

# Dipaleseng Local Municipality

## Local Economic Development Strategy

### Final Report

*Submitted by Urban-Econ: Development Economists*



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# SECTION ONE: Introduction

Economic development and growth is part of the LED process and needs to be understood within this context. Economic development aims to improve the living standard of local communities and the economic wealth of an area. Economic growth can be defined as the increase in an economy's capacity to produce goods and services over a period of time (a year). Economic development and growth is a process that takes place simultaneously and is therefore an important part of LED.

In keeping with the Constitution and the White Paper on Local Government, the onus for social and economic development as well as job creation rests on Local Government. In this regard the Dipaleseng Local Municipality aims to promote these issues in order to create an environment, which is conducive to economic development.

## **1.1. BACKGROUND AND SPATIAL CONTEXT**

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The Dipaleseng municipal area comprises a total geographic area of some 2,616 km<sup>2</sup> and is considered relatively small in comparison with other municipal areas in South Africa. The area is predominantly rural with Agriculture being the main land use. After the service delivery protests of 2009 and 2010, President Jacob Zuma declared Dipaleseng a Presidential Node/Zone. This means the area has been elevated for accelerated National and Provincial Government intervention.

Map 1.1 depicts the regional context of the Dipaleseng Municipality. Dipaleseng is one of seven Local Municipalities in the Gert Sibande District Municipality. The other six LMs in the District are:

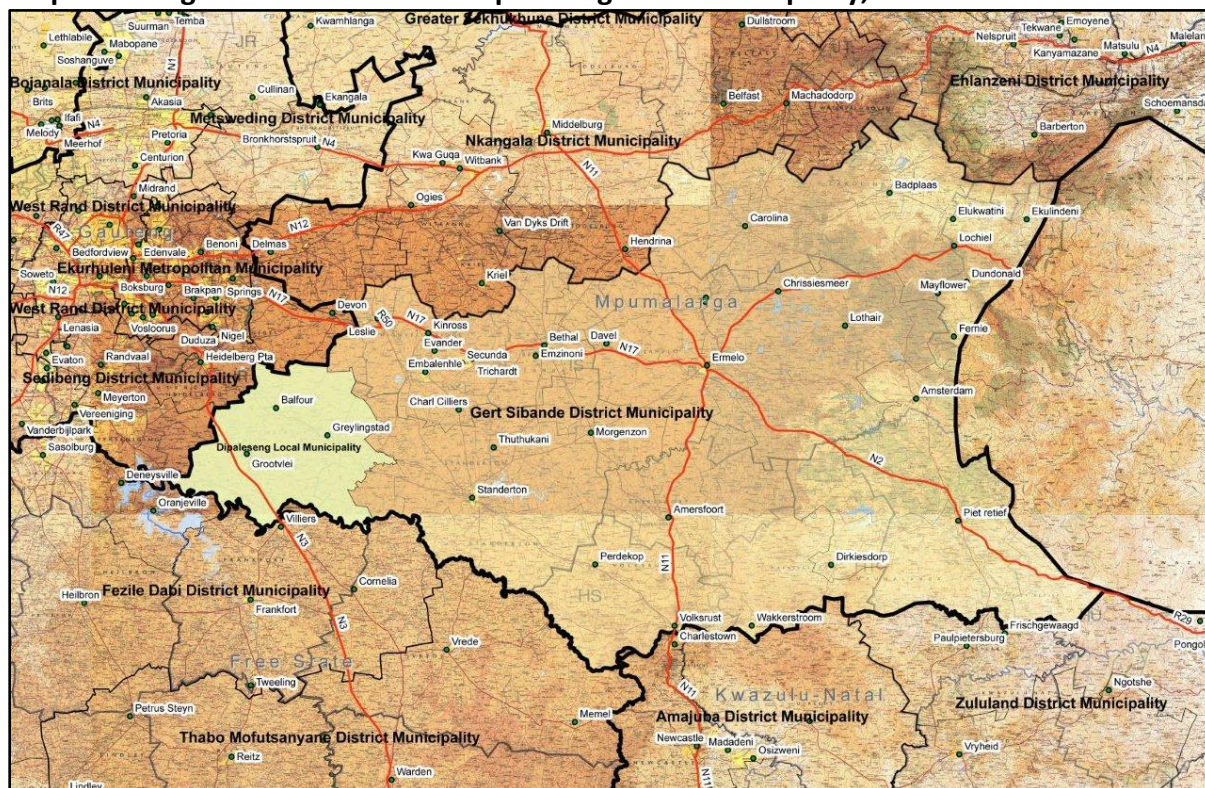
1. Albert Luthuli Local Municipality
2. Msukaligwa Local Municipality
3. Mkhondo Local Municipality
4. Pixley Ka Seme Local Municipality
5. Lekwa Local Municipality
6. Govan Mbeki Local Municipality

Dipaleseng is located towards the west of the Mpumalanga Province and shares a border with the Free State to the south and Gauteng to the north. The N3 national highway straddles the municipal area. This highway used to run through Greylingstad but a bypass was built in the 1960s (the current N3 today) which had a negative impact on the town's economy. Dipaleseng and its neighbours to the east and south are mainly rural with maize production practiced extensively. To the north, manufacturing plays a more significant role in the Nkangala District and in Alberton.





Map 1.1 – Regional Context of the Dipaleseng Local Municipality, 2011



Source: Urban-Econ, 2011

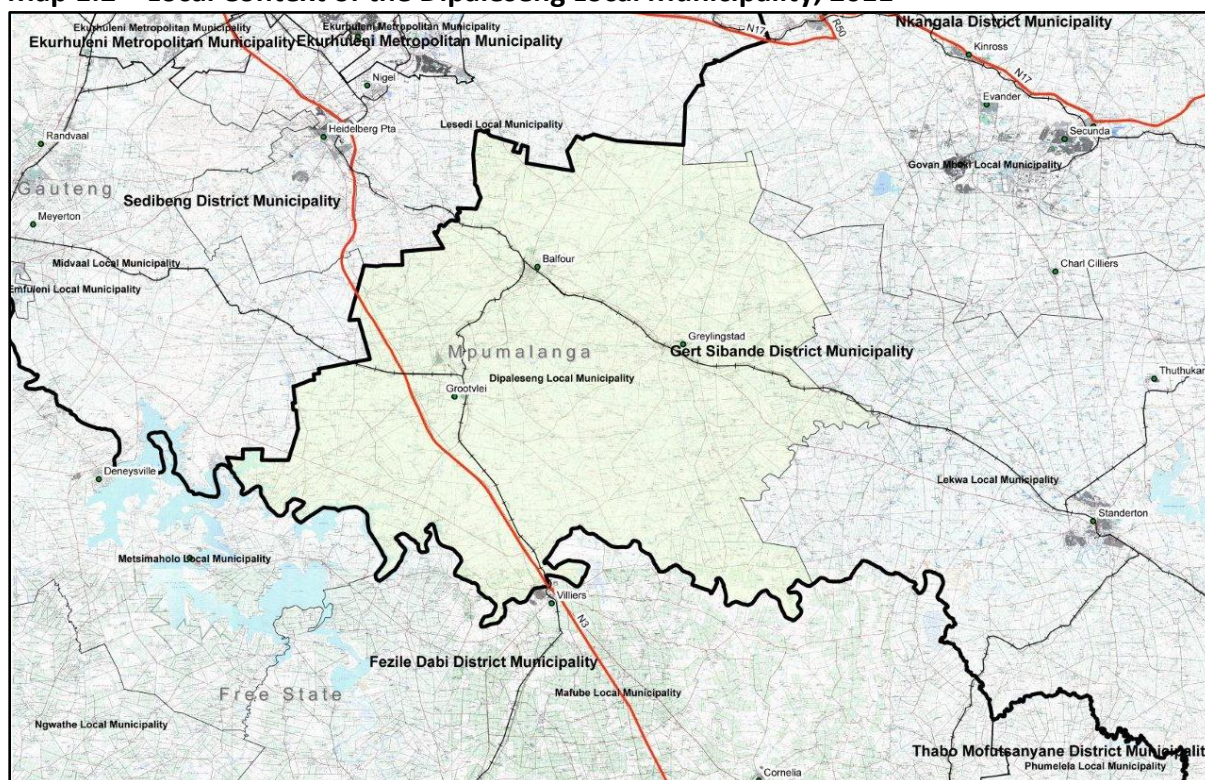
Map 1.2 depicts Dipaleseng in local context. Three towns can be found within the municipal boundaries:

1. Balfour is a small coal mining and maize farming town. The town was established in 1898 as McHattiesburg after its founder Frederick McHattie. In 1905 the town changed its name when the British Prime Minister Arthur Balfour gave a speech at the local station platform when his train stopped in the town. The township of Siythemba is located adjacent to Balfour.
2. Greylingstad was founded in 1909 by the Dutch Reformed Church and named after PJ Greyling. In 1962, Eskom opened an 88kV substation in Greylingstad.
3. The town of Grootvlei was founded around the Grootvlei Power Station that was commissioned in 1969. The Power Station was entirely mothballed by 1990 but partially restored by 2008 as part of Eskom's recapitalisation programme.

All three towns are served by railway dating back to the days when agricultural produce (in this case maize) was transported through this mode to the main urban centres in the country. The railway network links the study area to the industrial areas of Heidelberg and Alberton (such as Junction Hill, Wadeville, Roodekop and Alrode) in Gauteng. This network further links with many small traditionally agriculture based towns in Mpumalanga and the Free State.



**Map 1.2 – Local Context of the Dipaleseng Local Municipality, 2011**



Source: Urban-Econ, 2011

Other observations made about the study area include:

1. A gold and coal mine is operating in the area with all the coal being sold to Eskom.
2. The Grootvlei dam is located in the Municipality. Directly to the south-east of the Municipality is the Vaal Dam.
3. Agro-processing (mainly fruit & beef processing) occurs on limited scale in Balfour.
4. A large Urban Development Zone project is currently underway in Balfour. When completed this Zone will include a residential area, a magistrate's court building, a police station, a shopping centre, a community health centre and a hotel.
5. The Municipality supply most residential and commercial areas with electricity. Eskom supply electricity directly to the two mines, all farms and some residential areas.
6. Two supermarkets can be found, both in Balfour (i.e. Shoprite and U-Save). Local communities are served mainly by independent smaller shops for their day-to-day grocery needs. Many local households travel to Heidelberg to do their monthly shopping.
7. The area is well covered in terms of communications infrastructure by cell phone towers. Access to Telkom landlines and ADSL internet is limited.
8. Local branches from three (of the four) major banks can be found in Balfour – ABSA, FNB and Standard Bank. Before the LED Forum discontinued, Local Government had a good developmental relationship with these banks.

## **1.2. GOAL AND OBJECTIVES OF THE STUDY**

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The Municipality has identified the need for a local economic development strategy as a tool for the execution of its development functions. The following aspects need to be considered in this regard:

1. An interpretation of the socio-economic situation and indicators suggests that the most significant challenge facing government and its partners in growth and development is the reduction of poverty and the provision of services.
2. Poverty alleviation needs to be addressed as an integral part of the local economic development strategy, since the area is facing high levels of unemployment and poverty.
3. An ad hoc approach towards economic development and project implementation needs to be consolidated and integrated with a strategic developmental approach aimed at sustainable local economic development.
4. Economic development programmes and project implementation needs to be consolidated and integrated with a strategic developmental approach aimed at sustainable local economic development.
5. The Municipality needs to understand the economic environment and opportunities for local development. As a result economic opportunities for development have to be identified through a potential analysis and presented as a local economic profile.
6. Cognisance needs to be taken of the strategic developmental guidelines as provided in the Provincial and national strategic directives.
7. The economic enabling environment needs specific intervention to ensure that adequate and appropriate services and infrastructure planning and provision can be complementary to new investment.
8. Skills development and capacity building are crucial human resource development interventions for improved local labour market utilisation.
9. The locational advantages and disadvantages of the economy need to be fully understood and investment marketing actions need to be developed around these.
10. The involvement and participation of stakeholders need to be encouraged through participative stakeholder mobilisation techniques and innovative LED approaches.

Based on the identified objectives above and Urban-Econ's experience in the area, as well as taking cognisance of COGTA's guidelines and the most recent developmental thinking in this regard, the goal for the strategy is being interpreted as follows:

To formulate a revised Local Economic Development Strategy, which is aligned with relevant provincial and national government strategies, to guide the DLM in terms of coordinating various role players to facilitate development, coordinate focused LED implementation, unlock latent economic development potential, encourage private sector investment and create economic development and job opportunities for the poor in its drive to alleviate poverty.



## SECTION TWO: Policy Framework

The purpose of this Section is to investigate and unpack various LED and development orientated Policies for the purposes of alignment and integrated development.

### **2.1. NATIONAL POLICY FRAMEWORK**

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#### **2.1.1. The Constitution of the Republic of South Africa**

The Constitution (Act 108 of 1996) is the cornerstone for all legislation and policy-making in South Africa. In particular, Chapter 7 defines the role of local government in its community. Five objectives of local government are described in section 152:

1. To provide democratic and accountable government for local communities;
2. To ensure the provision of services to communities in a sustainable manner;
3. To promote social and economic development;
4. To promote a safe and healthy environment; and
5. To encourage the involvement of communities and community organisations in the matters of local government.

Furthermore, section 153 stipulates the following developmental duties of all Municipalities:

1. A Municipality must structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote social and economic development.
2. A Municipality must participate in National and Provincial development programmes.

#### **Implications for the Dipaleseng Local Municipality:**

Dipaleseng is legally bound to promote social and economic development within its community. This implies that public investment should largely focus on developing the Municipal area in terms of Local Economic Development and providing for the basic needs of the community.

### **2.1.2. New Growth Path**

The New Growth Path's main focus areas are to create decent work opportunities, reducing inequality and to end poverty in South Africa. Government aims to achieve this through a New Growth Path founded on a restructuring of the South African economy to achieve labour absorption and a steady economic growth rate. Government is committed to forging such a consensus and leading the way by:

1. Identifying areas where employment creation is possible on a large scale as a result of substantial changes in conditions in South Africa and globally.
2. Developing a policy package to facilitate employment creation in these areas, through:
  - a. A comprehensive drive to enhance both social equity and competitiveness;
  - b. Systemic changes to mobilise domestic investment around activities that can create sustainable employment; and
  - c. Strong social dialogue to focus all stakeholders on encouraging growth in employment-creating activities.

The New National growth Path incorporates the Industrial Policy Action Plan (IPAP2) and various other policies, programmes and strategies. The aim of the New Growth Path is to ultimately create more developed, democratic, cohesive and equitable economy and society in South Africa.

Achieving the New Growth Path requires that certain key trade-offs be addressed. This will put emphasis on government's prioritisation to support employment creation, equity and the directions business must move to facilitate a growing economy.

Some key trade-offs include:

1. Between present consumption and future growth, since that requires higher investment and saving in the present;
2. Between the needs of different industries for infrastructure, skills and other interventions;
3. Between policies that promise high benefits but also entail substantial risks, and policies that are less transformative and dynamic but are also less likely to have unintended consequences;
4. Between a competitive currency that supports growth in production, employment and exports and a stronger rand that makes imports of capital and consumer goods cheaper; and
5. Between the present costs and future benefits of a green economy.



**Implications for the Dipaleseng Local Municipality:**

Achieving enhanced economic growth and to create new employment opportunities in Dipaleseng will be the main implication of the New Economic Growth Path. This will be accomplished in the Municipality through:

1. Enhancing social equity
2. Encouraging competitiveness
3. Mobilising domestic investment
4. Stakeholder participation

The New Growth Path will especially be applicable in the following key areas in the Municipality:

1. Agriculture and agro processing
2. Trade and Business
3. Tourism

### **2.1.3. The National Industrial Policy Framework**

The National Industrial Policy Framework (NIPF) is a framework that aims to provide strategic direction for South Africa's industrial development. It follows the principles of the Reconstruction and Development Programme and plays a fundamental role in achieving ASGISA's goals.

The NIPF identified the following four main sets of policies as necessary conditions for industrial development:

1. A stable and supportive macro-economic regulatory environment
2. Skills and education for industrialisation
3. Traditional and modern infrastructure
4. Innovation and technology

#### Implications for the Dipaleseng Local Municipality:

The NIPF aims to contribute to the integration of the first and second economies in Dipaleseng by, firstly, encouraging and creating quality and stable employment and, secondly, by assisting people to become entrepreneurs in the economy. The main implications of the NIPF for the study are:

1. Providing strategic direction for industrial development.
2. Unlocking economic constraints that will benefit the entire economy.

Furthermore, the Policy identifies the following as fundamental elements of second economy integration and industrial development:

1. Broad Based Black Economic Empowerment
2. Provision of appropriate infrastructure
3. Appropriate placement of infrastructure

#### **2.1.4. The Industrial Policy Action Plan**

The major weakness identified in South Africa's long-term industrialisation process is that the decline in the share of employment in the traditional tradable sectors, particularly mining and agriculture, has not been offset by a sufficiently large increase in the share of relatively labour-intensive employment in non-traditional tradable goods and services, particularly manufacturing. Consequently, the objectives of the IPAP2 are:

1. To facilitate a shift away from reliance on traditional commodities and non-tradable services and promote value-added goods and services that competes in export markets (against imports).
2. To intensify the industrialisation process and move towards a knowledge-rich economy.
3. To promote a more labour-absorbing industrialisation path, with particular emphasis on tradable labour-absorbing goods and services and economic linkages that enhance employment creation.
4. To promote a broader-based industrialisation path characterised by increased participation of historically disadvantaged people and marginalised regions in the mainstream of the industrial economy.
5. To contribute to the industrial development of the African continent, with emphasis on building productive capabilities.



#### Implications for the Dipaleseng Local Municipality:

IPAP2 prioritise certain industrial sectors that have played an important role in economic development in various parts of South Africa. These sectors include:

1. Capital/Transport equipment and metals fabrication
2. Chemicals, plastic fabrication, and pharmaceuticals

In addition, IPAP envisages to fast track implementation through:

1. Maintaining momentum in the implementation of the ASGISA's prioritised sectors of Business Process Outsourcing and off shoring (BPO&O), as well as tourism and bio-fuels.
2. Implementing other substantive sector projects in diamond beneficiation and jewellery, agro-processing, film and crafts.
3. Developing strategies for sectors of mining and mineral beneficiation, agriculture, ICT (services and products), as well as creative industries.

#### **2.1.5. The White Paper on Local Government**

According to the White Paper on Local Government, local authorities have the following responsibilities in terms of their obligation to economic development:

1. Provide marketing and investment support in order to attract investment to their locality.
2. Small business support services should be provided to assist small entrepreneurs.
3. To support the Local Business Support Centres Programme (i.e. SEDA) launched by the Department of Trade and Industry. The purpose of these centres is to assist local entrepreneurs with issues relating to skills, premises, information, networking, marketing and credit.
4. To provide targeted assistance (such as market research and technology provision) to a particular sector in the local economy that has the potential to expand.
5. Supplementing and tailoring the services provided by the Department of Labour to local needs through the supply of training and placement services. This is necessary to ensure that people acquire skills and find jobs.

**Implications for the Dipaleseng Local Municipality:**

The White Paper has a direct impact on the development, policy formulation and human resource development projects in Dipaleseng. It emphasises the need and importance of Local Municipal support to businesses through training and development support.

### **2.1.6. National Spatial Development Perspective**

The National Spatial Development Perspective provides a framework which discusses the future development of the national spatial economy. The purpose of the NSDP is to fundamentally reconfigure apartheid spatial relations and implement spatial priorities that meet the Constitutional imperative of providing basic services and alleviating poverty and inequality. It provides a set of principles and mechanisms for guiding infrastructure investment and development decisions. The NSDP serves as a tool for identifying key areas of tension and/or priority in achieving positive spatial outcomes.

The NSDP notes the fact that each sphere of government has its own distinct development tasks and related planning frameworks corresponding to the scale of operations and the area of jurisdiction.

**Implications for the Dipaleseng Local Municipality:**

The NSDP notes the fact that each sphere of government has its own Municipal development tasks and related planning frameworks corresponding to the scale of operations and the area of jurisdiction. The alignment of the strategy with the NSDP approach implies the following:

1. Undertaking rigorous analysis of the space economy to identify areas of economic significance with a view on focusing government investment and development interventions to ensure maximum and sustainable impact.
2. Capitalising on complementarities and facilitating consistent and focused decision making by providing a common platform for structured dialogue.
3. Moving beyond mere focusing on integration and coordination procedures to establishing processes and mechanisms to bring about strategic coordination, interaction and alignment within government.

### **2.1.7. The National Framework for Local Economic Development by CoGTA**

The Framework intends to build a shared understanding of LED in South Africa and put into context the role of local economies in the national economy. It seeks to mobilise local people and local resources in an effort to fight poverty. The focus of the Framework is upon:

1. Improving the competitiveness of the 52 District and Metropolitan Municipal regions in South Africa by providing an approach to developing local economies with the participation of all relevant stakeholders.
2. Rendering economic growth compatible with social equity and safeguarding the environment.
3. What the state can do to support and reward citizens who organise locally and operate in local level partnerships to engage in greater economic activity, spreading economic activity in an even manner.
4. How the state can be a platform to facilitate the inclusion of all to participate in the economy.

#### **Implications for the Dipaleseng Local Municipality:**

The Framework sets out the following three key roles, which local government can play in the Local Economic Development process:

1. To provide leadership and direction in policy-making.
2. To administer policy, programmes and projects.
3. To be the main initiator of economic development programmes through public spending, regulatory powers and the promotion of industrial- and small business development, social enterprises and co-operatives.

### **2.1.8. Integrated Sustainable Rural Development Strategy**

The purpose of the Integrated Sustainable Rural Development Strategy (ISRDS) is to enhance the welfare of the poor that inhabit rural areas of South Africa. This is only possible if sustainable economies are created from which they can survive. Successful implementation involves facilitating rural development that is both sustainable and integrated in nature. Municipalities are key players in the implementation of the ISRDS due to their decentralised nature – it is only through direct participation with the rural community that one can correctly identify the developmental needs and opportunities. It is also essential for local stakeholders to be mobilised in order to create an environment in which the ISRDS can be successfully facilitated and sustained.

### Implications for the Dipaleseng Local Municipality:

This ISRDS is a very important document concerning the implementation of a Local Economic Development Strategy. The decentralised nature of the strategy implies that Dipaleseng is responsible for catalysing the transformation of local areas into economically viable communities. To facilitate positive change requires an in depth understanding of local rural areas, along with an excellent relationship with local business and communities.

### **2.1.9. The Regional Industrial Development Strategy**

RIDS presents a comprehensive framework for industrial development in South Africa and builds on the outcomes of the National Spatial Development Perspective (NSDP). The NSDP acknowledges the fact that the landscape of economic development is not equal across all regions in the country.

The main intentions of RIDS are to:

1. Help to achieve the national industrial development objectives as set out in the NSDP.
2. Further the goals of the Accelerated and Shared Growth Initiative of South Africa (ASGISA).
3. Conform to the principles of the Integrated Manufacturing Strategy (IMS), the Micro-economic Reform Strategy (MRS) and the National Industrial Policy Framework.
4. Enhance the capacities and potentials identified in the Urban Spatial Competitive Framework and the Local Economic Development (LED) Framework. These seek to address spatial constraints and opportunities related to industrial development in municipalities.
5. Conform to the principles of enterprise development and Black Economic Empowerment (BEE).
6. Conform to the government's environmental and other relevant policies.



