

2024 Draft Reviewed SDM LED Strategy

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SEKHUKHUNE DISTRICT MUNICIPALITY
DRAFT REVIEWED LOCAL ECONOMIC DEVELOPMENT (LED) STRATEGY

2024/25 – 2028/29



SEKHUKHUNE
District Municipality

Table of Contents

Executive Summary	iv
1. Introduction	1
1.1. Background and Purpose of the Study	1
1.2. Study Location.....	2
1.4. Study Methodology & Data Collection Methods	3
2. Policy Framework	4
2.1. National Policies	4
2.1.1. The Constitution of the Republic of South Africa	4
2.1.2. National Development Plan (NDP)	4
2.1.3. New Growth Path	5
2.1.4. Agricultural Policy Action Plan (APAP)	5
2.1.5. Comprehensive Rural Development Programme Framework (CRDP)	5
2.1.6. National Spatial Development Perspective (NSDP)	6
2.1.7. Industrial Policy Action Plan (IPAP)	6
2.2. Provincial Policies.....	7
2.2.1. Limpopo Provincial Growth and Development Strategy.....	7
2.2.2. Limpopo Development Plan.....	7
2.2.3. Limpopo Spatial Development Framework	7
2.2.4. Limpopo Green Economy Plan	8
2.2.5. Limpopo Agro-Processing Strategy.....	8
2.2.6. Limpopo Tourism Strategy	9
2.2.7. Limpopo Five Year Industrial Plan	9
2.3. District Policies	9
2.3.1. SDM Integrated Development Plan (IDP)	9
2.3.2. SDM 2025 Development Strategy	10
2.3.3. SDM Spatial Development Framework (SDF)	10
3. SDM Development Profile	11
3.1. Population Overview.....	11
3.2. Household Overview	14
3.3. Population Dynamics.....	15
3.4. Housing	16
3.5. Health Facilities and Services	21
3.5.1. Health.....	22

3.5.2. Safety and Security	23
3.6. Education.....	23
3.7. Household income and index of buying power	25
3.7.1. Household income	26
3.8. Labour profile	28
3.8.1. Employment and unemployment rate	30
3.8.2. Skills profile	35
3.9. Economic Overview	36
3.9.1. Growth Points in SDM	37
3.9.2. GVA	46
4. Potential Analysis	52
4.1. Fetakgomo Tubatse Local Municipality	52
4.2. Ephraim Mogale Local Municipality	53
4.3. Elias Motsoaledi Local Municipality	55
4.4. Makuduthamaga Local Municipality	56
5. Strategic Framework	57
5.1. Strategic Intervention Areas	58
Strategic Intervention #1: Institutional Development	59
Strategic Intervention # 2: Improve the Enabling Environment	60
Strategic Intervention #3: Agriculture & Agro-Processing.....	60
Strategic Intervention #4: Mining & Mineral Beneficiation.....	72
Strategic Intervention #5: Tourism Development	76
Strategic Intervention #6: Sustainable SMME Development.....	83
Strategic Intervention #7: Infrastructure Development & Support Structures.....	85
6. Project prioritisation.....	89
7. Monitoring and Evaluation Plan	90
8.1. Introduction	90
8.2. Performance Assessment Framework.....	91
8.2.1. Monitoring and Evaluation of LED Programmes & Projects	93

8. Implementation Plan

Annexure A

Executive Summary

The LED Strategy intends to create an enabling environment for economic development and investment to take place, thereby tackling the triple challenge of unemployment, poverty and inequality which is in alignment with the National Development Plan (NDP).

The Strategy further facilitates the establishment of channels and mechanism to ensure the economic development reaches the true beneficiaries. Moreover, the Strategy focuses on SDM's development needs and opportunities, as well as its competitive and comparative advantages, which will help to facilitate economic development and job creation, thereby encouraging private sector investment.

The SDM LED Strategy is contextualised through the review of the policy environment, reviewing policies from all spheres of government that affect the compilation of the LED. The study conducted a situational analysis to assess the current realities of the area, making use of a competitor analysis with other District Municipalities bordering SDM. A comprehensive overview of the local economy was undertaken, providing a synopsis of the key economic sectors, potential linkages, and key growth points within the District Municipality. The overview of the situational analysis identified the high potential for economic development which entails:

- Sourcing skills needed in agriculture and other sectors from local communities.
- Promoting self-reliance of households.
- Coordinating availability of accurate data for forwarding planning.
- Supporting the development of agriculture and agro-processing through the Agri Park program.
- Encouraging enterprise development through the Enterprise and Supplier Development Programme.
- Supporting the establishment of Tubatse Special Economic Zone.
- Developing marketing and investment attraction initiatives and plans.

The strategic interventions identified resulted in programmes and projects being identified using a project prioritisation matrix and stakeholder consultation process. Projects identified in the study were based on the creation of job creation opportunities, promotion of value chain integration resulting in stimulation of other development initiatives and SMME growth in the District Municipality.

The findings of the study identify potential sectors for economic development in the district which include agriculture, tourism and mining. For instance, the Tubatse SEZ and AGRI-PARK initiative structures an economic foundation for development throughout the district. In addition, the District Municipality is a host to the Flag Boshielo and the De Hoop Dam which are key essential highlights within the district.

The strategic framework for the LED is anchored on existing development initiatives and potential linkages that targets the following strategic interventions which include:

- Institutional Development
- Improving the Enabling Environment
- Agriculture & Agro-processing
- Mining & Mineral Beneficiation
- Tourism Development
- Sustainable SMME Development
- Infrastructure Development & Support Structures

The study also concluded with an implementation guideline and a monitoring and evaluation framework which aids to enhance the efficiency and effectiveness of the strategy. In addition, the monitoring and evaluation strategy determines the contribution and effectiveness of each strategy as projects, thereby enabling KPI's to be linked to specific strategies.

1. Introduction

1.1. Background and Purpose of the Review

The current Local Economic Development (LED) strategy was developed by Urban-Econ Development Economists and presented to the municipal council and approved in 2019, which became effective until 2023/24 financial year. Accordingly, the Municipality has identified the need to review the existing strategy, solely with the intention of producing a plan that is credible, implementable and which identifies projects of a catalytic nature. These **new economic development potential projects need to be identified by the review to have meaningful impact** on the local economy of Sekhukhune District Municipality, amid Covid-19 impact.

However, it is of concern that the municipality has **not yet managed to package and attract strategic investments to implement high and catalytic economic project** to reduce triple challenges and empower local entrepreneurs. It is therefore our intention to draft a strategy that will post a true reflection of our key challenges and be able to generate views and produce key economic interventions. In the main, we **seek to draft a strategy which provides a clear path for urban development, rural industrialization, tourism promotion, agricultural development, services sector improvement as well as trade and industry growth.**

Our district economy has long been failing to **take advantage on vast competitive and comparative** with available and suitable commercial land to clearly package sector industrial oriented projects, enhance agro-processing from local natural resources. Equally, **positive, and correct economic path** in the district determined by willingness to **partner with knowledgeable key stakeholders and/or qualified private service providers** to undertake a well-planned and detailed research which envisaged to emancipate the poor from economic dependence and poverty in the Sekhukhune District Municipality.

Sekhukhune District Municipality is one of the five district municipalities within Limpopo Province and is in the southeastern part of the province sharing borders with Mpumalanga Province. The district has four local municipalities which are: Elias Motsoaledi, Ephraim Mogale, Makhuduthamaga, and Fetakgomo Tubatse. The Local Economic Development (LED) approach is based on the **idea of local mobilization of resources, convergence of interest around competitive local advantages and capacity building of players**. It entails local players and partnerships taking up **economic opportunities** created by new markets. **Groblersdal, Marble Hall, Jane Furse, Steelpoort and Burgersfort** constitute the main urban centres and are converged as district and provincial growth points. Whilst economic activity in the south-western part of the district is primarily centred on intensive commercial agriculture, the north-eastern economic activity is primarily associated with platinum mining activities associated with the Merensky Reef.

The LED strategy is purely designed to **provide clear strategic guidelines** to all relevant role players and agencies to ensure co-ordinated economic development initiatives that contribute towards the economic goals of Sekhukhune District Municipality.

1.2.Study Location

SDM is located in the Limpopo Province and covers an area of approximately 13 264 square-meters - most of which is rural, and it lies to the Northwest of Mpumalanga and the South of Limpopo. 2019 LED strategy discovered that approximately 5% of Sekhukhune population lives in urban areas. The main urban centres are located in Groblersdal, Marble Hall, Burgersfort, Jan Furse, Ohrigstad, Steelpoort, and Driekop.

As indicated in Map 1 SDM borders three other Districts within the Limpopo Province and two in Mpumalanga. The seat of SDM is in Groblersdal. SDM is neighboured by:

- Waterberg District Municipality to the north-west
- Capricorn District Municipality to the north
- Mopani District Municipality to the north-east
- Ehlanzeni District Municipality to the south-east
- Nkangala District Municipality to the south-west

Map 1: Study Area



SOURCE: (Sekhukhune District Municipality, 2024)

1.3.Study Methodology & Data Collection Methods

This review seeks to utilise a district comparative advantage to identify local economic development opportunities. Comparing SDM with its five neighbouring districts is a regional approach to identify areas within which it has a comparative advantage. Where comparative advantages were identified, the opportunities were further investigated by identifying which local municipality within SDM had the best comparative advantage. These local municipalities are Elias Motsoaledi, Ephraim Mogale, Fetakgomo – Tubatse and Makhuduthamaga.

The following methodology used to review the LED strategy:

- Project Steering Committee (PSC).
 - 05 December 2023, SALGA offices, Polokwane
 - 22 February 2024, Modimolle-Mokgoophong
 - 16 April 2024, SALGA offices, Polokwane.

- 11 July 2024, Groblersdal.
- Document analysis.
 - 2021 – 2026 Integrated Development Plan (IDP).
 - Local Municipalities LED Strategy.
 - National LED Strategy Framework.
- Section 13 – 15 of MSA, 32 of 2000.
 - Newspaper Publication, June 2024.
 - Agricultural Forum, 06 December, Groblersdal.
 - Mining Forum, 19 March 2024, the Ultimate Lodge.
 - Tourism Forum, 05 March 2024, Sekhukhune Lodge.
 - DALRRD LED Project on Agriculture, 10 May 2024.
 - Sekhukhune District Tourism Association, 05 June 2024.
 - LED Projects Meeting with Local Municipalities, 15 July 2024.
 - LED Forum, 18 July 2024, Groblersdal.
 - Mayoral Committee.
 - Portfolio Committee.

2. Policy Framework

2.1.National Policies

2.1.1. The Constitution of the Republic of South Africa

Section 152 (1) (e) outlines the objectives of local government to as to promote social and economic development. Section 152 (2) further reiterate that municipalities must strive, within its financial and administrative capacity, to achieve this objective.

2.1.2. National Development Plan (NDP)



The National Development Plan 2030 is seen as a “blueprint” for the development of the country and aims to eliminate poverty and reduce inequality by 2030 (NDP, 2030).

Among others, the strategic framework for the NDP is based on the following development priorities which are:

- To promote an inclusive and labour-absorbing economy.
- Increase capital spending, specifically on infrastructure development.

- Transition into a low-carbon economy.
- To create an inclusive and integrated rural economy

2.1.3. New Growth Path

The New Growth Path identified and prioritises sectors in which employment will be created which include the agricultural value chains, the mining value chains, the green economy, manufacturing sector, tourism, and services.

2.1.4. Agricultural Policy Action Plan (APAP)

In line with the NDP, the APAP provides a long-term vision and interventions in a five-year schedule, that must be updated annually. The outputs from APAP are documented and have been incorporated into the existing provincial and District plans. The APAP is aligned with the NDP, NGP and the MTSF in respect of the following outcomes:

- Outcome 4: Sufficient employment through inclusive growth.
- Outcome 7: Vibrant, equitable, sustainable rural communities contributing towards food security for all.

2.1.5. Comprehensive Rural Development Programme Framework (CRDP)

The Comprehensive Rural Development Programme Framework (CRDP) is aimed to address food insecurity, poverty, unemployment, and lack of development in rural areas. The CRDP consists of three components, namely:

- Coordinated and integrated broad-based agrarian transformation
- Strategically increasing rural development
- An improved land reform programme

Agrarian transformation is characterised as a change in the relationship between land, livestock, cropping, and community. It focuses on, amongst others, initiatives that support the establishment of rural business initiatives, agro-industries, co-operatives and the empowerment of rural people and communities.

2.1.6. National Spatial Development Perspective (NSDP)

The NSDP was produced by the Policy Co-ordination and Advisory Services (PCAS) in March 2003. The following principles are included in the document:

- Inclusive and sustainable economic growth is essential to achieve other policy objectives, such as poverty alleviation.
- Beyond constitutional obligation identified above, government spending on fixed investment should be focussed on localities of economic growth and/or the economic potential to:
 - Gear up private sector investment.
 - Stimulate sustainable economic activities.
 - Create long-term employment opportunities.
- Efforts to address past and current social inequalities should focus on people, not places.

2.1.7. Industrial Policy Action Plan (IPAP)

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

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

2.2. Provincial Policies

2.2.1. Limpopo Provincial Growth and Development Strategy

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

- Platinum mining cluster on the Dilokong Corridor between Polokwane and Burgersfort (Sekhukhune District) and in the Waterberg District
- Eight tourism sub-clusters at several high-potential destinations

2.2.2. Limpopo Development Plan (LDP): 2020 - 2025

The LDP is an ongoing journey to eliminate poverty, reduce inequality and improve the quality of life for citizens as visualised in the National Development Plan. The plan outlines the contribution of the province to the NDP vision 2030 imperatives and its 5-year plans. The province needs to institutionalise long-term planning, integration, and coordination to realise development objectives. This is a living document that is designed to marshal resources from all sectors, both public and private towards addressing economic growth and integrated development in Limpopo. The essence of the LDP is to improve standards of living and to reduce poverty, unemployment and unacceptable levels of inequality. To achieve development objectives, the province seeks to improve on sustainable economic development, social infrastructure and institutional development with an emphasis on transformation.

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

2.2.3. Limpopo Spatial Development Framework

The Limpopo Spatial Development Framework discusses the implications of the former government economic and social policies on the spatial development and settlement patterns of the various Districts of the Limpopo Province.

The framework also outlines the legal and policy environment that has existed since the replacement of the former government's decentralisation policies in 1994. The Municipal Act, 2000 requires all local authorities in South Africa to do forward planning for the short, medium and long-term using 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 potential for economic growth. Settlements are classified as:

- Provincial growth points (PGP)
- District growth points (DGP)
- Municipal growth point (MGP)
- Second order settlements (Population Concentration Points)
- Third order settlements (Local Service Points)
- Fourth order settlements (Village Service Areas)
- Fifth order settlements (Small Settlements)

2.2.4. Limpopo Green Economy Plan

The Limpopo Green Economy Plan focuses on the local production and consumption, encompassing the efficient use of energy, water, and care of natural and created resources. The Limpopo Province has the potential to be the national pioneer in the Green Economy due to:

- The perfect geographic situation to develop a variety of green industries and economies of scale.
- The invaluable mineral resource base for local beneficiation.
- Unexploited biodiversity resources for green tourism and payment for ecosystem services
- Vibrant young population to enthusiastically engage in new, innovative, and developmental economic activities.

2.2.5. Limpopo Agro-Processing Strategy

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

- Job opportunities in the entire value chain of the agriculture sector.
- Promotion and investment in the agro-processing sector for the province.

- Rural development through interventions in a range of sectors.
- Improved competitiveness in the local economy using resource base and locational advantages.
- Integration between the different economic sectors of the province.
- Enterprise and skills development enhancement in agriculture industries.
- The overall growth and development of the agriculture industries.

2.2.6. Limpopo Tourism Strategy

The Limpopo Tourism Strategy emphasises on the concept of tourism clusters and the importance of economic development for the province. The focus of the cluster is to raise international competitiveness in the province and to combine public and private contributions which will yield to a great impact. The tourism strategy intends:

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

2.2.7. Limpopo Five Year Industrial Plan

The Limpopo Five Year Industrial Plan seeks to contribute towards the development of key sectors within the province by strengthening industrial linkages, increased value-added activities, and enhancing productivity. The province mandate is to create sustainable job opportunities in the medium to long-term periods by reaching the objectives as indicated by the Industrial Policy Action Plan 2 through value-added technological advancement.

2.3. District Policies

2.3.1. SDM Integrated Development Plan (IDP)

The Integrated Development Plan (IDP) is a broad business plan that aims to identify developmental needs and to provide guidelines on how to achieve identified goals that are in line with the municipality's budget. The SDM's vision is to be **“an innovative leader in integrated economic development and sustainable service delivery”**. The deliverables of the SDM Integrated Development Plan (IDP) support this vision and seeks to align and integrate with provincial and national policies through the following strategic priorities:

- Economic growth, development, and job creation
- Access to basic services and infrastructure
- Spatial development and sustainable land use practices
- Active community participation and Inter-Governmental Co-operation
- Community development and social cohesion
- Accountable and Clean Governance

2.3.2. SDM 2025 Development Strategy

The SDM 2025 Development Strategy aimed to articulate and activate longer-term strategic direction to be followed by the district and enhance development and promote economic growth. Due to Covid-19 pandemic, the strategy failed on its aim to align all district municipal plans with local integrated development plans. The 2025 Development Strategy identified specific growth sectors to drive social development and economic growth in the district. The identified sectors are the potential of agriculture, mining, and tourism as significant contributors to its economy up to the year 2025. There is a fundamental need to revise SDM Development Strategy to speak to the current economic and social dynamics of the district.

2.3.3. SDM Spatial

2.3.3.1. Development Framework (SDF)

The SDM SDF is seen as an integral part of the district integrated development plan and is used as a tool to implement the Integrated Development Plan. It guides and informs all decisions of the municipality relating to the use, development, and planning of land. The SDF identified spatial development objectives and principles for the District Municipality, which is also aligned to the Limpopo SDF.

- To actively protect, enhance and manage the natural environmental resources in the municipality to ensure a sustainable equilibrium between the mining, tourism and agricultural industries in the area.
- To promote commercial farming and food production along with the Olifants River and Steelpoort River drainage systems in the district.
- To facilitate small scale and subsistence farming activities throughout the remaining part of the municipal area.
- To promote industrial/commercial development in the SDM with specific emphasis on agro-processing in the agricultural belt (Groblersdal), and mining/ore-processing in the mining belt (Tubatse).

- To create a strong east-west movement/development corridor in the SDM functionally linking the tourism precincts, mining belt, and agricultural belt to one another, and to the markets of the Gauteng Province along the Moloto Corridor.

The District has consciously chosen to explore the potential of mining, agriculture, and tourism as key economic contributors to the SDM up to the year 2025. Furthermore, the District is currently exploring the following four key markets which the SDF states as main economic drivers which are:

- Platinum and chrome ore mining
- Suppliers and outsourced services to local mines
- Fresh produce, cotton plantation, meat production, and beneficiation
- Business and Leisure Tourism

3. SDM Development Profile

Demographic indicators include population size, population density, migration, number of households, household density and average household size. Population statistics is important to when analysing economic overview of Sekhukhune with regard to developmental approaches and indicators such as economic growth, employment, poverty reduction, etc.

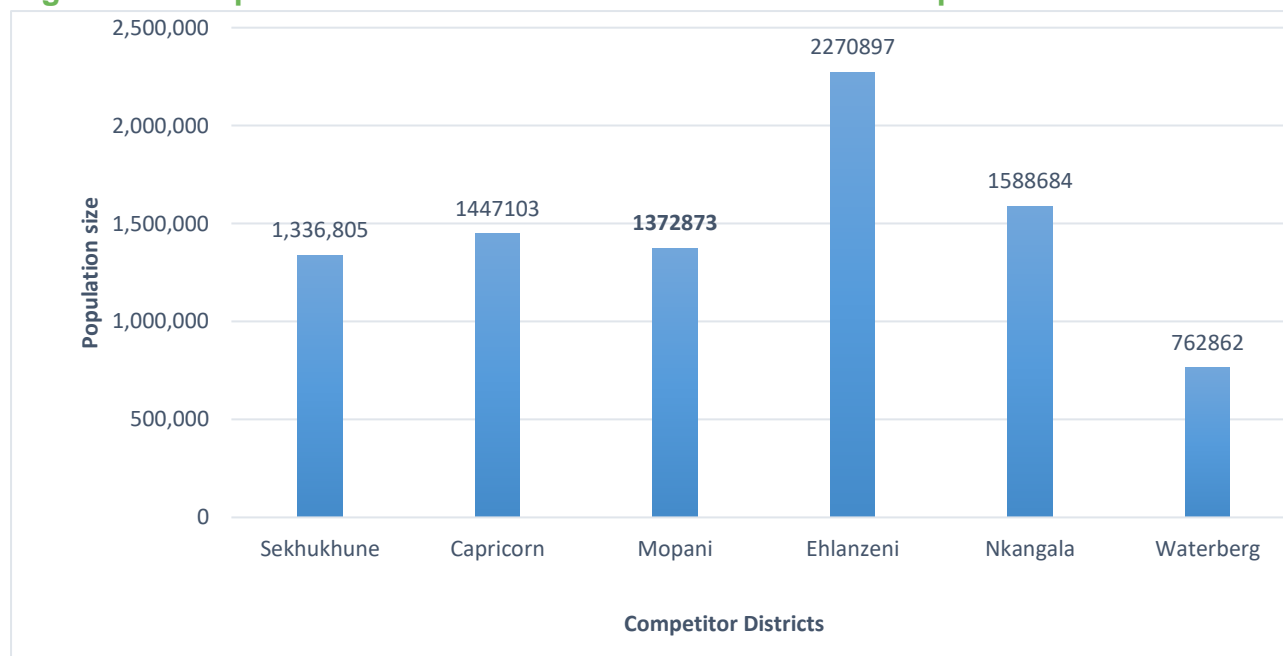
3.1. Population Overview

Given below table, with 1.34 million people, the Sekhukhune District Municipality housed over 2.1% of South Africa's total population in 2022. Between 2011 and 2022 the population growth averaged 2.06% per annum which is very similar than the growth rate of South Africa at 1.49.

Table 3.1: Population Overview in Sekhukhune, Limpopo and National: 2012 to 2022

	Sekhukhune	Limpopo	National Total	Sekhukhune as % of province	Sekhukhune as % of national
2012	1,100,000	5,530,000	52,800,000	20.0%	2.1%
2013	1,120,000	5,570,000	53,700,000	20.1%	2.1%
2014	1,130,000	5,630,000	54,500,000	20.1%	2.1%
2015	1,150,000	5,690,000	55,300,000	20.2%	2.1%
2016	1,160,000	5,760,000	56,200,000	20.2%	2.1%
2017	1,180,000	5,820,000	57,000,000	20.3%	2.1%
2018	1,200,000	5,890,000	57,900,000	20.3%	2.1%
2019	1,210,000	5,950,000	58,800,000	20.4%	2.1%
2020	1,230,000	6,020,000	59,600,000	20.4%	2.1%
2021	1,240,000	6,080,000	60,300,000	20.4%	2.1%
2022	1,340,000	6,140,000	61,100,000	20.4%	2.1%
Average Annual growth					
2011-2022	2.06%	1.09%	1.49%		

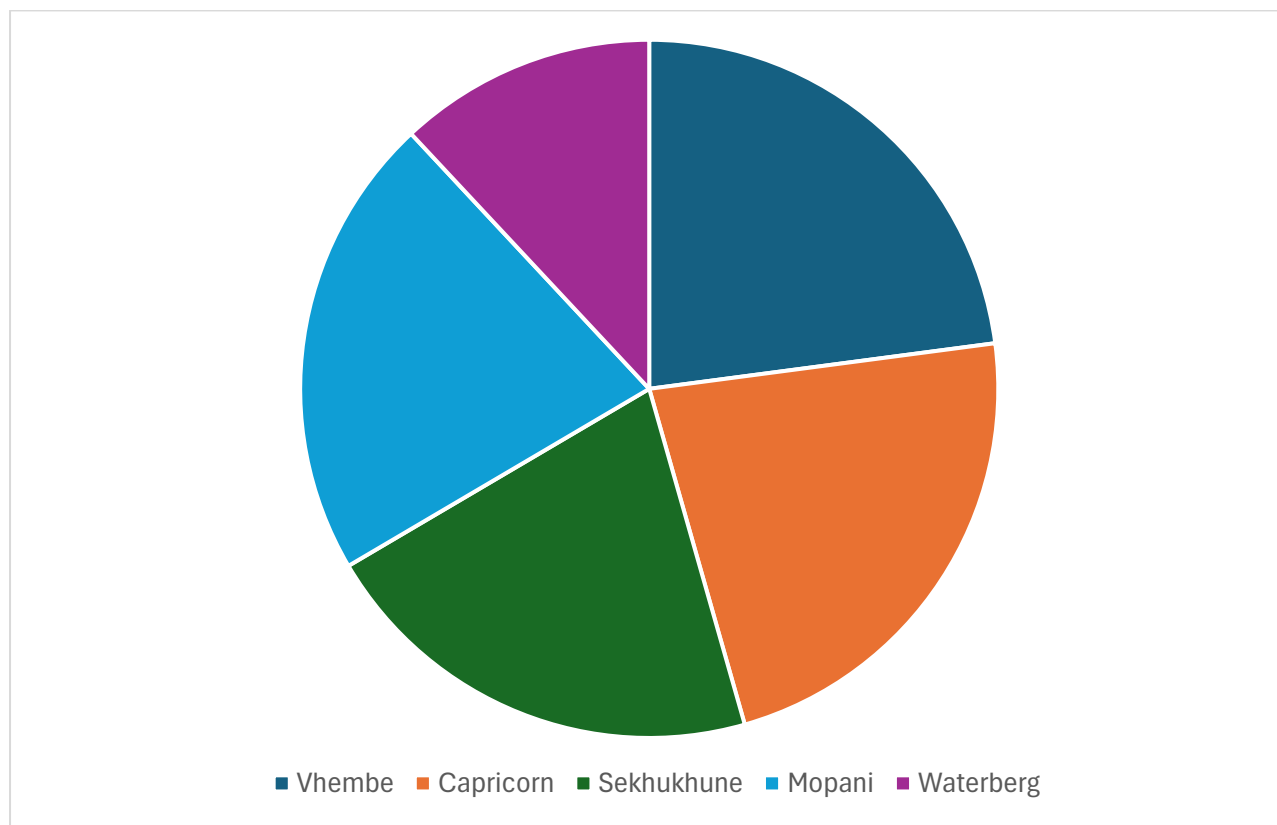
SOURCE: (Stats SA, 2022)

Figure 3.1: Population Overview for Sekhukhune and Competitors

SOURCE: (Stats SA, 2022)

The population for **Sekhukhune District is ranked 5th** amongst the competitors as shown above. However, as stipulated earlier one of the reasons could be that most people are **migrating into other areas which offer better economic opportunities** for growth and development. Amongst the competitors, Ehlanzeni remains the largest population, while Waterberg still stubbornly had the smallest population.

