

STEVE TSHWETE LOCAL MUNICIPALITY



LOCAL ECONOMIC DEVELOPMENT STRATEGY

2015 – 2020

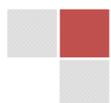
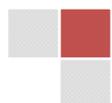
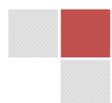


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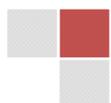


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ABBREVIATIONS

COGTA:	Cooperative Governance and Traditional Affairs
DEDT:	Department of Economic Development and Tourism
EPWP:	Expanded Public Works Program
IDP:	Integrated Development Plan
HDI:	Human Development Index
HEDC:	Highveld Entrepreneur Development Centre
LED:	Local Economic Development
MEGDP:	Mpumalanga Economic Growth and Development Path
MPCC:	Multipurpose Community Centre
MSI:	Mpumalanga Stainless Initiative
NDM:	Nkangala District Municipality
NDP:	National Development Plan
SALGA:	South African Local Government Association
SLP:	Social Labour Plan
STLM:	Steve Tshwete Local Municipality
MDG:	Millennium Development Goals
SERO:	Socio – Economic Review Outlook
BEE:	Black Economic Empowerment
BBBEE:	Broad Based Black Economic Empowerment
SWOT:	Strength Weaknesses Opportunities Threat
CWP:	Community Works Program
SMME:	Small Micro and Medium Enterprises
CIDB:	Construction Industry Development Board
ICLEI:	International Council for Local Environmental Initiatives
MEGA:	Mpumalanga Economic Growth Agency
GTZ:	German Technical Cooperation
DEDT:	Department of Economic Development and Tourism
NYDA:	National Youth Development Agency
DALA:	Department of Agriculture and Land Affairs
SEDA:	State Enterprise Development Agency
CBD:	Central Business District
FET:	Further Education and Training
FTE:	Full Time Equivalent
DMR:	Department Mineral Resources
DARDLEA:	Department of Rural Development Land Reform and Environment Affairs
DTI:	Department of Trade Industry
SAIW:	South African Institute of Welding

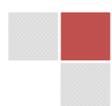


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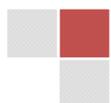
CHAPTER 1

INTRODUCTION

Steve Tshwete Local Municipality has identified a need to review its Local Economic Development Strategy of 2006 with a view of crafting a new LED Strategy. The local municipality has identified the LED Strategy as a key component in implementing its economic objectives within the Integrated Development Plan, therefore carrying one of its mandates of coordination and facilitating sustainable development and attracting economic investment.

In order to formulate an effective LED Strategy, the municipality formulated a few guidelines and / or aspects when drafting the plans:

- The municipality is utilizing various sources to understand the ever changing local socio-economic environment; the current LED Strategy is outdated and does not address emerging socio-economic issues. Sources utilized to gather information for the new strategy include government institutions like Statistics South Africa, Nkangala District Municipality, the provincial Socio Economic Review Outlook and situational analysis as drafted by the Department of Finance, Economic Development and Tourism (Mpumalanga Provincial Government).
- That the 2015/16 Integrated Development Plan serves as a guiding document in formulating a new LED Strategy. The 2006 LED strategy will form the basis for review and analysis, incorporate new findings. Strategies formulated at the district level will contribute to the development of a local economic strategy. This will help aligning initiatives at municipal level with those at the district level.
- That the municipality embark on a detailed analysis of sector departmental plans with a view of documenting the identified sector opportunities.
- That the formulated LED Strategy will aid the budgeting process, measure its performances and give feedback to adjustment process in future.
- The municipality will monitor and continuously measure the impact of solicited private investment in the local economy, jobs created, revenue created and small and medium enterprises established.
- That the new LED Strategy assists the municipality in formulating relevant structures to ensure coordination of economic and investment issues.



Purpose of Strategy

The purpose of formulating an LED Strategy is to contribute to the implementation of economic plans from the overall planning of the municipality as detailed in the IDP. This strategy will collate economic information, projects identified by the broader plan (IDP), formulate a framework to investigate further sector opportunities and formulate priorities.

It is an important tool in creating sustainable local economies. It is a planning process of ensuring that the environment continues to bear the required outputs. It is used to integrate diverse sector strategies into one plenary tool.

In accordance to the ***Municipal Systems Act 32, 2000 (Act 32 of 2000), section 26 (c) provides for:***

An integrated development plan must reflect:

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

The Local Economic Development and Planning is guided by various legislations in relations to their implications on the functioning of local municipality; below are a framework of such Acts and policies.

It therefore aims at facilitating a process of disseminating the collated economic information for strategy implementation purposes.

The overall goal of the strategy is summarised as follows:

'To formulate a new LED Strategy informed by newly identified development needs, opportunities, priorities; guide the budgeting and implementing process, unlocking investor potential and creating economic and job opportunities; measuring economic performance and impact of private investment'.

Methodology

The LED Strategy formulation process commences with an analysis of the current LED Strategy as drafted in 2006; followed by a situational analysis of the district municipality an input made by various stakeholders through the investment summit. Sector departments have been consulted to integrate their industry plans into the LED Strategy.



The strategy formulation followed the following steps:

Step One:

- Formulating the strategy scope, mapping out objectives, and setting out possible consultative periods.
- Determining relevant documentation and sources of information (LED 2006, IDP 2013, and Spatial Development Framework 2014, SERO Report, Stats SA).
- Identifying role players and contributors to the strategy development.

Step Two:

- Analysis of all data obtained including secondary data, sector plans, etc.
- Studying environmental trends

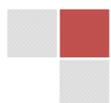
Step Three

- Analysing economic profiles, establish relevance to scope and objectives of the LED Strategy.

Step Four

Establish an LED framework through integrating the identified opportunities into a holistic LED strategy plan; key objectives:

- Create sustainable job opportunities
- Solicit and attract private investment into the local economy.
- Develop infrastructure master plans to base future economic development
- Broaden tax and income base for the municipality.
- Enable development of SMMEs and Cooperatives
- Contribute to skills and human capital development
- Information sharing and database



Step Five

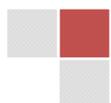
Implementation of the LED Strategy

- Describing the role of the LED within the municipality on implementing the strategy.
- Obtain funding of the LED Strategy Plan
- Solicit investments
- Monitoring and evaluation of the LED Strategy Plan
- Corporate Social Investment and Social Labour Plans

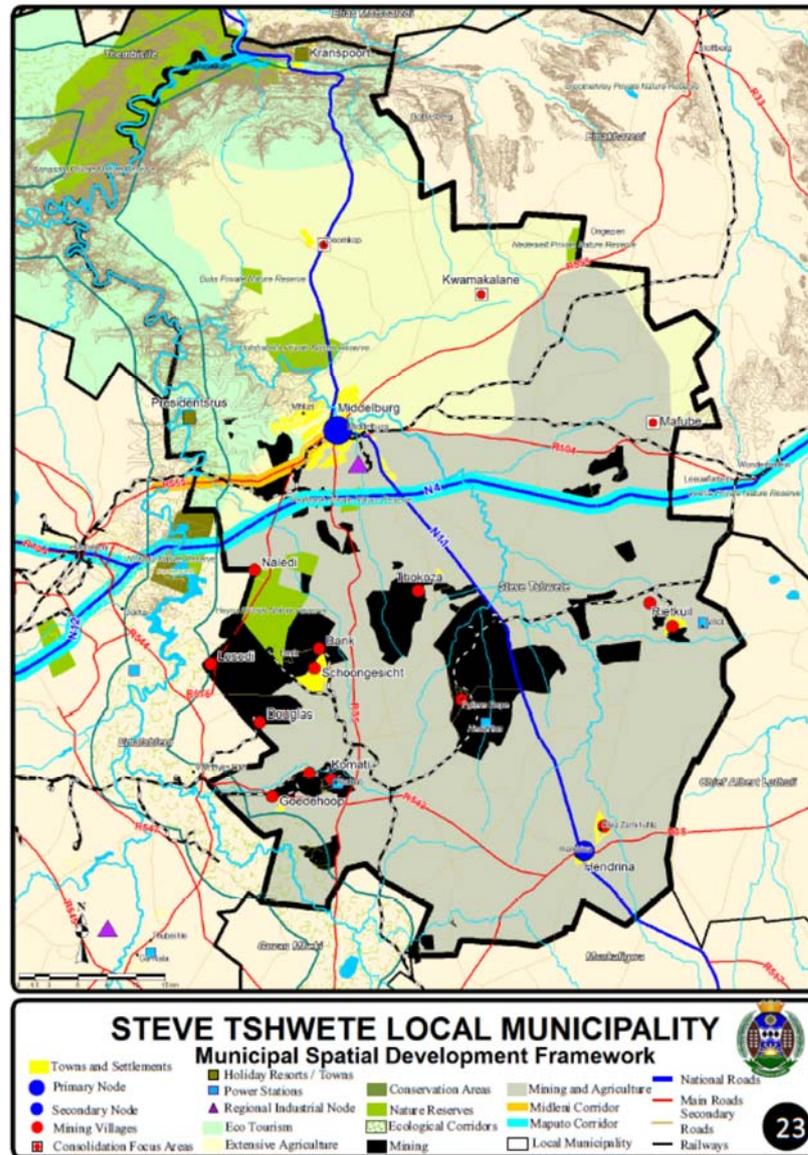
Location of the Municipality – Strategy Focus

Steve Tshwete Local Municipality is one of the six municipalities within the Nkangala District Municipality and located at the centre of the district municipality; it is also the seat of Nkangala District Municipality.

