EMALAHLENI LOCAL MUNICIPALITY

LOCAL ECONOMIC DEVELOPMENT STRATEGY

(2011-----2016)

FINAL REPORT

Supported by: DEDET

Mpumalanga
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ACRONYMS

LED: Local Economic Development
GDP: Gross Domestic Product
IDC: Industrial Development Corporation
NSDP: National Spatial Development Perspective
PGDS: Provincial Growth and Development Strategy
AsgiSA: Accelerated Shared Growth Initiative of South Africa
BBBEE: Broad Based Black Economic Empowerment
SMME: Small Medium Micro Enterprise
RSA: Republic of South Africa
MDC: Maputo Development Corridor
SDF: Spatial Development Framework
CBD: Central Business District
BIDs: Business Improvement Districts
DEDET: Department of Economic Development Environment and Tourism
EIA: Environmental Impact Assessment
DBSA: Development Bank of Southern Africa
IDP: Integrated Development Plan
NGP: New Growth Path
KPA: Key Performance Area
HDI: Human Development Index
DTI: Department of Trade and Industry
DMR: Department of Mineral Resources

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SECTION ONE: INTRODUCTION

Local Economic Development (LED) is as an outcome based on local initiatives and driven by local stakeholders. Local Economic Development (LED) involves identifying and using local ideas, resources and skills to stimulate local economic growth and development. The aim of Local Economic Development is to create employment opportunities for local residents, alleviate poverty, and redistribute resources and opportunities to the benefit of all local residents.

Local Economic Development initiatives always take place in the context of regional, national and global economies; and it is participatory in nature as it encourages inputs and participation from the public, business and non-governmental sector partners and all other interested parties to collectively create better conditions for economic growth and employment creation. It is about continually refocusing on the changes the environment possess on the locality to stay relevant. Local Economic Development encompasses all stakeholders in the local community, involved in the number of different initiatives aimed at addressing various socio-economic needs in the community. The purpose of LED is to build the economic capacity of a local area in order to improve its economic future and the quality of life for all.

Successful LED programmes usually encompass employment creation, market development, promotion and support of SMME’s, poverty reduction, community empowerment, enterprise development, agriculture and industrial development.

Both economic development (aimed at improving people’s living standards) and economic growth (aimed at increasing the economy’s capacity to produce); are key aspects of local economic development.

1.1 Background and Study Area Context

Meaning “place of coal” in context, Emalahleni Local Municipality is located in the Highveld region of Mpumalanga Province. The municipality is located in close proximity to Gauteng Province. The Maputo Development Corridor (MDC) is one of the key pillars with potential for economic growth and development in the locality and the municipal area boasts some of the major mining and steel manufacturing activities in the country. However, unemployment, poverty and illiteracy are some of the key socio-economic challenges in the area. Located within the Nkangala region, Emalahleni Local Municipality is one of the six municipalities in Nkangala District. The other municipalities include Dr. JS Moroka, Thembisile Hani, Victor Khanye, Steve Tshwete and Emakhazeni. The municipality is surrounded by Steve Tshwete (East), Victor Khanye (Delmas) and Govan Mbeki (South), Kungwini (Metsweding) (West) and Thembisile Hani Local Municipality in the North; as shown on the following map:
1.1.1 **Major Towns and Settlements within Emalahleni**

Some of the major towns and settlements in Emalahleni include Witbank, Ogies, Kriel, Blinkpan and Vosman. Key residential locations include Pineridge, Lynville, Kwa-Guqa, Clewer, Phola, Tweefontein, Pietspruit and Hlalanikahle. The following map shows some of the areas in Emalahleni:
Map 2: Towns and Settlements

Source: Emalahleni SDF; August 2007

The towns and settlements of strategic significance within Emalahleni Local Municipality include the following:

- KwaMthunzi Vilakazi, which is a predominantly mining community with some agricultural holdings to the west, and a local industrial area and the Highveld Steel industrial complex which is situated a few kilometers to the north thereof;
- The Wilge residential area which is privately owned and which was formerly part of the Wilge Power Station. At present this town has no economic base;
• The Phola residential area which is situated immediately to the north of the N12 in the western part of the study area and which accommodates a large concentration of disadvantaged people. This town also has a very limited economic base;
• The town of Ogies which is about the third largest center of activity in the Emalahleni Municipal area and which mainly exists as a result of the fact that the railway network linking Maputo Harbour, Richards Bay Harbour and Johannesburg to one another, converges in the town. Although it has a relatively small residential component, Ogies holds a fairly large number of economic activities;
• Rietspruit which is a former mining town comprising approximately 900 residential units and which has a small retail node in the central part of the town;
• The town of Ga-Nala, which is the southernmost town in the Emalahleni Local Municipal area and mainly exists because of the Matla and Ga-Nala Power Stations, both of which are situated a few kilometers to the west of Ga-Nala. Apart from Witbank, this is the town with the strongest economic base in Emalahleni Local Municipality;
• The Thubelihle residential settlement which is situated about two kilometres to the north of Ga-Nala and which was historically developed as the black town of Ga-Nala;
• The TNC, Clydesdale, Van Dyksdrift, Douglas, Springbok and Wolwekrans complex of settlements related to mining and railway activity in the southeastern part of the area. These settlements are all located in a linear pattern from south to north along the R544 route towards Witbank; and
• Balmoral situated on the N4 on the western edge of the jurisdictional area comprising a railway station and a few houses.

In terms of the settlement hierarchy, Witbank remains the highest order settlement in the Emalahleni area, both in terms of population and function. Approximately 90% of the population in Emalahleni resides in the settlements in this part of the municipal area, with only 10% of the population residing in the rural areas. In terms of the overall development philosophy, it is thus proposed to focus capital investment and service delivery in the settlements in the municipal area, to ensure that the largest part of the population is reached.

The dispersed nature of these settlements however makes the cost effective delivery of engineering services very difficult. The sustainability of some of these settlements is questionable, seeing that the lifelines of the settlements, such as the mines or power stations sometimes close down. It is however imperative to protect the capital investment in these settlements through upgrading and maintenance of engineering services, roads, road reserves and open spaces.

1.1.2 Economic Sectors and Activities

Retail and Wholesale Trade
As far as retail/wholesale is concerned the Witbank CBD represents the largest single concentration of retail activity in the Emalahleni Local Municipality area. This is also the highest order activity node in the municipal area.
The second largest retail activity area is the CBD of Ga-Nala, with Ogies being the third largest. The CBD of Ga-Nala serves the southern part of the study area while the Ogies activity area serves mostly the western and central parts of Emalahleni. For the largest part of the Emalahleni Municipal area, the Witbank CBD is the most accessible and highest order activity node. In Witbank town itself there are about seven secondary activity nodes, serving different communities locally.

Apart from these three regional concentrations of retail/business activity, most of the other towns and settlements in Emalahleni hold some smaller concentration of economic activities by way of shopping centers/spaza shops intended to serve people locally.

The prominence of the Witbank CBD as a regional node should be protected and enhanced. The addition and/or expansion of other retail and office nodes should be limited to prevent further depletion of the Witbank CBD. Specific initiatives, such as urban regeneration programme and Business Improvement Districts (BIDs) should be undertaken to counteract urban decay.

**Industrial**
As far as industrial activity is concerned there are nine major industrial areas in the Emalahleni Municipal area, most of which are situated within or around Witbank town:

- The Ferrobank industrial area situated immediately to the northwest of the Lynnville residential area;
- Klarinet industrial area (relatively undeveloped) to the north of Witbank CBD;
- Old Coronation west of the CBD, which is affected by undermining;
- The Rand Carbide industrial area situated in the central northern part of Emalahleni;
- X6 and X34 situated immediately south of the Witbank CBD;
- X25 industrial area which forms part of the southern residential areas of Witbank town;
- The Naauwpoort industrial area which is situated on the southern part of the town along R544; and
- The KwaMthunzi Vilakazi/Highveld Steel industrial area to the west of the Witbank town.

