include the formalisation of partnerships and 'charters' with the private Sector; the use of a 'balanced scorecard' approach for gauging success; and an Act that allows for the formulation of guidelines and codes as well as the establishment of an Advisory Council.

The Department of Trade and Industry's Strategy for Broad-based BEE not only defined broad-based BEE and the transformation imperative but also outlined the first broad-based scorecard comprising the seven elements of broad-based BEE. The seven elements of the Strategy and the Generic Scorecard, and their respective weightings (out of 100) are depicted below:

- Ownership 20%
- Management control 10%
- Employment equity 10%
- Skills development 20%
- Preferential procurement 20%
- Enterprise development 10%
- The residual element 10%

The targets will be set at Sectoral level where Sector charters have been agreed; therefore the targets set out in the Mining Charter will be applied (as outlined earlier). The Strategy was followed by the Broad-Based BEE Act No 53 of 2003, which was promulgated in January of 2004.

The BEE Act is an enabling framework that allows for the development of the Codes of Good Practice, which will be discussed in the following section.

The Codes to Good Practice on Broad-Based Black Economic Empowerment (BBBEE) provide a standard framework for the measurement of BBBEE across all Sectors of the economy. This means that no industry will be disadvantaged over another when presenting their BEE credentials. The intention of the Codes of Good Practice is to level the playing field for all entities operating within the South African economy by providing clear and comprehensive criteria for the measurement of broad-based BEE.

The overall purpose of the Codes is to provide certainty with respect to BEE recognition and measurement, in order that:

- BEE initiatives may be implemented in such a way that economic substance takes precedence over forums
- There exists just comparability between the BEE statuses of different entities and that competition with respect to BEE contribution levels takes place.

In doing so, this will begin to ensure that BEE is implemented across the value chain, thereby facilitating access to the mainstream economy for more HDSAs. It is evident from the DTI's strategies that BBBEE is a key priority within South Africa; therefore it is important to incorporate BBBEE into the CSI Barometer. However, BBBEE will only be measured to a limited degree, due to the fact that the mining industry in South Africa has already been measured in terms of broad-based BEE and due to the fact that the purpose of the Barometer is to measure Corporate Social Investment.

As a national initiative the DTI programme and the Scorecard provide a framework within which all formalised companies within the municipality are legally bound to follow. The LED strategy should provide mechanisms for the municipality to utilise to help facilitate the compliance of Local companies.

2.2 Provincial Policies and Strategies

The purpose of this sub-section is to provide the political context in which Lepelle-Nkumpi need to set their polices and strategies. The Limpopo Provincial government policy puts a strong emphasis on the Municipal Governments to build the capacity within their departments to be able to fullfil their objectives. There are also reoccurring themes of sustainability and equity throughout all of the provincial policies dealing with economic development.

The following Provincial policies and strategies are analysed in this subsection:

- Limpopo Provincial Growth and Development Strategy (2004)
- Project consolidate
- Limpopo Provincial Spatial Rationale (2002)
- Limpopo Municipal Capacity Building Strategy (2005)
- Limpopo Sustainable Livelihoods Programme (2000)

- Limpopo LED Strategy Building Programme (2005)
- Limpopo Agricultural Development Programme (LADEP), 2006
- Limpopo Provincial Transport Strategy (2003)
- Limpopo Province Project Consolidate (2005)

2.2.1 Limpopo Provincial Growth and Development Strategy (2004)

Provincial governments are expected to play a leading role in ensuring that economic planning, infrastructure investment and development spending take place in accordance with the principles set out in the National Spatial Development Perspective (NSDP). The Provincial Growth and Development Strategy (PGDS) is a critical tool, which guides and coordinates the allocation of national, provincial and local resources, as well as private sector investment in order to achieve sustainable development outcomes. It also allows the alignment of provincial initiatives with those set out on a national level. The PGDS is not a provincial government plan, but rather a development framework for the province as a whole. In this respect, the PGDS provides the strategic framework, sectoral strategies and programmes aimed at driving implementation to ensure the rapid improvement in the quality of life for the poorest people of the Province. This supports the premise from which the LED is derived and therefore forms an important consideration as part of the LED process.

In terms of Limpopo Province, the Limpopo Growth and Development Strategy, 2004 (LGDS) focuses on various economic challenges that could make the Limpopo Province a major contributor to National wealth by the year 2020. The document gives an overview of the economic sectors in which it enjoys a competitive advantage, as well as identifying development opportunities, the main constraints and challenges and how to address these challenges among the communities in the Province.

The LGDS provides 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. The reduction of unemployment through the stimulation of the local economy has become the central policy objective of the provincial government through its PGDS and its Vision 2020 economic policy. Therefore the main objectives of the LGDS is that Limpopo Province share in 12% of the National economy by 2020 and that the unemployment rate be equivalent to that of the National economy by 2020.

In order to reach these objectives, it is important that LED strategies are implemented in the Province by its municipalities. The LGDS therefore incorporates each of the municipal planning processes and IDP's into the broader provincial perspectives, but it is also the point of reference for future development policy and IDP's, while outlining the roles of the provincial and municipal governments. The LGDS puts particular emphasis on the need to deliver programs in a strategic fashion and the ability of all governments and stakeholders to be able to monitor its results.

In order to develop the provincial economy, the LGDS follows a process-orientated approach through the use of seven industry clusters. The strategy is centred on pro-poor economic growth through the development of these clusters in the priority sectors of comparative advantage, while at the same removing the barriers to investment and business. The industry clusters were selected based on the premise that Agriculture, Mining, Tourism and Manufacturing are the main drivers of the Limpopo province economy. They are expected to achieve the momentum required to extend the value-chains, through which it is hoped that the sectors can provide a means of increasing entrepreneurialism and spin-off industries. The industry clusters identified by the LGDS are:

- **Platinum mining cluster**: Located along the Dilokong Corridor between Polokwane and Burgersfort (Sekhukhune district) and also in the Waterberg district and the Capricorn District, the Anchor projects for this cluster will be the new platinum mines and smelter as well as the chrome mines and all ensuing up-stream developments (input suppliers) that emerge from these developments. Down-stream activities refer to the smelter that has already been constructed with the potential for expansion, as well as a refinery that is envisaged in the future and other high value uses like in the autocatalytic, glass, dentistry, fuel cells industries, etc. Public sector interventions to improve the competitiveness of these platinum clusters include the upgrading of the roads education and skills development with specific reference to the mining sector and improved service delivery for residential development around the mines. This cluster is of special importance to the Lepelle-Nkumpi Municipality.
- **Coal mining and petrochemical cluster**: This cluster is located at Lephalale on the East-West Corridor in the Waterberg district
- **Fruit and Vegetable (horticulture) cluster**: The development of this cluster has been identified as one of the anchor projects in the Vhembe, Mopani and Bohlabela district municipality areas. Given the strong agricultural sector in Lepelle-Nkumpi Municipality, this cluster presents opportunities for development within the municipality, particularly in respect of agro-processing.
- **Red and White meat cluster**: This cluster is centred along the corridors in all districts of the Province. The meat cluster builds on emerging and current cattle and poultry production, animal feed production and sorghum production. Public sector interventions should include the commercialisation of state farms, skills development among emerging livestock farmers and the encouragement of Public-Private-Partnerships with established commercial farmers. Potential exists for projects within this cluster in Lepelle-Nkumpi.
- **Logistics cluster:** The logistics cluster focuses on Polokwane, aimed at promoting Polokwane as a destination of choice, both in terms of people and cargo, whereby the city can act as a gateway to Southern Africa. The cluster is focussed on providing inter-modal transportation that incorporates Polokwane International airport, the railway station and a proposed truck inn.
- **Tourism Cluster:** This cluster covers all the districts of the Province, as the tourism industry has been identified as one of the industries in which Limpopo enjoys a

competitive advantage. As it is considered that the whole province offers unique attractions, 8 sub-clusters have been identified, which include special interests; the game industry value-chain; golf and game tours; biosphere such as Lowveld, Waterberg and Soutpansberg; family entertainment (resort, sport and picnic places); Polokwane business tourism; mountain adventure on escarpment and Tranfrontier Parks. Lepelle-Nkumpi Municipality offers unique opportunities for tourism development and should therefore expand its competitive advantage in line with the tourism cluster.

- **Forestry cluster**: The forestry cluster is focussed on Mopani and Vhembe districts and the existing plantations in these two districts form the centre of this cluster.

2.2.2 Limpopo Provincial Spatial Rationale (2002)

The Limpopo Spatial Rational was updated in 2002 to include new data and areas that were not included in the original 1999 document. The Spatial Rational discussed the implications of the former government's economic and social policies on the spatial development and settlement patterns of the various Districts of the Limpopo Province. It also outlines the legal and policy environment that has existed since the replacement of the former government's decentralisation policies in 1994. Municipal Systems Act, 2000 requires that all local authorities in South Africa have to do forward planning for the short, medium and long term through the use of Integrated Development Plans (IDP) that incorporate Spatial Planning.

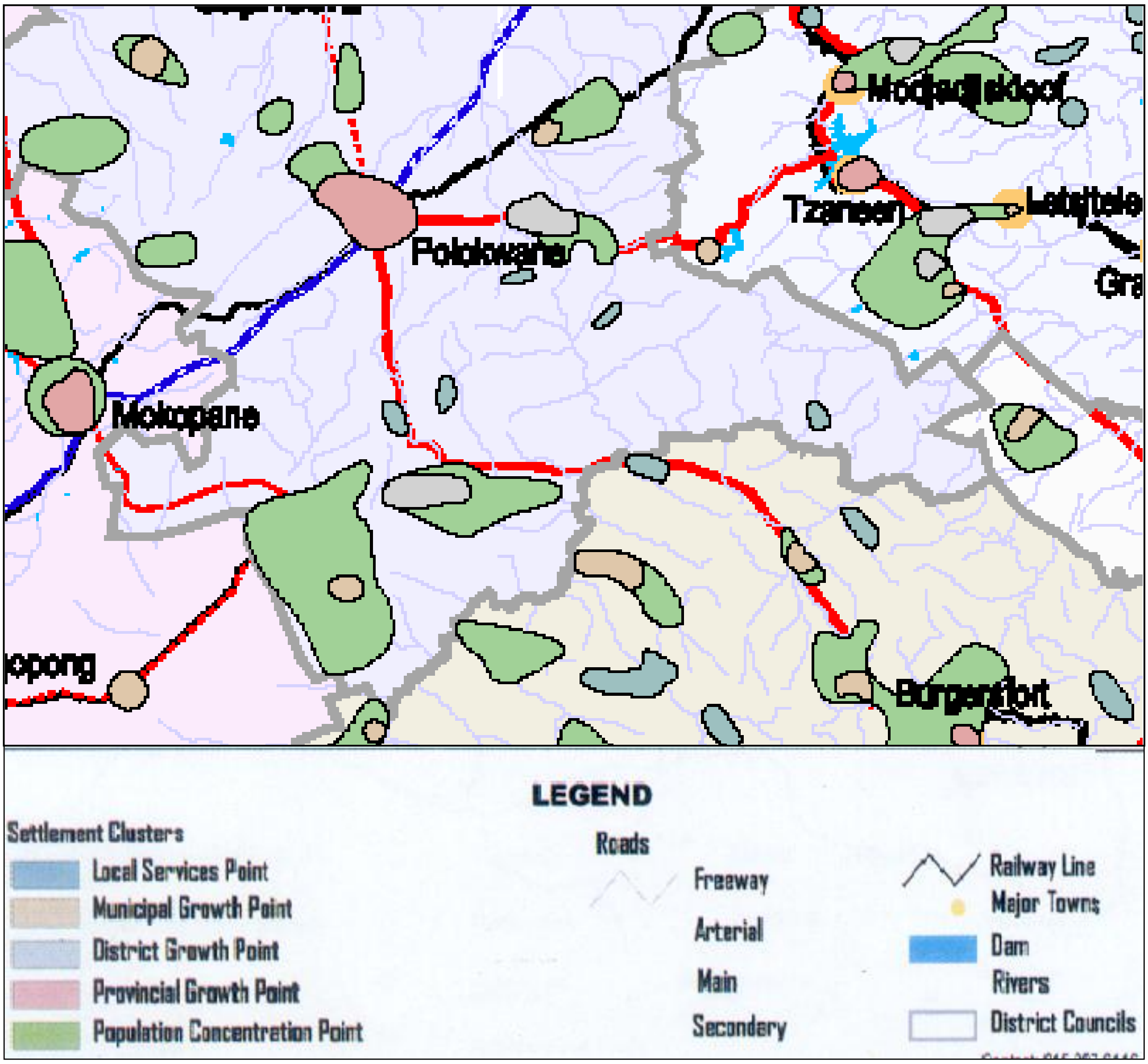
The Spatial Rational is a proposed framework for classifying settlements based on the nature of their population and their potential for economic growth. Settlements are classified as:

- **Provincial growth points (PGP)**
- **District growth points (DGP)** that have a meaningful economic Sector with some job creation, various higher order social facilities a large number of people grouped together.
- **Municipal growth point (MGP)** that have relatively small economic Sector compared to the District, and provincial growth points and have a sizable business Sector providing a meaningful number of job opportunities. They usually exhibit a natural growth potential if positively stimulated.
- **Second order settlements (Population Concentration Points)** that have a substantial number of people located in an individual or a group of settlements located close to each other that lack a meaningful economic base, and institutional activities.
- **Third order settlements (Local Service Points)** are isolated settlements with a population of approximately 5000, and have almost no economic base, although they have some development potential based on population growth and/or servicing function potential,
- **Fourth order settlements (Village Service Areas)** where a group of three or more settlements each with a population of less than 1000, that were mutually dependent on shared social infrastructure
- **Fifth order settlements (Small Settlements)** are mainly rural villages that were not included in the previous 4 categories of the settlement hierarchy. They are rural

settlements which are only functioning as residential areas with no economic base and have virtually no possibilities for sustainable development

The following Diagram outlines the distribution of the different orders of settlements within Lepelle-Nkumpi.

Diagram 2.1 - Settlements in Lepelle-Nkumpi



Source Limpopo Spatial Rationale, 2002

In the above Diagram the concentration of population around Lebowakgomo is noted.

According to the Spatial Rational, within Lepelle-Nkumpi, Lebowakgomo has been noted as a district growth point, Magatle as a municipal growth point, Seleteng and Mogoto as population concentration points, and Mafefe as a local service point. However, it has been noted that Matibela has now been noticed to be a growth point as opposed to Magatle.

2.2.3 Limpopo Municipal Capacity Building Strategy (2005)

All projects undertaken by the Limpopo Provincial government are based on a holistic, inclusive and participatory program based approach. One of the main challenges that the provincial government faces is the fact that many of its departments as well as the Municipal governments lack the capacity to be able to implement the programs. The lack of such capacity was one of the main reasons that the Sustainable Living Program's implementation was delayed for 8 months. All provincial government programs have as one of their key objectives the development of their target Municipal governments and departments capacity.

Capacity Building as defined by this strategy involves "certain specific areas of intervention identified on the basis of the functions that a municipality is required to perform. These areas of intervention signify gaps which if closed; a municipality should be able to function." The newly formed and or expanded municipalities of the Limpopo Province faced significant challenges in their ability to perform the functions allocated to them in terms of the relevant legislation. The newly formed municipal governments were responsible for delivering more services to an expanded population base, while coordinating the policies and of multiple newly amalgamated local governments.

The Limpopo Province implemented a Municipal Capacity Building strategy as a model to allow municipalities to be able to identify the specific areas that need intervention, develop a frame work in which these areas could be addressed in a way that was efficient and built consensus between all parties involved in the process, and coordinated the strategies across municipalities. The model has also been designed as a mechanism to enable municipalities to be able to prioritise between capacity building interventions. The principles of each municipal strategy are to be guided by the development priorities of the Province as laid out by the MCBS. These principles included;

- A holistic program based approach,
- Interventions be based on the needs of the specific municipality,
- Interventions be done in a finite timeframe
- Results of the strategy be able to be monitored in an open and transparent way

The strategy was designed to be integrated into the National Framework of Local Government Transformation that requires increased Municipal capacity building in order to be implemented. The role of the Provincial government as outlined in this document is to assist the municipalities where necessary and to coordinate the programs to avoid duplication during the process.

Roleplayers and stakeholders within the municipality need to have the capacity to recognise potential constraints and gaps to development in order for these problems to be addressed by the LED strategy.

2.2.4 Limpopo Sustainable Livelihoods Programme (2000)

According to the Human Poverty Index, the Limpopo Province has the worst incidents of poverty in South Africa. The Sustainable Livelihoods Program (SLP) was instituted in 2000 and was designed to reduce poverty in rural communities by "building the capability of the target beneficiaries to make a living and improve their quality of life without endangering the environment and livelihoods of other people in the present or the future."

Poor female-headed households were the primary target of the program, due to the significantly higher incidence of poverty in female-headed households. The beneficiaries received skills training through pilot livelihood projects. The project aims to demonstrate and promote sustainable livelihoods as a development tool complementing Integrated Sustainable Rural Development (ISRD) strategy to enhance economic development at the grassroots level towards reducing poverty, particularly in rural communities. Although the program was focused on reducing poverty for rural women a balanced gender participation in project implementation was actively sought. The needs and capacities of both male and female beneficiaries were carried out as part of the baseline survey.

The program was also designed to strengthen the capacity for development planning and management at local level to include sustainable livelihoods as a tool for poverty reduction. The program also recognised that both the Formal and the informal aspects of income generation needed to be supported in order to improve the household incomes of selected beneficiaries.

The overarching objectives of the programme are:

- To strengthen capacity for development planning and management at local level to include sustainable livelihoods a s a tool for poverty reduction
- To support Formal and informal livelihoods activities including agriculture, and pottery towards improving household incomes of targeted project participants
- To introduce information communication technology (ICT) to project participants and assist them to acquire knowledge that will improve their productivity and stimulate rural livelihoods opportunities

The more targeted the programs outlined in the LED strategy are towards the specific needs of the municipality the more effective they will be. The programs designed for Lepelle-Nkumpi need to designed in order to impart skills and build capacity.

2.2.5 Limpopo LED Strategy Building Programme (2005)

Local Economic Development (LED) is a recently adopted approach to creating more equitable economic growth in South Africa. It is an integrated, multi-disciplinary approach aimed at poverty alleviation through pro poor economic growth. LED involves supporting both sustainable economic activities in the municipalities and, the integration of the second economy with the first economy.

This programme outlines the principles, main actors and the steps involved in the preparing, implementing and monitoring a LED strategy at the District and Local Municipal Levels. It was initiated by the Limpopo Provincial Government in order to lessen the "considerable cost of the indiscriminate financing of individual projects, Sectors or geographical areas" and avoid the "waste of resources if there is not a proper resource planning system in place."

The LED Strategy Building Program consists of seven phases that are outlined in detail in the document; Kick-off Meeting, Socio-Economic Audit, SWOT Analysis, Vision defined, Comparative Advantages and Strategic Orientations, Objective Tree, and writing of an Operational Plan. Successful strategies are characterised by a high level of public consensus and the involvement of a large number of stakeholders from all fields of the community.

The guiding principles of this document are echoed in all other provincial programmes and strategies. These include:

- ❑ Partnership in the strategy building process and its implementation is essential for sustainability and is necessary in changing economic conditions.
- ❑ Common ownership and participation.
- ❑ Transparency of the process.
- ❑ Strategy building is a continuous process.
- ❑ Hierarchy of strategic plans.

The development of LED projects within the municipality should follow the guidelines of inclusiveness and full participation outlined and should be inline with the requirements of those of the Limpopo Province.

2.2.6 Limpopo Agricultural Development Programme (LADEP), 2006

Department of Agriculture is responsible for leading the development and implementation of the provincial government's agricultural policy. The Limpopo Agricultural Development Programme (LADEP) outlines the provincial government's policies for the agricultural Sector.

The objective of the LADEP is "the living conditions of low-income households in rural and peri-urban communities in Limpopo Province are enhanced." The focus of the LADEP Programme is on rural agricultural productivity from a holistic perspective aiming to support an integrated farming approach that would allow farmers to diversify production, increase income and spread risk. LADEP is considered as the programme providing leadership in the development of market-led production systems for black emerging farmers and developing and nurturing entrepreneurial skills among rural farmers. The focus of the programs is to improve the sustainability of the agricultural Sector and the elevation of poverty through the use of education, capacity building and support to small-scale agro business.

The core programs of the LADEP are:

- The Revitalization of Irrigation Schemes program (RESIS) concentrates on rehabilitating of infrastructure as well as on organising, training and capacitating the smallholder farmers to run and manage their schemes profitably and in a sustainable way.
- The Land Care Programme addresses the problem of land and water degradation in the Province.
- The Programme of action for PEA/PDA Institutionalisation and integration. Builds capacity and provides access to suitable innovations
- The Agribusiness Development Academy Programme is a training and mentoring programme for 1000 emerging black commercial farmers in Limpopo
- The Participatory Rural Integrated Development (PRIDE) eight pilot projects at community level, aiming to develop economically and socially active rural communities responsible for their own development.

The programs are expected to improve the capacity of the Limpopo Department of Agriculture to produce and deliver information related to agribusiness micro-enterprises to the general public. The programme is also expected to improve the quality and quantity of agricultural yields by having agricultural micro-enterprises be managed according to business principles and having more group ownership of agribusiness. Natural resources used and managed in a sustainable way in agribusiness production.

The existing projects within the RESIS, PRIDE, Land Care Programme The Agribusiness Development Academy Programme and the PEA/PDA within the municipality need to be taken into account when developing the LED strategy. Agriculture programs that will be developed in the municipality must meet the requirements of the Provincial Department of Agriculture and should thus focus on the above-mentioned aims.

2.2.7 Limpopo Agriculture Management Plan (2003)

The Provincial Government of Limpopo has taken the agricultural Sector as the cornerstone of the economy. Since 1994, attempts to have a vibrant agricultural Sector have been hampered by past development strategies and to date much energy has been diverted in correcting such ills. The mission of the Agricultural Management Plan (AMP) is the "Increasing economic growth and reducing poverty by empowering people to manage natural resources in a sustainable manner."

It utilises a variety of strategies to improve the key areas in order to live up to its vision and mission as a department. It is designed to attract investment to the neediest areas of the Province, with appropriate exit strategies to avoid dependency including restructuring of the State Owned Enterprises; Human Resource Development; Farmer Settlement, Poverty Eradication and special programmes that attempts to attain agricultural development in the Province. Five key programs are encompassed in the AMP:

- Restructuring of state assets, ARDC projects and project transformation
- Land Reform
- Poverty alleviation

- Statutory Services (Veterinary)
- Human resource development and Management

Development efforts within the municipality should not hamper the development of the agricultural industry and the Development within the municipality should not encourage unsustainable activities for short-term growth.

2.2.8 Limpopo Provincial Transport Strategy (2003)

Provincial transport strategy outlines the steps that need to be taken in order to achieve the goal of an "integrated, safe, reliable, efficient and affordable multimodal transportation system that would enable the optimum creation of time and place utility through mobility."

The poverty and low levels of development of the majority of many particularly rural communities Limpopo Province, combined with the geographic distances has lead to high transport costs that consume excessive portions of the average household income, reduce mobility and isolated communities from economic activities. The inefficient design of the transports system inherited from the previous government relied on a formalised bus system that has been weekend during the past decade a result of insufficient government funding and internal government capacities, and an informal taxi system. The formalisation of the taxi industry is one of the main priorities of the strategy. Improving the road access and allowing the industry to become intergraded into the provincial, national and global economies therefore supports the economic development of rural communities. The integration of the public works departments of four apartheid-era governments and the establishment of the Roads Agency Limpopo in 1999, as well as the federal government decision to takeover the maintenance of the primary roads leading to the Kruger Park have all allowed the improvement of road access to smaller rural communities.

Road infrastructure in the Province is extensive but the condition is generally poor with the exception of the N1 national road. Provincial and rural roads are underdeveloped and lack sufficient funding. The Trade and Investment in Limpopo 2004 1st edition outlined the programs and provincial government policies that were in place particularly in dealing with transport infrastructure and innovative agricultural developments. It outlined the provincial government policy of supporting the economic development of rural communities by improving the road access to them allowing them to become intergraded into the provincial, national and global economies. This was done through the integration of the public works departments of four apartheid-era governments and the establishment of the Roads Agency Limpopo in 1999, as well as the federal government decision to takeover the maintenance of the primary roads leading to the Kruger Park. The Provincial government's involvement in the Maputo Corridor as a means of reducing the transportation costs of local exporters through the R36 and R40 roads and adjacent rail lines.
The goals of the Transport Strategy are:

- To develop, co-ordinate, implement and manage an integrated, multi modal transport system

- To support the process of democratisation, reconstruction and development of the Province;
- To act as a catalyst for social upliftment and economic growth;
- To ensure that the system is balanced, equitable and non-discriminatory;
- To ensure that the system is also reliable, effective, efficient, safe, accessible, affordable, accessible, and environmentally friendly.

2.2.9 Limpopo Province Project Consolidate (2005)

Project Consolidate is targeted at the Local Municipal Governments within the Limpopo Province to support the development of each Local Municipality to be able to perform their mandates. The Project was also designed to be "a complementary process of systematic refinement of policy, fiscal and institutional matters that will enable the consolidation of the local government system in the long term."

The following were the main focuses of the Project consolidate:

- Public empowerment, participation and community development
- Capacity building, development of systems, human resource development and improved organizational culture.
- Free Basic Services which target poor households, appropriate billing systems and reducing municipal debt,
- Integrated human settlements
- Local economic development, job creation, EPWP and municipal infrastructure
- Anti-corruption campaign
- Special support initiative in rural and urban nodes. (ISRDP)
- Performance monitoring, evaluation and communication.

Under this Project, Local, Provincial and National governments and agencies as well other Key Stakeholders need to "find new, creative, practical and impact-oriented modes of engaging, supporting and working" together. They will need to be able to jointly prioritise actions that need to be implemented as well as actively engaging with the Local communities to assess their needs. The Local government also needs to be able to have the capacity to jointly with other levels of Government "identify and unblock bottlenecks inhibiting the acceleration of service delivery and local government transformation".

In terms of LED, Project Consolidates goal is to "create vibrant and resilient economies in project Consolidate municipalities" and to "provide all South Africans with a basic level of services with a focus on the poor". The Project also outlines the need to work within the parameters of the PGDS to address the challenges of the dual economy.

The Informal economy in the municipality should not be ignored by the LED Strategy, but rather brought into the Formal economy through the use of the PGDS. The LED projects within the municipality should focus on the needs of the poor and the projects should act to diversify the economy the municipality away from the export of raw materials through backwards and forwards linkages in the value chains of each sector.

2.3 Municipal Policies and Strategies

The purpose of this sub-section is to provide a broad overview of the policies and priorities of the Local Municipal Governments within Lepelle-Nkumpi. This sub-section will provide the political context that has been set within Lepelle-Nkumpi and Capricorn District.

While Local Economic Development in the past had been a function of the National and Provincial levels of government, since 1994 the South African Government has decentralised key functions to local government. This allows for local government to be more independent and for public services to be delivered more efficiently.

In terms of Local Economic Development, there is no specific legislation which explicitly sets out the local authority's duty to undertake, plan for and facilitate Local Economic Development. Nonetheless, the White Paper on Local Government (1998) point out that local government can play an important role in promoting job creation and boosting the local economy. It therefore identifies Local Economic Development as one of the four key outcomes which developmental local government seeks to achieve, together with the provision of household infrastructure and services; the creation of liveable, integrated cities, towns and rural areas and community empowerment and redistribution.

The following policies and strategies are analysed within this sub-section:

- ❑ Capricorn District Municipality IDP, 2006/7
- ❑ Capricorn District Municipality SDF 2006
- ❑ Capricorn District DRAFT LED Strategy, 2006
- ❑ Lepelle-Nkumpi Municipality IDP 2006 - 2011
- ❑ Lepelle-Nkumpi Spatial Development Framework

2.3.1 Capricorn District Municipality IDP

Local Economic Development also directly and indirectly forms part of other local government policies and planning instruments, such as the Integrated Development Plan (IDP). IDP, as required in terms of the Local Municipal Systems Act of 2000, is used by local municipalities as a method to plan and provide a framework for the future development in their areas, in order to improve the quality of life of its people and to achieve good long-term development. The Plan is a five-year planning process, which looks at economic and social development for the area as a whole and sets a framework for how land should be used, what infrastructure and services are needed and how the environment should be protected.

The priority issues identified in the Capricorn District Municipality IDP (with reference to Lepelle-Nkumpi) are as follows:

- Priority 1: Water and Sanitation issues: A number of villages do not have access to clean drinking water. 60% of the population do not have access to adequate sanitation services in rural parts of the municipality. Only areas such as Lebowakgomo enjoy the luxury of water borne sewage system.
- Priority 2: Energy issues: There is a backlog in as far as electricity provision is concerned. Most households still use wood, paraffin, candles etc as their main source of energy.
- Priority 3: Economic Development issues: The economic potential of the municipality is not adequately tapped. There are various opportunities such as mining developments, which needs to be taken advantage of. There are also the factory hives, which are not fully utilised to their potential. However the availability of the LBSC might improve the situation for SMME promotion if utilised correctly.
- Priority 4: Roads, stormwater, and public transport issues: The roads are in bad condition especially in rural areas such as Mafefe, which are mountainous. Access roads within Lebowakgomo are not well maintained, hence a need for urgent attention. Bad conditions of roads (especially access ones) in rural areas are also a hindrance to the public transport system whereby operators are reluctant to operate on them. However, the rural transport Bicycle project target school going children is currently running in the municipality.
- Priority 5: Health and Welfare services issues: There are 18 Clinics servicing a population of roughly 226 996. However, some clinics lack the basic services such as water, electricity and sanitation for effective service delivery to the people.
- Priority 6: Education services issues: Shortage of classrooms and basic amenities such as electricity, water, sanitation in some schools especially in rural areas.
- Priority 7: Sports, arts, creational and cultural services issues: Lack of recreational and sports facilities especially in rural areas. Where they are especially in areas such as Lebowakgomo are not up to required standard.
- Priority 8: Emergency services issues: A Fire Station has been completed but not yet functioning as the area is still serviced from Polokwane Town.
- Priority 9: Environmental management issues: Overgrazing in areas such as Mafefe. Soil erosion is mostly experienced from Donkerkloof to Mafefe. Poaching is rife in areas such as Lekgalameetse. Asbestos pollution have detrimental effects to the lives of people especially around the Mafefe area.
- Priority 10: Community and stakeholder participation issues: Ward based public participation strategy has been adopted. The current status of public participation is not satisfactory.
- Priority 11:HIV/AIDS issues
- Priority 12: Special focus group issues
- Priority 13: Safety and security (crime prevention) issues: Social crime is generally high. However, there are serious efforts by the SAPS to address the problems encountered through establishment of community policing structures around the

- ❑ municipal area. There are two police stations available to service the communities.
- ❑ Priority 14: Institutional transformation issues: The organisational or administrative structure is not yet strengthened enough to respond to the challenges facing the municipality. There is still a big need to fill the crucial posts, which are vacant. § Financial management policies and strategies are not in place or not effectively implemented to ensure and sustain cost recovery.
- ❑ Priority 15: Housing issues

The District IDP identified the following for the economic cluster:

Table 2.2 Economic Cluster objectives, strategies and programmes

Objectives	Strategies	Programmes
❑ To promote BBBEE within the district	❑ Ensure procurement of local and PDI goods/ products ❑ Encourage Service Providers to procure 50% of their materials within the district ❑ Market & promote Proudly Capricorn	❑ Awareness campaign and workshops ❑ Service Providers Assessment and Incentives promotion ❑ Marketing programme for Proudly Capricorn
❑ To increase job creation in the District by 20% on a yearly basis ❑ To create an environment that would stimulate economic growth and development in the next 5 years (2011) ❑ To create and promote local economic development initiatives in the SMME sector ❑ To support and promote major economic sectors in the district. (Agriculture, Mining,	❑ Facilitate the creation of 8854 jobs in all sectors of the economy within the district municipal area by 30 June 2007 as per PGDS ❑ Focus economic development activities at four (4) district growth points i.e.Makweng, Morebeng (Soekmekaar), Lebowakgomo and Mogwadi (Dendron) whilst supporting municipal growth points i.e. Rampuru in Aganang ❑ Forge partnership with National, Provincial Government and Private sector ❑ Promote and support community based economic development ❑ Ensure access to information and market opportunities, trade promotion and investment attraction ❑ Develop entrepreneurial skills ❑ Promote EPWP principles in the	❑ Small Farmers Support (District wide) ❑ Investment Promotion ❑ Waste Recycling ❑ Operationalisation of 11 CBPWP LED Projects ❑ Coordination of EPWP Learnerships and training activities

Objectives	Strategies	Programmes
Tourism, Manufacturing and Construction). ❑ To promote the district as tourism and investment destination area	implementation of projects	

Source: Capricorn District IDP, 2006/7

The Capricorn District Municipality has targeted Agriculture, Mining, Tourism and Manufacturing as key sectors to address problems pertaining to job creation, equitable distribution of resources, above average increase in investment and promotion of fair trade. A number of potential projects have been identified under the mentioned sectors for which implementation strategies have been developed.

The projects identified for Lepelle-Nkumpi Municipality are presented in the below Table.

Table 2.3 Projects in economic cluster

Sector	Project	Location	Description	Value	Jobs	Budget 2006/7
Mining	Inca Cement Factory	Along Dilokong Corridor	Mining dolomite and limestone	R15 million	±1300	
	Storm Manganese	Storm 370 KS	Mining manganese			
	Zebediela Cement	Zebediela 123 KS	Lime			
	Wolkberg Gold	Mimosa 218 KS	Gold			
	Silica	Near Strydpoort Mountains	Silicon			
	Springbok Flats Coalfields	Roedtanspringbok flats	Coalbed methane gas			
Agri-Business	Grootklip Irrigation Scheme	Along Lepelle River at Grootklip Citrus & Grapes project (Ga-Maletane)	Producing citrus and grapes	R10 - R15 million	±100	R1 950 000
	Chicken Abattoir, broiler chicken farming & processing	Lebowakgomo	Chicken production-	R1 million	-	
	Mafefe fishing farming	Mafefe	-	R1.3 million	-	

Sector	Project	Location	Description	Value	Jobs	Budget 2006/7
Tourism	Bewaarkloof Conservancy	Strydpoort mountains	Develop as tourist destination	R7 - R10 million	±15	R2 000 000
	Mafefe Camp - African Ivory Route	Strydpoort mountains	Community based tourism project	?	-	
Manufacturing	Molapo Matebele Stone Crushers	Along the mountains at Staanplaas	Crushing of stone for civil, roads and building purposes	R15 million	±20	R1 710 000
	Rietvallei Stone Crushers	Ward 22	Crushing of stone for civil, roads and building purposes	R15 million	±20	R1 710 000
	Nkumpi Technology	Magatle in Zebediela	Assembling and distributing IT equipment such as computers, copiers, etc.	R15 - 20 million	±20	R2 000 000

Source: Capricorn District IDP, 2006/7

The Capricorn District Municipality is also in the process of (and in some instance completed) undertaking the following:

- Development and Promotion of Lekgalameetse Conservancy
- Lekgalameetse Resort - R5 million
- Feasibility Study for Paprika Beneficiation/Processing Plant (Lepelle-Nkumpi and Molemole)- R320 000
- Lepelle-Nkumpi Local Business Service Centre (LBSC) - R930 000

2.3.2 Capricorn District Municipality SDF

The purpose of the Capricorn Spatial Development Framework (SDF) is to assess the position of the District Municipality from a national and provincial perspective and to serve as a guide for the respective Local Municipalities in order to ensure that their spatial development links with the overall development perspective for the District.

The SDF identified the following economic advantages of rural service centres:

- "Economy of scale" advantages will be established;
- Higher order catalyst retail and social activities will be established which will promote the establishment of smaller complimentary land uses;
- Integrated land use activities in support of each other will be established;
- Job opportunities will be created;
- The pricing structure of goods will be reduced in view of healthy competition;

- The poor rural occupant will save transportation costs as the majority of goods will be available at rural service centres, thus saving on additional urban destined trips; and
- Poverty levels could be reduced, as beneficiaries will have the opportunity to market and sell their goods at the rural service centre.

Preferred land uses to be provided at Rural Service Centres includes residential areas, retail, informal market, social services (clinic, pension and child support payment point, secondary school, cemetery and sport and recreation), light service industries, agricultural uses and public transport facilities.

The vision of the SDF is "To provide a spatial development framework for the Capricorn District Municipality through which spatial development in the district and local municipalities can be directed in order to normalise the existing spatial development by 2014".

The mission of the SDF is "To achieve the vision by the following strategic actions, namely:

- Providing a logic spatial development framework
- Provide for the development of settlements according to a hierarchical pattern all over the district
- Provide for the concentration of spatial developments in areas where it will contribute to overall regional development
- Provide for a land use management system which will effectively direct development in the district.'

The main relevant issues outlined and proposals made in the SDF are summarised below:

- Land use management - In this regard it is proposed that due to the rural nature of the District, consideration be given to the compilation of one single land use management scheme / town planning scheme for the entire district. The implementation of such a proposal will not only lead to effective and efficient land use management, but will also address the principle of good and fair governance for as far it concerns development in the area;
- Housing issues - The concept of Rural Service Centres will contribute towards addressing this issue. However, it is also proposed that a detailed housing strategy be compiled and implemented, linked to what was done in terms of housing delivery, what are the requirements and linkages to housing waiting lists and envisaged needs. A detailed implementation strategy will follow from such a study. By addressing the housing issue the principles of sustainability and integration, prevention of illegal land occupation and efficient and integrated land development will, amongst others, be addressed;
- Development of transportation corridors - Although certain transportation corridors / SDI-routes have been identified, development along these corridors need to commence at identified areas in order to maximize existing infrastructure and to promote economies of scale. Certain catalyst developments also need to be identified. In this regard efficient and integrated land development will be promoted and contributions of

all sectors of the economy will be encouraged and optimised in development of the district;

- Lcal economic development - It is proposed that the various LED-studies / strategies compiled be integrated into one strategy focusing on the entire District. Economic value chains need to be established which will link one activity with another, regardless of locality. This will contribute towards the development of transportation corridors and will also give effect to the principle of sustainability, integration and the effective and efficient development of land;
- Institutional arrangements - In order to ensure effective and efficient development, institutional arrangements need to be in place in order to ensure and contribute towards the development of fair and good governance. Therefore, attention should be given to institutional capacity at the district and local municipal levels and the relevant legal issues should be in place. Linked to this issue is the fact that projects need to be identified and prioritised on a more effective manner and scale in order to ensure that development contributes to the orderly and systematic development of the entire district; and
- Normative planning principles - Various normative planning principles are contained in the DFA and other relevant legislation. Therefore an attempt was made to indicate how the proposals/ recommendations made in the ISDF will ensure that attention is given to issues relevant to the respective planning principles.

2.3.3 Capricorn District, LED

The focus of the CDMs LED Strategy is on:

- Coordinating integrated development planning, rural development and urban renewal
- Embarking on municipal infrastructure and extended public works development programme
- Investing in enterprise development and small business support
- Promoting and support community-based economic development
- Ensuring access to information and market opportunities, trade promotion and investment attraction
- Provide incentives for retaining and expanding existing businesses

This draft strategy reveals that it will serve to position Capricorn District as the creative and vibrant district in Limpopo Province, South Africa, SADC, Africa, and internationally through:

- Recognition that the Region's export income and economic drive is essentially provided by a series of industry and various business activities
- The need to improve intra-district accessibility to facilitate journeys to work and the integrated development of the district
- Confirmation of the agribusiness and manufacturing significance of the district in a national context, and the need to provide a secure future for ongoing industry

development and investment, based on the recognition that future industry development will be increasingly linked to a range of knowledge-based services
- The need to provide quality environments for business services and Manufacturing development within improved activity centres and new employment nodes

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, and internationally through:

- Establishing of the partnerships from the communities in Capricorn District with Limpopo district municipalities, Chambers of Commerce in Limpopo, and businesses and companies and the general stakeholders population in regard to economic growth and development, which will focus in integration of the sectoral developments in order to centralize the economy of Limpopo within Limpopo so as to encourage:
  - Investment in the communities (both rural and urban) in the district,
  - Manufacturing and production of final products, exporting of final products to international destinations,
  - Supplying South Africa with finalised products rather than buy back finalised products from the raw material and products (that come from Limpopo Province) processed outside the Limpopo province, provide outcome based education and skills development that meet the needs of all stakeholders,
  - Drive research and development to solve the problems and provide integrated creative and sustainable solutions in regard to regeneration of the rural and urban economy of Capricorn District in terms of community based:
    - sustainable creative industries,
    - creative and sustainable entertainment and tourism services and products of the best quality compared to none in South Africa and also globally,
    - creative and sustainable agricultural business solutions,
    - creative and sustainable environmental businesses and solutions,
    - creative and sustainable manufacturing,
    - creative and sustainable logistically integrated communities and economically linked initiatives within the District and to all other communities in districts in Limpopo Province, other provinces in South Africa, SADC, Africa and globally
    - creative and sustainable villages, towns and cities which are vibrant, safe, clean, friendly, liveability as integral components of a balanced approach for the long-term sustainability of the district, Limpopo Province and South Africa, that should attract youth, value adding immigrants from all over the world.
    - Creative and sustainable business of sports and best sports facilities in the world to develop and produce the best athletes to represent South Africa and Africa globally, and best services and products and to attract athletes beyond the borders of South Africa and also globally

- Creative and sustainable business of health, research and development excellence, quality health products and excellent health care services

- Stimulating clusters that are research and development influenced and focused on creative sustainable value chains in and across all sectors of development such as: manufacturing, mining, agro-processing, recycling and bio-processing of waste, bio-technology development, Information Communication and Technology development opportunities, development of logistic management in terms of existing sectors of the economy and the potential sectors of the economy, provision of excellent services in the local government, communities and businesses, tourism, creative industries, tourism industries and transport logistics for pedestrians, and goods to all destinations in the communities of Capricorn District, Limpopo, Africa and the world.
- Exploring the targeting of other businesses outside Capricorn District Municipality to invest not only in Capricorn district but also other districts in Limpopo Province.
- Become a resourceful in creating sustainable district in capacity building for all the sectors and providing sustainable employment opportunities
- Identifying of projects, which can be implemented not only in Capricorn District Municipality but also in the other districts within Limpopo Province for the purpose of economic growth and development.
- Networking with other district municipalities in the other provinces within South Africa in order to exchange information about economic developments in their communities and also benchmark against the best developments to encourage economic growth and development.
- Networking with other municipalities within SADC, Africa, Asia, Europe, Americas, Australia and New Zealand in order to exchange information about developments in their communities and also benchmark against the best developments to encourage economic growth and development within Capricorn District Municipality; and
- Exploiting and improving the existing facilities and infrastructure available within Capricorn District municipality and other district municipalities within Limpopo Province so as to fulfil all that is mentioned above.

2.3.4 Lepelle-Nkumpi Municipality IDP

The vision and mission of the Lepelle-Nkumpi Municipality is to: "Be financially a viable municipal council, geared towards the improvement of the quality of life of the people by providing sustainable services", and its missions is: "To effectively provide basic services and thus make a significant contribution to social and economic development of the community"

The IDP also reveals that based on the mission of the municipality, as well as guided by the PGDS, NSDP, ASGISA, etc the Key Performance Areas of the municipality are as follows:

- Basic Services and Infrastructure development

- Community Empowerment
- **Economic Development**
- Institutional transformation

The status quo of economic development, as identified in the IDP, is a contribution of 13.6% to District GGP. The objectives set by the IDP are toe boost economic growth of the municipality and reduce unemployment by 15% by 2010. Furthermore 45% of the economically active people are unemployed. With regards to the economic development focus area, the following Table provides an indication of the strategies and programmes developed for the economic cluster.

Table 2.4: Strategies and programmes for the economic cluster

STRATEGIES	PROGRAMMES/ PROJECTS
Revitalization of dysfunctional economic projects, e.g. irrigation schemes.	Funding of economic projects
Channel poverty alleviation funds into sustainable job creation projects	Facilitate linkages with other stakeholders
Facilitate, in collaboration with other sector departments, funding of LED projects	Information seminars
Lobby support for and promotion of SMMEs to take advantage of 2010 soccer world cup	Update SMME database of the municipality on a continuous and transparent basis
	Facilitate access to finance, market and skills training of at least 30% of aspiring SMMEs in mining, tourism, manufacturing and agro-processing through workshops and seminars Create market facilities for SMME's
	Facilitate formation of cooperatives
Attract investment through local strategic partnerships	Meetings/ workshops
Facilitate proper management of proper land uses	Implement land use management schemes
	Upgrading of land tenure rights for Lebowakgomo
	Facilitate roll-out of communal land rights bill and other legislations
Coordinate economic development initiatives in the Municipality	Develop LED strategy
Develop/ review LED strategy and policy; monitoring and evaluation system for LED projects	Continuous Monitoring and evaluation of LED projects
Identify heritage sites and develop and promote LNM as a preferred tourists destination	Feasibility studies

Source: Lepelle-Nkumpi Municipality IDP, 2006-2011

The economic projects identified for the next five year period (2006/7 to 2010/11) in the IDP are shown in the below Table.

Table 2.5: Economic projects– 2006/7 to 2010/11

Sector	Project	Location	Description	Project Value	Job Creation	Institution
Mining	Inca Cement Factory	Dilokong Corridor				TIL
	Storm Manganese	Storm 370 KS	Mining manganese	-	-	DFED
	Wolkberg Gold	Mimosa 218 KS	Gold	-	-	DFED
	Silica	Near Strydpoort Mountains	Silicon	-	-	DFED
	Molapo Matebele Stone Crushers	Along the mountains at Staanplaas	Crushing of stone for civil, roads and building purposes	R15 million	±20	CDM
	Rietvallei Stone Crushers	Ward 22	Crushing of stone for civil, roads and building purposes	R15 million	±20	CDM
	Springbok Flats Coalfields	Roedtan/Springbok flats	Coalbed methane gas	-	-	-
Agri-Business	Grootklip Irrigation Scheme	Along Lepelle River next to Grootklip Citrus & Grapes project	Producing citrus and grapes	R10 - R15 million	±100	-
	Lebowakgomo hydroponic	Lebowakgomo				
	Mafefe Hydroponic	Mafefe				
	Zebediela citrus juice	Zebediela	Processing of juice			
	Chicken Abattoir, broiler chicken farming & processing	-	-	R1 million	-	DFED
Tourism	Bewaarkloof Conservancy	Strydpoort mountains	Develop as tourist destination	R7 - R10 million	±15	

Sector	Project	Location	Description	Project Value	Job Creation	Institution
	Hospitality facilities	Lebowakgomo and Mafefe				
	Mafefe Camp - African Ivory Route	Strydpoort mountains	Community based tourism project	-	-	DFED / LPTB
Manu-facturing	Textile industry	Lebowakgomo	Clothing manufacturing	16 000 million		
	Moletlane sweets cooporative	Zebediela				
	Nkumpi Technology	Magatle in Zebediela	Assembling and distributing information technology equipment such as computers, printers, copiers, etc.	R15 - 20 million	±20	-
Environ-mental Poverty Allev-iation	Makgoba Environmental club	Mathabatha	Manufacturing through recycling-	-	-	DEAT
Retail and Trade	Hawkers Facilities	Lebowakgomo, Magatle, Mamaolo, Leporogong				
	Shopping complex at Leporogong	Mathabatha				
	Shopping complex at Magatle	Magatle				

Source: Lepelle-Nkumpi, IDP 2006-2011

The following LED projects have also been identified:

Table 2.6: LED Projects

Project	Total (R)	Source Of Funding	Responsible Implementing Agent
Mafefe tourism centre	**5,000,000**	CDM	CDM
Refurbishment of LED Projects	**743,223**	LNM	LNM

Project	Total (R)	Source Of Funding	Responsible Implementing Agent
Hawkers facilities- Lebowakgomo	**750,000**	LNM	LNM
Lebowakgomo Showground	**1 000, 000**	LNM	LNM
Basadi ba Mehlareng	**382,000**	DHSD	DHSD
Mogoto Fibre Glass	**200,000**	DHSD	DHSD
Ga- Mphahlele Self Help Project	**332,000**	DHSD	DHSD
Fanang Diatla Self Help Project	**460,000**	DHSD	DHSD
Zebediela Catering and Confectionery	**393,000**	DHSD	DHSD
Boschplaats	**11,904**	DHSD	DHSD
Lenting	**11,,904**	DHSD	DHSD
Madisei	**11,904**	DHSD	DHSD
Ntseekgopu	**11,904**	DHSD	DHSD
Shikoane	**11,904**	DHSD	DHSD
Mosekane Poverty Alleviation	**0**	DA	DA
Koppiesdam Land Care - Poverty Alleviation	**0**	DA	DA
Phauwe Land Care - Poverty Alleviation	**0**	DA	DA
Revitalisation of smaller-holder irrigation schemes- Zebediela	**0**	DA	DA
Revitalisation of smaller-holder irrigation schemes- Gompies	**0**	DA	DA
Revitalisation of smaller-holder irrigation schemes- Fertilisers	**0**	DA	DA
Revitalisation of smaller-holder irrigation schemes- Grootfontein	**0**	DA	DA
LP- Mafefe Fish Farming	**1,300,000**	DEAT	DEAT
Greenery Projects 9	**130,000**	DHSD	DHSD
Poverty Alleviation projects 3	**975,000**	DHSD	DHSD
Stone Crushers (Staanplaas)	**2,000,000**	CDM	CDM
Bewaarskool Conservancy	**2,000,000**	CDM	CDM
Lekgalameetse Resort	**5,000,000**	CDM	CDM
Local Business Service Centre	**930,000**	CDM	CDM
Nkumpi Technology	**5,000,000**	CDM	CDM
Feasibility Study for Paprika Beneficiation/ Processing Plant	**3,20,000**	CDM	CDM
TOTAL	**26,588,027**		

Source: Lepelle-Nkumpi, IDP 2006-2011

The IDP also identifies, that Lebowakgomo has been the focus of development in recent years. The following is a summary of some of the key development trends:

- Illegal occupation of land on the edge of the town and in areas closer to public transport routes or economic opportunities has increased;
- Land is still allocated by the Chief and many of the residents have no security of tenure;
- Lepelle Nkumpi Local Municipality is situated in a mountainous area which inhibit development;
- Pedestrian related problems are experienced. The location of schools in certain areas leads to scholars needing to cross major roads;
- There is a lot of pressure to develop public open spaces, for example, sport fields and small "outfall" pieces of land;
- Mixed land uses are evident in those areas where formal businesses are not properly developed;
- Bad road conditions;
- There is a possibility of asbestosis infection because of the mine;
- Lebowakgomo was the capital of the former Lebowa government and many government buildings are located within Lebowakgomo;
- A proposed mining development can boost the local economy in the area;
- Mountainous topography causes physical obstruction on transport routes;
- Bewaarkloof and Wolkberg have potential for conservation and tourism development;
- The Local Municipality experiences the following environmental problems; overgrazing, deforestation, urban sprawl, uncontrolled veld fires, asbestos pollution at Mafefe and Mathabatha;
- Shortage of water in rivers during winter;
- Inadequate public transport;
- Bad road conditions aggravate shortage of transportation;
- Insufficient social, economic, physical and institutional infrastructure;
- The land is still owned by the chiefs which often have negative impacts on the development of the area; and
- The municipality has development potential in the agricultural, mining, industrial and tourism sectors.

The following key challenges face the municipality:

- Redirecting growth and development towards the previous disadvantaged areas and areas of economic opportunity while focusing on the redevelopment of deteriorating areas within the municipal area;
- The prevention of illegal occupation of land and the relocation and prohibiting of informal settlements in protected areas;
- Addressing the issue of land ownership;
- Alleviating poverty and creating economic opportunities;

- Ensuring the sustainable use of resources and the integration of environmental, land use and transport management systems;
- The creation of job opportunities needs to get priority as many qualified people leave the municipal area in search for work elsewhere;
- To improve the quality of municipal services in some areas, particularly infrastructure that enables the use of technology; and
- The R37 road between Polokwane and Burgersfort has been identified as a SDI route by the Department of Economic Development, Environment and Tourism. Development should be focussed along this route.

2.3.5 Lepelle-Nkumpi Municipality Spatial Development Framework

The IDP of Lepelle-Nkumpi includes a Spatial Development Framework, which sets guidelines for land use management, as well as the Council's Local Economic Development aims. Some of the key aspects include:

- Lebowakgomo has been identified as a District Growth Point
- Magatle has been identified as a Municipal Growth Point
- Areas to the north-eastern side of the LM and along the Olifants River on the southern boundary, has been earmarked for agricultural developments
- Various areas have been identified to have potential for Agri-villages
- The R37 road that stretches from Polokwane to Burgersfort, also known as the Dilokong SDI) is considered as a development corridor by the provincial authorities; and
- Minor routes within the LM, linking with the surrounding areas, have been identified as development corridors.

There are three important roads along the Dilokong corridor along which development should be concentrated. These are:

- Polokwane to Burgersfort (P33/1 and P33/2), via Mafefe;
- Flag Boshielo Dam through Lebowakgomo and Mafefe, linking the Sekhukhune district with the Phalaborwa and Kruger National Park areas; and
- Chuenespoort via Boyne to Makweng.

The occurrence of unsettled land claims in the area is hindering spatial development in the municipal area. The municipal area comprises 2 urban nodes, namely the Lebowakgomo District Growth Point and the Magatle Municipality Growth Point and a surrounding rural area that accommodates both commercial and communal mixed-farming practises. The central locality of the municipal area in relation to the rest of the country ensures that a number of important national and regional routes transverse the area, of which the R37 (Polokwane-Burgersfort) is the most important.

Some relevant nodes identified in the SDF include:

- Tourism node: Lepelle-Nkumpi has potential for conservation and tourism potential. The Wolkberg Wilderness area consists of 40 000 ha of almost prestine Afromontane grasslands, indigenous forests, spectacular mountain scenery and clean running streams and rivers. With its wilderness qualities and integrity, the area must be preserved and retained. This requires a sustainable tourism plan.

- Agri-villages: are places were people reside as communities, which are linked to agricultural opportunities provided within or in close proximity of the agri-villages. The land between villages are mostly used for subsistence farming which consist of cattle farming and dry land crop. Intensive agriculture is practiced in Zebediela. Agro-processing plants may be developed in these villages.
- Transportation distribution hub: is a concentration of public transport amenities that enable commuters to access different public transport modes within close proximity of one another. The major transport routes is the road that stretches from Polokwane via Chuenespoort and Burgersfort. Lebowakgomo has a taxi rank, which serves the local people and the commuters. Magatle also has a taxi and bus terminus which need improvement.
- Corridors: Different types of corridors can be distinguished:
  - Local Municipality development corridor:
    - R37 between Polokwane and Burgersfort
    - R579 between Chueniespoort and Jane Furse
    - R519 between Kushke and Roedtan
    - R518 between Mokopane and Lebowakgomo
    - Moletlane to Magatle
    - Hlahla to Mathabatha
    - Other gravel roads needing maintenance
  - Development corridors: are characterised by high order ribbon-like development along routes that would otherwise be classified as movement corridors. The R37 road that stretches from Polokwane to Burgersfort (the Dilokong SDI route), has been identified by the provincial department of finance and economic affairs. Furthermore, platinum mining development in Lebowakgomo and diamond mining development in Zebediela could create opportunities for SMMEs along the value chain.

3. MACRO AND LOCAL ECONOMIC PROFILE

Limpopo Province forms one of the nine provinces of South Africa, covering an area of some 122839 km², following the new demarcations. The province forms part of the northern boundary of South Africa, bordering Botswana and Zimbabwe to the north and Mozambique to the east. Limpopo Province is the fifth largest province in the country and is bound by North West, Gauteng and Mpumalanga Provinces.

In 2001, the population of the Limpopo Province amounted to approximately 5.2 million people, constituting 11.8% of South Africa's population. The province is characterised by an age distribution of largely younger people, with the largest proportion of the population being female, the highest female proportion in the country. The province also has a very large rural population.

Literacy rates for the province are the lowest in the country, with some 33.4% of the population who are above 20 years of age having no form of education. Limpopo Province also has unemployment rates above that on National level and the second highest in the country.

The purpose of this Section is to analyse different aspects of both the socio-economic and economic characteristics of the municipality in its broader context, specifically referring to the following:

- Provincial and Regional Context
- Socio-Economic Profile
- Provincial and Regional Economic Profile
- Development Constraints and Opportunities.

3.1 Socio-economic profile

The purpose of this sub-section is to analyse the current socio-economic situation in the municipality and to compare both the demographic conditions of the municipality with that of Capricorn District and Limpopo Province, in which it is located.

3.1.1 Provincial and Regional Socio-Economic Profile

To determine the potential for development in the study area, it is important to understand the background of the area and its people in terms of population, where the people reside, who they are, what skills they have, how much they earn, etc. This information gives some indication as to which groups are most in need of economic development, as well as where potential is not currently being utilised to its full extent.

This sub-section, thus, seeks to create a broader understanding of the socio-economic status of the study area and how it fits into the larger context.

The Table below gives an indication of the population composition on different levels of the economy.

Table 3.1 Population compositions

	South Africa		Limpopo Province		Capricorn District		Lepelle-Nkumpi	
Year	**1996**	**2001**	**1996**	**2001**	**1996**	**2001**	**1996**	**2001**
Total Pop	40576575	44821240	4532993	4992611	1062885	1154678	232919	227962
Gender								
Male	48.1%	47.8%	45.7%	45.5%	45.6%	45.6%	44.8%	44.8%
Female	51.9%	52.2%	54.3%	54.5%	54.4%	54.4%	55.2%	55.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Census 1996 & 2001

In 2001, Capricorn District represented some 23% of the total population of Limpopo Province. Capricorn District has seen its population grow by 91 793 people between 1996 and 2001, with its share of Limpopo Province's population decreasing slightly from 23.4% in 1996 to 23.1% in 2001. The population situated in Lepelle-Nkumpi Municipality, with a population size of 227,962, takes up some 19,7% of the total population of the Capricorn District. The population in Lepelle-Nkumpi has grown slower than in the rest of the District, which indicates that the growth experienced in the district was not generated in Lepelle-Nkumpi Municipality, which had an overall decrease in population between 1996 and 2001.

Within the whole of South Africa, females take up the larger proportion of the population, with Gauteng Province being the only province in the country to have a higher male proportion. This is mainly as a result of the strong market, high levels of economic activity and resultant employment opportunities in this province, resulting in the migration of men towards this pulling factor. Limpopo Province has the highest female proportion in the country. As is evident from the Table above, in Lepelle-Nkumpi Municipality the male to female ratio has seen the number of males to females remain constant during 1996 and 2001. Females however, still remain the dominant gender in this area. This is not dissimilar to that of District, Provincial and National level. However, the proportion of females to males (1.8:1) is far higher in Lepelle-Nkumpi Municipality.

In terms of the urban/rural distribution of the population, comparisons between 1996 and 2001 are hindered by the fact that places are demarcated differently for the different Censuses. Furthermore, some communities that were classified as urban areas in 1996, were not classified as urban in the 2001 Census. The Table below therefore only gives an indication of 2001 urban/rural proportions.

Table 3.2 Percentage urban/non-urban distribution, 2001

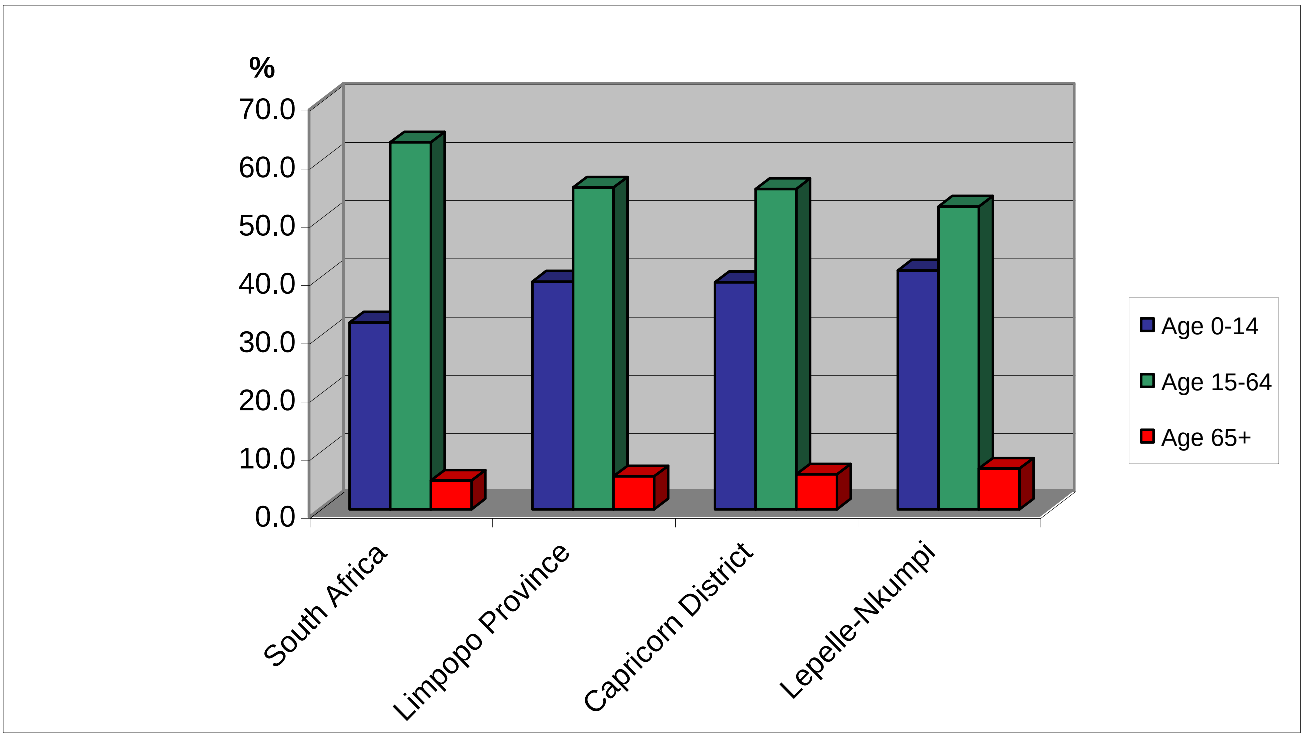
	South Africa	Limpopo Province	Capricorn District	Lepelle-Nkumpi
Urban	57.5	12.1	17.7	11.8
Non-Urban	42.5	87.9	82.3	88.2
Total	100.0	100.0	100.0	100.0

Source: Census 1996 & 2001

On a National level, more than half of the population is concentrated in urban areas. However, Limpopo Province has a very low urbanisation level, with almost 88% of its population being located in rural areas. This is also the case for the Capricorn District and significantly more so in Lepelle-Nkumpi Municipality. The percentage of people living in rural areas in the municipality is very high, with Lepelle-Nkumpi Municipality almost being completely rural in nature.

Statistics South Africa defines an economically active person as a person of working age (15-65 years) who is available for work and is either employed or unemployed. The below Diagram provides an comparision of the age distribution.

Diagram 3.1 Percentage age distribution, 2001



Source: Census 2001

In comparing the age distribution on different levels, it is evident that Lepelle-Nkumpi has a relatively young population, with the proportion of children younger than 15 years being higher than on National level. The potential economically active population (people of working age i.e. Age 15-64) of Lepelle-Nkumpi Municipality is slightly lower than that of Capricorn, and significantly lower than that of South Africa. This can be attributed to the fact that many people of working age will move towards centres of higher economic activity, such as Gauteng. Within the District, the potentially economically active population will also tend to be concentrated in more urbanised areas such as Polokwane, due to the education and job opportunities they offer.

The Table below gives an indication of the economically active population, as well as the employment rates for this segment of the population. The Table also shows the potential economically active population (population aged 15-64 years). While this whole section of the population is capable of working, many are not available for work, such as housewives/ homemakers; students and scholars; pensioners and retired people; people who cannot work due to illness or disability; seasonal workers; etc., or they choose not to work. This segment of the population is also included in the Table as not working/other.

Table 3.3 Economically active population and employment status, 2001

	South Africa	Limpopo Province	Capricorn District	Lepelle-Nkumpi
Potential Economically Active Population (Ages 15-64)	21964408	2679122	608033	119906
Economically Active Population	12 288 712	118 1887	259916	48933
Employment status (%) - Potential Economically Active Population				
Employed	28%	22%	21%	16%
Unemployed	28%	22%	21%	25%
Not working/Other	44%	56%	57%	59%
Total	100.0	100.0	100.0	100.0
Employment status (%) - Economically Active Population				
Employed	58%	51%	50%	39%
Unemployed	42%	49%	50%	61%
Total	100.0	100.0	100.0	100.0

Source: Census 2001

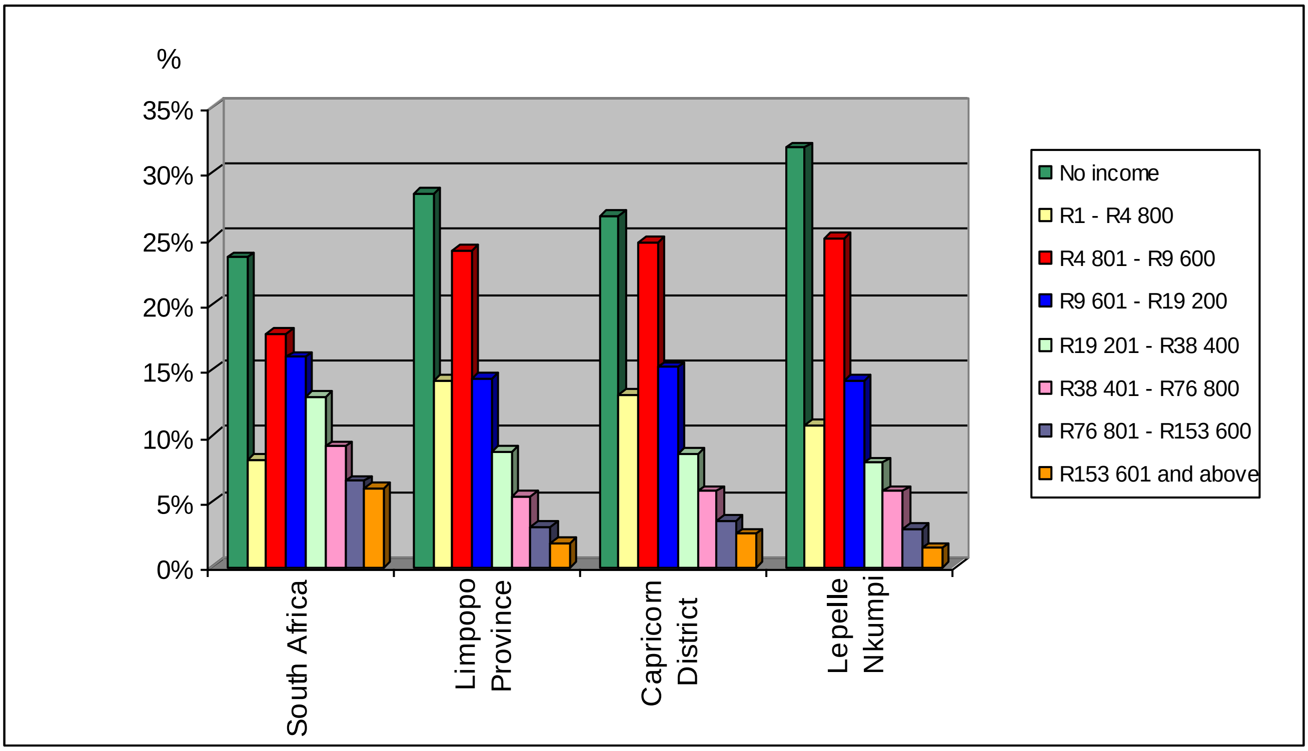
An employed person can be defined as a person who works for pay, profit or family gain and includes employers, employees, self-employed persons or a working family member (Statistics South Africa, 2004). This also includes both formal and informal employment. As is evident from the Table above, 39% of the economically active population of Lepelle-Nkumpi is employed. Unemployment rates are far higher than that on a national and District level (50%). Lepelle-Nkumpi Municipality has an unemployment rate of 61%. The unemployment rate is expressed as a measure of the economic active population that are unemployed (i.e. not accounting for 'other', such as housewives/ homemakers; students and scholars; pensioners and retired people; people who cannot work due to illness or disability; seasonal workers; etc., or they choose not to work).