Figure 3.2: Total population - Sekhukhune and the rest of Limpopo, 2022 [Percentage]



SOURCE: (Stats SA, 2022)

When compared to other regions, the Sekhukhune District Municipality accounts for a total population of 1.34 million, or 21% of the total population in the Limpopo Province, with the Vhembe being the most populous region in the Limpopo Province for 2022. Sekhukhune increased in importance from ranking third in 2011 back to fourth in 2022 with both Capricorn and Vhembe on 23%. In terms of its share the Sekhukhune District Municipality was slightly larger in 2022 (20.4%) compared to what it was in 2012 (20.0%). When looking at the average annual growth rate, it is noted that Sekhukhune

ranked first (relative to its peers in terms of growth) with an average annual growth rate of 2.18% between 2011 and 2022.

Table 3.2: Total population - local municipalities of Sekhukhune District Municipality, 2011, 2017 and 2022 [Numbers percentage]

	2011	2017	2022	Average Annual growth
Ephraim Mogale	123,648	129,000	132,468	0.69%
Elias Motsoaledi	249,363	272,000	288,049	1.23%
Makhuduthamaga	274,358	291,000	340,328	0.92%
Fetakgomo Tubatse	429,471	489,000	575,960	1.68%
Sekhukhune	1,076,840	1,180,673	1,336,805	2.18%

SOURCE: (Stats SA, 2022)

The **Fetakgomo Tubatse Local Municipality (FTLM)** increased the most by 147 000 in 2022, which might have changed the economic perception of the district as compared to other districts or provinces., in terms of population, with an average annual growth rate of 1.7%, the Elias Motsoaledi Local Municipality (EMLM) had the second highest growth in terms of its population, with an average annual growth rate of 1.2%. The Ephraim Mogale Local Municipality had the lowest average annual growth rate of 0.69% relative to the other within the Sekhukhune District Municipality.

3.2. Household Overview

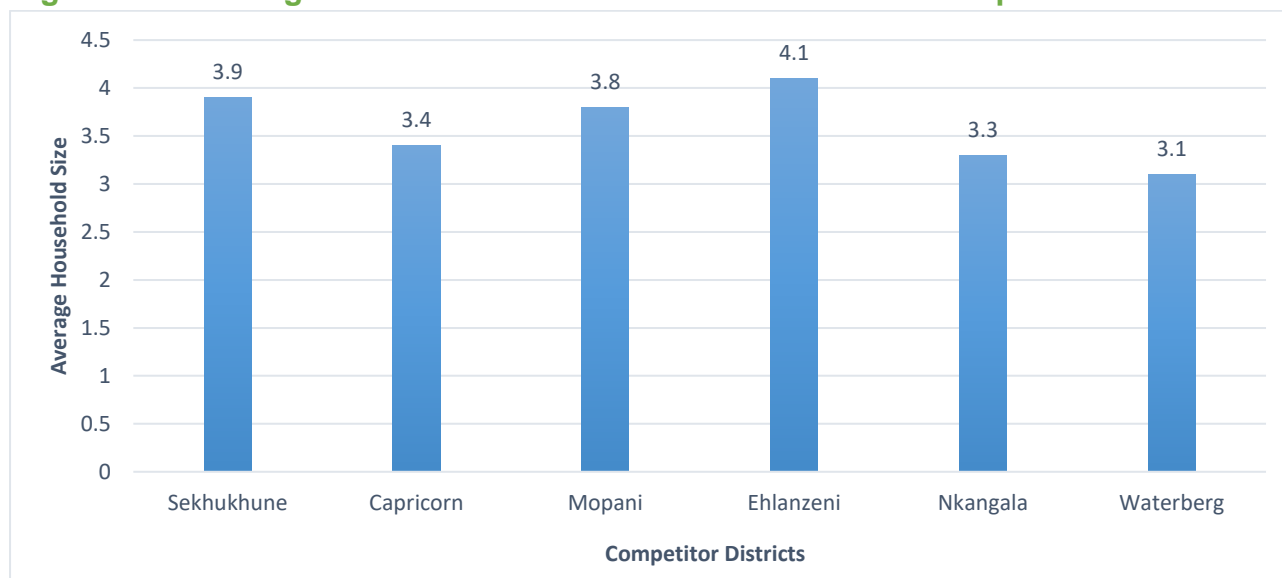
3.2.1. Households

A household is defined as either a group of people who live together and provide themselves jointly with food and/or other essentials for living, or it is a single person living on his/her own. An individual is considered part of a household if he/she spends at least four nights a week within the household. If the number of households is growing at a faster rate than that of the population it means that the average household size is decreasing, and vice versa.

3.2.2. Average household size

In 2022, the Sekhukhune District Municipality increased to 340 753 households from 290 527 in 2016. However, household size declined to 3.9 individuals from 4.0 in 2016. The average household size is a measure obtained by dividing the population size by the number of households. This implies that the extended family set up is beginning to change daily with modern lifestyles and in so doing there will be a demand for more basic services and accessible housing which is far beyond what current supply can meet.

Figure 1.3: Average Household Size for Sekhukhune and Competitors



SOURCE: (Stats SA, 2022)

The above figure provides the competitors in the district which illustrates that **SDM ranked number 2 after Ehlanzeni in terms of average household size with Waterberg remaining at the least.** From a District perspective, the average household size for SDM is much better compared to neighbouring Districts though this still results in an increase in demand for basic services in the district.

3.3. Population Dynamics

3.3.1. Population by race

The racial profile of SDM indicates that the area has predominantly black residents on 99%, 0,55% white residents, 0,05% coloured residence, and 0,06% Indian/Asian residence in 2022.

3.3.2. Age-Gender distribution and vulnerable groups

Three age groupings are of importance within this section, namely 0-15-year-olds which represents the youth, stand on 34%, while 16-64-year-olds which represents the working age population are on 60% and 65-year-olds and older that represents the aged on only 7%. SDM attributed with a youthful population is good for the growth of an economy, however, the high population for youth may result in various implications such as a strain in the education and health care services, food supplies and accommodation availabilities. Therefore, more services are required for youth development.

3.3.3. Gender

In 2022, The age-gender profile ratio is on 89.0 males per 100 females. Within the three age groupings, the youth-gender breakdown was about 18,10% female and 18,69% male, the working-age-gender breakdown was about 31,05% female and 25,16% male and the aged-gender breakdown was about 4,81% female and 2,18%, male.

3.3.4. Gini coefficient

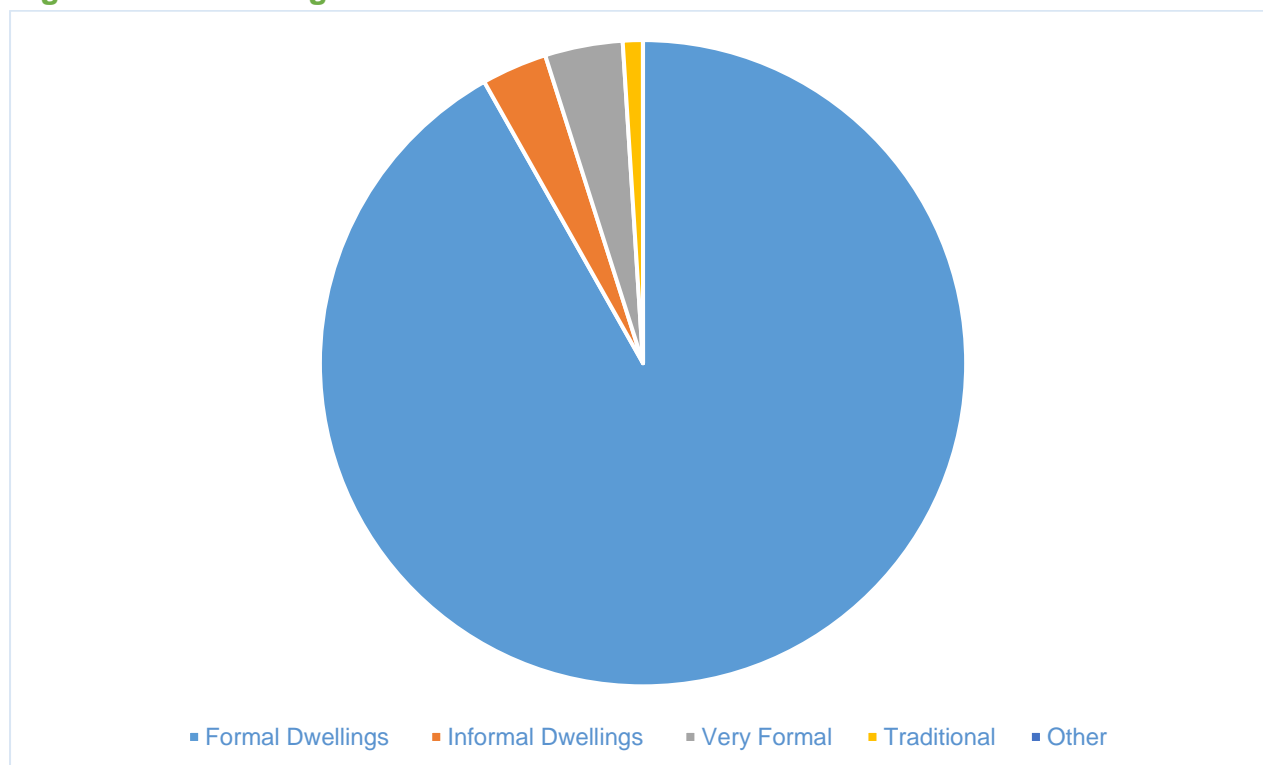
The Gini Coefficient is a way of measuring the income inequality that condenses the entire income distribution for an area into a single number between 0 and 1, where a value closer to 1 indicates total inequality and a value closer to 0 indicates income equality. In 2022, Gini Coefficient for SDM was at 0.561, which reflect marginal decrease over 10-year period from 2012. The Limpopo Province and South Africa had a more unequal spread of income at 0.579 and 0.608, respectively, compared to that of SDM.

3.4. Housing

3.4.1. Dwelling types

The dwelling profile of SDM in figure 3.4 indicates that most of the population live within formal housing. The settlement breakdown for the area was about 92% formal, 3% informal, 4% very formal and 1% traditional in 2022.

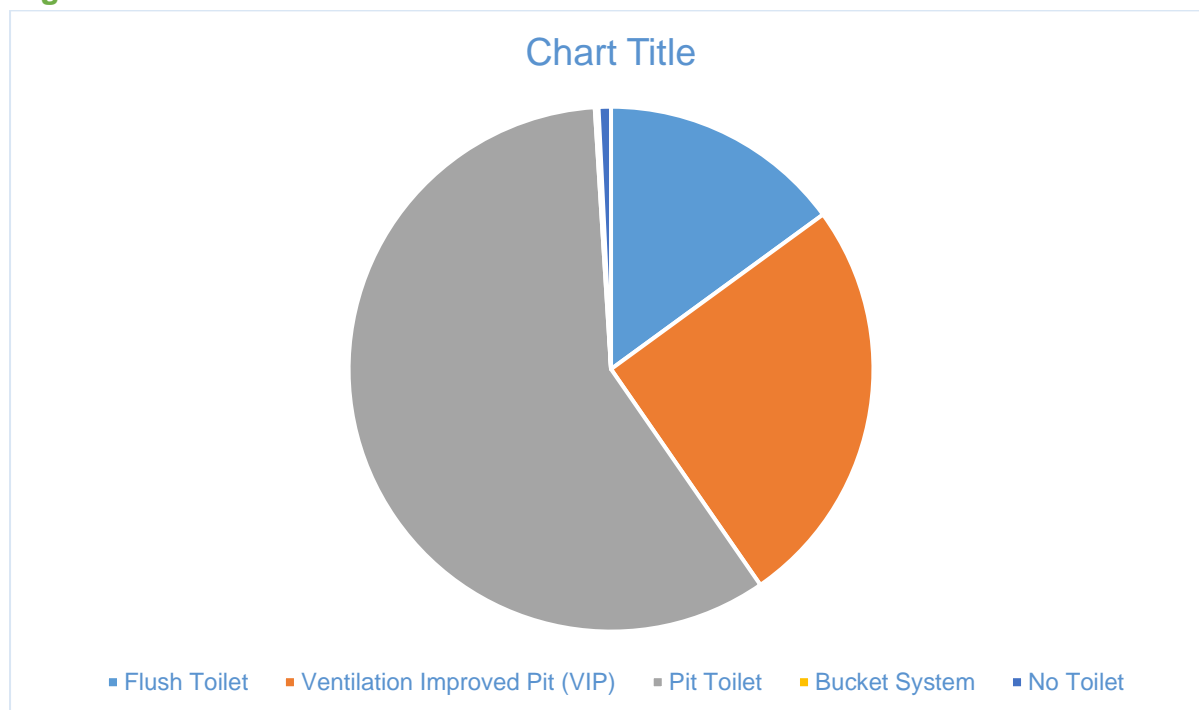
The region within the Sekhukhune District Municipality with the highest number of very formal dwelling units is the Elias Motsoaledi Local Municipality with 4 430 or a share of 36.88% of the total very formal dwelling units within Sekhukhune District Municipality. The region with the lowest number of very formal dwelling units is the Ephraim Mogale Local Municipality with a total of 1 350 or a share of 11.26% of the total very formal dwelling units within Sekhukhune District Municipality.

Figure 3.4: Dwelling Profile for SDM

SOURCE: SOUTH AFRICAN REGIONAL EXPLORER V2423, 2023

3.4.2. Sanitation types

Sanitation can be divided into specific types of sanitation which household has access. The area within Sekhukhune with the highest number of flush toilets is Elias Motsoaledi Local Municipality with 20 100 or a share of 43.54% of the flush toilets within Sekhukhune. The area with the lowest number of flush toilets is Ephraim Mogale Local Municipality with a total of 3 880 or a share of 8.39% of the total flush toilets within Sekhukhune District Municipality.

Figure 3.5: Sanitation Profile for SDM

SOURCE: SOUTH AFRICAN REGIONAL EXPLORER V2423, 2023

3.4.3. Access to water

A household is categorised according to its main access to water, as follows: Regional/local water scheme, Borehole and spring, Water tank, Dam/pool/stagnant water, River/stream and other main access to water methods. No formal piped water includes households that obtain water via water carriers and tankers, rainwater, boreholes, dams, rivers and springs.

Sekhukhune District Municipality had a total number of 29 000 (or 9.41%) households with piped water inside the dwelling, a total of 136 000 (44.23%) households had piped water inside the yard and a total number of 27 400 (8.89%) households had no formal piped water.

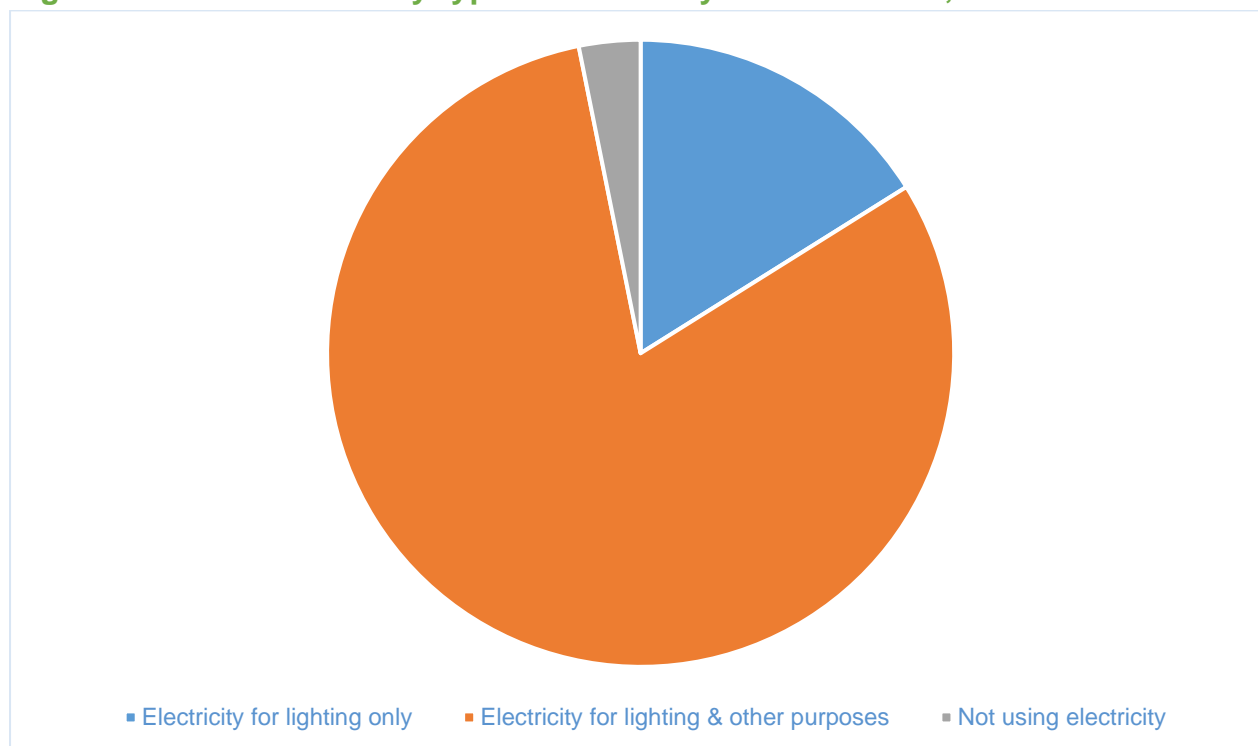
Table 3.3: Households by type of water access - SDM, 2022

	Piped water inside dwelling	Piped water in yard	Communal piped water: less than 200m from dwelling (At RDP-level)	Communal piped water: more than 200m from dwelling (Below RDP)	No formal piped water	Total
Ephraim Mogale	3,026	26,007	2,024	2,929	1,772	35,758
Elias Motsoaledi	9,247	42,303	7,608	4,327	5,911	69,395
Makhuduthamaga	4,844	27,225	18,035	12,545	6,926	69,574
Fetakgomo Tubatse	11,936	41,003	33,165	35,047	12,844	133,995
Total Sekhukhune	29,052	136,537	60,832	54,848	27,454	308,722

SOURCE: SOUTH AFRICAN REGIONAL EXPLORER V2423, 2023

The regions within Sekhukhune District Municipality with the highest number of households with piped water inside the dwelling is Fetakgomo Tubatse Local Municipality with 11 900 or a share of 41.08% of the households with piped water inside the dwelling within Sekhukhune District Municipality. The region with the lowest number of households with piped water inside the dwelling is Ephraim Mogale Local Municipality with a total of 3 030 or a share of 10.42% of the total households with piped water inside the dwelling within Sekhukhune District Municipality.

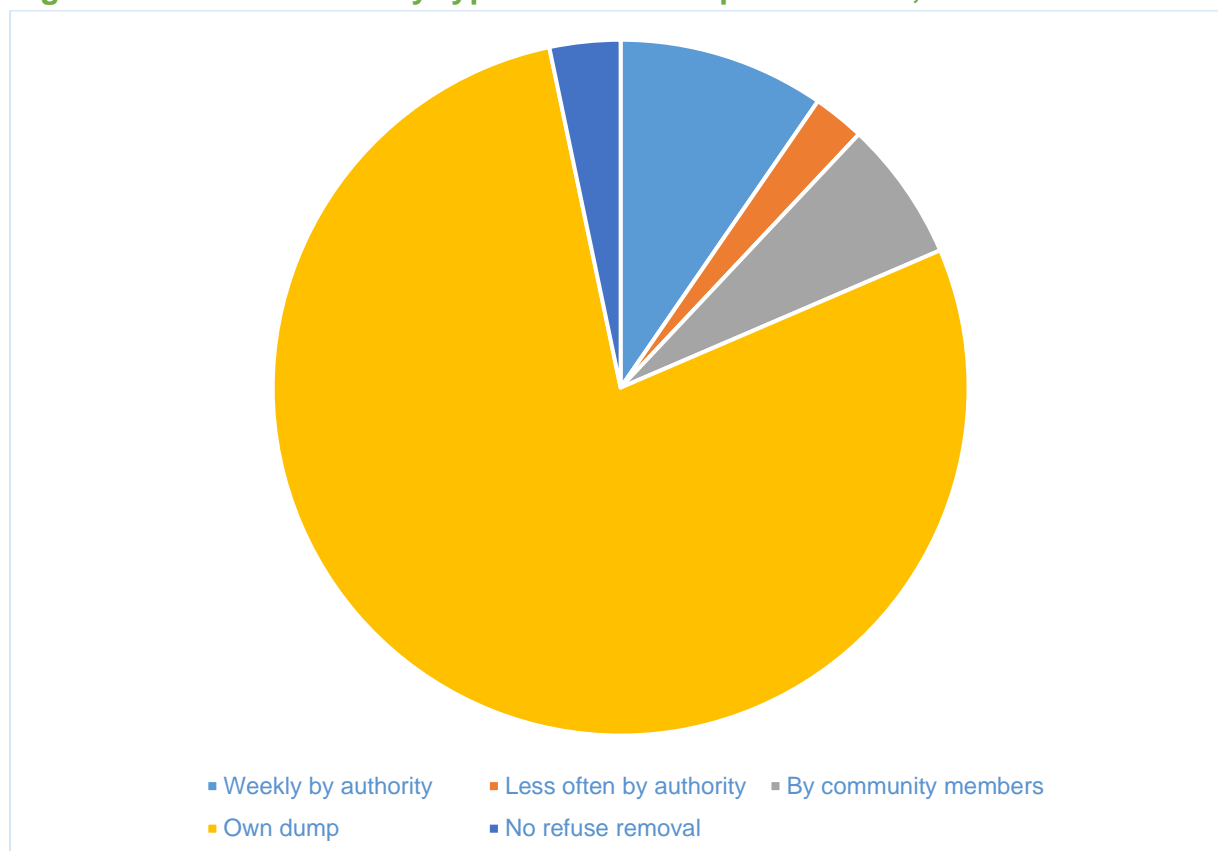
3.4.4. Access to electricity

Figure 3.5: Households by type of electricity access - SDM, 2022

SOURCE: SOUTH AFRICAN REGIONAL EXPLORER V2423, 2023

The region within Sekhukhune with the highest number of households with electricity for lighting and other purposes is Fetakgomo Tubatse Local Municipality with 110 000 or a share of 44.11% of the households with electricity for lighting and other purposes within Sekhukhune District Municipality. The Region with the lowest number of households with electricity for lighting and other purposes is Ephraim Mogale Local Municipality with a total of 25 000 or a share of 10.05% of the total households with electricity for lighting and other purposes within Sekhukhune District Municipality.

3.4.5. Refuse Disposal

Figure 3.6: Households by type of refuse disposal - SDM, 2022

SOURCE: SOUTH AFRICAN REGIONAL EXPLORER V2423, 2023

The region within Sekhukhune with the highest number of households where the refuse is removed weekly by the authority is Fetakgomo Tubatse Local Municipality with 16 300 or a share of 54.85% of the households where the refuse is removed weekly by the authority within Sekhukhune. The region with the lowest number of households where the refuse is removed weekly by the authority is Makhuduthamaga Local Municipality with a total of 1 490 or a share of 5.03% of the total households where the refuse is removed weekly by the authority within the district municipality.

3.5. Health Facilities and Services

3.5.1. Clinics

The number of clinics in SDM was about 89 in 2022. This translates into one facility for every 12 887 population and covering about 154 km² in SDM in 2022. The number of clinics within the competitors' area ranged between about 63 and 110, which indicates that the number of clinics for SDM was at the upper end of the range, giving it a rank of 4. Amongst the competitors, Ehlanzeni had the most clinics, while Waterberg had the least clinics.

The number of people per clinic within the competitors' area ranged between about 11 580 and 19 290, which indicates that population per clinic for SDM was at the upper end of the range, giving it a rank of 3. Amongst the competitors, Nkangala had the largest population per clinic, while Waterberg had the lowest population per clinic.

The coverage per clinic within the competitors' area ranged between about 153,72 km² and 712,91 km², which indicates that coverage per clinic for SDM was at the upper end of the range, giving it a rank of 1. Amongst the competitors, Waterberg had the highest coverage per clinic, while Sekhukhune had the lowest coverage per clinic.