#### Implications for the Dipaleseng Local Municipality:

The main implication of RIDS for the area is to improve and diversify the manufacturing sector in the Municipality. In summary, the implications of RIDS for the study are to:

1. Attempt, as far as possible, to reduce economic disparities between regions, address the needs of both the first and the second economies and narrow the gap between them.
2. Pay particular attention to the needs of those regions, which are lagging behind the national norms.
3. Enhance current regional strengths and lead sectors of the economy.
4. Promote sustainable economic growth and employment in the Province and the Municipality.
5. Build regional competitive capabilities and firm-level support measures.
6. Enhance regional performance in attracting foreign direct investment.

#### **2.1.10. The National Strategy for the Development and Promotion of Small Businesses in South Africa**

Small businesses can help South Africa in two significant ways: first, these enterprises are potential engines of growth for the national economy and second, they can aid the transformation process.

This strategy aims to create an environment where SMMEs can exist and make use of opportunities presented to them. This in turn will create employment and investment prospects. In addition, this environment will encourage entrepreneurship by offering assistance to potential entrepreneurs – especially those individuals designated by the BBBEE Act.

#### Implications for the Dipaleseng Local Municipality:

In promoting economic development in the region, it is essential for Dipaleseng to promote the growth of the business sectors in the Municipality. In order to do this, Dipaleseng needs to facilitate an environment where SMMEs can flourish. This can be done by increasing investment in infrastructure that encourages a competitive business environment, increased productivity, opportunities for employment and entrepreneurialism.

#### **2.1.11. The Broad-Based Black Economic Empowerment Act**

In order to uproot inherited social imbalances, progressive legislature has been passed. One example is the Broad-Based Black Economic Empowerment (BBBEE) where systematic measures were put in place to uplift previously disadvantaged communities.

Those included in the 'broad-based black' definition are Africans, Coloureds, Indians, women, workers, the youth, disabled persons and those who live in rural communities. The main objective of the BBBEE Act is to transform the South African economy to better reflect the South African society, whereby commercial enterprises are largely owned and managed by previously disadvantaged individuals. This Act also aims to support the 'broad-based black' population through promoting public and private investment in relevant communities and providing easier access to financial assistance.

#### Implications for the Dipaleseng Local Municipality:

Dipaleseng is responsible for transformation in the Municipality. Therefore, sector strategies and development policies established by the Municipality must align with transformation principles. This suggests that both sector strategies and public infrastructural investment should focus on the upliftment of previously disadvantaged community and ultimately increase their participation in the local economy.

### **2.1.12. The Tourism Growth Strategy**

The Tourism Growth Strategy (TGS) provides a plan to boost South Africa's competitiveness in the global tourism- and travel market. Through increasing global competitiveness, the tourism industry aims to contribute significantly to ASGISA's growth target. There are, however, some key challenges which include the following:

1. Transformation of the tourism industry through increased participation of the previously disadvantaged community.
2. Increased distribution of the industry through promoting less traditional tourism routes and activities.
3. Creating an industry that is sustainable.

In order to address these challenges, the TGS stresses the need for South Africa to identify and pursue opportunities in the international, domestic and business tourism market, while simultaneously developing its existing market.

#### **Implications for the Dipaleseng Local Municipality:**

The Dipaleseng Local Municipality needs to develop and expand its existing tourism market in a way that promotes transformation, distribution and sustainability in the industry. This implies that the LED Strategy should be planned and implemented in a way that supports the development of local tourism.

### **2.1.13. The Municipal Structures (1998) & Municipal Systems Act (2000)**

The Municipal Structures Act of 1998 defines the types and categories of Municipalities, division of functions and powers within Municipalities, and the regulation of internal systems. Great emphasis is placed on the need for co-operation between different levels of government to better achieve goals and targets.

Alternatively, the Municipal Systems Act of 2000 provides Municipalities with guidelines which 'enable municipalities to move progressively towards the social and economic upliftment of local communities' so that basic services may be met. Duties of the municipal council (within financial and administrative capacity) are given in section 4(2):

1. Exercise the municipality's executive and legislative authority and use the resources of the municipality in the best interests of the local community;
2. Provide, without favour or prejudice, democratic and accountable government;
3. Encourage the involvement of the local community;
4. Strive to ensure that municipal services are provided to the local community in a financially and environmentally sustainable manner;

5. Consult the local community about —
  - a. the level, quality, range and impact of municipal services provided by the municipality, either directly or through another service provider: and
  - b. the available options for service delivery.
6. Give members of the local community equitable access to the municipal services to which they are entitled;
7. Promote and undertake development in the municipality;
8. Promote gender equity in the exercise of the municipality's executive and legislative authority;
9. Promote a safe and healthy environment in the municipality: and
10. Contribute, together with other organs of state, to the progressive realisation of the fundamental rights contained in sections 24, 25, 26, 27 and 29 of the Constitution.

In addition, Section 26 stipulates that every Municipality is bound by law to produce an integrated development plan (IDP) of which LED is a core component.

#### Implications for the Dipaleseng Local Municipality:

Dipaleseng must operate in a manner that satisfies the conditions set out by the Municipal Structures Act. In addition, the Municipality must co-operate and offer assistance to the Gert Sibande District Municipality as well as the Mpumalanga Provincial Government, when required. According to the Municipal Systems Act, all Local Municipalities are legally bound to fulfil its duties and produce an IDP document (Including LED) to encourage development in their community. This will assist the LED Strategy in implementing strategic projects.



## SECTION THREE: Background Analysis

The purpose of this Section is to get a comprehensive and detailed insight of the nature, extent and social-economic trends in Dipaleseng. In this Section the following items of analysis will be discussed in relation to the Municipal area:

1. Demography
2. Socio-Economic Indicators
3. Economic Structure and Performance

### 3.1. DEMOGRAPHIC CONTEXT

This subdivision presents the demographic analysis on a National, Provincial, District and Local level. The purpose of this analysis is to gain comprehension of the regional situation in terms of demographic factors. An understanding of the population demographics will inform the study; ensure relevant projects, guide implementation and coordination, and place local conditions into perspective.

The population of South Africa increased from 28.8 million in 1980 to approximately 49.9 million in 2010. Population groups in 2010: Africans presented 79.4% of the population in South Africa, Whites 9.2%, Coloureds 8.9% and Asians 2.6%.

In Table 3.1 the South Africa, Mpumalanga, Gert Sibande and Dipaleseng population totals for 2007 and 2010 are provided, including the average annual population growth from 1995 to 2010. The figures provided in this table are analysed in more detail in the following paragraphs

**Table 3.1 – Population for South Africa, Mpumalanga, Gert Sibanda and Dipaleseng LM, 2010**

Region	Population 2007	Population 2010	Growth p.a.
South Africa	48,363,339	49,991,472	1.4%
Mpumalanga	3,527,880	3,617,513	3.4%
Gert Sibande DM	893,610	896,472	1.3%
<b>Dipaleseng LM</b>	<b>38,507</b>	<b>38,732</b>	<b>0.2%</b>
<i>Albert Luthuli LM</i>	<i>191,762</i>	<i>194,917</i>	<i>0.6%</i>
<i>Msukaligwa LM</i>	<i>125,915</i>	<i>126,530</i>	<i>3.4%</i>
<i>Mkhondo LM</i>	<i>121,173</i>	<i>114,392</i>	<i>1.2%</i>
<i>Seme LM</i>	<i>71,844</i>	<i>69,023</i>	<i>0.0%</i>
<i>Lekwa LM</i>	<i>96,031</i>	<i>93,634</i>	<i>0.2%</i>
<i>Govan Mbeki LM</i>	<i>248,377</i>	<i>259,243</i>	<i>4.7%</i>

Source: Quantec Research, 2011 / Urban-Econ calculations, 2011

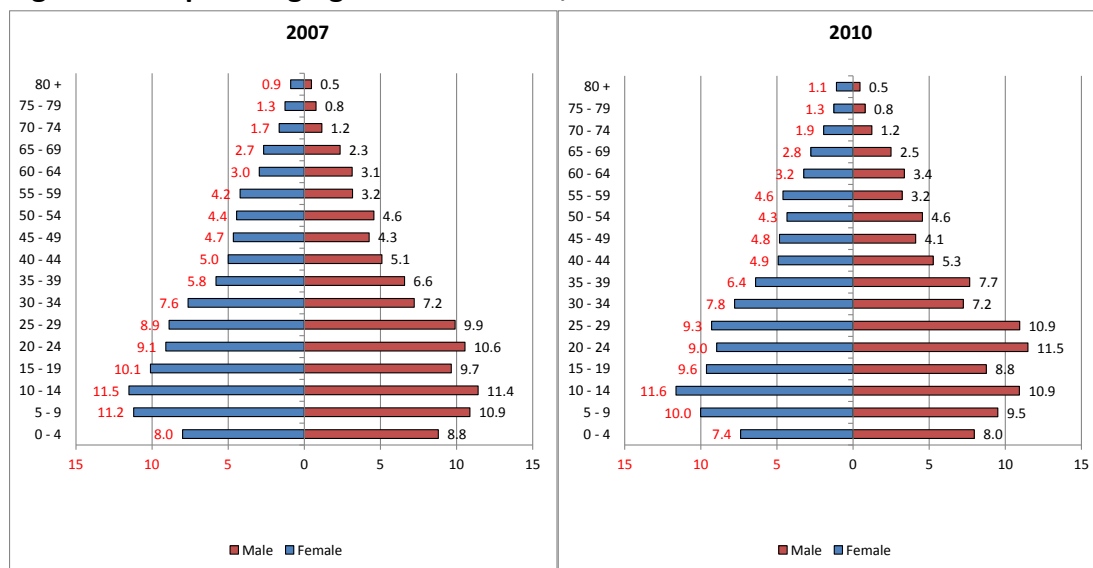


Table 3.1 indicates that Dipaleseng (0.2% per annum) has a relatively lower population growth rate compared to Gert Sbande (1.3%), Mpumalanga (3.4%) and South Africa (1.4%). One contributor to this indicator is the higher than national average rate of HIV/AIDS prevalence in the Municipality. The high rate of unemployment has also seen the out-migration of many young adult in search of employment opportunities elsewhere.

### 3.1.1 Age and Gender Profile

Figure 3.1 indicates the composition of the population across age and gender lines in Dipaleseng during 2007 and 2010.

**Figure 3.1- Dipaleseng Age Gender Profile, 2007 and 2010**



Source: Quantec Research, 2011 / Urban-Econ calculations, 2011

Figure 3.1 illustrates that the population is relatively evenly distributed in terms of gender proportions, although there were slightly more females (50.6%) than males (49.4%) in the Dipaleseng in 2010, and is relatively the same in comparison with the 2007 statistics. This is standard for most populations around the world.

The working age demographic (age 15 to 65) in the Municipality consisted of 65.3% of the population and is relatively higher than the working age population of 2007 (63.5%). This can be attributed to children under the age of 15 which is becoming a less significant part of the population. Approximately 66.6% of the male population can be categorised as being of working age which is higher than the female working age population of 63.9% in 2010. The reason for a higher male working population is a result of more employment opportunities for males in Dipaleseng as a result of the economy's leniency towards Agriculture and Mining, as well as Utilities (i.e. electricity).

The younger age group (age 0 to 14) makes up about 28.7% of the population, slightly less when compared to 30.9% in 2007. This can be attributed to a declining birth rate in the Municipality. Boys under the age of 15 made up 28.4% of the male population, while girls under 15 consisted of 29.0% of the female population.

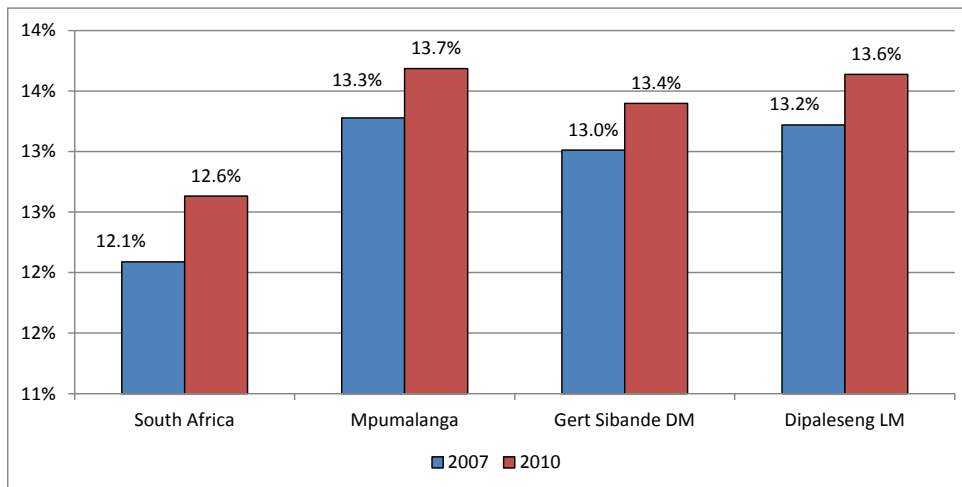
The elderly age group (65 years and older) only made up 6.0% of Dipaleseng population in 2010 and is relatively higher compared to 2007 (5.6%). Overall, this implies that the local population is becoming older and moving through the standard demographic age cycle. The male elderly population makes up around 5.0% and the female elderly population at 7.0%.

The dependency ratio has decreased from 0.6 in 2007 to 0.5 in 2010. This is an indication that the elderly and young population is proportionally decreasing in comparison on the working age population and is a good indication on productivity potential in the Municipality.

### 3.1.2 HIV/AIDS Profile

The prevalence of HIV/AIDS in Dipaleseng is illustrated by Figure 3.2 in comparison with South Africa, Mpumalanga Province and Gert Sibande District.

**Figure 3.2- Dipaleseng HIV/AIDS Prevalence, 2007 and 2010**



Source: Quantec Research, 2011 / Urban-Econ calculations, 2011

The HIV/AIDS prevalence rate has increased slightly from 2007 (13.2%) to 2010 (13.6%) in the Municipality. From this Figure it is evident that the Mpumalanga population experienced a consistently higher rate of HIV/AIDS prevalence when compared with South Africa. All the regions under observation have experienced an increase with regards to the prevalence of HIV/AIDS among their populations.

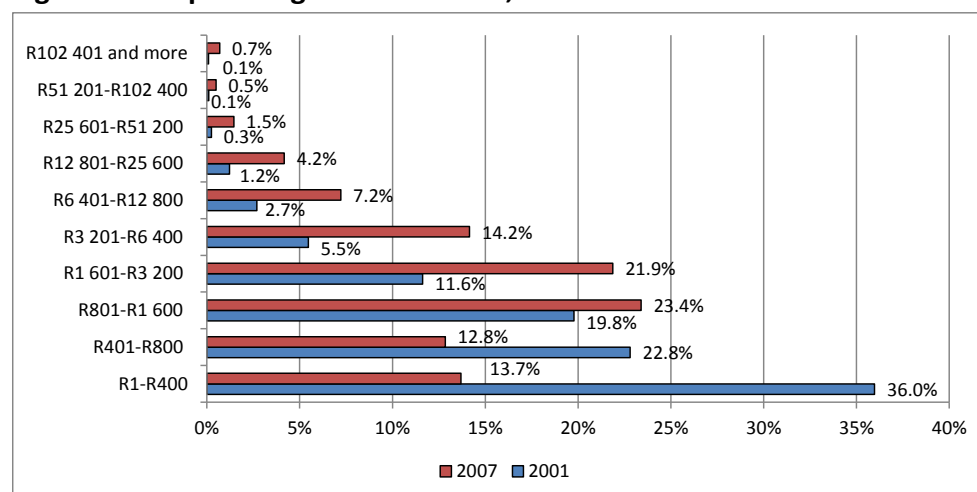
### 3.2. SOCIO-ECONOMIC CONTEXT

This subdivision addresses the socio-economic indicators in Dipaleseng. It is necessary to describe these indicators to provide insight into the economic and social conditions present in the area.

#### 3.2.1. Income Profile

In order to determine the people's living standards as well as their ability to pay for basic services such as water and sanitation, the income levels of the local population are analysed. In Figure 4.7, the distribution of household income is illustrated for 2001 and 2007.

**Figure 3.3- Dipaleseng Income Profile, 2001 and 2007**



Source: Quantec Research, 2011 / Urban-Econ calculations, 2011

Approximately 71.8% of households in Dipaleseng earned an income of less than R3 200 per month in 2007 and could be classified as living in poverty. This has decreased extensively over the years from 90.2% in 2001. The main reason for this trend can be ascribed to economic growth, inflation, the growing number of social grants and grant dependants as well as the monetary increase of the grants themselves. These low income levels also indicate that the majority of the population are less able to afford basic services such as water and sanitation.

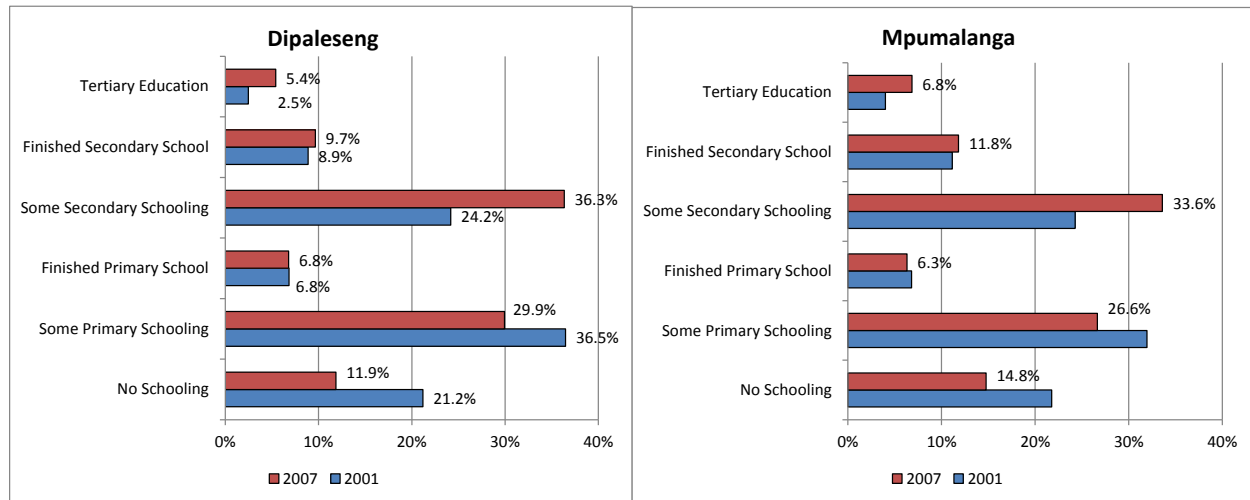
The middle income category (R3 201 to 51 200) made up around 27.0% of households, in 2007. In 2001 this income category made up only 9.6% of the households in the Municipality, indicating that a higher portion of the population moved out of poverty. The higher income categories only made up 1.2% of households in 2007, slightly higher than in 2001 (0.2%).



### 3.2.2. Education Profile

Figure 3.4 provides an overview of the adult education profile in Dipaleseng and compares it with the Mpumalanga Province.

**Figure 3.4- Dipaleseng and Mpumalanga Adult Education Profile, 2001 and 2007**



Source: Quantec Research, 2011 / Urban-Econ calculations, 2011

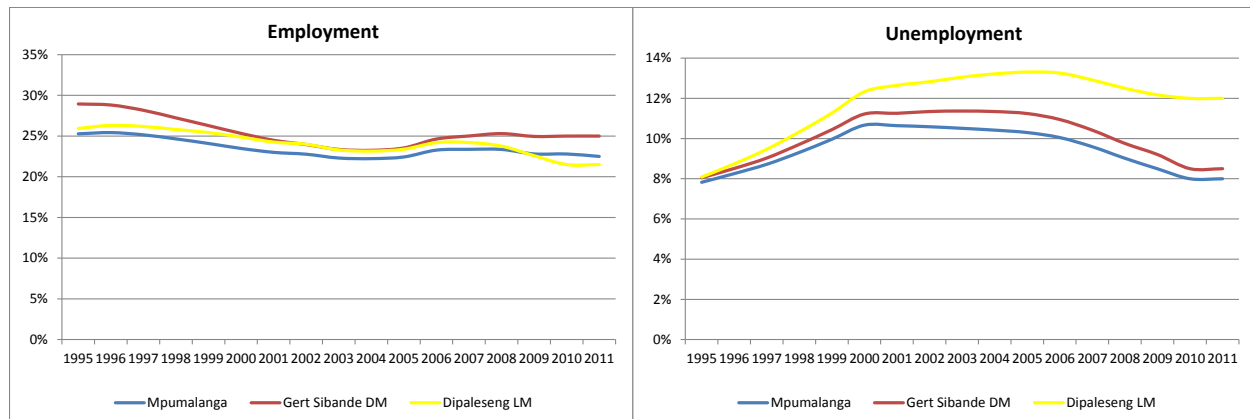
Figure 3.4 indicates that 84.9% of adults in the Dipaleseng did not complete Grade 12, while 11.9% had no schooling at all in 2001. The number of adults that had no schooling is relatively lower when compared to 2007 (21.2%). This has serious implications for employment and income generating opportunities for the populace.

It is evident that 15.1% of Dipaleseng adults have completed secondary school as their highest level of education in 2007, compared to 11.4% in 2001. A relatively higher percentage of adults have completed secondary school in the Mpumalanga (18.6%) than in the Municipality (15.1%). There is also a greater proportion of adults with a tertiary qualification in Mpumalanga (6.8%) compared to the Dipaleseng (5.4%). The reason for this is partially related to the rural nature of the Municipality and the lack of local tertiary education institutions, as well as lower levels of household income.

### 3.2.3. Employment and Unemployment

Figure 3.7 provides an indication of the growth in employment and unemployment, from 1995 to 2009, for Dipaleseng and is compared to Gert Sibande and Mpumalanga.

**Figure 3.7-Emoplyment Growth, 1995 - 2011**

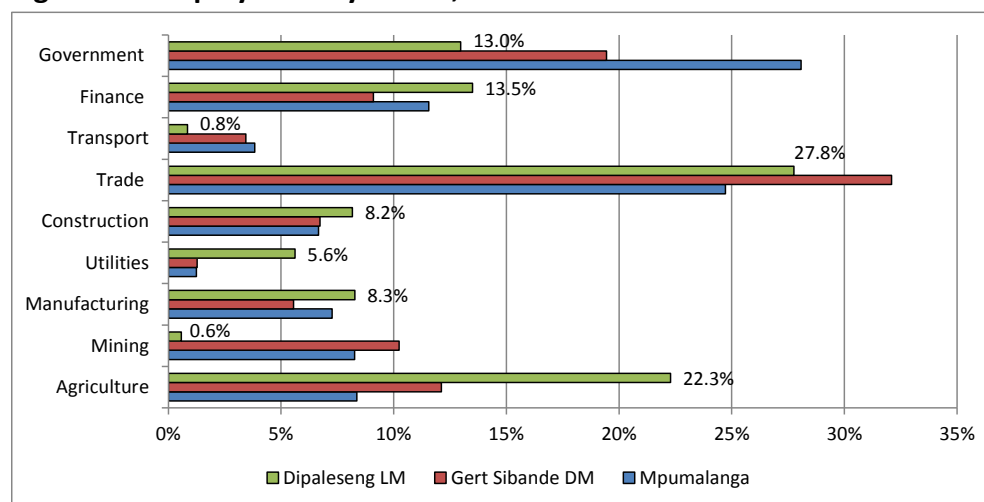


Source: Quantec Research, 2011 / Urban-Econ calculations, 2011

It is evident from Figure 3.7 that the pace of employment growth has declined over the last 10 years in all three areas. Unemployment was at its highest between 1999 and 2005 but improved somewhat towards 2009. Dipaleseng Municipality's unemployment rate was estimated at 12.0% in 2011 compared to 8.5% in Gert Sibande and 8.0% in Mpumalanga.