However, of the 119 906 people in Lepelle-Nkumpi Municipality that can potentially take up employment (ages 15-64), nearly 60% are not available for work. This is significantly higher than in the case of Capricorn District (57%) and particularly South Africa (42%). Looking at the reasons why such a large proportion of the potentially economically active population are not working, is due to 41% becoming discouraged after not being able to find a job and 8% not choosing to work. A further 32% of the potential economically active population in Lepelle-Nkumpi Municipality are scholars or students, with 7% being homemakers/housewifes and are therefore not available for work, and another 7% pensioners.

The low proportion of the potential economically active population that are employed in Lepelle-Nkumpi Municipality (16%) indicates that there is a very large dependency ratio, with every one person employed supporting approximately 5.2 other people that are capable of working. This excludes support to segments of the population that are younger than 15 years and older than 64 years.

Limpopo Province is the second poorest province in the country, with some 28% of households having no form of income, compared to the National level where this figure stands at 23%. Lepelle-Nkumpi Municipality also has very high poverty levels, with more than 30% of households in without any form of income (see below Table).

Diagram 3.2 Percentage distribution of annual household income, 2001



Source: Census 2001

Furthermore, in Lepelle-Nkumpi Municipality and Capricorn District, up to approximately 82% and 80% of households earn less than R19 200 per annum, which amounts to only R1 600 per month. Lepelle-Nkumpi Municipality also has a very low proportion of households that generate higher level incomes, with less than 4% of all households in Lepelle-Nkumpi Municipality earning above R76 801 a year. This percentage is substantially lower than that of the Provincial and National levels, as is evident from the Diagram above.

In terms of poverty indicators, the Fact Sheet on Poverty in South Africa (Human Sciences Research Council (HSRC), 2004), shows that the proportion of people in South Africa that are living in poverty has not changed significantly between 1996 and 2001. However, those households that are living in poverty have become poorer and the gap between rich and poor has widened.

Approximately 57% of individuals in South Africa were living below the poverty income line in 2001, remaining unchanged from 1996. Limpopo Province and the Eastern Cape had the highest proportion of poor with 77% and 72% of their populations respectively living below the poverty income line. This is far above the National poverty proportion of 57%. In Limpopo Province, the proportion of people living in poverty equates to some 4.1 million people, as is indicated by the Table below.

Table 3.4 Poverty indicators by province, 2001

Province	No. of poor persons (million)	% of population in poverty	Poverty gap (R billion)	Share of poverty gap
Eastern Cape	4.6	72%	14.8	18.2%
Free State	1.8	68%	5.9	7.2%
Gauteng	3.7	42%	12.1	14.9%
KwaZulu-Natal	5.7	61%	18.3	22.5%
Limpopo	4.1	77%	11.5	14.1%
Mpumalanga	1.8	57%	7.1	8.7%
North West	1.9	52%	6.1	7.5%
Northern Cape	0.5	61%	1.5	1.8%
Western Cape	1.4	32%	4.1	5.0%
South Africa	25.7	57%	81.3	100.0%

Source: Fact Sheet No: 1 26 July 2004 (HSRC)

While the poverty rate measures the proportion of a region's population living below the poverty line, it does not give an indication of how far below the poverty line poor households are. In order to get a clear indication of how far below the poverty line people are living, a measure called the poverty gap is used. The poverty gap measures the required annual income that needs to be transferred to all poor households in order to bring them out of poverty. Form the Table above it is clear that as much as R11.5 billion was required to bridge the poverty gap of Limpopo Province in 2004, representing a proportion of just more than 14% of the National poverty gap. The HSRC study furthermore found that the poverty gap had grown from R56-billion in 1996 to R81-billion in 2001, indicating that poor households have sunk deeper into poverty over this period.

In addition, the poverty gap has grown faster than the economy, which is a clear indicating that poor households have not shared in the benefits of economic growth, but that the gap between rich and poor has widened.

In respect of education, South Africa has a significant proportion of people who either have no education, or have only reached basic education levels, with almost half of the population falling within these two categories. The Table below shows that on all levels the percentage of people who do not have any form of education has largely decreased, with increases in primary, secondary and tertiary education occurring across the board between 1996 and 2001. Both Capricon District and Lepelle-Nkumpi Municipality have slightly lower levels of people without any schooling than on Provincial level although slightly higher than on National level.

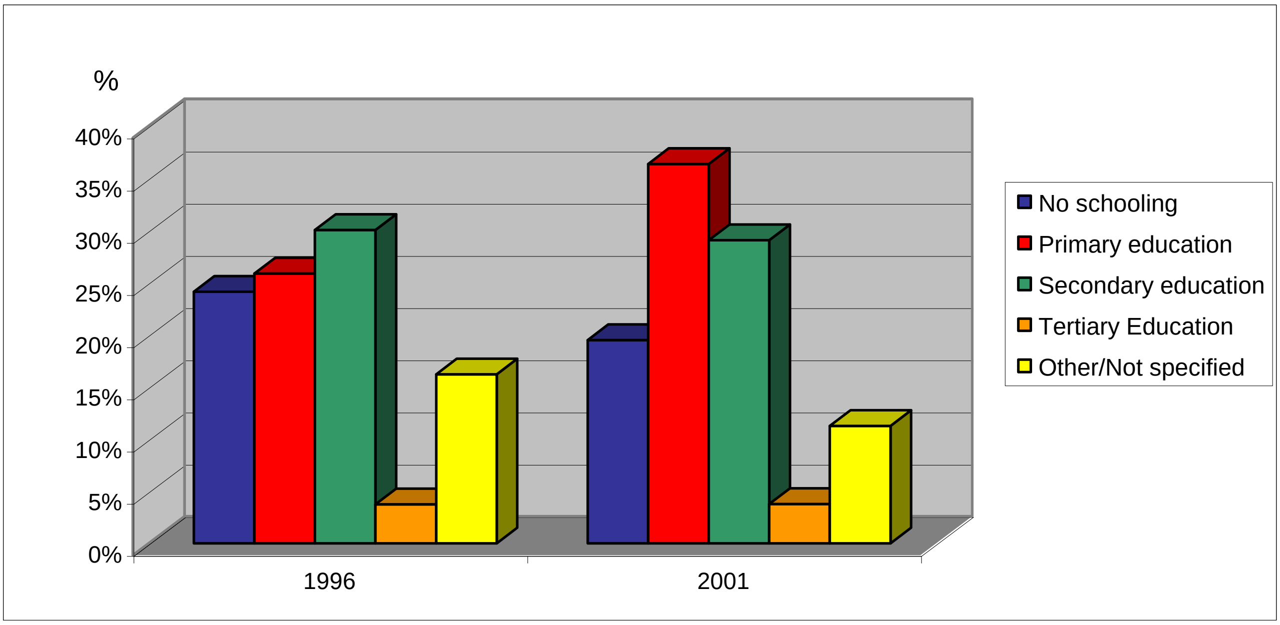
Table 3.5 Percentage distribution of levels of education

	South Africa		Limpopo Province		Capricorn District		Lepelle-Nkumpi	
Year	**1996**	**2001**	**1996**	**2001**	**1996**	**2001**	**1996**	**2001**
No schooling	19%	14%	27%	20%	23%	16%	24%	19%
Primary education	29%	33%	27%	36%	27%	36%	26%	36%
Secondary education	33%	37%	27%	29%	30%	32%	30%	29%
Tertiary education	4%	5%	2%	4%	3%	4%	4%	4%
Other / Not specified	15%	10%	17%	11%	17%	11%	16%	11%
Total	100%	100%	100%	100%	100%	100%	100%	100%

Source: Census 1996 & 2001

Significant increases in primary education in Lepelle-Nkumpi Municipality are noted, see below Diagram below.

Diagram 3.3 Percentage distribution of education levels



Source: Census 1996 & 2001

As can be seen from the Diagram and Table above, Lepelle-Nkumpi Municipality has improved its education on all levels between 1996 and 2001. Nonetheless, there is still only 4% of the population that have completed tertiary education. The increases in education levels indicates that a growing proportion of the population has at least gained basic reading and writing skills, allowing for a greater potential in further skills training or acquiring employment opportunities.

Both Capricorn and Lepelle-Nkumpi Municipality has made inroads in respect of its primary education, with Lepelle-Nkumpi Municipality increasing the percentage of population with primary education by 10% from 26%% in 1996 to 36%. Furthermore, both Capricorn and Lepelle-Nkumpi Municipality performed below National levels in 1996, the percentages of population with primary education surpassed that of the country in 2001.

It is clear that both Lepelle-Nkumpi Municipality and Capricorn District are mainly rural in character, with households in these regions being very poor. The difference in the male and female ratio has remained stagnant in the Lepelle-Nkumpi, although females still represent the largest proportion of the population. The region is also characterised by a relatively young population, indicating the need for Local Economic Development in the region to focus on women and youth. Literacy rates have also increased over the years, providing labour resources that can take up employment opportunities above basic elementary occupations. The increased literacy levels may also, to some extent, have contributed to the increased employment rates in the region.

3.1.2 Local Socio-economic Profile

Lepelle-Nkumpi Municipality forms part of the Capricorn Municipality and consists of 27 wards, 22 of which are rural (88 villages), while three fall within Lebowakgomo. The below Table provides an indication of the population growth rates and projections.

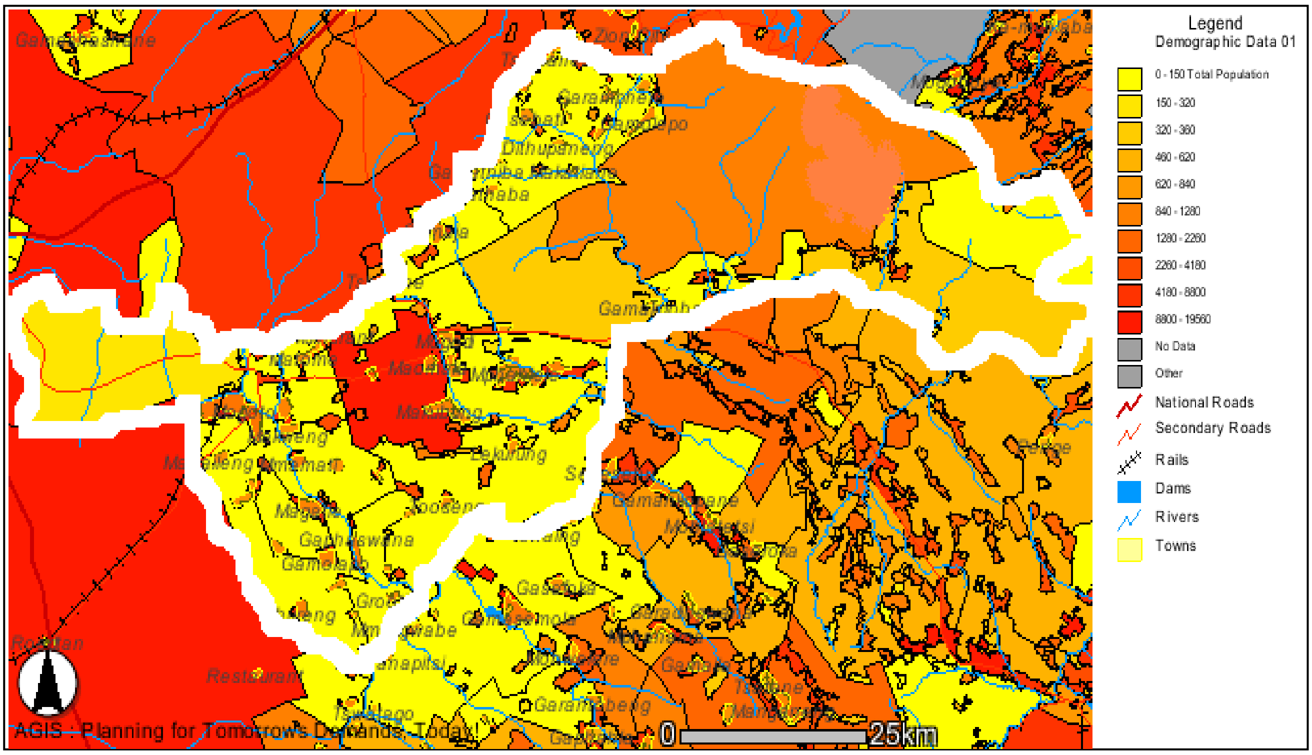
Table 3.6 Population growth rates and projections

Total Pop 2003	Growth rate (%)	Total Pop 2004	Projected population	
			2006	2008
264552	1.48	268257	275211	281363

Source: Limpopo Spatial Rationale, 2001

The Limpopo Spatial Rationale indicates that between 2003 and 2004, Lepelle-Nkumpi Municipality experienced a population growth rate of 1.48%, as calculated by the Bureau for Market Research. From these calculations, it is estimated that the total population in Lepelle–Nkumpi Municipality will amount to 275211 people in 2006. The growth rates are also estimated to decrease over the years, with the population growth rate estimated to be only 1.07% in 2008. Lepelle-Nkumpi registered the highest growth rate of all the municipalities in the Capricorn District in 2001, 2002 and 2003, according to the Limpopo Spatial Rationale, and it is projected that it will continue to be the case in the future. The below Diagram provides an indication of the spatial distribution of the population.

Map 3.4 Total population per sub-place, 2001



Source: Natural Resources Atlas, www.agis.agric.za

The overall density for Lepelle-Nkumpi Municipality measures at 60 persons per square kilometre, with the highest population densities occurring around Lebowakgomo. This is further indicated by the Map below, which shows the densities of individual settlements and areas in the municipality. From the below Map it is evident that eastern half of the municipality is rather sparsely populated.

However, in analysing population growth, it is important to also take into account the HIV/Aids prevalence for the municipality, as the incidence of HIV/Aids will have a distinct effect on the population totals in the future.

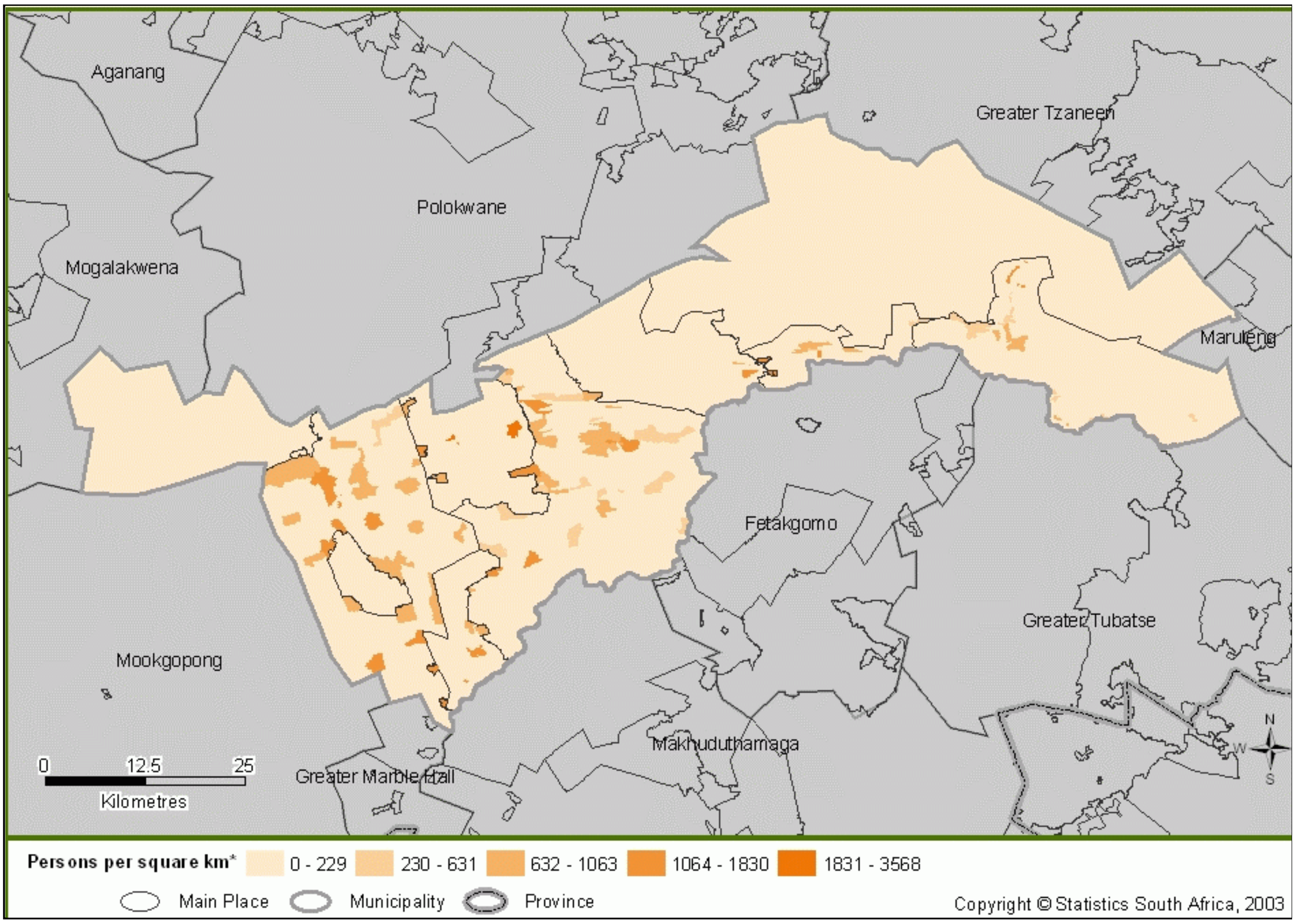
From the Table below it is clear that the highest HIV/Aids prevalence is found in the population of working age, which could in future result in a diminished labour force, which in turn will affect the economy of the region. This can also result in dependency rates growing significantly as the non-economically active population grows in relation to working age population that can potentially generate an income. This leaves households even poorer than is currently the case.

Table 3.7 HIV/Aids prevalence, 2004

Total		Ages 0 - 14		Ages 15 - 64		Ages 65+	
Actual	%	Actual	%	Actual	%	Actual	%
19521	8%	1274	1	18231	14	15	0

Source: Quantec database 2005

Map 3.5 Population densities throughout Lepelle-Nkumpi Municipality, 2001



Source: StatsSA, Digital Census Atlas, 2001

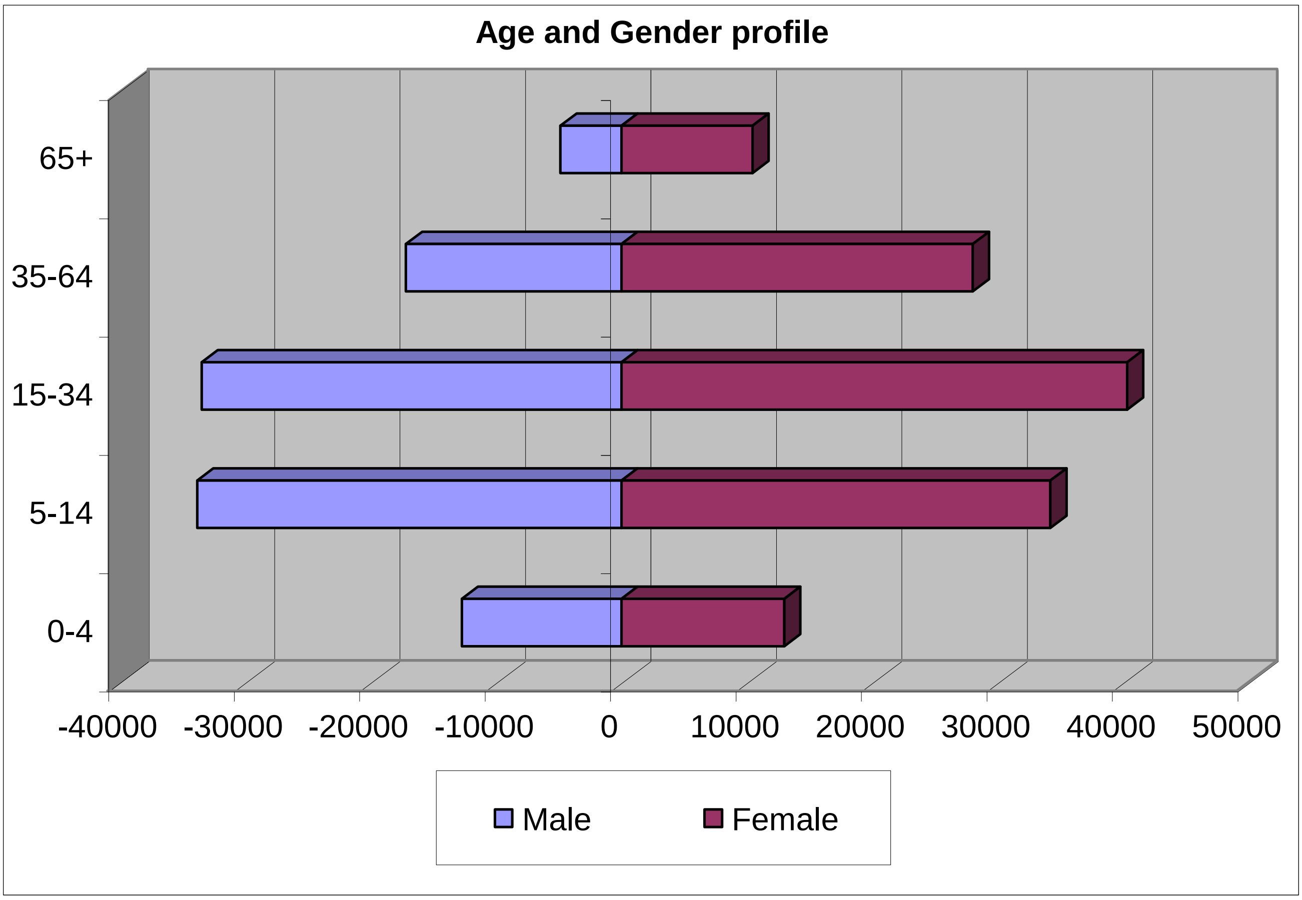
When examining the HIV prevalence of Lepelle-Nkumpi Municipality, the Table above shows that overall approximately 8% of the total population are either HIV positive or have Aids, with HIV/Aids occurring in almost 14% of the working age population. The occurrence of HIV/Aids among the people of Lepelle-Nkumpi Municipality has also grown significantly between 1995 and 2004, particularly among the potentially economically active population.

HIV/Aids this is a growing problem, which in future will place pressure on the economy of the municipality, both directly and indirectly.

The Graph below gives an indication of the age and gender distribution of the municipality.

From this Graph, it is clear that Lepelle-Nkumpi Municipality has a fairly young population, with nearly 40% of its population being below the age of 15. The largest population group, however, remains that of the age group 15-64, people that are of working age and can potentially generate an income. From the age breakdown above, it can also be seen that even within this age group, the population is reasonably young. This could be an indication of outward migration of workers, especially males, to other centres of economic activity where employment opportunities are more readily available. The relatively large youth also has a direct influence on the dependency ratios of the region, where the number of people supported by a single income is reasonably high.

Diagram 3.6 Age and gender distribution, 2001



Source: Cencus, 2001

As is clear from the age chart, Lepelle-Nkumpi Municipality is dominated by females. This supports the suggestion that there is a general outward migration of the workforce (traditionally the men in the family) towards centres of higher economic activity such as Polokwane close by, or even the Gauteng market.

Within Lepelle-Nkumpi Municipality, the largest proportion of population within the age group 15-64 is found in Zebediela and Lebowakgomo. Which indicates that these are centres of higher economic activity and attracting mainly the workforce of the surrounding areas to these centres.

Lepelle-Nkumpi and Capricorn District as a whole are characterised by very low levels of urbanisation. While there is no definitive definition of what constitutes an urban area, Statistics South Africa classified urban areas in the 2001 Census according to the dominant settlement type and the land use. Urban areas typically include cities, towns, townships and suburbs, although informal settlements, hostels, institutions, industrial and recreational areas, and smallholdings within or adjacent to any formal urban settlement are classified as urban.

Within Lepelle-Nkumpi, Cencus 2001 only classified Lebowakgomo and Magatle a urban settlements, which could explain the higher percentage of working age and male dominated population here, compared to other areas in Lepelle-Nkumpi.

According to Census 2001 data, as much as 88% of the population in Lepelle-Nkumpi Municipality are resident in rural areas.

The Table below gives an indication of the average household size in Lepelle-Nkumpi.

Table 3.8 Average household size, 2001

	Total population	Number of hh	Average hh size
Total	227972	51242	4.4

Source: Census 2001

Lepelle-Nkumpi Municipality has an average household size of 4.4 persons per household, which is similar to the 4.5 average household size of Limpopo Province. It has been noted that the tendency is that larger extended families are encountered in the more rural areas.

As mentioned in the regional socio-economic profile, Lepelle-Nkumpi Municipality has seen a significant improvement in its education levels, with the percentage of the population having no form of education decreasing by 10% in 1996 to 2001. Other levels of education have also seen improvements, particularly on primary education level. The below Table provides an indication of the education levels within Lepelle-Nkumpi.

Table 3.9 Percentage distribution of education levels, 1996 and 2001

	No schooling		Primary education		Secondary education		Tertiary education		Other/Not specified	
	1996	2001	1996	2001	1996	2001	1996	2001	1996	2001
Lepelle-Nkumpi	24%	19%	26%	36%	30%	29%	4%	4%	16%	11%

Source: Census 2001

The percentage of people with no form of education had decreased in Lepelle-Nkumpi as a whole, although it remained constant in Lebowakgomo and Mafefe, and increased in Mathabatha, Ndlovu, and Thabamoopo. Overall, however, the improvements on all education levels should allow more people to take up employment. Local economic development strategies should seek to generate economic growth and employment opportunities in these areas, in order to retain the schooled labour within its boundaries, rather than seeing the outward migration of its schooled population to other regions. The area with the highest percentage of none schooled population is Mathabatha with more than 40% of the population unschooled.

The below Table provides an indication of the local employment profile.

Table 3.10 Employment profile, 2001

	Economically Active Population	Employed (%)	Unemployed (%)	Total
Lepelle-Nkumpi	49112	39%	61%	100%

Source: Census 2001

Of the 49 112 people in Lepelle-Nkumpi Municipality who are economically active, only 39% have some form of employment. In Lepelle-Nkumpi main place and Zebediela Part 2, the proportion of the economically active population that enjoy some form of employment are 85% and 66% respectively%, indicating that a large percentage of all persons of working age who wanted to work and actively sought out employment opportunities, were able to secure a job and generate an income. In contrast, Mafefe has unemployment rates of more than 82%. This is much higher than that of the municipality as a whole, as well as on District, Provincial and National levels and demonstrates that there is an acute shortage of job opportunities in Mafefe.

The following Table sets out the occupations of the employed population.

Table 3.11 Percentage distribution of level of skills among employed, 2001

Level of skills	TOTAL
Legislators, senior officials and managers	4%
Professionals	8%
Technicians and associate professionals	18%
Clerks	11%
Service workers, shop and market sales workers	10%
Skilled agricultural and fishery workers	2%
Craft and related trades workers	11%
Plant and machine operators and assemblers	8%
Elementary occupations	24%
Undetermined	5%
TOTAL %	**100%**

Source: Census 2001

The labour force in Lepelle-Nkumpi is mainly employed in elementary occupations accounting for a quarter of the labour force. Most of the occupations in this group do not not require particularly high qualifications and tend to be occupations comprising fairly routine tasks, sometimes requiring some degree of physical effort. The majority of the workforce in each of the areas, apart from Lebowakgomo and Zebediela, is also employed in elementary occupations.

The following Table provides an indication of the annual household income distribution.

The majority of households in Lepelle-Nkumpi have no income whatsoever, represented by 32% of the households, with Mokerong being the worst off as far as average household income is concerned, followed by Ditlou Ntshong and Batau Ba Seloane. More than 82% of households earning less than R19 200 per annum, indicating the high poverty levels of the region.

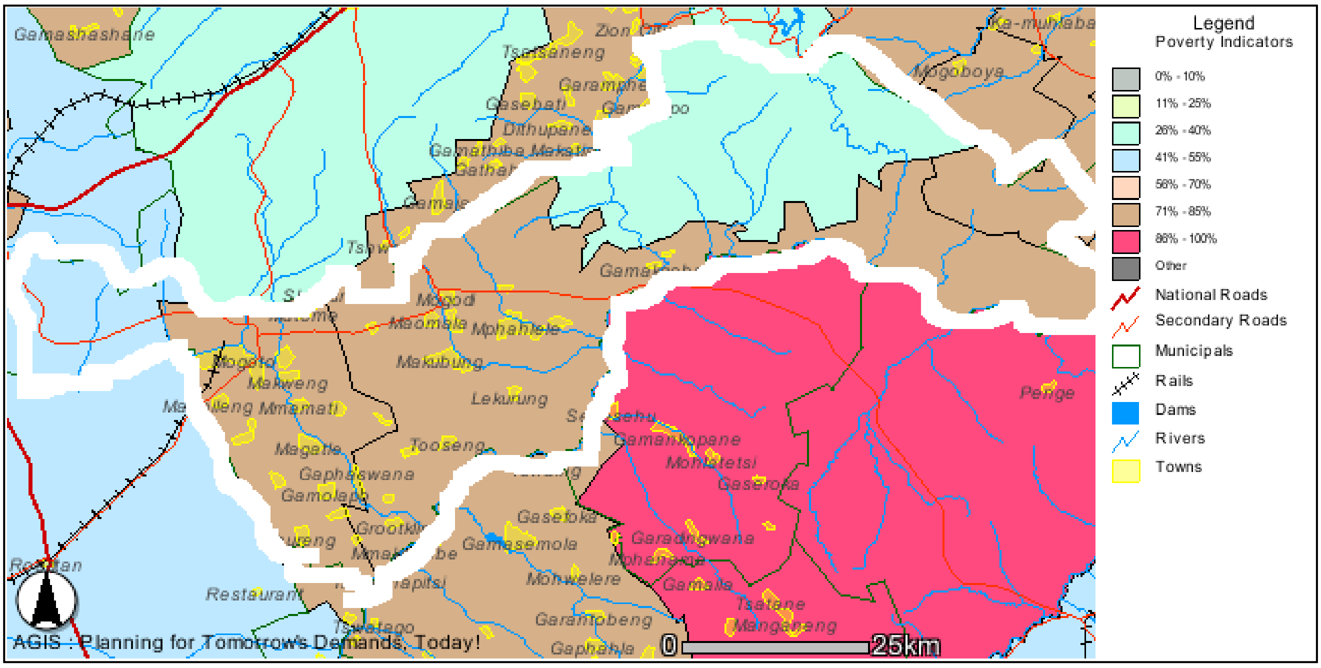
Table 3.12 Percentage annual household income distribution, 2001

	No income	R1 - R4 800	R4 801 - R 9 600	R9 601 - R19 200	R19 201 - R38 400	R38 401 - R76 800	R76 801 - R153 600	R153 601 +	Total
Lepelle- Nkumpi	32%	11%	25%	14%	8%	6%	3%	1%	100%

Source: Census 2001

The poverty levels are also shown in the below Map.

Diagram 3.7 Percentage people living in poverty as a mean of the District, 2001



Source: Natural Resources Atlas, www.agis.agric.za

It is evident from the below Map that towards the northern side of the municipality the percentage of people living in poverty as a mean of the District ranges between 29% and 40%. The remainder is mostly between 71% and 85%, with the exception of the area surrounding Zebediela which is mostly between 41% and 55%.

In terms of the general infrastructure provisions and services in the municipality, the Lepelle-Nkumpi Municipality IDP indicates the following:

- **Health facilities**: There are a total of 21 health facilities within the area of jurisdiction of Lepelle- Nkumpi Municipality (19 primary health care clinics and 3 hospitals); one more private hospital is being planned around Lebowakgomo and it is hoped that this would improve level of health services within the Municipality. These facilities are supplemented by the operation of six mobile clinics. The effective rendering of this service is affected by lack of potable water in the rural areas. 13.76% of the total population in the Lepelle-Nkumpi area stay outside the service area of a hospital (i.e. outside 20km radius) and are therefore not within reasonable distance in terms of the standards of the Department of Health and Social Development (DHSD). Nearly 36% or 81 568 people do not have reasonable access to basic health services as rendered by Health Officers in clinics due to the distance from the clinic measured in terms of the planning norm of 5km applied by DHSD. 39 of the total number of settlements/villages are situated outside the optimum distance of 5km from a clinic.

- **Educational facilities**: There are 116 primary schools, 81 secondary schools and 1 FET College within the jurisdiction of the Municipality. Lepelle-Nkumpi had a total of 83 467 learners in 2001 (NPDID, 2001), i.e. 50 679 learners in primary schools, 32 256 learners in secondary schools and 532 learners in combined schools. It is significant that both primary and secondary school "learner/educator" ratios compare very favourably to the national norms used by the Department of Education, i.e. 1:40 for primary schools and 1:35 for secondary schools. The "learner/educator" and "learner to classroom" ratios are well within the norms of the Department of Education. The data indicates however average figures/ratio's for schools and do not reflect the backlogs in classrooms and educators that exist for certain individual schools in the municipal area. The condition of the buildings of the majority of the primary and secondary schools are in a very poor state. Serious problems are also experienced at many schools with respect to the availability of water, sewage, electricity, telecommunication, etc.
- **Water**: A total of 45.9% or 23 519 households have access to clean water. 34.4% or 17 628 households have water connections inside their yards, while a 25.6% of households still rely on communal standpipes. Nearly 55% of communities receive water below RDP standards. The major concern is those people (7% of households) receiving water from natural sources like rivers, dams, springs, etc. and is susceptible to diseases. The service levels differ from village to village depending on the availability of funds, the type of settlement, topography and whether people can afford such services.
- **Energy**: Electricity is generated and distributed by ESKOM in the municipality. Electricity and energy is provided by means of the following sources, viz.: grid electricity, which is supplied from power stations, non-grid electricity which basically includes petrol and diesel generators, and other alternative sources of energy, which amongst others includes batteries, paraffin, coal, wood, candles, gas, etc. A total of 86.32% of households in the municipal area has access to electricity. 13.68% of households use other energy source such as wood, paraffin, coal, gas. The municipality's mission is to provide electricity to all residents by 2011.
- **Refuse removal**: More than 15% of households in Lepelle-Nkumpi have access to a municipal solid waste disposal service, mostly in the urban area of Lebowakgomo. Thus

approximately 85% of households in Lepelle-Nkumpi does not have access to such service. Most people who reside within rural areas dig their own refuse dumps within their yards.

- **Telecommunications**: Telkom's public telephone service provides telecommunication to 60.33% of households in the municipal area. A small percentage of households (4.55%) do not have access to public telephone. A substantial percentage of households have access to mobile phones, i.e. 87.06%. A total of 4 578 households have telephones inside their dwellings
- **Transport and roads:** for more detail see the Transport sector which is analysed in more detail in the following section.
  - **Freight transport**: There is significant freight transport due to mining activities in Lepelle-Nkumpi and adjacent municipal areas.
  - **Taxi operations in the Lepelle-Nkumpi area:** There are 25 taxi facilities in the Lepelle-Nkumpi area of which 2 are informal.
  - **Bus operations**: There are 19 subsidised bus routes in the Lepelle-Nkumpi municipal area.
  - **Rail operations**: There are no rail lines operating in the Lepelle-Nkumpi municipal area.

3.2 Economic profile

This sub-section provides an understanding of the broader economy within which Lepelle-Nkumpi is situated. This is followed by the local economic profile.

3.2.1 Local Economic Profile

The below Table shows the sectoral contribution to the economy of each region. This is measured in respect of the gross domestic product (GDP) or output each sector contributed to the total GDP of the region, indicating which sectors are most important for that region.

GDP of a region is a measure of the income generated in that region. The GDP is one of several measures of the size of a region's economy. The Gross Domestic Product of a region is defined as the market value of all final goods and services produced within a country in a given period of time. The higher the Gross Domestic Product the higher the income in the Region.

In respect of its input into the National economy, Limpopo Province only contributes some 6.7% of the total GDP generated by the country as a whole, making it one of the lowest contributors in the country. However, Limpopo Province makes the second biggest contribution the total GDP in the Mining sector, topped only by North West Province.

Table 3.13 Percentage sectoral share of the GDP per area

Sector	South Africa		Limpopo Province		Capricorn District		Lepelle-Nkumpi	
	1999	2004	1999	2004	1999	2004	1999	2004
Agriculture, forestry and fishing	3%	3%	3%	3%	1%	1%	2%	2%
Mining	8%	7%	23%	27%	5%	6%	16%	22%
Manufacturing	18%	18%	4%	4%	5%	5%	4%	4%
Electricity & water	3%	2%	3%	3%	4%	4%	4%	5%
Construction	2%	3%	2%	2%	2%	2%	2%	2%
Wholesale & retail trade; catering and accommodation	14%	15%	13%	14%	16%	18%	8%	8%
Transport & communication	9%	11%	8%	11%	11%	15%	8%	10%
Finance and business services	19%	20%	17%	15%	30%	28%	20%	17%
Community, social and other personal services	6%	6%	5%	5%	5%	5%	5%	4%
General government services	17%	14%	22%	17%	20%	16%	31%	26%
Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

Source: Quantec database 2005

From the above information, it is clear that Capricorn District relies heavily on finance and business services represented by 30% of the contribution to the economy 1999 and decreasing only slightly by 2004 to 28%. Other sectors that are important contributors to the general output of the economy in both 1999 and 2004 are general government services and wholesale and retail trade sectors, as is indicated by the Table above. However, mining sector is far more important to the economy of Lepelle-Nkumpi than that of the District. The mining sector contributes to 22% of the output of Lepelle-Nkumpi and only 6% to that of the District. The importance of the Mining sector grown from 1999 to 2004 both locally in Lepelle-Nkumpi from 16% in 1999 to 22% in 2004 and Provincially from 23% in 1999 to 27% in 2004. While the Manufacturing sector appears to play a major role in the National economy, it is among the lower performing sectors in the Province, District local Municipality. The majority of the sectors have remained relatively constant between 1999 and 2004, with the exception of the mining sector (as explained above) as well as the government services sector. The municipality's dependency on the government services has decreased substantially from 31% in 1999 to 26% in 2004. The is seen as a positive indication in that the economy is less dependent on income from the government services sector, which does not represent new income generation.

The contribution of Lepelle-Nkumpi municipality to the economy of the District, will however provide a better indication of the sectoral importance or contribution to the Districts output.

The Table below illustrates the overall output each municipality contributed to the total GDP of Capricorn District.

Table 3.14 Percentage municipal contribution to total GDP of Capricorn District

	Blouberg	Agananag	Molemole	Polokwane	Lepelle-Nkumpi
Agriculture, forestry and fishing	0.2%	0.0%	0.3%	0.5%	0.2%
Mining	1.8%	0.3%	0.3%	1.1%	1.9%
Manufacturing	0.4%	0.1%	0.1%	2.8%	0.3%
Electricity & water	0.2%	0.1%	0.1%	2.3%	0.4%
Construction	0.2%	0.1%	0.1%	0.9%	0.2%
Wholesale & retail trade; catering and accommodation	2.8%	0.3%	0.6%	15.0%	1.0%
Transport & communication	3.2%	0.3%	0.2%	10.0%	1.0%
Finance and business services	1.7%	0.5%	0.6%	20.7%	1.6%
Community, social and other personal services	0.5%	0.2%	0.2%	3.7%	0.5%
General government services	2.1%	1.2%	1.0%	12.5%	3.7%
Total contribution to Capricorn District GDP	**13.2%**	**3.0%**	**3.5%**	**69.5%**	**10.8%**

Source: Quantec database 2005

As is evident from the above Table, Polokwane contributes the overwhelming majority of the GDP generated by the District and contributes approximately 70% to the economy of the District. The sectors of Polokwane that contribute the most to the District are finance and business, followed by wholesale, transport, and government services. Blouberg municipality contributes the second most to the District, followed by Lepelle-Nkumpi. The government services sector and the mining sector of Lepelle-Nkumpi also provided a substantial contribution to the districts output, namely approximately 4% and 2% respectively.

In analysing the growth, it is possible to identify whether industries are becoming more or less important in the economy and whether industries on local levels are growing of their own accord, or whether growth in a particular sector is a national trend. The Table below sets out the growth rates.

Table 3.15 Percentage GDP growth for year 1999 to 2004

Sector	South Africa	Limpopo	Capricorn	Lepelle-Nkumpi
Agriculture, forestry and fishing	0.55	1.73	2.32	-0.26
Mining	1.72	6.70	10.45	9.73
Manufacturing	3.12	2.68	2.87	2.50
Electricity & water	0.40	3.74	3.32	4.79
Construction	5.60	2.87	2.15	1.39
Wholesale & retail trade	5.06	4.66	6.61	3.42
Transport & communication	6.71	10.07	11.44	8.40
Finance and business services	5.07	1.98	3.25	0.67

Sector	South Africa	Limpopo	Capricorn	Lepelle-Nkumpi
Community, social services	3.59	3.47	3.52	1.96
General government services	0.20	-0.41	0.64	-0.28
Total growth	**3.51**	**3.93**	**4.76**	**3.23**

Source: Quantec database 2005, Kayamandi calculations 2006

From the Table above, it is clear that the economies of both Limpopo Province (3.93%) and Capricorn District (4.7%) have grown faster than that of the country as a whole (3.51%), while Lepelle-Nkumpi Municipality, though showing a positive growth rate, has only slightly less than that the overall economy (3.23%).

The economy of South Africa as a whole appears to be a more diversified one, with the growth rates of the sectors experiencing the highest growth being very similar. In this respect, the highest growth rates in Lepelle-Nkumpi are experienced in the mining sector, with an average annual growth rate of 9.7%. As discussed above, Lepelle-Nkumpi relies heavily on its mining sector, with significant growth occurring in this sector over the 5-year period between 1999 and 2004.

Only the agricultural and the government services sector have shown slight negative growth rates, the declining importance of this sector in the Municipality. Whereas the other sectors have all experience positive growth rates over the aforementioned period.

To further illustrate which sectors are enjoying a competitive advantage in relation to other regions, a number of economic analysis techniques are used, as defined below:

- **Multiplier Effect** is a measure of the Indirect and Induced employment that is created by increasing employment in a Sector by one
- **Location Quotient** (LQ) is a means of comparing the performance of regions against a benchmark region, usually the District, Province or the Nation. It compares how a Sector is performing in a region compared to the performance of the same Sector in the benchmark region. A Location Quotient of 1 means that the regions are performing equally, where as a Location Quotient of less than 1 means that the study region is not performing as well
- **Industrial Mix** (IM) measures the share of regional economic change that could be attributed to the benchmark region’s industry mix. It reflects the degree to which the local region specializes in industries that are fast or slow growing in the benchmark economy. IM is positive where a region specialises in benchmark fast growing industries, whereas it is negative where regions specialise in benchmark declining industries
- **Differential Share** (DS) is reflected in the difference between the industry's local regional growth rate (or rate of decline) and the industry's benchmark region growth rate. Some regions and some industries generally grow faster than others, even during times of overall prosperity. This is usually attributed to some local comparative advantage. Regions with a comparative advantage have a positive DS

- **Carvalho Scale** (CS) combines the Location Quotient, Industrial Mix and Differential Share to give a sectoral breakdown of a region's potential for growth and its potential strengths and weaknesses. The Location Quotient is used to provide information on concentration of employment or GDP, while the Industrial Mix and District Share components provide assessment of Sector capacity for growth/decline compared to benchmark trends (in that Sector). Therefore, the Carvalho Scale combines the two in order to classify the past growth of the economic sectors of a region into one of nine categories, based on whether it had a High Medium or Low Location Quotient and if it had a Leading or Lagging IM and DS. The nine classifications are shown below.

Location Quotient	Provincial Sector Growth	Local Sector Growth	Carvalho Classification	Industry Classification
> 1.25 (High)	Leading	Leading	Driving	Current strength
0.75 – 1.25 (Medium)	Leading	Leading	Accelerating	
< 0.75 (Low)	Leading	Leading	Rising	Emerging strength
> 1.25 (High)	Lagging	Leading	Evolving	Prospects limited by external trends
0.75 – 1.25 (Medium)	Lagging	Leading	Transitional	
< 0.75 (Low)	Lagging	Leading	Moderate	Prospects limited by weak base & external trends
> 1.25 (High)	Leading	Lagging	Promising	High priority retention target
0.75 – 1.25 (Medium)	Leading	Lagging	Yielding	
< 0.75 (Low)	Leading	Lagging	Modest	Prospects limited by weak base & declining competitiveness
> 1.25 (High)	Lagging	Lagging	Challenging	Prospects limited by external trends & declining competitiveness
0.75 – 1.25 (Medium)	Lagging	Lagging	Vulnerable	
< 0.75 (Low)	Lagging	Lagging	Marginal	Prospects limited overall

The Table below outlines the Carvalho classifications and the prospects for each industry in Lepelle-Nkumpi Municipality compared to Capricon District, based on GDP growth between 1999 and 2004. The results shown in the below Table is also depicted in the below Diagram.

Table 3.16 Carvalho scale analysis of Lepelle Nkumpi Municipality, 1999 to 2004

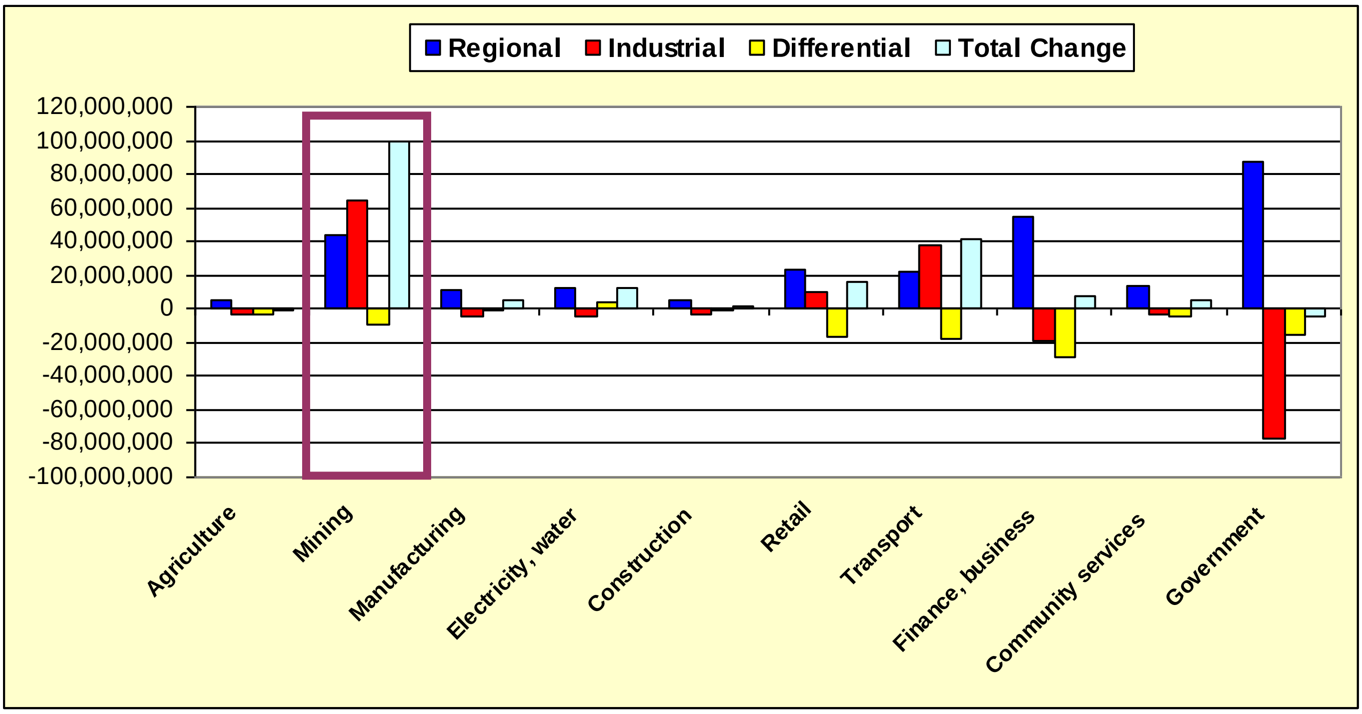
Industry	Location quotient (LQ)	Provincial sector growth (IM)	Local sector growth (DS)	Carvalho classification	Sector targeting classification
Agriculture, forestry and fishing	1.34	Lagging	Lagging	Challenging	Prospects limited by external trends and declining competitiveness

Industry	Location quotient (LQ)	Provincial sector growth (IM)	Local sector growth (DS)	Carvalho classification	Sector targeting classification
Mining	3.33	Leading	Lagging	Promising	High priority retention target
Manufacturing	0.81	Lagging	Lagging	Vulnerable	Prospects limited by external trends and declining competitiveness
Electricity & water	1.33	Lagging	Leading	Evolving	Prospects limited by external trends
Construction	1.00	Lagging	Lagging	Vulnerable	Prospects limited by external trends and declining competitiveness
Wholesale & retail trade; catering and accommodation	0.47	Leading	Lagging	Modest	Prospects limited by weak base and declining competitiveness
Transport & communication	0.65	Leading	Lagging	Modest	Prospects limited by weak base and declining competitiveness
Finance and business services	0.62	Lagging	Lagging	Marginal	Prospects limited overall
Community, social and other personal services	0.94	Lagging	Lagging	Vulnerable	Prospects limited by externalt trends and declining competitiveness
General government services	1.63	Lagging	Lagging	Challenging	Prospects limited by external trends and declining competitiveness

Source: Quantec database2005, Kayamandi calculations 2006

As is evident from the above, the sector in Lepelle-Nkumpi with the highest Location Quotient and therefore the largest comparative advantage is that of mining (3.3), followed by the government services (1.6) and agriculture (1.3), and electricity and water (1.3). These sectors in Lepelle-Nkumpi Municipality are therefore outperforming the same sectors in Capricon District and serve the needs extend beyond the boundaries of the municipality. These sectors are likely "exporting" goods and services. The lowest performing industries in Lepelle-Nkumpi Municipality are the wholesale, transport and communication, finance and business services, and community services who all have Location Quotients below 0.75, which indicates that local needs are not being met by the sector and the municipality is importing goods and services in that sector. The construction sector, manufacturing and community services sector have LQ between 0.75 and 1.25, which means that these sectors are self-sufficient in that sector. In the construction sector local GDP contribution is equal to Capricon Districts's contribution which means that the construction sector is performing at subsistence level (i.e. neither an importer nor an exporter of output).

Diagram 3.8 GDP Shift share, 2001



In terms of the Industry Mix, lagging industries are sectors in which Lepelle-Nkumpi Municipality is specialising, while this sector is declining in the District. This is particularly the case for the agriculture, manufacturing, electricity, construction, finance, community and government services sectors, which are performing relatively well, despite its decline in Capricorn District. This also gives an indication that Lepelle-Nkumpi should be aiming to diversify its economy into other sectors. Leading sectors in Industry Mix indicate specialisation on a local level in industries, which are growing fast in the benchmark economy. In Lepelle-Nkumpi, mining, trade and transport sectors are well-performing sectors, which are also growing in the District. This creates opportunities for further development of these industries locally.

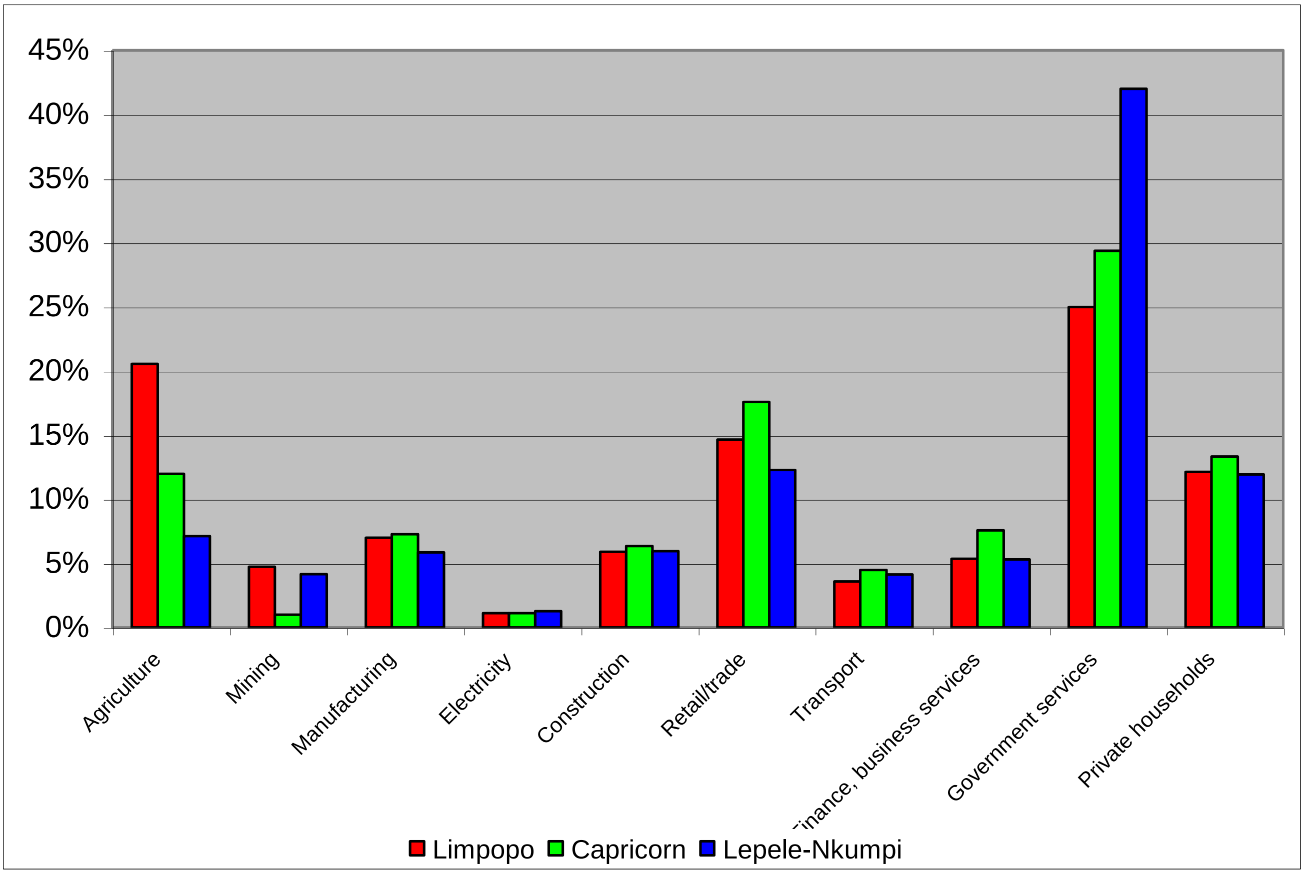
The Differential Shift gives a further indication of which sectors have a comparative advantage on a local level, causing it to grow faster than the same sector in the benchmark economy. Leading industries illustrate a region's comparative advantage above others. From the Table above, it is clear that comparative advantages in Lepelle-Nkumpi Municipality in terms of the Differential Shift exist in the electricity and water sectors. Where industries lack comparative advantages, factors affecting these sectors should be addressed in order to retain and expand current business in these sectors, and to attract new business.

Overall therefore, the mining sector is shown as promising, with a high priority retention target. The other high growth sectors are wholesale and transport sectors, which are both classified as modest sectors. The prospects for these two sectors are however limited by a weak base and declining competitiveness.

The employment provided within a sector is also a good indication of the strength and importance of a sector in the economy.

The Diagram below gives an indication of the performance of different sectors of the economy in Lepelle-Nkumpi Municipality, compared to employment trends in Capricorn District and the Limpopo Province.

Diagram 3.9 Sectoral Percentage employment distribution, 2001



From the above Table it is evident that the highest employment sectors in Lepelle-Nkumpi are government services, followed by retail/trade, agriculture and private households. The agriculture sector has a far lower contribution to GDP than the mining sector, although a far high share of employment than the mining sector. This reveals that the agricultural sector is not a large contributor to the economy of the municipality, but it is a significantly large contributor to employment (approximately 12%). The agricultural sector employment in Lepelle-Nkumpi is however far lower than that of the Province and the District. Manufacturing, construction, transport, trade and finance sector, employment is relatively on par with that of the Province and the District. Slightly more than 40% of the employment within the municipality is however in the government services sector and this dependency on the government services sector, reveals the need for greater focus on creating other sectoral employment opportunities.

3.2.2 Local Economic Profile

The purpose of this sub-section is to analyse the current economic situation of Lepelle-Nkumpi Municipality on a local level in order to give an indication of which sectors are the main contributors to the economy of the study area, which sectors are growing and becoming more important and to assist in identifying opportunities that exist for further development and growth.

Economic activity is generally measured in terms of its output or production. Gross Domestic Product (GDP) is a good measure of the size of an economy and represents the market value of new goods and services produced in a given period of time. A further measure that gives a good indication of the most important sectors in an economy is its contribution to employment.

The Table below demonstrates the sectors that were the biggest contributors to the economy of Lepelle-Nkumpi in terms of its output.

Table 3.17 Percentage distribution of sectoral share of GDP

Industry	**Lepelle Nkumpi**	
	1999	**2004**
Agriculture, forestry and fishing	2%	2%
Mining	16%	22%
Manufacturing	4%	4%
Electricity & water	4%	5%
Construction	2%	2%
Wholesale & retail trade; catering and accommodation	8%	8%
Transport & communication	8%	10%
Finance and business services	20%	17%
Community, social and other personal services	5%	4%
General government services	31%	26%
Total	**100%**	**100%**

Source: Quantec database 2005

From the Table above it is clear that the government service sector remains an important contributor to Lepelle-Nkumpi Municipality's GDP. While its importance had decreased between 1999 and 2004, it still contributed 26% to the overall GDP generated in Lepelle-Nkumpi in 2004. The mining sector is increasing its contribution to the economy and contributed 15% to the GDP share in 1999 and by 2004 it contributed 22%, which ranks it the second in its share of the overall GDP. Even though the finance and business services decreased its contribution to the GDP share it is still important to the economy of Lepelle-Nkumpi, and contributes some 17% to the GDP of the municipality in 2004.

While the output of a region and the different sectors are essential in analysing the strengths and weaknesses of each region, output is often influenced by historically important sectors and patterns of economic activity. However, as shifts occur in the focus areas of different economies, some historically important sectors, while still generating considerable output, may be declining in importance. Therefore, the growth experienced in different sectors and in the economy of a region as a whole gives valuable insight into what the trend is and what can be expected in the future.

Table 3.18 Percentage GDP growth per sector between 1999 and 2004

Industry	Lepelle-Nkumpi
Agriculture, forestry and fishing	-0.26
Mining	9.73
Manufacturing	2.50
Electricity & water	4.79
Construction	1.39
Wholesale & retail trade; catering and accommodation	3.42
Transport & communication	8.40
Finance and business services	0.67
Community, social and other personal services	1.96
General government services	-0.28
Total growth	**3.23**

Source: Quantec database 2005

Overall, Lepelle-Nkumpi experienced a aanual growth rate of approximately 3.23 between 1999 and 2004. Substantial growth was experienced in the Mining sector, recording a growth of 9.7%, as well as in the transport and communication sector, which recorded a growth rate of 8.4%. Growth was also experienced in the Electricity and Water (4.8%) and the Manufacturing (2.05%) sectors. Very slight negative growth occurred in the agricultural sector and the government services, recording 0.26% and 0.28% negative growth respectively.

As previously discussed, the Government Services sector is historically one of the key industries in the economy of Lepelle-Nkumpi Municipality. However, the negative growth experienced in this sector, demonstrates hat its importance in terms of GDP contribution to the economy of Lepelle-Nkumpi Municipality is declining. The Tress Index gives an indication of the level of concentration or diversification in an economy. The Tress Index is calculated by ranking the different sectors according to their contributions in GDP or employment to the economy of a region. These values are cumulatively added and then indexed. An index of zero represents a totally diversified economy, while an index closer to 100 demonstrates a high level of concentration. The Table below sets out the rankings and Tress Index for Lepelle-Nkumpi Municipality in 2004 in terms of the GDP contributions.

Table 3.19 Tress Index of GDP, 2004

Industry	GDP	% Share	Rank
Government and community services	386071435	31%	9
Mining	269171987	22%	8
Finance and business services	216964815	17%	7
Transport & communication	124298032	10%	6

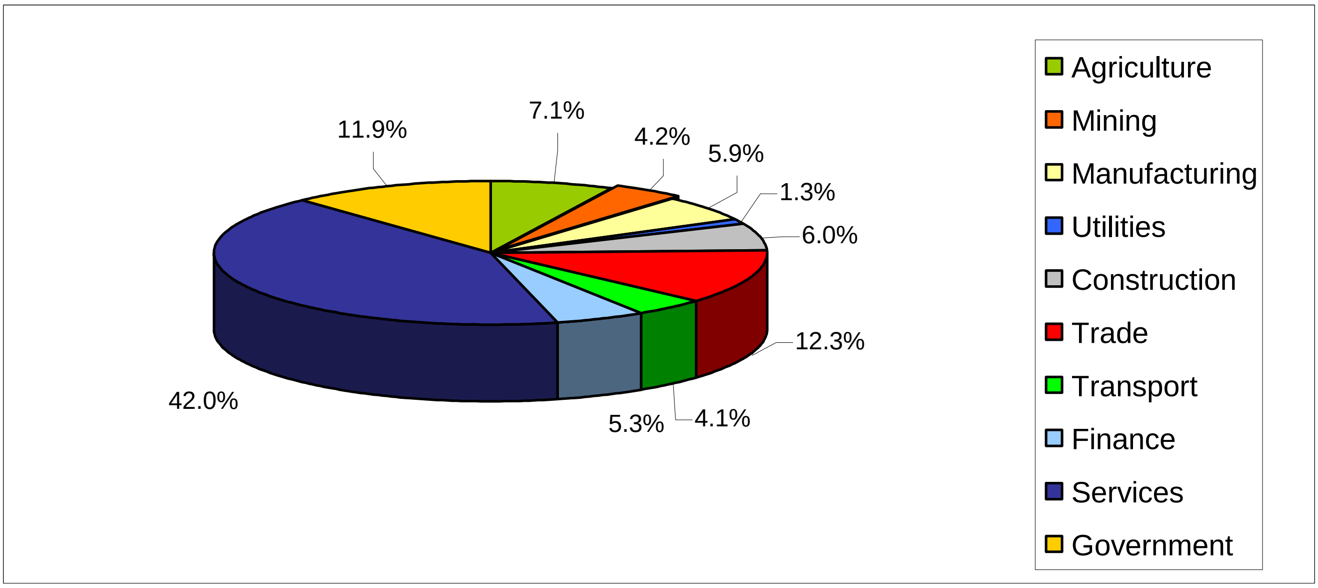
Industry	GDP	% Share	Rank
Wholesale & retail trade; catering and accommodation	104369394	8%	5
Electricity & water	58843886	5%	4
Manufacturing	47557182	4%	3
Construction	22161213	2%	2
Agriculture, forestry and fishing	21567259	2%	1
Total	1251005207	**100.00**	**-**
Tress Index			**52**

Source: Quantec database 2005, Kayamandi calculations 2006

As is evident from the below Table, the largest contributors to Lepelle-Nkumpi Municipality's economy in terms of output was government and community services (31%), mining (22%) and finance and business services sectors (17%), as discussed above. These sectors each contributed approximately R386 million, R269 million, and R216 million to the total GDP of Lepelle-Nkumpi Municipality in 2004. The Tress Index for Lepelle-Nkumpi measures at 52, which demonstrates a relatively diversified economy, although with much scope for greater diversification. In terms of GDP, the economy has also become slightly more diversified compared to the Tress of 54 for 1999.

The Diagram below breaks down the employment for Lepelle-Nkumpi Municipality in 2004.

Diagram 3.10 Sectoral Percentage employment distribution, 2004



A further indicator of how well a sector is performing in the economy is the employment it generates for the economy of the region as a whole. In 2004, the government and community services sectors made the largest contribution to employment in Lepelle-Nkumpi, followed by the retail and trade sector and the agricultural sector. The Mining sector only provided employment for 4% of the total labour force.

From the Table below, it can be seen that the number of people employed in Lepelle-Nkumpi Municipality had increased between 1999 to 2004, with an average of 61 jobs being created yearly in the region.

Table 3.20 Employment per sector for Lepelle-Nkumpi Municipality

Industry	1999	2004	Growth Rate (%)	Average jobs created per annum
Agriculture, forestry and fishing	869	853	-0.37	-3
Mining	500	671	6.06	34
Manufacturing	1049	997	-1.01	-10
Electricity & water	111	101	-1.87	-2
Construction	526	507	-0.73	-4
Wholesale & retail trade; catering and accommodation	1791	1848	0.63	11
Transport & communication	219	196	-2.19	-5
Finance and business services	983	1120	2.64	27
Community, social and other personal services	2481	2519	0.30	8
General government services	5905	5929	0.08	5
Total	**14434**	**14741**	**0.42**	**61**

Source: Quantec database 2005, Kayamandi calculations 2006

The fact that more employment opportunities are being created is an indication that the economy of the region is growing. However an average employment creation of 61 jobs per annum is severely low. The highest growth in employment was experienced in the mining sector, recording a growth rate of 6%. While this sector experienced the highest growth rate, it also generated the most number of jobs per year to the economy of Lepelle-Nkumpi, namely 34 jobs per annum. The agricultural sector has been declining in its employment creation as well as the manufacturing sector, the electricity and water, construction, and transport sectors. The finance and trade sectors also contribute significantly to the number of jobs created in the economy and are responsible for creating 27 and 11 jobs per annum respectively.

The Tress Index can also be utilised to understand how concentrated or diversified the economy is in generating employment opportunities in the different sectors. The Table below sets out the Tress Index in terms of employment for Lepelle-Nkumpi Municipality.