3.5.2. Emergency medical services

The number of EMS facilities in SDM was about 14 in 2022. This translates into one facility for every 87 237 population and covering about 1040,594662 km² in SDM in 2022. The number of EMS facilities within the competitors' area ranged between about 1 and 13, which indicates that the number of EMS facilities for SDM was at the upper end of the range, giving it a rank of 1. Amongst the competitors, Sekhukhune had the most EMS facilities, while Ehlanzeni had the least EMS facilities.

3.5.3. Health

3.5.3.1. HIV/AIDS

The health profile of SDM indicates that the HIV infection rate increased from about 67 out of every 1,000 people in 2013 to about 71 out of every 1,000 people in 2017 at an annual growth rate of about 1,50%. Aids deaths in SDM had increased from about 21 people out of every 10 000 in 2013 to about 25 people in 2017 at an annual growth rate of 3,92%. The increase in the HIV/AIDS infections and death rates in the District Municipality could potentially result in the decline of the working population age group which affects productivity growth in the economy. Furthermore, HIV/AIDS infections and death rates could potentially affect the municipality's population index.

3.5.3.2. Mortality rate, crude death rate & other deaths

The health profile of SDM indicates that the crude death rate increased from about 10 out of every 1,000 people in 2013 to about 10 out of every 1000 people in 2017 at an annual growth rate of about 0,55%. Other deaths in SDM has decreased from about 7 out of every 1,000 people in 2013 to about 7 people in 2017 at an annual growth rate of -0,69%.

3.5.4. Safety and Security

3.5.4.1. Crime rate

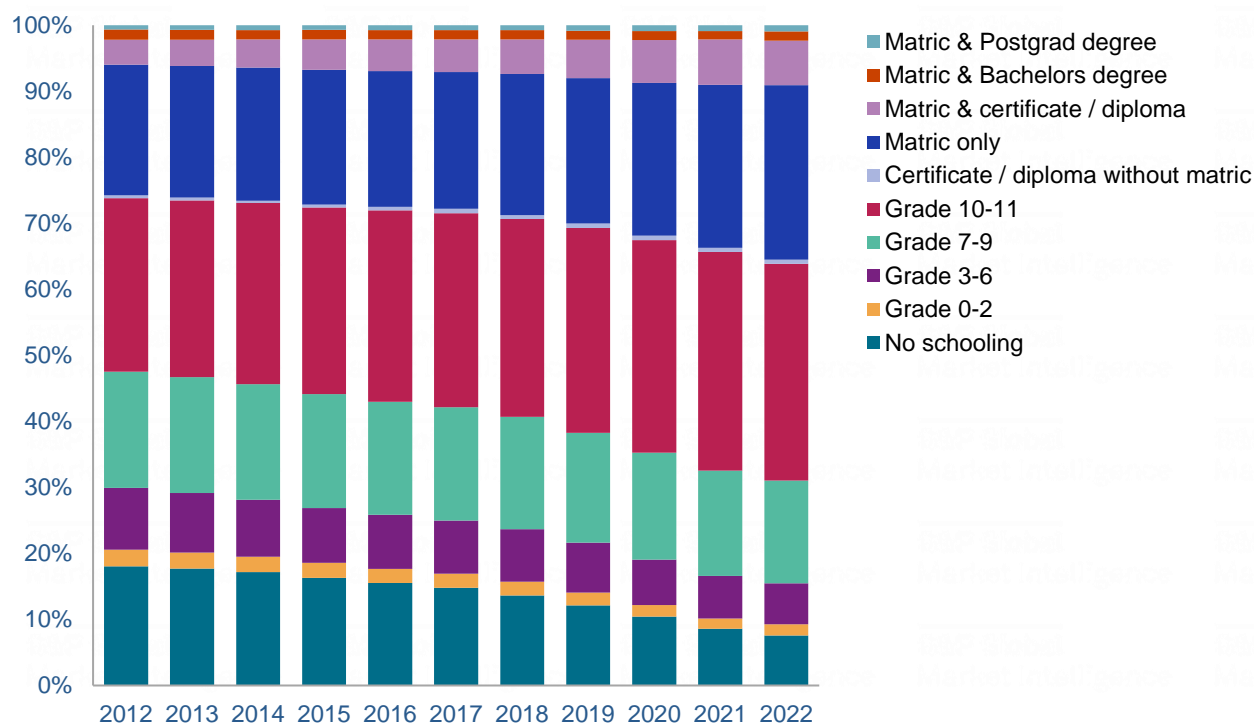
The number of crimes reported per 10,000 people in SDM as shown in **Error! Reference source not found.** increased from about 164 reported crimes in 2013 to about 177 reported crimes in 2017 at an annual growth rate of about 1,97%. This could imply that there is a lot of criminal activities that are taking place in the area. In addition, this may suggest that there are a lot of gangs in some communities, the lack of electricity and proper lighting exacerbated the problem of crime, inadequate security measures in the district. Economically the crime rate could undermine the tourism sector efforts in the district.

3.6. Education

Educating is important to the economic growth in a country and the development of its industries, providing a trained workforce and skilled professionals required.

The education measure represents the highest level of education of an individual, using the 15 years and older age category. (According to the United Nations definition of education, one is an adult when 15 years or older. S&P Global uses this cut-off point to allow for cross-country comparisons. Furthermore, the age of 15 is also the legal age at which children may leave school in South Africa).

Figure 3.7: Highest level of education: age 15+ - Sekhukhune District Municipality, 2012-2022 [Percentage]



SOURCE: SOUTH AFRICAN REGIONAL EXPLORER V2423, 2023

Within Sekhukhune District Municipality, the **number of people without any schooling decreased from 2012 to 2022** with an average annual rate of -6.49%, while the number of people within the 'matric only' category, increased from 115,000 to 187,000. The number of **people with 'matric and a certificate/diploma' increased** with an average annual rate of 8.11%, with the number of people with a 'matric and a Bachelor's' degree increasing with an average annual rate of 1.21%. Overall improvement in the level of education is visible with an increase in the number of people with 'matric' or higher education.

Table 3.5: Highest level of education: age 15+ -Sekhukhune, Limpopo and National Total, 2022 [Numbers]

	Sekhukhune	Limpopo	National Total	Sekhukhune as % of province	Sekhukhune as % of national
No schooling	53,600	224,000	1,400,000	24.0%	3.8%
Grade 0-2	11,900	56,600	420,000	21.1%	2.8%
Grade 3-6	43,700	233,000	2,490,000	18.8%	1.8%
Grade 7-9	110,000	574,000	5,770,000	19.2%	1.9%
Grade 10-11	232,000	1,010,000	9,810,000	23.0%	2.4%
Certificate / diploma without matric	4,300	29,200	140,000	14.7%	3.1%
Matric only	187,000	978,000	13,400,000	19.1%	1.4%
Matric certificate / diploma	47,600	293,000	2,730,000	16.3%	1.7%
Matric Bachelor's degree	10,100	94,500	1,700,000	10.7%	0.6%
Matric Postgrad degree	6,570	55,200	1,060,000	11.9%	0.6%

SOURCE: SOUTH AFRICAN REGIONAL EXPLORER V2423, 2023

Access to educational facilities is critically important in ensuring an illiterate and an income active generation, particularly in the former disadvantaged homelands of South Africa.

3.7. Household income and index of buying power

3.7.1. Household income

It was estimated that in 2022 9.58% of all the households in the Sekhukhune District Municipality, were living on R30,000 or less per annum. In comparison with 2012's 28.01%, the number is about half. The 54000-72000 income category has the highest number of households with a total number of 42 600, followed by the 72000-96000 income category with 40 600 households. Only 29 households fall within the 0-2400 income category.

The improvement in household income is critical and implies that there is an improvement in the standard of living ability to consume essential products such as television, fridges and cell phones.

Table 3.5: Households by income category - Sekhukhune, Limpopo, and National Total, 2022

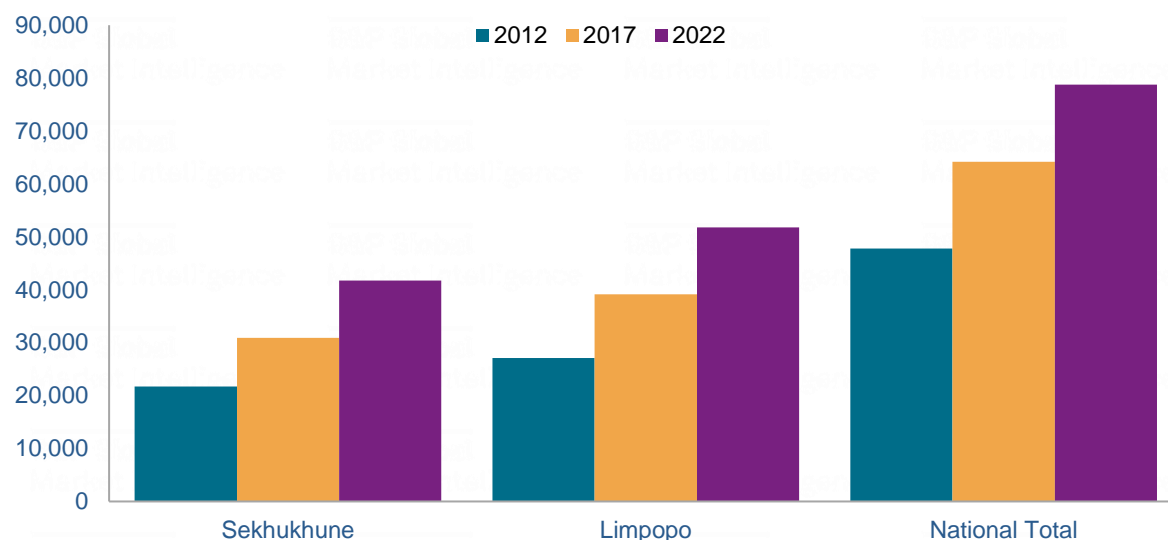
	Sekhukhune	%	Limpopo	National Total
0-2400	29	0,009	129	1,260
2400-6000	317	0,012	1,430	14,500
6000-12000	2,410	0,768	11,000	107,000
18000-30000	21,800	6,943	105,000	914,000
30000-42000	31,000	9,873	152,000	1,290,000
42000-54000	31,000	9,873	154,000	1,270,000
54000-72000	42,600	13,567	215,000	1,820,000
72000-96000	40,600	12,930	206,000	1,860,000
96000-132000	37,600	11,975	192,000	1,860,000
132000-192000	35,600	11,338	188,000	1,930,000
192000-360000	34,800	11,083	197,000	2,350,000
360000-600000	17,700	5,637	112,000	1,630,000
600000-1200000	9,350	2,978	65,200	1,240,000
1200000-2400000	3,350	1,067	25,000	565,000
2400000+	361	0,115	3,330	111,000
Total	314,000	100%	1,650,000	17,200,000

SOURCE: SOUTH AFRICAN REGIONAL EXPLORER V2423, 2023

When looking at the annual total personal income for the regions within Limpopo Province, the Fetakgomo Tubatse Local Municipality had the highest total personal

income with R 23.3 billion which increased from R 11.1 billion recorded in 2012. It can be seen that the Ephraim Mogale Local Municipality had the lowest total personal income of R 5.58 billion in 2022, this increased from R 2.59 billion in 2012.

FIGURE 3.8: PER CAPITA INCOME LEVELS

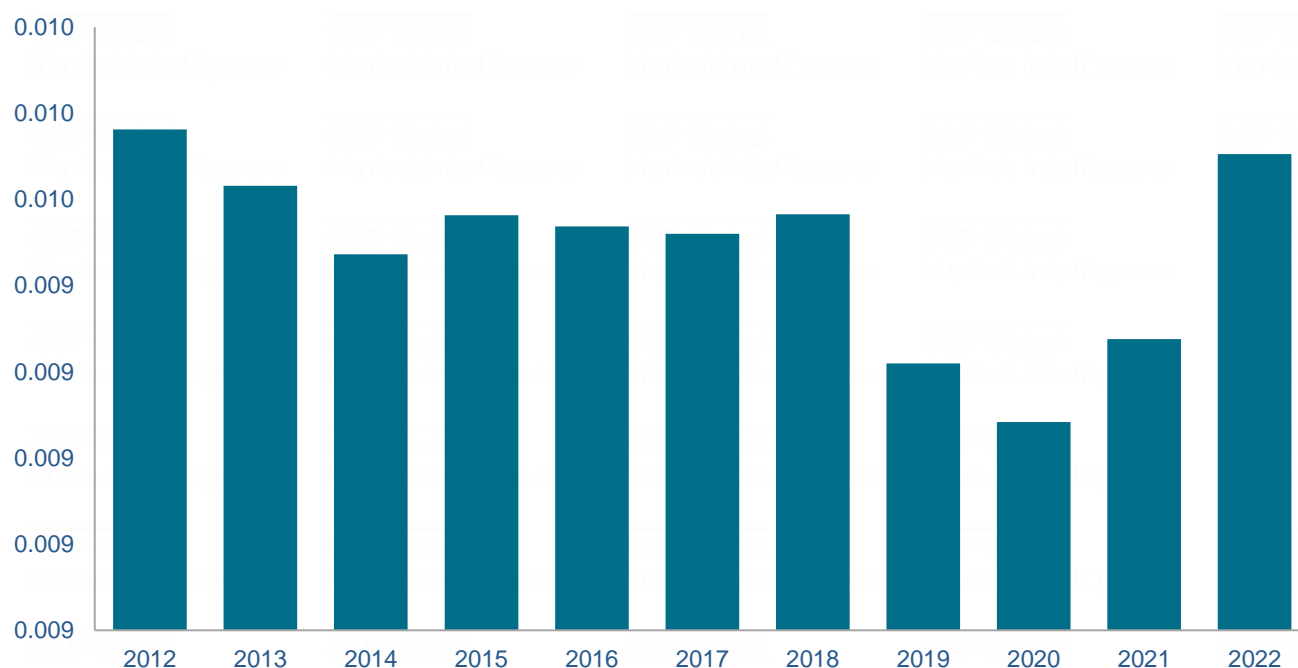


SOURCE: SOUTH AFRICAN REGIONAL EXPLORER V2423, 2023

3.7.2. Index of buying Power

The index of buying power (IBP) is a **measure of a region's overall capacity to absorb products and/or services**. The index is useful when comparing two regions in terms of their capacity to buy products. Values range from 0 to 1 (where the national index equals 1) and can be interpreted as the percentage of national buying power attributable to the specific region. *Regions' buying power usually depends on three factors: the size of the population; the ability of the population to spend (measured by total income); and the willingness of the population to spend (measured by total retail sales).*

According to figure 3.9 below, between 2012 and 2022, the index of buying power within Sekhukhune District Municipality increased to its highest level in 2012 (0.009581) from its lowest in 2020 (0.009242). The buying power within Sekhukhune District Municipality is relatively small compared to other regions and it decreased at an average annual growth rate of -0.03%.



SOURCE: SOUTH AFRICAN REGIONAL EXPLORER V2423, 2023

3.8. Labour profile

The labour force of a country consists of everyone of working age (above a certain age and below retirement) that are participating as workers, i.e. people who are actively employed or seeking employment. This is also called the economically active population (EAP). People not included are students, retired people, stay-at-home parents, people in prisons or similar institutions, people employed in jobs or professions with unreported income, as well as discouraged workers who cannot find work.

The working age (15 – 65) population in Sekhukhune in 2022 was 748 000, increasing at an average annual rate of 1.44% since 2012. For the same period the working age population for Limpopo Province increased at 1.20% annually, while that of South Africa increased at 1.51% annually.

Table 3.6: Working age population in Sekhukhune, Limpopo, and National Total, 2012 and 2022 [Number]

	Sekhukhune		Limpopo		National Total	
	2012	2022	2012	2022	2012	2022
15-19	128,000	117,000	645,000	603,000	5,010,000	5,100,000
20-24	132,000	101,000	690,000	524,000	5,410,000	4,580,000
25-29	107,000	117,000	554,000	568,000	5,220,000	5,210,000
30-34	72,100	122,000	376,000	593,000	4,220,000	5,600,000
35-39	46,500	92,100	252,000	471,000	3,470,000	5,220,000
40-44	37,200	58,400	205,000	309,000	2,950,000	4,060,000
45-49	36,800	39,700	198,000	212,000	2,590,000	3,240,000
50-54	32,200	31,700	178,000	184,000	2,240,000	2,710,000
55-59	29,600	33,700	152,000	180,000	1,850,000	2,340,000
60-64	26,500	34,000	126,000	159,000	1,490,000	1,970,000
Total	648,000	748,000	3,380,000	3,800,000	34,500,000	40,000,000

SOURCE: SOUTH AFRICAN REGIONAL EXPLORER V2423, 2023

Table 3.7: Economically Active Population (EAP) - Sekhukhune, Limpopo, and National Total, 2012-2022 [number, percentage]

	Sekhukhune	Limpopo	National Total	Sekhukhune as % of province	Sekhukhune as % of national
2012	211,000	1,260,000	18,700,000	16.8%	1.13%
2013	219,000	1,310,000	19,300,000	16.6%	1.13%
2014	233,000	1,410,000	20,100,000	16.5%	1.16%
2015	253,000	1,530,000	20,800,000	16.6%	1.21%
2016	270,000	1,630,000	21,500,000	16.5%	1.26%
2017	281,000	1,700,000	22,000,000	16.6%	1.28%
2018	283,000	1,720,000	22,300,000	16.5%	1.27%
2019	289,000	1,750,000	22,700,000	16.5%	1.28%
2020	287,000	1,720,000	22,100,000	16.8%	1.30%
2021	303,000	1,750,000	22,200,000	17.3%	1.36%
2022	330,000	1,880,000	23,100,000	17.6%	1.43%

Average Annual growth

2012-2022	4.56%	4.11%	2.15%
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SOURCE: SOUTH AFRICAN REGIONAL EXPLORER V2423, 2023

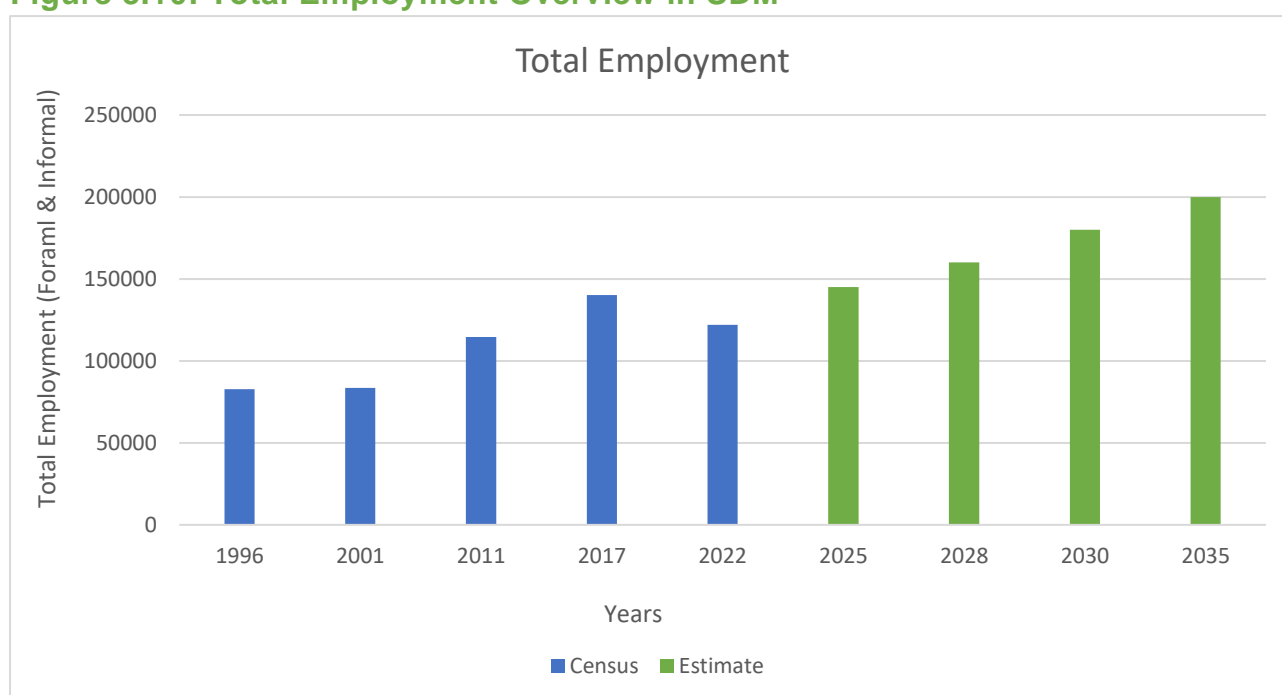
Sekhukhune District Municipality's EAP was 330 000 in 2022, which is 25% of its total population of 1.34 million, and roughly 18% of the total EAP of the Limpopo Province.

3.8.1. Employment and unemployment rate

3.8.1.1. Total Employment

Total employment covers formal work which is dependent on the establishment of working arrangements through a long-term contractual agreement, and informal work which is short-term or temporary employment. Figure illustrates the total employment overtime for SDM.

Figure 3.10: Total Employment Overview in SDM



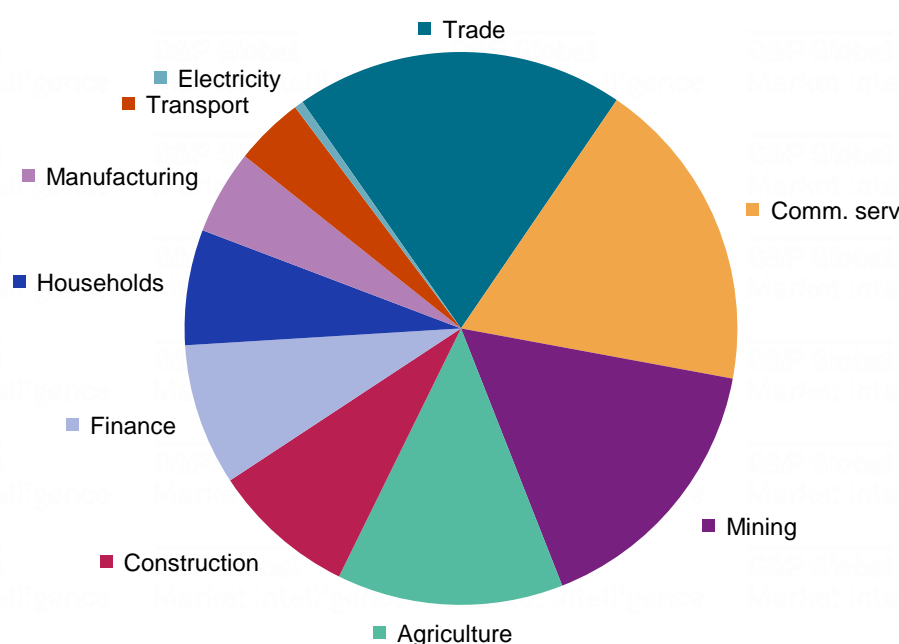
SOURCE: (Stats SA, 2022)

In 2022, Sekhukhune employed 122 000 people which is 10.07% of the total employment in Limpopo Province (1.22 million), 0.80% of total employment in South Africa (15.3 million). Employment within Sekhukhune increased annually at an average rate of 0.67% from 2012 to 2022.

Table 3.8: Total employment per broad economic sector - Sekhukhune and the rest of Limpopo, 2022 [Numbers]

	Sekhukhune	Mopani	Vhembe	Capricorn	Waterberg	Total Limpopo
Agriculture	16,200	30,000	36,100	26,300	25,000	133,593
Mining	19,700	24,300	3,490	6,980	30,500	85,043
Manufacturing	6,040	12,100	11,500	21,200	11,500	62,306
Electricity	637	1,180	1,450	2,240	2,650	8,155
Construction	10,400	21,300	27,500	31,700	23,200	114,085
Trade	23,600	53,800	64,800	81,800	41,000	264,914
Transport	4,960	7,790	12,000	15,800	6,410	46,894
Finance	10,200	21,800	24,700	42,000	17,400	115,965
Community services	22,500	55,000	83,500	99,100	37,400	297,562
Households	8,260	16,700	20,700	23,100	18,400	87,245
Total	122,000	244,000	286,000	350,000	214,000	1,215,762

SOURCE: SOUTH AFRICAN REGIONAL EXPLORER V2423, 2023



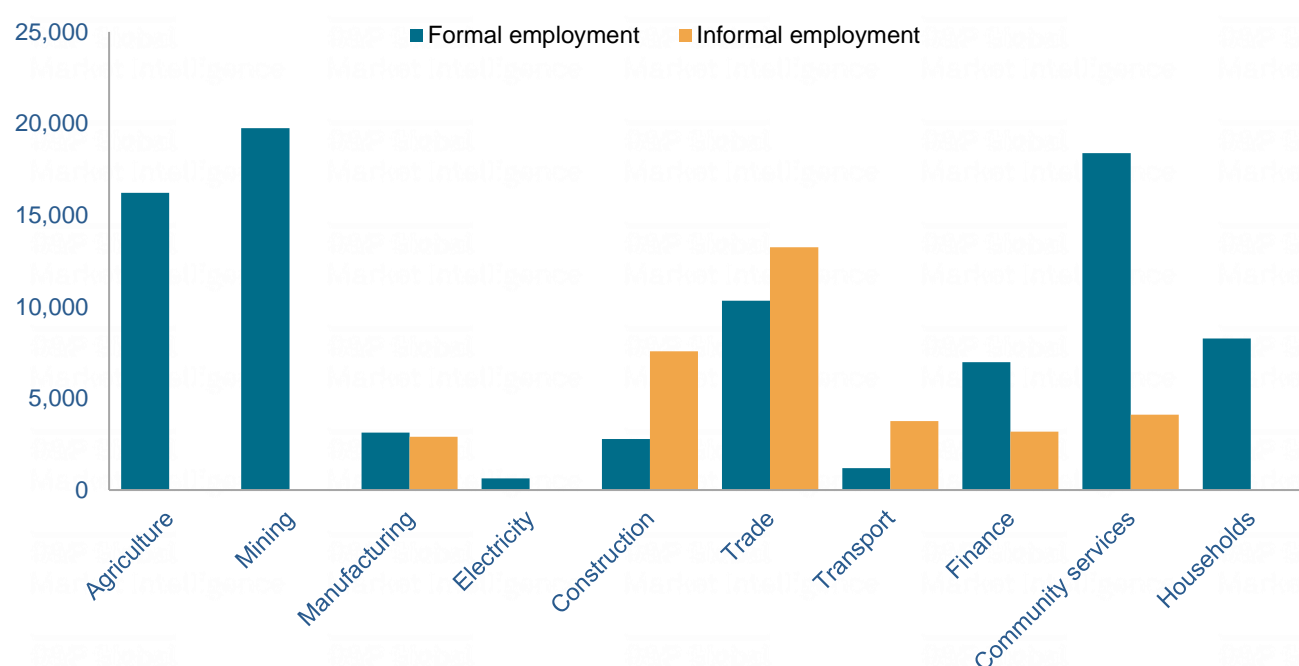
SOURCE: SOUTH AFRICAN REGIONAL EXPLORER V2423, 2023

Sekhukhune District Municipality employs a total number of 122 000 people within its district municipality. The district municipality that employs the highest number of people

relative to the other regions within Limpopo Province is Capricorn district municipality with a total number of 350 000. Sekhukhune District Municipality also employed the lowest number of people within Limpopo Province.