### 3.2.4. Employment per Sector

A further indicator of how well a sector is performing in the economy is the employment it generates in an area. The Figures 3.8 indicates the sectoral share of employment in the Municipality compared with the District and the Province.

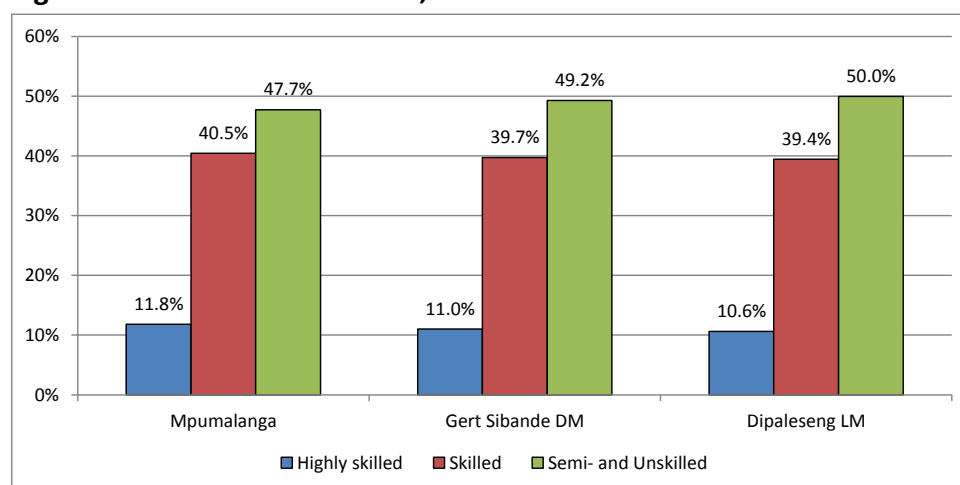
**Figure 3.8-Employment by Sector, 2011**


Source: Quantec Research, 2011 / Urban-Econ calculations, 2011

From Figure 3.8 it is evident that the Wholesale and Retail Trade sector is the main provider of (27.8%) of formal employment opportunities in the area. The Agriculture sector is the second largest employer (22.3%), followed in third place by the Government Services sector (13.0%). The largest (GDP) economic sector, Utilities only employed 5.6% of the formal workforce in 2011.

### 3.2.5. Skills Profile

The skills profile of the working age population of Dipaleseng is shown in Figure 3.9 and compared with Mpumalanga and the District. The level of skills among the labour force is important to determine the potential for employment growth in the Municipality.

**Figure 3.9- Labour Skills Profile, 2010**


Source: Quantec Research, 2011 / Urban-Econ calculations, 2011

The most prominent skills category among the employed population is semi- and unskilled workers (50.0%) which is similar to Mpumalanga (47.7%) and Gert Sibande (49.2%). Skilled worker made up around 39.4%, while highly skilled workers only contributed 10.6% to the working population in Dipaseng.

It is important to note that the above information reflects only the skills of the employed population and does not provide an insight into the skills available among those who are looking for jobs, as well as discouraged job seekers. Since unemployment in the country is structural, in other words, there is a disparity between the skills supplied and skills required, it is possible that a certain percentage of the unemployed people in Dipaleseng are skilled, but they cannot find jobs in their field of expertise. These people with skills but without employment could be part of the unemployed population, as well as the non-economically active population, particularly discouraged job seekers.

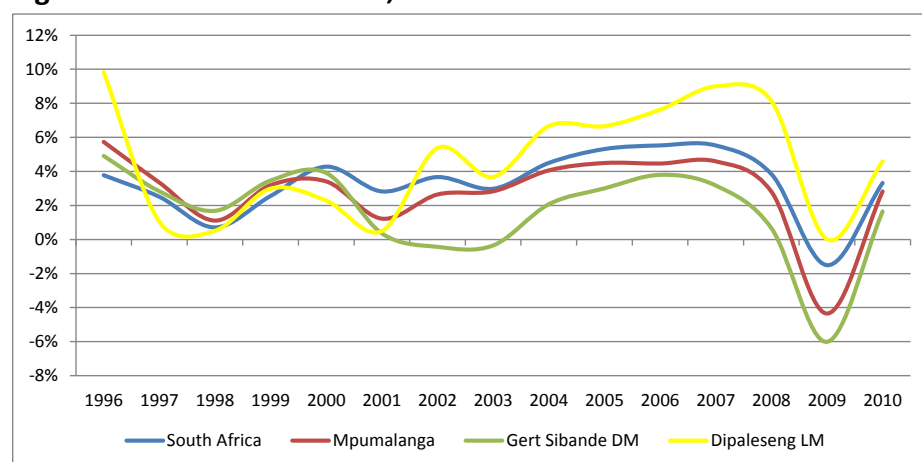
### 3.3. ECONOMIC CONTEXT

The purpose of this subdivision is to provide a broad analysis of the regional and local economy. It is important to understand the economy of Dipaleseng within the context of the broader region so that comparisons and linkages with the broader economic community can be made. In doing so, this subdivision discusses and analyses each economic sector in terms of a sectoral analysis and also identifies those sectors with growth potential.

#### 3.3.1. Economic Production and Growth

Figure 3.5 illustrates the GDP growth rate of Dipaleseng in comparison with Gert Sibande, Mpumalanga and the South Africa from 1996 to 2010.

**Figure 3.5- GDP Growth rate, 1996 to 2010**



Source: Quantec Research, 2011 / Urban-Econ calculations, 2011

Figure 3.5 illustrates that from 1996 to 2007 the economy of South Africa have experienced positive growth. However, from 2008 there was a sharp decline in GDP Growth (-1.5%). Mpumalanga experienced similar economic growth from 1996 to 2007 when compared to South Africa. There was also a decline in economic growth after 2007 (-4.3%) in the Province. The decline in economic growth, in both South Africa and Mpumalanga can be attributed to the global economic recession that occurred between 2008 and 2010. Dipaleseng experienced an average of 4.1% economic growth per annum from 1996 to 2010. The Municipality experienced a relatively higher annual economic growth rate than Mpumalanga (3.0%) and Gert Sibande (1.7%) over the same period of time. It must, however, be noted that the local economy is very small and that less significant changes in production may be translated into temporary high growth rates. (e.g. the Eskom recapitalisation of the Grootvlei Power Station.)

### 3.3.2. Comparative Advantage

A Location Quotient (LQ) is a means of comparing the performance of an area against a benchmark region, usually the District or the Province. It compares how a sector is performing in an area, compared to the performance of the same sector in the benchmark region. A Location Quotient of 1 means that the regions are performing equally, whereas a Location Quotient of less than 1 means that the identified area is not performing as well. A Location Quotient of more than 1 means that the area has a comparative advantage in that sector in relation to the benchmark region.

**Table 3.2- Location Quotient, 2009**

Economic Sector	Sectoral contribution to total GDP (%)		Location Quotient, 2005	Location Quotient, 2011	Trend
	Gert Sibande DM	Dipaleseng LM			
Agriculture	5.0%	10.7%	0.7	2.1	↑
Mining	20.0%	1.0%	2.2	3.3	↑
Manufacturing	21.2%	19.9%	5.0	-1.2	↓
Utilities	5.3%	22.7%	4.2	1.7	↓
Construction	2.4%	3.3%	0.5	0.4	↓
Trade	14.9%	14.3%	0.4	0.0	↓
Transport	8.2%	2.2%	-2.0	-4.0	↓
Finance	11.3%	18.8%	2.1	1.7	↓
Government Service	11.6%	7.1%	8.7	-4.8	↓

Source: Quantec Research, 2011 / Urban-Econ calculations, 2011

The Sectoral Location Quotient is illustrated in Table 3.2. It was noted that the following economic sectors in the Municipality have a comparative advantage in relation to the District:

1. Mining
2. Agriculture



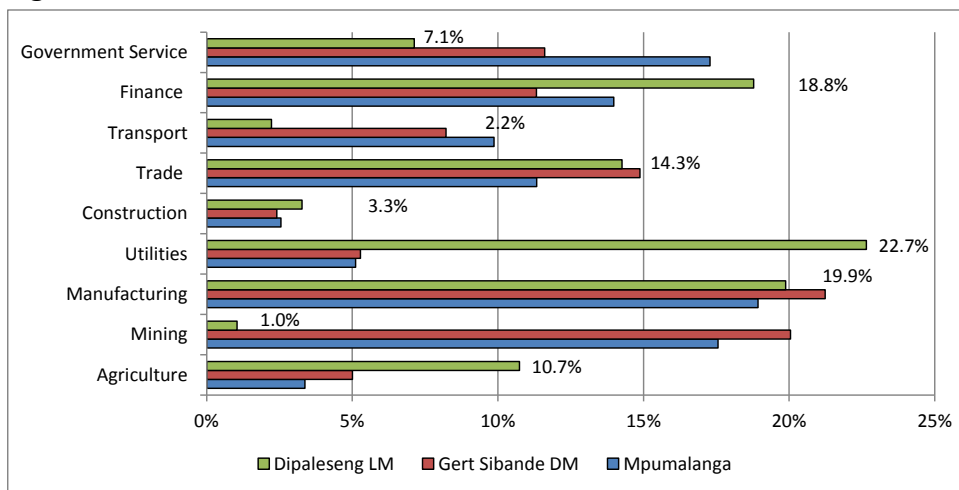
3. Finance
4. Utilities

Agriculture and Mining are the only two sectors that have improved in their comparative advantage in the local economy from 2005 to 2011.

### 3.3.3. Sector GDP Contribution

The Figure 3.6 indicates the share of GDP contributed by each economic sector in Dipaleseng, Gert Sibande and Mpumalanga in 2011.

**Figure 3.6- Local GDP Sectoral Contribution, 2011**



Source: Quantec Research, 2011 / Urban-Econ calculations, 2011

From Figure 3.6 it is evident that the Utilities Sector (22.7 %) made the largest contribution to the economy of Dipaleseng in 2009, and is proportionally more significant in comparison with the District and Province. The second highest GDP contributors in the Municipality were the Manufacturing sector (19.9%) and third the Financial and Business Services sector (18.8%). Wholesale and Retail Trade is also an important sector in the local economy, contributing 14.3% in 2009.

### 3.3.4. Tress Index

The Tress Index can be utilised to understand how concentrated or diversified the economy is in generating employment opportunities in the different sectors. Table 3.3 indicates the Tress Index of Dipaleseng compared with Gert Sibande and Mpumalanga.



**Table 3.3- Tress Index, 2009**

Region	Tress Index
Mpumalanga	34.1
Gert Sibande DM	35.8
Dipaleseng LM	44.4

Source: Quantec Research, 2011 / Urban-Econ calculations, 2011

From Table 3.3 it is clear that Dipaleseng (44.4) has a less diversified economy than Gert Sibande (35.8) and Mpumalanga (34.1). Table 3.4 indicates the rank of all the economic sectors in the Municipality. There is also an indication of the average growth per annum of the various economic sectors.

**Table 3.4- Economic Sector Profile of Dipaleseng, 2011**

Sector	% GDP Share	Growth p.a. (2005-2009)
Utilities	22.7%	4.9%
Manufacturing	19.9%	-13.4%
Finance	18.8%	6.5%
Trade	14.3%	22.0%
Agriculture	10.7%	5.2%
Government Service	7.1%	1.3%
Construction	3.3%	-11.7%
Transport	2.2%	10.1%
Mining	1.0%	-7.6%

Source: Quantec Research, 2011 / Urban-Econ calculations, 2011

As discussed above, Manufacturing is the second most important sector in terms of economic contribution in Dipaleseng however; it experienced the largest decline in economic growth (13.4%) from 2005 to 2009. Other sectors that also underwent economic decline are Construction (-11.7%) and Mining (-7.6%). The strongest growth sectors during this period were Wholesale and Retail Trade (22.0%) and Finance and Business Services (6.5%).

### 3.3. CONCLUSION

This section presented a status quo overview of Dipaleseng in terms of demographics, socio-economic and economic indicators. From this analysis the following main observations were made:

1. Dipaleseng has a relatively lower population growth rate (0.2% per annum) compared to the District (1.3%) and the Province (3.4%).



2. There were slightly more females (50.6%) than males (49.4%) in the Dipaleseng.
3. The working age demographic (age 15 to 65) in Dipaleseng consisted of 65.3% of the population and is relatively higher than that of 2007 (63.5%).
4. The HIV/AIDS prevalence rate has increased slightly from 2007 (13.2%) to 2010 (13.6%) in Dipaleseng.
5. Approximately 71.8% of households in Dipaleseng had an income of less than R3 200 per month in 2007.
6. 15.1% of Dipaleseng adults have completed secondary school as their highest level of education in 2007.
7. Dipaleseng Municipality's unemployment rate was 12.2% in 2009.
8. Skilled workers made up around 39.4% of the local formal labour force in 2009.
9. Dipaleseng experienced an average of 4.1% economic growth per annum from 1996 to 2010.
10. The Mining, Agriculture, Finance and Utilities sectors has a comparative advantage in Dipaleseng, in relation to the Gert Sibande District Municipality.
11. The Utilities Sector (22.7 %) made the largest contribution to the economy of Dipaleseng in 2009.
12. The strongest economic growth sector in Dipaleseng was Wholesale and Retail Trade (22.0% p.a. between 2005 and 2011).

## SECTION FOUR: Sectoral Opportunity Analysis

The purpose of this Section is to provide an assessment of the relevant economic activities within the main economic sectors. Each sector will be discussed in terms of its provincial and local context and will result in development opportunities and constraints.

### 4.1. AGRICULTURE

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#### **Agriculture Sector**

The agricultural sector incorporates establishments and activities that are primarily engaged in farming activities, but also includes establishments focusing on commercial hunting and game propagation and forestry, logging and fishing.

#### **4.1.1. National and Provincial Context**

In South Africa about 8.5 million people are directly or indirectly dependent on agriculture for employment and income. The total contribution of agriculture to the economy increased from R35 billion in 2000 to R39 billion in 2009. South Africa's dual agricultural economy comprises a well-developed commercial sector and a predominantly subsistence-oriented sector in the rural areas. About 12% of South Africa's surface area can be used for crop production. High-potential arable land comprises only 22% of total arable land. Some 1.3 million ha are under irrigation.

The country can be subdivided into a number of farming regions according to climate, natural vegetation, types of soil and the type of farming practised. Agricultural activities range from intensive crop production and mixed farming in winter rainfall and high summer-rainfall areas, to cattle ranching in the bushveld and sheep farming in the more arid regions. Owing to its geographical location, some parts of South Africa are prone to drought. Primary commercial agriculture contributes about 3% to South Africa's gross domestic product (GDP) and about 7% to formal employment. However, there are strong backward and forward linkages into the economy, so that the agro-industrial sector is estimated to comprise about 12% of GDP.

Although South Africa has the ability to be self-sufficient in virtually all major agricultural products, the rate of growth in exports has been slower than that of imports. Major import products include wheat, rice, oil cakes, vegetable oils and poultry meat. The largest export groups are wine, citrus, sugar, grapes, fruit juice, wool and deciduous fruit such as apples, pears

and quinces. Other important export products are non-alcoholic beverages, avocados, pineapples, groundnuts, preserved fruit and nuts, as well as hides and skins.

Agriculture has always played an important part of economic development in Mpumalanga and contributed 3.4% to the Provincial economy in 2009. On a District level, the Gert Sibande DM contributed 41.2% to the Provincial Agriculture sector, followed by the Ehlanzeni DM (38.6%) and Nkangala DM (20.3%) respectively.

Mpumalanga has a diverse climate that makes it possible to practice various agricultural activities. The Highveld in the west is ideal for crop farming due to fertile soil, while the Lowveld to the east has a warmer climate that suites the production of fruit. Cattle and game farming is found throughout the Province.

#### **4.1.2. District and Local Context**

Gert Sibande has good potential for rural Development. Approximately 22% of the total land area is used for the cultivation of crops, while the rest is suitable for livestock farming. The main Agriculture products in the District are maize, sunflower, grain, sorghum, wheat, beef, mutton, dairy and wool.

Dipaleseng contributed 70% to the Gert Sibande Agriculture sector in 2009. The Municipality has a relatively high soil potential where maize, sunflower and soya beans are cultivated. The grassland areas that are not suited for crop farming are mainly used for cattle and game farming. Poultry and pig farming are also found in Dipaleseng.

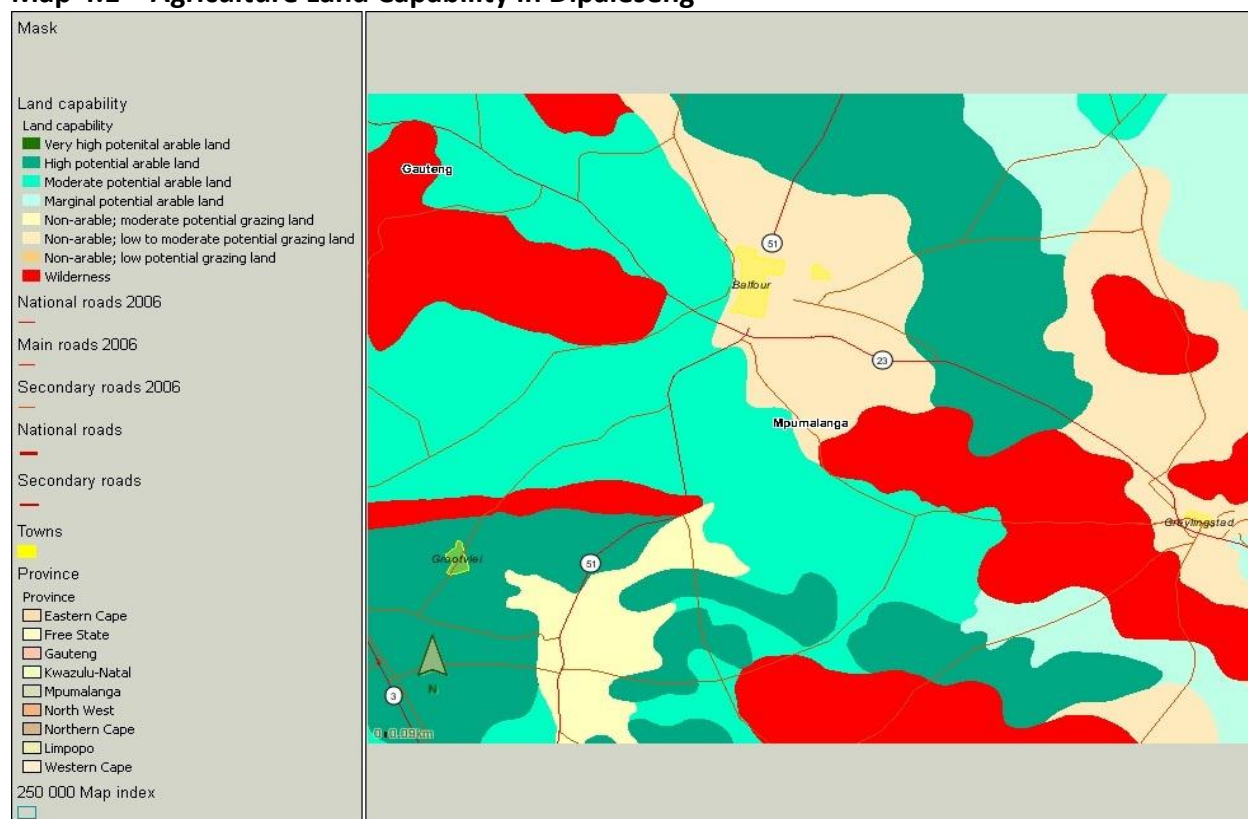
Map 4.1 depicts the agricultural land capability of the area. From this Map the following observations can be made:

1. The areas surrounding Grootvlei and to the north of Balfour is generally regarded as “high potential” land suited for intensive crop farming.
2. The rest of Dipaleseng is mostly classified as “moderate potential” for crop land.
3. The area west of Greylingstad is classified as “marginal potential” crop land and is better suited for livestock farming.
4. There are also areas that are classified as “wilderness” which are suited for game farming and agri-tourism in the Municipality.

Crop farming in Dipaleseng consists mainly of maize, sunflower, soya beans and various animal feeds. Soybeans are popular throughout the region, which is seen as a product with good growth and beneficiation potential. The demand for soybeans has seen robust growth in international demand as an alternative form of protein. A company called Proteinovations, located in Gauteng (not far from Dipaleseng) has patented a more efficient way to extract protein from soybeans through an enzyme process. These proteins are then processed into a “white powder” which is sold to food producers that use it to protein-fortify their products (such as baby milk powder and breakfast cereals). The proximity of Dipaleseng to Gauteng

makes the area ideal for soya production for further beneficiation. Sunflowers are also a prominent crop that is cultivated in the Municipality that has beneficiation potential for the production of sun flower oil. Other Agriculture opportunities that may be viable in the area, is the cultivation of “niche” market products such as mushrooms, herbs and medicinal plants.

**Map 4.1 – Agriculture Land Capability in Dipaleseng**



Source: Agricultural Information System for South Africa (AGIS)

Cattle farming is the main livestock farming activity in the context of meat production. The meat processing company Karan Beef has an abattoir that is situated in Balfour and a feed lot in Heidelberg, just 30 kilometres west of the town. Poultry and pig farming is also practiced in the Municipality and has potential to expand the meat processing industry in the area. Game hunting is also popular on local farms as a tourism activity although a game abattoir or meat processing plant is not available in the area. The Vaal River forms the southern border of Dipaleseng and provides opportunities for aquaculture such as fisheries.

An interesting development in South Africa is the generation of electricity on farms through the use of alternative or ‘green’ technologies such as bio-mass, solar and wind. “Green” energy can be considered as priority to reduce the impact that coal generated energy has on the environment.

### 4.1.3. Development Potential and Constraints

**Table 4.1- Agriculture Development Potential and Constraints in Dipaleseng**

Development Potential	Constraints
<ol style="list-style-type: none"> <li>1. Establishment of a feedlot for beef processing.</li> <li>2. Production of “niche” market products, such as: <ul style="list-style-type: none"> <li>• Mushrooms</li> <li>• Herbs</li> <li>• Medicinal plants</li> </ul> </li> <li>3. Production of sunflower oil by locating a crusher in Balfour.</li> <li>4. Production of soybean products, such as: <ul style="list-style-type: none"> <li>• Dairy alternatives</li> <li>• Protein food supplements</li> <li>• Animal feeds (e.g. for pigs)</li> <li>• Soybean cooking oil</li> </ul> </li> <li>5. Aquaculture activities at the Vaal River e.g. Fisheries. Products include: <ul style="list-style-type: none"> <li>• Fish oil</li> <li>• Meat</li> </ul> </li> <li>6. Production of bio-diesel from soybeans or sunflowers.</li> </ol>	<ul style="list-style-type: none"> <li>• Heidelberg feedlot may be competing with projects in the Municipality.</li> <li>• Demand for products can fluctuate annually.</li> <li>• Competition from similar industries in Gauteng.</li> <li>• Can be capital intensive.</li> <li>• Biodiesel production requires large volumes of soybeans.</li> <li>• The presence of eelworm is seen as a threat to soybean cultivation.</li> <li>• Green energy production is a high risk if not managed professionally.</li> <li>• Extreme climate conditions can hamper production, e.g. temperature fluctuations.</li> <li>• High capital outlay required for large rural development projects.</li> </ul>



## 4.2. MINING

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### Mining Sector

This sector includes the extracting and beneficiating of minerals occurring naturally, including solids, liquids, crude petroleum and gases. It also includes underground and surface mines, quarries and the operation of oil and gas wells as well as all supplemental activities for dressing and beneficiating of ores and other crude materials.