Under-mining poses a constraint to the extension of many of the existing heavy industrial areas in and around Emalahleni. Ga-Nala holds a small industrial/commercial area to the south of the CBD and there are initiatives to develop Ga-Nala X17 as a future industrial area.

**Mining**
What is evident is that the largest part of the municipal area is underlain by coal deposits. What is also clear is the fact that settlements and the railway infrastructure in the southern part of the Emalahleni Local Municipality were mainly constructed to serve the mining activities. The coal mining in the area serves primarily two functions: as source of energy for the power stations in the Emalahleni Municipal area and adjacent; and to provide for the needs of the export markets via Richards Bay Harbour.
Mining is a very significant economic sector in the Emalahleni area, but it has also become a major form of development constraint due to shallow undermining - especially in the central, northern and southern portions of Witbank town. This has major implications in terms of correcting the distorted spatial pattern of Witbank town itself. There is a conflict between the mining operations and settlement development, especially in terms of the hazards associated with past mining operations, such as underground fires in old mines, seepage from mines and communities mining coal from remaining coal pillars and old coal dumps. Coal mining has also out-performed agriculture in terms of land-use within the municipal area; thereby causing a major challenge on agriculture development.

The Mpumalanga Department of Economic Development Environment & Tourism and National Department of Minerals and Energy should however institute action in terms of ensuring the rehabilitation of hazardous or degraded areas and preventing further damage to the environment through mining operations. These environmental challenges present opportunities for economic activities around the green economy. The map below shows the location of coal mines across the areas of Emalahleni. It is worth noting that gold deposits have also been linked to the area and these are worth further investigations.

**Map 3: Mining Areas**
Electricity
The Emalahleni Local Municipality has four power stations situated within its area of jurisdiction. The first is the Kendal Power Station which is situated immediately to the south of the N12 freeway in the vicinity of the western boundary of Witbank. To the south, the Matla and Ga-Nala Power Stations are very important economic activities supporting the Ga-Nala residential area. The Duvha Power Station is situated a few kilometres to the east of Witbank town itself. Work has also started at the new Kusile Power Station, which is situated close to Kendal Power Station, just outside of the Emalahleni municipal area.

The power stations are resource based and have led to the development of dispersed settlements throughout the southern parts of the Emalahleni area. The long term maintenance costs make the sustainability of these settlements questionable, especially after the lifetime of the coal mines and power stations has expired (e.g. Wilge). The following map shows the location of the various power stations in Mpumalanga Province:

Map 4: Location of Power Stations in Emalahleni
Agriculture
The areas between the mining activity, the power stations and the residential areas of Emalahleni are mostly utilised for agricultural purposes. Agricultural activities mostly comprise crop farming (especially maize) and cattle farming which is mainly focused in the areas towards the north of Witbank town.

Agricultural land around the settlements in the Emalahleni area is increasingly under threat, due to the need for urban expansion, mining development and electricity generation. The constraints posed by undermined land further decreases the attractiveness of agricultural land for development. The agricultural land in Emalahleni is however considered to have high production value and potential, and should be protected as a scarce resource. In this regard, the consolidation and integration of dispersed settlements (e.g. integration of Ga-Nala and Thubelihle) is proposed, as opposed to extension of the settlements into precinct agricultural areas. The following map shows areas within Emalahleni dominated by agricultural activities.

Map 5: Agricultural Land and Activities
1.1.3 Natural Environment and Cultural Historic Assets

As far as the water catchment in Emalahleni is concerned, there are two main catchment and drainage systems in the area. The Olifants River drainage system covers the entire southern and eastern portion of the Emalahleni Local Municipality (feeds into the Witbank Dam), and the Wilge Spruit drainage system covers the northern and north-western half of the study area. The watershed between the two systems runs through a part of the town of Witbank.