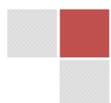
- It is located along the N4 / N12 corridor that connects Pretoria and Johannesburg to Mbombela and Mozambique.
- N11 corridor runs through the CBD town and links the Limpopo Province through Middelburg – Hendrina – Ermelo to Kwa-Zulu Natal province and the Richards Bay harbour.
- Railway lines link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



3FIGURE 1: LOCATION OF STEVE TSHWETE LOCAL MUNICIPALITY



SDF 2014



CHAPTER 2

2. SITUATIONAL ANALYSIS

2.1 What is Local Economic Development?

In accordance to the World Bank, LED can be broadly defined as an outcome of local initiatives by stakeholders identifying and using local resources, ideas and skills to stimulate economic growth and development. The outcome of this exercise is the creation of employment opportunities, alleviation of poverty, addressing the inequality whilst attracting external investment.

This planning process is located within the broader planning context, namely, regionally (Nkangala District), provincially (MEGDP) and nationally (National Development Planning, National Growth Path).

2.2 Guiding Principles

- LED aims at creating an environment conducive for private investment and job creation.
- It advocates the establishment of a master infrastructure plan that enables long term economic growth and development.
- It aims at promoting the establishment and support of small and medium enterprises.
- It targets previously disadvantaged individuals, thus reviving township economy.
- It is a partnership between government and key stakeholders, eg organized business, labour and civil society.
- It is a five year plan that is adjusted annually in order to accommodate rapidly changing socio-economic environment; flexible development planning process.
- It integrates diverse economic activities into a comprehensive approach.
- LED Strategies promotes local participation and ownership of resources.
- Sustainability and development big businesses.



2.3 Sector Opportunities

The purpose of this sub-section is to provide an assessment of the economic activities within the leading economic sectors in order to determine the sectors in STLM economy that have a comparative advantage. Table 1 illustrates the leading sectors. The sources of data used are from QLFS Q4 2013 and SERO 2013 on sectoral employment in NDM and local municipalities.

Table 1: LEADING SECTORS IN STLM: 2013

Sector	Contribution to GDP	Contribution to Employment	Location Quotient
Agriculture	1.9%	3.4%	-0.5
Mining	45.8%	20.7%	0.11
Manufacturing	17.2%	6.5%	-0.25
Electricity/Utilities	5.2%	2.5%	0.006
Construction	1.8%	6.9%	0.06
Trade	7.1%	21.4%	0.3
Transport	2.8%	3.1%	0.02
Finance	8.7%	11.3%	0.08
Community Services	9.4%	13.6%	0.11
Private Households		10.4%	0.09

SERO 2014

Education and Skills Profile

The table below shows an increase in the proportion of people attending school aged between 5 and 24 years in STLM. *Table 2 below shows an increase in the proportion of the population that completed Grade 12 / Matric and with higher education and a decline in the population with no schooling in STLM.*

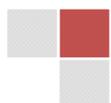


TABLE 2: DISTRIBUTION OF THE POPULATION AGED 20 YEARS AND OLDER BY HIGHEST LEVEL OF EDUCATION

MP313: Steve Tshwete	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
No schooling	6 235	6 889	13 124	6 771	8 510	15 281	5 024	6 094	11 117
Some primary	4 838	4 474	9 312	5 527	5 292	10 818	7 040	6 075	13 115
Complete primary	2 543	2 409	4 952	2 530	2 547	5 077	2 744	2 258	5 001
Some secondary	13 063	12 650	25 713	12 970	13 186	26 156	24 736	21 114	45 849
Std 10/ Grade	7 526	7 902	15 428	10 652	10 291	20 942	26 992	25 300	52 291
Higher	5 137	3329	8 466	3 955	3 519	7 474	11 787	9 715	21 502
Total	39 342	37 652	76 994	42 405	43 345	85 749	78 321	70 555	148 876

Statistics SA, Census 2011.

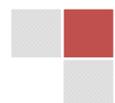
The table below shows the STLM distribution of the population aged 20 years and older by highest level of education attained and categorised on sex in 1996, 2001 and 2011.

MP313: Steve Tshwete	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
No schooling	6 235	6 889	13 124	6 771	8 510	15 281	5 024	6 094	11 117
Some primary	4 838	4 474	9 312	5 527	5 292	10 818	7 040	6 075	13 115
Complete primary	2 543	2 409	4 952	2 530	2 547	5 077	2 744	2 258	5 001
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Total	39 342	37 652	76 994	42 405	43 345	85 749	78 321	70 555	148 876

Statistics SA, Census 2011.

Labour Profile

The pattern of overall unemployment rate in STLM has dramatically changed from 35.4% in 2001 to 19.7% in 2011 as seen from the table below. Therefore,



unemployment rate is 19.7% in STLM (Census 2011). In the municipality, 107 069 people are economically active people. The composite breakdown of unemployment in STLM shows youth unemployment rate of 27.1%, unemployment rate for females 27.8% and males 14.2% (Census 2011).

TABLE 3: EMPLOYMENT STATUS 2001 AND 2011

LABOUR INDICATORS	CENSUS 2001	CENSUS 2011
Employment		
Economically Active Population (EAP) /Labour Force	64 474	107 069
Number of employed	41 679	85 968
Unemployment		
Number of unemployed	22 795	21 101
Official Unemployment rate (%)	35.4%	19.7%
Unemployment amongst people with disabilities	38.0%	
Youth Unemployment	46.1%	26.5%
Woman Unemployment	49.2%	27.8%

Statistics South Africa Census 2001 and 2011

2.5 Development and Income Profile

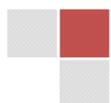
(a) Human Development Index (HDI)

The Human Development Index (HDI) is a composite, relative index that attempts to quantify the extent of human development of a community. It is based on measures of life expectancy, literacy and income. According to the United Nations, the HDI is considered high when it is 0.8 and higher, medium when it ranges between 0.5 to 0.8 and an index value of 0.5 and lower, will be considered as a low rating.

STLM's HDI level improved from 0.62 in 2001 to 0.63 in 2007 and to 0.69 in 2011 (SERO, 2013). It is ranked the second best out of eighteen (18) municipalities in the entire province in terms of HDI.

(b) Gini-Coefficient

The Gini-coefficient is one of the most commonly used measures of income inequality. The Gini-coefficient of STLM shows an improving trend since 2001 from 0.68 to 0.65 in 2007 and to 0.60 in 2011 (SERO, 2013). Despite the decline in 2011, the level still reflects a more unequal income distribution.



(c) Poverty Rate

According to SERO 2014, STLM has the lowest poverty rate in the province. The poverty rate is at 20.7% in 2011 showing a decreasing trend from 31.6% in 2001 and 28.8% in 2007. STLM, with about 59 929 people living below the poverty income in 2011, had the lowest number of people in poverty.

TABLE 4: POVERTY IN STEVE TSHWETE 2001, 2011, 2014

INDICATORS	2001	2011	2014
Poverty rate	31.6%	25.9%	20.7%
Number of people in poverty	48 865	59 929	49 014
Poverty gap (R million)	R54	R110	

Statistics South Africa Census 2001 and 2011 and SERO 2014

(d) Household Income

According to Census 2011, the average annual household income for all households in STLM increased from R 55 369 per annum in 2001 to R134 026 per annum in 2011 (table 6). This represents an absolute increase in nominal terms over the 10-year period, which was the highest among the eighteen local municipalities in the province. This is closely related to its higher education levels and employment rates.