#### 4.2.1. National and Provincial Context

South Africa has the world's largest resources of Platinum Group Metals (88% of world total), manganese (80%), chromium (72%), gold (40%) and alumino-silicates. South Africa also accounts for over 40% of the global production of ferrochromium and vanadium. It is also the world's leading producer of chrome ore, vermiculite and alumino-silicates, and is among the top three producers of gold, manganese ore, titanium minerals and fluorspar.

South Africa's mineral wealth is typically found in the following well-known geological formations and settings:

1. The **Witwatersrand Basin** yields some 94% of South Africa's gold output and contains considerable resources of uranium, silver, pyrite and osmiridium.
2. The **Bushveld Complex** is known for its platinum group metals (with associated copper, nickel and cobalt mineralisation), chromium and vanadium-bearing titanium-iron ore formations as well as large deposits of industrial minerals, including fluorspar and andalusite.
3. The **Transvaal Super Group** contains enormous resources of manganese and iron ore.
4. The **Karoo Basin** extends through Mpumalanga, KwaZulu-Natal, the Free State as well as Limpopo, hosting considerable bituminous coal and anthracite resources.
5. The **Phalaborwa Igneous Complex** hosts extensive deposits of copper, phosphate, titanium, vermiculite, feldspar and zirconium ores.
6. **Kimberlite pipes** host diamonds that also occur in alluvial, fluvial and marine settings.
7. Significant **deposits of lead-zinc ores** associated with copper and silver are found in the Northern Cape near Aggeneys.

Mining is a significant employment sector in Mpumalanga providing jobs and contributes 17.6% to the Provincial GDP. Coal is the most important resource in the Mpumalanga and is used to sustain several large coal-fired power stations situated on the Highveld, as well being used to produce petrochemical products at Sasol. Most of the coal fields are situated in the western and south-western part of the Province. Other commodities that are mined in the Province are gold, iron ore, chrome, alusite, magnetite and vanadium.

#### 4.2.2. District and Local Context

Gert Sibande contributes 31.7% (2009) to the Provincial mining sector which primarily consists of coal and gold production. The majority of coal mining operations, in the District, are concentrated between Secunda and Ermelo.

The Dipaleseng mining sector consists mainly of gold mining, with the only gold mine being operated by Great Basin Gold Limited. It is known as the Burnstone Mine and is located approximately 15 km east of Balfour. An interview with this mine revealed that an estimate 280,000oz of natural gold reserves are still economically viable for mining, which translates into an operational timeframe of about 20 years for the mine. The Burnstone Mine employed approximately 900 workers during 2011. In the past, a coal mine was also found in Dipaleseng which was closed down after the Grootvlei Power Station was mothballed. Natural coal reserves at the site is also deemed insufficient to be economic viable for commercial mining. During interviews with the Dipaleseng Municipality it was revealed that Sasol commissioned a coal prospecting exercise in the area. Mineral deposits found in Dipaleseng are illustrated by Map 4.2.

From Map 4.2 it is evident that there are various mineral deposits throughout the municipal area:

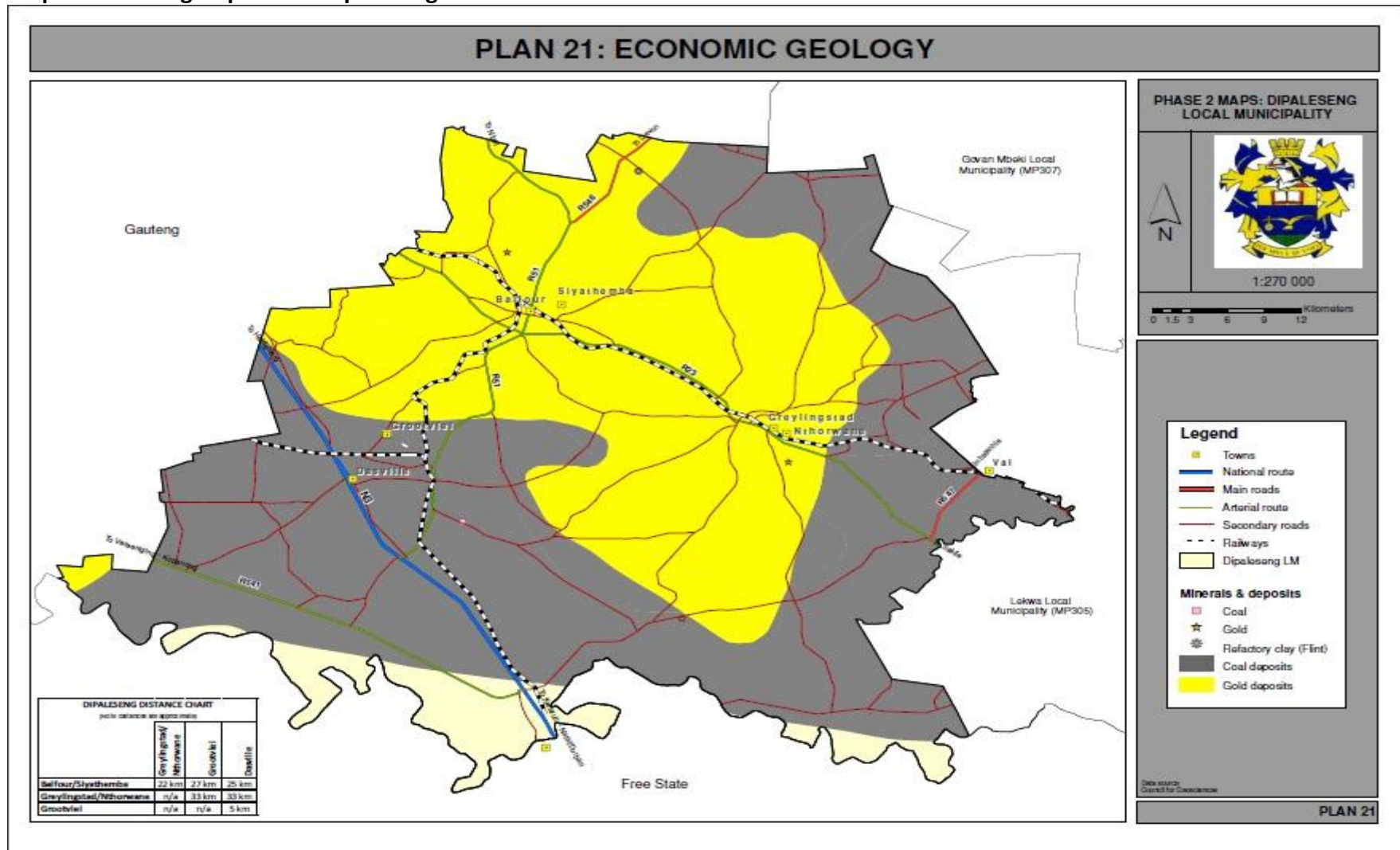
1. Gold
2. Coal
3. Flint Clay

#### 4.2.3. Development Potential and Constraints

**Table 4.2- Mining Development Potential and Constraints in Dipaleseng**

Development Potential	Constraints
<ol style="list-style-type: none"><li>1. Establishment of a small scale mining cooperative:<ul style="list-style-type: none"><li>• Flint clay extraction</li><li>• Beneficiation, such as:<ul style="list-style-type: none"><li>○ Brick making</li><li>○ Arts and Crafts</li></ul></li></ul></li><li>2. Coal Mining:<ul style="list-style-type: none"><li>• Supply directly to the Grootvlei Power Station.</li></ul></li></ol>	<ul style="list-style-type: none"><li>• Size of clay deposits unknown.</li><li>• Size of natural coal deposits is unclear.</li><li>• Commercial viability of coal mines need to be tested.</li><li>• Competition from established coal mines in the region.</li></ul>

Map 4.2 – Mining Deposits in Dipaleseng



Source: Dipaleseng Spatial Development Framework

### **4.3. MANUFACTURING**

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#### **Manufacturing Sector**

The manufacturing sector is broadly defined as the physical or chemical transformation of materials or compounds into new products and can be classified into sub-categories, namely:

1. Food, beverages and tobacco
2. Textiles, clothing and leather goods
3. Wood and paper; publishing and printing
4. Fuel, petroleum, chemical and rubber products;
5. Other non-metallic mineral products, e.g. glass;
6. Metal products, machinery and household appliances;
7. Electrical machinery and apparatus
8. Radio, TV, instruments, watches and clocks
9. Transport equipment
10. Furniture and other manufacturing

#### **4.3.1. National and Provincial Context**

South Africa has developed an established and diversified manufacturing base that has demonstrated resilience and the potential to compete in a global economy. The manufacturing sector provides a locus for stimulating the growth of other activities, such as services, and achieving specific outcomes, such as value addition, employment creation and economic empowerment. This platform of manufacturing presents an opportunity to significantly accelerate growth and development.

Manufacturing is the largest economic sector in the Mpumalanga, contributing 18.9% of the GGP of the Province in 2009. The most prominent manufacturing areas are the Sasol synthetic fuels and chemical operations at Secunda and employ more than 15 000 people<sup>1</sup>. There are also large-scale manufacturing activities in in the Middelburg-Witbank where chrome alloy and steel products are manufactured. Manufacturing in the Lowveld consist mainly of agro-processing, such as sugar mills, paper and pulp mills, sawmills and fruit and vegetable processors.

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<sup>1</sup> [www.mpu.agric.za](http://www.mpu.agric.za): State of the Environment in South Africa

### 4.3.2. District and Local Context

The dominant industrial nodes within the Gert Sibande District Municipality are found within Secunda (Govan Mbeki Local Municipality), and contribute 76.2% (2009) to the District Manufacturing sector. Sasol in Secunda produces petroleum-like synthetic crude oil from coal. Dipaleseng contributed 3.0% to the District Manufacturing GDP in 2009 and consists mainly of agro-processing activities, such as fruit processing and packing. There are also other small-scale manufacturing activities in the Municipality, such as the production of agriculture implements in Greylingstad.

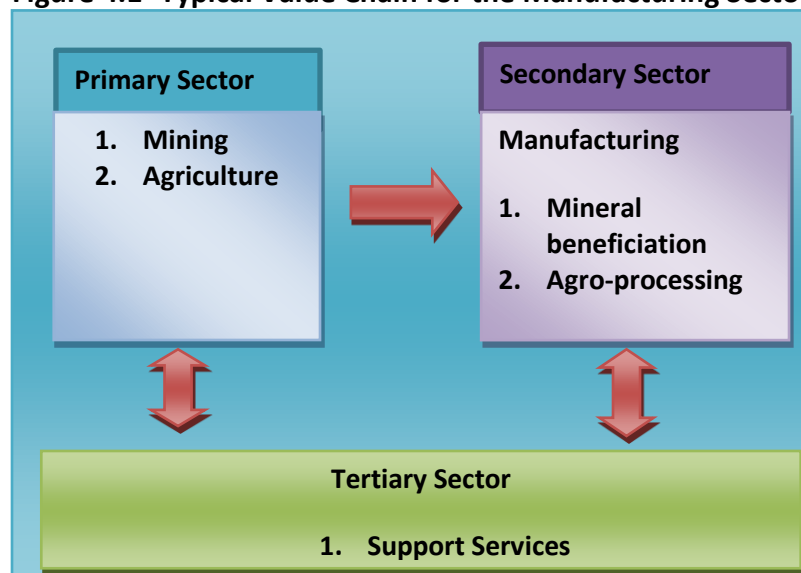
### 4.3.3. Development Potential

The purpose of this sub-section is to analyse the factors, which will influence the development potential within the Manufacturing sector of the Dipaleseng Municipal area.

#### 4.3.3.1. Value Chain

The manufacturing value chain usually progresses from the primary sector to the secondary sector and then to the tertiary sector. At any stage during a value chain, inputs are required to proceed to the next “phase”. This may be in the form of raw materials and goods and services. The various actors interact between the sectors forming linkages between sectors which play a crucial role in ensuring the sustainability of the manufacturing sector. This interaction essentially relates to a supply and demand side interaction between the role-players. Dipaleseng provides opportunities in agro-processing and mineral beneficiation. Although the value chain for the Manufacturing sector is more sophisticated a simplistic value chain for the sector is depicted in Figure 4.1.

**Figure 4.1- Typical Value Chain for the Manufacturing Sector**



#### 4.3.3.2. Economic Linkages

Both backward and forward links with agriculture as well as mining activities have gone largely unexploited, with input materials and machinery largely being imported into Dipaleseng and raw products leaving the Municipality as opposed to significantly more valuable processed products leaving the area.

#### 4.3.3.3. Availability of Labour and Skills

A shortage of critical skills needed within the manufacturing sector, such as technical and artisanal skills, is one of the major development constraints within this sector. This has also been acknowledged as a “binding constraint” within the Manufacturing Sector through development policies such as the New Growth Path and IPAP2. This provides an opportunity for Dipaleseng to develop a manufacturing skills training centre.

#### 4.3.3.4. Global Market Trends

Reduced trade barriers have created enormous opportunities for producers in South Africa to sell goods and services in other countries. But foreign companies also compete for local consumers and therefore globalisation also poses a serious threat. Consciously making environmentally-beneficial decisions has gone from a luxury choice to a necessary one. Over the past decade, 'green' was considered a lifestyle choice adopted by environmentalists, then the affluent, but today it has become a mainstream feature of many products and services.

### **Green Manufacturing**

Green manufacturing has become a powerful marketing tool. Consumers increasingly have begun buying green products that are more cost effective and healthier and leave less of a carbon footprint on our planet. As a result, manufacturers are developing products that fit this need. At the same time they are implementing supply chains that are greener.

The basics of green manufacturing focus on minimizing the impact of the manufacturing process on the environment. It begins with the development of green products and extends to implementing a green supply chain. Once this has been done, green manufacturing can be turned into a marketing advantage. Manufacturers viewed as being green, such as Toyota and General Electric, have converted the concept into more sales. The following are some basic characteristics of green manufacturing:

1. Less consumption of natural resources, such as water and coal.
2. Less energy used in production
3. Less gas and toxic material released into the environment
4. Less waste created from the manufacturing process

Product development studies show that the design stage determines 70% of a product's environmental impact. Biodegradability results in a substantial savings for many local



communities that pick up green waste. If customers gather leaves and such into plastic bags, the garbage recycling company has to remove all the bags, which is costly. With the biodegradable garbage bag, everything can be composted together, and that translates into huge savings.

### **Green Supply Chain**

To be successful, green products require a green supply chain. Supply chains involve everything from the purchase of production materials to the delivery of the finished product to the customer. This means every aspect of a business needs to adopt a green approach. To make this happen, manufacturers need to implement an overall green strategy.

*Source: All Business, Green Manufacturing – Supply Chains and Marketing (www.allbusiness.com)*

#### **4.3.3.5. Niche Markets**

A niche market is a focused targetable segment of a market. A business that is focused on a niche market is usually offering a product or service that is not being addressed by mainstream providers. In other words a niche market is a narrowly defined segment of potential customers.

Niche markets are typically ignored by large businesses because the market is too small to be interesting or to make their economies of scale effective. Niche markets are therefore ideal for small, specialised businesses. That is because these small specialised businesses can generally charge a premium or enjoy the benefit of little (or even no) competition. Dipaleseng has the opportunity to manufacture and package selected “niche” agricultural products for markets in Gauteng and the rest of the country.

#### **4.3.3.6. Technology Change**

The world of manufacturing has reached a turning point because of the influence and impact of Technology. Manufacturing information systems today support the production functions of companies. Production functions include the activities concerned with planning and control of the processes used in producing goods and services. Computers are at the root of these processes. Computer-based manufacturing information systems use several major techniques to support Computer-Integrated Manufacturing (CIM). Benefits of CIM systems include:

1. Increased efficiency through work simplification and automation.
2. Improved utilisation of production facilities.
3. Reduced investment in production inventories using Just-In-Time practices.
4. Improved customer service.
5. Improved Information Technology.

#### 4.3.3.6. Enabling Environment

The following factors should be taken into account when assessing the readiness, or enabling environment of an area:

1. The quality and extent of hard infrastructure such as road and rail networks.
2. The sophistication of local telecommunications, banking and finance services similarly impact on the input and operational costs of doing business.
3. The extent to which spatial and land planning policies and documents are flexible to the needs of businesses and the relative ease of following land planning processes, such as rezoning applications.
4. The sophistication of the Local Municipality.
5. The quantity and quality of available labour and training programmes, in relation to the specific human resource requirements of investors.
6. Quality of life factors, such as the supply of housing and personal lifestyle facilities (such as educational, cultural and recreational services) also have an impact on the attraction of particular investment.

#### **4.3.4. Development Potential and Constraints**

**Table 4.3- Manufacturing Development Potential and Constraints in Dipaleseng**

Development Potential	Constraints
Value Chain	
<ol style="list-style-type: none"> <li>1. Processing of : <ul style="list-style-type: none"> <li>• Livestock and poultry</li> <li>• Animal products</li> <li>• Field crops</li> <li>• Horticultural products</li> <li>• Game</li> </ul> </li> <li>2. Developing a soybean crusher plant for soya product production.</li> <li>3. Compost from organic waste, e.g. from the Bluesky Fruit Processing Factory.</li> <li>4. Manufacturing of Bricks from flint clay.</li> </ol>	<ul style="list-style-type: none"> <li>• Competition with markets in Gauteng.</li> <li>• Restrictive market for organic compost due to cheaper chemical fertilizers being available in the market.</li> <li>• The size of natural clay deposits is unknown.</li> </ul>



<b>Availability of labour and skills</b>	
<ol style="list-style-type: none"> <li>1. Manufacturing skills Training Centre</li> <li>2. Linking government skills programmes with manufacturing projects.</li> <li>3. Manufacturing SMME incubator.</li> </ol>	<ul style="list-style-type: none"> <li>• Lack of manufacturing activities in the area.</li> <li>• Lack of manufacturing training programmes.</li> </ul>
<b>Global Market trends</b>	
<ol style="list-style-type: none"> <li>1. Green Manufacturing, such as; <ul style="list-style-type: none"> <li>• Organic foods</li> <li>• Bio-degradable packaging materials</li> </ul> </li> </ol>	<ul style="list-style-type: none"> <li>• Competition with markets in Gauteng.</li> </ul>
<b>Niche markets</b>	
<ol style="list-style-type: none"> <li>1. Manufacturing Single Screw Extruders for pasta production.</li> <li>2. Production and packaging of niche agricultural products, such as: <ul style="list-style-type: none"> <li>• Medicinal plants</li> <li>• Herbs and spices</li> </ul> </li> </ol>	<ul style="list-style-type: none"> <li>• Competition with markets in Gauteng.</li> </ul>
<b>Technology Change</b>	
<ol style="list-style-type: none"> <li>1. Establishment of a manufacturing Web-portal.</li> <li>2. Provision of high-speed internet to the industrial area in Balfour.</li> </ol>	<ul style="list-style-type: none"> <li>• Lack of effective internet infrastructure.</li> </ul>
<b>Enabling Environment</b>	
<ol style="list-style-type: none"> <li>1. The establishment Manufacturing Advice Centre.</li> <li>2. Road and rail maintenance.</li> <li>3. Provision of internet infrastructure.</li> <li>4. Provision and marketing of serviced industrial plots</li> </ol>	<ul style="list-style-type: none"> <li>• The Manufacturing sector is relatively small in the Municipality.</li> <li>• High capital outlay required.</li> </ul>

#### **4.4. UTILITIES**

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##### **Utilities: Electricity, Gas, Steam and Water Supply**

This sector covers the activity of providing electric power, natural gas, steam supply, and water supply through a permanent infrastructure (network) of lines, mains and pipes. It includes the production, collection and distribution of electricity; the manufacturing of gas; the distribution of gaseous fuels through mains; the collection, purification and distribution of water.

*Source: StatsSA, Standard Industrial Classification, Sixth Edition, 2005*

#### **4.4.1. National and Provincial Context**

##### **4.4.1.1. Water and Sanitation**

To facilitate the management of water resources, South Africa has been divided into 19 catchment-based water-management areas. The country depends mainly on surface-water resources for the urban, industrial and irrigation uses. In general, surface water resources are highly developed over most of South Africa. Groundwater is also extensively used, particularly in the rural and more arid areas, contributing to some 60% of newly serviced households (since 1994). Agricultural irrigation represents close to 60% of the total water requirements of the country, while urban requirements constitute about 25% as the second-largest user sector. The remaining 15% is shared by the other sectors.

Government's goal is to ensure that all people in South Africa have access to potable-quality water and basic sanitation facilities by 2014. The percentage of households with access to water infrastructure above or equal to the Reconstruction and Development Programme standard increased from 61.7% in 1994 to 91.8% in March 2009. As of March 2009, more than 10 million households (77%) had access to sanitation compared to about five million (50%) in 1994. Government has moved closer to attaining its objective of eradicating the bucket system in formally established settlements. In 1994, over 600 000 households used the bucket system, while in March 2009, only about 9 000 households were still using this system.

##### **4.4.1.2. Electricity**

The energy sector is critical to South Africa's economy, contributing about 15% to the country's gross domestic product (GDP). Energy creates jobs for about 250 000 people. Eskom generates about 95% of electricity in South Africa and about 45% in Africa. About 88% of South Africa's electricity is generated by coal-fired power stations. Koeberg, a large nuclear station near Cape Town, provides about 6% of capacity. A further 2.3% is provided by hydroelectric and pumped storage schemes. Over the five years to March 2013, Eskom aims to spend R385 billion in



nominal terms on capacity expansion. South Africa plans to build 40 000 MW of new-generation capacity by 2025, of which 12 476 MW are already under construction.

**Map 4.3 – Location of Power stations in Mpumalanga**



Source: Eskom, 2008

Coal, as the major indigenous energy resource, is relied on for the generation of most of the country's electricity and a significant proportion of its liquid fuels. Diversification of the primary energy mix, which comprises about 88% coal, is especially challenging. The Biofuel Industrial Strategy for South Africa was approved by Cabinet in December 2007. Within the first five years, which is considered to be a pilot phase, the aim is to achieve a 2% penetration level of biofuels, or 400 million litres a year. Government's goal is to displace at least 5% of crude oil-based fuels with biofuels. Cabinet approved the White Paper on Renewable Energy in November 2003, which stipulates the following target: a 10 000-GWh renewable energy contribution to final energy consumption by 2013, to be produced mainly from biomass, wind, solar and small-scale hydro. The renewable energy is to be used for power generation and non-electric technologies such as solar water heating and biofuels. Biomass is estimated to comprise 8% of South Africa's primary energy supply. Renewable energy comprises biomass and natural processes that are replenished and can be used as an energy source. The Department of Energy has identified biomass as one of the easiest and quickest sources of renewable energy that can contribute towards its targets.

The Utilities Sector contributed 5.1% to the Mpumalanga economy in 2009. The Province houses most of the Power Stations in South Africa due to the extensive coal mining activities in the Province. Mpumalanga contribute approximately 70% of the total electricity generated in South Africa<sup>2</sup>. The Province currently accommodates 9 of the 20 Eskom Power Stations in South Africa. Map 4.3 Indicates the Location of the power stations in Mpumalanga.