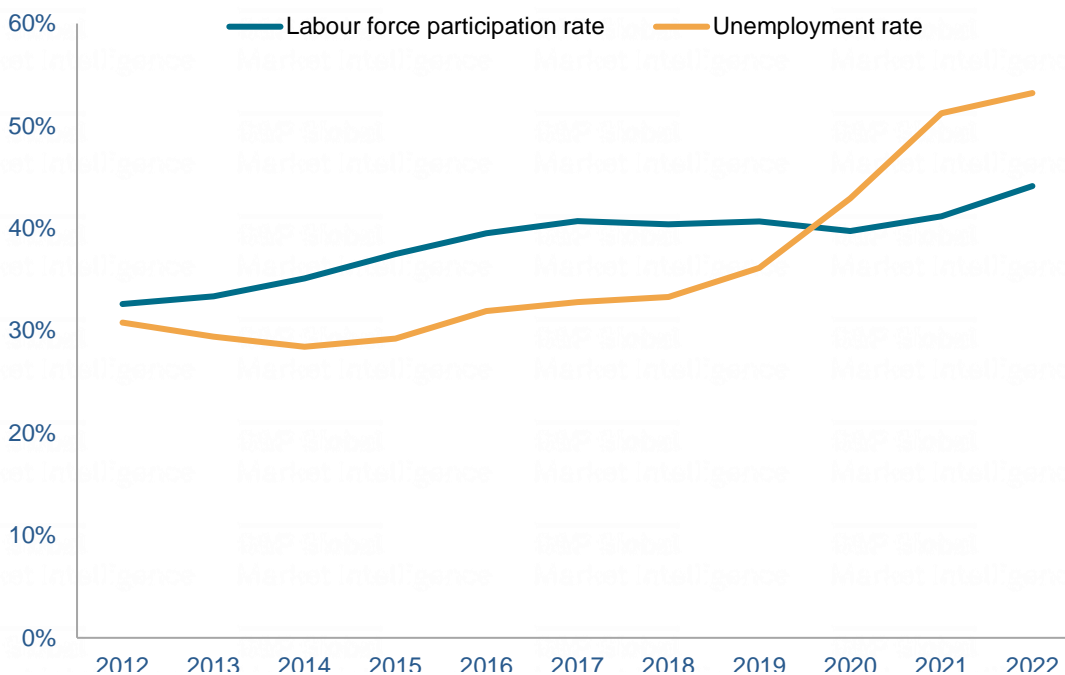
In Sekhukhune District Municipality the economic sectors that recorded the largest number of employments in 2022 were the trade sector with a total of 23 600 employed people or 19.3% of total employment in the district municipality. The community services sector with a total of 22 500 (18.4%) employs the second highest number of people relative to the rest of the sectors. The electricity sector with 637 (0.5%) is the sector that employs the least number of people in Sekhukhune District Municipality, followed by the transport sector with 4 960 (4.0%) people employed.

Figure 2: Composition of Total Employment in SDM



SOURCE: SOUTH AFRICAN REGIONAL EXPLORER V2423, 2023

3.8.1.2. Unemployment rate

Figure 3.11: Labour force participation vs unemployment rates

SOURCE: SOUTH AFRICAN REGIONAL EXPLORER V2423, 2023

Definition: The unemployed includes all persons between 15 and 65 who are currently not working, but who are actively looking for work. It therefore excludes people who are not actively seeking work (referred to as discouraged work seekers).

In 2022, there were a total number of 176 000 people unemployed in Sekhukhune, which is an increase of 110 000 from 65 100 in 2012. The total number of unemployed people within Sekhukhune constitutes 28.63% of the total number of unemployed people in Limpopo Province. The Sekhukhune District Municipality experienced an average annual increase of 10.44% in the number of unemployed people, which is worse than that of the Limpopo Province which had an average annual increase in unemployment of 8.93%.

Table 3.9: Unemployment (official definition) - Sekhukhune, Limpopo, and National Total, 2012-2022 [Number percentage]

	Sekhukhune	Limpopo	National Total	Sekhukhune as % of province	Sekhukhune as % of national
2012	65,100	261,000	4,700,000	25.0%	1.38%
2013	64,300	253,000	4,850,000	25.4%	1.32%
2014	66,300	257,000	5,060,000	25.7%	1.31%
2015	73,800	284,000	5,300,000	26.0%	1.39%
2016	86,100	321,000	5,670,000	26.8%	1.52%
2017	92,200	339,000	5,990,000	27.2%	1.54%
2018	94,200	340,000	6,100,000	27.7%	1.55%
2019	105,000	373,000	6,450,000	28.0%	1.62%
2020	123,000	433,000	6,710,000	28.5%	1.84%
2021	155,000	539,000	7,470,000	28.7%	2.07%
2022	176,000	613,000	7,810,000	28.6%	2.25%

Average Annual growth

2012-2022	10.44%	8.93%	5.21%
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SOURCE: SOUTH AFRICAN REGIONAL EXPLORER V2423, 2023

Table 3.10: Unemployment rate (official definition) - Sekhukhune, Limpopo, and National Total, 2012-2022 [Percentage]

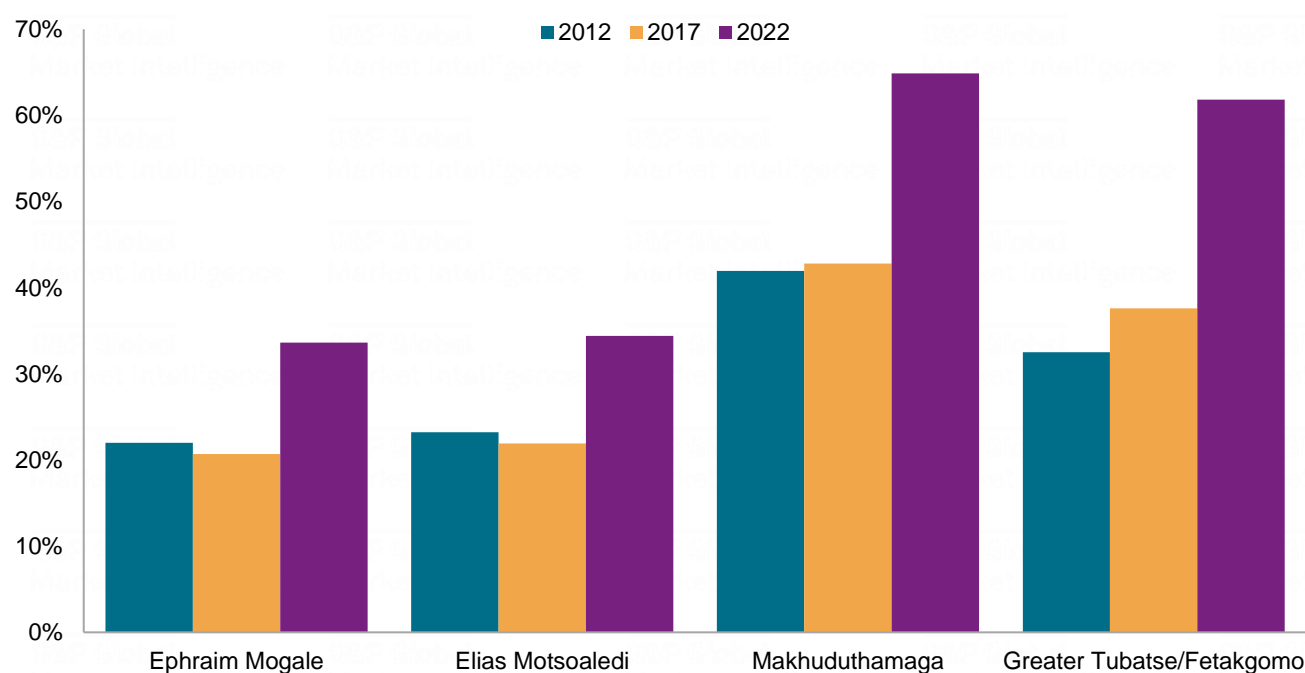
	Sekhukhune	Limpopo	National Total
2012	30.8%	20.8%	25.1%
2013	29.4%	19.3%	25.2%
2014	28.4%	18.2%	25.2%
2015	29.2%	18.6%	25.5%
2016	31.9%	19.7%	26.4%
2017	32.8%	20.0%	27.2%
2018	33.3%	19.7%	27.4%
2019	36.2%	21.3%	28.4%
2020	42.9%	25.3%	30.3%
2021	51.2%	30.8%	33.6%
2022	53.2%	32.6%	33.8%

SOURCE: SOUTH AFRICAN REGIONAL EXPLORER V2423, 2023

In 2022, the unemployment rate in Sekhukhune District Municipality (based on the official definition of unemployment) was 53.21%, which is an increase of 22.4 percentage

points. The unemployment rate in Sekhukhune District Municipality is higher than that of Limpopo. The unemployment rate for South Africa was 33.77% in 2022, which is an increase of -8.63 percentage points from 25.15% in 2012.

Figure 3.12: Unemployment rate - local municipalities and the rest of Sekhukhune District Municipality, 2012, 2017 and 2022 [percentage]



SOURCE: SOUTH AFRICAN REGIONAL EXPLORER V2423, 2023

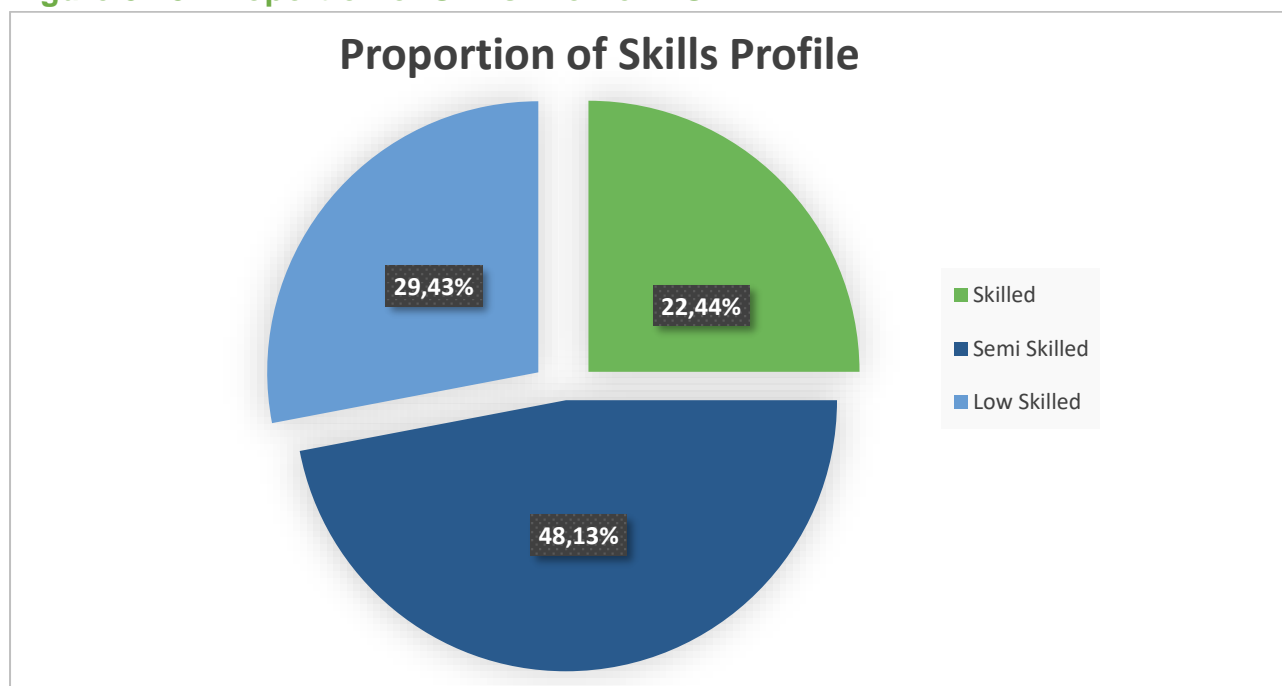
3.8.2. Skills profile

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

The district continues with minor improvements to suffer from a shortage of skills the agriculture, tourism and the mining sector which are key towards the development and growth of the economy. Furthermore, the development of SMME's sector has also been hampered because of inadequate skills entrepreneurship in the economy. Other reason for the low levels of skills in the economy can be attributed to the low level of education which may be detrimental towards the development of the economy.

The proportion of the skilled, semi-skilled and low skilled is shown in Figure.

Figure 3.13: Proportion of Skills Profile in SDM



Source: Quantec, 2022

The competitors' skilled workforce ranged from 15,32% to 28,15%, which indicates that SDM's skilled workforce was at the upper end of the range, giving it a rank of 2 compared to the competitors. Amongst the competitors, Capricorn had the largest proportion of skilled workers, while Nkangala had the lowest proportion of skilled workers.

3.9. Economic Overview

The economic profile analyses the economy of SDM, making use of a competitive analysis relative to the other competitors. SDM has distinctive characteristics of its own which collectively contribute to the overall economic make-up of the area such as the designated special economic zones and key growth points in the district area.

3.9.1. Growth Points in SDM

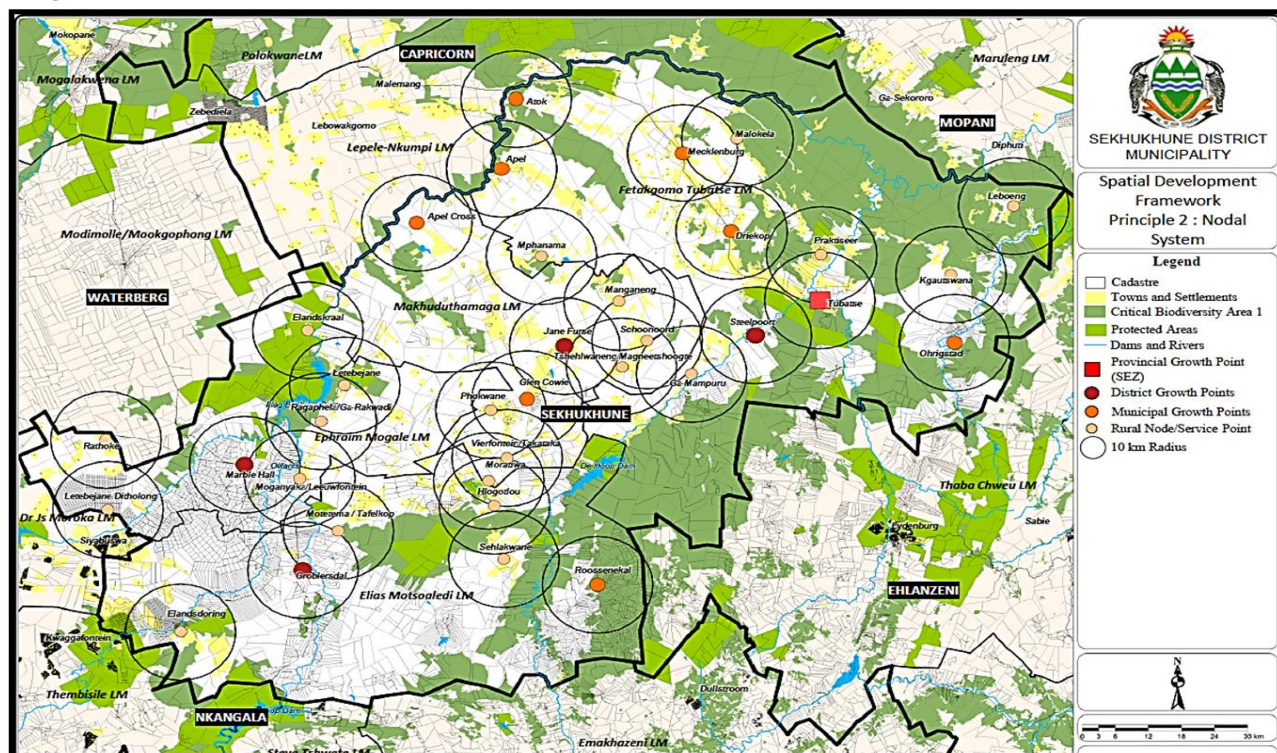
Growth points describe individual settlements or areas which feature strong economic, social, and institutional activities. The growth point areas such as **Marble Hall and Groblersdal are more suitable for agro-processing** activities. The growth point areas are rich in agriculture also considering the location of the Sekhukhune Agric Hub in Groblersdal. Economic activities that could potentially be introduced in the agriculture zone just to mention few include the **establishment of poultry abattoir** facility, a fresh market produce considering easy access to major market centres through the national road and the existing economic infrastructure and activities in the area.

The **Fetakgomo Tubatse SEZ (FTSEZs)** is a key growth point specifically for the District and the Province. The development of Fetakgomo Tubatse SEZ plays a role in **strengthening external linkages** to and from the district, and in making communities more mobile. In addition, the growth point area is associated with mining activities along route R37 (Dilokong Corridor) and the **Upgrading of Informal Settlements** Programme (UISP) should be utilised in this regard which would drive economic growth.

The mining belt along the **Dilokong Corridor (R37) between Lebowakgomo and Burgersfort** would enable downstream beneficiation of minerals and would drive industrial activity in the area.

Jane Furse is position as the institutional headquarters for SDM. In this regard, all district **government functions should be consolidated within the Jane Furse Node**. The business area in Jane Furse holds the bulk to economic activity within the Makhuduthamaga LM. The **identification of investment-ready land** will be essential for the **development and construction of municipal offices**. The decision to locate the District Municipality in Jane Furse will provide substantial growth impetus for Makhuduthamaga LM and the progress is at advance stage.

Map 2: Nodal/Growth Points in SDM



SOURCE: (SDM Spatial Development Framework, 2018)

Map 2 illustrates the growth points within SDM. It is suggested that the district has the potential for development based on population growth, or servicing function potential. The strategic development area within the district that have been identified to have great economic potential include the following growth zones, Groblersdal, Jane Furse, Marble, Burgersfort and Steelpoort (SDM Spatial Development Framework, 2018).

Ephraim Mogale along route N11 and Fetakgomo Tubatse along R37 (Dilokong Corridor) are identified as Freight Hubs. The priority is the N11 corridor which traverses the western parts of the district linking two District Growth Points: Marble Hall and Groblersdal. In addition, this has to be prioritised in order to strengthen the SDM's external linkages northwards towards Mokopane, Lephalale and Botswana; and southwards towards Middelburg and Msukaligwa, where after it links up with routes N17 to Eswatini (formerly known as Swaziland) and N3 towards Durban (eThekweni). Key activities along Dilokong Corridor and Phalaborwa Corridor are key towards the development of the district. As shown on Map , the east-west route effectively extends the Moloto Corridor from City of Tshwane to Kwaggafontein and then through Groblersdal and Jane Furse right up to Tubatse/ Burgersfort Activities such as mining, agriculture, and tourism need to be linked which will potentially open the economy to new opportunities. The above map also shows the spatial distribution of these nodes in the district and how communities within a 10-kilometre radius around the respective

nodes will be served. Further, it is also suggested that approximately 80% of the district population reside within 10 kilometres from an activity node/growth point. One of the main advantages that should be considered about these nodal development points is that they lie along main routes where they are easily accessible. Therefore, the **road network connectivity is crucial to enhance the district's main road network by establishing a strong and multimodal east-west movement/development corridor.**

Summary of key economic corridors in the Sekhukhune District Municipality:

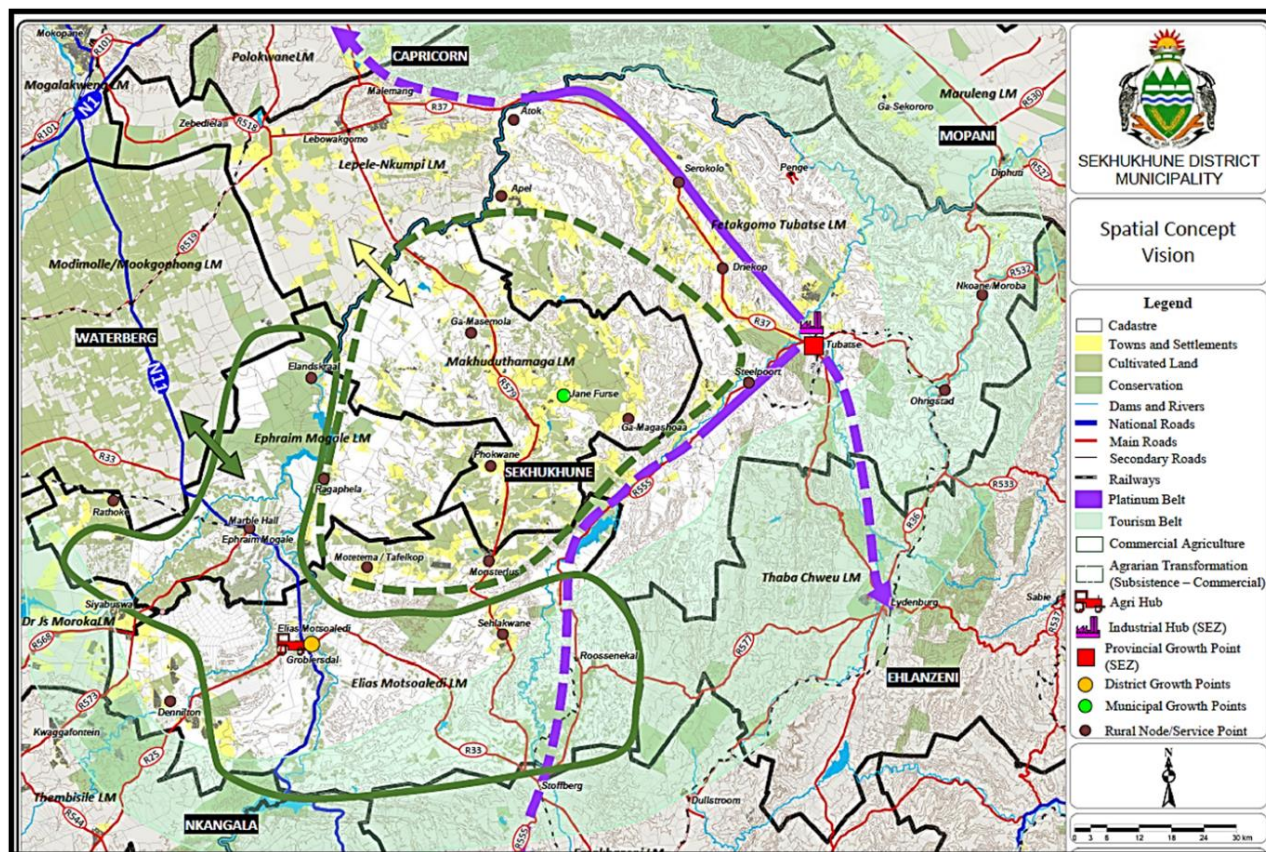
- From Kwaggafontein/Moteti to Dennilton/ Elandsdoring (upgrade)
- From Dennilton/ Elandsdoring to Groblersdal (Agri Hub) via the R25
- From Groblersdal to Hlogotlou/ Moratiwa via the existing secondary road passing Motetema, Rite, and Sephaku (upgrade)
- From Moratiwa to Glen Cowie/ Gamoloi via Takataka, Maserumole Park and Phokwane on the R579
- From Glen Cowie/Gamoloi to Jane Furse (Institutional Headquarters) via the existing secondary road passing Maleetse (upgrade);
- From Jane Furse past Tshelwaneng to Kokwaneng (R555) via the existing secondary road through the mountain (upgrade)
- From Kokwaneng to Steelpoort and Tubatse/Burgersfort (SEZ) via the R555 up to R37 intersection

The SDM Agri-Hub, which is planned to be in the town known as Groblersdal, is the largest single component towards the realisation of the Agri-Parks programme. Furthermore, SDM will provide agro-processing facilities which will be established within the Agri-Hub in SDM, as well as storage facilities to smallholder farmers within the district.