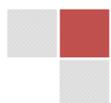
TABLE 5: AVERAGE ANNUAL HOUSEHOLD INCOME IN STLM

MP313: Steve Tshwete	2001	2011
	55 369	134 026

Statistics SA, Census 2011

(e) Health Profile

Health care is the prevention, treatment, and management of illness and the preservation of mental and physical well-being through the services offered by the medical, primary healthcare, and allied health professions to the population of STLM. According to SERO 2013, in 2012, a total of 18 clinics were located within the STLM.



In addition STLM has 1 provincial hospital and no community health centres and a private hospital.

(f) HIV prevalence

Changes in the HIV prevalence of the female population distribution for the 15–49 age group in the municipality between 2009 and 2011 shows that in 2009 the prevalence rate was 33.8%, in 2010 24.3% and 2011 28.8% (SERO, 2013). The 2011 prevalence rate in STLM was the third highest in the province. The TB cases continued to show steady decline from 1 019 in 2010 to 844 in 2011 and to further 792 in 2012, the ninth highest in the province.

(g) Housing Profile

Housing type implies the structure of the dwelling a family occupies as their home. The main categories can be distinguished; these are formal permanent structures, traditional structures and informal non-permanent structures. Table 7 indicates the different dwelling types in the municipal area according to the Census 2011. Table 7 below shows a significant increase in the proportion of households residing in formal dwellings across the municipality, meanwhile there is decline in traditional dwellings. The informal dwellings declined from 1996 to 2001 and showed an upward trend from 2001 to 2011. The availability of suitable land and funding delays place cause a challenge on housing delivery in the municipality.

TABLE 6: DWELLING TYPES 1996, 2001 AND 2011

Municipality	Formal			Traditional			Informal		
	1996	2001	2011	1996	2001	2011	1996	2001	2011
MP313: Steve Tshwete	24 765	26 776	53 929	2 952	3 516	1 102	12 901	5 937	9 190

Statistics South Africa- Census 1996, 2001 and 2011

Table 8 shows a decline in the proportion of households that own their dwellings. On the other hand, there is an increase in the proportion of households headed by females in 2001 and a decline thereafter.

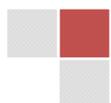


TABLE 7: STEVE TSHWETE HOUSEHOLD DYNAMICS 2001 AND 2011

Households		Average household size		Female headed households %		Formal dwellings %		% Housing owned/paying off	
2001	2011	2001	2011	2001	2011	2001	2011	2001	2011
36 229	64 971	3.8	3.5	29.5	29.4	73.9	83.0	57.5	44.5

Statistics South Africa- Census 2001 and 2011

(h) Statistics on Migration

The municipality has experiencing high level of migration over the last 10 years due to potential job opportunities.

TABLE 8: MIGRATION BY PROVINCE AND AGE

θ ■	WC	EC	NC	FS	KZN	NW	GP	MP	LP	Outside South Africa	Un specified	Not applicable	Total
20 – 24	124	704	162	319	1188	282	1178	15339	2567	1464	302	513	24141
25 – 29	152	856	218	441	1591	334	1540	14716	3234	1845	281	401	25609
30 – 34	158	614	213	467	1214	306	1289	11252	2507	1400	249	491	20161
35 – 39	155	456	239	453	934	362	1624	10041	2082	1076	232	303	17957
40 – 44	190	445	199	444	706	303	1534	8980	1615	748	204	328	15696
45 – 49	172	420	189	429	660	295	1382	7772	1325	597	164	199	13604
50 – 54	160	400	179	428	604	283	1164	6329	954	544	153	341	11539
55 – 59	124	294	113	330	381	200	888	5062	691	449	137	185	8855
60 – 64	116	151	118	217	219	170	714	3502	342	272	87	33	5940
total	1351	4340	1630	3528	7497	2535	11313	82993	15317	8395	1809	2794	143502

Statistics South Africa- Census 2011

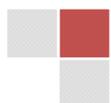
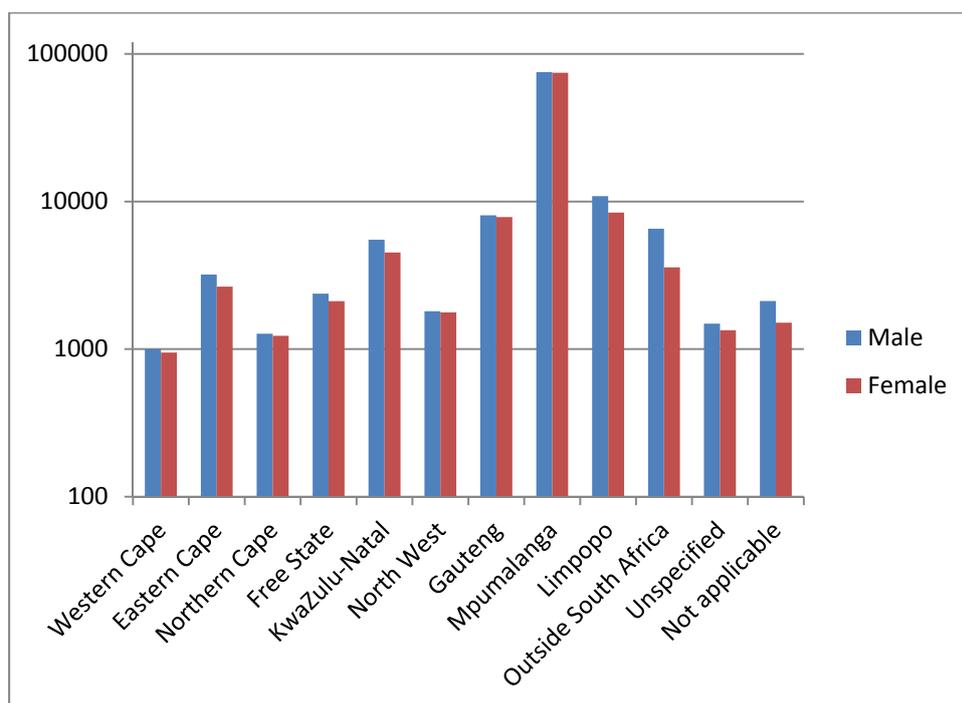


TABLE 9: MIGRATION BY GENDER



Statistics South Africa- Census 2011

(i) Basic Infrastructure

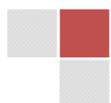
In response to the municipal statutory obligation and the challenges faced, the municipality formulated a comprehensive strategic response to the management of infrastructure and community assets and the provision of services that are dependent on those.

(1) Access to Household Services

Steve Tshwete Local Municipality has made great strides in providing this basic service to its communities. The table below reflect the progress made:

TABLE 10: HOUSEHOLDS WITH ACCESS TO SERVICES 2011

BASIC SERVICES	1996	2001	2011
% of households with flush or chemical toilets	79.7%	87.5%	84.9%
% of households with connection to piped (tap) water: on site & off site	88.9%	95.9%	98.2%
% of households with electricity for lighting	71.2%	74.7%	90.8%



% of households with weekly municipal refuse removal	74.8%	82.6%	84.7%
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Statistics South Africa- Census 1996, 2001 & 2011

(2) Water and sanitation

Access to water and sanitation remains fairly high in STLM. The Census 2011 reveals that, 98.2% and 86.8% of households had access to potable water (household connections and communal stands) and flush and chemical toilets. In 2012, the Blue Drop Certified Systems awarded STLM a blue drop score of 97.4% (ranked 1st in the province, noting that the municipality continues to manage drinking water within their area of jurisdiction with distinction. STLM was ranked second in terms of waste water services in the Green Drop Report.

(3) Electricity

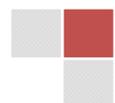
STLM is licensed to supply the following areas with electricity: Middelburg, Hendrina, Kwaza, Doornkop, Komati, Blinkpan and Koornfontein and comprises of the following divisions: Small consumer, Distribution and Planning and bulk connection. The provision of electricity within the municipality continues to increase since 1996. According to Stats SA Census 1996, 2001 & 2011, as of 2011, about 90.8% of households have access to electricity.

(4) Refuse Removal

Census 1996 shows that the municipality continues to improve expanding the access to refuse removal since 1996. About 84.7% households had access to refuse removal at least once a day. The municipal service extends to all the municipal towns but exclude the mining towns which are self serviced, Kranspoort, Somaphepha, Mafube and rural areas. The service will probably be extended to Somaphepha and Mafube when household numbers justify such action. The Middelburg area is experiencing spatial growth both residential and business. As a result, the current departmental resources cannot meet the demand for waste collection.

(5) Roads and stormwater

In 2011, the municipality had about 826km of total road network. Out of the 828km about 637.7km were tarred and about 188.4km were gravel roads. The 188.4km includes roads within farm areas which are privately owned and the municipality is unable to provide tarred roads.