<sup>2</sup> [www.mpu.agric.za](http://www.mpu.agric.za): State of the Environment in South Africa

The various Power Stations in the Province and their generating capacity is illustrated in Table 4.4:

**Table 4.4- Main Power Stations in Mpumalanga**

Map Location No.	Name of Power Station	Generating Capacity
1.	Arnot	2 100 MW
2.	Duvha	3 600 MW
3.	Hendrina	2 000 MW
4.	Kendal	4 116 MW
6.	Kriel	3 000 MW
8.	Majuba	4 110 MW
10.	Matla	3 990 MW
11.	Tutuka	3 654 MW
13.	Grootvlei	1 200 MW

*Source: Eskom, 2008*

#### **4.4.2. District and Local Context**

The Utilities sector has an extremely important role to play in creating an enabling economic environment and improving the standard of living within the municipal area. Reliable electricity and water supply is important for the promotion of investment and improvement of competitiveness.

##### **4.4.2.1. Water and Sanitation**

Table 4.5 illustrates the level of household access to water since 2000. From this Table it is clear that the number of Dipaleseng households with access to piped water increased from 9,122 households (or 93.5% of the total) in 2000 to 12,123 households (or 95.7% of the total) in 2010.

It is clear that households in Dipaleseng are well catered for in terms of their access to clean, piped water. There has, however, been an increase in the number of households that are dependent of communal water stands further than 200m from their dwellings. Also of concern is the 4.3% of households that has to make use of alternative sources of water.

**Table 4.5 – Household Access to Water in Dipaleseng, 2000 - 2010**

Household main source of Water	2000	2005	2010	Trend
Piped water inside dwelling	2,289	2,949	4,537	↗
Piped water inside yard	5,060	5,571	5,525	↘
Piped water on community stand: distance less than 200m from dwelling	969	981	1,147	↗
Piped water on community stand: distance greater than 200m from dwell	804	887	943	↗
Borehole/rain-water tank/well	279	210	211	↘
Dam/river/stream/spring	65	75	94	↗
Water-carrier/tanker/Water vendor	30	13	8	↘
Other/Unspecified/Dummy	260	252	235	↘
<b>Total</b>	<b>9,756</b>	<b>10,938</b>	<b>12,701</b>	

Source: Quantec Research, 2011 (Standardised Data derived from StatsSA)

Table 4.6 illustrates the level of household access to sanitation from 2000 to 2010. From this Table it is evident that the number of households with access to flush or chemical toilets increased from 5,477 households (or 56.1% of the total) in 2000 to 8,862 households (or 69.8% of the total) in 2010.

**Table 4.6 – Household Access to Sanitation in Dipaleseng, 2000 - 2010**

Household main type of Sanitation	2000	2005	2010	Trend
Flush or chemical toilet	5,477	7,146	8,862	↗
Pit latrine	1,610	1,292	964	↘
Bucket latrine	1,957	1,197	676	↘
None of the above	668	1,251	2,145	↗
<b>Total</b>	<b>9,756</b>	<b>10,938</b>	<b>12,701</b>	

Source: Quantec Research, 2011 (Standardised Data derived from StatsSA)

It is evident that 3,784 households (or 30.2% of the total) did not have access to flush or chemical toilets in 2010 and had to make use of alternative forms of sanitation. In this regard 964 households (or 7.6%) made use of pit latrines.

#### 4.4.2.2. Electricity

Table 4.7 illustrates the level of household access to electricity from 2000 to 2010. From this Table it is evident that the number of households with access to electricity increased from 6,897 households (or 68.0% of the total) in 2000 to 9,879 households (or 77.8% of the total) in 2010.





**Table 4.7 – Household Access to Electricity in Dipaleseng, 2000 - 2010**

Household main type of Energy	2000	2005	2010	Trend
Solar or Other	88	72	58	↘
Electricity	6,637	7,970	9,879	↗
Gas	22	24	32	↗
Paraffin	207	226	246	↗
Candles	2,802	2,645	2,485	↘
<b>Total</b>	<b>9,756</b>	<b>10,938</b>	<b>12,701</b>	

Source: Quantec Research, 2011 (Standardised Data derived from StatsSA)

Households in Dipaleseng are thus well catered for in terms of their access to electricity. This means that 22.2% of households had to make use of alternative forms of energy during 2010. In this regard 19.6% of households made use of candles as their main form of lighting.

Eskom's Grootvlei coal based Power Station is located in Dipaleseng and was commissioned in 1969. Grootvlei was the first test facilities for dry cooling in South Africa and the current installed capacity is approximately 1 200MW<sup>3</sup>. Dipaleseng should consider investigating the feasibility of alternative energy generating methods by government and by local farms. This is especially so with regards to the use of bio-mass on farms for electricity generation. In 2009 Eskom was willing to buy renewable energy generated from wind at R1.25 per kWh and R0.96 for electricity generated from bio-gas. There is currently an Environmental Impact Study being conducted on the feasibility of a 80 MW solar energy plant near Grootvlei, by Eskom.

#### 4.4.3. Development Potential and Constraints

**Table 4.8- Utilities Development Potential and Constraints in Dipaleseng**

Development Potential	Constraints
<ol style="list-style-type: none"> <li>1. Development of a Solar Energy Plant.</li> <li>2. Bio-gas energy generation on local farms e.g.: <ul style="list-style-type: none"> <li>• Livestock waste</li> <li>• Organic waste from crop farming</li> </ul> </li> <li>3. Establishment of a Water Purification plant at Greylingstad on the Vaal Dam pipe line.</li> <li>4. Establishment of a Waste Management Centre.</li> </ol>	<ul style="list-style-type: none"> <li>• Competition with cheap coal based energy.</li> <li>• Renewable energy is technologically complex and does not have a proven record of success in the Province.</li> <li>• Electricity generated from coal remains a cheap alternative to "green" energy.</li> <li>• Lack of infrastructure to supply water to other parts of Dipaleseng.</li> <li>• High cost to implement bulk infrastructure.</li> </ul>

<sup>3</sup> Eskom, 2008



## **4.5. RETAIL AND WHOLESALE TRADE**

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### **Retail and Wholesale Trade Sector**

This sector is defined as the resale (sale without transformation) of new and used goods to the general public for personal or household consumption or use by shops, department stores, stalls, mail-order houses, hawkers and peddlers, consumer cooperatives, etc.

#### **4.5.1. National Context**

According to the Companies and Intellectual Property Registration Office (CIPRO) there were 2,401,736 active business enterprises in South Africa during 2009. Total employment in the Trade sector grew from 1.9 million in 2007 to over 3 million during the fourth quarter of 2010 (Stats SA, Labour Force Survey). From this total, some 70% of workers were permanently employed while the remainder were employed on temporary contracts or as casual workers.

South Africa declined in the world trade competitiveness rankings from the 44<sup>th</sup> position during 2007/8 to the 45<sup>th</sup> position during 2008/9. South Africa was, however, ranked second in the world with regards to business access to credit (after Malaysia) and ninth in terms of protecting investors. The country was ranked very low in terms of employing workers (109<sup>th</sup>). To start a business in South Africa would require an investor to go through an average of 6 procedures that would take about 22 days. The same is true for registering a business property. In terms of the ease to conduct cross-border trading, South Africa was ranked 147<sup>th</sup> in the world during 2008 with only Botswana, Kazakhstan, Kyrgyzstan, Russia and Zimbabwe recording worse rankings. This was mainly related to the comparatively high cost of exporting from (\$1,445 per container) and importing (\$ 1 721 per container) to South Africa and the time delay for containers to arrive. The number of vessels calling at South African ports decreased slightly from 13,284 in 2004 to 12,884 in 2008 while cargo handled at South African ports increased from 168,751 to 185,079 million tonnes over the same period (growth of 9.7%).

**4.5.2. District and Local Context**

The main trade node in Dipaleseng is Balfour. To gain a more comprehensive insight into the supply side of the Dipaleseng Retail and Wholesale Trade Sector there has to be an analysis on the main products that are traded in the Municipality. Table 4.9 indicates the main household expenditure by product category in Dipaleseng.

**Table 4.9- Main Expenditure Categories in Dipaleseng, 2011**

<b>House Expenditure Category</b>	<b>%</b>
Food, beverages and tobacco	26.5%
Rent for accommodation	11.8%
Transport and communication services	8.8%
Miscellaneous services	7.6%
Clothing and footwear	6.5%
Medical services	6.4%
Household consumer goods	4.5%
Personal transport equipment	4.4%
Recreational, entertainment and educational services	3.8%
Household fuel and power	3.7%
Household services, including domestic servants	2.8%
Petroleum products	2.7%
Furniture, household appliances, etc	1.8%
Recreational and entertainment goods	1.8%
Household textiles, furnishings, glassware, etc	1.5%
Medical and pharmaceutical products	1.3%
Motor car tyres, parts and accessories	1.2%
Recreational and entertainment goods	1.0%
Other durable goods	0.6%
Miscellaneous goods	0.5%
Recreational and entertainment goods	0.8%

*Source: Quantec Research, 2011 (Standardised Data derived from StatsSA)*

From Table 4.9 it is evident that the majority of trade in Dipaleseng revolves around the food and beverage industry (26.5%) and rent for accommodation. This provides an indication that there is a leakage of consumer expenditure. Consumers travel to other areas to (such as Heidelberg) to buy durable goods such as furniture, household appliances and entertainment goods. This provides an opportunity for retail development in Balfour. There are currently plans underway to develop a multi-purpose development, in Balfour, that will include retail trade shopping centre.

### 4.5.3. Development Potential and Constraints

**Table 4.10- Trade & SMME Development Potential and Constraints in Dipaleseng**

Development Potential	Constraints
<ol style="list-style-type: none"> <li>1. Establishment of a Retail Shopping Centre in Balfour.</li> <li>2. Establishment of a SMME Training Centre.</li> <li>3. Social Entrepreneurship e.g. and Arts and Crafts Centre.</li> <li>4. Developing a Local Business Support Incubator.</li> <li>5. Market of micro financing opportunities to local communities (e.g. ABSA Micro-Finance).</li> </ol>	<ul style="list-style-type: none"> <li>• Heidelberg retail facilities will be strong competition.</li> <li>• There are insufficient serviced plots available</li> <li>• Disposable income in the area is limited.</li> <li>• Low skills base – especially among informal traders.</li> <li>• Limited access to finance and start-up capital – especially for informal traders.</li> <li>• Lack of restaurants and take-away facilities.</li> </ul>

## 4.6. TRANSPORT

### Transport

The Transport sector includes activities related to providing passenger or freight transport, whether scheduled or not, by rail, road, water or air and auxiliary activities such as terminal and parking facilities, cargo handling and storage. Also included in this sector are postal activities and telecommunications.

### 4.6.1. National and Provincial Context

Transport systems are fundamental to socio-economic development by enabling the mobility of people and goods. Without physical access to jobs, health, education and other amenities, the quality of life for communities is drastically reduced. Growth is not possible and poverty reduction cannot be sustained without physical access to resources and markets.

The South African transport sector employs about 584 000 people in the formal and informal sectors. A total investment of R13.6 billion was allocated to improve public transportation systems ahead of the World Cup. This was part of an overall investment of R170 billion into the country's transport system in the five-year period from 2005/06 to 2009/10. Cabinet approved the Public Transport Strategy and Action Plan 2007 – 2020 in March 2007. The strategy articulated a vision to shift public transport service delivery away from operator controlled, commuter-based, unimodal routes to user-oriented, publicly controlled, fully-integrated, mass rapid public transport networks. The aim is to provide quality services along priority corridors, remove duplicate services and provide integrated mass rapid public transport networks. This includes transforming the bus and rail services into a public transport system integrated with the recapitalised taxi services.

Sanral is an independent, statutory company responsible for the design, construction, management and maintenance of South Africa's national road network, including toll and non-toll roads. Sanral is responsible for the existing national road network of 16 170 km, at an estimated value of over R40 billion.

Transnet is a focused freight-transport and logistics company wholly owned by Government. Transnet will be spending R80 billion in capital expenditure on its ports, port operations and its freight rail network over the next five years, of which R40,8 billion is being spent on upgrading freight rail infrastructure and rail engineering. The upgrading of the freight rail infrastructure is key to the objective of shifting more freight from the road network to the rail network as well as finding a balance between road and rail in respect of the transportation of goods.

The fourth State of Logistics Survey (2007) shows that about 87% of all land freight tonnage is carried by road, with the remainder carried by rail. The National Freight Logistics Strategy is being implemented and seeks, among other things, to integrate first and second economies, and support the integration of marginalised local economies with the main logistics corridors. The key objective is to reduce the costs of doing business and remove inefficiencies placed on businesses and their long-term sustainability. The Department of Transport, in close cooperation with the provincial road-traffic authorities, is implementing the National Overload Control Strategy to protect road infrastructure, improve road safety and ensure seamless movement of cargo. The department has also developed guidelines in cooperation with the SABS as part of promoting self-regulation in the heavy-vehicle industry. This is aimed at fostering a partnership to ensure proper load management, vehicle road worthiness and driver fitness.

#### **4.6.2. District and Local Context**

The Transport and Communication Sector contributed 2.2% to the local economy of Dipaleseng. The N3 national highway passes through Dipaleseng. It used to run through Greylingstad but a bypass was built in the 1960s which had a negative impact on the local economy. The Municipality is relatively well serviced by the railway network, connecting Balfour, Greylingstad and Grootvlei. The railway network links the area to the industrial areas of Heidelberg and Alberton in Gauteng. This network further links with many small traditionally agriculture based towns in Mpumalanga and the Free State.

The Balfour trainstation is currently not in service due to a lack of demand for passenger rail transport. Commuters, however, have to make use of taxi services to Gauteng and to other areas in Mpumalanga which is more expensive and unreliable. This presents an opportunity to develop a passenger rail service to transport Dipaleseng locals to Gauteng and to other towns in Mpumalanga. Such a service can link local unemployed people in Dipaleseng with employment opportunities in other areas. This would in return provide for more disposable income locally which would stimulate the demand for more retail trade facilities in Dipaseng.

Communication Technologies also play an integral role in providing an environment that facilitates economic development. The establishment of a high speed internet connection to the various towns in Dipaleseng will ensure that government and the private sector will have access to a better trade platform. High speed internet has become a necessity in the global trade and manufacturing economy and regarded as a vital part of the LED conducive environment.

#### **4.6.3. Development Potential and Constraints**

**Table 4.11- Transport LED Development Potential and Constraints in Dipaleseng**

<b>Development Potential</b>	<b>Constraints</b>
<ol style="list-style-type: none"> <li>1. Upgrading of the railway station to cater for train commuters and industrial cargo.</li> <li>2. Integrate transport infrastructure projects with Municipal construction learnership programmes.</li> <li>3. Facilitate high-speed internet access.</li> </ol>	<ul style="list-style-type: none"> <li>• Lack of demand from commuters to use rail transport.</li> <li>• Capital cost involved in rail infrastructure.</li> <li>• Low income communities may not be able to afford internet access.</li> </ul>

4. Establish a local trade web portal.	
5. Construction of warehousing and cold storage facilities at the Balfour Industrial area.	

#### **4.7. TOURISM**

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##### **Tourism Sector**

Tourism is not an economic sector on its own, but forms part of other economic sectors especially the Trade, Transport and Finance sectors. However, due to its increasing importance as an income and employment generator in South Africa, it is believed that this sector should be discussed separately from the other sectors.

##### **4.7.1. National and Provincial Context**

According to the annual report of SA Tourism, the number of foreign visitors to the country grew from 6 429 583 in 2002 to 9 591 828 in 2008 (a change of 49.2%). From this total, 76.6% of tourists came from other African countries. According to Stats SA, virtually all tourists from Africa came from Southern African Development Community (SADC) countries – 316 556 (96.2%).

The contribution of tourism to South Africa's gross domestic product (GDP) is estimated to have increased from R162.9 billion in 2007 to R194.5 billion in 2008. The estimated number of jobs created directly and indirectly in the economy through tourism increased by 10% from 946 300 in 2007 to 1 041 700 in 2008. Over two million travellers passed through South Africa's ports of entry (arrivals and departures) in March 2009, Statistics South Africa (StatsSA) announced in June 2009. These travellers were made up of 632 581 South African residents and 1 498 571 foreign travellers.

South Africa has the world's richest floral kingdom and a vast variety of endemic and migratory birds. It is also home to one-sixth of the world's marine species and has more species of wild animals than North and South America or Europe and Asia together. Its diversity, sunny skies and breath taking scenery make it a popular holiday destination.



Mpumalanga offers a wide range of tourism attractions from “big five” game viewing, visiting spectacular natural wonders, adventure activities and cultural sites. The Kruger National Park is situated in the north east of the Province and produces some of the best game viewing and bird watching opportunities in the world, which include lion, leopard, elephant, rhinoceros and buffalo. Various luxury game reserves surround the Kruger national Park, such as the Sabi Sands game reserve. The Blyde River Canyon is one of South Africa’s most spectacular natural wonders and forms the northern part of the Drakensberg escarpment. The Blyde River area boasts with various activities from hiking trails, fishing and horse riding. The interior of Mpumalanga provides opportunities to go visit the historic gold mining town of Pilgrim’s Rest or go fly-fishing in the mountain streams near Dullstroom.

The tourism market in the province contributes to the local economy and plays an important role in the national economy as Mpumalanga is a highly attractive tourist destination and contributes significantly to the fastest growing segment of tourism in South Africa, which is ecotourism.

#### **4.7.2. District and Local Context**

Dipaleseng is situated in the Highveld region comprising of lush grassland and wooded hills. Game farms in the area hold various species of game and there are also a variety of bird species. The rare Heidelberg Copper Butterfly can also be observed in the area. The area is also rich in historical sites, such as early African stone age settlement ruins and Anglo-Boer war sites. Various private tourism stakeholders are in the process of developing the “Ommidraai Meander/Kronkel Tourism Route” in the Municipality.

The main Tourism attractions in Dipaleseng include:

1. Archaeological terrains
2. Agri-tourism
3. Bird watching
4. Guided tours
5. Historical houses
6. Cultural experiences
7. Game farms
8. Hiking trails
9. Water sport
10. Golf
11. Cycling
12. Fishing

### 4.7.3. Development Potential and Constraints

**Table 4.12- Tourism Development Potential and Constraints in Dipaleseng**

Development Potential	Constraints
<ol style="list-style-type: none"> <li>1. Development of a Tourism Strategy.</li> <li>2. Game hunting and potentially venison processing.</li> <li>3. Eco-tourism: Game farms, excursions, camping, hiking, 4x4 trails, B&amp;Bs etc.</li> <li>4. Short-stay package development and marketing.</li> <li>5. Organic agri-tourism, such as:               <ul style="list-style-type: none"> <li>• Strawberry picking</li> <li>• Herbs</li> <li>• Weekend on organic farms</li> </ul> </li> <li>6. Promotion and development of local attractions.</li> <li>7. Rating of local tourism establishments.</li> <li>8. Improve road signage for tourists.</li> <li>9. Development of the “Om die Draai Meander/Kronkel Tourism Route”.</li> <li>10. Development of tourism packages for internet marketing.</li> <li>11. Weekend break-away and hunting tourism packages for marketing in Gauteng.</li> <li>12. The establishment of the Sitandiwe Cultural Village.</li> </ol>	<ul style="list-style-type: none"> <li>• Carrying capacity for large game may be limited, requires large reserves.</li> <li>• Lack on information on tourism activities and sites in the area.</li> <li>• Limited accommodation and hospitality services in the area.</li> </ul>

## SECTION FIVE: LED Framework

This Section presents the LED Framework and a concise review of the LED opportunities that have been identified, as well as potential development projects that may be associated with these opportunities. The projects will subsequently be submitted and prioritised according to their economic impact on the area and then packaged to produce a descriptive overview.

### 5.1. LED VISION & STRATEGIC GOALS

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The Vision outlines Dipaleseng's position, its core values and principles regarding LED. The Vision provides role players and stakeholders with a common understanding with regards to LED, while at the same time creating an environment for cooperation between the various role players.

#### **The Dipaleseng Local Municipality LED Vision**

*To create a conducive environment for economic growth, stability and development within Dipaleseng.*

Based on the abovementioned Vision, the following Mission and Strategic Goals have been identified:

#### **Mission**

1. To work together with all sector partners.
2. To work closely with private sector and civil society.
3. To promote integrated planning and to have an implementation approach on a local level.
4. The effective utilisation of resources through good governance in order to optimise local benefits through IGR and PPR/P's.
5. Job creation in an effort to alleviate poverty.
6. The creation of an environment conducive to economic investment and trade.
7. Development of Knowledge Partnerships/Research to advance innovation.
8. Provision of bulk infrastructure such as water, electricity, sanitation, transport and ICT.
9. To promote information accessibility and flow.
10. To advance Human Development in both institutions and communities in areas such as entrepreneurial and life skills, business registration, etc.

## **Government Priorities (Strategic Goals)**

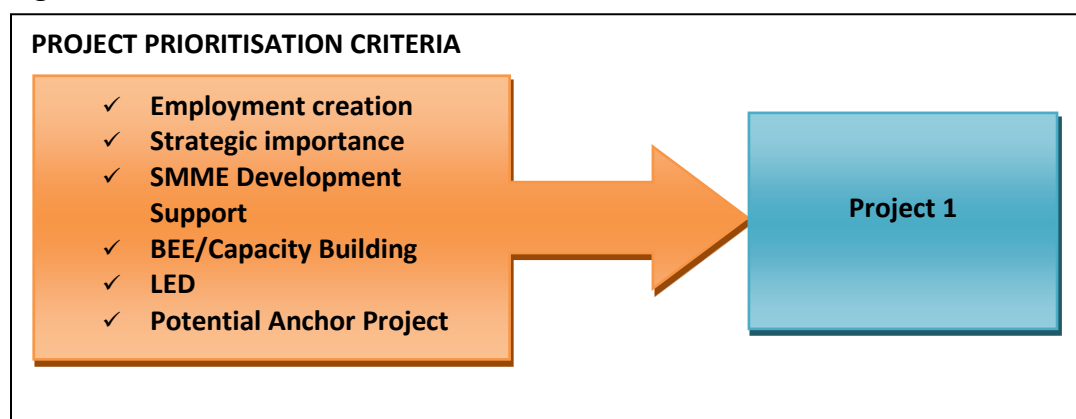
The Government is committed to growth and development through:

1. **The Protection of Natural Capital:** Ensuring sustainable long-term local economic development through the protection and maintenance of natural capital.
2. **The Reduction of Poverty:** Reducing poverty by mobilising and working with all stakeholders through the LED Forum. This includes diversification of the labour force through strategic planning and intervention.
3. **The Reduction in Income Disparity:** Reducing the income disparity in Dipaleseng by focusing on skills training, capacity-building initiatives, local competitive advantages and the development of the informal sector.
4. **Improvement of Institutional Capacity:** Ensuring sustainable local economic development by improving the capacity of the Municipality through the establishment of an Economic Development Agency.
5. **The Promotion of the Retention of Local Wealth:** Retaining wealth and increasing the circulation of wealth in the Municipality by promoting local savings, investment and entrepreneurship.
6. **Promotion of Public, Private Partnerships:** Ensuring that relations between the public and private sector are improved in an effort to better leverage LED support and resources at a local level by engaging all the sectors about their roles in LED.
7. **The Promotion of Business/Investment Attraction and Job-Creation:** Ensuring effective job-creation strategies by focusing on specific occupations and industry sectors.
8. **Innovation:** Creative and Inclusive Rural Development and the application of Information Communication Technologies (ICT) in LED (e.g. knowledge economy).