Table 3.21 Tress Index for employment, 2004

Industry	Employment	% Share	Rank
Government and community services	8448	57%	9
Wholesale, retail and trade	1848	13%	8
Finance and business services	1120	8%	7
Manufacturing	997	7%	6
Agriculture, forestry and fishing	853	6%	5

Mining	671	5%	4
Construction	507	3%	3
Transport & communication	196	1%	2
Electricity & water	101	1%	1
Total			**771**
Tress Index			68

Source: Quantec database 2005, Kayamandi calculations 2006

As discussed above, the government and community services sectors are the most important sector in terms of job creation, with as much as 8448 of the people employed in Lepelle-Nkumpi Municipality working in this sector of the economy. The Tress Index for Lepelle-Nkumpi in terms of employment is 68, which indicates a less diversified economy in terms of job creation. As discussed above, the economy is mainly concentrated in the three sectors of government and community services, retail and trade, and finance and business services. The economy has largely remained the same employment diversification wise, since 1999, when the Tress Index also measured at 68.

3.3 Development constraints and opportunities

This sub-section analyses the broad constraints and opportunities derived from the legislative context and socio-economic and economic profiles of the municipal area, as discussed above. More detailed constraints and opportunities will be discussed in subsequent sections following further sectoral analysis.

3.3.1 Development constraints

Approximately 75% of the 547 settlements in the Capricorn District Municipality area are small and scattered throughout mainly the western, southern, the north-western and eastern areas of the Capricorn District Municipality. Within Lepelle-Nkumpi, Lebowakgomo has been noted as a district growth point, Magatle as a municipal growth point, Seleteng and Mogoto as population concentration points, and Mafefe as a local service point. The average settlement size is small and the District has approximately 2050 people per settlement, while the average number of people per settlement in the Lepelle-Nkumpi Local Municipality is 2356 people per settlement. Lepelle-Nkumpi Local Municipality has approximately two-thirds of its total population residing in growth points and population concentration points (as identified in the Spatial Rationale, 2004). According to the spatial rationale the present scattered settlement pattern (without a proper settlement hierarchy) will never be able to provide a basis for long-term sustainable development to improve the quality of life of all the inhabitants and communities.

Lepelle Nkumpi Local Municipality is also situated in a mountainous area which inhibits development. The topography also causes physical obstruction on transport routes. Furthermore the municipality is also constrained by inadequate public transport, and the bad road conditions aggravate the shortage of transportation.

Large areas of land in the district forms part of the former Lebowa homeland and are held in trust for tribal and community authorities. These traditional authorities play a very important role in terms of their traditional culture and therefore also have a major influence in the manner in which land is made available to individuals for settlement, as well as the use thereof for economic purposes (e.g. agriculture, tourism, etc.). Most of these decisions are made on an ad hoc basis and usually without any consideration of the impact it may have on the spatial pattern and the rendering of cost effective and efficient services to communities.

A further constraint in respect of development potential and investor confidence in the municipality is the large proportion, which is currently the subject of land claims. In Lepelle-Nkumpi Municipality, nearly half of the municipal area is held up in land claims. As this process is turning out to be rather lengthy, some uncertainty is created, with possible investors being reluctant to invest in land until the land claim issues are resolved. Furthermore, no development can take place on land that has been claimed until the claim has been settled.

In terms of the socio-economic characteristics of the population, just more than 21% of the population is economically active, with nearly 20% of the population having no form of schooling whatsoever. The population therefore has low levels of skills, which is further demonstrated by the fact that nearly a quarter of the workforce in the municipality is employed in elementary occupations that do not require extensive qualifications. This, to some extent, constrains the development potential in the municipality for development of more advanced industries.

The large population size also exercises considerable pressure on the water resources, with the effect that progressively less water will be available for secondary purposes such as agriculture and mining. Shortage of water in rivers during winter is also a constraint faced by these sectors. The local municipality also experiences the following environmental problems namely overgrazing, deforestation, urban sprawl, uncontrolled veld fires, and asbestos pollution at Mafefe and Mathabatha. There is also insufficient social, economic, physical and institutional infrastructure.

The economic profile indicates that Lepelle-Nkumpi Municipality makes the third largest contribution to the District GDP. Furthermore, while a positive growth rate was experienced in Lepelle-Nkumpi Municipality between 1999 and 2004, the economy of the municipality has grown significantly slower than the overall economy. This gives and indication that economic activity within the municipality is currently very limited. Furthermore the formal economy is fairly concentrated in the rural areas (e.g. Lebowakgomo). This can largely be attributed towards the high contribution generated by Services, which in the case of the former homelands can assumed to be comprised of salaries paid to government officials. This high level of concentration renders the economy extremely vulnerable to any factor that may decrease the absolute number of government officials working and residing in the district or a factor that reduces the real value of total salaries paid.

The high levels of unemployment in the municipality (61%) and resultant low levels of income (from the formal sector) forced a portion of the population still residing in the area to enter and participate in informal and marginal activities (e.g. subsistence farming). The low levels of income (a third of the households have no income) also imply low levels of buying power and, therefore, few opportunities for related activities such as trade. This in turn also supports the leakage of buying power since there are fewer local outlets to buy from. A second implication of the low levels of buying power is the inability of the community to pay taxes (e.g. property tax) and for even the most basic level of services. This situation on the other hand undermines the financial feasibility of the local municipality and makes it difficult to provide the necessary social services and municipal infrastructure in the area. The end result is that a very few of the settlements located in Lepelle-Nkumpi can at the present levels of disposable income, generate the threshold required to establish an economic base of some sorts.

The lowest performing industries in Lepelle-Nkumpi Municipality are the retail and trade, transport and communication, finance and business services, and community services who all have Location Quotients below 0.75, which indicates that local needs are not being met by the sector and the municipality is importing goods and services in that sector.

Lepelle-Nkumpi Municipality's economy is rather centred on the government services sector, leaving the local economy fairly vulnerable for any significant changes in this industry. It is therefore important that the Municipality should be aiming to diversify its economy into other sectors.

Agriculture takes up large portions of land within the municipality, but only employs approximately 7% of the workforce. The presence of a strong agricultural sector usually also generates opportunities for the further development of the Manufacturing sector, particularly in terms of agro-processing, and other backward and forward economic linkages. The retail and trade sector in Lepelle-Nkumpi is also responsible for a substantial amount of the employment (more than 12%).

A further constraint is the dualistic economy comprising a formal component and a informal or marginal or non-commercial component. The majority of Lepelle-Nkumpi is based on the non-commercial component, which comprises informal and marginal activities such as subsistence farming and informal trading. However, the natural resource base and economy does not have the capacity to support the total population, forcing a large percentage of the labour force to seek employment opportunities outside of the district municipality (e.g. Gauteng). The effect of this migration labour includes high levels of male absenteeism and therefore also a leakage of buying power. The creation of job opportunities needs to get priority as many qualified people leave the municipal area in search for work elsewhere.

3.3.2 Development opportunities

While the low skills and education levels to some extent constrain development potential, education levels have increased between 1996 and 2001, with more people obtaining schooling. If this trend continues, opportunities for more advanced industries could increase in the future.

Lepelle-Nkumpi Municipality can also benefit from its inclusion in other development clusters set out by the PGDS. There are opportunities for projects within the municipality to be included in the red and white meat cluster in the future. There are also areas to the north-eastern side of the Municipality along the Olifants River on the southern boundary, which has been earmarked for agricultural developments. Various areas have been identified to have potential for Agri-villages.

Lepelle-Nkumpi also offers unique opportunities for tourism development and should therefore expand its competitive advantage in line with the tourism cluster of the PGDS. Bewaarkloof and Wolkberg have potential for conservation and tourism development.

Furthermore, the mining cluster can promote value-adding activities and greater linkages in the mining value-chain and services sector, rather than exporting raw produce mined for beneficiation to locations outside the boundaries of the municipal area. Mining development can boost the local economy in the area. Platinum mining development in Lebowakgomo (along the Dilokong Corridor) and diamond minng development in Zebediela could create opportunities for SMMEs along the value chain.

A number of important national and regional routes transverse the area, of which the R37 (Polokwane-Burgersfort) is the most important, there is also the R579 between Chueniespoort and Jane Furse, R519 between Kushke and Roedtan, R518 between Mokopane and Lebowakgomo, Moletlane to Magatle, and Hlahla to Mathabatha. The R37 road between Polokwane and Burgersfort has been identified as a SDI route by the Department of Economic Development, Environment and Tourism. Development should be focussed along this route.

In terms of the expansion of the Business sector and business support, Lepelle-Nkumpi Municipality should capitalise on existing initiatives and support services provided by government and other institutions. In this respect, businesses in Lepelle-Nkumpi Municipality have the opportunity to particularly utilise the information and services provided by organisations such as LibSA, particularly given the proximity to LibSA offices in Lebowakgomo, which makes it particularly accessible for entrepreneurs and cooperatives in Lepelle-Nkumpi.

In conclusion, the Municipality has inherent potential in its natural resource base, namely mining, agriculture, manufacturing and tourism opportunities, from which the economic base can be diversified, backward, forward linkages can be created, and job creation can be maximised.

4. SECTORAL ANALYSIS

This section is aimed at examining the economic situation of Lepelle-Nkumpi Municipality on a local level, analysing the performance of the economy both in terms of its output and its employment generation. The section will also further analyse each of the key sectors that contribute to the economy of Lepelle-Nkumpi Municipality. Within each sector analysed, this section will provide an overview of the sector, particularly focussing on the most important products produced within the municipal area. Existing development initiatives on provincial, district and local level will also be examined. This section will also explore the existing and potential economic linkages pertaining to the specific sector. The development potential for the municipality per key sectors of the economy, seeking to identify specific projects that could contribute to the further development of each sector and the economy of the municipality as a whole are also included.

4.1 Agricultural sector

4.1.1 Agricultural sector overview

The Standard Industrial Classification of all Economic Activities (Central Statistical Service, 1993) divides the economy into different categories, further sub-dividing it into smaller units to fully understand the full extent of the activities in each sector or industry. In respect of agriculture, sub-categories include such activities as growing of crops; market gardening; horticulture, farming of animals and forestry, logging and related services. Horticulture, and farming of animals are the key sub-categories that are the most important activities relating to the agricultural sector in Lepelle-Nkumpi Municipality and will therefore be discussed in more detail.

The agricultural sector of South Africa is one of dual economy, where the sector comprises of a well-developed commercial function on the one hand, while the rural areas are characterised by mainly subsistence farming. The South African Yearbook 2005/2006 (2005) indicates that some 13% of South Africa's surface area can be used for crop production, with 22% of arable land being of high potential. It also found that primary commercial agriculture contributes as much as 3.3% of the gross domestic product (GDP) of the country, with approximately 7.2% of formal employment being taken up by the commercial agricultural sector. While the share of GDP contributed by the agricultural sector is declining, it remains an essential component of the country's economy.

The Table below gives a short summary of the economic indicators relating to the Agricultural sector in the municipality in relation to that of Capricorn District.

Table 4.1 Summary of Agricultural economic indicators, 2004

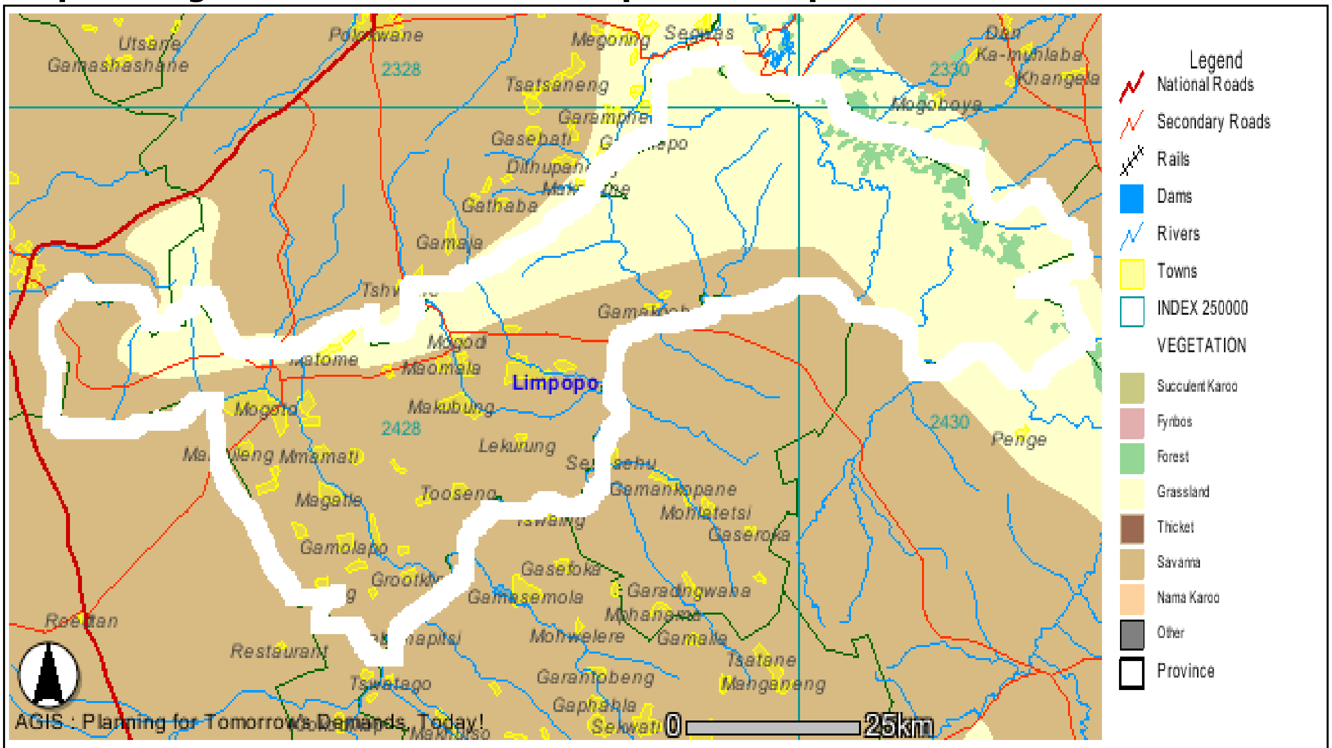
Indicators	Capricorn District	Lepelle-Nkumpi
Share of GDP	1.3%	1.7%
GDP Growth per annum	2.3%	-0.3%
GDP contribution to sector in District	n.a	15.0%
Share of employment	9.3	5.7
Employment Growth per annum	3.9	-0.6
Employment contribution to sector in District	n.a	8.2%

Source: Quantec database 2005, Kayamandi calculations 2006

From the Table above it is clear that the Agricultural sector contributes 1.7% to the overall GDP generated by the municipality, constituting a slightly larger proportion of the economy on a local level than it does for the District as a whole. The output is however declining locally but not in the District. Lepelle-Nkumpi contributes 15% to the agricultural sector in District. The agricultural sector is a large employer in the municipality, taking up almost 6% of the overall employment in the Municipality. The agricultural sector is however decreasing as an employment contributor. It is also an important employer on a District level, employing more than 9% of the District's workforce.

Limpopo Province is also an area of diversified vegetation, which ranges between indigenous forests and plantations, to farming land and areas of unspoilt bush. The below Diagram provides an indication of the vegetation distribution in Lepelle-Nkumpi.

Map 4.1 Vegetation distributions in Lepelle-Nkumpi



Source: Natural Resources Atlas, www.agis.agric.za

As is evident from the above Map, the natural vegetation in Lepelle-Nkumpi Municipality consists predominantly of the Savannah Biome, which comprises of Mixed Lowveld Bushveld.

The Savannah Biome is the largest Biome in southern Africa and occupies over a third of the area of South Africa. The Savannah Biome is comprised mainly of grass, with woody plants and trees scattered throughout. Some of the trees found in this biome include the Baobab tree, which also occurs in Lepelle-Nkumpi. Savannah vegetation is usually used for grazing, mainly for cattle or game. The northern half of the municipality is mostly covered by grassland. The dominant veld types of Polokwane Plateau False Grassveld and Mixed Bushveld render the veld suitable for extensive cattle farming and (given sufficient water) the production of cut flowers, vegetables, tobacco and deciduous fruit.

The Map above also indicates a very small area in the northern-eastern region of the municipal, consisting of the Forest Biome, described as North-eastern Mountain Sourveld. Although this type of vegetation is predominantly a grassland area, it is also classified as an Inland Tropical Forest type, due to the patches of forest occurring in the sheltered ravines, gorges and valleys of the escarpment. The main economic activities associated with this vegetation type are that of forestry, grazing and eco-tourism.

The most important factor limiting agricultural production and development in Lepelle-Nkumpi is the availability of water. This is also true for the Limpopo Province, which is located in the dry savannah sub-region. In general, the province experiences hot summers and mild winters, with the average annual rainfall in Limpopo ranging between 300-400 and 600 mm. The province also encompasses a wide range in respect of its topography, with its elevation varying between 600 m and 900 m above mean sea level. This gives rise to varied climatic characteristics throughout the region, which can be divided into four climatological regions (M'Marete, C.K):

- The arid far Northern
- The arid to semi-arid – the Northern
- The semi-arid – the Highveld
- The sub-humid – the Lowveld

Some of the key climatic elements of agrometeorological stations in close proximity to Lepelle-Nkumpi Municipality are captured in the Table below.

Table 4.2 Climatic elements of agrometeorological stations in Capricorn District

Station	Rainfall (mm)	Temperature (Degrees Celsius)	
		Max	Min
Pietersburg University of the North	471.4	24	10

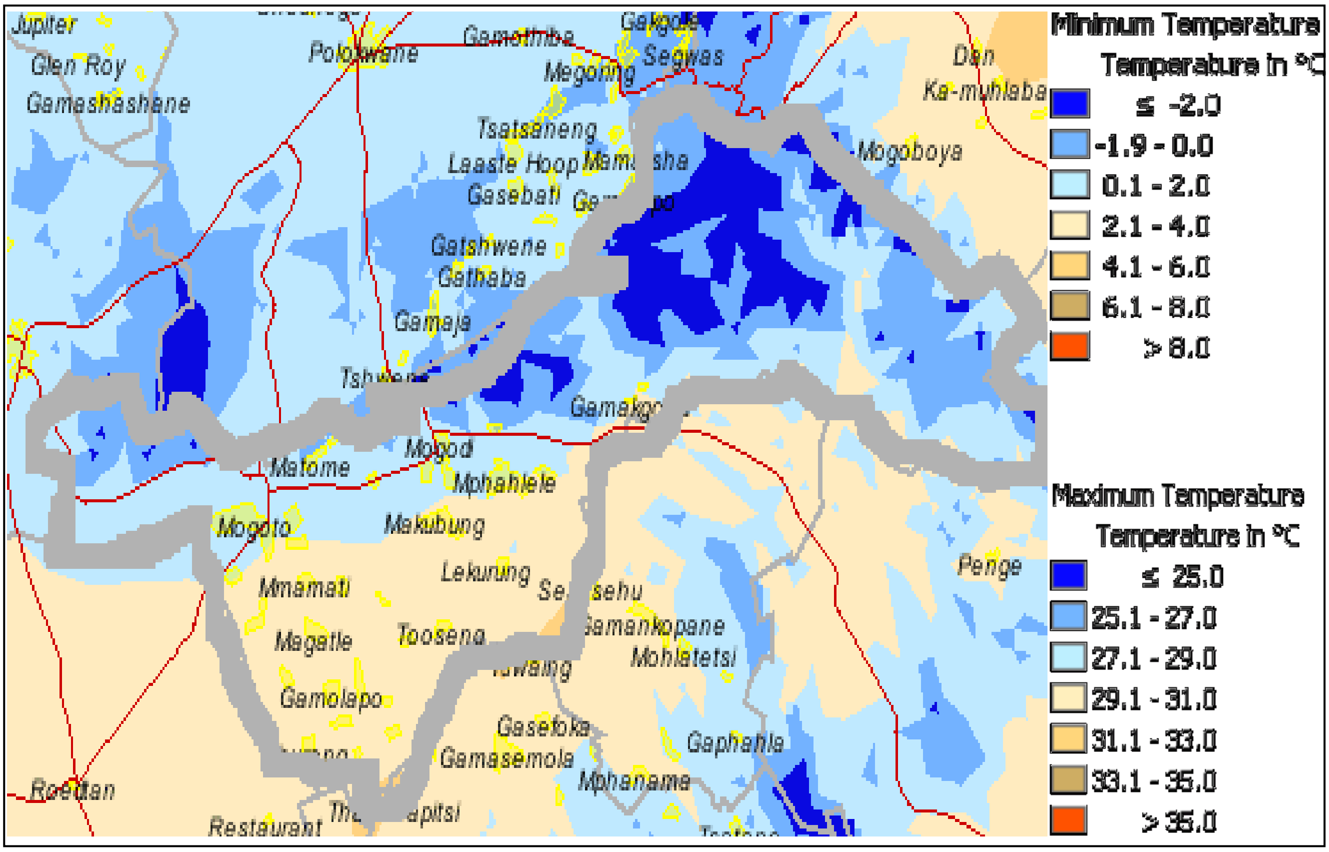
Source: M'Marete, C.K

From this Table, it is evident that the municipality has an average annual rainfall of 471mm that is on par with the average rainfall of Limpopo (300-600mm). This contributes to the concentration of vegetable and fruit production, as well as the concentration of forestry around these southern regions of the municipality. The average maximum temperature is 24 degrees celcius and the average minimum temperature is 10 degrees celcius.

The below Maps provide an indication of the geographical distribution of rainfall, and temperature.

It is evident that the mean annual temperatures in the northern half of the municipality is slightly cooler ranging between minus 2 degrees Celsius and a maximum of 25 degrees Celsius than the southern half which has temperatures ranging between 2 degrees Celsius and 31 degrees Celsius.

Map 4.2 Mean annual minimum and maximum temperatures

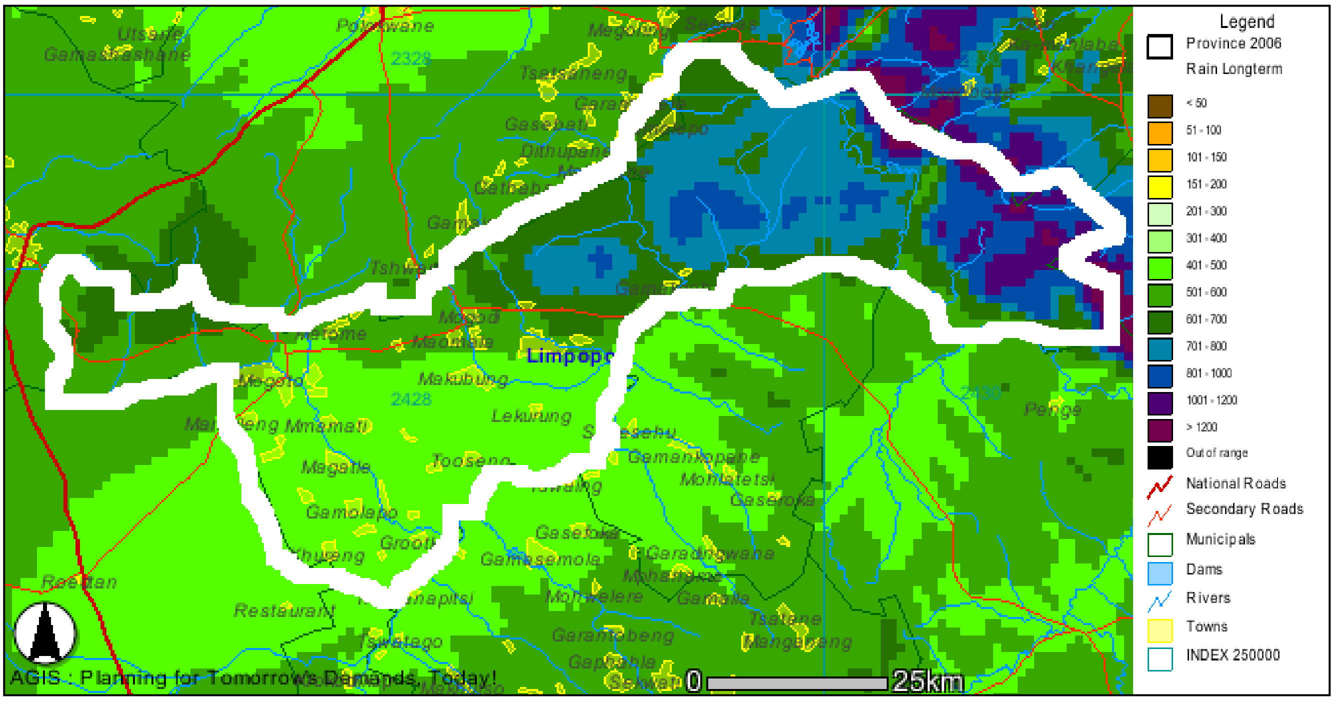


Source: Natural Resources Atlas, www.agis.agric.za

The average annual rainfall patterns also directly correspond to the temperature patterns, revealing that the northern half of the municipality has higher average rainfall patterns (between 800 and 1200mm) and thus greater potential for agricultural than the southern half with average annual rainfall patterns of between 400 and 500mm per annum.

There are also a number of irrigation regions in the Capricorn District namely the Polokwane South Region and the Mogwadi-Vivo Irrigation Region. These irrigation regions are highly suitable for the production of vegetables, tobacco, cotton and citrus.

Map 4.3 Average annual rainfall



Source: Natural Resources Atlas, www.agis.agric.za

Apart from the rainfall patterns and the physical, topographical and climatic conditions of a location, a further key determinant of agricultural development potential in a region is that of its soil potential. Soil suitability can be divided into different classes, namely arable, marginal and non-arable land. Arable land is land that is fit for cultivation and is capable of being farmed productively. It is also the only land suitable for irrigation farming. Marginal land is areas of land that is less suitable for cultivation and usually has certain deficiencies in soil, topography, or drainage properties. Farming activities on marginal land involves greater risk, but could still be cultivated under proper management. Non-arable land comprises steep, rough, broken, rocky, badly eroded lands or lands with inadequate drainage which makes it unsuitable for cultivation. Odhiambo has identified five major soil groups in the Limpopo Province, which comprise:

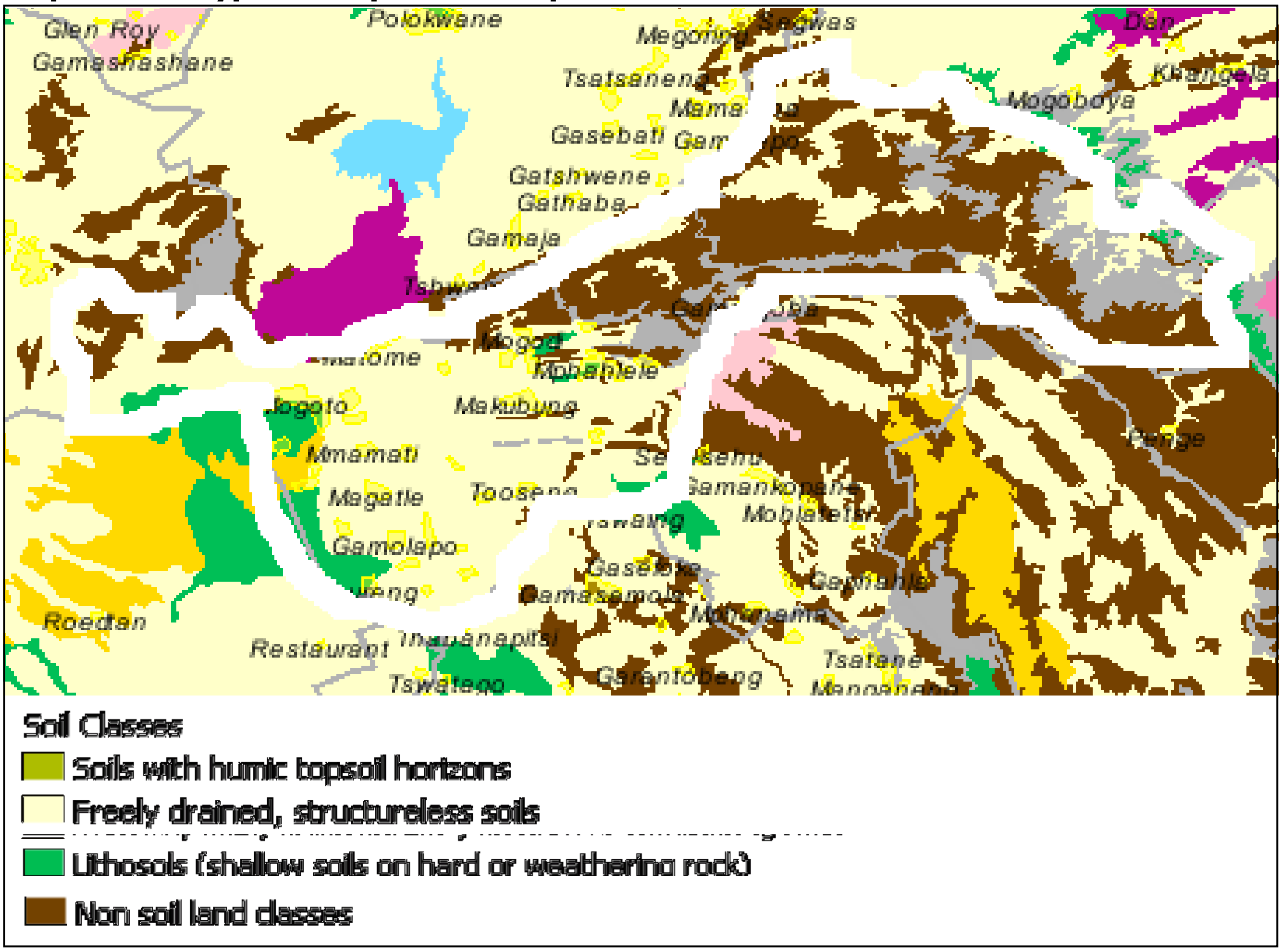
- Dystrophic, red and yellow, well drained clayed soils
- Red, yellow and grey soils in caternary association
- Black and red clay soils
- Duplex and paraduplex soils
- Weakly developed soils on rock

The soil types in Lepelle-Nkumpi are indicated in the below Map.

The northern half of the municipality is mostly comprised of non-soil classes which may be water-intake areas with restricted land use options. The southern half is mostly comprised of freely drained, structureless soils with favourable physical properties and may have restricted soil depth, excessive drainage, high erodibility and low natural fertility. To the south of

Magatle there are some Lithosols (shallow soils on hard/weathering rock) which may receive water runoff from associated rock and has restricted soil depth associated with the rockiness.

Map 4.4 Soil types of Lepelle-Nkumpi



Source: Natural Resources Atlas, www.agis.agric.za

The total arable land in Limpopo Province is estimated at 2 359 147 hectares, with only 181 000 hectares being irrigated, representing only 7.7% of the total arable land (M'Marete). The reason for this is the scarcity of water.

In terms of the Capricorn District, soil suitability is captured in the Table below.

Table 4.3 Soil suitability for Capricorn District

Soil suitability	Hectares	Percentage
Arable	283 826	16.7
Marginal	909134	53.6
Non-arable	503 869	29.7
Total	**1696 829**	**100%**

Source: M'Marete, C.K

From the Table above, it is clear that almost half of the land in the District (48.5%) is marginal, making cultivation of the land difficult, with only 16.1% of land being capable of productive cultivation.

Variations in the different factors, such as climate, topography and soil potential give rise to different types of vegetation in different regions, and the range of factors in Limpopo has resulted in a very diverse range of vegetation across the Province. When all these factors are taken into consideration, land capability groups can be determined. For Limpopo Province, the land capability groups constitute the following proportions (Odhiambo): are 37.7% suitable for Arable farming, 50.1% suitable for grazing, and 12.2% suitable for wildlife.

Further studies into soil potential classify soil in terms of its soil capability, land capability and its erodibility. The soil capability is derived from factors such as its flooding and erosion hazard, soil depth and texture, drainage, its mechanical limitations and other soil properties. Taking all of this into account, an area of land is classed as either arable or non-arable. Land capability utilises the soil capabilities and further classifies soils into different classes by including climatic factors to produce a land capability class. These classes again divide areas of land into either arable or non-arable. Erodibility refers to the erosion hazard of soils and consists of three sub-criteria, namely slope gradient, water erodibility index, the combination of which allows soil types to be classified into 8 classes (Odhiambo). Through these classes, it is possible to determine which areas of land are fertile and possess the ability to sustain arable farming activities. The soil-classes for the District is shown in the below Table.

Table 4.4 Physical soil features for the Capricorn District

Soil Capability		Land Capability			Erodibility		
Class	Area (ha)	Class	Area (ha)		Class	Area (ha)	
I	120 530 (7.1%)	I	-	Arable	E1	191 754 (11.3%)	Land with low water or wind erosion hazard. Generally, level to gently sloping. Soils have low erodibility
II	163 296 (9.6%)	II	-		E2	77 510 (4.6%)	Land with low to moderate water or wind erosion hazard. Generally gently to moderately sloping. Soils have low to moderate erodibility
III	876 371 (51.6%)	III	293 493 (17.3%)		E3	234 851 (13.8%)	Land with moderate water or wind erosion hazard. Generally moderately sloping land. Soils may have low to moderate erodibility
IV	16 493 (0.6%)	IV	573 404 (33.8%)		E4	157 035 (9.3%)	Land with moderate to high water or wind erosion hazard. Generally moderately to strongly sloping land. Soils may have low to high erodibility

Soil Capability		Land Capability			Erodibility		
Class	Area (ha)	Class	Area (ha)		Class	Area (ha)	
V	-	V	312 813 (18.4%)	Non-arable	E5	812 988 (47.9%)	Land with moderate water or wind erosion hazard. Generally level to gently sloping land. Soils may have low to very high erodibility.
VI	300 794 (17.7%)	VI	258 757 (15.2%)		E6	74 162 (4.4%)	Very steep slopes with soils with low water erodibility; moderately to strongly sloping land with soils of low to very high erodibility; moderately sloping land with soils of very high erodibility.
VII	40 218 (2.4%)	VII	95 404 (5.6%)		E7	34 777 (2.0%)	Land with very steep slopes, causing severe erosion hazard or past erosion. Soils may have low to very high erodibility
VIII	162 856 (9.6%)	VIII	162 856 (9.6%)		E8	113 751 (6.7%)	Land with extremely steep slopes. Soils may have low to very high erodibility

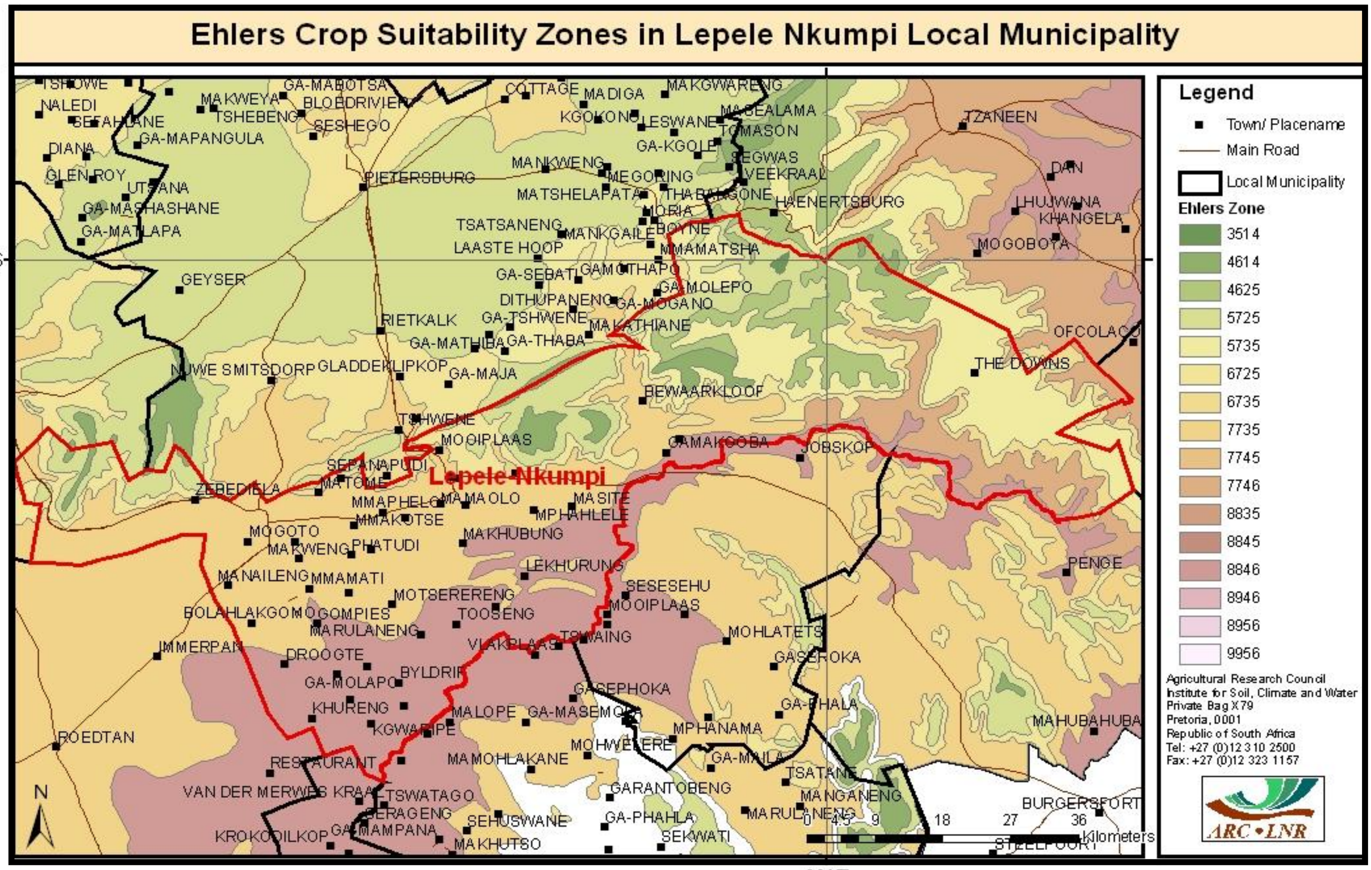
Source: Odhiambo – Physical features, soils and land-utilization

Capricorn District covers an area of approximately 1 696 800ha and as can be derived from the Table above, the largest proportion of land (47%) falls in the non-arable category, comprising a moderate water or wind erosion hazard. This constitutes an area of some 812 988 hectares, which is characterised by generally level to gently sloping land, with the soils having low to very high erodibility. The second largest proportion, which together with the first makes up 50% of Capricorn District's area, falls within class IV, which is considered to be arable land, albeit on the margin of becoming non-arable.

Despite this, there are a number of plant options that could be considered for production in the Municipality and need to be explored further. Since most environmental factors that determine the habitat of specific crops can only be controlled or changed on a very small scale (or not at all) by the farmer, crops should be chosen that are adaptable to the environment (ARC, 2006 as in Ehlers, 1988). The potential plant species that may be suitable for any given area are identified through the use of Ehlers zones, which have been developed to indicate where the soil type and the climatic conditions is of such a nature that certain products can be grown.

Ehlers zones contain lists of useful plants that are divided into zones according to their temperature requirements, separating potential crops that can be grown into summer and winter months. Lepelle-Nkumpi Municipality is covered by seven Ehler Zones (see below Map), namely 8946, 7746, 6735, 5735, 4625, 3514, and 5725. The majority of the Municipality comprises 8946, 6735 and 5735 zones (as shown on the below Map). A full description of the optimal plant species per Ehlers Zone is presented in Annexure B.

Map 4.5 Ehler zones of Lepelle-Nkumpi



Source: ARC, 2006

The following Table provides a list of the optimal species to be farmed in Lepelle-Nkumpi.

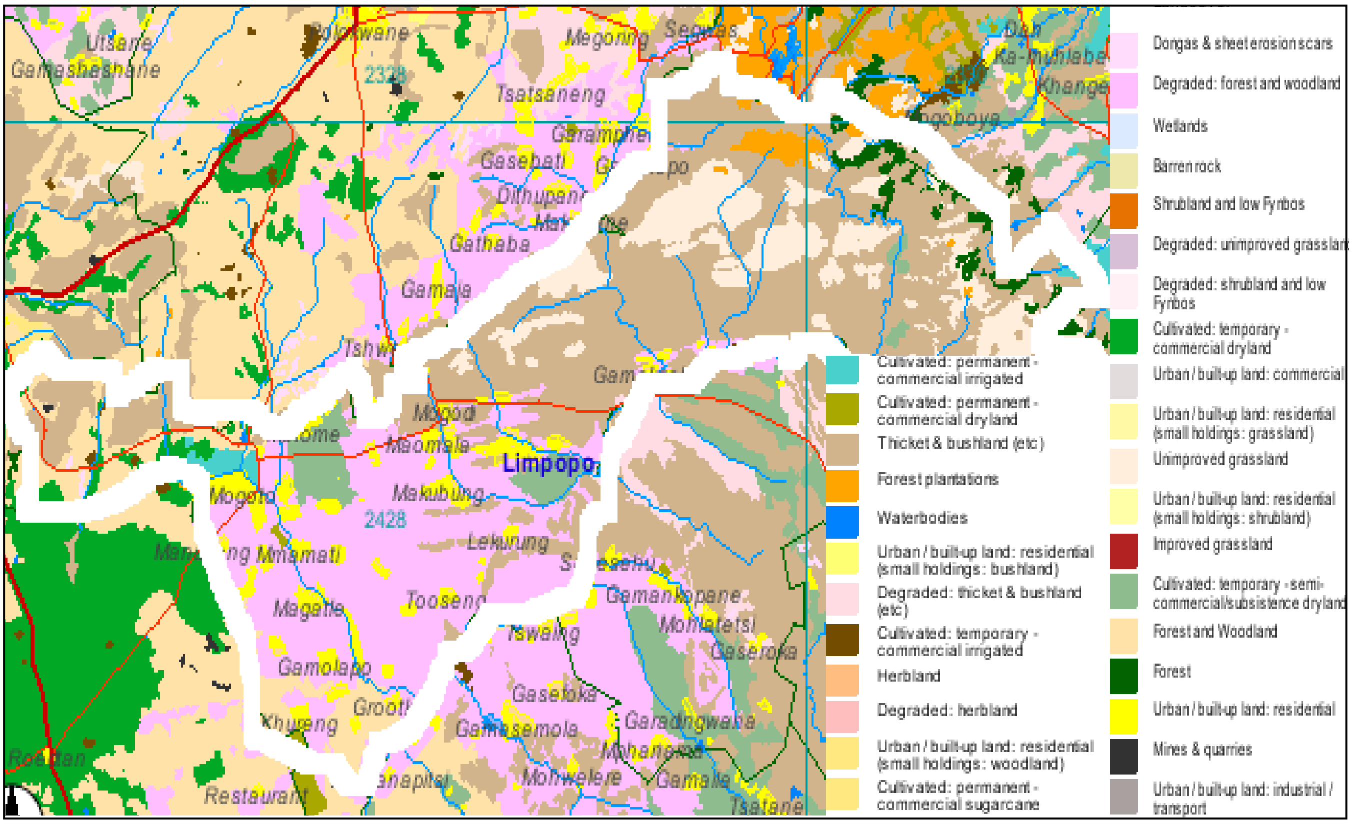
Table 4.5 Optimal plant species in Lepelle-Nkumpi

Apple	Cole; Cole-seed; (Canola)	Lentil	Rape Cole (Canola)
Apricot	Common / Runner Bean	Lettuce	Rapeseed (Canola Oil)
Arabica Coffee	Common Garden Pea	Llama	Red Pepper
Artichoke	Coriander	Luquat	Rice
Banana	Cotton	Maize	Rocket Salad
Barley	Cow Cabbage	Mango	Rye
Basil	Cumin	Mexican Hawthorn	Safflower
Beetroot	Dalmation Insect Flower	Millet	Skirret
Bengal Bean	Date Palm	Mountain Spinach	Soy Bean
Big Kidney Bean	Dill	New Zealand Spinach	Spinach
Bitter Melon	English Rhubarb	New Zeeland Hemp	Strawberry
Black Mustard	Field Mustard	Oats (Common)	Sugar Cane
Brinjal / Eggplant	Flax; Linseed (Fibre)	Old-man Saltbush	Summer Wheat
Broadbean	Gherkin, Musk-melon	Olive	Sunflower
Brown Mustard (Oil)	Grapes	Onion, Garlic	Sweet Anise
Brussels Sprouts	Ground Nut	Oyster Plant	Sweet Cherry
Buckweat	Guava	Parsley	Sweet Cicely / Cicle
Butter Bean	Headed Cabbage	Parsnip	Sweet Pepper
Carrot	hemp (fibre)	Pawpaw; Papaja	Sweet Potato
Cashew Nut	Horse Radish	Pineapple	Tea

Cassava	Hungarian Turnip	Plum	Tobacco (Turkish)
Caster-Oil Plant	Indian Beal	Potato	Tomato
Cauliflower	Indian Colze (Canola)	Pumpkin, Squash	Topinambur
Celery	Indian Millet	Purple Granadilla	Valencia
Chicory	Italian Broccoli	Pusa Hemp	Velvet Apple
Chinese cabbage	Japanese Plum	Radish	Winter Wheat
Chinese Kale	Japanese Radish	Rape	

In terms of existing Agricultural activities in the municipality, the Map below gives an indication of the predominant land uses in the municipal area.

Map 4.6 Landcover of Lepelle-Nkumpi



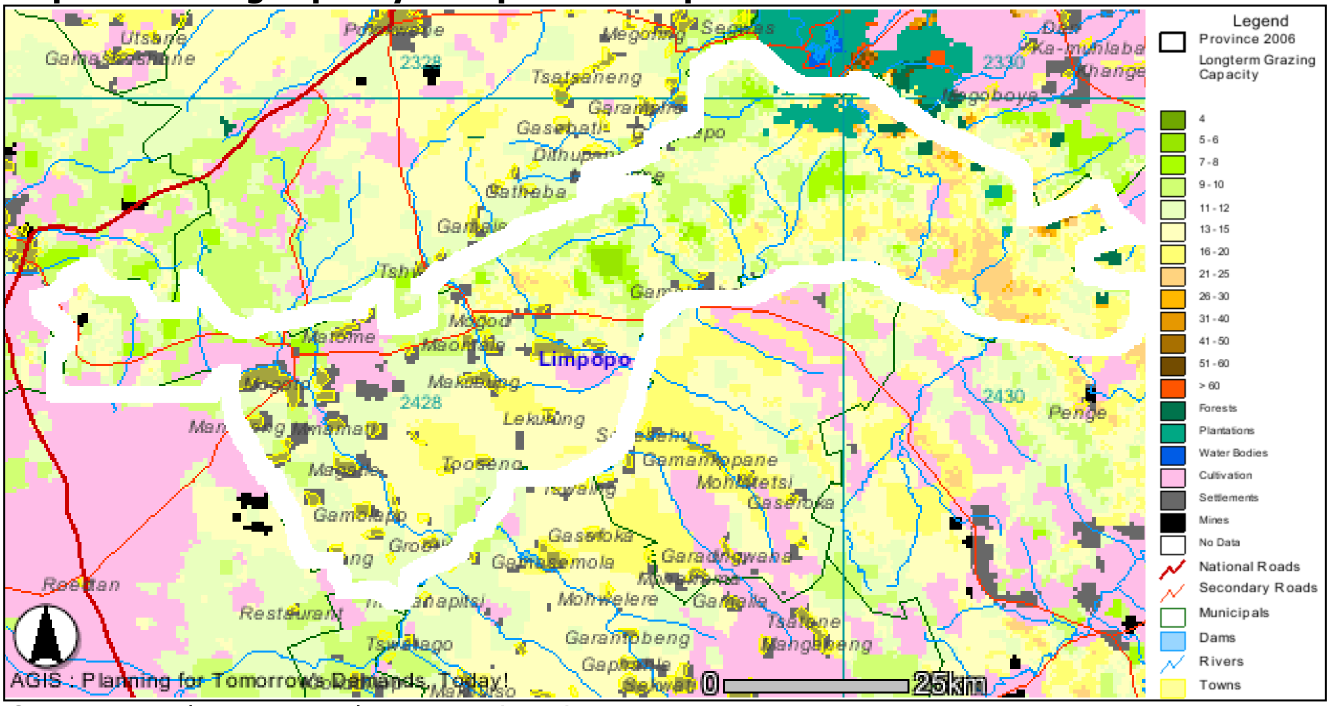
Source: Natural Resources Atlas, www.agis.agric.za

As is evident from the above Map, large proportions of the northern half of the municipality is covered by thicket and bushveld, with the southern half mostly covered by degraded forest land and woodland. Some commercial and subsistence dryland is also found to the western side of the municipality.

The following Map provides an indication of the grazing capacity of Lepelle-Nkumpi Municipality.

The map also shows some of the cultivations surrounding Zebediela area (mostly citrus). There are also some plantations and isolated forests in the North-East.

Map 4.7 Grazing capacity of Lepelle-Nkumpi



Source: Natural Resources Atlas, www.agis.agric.za

Limpopo Province also adopted a Growth and Development Strategy (PGDS) that seeks to promote economic growth and development that is sustainable. The PGDS is aimed at providing a clear vision for growth of development through the identification of development opportunities, focussing particularly on the sectors such as agriculture, mining, manufacturing and tourism, the sectors that are considered to be the main drivers of the Limpopo Province economy and that seem to display comparative advantages. To this end, seven development industrial clusters were identified, which includes a Fruit and Vegetable (horticulture) cluster and a red and white neat cluster, which apply to Lepelle-Nkumpi as far as agriculture is concerned.

Development clusters are critical masses, spatially concentrated and of unusual competitive success in a particular field. They encompass an array of linked industries, from suppliers and providers of infrastructure to down-stream activities and service organisations. They also include training, research and governmental institutions. Competitive advantage within these clusters is driven not so much by the source and cost of inputs as by the productive use of inputs, which requires continuous innovation.

The following Map, provides an indication of the horticulture cluster in Lepelle-Nkumpi.

The below map clearly shows that the production of citrus is clustered in the west of Lepelle-Nkumpi around the areas of Zebediela and there's another visible patch of citrus production to the south west of Lepelle-Nkumpi. To the north-west of Lepelle-Nkumpi, there are patches of peach production (just outside of the municipality). There are also patches of grape production in the west. Vegetable production is clustered along the southern boarder around the Magatle region. From the horticultural map it is evident that citrus production dominates.

Map 4.8 Horticulture production

Source: PGDS, 2004

The value and volumes of various agricultural commodities produced in Capricorn district from 1998 to 2000 are indicated in the below Table.

Table 4.6 Values and volumes of agricultural commodities in Capricorn District

Commodity	Value R' & Quantity 1998	Value R' & Quantity 1999	Value R' & Quantity 2000
Potatoes R'	189 557 000	177 196 000	201 030 000
Tomato R'	24 100 000	82 000 000	97 700 000
Eggs R'	84 500 000	86 400 000	88 320 000
Broilers R'	37 000 000	37 000 000	61 000 000
Beef R'	68 300 000	64 400 000	60 800 000
Pork R'	2 793 000	31 600 000	36 907 000

Commodity	Value R' & Quantity 1998	Value R' & Quantity 1999	Value R' & Quantity 2000
Citrus R'	21 300 000	22 100 000	30 800 000
Potatoes Tons	157 570	179 529	167 246
Sisal R'	137 585	137 585	137 585
Fresh Tomatoes Tons	14 980	52 780	56 140
Citrus Tons	10 100	10 500	14 600
Beef Tons	13 660	12 880	12 160
Broilers Tons	4 930	4 930	8 130
Pork Tons	3 990	4 390	4 921
Sisal Tons	59	59	59
Eggs Mill Doz	22	23	23
Timber R'	16 400 000	16 400 000	-
Timber M3	600	573	-

Source: CDM LED Strategy, 2002

It is evident from the above information that potatoes are by far the most important crop in the CDM, with the production value for the year 2000 exceeding R200 million. This is followed by tomatoes (R98 million), Eggs (R88 million) and broilers and beef almost equal at R61 million. Pork and citrus production are also substantial at R37 million respectively.

In Lepelle-Nkumpi there aren't many large commercial farmers in horticulture (except for Zebediela citrus estate). Most of the horticulture farming activities in Lepelle-Nkumpi range from poverty alleviation (subsistence) to small-scale farming. Commercial farming is mostly in citrus production, oranges more specifically. There are also grape commercial activities done by the ARDC in Grootklip and Lombard Company in Zebediela.

Citrus can be produced on a wide variety of soil types nevertheless soil moisture can also be a critical constraint in for citrus production. Thus, this brings in a number of factors, which can be hazardous when producing citrus, which include the climate of the area.

Citrus production is primarily focused on exports and is therefore highly exposed to competition. Maintaining a good (cost competitiveness) position, high fruit quality (which includes compliance with phytosanitary standards and keeping abreast with changes in world market trends.

Two of the largest citrus estates are located in the Limpopo province, Letaba and Zebediela Citrus Estate. The Zebediela Citrus Plantation which is located in Lepelle-Nkumpi Local Municipality in Zebediela totals 13 785 ha (see below Diagrams).

This farm has been reinstated to the Bjatladi Community and is currently producing citrus for mainly the international market. The Zebediela Citrus Plantation exports most of its produce and supplies the rest to local markets, there are no other activities involved with regards to the production of these oranges.

Photograph 4.9 Zebediela Citrus estate

Zebediela was established in 1917 by the American entrepreneur Issy Schlesinger. The 87 year-old property, which was the world's biggest citrus estate in its heyday, is once again exporting substantial quantities of oranges and lemons as its new managers reap the benefits of an ambitious rehabilitation programme. The local Bjatlhadi community, which has taken ownership of the estate following a successful land claim, has a 30% shareholding in the operating company. The remaining 15% share is held by a Workers' Trust.

The PGDS also intends to increase the economic linkages and extend the value chain. The horticulture cluster involves the development of the fruit and vegetable potential of the Limpopo province. The cluster value-chain should be extended up-stream to include the local production of inputs for the growing of selected fruit and vegetable commodities, such as plant material production, nurseries, pesticides and fertilisers (including organic fertilizers). The value-chain down-stream includes processing, packaging and exporting industries. Additionally, Lepelle-Nkumpi has a very advantageous climate and land for the development of high-value organic food products. This could compliment the activities of the Tourism cluster.

As part of the PGDS, it is intended that public sector interventions be employed to further generate development opportunities. These interventions include the rehabilitation of irrigation schemes, the commercialisation of state farms, skills development for particularly emerging farmers and skills-transfer from existing commercial farmers through public-private partnerships.

The farming activities relating to vegetables, tomatoes and onions are mostly the poverty alleviation projects initiated by the provincial Department of Agriculture, the same applies to the activities around avocados, mangoes and peaches. In addition to the poverty alleviation projects planting, of horticulture is more of a "backyard" operation in Lepelle-Nkumpi Local Municipality. This refers to those households that plant fruit and vegetables, in order to survive.

Horticulture production is mainly comprised of the following products: tomato, cabbage, onion and pepper, deciduous fruit, subtropical fruit crops such as avocados and mangoes citrus fruit, vegetables (excluding potatoes), oranges and onions. Tomato is mainly farmed along the Olifant's river and around Dithabaneng, Fertilis and Grootfontein areas in Lepelle-Nkumpi. There is also subsistence and small-scale production of butternut, pumpkin, cabbages, onions and pepper mostly in fertilis, Dithabaneng and grootfontein. The crops mostly grown in the Zebediela, Seloane, Ledwaba, Mafefe and Mathabatha area are sorghum, maize and beans. They are mostly grown on a subsistence and small-scale level.

With regards to Livestock, the Census of Commercial Agriculture (2002) reveals that Limpopo only contributed approximately 6.4% to the farming income of South Africa, one of the lowest performing provinces in the country. This can possibly be attributed to the large rural areas, where livestock are mainly held for subsistence farming. Land used for grazing in the Province represents approximately 83.9% of the total farming area and cattle still remain the predominant species in the Province. Limpopo only takes up 0.8% of the number of sheep in South Africa (Department of Agriculture, 2005). However, Pigs are found predominantly in the Limpopo, North West and Western Cape provinces, with more than 300 000 being located in Limpopo, the largest share of South Africa's pig numbers.

The following Table provides an indication of the percentage contribution of livestock within the District.

Table 4.7 Percentage distribution of livestock species in Capricorn District

YEAR	Cattle	Sheep	Goats	Pigs	Total
1995	36.3	8.9	48.1	6.7	100%
1998	41.7	9.1	42.0	7.2	100%
2001	37.6	8.8	43.6	9.9	100%

Source:Acheampong-Boateng et al, Livestock Production

It is evident from the above Table, that within the Capricorn District the overwhelming majority of livestock are Goats (44%), followed by cattle (38%), pigs (10%) and sheep (9%).

The below Table provides an indication of the actual numbers of livestock in the Capricorn District.

From the below Table, it is evident that the Capricon District has approximately 200 000 cattle in 2001, 50 000 sheep, 240 000 goats, and 55 000 pigs.

Table 4.8 Livestock species in Capricorn District

YEAR	Cattle	Sheep	Goats	Pigs
1995	216647	52886	286774	40079
1998	232921	51127	235115	39989
2001	209027	49176	242298	55238

Source:Acheampong-Boateng et al, Livestock Production

It is also clear from the above Tables that the proportion of cattle in the District had increased between 1995 and 2001, with goats becoming slightly less important in terms of its contribution to livestock numbers in the District.

The Table below breaks the different species of livestock that occur in the Municipality down into commercial and communal livestock.

Table 4.9 Percentage communal and commercial livestock in Capricorn District

YEAR	Cattle		Sheep		Goats		Pigs	
	Commercial	Communal	Commercial	Communal	Commercial	Communal	Commercial	Communal
1995	24.8	74.2	20.8	79.2	0.7	99.3	90.5	9.5
1998	24.4	74.6	25.9	74.1	1.8	97.2	90.7	9.3
2001	24.4	75.6	24.3	75.7	1.6	98.4	94.2	5.8

Source:Acheampong-Boateng et al, Livestock Production

From the Table above it is clear that all species of livestock (except pigs) in the District are largely produced on communal level, particularly in respect of goats, which is almost entirely being produced in communal areas.

The PGDS also makes provision for a red and white meat cluster, which covers all corridors in all the districts of the province. The strategy seeks, through this cluster, to encourage current and emergent poultry and cattle production. The cluster also involves the utilisation of animal-feed production. Large portions of the province are also taken up by game farms and this appears to be a growing trend. Much like the horticulture cluster, the PGDS seeks to encourage public-private partnerships and skills development among emerging farmers.

This cluster should build on current and emergent cattle and poultry production, as well as animal-feed production, and should be expanded to incorporate under-utilised facilities such as state farms across the province. Up-stream development opportunities include sorghum production by emergent farmers (a major substitute for maize), as a strategy to raise the competitiveness of animal-feed and meat production in Limpopo.

The following Map, provides an indication of the red and white meat cluster in Lepelle-Nkumpi.

Map 4.10 Red and white meat cluster

Source: PGDS, 2004

As can be seen from the above map, beef production has been identified on the northern boundary of Lepelle-Nkumpi. On the south-west of Lepelle-Nkumpi, which is in the areas around Zebediela, there are broilers and egg layers, the same patches can also be identified on the western border (more to the Mokopane area) and north-western (towards Polokwane) border of the Lepelle-Nkumpi Local Municipality. On the western border of this area potential for sheep production has been noted. It is also evident that meat production in Lepelle-Nkumpi involves goats, cattle, sheep and poultry. Sheep farming occurs on a small scale basis mainly around Seleteng in Ga-Mphahlele.

Although there are livestock projects from the Department of agriculture, the farming of cattle in Lepelle-Nkumpi Local Municipality is informal, where the cattle have no formal fencing or kraal and are used for subsistence, the same goes for sheep and goats.

Goat farming is more popular as there are more projects on goat farming than cattle and sheep in Zebediela, Mphahlele and Mafefe areas. Sheep farming occurs mainly in Thawagane and Seleteng, around Ga-Mphahlele. Pigs are also farmed on a small-scale in Mamaolo inga-Mphahlele.

There are also various poultry projects initiated by the Department of Agriculture around the Ga-Kekana, Makweng, Magatle and Sekgopokgopong. These projects involve broiling and egg-laying. There is one chicken farm around Ga-Mphahlele on the central parts of Lepelle-Nkumpi, which has 13 chicken farms and only 3 of these are productive. There are currently negotiations around the relocation of this farm. There is one chicken abattoir in Lepelle-Nkumpi, in lebowakgomo, which is mainly used for white meat processing.

4.1.2 Current development initiatives and projects in the area

Currently various agriculture development projects are being initiated. The main agriculture development initiatives within Lepelle-Nkumpi include: Limpopo Department of agriculture (existing and proposed projects), Capricorn District identified projects for Lepelle-Nkumpi, Lepelle-Nkumpi IDP identified projects. See below Tables.

Table 4.10 Limpopo Department of Agriculture projects: current projects

PROJECT NAME	PROJECT DESCRIPTION	PROJECT ACTIVITY	LOCATION
Mathiatsabela	Vegetable		Mathiatsabela
Nkomo and maphutha enterprise Youth Project	Poultry		Nkomo and maphutha
Mmabolepo Poultry Farm	Poultry		Mmabolepo Poultry Farm
Makgai Farm Enterprise	Vegetable	Soil Preperation, Laying of Pipes; purchase of Seedlings	Makgai
Boikhutso Youth Project	Poultry Production		Boikhutso Youth Project
Hlabirwa Serogele Farm	Vegetable	After Care	Hlabirwa
Mokgaga Vegetable Project	Vegetable	Purchase Irrigation Pipes and fittings	Mokgaga

Table 4.11 Limpopo Department of Agriculture projects: proposed projects

PROJECT NAME AND LOCATION		
MIGATLE SERVICE CENTRE	MIDDLEKOP SERVICE CENTRE	GROOTFONTEIN SERVICE CENTRE
Gompies Irrigation Scheme	Vukani Veg & Poultry Project	Koedoeskop Irrigation Scheme
Matome Vegetable Project	Adriansdraai Irrigation Scheme	Success Irrigation Scheme
Thusanang Veg Project	Badfontein Irrigation Scheme	Grootfontein B Irrigation Scheme
Basadi ba Mehlareng	Lenting Crushpen	Grootfontein A Irrigation Scheme
Ngwanallela Veg & Piggery	Ledwaba Crushpen	Canyon Irrigation Scheme
Kukishanang Veetable	Serobaneng Crushpen	Vallies Irrigation Scheme

PROJECT NAME AND LOCATION		
MIGATLE SERVICE CENTRE	**MIDDLEKOP SERVICE CENTRE**	**GROOTFONTEIN SERVICE CENTRE**
Production		
Grootklip Irrigation Scheme	Malekapane Crushpen	Fertilies Irrigation Scheme
Mathiatsabela Veg Project	Seleteng Crushpen	Haffedonheigts (mashushu) Irrigation Scheme
Nkomo & Maphutha Youth (Poultry)	Matinkane Crushpen	Mashushu Seed Production
	Mashite Crushpen and Diptank	Lucern Irrigation
Mmabolepu Poultry Farm	Makgai Farm	Shushumela Crushpen
Boikhutso Poultry (Youth)	Hlabirwa Serogole	Koedoeskop Crushpen
Mogoto Crushpen	Mokgaga Veg Project	Lucern Crushpen
Moletlane Crushpen	Mochabatlala Mphahlele Distributors	Mathabatha Crushpen and Diptank
Gedroogte Tiptank	Dicity Fruit and Vegetable (Takalo)	Mafefe Auction and Crushpen
Magatle Auctionpen	Koppiesdam Diptank	Success Crushpen
Khureng Stock Watering	Thamagane Auction Pan	Maseleseleng Crushpen
Lepelle Malatane Farmers Association	Mogodi Auctionpen	Mahlatjane Dairy Kraal
Stemora Project	Makurung Stock Watering	Mafefe Diptank
Pebetsi Poultry	Mashite Crushpen	Leporong Agricultural Project
Phagamang Poultry Project	Lenting Dairy Kraal	Ratanang Orphanage Project
Magadi Indegenous Farm	Strydpoort Live stock improvement(Ledwaba)	Moshalane Wetland Project
Tsogang Molapo Vegetables	Strydpoort Live stock improvement(Mphahlele)	Arepheleng Lepelle Small Farm
Setumu Vegetable & Poultry	Thakgalang Kniting & Vegetable	Reagola Nursary / Veg Garden
Matome Poultry Production Project	Muroa Vegetable Garden	Mahlaokeng Crushpen
Fanang Diatla Field Crop Farmers	Rooidraai Dryland Project	
Magale Field Crop Farmers	Marobeng DryLand Project	
	Bulangtsela Vegetable Project	
	Makerepeng Dryland Project	
	Mphahlele Vegetable Garden	
	Mamumung Dryland Project	
	Boomplaats Dryland Project	
	Moekane Landcare Project	
	Koppiesdam Landcare Project	
	Phauwe DryLand Project	
	Malemati Poultry	
	Marobeng DryLand Project	
	Tooseng Community Citrus	
	Kgomo-Di-Timetse Small Farming	

PROJECT NAME AND LOCATION		
MIGATLE SERVICE CENTRE	**MIDDLEKOP SERVICE CENTRE**	**GROOTFONTEIN SERVICE CENTRE**
	Mogoleng Vegetable and Poultry	
	Hunadi a Modipadi Small Stock Project(goats)	
	Makurung Dipping Tank	
	Tooseng Livestock Project	
	Tooseng Vegetable Project	
	Boschplaats Greenery Project	

Table 4.12 Capricorn District, IDP projects

PROJECT NAME	PROJECT DESCRIPTION	PROJECT BUDGET	LOCATION
Aquaculture SA	Tilapia & European catfish with hydroponics vegetable farms, incl. hatchery/nursery, processing plant, 20 x fish & hydroponics vegetable farms, etc.	R177 million	To be decided
Bronberg Cheese Corporation	Ultra filtration cheese factory	-	To be decided
Emmanuel Farms	Hydroponics & conventional oranges farming	R28 million	To be decided
Secondary Cooperative	Cooperative and growing/selling of vegetables	R80 million	To be decided
Grootklip Irrigation Scheme	Producing citrus and grapes	R10 - R15 million	Along Lepelle River at Grootklip Citrus & Grapes project (Ga-Maletane)
Chicken Abattoir, broiler chicken farming & processing	Chicken production	R1 million	Lebowakgomo
Mafefe fishing farming	Fish farming	R1.3 million	Mafefe

Source: Capricorn District IDP 2006/7

Table 4.13 Lepelle-Nkumpi, IDP projects

PROJECT NAME	BUDGET	LOCATION
Land Care Projects	R2 214 818	
Wetlands (Cannon, Valies, Fertiles, Grootfontein, Sepitsi, Lucerne).	R423 491	Cannon, Valies, Fertiles, Grootfontein, Sepitsi, Lucerne

PROJECT NAME	BUDGET	LOCATION
Boschplaats Greenery	R90 791	Boschplaats
Magadi Indigenous	R90 791	Magadi
Phagameng Poultry	R97 582	Phagameng
Boikhutso Poultry	R97 582	Boikhutso
Tooseng Citrus	R151 910	Tooseng
Mokgaga Vegetable Projects	R97 582	Mokgaga
Malemati Poultry	R97 582	Malemati
Marobeng Dry Land Projects	R151 910	Marobeng
Makepeleng Dry Land Projects	R97 582	Makepeleng
Bulang Tsela Vegetable Garden	R151 910	Bulang Tsela
Pebetse Poultry Projects	R97 582	Pebetse
Tooseng Vegetable Project	R97 582	Tooseng
Lebowakgomo hydroponic		Lebowakgomo
Mafefe Hydroponic		Mafefe
Zebediela citrus juice		Zebediela

Source: LNLM IDP, 2006/7

The District IDP also revealed the undertaking of a feasibility study for Paprika Beneficiation or processing in Lepelle-Nkumpi at a value of R3.2 million.