CHAPTER 3

POLICY FRAMEWORK

3.1 The Planning Process

The LED Strategy forms a key part of the IDP, which is a single inclusive planning process; LED finds its space within this planning process. It is fully integrated into the IDP as it gives guidance to sector departments where priority areas are.

Section 25 (1) of the Municipal Systems Act of 32, 2000 (Act 32 of 2000) provides that:

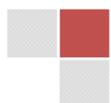
- **each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which:-**
 - links, integrates and coordinates plans and takes into account proposals for the development of the municipality;
 - aligns the resources and capacity of the municipality with the implementation of the plan;
 - forms the policy framework and general basis on which annual budgets must be based;
 - and complies with provisions of this Chapter; and
- is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.

3.2 The Mpumalanga Economic Growth and Development Path

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

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

An integrated development plan must reflect:



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

(d) the council's development strategies which must be aligned with any national or provincial sectoral plans and planning requirements binding on the municipality in terms legislation.

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

- Infrastructure development
- Climate change and green economy
- Agriculture and agro-process and rural development
- Minerals and beneficiation
- Manufacturing
- Knowledge based economies
- Tourism and business services
- Social economy
- Public sector
- The regional economy

The sector plans as identified by the province provide the basis and context of LED Strategy of the district municipality (Nkangala District) and Steve Tshwete Local Municipality.

3.3 The Constitution

The **Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)**; section 152 of the Constitution details the objectives of local government:

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



- To encourage the involvement of communities and community organizations in the matters of local government.

3.4 The White Paper on Local Government

The White Paper on Local Government spells out a set of responsibilities that local authorities have obligations to economic development:

- That municipalities need to play a role in promoting job creation and boosting local economies through investing in basic services. Municipalities perform the following key functions in relation economic development planning processes (section B 2.3 of the White Paper on Local Government):

They review existing policies and procedures to enhance employment and investment.

- Steps to promote businesses
- Reviewing procurement policies to promote business activities
- Establishment of a spatial framework which identifies land for residential, commercial and mixed development to help with speeding up rezoning.
- Establishment of a user- friendly customer care management to increase quality and efficiency of local services.

Provide special economic services

- Municipalities provide marketing and investment support services in order to attract and secure potential investors.
- Provide small business support services thus assisting small entrepreneurs.
- Offer targeted services to specific sectors (research and technology services)
- Work with the Department of Labour in offering skills training and placements services.
- Reviewing of legislation which impedes LED.
- Assist certain sectors that show growth potential in a manner deemed necessary.



- Assists in the acquiring of certain set of skills and place the same in some industries.
- Support initiatives of other departments, eg, Department of Trade industry (Local Business Support Centres Program); Department of Labour (training and placement).

3.5 Municipal Systems Act

The Municipal Systems Act, 2000 (**Act 32 of 2000**); details the duties of the municipal council as provided by Section 28:

28 (1) Each municipal council, within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, drafting, adoption and review of its integrated plan.

(2) The municipality must through appropriate mechanisms, processes and procedure established in terms of Chapter 4, consult the local community before adopting the process.

28 (3) A municipality must give notice to the local community of particulars of the process it intends to follow.

The LED Strategy finds its space within the Integrated Development Plan and therefore municipal council follows the outlined process in crafting an LED Strategy.

3.6 Broad Based Black Economic Empowerment

South Africa's first democratic government was elected in 1994, with a clear mandate to redress the inequalities of the past in every sphere: political, social and economic. Since then, government has embarked on a comprehensive programme to provide a legislative framework for the transformation of South Africa's economy. In 2003, the Broad-Based Black Economic Empowerment (BBBEE) Strategy was published as a precursor to the BBBEE Act, No. 53 of 2003. The fundamental objective of the Act is to advance economic transformation and enhance the economic participation of black people in the South African economy.

The Act provides a legislative framework for the promotion of BEE, empowering the Minister of Trade and Industry to issue Codes of Good Practice and publish Transformation Charters, and paving the way for the establishment of the BBBEE Advisory Council.



3.7 Preferential Procurement Act

The Act aims at giving effect to section 217(3) of the Constitution by providing a framework for the implementation of the procurement policy contemplated in section 217(2) of the Constitution; and to provide for matters connected therewith.

3.8 The National Development Plan

Government has already started a process to align the long term plans of departments with the NDP and to identify areas where policy change is required to ensure consistency and coherence.

It defines a desired destination and identifies the role different sectors of society need to play in reaching those goals. LED planning is crafted within this context; it is aligned to key objectives of the national development planning process.

The National Development Plan: Vision 2030 focuses on the following key priority areas:

- An economy that will create more jobs
- Improving infrastructure
- Transition to low carbon economy
- Reversing the spatial effects of apartheid in urban and rural areas
- Improving the quality of education, training and innovation
- Quality health for all
- Social protection
- Building safer communities
- Reforming the public sector

3.9 Mpumalanga Vision 2030

Mpumalanga Vision 2030 formulated a development rationale for future economic growth revolving around eight key drivers:

Key Driver 1: Nodal Development

Key Driver 2: Business, Commercial and Industrial Development

Key Driver 3: Tourism Development

Key Driver 4: Forestry Development

Key Driver 5: Agricultural Development

Key Driver 6: Mining and Energy Related Development

Key Driver 7: Urban Development

Key Driver 8: Rural Development

Below is the reflection of how the municipality has aligned its strategic objectives in line with the Mpumalanga vision 2030 key drivers



3.10.1 Nodal Development

FOCUS AREA

Economic diversification

NDM proposed intervention

Mixed use nodal centres, nodal marketing, infrastructure development, foreign direct investment and agro-processing

Include retail and transport nodes in all future township.

Layouts and development nodes.

STLM Initiatives and current activities

Promote development in all three developmental nodes (Primary, Secondary, and Proposed Nodes).

Align all nodal development with proposals from SDF.

3.10.2 Business, Commercial and Industrial Development

FOCUS AREA

Industrial Development

Big business

NDM proposed intervention

Encourage iron and steel beneficiation incubator

Attract local and foreign direct investment into the region

Improve cooperation and participation by private sector to wide initiatives (CSI)

Support from industry and suppliers to EPWP Learner Contractors.

STLM Initiatives and current activities

Facilitate access to serviced land for business development.

Invest in infrastructure development

Node D development and Local steel Hub initiative

3. 10.3 Tourism Development

Tourism has the ability to grow the local economy and stimulate small enterprise and rural development as detailed in the Mpumalanga Vision 2030 priorities.

FOCUS AREA

Loskop Leisure Resorts (Aventura)

Botshabelo Heritage site

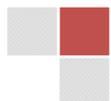
Middelburg Dam

Tourism Info Centre

Little Elephant

Olifants River Lodge

Loskop Marathon and Train Race



Other sports and entertainment
Year end events (STLM cross – over)
Arts and cultural festival
Banquet hall
Country Club and golf course

STLM Initiatives and current activities

High level profiling of the Loskop Aventura resort as a key component of the tourism belt on the N11 corridor
Total revamp of the Botshabelo heritage site is required; extending the tourism belt on N11 that links Limpopo with the CBD.
Rework the ownership and management structure of the site.
Revamp the site to include cabin accommodation
Disseminate information from the Middelburg information centre: cabin accommodation, hiking trails, cheetah farming, fishing games
Develop a market access strategy including improving signage
High profiling of the events
Brand the Loskop Marathon to be at the same level as the Comrades Marathon level through TV and other forms of advertising, invite high profile athletes.
Accelerate the process of establishing the hotel to encourage local accommodation.
Create a calendar of major events (standardised the dates) eg Joyous Celebration
Revamp Kees Taljaard to bid for professional soccer matches.

3.10.4 Agricultural Development

FOCUS AREA

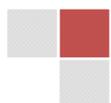
Agriculture development
Renewable energy
Resource mobilization

NDM proposed intervention

Commission and implement agro-processing value chain development strategy
STLM to be considered on complete advantage on agriculture even if it is in a low scale.
Exploit opportunities generated by green economy efforts.
Agriculture infrastructure development (dams, irrigation facilities, agro-processing, etc).

STLM Initiatives and current activities

Promotion of sustainable land reform and security of tenure via agric –Village
SMME's and corporative development
Agric hub development



3.10.5 Mining and Energy Related Development

FOCUS AREA

Mining (Coal)
Resource mobilization
Capacity development

NDM proposed intervention

Provide extensive support on the mining industry in the long term, especially on value adding.

Provide cost-effective infrastructure for labour absorbing activities.

Skills development for mining sector and support for mining small and medium enterprises.