The produce from agriculture that will be processed at the Agri-Hub facility will be sourced from four FPSUs that have been identified within the district, one in each local municipality, where farmers will be afforded an opportunity to engage, learn and grow from one another. The establishment of storage facilities at the Agri-Hub is expected to improve the profitability of smallholder farmers activities and to link farmers to potential markets. **Error! Reference source not found.** shows the location of the Sekhukhune Agri-Hub in Groblersdal.

Furthermore, the District also has a proposed Special Economic Zone (SEZ) in Fetakgomo Tubatse as shown on Map 3. The proposed SEZ is established to promote industrial/commercial development in the district.

Map 3: Special Economic Zone in SDM



SOURCE (SDM Spatial Development Framework, 2018)

The Special Economic Zones Programme is one of the critical mechanisms for the Government to drive industrialization agenda supported by Reimagined Industrial Strategy. The Special Economic Zones serve as key policy programme underpinning spatially integrated industrial development, particularly in the context of unlocking or optimizing South Africa's comparative and competitive advantages. The mandate for SEZs is as follows:

- Promote industrial agglomeration.
- Enable the required industrial infrastructure.
- Promote the coordinated planning among key government agencies and the private sector.

- It enables efficiency through the deployment of other necessary development tools.
- Establishments of SEZ enable the development of industrial regions and strengthening of existing and new ones.
- Encourage cluster development to create easy supplier access, allow for skills transfer between the members of the cluster and improve production efficiency.
- Promote investment through industrial infrastructure creation.

The Fetakgomo Tubatse Special Economic Zone is one of the fifteen (15) Special Economic Zones projects in the country. It is also part of the five (5) proposed zones. The proposed Fetakgomo-Tubatse SEZ is an industrial cluster initiative that falls within the planned Limpopo Platinum and Chrome cluster. This proposed SEZ will impact positively on more than a million people in the province due to improved economic activities within the Dilokong Spatial Economic Initiative as well as improving economic progress within other districts and municipalities. These economic activities will not only yield improvements of the wellbeing of provincial citizens but will also contribute to the enhancement of requisite skills and of South Africa's role in regional integration.

The proposed FTSEZ is a key economic programme of the Limpopo Development Plan (LDP) designed to stimulate and propel industrialization, economic growth, and job creation. This proposed SEZ is strategically located in the industrial hub of the Steelpoort area, in-between two huge mining establishments, the Samancor smelter, and the Lion Ferrochrome smelter, which are strategic landmarks for the establishment of the SEZ.

The proposed FTSEZ would be a multi-sectoral SEZ focusing on Mining & Mineral Beneficiation, General Manufacturing, Energy production, Automotives, and Agricultural Inputs. The key founding clusters of this proposed SEZ include mining inputs manufacturing cluster, renewable energy cluster, mineral processing, logistics cluster, Agro-processing, general manufacturing and automotives with a key focus on electric vehicles and aftermarket.

The vision of this proposed SEZ is to be a Global Centre of Excellence for sustainable solutions in green energy, manufacturing, Agro-processing and mineral beneficiation.

According to the socio-economic analysis of the FTSEZ Engineering Master Plan, the Sekhukhune District has more than doubled in average household income over the ten (10) year period. This was followed by the Stats SA Labour-force Survey which reported that Limpopo Province has increased employment by + 70 000 Jobs between Quarter 2 and Quarter 3 of 2023.

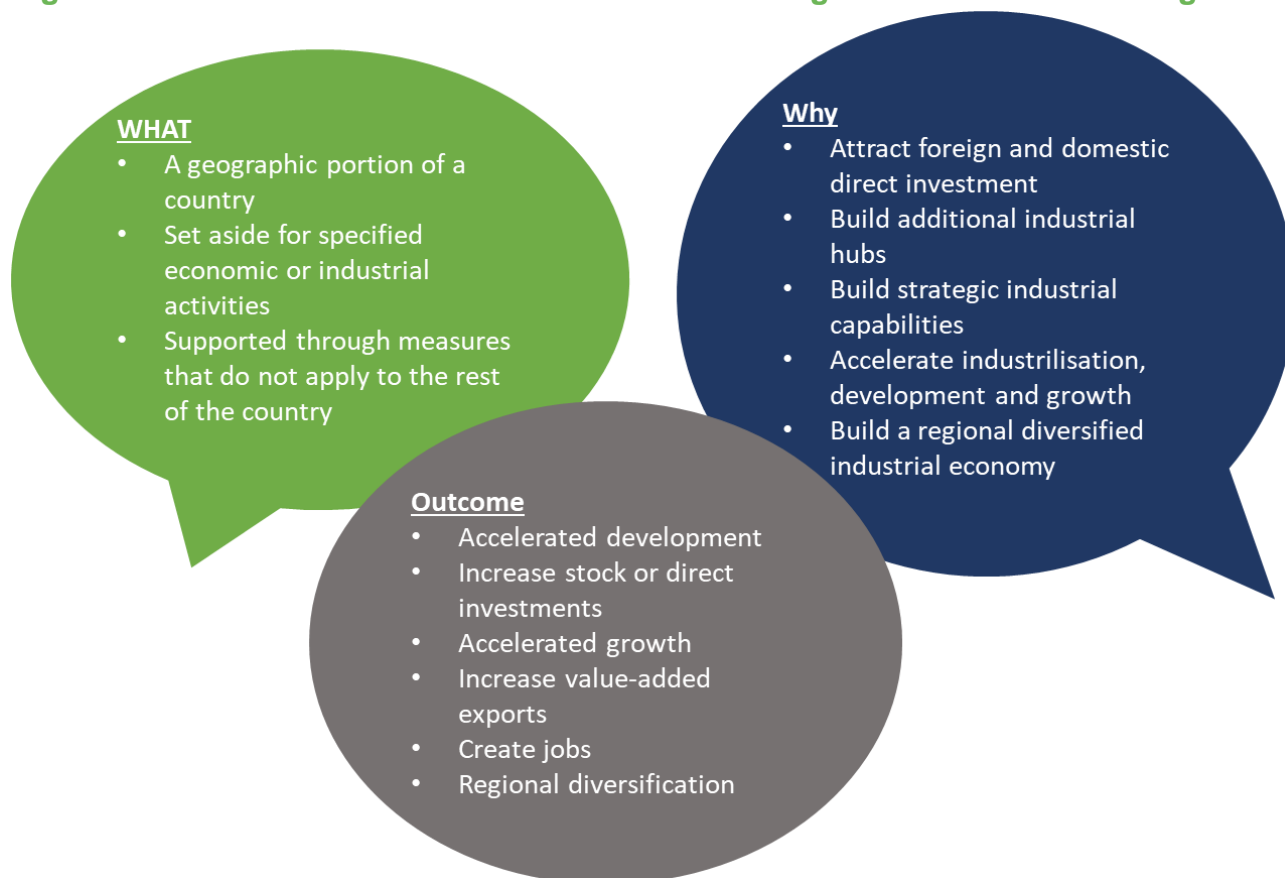
The SDM manufacturing sector has the potential for growth and development. Several issues concerning the SDM manufacturing industry can be rectified by way of the following:

- Upgrading infrastructure
- Improving customs and ICT systems
- Eliminating non-tariff barriers and technical barriers to trade
- Improving the business environment for trade
- Promoting labour intensive, export-oriented industrialisation

The Fetakgomo Tubatse (FTSEZ) will support a broader-based industrialisation growth path for the District and South Africa. Furthermore, the SEZ is a key catalyst for industrialisation to take place within the region, which will see the district facilitating the creation of an industrial complex, thereby having a strategic national economic advantage for targeted investments and industries in the manufacturing sector and tradable services. LEDA will have to play a key role in assisting the district in terms of infrastructure required to support the development of targeted industrial activities.

South Africa is faced with the triple challenge of poverty, inequality, and unemployment. The Fetakgomo Tubatse SEZ could play a vital role in curbing the triple challenge within SDM with the help of the SEZ. The approach towards the Fetakgomo Tubatse (SEZ) should be:

- The greater focus on desired industrial capabilities through value chains and cluster development
- The long-term financing mechanism and competitive incentive package
- The focus on host regions and not just the fenced area
- Long-term planning that is also comprehensive and coordinated across and within the various spheres of government and key agencies.
- Broad design to cater to diverse regional needs and contexts (a shift away from focusing on coastal regions)
- A comprehensive support system that goes beyond the provision of world-class infrastructure and investment

Figure 3.14: Economic Rationale Behind the Fetakgomo Tubatse SEZ Programme

SOURCE: (Department of Trade and Industry , 2018)

Manufacturing led industrialisation from an international experience has shown to be the most critical job generator, as it generates the highest number of direct jobs. The development blueprints in South Africa such as the NDP, IPAP emphasise the need to industrialise.

Table 3.11 shows the spatial dynamics of the SEZ of which Fetakgomo Tubatse SEZ has a sectoral advantage in terms of mineral and beneficial of platinum and chrome which will result in the growth and industrialisation within SDM.

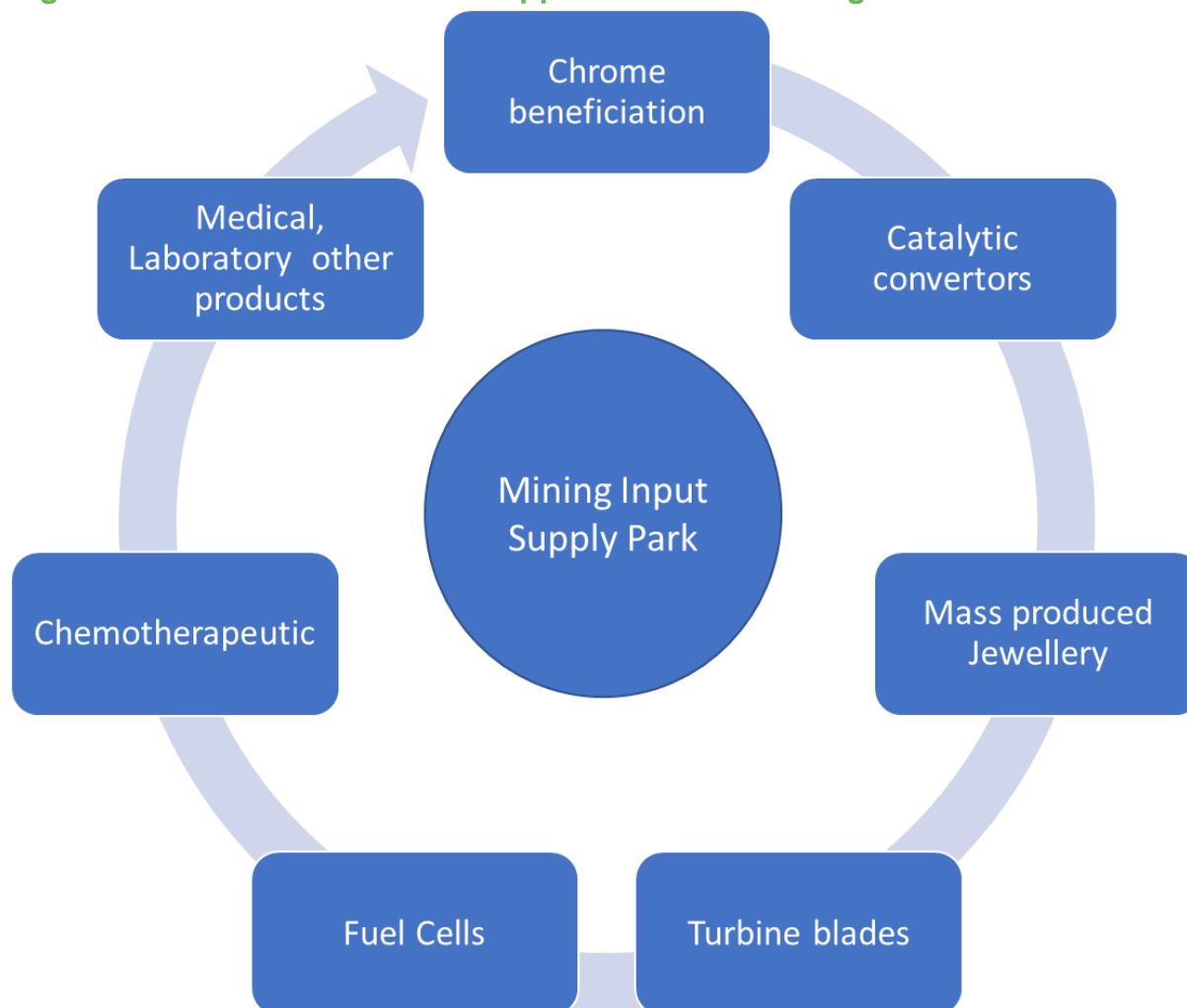
Table 3.11: Spatial Dynamics of SEZ

Core Target	Description	Impact on Growth
Productivity Growth	A generic SEZ offering economic advantages that improve the productivity of those based in the zone and, through this, the general productivity of the economy.	Growth through increased competitiveness
Export Growth	SEZs offering productivity policies and export-oriented policies (such as dedicated customs facilities), that helps firms reach new foreign markets	Growth through improved market access and expanded exports
Industrial Diversification	SEZs that target specific types of economic activities, most commonly industrialisation, in an attempt to change the mix of sectors that make up the economy	Growth through developing sectors with large multipliers
Geographic Diversification	SEZs that aim to develop marginal economic areas, attracting investment to locations that do not naturally attract investment	Growth through greater equality and the revitalisation of second- or minor- cities
Sectoral Targets	SEZs that aims to focus on a specific sector or to develop off a specific sector (such as through beneficiation of a given product)	Growth through the expansion of a select sector
Firm Targets	Incubator-like SEZs that help specific firm types, usually SMEs, develop and grow.	Growth through improved firm inclusion

SOURCE: (TIPS, 2018)

The Fetakgomo Tubatse SEZ has high sectoral potential opportunities that have been identified under the PGM beneficiation and inputs which are shown in Figure 3.15. In addition, enabling the beneficiation of mineral and natural resources in SDM would promote regional development, integration with local industry and increasing value-added production.

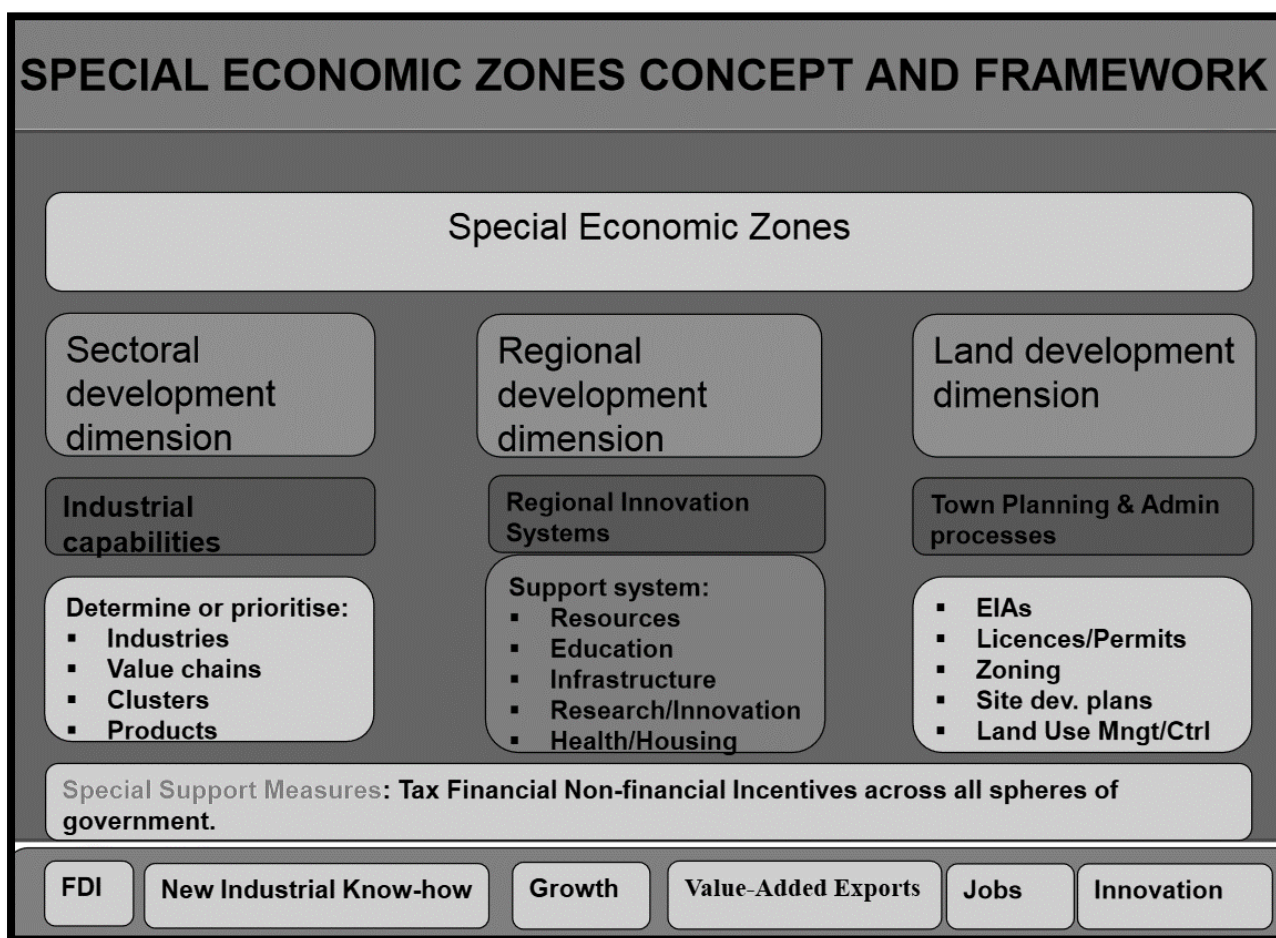
Figure 3: Investment Potential Opportunities in Fetakgomo Tubatse SEZ



SOURCE: (Limpopo Provincial Government, 2018)

The SEZ concept and framework that will be key towards development in SDM are shown in Figure 3.16.

Figure 3.16: Special Economic Zones Concept and Framework



SOURCE: (Department of Trade and Industry , 2018)

3.9.2. Gross Value Added (GVA)

Gross value added is the measure of the value added to goods and services produced in an area, industry, or sector of an economy.

3.9.2.1. Primary sector

The primary sector refers to industries that engage in the production or extraction of natural resources such as products of agriculture, crop production, animal husbandry, fisheries, forestry, and mining. The primary sector in SDM contributed about 45% to the overall GVA generated by the municipality. In SDM, the primary sector has increased from 48,44% in 2013 to 49,06% in 2017 and declined to 45% in 2022.

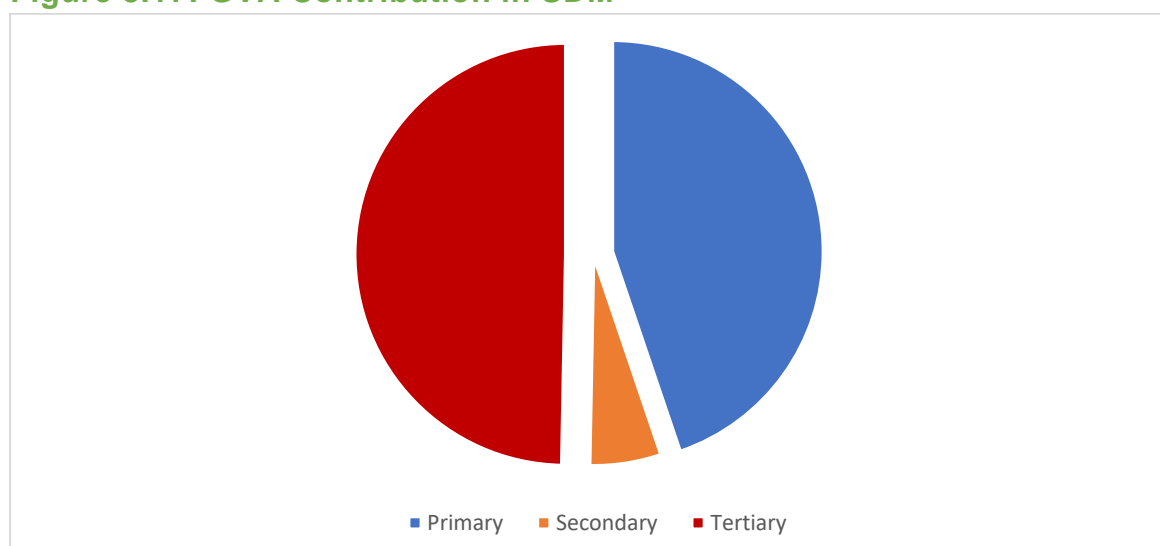
3.9.2.2. Secondary sector

The secondary sector refers to industries that engage in the processing of raw materials to produce finished usable products. This sector includes manufacturing, construction, and the production of utilities. The secondary sector in SDM was worth about R 2 500,70 million in 2017 and contributed about 7,94% to the overall GVA generated by the municipality, which significantly declined to 5% in 2022.

3.9.2.3. Tertiary sector

The tertiary sector predominantly focuses on the production of services to consumers and other organisations within the economy. The tertiary sector in SDM was worth about R 13 535,56 million in 2017 and contributed about 43,00% to the overall GVA generated by the municipality, which increased to 50% of GVA in 2022.

Figure 3.17: GVA Contribution in SDM



SOURCE: SOUTH AFRICAN REGIONAL EXPLORER V2423, 2023

Table 3.12 below provide high-level overview of the contribution of the economic sectors to total GVA and employment in the Sekhukhune District Municipality.

Table 3.12: Overall Economic Analysis

Industry	GVA Contribution (R mil.)	Employment Contribution
Total	R53,890.00	122,000
Agriculture	2%	13%
Mining and Quarrying	42%	16%
Manufacturing	3%	5%
Utilities	2%	0.5%
Construction	1%	9%
Wholesale and Trade	10%	19%
Transport	3%	4%
Finance Services	16%	8%
Community Services	21%	26%

SOURCE: (Stats SA, 2022)

Table 3.13: Gross domestic product (GDP) - Sekhukhune, Limpopo and National Total, 2012-2022 [R billions, Current prices]

	Sekhukhune	Limpopo	National Total	Sekhukhune as % of province	Sekhukhune as % of national
2012	29.2	260.2	3,566.4	11.2%	0.82%
2013	31.3	281.7	3,868.6	11.1%	0.81%
2014	32.8	299.0	4,133.9	11.0%	0.79%
2015	34.4	319.8	4,420.8	10.8%	0.78%
2016	37.4	351.9	4,759.6	10.6%	0.79%
2017	39.3	371.3	5,078.2	10.6%	0.77%
2018	41.5	396.2	5,363.2	10.5%	0.77%
2019	43.7	418.7	5,625.2	10.4%	0.78%
2020	44.3	425.3	5,568.0	10.4%	0.79%
2021	51.8	488.7	6,208.8	10.6%	0.83%
2022	53.9	511.4	6,628.6	10.5%	0.81%

SOURCE: SOUTH AFRICAN REGIONAL EXPLORER V2423, 2023

With a GDP of R 53.9 billion in 2022 (up from R 29.2 billion in 2012), the Sekhukhune District Municipality contributed 10.54% to the Limpopo Province GDP of R 511 billion in 2022 increasing in the share of the Limpopo from 11.23% in 2012. The Sekhukhune District Municipality contributes 0.81% to the GDP of South Africa which had a total GDP of R 6.63 trillion in 2022 (as measured in nominal or current prices). Its contribution to the national economy stayed similar in importance from 2012 when it contributed 0.82% to South Africa, but it is lower than the peak of 0.83% in 2021.

Table 3.14: Gross domestic product (GDP) - Sekhukhune, Limpopo, and National Total, 2012-2022 [Annual percentage change, Constant 2010 prices]

	Sekhukhune	Limpopo	National Total
2012	1.6%	1.4%	2.4%
2013	2.0%	2.5%	2.5%
2014	0.3%	1.1%	1.4%
2015	2.5%	1.9%	1.3%
2016	-1.8%	0.1%	0.7%
2017	1.1%	1.4%	1.2%
2018	-0.5%	1.1%	1.6%
2019	-1.0%	0.1%	0.3%
2020	-10.2%	-6.5%	-6.0%
2021	4.7%	5.2%	4.7%
2022	-0.5%	1.0%	1.9%
Average Annual growth 2012-2022	-0.42%	0.75%	0.92%

SOURCE: SOUTH AFRICAN REGIONAL EXPLORER V2423, 2023

Elias Motsoaledi had the highest average annual economic growth, averaging 1.27% between 2012 and 2022, when compared to the rest of the regions within the Sekhukhune District Municipality. The Ephraim Mogale Local Municipality had the second highest average annual growth rate of 0.96%. Fetakgomo Tubatse Local Municipality had the lowest average annual growth rate of -2.40% between 2012 and 2022.

Table 3.15: Gross domestic product (GDP) - local municipalities of Sekhukhune District Municipality, 2012 to 2022, share and growth.