At regional scale it is proposed that the area surrounding the Witbank Dam to the east of the town be managed as a Conservation Precinct. Only eco-sensitive development should be allowed to take place in the area.

Mining and industrial activities caused significant damage to the natural environment of Emalahleni; consequently the aesthetic quality of the municipal area is generally very low. The area surrounding the dam holds some potential to improve this situation. Unfortunately only small portions of land around the dam enjoy statutory environmental protection, and therefore it is suggested that Council, as a policy, deals with and manage the entire area around the dam as a single Conservation Precinct.

In the development of new settlements, land should be set aside for use as parks and recreational areas. The land set aside for this purpose should be functional and linked to the greater open space network. Furthermore, existing parks and recreational areas should be functionally developed and properly maintained.

A specific State of the Environment Report of the Emalahleni area is required, which should address the following issues:

- Environmental assets and constraints;
- Sensitive environmental areas and identification of red data species;
- Refinement of the open space network;
- Catchment management and storm water management guidelines;
- Proactive identification of future land for parks and recreation purposes;
- Guidelines for settlement planning and establishment, specifically with regards to where Environmental Impact Assessments (EIAs) would be required or areas exempt from EIAs (thus where only scoping reports and management plans would be required);
- Protection of Grasslands which are under threat from agriculture and mining;
- Poor water quality due to industrial activities;
- Pollution (of surface and groundwater) by Emalahleni council’s sewerage system;
- Sustainable use of water resources (the volume of water required per sectoral use still exceeds the volume of water available);
- Waste removal and management in rural and farming areas;
- The threat of ecosystem collapse due to the pressure of the mining industry; and
- Vulnerability – households under threat due to flood lines, housing located on unstable geological formations such as sinkholes and undermined areas, housing located underneath power lines, housing located on very steep and mountainous areas and housing situated on areas with underground fires.
The assessment entitled “Formalisation of Cultural and Historic Sites in the Nkangala District, 2004” identified an abundance of sites of cultural historic importance in the Emalahleni Municipality, which need to be conserved. A Conservation Strategy and Guidelines are required specifically for the Emalahleni Municipality.

### 1.2 Study Purpose and Objectives

The primary purpose of this study is the development of a Local Economic Development Strategy for Emalahleni Local Municipality which guides the municipality to co-ordinate all key LED stakeholders and role-players towards co-ordinated LED implementation which seeks to unlock economic opportunities; and encourage private sector driven investment (through both economic gardening and hunting); with the ultimate goal of creating decent employment opportunities, reduce wealth inequality and eradicate poverty.

To achieve this primary goal requires that the following key objectives are delivered:

- Assess the local economy in the context of sectoral growth opportunities and challenges, as well as the socio-economic dynamics within the locality; with a view to identifying key strategic issues to be addressed;
- Identify LED opportunities and development initiatives for implementation by all the key stakeholders and role-players;
- Develop LED vision, goals and objectives that should guide economic growth and development within the local space;
- Identify specific development thrusts (programmes) and initiatives (projects) for implementation by the private sector; through the support of all spheres of government;
- Develop LED implementation plan & monitoring and evaluation mechanism to assist in programmes and projects implementation and tracking of progress made.

In addition, the study also seeks to achieve the following:

- Promote a shared understanding of the LED concept, and use of sound LED best practices and processes;
- Promote more effective institutional collaboration by strengthening the LED capacities of relevant institutions and structures;
- Promote private-public sector collaboration, support and funding of LED programmes and projects.
1.3 Approach and Methodology

In line with the Terms of Reference, the development of the Emalahleni LED Strategy was done jointly by Emalahleni Local Municipality, Mpumalanga Department of Economic Development, Environment and Tourism (DEDET), Mpumalanga Department of Cooperative Governance and Traditional Affairs (COGTA); with the assistance of Eagle Success Research and Training Institute. DEDET financed the procurement of services from Eagle Success Research and Training Institute.