STLM Initiatives and current activities

Conduct economic study on the mining sector and economic impact

Establishment of steel fabrication hub

Training of constructors and improving CIDB grading levels

3.10.7 Urban Development

FOCUS AREA

Developing inclusive economy
Mixed Use Nodal centres

NDM proposed intervention

Inner city economic development and inclusive rural economy.

Develop strategy for procurement of land close to existing economic development zones.

STLM Initiatives and current activities

Ensure integrated economic planning and development

Promote STLM as an eco-tourism destination of choice

Create a hierarchy of functional towns and settlement

Township economic development

3.10.8 Rural Development

FOCUS AREA

Developing inclusive economy
Facilitate business creation



NDM proposed intervention

Attend to rural development initiative

Facilitate establishment of at least two shisanyama businesses in each local municipality

Promote rural development

STLM Initiatives and current activities

Development of Hendrina Mall

Third phase development of the Middelburg Mall

Revive township business

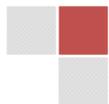
Ensure equitable access of social infrastructure and promotion of LED by way of MPCC's and agricultural village

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TABLE 11: ALIGNMENT OF NATIONAL, PROVINCIAL, DISTRICT AND STLM STRATEGY

National Development Plan	MPG Vision 2030	National LED Framework	NDM LED Strategy	STLM LED
An economy that will create more jobs.	Business, Commercial and Industrial Development Tourism Development Forestry Development Agricultural Development Mining and Energy Related Development	Building a diverse economic base.	Inclusive Economic Development.	Outcome 4: Economic growth Creation of decent work and sustainable jobs Outcome 11: Output 3 Implementing the Community Works Program and EPWP
Improving infrastructure	Nodal Development	Economic Governance and Infrastructure.	Mixed Use Nodal centres.	37 industrial sites were sold.
Transition to low carbon economy	Managing pollution and soil fertility leading to food insecurity	Linkage of LED and other plans (IDP, SDF, etc)	Green economy mainstreaming Land Greening Renewable Energy Initiatives.	ICLEI Draft Strategy Recommendations Green building policy

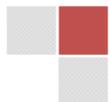


National Development Plan	MPG Vision 2030	National Framework	LED	NDM LED Strategy	STLM LED
Reversing the spatial effects of apartheid in urban and rural areas.	Rural Development Urban Development	Developing inclusive economies.		Developing inclusive economy: informal economy support. Inner City Development Township Economic Development Inclusive Rural Economy	Inclusive Economic Development. Township Economic Development. Rural Economic Development.
Improving the quality of education, training and innovation	Increase the Human Development Index mainly through increasing literacy levels.	Developing learning and skilful local economies. Enterprise Development and Support.		Institutional development , with focus to capacity development and resource mobilization Provide ongoing training on business development.	Annual Career Expo National Tooling Initiative SMME and Cooperative Development
Quality health for all	Providing quality health care.	Linkage of LED and other plans (IDP, SDF, etc)		Support programmes which enhance community livelihood	Millennium Development Goals <i>Vision 2014</i>
Social protection and		Enhance spatial equity		Projects on outdoor	Social cohesion programmes



National Development Plan	MPG Vision 2030	National Framework	LED	NDM LED Strategy	STLM LED
building safer communities.		and quality		gym and children play park in each local municipality.	
Improving the quality of public services as critical to achieving transformation	Back to Basic Strategy	Back to Basic Strategy			

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CHAPTER 4

4. SWOT ANALYSIS

STRENGTHS	WEAKNESSES
Financial viability and stability <ul style="list-style-type: none"> o Good governance o Good income base o Sound financial planning and management o Proper credit control 	Inadequate parking space in the CBD.
High level of service delivery.	Limited communication of achievements.
Land availability and good infrastructure.	Perpetuation of old spatial patterns (Doornkop, Rockdale).
Good corporate image with awarding of a number of awards.	Loss of qualified staff (job hopping).
Cordial employer and labour unions relationship	Conflicts of land use between farming, mining, industrial and residential.
Functional local Aids Council.	No stand alone LED Forum / part of the IDP-LED Representative Forum.
Sound relationship between politicians and administration.	Lines of communication not always followed
Well established Employee Assistance Programme.	Overlapping of portfolios represented in Council.
Development of rural villages.	Municipal buildings not accommodative of disabled persons.
Good expenditure of government grants.	No mechanism to monitor the SLP/CIP commitments and implementation
Sound relationship between STLM and the business community: implementation of enterprise development plan.	
Decentralised pay-points and electricity outlets.	
Good ITC infrastructure.	
Committed workforce.	
Established industries.	
OPPORTUNITIES	THREATS
Availability of natural resources.	Depleting mineral resources.
Increase in export of final products.	Negative impact of HIV/AIDS.
Good governance and consistent clean audit.	Crime.
Accreditation of housing function.	Lengthy procurement processes.
Expansion on tax base	International market fluctuation.
Credit worthiness.	Cost of input material and fuel pricing.
Viable social networking opportunities.	Fiscal fluctuation.
Strategic location and Proximity to Gauteng province as a major market which is SA major industry opportunity for industry.	Infrastructure does not accommodate the high influx of trucks.
Close to the large commercial centres and metro municipalities.	Lack of bulk infrastructure to meet growth demand.
Where Nkangala District Municipality resides.	Escalating high unemployment levels among young people under the age of 35
Adequate resources – commercial land.	Aging existing infrastructure.



<p>Positive economic growth indicators</p> <ul style="list-style-type: none"> ○ Implementation of property rates Act ○ Mining development and implementation of SLPs ○ Tourist information centre upgrade ○ Industrial Park adjacent to Mhluzi (possible job creation and SMME Development). ○ Integrated planning pioneered by the IDP-LED Representative Forum. ○ Potential secondary activities from mining activities (linked to post-mining activities). ○ Potential investment in steel production facilities. 	<p>Environmental hazards and impact:</p> <ul style="list-style-type: none"> ○ Veld fires ○ Hazardous material in transit ○ Pollution by mining activities ○ No clear post-mining plan or rehabilitation. (industry responsibility)
<p>Growth point in terms of the NSDF.</p>	<p>Impact of climate change.</p>
<p>Performance management system is cascaded to lower levels within the organization to harmonise PMS at all levels.</p>	<p>Population migration to the municipality thus pressure on service delivery.</p>
	<p>Closure of mines (mergers, downsizing) (out).</p>
	<p>Poor maintenance of roads (provincial & national).</p>
	<p>Lack of Integrated Transport Plan.</p>
	<p>No rental housing allowance for employees.</p>
	<p>Lack of suitable land for cemeteries.</p>
	<p>High population growth.</p>
	<p>No affordable accommodation for employees.</p>



CHAPTER 5

5.1 DEVELOPMENT OF THE LED STRATEGY

5.1.1 Strategic Focus

Based on the situational analysis, the development of the strategy revolves around the following focus areas:

- Promoting investment along the N4 development corridor with specific focus on enhancing the stainless steel cluster in Middelburg.
- Focus on the sustainable extraction and beneficiation of local minerals with comprehensive mining rehabilitation programs to enable the re-used of mined land.
- Facilitate the beneficiation of local agricultural produce and export finished products.
- Promoting Steve Tshwete as an eco-tourism destination of choice.
- Continuous maintenance and upgrade of infrastructure and engineering services in order to meet business and industry development.
- Development of human capital in manner that links formal academic education to industry- based training in order to meet the skills requirements of the leading local economic sectors.
- Development of a regulatory environment that promotes small and medium enterprise growth, for example, preferential procurement, Broad Based Black Economic Empowerment initiatives, etc
- Development of township economy

5.1.2 Vision

To be the leading community driven municipality in the provision of sustainable services and developmental programmes.

5.1.3 Mission

We are committed to the total well being of all our citizens through:

- Rendering affordable, cost-effective, accessible, efficient and quality services;



- Effective management systems, procedures, skilled and motivated workforce;
- Maximising infrastructural development through the utilisation of all available resources;
- Improving the quality of life by co-ordinating youth, gender and social development programmes;
- Creating an enabling environment for economic growth and job creation
- Ensuring effective community and relevant stakeholder participation and co-operation;
- Ensuring skilled, motivated and committed work force; and
- Compliance with the Batho-Pele Principles;
- To strive to sustain the fiduciary position of the municipality towards achieving the clean audit.

5.2 KEY STRATEGY OBJECTIVES

Through consultation with partners (government stakeholders, organized labour, industry associations and business chambers), develop long term master plans that promote external investors.

Maximise the job creation potential of key sectors, through a partnership of local, provincial and national role-players.