## **5.2. PROJECT IDENTIFICATION, PRIORITISATION AND SPATIAL CONTEXT**

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In order to determine which of the identified LED projects and initiatives will have the highest impact on the local economy in terms of job creation, capacity building, social upliftment, etc., it is important to prioritise these projects according to a specific set of criteria. This will also facilitate the selection process of strategic anchor projects for Dipaleseng. Figure 5.1 indicates the six criteria that are used to prioritise planned projects and other LED initiatives.

**Figure 5.1 - Prioritisation criteria**

The list of prioritised LED projects for Dipaleseng has been included in Annexure A of this report.

Anchor projects are those projects that consist of a number of linkages to various other sectors and projects. It is important to note that in most instances, anchor projects are also referred to as primary projects, because without the successful implementation of the primary projects, and delivery of primary products there can be no secondary projects, such as processing (value-adding to the product), or trade of the finished product/goods.

From the potential analysis in the previous section, the following projects (refer to Table 5.1) were identified for Dipaleseng and prioritised, according to the expected impact that these projects will have on the Municipality. The Table also indicates the possible locations of the Projects.

**Table 5.1 – Project Prioritisation**

No.	Project	Location
1.	Establishment of an Economic Development Agency	Balfour
2.	Establishment of Soybean Crusher Plant	Balfour
3.	Establishment of a feedlot for beef processing	Balfour
4.	Establishment of a coal mine to supply Grootvlei Power Station	Grootvlei
5.	Establishment of an organic compost production plant	Balfour
6.	Establishment of a single screw extruder cooperative for food processing	Balfour
7.	Establishment of truck body manufacturing plant	Balfour
8.	Establishment of a Serviced Industrial Park	Balfour
9.	Establishment of the Sitandiwe Cultural Village	Balfour
10.	Establishment of a Waste Management Centre	Balfour
11.	Establishment of a retail shopping Centre	Balfour

### 5.3. PROJECT PACKAGING

LED aims to give implementation impetus to projects by packaging various initiatives according to certain criteria. The recommended projects suggested here should by no means be regarded as all-inclusive or final. They are intended to set the tone for LED intervention in Dipaleseng and to provide guidance to the Municipality and the Economic Development Agency towards coordinated planning and the identification of implementable LED projects and integration. It should also be stated that the Municipality will not necessarily be responsible for the funding and/or management of any particular programme or project. Packaging of projects is done according to the following criteria:

1. Project name
2. Detailed description of the project
3. The potential location
4. Development constraints
5. Role players
6. Potential Project Drivers
7. The implementation timeframe
8. Estimated budget for the project

Prioritised projects are packaged in the tables below:

<b>Project 1: Dipaleseng Economic Development Agency</b>	
<b>Description:</b> The establishment of a Dipaleseng Development Agency to facilitate the development and implementation of LED initiatives to stimulate the economy and create jobs.	
<b>Potential Location:</b>  Balfour	<b>Development Constraints:</b> <ol style="list-style-type: none"> <li>1. Lack of funding.</li> <li>2. Limited availability of skilled staff</li> </ol>
<b>Role Players:</b> <ol style="list-style-type: none"> <li>1. Dipaleseng Local Municipality</li> <li>2. Gert Sibande District Municipality</li> <li>3. Mpumalanga Development Agency</li> <li>4. Private Sector</li> <li>5. Department of Trade and Industry</li> <li>6. SEDA</li> <li>7. Financial Sector</li> </ol>	<b>Potential Project drivers:</b> <ol style="list-style-type: none"> <li>1. IDC</li> <li>2. Dipaleseng Local Municipality</li> </ol>
Implementation Timeframe: 1 year	
Estimated Budget: R5,000,000	
<b>Project 2: Soybean Crusher Plant</b>	



<b>Description:</b> The establishment of a soybean crusher plant for the production of soybean oil, “white flakes” for protein extraction and animal feed from soybeans that have been produced in the region. There is also an opportunity for further spin-off projects, such as the production of processed food.	
<b>Potential Location:</b>  Balfour	<b>Development Constraints:</b> 1. Competition with markets in Gauteng. 2. High capital outlay required. 3. The presence of eelworm in the area
<b>Role Players:</b> 1. Dipaleseng Local Municipality 2. Gert Sibande District Municipality 3. Mpumalanga Development Agency 4. Private Sector 5. Department of Agriculture 6. Agricultural Institutions (TAU and NAFU)	<b>Potential Project drivers:</b> 1. Dipaleseng Development Agency 2. Dipaleseng Local Municipality (PPP) 3. Private Investors
Implementation timeframe: 3 years	
Estimated Budget: R80,000,000	

<b>Project 3: Cattle Feedlot</b>	
<b>Description:</b> The establishment of a cattle feedlot to supply already existing beef processing activities in the Dipaleseng region. This will serve as an easy access point for farmers in the region to supply their cattle close to an abattoir.	
<b>Potential Location:</b>  Balfour	<b>Development Constraints:</b> 1. Heidelberg feedlot may be competing with projects in the Municipality.
<b>Role Players:</b> 1. Dipaleseng Local Municipality 2. Mpumalanga Development Agency 3. Gert Sibande District Municipality 4. Private Sector 5. Department of Agriculture 6. Agricultural Institutions (TAU & NAFU)	<b>Potential Project drivers:</b> 1. Dipaleseng Development Agency 2. Mpumalanga Development Agency 3. Private Investors 4. Dipaleseng Local Municipality (PPP)
Implementation Timeframe: 2 years	
Estimated Budget: R4,000,000	



<b>Project 4: Coal Mine</b>	
<b>Description:</b> The establishment of a coal mine in the region to supply coal to Grootvlei Power Station and Sasol.	
<b>Potential Location:</b>  Grootvlei	<b>Development Constraints:</b> <ol style="list-style-type: none"> <li>1. Size of natural coal deposits is unclear.</li> <li>2. Commercial viability of coal mines need to be tested.</li> <li>3. Competition from established coal mines in the region.</li> </ol>
<b>Role Players:</b> <ol style="list-style-type: none"> <li>1. Dipaleseng Local Municipality</li> <li>2. Gert Sibande District Municipality</li> <li>3. Mpumalanga Development Agency</li> <li>4. Private Sector</li> <li>5. Department of Minerals</li> <li>6. Eskom</li> <li>7. Sasol</li> </ol>	<b>Potential Project drivers:</b> <ol style="list-style-type: none"> <li>1. Private Investors</li> <li>2. Sasol</li> <li>3. Eskom</li> </ol>
Implementation Timeframe: 5 years	
Estimated Budget: R20,000,000	

<b>Project 5: Organic Compost Production Plant</b>	
<b>Description:</b> Establishment of an organic compost production plant to supply local farmers in the region. Organic material for the production of compost will be sourced from local industries, such as the “Blue sky” Fruit Processing Factory.	
<b>Potential Location:</b>  Balfour	<b>Development Constraints:</b> <ol style="list-style-type: none"> <li>1. Competition with the compost markets in Gauteng.</li> <li>2. Restrictive market for organic compost due to cheaper chemical fertilizers being available in the market.</li> </ol>
<b>Role Players:</b> <ol style="list-style-type: none"> <li>1. Dipaleseng Local Municipality</li> <li>2. Mpumalanga Development Agency</li> <li>3. Private Sector</li> <li>4. SEDA</li> <li>5. Gert Sibande District Municipality</li> </ol>	<b>Potential Project drivers:</b> <ol style="list-style-type: none"> <li>1. Dipaleseng Development Agency</li> <li>2. Mpumalanga Development Agency</li> <li>3. Private Investors</li> <li>4. Dipaleseng Local Municipality (PPP)</li> </ol>
Implementation Timeframe: 1 year	
Estimated Budget: R3,000,000	

<b>Project 6: Food Production Plant (Single Screw Extruder)</b>	
<b>Description:</b> Establishment of a single screw extruder cooperative for food processing. Food products will be produced from locally-sourced agricultural projects for markets in South Africa, e.g. pasta.	
<b>Potential Location:</b>  Balfour	<b>Development Constraints:</b> 1. Competition from other regional industries.
<b>Role Players:</b> 1. Dipaleseng Local Municipality 2. Gert Sibande District Municipality 3. Mpumalanga Development Agency 4. Private Sector 5. SEDA	<b>Potential Project drivers:</b> 1. Dipaleseng Development Agency 2. Private Investors 3. Dipaleseng Local Municipality (PPP)
Implementation Timeframe: 1 year	
Estimated Budget: R2,000,000	

<b>Project 7: Truck Body Manufacturing Plant</b>	
<b>Description:</b> The establishment of a manufacturing plant for the production of truck bodies for the South African cargo transport sector.	
<b>Potential Location:</b>  Balfour	<b>Development Constraints:</b> 1. Competition with markets in the rest of South Africa. 2. High capital outlay required for this project.
<b>Role Players:</b> 1. Mpumalanga development agency 2. Department of Trade and Industry 3. Private Sector 4. Dipaleseng Local Municipality 5. Gert Sibande District Municipality	<b>Potential Project drivers:</b> 1. Dipaleseng Development Agency 2. Private Investors 3. Dipaleseng Local Municipality (PPP)
Implementation Timeframe: 3 years	
Estimated Budget: Unknown	

<b>Project 8: Serviced Industrial Park</b>	
<b>Description:</b> The establishment of a Serviced Industrial Park to facilitate new industries in Dipaleseng Local Municipality.	
<b>Potential Location:</b>  Balfour	<b>Development Constraints:</b> 1. Competition from similar industries in Gauteng and the rest of South Africa.
<b>Role Players:</b> 1. Dipaleseng Local Municipality 2. Mpumalanga Development Agency 3. Private Sector 4. Gert Sibande District Municipality 5. Department of Trade and Industry	<b>Potential Project drivers:</b> 1. Dipaleseng Development Agency 2. Private Investors 3. Dipaleseng Local Municipality (PPP) 4. Department of Trade and Industry
Implementation Timeframe: 1 year	
Estimated Budget: R30,000,000 – R100,000,000	

<b>Project 9: Sitandiwe Cultural Village</b>	
<b>Description:</b> The establishment of the Sitandiwe Cultural Village to enhance the tourism potential in Dipaleseng.	
<b>Potential Location:</b>  Site already identified next to R23.	<b>Development Constraints:</b> 1. Limited number of tourists that visit the area. 2. It is uncertain whether this project will be financially sustainable.
<b>Role Players:</b> 1. Dipaleseng Local Municipality 2. Gert Sibande District Municipality 3. Mpumalanga Development Agency 4. Private Sector 5. Department of Tourism	<b>Potential Project drivers:</b> 1. Dipaleseng Development Agency 2. Private Investors 3. Dipaleseng Local Municipality (PPP)
Implementation Timeframe: 2 years	
Estimated Budget: R2,000,000	

<b>Project 10: Waste Management Centre</b>	
<b>Description:</b> The establishment of a Waste Management Centre in line with environmental conservation and recycling.	
<b>Potential Location:</b>  Balfour	<b>Development Constraints:</b> 1. A feasibility study is needed to determine whether sufficient volumes of waste are locally available to run this project profitably.
<b>Role Players:</b> 1. Dipaleseng Local Municipality 2. Gert Sibande District Municipality 3. Mpumalanga Development Agency 4. Private Sector 5. dti	<b>Potential Project drivers:</b> 1. Dipaleseng Development Agency 2. Private Investors 3. Dipaleseng Local Municipality (PPP)
Implementation Timeframe: 1 year	
Estimated Budget: R3,000,000	

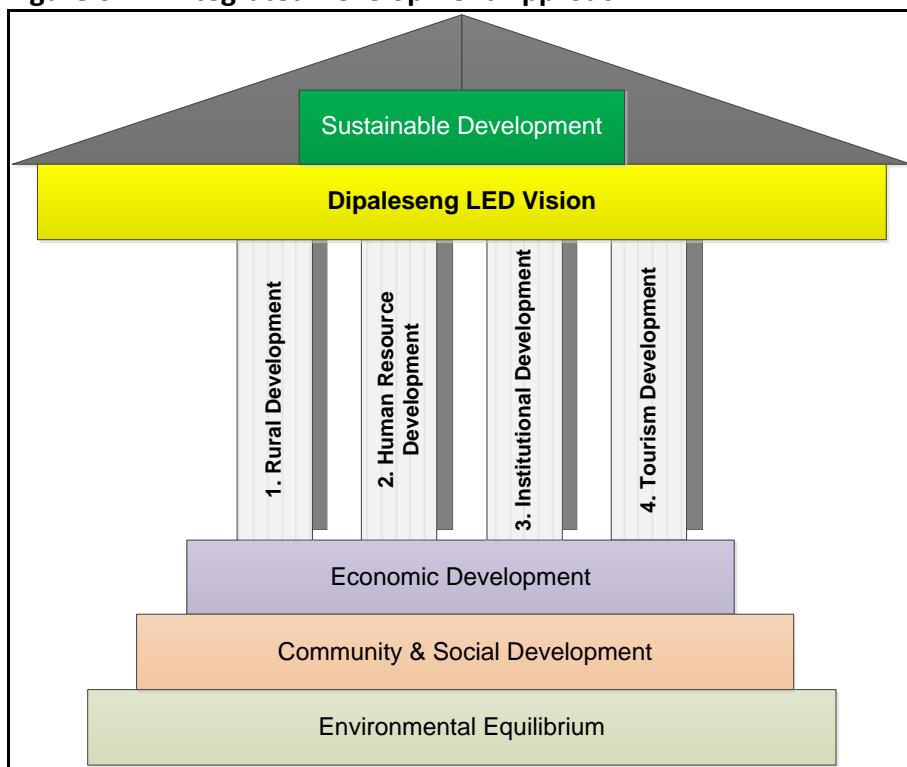
<b>Project 11: Retail Shopping Centre</b>	
<b>Description:</b> The Development of a retail shopping centre to serve the regional population.	
<b>Potential Location:</b>  Balfour	<b>Development Constraints:</b> 1. Heidelberg retail facilities may be competition. 2. Disposable income in the area is limited. 3. Low skills base 4. Limited access to finance & start-up capital
<b>Role Players:</b> 1. Dipaleseng Local Municipality 2. Gert Sibande District Municipality 3. Mpumalanga Development Agency 4. Private Sector 5. Department of Trade and Industry 6. SEDA	<b>Potential Project drivers:</b> 1. Dipaleseng Development Agency 2. Private Investors
Implementation Timeframe: 2 years	
Estimated Budget: R10,000,000	

## SECTION SIX: Development Strategy

The purpose of this Section is to present the Strategic Development Pillars for the local economy of Dipaleseng. The Development Pillars are now presented as the core of the Dipaleseng LED Strategy. These “LED drivers” also serve as the point of alignment with the municipal IDP and the development policies presented in Section two of this report.

From a strategic development facilitation point of view, it is necessary to ensure that the appropriate linkages and interactions between projects and actions be established. Such an integrated approach is needed to ensure the optimal rate of implementation and economic development in the area.

**Figure 6.1 – Integrated Development Approach**



Source: Urban-Econ, 2011

The integrated approach for stimulating economic growth and development within Dipaleseng is illustrated in Figure 6.1. Based upon this Figure, there are **4 main Strategic Development Pillars** for stimulating growth and development within the Dipaleseng economy.

These Development Pillars are based on the situation experienced within the Dipaleseng local economy and aim to utilise existing strengths and opportunities by transforming these into

workable programmes and actions that will assist in reducing threats and alleviate weaknesses in the local economic environment.

## **6.1. PILLAR 1: RURAL DEVELOPMENT**

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There is a growing need to solve the host of problems faced by the agriculture sector in Dipaleseng in a more integrated manner, within the framework of sustainable development. Rural and inclusive development strategies in the past have moved between maximising growth through promoting commercial crops and emphasising food production / self –sufficiency on one hand and import substitution on the other. There are, however, various strategies to improve this sector:

1. Rural Beneficiation and Diversification
2. Tools & Instruments

Each of these components is briefly discussed in the subsequent paragraphs in order to highlight the salient features which must be incorporated into the Rural Development Pillar.

### **6.1.1. Rural Beneficiation and Diversification**

Agribusiness may be defined as all market and private business-oriented entities involved in the production, storage, processing and distribution of agro-based products, in the supply of production inputs and in the provision of services. Agribusiness is an integral component of rural development and forms part of the strategy to improve regional and local economic development and ensure food security.

Agribusiness enterprises are primarily labour-intensive small and medium sized enterprises located near agricultural production sites in rural areas or in rural centres, such as Dipaleseng. Economic success of these agricultural enterprises is increasingly determined by the performance and capacity of upstream and downstream sectors. Agribusiness entities need to respond by improving their efficiency and market orientation. What is required in agribusiness is access to expertise, the availability of market information and sufficient management skills.

Agribusiness support in itself must be an integral part of the Rural Development Pillar and must be targeted towards the creation of jobs and income in Dipaleseng. In line with a common business concept, the guiding principle is always the market orientation of all support services. Employment promotion and poverty alleviation in rural areas are additional goals of promoting agribusiness. Agribusiness does not only focus on the primary production of products, but also requires additional workers. New employment opportunities are created in the processing industry and, especially, in the service sector.

Experience shows that there are some areas that offer particularly high potential for the successful promotion of the agribusiness sector. These interventions include:

- Product quality
- Management of agribusiness-related support services
- Development and management of market infrastructure
- Management of food chains
- Voluntary organisations and co-operation in production and marketing

### 6.1.2. Tools and Instruments

Tools and instruments are defined as something that gives the ability, capacity, responsibility and accountability to achieve the desired goals and objectives. Efficient tools and instruments in key interventions are needed in the agricultural sector to facilitate the cost-effective delivery of agricultural services to the community.

Some of the most important instruments that can be utilised for the capacitation of rural communities relate to the transfer of knowledge in terms of:

- **HIV/AIDS and its influence on productivity.** This instrument is best implemented and utilised if the coordination of the relevant (health) authorities with the rural development initiatives is viewed as a priority. The influence of HIV/AIDS should be anticipated / viewed as a long term impact.
- **Knowledge management** is a relatively new instrument to Rural Development. This instrument entails the improvement and optimal utilisation of tacit knowledge within communities. However, this also includes the transfer of explicit knowledge to communities within Dipaleseng.
- The use of **appropriate agricultural technologies and techniques** is a major element that requires attention. The rationale behind the utilisation of appropriate technologies and techniques will increase the agricultural yields in addition to the protection of environmental resources. This increased productivity can be viewed as the relationship between the input and output ratios. The following prerequisites need to be in place before such activities can be successfully implemented:
  - Better and more effective co-ordination between Dipaleseng and Mpumalanga government entities.
  - More effective communication of Rural Development policies and actions between Dipaleseng, local farmers and research institutes.
  - Practical training, education and awareness building in rural areas.
  - Rural development technology demonstrations.
- **The improved communication between all local role-players** and stakeholders are required as the primary element that influences the achievability of rural development initiatives. This should be strengthened through the formalisation of collaboration between agriculture and other sectoral activities.



These abovementioned approaches to rural development are by no means exhaustive, but provide a clear indication of the specifics required in order to utilise LED as a vehicle to improve the “wealth situation” of especially the rural and poor communities of Dipaleseng.

Ongoing policy developments should anticipate/consider the long-term impact of development activities and therefore strive to continuously “update” the information database of the economic situation within Dipaleseng. This should be done through ongoing research that should inform the implementation strategy of the Dipaleseng Economic Development Agency.

It is vital that poverty reduction objectives are translated into straightforward operational guidance for programme preparation, implementation and monitoring. Therefore, it must be set out how poverty reduction will be incorporated in all stages of sectoral programming that might be introduced under the Rural Development Pillar.

The following guidelines should be incorporated to facilitate the implementation of LED initiatives under the Rural Development Pillar to reduce poverty:

- Coherent Pro–Poor Agricultural Sector Policy Framework.
  - Increase agricultural productivity; lower transport costs; increase rural-, employment- and food security and integrate remote and lower potential areas into the mandate of the Dipaleseng Economic Development Agency.
  - Use appropriate institutional structures to encourage involvement of the private sector and civil society.
  - Encourage the private sector and enhance market reforms (increase competition between agribusinesses).
- Public and Private sector institutions.
  - Define the roles and responsibilities of the public and private sectors, taking account of local situations.
  - Build institutional capacity to manage Rural Development programmes and to provide rural services.
- Improve the target resources.
  - Increase funding for rural development initiatives.
  - Target a greater proportion of funds directly at rural communities, farm workers and women.
  - Increase investment in lower potential areas and develop services for the poor and women to integrate them into the LED growth process.
- Ensure the participation of the poor and women in programme preparation and services.
  - The Dipaleseng Development Agency and civil organisations representing rural communities and farm workers must be consulted during programme/project identification.

- The Dipaleseng LM must assist these communities to establish such civic organisations that represent their interests (outside the political process).
- Rural LED initiatives identified through the Development Agency and by the Municipality should be presented to the target rural communities or intended beneficiaries to accommodate any comments or concerns they may have.
- Establish systems to monitor and evaluate the impact of development initiatives in these rural areas.

Rural development and agriculture play an important role in determining the livelihoods and standard of living of many low income communities in Dipaleseng, particularly when these communities are asked to pay for their use of basic municipal services. Increasing agricultural productivity is, therefore, a key area in the fight against poverty. For the poorest, whose only asset is their labour, returns are vital.

## **6.2. PILLAR 2: HUMAN RESOURCE DEVELOPMENT**

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The Human Resource Development Pillar forms an integrated part of the entire Dipaleseng LED Strategy and the other Pillars. One cannot initiate an LED Initiative if the project driver and beneficiaries do not possess the necessary technical and business skills.

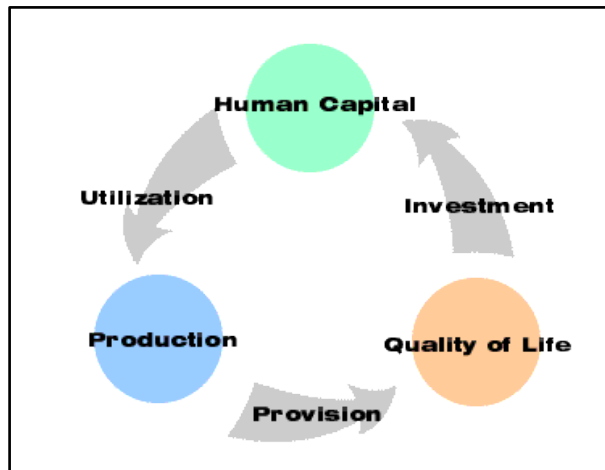
Human resources is viewed as one of the key resources or potential strengths within Dipaleseng and as such specific guidelines need to be determined to guide the formulation of specific objectives for the optimal development of this resource (i.e. goals and objectives to develop and optimise the education and training systems and infrastructure within Dipaleseng as an outcome to be achieved by the LED Strategy).

In order to facilitate the inclusion of marginalised groups such as emerging farmers in the local economy it becomes essential to pay special attention to the socio-economic conditions of Dipaleseng. A critical issue that is affecting economic development in Dipaleseng is the narrow skills base. More specifically, the focus of human resource development in this study is on skills development which refers to the process of deepening individuals' specialised capabilities in order to be able to access incomes through formal sector employment, through SMMEs or community projects which in turn positively contribute to the economic success and social development of the area. This learning process must also enable people to continue learning and adapt to the constantly changing environment.

There is thus a need for a focussed approach which aims to broaden the local skills base. Such an approach would necessarily address labour quality and skills advancement. Practical application refers to the implementation of skills enhancement and training programmes, while LED Initiatives should be obliged to provide in-service training. Labour is regarded as a renewable resource in this context which can be adapted to changing business needs and economic conditions.

Human Resource Development furthermore aims at improved accessibility towards marginalised groups in the local economy in terms of skills development programmes. This Pillar ensures the availability of a higher skilled labour force, to local businesses and industries.