	2022 (Current prices)	Share of district municipality	2012 (Constant prices)	2022 (Constant prices)	Average Annual growth
Ephraim Mogale	6.11	11.34%	3.75	4.12	0.96%
Elias Motsoaledi	17.55	32.57%	10.27	11.66	1.27%
Makhuduthamaga	8.56	15.88%	5.32	5.14	-0.34%
Fetakgomo	21.67	40.21%	13.73	10.77	-2.40%
Tubatse					
Sekhukhune	53.89		33.06	31.69	

SOURCE: SOUTH AFRICAN REGIONAL EXPLORER V2423, 2023

3.9.3. Trade overview

Trade overview involves the buying and selling of goods and services, with compensation paid by a buyer to a seller, or the exchange of goods or services between parties. In the context of this study, the trade will be limited to international cross-border trade. Net trade in goods and services is derived by offsetting imports of goods and services against exports of goods and services (OCED, 2005). Table 3.16 provides an overview of trade in SDM and its competitors.

Table 3.16: Trade Overview in SDM and its District Competitors

Economic Overview	Rank	Sekhukhune District Municipality	Capricorn District Municipality	Mopani District Municipality	Ehlanzeni District Municipality	Nkangala District Municipality	Waterberg District Municipality
Net Trade Position (R mil)	2	R 10 046,98	R 1 445,91	R 11 567,66	R 8 686,86	R 2 888,36	R 8 886,54
Imports (R mil)	3	R 1 287,77	R 449,29	R 528,44	R 2 626,11	R 2 113,18	R 192,98

Imports AGR	6	-16,07%	-3,82%	-4,72%	32,34%	2,63%	13,45%
Exports (R mil)	2	R 11 334,75	R 1 895,20	R 12 096,10	R 11 312,97	R 5 001,54	R 9 079,51
Exports AGR	3	4,58%	-3,90%	-2,34%	5,69%	0,39%	4,90%

SOURCE: (Stats SA, 2022)

According to Table 3.16, SDM has a trade surplus of R10 046,98 million in 2017 compared to a net trade of R6 879,73 million in 2013, indicating an increase in trade of 9,93% per annum. The [increase could be due to the agriculture and mining sector that are doing well in trade](#). The competitors' net trade ranged in value between R1 445,91 million to R11 567,66 million, indicating that SDM net trade was at the upper end, giving it a rank of 2.

SDM is doing well in trading which suggests that there is a demand for products from SDM. There is however **need for the district to have an efficient logistical network and supporting infrastructure** which could possibly promote trade between Sekhukhune DM and SADC countries.

4. Potential Analysis of local municipalities

This section provides a brief overview of each municipality's capacity to plan and implement local economic development in their respective areas. The assessment will focus predominantly on the identification of projects relating to LED/IDP with regards to the municipality's comparative advantages.

4.1. Fetakgomo Tubatse Local Municipality



FETAKGOMO TUBATSE
LOCAL MUNICIPALITY

Fetakgomo Local Municipality (FTLM) is one of the municipalities located in SDM north of N4 highway, Middleburg, Belfast and Mbombela and east of the N1 highway, Groblersdal and Polokwane. The municipality is predominantly a mining town and was established by the amalgamation of Fetakgomo Local

Municipality and Greater Tubatse Local Municipality. The municipality is a strong economic centre within the Sekhukhune District, primarily because of its mining sector. Mining is indeed a major source of employment and economic growth. Minerals in the municipality area.

According to the amended reviewed LED strategy, the municipality offers vast opportunities for local economic development which entail mining investment opportunity, land availability opportunity, tourism opportunity, funding source opportunity from private sector and job creation opportunity from infrastructure investment.

The following strategic intervention projects have been identified by the strategy that form part of the road map towards local economic development in the municipality area entail:

- Mineral Beneficiation & the mining Value Chain
- Mineral Beneficiation & manufacturing for green economy
- Agriculture and the related value chains
- SEZ and downstream linkages
- Tourism and related value chains

4.2. Ephraim Mogale Local Municipality



Ephraim Mogale Local Municipality (EPMLM) is a Category B municipality situated within the Sekhukhune District in Limpopo Province. It is the smallest of the four municipalities in the district and is rich in terms of agriculture activity. The municipality is dominated by agriculture activity; hence it is considered the “*Agricultural Hub of Choice*”.

EPMLM is the smallest of the four local municipalities in the Sekhukhune District Municipality, constituting 14,4% (1 911,07 square kilometres) and borders local municipalities outside the district such as the Modimolle-Mookgophong (Waterberg District Municipality), Lepelle-Nkumpi (Capricorn District Municipality) and Dr JS Moroka (Nkangala District Municipality). The LED Strategy for EPMLM aims at ensuring that the municipality can efficiently and effectively facilitate the creation of an appropriate enabling environment conducive to economic development and investment.

EPMLM is known for its extensive irrigation farming which includes cotton (Ephraim Mogale has one of the biggest Cotton production Centres in the Southern Hemisphere),

wheat, citrus, table grapes, and vegetables. Furthermore, the availability of irrigation water from the closely situated Loskop dam makes Ephraim Mogale a thriving agricultural area.

An enabling environment is key towards creating a foundation for local economic development to take place. The projects that have been identified as having a key enabler for EPMLM are shown in Table 4.1.

Table 4.1: EPMLM Projects Identified

Strategic Intervention 1: Creating an enabling environment	
	<ul style="list-style-type: none"> • Development of ICT infrastructure in the municipality • The early childhood development programme for ICT in schools • Updating of Bylaws/ Strategies and Plans • Institutional Capacity Development
Strategic Intervention 2: Agro-processing Industrial Development	
	<ul style="list-style-type: none"> • Expansion of local citrus processing plant (citrus fruit juice production and bottling) • Establishment of local vegetable oil processing plant "Marble Hall Oil Co." (production of cottonseed, sunflower seed, soybean & other vegetable oils) • Establishment of local cotton spinner & garment/clothing factory • Production of Marula • Production of Aloe • Aqua-culture processing
Strategic Intervention 2: Tourism Development and Promotion	
	<ul style="list-style-type: none"> • Establishment of tourism forum/organisation • Establishment of the tourist information centre • Development of arts and crafts Centre • Expansion of arts & crafts co-operatives • Developing a cultural tourism "Village Walkabout" • Development of a tourism map
Strategic Intervention 3: SMME and Informal Business Development	
	<ul style="list-style-type: none"> • SMME precinct development • Trading spaces/areas (informal traders) • Trading stalls • Expansion of business incubators

- SMME database

Strategic Intervention 4: Mining Expansion and Promotion

- Marble and slate production factory (tiles and countertops)
- Marble tombstone and statue making

4.3. Elias Motsoaledi Local Municipality



**ELIAS MOTSOALEDI
LOCAL MUNICIPALITY**

Elias Motsoaledi Local Municipality vision is “*The agro-economical and ecotourism heartland*”. The municipality evolved as an amalgamation of the former Moutse Transitional Local Council (TLC), Hlogotlou (TLC), Tafelkop, Zaaiplaas, Motetema and other surrounding areas in the year 2000. The municipality was formerly known as the Greater Groblersdal Local Municipality was

name renamed after the struggle hero Elias Motsoaledi who was sentenced to life imprisonment on Robben Island with the former president of the Republic of South Africa, Nelson Mandela. The municipal borders Makuduthamaga Local Municipality in the south, Ephraim Mogale Local Municipality in the east, Fetakgomo Tubatse Local Municipality and Mpumalanga’s Dr JS Moroka, Thembisile Hani, Steve Tshwete, Emakhazeni, and Thaba Chweu local municipalities.

Groblersdal is the centre of a progressive farming community because of the town’s fortunate location in the Olifants River irrigation area below Loskop Dam. In terms of agricultural produce grapes, wheat, tobacco, maize, soya beans, citrus fruits, cotton, and vegetables are considered essential crops in the area.

The municipality is also integral to the Provinces of Limpopo and Mpumalanga and has significant development potential in sectors such as agriculture (both horticulture and livestock), tourism and mining.

The IDP development process identified several goals and objectives that are aimed at creating a pathway for the municipality to realise its vision which entails:

- The support of Agri-Parks initiatives
- The support of Cooperatives and enterprises in the District
- Training of SMMEs
- To develop an Infrastructure Master Plan (Roads, Electricity, Water and Sanitation)
- The establishment of a Disaster Management Centre

4.4. Makuduthamaga Local Municipality



MAKHUDUTHAMAGA
LOCAL MUNICIPALITY

Mmogo re Somela dipheto!

The Makhuduthamaga Local Municipality (MKLM) is a Category B4 municipality that is located within Sekhukhune District Municipality (SDM) of the Limpopo Province. Makhuduthamaga literally means “executives” which was a term used to denote members of the Fetakgomo movement in the 1950s. The municipality is predominantly rural in nature with communal tenure and land ownership being dominated by traditional leaders.

Makuduthamaga Local Municipality shares borders with Fetakgomo on the north-east, Ephraim Mogale to the west, Elias Motsoaledi on the south and Lepelle Nkumpi municipality in the north. Jane Furse, the headquarter of Makhuduthamaga Local Municipality, is located 347 km Northeast of Johannesburg, 247km Northeast of Pretoria, 189km Southeast of Polokwane, and 70km south-west of Burgersfort.

The municipality promotes agriculture, tourism, and mining as the key growth sectors, however, the agricultural and tourism potential of the municipality has yet to be fully exploited, currently, limited forms of agricultural and tourism activities are taking place in the municipality area.

There is a lot of agriculture potential in this area which can be achieved to its full potential provided the prime agricultural land is preserved.

According to the IDP (2021/ 2026), the major contributor to the municipal economy is the government sector, which contributed approximately 41% to the local economy in 2015. The second largest contributor is wholesale and retail (20%), followed by finance and business services 9% and community, transport, and communication services at 8%. Furthermore, the growth point in the Municipality thus Jane Furse is a key retail centre where formal trade mostly takes place. Furthermore, informal trade takes place throughout the rural parts of the municipality, including numerous villages. Tourism has been identified as one of the major growth sectors in the Makhuduthamaga Local Municipality. However, of all the local municipalities of Sekhukhune, Makhuduthamaga is the heartland of heritage and cultural activities.

This is a key enabler towards local economic development considering cultural and heritage activities that can take place in the municipality. Some of the tourism site in the municipality entail:

- Tisane Nature reserve (Thlako Tisane)

- Grave of Manche Masemola
- Eensaam tourism site
- Kgoshi Mampuru Mampuru II Statue at Pedi Mamone
- Fort Weeber

The following are the agricultural activities that are currently taking place in the municipality:

- Vleeschboom Farmers Production Support Unit (FPSU)
- Apel Cross Irrigation Scheme

5. Strategic Framework

The previous section highlights in-depth potential analysis of competitive and potential sectors in the District Municipality with opportunities for development. It is then critical to formulate the strategic economic set ups that will guide developmental initiatives. For instance, the Tubatse SEZ, Dehoop RMP and AGRI-PARK initiative structures an economic foundation for development throughout the district. Furthermore, findings from the status quo identified that SDM has high economic potential in the following which include:

- Sourcing skills needed in agriculture and other sectors from local communities.
- Promoting self-reliance of households
- Supporting and expanding the agricultural primary production
- Development of agriculture and agro-processing through the Agri Park program
- The potential for enterprise development in SDM
- Supporting the establishment of Tubatse Special Economic Zone
- Developing marketing and investment attraction initiatives and plans so as to market SDM.

The projects identified will be considered in terms of their ability to broaden the local economic base of the district, thereby creating sustainable employment and the stimulation of businesses development in the district.

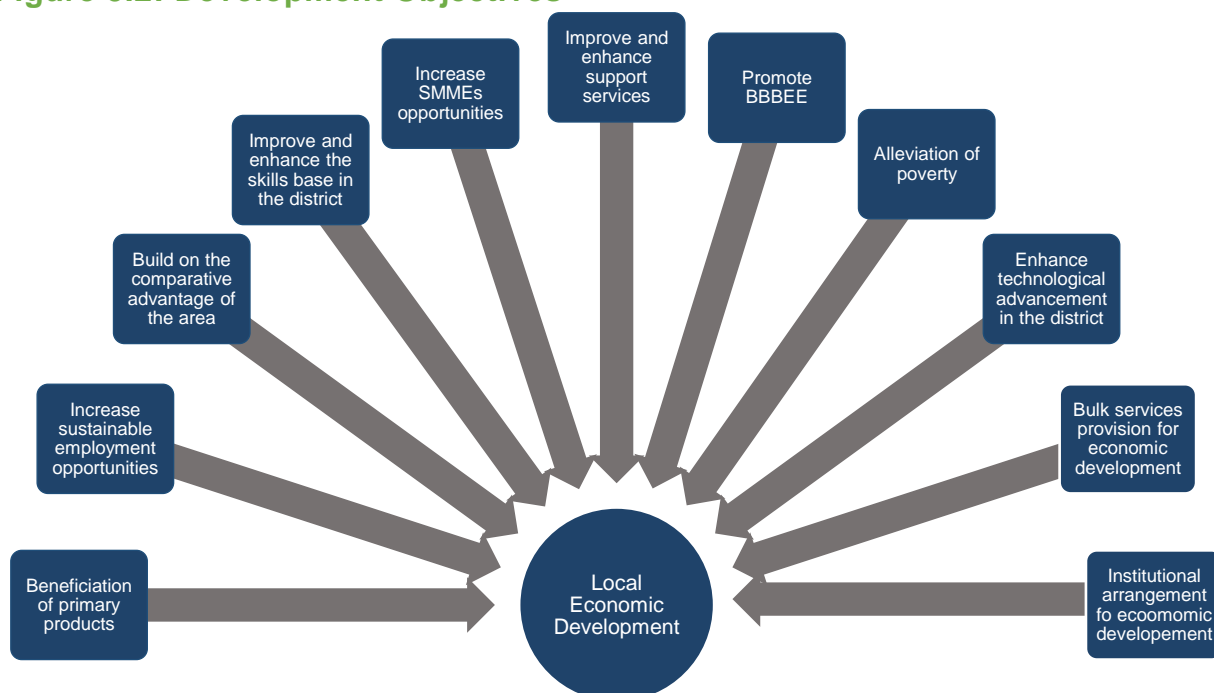
Figure 5.1: Vision and Mission

Vision
<i>“Integrated Economic Development and Sustainable Service Delivery”</i>



Figure 5.2 summarises development objectives that ensures the LED Framework addresses the specific economic gaps and opportunities for the SDM.

Figure 5.2: Development Objectives



5.1. Strategic Intervention Areas

To **achieve the above-mentioned goals and objectives**, the following **7 strategic intervention** areas are proposed which will clearly outline the roadmap for local economic development for SDM.

- Institutional Development
- Improving the Enabling Environment
- Agriculture & Agro-processing
- Mining & Mineral Beneficiation
- Tourism Development
- Sustainable SMME Development
- Infrastructure Development & Support Structures

Strategic Intervention #1: Institutional Development

The objective of this strategic intervention is to create a hierarchy of leadership and communication that will allow the effective set-up of projects and development activities within SDM.

Institutional development requires organisation support structures to function and enable good governance as this provides communication efficiently and effectively, which enables the participation of the community towards LED development and reach integrated planning and implementation.

The following forums are important to be established to meet quarterly or regularly to discuss LED projects plans and progress:

- Political LED Forum
- LED Forums such as Tourism, Agriculture, Finance, Manufacturing & Mining
- Skills Development Forums
- Social and Labour Plans (SLPs) Forum
- Spatial Development Forum (SDF)

The above identified forums will play as a primary link between an administration forum and other stakeholders such as business chambers, mines, labour groups, ward committees, and sector specialists. Therefore, **introduction of capacity building through SDFs** to these structures will enable good governance by creating a pyramid of leadership and communication that allows catalytic projects to take place.

Strategic Intervention #2: Improve the Enabling Environment

The objective of this strategic intervention is to improve the enabling environment which is expected to encourage investment into SDM. This is essential to open the local economy for investment, which results in Integrated Development Planning, Investor-friendly policy, and provision of bulk infrastructure services. It enables spatial planning including zoning of various land uses and maintains local government assets and infrastructure. Importantly in this aspect of spatial planning, it enables fast and effective internal processes like building plan approvals, connection to bulk services and property transfers to encourage investment.

The following key projects are identified to create an investment Ready Environment in the Sekhukhune District:

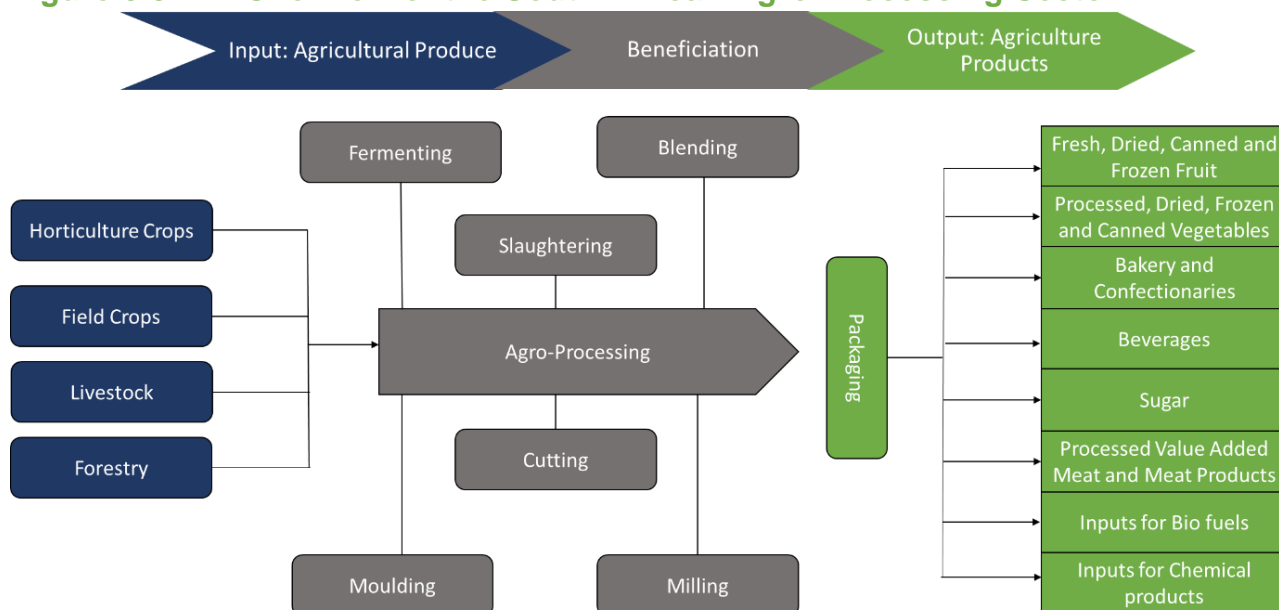
- **Reduce Red Tape:** This project aims to investigate investment processes such as land rezoning, implementation of bulk services, liquor, and food license applications, etc. and streamline processes by the utilization of ICT such as Customer Relationship Management (CRM) systems for marketing and sales support.
- **Develop a “One Stop Shop” for investors:** The objective of this initiative is to create a single space where an investor can engage with any of the municipalities and relevant Provincial departments, development agencies etc.
- **Identify Investment Ready Land for investment purposes:** This project seeks to identify potential sites where investment can take place. This will ensure that these parcels of land have basic bulk services for the purposes of investment uptake.
- **Develop local workforce skills investment in the District Municipality:** This project aims to conduct a skills assessment to align training with the skills required. The results of the skills assessment should be used to develop new training programmes such as farm management programme, farm worker skills programmes, plant, or animal care skills, etc.

Strategic Intervention #3: Agriculture & Agro-Processing

The objective of this strategic intervention is to add value to agricultural activities through expansion of primary production, establishing Agri-Pak linkages, local manufacturing, and processing plants which utilise local raw materials and resources as primary inputs and raw materials.

The processing of raw materials from agriculture products is essential for SDM in terms of expanding the manufacturing sector and boost the economic development for employment creation. The process of transformation involves various distinctive processes which include fermenting, slaughtering, blending, moulding, cutting, milling, and packaging. Figure 5.3 provides an overview of the South African agro-processing sector.

Figure 5.3: An Overview of the South African Agro-Processing Sector



The following programmes represent the proposed value chains that were selected based on the availability of the critical commodity or resource in the district.

Programme 1: Citrus Primary Production Expansion

In South Africa, citrus is an essential pillar in agriculture and according to DALRRD, most citrus production takes place in the Limpopo Province. This industry has a vast opportunity and potential to increase employment from a supported local black SMMEs with an expansion of high value commodities like citrus. Since the dawn of new democratic dispensation in 1994, less have been achieved on the production of citrus by local black farmers.

In SDM, Groblersdal, Orighstad and Marble Hall are identified as areas which produce citrus on a commercial level. Most of the citrus (80%) is exported mainly through Durban harbour. The remaining 15% is sold to local fresh produce markets and farm gate sales.

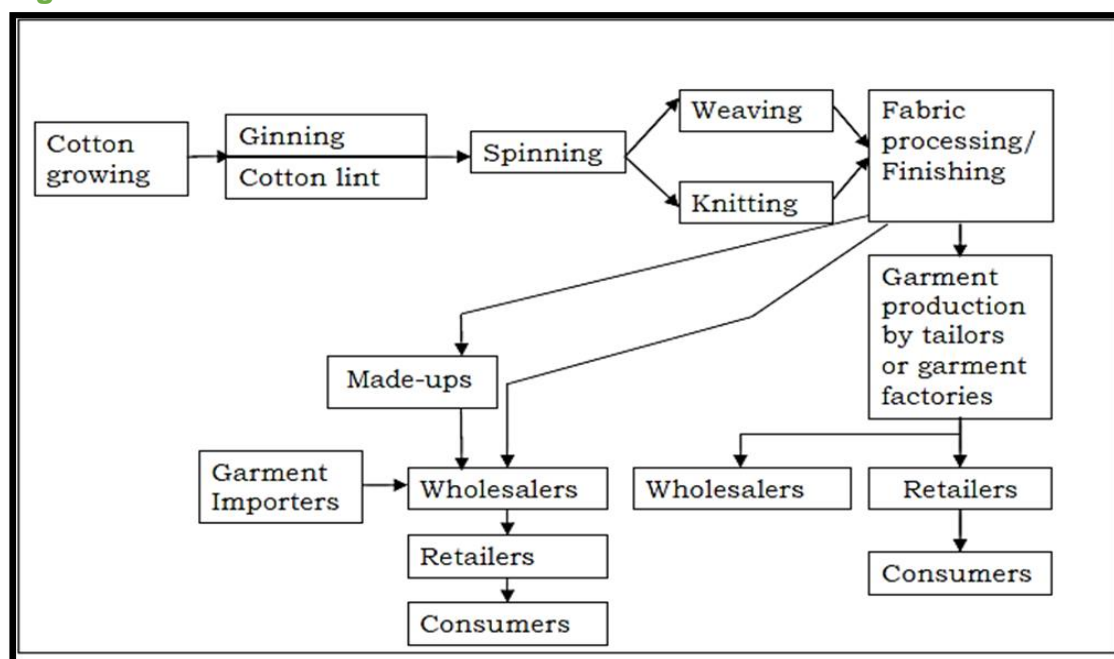
SDM can consider and explore the following key projects:

- Expansion and improvement of primary production of local citrus by SMMEs to create job opportunities.
- Investigate and extract the production of lemon seeds oil as a by-product in the production of skin lotions and shower gels.
- Support 10 small scale black SMMEs or farmers with input, including 500 hector land access, into the production of juice.
- Lobby land reform projects and be converted into production and their water rights.

Programme 2: Expansion of land for Cotton production

Cotton agro-processing is a very important agricultural sector in South Africa with approximately 450 commercial farmers and 2000 developing farmers growing the crop in the main production areas of the country. In addition, the crop is both a food and fibre crop grown under irrigation as well as in dryland conditions. Figure 5.4 provides a preview of the cotton value chain.

Figure 5.4: Cotton-Value Chain



According to DAFF (2016), it was estimated that South African cotton ginner produced 1681 tons of cotton lint while 215 tons of cotton lint were sold. It is indicated that the SDM is the main supplier of cotton (not carded or combed) from Limpopo Province to the world. **Limpopo is the largest producer of cotton in South Africa. Cotton farming in the district mainly occurs in Marble Hall were Ephraim Mogale Municipality seats. Literature suggests that SDM is the main supplier of cotton (not carded or combed) from Limpopo Province to the world.** In other words, this could suggest that Limpopo Province is possibly one of the largest producers of cotton in South Africa.

Cotton produced in the district is sold to Limpopo Valley ginnery in Marble Hall who will further sell into to spinners outside the district mainly in KwaZulu-Natal. The amount of cotton produced is not so high mainly because it is grown under dryland and have low yields. Establishment of spinners and other processors within the district can only be implemented if production volumes justified with enough throughput. This is also a business opportunity which can be explored by relevant private companies based on their research.

Key projects that can be considered by SDM are shown below:

- Establishment of sustainable local producer base as part of revitalization of irrigation schemes. This approach will increase the supplier base as throughput to the ginnery and spinner.
- Increase support on primary production of cotton.
- Feasibility study on cotton production.
- 400 hector irrigation targets.
- Organise cotton farmers to secondary cooperatives.
- Support with special tractors and bailers for ease harvest and avoid high input costs.
- Partner with local ginnery and other private entities.

Programme 3: Grain production

Sekhukhune District is estimated to have 65% baseline on the production of **maize**, and it could be expanded through integration of primary cooperative support.

Table 5.1 provides a summary of the areas under maize, sorghum, wheat, sunflower, dry beans, and soya bean production withing Sekhukhune District Municipality.