The following other projects are noted in Lepelle-Nkumpi:

- DFED: Chicken Abattoir, broiler chicken farming & processing R1 million at Lebowakgomo
- DEAT: Mafefe Fish farming: R1.3 million for which a business plan has already been completed

4.1.3 Produce and products

As discussed above, the most prominent categories of agricultural production are made up of horticulture products (vegetables and fruit), and some livestock. In this respect, the most important products generated from Lepelle-Nkumpi Municipality are contained in the following Table, referring to its production levels. For the purpose of this Table, the municipality was broadly divided into geographical areas, comprising the Northern Half and the Southern Half.

Table 4.14 Products/services in Lepelle-Nkumpi Municipality

Production level	**Products/Services**	
	Southern Half	Northern Half
Commercial production	Oranges	
	Grapes	
Small scale production	Citrus	
	Deciduous fruit	
	Vegetables	Vegetables
	Maize	Maize
Subsistence farming	Vegetables	Vegetables
	Fruit	Cattle
	Cattle	Poultry
	Poultry	Maize
Development initiatives and projects	Revitalisation of irrigation schemes	Revitalisation of irrigation schemes
	Vegetables	Vegetables
	Poultry	
	Fish farming	
	Citrus and grapes	

As it can be seen from the above table the only commercial production that exists around Lepelle-Nkumpi is oranges which are mainly from the Zebediela Citrus Plantation and some grapes.

Subsistence level of production includes all those projects initiated for survival of the community either by the community themselves, by the provincial Department of Agriculture or the local municipality. Vegetables, fruit, cattle, goats and chickens dominate this type of production.

4.1.4 Backward and forward linkages

Economic linkages refer to the impacts or links one sector has on other sectors of an economy. In this way, the backward linkages are the inputs into a sector, in other words the suppliers, while forward linkages are the outputs of a sector which is demanded by another industry.

The backward linkages of a sector are the inputs needed for that industry to function and includes inputs such as the raw materials used, machinery etc. The agricultural sector in Lepelle-Nkumpi Municipality predominantly sources its inputs from larger centres of activity such as Polokwane, which is conveniently located in terms of its proximity and road network links. Other inputs such as chemicals and machinery are also sourced from Polokwane and Gauteng, particularly in relation to specialised machinery. Labour is sourced locally, as mainly elementary skills are required in the agriculture sector. Most commercial farmers provide on the job training for employees.

Forward linkages refer to the demand for products and services produced by a sector. In terms of the agricultural sector, the main horticulture products produced in Lepelle-Nkumpi Municipality are citrus. These products are mainly exported as raw products, without any further processing. Due to the lack of commercialisation an enormous amount of production of horticulture, livestock and crops from emerging or small-scale farmers are sold in its raw state. No agro-processing takes place in the region.

4.1.5 Development potential and potential projects

The development potential in the agricultural sector of Lepelle-Nkumpi Municipality is contained in the expansion of the production of existing products in the region. Products such as vegetables, citrus, tend to have a longer cycle for production and involve larger capital set-up costs. These products also only naturally occur in the southern parts of the municipal area and would therefore not be viable development options for the northern areas of the municipality, which have drier climates. More potential for development therefore lies in products such as vegetables or livestock, which generally fair well in other areas of Limpopo. Further development potential in the agricultural sector is also seated in agro-processing, linked to the manufacturing sector, which is discussed separately in more detail. Potential projects that could allow for local economic development are contained in the Table below.

The potential for downstream beneficiation exists in the area, especially with regards to the processing of oranges as they are produced on a commercial scale. Oranges are currently transported or sold internationally and locally in their raw state. The processing of oranges are also directly linked to other market related activities such as packaging, marketing, transporting and distribution.

There are a number of chicken farms and abattoirs around Lepelle-Nkumpi Local Municipality. As there are various activities around chicken farming, a poultry industry can be created in Lepelle-Nkumpi Local Municipality.

An opportunity also exists in the expansion of livestock farming and the processing of dairy and meat. Goat milk products such as cheeses can potentially be produced as there is a growing market for such products.

There are several government-owned irrigation schemes that are operating considerably below potential. There is also extensive land and buildings for broiler farming that is not being utilized.

The table below depicts the development potential and potential projects of the agriculture sector in Lepelle-Nkumpi.

Table 4.15 Development potential and potential projects

Development potential	Potential projects
Development of Citrus cluster	Production of other citrus products such as lemons Packaging of the citrus Distribution of the citrus products Processing of citrus products Packaging of processed oranges Distribution of processed oranges Agro-processing
Animal Production: Red Meat and White Meat	Establishment of abattoirs Meat processing plants Packaging and marketing Dairy processing Poultry production Livestock farming Agro-processing
Development of upstream beneficiation	Supplying of pesticides, feedlots machine parts
Horticultural Production	Fruit processing Vegetable processing Final product manufacturing Juice manufacturing Agro-processing

Small-scale farming enterprises could also be expanded or established in respect of fruit and vegetable production and animal farming. Increased production by small-scale farmers could result in the expansion of its off-set market away from only the local markets. However, in terms of greater job creation and economic growth, development potential is largely seated in the further beneficiation of the existing agricultural products.

4.2 Manufacturing sector

4.2.1 Manufacturing sector overview

The Census of Manufacturing (Statistics South Africa, 2001) found that in 1996 manufacturers operating in South Africa amounted to 25 788, with only 2.3% of these establishments being located in Limpopo Province (then Northern Province). Limpopo Province as a whole has a wealth of mineral and agricultural resources, which create opportunities for further development in the Manufacturing sector.

The Table below gives a brief summary of the Manufacturing sector's role in the economy of Lepelle-Nkumpi Municipality and Capricorn District.

Table 4.16 Summary of Manufacturing economic indicators, 2004

Indicators	Capricorn District	Lepelle-Nkumpi
Share of GDP	4.7%	3.8%
GDP Growth	2.9%	2.5%
GDP contribution to sector in District	n.a	9%
Share of employment	8.4%	6.5%
Employment Growth	1.8%	-1.4%
Employment contribution to sector in District	n.a	10.4%

Source: Quantec database 2005, Kayamandi calculations 2006

From the Table above it is evident that the Manufacturing sector only contributes approximately 3.8% to the overall output of the municipality, placing it among the second lowest sectors in terms of its contribution to the local economy. This sector contributed 4.7% to the Districts economy. Nonetheless, annual GDP growth has been experienced in this sector and between 1999 and 2004 the manufacturing sector grew by 2.9% and 2.5% for Capricorn District and Lepelle-Nkumpi respectively. The manufacturing sectors share of employment is substantially higher that its share of output. Lepelle-Nkumpi contributed to 6.5% of the employment in the municipality and 8.4% to the employment in the District. Nonetheless, the employment contribution from the manufacturing sector has declined drastically by 1.4% per annum between 1999 and 2004. Furthermore, for every job generated in this sector in the municipality, no induced or multiplier effect exists.

In Lepelle-Nkumpi Municipality, the manufacturing sector is largely linked to the existing agricultural products produced in the region, with manufacturing focussing on the beneficiation of these products. In this respect, the existing presence of citrus, deciduous fruit and vegetables and livestock, are important inputs that currently feed the manufacturing sector in Lepelle-Nkumpi Municipality.

Customised factories for meat and hide processing that are currently vacant in the Lebowakgomo Industrial Park create the opportunity to participate in cluster development for meat production. Such a cluster could incorporate broiler and cattle feed production, livestock farming, slaughtering, processing, packaging and marketing.

As discussed under the previous section, the municipality falls within the horticultural cluster identified by the PGDS. The horticulture cluster seeks to extend the potential for forward and backward linkages in the value-chain, to include the local production of agricultural insets in fruit and vegetable production.

In Lepelle-Nkumpi Municipality, insets should be focussed on existing agricultural products such as citrus, chickens, potatoes, tomatoes, and livestock which are large producers in the municipality, but could also be extended to include other produce markets. Insets relevant to the horticultural sector include the production of pesticides and fertilisers, as well as the establishment of nurseries for plant material production. Forward linkages are mainly related to agro-processing and the PGDS envisages the extension of manufacturing enterprises such as processing, packaging and exporting industries. It also sees an opportunity for the development of organic food products in the Province, especially in view of its good climate.

Commercial manufacturing industries in Lepelle-Nkumpi Municipality are mainly located in Lebowakgomo industrial area. The Lebowakgomo industrial area is dominated by a number of factories processing sorghum, wheat and other crops. The Lebowakgomo industrial area has potential of not only including other industries such as metals, chemicals, textiles, clothing and footwear it also has potential to create a platform for the economic network of all the sectors.

In the Capricorn District, there arse 114 manufacturers, of which 105 are in the Polokwane municipal area and 5 in the Lepelle-Nkumpi Municipal Area. High vacancy rates exist in industrial parks owned by the Limpopo Development Corporation (LimDev). The Table below.6 provides information on the industrial area in terms of size and number of units available in Lebowakgomo Industrial Area.

Table 4.17 Lebowakgomo industrial area, 2004

	Large industrial park	**Small industrial parks**
Total square meters	17210	1388
Occupied square meters	12308	
Total Units	21	19
Vacant Units	7	11
Employment	100	4

The following list provides an indication of the industries situated within the large industrial park in Lebowakgomo:

- Buddy's maize
- S.G Sefoka
- Inhalabtahi
- Rosondo
- LL Woodworks
- CPS
- Lebowakgomo tyres
- Van Rensburg
- MSA Geo services
- M&M engineering
- Crown panelbeaters
- Truck and tractor

Lack of finance is hindering the development of the manufacturing sector in Lepelle-Nkumpi as the capital required to start and maintain a manufacturing business is enormous. This further prohibits SMME's and other manufacturing companies in Lepelle-Nkumpi to increase their production and market themselves further than their local market. Additionally the lack of access to market prices of commodities leaves the manufacturing companies vulnerable to misinformation from local purchasers. As well access to information technology would help facilitate direct purchasing contracts between farmers and processors. Lack of finance also encourages informal establishments in this sector.

4.2.2 Current development initiatives and projects

Several projects that focus on establishing manufacturing enterprises have been launched, or are still in the planning phases, by both the District Municipality and Lepelle-Nkumpi. These projects seek to involve the local communities.

Nearly a quarter (23%) of the businesses listed with LibSa are in the manufacturing sector. These businesses mostly deal with, clothing, beads and shoe manufacturing, pots, atchar and bread making. Most of these businesses are located in Lebowakgomo, followed by Ga-Mphahlele and other places such as Bodutlung in Ga-Mathabatha.

The Diatla Health Project, an initiative of the Department of Health is a multi-purpose project but also deals with bread making. This project is situated in Lekgwareng, Ga-Mathabatha. Basadi ba Bapedi situated in Lebowakgomo deals more with sewing, beadmaking and manufacturing of clay products.

The initiatives and projects put forward by the Capricorn District Municipality include the following.

Table 4.18 Capricorn District IDP Manufacturing projects

Project	Location	Description	Value	Jobs	Budget 2006/7
Molapo Matebele Stone Crushers	Along the mountains at Staanplaas	Crushing of stone for civil, roads and building purposes	R15 million	±20	R1 710 000
Rietvallei Stone Crushers	Ward 22	Crushing of stone for civil, roads and building purposes	R15 million	±20	R1 710 000
Nkumpi Technology	Magatle in Zebediela	Assembling and distributing IT equipment such as computers, copiers, etc.	R15 - 20 million	±20	R2 000 000

Source: CDM IDP, 2006/7

The initiatives and projects put forward by the Lepelle-Nkumpi Municipality include the following.

The DHSD had also budgeted R200,000 for the development of Mogoto Fibre Glass project.

In terms of agro-processing, juice making and paprika beneficiation have been noted.

Table 4.19 Lepelle-Nkumpi IDP Manufacturing projects

Project	Location	Description	Project Value	Job Creation
Textile industry	Lebowakgomo	Clothing manufacturing	16 000 million	
Moletlane sweets cooperative	Zebediela			
Nkumpi Technology	Magatle in Zebediela	Assembling and distributing information technology equipment such as computers, printers, copiers, etc.	R15 - 20 million	±20

Source: Lepelle-Nkumpi IDP, 2006/7

4.2.3 Produce and products

Manufacturing is dominated by the following industries:

- Manufacturing of agricultural products which includes:
  - The slaughtering of animals,
  - Production, packaging and preservation of fresh meat,
  - Preservation of fruit and vegetables through freezing, drying or canning
  - Production of flour
  - Production of oils from vegetables or animal fats
  - Bakeries
  - Dairy products production
  - Production and packaging of animal feed
  - Breweries
- Metals
- Textiles, clothing and footwear

Small-scale manufacturing in Lepelle-Nkumpi Municipality is fairly limited, with little or no manufacturing activities taking place in many of the areas across the municipality. Small-scale activities produce products mainly for the communities in their immediate surrounds, although some activities have been able to attract customers from other wards. The main activities in respect of small-scale manufacturing relates to brick making, with some sewing and maize meal processing taking place for local community needs. Beadwork and furniture making are not particularly large or popular manufacturing industries, although opportunities do exist for these activities to expand as the tourism sector in the region grows.

The manufacturing sector in the Lepelle-Nkumpi primarily based on various forms of agro-processing, bakery, sorghum processing, brick manufacturing, maize milling and distribution. Although the number of businesses involved in manufacturing is declining as they are currently struggling to find a market for their products. As businesses of this nature tend to struggle to make profit, they employ a small number of people.

Manufacturing in Lepelle-Nkumpi Municipality mainly comprises the following:

Table 4.20 Manufacturing products in Lepelle-Nkumpi

Manufacturing level	Products
Commercial manufacturing	Sorghum processing
	Brick manufacturing
	Maize milling and distribution
	Bakery
Small-scale manufacturing	Beadwork
	Furniture making
	Brick making
	Pottery
	Maize meal processing
	Sewing

As seen from the table above, the levels of manufacturing identified in Lepelle-Nkumpi are commercial and small-scale manufacturing. Commercial Manufacturing is mainly dominated by brick manufacturing, maize milling and distribution, sorghum processing and wheat processing, these manufacturing activities occur in the northwest of the municipality around Lebowakgomo. Brick and clay manufacturing occurs more to the west of the municipality around the Zebediela area.

The activities mentioned in the small scale manufacturing category occur all over Lepelle-Nkumpi although there's more furniture making activities on the eastern part of the municipality, around the areas in Mafefe.

4.2.4 Economic linkages

Value addition exists within the Lepelle-Nkumpi manufacturing companies. The manufactured products are usually packaged and distributed by these companies. Small-scale manufacturers supply to the local market, with some reaching the tourism markets of the area.

The manufacturing sector in Lepelle-Nkumpi predominantly utilises inputs from the agricultural sector in the region and include crops such as wheat, maize and sorghum. Although some of these inputs are obtained from the Lepelle-Nkumpi Local Municipality, involving more locals can further expand this value chain.

Inputs for the brick and clay manufacturing include factors such as specialised machinery and the servicing of this machinery thereof. Specialised machinery is sourced from Gauteng and even exported from European countries.

The inputs for most of the small-scale manufacturing activities such as sewing, beading and furniture making are obtained from the local community but mainly from Polokwane.

4.2.5 Development potential

The processing of raw materials in mining and secondary activities emanating from processing of agriculture products in Lepelle-Nkumpi will contribute significantly in expanding the manufacturing sector within the municipality. The agglomeration of these activities will result in economies of scale and that would increase both economic development and employment opportunities.

Development of the manufacturing sector to provide essential consumer products using simple and affording technologies (e.g. chemicals (soaps, detergents, etc) processed foods, etc) will have a significant impact on the local economy through direct job creation.

An opportunity exists for food-processing, which produces canned fruits and vegetables, dried fruit, dairy products, baked goods, sugar, and meat and fish products. Given the abundance of fruit and vegetables produced in Lepelle-Nkumpi, there is potential for the development of fruit and vegetable processing industry.
Clothing manufacturing and textile weaving are important consumer industries. Though the textile and clothing industry is small, it can be well placed to untap the potential this industry contains. This is depicted by the dominance of the clothing and footwear in the retail and wholesaler sector. The clothing industry predated local textile manufacturing in South Africa, clothing manufacturers rely mostly on imported textiles to produce a variety of clothing. The textile and clothing industry can use all the natural and human resources at its disposal to make Lepelle-Nkumpi the preferred domestic supplier of the locals and surrounding areas manufactured textiles and clothing.

Beadwork, furniture making, clay and brick manufacturing are not particularly large or popular manufacturing industries, although opportunities do exist for these activities to expand as the tourism sector in the region grows.

Customised factories for meat and hide processing that are currently vacant in the Lebowakgomo Industrial Park create the opportunity to participate in cluster development for meat production. Such a cluster could incorporate broiler and cattle feed production, livestock farming, slaughtering, processing, packaging and marketing.

In respect of existing small-scale industries and production, the skills of existing sewers in the region could be utilised to create larger manufacturing industries for products such as traditional clothing. These products, together with beading and crafts manufactured from the available wood products, could be linked to the tourism industry. Zebedeila citrus estate could also be utilised to manufacture juices.

The following Table, provides an indication of the development potential and potential manufacturing products in Lepelle-Nkumpi.

Table 4.21 Development potential in Lepelle-Nkumpi

Development Potential	Potential Projects
Food Processing	Fruit and vegetable packaging Fruit and vegetable processing Orange Juice manufacturing Processing of Dairy Products, e.g. goat milk Red and White Meat Processing Beer brewing
Clay processing	Brick making
Textiles and clothing	Establishment of a large sewing plant Establishment of hide processing Beadwork Furniture making
Development of cultural activities	Arts and crafts manufacturing – wooden crafts, beadwork, jewellery Sewing of traditional clothing Sorghum beer brewing

4.3 Tourism, recreation and sport sector

4.3.1 Tourism, recreation and sport sector overview

Tourism includes travel for a variety of reasons, including amongst others, leisure and recreation; business; education; health and healing; religious pilgrimages; sport; visiting friends and relatives; meetings and conferences. The most important market in respect of Lepelle-Nkumpi Municipality is the leisure and recreation market, as this is a sector that can be identified and influenced to visit specific products or destinations.

The Limpopo Province is renowned for its abundant wildlife, spectacular and contrasting scenery and wide open spaces, as well as a wealth of historical and cultural treasures, giving it the potential to develop into a major tourist destination. The importance of the Tourism sector as one of the main drivers of the Province's economy is further evident from its inclusion in the PGDS as one of the key industry clusters. The development of the clusters is centred on pro-poor economic growth through the priority sectors in which the Province enjoys a comparative advantage.

The Tourism cluster covers all the districts of the Province, as it is considered that the whole province offers unique attractions. As such, 8 sub-clusters have been identified, which include special interests; the game industry value-chain; golf and game tours; biosphere such as Lowveld, Waterberg and Soutpansberg; family entertainment (resort, sport and picnic places); Polokwane business tourism; mountain adventure on escarpment and Tranfrontier Parks.

Lepelle-Nkumpi Municipality offers unique opportunities for tourism development and should therefore expand its competitive advantage in certain aspects of the tourism industry in line with the tourism cluster.

The District is situated as a stopover between Gauteng and the Northern areas of Limpopo and between North Western areas and the Kruger National Park. It is a gateway to Botswana, Zimbabwe and Mozambique. The CDM area is richly endowed with natural assets and unique natural attributes. CDM is currently a domestic and international tourism destination. A number of tourist attractions and resources already exist in Capricorn area, including a number of government owned reserves such as Blouberg, Moletjie, Bakone Malapa and Machaka, two registered Natural Heritage Sites namely Brackenhill and Goedehoop. Given the high rate of tourists' influx into the area, it is apparent that the demand is higher than supply.

Tourism opportunities in the Lepelle-Nkumpi Municipal Area are vast. The Zebediela Citrus is one of largest citrus farms in the Southern Hemisphere. 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 readily available to the public of South Africa. The Downs and Lekgalameetse Nature Reserves are located adjacent to the Wolkberg Wilderness Area, while the Bewaarkloof Nature Reserve is located to the west of the Wolkberg Wilderness Area.

The hot climate makes Lepelle-Nkumpi a pleasant year-round holiday destination. During summer - that is in the months October to March - it is hot with brief afternoon showers, providing a cooling effect for evenings. In winter - from May to September - the mornings are crisp and the days are dry and sunny.

According to the South African Domestic Tourism Survey 2001, most of the tourists of the Limpopo province were residents of the province. The survey differentiated between the following trip purposes:

- Visiting Friends and Family
- Holiday and leisure
- Business
- Health
- Religion

Visiting Friends and family (VFR) constituted 49%, followed by the religious trips which made up approximately 30%, and holiday and leisure contributed 10% to the trips made to the province. Health and business accounted for 2% each.

The most visited region Limpopo is Capricorn, followed by the Soutspansberg region with destinations of 49% and 21% respectively. The other popular destinations are the Valley of Olifants with approximately 20% and the Bushveld accounting for 9% of the trips.

The location of Lepelle Nkumpi municipality is an advantage as it forms part of the Dilokong Corridor, the African Ivory Route and is located in the most popular destination in Limpopo, Capricorn. It also forms part of the R37 (Polokwane-Burgersfort)

In Lepelle-Nkumpi tourism is an important economic sector with huge development potential and linkages to the surrounding areas and recognized routes such as the African Ivory Route, to say the least.

Rural tourism is characterised with natural and cultural resources, which in turn can be transformed or developed into tourism attractions that create jobs and generate income for the community of Lepelle-Nkumpi. Natural tourism attractions include geographic or other natural features such as parks and reserves, waterfalls, and other water catchments areas, caves, rock formations and other forms of unhampered natural beauty. Cultural Tourism includes acknowledging history, way of living, and handcrafted products of the population.

In the process of developing new flows of visitors it will be important for Lepelle-Nkumpi Municipality, to be aware of what the "competitive" Municipalities may be doing in terms of tourist development and marketing, and to work closely with those Municipalities that could offer additional resources and support in terms of channelling increased or new flows along routes that would be mutually beneficial.

4.3.2 Key tourist, recreation and sport attractions and products

There are a number attractions within Lepelle-Nkumpi Municipality, which are not only currently operating, but also could be utilised to ensure future opportunities for expansion or further development in Lepelle-Nkumpi Municipality. The key tourism attractions that are present in the municipality are briefly described below.

Tourism has been identified as one of the sectors in which the province enjoys a competitive advantage. Since the whole province offers unique tourism attractions, the following sub-clusters have been identified in Lepelle-Nkumpi:

- Special interest activities, such as Mapungubwe and Nyslvlei Birding
- The game industry value-chain
- Golf and game tours
- Biospheres, such as Waterberg, Soutpansberg and Lowveld
- Family entertainment (including resorts, sport and picnic places)
- Mountain adventure on escarpments, and
- Transfrontier Parks

Up-stream potential along the value-chain refers to the increased inputs required by tourist operators and facilities and down-stream potential, relates to the anticipated increase in spending by tourists on local goods and services, such as arts and crafts.

Accommodation is the cornerstone of tourism in Lepelle-Nkumpi. In Lebowakgomo, which is the district growth point, there are various forms of accommodation ranging from bed and breakfasts to guesthouses. The C.N. Phatudi guesthouse qualifies as both an accommodation facility and a heritage site as the former prime minister of the Lebowa government resided in that house. However, only four guesthouses have been noted in the area, namely: Alpha Guest house in LebowaKgomo, C.N. Phathudi guest house, Molopjane guest house, Chuene resort.

The Basadi ba Bapedi craft centre which is situated in Lebowakgomo can also be classified as a cultural tourist attraction, as it houses handcrafted products by some of the locals.

Lekgaalameetse nature reserve is located in Mafefe, on the far east of Lepelle-Nkumpi. To the west of this nature reserve is the Wolkberg and the Bewaarkloof nature reserve. In between the Wolkberg and the Bewaarkloof there are caves called the Wolkberg Caves. The Wolkberg Wilderness area consists of 40000 hectares of almost prestine Afromontane grasslands, indigenous forests, spectacular mountain scenery and clean running streams and rivers. With its wilderness qualities and integrity, the area must be preserved and retained in the face of possibly inappropriate tourism development. This would require a suitable tourism development plan. The wolkberg nature reserve is used mainly for hiking and walking trails. The Lekgalameetse nature reserve is 18 000 ha. It specialises in game watching, 4x4 trails, walking trails, picnic sites and conference facility with a capacity of 25 people. It has chalets with 49 beds, a guesthouse called Paris with 12 beds and a camp, makotse camp that is situated next to the makotse river. One of the strengths of this reserve is that it has a tarred road running through the reserve, which gives access for the Strydpoort Mountains. The target market for this reserve is family groups, backpackers, social groups and school day trips. The Thabina nature reserve is situated 30km from the Wolkberg conservancy. This reserve is mainly focused on game viewing, horse trails and photographic safaris. A large portion of Thabina nature reserve is under claims. This nature reserve is currently utilised for the grazing of cattle.

Mafefe village, situated in Lepelle-Nkumpi Municipality forms part of the African Ivory Route of the Limpopo Province. The African Ivory Routei is a world of breathtaking scenery and endless vistas of African bush where to this day large herds of elephants and other big game roam. Wild and untamed, it is part of the more than 3,6 million hectares of national provincial parks, private nature reserves and game farms stretching across Limpopo Province. The route extends over more than 1000 km in a giant arc through remote scenic wilderness areas and game reserves along the eastern, northern and western boundaries of the province. Extremely rugged in places, the route skirts or traverses four major mountain ranges: the Strydpoortberge in the south, the Waterberg in the northwest, and the Drakensberg and Lebombos in the east. The African Ivory Route has its origins in the legendary exploits of early ivory hunters and gold traders and is today an important ecotourism and 4X4 adventure destination popular with safari enthusiasts. Roads are rudimentary, but not all require off-road vehicles. Mafefe Camp is situated on a high plateau in the Northern Drakensberg can only be reached with an off-road vehicle and provides plenty of opportunities to test the skill of both vehicles and drivers (see below Diagram). The rugged mountainous terrain of this remote area, with its opportunities for hiking trails, will appeal to the more adventurous. The Olifants River Gorge and Lekgalameetse Nature

Reserve and Wolkberg Wilderness area boast stunning scenery. Colourfully decorated ethnic huts provide accommodation at Mafefe. Activities at Mafefe include 4x4 route, scenic beauty, and hiking. Rafting the Olifants river gorge (in season) is also offered by a local tour operator.

Photograph 4.11 African Ivory route at Mafefe in Strydpoort Mountains

Other attractions include in and around Lepelle-Nkumpi:

- The strydpoort mountains located in the northeastern part of Lepelle-Nkumpi
- The Donkerkloof caves (ruins) - ancient barrier walls at mouth are of historic importance
- Former Lebowa government offices were considered a masterpiece in the whole of Lebowa, they are of historic importance
- The Lebowakgomo industrial area this area is a fine example of the economic progress that has been made by this growth point during the years
- Wetlands
- Mafefe Miraculous Tree
- Unique butterflies – only type found in the world
- Rivers e.g. Mokgoroatlwaneng River in Seleteng
- Mountain climbing
- Chueniespoort

4.3.3 Current tourism, recreation and sport initiatives

The Lepelle-Nkumpi IDP identified the following projects for which the CDM would be the funding source and the responsible implementing agent:

- Mafefe tourism centre: R5 million
- Bewaarskloof conservancy: R2 million
- Lekgalameetse resort: R5 million

The following tourism initiative are also planned in Lepelle-Nkumpi.

Table 4.22 Capricorn District IDP identified tourism initiatives

Project	Location	Description	Value	Jobs	Budget 2006/7
Bewaarkloof Conservancy	Strydpoort mountains	Develop as tourist destination	R7 - R10 million	±15	R2 000 000
Mafefe Camp - African Ivory Route	Strydpoort mountains	Community based tourism project	-	-	

Source: Capricorn District, IDP 2006/7

Table 4.23 Lepelle-Nkumpi IDP identified tourism initiatives

Project	Location	Description	Project Value	Job Creation	Institution
Bewaarkloof Conservancy	Strydpoort mountains	Develop as tourist destination	R7 - R10 million	±15	
Hospitality facilities	Lebowakgomo and Mafefe				
Mafefe Camp - African Ivory Route	Strydpoort mountains	Community based tourism project	-	-	DFED / LPTB

Source: Lepelle-Nkumpi, IDP 2006-2011

The Department of Economic Development Environment and Tourism have also identified the following projects:

- The Merging and commercialisations of the Lekgalameetse Nature Reserve, Wolkberg and Nature Reserve and Bewaarkloof Nature Reserve
- The development of the Wolkberg caves ain the eastern side of Lepelle-Nkumpi
- The establishment of a cultural route, Ga-Mhahlele Route that will mainly include all the attractions in Mafefe, on the eastern side of the municipality this route will also be extended to the Sekhukhune District to link with other attractions in that area.

4.3.4 Development potential

The region of Capricorn stretches from the Ysterberg, all along the foothills of the lush Wolkberg, to the tropic of Capricorn in the north. The region's position makes it a perfect stopover between Gauteng and the northern areas of the province and between the country's northwestern areas and the world-renowned Kruger National Park. It is also in close proximity to the neighbouring countries of Botswana, Zimbabwe, Mozambique and Swaziland.

Not only is Lepelle-Nkumpi part of this tourism region, it is also highly rural and rich in culture thus, highly conducive to rural tourism development.

Zebediela which is part of Lepelle-Nkumpi hosts one of the largest citrus estates in the world the Zebediela Citrus estate and the other large citrus estate is in the neighbouring district Lepelle-Nkumpi. The large citrus production of these plantations can be developed into tourist attractions.

Mokgalakwena (meaning 'fierce crocodile') as referred to by the locals, the north-flowing river was mistakenly believed to be the Nile by a group of Voortrekkers, known as the Jerusalem gangers, who arrived here in 1886. Mokgalakwena runs through the eastern mountainous region of Lepelle-Nkumpi. There is currently no tourism activity occurring around this area and this holds promise for great tourism development.

The location of the Wolkberg, and Lekgalameetse nature reserves including Bewaarkloof conservation and caves proves viable and worth potential to be developed into one of the main tourism attractions of Lepelle-Nkumpi, and the Capricorn district as a whole. This nature conservation has the potential to play a vital role in the development of tourism in the Lepelle-Nkumpi area.

The process of uncovering sites, activities or resources that have future tourism potential should be on-going and would be hastened if a tourism awareness programme could be launched to alert local communities to the nature of the tourism industry and what needs and expectations various market sectors may have. This process would ensure that villagers look at their own natural and cultural environments in a different light and realise that places, activities, things and lifestyles etc., that may seem very routine and ordinary to themselves, may hold some attraction for general or special interest visitors, and could be developed into attractive, viable and sustainable new tourism products.

Recognising these opportunities will depend on the entrepreneurial spirit within the relevant communities and it will be a further function of the Local Municipality to assist new developers in preparing feasibility studies and business plans, and then assisting them to proceed through all the necessary steps towards a successful operation.

The magnificent former headquarters of the parastal LIMDEV facility is for sale as the entity has decided to relocate to the proposed ICC at the Polokwane City International Airport. The facility boasts many halls and boardrooms that make it suitable for an event centre capable of hosting multiple events simultaneously. This will alleviate the Civic Hall, which is over-utilised, and as such becoming dilapidated by the day. The municipality is situated at the border with Sekhukhune district municipality and its constituent municipalities who lack any conference or event facilities and always hold their events in Polokwane. The facility is also situated next to the old MEC residence, which will soon become dysfunctional due to the relocation of MECs to new premises in Polokwane, leaving it free to be used as accommodation for the conference delegates.

The municipality is also in the process of revitalising the dilapidated showground's. The showground's was once a hive of activities for both commercial and emerging enterprises. It has been lying unused for the past 10 years. The municipality has set aside R1,5 mil for the renovation and staging of a show in September 2005. The budget was however not enough.

Understanding the nature of significant trends in tourism demand both at a national and at an international level is important in understanding and addressing the key gaps in the supply of tourism facilities. The tourism industry in the 21st Century is expected to be characterised and dominated by the word "change". These changes in tourism demand, habits and behaviour will be spurred by social, economic and environmental change, with the most dominant influencing factor likely to be technology. Some of the changes that the tourism industry is expected to grow through are noted below as being most relevant to the development scenario within Lepelle-Nkumpi Municipality.

- **Value for time and money**: The modern tourist places major importance on the "value" of both time and money and it has been noted that "time" is becoming the new "currency" of the 21st Century. This means that the tourist is looking to spend as little as possible of the time allocated to the holiday on non-productive travel, searching for information, or trying to find the desired attractions and products within a destination. Travel is obviously an integral part of tourism but the greater the distance the more the tourist expects to find at the other end. The need is very strong, therefore, to create "baskets" of products within the end destination that offer a broad range of experiences and fully justify the time spent getting there. The African Ivory route, and the nature reserves could become more interesting through proper interpretation (using technology) of the cultural and natural environment. Entry formalities need to be streamlined and interpretation (leaflets, maps etc.) should be offered as part of an entrance fee. This immediately gives a positive feeling of having received value for money. Local guides should be available to dispense information and accompany visitors on short walks. The Mafefe tourism centre and the Basedi Ba Pa Pedi should be transformed into dynamic information and interpretation centres. These need to meet with two very strong additional trends in today's traveller – the need for entertainment and inspiration, and the need for the experience to have an educational or "subliminal" learning component. Both are critical where family tourism is concerned and there is an expectation that the younger members of the family group will not be bored and that they will learn something useful from their holiday. In addition, there is much wider concern amongst most societies for environmental issues. The threats facing Planet

Earth in terms of global warming and the impacts of human development on fragile and/or rare ecosystems, is stimulating travel to places where ecosystems are still intact but where they may, in the future, lose their natural integrity and appeal. Much the same applies to cultural environments. Curio shop needs to be stocked with locally produced items that have relevance to the area. Special guidance will be needed to help local crafters produce items of quality, appeal and relevance. While tourists do like to spend money, the products need to be of quality, easily transported and capable of evoking strong memories of the holiday or excursion. Another significant trend in tourism is the need for active hikes, walks and mountain bike trips and these may be considered as an SMME opportunity. In addition, there is a growing aversion to the artificial cultural village and the trend is very definitely towards unstructured and authentic village walkabouts where normal customs and lifestyles may be observed and where there are opportunities to meet ordinary people doing ordinary everyday things. In some cases, these may have to be booked in advance, but technology, once again, can be used to spread information and to create forward reservations systems that link directly to village or site guides and local information "call centres".

- **Adventure and "adrenaline" activities**: The demand for both "soft" and "hard" adventure is a world-wide phenomenon and few places more so than in South Africa. The most popular and easiest activity to cater for is mountain biking. This is followed by quad biking and other off-road 4X4 opportunities, but acceptable venues are not always as easy to find. Mountain biking does not always need to be linked to competitive racing, although an annual Mountain Bike Marathon would be an important short term economic tool as well as a longer term marketing tool. Guided mountain bike trails could include a cultural through various villages in the area. Other initiatives include mountain-trekking, caving, rock-climbing and rope work, river rafting, kayaking and orienteering. Some of these could be offered on both communal and private land within the area.
- **Special interest tourism related to nature**: Bird-watching is generally accepted as one of the fastest growing tourist activities in the world and its growth in those parts of South Africa where special birding routes have been developed is extremely beneficial to local tourism enterprises. A Limpopo Birding Route already covers the Soutpansberg, Capricorn and Letaba areas and the handbook describing this route has become a "best seller" through one of South Africa's internet booksellers. On a smaller scale, there is growth in niche market sectors such as trees and plants (especially muti plants); butterflies (of which there is a unique specie in Lepelle-Nkumpi) and reptiles and even frogs. Tourism linked to conservation provides not only new recreational outlets but also valuable learning opportunities and could have great relevance within local, rural communities and schools.
- **Information and Interpretation**: Today's traveller needs information that is easily accessible, visitor friendly, accurate, up-to-date, usable and useful. It has been found that almost 80% of North Americans and Europeans will access web-sites before

making "major purchases", and this includes travel. Web-based information needs to be supplemented by more personal contact with destination or product managers, as well as by practical information "on the ground". The demand for technology-based systems that will package information and make it available to prospective travellers, as well as those already travelling, is a major and inescapable trend in the tourism industry. A special E-Tourism (Electronic-Tourism) Platform for Limpopo has been set up and is expected to make major recommendations on how this Province can become a leader in the field. The initiative will focus on issues such as:

- Using 086 numbers to allow cell phone users to access call centres, as well as pre-recorded information on special events, interests and activities;
- Using IPADs to provide reference information on the natural and cultural sites and attractions;
- Increasing web-based information and allowing it to be down-loaded onto personal electronic systems;
- Using GPS technology to replace signposts and maps;
- Linking GPS and IPAD technology to "information cairns" at strategic points of interest; and
- Introducing "cell phone tours" to supplement and complement personal guiding systems.

The relevance of this massive trend, as far as Lepelle-Nkumpi Municipality is concerned, lies in the need for the area to buy into whatever initiatives are taking place and to ensure that information is gathered and made readily available to website designers and others involved in packaging and presenting information. If commercialisation and merging of Lekgalameetse, Wolkberg and Bewaarkloof Nature reserves is to play its part in stimulating tourism, then it will need to go beyond the basic provision of local site-specific information and to be able to link tourists to information and reservations of other sites and products within the broader destination.

The key gaps in the provision of tourism facilities in Lepelle-Nkumpi include, inter alia:

- The merging and commercialisation of Lekgalameetse, Wolkberg and Bewaarkloof Nature Reserves is seen as the most critical requirement for the tourism sector so as to create some critical mass of opportunity and/or attraction. Only after these have been merged and commercialised could spin-off attractions be developed in other surrounding areas. Lekgalameetse, Wolkberg and Bewaarkloof Nature reserves, as the key destination within Lepelle-Nkumpi Municipality, needs a specific development plan which will produce a basket of products to entice more visitors, encourage them to stay longer, ensure that they spend more money and provide much higher levels of visitor satisfaction;
- Various adventure activities, especially mountain biking, should be investigated for state, communal and private lands
- Special interest markets such as bird-watching, plants and trees could be developed;

- There is a growing demand for authentic and unstructured cultural experiences and artificial "cultural villages" must be avoided
- All tourism experiences require high elements of entertainment, education value and fun, at the same time always retaining the highest respect for the natural and cultural integrity of the host communities or areas
- Major emphasis must be placed on the provision of information. The future production of expensive, bulky, full colour brochures and guidebooks should be reviewed against the many electronic alternatives that are available and that the market is needing
- Local sites and activities must be packaged and made more easily available to visitors. The so-called "basket" of experiences requires that each product in the basket is accessible, safe, clean and friendly and that all contribute something unique or special to the building of an attractive destination
- The cultural heritage, including the rich history of the people in the area, should become a more important feature of the tourism experiences. Today's tourists also do not want to feel remote and isolated from the experience of travel; they want to be part of it and to feel, hear, taste and smell the full diversity and richness of Africa
- Training that is appropriate or relevant to the growing tourism industry needs to be introduced;
- Accommodation and recreation facilities, including sports grounds, are an important stepping stone towards the bigger world of tourism. Not only are they needed to provide an improved quality of life for the many rural communities, but they engender an appreciation for the benefits of using leisure time more wisely and productively. This leads to the need to stay away from home overnight or on a short weekend break and finally contributes towards a more buoyant tourism economy.

The following Table also shows the locations, which have, potential to be developed into tourism attractions.

Table 4.24 Development potential of tourism sector

Location/ Site	Tourism Opportunities
Lekgalameetse reserve	Has potential to be developed into one of the seven biodiversity hot spots in S.A.
Wolkberg reserve	Commercialisation of this reserve could develop it into one of the largest wilderness area readily available to the public of South Africa.
Thabina reserve	Link to the other reserves, Wolkberg, Lekalameetse and Bewaarkloof could optimize the nature experience that this reserve can offer.
Bewaarkloof reserve	Link to the other reserves, Wolkberg, Lekalameetse and Thabina could optimize the nature experience that this reserve can offer.
Strydpoort mountains	This escarpment is located in the north-eastern parts of Lepelle-Nkumpi, next to the Lekgalameetse

Location/ Site	Tourism Opportunities
	conservancy linkage to the reserve
Donkerkloof Caves	Together with the Wolkberg reserve and caves can be developed into a historical attraction. They are reported to have been used by the locals during tribal wars.
The African Ivory Route	This route passes through the Mafefe area and should be linked to the nature reserves in the area.
The Former Lebowa Government Offices	The former Lebowa homeland used these offices as the headquarters of the Lebowa homeland. These offices were considered a masterpiece during those times and could be further developed into a historical attraction, with a link to the C.N. Phatudi house.
C.N. Phatudi Guest House	The former resident of Dr. C. N. Phatudi, which currently operates as a guest house can be linked to the former Lebowa government offices
Basadi ba Bapedi arts and Crafts Center	Located at the Lebowakgomo Industrial Area this site has potential to be developed into a cultural attraction or a tourism incubator.
The Lebowakgomo Industrial	This site that hosts the arts and crafts center of Basadi Ba Bapedi, shows the economic progress this area has made over the years.
Royal Houses	The moshate of all the tribal areas in Lepelle-Nkumpi have potential to be developed into the pillars of cultural tourism in Lepelle-Nkumpi.
Zebediela Farm stay	The potential exists to develop farmstay accommodation linked to the large citrus estate in Zebediela.
Olifant's river gorge	Situated near reserve shows stunning scenery when viewed from the Lekgalameetse reserve.
Unique butterflies and wetlands	There is reportedly a unique butterfly specie situated in Lepelle-Nkumpi which has already attracted numerous tourists to the area. Increased marketing of this uniqueness would assist in attracting greater number of tourists.
Mafefe Miraculous tree	This tree reportedly exist in Mafefe and has been known to be a source of miracles. Reportedly, photographs of the tree cannot be taken and anyone whom takes a picture of the tree has always been left with a flaws. This tree is also used for praying by a local "cult". The tree has some historical value as and may present an opportunity for historical and cultural tourism if marketed

Location/ Site	Tourism Opportunities
	adequately.
HQ of Limdev	The LIMDEV headquarters are up for sale and provide the potential to be used for an events centre.
Revitalisation of showgrounds	The showgrounds need to be revitalised and used for events.
Construction of new stadium at Zebediela and Mphahlele	Zebediela and Mphahlele is home for many soccer, softball and other clubs who do not have adequate sporting facilities. The Tribal authorities has in cooperation with the municipality, already put aside land for such a venture
Sporting fields for Lebowakgomo, Mathibela & Mamaolo	There is a need for sporting fields to accommodate the many sporting activities in these urban/semi-urban areas. Only major games will take place in the stadia.
Upgrading of Lebowakgomo Stadium	The Lebowakgomo stadium is falling short of the required standard to host major events such as athletics, games and other activities.
Lebowakgomo Municipal swimming pool	Lebowakgomo is one of the hottest area and in summer temperatures can easily reach around 40 degrees celcius. Most of the sites here are too small even for affording residents. There is therefore a need to establish a municipal swimming pool to benefit the poor residents.
Renovation of old fire station into Disaster centre and community hall, sports centre and event centre	The municipality does not have a disaster centre. A suitable structure for such a function exist in the form of the old and disused fire station. This structure never actually worked for the purpose for which it was created since its inception some 15 to 20 years back, but served all along as military base. Due to its state of vandalism, the Capricorn district Municipality opted to build a new firestation next to the civic centre which is now fully functional. The station can be renovated to serve as a disaster centre, multi-purpose centre such as community hall-cum indoor/outdoor sports centre with tennis courts and soccer field, mini conference centre, training centre for emergency/fire personnel and with the spacious staff quarters being utilized as lodge or for accommodation for conference or training delegates.

It should be noted that tourism, however, does not just happen because there is a perceived desirable attraction or product. Substantial investments in planning, development, training, operations, marketing, etc are needed. A base of resources with intrinsic tourism appeal is not sufficient on its own. Lepelle-Nkumpi currently is not situated in the right position, nor within an established tourism destination nor along a strong flow of visitors. Innovative and creative product development and the full dedication and commitment of all role-players and stakeholders will thus be essential in order for the tourism sector to reach its potential.

A short-term action on the part of the Municipality could be to publish a small guidebook to the attractions and the tourism products within the area. In terms of future potential, the provision of additional accommodation and other facilities is largely a private sector function and happens when an enterprising entrepreneur identifies a gap or niche in the supply chain, or an increased demand in the market place. In this respect, opportunities may exist as linkages with the nature reserves.

4.4 Mining sector

4.4.1 Mining sector overview

Limpopo Province possesses large mineral reserves and provides the second biggest contribution the total GDP in the Mining sector, topped only by the North West Province. The mining industry is thus a valuable driver of the economy.

The Mining Industry is seen as one of the three pillars of the Limpopo economy and is therefore of strategic importance to the economic development of the Municipality. The lack of employment creation and linkages to other Sectors within the communities in which the mines operate are major gaps in terms of making the mining Sector a sustainable foundation for future development. However, the finite nature of the mineral resources, the mining sector is based upon, implies the need to create diversity in the local economies of areas that are dependent on the mining sector. The geographic locations of the mineral deposits have a strong effect on determining the locations of economic activities within a local economy, as economic activities tend to cluster around mining activities. In order to develop a sustainable mining sector in it is vital for the locations of mineral zones to be identified and made known to prospectors and/or investors.

The below Table provides an indication of the economic indicators for the mining sector.

Table 4.25 Mining sector economic indicators, 2004

Indicators	Capricorn District	Lepelle-Nkumpi
Share of GDP	6.5%	21.5%
GDP Growth	10.4%	9.7%
GDP contribution to sector in District	n.a	37%
Share of employment	1.4%	4.9%
Employment Growth	3.9%	7.4%
Employment contribution to sector in District	n.a	46.5%

Source: Quantec database 2005, Kayamandi calculations 2006

As is evident from the above Table, the mining sector in Lepelle-Nkumpi municipality is responsible for nearly a quarter of the output. The mining sector is also far stronger in Lepelle-Nkumpi than in the District. However, both the District and Lepelle-Nkumpi have seen as considerable growth in importance in this sector with an average annual growth rate of 10% per annum between 1999 and 2004. The mining sector in Lepelle-Nkumpi is however not a large contributor to employment and is only responsible for 5% of the employment within the municipality and less than 2% of the employment in the District. Fortunately, the sectors share of employment has increased substantially with an average annual growth of more than 7% between 1999 and 2004. The mining sector of Lepelle-Nkumpi contributes to nearly 40% of the mining sectors output in the District and nearly half of the District mining sectors employment.

4.4.2 Mineral resources and products

The geological map covering the Lepelle-Nkumpi municipality is shown below.

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 for local economic development and support.

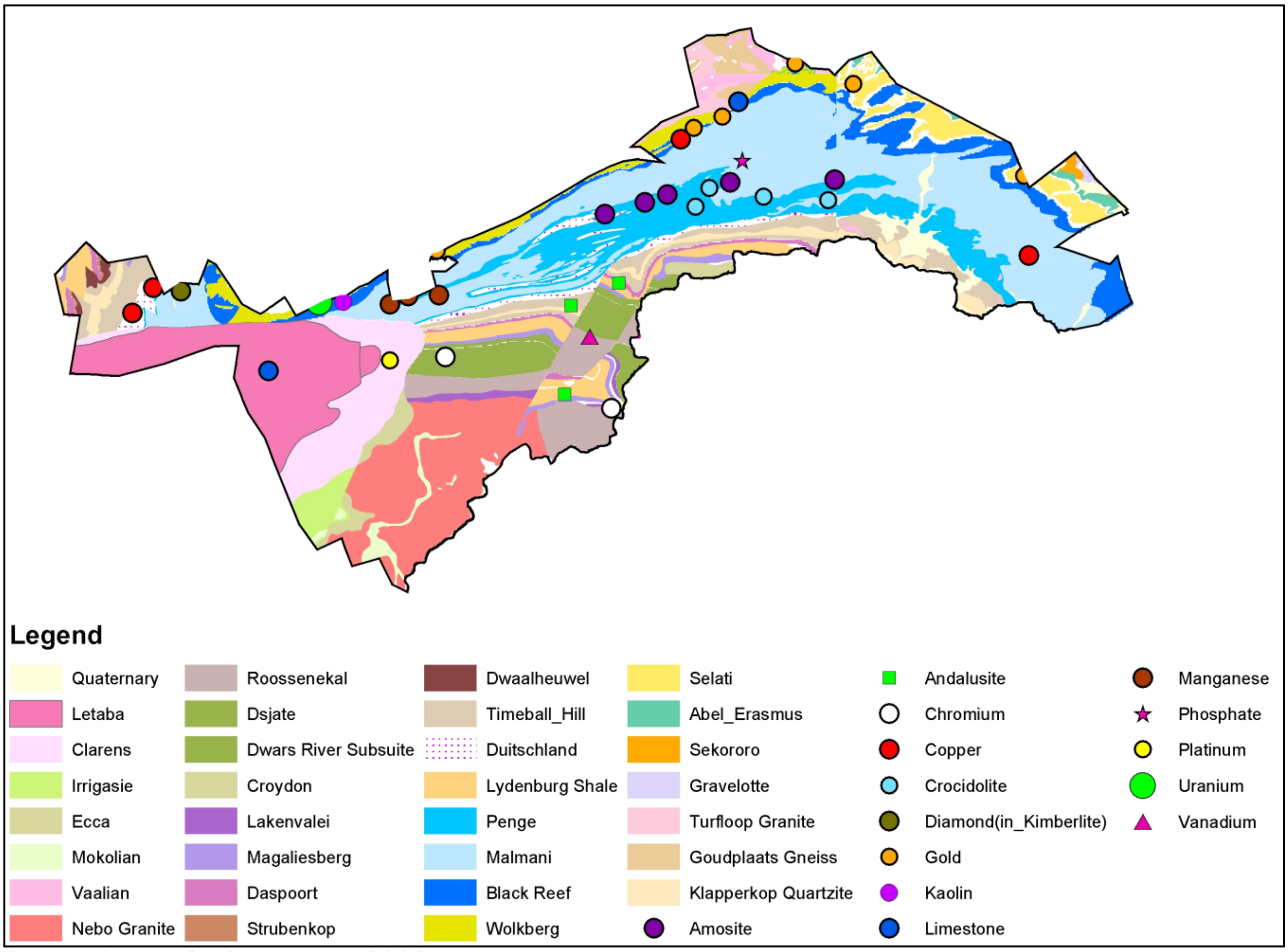
The oldest rocks in this municipality comprise Archaean granites, gneisses and greenstones represented by the Gravelotte Group greenstones and the ca. 2,9 Ga Goudplaats Gneiss, and the ca. 2,77 Ga Turfloop Granite. These rocks outcrop in the extreme northern and eastern parts.

The Archaean rocks together form the basement to the Transvaal Supergroup (2,6-2,1 Ga). The east-west trending Transvaal Supergroup host significant deposits of amosite and crocidolite in the Penge Formation (see map above). Manganese, copper, phosphate, gold, and andalusite also occur in the Transvaal Supergroup rock. Diamond has been mined in the far western part of the Lepelle-Nkumpi by Southern Era at the Klipspringer Diamond mine. Operations at this mine are suspended due to the strengthening South African rand.

The Transvaal Supergroup was latter intruded by the 2, 05 Ga Bushveld Complex (BC). The BC is developed over the central portion of the southern sector of the municipal area (Fig. 1), with layering striking in an east-west direction. The mafic and ultramafic rocks (Rustenburg Layered Suite) of the BC are regionally divided from bottom to top into the Marginal (Shelter Norite Subsuite), Lower (Croydon Subsuite), Critical (Dwars River Subsuite), Main (Dsjate Subsuite) and Upper (Rossenkal Subsuite) Zones.

The BC host the largest known resources of platinum group elements (PGE`s) and chromium on Earth with significant deposits of vanadium and titanium (both associated with iron). Other commodities include copper, nickel, tin and fluorspar. In the Lepelle-Nkumpi municipality, the PGE`s are concentrated in layers known as the Merensky and UG2 Chromitite Reefs. The Messina Platinum mine situated in the northern portion of the eastern limb of the BC, currently exploits the PGE`s from the Merensky and the UG2 Chromitite Reefs.

Map 4.12 Geology of Lepelle-Nkumpi



Source: Council for Geoscience, 2006

The Merensky and the UG2 Chromitite Reefs in the Messina Platinum properties contains about 24.4 million ounces of platinum group metals across the 20 km strike length. Gold, copper, cobalt and nickel are produced as by-products from platinum mines in the BC. Vanadium is present in the titaniferous magnetite layers developed in the Upper Zone. These layers also constitute the main source of iron ore. In the Lepelle-Nkumpi municipality, the main magnetite layer is well developed west of Ga-Makopane and east of Mohlaletsi.

The acid and basic rocks of the BC (i.e. granite, norite and gabbronorite) can be mined as a dimension stone. Waste from dimension stone production can be crushed and used for road construction. The Karoo Supergroup represents the youngest formation in the municipality. This outcrops in the western part of the Lepelle-Nkumpi municipality.

Large resources of limestone occur in various geological settings in Lepelle-Nkumpi. Great thicknesses of dolomite and limestone represent a good potential source of aggregate and lime, as well as hosting small manganese and lead deposits in places. Other resources include lead, clay, asbestos, coal and clay.

Lead, barite and copper mineralisation is known within the sediments that form the Blouberg and Soutpansberg mountains and the potential exists for as yet undiscovered deposits of these metals in the areas surrounding Blouberg and Soutpansberg mountains.

Along the Motogodima, Lepelle and Nkumpi rivers, there are also more surficial deposits such as resources of sand and clay which are exploited illegally for the making of bricks and in local construction. These can also be further developed in order to create jobs and generate income.

4.4.3 Mining initiatives in Lepelle-Nkumpi

There are three main forms of mining that are taking place in the Mining sector of the Lepelle-Nkumpi Municipality specifically: Surface, Opencast, and Underground Mining. The mining sector has also increased significantly with the commissioning of the new Mussina Platinum Mine in Lebowakgomo, which the international Southern Era Group purchased from Implats. The mine’s anticipated revenue for 2002 was R230 million and it is expected to increase to R610 million in 2003.

The previous Klipspringer kimberlite fissure mine, east of Mokopane, was operated by Southern Era. In 1993, regional heavy mineral sampling to the east of Klipspringer revealed a potential diamond deposit. This deposit, though small, repaid all capital outlay with its first 3.4 days of production and turned out to be one of the richest kimberlites ever exploited. Klipspringer however, ceased operating in 2000. It is believed that potential exists for further diamond exploitation within the area and active diamond exploration is being conducted in several areas around the Province.

The following current mining operations exist in Lepelle-Nkumpi:

- LONMIN the former Messina in situated in Ga-Mphahlele. This operation employs 1800 people and approximately 60% of the employees are local based. Lonmin has reserves that amount to about 120 000 tons of platinum annually. There are by-products such as chrome, platinum, granite.
- Thameng Mining Operation in Zebediela, ceased operating. This gold mining operation was located in Zebediela
- Rooibosch Mining Operation in the Zebediela
- Granite Mining Operation
- Diepsloot Mining Operation

The following planned mining initiatives in Lepelle-Nkumpi Municipality have been identified in the Capricorn District IDP:

Table 4.26 Mining sector projects identified by the Capricorn District IDP

Project	Location	Description	Value	Jobs
Inca Cement Factory	Along Dilokong Corridor	Mining dolomite and limestone	R15 million	±1300
Storm Manganese	Storm 370 KS	Mining manganese		
Zebediela Cement	Zebediela 123 KS	Lime		
Wolkberg Gold	Mimosa 218 KS	Gold		
Silica	Near Strydpoort Mountains	Silicon		
Springbok Flats Coalfields	Roedtanspringbok flats	Coalbed methane gas		

Source: CDM IDP, 2006/7

The Lepelle-Nkumpi IDP also revealed that the District is responsible for implementation and financial sourcing of:

- Stone crushers (staanplaas) to the value of R2 million
- Molapo Matebele Stone Crushers (along the mountains at Staanplaas): entails crushing of stone for civil, roads and building purposes with an estimated creation of 20 jobs and budget of R15 million
- Rietvallei Stone Crushers (Ward 22): Crushing of stone for civil, roads and building purposes with an estimated job creation of 20 persons, and budget of R15 million

The following planned mining initiatives in Lepelle-Nkumpi Municipality have been identified in the Lepelle-Nkumpi IDP:

Table 4.27 Mining sector projects identified in the Lepelle-Nkumpi IDP

Project	Location	Description	Institution
Inca Cement Factory	Dilokong Corridor		TIL
Storm Manganese	Storm 370 KS	Mining manganese	DFED
Wolkberg Gold	Mimosa 218 KS	Gold	DFED
Silica	Near Strydpoort Mountains	Silicon	DFED
Springbok Flats Coalfields	Roedtan/Springbok flats	Coalbed methane gas	-

Source: Lepelle-Nkumpi, IDP 2006-2011

The following other planned mining initiatives in Lepelle-Nkumpi Municipality have been noted:

- Corridor Mining Resources is planning an exploration of 22 000m for Precious Group Metals in Ga-Mphahlele. This is operation is aimed to be to the value of R100 billion and aims to produce 360 000 ounces of Precious Group Metals, annually for 22 years. It aims to employ 1500 people.

- Corridor Mining Resources is planning a crusher plant in Lebowakgomo which will employ approximately 50 people and will concentrate mainly on construction and sand excavation.
- There is prospecting for granite in the Phoshiri village in Ga-Mphahlele
- There is prospecting for diamonds and platinum prospecting in Ga-Kekana at Rivier village
- There is prospecting for chrome coal in Moletlane
- There is prospecting for gold in Makweng
- Storm Manganese in Storm 370KS
- Wolkberg Gold in Mimosa 218KS
- Silica near the Strydpoort Mountains
- Molapo Matebele Stone Crushers along the Staanplaas mountains
- Rietvlei Stone Crushers in ward 22
- Springbok Flats Coalfields in Roedtan
- Boynton Platinum's Tameng mine
- Lebowakgomo gold mine prospecting at Leeukop
- Chrome prospecting in Ledwaba Tribal authority area along platinum mining belt of Dilokong Corridor

There are also known reserves of slate in Mafefe, Malemong, Sekurwaneng, and Mathabatha.

4.4.3 Economic linkages

In general there is a lack of linkages in the Lepelle-Nkumpi Local Municipality within the mining sector.

Backward linkages refer to the supply of inputs required to practice the activity such as electronic equipment, uniforms, catering, roads, buildings etc. Most mining inputs are currently bought outside the municipality. The mining activities of an area can be increased by expanding the supply chain; upstream activities of the local population being included in the procurement activities of the operations.

Forward linkages refer to the consumers of the products of a specific sector. With regard to the mining sector, this refers to the value addition to the minerals produced. This is referred to as beneficiation mineral beneficiation can be defined as the process of adding value to raw materials at various stages of the production chain. The mining activities of an area can be increased by expanding the value chain. There are various opportunities especially, down-stream activities such as a refinery for the processing of the minerals and to the polishing of stones, jewellery making, glass production, pottery etc.

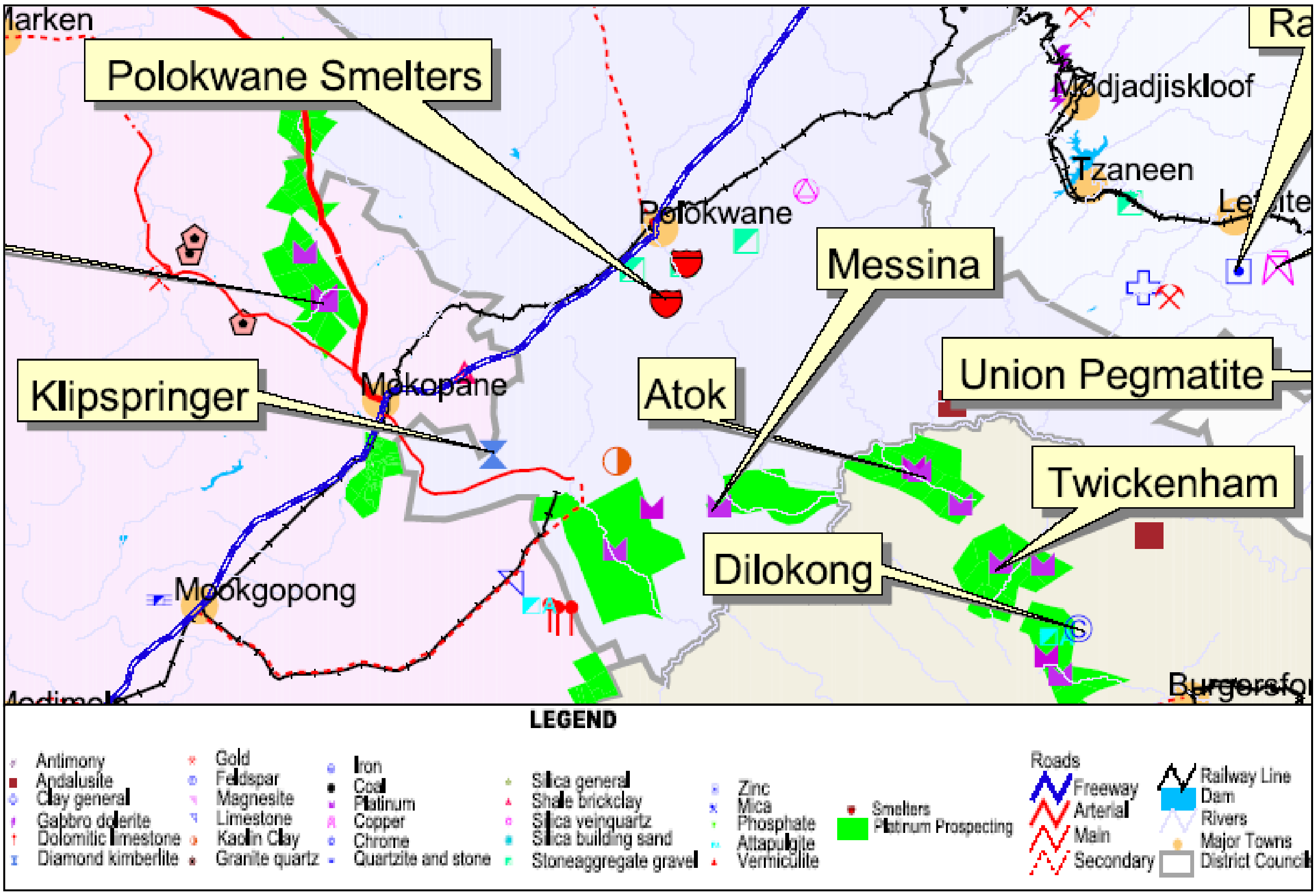
The rationale for beneficiation is that an area can maximise the rent it derives from the exploitation of its natural resource base and have it serve as a foundation for further economic development.

At Present there is a lack of both forward and backward linkages in the mining sector in the Lepelle-Nkumpi Local Municipality. The lack of linkages between the mining sector has led to the situation that the income earned from the mining sector is not retained and circulated within the community but rather spent outside the Lepelle-Nkumpi Local Municipality, thus curbing its revenue base.

4.4.4 Development potential

The platinum mining development in Lebowakgomo and the envisaged shaft in Makurung, the revitalization of diamond mine in Zebediela, as well as brick clay mining development in Zebediela could create opportunities for SMME's along the value chain. Access to these opportunities would require negotiations with mine management. There are also numerous opportunities along the platinum corridor towards the southern half of the municipality as identified in the PGDS (see below Diagram).

Map 4.13 PGDS identified Dilokong (Platinum) corridor through Lepelle-Nkumpi



Source: PGDS, 2004

There is a strong likelihood that more minerals can be mined from the area in future. Given the mineral potential and resources of Lepelle-Nkumpi there is potential for the extraction of the minerals and the economic development that will accompany such operations.

Ancient rocks found in the mountains in the eastern part of the area are known to host flake granite, ironstone and marble, and other precious stones which may yet offer scope for further development.

Providing there is continued demand for both platinum group metals and chromite and the price of these commodities remains good, other platinum and chromite deposits are likely to be mined in the future, from rocks of the Bushveld Complex. Active exploration is in progress for PGE's, particularly north and south of Mokopane.

The basic intrusive rocks of the Bushveld Complex also have the potential to be quarried as dimension and monumental stone, where they outcrop and are joint free.

The potential also exists, particularly in the east of the province, for the exploitation of titaniferous and vanadiferous magnetites.

The Following table summarises the opportunities and potential projects that are possible in the Mining sector of the Lepelle-Nkumpi Local Municipality .

Table 4.28 Mining sector development opportunities and potential projects

Opportunities	Potential Projects
Untapped Mineral Resources	Large scale mining of Chrome, Gold,PGM, diamonds, and magnesite Small-scale mining of manganese, lead, clay, and coal
Demand for bricks and construction materials	Legal excavation of sand Expand current brick making Produce concrete Jewellery Making Gravel and stone crushing
Mine services	Subcontracting cleaning, catering and repairing of machinery services Supplying manufactured inputs to mines

4.5 Transport sector

4.5.1 Transport sector overview

The Transport sector is an important component of the national economy and is becoming more important, with the contribution of this sector to the national GDP reaching almost 11% in 2004. Other key economic indicators for Capricorn District and Lepelle-Nkumpi Municipality are shown in the Table below.

Table 4.29 Transport sector economic indicators, 2004

Indicators	Capricorn District	Lepelle-Nkumpi
Share of GDP	15.4%	9.9%
GDP Growth	11.4%	8.4%
GDP contribution to sector in District	n.a	7.1%
Share of employment	2.2%	1.3%
Employment Growth	-0.7%	-2.5%
Employment contribution to sector in District	n.a	8.1%

Source: Quantec data, 2004 and kayamandi calculations, 2006-10-10

The Transport sector contributes more than 7% to the sector overall in the Capricorn District, and generates almost 10% of the municipality's output. This places the Transport industry fourth as a contributor to the economy of Lepelle-Nkumpi Municipality. While it is, therefore, evident that this sector plays a major part in the economy of Lepelle-Nkumpi Municipality, it only employs approximately 1% of its workforce. Although the Transport sector showed considerable growth in output (7%) between 1999 and 2004, its employment generation has seen a negative growth (-2.5%) over the same time period. The creation of a job opportunity in this sector does not result in any further induced employment opportunities.

The CDM prepared an Integrated Transport Plan (ITP) for the Capricorn District Municipal Area. The data collection process, called the Current Public Transport Record (CPTR), was undertaken in 2003.