Retention of current investment and solicit future investment and growth through incentive packages (flexible tariff and rate structure, serviced land, stable supply of water and electricity, etc)

Diversify and broadening key local sectors (steel manufacturing) through downstream beneficiation programs.

To grow the local economy by 4% by 2019.

Strengthening government- supported entities, increasing their capacity with a view of stimulating opportunities for small and medium enterprises in the manufacturing industry, particularly steel manufacturing:

- The steel incubator, Mpumalanga Stainless Initiative to include post incubation programs; steel fabrication and production plant that will be used by graduating incubates.
- The tooling initiative, Mpumalanga Tooling Initiative, to be assisted to expand its tooling initiative, artisan development skills and establishment of the tooling room.
- Develop the capacity of Mpumalanga Stainless Steel Cluster to assist entrepreneurs to access markets, conduct research, and develop entrepreneur and management skills.



- Make more land available for small and medium enterprises at the HEDC centre, show ground, and other available areas.

Creating secondary industries out of the mining sector, eg recycling, cement manufacturing through mining bi-products or waste, processing of coal waste into secondary products (pellets, briquettes), identifying opportunities for quarrying, etc

Develop a coordination program (culminating into a structure) to facilitate the development of industry specific opportunities in conjunction with industry associations and business bodies.

Continuous alignment of LED strategy to economic trends through the establishment of a panel of economic advisors to the Council.

Coordinate all developmental issues as initiated by various government sector departments in the local municipality.

Continuous improvement and updating of the investor guide incorporating new developments and economic opportunities.

5.3 Municipal Strategic Goals

Four (4) strategic goals have been identified to drive the vision and mission of the Municipality:

- Creating a municipality which is, through its financial and human capital together with all other resources, totally focused on the well being of all its citizens;
- Economic growth, job creation and poverty alleviation;
- All residents enjoy the best possible level of municipal services;
- Creating a space within which a caring society is economically, spatially, environmentally and socially integrated and developed.

5.4 Municipal Investment Strategy

The municipality offers a stable environment for investment and economic development:

- Access to municipal owned land at affordable rates; both serviced and underserviced land
- Stable and uninterrupted water and electricity supply.



- Good road and rail transport infrastructure linked to major cities (Pretoria – Johannesburg through N4 / 12 also linking the municipality with Mbombela; Groblersdal - Hendrina – Ermelo – Richards Bay on N11).
- The municipality offers tax holidays on assessment rate or discount during certain period or during construction and establishment according to Council policy, depending on:
 - Size of the erf to be occupied.
 - Number of direct jobs to be created.
 - Corporate Social Investment policy of the institution.
 - Potential income for the municipality in terms of trade services (water, electricity, sewage and refuse removal)
 - Potential secondary business
 - BBBEE grading

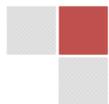
The municipality has the following investment opportunities:

- Manufacturing presents investment opportunities in downstream beneficiation of raw material, as proposed through establishing a steel and metal fabrication hub and the tooling initiatives as a sub sector of the steel manufacturing industry.
- Expanding the local hospitality industry to establish a hotel and link that to the activities of a banquet hall and the business activities.
- Land available for mining purposes; as per proposals submitted to Department of Mineral Resources by mining companies for prospecting rights.
- Through land reform policies, Rural Development and Land Reforms are making land available for agricultural purposes, especially for emerging farmers.
- Increasing the provision of local private healthcare capacity.
- Establishment of a production facilities to manufacture steel material
- Establishment of solar energy solutions for areas that are not electrified yet and cater for the escalating demand for energy.

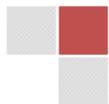


5.5 SECTOR SPECIFIC DEVELOPMENTAL CONSTRAINTS AND IMPACT

SECTOR	CONSTRAINTS AND INDUSTRY GAPS	IMPACT	PROPOSED INTERVENTION
Manufacturing	Export of raw material Lack of beneficiation	Imports of finished goods flooding local markets Expensive international products dumped on our markets Outflow of capital to other countries	Establish a beneficiation hub for steel and metals
Mining	Competing with agriculture for land availability High input costs Slow process of land zoning Slow application process for licensing and permits Fluctuating market demands and dropping commodity prices	Underperforming sector Retrenchments and loss job opportunities Lost business opportunities Poverty Impact on municipal payment rate Increase in indigent register Dependency on government support services, eg grants	Improved zoning process Improved application processes for licensing Create secondary industries to sustain local economy beyond the mining era Rehabilitate land for re-use for other purposes
Agriculture	Slow process of land restitution Lack of support for emerging farmers	Underperforming agriculture sector Underutilized claimed farms	Increased access to support service for emerging farmers Improve the land restitution process



SECTOR	CONSTRAINTS AND INDUSTRY GAPS	IMPACT	PROPOSED INTERVENTION
Tourism	<p>Ageing infrastructure</p> <p>Lack of investment in formal accommodation facilities (hotel)</p> <p>Limited secondary tourism services, eg car hire services, tour guides,</p> <p>No documented tourism routes, hiking trails,</p> <p>Limited game facilities (only Alzu game reserves, Middelburg Dam fishing)</p> <p>Botshabelo cheetahs farm neglected</p>	<p>Underutilized tourism facilities</p> <p>Business opportunities lost to neighbouring municipalities as a result of not having a hotel</p> <p>Inability to host national and provincial events due to accommodation</p>	<p>Establish a hotel and conferencing facility</p> <p>Attract secondary tourism services (travel agency services, car hire)</p> <p>Improve tourism attraction sites, rebuilding Botshabelo, Fort Meresny</p> <p>Improve information sharing and signage to tourism establishment</p> <p>Promote other activities that will benefit tourism, eg, hosting of national events</p> <p>Using sport to improve the image of the town, eg, Loskop Marathon, Train Race.</p> <p>Improve sporting facilities to host professional soccer matches</p>
Energy	<p>Unreliable supply of energy (electricity)</p>	<p>Interruption to business activities</p> <p>Cost of establishing back up infrastructure</p>	<p>Establish alternative energy generating solutions</p>
SMME Development	<p>Underdeveloped emerging entrepreneurs</p> <p>Lack of technical and business skills</p> <p>Stringent supply chain policies</p>	<p>Lost procurement opportunities</p> <p>No adequate access to markets</p> <p>Limited service providers</p>	<p>Incubation program for SMME</p> <p>Supplier development program</p> <p>Training and capacity building</p>



5.6 ECONOMIC ACTIVITY NODES

The following are some the identified hierarchy of economic nodes/areas within the STLM in line with the proposals of the Spatial Development framework 2014/15.

5.6.1 Primary Nodes

Middelburg Central Business District is the primary activity node of the municipality; the largest commercial centre of the municipality. Concentrated on Cowen Ntuli, OR Tambo, SADC and Walter Sisulu Streets, it is a strong area for retail and commercial development, service industries, community facilities; government buildings and municipal offices are located here.

Hendrina Central Business District forms part of the primary economic activity node within the municipality. Also it comprises a combination of retail, wholesale trade, financial services, municipal and government services.

5.6.2 Secondary Nodes

The following are the existing secondary nodal points:

- Midwater business complex
- The Middelburg Mall, located south towards the N4
- OK node, east of Fountain Street
- Kanonkop node within the residential area, Kanonkop
- Rockdale node
- Nazareth node
- Mhluzi node
- Mhluzi Mall, extension 2/4 towards the south of Mhluzi

5.6.3 Proposed Nodes

- Kanonkop node is the proposed future node and will be located at the intersection between Walter Sisulu and Protea Street.
- Node D south of Mhluzi towards the bricks manufacturing industries; earmarked for light industries

5.6.4 Multi Purpose Community Centres (Thusong Centres)

Further nodal points identified for the purpose of enhancing and access to social services:

- Mhluzi Extension 7
- Doornkop
- Rockdale

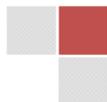


5.7 LED STRATEGIES AND OBJECTIVES 2015 - 2020

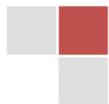
Strategic Objective: To ensure a better life for the society by coordinating sustainable social and economic developmental programmes.		
Performance Objectives	Strategies	Possible Project/ Activities
To create a conducive environment for business investment and growth for job creation	Developing the LED strategy and further identify sector opportunities to improve the strategy.	Develop an LED strategy with specific projects/ programs, resources required, time frames and institutions responsible for implementation.
Advocate for economic integration	Ensuring that all LED proposals in the SDF are implemented	Township economy (Node D) Promoting STLM as an eco-tourism destination of choice.
Facilitate an economy that will create more jobs	Promoting investment along the N4 development corridor with specific focus on enhancing the stainless steel cluster in Middelburg. Improve monitoring of private sector initiatives	Promoting STLM as an investment destination. Continuous update of the investor guide. Update the audio visual material and avail it to investors Establish a panel of economic advisors for Council by December 2015 Monitor the implementation of all SLP from mines and Corporate Social Investment by private companies Revitalize distressed mining town