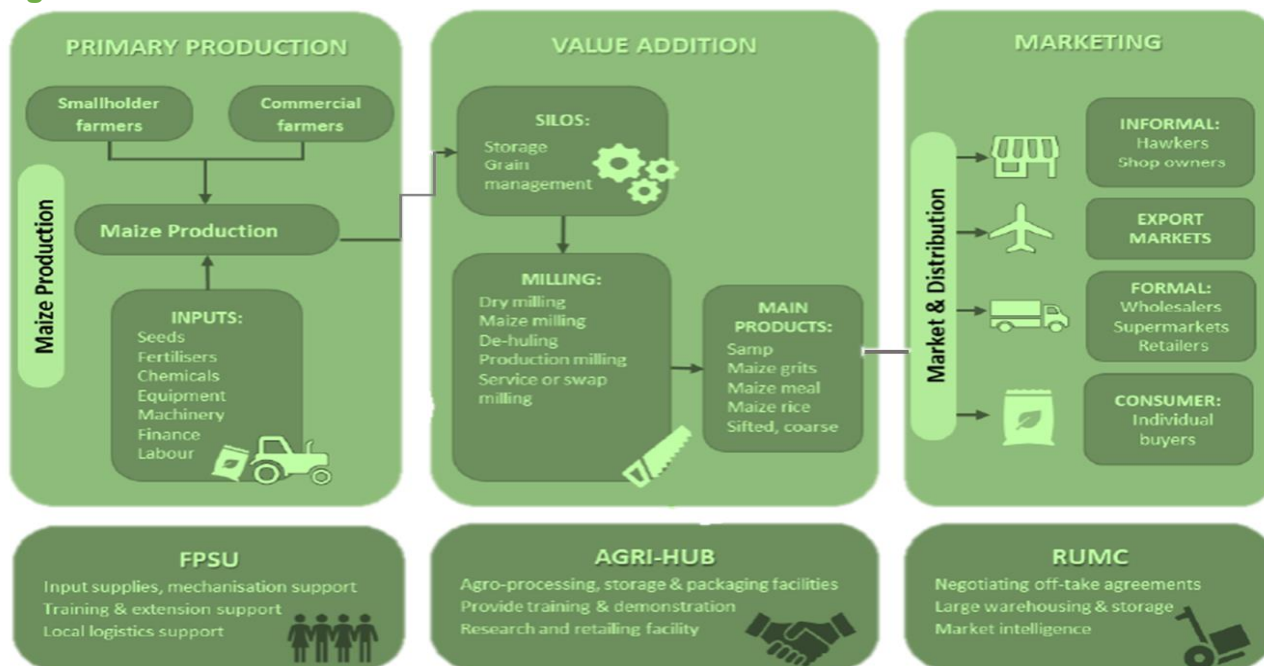
Local Municipality	Maize	Sorghum	Wheat	Sunflower	Dry Beans	Soya Beans
Elias Motsoaledi LM	3602 ha	< 20 ha	< 20 ha	48 ha	269 ha	< 20 ha
Ephraim Mogale LM	1557 ha	< 20 ha	< 20 ha	< 20 ha	< 20 ha	< 20 ha
Makhuduthamaga LM	7617 ha	< 20 ha	4616 ha	< 20 ha	115 ha	< 20 ha
Fetakgomo Tubatse LM	2208	< 20 ha	3500 ha	< 20 ha	< 20 ha	< 20 ha
Total	18 595 ha	8 189 ha	< 20 ha	50 ha	385 ha	< 20 ha

(LDARD: The Mapping of Agricultural Production in the Limpopo Province, 2012)

Maize and sorghum are the predominant grain crops produced by small-scale farmers in Sekhukhune. The study contacted by LDARD discovered that areas of approximately 18 595 ha and 8 189 ha are used for maize and sorghum production respectively. The above table depict Makhuduthamaga Local Municipality as a largest area under the production of grain as compared to other local municipalities.

Maize value chain comprised of six distinct activities such as input supplies, production, storage, trading, processing, wholesaling/retailing, and consumption. The primary stage of productions consists of maize producers who are responsible for planting, cultivating, and harvesting the maize. The primary production phase requires inputs such as seeds, fertilisers, chemicals, equipment, finance, and labour etc.

Figure 5.5: White Maize Value Chain



Furthermore, agro-processing also takes place which entails the maize kernels are refined to maize meal (sifted, coarse, super, and special maize meal). Products derived from this process include samp, maize grits, and maize rice.

SDM has a lot of agriculture taking place in the area but its competitors are fairly doing well compared to the district as shown in the previous sections. This calls for more initiatives to be introduced in agriculture so that the expected potential is realised in the district. Currently maize produced in the district is transported to Blinkwater in Mpumalanga for processing into maize meal.

Key projects that can be considered by SDM are shown below:

- Grain feasibility study on available and existing hectares
- Partnership with Grain South Africa
- Link grain farmers to Farmer Production Support Unit (FPSU)
- Provide post-harvest support.

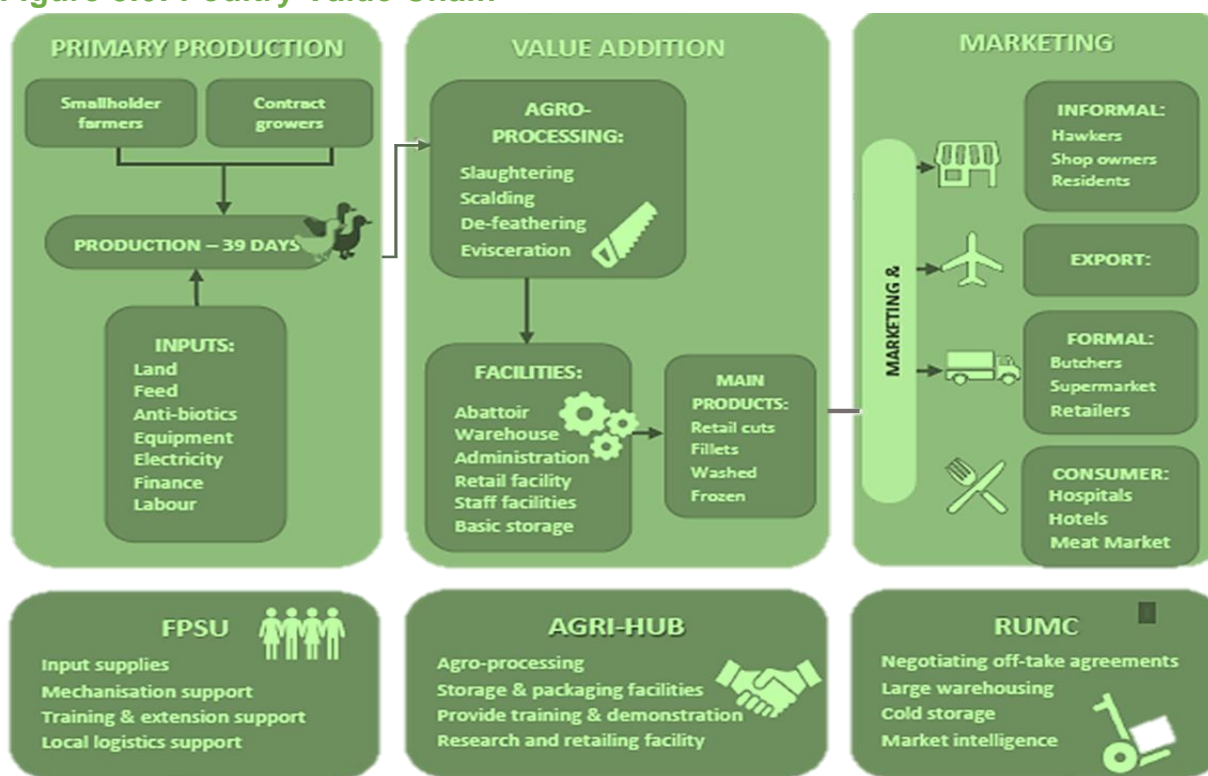
Programme 4: Poultry

Poultry production in South Africa plays a major role in food security and its contribution to the nation at large. Furthermore, the poultry industry is the largest segment of the South African agricultural sector, contributing more than 16% of the gross domestic product. This industry also provides employment, directly and indirectly, and its production is influenced by several factors regardless of consumer preference which includes:

- Pricing against competitive, alternative sources of protein
- Income groups
- Availability of chicken meat and products, and
- Dietary preferences etc.

The Agri-Parks programme in SDM identifies poultry production as a key enabler within the agro-processing that could open a lot of economic opportunities such as the establishment of an abattoir facility in the region. There is an abundance of chicken in this area and the **establishment of an abattoir facility of poultry would be a game changer** and a catalyst for economic development in the area.

Figure 5.6: Poultry Value Chain



Poultry production takes place within the FPSU, where farmers, breeders, and feed companies are the main roles players. The process of poultry production takes approximately 514 days, in which chickens are produced. The chickens have a cycle of

39 days where they are then sent to an abattoir. Most of the broiler farmers sell live chickens since their scale of production is small and can be absorbed by local market. The large-scale producers who have capacities of 40 000 chickens enter grower contracts with abattoirs outside the district. The projects are currently not operating as the contracts were terminated and new markets being explored. Other alternatives include Lebowakgomo abattoir which is not yet operational with LEDA tasked to oversee its operations. This presents an opportunity for establishment of a poultry abattoir within the district.

Therefore, SDM have an opportunity to facilitate a feasibility study to determine its strength and capacity to establish its own local poultry abattoir.

Poultry Agro-Processing (Abattoir) Opportunities:

- Process Activities: Slaughter, Scalding, Defeathering, Evisceration, Washing, Chilling, and draining, Grading, weighing, and packing, Chilling, and freezing.
- Final Products: Chicken Cuts, Frozen Chicken and Fresh Chicken.
- **Facility & Equipment:** Abattoir Table, Apron Wash Cabinet Bins, Containers, Crate Wash, Stand Drip, Cooling Tray, Drum Plucker, Eviscerating Fork Eviscerating Trough Feather Catcher, Plucking Finger, Portion Cutter, Scalding Tank, Sterilizer Poultry Stunners, Tilting Bowl Plucker.

Key projects that can be considered by SDM are shown below:

- Establishment of abattoir and partner with existing
- Feasibility study
- Benchmark for best practice.
- SMMEs Support
- Aligned with Agri-Park

Programme 5: Vegetable

The vegetable industry is the largest sector within the horticultural industry, in terms of total value and production volumes. Vegetables can be grown year-round and with their short production cycles can be harvested more than once a year, thus indicating their importance and value to the horticulture industry. The vegetable is mainly distributed through four major channels, namely, fresh produce markets, direct sales, processors, and exports. The South African vegetable industry has experienced several challenges in recent years. These challenges entail:

- Climate change or Natural disaster (heat wave, hail damage, floods, drought)

- Limited water for irrigation
- Lack of proper production infrastructure
- Pests and disease infestation
- Compliance to marketing requirements e.g. SA GAP
- Low production scale. (economies of scale)

Most vegetables farmers produce on small scale e.g. less than 5 ha plots and production is also affected by water shortages. They sell their vegetables to local retailers within the district, hawkers, and Gauteng fresh produce markets.

The farmers are spread throughout the district so it may be not feasible to establish communal agro-processing facilities that can be shared by such farmers. Agro-processing require throughput so the scale of production is very important in dictating the need or size of facility to be established. The Department currently assist small scale farmers with package shed for washing and sorting of their products. The large-scale producers are supported with packhouses since they have sufficient throughput. Large scale producers who comply to market standards have market contracts with Agroprocessors such as McCain.

Sekhukhune District Municipality can implement the following projects to assist farmer in the expansion of the vegetable primary production:

- Input support
- Research & Development Support by ARC
- Community based processing
- Partnership with Tompi-Seleka College of Agriculture and TVET Skills centre on training the community-based farmers.

Programme 6: Skills development and enhancement

This programme seeks to develop and improve the skills profile in relation to technical and hands-on skills within the District Municipality. The development of the skills profile in SDM is very important towards diversifying the skills base and strengthening the labour force within the district.

The skills development and enhancement programme will cover aspects such as incorporating youth into agriculture and enhancing hands-on and technical skills within the agriculture sector. SDM has a lot of agriculture but very few youths that are involved in the sector. The approach of the Department is to support youth that are already in agriculture and make sure that new entrants are skilled.

There are various programmes to encourage youth to participate in Agriculture.

- The Department will continue to offer bursaries for youth to study agriculture so that they can be professional /skilled farmers.
- Intensify graduates' opportunity in provision of in-service training through internships and Placement of Unemployed Graduates programs. Increase the number of graduates placed in various farms including the commercial farms to get hands on experience/skills for 2 years.
- Continue to provide preference to youth in Agriculture when applying for Farmer Support in line with all the requirements set out in the Policy.

Many emerging farmers in the district have limited skills which results in a decline in productivity. This is aggravated by ageing and low literacy level among farmers.

Relevant stakeholders involve in agricultural development will be continuous to provide both formal and informal training. The LDARD undertook a skills audit in 2021 to identify critical training needs for farmers. Farmers are being trained as per recommendations, current and future needs. Institutions such as Cotton SA, Grain SA, Tompi Seleka College of Agriculture, ARC etc. play a critical role.

Excursion to commercial farms, institutions within the agricultural sector such as markets, conferences will be explored and intensified.

Summary of challenges in the Agricultural Sector in Sekhukhune District Municipality include:

- Lack of production infrastructure (e.g. Irrigation systems, fences, poultry/piggery houses etc.).
- Shortage of water
- High input costs (Loadshedding)
- Market access
- Business Training & Incubation (mentorship)
- Roads Infrastructure
- Food & Livestock Diseases
- Water rights application with DWS for Oliphant River to cater irrigation schemes.
- Access to capital & credit red tapes

Key Strategies to address the challenges:

Revitalization of irrigation schemes along the Olifants river will improve the agricultural outlook of the district and create more jobs for the communities.

The district has seven (7) irrigation schemes which were established along the Olifants River covering a total of 2478 ha, owned by 989 farmers. Currently only 2 are operational and the other schemes are vandalised/not functional. The total area of underutilised schemes is 2051 hectares. The schemes will be developed as multiyear program as they require more capital, and the Department has limited budget. The intention of the district is to ensure that all seven (7) irrigation schemes along the Olifants River are optimally utilised and are put back to production, ensuring that 2051ha is supported with infrastructure in the long term. The success of the envisaged projects depends on the collaboration and contribution from other stakeholders either offering material or non-material support. The farmer's commitment is of outmost importance so schemes which have no conflicts will be given priority over others. The irrigation schemes are mainly located in communal areas, so the involvement of Traditional leaders and councillors is very important.

Department of Agriculture, Land Reform and Rural Development (DALRRD) is the important stakeholder in the revitalization of these irrigation schemes. They have already funded some of the schemes with production inputs through One-Household-One Hectar programme (1H1H).

Public / Private partnerships

The district has partnered with DALRRD PSSC in the development of irrigation schemes. They co-fund some activities in infrastructure development and this offer comprehensive support to the projects. Infrastructure development is very expensive so financial support from other stakeholders such as Government Departments, Funders, Private investors, and Commodity organizations is highly required/recommended. Department of Agriculture cannot manage to develop all the schemes alone due to limited budget, so funders are required to speed up the process. Mines are also urged to support farmers within their jurisdiction as part of the Social Labour Plans (SLPs).

Support Farmers with infrastructure through CASP Program

Farmers apply for Farmer Support annually and those who meet the requirements as per Farmer Support Policy are recommended for support. Infrastructure support include but not limited to irrigation systems, packhouses, storerooms, ablution facilities and piggery/poultry houses, animal handling facilities, storage dams, power source and water development.

Farmers are also assisted with production inputs and mechanization services through Ilima Letsema program.

Capacity building

Continuous training is important to improve the skills of the farmers. Training sessions are done in consultation with stakeholders such as Tompi Seleka College of Agriculture, ARC, Cotton SA, Grain SA, CGA etc. The Department has recently appointed a Service provider who will offer capacity building services to farmers over a period of 3 years. This is done through CASP capacity building budget. Every year 5% of the CASP Budget is used to train farmers.

Farmers will be trained as per skills audit which is based on skills gaps/needs. Capacity building include formal training (credited/non credited), exposure visits, conferences, and workshops.

The Department has MOU with CGA, Cotton SA and Grain SA and part of the responsibilities is to offer training to both farmers and extension officers.

Market access Support

SA Gap (South African Good Agricultural Practices) dictates that farmers must produce products under safe and hygienic conditions. Farmers must have storerooms for proper storage of chemicals/fertilizers, ablution facilities and package facilities.

Part of the support that farmers will receive include market compliant infrastructure.

The Department has MOA with PPECB (Perishable Products Export Certification Board) and they offer training to farmers on SA gap and accreditation.

Part of the training that farmers receive include SA gap compliance and food safety.

The Department continue to assist farmers with market linkages through the services of Agricultural Economists and other technical experts.

Climate smart agriculture

Agriculture is dependent on climatic conditions however natural disasters such as drought and floods sometimes occur and affect production negatively. This is exaggerated by global warming. Farmers are encouraged to plant drought resistant crops/cultivars such as sorghum and cotton as they are suitable for the district. Infrastructure support such as irrigation systems conserve water which is a scarce resource as the district is dry.

The prioritised projects are supported with irrigations systems, storage dams and shade net which will enable farmers to produce under favourable conditions and conserve water.

The Department has supported grain farmers through the Landcare program with procurement of CA (Conservation Agriculture) implements. The implements include no till ploughs and no till planters which maintain the soil structure and therefore prevent water loss and soil erosion.

The Department has a Disaster management section which deals with alerting and advising farming communities and officers about adverse climatic conditions such as droughts, heat waves, disease outbreaks, floods etc.

Support farmers for production of high value commodities.

Inclusion of black farmers in the production of high value commodities such as citrus and grapes assist them to increase income and create more jobs as they are labour intensive.

This will also address transformation in the Agricultural sector which aims to increase the number of black farmers across the value chain.

Department has already started to support such farmers with infrastructure however more funds are still required to cover more farmers. Citrus Growers Association (CGA) is also leading the process in terms of supporting citrus farmers with production inputs and infrastructure through Jobs Fund.

Private investors, Mines and other relevant stakeholders are urged to support more farmers who want to venture into this commodity. The long-term plan is to introduce citrus in the irrigation schemes for sustainable income since citrus is a permanent crop. (50 years lifespan). The commodities also create more permanent and seasonal jobs since they are harvested by hand and require packaging.

The establishment cost for citrus and grapes is very expensive so Government cannot do it alone however the benefits thereof are high and sustainable.

Partnerships are therefore required to successfully achieve this milestone which will improve the Agricultural sector in the district.

Strategic Intervention 4: Mining & Mineral Beneficiation

The objective of the mining and mineral beneficiation strategic intervention is to add value to activities in the mining sector through the establishing forward and backward linkages.

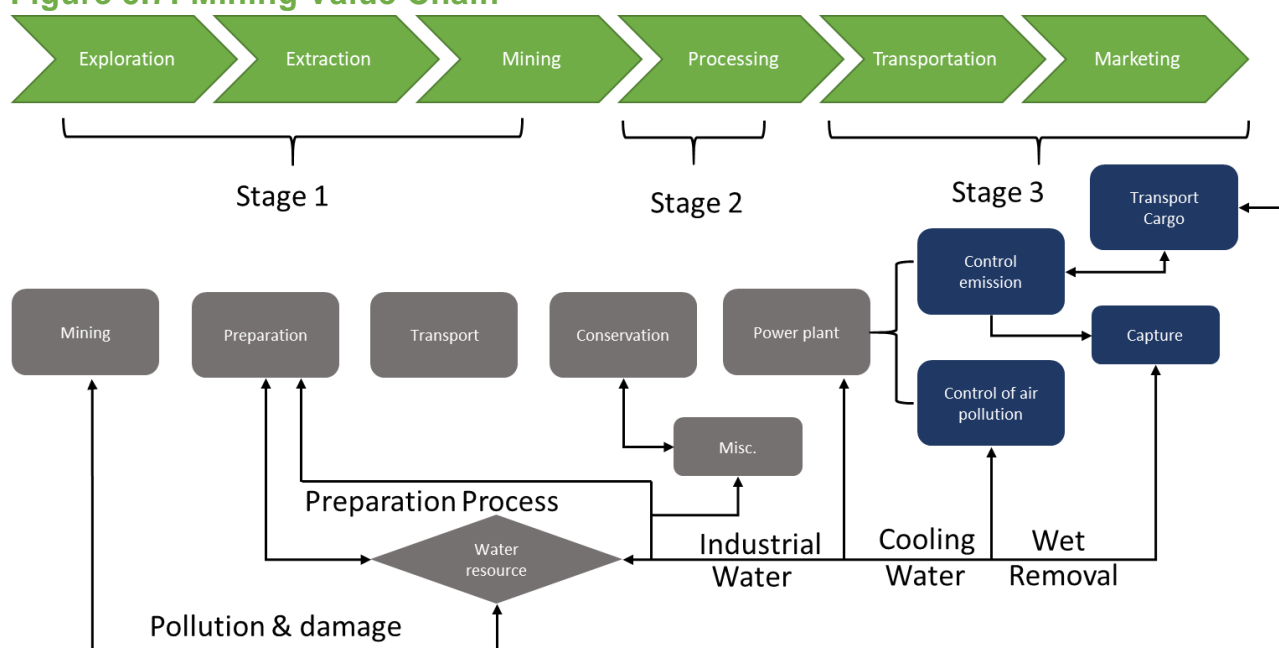
Mining and mineral beneficiation would need to meet essential objectives that would be key to local economic objectives. Such objectives include:

- Diversifying the local economy by focusing and directing investment in non-mining areas
- Creating a cocktail of economic incentives to lure mining houses to set-up ore beneficiation plants.
- Encouraging local ownership of strategic mining projects through the facilitation of joint venture agreements and consortiums between locals and external investors

- Activating and coordinate home-grown social labour plans.
- Engagement of local mining houses, local universities, and FETs to train local youths in mining-related courses.

Other uses include construction (mortar, whitewash, building stone) and manufacturing (glass, water treatment, food and rayon processing, papermaking, leather, explosives, coal dusting, flue gas desulphurization, adhesives, insulation, and pH control). In the Burgersfort area site, asbestos, chromite, and platinum deposits from the Merensky Reef are mined in the town. Furthermore, the district features the world's largest deposit of the platinum group metals (PGMs).

Figure 5.7: Mining Value Chain



Programme 1: Mineral beneficiation and processing

The mandate of the mineral beneficiation and processing programme is to utilise the available mineral deposits as inputs for local beneficiation and processing activities thus ensuring improvements in the value chain process. Furthermore, mineral beneficiation and processing offers key essential elements for mining and beneficiation which include economic linkages (backward linkages and forward linkages). These economic linkages have the potential to develop the mining sector by expanding on the supply and value chains during various stages of production.

In South Africa, mining plays a very big role in the economy and can be an essential tool that may be used to build other sectors of the economy in diversity. The key minerals that are mined include platinum and chrome in the Tubatse SEZ. There is a need for

beneficiation of chrome and platinum to take place in the district considering the abundance of the mineral deposits.

The mining sector in SDM faces a shortage of mission-critical skills among locals, thereby resulting in mine houses with no option but to recruit outside the local municipality. In this regard, this scuttles the district's home-grown job creation efforts and aspirations. In order to develop other sectors of the economy, mineral and processing need to be improved as this is vital towards new economic opportunities in the district. This improvement refers, not just to the mines themselves, but also to the way they think about labour, the mining process itself, the mining environment (political and physical), new technologies and their ability to use mining to grow other sectors in the economy.

Key projects that can be considered by SDM are shown below:

- Establishment of mining recycling plants to minimise the environmental impact in the sector.
- Monitor and coordinate the compliance and implementation of social labour plans spending by mining houses.
- Beneficiation of minerals (Platinum & Chrome) to transform SDM as the epicentre of industry and commerce.
- Establish a jewellery making facility.

Programme 2: Skills development and industry support

This programme aims at developing skills in the economy of the district to ensure that economic agents are adequately multi-skilled, reskilled, and upskilled. Currently, there are limited trainings in relation to skills in the mining sector, hence the need for rehabilitation programmes to improve the level of skills and productivity in the district. The skills development and industry support programme will enable a wide pool of artisans, chartered accountants, engineers, electricians, computer technicians, and social scientists etc.

Furthermore, industry support through creating niche investment opportunities is expected to accelerate the participation of local SMME's in the industry thus enabling side-stream, upstream and downstream business opportunities.

Key projects that can be considered by SDM are shown below:

Project	Rationale
Develop local skills development for mining rehabilitation programmes	This project seeks to improve the skills level and introduce rehabilitation programmes to improve mining productivity.
Establishment of a Mining Academy (Technical Schools)	This project seeks to establish technical structures that will be essential towards mining development for youths in the district.
Facilitate the provision of study bursaries to matriculants interested in mining-related fields	This project seeks to encourage more youths to participate in mining activities by providing funding resources for the youth to be in apposition to study.
Establishment of small mining co-operatives	<p>This project will entail the following:</p> <ul style="list-style-type: none"> • Provide small mining cooperatives with the opportunity to participate in the market. • Reduce the aspect of large mining companies from dominating the market. • Decentralises the industry (to distribute the powers or functions of large mining) companies over a less concentrated area. • Increases competition
Create niche investment opportunities at the proposed FTSEZ	This project seeks to create a cocktail of incentive (thus your financial and non-financial) that will draw investment into the area, thereby providing industry support (industrialisation) and enabling economic development and growth for the district.
Infrastructure Projects	These projects will address the myriad of community complaints towards the development of the community.

Programme 3: Community engagements, Partnerships/ and Joint ventures in mining

The Community engagements, Partnerships/Joint venture programme seeks to initiate structured dialogue sessions through investment conferences, summits and indabas aimed towards achieving stakeholder convergence around common economic development agenda that benefit locals.