Freight transport is an extremely important component, given its strong agricultural sector and the need for products to be transported to its markets elsewhere in the country, particularly that of Guateng. Road cargo is almost exclusively utilised as the transport mode for agricultural, mining and manufactured goods, with major movements taking place along the N1 between Limpopo and the Gauteng, as well as other national and provincial routes. Road cargo is also the most important mode of transport for exports to the southern and central African countries. Moving South Africa identified three significant freight corridors through Limpopo, of which one is traverses Lepelle-Nkumpi, namely the R37 from Lydenburg to Polokwane, through Burgersfort and Lebowakgomo. The general description of most roads in the CDM is in poor state of repair. The rural roads are poorly designed and not maintained with specific attention to storm water drainage. There is however significant freight transport due to mining activities in Lepelle-Nkumpi and adjacent municipal areas.

Concerning **land transport**, the travel modes are indicated in the below.

Table 4.30 Travel modes, 2004

Municipality	Foot	Bicycle	Motorcycle	Car: Driver	Car: Passenger	Minibus Taxi	Bus	Train
Lepelle-Nkumpi	102753	494	180	2857	3748	5538	2536	280
CDM	492227	3131	1595	27342	30485	37168	24569	1676

Source: Lepelle-Nkumpi IDP as in CDM ITP, 2004

It is clear from the data that ±87% of the Lepelle-Nkumpi population walk to their various destinations due to a lack of public transport or a lack of money to pay for public transport or private transport. In Capricorn District approximately 80% of the people walk to their various destinations. Minibus taxis are the most popular form of transport with 4.7% of commuters making use of taxis, while 2.1% of commuters make use of bus transport. Only 2.4% of commuters use private vehicles as mode of transport. In Lepelle-Nkumpi, there exists a vast network of community tracks, trails, paths and footbridges, of unknown length. Responsibility for this community level infrastructure lies with the local population. Transport activities on this infrastructure take place mainly by foot and by non-motorized means of transport. Women and children often bear the burden of the transport load in terms of time and tonnage.

There are 25 **taxi facilities** in the Lepelle-Nkumpi area of which only 2 (or 8%) are formal (namely Lepelle-Nkumpi Taxi Association around the Lebowakgomo area, and the taxi facility at Magatle). Lepelle-Nkumpi transport services are mainly provided by the private sector which is dominated by taxi operators which are mainly used for such activities. Provision of transport services is often hampered by regulatory constraints (restricted market access, excessive taxation and legislative restrictions) and unsuitable market structures (lack of credit facilities and weak private sector).

Bus services are operated by private sector companies contracted to the Provincial Department of Roads and Transport (e.g. Great North Transport). These private operators receive ticket subsidies through the National/Provincial bus subsidisation system. The dominant travel pattern of passengers is "home to work" in the morning and return trip in the evening. On most routes the demand peaks during the morning forward trip and evening return trip. Of the 180 subsidised bus routes in the CDM, 19 routes are in the Lepelle-Nkumpi municipal area. Some buses depart as early as 3:40am. These factors question the standard of living for many people commuting long distances and motivate the correlation between Rural Development and Target Subsidies. The road conditions are generally very poor, especially in the rural areas. Poor road conditions are a significant factor on the operating life of the rolling stock (buses), operating costs, and level of service to the passenger.

According to Limpopo in Motion (Department of Transport, 2003), the **rail infrastructure** of Limpopo is quite well developed and is mainly utilised for the transport of goods and minerals. This transport mode does, however, entail certain problems and constraints, particularly in relation to the transport of fresh produce for export and to the local markets. Rail commuter services are not provided within the province, although mainline passenger service is provided along the N1 road network towards Zimbabwe. No rail line is operating in the Lepelle-Nkumpi municipal area.

With regards to the road network and **national roads**, The National Roads Agency (NRA) is the custodian for the National Road Network. Several strategic roads are to be handed over from the Road Agency Limpopo (RAL) to the NRA. Only one such road in Lepelle-Nkumpi is relevant, namely the R37 from Burgersfort at Mpumulanga border up to Polokwane.

The **Provincial and District road network** is currently the responsibility of the Roads Agency Limpopo (RAL) and the Department of Public Works (Limpopo and Mpumalanga). The RAL is in the process of demarcating roads for transfer to the CDM. There is a map with the demarcated routes, but route descriptions are not completed yet, and the formal transfer of authority is not yet enacted.

The Spatial Development Initiative (SDI) support corridor (roads) development initiatives. These roads will link up with other provincial roads and ultimately lead to border posts and the Maputo corridor. There is one sub-corridor relevant to Lepelle-Nkumpi, namely the Dilokong Sub-corridor. There are three important roads along this corridor, namely:

- Polokwane to Burgersfort (P33/1 and P33/2), via Mafefe;
- Flag Boshielo Dam through Lebowakgomo and Mafefe, linking the Sekhukhune district with the Phalaborwa and Kruger National Park areas; and
- Chuenespoort via Boyne to Makweng.

These main transport corridors were identified by the Limpopo Department of Economic Development, Environment and Tourism and link important development growth points with each other. The purpose is to concentrate development along these routes and to enable the communities to benefit from such developments. The following other corridors exist throughout the Local Municipality:

- R37 between Polokwane and Burgersfort
- R579 between Chueniespoort and Jane Furse
- R519 between Kushke and Roedtan
- R518 between Mokopane and Lebowakgomo
- Moletlane to Magatle
- Hlahla to Mathabatha
- Other gravel roads needing maintenance

With regards to **air transport**, Lepelle-Nkumpi has no major airport in its area of jurisdiction.

Lebowakgomo has been the locus of development in recent years. Bad road conditions degenerate shortage of the transportation of formal busses and taxi terminals. Lebowakgomo's infrastructure—the local roads, tracks, footpaths, and bridges used to access farms, markets, water supplies, schools, and clinics—is often in poor condition for some or all of the year. In addition, transport services, both large-scale motorized means such as trucks, buses, pickups, and cars and smaller-scale intermediate means such as handcarts, bicycles, motorcycles, and animal-drawn carts are often inadequate and too expensive for rural inhabitants.

The reality in Lepelle-Nkumpi is a low transport density in low-income areas. Low population density is associated with low transport density, with few motorized vehicles and few intermediate means of transport. A vicious circle of insufficient transport, users, and services impedes development. Choice of transport services is severely limited by high costs and low profitability. People in rural areas, particularly women, are left with a heavy transport burden to meet their subsistence needs and are isolated from essential economic and social services.

Rural communities are a captive market for transport operators because they have no choice of service providers and no means of pressuring operators to change their practices or lower their prices. Thus the availability of more transport services will not only increase the mobility of the local community but also increase their bargaining power.

The roads are in bad condition especially in rural areas such as Mafefe, which are mountainous. Access roads within Lebowakgomo are not well maintained, hence a need for urgent attention.

4.5.2 Existing and potential initiatives

The CDM has also identified school going children who travel on foot for more than 5 km's to schools as a priority. Through the implementation of the subsidy bicycle project, needy school going children have access to affordable transport. Approximately 250 pupils have already benefited from this project in the CDM area.

The National Roads agency has planned the following projects over the next five years (2004 to 2009) in the Lepelle-Nkumpi area. See below Table.

Table 4.31 NRA proposed projects, 2004-2009

Project Number	Route Description	Project Description	Estimated Budget (2004 – 2009)
R.037-010-2003/1	Burgersfort to Polokwane	Routine Maintenance	R24 240 000
R.037-010-2005/1	Lebowakgomo North to Lebowa Mine (Atok)	Road Widening - add shoulders	R87 000 000
R.037-010-2006/1	Polokwane to Lebowakgomo North	Road Widening - add shoulders	R67 500 000

Source: Lepelle-Nkumpi IDP 2006, as in CDM ITP, 2004

The Lepelle-Nkumpi IDP identified the following to be developed by CDM during 2006/7:
- Upgrading Lebowakgomo Zone A Taxi rank: R2 million
- Upgrading Mathibela Taxi rank: R1.5 million
- Upgrading Mehlareng Taxi rank: R1.5 million
- Upgrading of Leporogong Taxi Rank: R2 million
- Upgrading of Mafefe Taxi rank: R2 million
- Surfacing of Road D4100: R4.5 million
- Surfacing of Road D3459: R2.7 million
- Surfacing of Road D1430 Mogoto to Mokopane: R5 million

The Lepelle-Nkumpi IDP identified the following projects to be developed by the LNM:
- Tarring of internal streets- Lebowakgomo: R2 million

- Tarring of main streets- Mathibela: R1 million

The Limpopo Roads agency will also upgrade D4050/D1583 from gravel to tar (Mafefe – Sekororo) to the value of approximately R67 million.

4.6 Construction sector

4.6.1 Construction sector overview

The construction sector involves aspects such as site preparation, building of complete constructions or parts thereof; civil engineering, building installation, building completion, and renting of construction or demolition equipment with operators.

The key economic indicators of the construction sector for Capricorn District and Lepelle-Nkumpi Municipality are shown in the Table below.

Table 4.32 Construction sector economic indicators, 2004

Indicators	Capricorn District	Lepelle-Nkumpi
Share of GDP	1.8%	1.8%
GDP Growth	2.1%	1.4%
GDP contribution to sector in District	n.a	11%
Share of employment	3.8%	3.2%
Employment Growth	-0.1%	-1.8%
Employment contribution to sector in District	n.a	11.4%

Source: Quantec data, 2004 and kayamandi calculations, 2006-10-10

The Construction sector contributes only 1.8% to the sector overall in the Capricorn District and to the municipalities output. This places the Transport industry second last as a contributor to the economy of Lepelle-Nkumpi Municipality. This sector is however a far more important contributor to employment and contributes to more than 3% of the municipalities employment. Although the construction sector showed considerable growth in output (1.4%%) between 1999 and 2004, its employment generation has seen a negative growth (-1.8%) over the same time period. The creation of a job opportunity in this sector does not result in any further induced employment opportunities.

The building and construction sector is at the forefront of the country's economic development as it is a sector that has the potential to employ a large number of people. The construction of low cost housing is a significant feature of the building and construction industry as it allows for the participation of new role players and fulfills one of the government's main priorities, the rollout of essential services to all of South Africa’s people.

Within the Capricorn District, the high average growth rate of the local Construction industry between 1999 and 2004 conceals the boom and bust cyclical nature of this activity. Construction has gone up considerably during the previous years. There has been an increase in (property development) construction of residential areas, and (real estate) motor dealership and hardware stores along the N1.

4.6.2 Development potential and linkages

In general backwards and forwards linkages between the construction sector and the other sectors in the Lepelle-Nkumpi local municipality exist, more specifically with the brick and clay manufacturing. There are possibilities for expanding both the backwards and forwards linkages within the construction sector. Backward linkages refer to the supply of inputs required for construction activities such as building materials, machinery, and labour. Most manufacturing inputs are currently bought inside the municipality, as they are produced in the Lepelle-Nkumpi local municipality.

Forward linkages refer to the expansion of the value chain of construction products such as roofing, painting and fencing. At present there is a lack of both forward and backward linkages in the construction sector in the Lepelle-Nkumpi local municipality.

Rural places are often the most places with a dire need for urbanisation, which comes with enormous construction opportunities. There are numerous road construction projects envisioned in the municipality (see previous sub-section) as well as numerous housing projects. According to the Lepelle-Nkumpi IDP (2006-2011) a housing backlog of 325 503 units exists in the Capricorn District, i.e. 112 503 units in urban areas and 213 000 units in the rural areas. Funding for 11 050 housing units were allocated in the district of which 6 293 units were completed and 4 757 are outstanding. A very high percentage of households (85.98%) in the municipal area are accommodated in formal dwellings despite the rural nature of the area and the fact that small settlements are scattered all over the municipal area. In Lepelle-Nkumpi, ±86% of the population lives in formal housing units.

The following table depicts some of the potential projects in the construction sector.

Table 4.33 Opportunities and projects in the construction sector

Opportunities	Potential Projects
Housing developments	Construction of new houses Upgrading of Municipal infrastructure Construction skills transfer
Upgrading and development of new infrastructure	Capacity building for youth Construction workers co-cooperatives Improving roads Installing fixtures Brick making

4.7 Wholesale, retail and trade sector

4.7.1 Wholesale, retail, and trade sector overview

A further contributor to the economy of South Africa is the Wholesale, Retail, Trade, catering, and accommodation sector, which contributed more than 15% to the GDP of the country in 2004. This sector is also important to the Capricorn District, contributing almost 18% to the District's GDP and ranking among the top four sectors in terms of its GDP contribution to the municipality. See below Table.

Table 4.34 Retail and trade sector economic indicators, 2004

Indicators	Capricorn District	Lepelle-Nkumpi
Share of GDP	17.9%	8.3%
GDP Growth	6.6%	3.4%
GDP contribution to sector in District	n.a	5.1%
Share of employment	18.6%	12.6%
Employment Growth	3.0%	0.8%
Employment contribution to sector in District	n.a	9.1%

Source: Quantec data, 2004 and kayamandi calculations, 2006-10-10

The retail and trade sector is also an important contributor to the local economy of Lepelle-Nkumpi Municipality, with almost 8% of the local GDP output being generated by this sector, making it the fourth largest contributor to the municipality's economy. The growth of the Trade sector in Lepelle-Nkumpi Municipality in terms of its output between 1999 and 2004 was more than 3%, which means that it is becoming increasingly important. Its employment share is far larger than its contribution to the municipality's output and is responsible for more than 12% of the sectoral employment. The growth in employment has however been marginal at 0.8 per annum between 1999 and 2004.

The trade sector in Lepelle-Nkumpi Municipality is mainly confined to the retail component, in respect of both formal and informal trade activities. The formal trade activities are centred in the main town of Lebowakgomo at the Lebowakgomo industrial area and the Lebowakgomo shopping complex. Given the extensively rural nature of the remainder of the municipal area, the remainder of the municipality is served only by small retail shops, which are scattered throughout the villages. The limited trade activities found within Lepelle-Nkumpi Municipality do not sufficiently cater for the rural settlements and people generally have to travel to larger centres of activity, such as Polokwane.

4.7.2 Business profile

In order to get a better understanding of the businesses operating in Lepelle-Nkumpi Municipality, a survey of local businesses was undertaken. The results of this survey enable a better understanding of the nature and the current status of businesses in the municipality, as well as the problems perceived by local business owners. This section of the report provides the survey findings, in terms of:

- Type of business
- Employment levels
- Business classifications
- Business growth

The survey of 196 businesses was conducted in different regions of the municipality, based on larger population concentrations, allowing results which are representative of the whole of the municipality. Results from the questionnaires were grouped into 9 regions, as indicated in the Table below.

To ensure a representative overview of local businesses, both formal and informal businesses were surveyed. The number of formal and informal businesses included in the survey were based on the expected and observed formal to informal ratio in each municipality. This allows a better understanding of all types of businesses and the different problems faced by different business types of business.

The definition of a formal business is one that is registered and pays taxes. Formal businesses normally trade from a permanent structure. An informal business is unregistered, non-tax paying, and usually trades from a non-permanent structure.

The survey sample included 109 formal businesses, representing a 56% proportion of the sample, with a 44% proportion of informal businesses being surveyed. More formal businesses were surveyed in the settlements, such as Lebowakgomo, which fulfil a central function in the municipality in terms of trade and service provision.

Informal businesses are mostly drawn to areas where there is large pedestrian and traffic movement, such as the centre of larger towns, at busy intersections or at taxi ranks. The informal businesses are not regulated and do not pay taxes. This implies a substantial loss of income for the municipality and country as a whole. As these businesses are not regulated, informal trading activities may negatively impact on the environment in terms of health issues, cleanliness, and aesthetics, as well as the obstruction of vehicular and pedestrian movement. These issues may work against efforts to attract investors, tourists and visitors to the area. Nonetheless, informal business activities are for large numbers of people the only means of generating income.

The Table below gives an indication of the types of businesses in the municipality, referring to a single business, a business which is a main business with other branches located elsewhere, or a business which is a branch that is linked to a main business located elsewhere.

From the Table below, it is clear that 86% of businesses surveyed in the municipality are single business units, with no linkages to other branches or larger support systems. This is particularly true in the more rural regions of the municipality, with 100% of businesses surveyed in places such as Mamaolo and Mathabatha being single businesses. A further 5% of businesses are branches of a larger main business, with only 9% of businesses surveyed consisting of a main branches being located within the municipal area. Branches and main branches of larger businesses tend to be located more in the urban centres such as Lebowakgomo. There are also a substantial percentage of branch businesses in Mogodi and Mogoto areas.

Table 4.35 Percentage distribution of business type

Type of business	Single business	Main business (Branch elsewhere)	Branch business (Main business elsewhere)	Total
Lebowakgomo	78%	10%	12%	100%
Mafefe	93%	0%	7%	100%
Mamaola	100%	0%	0%	100%
Mashite	92%	8%	0%	100%
Mathabatha	100%	0%	0%	100%
Mogodi	71%	0%	29%	100%
Mogoto	67%	0%	33%	100%
Mphahlele	95%	0%	5%	100%
Zebedeila	85%	10%	5%	100%
Lepelle-Nkumpi	86%	5%	9%	100%

Source: Kayamandi Business Survey, 2006

4.7.3 Employment

In terms of employment, the following Table gives an indication of the number of permanent employees (including the owners) supported by local businesses that formed part of the business survey.

Table 4.36 Percentage distribution and average number of permanent employment

Employees	1	2 - 5	6 - 10	11 - 20	21 +	TOTAL
Lebowakgomo	49%	35%	10%	4%	1%	100%
Mafefe	73%	27%	0%	0%	0%	100%
Mamaola	67%	33%	0%	0%	0%	100%
Mashite	77%	23%	0%	0%	0%	100%
Mathabatha	55%	45%	0%	0%	0%	100%
Mogodi	29%	43%	7%	14%	7%	100%
Mogoto	22%	56%	11%	11%	0%	100%
Mphahlele	68%	32%	0%	0%	0%	100%
Zebedeila	15%	75%	10%	0%	0%	100%
Lepelle-Nkumpi	51%	40%	6%	3%	1%	100%

Source: Kayamandi Business Survey, 2006

More than half of businesses surveyed only employ 1 person, which means that these are one-man run businesses that only supports the owner of the business. A large proportion of these owner-run businesses will usually be informal businesses. While these small business do provide employment and income for the owners, it has a limited impact on the economy of the municipality, particularly when the activities are informal in nature. Nonetheless, it does allow for the supply of goods and services locally. Almost 40% of the businesses employ between 2 and 5 permanent members of staff. Businesses surveyed that employ more than 10 members of staff are mostly located in the larger urban centres such as Lebowakgomo, and some in Mogodi and Mogoto. In the more rural locations of the municipality, none of the businesses indicated that they employ more than 10 people. On average, Lepelle-Nkumpi Municipality businesses surveyed employ 2.8 persons.

The survey also sought to understand the levels of temporary jobs supported by local businesses. See below Table.

Table 4.37 Percentage distribution of temporary employment

Employees	None	1 - 4	5 +	TOTAL
Lebowakgomo	82%	12%	6%	100%
Mafefe	100%	0%	0%	100%
Mamaola	100%	0%	0%	100%
Mashite	85%	15%	0%	100%
Mathabatha	100%	0%	0%	100%
Mogodi	79%	21%	0%	100%
Mogoto	100%	0%	0%	100%
Mphahlele	95%	5%	0%	100%
Zebedeila	100%	0%	0%	100%
Lepelle-Nkumpi	91%	7%	2%	100%

Source: Kayamandi Business Survey, 2006

More than 90% of the local businesses surveyed provide no temporary or contract employment opportunities, which may again be an indication of the nature of local business being mainly single person run business enterprises. Once again, businesses surveyed that are able to offer employment for more than 5 people on a temporary basis appear to be located in the larger activity centres such as Lebowakgomo.

4.7.3 Business sector analysis

This sub-section gives an indication of the main economic sectors in which businesses are active. It also gives insight into the business linkages in terms of the main client and supplier sectors and their locations.

The Table below indicates the main business sectors in which the businesses surveyed in the municipality operate. The category for 'Other' includes the economic sectors of mining, manufacturing, construction, accommodation, and storage/warehousing.

In terms of the main responses received from the businesses surveyed, 71% of local businesses indicated that they fall within the retail sector of the economy, with a further 12% providing personal services, 5% motor vehicles sales, and another 5% restaurants/take-aways/bars. A substantial amount of businesses are involved in personal services in some of the more rural areas such as Mamaola and Mathabatha.

Table 4.38 Percentage distribution of business sectors

Main place	Retail	Motor sales	wholesale	Restaurant/ bar	Bank/loans	social services	Personal services	Other	Total
Lebowakgomo	76%	3%	0%	4%	3%	3%	7%	3%	100%
Mafefe	80%	7%	0%	0%	0%	0%	13%	0%	100%
Mamaola	72%	0%	0%	0%	0%	0%	28%	0%	100%
Mashite	77%	0%	0%	8%	0%	0%	15%	0%	100%
Mathabatha	80%	0%	0%	0%	0%	0%	20%	0%	100%
Mogodi	64%	14%	7%	0%	7%	0%	0%	7%	100%
Mogoto	44%	11%	33%	0%	0%	0%	11%	0%	100%
Mphahlele	68%	5%	0%	11%	0%	5%	5%	5%	100%
Zebedeila	55%	10%	0%	15%	0%	0%	15%	5%	100%
Lepelle-Nkumpi	71%	5%	2%	5%	2%	2%	12%	1%	100%

Source: Kayamandi Business Survey, 2006

The most important types of retail businesses in the municipality, in order of importance, are:

- Groceries (38%)
- Fruits and vegetables (15%)
- Motor vehicle repair and sales of parts (5%)
- Building materials (4%)
- Clothes (4%)
- Alcohol (4%)
- Jewellery (2%)
- Appliances (2%)

- Bread and cakes (2%)
- Other (14%)

The retail businesses are dependent on a strong client base. The main clients for the local businesses of the municipality are the public (represented by 98%). Other clients indicated by businesses in Lebowakgomo include retailers, mining and office.

As can be seen from the Table above, there is also a reliance on passers by, which is further illustrated by the Table below. This Table gives a breakdown of the public clients.

Table 4.39 Percentage distribution of main public client

Public clients	Surrounding population	Passers by (Traffic)	Offices	TOTAL
Lebowakgomo	99%	0%	1%	100%
Mafefe	100%	0%	0%	100%
Mamaola	89%	11%	0%	100%
Mashite	85%	15%	0%	100%
Mathabatha	90%	0%	5%	100%
Mogodi	71%	21%	7%	100%
Mogoto	100%	0%	0%	100%
Mphahlele	84%	0%	5%	100%
Zebedeila	100%	0%	0%	100%
Lepelle-Nkumpi	93%	4%	2%	100%

Source: Kayamandi Business Survey, 2006

Approximately 93% of local businesses surveyed rely on the surrounding population to support their businesses, with many of the regions relying solely on this section of the public, such as Mafefe, Mogoto, and Zebediela. Passers by or traffic, constituting 4%, is also important in terms of major public clientele groups. This section of the public is particularly important in the Mamaola, Mashite, and Mogodi region.

As indicated above, the surrounding population remains the most important clientele to local businesses. The local businesses surveyed indicated than as much as 98% of its public clients are sourced locally, in the towns they are located in. There goods and services are therefore very localised, with no public clientele originating from other areas within the municipality. Hardly any clients are sourced from outside the area.

The following Table provides an overview of the main supplier sectors to local businesses within the municipality.

Table 4.40 Percentage distribution of main supplier sectors

Main suppliers	Public	Agriculture	Manufacture	Wholesalers	Retailers	Offices	Other	Total
Lebowakgomo	0%	29%	6%	37%	19%	3%	6%	100%
Mafefe	0%	0%	7%	27%	60%	7%	0%	100%
Mamaola	0%	6%	0%	22%	67%	6%	0%	100%
Mashite	0%	8%	0%	31%	54%	8%	0%	100%
Mathabatha	6%	0%	11%	39%	33%	11%	0%	100%
Mogodi	0%	14%	21%	43%	14%	7%	0%	100%
Mogoto	0%	0%	22%	67%	11%	0%	0%	100%
Mphahlele	11%	11%	0%	53%	21%	5%	0%	100%
Zebedeila	5%	5%	5%	75%	5%	0%	5%	100%
Lepelle-Nkumpi	2%	14%	7%	43%	29%	5%	1%	100%

Source: Kayamandi Business Survey, 2006

As is evident from the above Table, wholesalers make up 43% of suppliers to the local businesses surveyed, followed by retailers (29%) and the agricultural sector/farmers (14%). Mafefe and Mamaola source more than 60% of their goods from retailers. This is probably related to mainly informal business activities that sell fruit and vegetables. A large percentage of businesses in Zebediela and Mogoto source their goods from wholesalers, and nearly a third of the goods sourced from businesses in Lebowakgomo are from the agriculture sector.

The Table below gives an indication of where supplies of local businesses are located.

Table 4.41 Percentage distribution of location of main suppliers

Location	Same Town	Other Town in Municipality	Other Town in District	Town outside District	TOTAL
Lebowakgomo	40%	0%	60%	0%	100%
Mafefe	53%	7%	33%	7%	100%
Mamaola	72%	0%	28%	0%	100%
Mashite	77%	0%	23%	0%	100%
Mathabatha	47%	0%	53%	0%	100%
Mogodi	29%	0%	71%	0%	100%
Mogoto	38%	0%	63%	0%	100%

Location	Same Town	Other Town in Municipality	Other Town in District	Town outside District	TOTAL
Mphahlele	67%	0%	33%	0%	100%
Zebedeila	30%	0%	70%	0%	100%
Lepelle-Nkumpi	48%	1%	51%	1%	100%

Source: Kayamandi Business Survey, 2006

More than half of the suppliers to the local businesses surveyed are situated in other Towns in the District, while 48% of local business supplies sourced from within the same town as the local businesses. Mamaola, Mashite, and Mphahlele source a greater amount of their goods from suppliers within the same Town. Whereas businesses in Lebowakgomo, Mogodi, Mogoto, and Zebediela source a larger percentage of their goods from other Towns in the District. The more rural regions show a larger percentage of locally sourced supplies, again reflecting the mainly informal business activities undertaken.

4.7.4 Perceptions and aspirations

As part of the business survey, business owners of both formal and informal businesses were questioned about their business operations in the past 3 years, as well as their future expectations and aspirations for their respective businesses. Issues covered by the survey include different aspects that have an influence on their business and include:

- Location
- Turnover
- Employment
- Physical business space
- Growth and opportunities

The results from the business survey indicated that local businesses perceived the following advantages and disadvantages of being situated in a specific location. The most important positive and negative aspects identified are contained in the Table below, in order of importance.

Table 4.42 Advantages and disadvantages of location

Advantages	Disadvantages
1. Proximity to a main road	1. Lack of support by local municipality
2. Large client base	2. No shelters (informal traders)
3. Access to low income market	3. No suppliers within municipality
4. No need to pay rent (informal traders)	4. Lack of transport
5. Community prefers spending locally	5. High levels of competition

Source: Kayamandi Business Survey, 2006

For a large majority of local businesses, the most important locational advantage is proximity to a main road. This is a particularly important advantage for informal business activities, which rely heavily on passers by/traffic. Informal business owners also perceive their specific locations as particularly beneficial in that no rents are payable, which largely limits their expenses.

In terms of disadvantages, many local businesses perceived a lack of support by local municipalities, with informal businesses expressing the lack of shelters as a particular disadvantage of their specific locations. Some local businesses also listed the bad state of roads as a disadvantage experienced in the location of their businesses.

Regardless of the disadvantages associated with the specific locations, only four of the businesses surveyed planned to relocate their businesses in the next year. Two of these are located in Zebediela, and one in Mafefe and another in Mamaola. The business in Mafefe is planning to move to Lebowakgomo, and the others indicated that they are moving to bigger towns. These are seen as major concerns and steps need to be taken in order to determine the reasons for wanting to move to determine whether any actions can be taken in order to convince them to stay.

Local businesses perceived the main factors resulting in businesses being pushed out of the area as the fact that businesses do not have much scope for growth in the village areas. High levels of competition between local businesses and unemployment were also push factors listed. In terms of aspects attracting business into the area, local businesses surveyed indicated that the high population levels were advantageous for businesses to be established in their regions.

The following Table gives an indication of the changes experienced by local businesses over the past three years.

Table 4.43 Business growth in the past 3 years

Changes	Turnover	Employment	Physical space
Large increase	9%	7%	0%
Small increase	50%	30%	14%
Unchanged	35%	61%	84%
Small decrease	5%	2%	2%
Large decrease	1%	0%	0%

Source: Kayamandi Business Survey, 2006

From the above Table, with regards to turnover, it is evident that the local businesses surveyed appeared to have mostly increased there turnover (59%). Whereas employment and physical space over the past 3 years has mainly remained the same, which reveals that the businesses have mostly remained stagnant with regards to employment and physical space.

In Mogoto, more than 10% of the local businesses surveyed had experienced a small decrease in their turnover in the past 3 years. Whereas large increases in terms of turnover were experienced by 20% of the businesses surveyed in Lebowakgomo and 8% of the businesses surveyed in Mogodi. Large increases in employment over the past three years were also experienced by 14% of the businesses surveyed in Lebowakgomo, 8% of the businesses surveyed in Mogodi and 15% of the businesses surveyed in Zebediela. With regards to physical space no large increases or decreases were experienced by the businesses surveyed. However, a large percentage of the businesses surveyed in Mafefe (43%), Mamaola (25%), Mashite (15%), Mathabatha(20%), Mogodi (16%), and Mogoto (11%) had experience small increases in their physical space.

The below Table provides an indication of the annual turnover sales that the local businesses surveyed are currently experiencing. It should, however, be noted that the annual turnover figures may not be a true reflection of what the current situation is for local businesses in the municipality, as business owners tend to be sceptical about divulging this information.

Table 4.44 Percentage distribution of annual turnover sales

Turnover	**R1-R10,000**	**R10,001-R20,000**	**R20,001-R30,000**	**R30,001-R40,000**	**R40,001-R50,000**	**R50,001-R100,000**	**R100,001-R200,000**	**R200,001+**	**Total**
Lebowakgomo	18%	42%	12%	12%	3%	9%	3%	0%	100%
Mafefe	14%	14%	14%	0%	14%	21%	7%	14%	100%
Mamaola	0%	6%	35%	18%	6%	18%	6%	12%	100%
Mashite	0%	31%	8%	15%	15%	0%	23%	8%	100%
Mathabatha	0%	21%	16%	11%	5%	5%	26%	16%	100%
Mogodi	0%	0%	10%	10%	0%	10%	20%	50%	100%
Mogoto	0%	33%	33%	0%	0%	33%	0%	0%	100%
Mphahlele	0%	12%	0%	24%	18%	12%	18%	18%	100%
Zebedeila	0%	0%	29%	14%	29%	29%	0%	0%	100%
Lepelle-Nkumpi	6%	21%	15%	13%	9%	12%	12%	12%	100%

Source: Kayamandi Business Survey, 2006

The largest proportion of the local businesses surveyed in the municipality indicated an annual turnover of between R10,001 and R20,000. Large proportions of businesses in Lebowakgomo (18%) and Mafefe (14%) indicated sales turnovers of R10 000 or less, while 50% of the businesses surveyed in Mogodi reach turnover figures of more than R200 000 a year.

Regardless of what the situation had been over the past 3 years, almost 95% of all the businesses surveyed indicated that they intended expanding their businesses within the next 12 months, with only 5% of all businesses surveyed indicating no intentions to make any changes to their businesses within the next year.

The Table below gives an indication of the expectations of local business owners in the next 12 months. The tables reflect the expected trends in turnover, employment and physical business space expansion.

As is visible from the Table below, businesses appear to be optimistic about their business prospects in the next year. More than 50% of businesses expect to see an increase in turnover and employment and 42% expect to foresee an increase in their physical space. More than 60% of businesses in Mphahlele expected a larger increase in turnover and 40% of businesses surveyed in Mphahlele expected a large increase in both employment and physical space.

Table 4.45 Twelve month growth expectations in turnover, employment and space

Changes	Turnover	Employment	Physical space
Large increase	28%	19%	10%
Small increase	37%	38%	32%
Unchanged	19%	40%	56%
Small decrease	15%	2%	1%
Large decrease	1%	1%	1%

Source: Kayamandi Business Survey, 2006

Businesses that indicated expected decreases in business largely attribute this to the high levels of competition experienced between local businesses, while businesses expecting to see an upturn in their business activities perceive increases in development of the area and more customers as the main factors contributing to their expected growth.

The business survey also asked respondents to give an indication of what they perceived as the most important factors required in order to allow their businesses to grow and expand. The largest proportion of the businesses surveyed indicated that financial assistance (35%) was the most important supporting factor required to ensure growth in their business, followed by marketing (20%), more space (18%), training (9%), business place (5%) and management skills (10%).

As part of the survey, business owners were also asked about business ventures that they would like to venture into. The business ventures identified in order of importance include:

- Retailers
- Expand business to other areas
- Catering establishments
- Farming

- Manufacturing
- Fruit and vegetable markets
- Dressmaking and sewing
- Internet café
- Food packaging
- Hair salons
- Clothing establishments
- Brick manufacturing
- Tourism centres
- Bottle stores
- Motor car sales
- Car wash
- Spaza shops
- Public phones
- Funeral parlour

Other business ventures also identified by businesses surveyed, include:
- Management and mentorship ventures
- Carpentry
- Food processing
- Taverns
- Second hand furniture
- Beads and art work
- Plant hire
- Bookshops
- Day care centres

As part of the survey, business owners were also asked about other business opportunities that they believe exist in this area but that are not presently being exploited or than can be enhanced or expanded upon. The opportunities identified in order of importance include:
- Tourism attractions
- Shopping centres and retail development
- Farming
- Small manufacturing industries
- Entertainment complex
- Youth skills development and youth centres
- Accommodation establishments
- Mining concerns
- Banks and financial institutions
- Restaurants

Other opportunities also identified by businesses surveyed, include:

- Internet café
- Furniture making
- Sports stadium
- Sewing and arts
- Day care centre
- Dairy factory

4.7.5 Existing and proposed Trade products, services and initiatives

The main products and services provided by local businesses in Lepelle-Nkumpi Municipality, including both the formal and informal sector, are derived from the business survey discussed above and are contained in the Table below.

Table 4.46 Products and services in Lepelle-Nkumpi Municipality

Informal trading	Formal trading
Fruits and vegetables	Groceries
Hair dresser	Motor vehicle repair and sales of parts
Phone	Construction materials
Clothes	Restaurant
Alcohol	Jewellery
Shoe repairs	Appliances

Source: Kayamandi Business Survey, 2006

These retail activities in the rural areas relate mainly to general dealers, supermarkets and spaza shops, with some liquor stores, and eating houses also being present. While these activities are somewhat formal in nature, they are extremely small scale, with businesses being scattered throughout the rural areas. Some services are also provided from within people's homes.

The informal trade sector deals predominantly as pavement traders with makeshift shelters or open stands. These trading activities occur mainly around areas of high pedestrian traffic, such as at taxi ranks. Due to the strong agricultural sector in the area, commodities sold relate mainly to fruit and vegetables, with other products such as shoes also being sold. Informal traders also provide public telephone services.

Formal trade sector relates mainly to supermarkets and general dealers, wholesalers and building material and hardware. Only a few accommodation facilities are located around Lebowakgomo area, such as the Apha Guest House. A very small number of rural accommodation facilities are located throughout the villages of the municipality such as at Mafefe.

The following trade sector initiatives are also proposed in the Lepelle-Nkumpi IDP, namely:

- Hawkers facilities at Lebowakgomo, Magatle, Mamaolo, and Leporogong
- Shopping complex at Leporogong in Mathabatha

- Shopping complex at Magatle

The following initiatives have been budgeted for:
- Hawkers facilities- Lebowakgomo. Implementing agent: Lepelle-Nkumpi. Budget: R750,000
- Lebowakgomo Showground. Implementing agent: Lepelle-Nkumpi. Budget: R1 million
- Zebediela Catering and Confectionery. Implementing agent: DHSD. Budget: R393, 000
- Local Business Service Centre. Implementing agent: CDM. Budget: R930, 000
- Nkumpi Technology. Implementing agent: CDM. Budget: R5 million

Lebowakgomo is a provincial growth point and is a strategically and centrally situated between Polokwane, Burgersfort, Mokopane, Groblersdal. As such it attracts a number of informal traders. The other peri-urban villages along the routes also attracts hawkers. It is important to provide the hawkers with safe storage of their wares overnight so as to avoid them establishing permanent structures.

Leporogong is a strategic area almost at the border of the municipality and the neighbouring Fetakgomo municipality. There is already a taxi rank which is due for upgrading in the near future. An informal settlement is developing and the many mines in Sekhukhune use the landing strip situated there. This is also an important junction for the Mathabatha-Mafefe-Tzaneen Ivory tourism route. A shopping complex will serve as anchor project for development of the area and may relieve the people of Mafefe, Mathabatha and Atok mine from traveling more than 30 km and 60km to Lebowakgomo and Burgersfort or even more than 100 kms to Polokwane.

4.7.6 Economic linkages

The inputs into the trade industry relate mainly to the products that are sold by traders. Formal traders, particularly those located in Lebowakgomo, are to a large extent part of chain shops, with products obtained mainly from Gauteng. Other smaller formal traders obtain the products they sell from wholesalers in activity centres such as Polokwane.

As discussed above, informal trading is to a large extent focussed on agricultural produce, which is obtained from the local farmers and farmers in the surrounding municipalities. Other products sold by informal traders, particularly in respect of non-food products, are sourced from wholesalers in Polokwane.

The forward linkages of the trade sector are again the products which are sold to customers. In the rural areas, trading is undertaken on a small scale only, with products being sold to the public and very locally (i.e. to the surrounding communities). However, some informal businesses located on the main roads with the municipality are also to a limited extent able to capture some of the through traffic.

Larger businesses, which are mainly located in Lebowakgomo, also do not have a very large off-set market. However, as Lebowakgomo is one of the larger urban areas in the municipality, products are not only sold to the immediate surrounding population, but also attracts people throughout the municipality. Very few retail products are sold outside of the municipal boundaries.

4.7.7 Development potential and potential projects

Growth in this sector is determined by disposable income, exports and tourism. Disposable income can be increased through job creation and exports to enable the municipality to produce at higher levels than the limitation of local consumption. Tourism is the third area of intervention to promote local economic development in the trade, accommodation and catering sector.

Being the seat of the provincial legislature, as well as host for all Sekhukhune District provincial sector departments as well as some Capricon district departments, opportunities for retail and services business are vast.

Given the strong agricultural sector in the region and the fact that many of the agricultural inputs are sourced from outside the municipal boundaries, opportunities arise for the trade of these inputs. This includes inputs such as fertilisers, pesticides, machinery and seeds or seedlings. Many of these inputs are obtained from Polokwane nearby, but could be sold within the municipal area, which gives the advantage of being easier accessible and closer to the farming areas.

Traders in the municipality currently buy their stock from wholesalers in the larger activity centres such as Polokwane, as there is a shortage in wholesalers in the area. A limiting factor to the development of further wholesale activities of the municipal area is the proximity and easy access to the well established trade sector in Polokwane, which would generate a high level of competition. Potential projects in this sector are shown in the Table below.

Table 4.47 Potential retail and trade projects

Development Potential	Potential Projects
Existing strong agricultural sector	Trade of seed, seedlings and fertilisers Trade of pesticides Trade of packaging materials Trade of specialised machinery
Formal sector - Wholesale & retail development	Expand retail sector Establishment of wholesale outlets
Informal sector	Development of informal trade strategy
Tourism related business	Development of arts and crafts markets Development of further accommodation facilities Development of conference facilities

4.7.8 Summary of business profile

The business survey was aimed at capturing a representative sample of local businesses, with the results giving a good indication of the types of businesses in the municipality in terms of formal and informal businesses, the products sold and services provided by local businesses, as well as giving an overview of their clientele and the main suppliers.

The sample of local businesses represented mainly informal businesses, with 86% of respondents indicating that they were single businesses with no linkages to other branches to support their businesses. This is also reflected in the employment levels, which showed that more than 51% were owner-run businesses without any other employees. Both these indicators are linked to the largely informal nature of local businesses surveyed in the municipality. Almost 40% of businesses surveyed do, however, provide employment for between 2 and 5 permanent members of staff. Business that indicated higher employment levels are mainly concentrated in larger and more urban centres of the municipality.

The majority of businesses surveyed fall within the retail sector (71%), many of which are related to the sale of fruit and vegetables. This is particularly true for the informal businesses. Other popular businesses include supermarkets, general dealers and the sale of food.

With regard to client sectors, the overwhelming majority of the businesses serve the public (98%), with almost 93% of local businesses relying on the population in the surrounding areas.

The main supplier sectors are that of wholesalers, as well as the agricultural sector and the retail sector. The agricultural sector is particularly of importance for informal traders, who mainly sell fruit and vegetables, given its abundance in the municipality. Nonetheless, more than 50% of supplies are sourced from outside the municipality, but within the same District. This is especially the case for the formal businesses in the larger centres of the municipality.

Respondents indicated that the most important locational advantage is proximity to a main road, followed by the large client base. Both these aspects relate mainly to the informal market. Disadvantages in terms of where businesses find themselves, is a perceived lack of support from the municipality, as well as a lack of shelters to trade from.

The majority of local businesses surveyed indicated that turnover in the last 3 years had increased (59%). Turnover sales for businesses in the municipality are for the largest part quite low, with the largest proportion of businesses showing an annual turnover of less than R20 000. Employment rates and business space remained largely unchanged.

Regardless of the trends experienced over the past 3 years, local business owners remain optimistic about the future of their businesses, with the largest proportion of respondents expecting to see an increase in turnover and employment over the next 12 months. Businesses, however, do not anticipate seeing changes in the physical space that their business occupies.

4.7 Development constraints

Constraints identified by different role players in terms of barriers to the expansion and development of key economic sectors within Lepelle-Nkumpi Municipality include the following:

- **Land claims:** nearly half of the land contained within the boundaries of the municipality is currently the subject of land claims. The process of land claims is a lengthy one and has as yet not been resolved by the Land Claims Commission. This creates uncertainty with regard to existing commercial farmers and their ability to expand or employ more people, but also creates an uncertain climate that deters investment in the area.
- **Lack of funding or financial support and institutions:** large areas of land are registered in the name of the state and under the custodianship of traditional authorities. As such, small farmers are farming on communal land, to which they cannot get title deed, but only have permission to occupy. Farming on communal land precludes small farmers from obtaining financial support through commercial institutions such as banks, which prevents these farmers from expanding their farming enterprises or obtaining the necessary insets such as specialised machinery. Furthermore, access to funding, even for minor, necessary improvements to public and private sector products in the tourism industry, is extremely difficult to secure. Financial institutions are also lacking. This constrains the effective operation of local businesses, and also results in spending of money outside of the municipality, as residents conduct multi-purpose trips, combining trips to banking facilities with major shopping in the areas surrounding these financial institutions.
- **Proximity to Polokwane:** While the proximity of the larger activity centre of Polokwane is advantageous in some respects, it does somewhat constrain the development of the business and services sectors in the Municipality. Due to the good transport linkages, easy access and close proximity of Polokwane, large and well-established suppliers and support services are within easy reach of farmers and other industries in the Municipality, creating the perception that there is no further need for the development of these facilities locally.
- **Lack of skills:** The majority of the labour force in the Municipality has no, or very limited basic skills, necessitating on-the-job training. Training is particularly necessary in the further processing of fruit, vegetables and in the mining industry, which requires somewhat higher skills levels. The lack of these skills largely constrains the further development of manufacturing, and agro-processing and mining industries in the municipal area. Furthermore, subsistence and small-scale farmers lack the skills required to not only effectively produce their products (i.e. farming practices, disease, fertilisation etc.), but also the business skills to develop their farming enterprises into viable, profitable and sustainable businesses. In this respect, there are particular gaps in terms of the transfer of skills and mentorship from successful business people to entrepreneurs and small business owners. Lack of skills in the tourism sector is also evident,

and there is no practical support is given to emerging tourism entrepreneurs or SMMEs in terms of pre-feasibility, feasibility, business planning and management of tourism enterprises.

- **Access to markets:** Most of the small-scale farmers and manufacturers do not have access to the larger markets outside of the municipal area, or even their respective villages. This forces them to sell their products to the local communities and prevents the expansion of their businesses. Access to markets for small-scale farmers is further constrained by accessibility issues and the poor condition of roads in the remote rural areas.
- **Lack of water and other infrastructure:** A further constraining factor is the lack of water. Many of the small-scale farmers are located alongside perennial rivers, but a large proportion of farmers are located away from these rivers. The water supply is not sufficient in terms of irrigation and many small-scale farmers therefore rely on dry-land farming. Furthermore, the main agricultural products only naturally occur in the southern parts of the municipal area and agricultural production and expansion would therefore not be viable development options for the northern areas of the municipality, which have a drier climate. While the municipality presents such vast opportunities for local economic development, the challenge is the underdeveloped infrastructure which undermines the maximum exploitation of these opportunities by both local people and foreign investors. Lack of/poor infrastructure such as water, electricity, sanitation facilities, communication facilities and roads in most parts of the municipality prohibit development and growth of SMMEs in the area.
- **Lack of tourism infrastructure, marketing and awareness**: Lepelle-Nkumpi currently does not have large range of accommodation, conference or tourism facilities, which hampers the development of the tourism sector in the municipality. Lebowakgomo is somewhat remotely situated and does not have much to offer as a place to stop for refreshments or supplies. There is also currently no tourism strategy in place for the Municipality which can effectively identify projects and monitor its progress. The municipality is also effectively marketed as a tourism destination. There are also very low levels of awareness regarding the tourism industry amongst local communities, which results in communities not fully understanding the value of the tourism industry, not generally having a positive and friendly attitude towards visitors, and not being aware of what opportunities the industry presents in terms of SMME involvement.

The above comprises the main, but not only, constraints hindering economic development in the Municipality. Apart from identifying development opportunities and projects to facilitate economic growth and job creation, these issues need to be addressed in order to ensure the successful implementation of an economic development strategy.

4.9 Development opportunities

The following key development opportunities exist in the municipality:

- **Natural resource base:** Lepelle-Nkumpi has a natural resource base that consists of agricultural products. The development potential in the agricultural sector of the Municipality is contained in the expansion of the production of existing products in the region, particularly citrus, vegetables and livestock. In the northern parts of the municipality, which tends to have a drier climate, potential for development lies in livestock and game farming, which generally fair well in other areas of Limpopo. While land claims are associated with some level of uncertainty, the transfer of land to local communities could create opportunities for development of the land for farming enterprises, or for tourism-related enterprises such as conservancies, game farms, accommodation and other tourism activities. Furthermore, much of the land set aside for conservation could be developed with innovative tourism attractions, especially if the new land ownership regime will require that the land becomes more productive. There are several government-owned irrigation schemes that are operating considerably below potential. There is also extensive land and buildings for broiler farming that is not being utilized.

- **Agro-processing and cluster development:** Opportunities also exist in the Municipality, mainly in relation to the establishment of new industries, and expanding of existing enterprises, that are focussed on the beneficiation of the existing agricultural products. There are a considerable number of LED opportunities in Agri-Business projects that could contribute substantially to the economic development of the area. Apart from value-adding activities to these products, there are also opportunities for the development of handling plants such as washing and packaging of fruit and vegetables. Customised factories for meat and hide processing that are currently vacant in the Lebowakgomo Industrial Park create the opportunity to participate in cluster development for meat production. Such a cluster could incorporate broiler and cattle feed production, livestock farming, slaughtering, processing, packaging and marketing. The cluster development concept should also include specialist skills training for local activity requirements and services to provide the necessary maintenance and support.
- **Mining and Manufacturing:** The processing of raw materials from mining will contribute significantly in expanding the manufacturing sector within the Municipality. The agglomeration of these activities will result in economies of scale and that would increase both economic development and employment opportunities. The platinum and diamond mining activities at Lebowakgomo and Zebediela could create opportunities for SMMEs. Negotiations with mine management would be required to unlock such opportunities. The Dilokong Corridor that extends through the municipal area is a development priority for provincial government and creates a range of opportunities for local economic development and support.
- **Existing skills**: Opportunities for development can also be found in existing local skills in the municipality. In this respect, it has been indicated that skills exist in beadwork and pottery. In some instances, raw materials such as clay can also be sourced locally. This creates opportunities for the development of co-operatives, as well as linkages with other sectors of the economy such as the tourism industry.
- **Retail and services:** Given the strong agricultural sector in the region opportunities arise for the trade of agricultural inputs. This includes inputs such as fertilisers, pesticides, machinery and seeds or seedlings. The development of the retail and services sectors should also be focussed on serving the needs of the local residents and business support should be provided to ensure the development of viable and sustainable businesses.

- **Tourism development:** Tourism opportunities in the Lepelle-Nkumpi Municipal Area are vast. The Zebediela Citrus is one of largest citrus farms in the Southern Hemisphere. 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 readily available to the public of South Africa. The Downs and Lekgalameetse Nature Reserves are located adjacent to the Wolkberg Wilderness Area, while the Bewaarkloof Nature Reserve is located to the west of the Wolkberg Wilderness Area. The biggest opportunity for development in the tourism industry is based on these nature reserves. The effective packaging, commercialisation and merging thereof could generate the opportunity to establish the Municipality as a tourist destination. Opportunities also exist for the promotion of adventure tourism in the Strydpoort mountains. Such activities could include mountain-biking, mountain-trekking, caving, rock-climbing and rope work etc.

5. LOCAL ECONOMIC DEVELOPMENT FRAMEWORK

5.1 Introduction

The purpose of this Section is to set out the framework, which will guide economic development within Lepelle-Nkumpi Municipality. The framework provided in this Section sets out the shared vision as well as the strategic direction for the Lepelle-Nkumpi Municipality, in order to enable the facilitation of economic development in both a coordinated and structured manner. The framework is built on the competitive and comparative advantages of Lepelle-Nkumpi and is aimed at enhance these advantages for the benefit of the community.

The opportunities identified in the previous section are grouped into thrusts. Within these thrusts, numerous programmes have been identified which concentrate the attention on specific areas of development, which support the overall goals set by the thrusts. Each programme further comprises specific development projects, as well as the facilitation issues that need to be addressed. The projects and facilitation actions are aimed at enabling the Municipality to achieve the targets set by the development programmes and thrusts.

The framework was presented to the relevant roleplayers and stakeholders (a list of workshop attendees and other consultations is included as Annexure A). Changes and additions to the thrusts, and programmes were made, and the most relevant and effective thrusts and programmes were prioritised.

This section, therefore, provides the framework as a set of thrusts, programmes for development, projects and development facilitation requirements identified in order to allow the expansion and growth of the Municipality's economy.

Within this Section a description of the thrusts, programmes, projects and facilitation, issues that support each thrust are provided as well as programme prioritisation.

A Thrust is defined as: "Planned actions aimed at creating impetus and a critical mass in the local economic environment in order to generate momentum in the economy".

The thrusts formulated as part of this framework are based on the current economic situation the Municipality finds itself in and is aimed at building on the existing strengths and exploiting the unique opportunities presented by the local economy and the specific physical and demographic environment of the Municipality. The Thrusts therefore enable an integrated approach towards drawing on the identified opportunities. The thrusts also enable projects and initiatives to be linked to the different thrusts identified, so as to enable a more focussed and coordinated approach to economic development.

The steering committee highlighted that the crucial components at the most basic level include issues such as the expansion of economic infrastructure, transport, improved institutional capacitation and good governance. The steering committee have also noted that while these have a role to play in ensuring that effective economic development takes place, these matters are considered to be supportive elements that will not, of its own, result in the expansion of the economic base and have, therefore, not been included in the Thrusts. The thrusts identified in this framework focus on the actual unique opportunities in the Lepelle-Nkumpi where the potential for development and growth lies.

The key Thrusts identified for the Lepelle-Nkumpi Municipality, in order of prioritisation are:
- Thrust 1: Local business support and stimulus
- Thrust 2: Restructuring and diversifying rural economic base
- Thrust 3: Agriculture sector expansion and promotion of local value adding
- Thrust 4: Mining sector expansion and promotion along value-chains
- Thrust 5: Tourism development and promotion

The above Thrusts encompass the following main objectives of development for Lepelle-Nkumpi Municipality:
- To develop rural economies & support the establishment and growth of SMME's
- To expand local human resource development in order to capacitate local residents to partake in local economic activities.
- To stimulate value-adding activities related to the agricultural sector
- To stimulate value-adding activities related to the mining sector
- To establish Lepelle-Nkumpi municipality as a tourism destination
- To confirm the agribusiness, manufacturing, mining and tourism significance of the area, and the need to provide a secure future for ongoing industry development and investment
- To become resourceful in creating a sustainable municipality in capacity building for all the sectors and providing sustainable employment opportunities
- To provide projects which can be implemented in Lepelle-Nkumpi Municipality for the purpose of creating economic growth and development.
- To exploit and improve the existing facilities and infrastructure available within the municipality

The guiding components utilised in the development of the framework are described hereunder.

The needs of the communities in the Lepelle-Nkumpi Municipality were identified and translated into priorities to be address by the programmes of this strategy. A focus was also placed on developing areas of current comparative advantage within the Municipality. The expansion of areas of current comparative advantage was designed to reduce the comparative disadvantages that face the economy currently.

All of the programmes and projects that are to be implemented must be guided by employment creation and labour intensity as their ultimate goal. The programmes were also designed with the aim of aiding the improvement of income distribution in the Municipality. The economic as well as the social and environmental impacts of development need to be taken into account. Accurate assessment of these impacts prior to the implementation of any programme must be undertaken to limit the irresponsible application of resources, both financial and environmental. The programmes were designed with the aim of making the Lepelle-Nkumpi Municipality's economy more sustainable in the medium and long term.

Economic empowerment is also an integral part of South Africa's transformation process, thus the framework is also focused on encouraging the redistribution of wealth and opportunities to previously disadvantaged communities and individuals, including blacks, women and people with disabilities.

The framework is also focused on improving the efficiency, i.e. the rate at which work (or a specific task) is completed as well as the effectiveness, i.e. the improvement of the relationship between the outputs and the inputs and energy required to perform a specific task.

The remainder of this Section gives a more detailed description of the thrusts, programmes and specific projects, which jointly make up the local economic framework. While the Thrusts described set out the broad goals towards which development should be aimed, the specific opportunities and strengths identified in the Municipality are pulled through to more focussed development aspects, as set out in the Programmes. These elements of the Framework are captured in the Table below.

Table 5.1 Thrusts and programmes

Thrust 1: Local business support and stimulus	**Thrust 2: Restructuring and diversifying the rural economic base**	**Thrust 3: Agriculture sector expansion and promotion of local value adding**	**Thrust 4: Mining sector expansion and promotion along value-chains**	**Thrust 5: Tourism development and promotion**
PROGRAMMES	**PROGRAMMES**	**PROGRAMMES**	**PROGRAMMES**	**PROGRAMMES**
Local marketing and promotion of investment opportunities	Capacity building, mentorship, skills training, and youth development	Expansion and diversification of existing agricultural products	Development of joint ventures in mining operations	Creation of clearly identifiable and unique tourism products

Thrust 1: Local business support and stimulus	Thrust 2: Restructuring and diversifying the rural economic base	Thrust 3: Agriculture sector expansion and promotion of local value adding	Thrust 4: Mining sector expansion and promotion along value-chains	Thrust 5: Tourism development and promotion
Establish entrepreneurial and small-business support structures	Social capital renewal and improved access to external markets	Agro-processing industrial development	Mineral beneficiation and processing	Development of tourism associations and promotion of tourism
Industrial strengthening and trade development	Sustainable farming practices for emerging farmers and youth	Agricultural service and product development	Mining service and product development	Arts and crafts development and promotion

As can be seen in the above Table, there are five thrusts, each have a number of supporting programmes.

The following sub-sections details upon the programmes associated with each of the five thrusts and all of the projects and actions associated with each of the programmes.

5.2 Thrust 1: Local business support and stimulus

The objective of this thrust is for the municipality to diversify and expand existing businesses in Lepelle-Nkumpi through business support and networking and to stimulate the development of new businesses.

It is necessary for the Municipality to market itself as an attractive investment location for larger enterprises to establish offices or industries in Lepelle-Nkumpi, which in turn can create further job opportunities and spin-offs for local people and increase investment and economic growth in the Municipality.

It is however, also important that existing local businesses be supported in their development and growth and that the development of new SMMEs be stimulated. Many local businesses experience constraining factors such as lack of business and financial management skills. The Municipality should therefore provide support in the provision of skills training related to all of the sectors in the economy. Support should also be given to small local businesses in gaining access to capital and financial sources. Local businesses should also be supported through mentorship programmes, whereby practical knowledge can be transferred from experienced business owners to entrepreneurs.

The following programmes have been identified under the local business support and stimulus thrust:

- Local marketing and promotion of investment opportunities
- Establish entrepreneurial and small-business support structures
- Industrial strengthening and trade development

5.2.1 Local marketing and promotion of investment opportunities

The municipalities LED unit together with their internal communication and marketing division should work together with regards to marketing and promotion of the investment opportunities in the area. Marketing of the opportunities provided in this LED strategy through a dedicated LED marketing plan is necessary to enable maximisation of the benefits of the LED strategy to the Lepelle-Nkumpi Municipality.

The municipality should target outside investors through various forms of advertising, place marketing and industry specific marketing programmes. These programmes should be intended to attract outside investment into the Municipality either through financing or the attraction of new larger scale businesses.

The aim of this programme is for the municipality to make the public, potential businesses, start-ups, etc aware of the opportunities identified within this LED and the benefits of these. This programme will thus focus on the municipality creating awareness of the potential opportunities that have been identified in this LED strategy that would be implemented within that calendar year, as well as any related programmes being implemented by support agencies during that timeframe.

The municipality should publicise and distribute the LED. This would be relatively quickly and easy with limited staff time and is a useful way of getting existing businesses involved in the LED process. Examples of LED publications include publication of the complete LED strategy, community brochures, printing of the economic profile, developing a business directory, etc.

Lepelle-Nkumpi also has a diverse and rich mineral potential that is the basis of forming a strong and sustainable mining industry cluster. The existing mineral resources are conducive to supporting both small scale and large-scale mining projects, however the exact nature of the mineral resources is currently unknown and there is a need to attract prospectors to the area through marketing of the mineral resources. This however requires knowledge of the ownership of the mineral rights, etc, attending mining summits, etc.

The fragmentation found within the tourism sector, does not allow the full potential of the destination. It is thus vital to strive towards an acceptable level of institutional infrastructure (see tourism related thrust) that will allow all development and marketing opportunities to be optimised. As far as marketing of the tourism, potential is concerned as well as, it is necessary to note that all private sector operators have their own marketing strategies that are aimed at their own individual and specific target markets. What the private sector needs is an effective and sustained destination marketing campaign funded by both local and Provincial Government and constituted in such a way as to ensure synergies between the corporate and generic strategies and those of the private sector. It is essential to make use of electronic technology that is replacing many old and familiar marketing tools such as maps, guides, brochures and even signposts. Tourism marketing should be done in association with the proposed Capricorn District Tourism Company, which is to be formed, to actively promote the vibrant cultural, heritage, sports, festivals and other events and attractions.

The Municipality should also undertake events, which can focus favourable attention on the Municipality as a location, which offers valuable investment opportunities. Events could include agricultural expositions supported by joint ventures with large commercial farming enterprises such as Zebediela.

In terms of industrial development, the location of the Municipality in relation to other nearby major economic centres should be marketed as a specific benefit enjoyed by the Municipality.

Some of the identified markets include: communities, government, visitors, new Business, new residents, youth, women, SMMEs, cooperatives, business districts in Limpopo, other provinces in S.A, SADC, Africa and global. Some of the identified media and promotional material include: web (online, SMS, central reservation system), print (maps, directories), video, audio (radio), call centre, etc.

Attractive investment incentive packages need to be considered as part of the marketing, such as tax incentives, etc. Some of the forms of incentive schemes available include:

- Income Tax Holidays
- Additional Deduction for Labor Expenses
- Tax Credit on Domestic Capital Equipment
- Tax Credit on Taxes and Duties on Raw Materials and Supplies
- Rate rebates (or discounts) provide on-going financial recognition of numerous efforts on behalf of the wider community. In return for a reduction in rates, a mentor for instance could agree to provide ongoing mentorship, etc.
- Grants: grants (or annual cash payments) are a direct financial incentive and can be linked to other mechanisms such as management agreements and rate relief, or to non-financial support such as training.
- Local Award Schemes: Recognition of efforts such as "National Awards for Innovation and Excellence in Local Government" recognises achievements by Local Governments in various areas.
- Training, Technical Support and Materials: These are important motivational incentives and may or may not be linked to financial incentives (eg, as a requirement for participants in a rate rebate scheme). Educational materials, tailored to local needs, can form part of training ideally taking place on their properties. Training could also include self-assessment and monitoring techniques. The provision of materials and other assistance (eg, loan of equipment, access to databases) are important incentives.

Development facilitation matters identified to ensure the success of this Programme include:

- Develop unique and competitive investment incentive packages
- Undertake poster campaign to entice start-up in projects identified
- Undertake investment attraction and LED marketing drive to create awareness of investment opportunities identified in the LED
- Undertake joint ventures with Zebediela to host agricultural expositions
- Facilitate improved communication and cooperation with other local municipalities and Capricorn District to undertake a sustained destination marketing campaign
- Attend annual, provincial and national mining summits
- Undertake industrial expos and Lobby DTI to accredit expos
- Undertake 'Buy local' campaigns assisting marketing and consumption of local products

5.2.2 Establish entrepreneurial and small-business support structures

This programme is designed to help a community's existing businesses survive and grow. In essence, the programme involves determining the development needs of local businesses and finding ways to meet those needs. Existing businesses within Lepelle-Nkumpi are in need of the municipality to: build relationships, demonstrate and provide community support, address urgent business concerns and issues, improve communication between the community and local businesses, retention of businesses and jobs where there is a risk of closure. It is also important for the municipality to interfere in the market place and assist in the long-term in increasing the competitiveness of local businesses, job creation and new business development (through marketing of the opportunities and attraction of new businesses), and implementing the strategic actions for local economic development as identified in this strategy in order to assist in creating a strong viable local economy. The key essence of this programme is that businesses that stay competitive are more likely to remain and expand in the community.

In order to assist existing businesses (as well as attract new businesses) various business support structures need to be in place, such as assistance in developing business and marketing plans, building management teams, obtaining capital, and access to a range of other more specialized professional services, as well as providing flexible space, shared equipment, and administrative services to the participants. Many of these services are currently provided by service agencies such as LIMDEV, LibSA, and SEDA etc. However, scope exists for the improvement of support services.

Co-operatives, small businesses as well as existing larger businesses need various forms of support including financial support, mentorship, access to information, skills training and access to networking opportunities. The municipality should develop incubators that could function as a point of contact between existing support service agencies and local business owners as well as local entrepreneurs and co-operatives. Incubators are catalysts in the process of starting and growing companies and provide entrepreneurs with training, access to expertise and networks as well providing the tools they need to make their ventures successful. Business incubators provide services such as professional management, secretarial staff, office equipment, legal advice, financial contacts, and access to mentors. Once the company has grown enough to obtain financing and face the real world, they move out. It is important to note however that a business incubator is intended to be a program of support rather than simply a building that houses SMME's.

It is furthermore extremely important that government institutions set the example of using SMMEs through procurement policies and encouraging the private sector to do the same. Local procurement is simply a commitment made by the local authority to buy and hire locally. 'Buy local' campaigns are similar except they target consumers and businesses, encouraging them to buy local products. The municipality should be directly involved in this initiative by ensuring local procurement within the municipality as well as negotiating local procurement with larger public and private institutions.

Consultations with local stakeholders revealed the need to improve the access that local business and entrepreneurs had to the existing services offered by existing support structures. The realisation of this programme would thus require determining the extent to which business support centres serve the local businesses, identify the gaps in the services that business support centres provide, centralise access to services provided by support agencies, ensure that the services are equally accessible to all the communities within the municipality.

Tender support services should also be put in place to give local SMMEs access to tender opportunities and to provide assistance and advice on the tender processes. Networking is an important business tool, which allows small businesses to share information on current trends and new technologies and to work together to find solutions to the problems faced by local businesses.

The development of local partnerships and joint ventures should also be encouraged between the private and public sectors. Networks should also be established to link not only local suppliers and clients, but also to provide linkages between different sectors of the economy.

Entrepreneurs also experience constraints in access to start-up capital and financial resources to support and grow their small businesses. At the same time, a number of national, provincial and private sector initiatives have been set up and include initiative such as the Khula micro credit outlets and retail financial intermediaries, the IDC and Land Bank, which provide from small loans to large loans. Private-public partnerships such as the FNB Momentum partnership with the Umsobomvu Youth Fund are also available in providing financial support to SMMEs. However, many entrepreneurs are largely unaware of these resources and it is therefore important that a financial resource database is developed in the Municipality. This information should also be disseminated to local entrepreneurs, particularly in the rural areas of the Municipality.

A further constraining factor is the fact that, where local businesses are aware of financial resources, they do not know how to apply to gain access to funding. The Municipality should therefore support local businesses by providing assistance in the preparation of business plans and other documents required in order to access finance, as well as providing assistance in the lobbying of and negotiation towards securing the funding required for the development and growth of SMMEs. Linkages should also be forged with larger private sector enterprises which are willing to provide financial support as part of their social responsibility policies and programmes.

The projects supporting the achievement of this programme, are as follows:
- Develop a database of local businesses (business directory)
- Produce financial resource database and distribute information
- Establish a tender, business plan, government incentives, local recruitment support desk/centre
- Establish incubators for small business

The actions requiring facilitation to support this programme, include:
- Facilitate the drawing up of public procurement policies to assist local and emerging businesses (regulatory reform)
- Assist in lobbying of financial sources
- Facilitate business linkages between SMMEs and larger private sector enterprises for financial support
- Facilitate the development of sectoral discussion platforms to facilitate group learning activities, explore joint marketing and networking opportunities, etc
- Initiate business visitation, customer care and information dissemination to support local emerging businesses
- Establish and support recruitment service linked to local farmers and businesses

5.2.3 Industrial strengthening and trade development

The purpose of this programme is to ensure that the economic nodes are effectively strengthened to sufficiently provide in the needs of local communities. Local communities currently travel to larger towns such Polokwane and Mokopane to do their major shopping, with only day-to-day needs being bought from local trade stores.

In order to encourage economic growth of the local economy, it is important the Municipality's existing economic nodes such as Lebowakgomo and Magatle, as well as nodes which are experiencing growth, are stimulated to develop into lively economic centres which provide a wide range of retail goods and services. This will encourage local people to shop locally, ensuring that spending is retained within the local economy, rather than in adjoining Municipalities.

Furthermore, trade development in Lepelle-Nkumpi also needs to be focused on support for the informal sector. The informal sector is comprised of economic activities not recorded and not subject to formal rules of contract, licensing, labour, and taxation. Informal economies contribute directly to poverty reduction by providing the livelihoods of large portions of the population.