Strategic Objective: To ensure a better life for the society by coordinating sustainable social and economic developmental programmes.		
Performance Objectives	Strategies	Possible Project/ Activities
Facilitate transition to green economy	Develop green economy policy Improving the quality of education, training and innovation on the green economy	Strengthen support for recycling initiatives (coal waste, industrial water) Installing devices that utilize solar energy Monitor the rehabilitation process of the mined land
Facilitate the development of emerging industries that promote large scale employment and create jobs	Revitalize and integrate township industries Facilitating the development of emerging farmers. Facilitate the beneficiation of local agricultural produce and export finished products.	Promote Hydroponic farming Develop light industry hub: Node D (SMME Hub) Facilitate the implementation of Community Works Program and EPWP Strengthen relationship with existing government supported initiative (MSI, HEDC, MTI)
Reversing the spatial effects of apartheid in urban and rural areas. Improving infrastructure development	Continuous maintenance and upgrade of infrastructure in order to meet business and industry development.	Development of Hendrina Mall Develop light industry hub: Node D



Strategic Objective: To ensure a better life for the society by coordinating sustainable social and economic developmental programmes.		
Performance Objectives	Strategies	Possible Project/ Activities
<p>Developing a strong SMME sector</p> <p>Increased participation of SMMEs in the steel manufacturing sector</p>	<p>Make land available for SMME development</p> <p>Increase support to government initiated development</p> <p>Reduce imports of finished products</p> <p>Training contractors on our database</p>	<p>Assist in the identification of business facilities for SMME's development</p> <p>Partner sector departments and development agencies to improve the capacity of SMMEs</p> <p>Beneficiation of locally produced raw material</p> <p>Establishing a steel fabrication hub.</p> <p>Training of contractors and improve CIDB levels</p>
<p>Development of skills relevant to the local economy (artisans, tool makers, engineers and finance)</p>	<p>Development of human capital in manner that links formal academic education to industry- based training</p> <p>-Establish the tool and die making sector</p> <p>-Develop an academy with satellite centres in schools in the Nkangala district</p>	<p>Coordinate workshops/ seminar in collaboration with government departments / agencies and private sector (career guidance, internships).</p> <p>Strengthen the capacity of the tooling and skills centre</p> <p>BHP donated the N4 building to house the mathematics and science academy.</p> <p>Utilization of the Skills Development Centre by Optimum Mine procurement.</p>

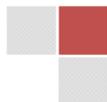


Strategic Objective: To ensure a better life for the society by coordinating sustainable social and economic developmental programmes.		
Performance Objectives	Strategies	Possible Project/ Activities
Creating an enabling environment for development	The existing conducive climate for economic development will be maintained and improved where possible and we will market the Review of procurement policies to enable equitable access	Establish the LED forum Youth, disabled and women presentation in the Local Economic Development Forum will be ensured. Partnership with eThekweni Metro Municipality and Leeds City Council in UK was established for the empowerment of SMME's through public and private. Strengthening of the STLM arts, sports, culture and heritage forum will be represented in the LED forum.
Development of a regulatory environment that promotes small and medium enterprise growth, for example, preferential procurement, Broad Based Black Economic Empowerment		Develop a database of all businesses including women, youth and persons with disability owned businesses
Facilitate industrial development	Facilitate investment in our various nodal points	Identify LED projects/ programs that require funding. Maputo Development Corridor Reviving of township business (car wash & shisanyama model)

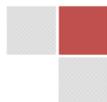


5.8 PROPOSED CAPITAL INVESTMENT PROJECTS (FIVE YEAR PLAN 2015-2020)

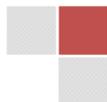
Objective / key Principle	Target / Indicators	Activity	Responsible	Timeframe	Funding/ Budget
Principle 1	Create a Hierarchy of functional Towns and settlement	Review of spatial development framework	Spatial Planning	2015/16	Public and private funds
Principle 2	Ensure equitable access to social infrastructure and the promotion of local economic development by way of MPCCs and agricultural village	Establishment of MPCCs, SMME Industrial Hub, Agri-Hub, improve agricultural infrastructure, establishment of a Steel and Metal Fabrication Hub	Spatial Planning Building Management Local Economic Development DEDT, NDM	2015 – 2020	Public and private funds
Principle 3	Development and maintaining strategic internal and external linkages	Establishment of an LED Forum	Local Economic Development	2015 /16	Public and private funds
Principle 4	Natural resource development and protection area	Issuing of licensing and mine permits, land availability for mining purposes, agriculture	Spatial planning Mineral Resources	2015 – 2020	Public and private funds
Principle 5	Promotion of sustainable land reform and security of tenure via Agri Village and ABPs	Improve the capacity of agricultural participants, eg emerging farmers,	DARDLEA	2015 – 2020	DARDLEA



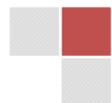
Objective / key Principle	Target / Indicators	Activity	Responsible	Timeframe	Funding/ Budget
		cooperatives. Accelerate land reform policies			
Principle 6	Benefits from local industries (mining, manufacturing, agriculture, utilities, etc)	Preferential Procurement, Social Labour Plans	Mineral Resources, LED	2015 – 2020	Public and private funds
Principle 7	CBD Improvement	Review of spatial development framework	Spatial Planning	2015 – 2020	Public and private funds
Principle 8	Proposed welding training facility: SAIW	Land allocation, link to other initiatives in steel (steel incubation, tooling initiatives steel fabrication hub)	Spatial Planning Local Economic Development	2015 – 2020	R110 000 000 DTI SAIW
Principle 9	Proposed Steel and Metal Fabrication Hub: DEDET	Feasibility study and developing a business plan for the establishment of a steel and metal fabrication hub	DEDT NDM STLM	2015 - 2020	R1 000 000 NDM
Principle 10	Recapitalization of Machinery: Mpumalanga Stainless Initiative	Recapitalize machinery and equipment of the steel incubator	DEDT Mpumalanga Stainless Initiative	2015 - 2020	MSI DEDT Atlantis Mining
Principle 11	Allocate more land for SMMEs	Access to more land at the show ground for SMMEs	Town Planning LED	2015 - 2020	



Objective / key Principle	Target / Indicators	Activity	Responsible	Timeframe	Funding/ Budget
Principle 12	New shopping complex (Mhluzi and Middelburg) projects on Trade	Expansion of the Middelburg mall	Retail Sector	2015 / 16	Private investments
Principle 13	Logistical hub Tourism	Upgrade of tourism centre	National Department of Tourism	2015 /16	R5 000 000
Principle 14	Maputo Corridor project on trade Middelburg Mall	Shopping Mall Industrial factory Acquisition of industrial stands by Council Aiding the transportation of raw by big conglomerate (Columbus, Ferrochrome, Barloworld, Thos Begbie)	Private Sector STLM	2015 – 2020	Public and private funds
Principle 15	Developing alternative energy solutions	Installing solar energy at Doornkop MPCC	Private Sector STLM	2015 – 2020	Public and private funds
Principle 16	Establishment of a steel production facility	Establishing a steel manufacturing plant in Mafube village	HBIS IDC	2016 – 2020	Private investment
Principle 17	Artisan training and development	Artisan development in Tool, Die and Mould-Making	National Tooling Initiative Mpumalanga Tooling	2015 – 2020	Public and private funds



Objective / key Principle	Target / Indicators	Activity	Responsible	Timeframe	Funding/ Budget
			Initiative DEDT Nkangala FET		
Principle 18	Revival of township businesses: car wash shisanyama model	Car wash combined with shisanyama, saloon and a kiosk	Spatial Planning LED NDM	2015 - 2020	Public and private funds
Principle 19	Revival of township businesses	Establishment of flea markets	Spatial Planning LED NDM	2015 - 2020	Public and private funds



CHAPTER 6

GREEN ECONOMY

6.1 What is Green Economy

United Nations Environment Programme (UNEP) defines a green economy as one that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities. It has low carbon emissions, resource efficient and socially inclusive.

A municipality with 'a green economy' will therefore be characterised by:

- Reduced dependence on fossil fuels.
- Introduction of cleaner fuels and renewable energy.
- Increase in energy and transport efficiency.
- Efficiently managed resources in the pursuit of economically and environmentally sound development.
- Prevent the loss of biodiversity and ecosystem services

6.2 Challenges of Transition to Green Economy in STLM

The local economy is dominated by the manufacturing and mining industries as well as a presence of several power stations. All of these manufacturing and power plants are coal-fired, which has significant implications on the carbon footprint of the municipality. The neighbouring municipality has twice the number of mining companies and power stations and therefore contribute further to the degradation of the local environment.