Key projects that can be considered by SDM are shown below:

Project	Rationale
Engage mining houses to consider grafting local communities into their ownership structures	This project seeks to consider grafting local communities into their own structures through community shareowners trust and joint ventures.
Construct synergies and close ties with the Department of Minerals Resources and Energy (DMRE)	This project intensifies calls for local mining houses to translate the government's beneficiation vision into a living reality.
Facilitate the acquisition of new mining rights and licenses by small-scale miners	This project will facilitate the acquisition of new mining rights and licenses by small-scale miners.
Develop BEE platinum and chrome mines or partnerships (Transformation in the mining industry)	This project seeks to develop and establish partnerships of BEE platinum and chrome mines, thereby enabling transformation and diversification in mining and the economy of SDM.

Strategic Intervention 5: Tourism Development

The objective of this strategic intervention seeks to enhance the development of the tourism industry through the value addition and promotion of local resources and activities. Among others, there are three key pillars that guide tourism strategy in the Republic of South Africa.

- Enhance the South African tourism destination by improving infrastructure at tourism attractions, developing skills, offer support and instilling a culture of service excellence, and ensuring the quality and value of offerings.
- Enforce marketing, promotion, and advertising of district tourism development.
- Department of Tourism is addressing barriers to seamless travel and connectivity to develop South Africa's tourism asset base.

Research suggests that tourist coming into South Africa tends to focus on the major tourist areas such as the Fish River Canyon in the Northern Cape, or the Kruger National Park or Sun City. Areas just to mention a few. According to the Limpopo Tourism Strategy, several critical elements essential for tourism growth have been highlighted which include, mega conservation, marketing strategies, accessibility, corridors, information and ICT, destination development, destination management, and skills development and transformation (Limpopo Tourism Strategy, 2018). Furthermore, tourism in Limpopo has been identified as a sector with a very strong competitive advantage in ecotourism linked to wildlife, culture, and vast landscapes. The strategy also identified six tourism clusters that are used as a building block for tourism development in Limpopo. They include the Family & Recreation cluster, Business & Events cluster, Sport & Wildlife cluster, Cultural & Heritage cluster, Safari and Hunting cluster, and the Special Interest cluster.

Cluster 1: Family & Recreation cluster

This cluster caters for family groups seeking to break away for holidays, travelling to attend social gatherings e.g. weddings and funerals. Recreational offerings should, therefore, cater to all in the family group. Tourism leisure resorts and camping facilities that cater to large and small groups are utilized mainly by this market.

Cluster 2: Business & Events cluster

The business and events cluster has been identified to refocus Limpopo as a business and events destination catering for mainly medium to small conferences, meetings, and exhibitions. Incentive travel has been identified as a potential market Limpopo can leverage from. This cluster furthermore showcases the opportunity to expand the domestic market by offering short breakaways to, for example, local food and wine festivals, and flower, fruit, music and cultural festivals unique to Limpopo.

Cluster 3: Safari & Hunting cluster

Safari and hunting cluster was identified in acknowledgement that the hunting industry is one of the economic drivers in Limpopo that contributes to tourism growth. It furthermore plays an important role in the conservation and sustainable utilisation of wildlife, as well as providing several opportunities towards transforming the game industry. The expansion of this market towards other forms of tourism will be the focus.

Cluster 4: Sport & Wildlife cluster

Sports tourism is one of the growing tourism sectors, and to leverage from this trend, the sport and wildlife cluster will focus on unique sporting opportunities closely linked with wildlife and wilderness settings. This will include, for example, warrior races, trail running, mountain biking, cycling, etc.

Cluster 5: Cultural & Heritage cluster

Limpopo's rural landscape presents unique opportunities to showcase its diverse cultural and heritage offerings. Tourist demand for authentic cultural experiences linked with wildlife offerings is growing. This cluster also provides an opportunity for Limpopo to leverage from its World Heritage Sites that were declared mainly due to its unique cultural landscapes, historical origins, and linkages into southern Africa.

Cluster 6: Special Interest cluster

The special interest cluster represents key product offerings that are growing e.g. birding tourism, adventure tourism, angling tourism, medical tourism, religious tourism, and geo-tourism. This cluster assists in monitoring trends in certain niche markets and identifying potential gaps in the market that have the potential for further development.

SDM can do more to develop the district as an international tourist destination by emphasising the broader biodiversity, cultural diversity, scenic beauty, and range of tourism products, and making it easier for tourists to travel through the provision of good tourism routes and road connectivity. **The areas of interest identified to be visited include Flag Boshielo & De Hoop Dams, Schuinsdraai Nature Reserve, Mantrombi, Potlake Nature Reserve, and the Maleoskop Resort and Conservancy.** Other areas that have been discovered and celebrated entail the Kamoka Open Africa Route, Ndlovu Youth Centre, Setsong Africa Tea estate and many other heritage centres like Mampuru II statue, Tjate, Fort Weber, Manche Masemola, Tisane, Echo cave, Shoe cave, Mapoch heritage, etc.

The following 4 projects are identified to enhance tourism development in the Sekhukhune District Municipality:

Programme 1: Cultural and Heritage Tourism

The main objective of this programme is to promote, foster and develop tourism in the aspect of culture and heritage.

Key identified projects under cultural and heritage tourism are as follows:

Project	Rationale
Develop Tjate Heritage	This project seeks to promote the heritage of SDM through developing the heritage site and enhancing its attractiveness. In addition, this project will develop the site into a commercially viable tourism product.
Link all heritage & cultural establishments with maps & coordinates	This will develop easy access and identification of the establishments for tourism attraction and satisfy market needs
Develop annual cultural tourism indaba	This project seeks to establish a cultural showground which will provide a historical and diverse culture and its activities in the district.

Programme 2: Nature-based & Wildlife Tourism

The nature-based and wildlife tourism seeks to protect and explore a variety of ecological resources and services such as biodiversity and nature-based tourism activities. The development of nature-based areas can be a useful programme for developing tourism potential. The wildlife tourism aspect is a very key component in adventure tourism. The district is very rich in wildlife, spectacular scenery, and has a wealth of historical and cultural treasures.

Key projects that can be considered by SDM are shown below:

Projects

Project	Rationale
Develop outdoor activities	This project seeks to increase the support & product offering of tourism activities in the district such as mountain biking, hiking trails, abseiling, horse trails etc.
Establish a Mega-Conservation Cluster	This project seeks to promote responsible tourism and green principles in tourism development and create awareness of the local tourist attractions thereby encourage conservation and the preservations of historical tourism sites in the district.
Develop Game Drives & Game Viewing routes	This project seeks to establish game drives and gaming viewing routes that can be of adventure to a tourist visiting SDM.
Develop hunting routes	The projects seek to designate areas that will be reserved for hunting purposes.

Programme 3: Leisure & Business Tourism

This programme aims to generate an income stream for the SDM economy by hosting various business and leisure activities in the district. Furthermore, this programme will promote and market the SDM to be the destination for leisure and business tourism activities within eh District.

Key projects that can be considered by SDM are shown below:

Projects

Project	Rationale
Establish a MICE (Meetings, Incentives, Conference and Events) Cluster	This project aims to establish a group that will drive business tourism providing an enabling environment for tourism in the district. Activities include meeting, creating value add incentives, conferences, and events within the district.
Develop the De Hoop (RMP)	This project seeks to provide various facilities for activities to take place at the De Hoop Dam site. Activities include camping, waterborne activities etc.
Develop a Family Recreation Cluster (resorts, sport and picnic places)	This project seeks to establish picnic areas, resort facilities and places for sporting activities to take place.
Establishment of recreational facilities such as stadiums, and various sporting facilities etc	This project seeks to see the district establishing sporting facilities or recreational facilities that will be value addition towards the tourism sector in the district.

Programme 4: Tourism promotion and marketing

The aim of this programme is to stimulate the development of the tourism industry through the growth and promotion of local resources and activities.

Key projects that can be considered by SDM are shown below:

Projects

Project	Rationale
Develop a Tourism Guide/Map for the District	This initiative seeks to develop an updated tourism guide and map, showing the tourism product offerings within SDM.
Establish Tourism Information Centres in every LM	This project seeks to establish a tourism information centre which will be an informative launch pad for tourism activities.
Facilitate the provision of signage throughout the district	This initiative seeks to provide signage throughout the district which is very useful for tourism.
Develop an SDM tourism strategy	SDM should consider developing an SDM tourism strategy which will be the gateway for tourism growth and promotion within the district.
Create partnerships with the mall for events to boost tourism	SDM should consider partnering with the mall for tourism activities which will also boost tourism growth in SDM.

Strategic Intervention 6: Sustainable SMME Development & Support

The objective of this strategic intervention is to **create jobs through SMME development within SDM through the expansion and the diversification** of formal and informal businesses.

Sustainable SMME Development is a very important aspect of the local economy of the SDM. If properly developed and supported, this sector can provide many employment opportunities for the community within the district. This strategic intervention will develop entrepreneurs and small businesses into productive, functional aspects of the economy. SMME sector is an essential sector that plays a major role in creating jobs. This intervention also seeks to enable women and youth to participate economically in the district. The essence is to create an environment which will be sustainable for job creation in the SMMEs sector.

The majority of SMMEs in SDM tend not to be sustainable in the long run considering the constraining factors such as lack of business and financial management skills and informal businesses without trading zones. It is important that existing local businesses be supported in their development and growth.

SDM should also provide support in the provision of skills training related to all the sectors in the economy. Furthermore, support should be given to small local businesses to gain access to capital and financial sources. In order to empower the local SMMEs development, local businesses should be supported through mentorship programmes, whereby practical knowledge and skills can be transferred from experienced captains of industry to young upcoming entrepreneurs.

Programme 1: SMME Development & Support

The aim of the programme is to develop and provide support to SMME's sector. The first project identified is the establishment of an SMME Precinct. A precinct plan for SMME's defines the desired development direction of SMME development in the area and recommends a range of public realm projects to facilitate new relationships between the public and private realms. This project is essential towards supporting the growth of SMME, thereby creating job opportunities in the district.

The success of SMME's in the business environment is also reliant on continual support through training, regularly updating the SMME's database. This is essential as it provides an analysis of the business landscape of SMME's that have managed to survive during harsh economic times.

Key projects that can be considered by SDM are shown below:

Projects

Project	Rationale
Create an SMME help desk or Local Business Support System	This initiative seeks to establish an SMME help desk that will be responsible to support the development of SMME's within the District Municipality.
Regularly update SMME database	This project seeks to enable the municipality to have an updated database of all SMME's in the area.
Establish a Business Development Centre (Incubation Centre)	This project aims to establish incubators for SMME's whose role will be geared towards speeding up growth, start-up and early-stage companies (domestic/local companies).
Supplier Inputs & Equipment SMMEs Support	Funding SMMEs provide a better business opportunity to level out competitive landscape across various markets.
Skills Development SMMEs support	This programme seeks to ensure the improvement of the quality of service rendered and sustain income generation to create jobs.

Programme 2: Informal economy support

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

Makuduthamaga Local Municipality has a lot of informal trading activities taking place in the municipality. Provision of training in the informal sector will capacitate traders and provide them with essential skills that are necessary for business development. Furthermore, informal traders require an upgrade of hawker stalls and especially zoning of land for informal activities.

Key projects that can be considered by SDM are shown below:

Project	Rationale
Zoning of land for informal areas	This initiative involves the zoning of land for informal sector development.
Promote the development of informal businesses	This project seeks to be a key driver in promoting informal businesses such as vendors through the provision of the necessary support for them to be sustainable and still be able to create jobs.
Upgrading of trading hawkers (stalls)	This project aims to upgrade hawkers' stalls and constructing storage units for hawkers.
Training for informal economy traders	This project involves offering an informal traders training programme on basic business skills and SMME development.

Strategic Intervention 7: Infrastructure Development & Support Structures

The objective of this strategic intervention is to ensure infrastructure development and support structures within SDM. It is essential for infrastructure development to support local businesses as it plays a major role economically within the district. Additionally, infrastructure development and support structures are good catalysts that boost investor confidence.

Infrastructure development and support structures can also be considered as key fundamental economic structures that need to be instilled within the economy to ensure the longevity of the municipality. Furthermore, infrastructure facilitates the movement of goods and people which is also vital towards local economic in SDM. Moreover, involvement in an area requires infrastructure systems such as (roads, rail, air and other logistics facilities), that are integrated to optimise the safety, security, speed, and frequency of the services offered.

Programme 1: Improve Road Connectivity

This programme aims to provide access and mobility to economic and social linkages which will ultimately **promote economic development, stimulate exports, and grow tourism visitations** to the area. Road quality and connectivity is an important element towards **creating a conducive business environment**. It is of importance for SDM to ensure proper road infrastructure in the district as this plays a key role in **the accessibility of products and services**.

The district currently has three railway lines that were originally developed to support the mining activity within the district. However, currently, the railway lines have not yet been extended or re-routed to serve later/new mining operations. Extending these lines will be essential considering new mining operations will be important considering the Tubatse SEZ zone in the area which is expected to be a game changer in the district.

Key projects that can be considered by SDM are shown below:

Project	Rationale
Identify and facilitate key road and transport development in SDM	This project aims to strengthen synergies with implementing agencies like Limpopo Road Agency (RAL); South African Road Agency (SANRAL) and the district municipality with the view to modernize the transport and road network of the municipality.

Programme 2: Transport

The main aim of this programme is to functionally **link all nodal points** (towns and settlements) in the district through the **establishment and maintenance of a strategic transport network routes and pick-up points**. Transport development in the district is a key enabler for economic activity to take place in an area.

This programmes also seek to ensure that transport routes accommodate buses and taxis in a safe manner, providing lay-byes, parking bays and even separate lanes where possible and/or necessary, together with sheltered pick-up and drop off points. Currently, transport routes in the district are often limited by deteriorating road conditions, as well as local stormwater problems caused by rainy seasons.

Projects under this programme will establish and ensure that movement between nodal points is facilitated, and the priority transport networks are strengthened.

Projects

Project	Rationale
Facilitate public transport networks (routes)	This project seeks to establish and strengthen the priority transport networks within the district.
Facilitate the development of public transport nodes (bus and taxi ranks)	This project seeks to develop transport nodes at bus and taxi ranks through the establishment of the street facing shops close to the bus and taxi ranks.
Facilitate public transport on-route shelters (e.g. bus shelters at pick-up points)	This project seeks to accommodate buses and taxis in a safe manner, providing lay-byes, parking bays and even separate lanes where possible and/or necessary, together with sheltered pick-up and drop off points

Programme 3: Information and Communications (ICT)

Information and Communication (ICT) is playing a key role in economic development within the global community. Local economic development requires a key foundation to being established which will form the essential structures required to stimulate growth. ICT provision within the SDM would provide an enabling environment for other economic activities to take place, considering the internet is playing a fundamental role in the development of which this has been considered the fourth industrial revolution.

Currently, SDM has not been in the driving force of ICT development. It should be considered that the fourth industrial revolution on the rise and is evolving at an exponential rather than a linear pace. The fourth industrial revolution has the potential to raise global income levels and improve the quality of life for populations around the world. In this regard, SDM should tap into this wave and engage in ICT enhancement throughout the district, as this will have a significant impact with regards to poverty reduction, economic growth, and job opportunities.

Furthermore, it should be considered that having adequate infrastructure in the district and early childhood development in ICT will propel economic development and investments in SDM.

Key projects that can be considered by SDM are shown below:

Projects

Project	Rationale
Facilitate adequate ICT infrastructure	The district municipality should put in place adequate infrastructure facilities that will enable people to access ICT services such as internet access at ease.
Facilitate smart classrooms with access to computers and broadband internet	SDM must focus on developing smart classrooms with access to computers and broadband internet services.

Special Programme: Youth Development

Youth unemployment still remains a main challenge in the district. According to Stats SA (2022), the youth population group, year on year, has been growing higher than the national average population growth means that there are more people joining this age group than national population growth average. The SDM strategy seeks to ensure that education, skills development and entrepreneurship remain the cornerstone of youth development.

Currently, South Africa is characterised by youth bulge where the youth population is dominating in the total population of the country. Furthermore, various socio-economic challenges that are faced by youth in South Africa include:

- Economic marginalisation
- Insufficient skills development
- Poor health outcomes including high HIV/AIDS prevalence and high levels of violence and substance abuse
- Lack of access to sporting and cultural opportunities
- Lack of social cohesion and volunteerism
- Limited opportunities for the development of many young South Africans

The SDM strategy aims to provide guidance towards youth development and identifying key role players amongst youth development. Key areas and challenges that need to be addressed include:

- Sustain youth development interventions and programmes
- Establish innovative and ground-breaking interventions
- Respond to emerging needs as per research outcomes amongst the youths
- The district should also address what is not working well amongst the youths

- Develop incentives that may encourage youth participation in key sectors such as agriculture and mining
- Optimise integration and maximise the impact of youth development programmes
- Facilitate the provision of study bursaries to matriculants interested in mining-related fields or agriculture
- Establishment of technical schools to improve skills development amongst the youths

6. Project prioritisation

The sections above outlined the LED framework with a comprehensive list of potential projects and programmes that are key towards the development of the local economy for Sekhukhune District Municipality. Moreover, projects identified need to be prioritised in terms of each project's importance to the municipality. Projects identified under the LED Strategic Framework are evaluated using a prioritisation model. The prioritisation model was created specifically for SDM. Therefore, each indicator in the model and its weighted importance reflects the objectives of the strategy and the needs and priorities for the local economy.

Annexure A prioritises the programmes/projects identified for SDM, as follows:

- Strategic importance
- Feasibility of the project
- Economic impact
- SMME development potential
- Ease of implementation

7. Potential Funders and Support Services

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

- **Funding sources for private sector investors:** Various incentive schemes and other funding sources exist in the form of subsidies and loans to contribute to the start-up capital requirements of large development projects.

- **Funding sources for public sector interventions:** Various grants and other funding sources exist for municipalities working toward improving their readiness for investment by the private sector.

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

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

8. Monitoring and Evaluation Plan

8.1. Introduction

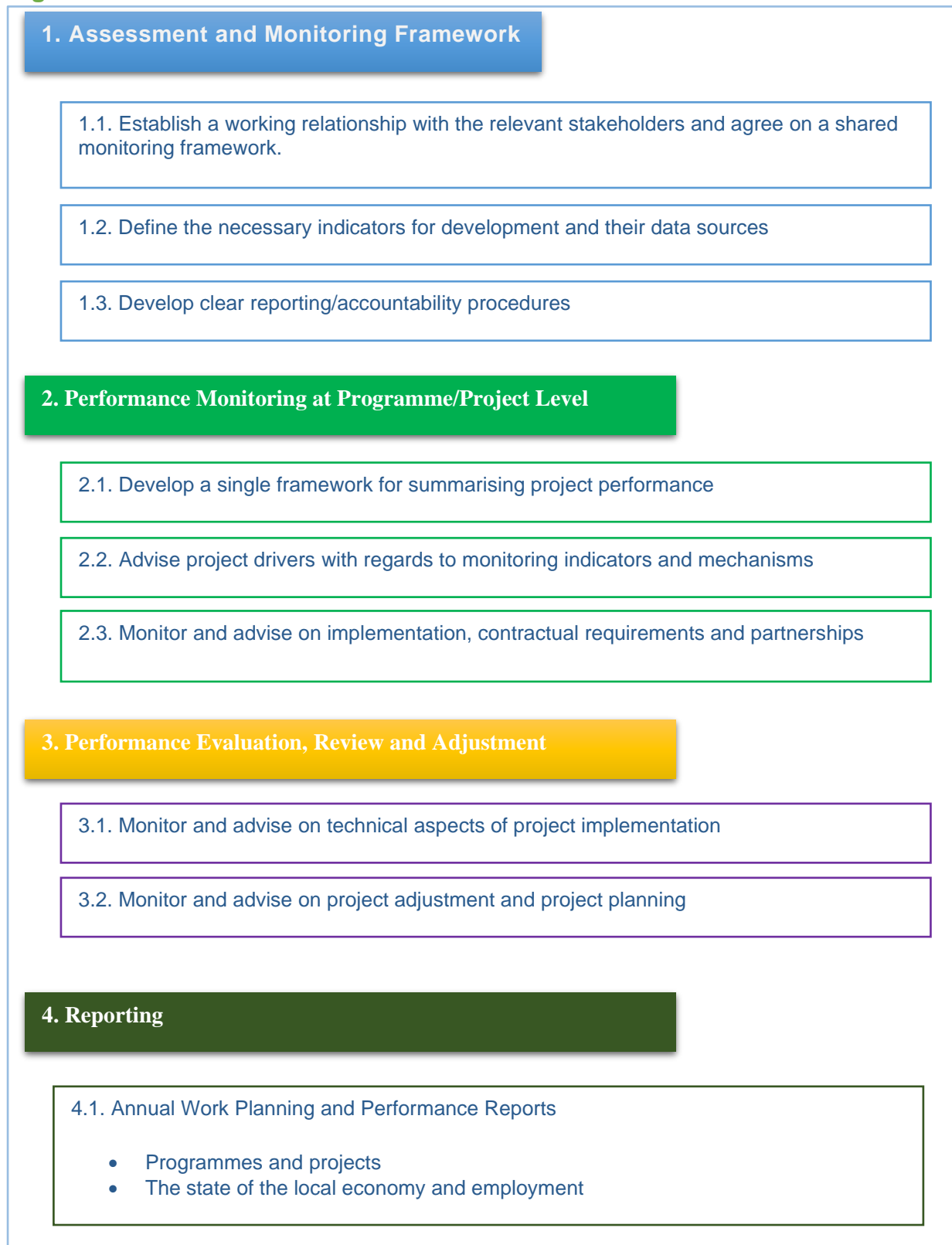
Monitoring and Evaluation of the LED Strategy for SDM need to be monitored on an ongoing basis. Monitoring and Evaluation (M&E) is commonly seen as one concept, but in fact, monitoring and evaluation are two different organizational activities which are related to one another, but not identical. To enhance the efficiency and effectiveness of the strategy, continuous adjustments need to be incorporated based on the market fluctuations and demand changes. This entails a strategic re-positioning. The rationale for developing and updating a District Monitoring and Evaluation system entails the following:

- To inform the sector department and development needs for SDM
- To ensure that all role players are aware of all projects planned in the District
- To make information on all projects to be available at one glance
- To compare SDM with other District Competitors, Regional and in South Africa
- To compare profiles, projects and funds allocated
- To indicate whether national or provincial policies are adhered to by comparing the number and type of projects and the amount of funding
- To inform all role player on the progress, challenges of project implementation

- To inform provincial departments and politicians about the status of project implementation in SDM
- To determine the contribution and effectiveness of each strategy as projects, thereby enabling KPI's to be linked to specific strategies (PGDS, LED & IDP)
- To identify the area that needs intervention through progress and tracking reports
- To compare progress over numerous years

8.2. Performance Assessment Framework

The Performance Assessment Framework (PAF) is a set of recommendations provides for the benefit of the strategy and it enables the effective monitoring and evaluation during the implementation of the strategy. The PAF is presented in Figure and sets out the evaluation process according to assessment and monitoring framework, performance monitoring at the project level, performance evaluation, review and adjustments, and reporting.

Figure 8.1: Performance Assessment Framework

8.2.1. Monitoring and Evaluation of LED Programmes & Projects

The feasibility studies and business plans of SDM projects must contain a detailed monitoring and evaluation plan based on the projects and targets of the project as well as other relevant development indicators.

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

8.2.1.1. Project Planning Phase

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

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

Table 8.2: Comprehensive project Plan Deliverables

Comprehensive Project Plan Deliverables	Completed
Refine Objectives of Project <ul style="list-style-type: none"> • Determine baseline data • Quantify Objective: in real numbers and timing 	
Create a comprehensive project plan with clearly defined project phases, including: <ul style="list-style-type: none"> • The scope of work for the project phase • Cost of the project phase • Schedule for each • Assign responsibility to a project team member for each of the project phases • Determine how project communication will take place, including how a completed phase will be signed off and how the next phase will be initiated 	
Determine KPI's against each of the project phases	

Determine how frequently the project team will meet to monitor the project. This will be determined by:

- How “big” the project is in terms of importance, cost, technical requirements, etc.
- How long the project will take
- How long each of the project phases will take
- The importance of certain project phases
- The cost and time involved to meet

8.2.1.2. Project implementation and Monitoring Phase

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

- Project inception which entails the setup of the project team and adopting and making final alterations to the comprehensive project plan
- Continued Project Monitoring

Table 8.3: Continuous Project Monitoring Questionnaire

Continues Project Monitoring Questionnaire	Yes / No
Is the project on schedule? (compared to the Comprehensive Project Plan) <ul style="list-style-type: none"> • Are we in the project phases indicated on the Comprehensive Project Plan? • What is the status of each of the project phases currently being implemented? 	
Is the project on budget? (compared to the Comprehensive Project Plan) <ul style="list-style-type: none"> • How much has already been spent on each of the project phases that are currently being implemented? • How much is estimated to still be spent on each of the project phases that are currently being implemented? • What is the cumulative amount spent on all phases already implemented or in progress compared to the Comprehensive Project Plan? 	
Does the project team foresee any issues or problems that will affect schedule, cost or scope of work?	

8.2.1.3. Project Completion and Evaluation

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

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

It is also suggested that a personal evaluation of all team members is conducted at the end of the project to improve future team cohesion and project success. **Error! Reference source not found.** provides annual monitoring and evaluation of projects for SDM.