In Lebowakgomo, some existing manufacturing enterprises are located in the Lebowakgomo industrial area, however large vacancies are noted. The municipality should negotiate differential rates for services and industrial sites between LibSA and potential industries. This will assist in luring more investors to the area.

The actions requiring facilitation to support this programme, include:

- Facilitate clean-up drives and formalisation of informal trade sector in economic nodes
- Identify retail and service needs through public consultation
- Market economic nodes to attract retail, industrial and wholesale enterprises linked to trade of agriculture inputs (seeds, fertilisers, seeds, etc) and mining inputs
- Facilitate and negotiate differential rates in association with LIMDEV for industrial sites at Lebowakgomo

5.3 Thrust 2: Restructuring & diversifying rural economic base

The objective of this Thrust is to create improved urban-rural linkages by broadening the economic base of rural areas.

The population of the Lepelle-Nkumpi Municipality is predominantly rural with 88% of its population living in either Tribal settlements or farms, and only 12% living in urban areas. The majority of the residents of the rural areas are currently unemployed and rely on subsistence agriculture.

This Thrust is thus aimed at utilising, and enhancing the natural and human resources needed to make long-term improvements in rural living conditions, provide jobs and income opportunities. This thrust thus seeks to enhance inherent wealth generating capacity and employment opportunity in the rural areas. The rural areas are less diversified than their urban counterparts. Improving the linkages between the first and second economy is crucial for ensuring sustainability of both the rural and the urban areas.

Restructuring and diversification of the rural economy requires networks between the human, financial, and manufactured resources in urban areas and the community-managed natural resources in rural areas.

The sustainability and growth of many small businesses in the Municipality is also inhibited by the lack of access to markets outside of the municipal boundaries. This is particularly the case in the rural areas, where communications and transport infrastructure is lacking.

Education, skills development, and associated support should also stretch into these areas.

The following programmes have been identified under the second economy integration thrust:

- Capacity building, mentorship, skills training and youth development
- Social capital renewal and improved access to external markets
- Sustainable farming practices for emerging farmers and youth

5.3.1 Capacity building, mentorship, skills training and youth development

During the surveys of local businesses undertaken, it was identified that many businesses do not possess the skills to effectively manage their business. Lack of business and financial management skills is a major constraining factor and it is important that these skills shortages are effectively addressed to ensure the sustainability and growth of local businesses. A clear lack of skills in mining is also noted, which is why a large amount of persons from outside the municipality are employed in the mining sector. A lack of tourism, agriculture and business management skills is also noted. Training programmes should therefore specifically address these shortcomings. It will be the responsibility of the municipality to identify specific skill shortages and to inform the relevant training institutions of these. For instance the further education and training colleges (FET colleges) need to be informed of the type of skill requirements in the area. This will enable them to provide targeted training in the area.

The Municipality should also encourage and facilitate the development of relevant training programmes, which develop skills in particularly the agricultural, manufacturing, and tourism-related sectors of the local economy. The curriculum of local schools, colleges and training facilities should also be reviewed to ensure that the skills developed are practical and relevant. In this respect, accredited training agencies should be utilised in providing entrepreneurs with learnership and training opportunities.

Workforce skills are vital to competitiveness. The higher the skill level of the community, the more capable in adopting and adapting new or innovative practices and processes and to generate new firm growth. This programmes is designed to ensure that the process of strengthening the agricultural base, tourism sector, mining sector expansion, diversification with the rural economy, as well as the broadening of the economic base, is supported by the development of human capital.

The need for flexible learning centres and mobile learning facilities also need to be examined. A skills training centre also needs to be investigated. A skills training centre is a facility that works in partnership with businesses and the community to provide access to education and training in various fields, conduct programs to assist the creation of employment opportunities and make available a job bank network for the community (thus linking up with the support structures from the previous programme).

Education, awareness and training related to tourism are primary responsibilities of Government. The stimulation of environments that are 'safe, clean and friendly', and that have the necessary 'seduction' values to attract flows of visitors can only be achieved if all local population groups are vitally aware of the values of the tourism industry and what part they can play in creating the necessary culture of friendliness and hospitality. Education programmes that include tourism and the environment should be in place at all primary and secondary schools and especially in those towns and villages that are within or close to major attractions or tourist destinations. Training is a function of both the private sector and Government but the highest priority at the present time is to select and train persons who can act as site guides. The interpretation of local nature, history and culture is an integral part of the tourism experience and yet there are a very limited number of guides trained to conduct visitors around villages or sites of tourism importance. The main problem is one of cost as the majority of young people wanting to secure guiding jobs are not able to afford the costs of receiving accredited training. It is necessary to ascertain whether the colleges, both FET and private, are offering travel and tourism courses that are fully relevant to the needs of the local industry. Awareness workshops, supported by various materials, amongst all rural communities where it has been noted that some tourism development potential exists need to be held. Evaluate how existing colleges could adapt their travel and tourism curricula to be more relevant to the needs of the industry and conduct an audit amongst all operators to determine training needs.

It is also vitally important to encourage youth to remain in Lepelle-Nkumpi. The municipality should liase with Nafcoc, and other organizations, to promote co-operatives, mentoring and job sharing opportunities for trained professionals and skilled workers, and for students in high schools and colleges.

Local businesses also expressed the need for mentorship from experienced businessmen in their fields to assist in the management, growth and expansion of their businesses. A database of business mentors should therefore be developed to allow local entrepreneurs access to networking opportunities. A mentorship programme should also be developed in consultation with NAFCOC, the labour council, and other organisations such as local businesses, social agencies, and students from colleges and high school and internationally trained professionals and skilled workers. Creating networks is also another important business tool for small and medium sized companies to work together to boost their bottom line. It would be important to ensure that larger companies outsource procurement of goods and services, undertake market development initiatives that work closely with buyers and agents to develop SMMEs, co-ordinate with LibSA to compile data base of emerging farmers, small business, and youth in need of mentorship and companies, individuals, and retired business persons willing to provide mentorship. The business support centres should co-ordinate meetings of mentors and those desiring mentorship. It would also be vital to ensure that commercial farmers become mentors for emerging farmers, and large-scale mining entities become mentors for small-scale mining establishments.

All training programmes should address the aforementioned shortcomings. It would be necessary for a short term solution as well as a long-term solution. In the short-term certification programmes should be provided. In the longer-term bursaries should be provided to interested matric pupils to study mining related courses.

The following Projects have been identified in support of this Programme:

- ❑ Develop database and network of experienced business mentors to support local emerging entrepreneurs
- ❑ Examine the need for flexible learning centres and develop mobile learning facilities
- ❑ Develop a skills training centre

The actions requiring facilitation to support this programme, include:

- ❑ Negotiate improved practical training programmes, technical subjects, and business and financial management skills at local schools, training facilities and FET college

- Undertake training programmes for interpretation and tour guides
- Facilitate the development of a 'buddy system' to connect youth, entrepreneurs and SMMEs to mature and commercial local companies or retired mentors in association with Libsa, NAFCOC, labour council, and social agencies
- Facilitate the development of an annual youth entrepreneurship competition
- Facilitate rural enterprise support network providing facilitation and advice
- Liaise with educational institutions to promote career opportunities and host annual job fairs focused on local opportunities to encourage graduating students to obtain local jobs or develop local businesses
- Facilitate the provision of study bursaries to matriculants interested in mining related fields

5.3.2 Social capital renewal and improved access to external markets

Local rural businesses mainly serve their immediate local communities, due to a lack of access to wider markets. The businesses are often located in remote parts of the rural areas and are hence located far away from larger markets, particularly in respect of their accessibility. The business surveys revealed that this mostly resulted in curbing the growth potential of local businesses and emerging farmers in these areas. Lack of communications and transport infrastructure thus puts these rural based enterprises out of reach of the external markets.

The purpose of this programme is thus to address this lack of infrastructure to reduce the distance to the market place. However lack of information in respect of new and emerging markets, the latest technology and business support services is also not effectively accessible and distributed to all the areas where it is most needed. The municipality should thus organised that rural outreach and targeted visitation programmes get implemented.

Physical accessibility to larger markets is also a constraint to businesses and small farmers in rural areas, due to their remote locations and poor road infrastructures. The majority of produce produced by emerging farmers is highly perishable. Currently emerging farmers are not able to receive good prices for their products due to the fact that the product often gets damaged and/or spoil in transit. Additionally, the cost to an individual farmer of renting a refrigerated truck, to prevent this damage in transit is prohibitively expensive. One solution to these constraints is to facilitate the development of SMME's that will lease space in a truck to farmers (or groups of farmers). Truck-pooling could for instance serve a number of farming enterprises, providing improved access to markets, as well as creating opportunities for the development of transport related co-operatives or SMMEs. Linked to the truck-pooling is the establishment of centralised collection points in village areas. The aim being to increase the incomes of local emerging farmers by decreasing spoilage of their produce and reducing their transport costs, and increasing access to external markets.

Furthermore, smaller businesses are not always able to secure large contracts individually, as a result of their lacking capacity to fill larger orders. This results in the business being limited to expand. Small businesses need to be encouraged to form cooperative entities, so that they can jointly bid for larger tenders. Support should also be given in terms of negotiating linkages and supply or service contracts between SMMEs and larger enterprises.

Another major shortcoming noted is the lack of financial institutions in the rural areas. This does not only constrain the optimal running and expansion of local businesses, but also encourages spending in other economic centres.

It is also important to address not only the external linkages but also the social issues faced by rural youth (such as drug and alcohol abuse, teenage pregnancy, etc), through social capital mostly focused on addressing particular forms of exclusion and invigorating support linkages and networks. This includes working with local authorities and other bodies to maintain an appropriate service infrastructure in rural areas, ensuring rural support networks, support the development of community and NGO enterprises, etc.

The National Roads agency has planned numerous projects over the next five years (2004 to 2009) in the Lepelle-Nkumpi area. The Lepelle-Nkumpi IDP also identified various projects to be developed by the CDM during 2006/7 financial year. See Section 4.

Rural transport services must be actively promoted to turn the vicious circle of insufficient transport services and inability to pay for them into a virtuous circle of better transport services that stimulate economic activity and social improvement, leading in turn to easier access and more efficient transport services.

The development potential for the transport sector lies mainly in cargo transport of existing citrus produce in the region and mined products. As the agricultural and mining sector is very strong, transport companies that utilise road cargo can support the local agricultural and mining industries, both in the cargo of raw produce and that of further processed products. It should also be noted that the Dilokong project are proposing the development of a railway line to take goods to Richards Bay and Maputo. The proposed railway line will link Polokwane to Steelpoort. There are however shortages of railway stock and this line will only be developed no sooner than 5 years from now.

In terms of public transport, opportunities for development could include the expansion of existing services to cover larger areas of the municipality, as well as providing services to other larger economic centres such as Polokwane. The expansion of these services would, however, rely heavily on the expansion and upgrading of the local road networks to provide easier access to the more remote settlements of the municipality.

The following projects should be undertaken implement this programme:
- Develop truck-pooling co-operative focused on collection of agricultural produce at central village collection points
- Development of economic infrastructure

The following actions should be undertaken implement this programme:
- Promote improved access to support services and information in rural areas

- Facilitate rural business finance scheme and/or establish savings and credit co-operatives in villages areas in association with LibSA
- Facilitate improved access to communications infrastructure in rural areas
- Examine integrated transport options and promotion of shared transporation of products to and from rural areas

5.3.3 Sustainable farming practices for emerging farmers and youth

More than two-thirds of all farming activity undertaken in Lepelle-Nkumpi is undertaken on communal scale. It is important that speedy implementation of the Communal Land Rights Act be undertaken in order to address security of tenure issues. This programme is targeted at the special needs of farmers. The establishment of stronger linkages between communal, emerging and commercial farmers and drawing the communal farmers into the first economy. These linkages are vital for economic development. However, the communal and emerging farmers in the rural areas face several constraints to develop sustainable ventures. These include a lack of adequate transportation, lack of business management skills, lack of access to external markets, existing levels of small-scale production, lack of access to financing for improvement, and lack of knowledge of existing opportunities.

It is vital that sustainable farming practices become a central feature of the farming activities undertaken in the rural economies. A key aspects facing the agricultural sector in the rural areas is the large percentage of aged persons whom are currently practising agriculture and linked to this the lack of interest of youth to be involved in agriculture. A dire need exists for the development of a farming succession plan. The municipality should communicate this need to the Department of Agriculture. Actions are required that encourage the youth to actively value the gain from being involved in agriculture. It is also important that emerging farmer support includes adoption of training practices that promote economically and environmentally sustainable farming systems.

Another means of providing emerging farmer support is to promote and encourage the development of co-operatives. Several co-operatives have successfully been formed throughout the Limpopo Province within the past few years as an attempt to share transport and capital investment costs. One of the main obstacles to the development of agro-processing of the produce of emerging farmers in the rural areas is the inconsistency of the supply of the raw inputs. The development of producer’s co-operatives would therefore be instrumental. The municipality should play a intermediate role by communicating the opportunities for co-operative creation to communities and ensuring that these communities become aware of support agencies such as LibSA that assist with the formation of co-operatives.

Another constraint faced by emerging farmers is the inability to finance investments in equipment to increase the efficiency of production. The majority of the equipment, particularly harvesting equipment is only needed by an individual farmer for short periods of time. One solution to this constraint would be to set up a concerns that is focused on letting equipment (tractors, ploughs, processing equipment) to farmers for set periods of time from centralised letting depots.

Another way to provide practical hands on training is to develop training plots where participants would come and spend time doing what they would do in the project but under supervision while being given more formal instruction in the evening. These training or demonstration plots are small-scale, short-cycle projects or test projects that prepare the way for replication or expansion.

Public Private Partnerships (PPP) between the existing commercial farmers and the emerging farmers also need to be promoted. This programme should also be aimed at getting the emerging farmers (and mostly women and the youth) involved in part ownership of agro-processing entities in conjunction with commercial farmers. Furthermore, large amounts of land are held under trust for traditional leaders. It is also important for traditional leaders to be targeted to be on board and to understand the dynamics and opportunities on their land. The municipality should intervene in this process by holding workshops for traditional leaders to synthesize them om the impact of their decisions and actions on local economic development.

Linked to the need for support of emerging farmers and the creation of sustainable farming entities, is the fact that nearly half of the area is currently under land claim. This large portion of the land area can therefore not currently be developed. Consultations with stakeholders outlined the need to provide aid to those communities that have received land under the land claims process in order that the land does not become economically degraded and to ensure that sustainable entities are created. There was also a concern that the beneficiaries would not have the ability to access the capital necessary to maintain production at a commercial level. There are also several government-owned irrigation schemes that are operating considerably below potential. In this regard it would be important to liase with the relevant departments for the successful implementation of agricultural projects linked to irrigation schemes. The successful implementation of these programmes requires the integration of efforts from several government departments at various levels as well as support service agencies. There is also a need for the municipality to coordinate these efforts and more importantly to perform skills audit to see what skills need to be developed for beneficiaries of the land in question. The results of skills audits need to be communicated to the department of education, facilitation of access to appropriate skills training needs to be undertaken as well as facilitating access to financing and grants for equipment. Continued support also needs to be provided as well as negotiating contracts to sell goods being produced.

The projects supporting the achievement of this programme, are as follows:

- ❑ Establish agricultural demonstration plots and agricultural schools
- ❑ Undertake cattle branding programme on communal land

The actions requiring facilitation to support this programme, include:

- ❑ Support economic collaboration amongst farmers, especially smaller producers, to form and develop cooperatives
- ❑ Facilitate application and registration of local cooperatives with LibSA

- Facilitate the provision of business support for co-operative, development advice and linkages with intermediaries
- Facilitate in liaison with the DoA the development of succession plans for aged farmers to ensure youth get enticed into the agriculture sector
- Facilitate access to training for seasonal farm workers during off-peak seasons
- Facilitate the development of agricultural commodity associations and link to Provincial commodity associations
- Facilitate the development of public private partnerships between emerging farmers, commercial farmers, traditional leaders, etc
- Facilitate the development of supply/service contracts with local SMME's and agricultural enterprises
- Liase with relevant departments for the successful implementation of agricultural projects linked to irrigation schemes
- Assist the DoA in revitalising dilapidated windmills
- Facilitate farmer support programmes for farmers on successfully claimed land in consultation with DLA and DOA
- Facilitate the review of commonage land policies
- Facilitate the speedy implementation of the Communal Land Rights Act in order to address security of tenure issues

5.4 Thrust 3: Agriculture sector expansion and promotion of local value-adding

The objective of this Thrust is to add value to agricultural activities through establishing local manufacturing and processing plants, which utilise local raw materials and resources as primary inputs.

Lepelle-Nkumpi has significant agricultural development potential, in terms of both horticulture and livestock.

This thrust is aimed at regeneration of the agricultural sector, building upon existing structures, to enable improved efficiency and diversification. Even though commercial pressures bear on the agricultural sector, large numbers of existing producers are likely to seek continued involvement in primary agriculture.

The following programmes have been identified under the agriculture sector expansion and promotion of local value-adding thrust:

- Expansion and diversification of existing agricultural products
- Agro-processing industrial development
- Agricultural service and product development

5.4.1 Expansion and diversification of existing agricultural products

One of the first steps in developing the agriculture sector value chain is the expansion of the raw inputs, namely livestock, and horticultural produce. One of the main ways to expand production is to involve subsistence and emerging farmers into commercial scale production through their involvement in producers co-operatives and growers associations.

This programme is aimed at eliminating or else reducing the barriers to diversifying the agricultural output of the municipality, by increasing involvement in formal sector production as well as promoting the use of new cultivars more suited to semi-arid climates.

With regards to horticulture, the main fruit production in the municipality is citrus at Zebedeila, grapes to the west of Zebedeila, deciduous fruit, avocados, and mangoes. The PGDS identified the potential of citrus and grape cluster in Lepelle-Nkumpi. The potential also exists to develop numerous fruits in the municipality, the most common being: apples, bananas, apricots, dates, kiwi-fruit, peaches, watermelon, grapes, guavas, paw paws, pineapples, plums, strawberry's, sugar cane, and mango. There are also numerous vegetables grown on a small-scale mostly tomatoes, cabbages, onions, peppers, vegetables (excluding potatoes), sorghum, maize, beans and paprika. Tomatoes are mainly farmed along the Olifant's river and around Dithabaneng, Fertilis and Grootfontein areas in Lepelle-Nkumpi. There is also subsistence and small-scale production of butternut, pumpkin, cabbages, onions and pepper mostly in fertilis, Dithabaneng and grootfontein. The crops mostly grown in the Zebediela, Seloane, Ledwaba, Mafefe and Mathabatha area are sorghum, maize and beans. The possibility for expansion and diversification into numerous vegetables has been identified (see previous Section). The most common of these include: coffee, basil, beetroot, beans, carrots, cashew nuts, cauliflower, cabbage, cotton, ground nuts, maize, spinach, potato, tea, tobacco, tomato, and sunflower. Furthermore, tobacco is an important input for organic farming and the climate in Lepelle-Nkumpi is conducive to the farming of tobacco.

With regards to livestock, the, the municipality mostly has goats (of which 98% if farmed on communal basis), cattle (of which approximately 75% is farmed communally), pigs, and sheep (of which approximately 75% are farmed communally). Sheep are mostly only farmed in Thawagane in Seleteng and Ga-Mphahlele area. Goat farming is mostly concentrated around Zebediela, Mphahlele and Mafefe areas. Pigs are mostly farmed on a small-scale in Mamaolo and in Ga-Mphahlele. The PGDS identified a beef production cluster on the northern boundary of the municipality. On the south-west of Lepelle-Nkumpi, which is in the areas around Zebediela, there are broilers and egg layers, the same patches can also be identified on the western border (more to the Mokopane area) and north-western (towards Polokwane) border of the Lepelle-Nkumpi Local Municipality.

There are also various poultry projects initiated by the Department of Agriculture around the Ga-Kekana, Makweng, Magatle and Sekgopokgopong. These projects involve broiling and egg-laying. There's one chicken farm around Ga-Mphahlele on the central parts of Lepelle-Nkumpi, which has 13 chicken farms and only 3 of these are productive. There are currently negotiations around the relocation of this farm. There is one chicken abattoir in Lepelle-Nkumpi, in lebowakgomo which is mainly used for white meat processing. There is also extensive land and buildings for broiler farming that is not being utilised.

The development of agri-villages has also been noted as an opportunity. Agri-villages are places were people reside as communities, which are linked to agricultural opportunities provided within or in close proximity of the agri-villages. The land between villages are mostly used for subsistence farming which consist of cattle farming and dry land crop. Intensive agriculture is practiced in Zebediela. Agro-processing plants may be developed in these villages.

Fish farming has also been identified as an opportunity, and can be multiplied not only within Lepelle-Nkumpi, but also throughout the District and the Province since the demand for fish in the world market cannot be exhausted. DEAT are also in the process of implementing a fish farm in Mafefe. The potential for duplication in other areas needs to be investigated.

The projects supporting the achievement of this programme, are as follows:

- Develop agri villages
- Expand poultry projects to supply local demand and extend value chain (eg. feeds, hatcheries, etc)
- Undertake feasibility for farms practising organic farming, vegetarian niche products, and free range products
- Undertake feasibility of expanding fruit and nut production (e.g. Grapes, kiwi-fruit, peaches, watermelon, mango, almond nuts) and investigate potential for diversification of fruit production to supply local needs
- Undertake feasibility of expanding farming of sorghum, dried bean seeds, tobacco, and cotton
- Undertake feasibility of commercialisation of subsistence livestock production (e.g. goat, beef and pork) and development of livestock co-operatives that include, identification of land for livestock farming and align with other initiatives by the Department of Agriculture.
- Undertake feasibility of hydroponics crops and herbs production at Lebowakgomo and Mafefe
- Develop fish farms at Zebediela, Nkotokoane and Mathabatha based on the success at Mafefe and investigate potential for the development of an aquaculture cluster involved with fish processing, freezing, packing, marketing, etc

The actions requiring facilitation to support this programme, include:

- Ensure successful repositioning of Mafefe poultry and revitalisation of Makurung poultry in association with DoA
- Facilitate linkages to supply fruit and vegetables to local schools and other institutions
- Establish livestock improvement programmes and skills training and facilitate linkages with technical information sources
- Facilitate the DoA to host agricultural shows

5.4.2 Agro-processing industrial development

The processing of raw materials from agriculture products in Lepelle-Nkumpi will contribute significantly in expanding the manufacturing sector. The agglomeration of these activities will result in economies of scale and that would increase both economic development and employment opportunities.

Furthermore, in response to declining agricultural profits, producers are developing new products with higher margins and functions and incorporating cutting-edge processing technologies. Customer consumption habits are also shifting and demanding products such as organic produce and pre-packaged foods.

There is a substantial under-utilisation of unit capacity in the industrial park at Lebowakgomo. Very high unit vacancy rates exist and the employment levels per unit seem to be very low. Customised factories for meat and hide processing that are currently vacant in the Lebowakgomo Industrial Park create the opportunity to participate in cluster development for meat production. Such a cluster could incorporate broiler and cattle feed production, livestock farming, slaughtering, processing, packaging and marketing. It is important to build on the current and emergent cattle and poultry production as well as animal feed production. Opportunities exist for upstream sorghum production by emergent farmers (a major substitute for maize), and also downstream abattoirs as well as the packaging and distribution supply chain. There is also a growing trend towards game farming – lucrative venison market and goat production also forms part of this cluster.

Yet another agro-processing opportunity that exists involves the processing of citrus from the Zebediela citrus estate. Opportunities for establishment of agro- processing plant next to the farm are vast and it is hoped that this will create more jobs that would boost the economic growth of the Municipality further.

Major opportunities to produce vegetable oils for manufacturing bio diesel fuel are also rapidly emerging in Limpopo. Bio diesel fuel contains vegetable oils extracted from plants such as soya beans, sunflowers, ground nuts, cotton, canola, jatropha, tobacco. Oils will be used to introduce a 5% blend of bio diesel into conventional minerals-based diesel, thus reducing South Africa's dependence on imported crude oil and partly meeting the country's international commitments to reduce the level of sulphur in diesel. According to TIL, some 280 million litres of bio diesel would need to be produced annually if the 5% blend becomes mandatory. This means that the commercial-scale production of bio diesel should be supported. The production of bio diesel supports black economic empowerment in rural areas by opening opportunities for emergent farmers to produce vegetable oils. Through co-operatives or other forms of associations, farmers could add value to their crops by investing in technology to extract crude oil from their oil seeds and to supply this to bio diesel refiners and blenders. Farmers could also benefit from the fact that the bio diesel production process produces a protein-rich filter cake by-product that could be used for human consumption or as animal feed. Certain vegetable oil seeds could also be supplied to the cosmetics industry. In addition, farmers could add value to their production by also supplying oil seeds to the edible oils industry. Furthermore, tobacco is an important input for organic farming and the climate in Lepelle-Nkumpi is conducive to the farming of tobacco and nuts.

The projects supporting the achievement of this programme, are as follows:

- Undertake feasibility to establish goat meat and milk slaughtering, processing, packaging, and marketing plant
- Develop white meat (poultry) cluster centred around Lebowakgomo focused on layering, broilers, abattoir, packaging, marketing, trading, etc
- Establish Zebediela juice extraction and packaging plant
- Develop fruit and vegetable processing cluster where produce include canning, preservation, drying, juices, jams, freezing, etc
- Undertake a feasibility to establish a grape cluster processing grapes in juice, wine, vinegar, etc

- Undertake a feasibility for essential oil extraction and processing
- Undertake a feasibility for a oil extraction plant for extracting oil from locally produced tobacco, ground nuts and sunflower to produce bio-fuels
- Undertake a feasibility for the production of fruit based beauty products (e.g. fruit shampoo and soaps)
- Undertake feasibility for further processing of sorghum into beer brewing and cattle feed
- Undertake a feasibility for maize milling and distribution

The actions requiring facilitation for the achievement of this programme, are as follows:

- Provide support and assistance for start-up firms in white meat poultry value chain
- Provide support and assistance for start-up firms in red meat (e.g. goats) value chain

5.4.4 Agricultural service and product development

The aim of this programme is to focus on the manufacturing of agriculture required products and services such as the inputs required to effectively practice agriculture, namely fertilisers, pesticides, crop seed and seedlings, etc.

Agriculture services to small-scale and emerging farmers is imperative, especially with regards to the accessibility of farming implements. Rural farmers do not have access to farming implements such as tractors and ploughs. This lack of mechanisation impedes the optimisation of the farming land that is to their disposal.

The projects supporting the achievement of this programme, are as follows:

- Develop agricultural hub that specialise in packaging, storage and distribution of fresh produce and other locally manufactured produce
- Establish a co-operative involved with the letting of farm implements and processing equipment
- Establish manufacturers of agricultural pesticides and fertilisers

The facilitation supporting the achievement of this programme, are as follows:

- Facilitate development of SMME's in letting of agricultural equipment
- Initiate shared transport and machinery scheme to support emerging farmers

5.5 Thrust 4: Mining sector expansion and promotion along value-chains

The objective of this Thrust is to add value to mining sector activities through establishing up and downstream linkages.

The mining industry is seen as one of the economic pillars of the Province, however the lack of linkages with other industries in Lepelle-Nkumpi is a main stumbling block, which is keeping the mining sector from truly becoming an economic pillar or contributor to the economy and to employment creation within Lepelle-Nkumpi. The mining sector in Lepelle-Nkumpi contributes to approximately 20% of the GDP share of the economy, but only approximately to 5% of the employment share. There is a strong need to develop backward and forward linkages between local mining companies and other sectors of the local economy, based on the fact that none of the large mining industries in Lepelle-Nkumpi source any of their inputs locally, and due to the small contribution to employment.

A real scope for a mining cluster in Lepelle-Nkumpi is evident.

The following programmes have been identified under the mining sector expansion and promotion along value-chains thrust:

- Development of joint ventures in mining operations
- Mineral beneficiation and processing
- Mining service and product development

5.5.1 Development of joint ventures in mining operations

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 for local economic development and support.

One of the key challenges faced by the mining sector, is the fact that BEE deals come pre-packaged and a need exists to work around these existing arrangements to ensure that pre-packaged deals do not exclude locals to benefit there from. It is important that joint ventures and partnerships be promoted between the private sector, the community, and the tribal authorities. This programme is aimed at enabling mainly disadvantaged people in Lepelle-Nkumpi to be partners and stakeholders in mining development in Lepelle-Nkumpi. Shareholders could include community groups such as tribal trusts, local businesses, women's groups, small local investor groups, communities in and around areas in which it is involved in mining, etc.

Marketing of all the mining opportunities linked to the existing resources also needs to be undertaken. This is however covered under thrust 1.

The projects supporting the achievement of this programme, are as follows:

- ❑ Establish a database of available land for mining development and identification of who owns the mineral rights in association with DME

The actions requiring facilitation to support this programme, include:

- ❑ Facilitate discussions between potential prospectors of small and large-scale mining operations and Tribal Authorities for formation of joint ventures

5.5.2 Mineral beneficiation and processing

The aim of the programme is to utilise the available mineral deposits as inputs for local beneficiation and processing activities and to ensure improvements in the value chain process.

The following commodities are known to exist in Lepelle-Nkumpi: PGMs, barite, manganese, copper, nickel, tin, granite, norite and gabbronorite fluorspar, dimension stone, limestone, dolomite, manganese, lead, clay, asbestos, coals, phosphate, gold, andalusite, vanadium, iron ore, slate, diamonds. Along the Motogodima, Lepelle and Nkumpi rivers, there are also more surficial deposits such as resources of sand and clay which are exploited illegally for the making of bricks and in local construction. There are also known deposits of slate in Mafefe, Malemong, Sekurwaneng, and Mathabatha. These can also be further developed in order to create jobs and generate income.

The following current mining operations exist in Lepelle-Nkumpi: Lonmin whom owns the former Messina in situated in Ga-Mphahlele, Rooibosch mining operation in Zebediela, Granite mining operation, Diepsloot mining operation, Inca Cement Factory, Storm Manganese, Zebediela Cement, Wolkberg Gold, Silica, Springbok Flats Coalfields, numerous stone crushers. Furthermore, corridor mining resources is planning an exploration of Precious Group Metals in Ga-Mphahlele. Furthermore, Corridor Mining Resources is planning a crusher plant in Lebowakgomo, there is prospecting for granite in the Phoshiri village in Ga-Mphahlele, there is prospecting for diamonds and platinum prospecting in Ga-Kekana at Rivier village, there is prospecting for chrome coal in Moletlane, and there is known prospecting for gold in Makweng, Boynton Platinum's Tameng mine, Lebowakgomo gold mine prospecting at Leeukop, and Chrome prospecting in Ledwaba Tribal authority area along platinum mining belt of Dilokong Corridor. Downstream possibilities of these resources are large enough to warrant significant levels of research and development.

The projects supporting the achievement of this programme, are as follows:

- Develop local clay processing cluster involved with manufacturing of tiles, bricks, ceramics, pots, etc
- Small-scale excavation and tile manufacturing of slate slabs in Mafefe
- Pebbles extraction and polishing of pebbles for landscaping purposes
- Stone crushers at Matabata, Molapo Matebele, Rietvlei, Staanplaas for civil, roads and buildings

5.5.3 Mining service and product development

The existing and potential mining ventures have the ability to create a substantial number of both backwards and forwards linkages if the development processes is handled correctly. It must noted though that the attraction of large scale mining operations is a long term process, although it is necessary to lay the foundations for development in the immediate term.

This programme consists of developing service and product suppliers especially for the mining sector's requirements. The majority of the backward and forward linkages in the mining industry are currently taking place outside of the Municipality. Specialised materials and inputs are currently manufactured outside of the District while the outputs (mined produce) are also exported out of the area to larger markets.

Consultations with local mines, revealed that services such as catering and cleaning services would not be supported since none of the mines have hostels. Services that can be rendered to the mines and would be supported include local truck and machinery services, the establishment of truck tyre and spare retailers. The mining sector also needs protective gear. It would however be important for the municipality to identify the exact inputs that mines in the area would be willing to purchase locally. This will then need to be communicated efficiently so that potential businesses can be involved in the local manufacturing or production of these inputs.

The mining sector also produces a lot of wastes such as tyres, timber beams, etc. These wastes provide ideal opportunities for local community owned entities such as furniture manufacturers, etc.

SMME's are not able to access this market due to the procurement policies that are currently in place. Consultations with local stakeholders also highlighted the need to have private sector companies alter their procurement policies away from centralised purchasing. The municipality should undertake discussions with the procurement divisions of the large mines in the area to determine the inputs that could be procured locally and to alter the mines procurement policies in line with the mines social and labour plans. It would also be beneficial for the municpality to ensure that the mines in its area have developed social and labour plans and to provide inputs in the development and implementation of these plans.

The projects supporting the achievement of this programme, are as follows:

- Undertake a feasibility for the establishment of a truck and machinery servicing and refurbishment facility at Lebowakgomo industrial area
- Establish a local retailer of mining sector inputs (such as tyres, spare parts, gear lubricants, protective wear, etc)
- Undertake a feasibility to access down stream opportunities involved in recycling of waste timber beams
- Undertake a feasibility study to produce products from waste truck tyres

The actions requiring facilitation to support this programme, include:

- Facilitate the drawing up of supplier contracts with mine houses
- Facilitate negotiations with management of mine houses to negotiate contracts with local SMMEs along value chains

5.6 Thrust 5: Tourism development and promotion

The objective of this thrust is to stimulate the development of the tourism industry through the development and promotion of local resources and activities.

Lepelle-Nkumpi is endowed with natural assets and unique natural attributes. An important action is to package attractions, sites, products and experiences that makes them easier to buy by the travelling public. It has been said that the simple objective of the tourism industry is to give people a reason to come, a reason to stop, a reason to stay and a reason to spend. This is achieved by making information available that is up-to-date, user-friendly, accurate and believable.

The municipality has a major role to play in strategic planning that will guide private sector investments in the tourism industry and this role extends to aspects such as training, support structures, etc.

The following programmes have been identified under the tourism development and promotion thrust:

- Creation of clearly identifiable and unique tourism products
- Development and promotion of tourism and tourism associations
- Arts and crafts development and promotion

5.6.1 Creation of clearly identifiable and unique tourism products

Tourism opportunities in the Lepelle-Nkumpi Municipal Area are vast. 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 readily available to the public of South Africa. The Downs and Lekgalameetse Nature Reserves are located adjacent to the Wolkberg Wilderness Area, while the Bewaarkloof Nature Reserve is located to the west of the Wolkberg Wilderness Area. These nature reserves have enormous potential for the development of a viable tourism micro-economy in the heart of Lepelle-Nkumpi Municipality. The merging and commercialisation of Legalameetse, Wolkberg and Bewaarskloof reserves is needed in order to have some critical mass tourist attraction. Only then would Lepelle-Nkumpi Municipality be able to undertake other tourism development initiatives that would be supported due to spin-off attractions in the surroundings.

The development of tourism routes provides opportunities to link certain tourism attractions to one another, providing a package of related destinations or products. This allows the tourist to be guided from one attraction to the next, increasing the overall value of the experience. Routes can also persuade general and special interest visitors to linger longer in the area. The routes need to be related to a certain theme or target specific special interest groups.The opportunities in Lepelle-Nkumpi include 1) eco-tourism such as bird-watching and botanical, 2) cultural and historical and 3) adventure and sport related.

In terms of eco-tourism a Limpopo Birding Route already covers the Soutpansberg, Capricorn and Letaba areas. Other special interest routes could include market sectors such as trees and plants. The eco-tourism potential within Lepelle-Nkumpi linked to the nature reserves is vast and has already been described. Lepelle-Nkumpi should also take advantage of other existing nature reserves in the District, such as Blouberg, Maleboho, Moletsi, Bakone and Machaka and take advantage of joint marketing potential. There are also numerous attractions within these reserves such as the Wolkberg caves, etc.

In terms of cultural and historical routes, the packaging of all sites of cultural and historical importance should be undertaken. This includes a historic route linking Mafefe miraculous tree, donkerkloof caves, the former Lebowa government offices and the existing African Ivory Route which currently passes through the village of Mafefe. Sites of historical interest should also be included in occasional tours under the guidance of local experts who would create greater interest in the area. There is a growing demand for authentic and unstructured cultural encounters and 'alternative' and spiritual tourism, which brings tourists into contact with special and different experiences. The culture of a nation revolves around so many things — it is song, dance, birth, death, beliefs, dress, adornments, story-telling, the growing of crops, healing, food, drink, worship etc. This opens up the potential to combine the cultural heritage of the local people into a 'Village Walkabout' where tourists can experience the daily activities of rural villages, meet with Sangomas and village elders and gain a better understanding of the past and present customs of local people. This programme is also focussed on the development of the culture in terms of song and dance, arts and cultural performances.

An opportunity also exists to develop sporting events, recreation, leisure and adrenaline or adventure tourism. The trends towards greater leisure recreation and tourism suggest that are likely to remain a long term contributor to the economy. One of the fastest growing market demands is for outdoor adventure activities. Rough tracks and trails are the most attractive for mountain-bikers and the rural areas of Lepelle-Nkumpi offer the added advantage of rural villages where support services for the participants (refreshment stops, first aid, repair facilities etc.) may be provided by local villagers thereby creating interest in the sport and earning some money from their involvement. The new concept of offering guided trails through rural areas to explore not only the natural scenery but also the local village life and the cultural heritage is becoming a reality. The trails can use mountain-bikes, quad bikes or off-road motorbikes and allow the real enthusiasts to test their skills against the natural environment as well as exposing the rich cultural heritage. Within Lepelle-Nkumpi there are many opportunities to develop new adventure activities such as river rafting on the river, hiking, biking and kayaking in a nature reserve, rock climbing and abseiling on the Strydpoort mountains, etc. Mountain-bikes for hire at centres such as Mafefe would allow visitors to experience the nature and culture of the local areas in a much more meaningful way and with far more benefits accruing to both visitors and hosts. The forests within the nature reserves also offer adventure tourism potential which should be investigated and considered to attract new visitor flows into the area.

Another important function is the provision of sporting and recreation facilities that may not, in themselves, be commercially viable but which are needed to enhance social and lifestyle conditions. Recreation is part of leisure and it is an important stepping-stone towards tourism.

As a further means of attracting visitors to the Municipality, special events could be hosted on an annual basis.

The key principles in developing new tourism products is to ensure, firstly, that markets for such products have been identified, and, secondly, that the new product will be located along strategic tourism corridors or flows or within, or adjacent to, established destinations. Any resource that lies too far from main routes and flows, or is not close to a place already visited by tourists, will need to have exceptional drawing power to attract viable flows of visitors.

The projects supporting the achievement of this programme, are as follows:

- Merging and commercialisation of Legalameetse, Wolkberg & Bewaarskloof reserves
- Develop Ga-Mhpahlele route & link to African Ivory (at Mafefe), Biosphere and Blouberg route
- Undertake a feasibility for farm-based tourism and recreation opportunities linked to Zebediela citrus estate
- Develop 'Village Walkabout' to link Mafefe and Mphahlele (could include visits to sacred hot water springs, miraculous tree, meeting elders who communicate with ancestral spirits, traditional story-telling, visits to burial sites and sangomas, etc.)
- Develop historic attraction point centred around former Lebowa government offices and include other historical and cultural attractions such as historic ruins at donkerkloof caves

- Undertake feasibility to develop adventure tourism route linking village areas through the establishment of various adventure route components (4x4 trails, hiking, abseiling, canoeing)
- Undertake feasibility to develop royal houses at Moshate as pillars of cultural tourism
- Undertake feasibility to develop tourism accommodation (rondavels) in villages
- Print and distribute a map of the areas featuring its tourist attractions, nature reserves, walking and bike paths, heritage facilities, etc

The actions requiring facilitation to support this programme, include:

- Promote edu-tourism focused on bird watching (Nylsvlei birding), unique butterflies tree species, and linked to special interest places such as Mafefe miracle tree and Mapungubwe in surroundings
- Promote private sector hunting, mountain and quad biking as package of activities
- Promote joint ventures for lodge developments and game concessions on communal land
- Support and assist in lobbying of funding sources for upgrade and expansion of sporting facilities for soccer and softball stadium at Zebediela and Mphahlele; sports fields at Lebowakgomo, Mathibela and Mamaola; and renovation of old fire station into a disaster information centre, community hall, sports centre and events centre
- Facilitate the development of a events centre at Limdev H.Q and showgrounds
- Promote establishment of annual mountain bike race around Strydpoort mountains
- Promote establishment of annual events (e.g. Nature conservation exhibitions, essay/art competitions, etc)
- Ensure rural gain from Limpopo sporting games and the 2010 World Soccer Cup
- Facilitate in association with Public Private Partnerships and appropriate community agencies to encourage community events (festivals and public celebrations) and promote such activities on the website

5.6.2 Development of tourism associations and tourism promotion

The purpose of this programme is to establish effective tourism structures which includes establishing a tourism desk, local tourism forum, and linking these up to tourism support units at the Capricorn District.

The tourism desks need to be afforded the necessary recognition in terms of the seniority of the tourism official, the provision of adequate administrative support mechanisms and the proper level of funding to carry out its functions, such as

- Co-ordinating all matters related to or impacting on the tourism sector
- To introduce and manage tourism awareness workshops and programmes
- To introduce and manage the Tourism Education Trust's primary school 'Tourism and the Environment' programmes at all schools
- To stimulate the formation and support of tourism forums amongst all interested and involved communities

- To ensure that there is one formal tourism association acting as the 'umbrella body' for all tourism forums within the Municipality
- To establish a working relationship/partnership/pact with this tourism association and to offer assistance of various kinds to the association and its relevant forum members
- To gather and disseminate data and statistics that will allow tourism planning, development, marketing and operational initiatives to have ready access to practical, usable, appropriate and up-to-date information, particularly related to market trends etc
- To ensure proper management of all local sites and attractions, including signage and interpretation systems, that have tourism significance
- To support the preparation of at least one pre-feasibility study, one detailed business plan and the creation of one new tourism enterprise per annum. This support would be targeted at projects that indicate the most beneficial involvement of historically disadvantaged communities and entrepreneurs.

Wherever a sufficient number of tourism operators exist within a geographical area or are bound together by a common interest (e.g. guesthouses, tour guides etc), they should establish a forum or local tourism association. These forums do not need to be formal institutions with constitutions etc. and they should keep administrative matters to an absolute minimum. Key functions would be as follows:

- To communicate on a regular basis to share information, ideas, opportunities, threats and other matters that are of mutual concern.
- To plan local events and routes.
- To facilitate the stay of visitors within the area by producing appropriate information and interpretation systems.
- To nominate one or two persons to serve on the Executive Committee of the 'umbrella' tourism association.

It is also an important part of the BEE Scorecard that linkages be created between established and emerging operators.

The growth in the number of tourism attractions and products is both organic and artificial. As far as the latter is concerned it has been shown that entirely new destinations that the public never really knew they needed, can be developed and then promoted through 'smart' marketing campaigns. However, this type of Sol Kerzner/Sun City development is probably best left in the hands of the tourism visionaries and large-scale investors and risk-takers.

These programmes are aimed primarily at upgrading and expanding existing man-made tourism amenities; and developing new facilities that will provide not only attractive destinations for tourist but will also meet their needs in terms of accommodation, meals, refreshments, entertainment and activities.

The key focus area should be the nature reserves because this area constitutes a unique resource that should become the primary magnet that will attract new flows of general and special interest visitors into the area.

A current weakness experienced in Lepelle-Nkumpi Municipality is the very low levels of awareness regarding the tourism industry amongst local communities. This results in communities not fully understanding the value of the tourism industry, not having a generally positive and friendly attitude towards visitors, and not being aware of what opportunities the industry presents in terms of SMME involvement. It is therefore essential that the Municipality actively promotes the value and potential locked up in tourism development to its people.

The projects supporting the achievement of this programme, are as follows:

- Development tourism information centres at Makapeng and Baobab
- Undertake a audit of tourism attractions, assets and harness development and implementation of District and Provincial e-tourism platform to maximize benefit to the rural economy

The actions requiring facilitation to support this programme, include:

- Promote the development of accommodation facilities in Lebowakgomo
- Develop community tourism associations
- Facilitate establishment of Tourism forum/organisation to enhance cooperation and effective partnerships
- Establish tourism support services to advise new landowners on tourism development opportunities and to support SMME's
- Facilitate grading of accommodation facilities and inclusion of facilities on accommodation databases
- Develop dedicated tourism desk and appoint tourism officer at Municipality

5.6.3 Arts and crafts development and promotion

Through consultations it has been established that locals possess the skills to produce arts and crafts, particularly in pottery and beadwork.

An existing project in the Lebowakgomo industrial area, namely the Basedi Ba Bapedi, is an established cooperative with more than 20 members, providing beadwork, dresses and handbags. This provides an opportunity for the expansion of the project to also include other crafts and products. In this respect, the establishment of a arts and crafts incubator could provide valuable networking, skills transfer and training opportunities for the development of new SMME's in the arts and crafts sector. The Basedi Ba Pa Pedi project needs to be expanded in order to increase the arts and crafts product ranges.

The support of institutions such as the Crafts Council of South Africa could also be enlisted to undertake an audit of existing arts and crafts skills and the products produced in the Municipality. Through this assessment, needs in terms of skills and product development can be ascertained in order to make suggestions and provide training for local artists and crafters.

The development of arts and crafts in the Municipality can also play a supportive role in supplying local tourist attractions and curio shops with authentic products.

The projects supporting the achievement of this programme, are as follows:
- Develop arts and crafts incubator and skills training linked to Basadi Ba Bapedi
- Establish traditional clothing and sewing manufacturing co-operatives at Kgoloane and Itshohloreng and Lebowakgomo
- Develop a local textile industry and final product manufacturing (clothing, leather goods, traditional wear, etc)
- Undertake audit of arts and crafts skills and products

Further development and expansion of the arts and crafts industry in the Municipality will require the following elements to be addressed:
- Facilitate access to training of artists and crafters on types, colours, pricing, marketing etc at the tourism incubator
- Facilitate the establishment of a marketing and distribution agent of local arts and crafts at the arts and crafts incubator
- Facilitate linkages with curio shop throughout District

5.7 PRIORITISATION

The previous sub-sections provide the completed LED Framework with a comprehensive list of Programmes, Projects and Development Facilitation issues. If these are addressed, and implemented successfully, the Municipality should be able to reach its goals of uplifting local communities through increased job creation and income generation for the local community.

The five Thrusts are outlined hereunder in order of descending priority as prioritised during stakeholder workshops and consultations (see Annexure A for list of stakeholders):
- Local business support and stimulus
- Restructuring and diversifying the rural economic base
- Agriculture sector expansion and promotion of local value-adding
- Mining sector expansion and promotion along value-chains
- Tourism development and promotion

It is however, vital that the Municipalities attention be focused and that a vital issues approach be undertaken. In otherwords, not all of the above-indicated programmes, projects and development facilitation actions, should be implemented simultaneously. The programmes and projects were prioritised in terms of those that need to be implemented in the immediate in order to create immediate impact on the local economy. The Economic Framework set out in this Strategy should thus be implemented in an phased manner, necessitating a focussed and progressive approach towards the implementation of certain programmes and projects throughout the LED Process.

The prioritised programmes, represent the main needs in the Municipality, that will have the largest impact within the local economy and which thus need to be implemented first. During a workshop of local representatives and stakeholders held (see Annexure A for list of attendance and consultations to date), the following programmes, in order of importance, were prioritised by the various role players at the workshop:

- Agro-processing industrial development
- Creation of clearly identifiable and unique tourism products
- Expansion and diversification of existing agricultural products
- Mineral beneficiation and processing
- Local marketing and promotion of investment opportunities
- Development of joint ventures in mining operations

The priority programmes were taken into account in identifying the specific projects and development facilitation issues as priorities. However, the projects and facilitation actions were also prioritised on the basis of the following criteria, namely:

- **The amount of existing information that was available**: A project received a one out of three for the amount of information available criterion if there was a substantial amount of information available that would allow the program to be implemented without having to do additional studies, such as business plans, concept plans, or feasibilities. Additionally, all the role-players who would be involved in the project were known. There was existing legalisation guiding the development of the project or providing information on the opportunities available to the development of the project. Additionally, information on the existing supply networks and linkages between the project and other industry sectors was needed for a good score.
- **The ease of implementation**: projects that were considered to be easier to implement were those that had a fixed time frame, rather than an ongoing one. The more agencies, departments, institutions that were involved increased the ease of implementability of an individual project. Projects that were designed to improve the efficiency of an existing project, or would complement the development of programmes that would be implemented in the near future received a higher rating.
- **The impact on the local economy**: The impact that a project would have on the economy of the Municipality was also judged on both the long-term and short-term benefits the project would have as well as who would benefit the most from the project. The more direct jobs and income the project would create the better its score. Additionally, projects that would create many spin-off opportunities for employment and income generation scored better than those that did not. Projects that would improve the diversity of the economy of the Municipality also received a better score than those that would increase the economy's concentration in certain sectors.

Each of the three criterions was ranked on a scale of one to three, one being the highest and three being the lowest. The scores for each of the three criteria were combined for a score out of nine. The highest score that a project could receive was three, while the lowest was nine.

This criteria discussed above was combined with the priority programmes identified to determine the priority projects and development facilitation issues which require immediate implementation. The following projects and development facilitation issues were identified as priorities:

- Develop investment attraction and LED marketing campaign to create awareness of opportunities identified in the LED
- Develop database and network of experienced business mentors to support local emerging entrepreneurs
- Develop Zebediela juice extraction and packaging plant
- Develop goat meat and milk slaughtering, processing, packaging, and marketing plant
- Develop white meat (poultry) cluster centred around Lebowakgomo
- Undertake feasibility to develop a aquaculture cluster involved with fish processing, freezing, packing, marketing,
- Develop small-scale excavation and tile manufacturing of slate slabs in Mafefe
- Facilitate discussions between potential prospectors, community and Tribal Authorities for formation of joint ventures
- Merging and commercialisation of Legalameetse, Wolkberg and Bewaarskloof reserves
- Develop farm-based tourism and recreation opportunities linked to Zebediela citrus estate

5.8 Summary of thrusts, programmes and projects

The following Table provides a summary of all of the thrusts, programmes, projects and development facilitation actions that have been developed as part of the local economic framework.

Table 5.2 Thrusts and programmes

PROGRAMMES	PROJECTS AND DEVELOPMENT FACILITATION
THRUST 1: LOCAL BUSINESS SUPPORT AND STIMULUS	
Local marketing and promotion of investment opportunities	**Development facilitation:** ❑ Develop unique and competitive investment incentive packages ❑ Undertake poster campaign to entice start-up in projects identified ❑ Undertake investment attraction & LED marketing drive ❑ Undertake joint ventures with Zebediela to host agricultural expositions ❑ Improve communication & cooperation with District (and municipalities) to undertake sustained destination marketing ❑ Attend annual, provincial and national mining summits ❑ Undertake industrial expos and Lobby DTI to accredit expos ❑ Undertake 'Buy local' campaigns to assist marketing of local products
Establish entrepreneurial	**Projects:** ❑ Develop a database of local businesses (business directory) and financial resources and distribute information

PROGRAMMES	PROJECTS AND DEVELOPMENT FACILITATION
and small-business support structures	❑ Establish a tender, business plan, government incentives, local recruitment support desk/centre ❑ Establish incubators for small business **Development facilitation:** ❑ Facilitate the drawing up of public procurement policies to assist local and emerging businesses (regulatory reform) ❑ Assist in lobbying of financial sources ❑ Facilitate business linkages between SMMEs and larger private sector enterprises for financial support ❑ Facilitate sectoral discussion platforms to facilitate group learning, explore joint marketing and networking opportunities ❑ Initiate business visitation, customer care and information dissemination to support local emerging businesses ❑ Establish support recruitment service linked to local farmers and businesses
Industrial strengthening and trade development	**Development facilitation:** ❑ Facilitate clean-up drives and formalisation of informal trade sector in economic nodes ❑ Identify retail and service needs through public consultation ❑ Market nodes to attract retail/industrial/wholesale enterprises linked to trade of agriculture and mining inputs ❑ Facilitate and negotiate differential rates in association with LIMDEV for industrial sites at Lebowakgomo
THRUST 2: RESTRUCTURING AND DIVERSIFYING THE RURAL ECONOMIC BASE	
Capacity building, mentorship, skills training, and youth development	**Projects:** ❑ Develop database and network of experienced business mentors to support local emerging entrepreneurs ❑ Examine the need for flexible learning centres and develop mobile learning facilities ❑ Develop a skills training centre **Development facilitation:** ❑ Negotiate improved practical training programmes, technical subjects at local schools, training facilities and FET college ❑ Undertake training programmes for interpretation & tour guides ❑ Develop a 'buddy system' to connect youth & entrepreneurs to mature companies or retired mentors ❑ Facilitate the development of an annual youth entrepreneurship competition ❑ Facilitate rural enterprise support network providing facilitation and advice ❑ Liase with educational institutions to promote career opportunities and host annual job fairs ❑ Facilitate the provision of study bursaries to matriculants interested in

PROGRAMMES	PROJECTS AND DEVELOPMENT FACILITATION
	mining related fields
Social capital renewal and improved access to external markets	**Projects:** ❑ Develop truck-pooling co-operative focused on collection of agricultural produce at central village collection points ❑ Development of economic infrastructure **Development facilitation:** ❑ Promote improved access to support services and information in rural areas ❑ Facilitate rural business finance scheme and/or establish savings and credit co-operatives in villages areas ❑ Facilitate improved access to communications infrastructure in rural areas ❑ Examine integrated transport options and promotion of shared transportation of products to and from rural areas
Sustainable farming practices for emerging farmers and youth	**Projects:** ❑ Establish agricultural demonstration plots and agricultural schools ❑ Undertake cattle branding programme on communal land **Development facilitation:** ❑ Support economic collaboration amongst farmers, especially smaller producers, to form and develop cooperatives ❑ Facilitate application and registration of local cooperatives with LibSA ❑ Facilitate the provision of business support for co-operative, development advice and linkages with intermediaries ❑ Facilitate in liaison with the DoA the development of succession plans for aged farmers to entice youth involvement ❑ Facilitate access to training for seasonal farm workers during off-peak ❑ Facilitate the development of agricultural commodity associations and link to Provincial commodity associations ❑ Facilitate the development of partnerships between emerging farmers, commercial farmers, traditional leaders, etc ❑ Facilitate the development of supply/service contracts with local SMME's and agricultural enterprises ❑ Liase with relevant departments for the successful implementation of agricultural projects linked to irrigation schemes ❑ Assist the DoA in revitalising dilapidated windmills ❑ Facilitate farmer support programmes for farmers on successfully claimed land in consultation with DLA and DOA ❑ Facilitate the review of commonage land policies and undertake cattle branding programme on communal land ❑ Facilitate the speedy implementation of the Communal Land Rights Act in order to address security of tenure issues

PROGRAMMES	PROJECTS AND DEVELOPMENT FACILITATION
THRUST 3: AGRICULTURE SECTOR EXPANSION AND PROMOTION OF LOCAL VALUE ADDING	
Expansion and diversification of existing agricultural products	**Projects:** ❑ Develop agri villages ❑ Expand poultry projects to supply local demand and extend value chain (e.g. feeds, hatcheries, etc) ❑ Undertake feasibility for farms practising organic farming, vegetarian niche products, and free range products ❑ Undertake feasibility of expanding fruit and nut production and investigate potential for diversification ❑ Undertake feasibility of expanding farming of sorghum, dried bean seeds, tobacco, and cotton ❑ Undertake feasibility of commercialisation of subsistence livestock production (e.g. goat, beef and pork), development of co-operatives, identification of land for livestock farming and alignment to DoA initiatives ❑ Undertake feasibility of hydroponics crops and herbs production at Lebowakgomo and Mafefe ❑ Develop fish farms at Zebediela, Nkotokoane and Mathabatha and investigate potential for a aquaculture cluster **Development facilitation:** ❑ Ensure successful repositioning of Mafefe poultry and revitalisation of Makurung poultry in association with DoA ❑ Facilitate linkages to supply fruit and vegetables to local schools and other institutions ❑ Establish livestock improvement programmes and skills training ❑ Facilitate the DoA to host agricultural shows
Agro-processing industrial development	**Projects:** ❑ Undertake feasibility to establish goat meat and milk slaughtering, processing, packaging, and marketing plant ❑ Develop white meat (poultry) cluster centred around Lebowakgomo ❑ Establish Zebediela juice extraction and packaging plant ❑ Develop fruit and vegetable processing cluster ❑ Undertake a feasibility to establish a grape cluster processing grapes in juice, wine, vinegar, etc ❑ Undertake a feasibility for essential oil extraction and processing ❑ Undertake a feasibility for a oil extraction plant from tobacco, grounds nuts and sunflowers to produce bio-fuels ❑ Undertake a feasibility for the production of fruit based beauty products (e.g. fruit shampoo and soaps)

PROGRAMMES	PROJECTS AND DEVELOPMENT FACILITATION
	❑ Undertake feasibility for further processing of sorghum into beer brewing and cattle feed ❑ Undertake a feasibility for maize milling and distribution **Development facilitation:** ❑ Provide support and assistance for start-up firms in white meat poultry value chain ❑ Provide support and assistance for start-up firms in red meat (e.g. goats) value chain
Agricultural service and product development	**Projects:** ❑ Develop agricultural hub that specialise in packaging, storage and distribution of fresh produce ❑ Establish a co-operative letting of farm implements and processing equipment ❑ Establish manufacturers of agricultural pesticides and fertilisers **Development facilitation:** ❑ Facilitate development of SMME's in letting of agricultural equipment ❑ Initiate shared transport and machinery scheme to support emerging farmers
THRUST 4: MINING SECTOR EXPANSION AND PROMOTION ALONG VALUE-CHAINS	
Development of joint ventures in mining operations	**Projects:** ❑ Establish a database of available land for mining development and identification of mineral rights ownership **Development facilitation:** ❑ Facilitate discussions between potential prospectors, community and Tribal Authorities for formation of joint ventures
Mineral beneficiation and processing	**Projects:** ❑ Develop local clay processing cluster involved with manufacturing of tiles, bricks, ceramics, pots, etc ❑ Small-scale excavation and tile manufacturing of slate slabs in Mafefe ❑ Pebbles extraction and polishing of pebbles for landscaping purposes ❑ Stone crushers at Matabata, Molapo Matebele, Rietvlei, Staanplaas for civil, roads and buildings ❑ Small-scale lime mining in ward 5
Mining service and product development	**Projects:** ❑ Undertake a feasibility for a truck and machinery servicing and refurbishment facility at Lebowakgomo industrial area ❑ Establish a local retailer of mining sector inputs (such as tyres, spare parts, gear lubricants, protective wear, etc) ❑ Undertake a feasibility to access down stream opportunities involved in recycling of waste timber beams ❑ Undertake a feasibility study to produce products from waste truck tyres **Development facilitation:**

PROGRAMMES	PROJECTS AND DEVELOPMENT FACILITATION
	❑ Facilitate the drawing up of supplier contracts with mine houses ❑ Facilitate negotiations with management of mine houses to negotiate contracts with local SMMEs along value chains
THRUST 5: TOURISM DEVELOPMENT AND PROMOTION	
Creation of clearly identifiable and unique tourism products	**Projects:** ❑ Merging and commercialisation of Legalameetse, Wolkberg & Bewaarskloof reserves ❑ Develop Ga-Mhpahlele route & link to African Ivory (at Mafefe), Biosphere and Blouberg route ❑ Undertake a feasibility for farm-based tourism and recreation opportunities linked to Zebediela citrus estate ❑ Develop 'Village Walkabout' to link Mafefe and Mphahlele (could include visits to sacred hot water springs, miraculous tree, meeting elders who communicate with ancestral spirits, traditional story-telling, visits to burial sites, etc.) ❑ Develop historic attraction point centred around former Lebowa government offices ❑ Undertake feasibility to develop adventure tourism route (4x4 trails, hiking, abseiling, canoeing) linking village areas ❑ Undertake feasibility to develop royal houses at Moshate as pillars of cultural tourism ❑ Undertake feasibility to develop tourism accommodation (rondavels) in villages ❑ Print and distribute a map of the areas featuring tourist attractions, reserves, walking and bike paths, heritage facilities **Development facilitation:** ❑ Promote edu-tourism focused on bird watching (Nylsvlei birding), butterflies, tree species ❑ Promote private sector hunting, mountain and quad biking as package of activities ❑ Promote joint ventures for lodge developments and game concessions on communal land ❑ Assist in lobbying funds for upgrade and expansion of sporting facilities: soccer and softball at Zebediela and Mphahlele; sportsfields at Lebowakgomo, Mathibela and Mamaola; renovation of old fire station ❑ Facilitate the development of a events centre at Limdev H.Q and showgrounds ❑ Promote establishment of annual mountain bike race around Strydpoort mountains ❑ Promote establishment of annual events (e.g. Nature conservation exhibitions, essay/art competitions, etc) ❑ Ensure rural gain from Limpopo sporting games and the 2010 World Soccer Cup

PROGRAMMES	PROJECTS AND DEVELOPMENT FACILITATION
	❑ Facilitate development of community events (festivals and public celebrations) and promotion on the website
Development of tourism associations and promotion of tourism	**Projects:** ❑ Development tourism information centres at Makapeng and Baobab ❑ Undertake a audit of tourism attractions, assets and harness development and implementation of District and Provincial e-tourism platform to maximize benefit to the rural economy **Development facilitation:** ❑ Promote the development of accommodation facilities in Lebowakgomo ❑ Develop community tourism associations ❑ Facilitate establishment of Tourism forum/organisation to enhance cooperation and effective partnerships ❑ Establish tourism support services to advise new landowners on tourism development opportunities ❑ Facilitate grading of accommodation facilities and inclusion of facilities on accommodation databases ❑ Develop dedicated tourism desk and appoint tourism officer at Municipality
Arts and crafts development and promotion	**Projects:** ❑ Develop arts and crafts incubator and skills training linked to Basadi Ba Bapedi ❑ Establish traditional clothing and sewing manufacturing co-operatives at Kgoloane and Itshohloreng and Lebowakgomo ❑ Develop a local textile industry and final product manufacturing (clothing, leather goods, traditional wear, etc) ❑ Undertake audit of arts and crafts skills and products **Development facilitation:** ❑ Facilitate access to training of artists and crafters on types, colours, pricing, marketing etc at the tourism incubator ❑ Facilitate the establishment of a marketing and distribution agent of local arts and crafts at the arts and crafts incubator ❑ Facilitate linkages with curio shop throughout District

6. IMPLEMENTATION GUIDELINES

6.1 Introduction

In today's global economy, municipalities across the world are playing an increasingly pro-active role in promoting local economic development (LED) in their areas of jurisdiction. Municipalities are therefore taking responsibility for actively growing the economy in their area and intervene in the market where they can in order to prevent economic degeneration.

Recognition of the importance of Local economic development in Lepelle-Nkumpi Municipality is required and in order for the Municipality to effectively plan and implement this LED Strategy, it is important that certain institutional arrangements and implementation guidelines be established. This includes the establishment of a range of organisations, structures and networks, which form the mechanisms through which the LED Strategy can be coordinated, managed, implemented and monitored. Without the recognition by the Municipality of the importance of LED, and adherence to the implementation recommendations, this strategy will not be able to meet the developmental goals of Lepelle-Nkumpi, nor will it comply with the goals of the national and provincial policies (see Section 2).

The purpose of this Section is to provide:

- An analysis of the existing institutional framework and recommendations regarding the most appropriate institutional framework required for implementation of the strategy
- Implementation guidelines for the highest priority projects that need to be implemented in the immediate to short term as well as a locational plan of the high priority projects
- A monitoring and evaluation matrix in order to assist the municipality in tracking the progress with regards to economic development

6.2 Institutional framework

The purpose of this sub-section is to provide:

- Municipal LED roles and responsibilities
- Existing institutional framework
- Proposed institutional framework

6.2.1 Municipal LED roles and responsibilities

It is important to stress that LED is an ongoing process involving numerous roleplayers and initiatives and that a holistic approach to LED is required.

According to Section 152 of the Constitution, a Municipality must strive, within its financial and administrative capacity, to achieve the following objectives of local government:

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

Municipalities need to play a connector role in respect of LED whereby they draw on resources locked in a range of different government support instruments into their localities. For example, municipalities can draw on the support of SETAs to address skills development in their areas, SEDA to assist with the retention and growth of enterprises in their area, etc. Besides government support programmes there are a range of non-governmental support initiatives that municipalities can tap into for resources.

The idea is not for municipalities to necessarily run programmes themselves but to focus on establishing forums to build partnerships and to network with a range of stakeholders. However, LED should not be viewed only as a programme but everything the municipality does impacts on the local economy. For example, procurement policies can be structured to address the use of local labour, and all infrastructure development should reflect positively on the development of the local economy, whatever its primary purpose.

With regards to the LED projects that the municipality are involved in, whenever possible all projects should be run by the direct stakeholders as real businesses, and be registered companies or co-operatives. It is important here to note that LED it not about municipalities financing small local projects from the public purse. Nor it is about municipal officials trying to run or manage these or even larger projects. Instead the municipality must directly and actively work to stimulate the local economy and involve the population in understanding and taking up the opportunities present. Thus participation of the local community in LED be promoted. Economic stakeholders forums must be undertaken to identify and exploit the local competitive advantages and networking and information exchanges must flow through these forums. The municipality must also encourage and support the creation of effective chambers of commerce and other business oriented bodies, including business development services. Efficient, functioning and representative NGOs should also be encouraged, not discouraged, to organise, stimulate and represent the interests of different sections of the population, especially those most at risk of marginalisation and exclusion, so that the council is always at the centre of a real dialogue in which all relevant stakeholders are actively present to stimulate and grow the local economy.

All levels of government have a role to play and a responsibility to facilitate and coordinate LED initiatives in their areas of jurisdiction. Local Municipalities are the key implementation agencies of government and therefore play a significant role in Local Economic Development.

The roles and responsibilities of Local Municipalities in terms of Local Economic Development are to:

- To render operational the local socio-economic environment in order to facilitate the creation and the development of local economic activities;
- Plugging the leaks in the local economy (retaining income in the local economy);
- Development of human capital (skills development focused on the needs of the local economy);
- Development of social capital (encouraging and developing the presence and capacity of all relevant collective stakeholders in the local economy: chambers of commerce, bodies building and grouping coops, NGOs , CBOs , development agencies, local tourism structures etc.);
- Community economic development (community-based initiatives targeted at community businesses and cooperatives, municipal-community partnerships especially in respect of infrastructure and service delivery);
- SMME development (provision of business infrastructure, financial and non financial services, access to affordable finance and start up grants, technical support, involvement of SMMEs in government procurement especially in relation to infrastructure delivery), with special reference for the part of the population which currently has limited access to these services;
- To identify and support business clusters and business opportunities;
- To facilitate the participation of the population in using the opportunities and stimulating the establishment of new businesses or the growth of existing ones;
- To organise network of local actors for preparing and elaborating projects and initiatives which can have access to the provincial, national and international resources which are available;
- To support the creation and/or consolidation of chambers of commerce and business associations, the presence in the territory of qualified and effective business development services, the involvement of organised labour in LED planning and activities, and other similar interventions to ensure the full use of all the available social capital resources in the economic development of the territory;
- To ensure that contacts, links and exchanges with possible national and international economic partners are in place;
- To prepare and implement technically appropriate, viable and sustainable LED components for their IDP's, in alignment with the PGDS
- To keep a data bank of all relevant information concerning support mechanisms, grants and facilities for assisting LED and human resource, skills and capacity building in LED spheres, from national, provincial, parastatal, donor and other sources. Advising and organising the best uses of these resources at the level of territorial competence;
- To market the area and to provide marketing assistance and support to businesses from the area and to attract inward investment.
- To promote local business expansion and retention strategies.
- To encourage the formation of appropriate partnership and coalition structures.