In addition to the main urban centre of Middelburg, several small towns have been created to serve specific mines and power stations, like Arnot, Rietkuil, Pullenshoop, Rietspruit, etc. The economies of these towns solely depends on these industries for employment and the business spin offs. This therefore provides a major challenge to develop and implement strategies on transition to low- carbon emission industries.



6.3 Alignment with Policies and Plans

The current municipal strategies as detailed in 2015 / 2016 IDP, 2006 LED (under review) are crafted within the context of the national policies (NDP), provincial (Mpumalanga Economic Growth and Development Strategy) and the district's IDP.

The current review of the 2006 LED is a transition to a low carbon emission with the municipality implementing a green policy in its building. The review strategy is identifying environmentally friendly developmental programs:

- Recognition of the importance of conserving the natural environment and water resources;
- Tourism development, particularly in the mountainous north-west;
- Promotion of agricultural activities, including protecting the available agricultural land-base, supporting commercial farming and agro-processing.
- Encouraging private investment, including the view of industrial and Big business development as a key growth lever;
- SMME support and development;
- Job creation through CWP and EPWP, especially with regard to environmentally beneficial projects;
- The need for developing the local human resource base;
- The need for an effective and efficient public transport systems that serves both rich and poor;
- Align the legal framework to create a favourable regulatory environment to enable a transition to low carbon emission economy, eg flexible property rates (Municipal Property Rates Act).

6.4 Recommended Strategies for Transition to Green Economy

The following are the recommended steps and action plans for the implementation of green economic development strategies:

- Safeguard the economic potential of the natural resource base in order to reduce the dependency of the local economy on manufacturing and mining. It is key for the municipality to find a balance when planning land allocation between agriculture and mining. Furthermore, post-mining activities should entail rehabilitating mined areas back to its original state for agricultural use.
- Mine Water Rehabilitation is becoming critical as it provides for the re-use of mine water for industrial purposes. The municipality is a water scarce



municipality and this is further aggravated by the acid mine drainage. Some of our exported agricultural products will be affected by this if we use poor water quality. The water reclamation plant establishment jointly with Shanduka aims at rehabilitating the mine contaminated water for re-use by industries. This improves water security and helps reduce the negative impact of mining activities.

- Construction of wetlands is a once off investment that reduces acidity and heavy metal concentrations. Working for Water Program of the Department of Water Affairs aims at preserving wetlands for the purpose of rehabilitating acid water. This is done through the EPWP as managed by Public Works.
- Creating secondary industries out of the mine dumps and rehabilitated mine areas, for example, converting coal waste into briquettes and pellets, cement manufacturing, recycling, etc.
- Improve railway infrastructure and public transportation systems to reduce reliance on road transportation
- Explore alternative energy sources in order to reduce dependency on the use of electricity, coal and biomass by working in partnership with the private sector to implement waste to energy projects (landfill sites, waste water treatment plants).
- Introduce incentives for companies/ industries employing cleaner production systems (wrt waste generation, water usage, energy use, harvesting of rain water).
- Incorporate aspects of the green economy in new developments. (e.g all building plans to be installed with solar power system before approval).



6.5 A Summary of Key Indicators: Transitional Steps to Green Economy

Recommendation/outcomes	Proposed Actions	Economic Transition Outcome Indicators
Use the full potential of natural resources	Increase agricultural activities to diversify local economy	Reduced reliance on mining and manufacturing sectors for economic growth
Identify skills gap and promote relevant skills and education	Working with training institutions to train candidates on green economy (waste management)	Developed green economy course at school levels (including FETs) Labour force skilled in green economic initiatives
Improve freight and transport systems	Improved rail infrastructure to increase use of off-road transport mode Lobby Transnet to allow private siding on their rail infrastructure	Reduced emission from trucks and heavy duty vehicles Alternative mode of transport other than road
Improve regulatory measures	Lobby DMR to implement post mining pledges (rehabilitation of mined areas)	Enable the re-use of mined land (agriculture, commercial, tourism attractions)
Establishment of SMMEs	Lobby developmental agencies and sector departments to assist in establishing of SMME in the green economy sector	SMMEs to identify opportunities in waste management, water reclamation, cement manufacturing, briquettes making

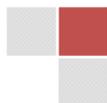


CHAPTER 7

7.1 IMPLEMENTATION PLAN

Table 12: ACTUAL YEARLY PLAN

Objectives	Activity	Responsible	Timeframe 2015/16				Funding/ budget
			Q1	Q2	Q3	Q4	
Catalysts Projects	3 Capital Investment Projects	LED		1	1	1	Public / Private
Social Labour Plan Projects	5 Social Labour Plans Projects	LED	1	1	1	2	Private
LED Forum Functions	2 LED Forum Functions	LED	-	1		1	STLM
Investment Campaigns	2 Investments Functions	LED	2				STLM
SMME Skills Development	3 Skills development programs	LED	1	1		1	Public / Private
Job Creation Initiatives (CWP)	Maintaining 1000 job opportunities created through Community Works Program	LED			1000		COGTA
Job Creation (EPWP)	298 FTEs created through EPWP	LED	-	-	298		Public Works
Tourism Indaba and Conference.	Market STLM in the international tourism platform	LED			1		STLM
Municipal Support	Construction of Nazareth Taxi Rank	NDM LED					Nkangala District
Municipal Support – infrastructure development	Construction of Extension Two Mhluzi Taxi Rank	NDM LED					Nkangala District
Municipal Support - capacity building	Support of 1 small scale/emerging farmer through vegetable farming methods/equipment	NDM LED					Nkangala District
Municipal Support infrastructure development	Implementation of the Steel Manufacturing and Beneficiation Hub	NDM LED					Nkangala District



Objectives	Activity	Responsible	Timeframe 2015/16				Funding/ budget
Municipal Support - capacity building	Feasibility Study and development of Business Plan for the Establishment of a Feed Mill in Steve Tshwete LM	NDM LED					Nkangala District
Municipal Support - infrastructure development	Establishment of the Industrial Park in Mhluzi	NDM LED					Nkangala District Anglo
Municipal Support - capacity building	Supply and delivery of Emergency Services Hazmat Response	NDM LED					Nkangala District
Municipal Support - infrastructure development	New 10ML reservoir Skietbaan(multi-year)	NDM LED					Nkangala District
Municipal Support - infrastructure development	Upgrade 4th Phase Klein Olifants outfall sewer (roll over)	NDM LED					Nkangala District
Municipal Support - infrastructure development	Roads & Stormwater Ext 18(multiyear)	NDM LED					Nkangala District



7.2 MONITORING AND EVALUATION

In order for the municipality to effectively plan and implement this LED Strategy, the following should be developed:

- Approval of the LED Strategy and terms of reference for the establishment of the LED Forum.
- Appointment of LED Advisors.
- Establishment of the LED Forum.
- The priority projects and development facilitation focus areas, prioritised through stakeholder consultation and through the use of a project prioritisation matrix required for the 5-year period of the strategy.
- Implementation plan of the strategy along with actions plans, timeframes, financial and other resource requirements, for example a spatial plan framework aligned to the LED process.
- An effective monitoring and evaluation system in order to assist the LED unit in tracking the progress with regards to economic development.
- Align the LED Strategy to internal policies, budget processes and risk strategies.
- Establish an LED Forum to monitor the implementation of the LED Strategy, aligning it to economic trends and development.
- Improve the capacity of the LED unit to effectively implement the strategy.
- Establishment of a partnership model with other key stakeholders (both private and sector institutions).

7.3 Framework of Roles

Economic Cluster Department	Macroeconomic policy development, legislative and regulatory frameworks and support
COGTA & SALGA	Strategy development, national coordination and support, monitoring and evaluation
Province Govt MPG	Strategy development, national and provincial coordination and support, monitoring and evaluation
District Govt Nkangala	District and local coordination and implementation support
Local Govt STLM	Coordination and strategy implementation



Private Sector	Financial, information, training, technical support and partnerships
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7.4 CONCLUSION

The LED Strategy is developed to create an economic framework within which broader sectoral opportunities will be identified, prioritized and implemented.

It aims at translating the IDP into economic principles and strategies for further implementation. It has to be continuously aligned with ever changing economic trends.

It finds its context within the framework as created and provided for by other spheres of government.

DRAFT