The approach proposed under this Pillar is to develop skills, which compliments the formal education system. It links skill formation to the requirements of a rural economy and extends education and training to people both within and outside formal employment. It is primarily concerned with industry-based training, improving the intermediate level skills base of Dipaleseng and training for target groups (including the unemployed, emerging farmers, youth, women and people with disabilities).



The National Skills Development Strategy (of the Department of Labour) makes provision for a system of learning, referred to as learnerships, for young and unemployed people wishing to join the labour market. Learnerships combine structured learning and work experience and culminate in nationally recognised qualifications, which signify job readiness.

The LED approach to skills development within the Dipaleseng context must be guided by development priorities. This relates to macro-economic, industrial, labour market, tourism and SMME development priorities throughout the area. Implementation of this Pillar should be supported by local proposals as well as sectoral training intermediaries such as the SETAs that supports enterprise, pre-employment and target group education and training.

The overall approach is of such a nature that the skills development system should be integrative in nature in order to effectively support economic growth and employment absorption throughout the local economy. Such focus will facilitate social development through appropriate training, education and support services.

The Human Resource Development Pillar must form an integral part of Dipaleseng's commitment to overall human resource development, which includes education reform, and the transformation of health and welfare services.

The assessment of the skills gap in Dipaleseng is seen as the point of departure. This emphasises the importance of launching a Human Resource Development programme to adequately train and provide local communities, entrepreneurs and SMMEs with the necessary skills.

These human resources can be developed through:

- Identifying educational programmes that are applicable to different niche markets.
- Establishing a standard entrepreneur support programme facilitating appropriate skills, education and training.
- Promoting and managing LED Training support functions.
- Supporting the development and promotion of locally aimed training and development.
- Encourage involvement with the learnership programmes, managed by the various Sector Education and Training Authorities (SETAs).

### **6.3. PILLAR 3: INSTITUTIONAL DEVELOPMENT**

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It is believed that one of Dipaleseng's greatest development challenges is to accelerate development and equitably distribute (spatially and otherwise) economic development opportunities. This should be done especially through supporting rural and urban development initiatives. Local Economic Development efforts and the support of small and medium enterprises can potentially contribute significantly to job creation opportunities, well-being and prosperity among the local communities of Dipaleseng.

Several economic and investment opportunities in Dipaleseng have the potential and ability to create growth impetus. However, due to the fact that no appropriate institution or body has been constituted to take *full responsibility* for the facilitation and implementation of opportunities, coupled with a lack of available and sourced funds for development investment, these development initiatives cannot be implemented efficiently. The pressure on financial resources is of such a nature and extent that it cannot be expected that sufficient funds will be available to address all development needs simultaneously. This situation is not unique, since numerous management/implementation bodies have been established throughout the country to find ways and means to pro-actively address local economic growth and development within municipal jurisdictions. These organisations vary in nature as well as their mandate to address development, but it is well known that a great deal of success has been achieved by some of these organisations.

Competitiveness in the world and local economy, coupled with the need to create sustainable job opportunities, is such that pro-active measures must be taken to intervene in the location decision of business concerns or the attraction of new investment. Such intervention depends to a degree on the local situation, especially the resource endowment. However, innovative thinking plays an important role in this respect. The **Dipaleseng Economic Development Agency**, as a municipal entity, will have a key function in creating, in partnership with key stakeholders, an environment that will harness the latent opportunities in the area to the benefit of local communities through project implementation and management, the sourcing of funding and investment resources, as well as hands-on business leadership.

#### **6.4. PILLAR 4: TOURISM DEVELOPMENT**

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It must be highlighted that tourism is vital to the economy of Dipaleseng. It has important economic value, and benefits for both rural and urban communities. It also enhances the value of culture, heritage and the natural environment.

Local communities has an important role to play if tourism is to become more successful, for example by welcoming and helping visitors, ensuring the maintenance of a litter-free environment, and involving visitors in local events and festivals.

Worldwide tourism is growing. There are thousands of travel options to the consumer. Therefore, any local authority or area must market itself aggressively and consistently to ensure that it remains at the forefront of the potential visitors mind as the tourist jostles for attention with an increasing number of alternatives.

The challenge should be to develop a distinctive market position that competes with many other destinations, some of which will be offering similar experiences and packages. An understanding of how people perceive Dipaleseng as a destination, including its natural and built environment, culture, its quality of service and value for money.

Suitable markets must be identified and targeted using strong branding and a clear message about what is offered. The key should be to identify the most likely customer leads, and convert more of them into firm bookings. These markets must be developed in a manner that is suitable for the position that the area envisages itself, in relation to the strategic market position.

For Dipaleseng to position the area as a preferred tourist destination in the market requires:

- High brand awareness-amongst target market groups.
- Increased conversion from awareness to sales in target market.
- Increased direct access opportunities from the target markets.

These requirements should be supported by the following guidelines that will ensure that the place marketing of Dipaleseng keeps constant alignment with the trends within the target market as well as the industry as a whole.

- Keep tourism marketing under consistent review, adapting it as customers change.
- Identify key local products; assess their scale of opportunity and the resource requirements needed to exploit their potential, in order to develop the local tourism product portfolio.
- Provide support to tourism business with reference to the development of marketing skills, marketing opportunities and effective use of the internet for marketing.
- Identify tourism target markets and consumer segments that will offer the best return on investment and use appropriate media to maximise return on investment.
- Tourism attractions in Dipaleseng should lobby as a group to improve the tourism profile of the area.

## 6.5. PROJECT PHASING

The following phasing timeframes for the various anchor projects in Dipaleseng has been considered and is illustrated in Diagram 6.1.

**Diagram 6.1- Project Phasing**

ID	Task Name	Start	Finish	2012				2013				2014				2015				2016				2017				2018				2019					
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
1	Dipaleseng Economic Development Agency	02/01/2012	02/01/2013																																		
2	Soyabean Crusher Plant	02/01/2013	01/01/2016																																		
3	Cattle Feedlot	1/2/2012	02/01/2014																																		
4	Coal Mine	1/2/2012	02/01/2017																																		
5	Organic Compost Production Plant	02/01/2014	05/01/2015																																		
6	Food Production Plant (Singe Screw Extruder)	02/01/2015	05/01/2016																																		
7	Medicinal Plant Production Cooperative	02/01/2014	05/01/2015																																		
8	Soybean Production Cooperative	1/2/2012	02/01/2014																																		
9	Truck Body Manufacturing Plant	02/07/2014	04/07/2017																																		
10	Herb Production Cooperative	02/01/2015	05/01/2016																																		
11	Retail Shopping Centre	02/01/2013	05/01/2015																																		
12	Sitandiwe Cultural Village	02/01/2012	02/01/2013																																		
13	Waste Management Centre	02/07/2012	02/07/2013																																		
14	Serviced Industrial Park	02/01/2012	02/01/2014																																		

## **6.6. INVESTMENT INCENTIVES**

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Investment incentives include various tax-, research & development-, enterprise development- and competitive enhancement incentives. Programmes aimed at promoting an environment conducive to local and foreign investment are discussed in this sub-section.

Incentives given by local authorities must receive Municipal approval and comply with Provincial and National regulations. As a point of departure, Dipaleseng may consider the following types of investment incentives:

1. General tax incentives
2. Infrastructure
3. Land and Buildings
4. Regulatory reform
5. Finance
6. Approval process

### **6.6.1. National Incentives**

The following incentives have been developed by the Department of Trade and Industry in order to encourage investment:

1. General Non-monetary incentives
2. General Financial incentives
3. Financial Target-based incentives

The following list of investment incentives offered by National Government has been published by the Department of Trade and Industry during 2009 (The DTI: South Africa Geared for Growth):

- 1. Research and Development (R&D) Tax Incentive Programme**
  - a. exploration and prospecting
  - b. management of internal business processes
  - c. management of trade marks
  - d. social sciences or humanities
  - e. market research, sales or marketing promotion
- 2. The Enterprise Investment Programme (EIP) Manufacturing Programme**
- 3. The Enterprise Investment Programme (EIP) Tourism Support Programme**
  - a) accommodation, recreational/entertainment and cultural services
  - b) tour operator and passenger transport services



**4. Foreign Investment Grant (FIG)**

**5. Critical Infrastructure**

- a) Transport systems – road and rail systems
- b) Electricity transmission and distribution systems – power flow and regulation systems
- c) Telecommunications networks – cabling and signal transmission systems
- d) Sewage systems – network and purification
- e) Waste storage, disposal and treatment systems
- f) Fuel supply systems – piping for liquid, gas and solid fuel conveyer transportation

**6. Industrial Development Zones (IDZs)**

- a) Quality infrastructure
- b) Expedited customs procedures
- c) Duty-free operating environments

**7. Export Marketing and Investment Assistance (EMIA)**

- a) Air travel expenses
- b) Freight-forwarding of display materials
- c) Subsistence allowances
- d) Exhibition space and booth rental costs

**8. The Business Process Outsourcing and Off shoring (BPO&O) Investment Incentive**

**9. Automotive Production and Development Programme**

- a) Tariff reduction freeze from 2013 until 2020
- b) Production incentives
- c) Local assembly allowance
- d) Automotive investment allowance

**1. Research and Development Incentives**

- a) Support Programme for Industrial Innovation (SPII)
- b) SPII Matching Scheme
- c) SPII - Partnership Scheme
- d) SPII - Product Process Development Scheme
- e) Technology and Human Resources for Industry Programme (THRIP)
- f) Innovation Fund (IF)

**2. Investment and Enterprise Development Incentives**

- a) Developmental Electricity Pricing Programme (DEPP)
- b) Critical Infrastructure Programme (CIP)
- c) Public Transport Infrastructure and Systems Grant (PTIF)
- d) National Electrification Programme (Municipal)

- e) Municipal Infrastructure Grant (MIG)
- f) Neighbourhood Development Partnership Grant (NDPG)
- g) Local Economic Development (LED) Programme
- h) Business Process Outsourcing and Off shoring Investment Incentive (BPO&O)
- i) Business Process Outsourcing and Off shoring Training and Skills Support Grant
- j) Manufacturing Investment Programme (MIP)
- k) Foreign Investment Grant
- l) Tourism Support Programme
- m) Industrial Policy Projects
- n) Staple Food Fortification Incentive Scheme (SFFP)
- o) Location Film and Television Production Rebate
- p) South African Film and Television Production and
- q) Co-Production Scheme
- r) The Tourism Enterprise Support Programme (TEP)
- s) PSOM Business Incentive: Dutch Programme for Cooperation with Emerging Markets

### **3. Competitive Enhancement Incentives**

- a) Black Business Supplier Development Programme (BBSDP)
- b) The Co-operative Incentive Scheme (CIS)

### **4. Export Incentives - Non-Industry Specific**

- a) Export Marketing and Investment Assistance (EMIA) Scheme
- b) Sector Specific Assistance Scheme
- c) Capital Projects Feasibility Programme (previously SA Capital Goods Feasibility Study Fund)
- d) Steel Rebate
- e) Customs Rebate and Drawback Provisions
- f) Industrial Development Zones (IDZs)
- g) Value Added Tax (VAT) Export Incentive Scheme
- h) Value Added Tax (VAT) (Industrial Development Zone)

### **5. Export Incentives - Industry Specific**

- a) Textile and Clothing Industry Development Programme (TCIDP)
- b) Clothing and Textile Competitiveness Improvement Programme (CTCIP)
- c) Motor Industry Development Programme (MIDP)
- d) Automotive Production and Development Programme (APDP)
- e) APDP - Automotive Investment Assistance (AIA)

### **6. Industrial Financing**

- a) Agro Industries Finance
- b) Media and Motion Pictures Finance
- c) Chemicals, Textiles and Allied Industries Finance



- d) Mining and Jewellery Finance
- e) Forest Products Finance
- f) Franchising (Wholesale) Finance
- g) Healthcare and Education Finance
- h) Metal Industry Finance
- i) Technology Industry Finance
- j) Tourism Finance
- k) Transportation and Financial Services Finance
- l) Special funding / Risk Capital

**7. Industrial Participation**

- a) The National Industrial Participation Programme (NIP)
- b) Defence Industrial Participation Programme (DIPP)

**8. Social Responsibility**

- a) DANIDA Business to Business Programme
- b) DEG Public Private Partnership (PPP)

## SECTION SEVEN: Implementation Guidelines

This section presents the Implementation Guidelines for the Dipaleseng LED Strategy. In the previous Sections of this report, various Development Pillars and projects have been identified. The success of these Pillars will depend on the role players of Dipaleseng's ability to create a conducive LED environment and attract investment to the area. This will require the implementation of selected turn-key projects as well as the provision of effective investment brokering activities to attract especially private sector investment.

Successful investment facilitation will also have a significant impact on the implementation of other projects under the LED umbrella (spin-of opportunities). Systematic targeting and negotiations with potential investors are usually left to the last phases of project implementation – resulting in less time spent on this exercise. For this reason it is central that this Strategy should, from the start, establish a framework through which investors could be attracted. It is anticipated that the Dipaleseng Development Agency would provide the basis for such a framework.

This section builds on the Potential Analysis Framework and the LED Development Strategy, and serves as a basis for implementation.

### **7.1. THE INTEGRATED IMPLEMENTATION PLAN**

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The primary goal of the Integrated Implementation Plan is to facilitate the streamlined and fast-tracked delivery of the various LED Development Plans and their respective development programmes. The Implementation Plan can be sub-divided into four “gears”. Each of the gears has a critical role to play in the overall LED implementation effort. These four gears are:

- Development Principles
- Development programmes
- Sectoral focus
- Institutional Focus

These gears are now discussed in a practical, action orientated, context within the overall Integrated Implementation Plan. It is important to consider the integrated nature of these gears to ensure alignment and a coordinated approach to development. Each gear's specific emphasis is highlighted in the following paragraphs.

### 7.1.1. Gear 1: Development Principles

Table 7.1 presents the primary principles according to which the implementation of the various Strategic Development Plans and their programmes should be undertaken.

**Table 7.1 – Development Principles**

PRINCIPLES	DESCRIPTIONS
<b><i>Sustainability</i></b>	Sustainability is important on terms of economic, social as well as environmental impacts. Accurate assessment of this dimension prior to the implementation of any LED initiative must be undertaken to limit the irresponsible application of resources.
<b><i>Broad Based Black Economic Empowerment</i></b>	In light of the distribution of opportunities in terms of demographic characteristics, the development of the economy should be performed against the background of national BBEE guidelines.
<b><i>Employment</i></b>	All development projects that are implemented must be guided by employment creation as the ultimate goal of the project. In other words, where applicable labour intensive methods should be employed.
<b><i>Income</i></b>	LED initiatives must aim to better the income profile of local households and communities. As far as possible steps should be taken to ensure an equitable distribution of income emanating from projects. Good results in this regards can be observed among cooperatives and PPPs.
<b><i>Comparative advantage</i></b>	The Development Pillars have been identified based on the rationale of building on local comparative advantages. Local economic sectors with such advantages should be targeted for investment and expanded upon. Investment constraints should also be mitigated through development interventions (e.g. a lack of serviced business plots).
<b><i>Identified needs</i></b>	LED Initiatives should be presented to targeted local communities and beneficiaries before implementation. The purpose of such communication is not only to obtain buy-in and support but also to identify additional community needs which the project can potentially address in a creative manner.  These needs should be translated into development priorities

PRINCIPLES	DESCRIPTIONS
	for the implementation of LED projects.
<b>Investment</b>	Investment attraction from outside the Dipaleseng Municipality is important as this implies that funds are injected into the local economy. This also implies efforts to increase local levels of investment as well as the circulation of locally generated capital.
<b>Capacitation</b>	A key element to the success of LED initiatives is the availability of skills and the competency of workers. As most workers in Dipaleseng are regarded as low to medium skilled, capacity building should form part of all projects. It is recommended that this component be addressed in the feasibility study and business plans of LED projects to ensure it is properly budgeted for. Contributing factors also include business mentoring and SMME Incubation.
<b>Latent potential</b>	Existing but under-utilised resources and development opportunities are regarded as latent potential. Such resources and opportunities should be presented to the Development Agency.
<b>Linkages</b>	Linkages in the LED context refer to both the flow of economic goods and services as well as the communication of both government and non-government entities with each other. <b>The basis of any LED Strategy is to strengthen these communication channels or establish them where they do not exist.</b> The Dipaleseng Development Agency is an initiative in this regard but seen as only the start in a process of strengthening linkages and communication.
<b>Efficiency</b>	Efficiency improvement can be regarded as an increase in the rate at which work (or specific tasks) is completed. This concept focuses on the outcomes that must be achieved. An overall improvement of efficiency is central to LED implementation and applicable to all role players in Dipaleseng. This term is viewed as “ <b>doing things right</b> ”. The road to improved efficiency can be achieved through rethinking institutional mandates and organisational arrangements (such as task teams and institutional systems).
<b>Effectiveness</b>	Closely related to efficiency is effectiveness. This term is, however, aimed at the improvement of the relationship

PRINCIPLES	DESCRIPTIONS
	between the outputs and the energy or inputs required to perform a specific task. Therefore, the focus should be “ <b>doing things right with less</b> ”. This concept is central to LED which will always be faced with resource constraints. Effectiveness in LED is achieved through a partnership between role players and creative thinking.
<b>Poverty alleviation</b>	Specific focus should be placed on poverty alleviation throughout the implementation process. Although market forces would determine the optimal location of investment (e.g. a new shopping centre), communities subject to poverty and hardship should always be considered during project planning. If market forces dictate that a project will not be feasible in such an area the business plan must outline how the initiative will benefit those who are most disadvantaged in Dipaleseng society.

The preceding development principles, as described above, must be followed throughout the entire implementation process. These principles are vitally important in the light of the overall community level considerations.

### 7.1.2. Gear 2: Sectoral Focus

The first gear provided a description of the principles that apply during LED implementation. The second gear emphasises the main sectors of intervention. This is outlined here because the LED Strategy is seen as a living document subject to review and change over time. The Dipaleseng Local Municipality, the Development Agency or any other role player is not restricted to only the Trusts or projects identified in this report. The sectoral focus assumes a broader framework to guide development planning and implementation in the Municipality.

It should, however, be clarified that the sectoral focus is not strictly economic in nature but rather of a generic nature. In other words, while the interventions are referred to as sectoral, cross-cutting sectors are also incorporated. More specifically the Pillars, which are cross-sectoral, are:

- Rural Development
- Human Resource Development
- Institutional Development
- Tourism Development

These sectoral focus areas, both the cross-cutting as well as the other sectors, are the main intervention points at which the implementation activities should be aimed. The areas are of such nature that their impact on the economic welfare of local communities within Dipaleseng is either direct or indirect. Table 7.2 denotes the specific direct and indirect LED benefits of these sectoral focus areas.

**Table 7.2 – Direct and Indirect Sectoral Focus**

Sector	Direct Benefits	Indirect Benefits
<ul style="list-style-type: none"><li>• The human resource development sector</li><li>• Rural Development</li><li>• Institutional Development</li><li>• Tourism Development</li></ul>	<ul style="list-style-type: none"><li>• Skills &amp; Institutional development</li><li>• Trust &amp; Participation</li><li>• Better Information Flows</li><li>• Good Governance</li><li>• Efficiency &amp; Effectiveness</li><li>• Informed Spatial Planning</li></ul>	<ul style="list-style-type: none"><li>• Entrepreneurship</li><li>• Poverty Alleviation &amp; Employment creation</li><li>• Business retention</li><li>• Investment Attraction</li><li>• Strategic Infrastructure provision</li><li>• Innovation and creativity</li></ul>

The reason for the existence of the indirect benefits to communities is vested in the characteristics of both LED and the sectoral intervention Pillars. An improvement in the human resource base will have a marked influence on the employability of local communities to participate in new economic activities. Additionally such an improvement in the skills base will translate into a better investment climate.

The investment climate is a function of a variety of variables. One of these variables is the level of skills available in the local economy. The more skilled workers there are, the easier it will be for a potential investor to find suitable candidates for employment. This level of ease with which investors can recruit labour is very important during the location decision.

### **7.1.3. Gear 3: Development Programmes and Projects**

The development projects as listed and discussed in the preceding phase, which must be implemented to facilitate an improvement in the local economic climate. Similarly these development projects are aligned with the specific focus areas. The main implementation and/or facilitation activities associated with the respective Pillars are now presented.



#### 7.1.3.1. Pillar 1: Rural Development

The main LED initiatives associated with this Pillar are:

- Establishment of a soybean crusher plant and spin off opportunities
- Establishment of a feedlot for beef processing
- Establishment of a coal mine to supply Grootvlei Power Station
- Establishment of an organic compost production plant
- Establishment of a single screw extruder cooperative for food processing
- Establishment of truck body manufacturing plant
- Establishment of a Serviced Industrial Park
- Establishment of a Waste management Centre
- Establishment of a medicinal plant farming cooperative
- Establishment of a soybean farming cooperative
- Establishment of a herb farming cooperative
- Establishment of a retail shopping centre
- Establishment of a Renaissance farm
- Flint mining cooperative
- Establishing an essential oil processing cooperative
- Establishment of a Latex Production Plant
- Establishment of an aqua-culture fish farm
- Horticulture hub
- Establishment of a venison processing plant
- Establishment of a bio-diesel plant
- Development of warehousing and cold storage facilities.
- Upgrading of the railway station for passenger and cargo transport
- Marketing bio-gas energy generation to local farmers
- Development of a solar energy plant

#### 7.1.3.2. Pillar 2: Human Recourse Development

The main LED initiatives associated with this Pillar are:

- Developing a Local Business Incubator
- Manufacturing skills training centre
- Establish a local trade web portal
- Establishment of a SMME Training Centre
- Manufacturing Advice Centre (MAC)
- Establishing demonstration plots
- Development of a SMME Mentoring Programme
- Marketing of finance opportunities (e.g. Micro-financing institutions)
- Establish high speed internet



#### 7.1.3.3. Pillar 3: Institutional Development

The main LED initiatives associated with this Pillar are:

- Establishment of an Economic Development Agency

#### 7.1.3.3. Pillar 4: Tourism Development

The main LED initiatives associated with this Thrust are:

- Establishment of the Sitandiwe Cultural Village
- Developing game hunting packages
- Establishment of a Game Farm (eco-tourism) cooperative
- Development of the "Om die Draai Meander/Kronkel Tourism Route"
- Weekends on organic farms initiative

#### 7.1.3.5. Project Prioritisation

Annexure A prioritises the programmes/projects identified according to the following criteria:

1. Employment Creation
2. Strategic Importance
3. SMME Development
4. BBBEE & Capacity Building
5. Potential Anchor Project

From the prioritisation model the following main Anchor Projects have been identified:

1. Establishment of an Economic Development Agency
2. Establishment of a soybean crusher plant and spin off opportunities
3. Establishment of a feedlot for beef processing
4. Establishment of a coal mine to supply Grootvlei Power Station
5. Establishment of an organic compost production plant
6. Establishment of a single screw extruder cooperative for food processing
7. Establishment of a medicinal plant farming cooperative
8. Establishment of a soybean farming cooperative
9. Establishment of truck body manufacturing plant
10. Establishment of a herb farming cooperative
11. Establishment of a retail shopping centre

These projects have received the highest rating in the project prioritisation model due to their strategic importance to the Dipaleseng local economy, their potential to support entrepreneurs

and small businesses as well as the potential impact they are anticipated to have on employment creation.

#### **7.1.4. Gear 4: Institutional Focus**

The actual implementation of the various activities associated with the LED Strategy and the respective Development Plans must primarily be facilitated by the Dipaleseng while being supported by the Development Agency and other role players.