- To introduce preferential procurement polices aimed at broad-based black economic empowerment and promoting local suppliers and contractors.

6.2.2 Existing institutional framework

Institutional arrangements refer to the range of organisations, structures and networks through which LED can be coordinated, managed, implemented and monitored. The formation of efficient and effective institutional arrangements is vital to the ability of the Municipality's LED unit to plan and implement its LED strategies successfully and to meet their developmental goals. The lack of clearly defined roles and responsibilities within an institution, such as a LED department, or the malfunctioning of such an institution are common reasons for the failure to properly implement programmes.

Lepelle-Nkumpi municipality is part of Project Consolidate and the key aim of Project Consolidate is to 'To create vibrant and resilient economies in project Consolidate municipalities. Provide all South Africans with a basic level of services with a focus on the poor'.

According to information furnished by the municipality to project consolidate, the municipality has indicated that 350 temporary jobs and 40 permanent jobs have been created through the Municipality's local economic development initiatives including capital projects. However, 80% of municipality initiated LED projects are not operational, this led to job losses that were created while these projects were functional. In the future projects will be mentored closely while new ones will be initiated to sustain and create more jobs. The target jobs set for the 2005/6 financial year was 150 temporary jobs and 20 permanent jobs, and the target for the 2006/7 financial year is 200 temporary jobs and 30 permanent jobs. The municipality has also committed that for the 2005/6 financial year, 50% of goods and services will be procured from previously disadvantaged groups.

Through project consolidate, the municipality has also noted the importance of attracting investment in the municipality for business growth and development. The municipality has never organised a trade event for SMMEs. The municipality have committed to host at least one trade fair per year.

It is however not evident how the municipality will be able to achieve these set targets, as well as the implementation of this LED strategy, given the current institutional framework. The Municipality currently only has one personnel involved on a daily basis with Local Economic Development (namely the LED Deputy Manager), whom is situated directly under the manager for planning and LED. The manager for planning and LED manages the IDP deputy manager (1 post), Housing officers, Town Planner (and land use officer), and the LED deputy manager. The municipality has however included in their current department structure under the LED deputy manager a position for a investment officer (which has recently been appointed) as well as a Tourism officer.

Consultations with numerous roleplayers have revealed that the Municipality does not take local economic development seriously and does not provide LED the recognition it deserves.

6.2.3 Proposed institutional framework

The aim of this sub-section is to present institutional arrangements that can be put in place in the Lepelle-Nkumpi.

The capacity of the LED unit is vital for the implementation of programmes and projects, and addressing this issue should be the first step in implementing the LED strategy. The structure of an LED unit is influenced by a number of factors: the number of staff, the skill levels of staff, the available budget, the commitment on the part of the municipality, and the existence of the required facilities.

LED institutions are needed both at Programme level and Project level. Programme level institutions are broader institutions aimed at co-coordinating development initiatives, while Project level institutions have a defined task, budget and timeframe. The design of the institutional arrangements for Local Economic Development deals with the way in which Programme and Project institutions relate to one another. It should, however, be stressed at the outset that the Municipality remains politically accountable for LED and cannot delegate political responsibility to other institutions, and secondly the municipality remains responsible for public funds, even if projects are delegated to project-level institutions, such as a Section 21 Company or a Community Trust.

At a programme level, institutions are required to take responsibility for the co-ordination and management of the LED programme as a whole, and for the identification and mobilisation of resources necessary for the planning and implementation of LED. At the programme level, institutional arrangements function to:

- Act as a driving force for development
- Coordinate actions and communications between all stakeholders
- Build capacity among various stakeholders to be able to fulfil their individual functions
- Allow for improved participation and input at community level

It is also the responsibility of the programme level institution to select the appropriate project level institutions to carry out the implementation of individual projects associated with LED programmes. At the Programme level, the development of institutional arrangements are not restricted to the LED unit itself, but extend to the development of institutions to create public involvement in the community, including partnerships and forums. This mechanism should not constrain the function of the Municipal level institutions, but rather align and time the various implementation activities.

Once a Programme level LED institution has been established, it will be responsible for selecting the appropriate institutional arrangements for the implementation of specific LED projects. Due to the wide range of possible projects, it is impossible to provide details of specific institutional arrangements for each project. However, certain aspects are characteristic of successful project-level institutions.

Since Lepelle-Nkumpi Municipality forms part of Capricon District, it is important to understand how the Municipality fits into the larger organisational structure of the District and how it functions in implementing LED Projects. In this respect, it should be noted that the Capricorn District LED, some of which are located within the boundaries of Lepelle-Nkumpi Municipality, identifies certain anchor projects and clusters. The role of the District is to identify such anchor projects, which can have a major impact on the economy of the District as a whole, while Local Municipalities should identify, and implement smaller projects, which would have a more local impact. It is these more localised projects, which make up the LED Strategy for Lepelle-Nkumpi Municipality.

It is vital that the current capacity of the Municipality's LED unit be improved, to not only implement the projects identified on a District level, but also to identify and successfully implement local projects.

Furthermore, LED projects may also be managed and driven through a number of different institutions, where the Municipality plays a less direct role. The Municipality should therefore seek to coordinate various project initiatives by drawing them together into a coherent LED Programme for the area. It is also important that both Programme level and Project level institutions are developed to interact with the Municipality's LED unit, in order to facilitate the implementation of the programmes in this LED Strategy.

Two management structures are proposed for Lepelle-Nkumpi:

- Strengthening of the LED unit for implementation
- Outsourcing projects for implementation

Strengthening of the LED unit is essential. A LED Unit is needed that will take responsibility for all of the necessary LED functions and activities, such as:

- The development of a roles and responsibilities reference framework
- Facilitating LED within the Municipality
- Integrating and coordinating LED initiatives on all levels of government and through external institutions
- Establishing networking opportunities
- Implementing LED initiatives

The number of personnel needs to be increased, but it is also important that the right person (with the appropriate qualifications, experience and training) is appointed in the right post. The financial capacity of the LED Unit to perform its tasks must also be improved. Consultations with relevant roleplayers revealed that another serious aspect affecting the municipality is the lack of a valuation roll. Due to the lack of a valuation roll, the community is not paying for rates and taxes around Lebowakgomo, which is why land is not being serviced, etc. This is a major constraint to investment attraction and should be addressed as a first priority.

Due to the importance of the mining, agricultural and tourism sector in Lepelle-Nkumpi, the ideal situation would be to create three additional posts (firstly a mining officer, followed by a agricultural officer, and then a tourism officer) under the current LED Officer, with each focussed on specific economic activities of that sector in the Municipality. However budgetary constraints also need to be acknowledged and as such it is suggested that the municipality appoint two additional staff member (to the existing investment officer and the existing LED deputy manager). The additional staff member should however not be a tourism officer (as proposed in the existing institutional structure) but instead a business development officer and a mining officer. It is however suggested that a business development officer be appointed initially to be responsible for mining, agriculture, tourism, SMME development, etc. This can be followed by making a separate position available for a mining officer. There is a definite need for a dedicated mining desk. It would also be important for the mining officer to visit all of the mining operations on a monthly basis to build up a relationship with the mines, to identify training needs, to determine possible backward and forward linkages connected to the strong mining sector that could be developed in Lepelle-Nkumpi, etc.

In order to strengthen the LED unit, it is important that job descriptions for new posts be developed. This ensures that functions are not diluted, thereby reducing the effectiveness of the LED Unit's efforts in successfully creating a conducive environment for business development and investment attraction through stakeholder engagements, packaging investors incentive packages, and facilitating development of programmes, projects and initiatives identified in this LED Strategy. The following responsibilities need to be fulfilled:

- **LED deputy manager:** smooth running of LED unit, to ensure no discrepancy in the budget expenditures, to ensure development of the LED, to ensure implementation of LED plan, to ensure co-ordination of the economic clusters in the District, to ensure that the facilitation runs smoothly, marketing and promotion, mentoring of LED learners, assessment of LED staff, management of LED projects, support and training of SMMEs, advising and assessing economic impact of municipal activities
- **Responsibilities of the investment officer, business development officer (and possible mining officer)**: Management of agricultural, tourism and mining sub-sections, development of agricultural, mining and tourism plan, development of agricultural, tourism and mining programmes, coordination of all agricultural, mining and tourism activities in the municipality, implementation of agricultural, mining and tourism programmes, marketing of agricultural products, mineral potential and tourism products, reporting to deputy LED manager, etc.

A specific role for the implementation of projects also needs to be created within the LED Unit, to ensure that LED initiatives do not remain only identified projects, but is successfully facilitated. A dedicated LED implementing post is thus needed and it is suggested that the investment officer fulfill this role. This role requires focussed management and development facilitation of specific projects, including the targeting of support agencies and funding sources, the development of the required infrastructure, etc. This would include determining the feasibility of the projects in terms of demand and supply factors, potential stakeholders, potential impact in terms of employment, economic development potential, etc. Once feasibilities have been undertaken, promotion of the feasible projects to private sector stakeholders and funding institutions, and development facilitation to identifying stakeholders/partners, identifying suitable location and building, appointment of specialists (as and when required), providing training on way forward for implementation, etc follows. It is of vital importance that these issues are finalised prior to undertaking the business plan as the unavailability of any of the above-mentioned aspects could lead to a project which cannot be implemented, either because no funding is available, no interested parties can be solicited and no suitable location is available, etc. The first step prior to implementation is to submit applications for funding, such as to the Department of Provincial and Local Government' s LED Fund. This is the first step prior to implementation of any of the projects. Funding of development is often one of the most constraining issues faced during the implementation of projects. Development funds is a scarce resource and all sources should be mobilised with due care. Furthermore alignment with council policies is essential in order to get funding. Furthermore, government support mechanism for the SMMEs also need to obtained, as well as other support mechanisms. These programs aim to assist people to apply for new projects (e.g. close corporation), expansion of an existing project and skills support programmes. Various Public Private Partnership options need to be investigated and the application of incentive packages need to be evaluated. Furthermore, preparatory work needs to be done with respect to organisational and institutional structures to facilitate projects. Important in this regards, is the institution of joint ventures to share responsibility, funding and ownership. Suitable partners need to be identified and meetings need to be held with possible beneficiaries of the key proposed projects. When the projects/businesses have aroused interested parties and parties have been short listed, the investment officer will need to launch initial discussions and negotiations. After initial review, a preliminary contract, known as a term sheets needs to be concluded. The determination of available and suitable land is also of importance and all the impediments to obtaining the land, such as time for approval, the infrastructure requirements, the ownership, etc needs to identified.

A interim or second option however entails outsourcing of the projects for development facilitation, to overcome budget and capacity constraints. In this instance the LED Unit could play a larger coordinating role at programme level, concentrating its efforts on the identification of LED programmes and projects, planning for LED programmes, consultations, etc. The implementation of specific projects can then be put out to tender as many municipalities are currently undertaking.

This means that all of the time consuming aspects such as feasibilities, marketing, sourcing financing, sourcing investors, undertaking training, etc are all outsourced. It is thus suggested as an interim measure that the implementation of projects get outsourced.

It is however essential that the implementers which are appointed build in-house capacity in the medium and long term. In other words it is suggested that the implementers whom get appointed create a fitting understanding of the underlying theoretical aspects influencing LED in Lepelle-Nkumpi municipality, equip the local role-players to initiative and drive LED activities, and to enable the generation of LED momentum. As a first round of implementation it is suggested that outsourced implementers set-up training packages which cover, the following:

- Introduction to LED: LED – The SA experience, legal frameworks guiding LED, LED policy shift (overview), LED policy shift (local implications),
- Economic Foundation: production factors, economic cycle, demand and supply, locational factors

- Local Economic Development: What is LED, LED vs. poverty alleviation, LED principles, local vs. regional development, role-players and stakeholders, role and functions, ideas vs. opportunities, why is LED so difficult?
- Hexagon of LED: Target groups, strengthening locational factors, synergies, sustainability, governance, planning, monitoring and evaluation
- Instruments and tools: Transaction matrix, project identification and prioritisation models
- Economic Analysis: Indicators, basic calculations, production profiles, growth rates, general overview
- Strategic Economic Planning: Visioning, conceptual frameworks, opportunities and packaging of opportunities
- Clusters, Networks & Value Chains: Competitive advantage, industrial clusters and complexes, cooperation, obstacles to cooperation, how to overcome barriers to cooperation, value chains
- The Business Plan: Introduction, purpose, building blocks, financial statements (introduction), risk and cash flow, organisational structures,
- Monitoring and evaluation: introduction, purpose, implementation training and manual, management manual and training

It is also important that the implementers organise study tours within South Africa, which will involve:

- Identifying municipalities with successfully implemented LED strategies
- Engaging with municipalities and organising study tours
- Setting up the tours
- Identifying roleplayers
- Setting up meetings
- Organising the tours and accommodation
- Drawing up study tour itineraries
- Understanding the lessons learnt: What worked, Why it worked, What problems were experienced, how problems were overcome, etc

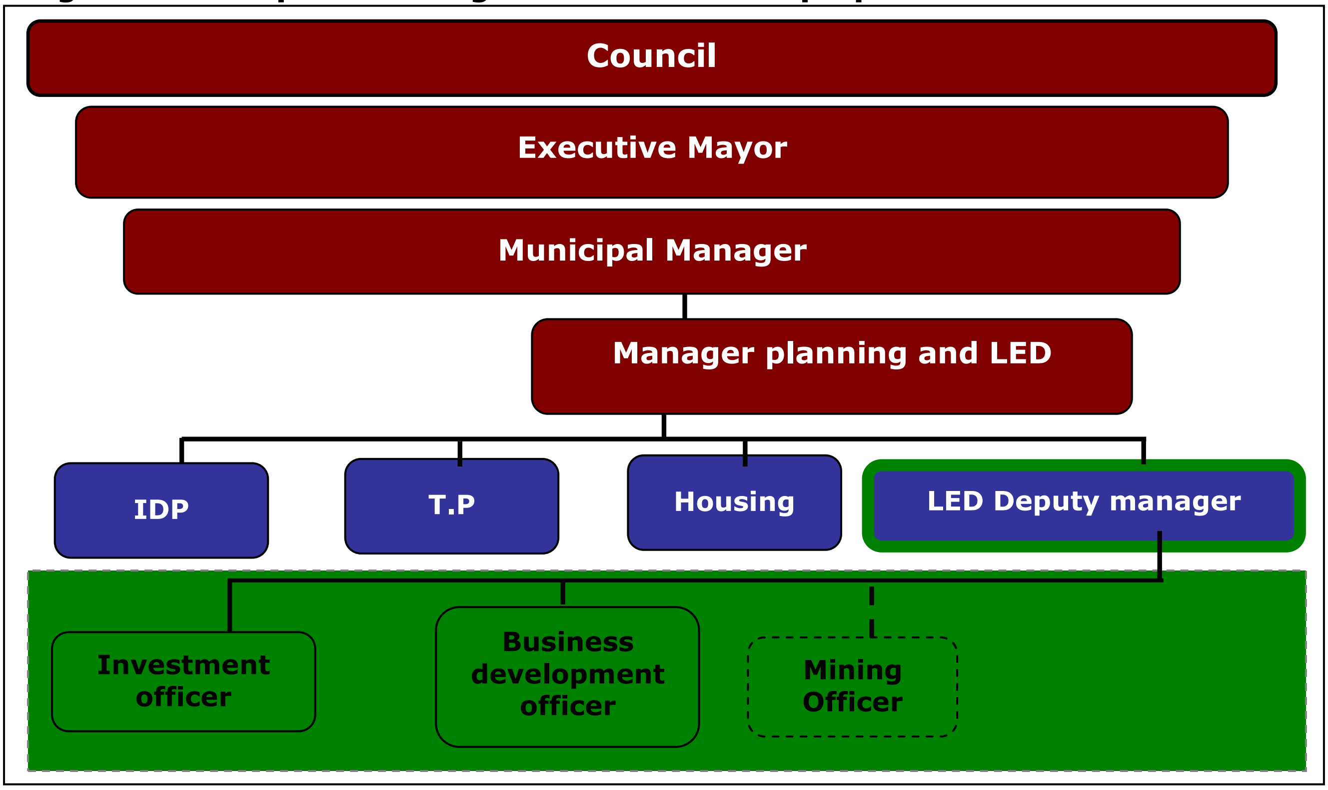
To ensure optimal stimulation of economic development, job creation, poverty alleviation, SMME development, human living improvement, etc, implementation of the development programmes need to take place in an effective, efficient and sustainable manner. This requires several actions to be taken by key role-players, namely:

- Establish and capacitate the Local Municipality's LED unit to operate and function effectively before commencing any LED implementation. This includes ensuring that all people employed within the LED unit have the relevant experience, expertise, skills, to ensure effective management and implementation of LED initiatives
- Have one of the members of council focused exclusively on LED implementation
- Utilise external experts in drafting project business plans and conducting feasibility studies and utilise expert networking to obtain sufficient funding sources;

- Ensure balanced economic development by means of adopting an integrated, holistic, coordinated and diverse developmental focus
- Ensure that all necessary financial sources, equipment, human resources, etc. are in place and available prior to starting with the implementation of a programme and/or project
- Ensure that the implementation of projects are executed by local people and not through imported labour
- Focus on the stimulation of economic development and empowerment of local people at the same time
- Start LED by facilitating the successful development and implementation of the programmes and projects with the fastest anticipated impact on job creation, poverty alleviation, BEE, SMME development, increase in living conditions, human development, etc., followed by those with a medium and long term effect
- Utilise the mining sector, and to a lesser extent the agricultural and tourism sector, as economic catalysts for stimulating development across all sectors of the local economy
- Set reasonable timeframes and keep monthly/weekly track records to effectively evaluate the progress of all necessary actions.

The following Diagram sets out the proposed management structure for the implementation of LED initiatives (as discussed above).

Diagram 6.1: Proposed management structure of proposed LED Unit



From the above it is thus evident, that the municipality should have a led deputy manager and two officers (with a third officer dedicated to the mining sector proposed given sufficient budget).

6.2.4 Existing support services

The rural nature of the Lepelle-Nkumpi Municipality, as well as the limited budget for LED initiatives implies the need for the LED department to coordinate the involvement of various community groups and support service agencies to be able to implement the programmes and projects identified and described in this LED framework.

The following Table outlines the support organisations that have been identified as organisations that could partner with Lepelle-Nkumpi to implement LED Projects. Of the listed agencies, only NAFCOC, Libsa, and LimDev (whom are soon to relocate to Polokwane) have branches focussed on Lepelle-Nkumpi. The below list is not exhaustive and other organisations that have a stake in LED initiatives should be added, including Provincial government departments, District government departments, and other support organisations.

Table 6.1: Mission and purpose of support organisations

Organisation	Mission and purpose
LIMDEV	LIMDEV develops and promote a suitable SMME sector through the provision and facilitation of business and investment opportunities. Limdev have headquarters in Lepelle-Nkumpi although they are planning to relocate these and move to Polokwane. **LIMDEV's** mission is "to play a catalytic and development financier role in the Limpopo by: initiating and making strategic investments in viable tourism and property projects, facilitating rural nodal development, and empowering community, small business and BEE stakeholders through Public, Private and Community Partnerships.
Trade and Investment Limpopo (TIL)	TIL promotes the Province as the preferred investment and trade location in Southern Africa through marketing the competitive advantages of establishing and maintaining a business in Limpopo.
NAFCOC	NAFCOC's mission is to "meet the challenges and opportunities that arise in the new as the leading independent, non-profit business-support organization that primarily, but not exclusively, serves the interests of broad-based black economic empowerment (BBBEE) companies and small and medium sized businesses (SMMEs). NAFCOC also aims to facilitate the growth of the economy by ensuring fast-tracked economic transformation and broad-based empowerment that will result in job creation and poverty alleviation." NAFCOC's Strategic Role and Objectives include: to lead the unification process between black and white business; to represent the interests of small, micro and medium-sized enterprises (SMMEs) and black economic empowerment companies (BEEs) in policy formulation; to contribute to economic transformation by building SMME capacity through business support services, business development and by creating employment opportunities; and to enable meaningful business opportunities for members by facilitating joint ventures and preferential procurement partnerships with both private and public enterprises.
SEDA	The **Small Enterprise Development Agency (SEDA)** provides information to small enterprises and prospective entrepreneurs that will help and encourage them to start and build sustainable businesses. SEDA was established in December 2004 through the merger of the small enterprise development agencies Ntsika Enterprise Promotion Agency, NAMAC Trust and the Community Public Private Partnerships (CPPP) into a single small enterprise support agency. SEDA's mandate is to "design

Organisation	Mission and purpose
	and implement a standard national delivery network that must uniformly apply throughout the country". Its role includes the support and promotion of co-operative enterprises, particularly those located in rural areas. The work of SEDA is carried out in line with the Department of Trade and Industry's Integrated Small Enterprise Development Strategy, which aims to: strengthen support for SMME's access to finance; create an enabling regulatory environment; expand market opportunities for specific categories of small enterprises; localise small business support through a grid of SEDA-coordinated information and advice access points; initiate a national entrepreneurship drive and expand education and training for small business; and Co-fund minimum business infrastructure facilities in local authority areas across the country. In terms of this strategy, SEDA's delivery network must reach all regions of the country and integrate government-funded small enterprise support across all tiers of government.
SETA	SETA aims to facilitate skills development in the education, training and development (ETD) sector. **ETDP SETA's** primary role is to "facilitate skills development in the education, training and development (ETD) sector." ETDP SETA's vision is "to be a promoter and facilitator in the development and improvement of the skills profile of the sector's workforce in order to benefit employers, workers and employees in the sector." The ETDP SETA's mission is the promotion, facilitation and development of an education, training and development sector. The objectives of ETDP SETA include the following: to identify skills shortages and training needs in the sector; to develop the skills of workers in the sector at all levels; to improve productivity in the workplace and the competitiveness of employer; to promote self-employment; to promote new qualifications and learning pathways in the sector for education, training and development practitioners; to encourage workers in the sector to participate in learnerships and other training programmes; to improve the employment prospects of persons previously disadvantaged by unfair discrimination and to redress those disadvantages through training and education through the facilitation of education and training provision; to provide and regulate employment services to encourage partnerships between the public and private sectors of the economy to provide education and training in and for the workplace; and to report to the South African Qualifications Authority and to cooperate with its structures.
LIBSA	Limpopo Business Support Agency provides developmental support in all economic sectors through: Business Information, Business Incubation, Business Training and development, Co-operative Development, Business mentoring and counselling. LibSa has recently opened up offices directly next to the Municipality and is thus clearly identifiable to the public at large. **LibSA's** core service mandate focuses on developing and exploiting business opportunities within the mining, agriculture and tourism sectors, as well as the agro-processing and mining beneficiation industry sectors. Its focus is on growing businesses from within local communities, rather than attracting external businesses. The organisation's vision is to be "A leading non-financial Enterprise Support Agency nurturing and promoting its clientele into the mainstream economy." LibSA has two main strategic focus areas namely, Training and Internal Development and Enterprise Longevity. LibSA provides the following: Easy access to essential business development services, including education, market access and promotion to entrepreneurs who need support to realise their business dreams and all non-financial support services free of charge; assistance with the marketing, distribution, processing of agricultural products; and enhancement of rural development and provision of basic infrastructures.

Organisation	Mission and purpose
	The Limpopo Manufacturing Advisory Centre Programme (LIMAC) is a partnership between Ntsika (the implementing agency of the Department of Trade and Industry's small business development strategy), the CSIR and the National Productivity Institute (NPI) to "establish two pilot regional centres to assist small, medium and micro-enterprise (SMME) manufacturers improve their competitiveness and growth in the local, national and international market places." LIMAC was recently dissolved and is now incorporated into SEDA. LIMAC places an emphasis on the development of Historically Disadvantaged Individuals' businesses, with the aim of overtime "enabling them to join the mainstream economy and eventually become sustainable exporters." The MAC Programme's target market is small and medium-sized manufacturing enterprises that employ up to 200 individuals. LIMAC provides the following services: advise client on best practices to improve company growth and performance; support and provide information on the latest technology within the client's area of business; provide general business information, e.g. where to get raw materials, specialized machinery, skill etc.; accreditation and Certification with SABS quality standards; access to finance with all financial institutions; best practices in Business Management; competitiveness and Sustainability improvement; environmental Management; HR Development; Problem framing and resource funding; and productivity and process improvement. The mandate of the LIMAC programmes also includes facilitating the physical clustering of firms and improving cooperation amongst firms. Additionally, the LIMAC programmes aim to foster linkages between big and small business with regard to outsourcing and sub-contracting, by building awareness among SMME's of the possibilities that exist for them by becoming more export oriented.

6.3 Implementation guidelines for high priority projects

This LED strategy has, through its analysis and consultation with local stakeholders, identified the following high priority projects and development facilitation actions (see previous Section), which should receive immediate attention:

- Develop investment attraction and LED marketing campaign to create awareness of opportunities identified in the LED
- Develop database and network of experienced business mentors to support local emerging entrepreneurs
- Establish Zebediela juice extraction and packaging plant
- Develop goat meat and milk slaughtering, processing, packaging, and marketing plant
- Develop white meat (poultry) cluster centred around Lebowakgomo
- Develop aquaculture cluster involved with fish processing, freezing, packing, marketing,
- Establish small-scale excavation and tile manufacturing of slate slabs in Mafefe
- Facilitate discussions between potential prospectors, community and Tribal Authorities for formation of joint ventures
- Merging and commercialisation of Legalameetse, Wolkberg and Bewaarskloof reserves
- Develop farm-based tourism and recreation opportunities linked to Zebediela citrus estate

The implementation of the above listed projects should be addressed in the immediate future. It should however be kept in mind that the timeframe to results could vary. These priority projects are elaborated upon in the following sub-sections and include an indication of the actions that need to be undertaken, key role-players that need to be involved, the timeframes of the actions, as well as the estimated budgets. In terms of the estimated budgets, it should be kept in mind that these are approximate costs that do not include the 'internal' costs of salaries, travel and subsistence, etc. The estimated capital costs of the projects are conservative and in some cases a nominal amount has been allocated to cover 'quick advice' from a specialist.

6.3.1 Develop investment attraction and LED marketing campaign

Marketing of the municipality and disseminating information to residents, business, potential investors, tourists, etc on a myriad of aspects is important to enable growth and development. This action requires the municipality to be actively involved in ensuring that all relevant stakeholders, potential investors, public, funding institutions, entrepreneurs, etc are aware of the all of the opportunities and potential projects and programmes identified in this LED strategy.

It will be necessary for the municipality to undertake a inter-departmental awareness campaign to promote the priority programmes and projects identified and to be implemented by the LED strategy in the short term. This will ensure that all the Departments are aware of the programmes and projects that the municipality are actively implementing. This will also ensure alignment with local, district and provincial initiatives.

It is however also important not only for the various departments to be aware of the envisioned direction of economic development for the area, but also for the community and potential investors. The municipality should undertake poster campaigns to entice start-up firms to participate in all of the potential projects and clusters (e.g. poultry, agro-processing and aquaculture, clusters) identified in this LED Strategy. The municipality should also assist with completing and submitting funding applications for these opportunities identified.

Lepelle-Nkumpi has numerous mineral resources which have been identified in this LED Strategy, however the exact nature of the mineral resources, mineral owners, etc is currently unknown and there is a need to determine this in liaison with DME and to attract potential prospectors to the area.

With regards to tourism, an effective and sustained destination marketing campaign is needed which highlights the attractions and tourism products which the Municipality has to offer. The Municipality needs to be marketed as a unique tourism destination with its own distinctive character and special attractions. Tourism marketing needs to be strongly focused on the existing nature reserves within the Municipality. Coupled, to this is the need for the municipality to undertake an audit of all the tourism attractions and to capitalise on initiatives taking place in terms of the marketing of the District and the Province as a whole. One such initiative is the E-Tourism (Electronic-Tourism) Platform for Limpopo, which will extensively utilise new technologies such as GIS and IPADs to provide information to tourists. By getting involved in this initiative, the need for the production of brochures is greatly reduced.

The facilitation of this component also requires attending and hosting various consumer and trade shows, events, summits, etc. This will enable marketing of the opportunities.

The municipality should also partner with Trade and Investment Limpopo on the issue of local marketing and promotion of investment opportunities.

In today's technological society, marketing and information dissemination is facilitated by the World Wide Web, which enables reaching a far wider spectrum of potential customers. Lepelle-Nkumpi has a web-site, although this is not updated and does not contain relevant information that would typically be desired from potential investors. An up-to-date and user-friendly website is needed. The website should address both the needs of the community, business attraction/retention, and visitors and should provide comprehensive information on the existing assets, attractions and services the Municipality offers. Half the battle in creating an effective marketing strategy is recognising who your audience is and how to target them. Therefore a good marketing strategy should target prospective business that fits in within the current business goals (i.e. not targeting the 'it' sector but the sector that will result in the best fit). It is also important for the website to be update regularly, and to have links to major industries operating in the area. It is essential to appoint a creative service provider for this assignment but the task of maintaining and updating the website could become a Municipal responsibility working with the private sector.

The following actions (which are the responsibility of the municipality), roleplayers, timeframes and budgets need to be applied:

Table 6.2 Actions for marketing campaign

Key actions	Key Role-players	Timeframe	Estimated Budget (R)
Undertake inter-departmental awareness campaign to promote the priority programmes and projects identified and to be implemented by the LED strategy	LNLM CDM T.I.L Provincial Depts.	Start: 1/2007 End: 4/2007	Internal
Undertake poster campaign to entice start-up firms to participate in all of the clusters and projects identified in the LED Strategy	LNLM CDM T.I.L PS	Start: 1/2007 End: 1/2007	5 000
Apply for funding of priority projects	LNLM	Start: 1/2007 End: 4/2007	Internal
Update and maintain vibrant and user-friendly website	LNLM PS	Start: 1/2007 End: Ongoing	50 000
Prepare for and attend annual, provincial and national mining summits to market mineral resources and mining opportunities	LNLM CDM PS	Start: 1/2007 End: ongoing	Internal
Prepare for and attend in consultation with District consumer and trade shows and major event such as the annual travel INDABA, held in Durban to market tourism opportunities	LNLM CDM LT&PB PS	Start: 1/2007 End: ongoing	Internal

Key actions	Key Role-players	Timeframe	Estimated Budget (R)
Undertake a tourism strategy, focused on providing a plan for tourism development and include a audit of tourism components. Incorporate into E-Tourism Platform for Limpopo	LNLM PS	Start: 1/2007 End: 4/2007	150 000
TOTAL			R205 000

Once the above has been undertaken it would also as later phases be essential to undertake brainstorming workshops; develop, print and distribute economic events calendar; host special events of eco-tourism nature focused on Legalameetse, Wolkberg and Bewaarskloof reserves and African Ivory Route; hold special excursion led by botanists, keen birding fraternity, etc.

6.3.2 Develop database and network of experienced business mentors to support local emerging entrepreneurs

Many businesses do not possess the necessary skills to effectively manage their businesses. Businesses could greatly benefit from mentorship from experienced businessmen in their fields to assist in the management, growth and expansion of their businesses. In order to address these needs, it essential that the type of businesses found in the Municipality, as well as the needs of local businesspeople and entrepreneurs, is fully understood. In this respect, LIBSA have opened up offices next to the municipality and it is imperative that the municipality in association with LIBSA establish a database of commercial business owners (large scale mines, successful tourism operators, commercial farming enterprises such as Zebediela) to act as mentors and to facilitate communication on business needs.

These business people should be contacted and encouraged to form part of a mentorship programme. The contact details of mentors and the fields in which they have expertise should be compiled into a comprehensive and easy to use database, which will allow local entrepreneurs to access the information and contact mentors. This will allow local entrepreneurs access to networking opportunities, resulting in the development and growth of local businesses. The municipality should be directly involved with this initiative and assist LibSA in the creation of such a database.

The following actions (which are the responsibility of the municipality), roleplayers, timeframes and budgets need to be applied:

Table 6.3 Actions for database of mentors

Key actions	Key Role-players	Timeframe	Estimated Budget (R)
Contact and encourage experienced and retired businessmen to form part of mentorship programme	LNLM LIBSA SEDA	Start: 1/2007 End: 1/2007	Internal
Develop database of business mentors	LNLM, LIBSA SEDA	Start: 1/2007 End: 1/2007	Internal
Market mentorship programme	LNLM, LIBSA SEDA	Start: 2/2007 Ongoing	Internal

6.3.3 Develop Zebediela juice extraction and packaging plant

The comparative advantaged enjoyed in the Municipality in terms of the agricultural sector and particularly in respect of citrus production, should be utilised as a valuable primary input for the processing of intermediate and final products.

The establishment of an agro-processing plant next to the Zebediela Citrus estate situated in Zebediela is an opportunity that exists that will create more jobs and boost the economic growth of the Municipality. Currently all of the oranges produced are exported without any benefit from agro-processing thereof accruing to the community. The further beneficiation of the produce would therefore significantly reduce transport costs.

This project should, therefore, be encouraged and supported as a viable project for the Municipality, as it is seen as a quick-win project that could contribute to local job creation and economic growth in Lepelle-Nkumpi Municipality.

The following actions (which are the responsibility of the municipality), roleplayers, timeframes and budgets need to be applied:

Table 6.4 Actions for developing Zebediela juice extracting plant

Key actions	Key Role-players	Timeframe	Estimated Budget (R)
Conduct feasibility for development of juice extracting	LNLM Zebediela citrus estate, PS	Start: 1/2007 End: 1/2007	To be done as part of LED
Finalise ownership	LNLM Zebediela citrus estate	Start: 1/2007 End: 2/2007	Internal
Raise capital, seek funding, and seek potential investors	CDM LNLM	Start: 1/2007 End: 2/2007	Internal
Identify target markets, undertake marketing and branding of products	CDM, LNLM LIBSA, DOA SEDA, LIMDEV LIMAC, SETA Zebediela citrus estate Community	Start: 3/2007 End: ongoing	Internal
Facilitate implementation of Zebediela juice extracting plant	CDM, LNLM LIBSA, DOA SEDA, LIMDEV LIMAC, SETA Zebediela Citrus estate,	Start: 3/2007 End: 3/2007	Internal
Negotiate contracts with local and regional stores and buyers to purchase products and assist in accessing markets	CDM, LNLM LIBSA, DOA SEDA, LIMDEV LIMAC, SETA Zebediela Citrus estate	Start: 3/2007 End: 4/2007	Internal

6.3.4 Establish goat meat and milk slaughtering, processing, packaging, and marketing plant

Goats are the most abundant form of Livestock within the Lepelle-Nkumpi and the District, and accounts for nearly 45% of all the livestock within the District. In 2001 there were approximately 240 000 goats in the District, 98% of which are communally owned. Goats are found in all of the villages in Lepelle-Nkumpi but are mostly concentrated around Zebediela, Mphahlele and Mafefe areas.

The PGDS makes provision for a red meat cluster, which covers all corridors in all the districts of the province and seeks to encourage public-private partnerships and skills development among emerging farmers.

Within Lepelle-Nkumpi this project should build on the current and emergent goat production, as well as animal-feed production, and should be expanded to incorporate under-utilised facilities at Lebowakgomo industrial site. Customised factories for meat and hide processing that are currently vacant in the Lebowakgomo Industrial Park create the opportunity to participate in cluster development for meat production.

Up-stream development opportunities include sorghum production by emergent farmers (a major substitute for maize), as a strategy to raise the competitiveness of animal-feed and meat production. This project is also aimed at expanding livestock farming and the processing of dairy and meat. Goat milk products such as cheeses, leather goods from the hides, etc can potentially be produced as there is a growing market for such products.

The following actions (which are the responsibility of the municipality), other roleplayers to be involved, timeframes and budgets need to be applied:

Table 6.5 Actions for developing goat meat and milk co-operative

Key actions	Key Role-players	Timeframe	Estimated Budget (R)
Conduct feasibility for development of goat meat and milk producer	LNLM PS	Start: 1/2007 End: 4/2007	To be done as part of LED
Raise capital, seek funding, and seek potential investors	CDM LNLM	Start: 1/2007 End: 2/2007	Internal
Facilitate implementation of pilot	LNLM PS	Start: 3/2007 End: 3/2007	Internal
Monitor and provide support and assistance to pilot	LNLM	Start: 3/2007 End: 4/2007	Internal
Based on outcomes of pilot, roll-out of feasibility study into other villages	LNLM PS	Start: 4/2007 End: 4/2007	Internal
Facilitate development and implementation of other start-ups	CDM, LNLM LIBSA, DOA SEDA, LIMDEV LIMAC SETA Farmers	Start: 1/2008 End: 2/2008	Internal

Key actions	Key Role-players	Timeframe	Estimated Budget (R)
Negotiate contracts with local and regional stores and buyers to purchase products and assist in accessing markets.	CDM, LNLM LIBSA, DOA SEDA, LIMDEV LIMAC, SETA Emerging farmers	Start: 3/2008 End: 4/2008	Internal

6.3.5 Develop white meat (poultry) cluster centred around Lebowakgomo

The PGDS also makes provision for a white meat cluster, which covers all corridors in all the Districts of the province. This project seeks to encourage current and emergent poultry farmers to form a poultry cluster. Within the Capricorn District more than 8000 tons of chickens are produced through broilers and approximately 23 million dozen eggs are produced annually.

The following table depicts the number of poultry projects in and around Lepelle-Nkumpi.

Table 6.6 Poultry projects in Lepelle- Nkumpi

Area	Capacity	Type of poultry
Ga-Kekana	3 Chicken batteries with approximately a 500 chickens on each battery.	Broilers
Makweng	2 Chicken batteries with approximately 1 000 chickens on each battery	Broilers
Magatle	1 chicken battery with approximately 1 000 chickens	Broilers
Sekgopokgopong	2 chicken batteries with approximately 1 000 chickens	Broilers
Habakuk Industrial Place	A number of chicken batteries which hosts 1 000 chickens each.	Broilers
Moletlane	2 chicken batteries with approximately 1 000 chickens	Broilers
Ga-Ledwaba	2 chicken batteries with approximately 1 000 chickens	Broilers
Sekele	2 chicken batteries with approximately 1 000 chickens	Broilers
Ga-Molapo	A number of chicken batteries	Egg-laying
Lepelle-Nkumpi	15 chicken batteries with approximately 13 500 chickens	Broilers
Ga-Mphahlele	13 chicken batteries only three operational	Broilers

As can be seen from the above table, there are more broilers than egg-layers in Lepelle-Nkumpi. There is another egg-laying project that is initiated by the Department of Agriculture at Zebediela Bridge, which is still conceptual.

The aim for this project is to provide sufficient chickens to develop a chicken cluster which would involve slaughtering, packaging, freezing and storage.

However, as a starting point it would be of urgent importance that the LED unit provide support to the existing farmers, identify their problems, provide assistance, etc. This will also assist in identifying the possibility of linkages and the development of a cluster. It would be important for all of the chicken farmers to be visited on a weekly basis at the onset of this project.

DFED have also identified the need for a chicken abattoir, broiler chicken farming and processing at Lebowakgomo.

The following actions, roleplayers, timeframes and budgets need to be applied:

Table 6.7 Actions for developing white meat cluster

Key actions	Key Role-players	Timeframe	Estimated Budget (R)
Provide support and development assistance to existing chicken farmers and determine locations, types, support needed, opportunities for roll-out of additional farms in village areas, etc	LNLM DOA Emerging farmers PS	Start: 1/2007 End: 1/2007	Internal
Conduct feasibility for the development of white meat cluster	LNLM DFED PS	Start: 1/2007 End: 1/2007	30 000
Raise capital, seek funding, and seek potential investors	CDM LNLM	Start: 1/2007 End: 2/2007	Internal
Facilitate development and implementation of other start-ups and access to linkages and resources	CDM, LNLM LIBSA, DOA SEDA, LIMDEV LIMAC, SETA Emerging farmers	Start: 2/2007 End: 3/2007	Internal
Negotiate contracts with local and regional stores and buyers to purchase products and assist in accessing additional markets and linkages	CDM, LNLM LIBSA, DOA SEDA, LIMDEV LIMAC, SETA Emerging farmers	Start: 2/2007 End: 4/2007	Internal
TOTAL			30 000

6.3.6 Develop aquaculture cluster

The development of an aquaculture cluster involved with fish processing, freezing, packing, and marketing is an ideal opportunity which needs to be established in Lepelle-Nkumpi.

Although it is still a fledgling industry, aquaculture production in Southern Africa has grown by 31% between 1997 and 2000.

There are several aspects of the aquaculture value chain in which this LED project can focus its efforts, namely hatcheries fish farms and abattoirs as well as the production of food and the construction of aquaculture systems. As with any new industry there is also the need for skills training.

There is one existing fish farm in Mafefe for which DEAT have undertaken a business plan. There is thus no need for an additional business plan. The municipality should assist the successful implementation of the Mafefe fish farm and identify the potential problems and constraints. Once the Mafefe fish farm is operational and successful, the municipality could roll-out the business plan into other locations and also then ensure that all of the backward and forward linkages in the economy are in tact in order to develop a aquaculture cluster.

The following actions, roleplayers, timeframes and budgets need to be applied:

Table 6.8 Actions for developing aquaculture cluster

Key actions	Key Role-players	Timeframe	Estimated Budget (R)
Liase with DEAT and Mafefe fish farm to facilitate development of pilot, identify problems, provide support, access market, etc	LNLM, DOA Emerging farmers DWAF, ARC	Start: 1/2007 End: 2/2007	Internal
Once Pilot (namely Mafefe fish farm) is successfully, identify feasible locations for roll-out of project	LNLM, DOA Emerging farmers DWAF, ARC, PS	Start: 2/2007 End: 2/2007	20 000
Raise capital, seek funding, and seek potential investors	CDM LNLM	Start: 1/2007 End: 1/2007	Internal
Undertake studies on target markets and branding of products	CDM, LNLM LIBSA, DOA SEDA, LIMDEV LIMAC, SETA Emerging farmers	Start: 2/2007 End: 2/2007	Internal
Facilitate development and implementation of start-ups and support	CDM, LNLM LIBSA,DOA, SEDA, LIMDEV LIMAC, SETA Emerging farmers	Start: 2/2007 End: 3/2007	Internal

Key actions	Key Role-players	Timeframe	Estimated Budget (R)
Negotiate contracts with local and regional stores and buyers to purchase products and assist in accessing additional markets.	CDM, LNLM LIBSA, DOA SEDA, LIMDEV LIMAC, SETA Emerging farmers	Start: 2/2007 End: 4/2007	Internal
TOTAL			20 000

6.3.7 Facilitate discussions between potential prospectors, community and Tribal Authorities for formation of joint ventures

Lepelle-Nkumpi Municipality has a diverse and rich mineral potential that is the basis of forming a strong and sustainable Mining Industry cluster. The development of large-scale mining operations will have numerous spin-off effects throughout the Municipality and the District.

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 for local economic development and support.

However, the challenge faced by the mining sector, is the fact that BEE deals come pre-packaged. It is important that joint-ventures and partnerships be promoted between the private sector, the local community, and the tribal authorities.

It is vitally important that a better personal relationship be built up with the mining sector roleplayes in Lepelle-Nkumpi. This would be the role of the proposed mining officer. This relationships needs to ensure that the mining sector realises the benefit of engagement with the municipality, to provide assistance with the social and labour plans which are required by the mines, to jointly determine possibility for great community benefit and involvement, etc.

The following actions, roleplayers, timeframes and budgets need to be applied:

Table 6.9 Actions for facilitating mining joint ventures

Key actions	Key Role-players	Timeframe	Estimated Budget (R)
Develop a database of available land for mining development and who owns the mineral rights to that land	LNLM DME, DWAF ARC, PS	Start: 1/2007 End: 1/2007	60 000
Contact and encourage mineral right owners to either mine minerals or sell mineral rights to other interested parties	CDM LNLM DME	Start: 1/2007 End: 4/2008	Internal
Facilitate discussions between potential prospectors and communities for formation of joint ventures.	CDM LNLM LIBSA; LIMDEV, SETA	Ongoing	Internal

Key actions	Key Role-players	Timeframe	Estimated Budget (R)
Facilitate access to appropriate technical and academic qualifications and training programmes and experience in the mining industry to prepare youth, women and local community for mining related jobs	CDM LNLM SETA Local community	Ongoing	Internal
TOTAL			60 000

6.3.8 Develop small-scale excavation and tile manufacturing of slate slabs in Mafefe

Mining is one of the primary activities in Lepelle-Nkumpi, although the full potential of this sector has not yet been exploited, especially when considering small-scale mining practices and techniques.

It is proposed that small-scale mining be established within Lepelle-Nkumpi, with the primary focus of organising previously disadvantaged miners into a vibrant association for the facilitation of training, funding and, entrance into the mining industry. This is expected to result in renewed exploration and mineral development.

An abundance of slate is reported to exist in Mathabatha, Sekuwraneng, Mafefe and Malemong areas. The main aim of this project is to stimulate small-scale mining activities relating to mining of slate in Lepelle-Nkumpi.

Slate is known for its use in the construction industry as tiles, and roof trusses. The deposits would probably be mined by opencast methods.

The following actions, roleplayers, timeframes and budgets need to be applied:

Table 6.10 Actions for developing slate excavation and tile manufacturing

Key actions	Key Role-players	Timeframe	Estimated Budget (R)
Conduct feasibility for excavation and processing of slate	LNLM DME PS	Start: 1/2007 End: 2/2007	To be done as part of LED
Raise capital, seek funding, and seek potential investors	CDM LNLM DME	Start: 1/2007 End: 2/2007	Internal
Assist with the appointment of a specialist to undertake geo-technical surveys	LNLM DME Geoscience PS	Start: 2/2007 End: 2/2007	100 000
Assist with the appointment of a specialist to undertake environmental impact assessment	LNLM DEAT PS	Start: 2/2007 End: 2/2007	50 000

Key actions	Key Role-players	Timeframe	Estimated Budget (R)
Facilitate development and implementation of start-up	LNLM LIMDEV TIL Small-scale miners	Start: 2/2007 End: 3/2007	Internal
Negotiate contracts with local and regional stores and buyers to purchase products and assist in accessing additional markets.	CDM, LNLM LIBSA, DOA, SEDA, LIMDEV, LIMAC SETA, Emerging farmers	Start: 3/2007 End: 4/2007	Internal
TOTAL			150 000

6.3.9 Merging and commercialisation of Legalameetse, Wolkberg and Bewaarskloof reserves

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 readily available to the public of South Africa. The Downs and Lekgalameetse Nature Reserves are located adjacent to the Wolkberg Wilderness Area, while the Bewaarkloof Nature Reserve is located to the west of the Wolkberg Wilderness Area.

With its wilderness qualities and integrity, the area must be preserved and retained in the face of possibly inappropriate tourism development. This would require a suitable tourism development or master plan. One of the strengths of this reserve is that it has a tarred road running through the reserve, which gives access for the Strydpoort Mountains. The target market for this reserve is family groups, backpackers, social groups and school day trips.

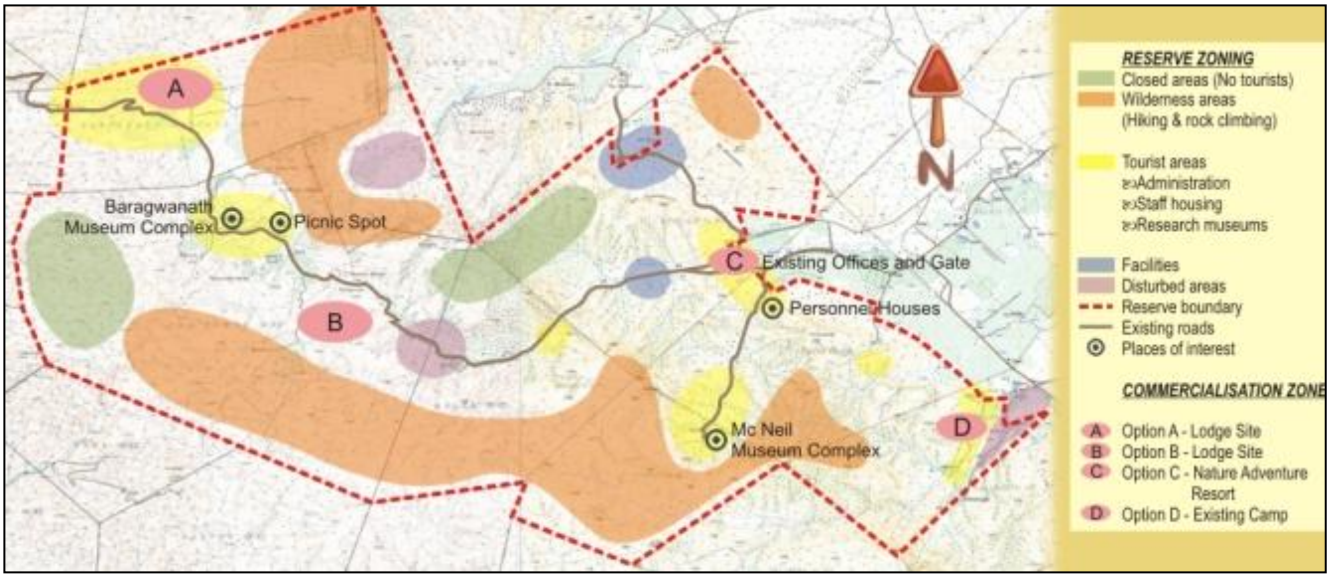
The merging and commercialisation of Lekgalameetse, Wolkberg and Bewaarkloof Nature Reserves is seen as the most critical requirement for the tourism sector so as to create some critical mass of opportunity and/or attraction. Only after these have been merged and commercialised could spin-off attractions be developed in other surrounding areas.

It is the responsibility of provincial government, and now Limpopo Tourism and Parks Board to manage nature reserves. However there are inadequate resources to fulfil the environmental management responsibility in many of the reserves. The situation has resulted in a misallocation of resources between reserves with high biodiversity importance and those with traditional high commercial potential. The commercialisation process is part of the larger process to ensure correct allocation of resources, as well as reducing the fiscal impact of the reserves. The commercialisation is therefore a vehicle to utilize protected areas more sustainably and to plough back income from reserves back into management of the reserves. Finally, it is part of a deliberate development strategy, directly linked with the Tourism Growth strategy of the province, to address BEE, community empowerment, the tourism sector, job creation and land issues.

Lekgalameetse, Wolkberg and Bewaarkloof Nature reserves, as the key destination within Lepelle-Nkumpi Municipality, needs a specific development plan, which will produce a basket of products to entice more visitors, encourage them to stay longer, ensure that they spend more money and provide much higher levels of visitor satisfaction.

The Parks Board is currently in the process of undertaking a infrastructure audit for the area and a Master plan for the development and commercialisation of the area. The following Diagram indicates the proposed commercialisation of the Lekgalameetse reserve.

Diagram 6.2 Commercialisation of Lekgalameetse



A feasibility for the commercialisation has already been completed. With regards to training provision, the Parks Board have identified the need to train the community to be able to evaluate tenders, and to be able to operate tourism establishments

The actions (which are to be the responsibility of the municipality), roleplayers, timeframes and budgets that need to be applied are as follows.

Table 6.11 Actions for merging and commercialisation of nature reserves

Key actions	Key Role-players	Timeframe	Estimated Budget (R)
Liase with Parks Board for development of Nature reserves	LT&PB, LNLM CDM	Start: 2/2007 End: 2/2007	Internal
Marketing and attraction of investors, entrepreneurs, visitors, etc	LT&PB, LNLM CDM	Start: 3/2007 Ongoing	Internal
Recruit persons whom would undergo intensive programme of guide training	LNLM	Start: 4/2007 End: 4/2007	Internal

6.3.10 Develop farm-based accommodation linked to Zebediela citrus estate

The Zebediela Citrus is one of largest citrus farms in the Southern Hemisphere. The large citrus production of these plantations can be developed into tourist attractions.

Potential for a farm stay linked to the large citrus estate exists. Zebediela citrus estate have indicated the willingness to be involved with such an initiative and they have space and potential building available which will need to be upgraded.

A farm stay linked to Zebediela would be a great way of getting out of the 'town' and to see how the process of packaging and juice making at Zebediela takes place. This could be linked to taking tours through the estate, seeing the picking of oranges, the packaging, the labelling, the proposed juice processing division, etc.

The following actions, roleplayers, timeframes and budgets need to be applied:

Table 6.12 Actions for developing farm stay at Zebediela

Key actions	Key Role-players	Timeframe	Estimated Budget (R)
Conduct feasibility	LNLM PS	Start: 1/2007 End:2/2007	To be done as part of LED
Finalise ownership and accessing loans/funds	CDM LNLM Zebediela citrus estate	Start: 2/2007 End: 2/2007	Internal
Facilitate development and implementation of start-up	CDM, LNLM LIBSA, DOA SEDA, LIMDEV LIMAC, SETA Emerging farmers	Start: 3/2007 End: 3/2007	Internal
Facilitate marketing of farm stay	CDM LNLM	Start: 4/2007 End: 4/2007	Internal

6.3.11 Locational plan

The following Table provides a summary of the priority projects (to be implemented in the short term), their location and the capital budgets required.

From the below Table it is evident that the projects for the immediate way forward are well dispersed throughout the municipality, although focused on the key nodes in line with the Spatial Development Framework.

Table 6.13 Location plan for immediate high-priority projects

Key actions	Location	Estimated capital cost (in Rand)
Develop investment attraction & LED marketing campaign to create awareness of opportunities identified	Throughout the whole municipality	R205 000
Develop database and network of experienced business mentors to support local emerging entrepreneurs	Throughout the whole municipality, but focused on the rural areas	None
Establish Zebediela juice extraction and packaging plant	Zebediela	See separate feasibility study
Develop goat meat and milk slaughtering, processing, packaging, and marketing plant	Mphahlele	See separate feasibility study
Develop white meat (poultry) cluster centred around Lebowakgomo	Lebowakgomo	R5 million
Develop aquaculture cluster involved with fish processing, freezing, packing, marketing,	Mafefe	R3 million
Establish small-scale excavation and tile manufacturing of slate slabs in Mafefe	Mafefe	See separate feasibility study
Facilitate discussions between potential prospectors, community and Tribal Authorities for formation of joint ventures	Dilkong Corridor	None
Merging and commercialisation of Legalameetse, Wolkberg and Bewaarskloof reserves	Strydpoort mountains	None
Develop farm-based tourism and recreation opportunities linked to Zebediela citrus estate	Zebediela	See separate feasibility study

The preceding situational analysis and maps provided should also be used to guide the future spatial planning of Lepelle-Nkumpi.

The above costs, are estimates, and include estimates of basic capital costs for establishment and feasibilities. Estimated costs are provided, as the actual costs can only be determined based on the outcomes of the feasibilities, the size and scope of the projects, as well as the various phases that could be involved with the projects.

6.3.12 Ownership models

The central focus of government in implementing LED must be on creating an ideal environment for private sector investment through appropriate public sector investment and by supporting the retention, growth and development of enterprises be they private or co-operatives and whether they are small, medium or large.

Successful private enterprises (and productive public-private partnerships) create wealth in local communities. Private enterprise, however, depends upon favourable local business conditions to achieve prosperity. Local governments have an essential role in creating favourable environments for business success. LED is thus a partnership between local government, business and community interests.

There are three types of economic development strategies. The Table below shows how they differ in regards to project ownership, market orientation, intended outcomes of the project and project facilitators.

Table 6.14 Market, ownership, and facilitators of development strategies

	Community Development	Local Economic Development	Community Economic Development
Market Orientation	No market orientation – social orientation in marginalized communities.	First economy orientation (e.g. mainstream, formal markets).	Second economy orientation (e.g. isolated, marginalized & informal markets).
Project Ownership	Ownership lies with fundor (e.g. state, private donor, service provider) with the community helping to mobilise implementation	Ownership lies with individual businesses that are beneficiaries for the project and with government body applying funds	Ownership lies with the community (either at larger or community group) with mobilisation through partnerships with NPOs/government bodies.
Facilitator(s)	Main facilitator is through NPO or gov. (community acts as participants).	Government bodies (e.g. local / state government, parastatals, agencies	NPOs act to facilitate in partnerships with community-who own project
Intended Outcomes of Project	Infrastructure and capacity building (e.g. skills and basic infrastructure dev.	Increase competitiveness of and support business environment within first economy.	Increase retention and reinvestment of wealth in local market to transform second economy with first.

Community economic development is an important focus when considering the implementation of projects in Lepelle-Nkumpi Municipality. Community economic development is aimed at altering traditional local economic development (LED) through stressing the importance of ownership within the community. Projects are thus implemented through NGO or local service providers. Community Economic Development in Lepelle-Nkumpi would guide economic development in achieving the following: build ownership of assets; facilitation by open and accountable community-groups / NPOs; increase the self-reliance of local communities; reconnect poorer communities to the mainstream; regenerate the locality to meet needs locally; retain wealth within the community; self-sustainable change; utilise community based solutions to economic issues.

Partnerships within a project are often established through CPPPs (community public private partnerships) and PPPs, although a formal document need not be signed. And while the community will be identified as the owners of the project, because of the general under-capacitated nature of communities (both in terms of skills and infrastructure) in the second economy in which CED projects are based, it is necessary for an external facilitator to be appointed in order to maximise resources and build both operational and management capacities. In light of this, the general roles for each stakeholder are identified in the below flow chart.

Diagram 6.3: Stakeholder roles

Community

→ Identified as those both geographically proximate and who share a common goal / objective.

→ Role is project is as project owners (through joint ownership of commercialised asset) and to help mobilise project through participation in project (e.g. direct involvement in direction and/or day-to-day operations of project)

→ NPO can include any number of entities including but not limited to: Non-Governmental Organisations, Voluntary Associations, Community-Based Organisation and/or Public-Benefit Organisations.

→ Facilitators are involved with project management and capacity building, as well as acting as central drivers in project implementation.

→ Necessary in order to address administrative & technical capacities which accompany grant funding.

Local Government

→ Local government 'buy-in' is critical in achieving project legitimisation within wider community.

→ Local government can mobilise project implementation by facilitating partnership development between community & NPO.

→ Local government's role is to help provide common good infrastructure & capacity building programmes.

Private Sector

→ Not always included within the project, but can play a central role in project identification and development.

→ Private sector can help to identify market opportunities for community-owned assets, as well as providing needed financing to mobilise project.

→ Additionally, where specialized training is needed, private sector can provide non-common good infrastructure & training.

In light of these requirements, a community can structure the ownership of an asset through:

- **Community Trusts:** Community Trusts are particularly prevalent within the tourism sector and involve a community holding an asset through a trust which can then outsource the asset to a private sector entity. A good illustration of a community trust is the emergence of community-owned tourism lodges in which land has been acquired by the community (normally through the land rights process), and the community then commercialises this land by setting up a community trust, and then contracting out the rights to a lodge or tourism facility on the land through a Build-Operate & Transfer (BOT) agreement. BOT agreements allow for the community to receive a percentage of profits accrued by the private operator to be returned to the Community Trust, while at the end of the lease, the ownership of lodge is returned to the community through the trust. At this point, the community can choose to enter into another BOT with the same or another private sector firm, or they can choose to enter into a different project or take on the project entirely themselves.
- **Community Foundations:** Community foundations, like community trusts, involve a community holding an asset, which is then outsourced for reinvestment back into the community. A community foundation operates to fund projects which meet the goals of CED but does not actually engage in the project's development itself. A good illustration of a working community foundation is the Greater Rustenburg Community Foundation (GRCF), which is a foundation which funds community social and economic development service providers. The GRCF operates by reinvesting 75% of the interest accrued on the monies received from mining corporate social responsibility funds, as well as private donors. The community owns the money invested, and in order to ensure that the local community is involved in the direction and management of the foundation, only residents of the Greater Rustenburg community can sit of the board of trustees, and those on the board must act in an individual capacity, irrespective of the firm or area he or she may also represent. Community foundations are particularly present within the mining industries and have become an increasingly popular method to help fund and mobilise CED projects.
- **Cooperatives:** Cooperatives involve a group ownership and often, group participation, of a product. In terms of CED projects, cooperatives are particularly present within the agriculture and retail sectors given the ability of cooperatives to include multiple beneficiaries and to provide clear identification as to the redistribution of profits. Voluntary Associations
- **Voluntary associations** are a group of at minimum 3 people which come together and form a constitution which clearly illustrates each member's role under the Communal Properties Act (Act 28 of 1996). Voluntary associations are conducive to again agriculture and retail orientated CED projects because of their low membership requirements and because like a co-operative, they often involve the collective purchasing of inputs, growth and development of project and reinvestment of profits. A working illustration of a CED voluntary association includes the Masana MDC Retrenched Growth Project in Limpopo which involves 11 retrenched members who have formed a voluntary association and

now engage in poultry farming. The farmers initially came together in order to reduce the transaction costs of having to purchase their inputs from a hatchery in Pretoria. Currently, the project has led to the pre-establishment phase (e.g. securing funding) for the development of a local hatchery to be owned by the community and once established, will need to an expected additional 50 to 60 jobs within the Masana community.

6.4 Monitoring and evaluation plan

A monitoring and evaluation plan is needed so that Lepelle-Nkumpi can monitor and evaluate and report the findings on how well the local economy is performing against certain set benchmarks. The evaluation component is also intended to incorporate lessons learnt into the decision-making process of implementing further development programmes.

The costs involved in directly measuring the effects of the local economy in Lepelle-Nkumpi are high. Therefore a set of proxies to indirectly measure the economic impact of each of the Thrusts as well as LED in general have been designed. These proxies are compiled into a development index for Lepelle-Nkumpi. Proxies are based on readily available and reliable data, which allows for annual measurements.

Indicators can help describe changes over time with a common base value, identify benchmarks and progress in relation to goals as well as reflect the status. Indicators are measurements that give us information about the changes in the condition of something over time. Indicators help us define the nature and size of environmental problems, set goals for their solution, and track progress towards those goals. They are useful because they help to express a large quantity of data or complex information in a simple way. Some examples of indicators are: daily temperature (it tells us about weather conditions), colour in fruit (it tells us about how ripe the fruit is), the consumer price index (CPIX gives an indication of how affordable market goods and services are), and the Dow Jones Sustainability Index (DJSI gives an indication of the financial performance of all companies listed on this index, for comparison with other companies). Economic indicators are usually reports which contain specific information, e.g. on population growth, GDP growth, etc. The indicators were selected on the basis that they would be reflective of the objective that they were designed to measure. They were also designed to be able to be measured on an annual basis, and be based on reliable data.

The LED strategy utilised five thrusts in order to achieve its objectives of job creation, economic diversification, linkage development and improved business environment. The five thrusts for which indicators have been developed are as follows: Thrust 1: Local business support and stimulus, Thrust 2: Restructuring and diversifying rural economic base, Thrust 3: Agriculture sector expansion and promotion of local value adding, Thrust 4: Mining sector expansion and promotion along value-chains, Thrust 5: Tourism development and promotion.

The five thrusts were used as guidelines for the index in order to measure the success of each thrust. An additional indicator was also designed in order to provide the municipality with an index that directly measures their success. The following provides a explanation of the indicators designed:

- **LED implementation index:** The number of LED projects successfully implemented, the number of LED actions per programme successfully facilitated, the number of direct permanent employment, and the number of direct temporary employment generated per year gives and indication of how effective Lepelle-Nkumpi's LED Unit are in the implementation of this LED Strategy. This Index thus seeks to measure the effectiveness of the LED Unit in implementing the projects and programmes set out by this LED Strategy. Through this index, the LED Unit can measure its performance in implementing this strategy and its effect on the local economy. The indicators utilised as performance proxy for the performance of the LED unit are:
  - The number of LED projects successfully implemented
  - The number of LED actions per programme successfully facilitated
  - The number of direct permanent employment opportunities created
  - The number of direct temporary employment opportunities created
- **Local business support and stimulus index –** The objective of this thrust is to diversify and expand existing businesses in Lepelle-Nkumpi through business support and networking and to stimulate the development of new businesses. It is aimed at providing local business owners and entrepreneurs with the necessary skills and knowledge to effectively manage their businesses, as well as providing financial support. Successful implementation of this Thrust could be measured by noting changes in overall employment which accounts for not only direct employment created but also the generation of indirect job opportunities and further spin-off effects in the local economy. Growth in GDP is another measure of determining success in this thrusts as well as the tress index. The Tress Index is a measure of the sectoral composition of economic activity in a region and a good indication of the level of diversification or concentration of the economy. A tress index of zero represents a totally diversified economy. On the other hand, the higher the index (closer to 100), the more concentrated or vulnerable the region's economy to exogenous variables such as adverse climatic conditions, commodity price fluctuations, and so on. An increase in the tress index of a region reflects an increase in the dependence of the local economy on a single or a few economic activities and is an ostensibly negative trend. The following indicators are thus used to measure the success of the LED Unit in implementing this Thrust:
  - Overall GDP
  - Overall Employment
  - Tress Index for GDP
- **Restructuring and diversifying rural economic base index**: The objective of this thrust is to create improved urban-rural linkages by broadening the economic base of rural areas. The number of LED projects successfully implemented in rural areas by the LED unit and can measure how effective the implementation strategy of the LED is in the rural areas. The number of temporary and permanent jobs created in rural areas is another measure of the success achieved by the LED unit in the rural areas. Furthermore

the number of co-operatives registered is a measure of the number of community owned entities established in the rural areas. The proxies used for measuring the restructuring and diversifying the rural economic base of Lepelle-Nkumpi, are:

- Number of direct permanent employment created in rural areas
- Number of direct temporary employment created in rural areas
- Number of LED projects successfully implemented in rural areas
- Number of new co-ops registered at the registrar of co-operatives

- **Agriculture sector value adding index** - The objective of this thrust is to add value to agricultural activities through establishing local manufacturing and processing plants, which utilise local raw materials and resources as primary inputs. Agriculture Sector employment and GDP growth are used as indicators of the development of the Agriculture Sector value chain on the basis that as the sector develops there will be increasing opportunities for job and GDP growth. The level of employment as well as GDP in the Food, beverages and tobacco sub sector of the Manufacturing Sector were used as proxies for the extent to which agro-processing was taking place. The following proxies are used to measure this index:
    - Agriculture Sector GDP
    - Agriculture Sector Employment
    - Agro-processing GDP
    - Agro-processing Employment
- **Mining sector value-chain development index**: The objective of this thrust is to add value to mining sector activities through establishing up and downstream linkages. The level of employment and GDP growth in the Mining sector are used as proxies for measuring the diversity of the mining sector value chain. Additionally, other non-metal mineral products and the metals, metal products, machinery and equipment sub sectors of the Manufacturing Sector are combined for both GDP and for Employment to act as a proxy for the extent to which Mineral beneficiation is taking place
- **Tourism development and promotion index** - The objective of this thrust is to stimulate the development of the tourism industry through the development and promotion of local resources and activities. The Tourism Grading Council of South Africa's (TGCSA) lists the number of graded establishments on a web based directory. This directory revealed that there are currently no establishments within the Lepelle-Nkumpi Municipality which are graded by the TGCSA. As zero does not provide an appropriate baseline figure from which future indicators can be calculated, the baseline figure is given as 1. The catering and accommodation GDP and employment levels were extracted from the Wholesale Retail and Trade Sector statistics, as provided by the Quantec database. Annual sport and tourism-related events can focus favourable attention on the Municipality as a tourist destination, giving local tourism activities and attraction more exposure and increasing tourist flows into the area. For the duration of events, tourist spending also increases in the region, as visitors take up local accommodation, utilise local services and retail shops and visit local attractions. In utilising events as a monitoring and evaluation indicator for this Thrust, the hosting of events is defined as a

significant scheduled happening which will attract attention. The following indicators are used as proxies to measure the success of the LED in increasing number of tourists and tourist spending, namely:

- GDP growth for catering and accommodations
- Employment growth for catering and accommodations
- Number of establishments accredited by the TGCSA
- Number of events held annually

In order to monitor and evaluate the effective implementation of the LED Strategy, a Monitoring and Evaluation Matrix has been developed setting out the different indexes discussed above, as well as the baseline data and indicator goals for each of these indexes. The matrix is provided as Annexure C.

The following are important aspects that need to be known in populating the matrix:

- The matrix should be 'populated' with real values, so that inflation is unaccounted for
- The baseline data is 2005
- The 2006/2007 financial year is the first year to be 'populated' in the model and where applicable 2006 census data should be utilised
- Once new figures have been inserted, the model needs to be 'SAVED' in order to automatically capture the resultant changes
- The goals of the indicators are to have 5% growth in the 2006/7 financial year, 6% growth in 2007/8, 7% growth in 2008/9, and ultimately 8% growth in the 2009/10 and 2010/11 financial years (in line with the proposed growth indicated in the PGDS).

Lastly, a critically important aspect for the successful implementation of this LED Strategy is to develop the LED unit and to provide the LED unit with the municipality with the rightful recognition as it deserves, and secondly is the need to ensure that all stakeholders and parties involved in the LED process take ownership of the programmes and projects identified in this strategy. It is also suggested that the monitoring and evaluation matrix be incorporated into the performance management system so as to ensure accountability and responsibility for the implementation of the LED Strategy and its programmes.

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Annexure A: Stakeholders consulted

- Aphane B.N : Ngobola Erash Stone
- Cecilia : Bembe Build . FFC
- Charles : Morakeng & Son Building Construction
- Christina : Just 4 us
- Cynthia : Cynthia Enterprise
- Dikeledi Napsadi : Tourism roleplayer
- Du Toit Malan : LIMDEV
- Gondo Joe : Farmer's Union
- Hamese Pat : LED Advisor
- Kadiaka M.J : CBO-Farming
- Kagiso E Kabelo : Community based projects
- Kekana N.D : LED & Planning Lepelle-Nkumpi
- Kgatuke : Department of Agriculture
- Kgoshi : Kgoshi Investments
- Kgoshi Kekana : Tribal Authorities
- Kgoshi Ledwaba : Tribal Authorities
- Kgoshi Mathabatha : Tribal Authorities
- Kgoshi Selwane : Tribal Authorities
- Kgoshi Thobejane : Tribal Authorities
- Kgoshigadi Mphahlele : Tribal Authorities
- Kgosiemang : Kagiso E Kabelo
- Kgosiemang W : Construction
- Kgosiemang W : Batlou wood wow
- Klaas : LYC - Mmako Farming
- Klaas : G. Dealer/ LK Mmako
- Koopedi E.N : Hlogo Construction
- Lawrence : Morakeng & Son Building Construction
- Ledwaba F. : Zebediela Citrus
- Letsoalo T. H. : Lepelle-Nkumpi- Finance
- Letswalo John : Limpopo Tourism and Parks
- Mabiletja Z : SAMAP
- Machete KJ : Ward Committee 12
- Machovani K.E : Local Government
- Madia Alex : LONMIN
- Madikela John Tlhalakgale : Lebone Consolidated Programme
- Maganyele SD : Tourism
- Magoleng Cooporative : Community based projects
- Mahlakoane M.F. : Department of Agriculture
- Maipadi Tiny : Motsaro Trading Enterprise
- Makobela ME : Dept of Agric
- Maleka Collins : Limpopo Tourism and Parks
- Maloka KS : Planner Lim Dev
- Maloka Sam : LIMDEV
- Mamabolo AM : Dept Of Local Gov
- Mampa Geoffrey : Ward Councillor- Mathabatha Tribal Area
- Managa Alice : Busineee Economist
- Manale A.M : Phuthimolle Tourism Lodge
- Manyaga L.A : Department of Local Government and housing
- Maphethu : LED Portfolio

- Marodi Ceth : Zebediela Bricks
- Masegabe Cynthia : Cynthia Enterprise
- Masemola Melisa : Mokgaetsi Trading Enterprise
- Mashego K. P : Department of Economic Development and Tourism
- Mashishi LJ : Greater MoletlaneProducers Co-operative Limited
- Mashishi LT : GMPC Limited
- Mashita Kgabo : Ward Councillor- Ledwaba Tribal Area
- Mathabatha Ray : CBO
- Matibe Khorombi : Limpopo Tourism and Parks
- Matlala : LIBSA
- Maubane Thabo Thlalakgale : Lethabo Heri Preser Vai
- Maumela ET : Communication Lim Dev
- Mbele M : Official
- Mdapisane B/Enterprise : Tourism roleplayer
- Mello M. C. : Basadi ba Bapedi
- Merry Mpobane : Mmakgopa Catering & Suppliers
- Mmakgopa Catering & Suppliers : Tourism roleplayer
- Mmako L.K : L.K Mmako Farming
- Mogodi S.P : LED Forum Member
- Mokgaetji : Mokgaetji Trading Enterprise
- Mokocha MJ : LED Forum Sector
- Mokoena Julius : Lepelle-Nkumpi Municipality- Planning Department
- Molepo M : Official
- Morakong and son Building Construction : Community based projects
- Morapama M.O : Bonsai Construction AA Service
- Moseri MD : Mining & Transport
- Moseti M.D : Mphahlele Dev Foundation
- Motabatshindi Livhu : TIL
- Motjoadi R. F. : Mamokebe Resources
- Motsozo Trading : Tourism roleplayer
- Mphahlele R Beatrice : Intermind Fracturers and General Suppliers
- Mphahlele SG : Business Consulting
- Mphahlele Thakamangana : LED Mining Representative
- Mphahlele Tshepo : IDP Deputy Manager
- Mpobane Marry : Mmakgopa Catering & Suppliers
- Museli MD :
- Ngoana SC : Just 4 us Printings
- Nkadimeng MG : Learner
- Nkopodi : Tsa Rena BusEnt
- Nkuna M. M. : Department of Agriculture
- Norah : Tharollo
- Ntike W. M. : NAFCOC
- Paiah C : Agriculture
- Petja M Rachel : Florah's Bridals
- Phogole Jane : Ward Councillor- SelwaneTribal Area
- Rampola CL : Construction
- Ras Whitey : LIMDEV
- Ratau M.J : Thabo Stone Sand Crusher & Plant Hire
- Ratau S.T. : Department of Economic Development and Tourism
- Ratlhagane P. R. : EU- Limpopo LED

- Satekge S. J. : Acting Municipal Manager- Lepelle-Nkumpi
- Sebothoma MM : Mining Construction
- Sebothoma T.M : Sebothoma Diamond Extravagansa
- Selamolela Benny : Molapisane B \tnt
- Seloma MN : Ward Comm LED 17
- Setjeailobo : Magoleng Coopt
- Sewlall R : CDM
- Shawane NN : Official
- Talakgale MI : LEDET
- Thalakgale M.M : LED Deputy Chairperson
- Thandi : Dikeledi Napsadi (MD)
- Thobejane K : Sub Committee Tourism
- Thoka Elana : Lepelle-Nkumpi Municipality- Planning Department
- Thuthimole Lodge : Tourism roleplayer

Annexure B: Ehler zones

Since most environmental factors that degermine the habitat of specific crops can only be controlled or changed on very small scale (or not at all) by the farmer, cropos should be chosen that are adaptable to thee environment. It is for this reason that Ehler zones were developed (Ehlers, 1988).

In the Ehlers zones useful plants are divided in to zones according to their temperature requirements. These zones are identified by four digits (ex. 7725). The first two digits have reference to the average temperature household of the summer months (December to February). The last two digits refer to the average temperature household of the winter months (June to August). The temperature household takes both the average day and average night temperature into account. This makes the identification of crops with optimal temperatures within that temperature zone possible.

TABLES WITH SUITABLE CROPS FOR EACH EHLERS ZONE ARE GIVEN AS FOLLOWS:

Column 1: Botanical name of crops
Column 2: Where information is available the condition is given as optimal, sub-optimal and marginal. Undifferentiated means that the crop is adapted to the zone, but at this stage not enough information is available to be more specific with regard to optimal, sub-optimal and marginal.
Column 3: Common name

The tables are divided into summer and winter crop suitability. In certain cases a winter crop can be suitable for an Ehlers zone in a summer rainfall region if irrigation is possible.

The following zones occur in Lepelle-Nkumpi as detailed upon hereunder:

- 5725
- 3514
- 4625
- 5735
- 6735
- 7746
- 8946

Suitable summer crops for zone 3514

BOTANICAL NAME	CONDITION	COMMON NAME
Allium spp.	optimal	Onion, Garlic
Anthriscus cerefolium	optimal	Chervil
Atriplex hortensis	optimal	Mountain Spinach
Carum carvi	optimal	Caraway
Malus sylvestris	optimal	Apple
Raphanus longipinnatus	optimal	Japanese Radish
Brassica oleracea var. botrytis	suboptimal	Cauliflower
Daucus carota var. sativus	suboptimal	Carrot
Prunus domestica	suboptimal	Plum
Prunus occidentalis	suboptimal	

Solanum tuberosum	suboptimal	Potato
Spinacia oleracea	suboptimal	Spinach
Amaranthus leucocarpus	undifferentiated	Grain Amaranth
Angelica archangelica	undifferentiated	Angelica
Brassica alboglabra	undifferentiated	Chinese Kale
Brassica campestris var. sarson	undifferentiated	Indian Colze (Canola)
Brassica chinensis	undifferentiated	Chinese cabbage
Brassica oleracea var. acephala	undifferentiated	Cow Cabbage
Brassica oleracea var. capitata	undifferentiated	Headed Cabbage
Brassica oleracea var. caulorapa	undifferentiated	
Brassica pekinensis	undifferentiated	Celery Cabbage
Brassica rapa	undifferentiated	Rape Cole (Canola)
Campanula rapunculus	undifferentiated	Rampion
Chaerophyllum bulbosum	undifferentiated	Turnip-rooted Chervil
Chenopodium spp.	undifferentiated	Chenopodium Grain
Chrysanthemum carinatum	undifferentiated	Chop Suy Green
Crataegus pubescens	undifferentiated	Mexican Hawthorn
Eragrostis tef	undifferentiated	Abyssinian Millet; Tefgrass
Fagopyrum spp.	undifferentiated	Buckweat
Lactuca sativa	undifferentiated	Lettuce
Petrosilinum crispum	undifferentiated	Parsley
Pisum sativum	undifferentiated	Common Garden Pea
Prunus domestica var. italica	undifferentiated	
Raphanus sativus	undifferentiated	Radish
Sium sisarum	undifferentiated	Skirret
Tanacetum vulgare	undifferentiated	Tansy
Taraxacum officinale	undifferentiated	Dandelion / Milk Gowan
Vicia faba	undifferentiated	Broadbean

Suitable winter crops for zone 3514

BOTANICAL NAME	**CONDITION**	**COMMON NAME**
Carum carvi	optimal	Caraway

Suitable summer crops for zone 4625

BOTANICAL NAME	**CONDITION**	**COMMON NAME**
Prunus persica	marginal	Peach
Zea mays	marginal	Maize
Allium spp.	optimal	Onion, Garlic
Anethum graveolens	optimal	Dill
Anthriscus cerefolium	optimal	Chervil
Apium spp.	optimal	Celery
Armoracia rusticana	optimal	Horse Radish
Atriplex hortensis	optimal	Mountain Spinach
Avena sativa	optimal	Oats (Common)
Brassica alba	optimal	Field Mustard
Brassica alboglabra	optimal	Chinese Kale
Brassica campestris	optimal	Field Mustard (Oil)
Brassica campestris var. sarson	optimal	Indian Colze (Canola)
Brassica campestris var. toria	optimal	Rapeseed (Canola Oil)
Brassica chinensis	optimal	Chinese cabbage
Brassica juncea	optimal	Brown Mustard (Oil)
Brassica napobrassica	optimal	Rape

Brassica napus & var.	optimal	Cole; Cole-seed; (Canola)
Brassica nigra	optimal	Black Mustard
Brassica oleracea var. acephala	optimal	Cow Cabbage
Brassica oleracea var. botrytis	optimal	Cauliflower
Brassica oleracea var. capitata	optimal	Headed Cabbage
Brassica oleracea var. caulorapa	optimal	
Brassica oleracea var. costata	optimal	
Brassica oleracea var. gemmifera	optimal	Brussels Sprouts
Brassica oleracea var. gongylodes	optimal	Hungarian Turnip
Brassica oleracea var. italica	optimal	Italian Broccoli
Brassica oleracea var. sabauda	optimal	
Brassica oleracea var. sinensis	optimal	
Brassica oleracea var. viridis	optimal	Collard
Brassica pekinensis	optimal	Celery Cabbage
Brassica rapa	optimal	Rape Cole (Canola)
Cannabis sativa 2	optimal	hemp (fibre)
Carum carvi	optimal	Caraway
Cichorium endivia	optimal	Andywie; Endive
Cichorium intybus	optimal	Chicory
Coriandrum sativum	optimal	Coriander
Crataegus pubescens	optimal	Mexican Hawthorn
Cynara spp.	optimal	Artichoke
Daucus carota var. sativus	optimal	Carrot
Eragrostis tef	optimal	Abyssinian Millet; Tefgrass
Eruca sativa	optimal	Rocket Salad
Fagopyrum spp.	optimal	Buckweat
Foeniculum vulgare	optimal	Sweet Anise
Fragaria ananassa	optimal	Strawberry
Helianthus tuberosus	optimal	Topinambur
Lactuca sativa	optimal	Lettuce
Lens esculenta	optimal	Lentil
Linum usitatissimum 2	optimal	Flax; Linseed (Fibre)
Myrrhis odorata	optimal	Sweet Cicely / Cicle
Pastinaca sativa	optimal	Parsnip
Petrosilinum crispum	optimal	Parsley
Phaseolus coccineus	optimal	Big Kidney Bean
Pisum sativum	optimal	Common Garden Pea
Portulaca oleracea	optimal	Purslane
Prunus occidentalis	optimal	
Prunus salicina	optimal	Japanese Plum
Raphanus longipinnatus	optimal	Japanese Radish
Raphanus sativus	optimal	Radish
Rheum rhabarbarum	optimal	English Rhubarb
Secale cereale	optimal	Rye
Sium sisarum	optimal	Skirret
Solanum tuberosum	optimal	Potato
Spinacia oleracea	optimal	Spinach
Tragopogon porrifolius	optimal	Oyster Plant
Vicia faba	optimal	Broadbean
Hordeum spp.	suboptimal	Barley
Ocimum basilicum	suboptimal	Basil
Aconitum napellus	undifferentiated	Aconite

Amaranthus leucocarpus	undifferentiated	Grain Amaranth
Angelica archangelica	undifferentiated	Angelica
Atriplex nummularia	undifferentiated	Old-man Saltbush
Beta vulgaris 3	undifferentiated	Fodder Beet
Calendula officinalis	undifferentiated	Calendula
Camelina sativa	undifferentiated	False Flax
Campanula rapunculus	undifferentiated	Rampion
Chaerophyllum bulbosum	undifferentiated	Turnip-rooted Chervil
Chenopodium spp.	undifferentiated	Chenopodium Grain
Chrysanthemum carinatum	undifferentiated	Chop Suy Green
Corylus maxima	undifferentiated	Hazelnut
Echinochloa crus-galli var. frumentacea	undifferentiated	Barnyard Millet
Humulus lupulus	undifferentiated	Hops
Juglans regia	undifferentiated	English Walnut
Mentha spp.	undifferentiated	Mint
Prunus amygdalus	undifferentiated	Almond
Prunus domestica var. italica	undifferentiated	
Rosa damascena	undifferentiated	Damask Rose
Salvia sclarea	undifferentiated	Clary Sage
Tanacetum vulgare	undifferentiated	Tansy
Taraxacum officinale	undifferentiated	Dandelion / Milk Gowan
Thymus vulgaris	undifferentiated	Thyme
Triticum aestivum 1	undifferentiated	Winter Wheat

Suitable winter crops for zone 4625

BOTANICAL NAME	**CONDITION**	**COMMON NAME**
Avena sativa	optimal	Oats (Common)
Carum carvi	optimal	Caraway
Foeniculum vulgare	optimal	Sweet Anise
Triticum aestivum 1	undifferentiated	Winter Wheat

Suitable summer crops for zone 5725

BOTANICAL_	CONDITION	COMMON_NAM
Allium spp.	optimal	Onion, Garlic
Anethum graveolens	optimal	Dill
Anthriscus cerefolium	optimal	Chervil
Atriplex hortensis	optimal	Mountain Spinach
Atriplex nummularia	optimal	Old-man Saltbush
Avena sativa	optimal	Oats (Common)
Brassica chinensis	optimal	Chinese cabbage
Brassica pekinensis	optimal	Celery Cabbage
Camellia sinensis	optimal	Tea
Cannabis sativa 2	optimal	hemp (fibre)
Capsicum frutescens	optimal	Sweet Pepper
Carthamus tinctorius	optimal	Safflower
Carum carvi	optimal	Caraway
Cichorium intybus	optimal	Chicory
Coriandrum sativum	optimal	Coriander
Crataegus pubescens	optimal	Mexican Hawthorn
Cucumis spp.	optimal	Gherkin, Musk-melon
Cucurbita spp	optimal	Pumpkin, Squash

Cuminum cyminum	optimal	Cumin
Echinochloa crus-galli var. frumentacea	optimal	Barnyard Millet
Eragrostis tef	optimal	Abyssinian Millet; Tefgrass
Eruca sativa	optimal	Rocket Salad
Feijoa sellowiana	optimal	Pine-apple Guava
Helianthus tuberosus	optimal	Topinambur
Hordeum spp.	optimal	Barley
Lens esculenta	optimal	Lentil
Linum usitatissimum 2	optimal	Flax; Linseed (Fibre)
Myrrhis odorata	optimal	Sweet Cicely / Cicle
Ocimum basilicum	optimal	Basil
Passiflora edulis	optimal	Purple Granadilla
Phaseolus coccineus	optimal	Big Kidney Bean
Phaseolus lunatus	optimal	Butter Bean
Phormium tenax	optimal	New Zeeland Hemp
Pimpinella anisum	optimal	Anise
Portulaca oleracea	optimal	Purslane
Prunus armeniaca	optimal	Apricot
Prunus salicina	optimal	Japanese Plum
Secale cereale	optimal	Rye
Sechium edule	optimal	Choco / Chowchow
Sium sisarum	optimal	Skirret
Solanum tuberosum	optimal	Potato
Triticum aestivum 1	optimal	Winter Wheat
Vitis vinefera	optimal	Grapes
Apium spp.	suboptimal	Celery
Armoracia rusticana	suboptimal	Horse Radish
Brassica alba	suboptimal	Field Mustard
Brassica alboglabra	suboptimal	Chinese Kale
Brassica campestris	suboptimal	Field Mustard (Oil)
Brassica campestris var. sarson	suboptimal	Indian Colze (Canola)
Brassica campestris var. toria	suboptimal	Rapeseed (Canola Oil)
Brassica juncea	suboptimal	Brown Mustard (Oil)
Brassica napobrassica	suboptimal	Rape
Brassica napus & var.	suboptimal	Cole; Cole-seed; (Canola)
Brassica nigra	suboptimal	Black Mustard
Brassica oleracea var. botrytis	suboptimal	Cauliflower
Brassica oleracea var. capitata	suboptimal	Headed Cabbage
Brassica oleracea var. costata	suboptimal	
Brassica oleracea var. gemmifera	suboptimal	Brussels Sprouts
Brassica oleracea var. gongylodes	suboptimal	Hungarian Turnip
Brassica oleracea var. italica	suboptimal	Italian Broccoli
Brassica oleracea var. sabauda	suboptimal	
Brassica oleracea var. sinensis	suboptimal	
Brassica oleracea var. viridis	suboptimal	Collard
Brassica rapa	suboptimal	Rape Cole (Canola)
Cichorium endivia	suboptimal	Andywie; Endive
Cynara spp.	suboptimal	Artichoke
Daucus carota var. sativus	suboptimal	Carrot
Foeniculum vulgare	suboptimal	Sweet Anise

Fragaria ananassa	suboptimal	Strawberry
Glycine max	suboptimal	Soy Bean
Helianthus annuus	suboptimal	Sunflower
Lactuca sativa	suboptimal	Lettuce
Pastinaca sativa	suboptimal	Parsnip
Petrosilinum crispum	suboptimal	Parsley
Pisum sativum	suboptimal	Common Garden Pea
Prunus occidentalis	suboptimal	
Prunus persica	suboptimal	Peach
Raphanus longipinnatus	suboptimal	Japanese Radish
Raphanus sativus	suboptimal	Radish
Rheum rhabarbarum	suboptimal	English Rhubarb
Spinacia oleracea	suboptimal	Spinach
Tragopogon porrifolius	suboptimal	Oyster Plant
Vicia faba	suboptimal	Broadbean
Zea mays	suboptimal	Maize
Aconitum napellus	undifferentiated	Aconite
Amaranthus leucocarpus	undifferentiated	Grain Amaranth
Angelica archangelica	undifferentiated	Angelica
Beta vulgaris 3	undifferentiated	Fodder Beet
Calendula officinalis	undifferentiated	Calendula
Camelina sativa	undifferentiated	False Flax
Campanula rapunculus	undifferentiated	Rampion
Chaerophyllum bulbosum	undifferentiated	Turnip-rooted Chervil
Chenopodium spp.	undifferentiated	Chenopodium Grain
Chrysanthemum carinatum	undifferentiated	Chop Suy Green
Coix lachryma-jobi	undifferentiated	Job's Tears
Corylus maxima	undifferentiated	Hazelnut
Fagopyrum spp.	undifferentiated	Buckweat
Ficus carica	undifferentiated	Common Fig
Humulus lupulus	undifferentiated	Hops
Juglans regia	undifferentiated	English Walnut
Mentha spp.	undifferentiated	Mint
Pelargonium graveolens	undifferentiated	Malva
Persea americana	undifferentiated	Avocado Pear
Phaseolus angularis	undifferentiated	Adzuki Bean
Phaseolus aureus	undifferentiated	Golden Bean
Phaseolus mungo	undifferentiated	Black Gram Bean
Pistacia spp.	undifferentiated	Pistachis, Pistachio Nut
Prunus amygdalus	undifferentiated	Almond
Prunus domestica var. italica	undifferentiated	
Rosa damascena	undifferentiated	Damask Rose
Salvia officinalis	undifferentiated	Sage
Salvia sclarea	undifferentiated	Clary Sage
Scorsonera hispanica	undifferentiated	Black Salsify
Sorghum bicolor	undifferentiated	Indian Millet
Sorghum spp.	undifferentiated	Millet
Tanacetum vulgare	undifferentiated	Tansy
Taraxacum officinale	undifferentiated	Dandelion / Milk Gowan
Tetragonia expansa	undifferentiated	New Zealand Spinach

Thymus vulgaris	undifferentiated	Thyme
Zoysia japonica	undifferentiated	Japanese Lawngrass

Suitable winter crops for zone 5725

BOTANICAL NAME	CONDITION	COMMON NAME
Avena sativa	optimal	Oats (Common)
Carum carvi	optimal	Caraway
Cuminum cyminum	optimal	Cumin
Triticum aestivum 1	optimal	Winter Wheat
Foeniculum vulgare	suboptimal	Sweet Anise

Suitable summer crops for zone 5735

BOTANICAL NAME	CONDITION	COMMON NAME
Allium spp.	optimal	Onion, Garlic
Anethum graveolens	optimal	Dill
Anthriscus cerefolium	optimal	Chervil
Atriplex hortensis	optimal	Mountain Spinach
Atriplex nummularia	optimal	Old-man Saltbush
Avena sativa	optimal	Oats (Common)
Brassica chinensis	optimal	Chinese cabbage
Brassica pekinensis	optimal	Celery Cabbage
Camellia sinensis	optimal	Tea
Cannabis sativa 2	optimal	hemp (fibre)
Capsicum frutescens	optimal	Sweet Pepper
Carthamus tinctorius	optimal	Safflower
Carum carvi	optimal	Caraway
Chrysanthemum cinerariifolium	optimal	Dalmation Insect Flower
Cichorium intybus	optimal	Chicory
Coriandrum sativum	optimal	Coriander
Crataegus pubescens	optimal	Mexican Hawthorn
Cucumis spp.	optimal	Gherkin, Musk-melon
Cucurbita spp	optimal	Pumpkin, Squash
Cuminum cyminum	optimal	Cumin
Echinochloa crus-galli var. frumentacea	optimal	Barnyard Millet
Eragrostis tef	optimal	Abyssinian Millet; Tefgrass
Eriobotrya japonica	optimal	Luquat; Japanese Plum
Eruca sativa	optimal	Rocket Salad
Feijoa sellowiana	optimal	Pine-apple Guava
Helianthus tuberosus	optimal	Topinambur
Hordeum spp.	optimal	Barley
Lens esculenta	optimal	Lentil
Linum usitatissimum 2	optimal	Flax; Linseed (Fibre)
Myrrhis odorata	optimal	Sweet Cicely / Cicle
Ocimum basilicum	optimal	Basil
Passiflora edulis	optimal	Purple Granadilla
Phaseolus coccineus	optimal	Big Kidney Bean
Phaseolus lunatus	optimal	Butter Bean
Phormium tenax	optimal	New Zeeland Hemp
Pimpinella anisum	optimal	Anise
Portulaca oleracea	optimal	Purslane

Sechium edule	optimal	Choco / Chowchow
Sium sisarum	optimal	Skirret
Solanum tuberosum	optimal	Potato
Vitis vinefera	optimal	Grapes
Apium spp.	suboptimal	Celery
Armoracia rusticana	suboptimal	Horse Radish
Brassica alba	suboptimal	Field Mustard
Brassica alboglabra	suboptimal	Chinese Kale
Brassica campestris	suboptimal	Field Mustard (Oil)
Brassica campestris var. sarson	suboptimal	Indian Colze (Canola)
Brassica campestris var. toria	suboptimal	Rapeseed (Canola Oil)
Brassica juncea	suboptimal	Brown Mustard (Oil)
Brassica napobrassica	suboptimal	Rape
Brassica napus & var.	suboptimal	Cole; Cole-seed; (Canola)
Brassica nigra	suboptimal	Black Mustard
Brassica oleracea var. botrytis	suboptimal	Cauliflower
Brassica oleracea var. capitata	suboptimal	Headed Cabbage
Brassica oleracea var. costata	suboptimal	
Brassica oleracea var. gemmifera	suboptimal	Brussels Sprouts
Brassica oleracea var. gongylodes	suboptimal	Hungarian Turnip
Brassica oleracea var. italica	suboptimal	Italian Broccoli
Brassica oleracea var. sabauda	suboptimal	
Brassica oleracea var. sinensis	suboptimal	
Brassica oleracea var. viridis	suboptimal	Collard
Brassica rapa	suboptimal	Rape Cole (Canola)
Cichorium endivia	suboptimal	Andywie; Endive
Cynara spp.	suboptimal	Artichoke
Daucus carota var. sativus	suboptimal	Carrot
Foeniculum vulgare	suboptimal	Sweet Anise
Fragaria ananassa	suboptimal	Strawberry
Glycine max	suboptimal	Soy Bean
Helianthus annuus	suboptimal	Sunflower
Lactuca sativa	suboptimal	Lettuce
Pastinaca sativa	suboptimal	Parsnip
Petrosilinum crispum	suboptimal	Parsley
Pisum sativum	suboptimal	Common Garden Pea
Raphanus longipinnatus	suboptimal	Japanese Radish
Raphanus sativus	suboptimal	Radish
Rheum rhabarbarum	suboptimal	English Rhubarb
Spinacia oleracea	suboptimal	Spinach
Tragopogon porrifolius	suboptimal	Oyster Plant
Vicia faba	suboptimal	Broadbean
Zea mays	suboptimal	Maize
Aconitum napellus	undifferentiated	Aconite
Amaranthus leucocarpus	undifferentiated	Grain Amaranth
Angelica archangelica	undifferentiated	Angelica
Beta vulgaris 3	undifferentiated	Fodder Beet
Calendula officinalis	undifferentiated	Calendula
Camelina sativa	undifferentiated	False Flax
Campanula rapunculus	undifferentiated	Rampion

Chaerophyllum bulbosum	undifferentiated	Turnip-rooted Chervil
Chenopodium spp.	undifferentiated	Chenopodium Grain
Chrysanthemum carinatum	undifferentiated	Chop Suy Green
Coix lachryma-jobi	undifferentiated	Job's Tears
Corylus maxima	undifferentiated	Hazelnut
Fagopyrum spp.	undifferentiated	Buckweat
Ficus carica	undifferentiated	Common Fig
Humulus lupulus	undifferentiated	Hops
Mentha spp.	undifferentiated	Mint
Pelargonium graveolens	undifferentiated	Malva
Persea americana	undifferentiated	Avocado Pear
Phaseolus angularis	undifferentiated	Adzuki Bean
Phaseolus aureus	undifferentiated	Golden Bean
Phaseolus mungo	undifferentiated	Black Gram Bean
Rosa damascena	undifferentiated	Damask Rose
Salvia officinalis	undifferentiated	Sage
Salvia sclarea	undifferentiated	Clary Sage
Scorsonera hispanica	undifferentiated	Black Salsify
Sorghum bicolor	undifferentiated	Indian Millet
Sorghum spp.	undifferentiated	Millet
Tanacetum vulgare	undifferentiated	Tansy
Taraxacum officinale	undifferentiated	Dandelion / Milk Gowan
Tetragonia expansa	undifferentiated	New Zealand Spinach
Thymus vulgaris	undifferentiated	Thyme
Zoysia japonica	undifferentiated	Japanese Lawngrass

Suitable winter crops for zone 5735

BOTANICAL NAME	CONDITION	COMMON NAME
Allium spp.	optimal	Onion, Garlic
Anthriscus cerefolium	optimal	Chervil
Atriplex hortensis	optimal	Mountain Spinach
Avena sativa	optimal	Oats (Common)
Carum carvi	optimal	Caraway
Carum carvi	optimal	Caraway
Cuminum cyminum	optimal	Cumin
Malus sylvestris	optimal	Apple
Raphanus longipinnatus	optimal	Japanese Radish
Brassica oleracea var. botrytis	suboptimal	Cauliflower
Daucus carota var. sativus	suboptimal	Carrot
Foeniculum vulgare	suboptimal	Sweet Anise
Prunus domestica	suboptimal	Plum
Prunus occidentalis	suboptimal	
Solanum tuberosum	suboptimal	Potato
Spinacia oleracea	suboptimal	Spinach
Amaranthus leucocarpus	undifferentiated	Grain Amaranth
Angelica archangelica	undifferentiated	Angelica
Brassica alboglabra	undifferentiated	Chinese Kale
Brassica campestris var. sarson	undifferentiated	Indian Colze (Canola)
Brassica chinensis	undifferentiated	Chinese cabbage
Brassica oleracea var. acephala	undifferentiated	Cow Cabbage

Brassica oleracea var. capitata	undifferentiated	Headed Cabbage
Brassica oleracea var. caulorapa	undifferentiated	
Brassica pekinensis	undifferentiated	Celery Cabbage
Brassica rapa	undifferentiated	Rape Cole (Canola)
Campanula rapunculus	undifferentiated	Rampion
Chaerophyllum bulbosum	undifferentiated	Turnip-rooted Chervil
Chenopodium spp.	undifferentiated	Chenopodium Grain
Chrysanthemum carinatum	undifferentiated	Chop Suy Green
Chrysanthemum cinerariifolium	undifferentiated	Dalmation Insect Flower
Crataegus pubescens	undifferentiated	Mexican Hawthorn
Eragrostis tef	undifferentiated	Abyssinian Millet; Tefgrass
Fagopyrum spp.	undifferentiated	Buckweat
Lactuca sativa	undifferentiated	Lettuce
Petrosilinum crispum	undifferentiated	Parsley
Pisum sativum	undifferentiated	Common Garden Pea
Prunus domestica var. italica	undifferentiated	
Raphanus sativus	undifferentiated	Radish
Sium sisarum	undifferentiated	Skirret
Tanacetum vulgare	undifferentiated	Tansy
Taraxacum officinale	undifferentiated	Dandelion / Milk Gowan
Vicia faba	undifferentiated	Broadbean

Suitable summer crops for zone 6735

BOTANICAL NAME	CONDITION	COMMON NAME
Allium spp.	optimal	Onion, Garlic
Anethum graveolens	optimal	Dill
Annona cherimola	optimal	Cherimoya
Anthriscus cerefolium	optimal	Chervil
Atriplex nummularia	optimal	Old-man Saltbush
Avena sativa	optimal	Oats (Common)
Cannabis sativa 2	optimal	hemp (fibre)
Capsicum frutescens	optimal	Sweet Pepper
Capsicum frutescens 1	optimal	Red Pepper
Carthamus tinctorius	optimal	Safflower
Cichorium intybus	optimal	Chicory
Citrullus lanatus	optimal	Bitter Melon
Cucumis spp.	optimal	Gherkin, Musk-melon
Cucurbita spp	optimal	Pumpkin, Squash
Cuminum cyminum	optimal	Cumin
Diospyros kaki	optimal	Japanese Persimmon
Echinochloa crus-galli var. frumentacea	optimal	Barnyard Millet
Eragrostis tef	optimal	Abyssinian Millet; Tefgrass
Eriobotrya japonica	optimal	Luquat; Japanese Plum
Feijoa sellowiana	optimal	Pine-apple Guava
Helianthus annuus	optimal	Sunflower
Hordeum spp.	optimal	Barley
Lens esculenta	optimal	Lentil
Lycopersicon esculentum	optimal	Tomato
Ocimum basilicum	optimal	Basil

Olea europaea	optimal	Olive
Passiflora edulis	optimal	Purple Granadilla
Phaseolus coccineus	optimal	Big Kidney Bean
Phaseolus lunatus	optimal	Butter Bean
Phormium tenax	optimal	New Zeeland Hemp
Pimpinella anisum	optimal	Anise
Sechium edule	optimal	Choco / Chowchow
Solanum melongena var. esculentum	optimal	Brinjal / Eggplant
Tetragonia expansa	optimal	New Zealand Spinach
Vitis vinefera	optimal	Grapes
Zea mays	optimal	Maize
Camellia sinensis	suboptimal	Tea
Hibiscus esculentus	suboptimal	Abelmosk; Awkraw
Ipomoea batatas	suboptimal	Sweet Potato
Portulaca oleracea	suboptimal	Purslane
Proboscidea jussieui	suboptimal	Martynia
Sium sisarum	suboptimal	Skirret
Solanum tuberosum	suboptimal	Potato
Aconitum napellus	undifferentiated	Aconite
Aleurites fordii	undifferentiated	Chinese Wood-oil Tree
Angelica archangelica	undifferentiated	Angelica
Arachis hypogaea	undifferentiated	Ground Nut
Beta vulgaris 3	undifferentiated	Fodder Beet
Calendula officinalis	undifferentiated	Calendula
Campanula rapunculus	undifferentiated	Rampion
Carum carvi	undifferentiated	Caraway
Chrysanthemum carinatum	undifferentiated	Chop Suy Green
Cicer arietinum	undifferentiated	Chickpea
Citrus limonia	undifferentiated	Lemon, Orange
Coix lachryma-jobi	undifferentiated	Job's Tears
Coriandrum sativum	undifferentiated	Coriander
Corylus maxima	undifferentiated	Hazelnut
Crataegus pubescens	undifferentiated	Mexican Hawthorn
Diospyros ebenaster	undifferentiated	Black Sapote
Diospyros virginiana	undifferentiated	American Persimmon
Ficus carica	undifferentiated	Common Fig
Foeniculum vulgare	undifferentiated	Sweet Anise
Fortunella japonica	undifferentiated	Small Round Kumquat
Fragaria ananassa	undifferentiated	Strawberry
Glycyrrhiza glabra	undifferentiated	Liquorice
Humulus lupulus	undifferentiated	Hops
Linum usitatissimum 1	undifferentiated	Flax; Linseed (Oil)
Macadamia integrifolia	undifferentiated	Macadamia Nut
Mentha spp.	undifferentiated	Mint
Nicotiana tabacum 1	undifferentiated	Tobacco (Virginia)
Nicotiana tabacum 2	undifferentiated	Tobacco (Turkish)
Pelargonium graveolens	undifferentiated	Malva
Pennisetum typhoides	undifferentiated	Babala / Pearl Millet
Persea americana	undifferentiated	Avocado Pear
Phaseolus aconitifolius	undifferentiated	Texas Bean

Phaseolus angularis	undifferentiated	Adzuki Bean
Phaseolus aureus	undifferentiated	Golden Bean
Phaseolus mungo	undifferentiated	Black Gram Bean
Pimenta spp.	undifferentiated	Pimento
Poncirus trifoliata	undifferentiated	Decidouos / Trifoliate Orange
Raphanus longipinnatus	undifferentiated	Japanese Radish
Rosa damascena	undifferentiated	Damask Rose
Salvia officinalis	undifferentiated	Sage
Salvia sclarea	undifferentiated	Clary Sage
Scorsonera hispanica	undifferentiated	Black Salsify
Sesamum indicum	undifferentiated	Benniseed
Sorghum bicolor	undifferentiated	Indian Millet
Sorghum spp.	undifferentiated	Millet
Taraxacum officinale	undifferentiated	Dandelion / Milk Gowan
Thymus vulgaris	undifferentiated	Thyme
Zoysia japonica	undifferentiated	Japanese Lawngrass
Zoysia matrella	undifferentiated	Manilla Lawngrass

Suitable winter crops for zone 6735

BOTANICAL NAME	**CONDITION**	**COMMON NAME**
Allium spp.	optimal	Onion, Garlic
Anthriscus cerefolium	optimal	Chervil
Atriplex hortensis	optimal	Mountain Spinach
Avena sativa	optimal	Oats (Common)
Carum carvi	optimal	Caraway
Cuminum cyminum	optimal	Cumin
Malus sylvestris	optimal	Apple
Raphanus longipinnatus	optimal	Japanese Radish
Brassica oleracea var. botrytis	suboptimal	Cauliflower
Daucus carota var. sativus	suboptimal	Carrot
Prunus domestica	suboptimal	Plum
Prunus occidentalis	suboptimal	
Solanum tuberosum	suboptimal	Potato
Spinacia oleracea	suboptimal	Spinach
Amaranthus leucocarpus	undifferentiated	Grain Amaranth
Angelica archangelica	undifferentiated	Angelica
Brassica alboglabra	undifferentiated	Chinese Kale
Brassica campestris var. sarson	undifferentiated	Indian Colze (Canola)
Brassica chinensis	undifferentiated	Chinese cabbage
Brassica oleracea var. acephala	undifferentiated	Cow Cabbage
Brassica oleracea var. capitata	undifferentiated	Headed Cabbage
Brassica oleracea var. caulorapa	undifferentiated	
Brassica pekinensis	undifferentiated	Celery Cabbage
Brassica rapa	undifferentiated	Rape Cole (Canola)
Campanula rapunculus	undifferentiated	Rampion
Carum carvi	undifferentiated	Caraway
Chaerophyllum bulbosum	undifferentiated	Turnip-rooted Chervil
Chenopodium spp.	undifferentiated	Chenopodium Grain
Chrysanthemum carinatum	undifferentiated	Chop Suy Green
Chrysanthemum cinerariifolium	undifferentiated	Dalmation Insect Flower

Crataegus pubescens	undifferentiated	Mexican Hawthorn
Eragrostis tef	undifferentiated	Abyssinian Millet; Tefgrass
Fagopyrum spp.	undifferentiated	Buckweat
Foeniculum vulgare	undifferentiated	Sweet Anise
Lactuca sativa	undifferentiated	Lettuce
Petrosilinum crispum	undifferentiated	Parsley
Pisum sativum	undifferentiated	Common Garden Pea
Prunus domestica var. italica	undifferentiated	
Raphanus sativus	undifferentiated	Radish
Sium sisarum	undifferentiated	Skirret
Tanacetum vulgare	undifferentiated	Tansy
Taraxacum officinale	undifferentiated	Dandelion / Milk Gowan
Vicia faba	undifferentiated	Broadbean

Suitable summer crops for zone 7746

BOTANICAL NAME	**CONDITION**	**COMMON NAME**
Saccharum officinarum	marginal	Sugar Cane
Allium spp.	optimal	Onion, Garlic
Ananas spp.	optimal	Pineapple
Annona cherimola	optimal	Cherimoya
Annona diversifolia	optimal	Llama
Atriplex nummularia	optimal	Old-man Saltbush
Capsicum frutescens	optimal	Sweet Pepper
Capsicum frutescens 1	optimal	Red Pepper
Citrullus lanatus	optimal	Bitter Melon
Citrus sinensis 2	optimal	Nawel
Coffea arabica	optimal	Arabica Coffee
Coix lachryma-jobi	optimal	Job's Tears
Cucumis spp.	optimal	Gherkin, Musk-melon
Eriobotrya japonica	optimal	Luquat; Japanese Plum
Feijoa sellowiana	optimal	Pine-apple Guava
Glycine max	optimal	Soy Bean
Helianthus annuus	optimal	Sunflower
Hordeum spp.	optimal	Barley
Lycopersicon esculentum	optimal	Tomato
Nicotiana tabacum 2	optimal	Tobacco (Turkish)
Phaseolus lunatus	optimal	Butter Bean
Sechium edule	optimal	Choco / Chowchow
Solanum melongena var. esculentum	optimal	Brinjal / Eggplant
Sorghum bicolor	optimal	Indian Millet
Tetragonia expansa	optimal	New Zealand Spinach
Triticum aestivum 2	optimal	Summer Wheat
Zea mays	optimal	Maize
Arachis hypogaea	suboptimal	Ground Nut
Bixa orellana	suboptimal	Annatto
Carthamus tinctorius	suboptimal	Safflower
Gossypium spp.	suboptimal	Cotton
Hibiscus cannabinus	suboptimal	Ambari Hemp; Kenaf
Ipomoea batatas	suboptimal	Sweet Potato
Mangifera indica	suboptimal	Mango

Manihot esculenta	suboptimal	Cassava
Musa spp.	suboptimal	Banana
Ocimum basilicum	suboptimal	Basil
Proboscidea jussieui	suboptimal	Martynia
Sorghum spp.	suboptimal	Millet
Agave sisalana	undifferentiated	Sisal
Aleurites montana	undifferentiated	Mee-yu-shu Oil
Beta vulgaris 3	undifferentiated	Fodder Beet
Carcica papaya	undifferentiated	Pawpaw; Papaja
Carum carvi	undifferentiated	Caraway
Casimiroa edulis	undifferentiated	Casimiroa; Cochil Sapote
Ceratonia siliqua	undifferentiated	Carob Bean; Saint John's Bread
Cicer arietinum	undifferentiated	Chickpea
Citrus limonia	undifferentiated	Lemon, Orange
Citrus medica	undifferentiated	Citron
Citrus reticulata 1	undifferentiated	Mandarin
Citrus reticulata 2	undifferentiated	Tangerine
Citrus sinensis 1	undifferentiated	Valencia
Clausena lansium	undifferentiated	Wampee
Colocasia esculenta	undifferentiated	Cocos; Cocoyam
Coriandrum sativum	undifferentiated	Coriander
Cuminum cyminum	undifferentiated	Cumin
Cyphomandra betacea	undifferentiated	Tree Tomato
Diospyros ebenaster	undifferentiated	Black Sapote
Diospyros virginiana	undifferentiated	American Persimmon
Dovyalis caffra	undifferentiated	Umkokolo; Appelkoosdoring
Dovyalis hebecarpa	undifferentiated	Ceylon Gooseberry
Echinochloa crus-galli var. frumentacea	undifferentiated	Barnyard Millet
Ficus carica	undifferentiated	Common Fig
Fortunella japonica	undifferentiated	Small Round Kumquat
Glycyrrhiza glabra	undifferentiated	Liquorice
Guizotia abyssinica	undifferentiated	Niger-seed (Oil)
Lagenaria siceraria	undifferentiated	Calabashgourd; Zucca Melon
Linum usitatissimum 1	undifferentiated	Flax; Linseed (Oil)
Macadamia integrifolia	undifferentiated	Macadamia Nut
Malphigia glabra	undifferentiated	Barbados Cherry
Nicotiana tabacum 1	undifferentiated	Tobacco (Virginia)
Pelargonium graveolens	undifferentiated	Malva
Pennisetum typhoides	undifferentiated	Babala / Pearl Millet
Persea americana	undifferentiated	Avocado Pear
Phaseolus aconitifolius	undifferentiated	Texas Bean
Phaseolus acutifolius & var.	undifferentiated	Mat / Pillepesara Bean
Phaseolus angularis	undifferentiated	Adzuki Bean
Phaseolus aureus	undifferentiated	Golden Bean
Phaseolus calcaratus	undifferentiated	Rice Bean
Phaseolus lathyroides	undifferentiated	Phasemy Bean
Phaseolus mungo	undifferentiated	Black Gram Bean
Phaseolus radiatus	undifferentiated	Green Gram Bean
Phaseolus trinervis	undifferentiated	Jerusalem Pea
Physalis ixocarpa	undifferentiated	Tomatillo

Physalis pruinosa	undifferentiated	Dwarf Cape Gooseberry
Pimenta spp.	undifferentiated	Pimento
Poncirus trifoliata	undifferentiated	Decidouos / Trifoliate Orange
Psidium spp.	undifferentiated	Guava
Psophocarpus tetragonolobus	undifferentiated	Asparagus Pea
Punica granatum	undifferentiated	Pomegranate
Ricinus communis	undifferentiated	Caster-Oil Plant
Salvia officinalis	undifferentiated	Sage
Salvia sclarea	undifferentiated	Clary Sage
Scorsonera hispanica	undifferentiated	Black Salsify
Sesamum indicum	undifferentiated	Benniseed
Setaria italica 1	undifferentiated	Common Millet (grain)
Simmonodia chinensis	undifferentiated	Jojoba
Solanum tuberosum	undifferentiated	Potato
Stizolobium spp.	undifferentiated	Bengal Bean
Tanacetum vulgare	undifferentiated	Tansy
Zoysia japonica	undifferentiated	Japanese Lawngrass
Zoysia matrella	undifferentiated	Manilla Lawngrass

Suitable winter crops for zone 7746

BOTANICAL NAME	CONDITION	COMMON NAME
Lycopersicon esculentum	marginal	Tomato
Prunus persica	marginal	Peach
Zea mays	marginal	Maize
Allium spp.	optimal	Onion, Garlic
Anethum graveolens	optimal	Dill
Anthriscus cerefolium	optimal	Chervil
Apium spp.	optimal	Celery
Armoracia rusticana	optimal	Horse Radish
Atriplex hortensis	optimal	Mountain Spinach
Avena sativa	optimal	Oats (Common)
Beta vulgaris 1	optimal	Beetroot
Brassica alba	optimal	Field Mustard
Brassica alboglabra	optimal	Chinese Kale
Brassica campestris	optimal	Field Mustard (Oil)
Brassica campestris var. sarson	optimal	Indian Colze (Canola)
Brassica campestris var. toria	optimal	Rapeseed (Canola Oil)
Brassica chinensis	optimal	Chinese cabbage
Brassica juncea	optimal	Brown Mustard (Oil)
Brassica napobrassica	optimal	Rape
Brassica napus & var.	optimal	Cole; Cole-seed; (Canola)
Brassica nigra	optimal	Black Mustard
Brassica oleracea var. acephala	optimal	Cow Cabbage
Brassica oleracea var. botrytis	optimal	Cauliflower
Brassica oleracea var. capitata	optimal	Headed Cabbage
Brassica oleracea var. caulorapa	optimal	
Brassica oleracea var. costata	optimal	
Brassica oleracea var. gemmifera	optimal	Brussels Sprouts
Brassica oleracea var. gongylodes	optimal	Hungarian Turnip
Brassica oleracea var. italica	optimal	Italian Broccoli

Brassica oleracea var. sabauda	optimal	
Brassica oleracea var. sinensis	optimal	
Brassica oleracea var. viridis	optimal	Collard
Brassica pekinensis	optimal	Celery Cabbage
Brassica rapa	optimal	Rape Cole (Canola)
Cannabis sativa 2	optimal	hemp (fibre)
Carum carvi	optimal	Caraway
Chrysanthemum cinerariifolium	optimal	Dalmation Insect Flower
Cichorium endivia	optimal	Andywie; Endive
Cichorium intybus	optimal	Chicory
Coriandrum sativum	optimal	Coriander
Crataegus pubescens	optimal	Mexican Hawthorn
Cynara spp.	optimal	Artichoke
Daucus carota var. sativus	optimal	Carrot
Eragrostis tef	optimal	Abyssinian Millet; Tefgrass
Eruca sativa	optimal	Rocket Salad
Fagopyrum spp.	optimal	Buckweat
Foeniculum vulgare	optimal	Sweet Anise
Fragaria ananassa	optimal	Strawberry
Helianthus tuberosus	optimal	Topinambur
Lactuca sativa	optimal	Lettuce
Lens esculenta	optimal	Lentil
Linum usitatissimum 2	optimal	Flax; Linseed (Fibre)
Malus sylvestris	optimal	Apple
Myrrhis odorata	optimal	Sweet Cicely / Cicle
Pastinaca sativa	optimal	Parsnip
Petrosilinum crispum	optimal	Parsley
Phaseolus coccineus	optimal	Big Kidney Bean
Phaseolus vulgaris	optimal	Common / Runner Bean
Pisum sativum	optimal	Common Garden Pea
Portulaca oleracea	optimal	Purslane
Prunus avium	optimal	Sweet Cherry
Prunus domestica	optimal	Plum
Prunus occidentalis	optimal	
Prunus salicina	optimal	Japanese Plum
Raphanus longipinnatus	optimal	Japanese Radish
Raphanus sativus	optimal	Radish
Rheum rhabarbarum	optimal	English Rhubarb
Secale cereale	optimal	Rye
Sium sisarum	optimal	Skirret
Solanum tuberosum	optimal	Potato
Spinacia oleracea	optimal	Spinach
Tragopogon porrifolius	optimal	Oyster Plant
Vicia faba	optimal	Broadbean
Hordeum spp.	suboptimal	Barley
Ocimum basilicum	suboptimal	Basil
Carum carvi	undifferentiated	Caraway
Cuminum cyminum	undifferentiated	Cumin
Aconitum napellus	undifferentiated	Aconite
Amaranthus leucocarpus	undifferentiated	Grain Amaranth

Angelica archangelica	undifferentiated	Angelica
Atriplex nummularia	undifferentiated	Old-man Saltbush
Beta vulgaris 3	undifferentiated	Fodder Beet
Calendula officinalis	undifferentiated	Calendula
Camelina sativa	undifferentiated	False Flax
Campanula rapunculus	undifferentiated	Rampion
Chaerophyllum bulbosum	undifferentiated	Turnip-rooted Chervil
Chenopodium spp.	undifferentiated	Chenopodium Grain
Chrysanthemum carinatum	undifferentiated	Chop Suy Green
Corylus maxima	undifferentiated	Hazelnut
Echinochloa crus-galli var. frumentacea	undifferentiated	Barnyard Millet
Humulus lupulus	undifferentiated	Hops
Juglans regia	undifferentiated	English Walnut
Mentha spp.	undifferentiated	Mint
Prunus amygdalus	undifferentiated	Almond
Prunus domestica var. italica	undifferentiated	
Rosa damascena	undifferentiated	Damask Rose
Salvia sclarea	undifferentiated	Clary Sage
Tanacetum vulgare	undifferentiated	Tansy
Taraxacum officinale	undifferentiated	Dandelion / Milk Gowan
Thymus vulgaris	undifferentiated	Thyme
Triticum aestivum 1	undifferentiated	Winter Wheat

Suitable summer crops for zone 8946

BOTANICAL NAME	CONDITION	COMMON NAME
Zea mays	marginal	Maize
Aechmea magdalenae	optimal	Arghan Fibre
Aegele marmelos	optimal	Indian Beal
Anacardium occidentale	optimal	Cashew Nut
Annona cherimola	optimal	Cherimoya
Annona diversifolia	optimal	Llama
Arachis hypogaea	optimal	Ground Nut
Atriplex nummularia	optimal	Old-man Saltbush
Bixa orellana	optimal	Annatto
Capsicum frutescens 1	optimal	Red Pepper
Carcica papaya	optimal	Pawpaw; Papaja
Citrullus lanatus	optimal	Bitter Melon
Citrus sinensis 1	optimal	Valencia
Diospyros discolor	optimal	Velvet Apple
Gossypium spp.	optimal	Cotton
Hibiscus cannabinus	optimal	Ambari Hemp; Kenaf
Hibiscus esculentus	optimal	Abelmosk; Awkraw
Hibiscus sabdariffa	optimal	Pusa Hemp
Ipomoea batatas	optimal	Sweet Potato
Mangifera indica	optimal	Mango
Manihot esculenta	optimal	Cassava
Musa spp.	optimal	Banana
Oryza sativa	optimal	Rice
Phaseolus lunatus	optimal	Butter Bean
Phoenix dactylifera	optimal	Date Palm
Pimenta spp.	optimal	Pimento

Psidium spp.	optimal	Guava
Ricinus communis	optimal	Caster-Oil Plant
Saccharum officinarum	optimal	Sugar Cane
Solanum melongena var. esculentum	optimal	Brinjal / Eggplant
Sorghum bicolor	optimal	Indian Millet
Sorghum spp.	optimal	Millet
Stizolobium spp.	optimal	Bengal Bean
Glycine max	suboptimal	Soy Bean
Helianthus annuus	suboptimal	Sunflower
Agave fourcroydes	undifferentiated	Bombay Hemp
Agave sisalana	undifferentiated	Sisal
Amomum spp.	undifferentiated	Bengal Cardamom
Ananas spp.	undifferentiated	Pineapple
Annona glabra	undifferentiated	Alligato Apple
Annona montana	undifferentiated	Mountain Soursop
Annona muricata	undifferentiated	Corossol; Graviola; Guanabana
Annona purpurea	undifferentiated	Soncoya
Annona reticulata	undifferentiated	Carazon Custard Apple
Annona squamosa	undifferentiated	Sugar Apple; Alta; Altis
Antidesma bunius	undifferentiated	Bignay; Chinese Laurel
Averrhoa spp.	undifferentiated	Gooseberry
Basella alba	undifferentiated	Indian Spinach
Benincasa hispida	undifferentiated	Ash Gourd; Ash Pumpkin; Chinese Watermelon
Bouea macrophylla	undifferentiated	Gandaria
Butyrospermum paradoxum	undifferentiated	Shea Butter
Cananga odorata	undifferentiated	Cananga (Oil Tree)
Cannabis sativa 1	undifferentiated	hemp (drug)
Caryocar nuciferum	undifferentiated	Butter Nut; Souari Nut
Casimiroa edulis	undifferentiated	Casimiroa; Cochil Sapote
Ceratonia siliqua	undifferentiated	Carob Bean; Saint John's Bread
Chrysophyllum cainito	undifferentiated	Cainito; Star Apple
Cicer arietinum	undifferentiated	Chickpea
Cinnamomum spp.	undifferentiated	Cinnamon
Citrus aurantiilfolia	undifferentiated	Lime
Citrus grandis	undifferentiated	Pummelo
Citrus medica	undifferentiated	Citron
Citrus paradisii	undifferentiated	Grapefruit
Citrus reticulata 1	undifferentiated	Mandarin
Citrus reticulata 2	undifferentiated	Tangerine
Clausena lansium	undifferentiated	Wampee
Coffea arabica	undifferentiated	Arabica Coffee
Coffea canephora	undifferentiated	Robusta Coffee
Coix lachryma-jobi	undifferentiated	Job's Tears
Cola spp.	undifferentiated	Kola
Coleus amboinicus	undifferentiated	Indian Borage
Colocasia esculenta	undifferentiated	Cocos; Cocoyam
Cucumis spp.	undifferentiated	Gherkin, Musk-melon
Curcuma spp.	undifferentiated	East-Indian Arrowroot
Cyphomandra betacea	undifferentiated	Tree Tomato
Dioscorea spp.	undifferentiated	Yam
Diospyros ebenaster	undifferentiated	Black Sapote
Dipteryx spp.	undifferentiated	Tonka Bean

Dovyalis caffra	undifferentiated	Umkokolo; Appelkoosdoring
Dovyalis hebecarpa	undifferentiated	Ceylon Gooseberry
Echinochloa crus-galli var. frumentacea	undifferentiated	Barnyard Millet
Elettaria cardamomum	undifferentiated	Cardamom
Eleusine coracana	undifferentiated	African Millet
Eugenia spp.	undifferentiated	Tambis
Flacourtia spp.	undifferentiated	Governor's Plum; Batoko Plum
Furcraea spp	undifferentiated	Cabuya Fibre; Mauritius Hemp
Garcinia spp.	undifferentiated	African Mangosteen; Imbe
Genipa americana	undifferentiated	Genip
Glycyrrhiza glabra	undifferentiated	Liquorice
Guizotia abyssinica	undifferentiated	Niger-seed (Oil)
Kerstingiella geocarpa	undifferentiated	Geocarpa Groundnuts
Lagenaria siceraria	undifferentiated	Calabashgourd; Zucca Melon
Lansium domesticum	undifferentiated	Lanson
Linum usitatissimum 1	undifferentiated	Flax; Linseed (Oil)
Litchi sinensis	undifferentiated	Litchi
Macadamia integrifolia	undifferentiated	Macadamia Nut
Malphigia glabra	undifferentiated	Barbados Cherry
Mammea americana	undifferentiated	Mammee Apple
Mangifera foetida	undifferentiated	Gray Mango
Manilkara achras	undifferentiated	Bally Tree
Melaleuca leucadendron	undifferentiated	Cajuput Tree
Myrciaria cauliflora	undifferentiated	Jaboticaba
Pachyrrhyzus spp.	undifferentiated	Yam Bean
Passiflora laurifolia	undifferentiated	Yellow Granadilla
Passiflora ligularis	undifferentiated	Sweet Granadilla
Passiflora quadrangularis	undifferentiated	Giant Granadilla
Paullinia cupana	undifferentiated	Guarana
Pennisetum typhoides	undifferentiated	Babala / Pearl Millet
Persea americana	undifferentiated	Avocado Pear
Phaseolus aconitifolius	undifferentiated	Texas Bean
Phaseolus acutifolius & var.	undifferentiated	Mat / Pillepesara Bean
Phaseolus angularis	undifferentiated	Adzuki Bean
Phaseolus aureus	undifferentiated	Golden Bean
Phaseolus calcaratus	undifferentiated	Rice Bean
Phaseolus lathyroides	undifferentiated	Phasemy Bean
Phaseolus metcalfei	undifferentiated	Metcalf Bean
Phaseolus mungo	undifferentiated	Black Gram Bean
Phaseolus radiatus	undifferentiated	Green Gram Bean
Phaseolus trinervis	undifferentiated	Jerusalem Pea
Phyllanthus spp.	undifferentiated	Gooseberry Tree
Physalis ixocarpa	undifferentiated	Tomatillo
Physalis peruviana	undifferentiated	Cape Gooseberry
Physalis pruinosa	undifferentiated	Dwarf Cape Gooseberry
Piper nigrum	undifferentiated	Black Pepper
Plectranthus spp.	undifferentiated	Coleus Potato; Hausa Potato
Psophocarpus tetragonolobus	undifferentiated	Asparagus Pea
Punica granatum	undifferentiated	Pomegranate
Sechium edule	undifferentiated	Choco / Chowchow
Sesamum indicum	undifferentiated	Benniseed
Setaria italica 1	undifferentiated	Common Millet (grain)

Spondias spp.	undifferentiated	Golden Apple; Ambarella
Stylosanthes spp.	undifferentiated	Brazilian Clover
Tamarindus indica	undifferentiated	Indian Date
Tetragonia expansa	undifferentiated	New Zealand Spinach
Trichosanthes cucumerina	undifferentiated	Serpent Gourd
Triticum aestivum 2	undifferentiated	Summer Wheat
Urena lobata	undifferentiated	Aramina Fibre
Voandzeia subterranea	undifferentiated	Bambara Groundnut
Zingiber officinale	undifferentiated	Ginger
Zoysia japonica	undifferentiated	Japanese Lawngrass
Zoysia matrella	undifferentiated	Manilla Lawngrass

Suitable winter crops for zone 8946

BOTANICAL NAME	**CONDITION**	**COMMON NAME**
Lycopersicon esculentum	marginal	Tomato
Prunus persica	marginal	Peach
Zea mays	marginal	Maize
Allium spp.	optimal	Onion, Garlic
Anethum graveolens	optimal	Dill
Anthriscus cerefolium	optimal	Chervil
Apium spp.	optimal	Celery
Armoracia rusticana	optimal	Horse Radish
Atriplex hortensis	optimal	Mountain Spinach
Avena sativa	optimal	Oats (Common)
Beta vulgaris 1	optimal	Beetroot
Brassica alba	optimal	Field Mustard
Brassica alboglabra	optimal	Chinese Kale
Brassica campestris	optimal	Field Mustard (Oil)
Brassica campestris var. sarson	optimal	Indian Colze (Canola)
Brassica campestris var. toria	optimal	Rapeseed (Canola Oil)
Brassica chinensis	optimal	Chinese cabbage
Brassica juncea	optimal	Brown Mustard (Oil)
Brassica napobrassica	optimal	Rape
Brassica napus & var.	optimal	Cole; Cole-seed; (Canola)
Brassica nigra	optimal	Black Mustard
Brassica oleracea var. acephala	optimal	Cow Cabbage
Brassica oleracea var. botrytis	optimal	Cauliflower
Brassica oleracea var. capitata	optimal	Headed Cabbage
Brassica oleracea var. caulorapa	optimal	
Brassica oleracea var. costata	optimal	
Brassica oleracea var. gemmifera	optimal	Brussels Sprouts
Brassica oleracea var. gongylodes	optimal	Hungarian Turnip
Brassica oleracea var. italica	optimal	Italian Broccoli
Brassica oleracea var. sabauda	optimal	
Brassica oleracea var. sinensis	optimal	
Brassica oleracea var. viridis	optimal	Collard
Brassica pekinensis	optimal	Celery Cabbage
Brassica rapa	optimal	Rape Cole (Canola)
Cannabis sativa 2	optimal	hemp (fibre)
Carum carvi	optimal	Caraway
Chrysanthemum cinerariifolium	optimal	Dalmation Insect Flower
Cichorium endivia	optimal	Andywie; Endive

Cichorium intybus	optimal	Chicory
Coriandrum sativum	optimal	Coriander
Crataegus pubescens	optimal	Mexican Hawthorn
Cynara spp.	optimal	Artichoke
Daucus carota var. sativus	optimal	Carrot
Eragrostis tef	optimal	Abyssinian Millet; Tefgrass
Eruca sativa	optimal	Rocket Salad
Fagopyrum spp.	optimal	Buckweat
Foeniculum vulgare	optimal	Sweet Anise
Fragaria ananassa	optimal	Strawberry
Helianthus tuberosus	optimal	Topinambur
Lactuca sativa	optimal	Lettuce
Lens esculenta	optimal	Lentil
Linum usitatissimum 2	optimal	Flax; Linseed (Fibre)
Malus sylvestris	optimal	Apple
Myrrhis odorata	optimal	Sweet Cicely / Cicle
Pastinaca sativa	optimal	Parsnip
Petrosilinum crispum	optimal	Parsley
Phaseolus coccineus	optimal	Big Kidney Bean
Phaseolus vulgaris	optimal	Common / Runner Bean
Pisum sativum	optimal	Common Garden Pea
Portulaca oleracea	optimal	Purslane
Prunus avium	optimal	Sweet Cherry
Prunus domestica	optimal	Plum
Prunus occidentalis	optimal	
Prunus salicina	optimal	Japanese Plum
Raphanus longipinnatus	optimal	Japanese Radish
Raphanus sativus	optimal	Radish
Rheum rhabarbarum	optimal	English Rhubarb
Secale cereale	optimal	Rye
Sium sisarum	optimal	Skirret
Solanum tuberosum	optimal	Potato
Spinacia oleracea	optimal	Spinach
Tragopogon porrifolius	optimal	Oyster Plant
Vicia faba	optimal	Broadbean
Hordeum spp.	suboptimal	Barley
Ocimum basilicum	suboptimal	Basil
Aconitum napellus	undifferentiated	Aconite
Amaranthus leucocarpus	undifferentiated	Grain Amaranth
Angelica archangelica	undifferentiated	Angelica
Atriplex nummularia	undifferentiated	Old-man Saltbush
Beta vulgaris 3	undifferentiated	Fodder Beet
Calendula officinalis	undifferentiated	Calendula
Camelina sativa	undifferentiated	False Flax
Campanula rapunculus	undifferentiated	Rampion
Chaerophyllum bulbosum	undifferentiated	Turnip-rooted Chervil
Chenopodium spp.	undifferentiated	Chenopodium Grain
Chrysanthemum carinatum	undifferentiated	Chop Suy Green
Corylus maxima	undifferentiated	Hazelnut
Echinochloa crus-galli var. frumentacea	undifferentiated	Barnyard Millet
Humulus lupulus	undifferentiated	Hops
Juglans regia	undifferentiated	English Walnut

Mentha spp.	undifferentiated	Mint
Prunus amygdalus	undifferentiated	Almond
Prunus domestica var. italica	undifferentiated	
Rosa damascena	undifferentiated	Damask Rose
Salvia sclarea	undifferentiated	Clary Sage
Tanacetum vulgare	undifferentiated	Tansy
Taraxacum officinale	undifferentiated	Dandelion / Milk Gowan
Thymus vulgaris	undifferentiated	Thyme
Triticum aestivum 1	undifferentiated	Winter Wheat

REFERENCE:

Ehlers, J.H., 1988: Ekologiese beplanning van gewasse. Department of Agriculture-technical services, Pretoria.

Annexure C: Monitoring & evaluation matrix

See monitoring and evaluation model developed in Excel.