Given the fact that effective planning, management and implementation of the LED Strategy will be especially effective in terms of poverty alleviation and employment creation, focused efforts should be undertaken to ensure that the LED Strategy is comprehensively executed. It is therefore necessary to highlight the specific roles and responsibilities of the Municipality.

The Dipaleseng Development Agency will serve as an external delivery mechanism for the Municipality's Local Economic Development (LED) Strategy and projects. An Economic Development Agency is a special purpose vehicle envisaged to serve the area by assisting the Municipality in filling the gaps that exist between the phases of conceiving development, the creation of development plans, and the initiation and implementation of the various Strategic Development Pillars.

Given the developmental status and needs in Dipaleseng, the Development Agency will have to address the following key focus areas:

1. The planning and implementation of catalytic and turn-key economic projects that will contribute to economic growth, employment creation and diversification across targeted economic sectors.
2. Linked with the above, is the implementation of the Dipaleseng LED Strategy in cooperation with the Local Municipality and other key stakeholders
3. The implementation of projects that promotes rural and urban development, regeneration and integration, with specific focus on the development of the rural portions of the Dipaleseng.
4. Facilitation and implementation of initiatives that promote labour force, entrepreneurial and skills development, and establishing networks through which these skills can be matched with demand.
5. Marketing and promotion of economic opportunities in Dipaleseng, including investment brokerage and aftercare.

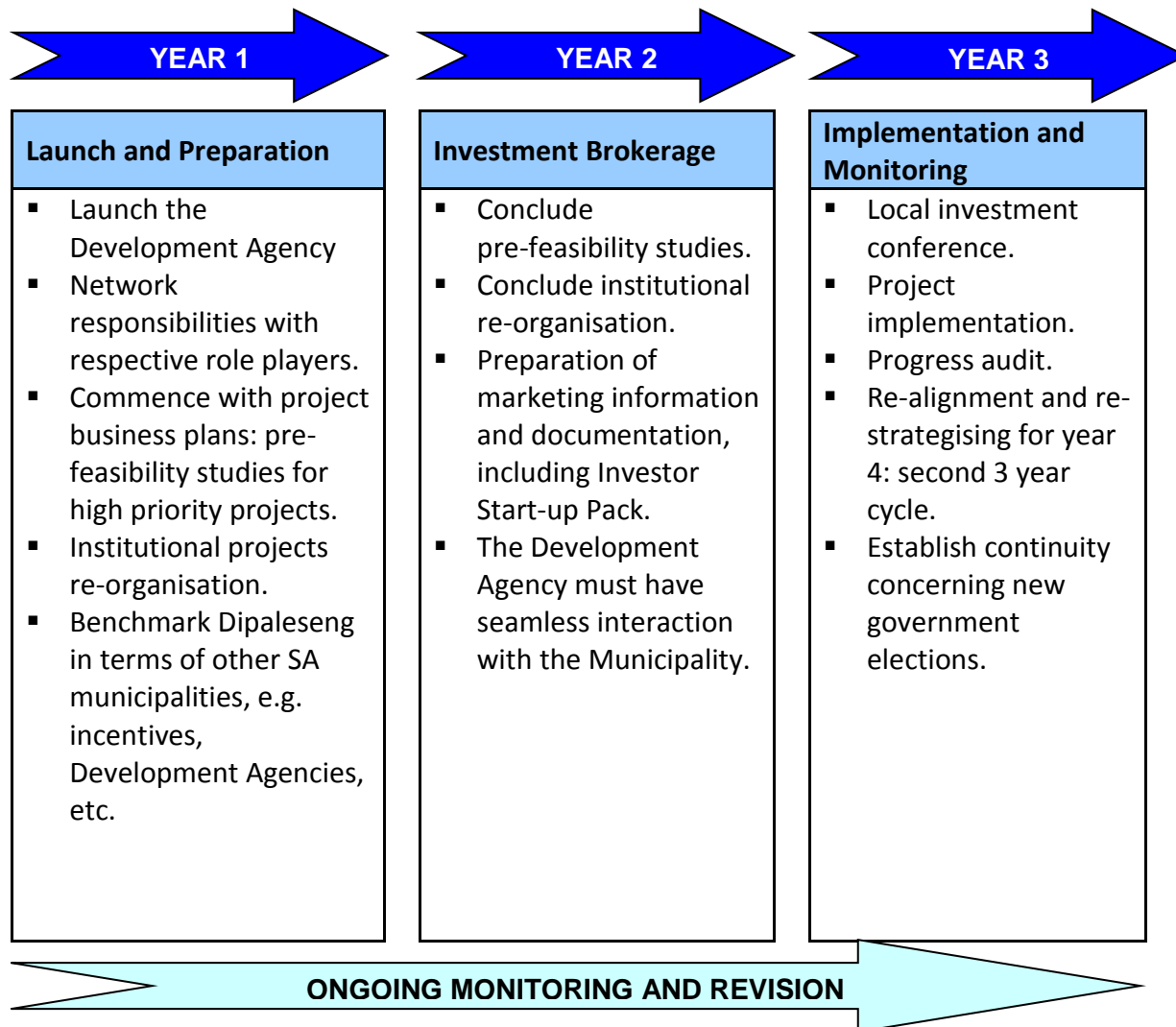
In addressing these focus areas, the Agency will be responsible for the identification, planning, conceptualisation, packaging, implementation, facilitation, development and monitoring of economic projects and initiatives in Dipaleseng that are commercially viable, bankable and

sustainable. These projects refer to any sectoral, spatial or industry-specific project or any other focused initiative that will achieve the strategic objectives set forward by this Strategy.

### 7.3. PHASED IMPLEMENTATION AND ROLL-OUT PLAN

A phased approach to implement the LED Strategy is illustrated by Figure 7.1. The Figure summarises important actions and financial considerations pertaining to the first of a number of consecutive three year implementation and revision cycles.

**Figure 7.1 - Phased Implementation and Financial Planning, First 3-year cycle**



## **7.4. LED MARKETING PLAN**

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The findings of the opportunity analysis together with the proposed Development Pillars have a host of implications for Dipaleseng with reference to the image of the area and what is required to change how the area is being perceived. These implications inform the marketing plan, but there are a number of issues that are worth highlighting.

### **7.4.1. LED Marketing Principles**

Dipaleseng has a number of salient features that needs to be strengthened and exposed in order to drive and underpin the LED marketing of the area.

- **Existing strengths on which to build:** LED Place Marketing should not be about re-inventing Dipaleseng but rather about doing everything possible to ensure that specific audiences really understand what the area has to offer them now despite what their perceptions might be.
- **Growing a local sense of place.** Many people throughout Dipaleseng have strong feelings of connection to specific parts of the area; for many others the area is an ‘adopted’ home. Although much of the marketing drive will be externally focused, it must also ensure that the people already working and living in the area understand the region and are willing to speak up for it.
- **Clarifying the message:** Some locations in Dipaleseng such as Balfour are well-known in their own right, while others such as Greylingstad and Grootvlei are only known among specific audiences. However, the entire Dipaleseng Municipality as an entity is not well known. The marketing efforts need both to build basic awareness of the geographic make-up of the area and also to identify and link the locations and attractions, which are in close proximity and, combined, present an even more attractive offer to the target audience. When addressing individual audiences it is vital to create awareness of the best Dipaleseng has to offer.
- **Ensure cross functional involvement:** In a marketing context Dipaleseng is “owned” by its local communities and all the role players associated with LED. All these entities must buy into the marketing process and communicate the same message to target audiences.

### **7.4.2. LED Marketing Objectives**

Based on these principles the following LED place marketing objectives have been identified for Dipaleseng:

1. Develop a common language to describe Dipaleseng and ensure that this language is used consistently across the Municipality.
2. Improve Dipaleseng’s image in the eyes and minds of specific audiences whose perceptions of the area have an impact on the economic wellbeing of the area.



3. Support and extend the work of partners across Dipaleseng (e.g. the Tourism Association), where their planned activities make a direct contribution to the delivery of changed perceptions among the target audiences.

#### 7.4.2.1. Objective 1: Developing and using a common language

Dipaleseng needs a compelling, up-to-date description (words and images) of what the area is and what it is like to live and work in the area. It needs to be a description that not only makes the connections and associations across the area that people inside and outside the area do not currently make, but also builds an understanding and awareness of the physical boundaries of the area. In developing the first version of this description across multiple media the following actions need to be incorporated:

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

#### 7.4.2.2. Objective 2: Improving Dipaleseng's image among key audiences

Attention has to be focused on improving Dipaleseng's image in the eyes and minds of five specific audiences whose perceptions have an impact on the economic wellbeing of the area. These audiences are:

1. **Business decision-makers** who are making investment, location and re-location decisions on behalf of businesses whose continued presence in the area or who's choice of Dipaleseng as a location for one or more of their operations would contribute to the delivery of the marketing drive.
2. **Visitors to the area** who come to the area for a short period of time. These may be tourists, business visitors, people who visit family or friends and so on. Marketing efforts should be



focussed on instilling positive images on these visitors as an area that provides for a good quality of life with excellent business opportunities.

3. **The national and international media community** and specifically the Mpumalanga media community who need to better understand for themselves the make-up and strengths of Dipaleseng and, as a result, are better placed to portray the area positively and fairly.
4. **Local communities**, specifically: school children who can be educated on the history, make-up and potential future of Dipaleseng.

Choices made by members of the first two target audiences have quantifiable effects on the health of the local economy. The media community, the third audience, directly influences the perceptions of the members of the first two.

It is necessary to recognise that while specific focus needs to be placed on external audiences, emphasis has to be placed on the need to ensure that the population of Dipaleseng understands the area and recognises the messages that are employed to attract external audiences.

The actions aimed to improve the image among each target audience will clearly be tailored to each. The image is determined in part by each audience's perception of Dipaleseng's ability to meet their needs – whether the needs of a prospective investor or of a family planning a day-trip.

As a result, the actions employed to shift the perceptions of each audience will comprise product development to ensure Dipaleseng can meet the audience's needs, and also communications programmes to ensure that the audiences understand not only that their needs can be met, but also how the offer compares to that of competing areas.

#### 7.4.2.3. Objective 3: Supporting and extending the work of partners

It is vital to consider the marketing drive as a framework for coordinating the activities of organisations around the area and specifically a framework for ensuring that, by making the right connections across sub-areas and organisations, marketing resources of the area is used as effectively as possible to change perceptions. Therefore, the marketing drive should be integrated with the networking and collaboration activities of the Dipaleseng Development Agency.

#### **7.4.3. Implementation Actions**

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

#### 7.4.3.1. Action 1: Developing and using a common language

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

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

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

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

#### 7.4.3.2. Action 2: Improving Dipaleseng's image among key audiences

Delivery and consultation groups should be established through the Development Agency for the target audiences. Although the target audience of each delivery group is different, the actions required of each are similar. They are to:

1. Understand the target audience's starting point in terms of perceptions of the Municipality.
2. Agree on quantifiable objectives by audience and how progress towards achieving these will be measured.
3. Understand how Dipaleseng currently addresses this audience and the work that is being undertaken.
4. Develop and deliver awareness-building and image-development campaigns to each audience both within and beyond Dipaleseng which build on and extend current work.
5. Develop and deliver a programme of awareness-building and education to key contacts within media to which the audience is exposed to which build on and extend current work.
6. Measure and report on progress.

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

- **Business decision-makers.** The Dipaleseng Development Agency should lead this delivery group, comprised not only of businesses from across the area, but also business intermediaries and partner organisations, including organised business, who works with businesses looking to locate to and re-locate within the area.



- **Visitors to the area.** The dedicated team should lead the “Business & Leisure Visitors” delivery group, joined by conference/hospitality businesses.

#### 7.4.3.3. Action 3: Supporting and extending the work of partners

The Dipaleseng Municipality should lead this delivery group, joined by individuals from the private, public and voluntary sectors. The short-term actions of this group will include:

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

### **7.5. MONITORING & EVALUATION**

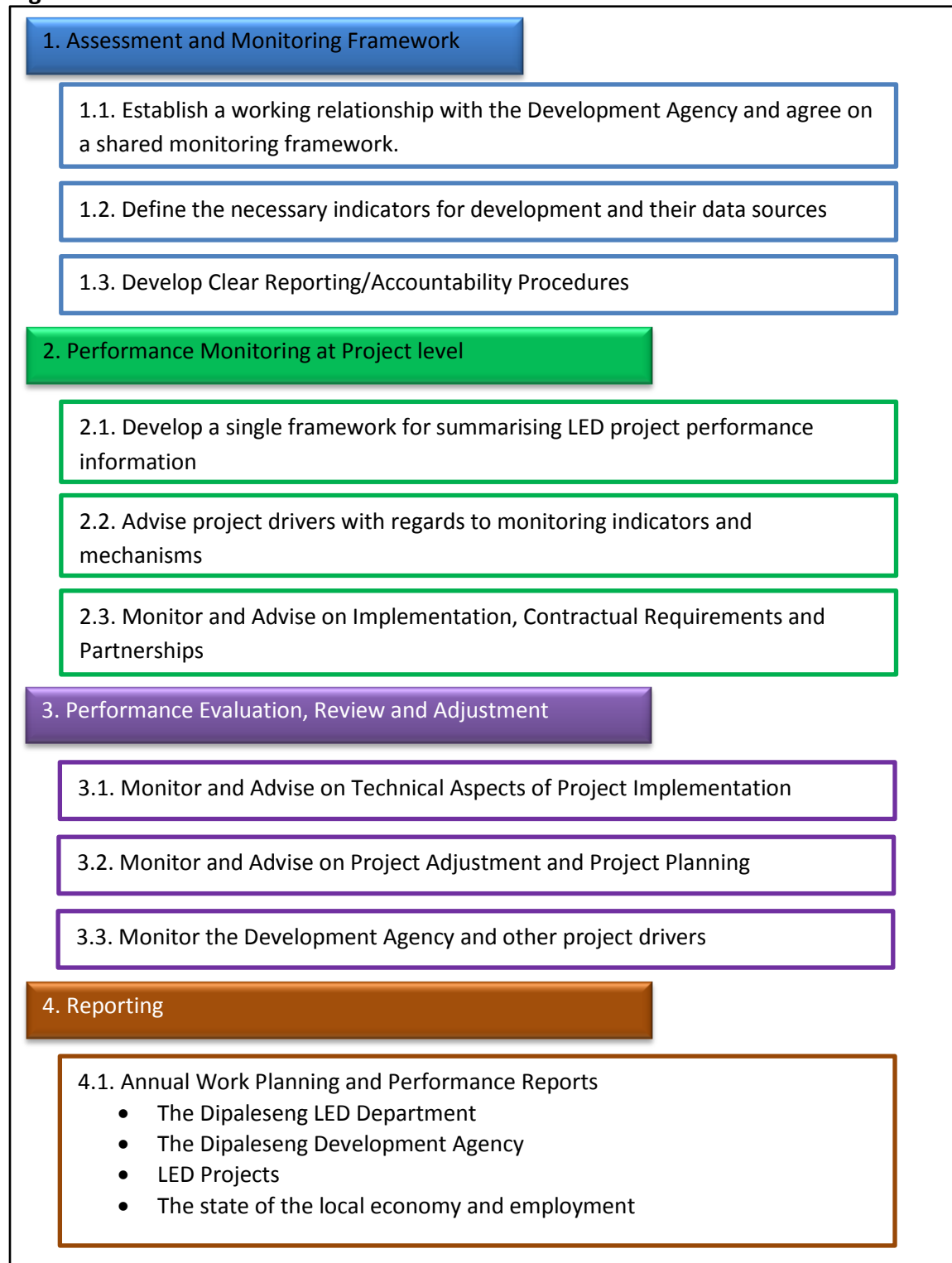
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Implementation of the LED Strategy needs to be monitored on an on-going basis. Progress with respect to new investment and the impact thereof on Dipaleseng’s economy needs to be constantly assessed and monitored over the implementation period of the strategy. To enhance efficiency and effectiveness of the strategy, continuous adjustments need to be made, based on market fluctuations and demand changes. This entails continuous strategic re-positioning.

#### **7.5.1. Performance Assessment Framework**

The Performance Assessment Framework is a set of recommendations provided for the benefit of the Dipaleseng Local Municipality. These recommendations or actions will allow for effective monitoring and evaluation of the Development Agency and its progress with regards to implementation.

**Figure 7.2 – Performance Assessment Framework**



### 7.5.2. LED Strategy Monitoring and Evaluation

The overall implementation of the LED Strategy and its impact should also be monitored. A Framework for monitoring the implementation of the Dipaleseng LED Strategy is provided by Tabled 7.3.

**Table 7.3 – Annual Monitoring and Evaluation of the LED Strategy**

Evaluation Statement	Level of agreement with statement	Comments
The Dipaleseng Development Agency has been established and conducts regular meetings with the Municipality	Low Medium High	
The Rural Development Pillars was satisfactorily implemented	Low Medium High	
The Human Recourse Development Pillars was satisfactorily implemented	Low Medium High	
The Institutional Development Pillars was satisfactorily implemented	Low Medium High	
The Tourism development Pillars was satisfactorily implemented	Low Medium High	
LED Programmes and projects adequately achieved their stated objectives	Low Medium High	
The resources were sufficient to carry out the Roll-Out plan	Low Medium High	
The leadership and capacities of role players and organisations were sufficient	Low Medium High	
The partnerships and networks formed in the LED process will be sustained and strengthened	Low Medium High	
Implementation challenges, both anticipated and unexpected, were adequately addressed	Low Medium High	
The results achieved this year can be sustained	Low Medium High	



Evaluation Statement	Level of agreement with statement	Comments
LED resources could not have been used differently or been substituted, to have produced more results within the estimated costs	Low Medium High	
LED resources could not have had the same results for less money or effort.	Low Medium High	
Resources were managed in the most efficient way possible to achieve the project objectives.	Low Medium High	

### 7.5.3. Monitoring and Evaluation of LED Programmes & Projects

The feasibility studies and business plans of all LED Projects must contain a detailed monitoring and evaluation plan based on the objectives and targets of the project as well as other relevant development indicators. Table 7.4 provides a broad framework for the monitoring and evaluation of LED initiatives.

**Table 7.4 – Annual Monitoring and Evaluation of LED Projects**

<b>Project Name:</b> <b>Project Driver:</b> <b>Project Location:</b> <b>Project Funder:</b>						
Project Objectives	Performance Measure	Baseline Measure	Period 1	Period 1	Period 1	Period n
• Objective 1	• PM 1	• BM 1				
• Objective 2	• PM 2	• BM 2				
• Objective n	• PM n	• BM n				
			<b>Example</b>			
Data source			Project Financial Statements			
Data collection frequency			Once per quarter			
Data collection methods			Business survey, community survey, labour statistics etc.			
Parties involved and responsibilities			The Development Agency: Collection, management, evaluation			
Results: Where they are stored, communicated, and who has access			The Dipaleseng LED Manager and the Development Agency CEO			

# Annexure A

## Project Prioritisation

EVALUATION CRITERIA	Employment creation	Strategic Importance	SMME	BEE & Capacity Building	POTENTIAL ANCHOR PROJECTS	PROJECT EVALUATION			VALUE	PRIORITY
						HIGH IMPACT (3)	MEDIUM IMPACT (2)	LOW IMPACT (1)		
Establishment of Dipaleseng Development Agency	3	3	3	3	3	5	0	0	50.00	1
Establishment of a soybean crusher plant and spin off opportunities	3	3	2	3	3	4	1	0	46.00	1
Establishment of a feedlot for beef processing	3	3	2	2	3	3	2	0	42.00	2
Establishment of a coal mine to supply Grootvlei Power Station	3	3	1	2	3	3	1	1	39.00	3
Establishment of an organic compost production plant	2	2	3	3	2	2	3	0	38.00	4
Establishment of a single screw extruder cooperative for food processing	2	2	3	3	2	2	3	0	38.00	4
Establishment of truck body manufacturing plant	2	2	3	3	2	2	3	0	38.00	4
Establishment of a Serviced Industrial Park	2	2	3	3	2	2	3	0	38.00	5
Sitandiwe Cultural Village (as part of Om die Draai Meander)	2	2	3	3	2	2	3	0	38.00	4
Establishment of a Waste Management Centre	2	2	3	3	2	2	3	0	38.00	5
Establishment of a retail shopping centre	3	2	2	2	3	2	3	0	38.00	2
Establishment of a medicinal plant farming cooperative	2	3	2	2	3	2	3	0	38.00	4
Establishment of a soybean farming cooperative	2	2	3	3	2	2	3	0	38.00	5



EVALUATION CRITERIA	Employment creation	Strategic Importance	SMME	BEE & Capacity Building	POTENTIAL ANCHOR PROJECTS	PROJECT EVALUATION			VALUE	PRIORITY
						HIGH IMPACT (3)	MEDIUM IMPACT (2)	LOW IMPACT (1)		
Establishment of a herb farming cooperative	2	2	3	3	2	2	3	0	38.00	4
Establishment of a Renaissance farm	2	2	3	3	2	2	3	0	38.00	4
Flint mining cooperative	2	2	3	3	2	2	3	0	38.00	4
Establishing an essential oil processing cooperative	2	2	3	3	2	2	3	0	38.00	4
Establishment of a Latex Production Plant	2	2	3	3	2	2	3	0	38.00	4
Developing a Local Business Incubator	2	3	3	2	2	2	3	0	38.00	4
Establishment of an aqua-culture fish farm	2	2	3	3	1	2	2	1	35.00	5
Horticulture hub	2	2	3	3	1	2	2	1	35.00	5
Establishment of a venison processing plant	2	2	2	3	2	1	4	0	34.00	6
Establishment of a bio-diesel plant	2	2	2	3	2	1	4	0	34.00	6
Development of warehousing and cold storage facilities.	3	2	2	2	2	1	4	0	34.00	6
Developing game hunting packages	2	2	3	2	2	1	4	0	34.00	6
Manufacturing skills training centre	1	2	3	3	1	2	1	2	32.00	7
Establish a local trade web portal	1	3	3	2	1	2	1	2	32.00	7
Establishment of a Game Farm (eco-tourism) cooperative	2	1	3	3	1	2	1	2	32.00	7



EVALUATION CRITERIA	Employment creation	Strategic Importance	SMME	BEE & Capacity Building	POTENTIAL ANCHOR PROJECTS	PROJECT EVALUATION			VALUE	PRIORITY
						HIGH IMPACT (3)	MEDIUM IMPACT (2)	LOW IMPACT (1)		
Upgrading of the railway station for passenger and cargo transport	3	2	2	2	1	1	3	1	31.00	8
Establishment of a SMME Training Centre	1	2	3	2	1	1	2	2	28.00	9
Manufacturing advice centre (MAC)	1	2	2	3	1	1	2	2	28.00	9
Marketing bio-gas energy generation to local farmers	1	2	2	3	1	1	2	2	28.00	9
Development of the "Om die Draai Meander/Kronkel Tourism Route"	2	2	2	2	1	0	4	1	27.00	10
Development of a solar energy plant	1	2	1	2	2	0	3	2	24.00	11
Establishing demonstration plots	1	2	2	2	1	0	3	2	24.00	11
Development of a SMME Mentoring Programme	1	2	2	2	1	0	3	2	24.00	11
Marketing of finance opportunities (e.g. Micro-financing institutions)	1	2	2	2	1	0	3	2	24.00	11
Establish high speed internet	1	2	2	2	1	0	3	2	24.00	11
Weekends on organic farms	1	2	2	2	1	0	3	2	24.00	11