The project was broken down into four critical phases as follows:

- **Phase One:** Stakeholder mobilisation and Perspective Analysis - by DEDET, COGTA and Emalahleni Local Municipality (with final input from Eagle Success Research and Training Institute)
- **Phase Two:** Community, SMME/Cooperatives and big business surveys - jointly by DEDET, COGTA and Emalahleni; with advice from Eagle Success Research and Training Institute
- **Phase Three:** Development of LED Strategic Framework - through stakeholder workshops jointly facilitated by DEDET, COGTA, Emalahleni and Eagle Success Research and Training Institute
- **Phase Four:** Framing the LED Strategy, Feedback Reporting and Consolidation - done by Eagle Success Research and Training Institute with the joint support of Emalahleni, DEDET and COGTA.

In terms of methodological approach, the development of the Emalahleni LED Strategy was guided by a **Genesis Model**.

**Genesis** – which means **Generating-Strategy-Innovation-Solutions** for local economic development, is a “robust and innovate methodology to define strategic priorities and launch or accelerate a process of transformation in local economic development”. It is a methodology for identifying strategic interventions (catalytic projects) in the context of a territorial economic development initiative.

The following diagram illustrates the structure of the Genesis exercise model that was utilized in the development of the Emalahleni LED Strategy:
Special mention should be made that various community members, SMMEs, cooperatives and businesses across sectors participated in the surveys and stakeholder workshops; until finalization of the LED Strategy development.

1.4 Structure of the Strategy Report

The rest of the Emalahleni LED Strategy report is structured as follows:

**Section Two**: outlines the legislative, policy and programmes context of local economic development, by highlighting their implications to Emalahleni.

**Section Three**: provides a critical analysis of the Emalahleni status quo or situation in terms of demographic, socio-economic and economic variables.

**Section Four**: deals with the opportunity and issue analysis based on business surveys conducted and input during workshops.

**Section Five**: highlights the strategic issues from overall analysis of the Emalahleni situation/perspective, surveys and workshop discussions.
**Section Six:** outlines the Emalahleni LED strategic framework by capturing the LED vision, mission statements, strategic goals and objectives as well as programmes and projects for implementation.

**Section Seven:** deals with LED implementation framework, with special emphasis placed on the phased approach and roll-out plan.

Finally, **Section Eight** concludes with LED Monitoring and Evaluation Framework.
SECTION TWO: LEGISLATIVE AND POLICY FRAMEWORK

Local Economic Development is concerned with the creation of an environment which will engage stakeholders in implementing strategies and programmes. This perspective has to be aligned with the country’s macro-economic strategy which focuses on re-entering the global market, providing the climate which is amenable to international investments, enhancing the role of the private sector, and reducing the role of the State (DBSA, 2000). The increasing status of the locality in the global economy and the rising emphasis of local and community decision-making in democratic states have paved the way for the development of local economic strategies, particularly in the face of the growing Chinese, Brazilian and Indian economies and markets.

2.1 National LED Context: Legislation and Policy Environment

Local Economic Development is guided by the policy and legislation environment that has been created by the various spheres of government at national, provincial and municipal level.

2.1.1 The Constitution of RSA (1996)

In terms of Chapter 7, Section 152 of the Constitution, local authorities have a legal mandate to promote social and economic upliftment within their areas of jurisdiction. This object forms an integral part of principles from which Local Economic Development strategies are formulated and implemented. Furthermore, a municipality is required in terms of section 153 of the constitution, to restructure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community and promote the social and economic development of the community.


By introducing the concept of developmental local government, the White Paper encourages local municipalities to spearhead development in their space. Emalahleni Local Municipality together with its partners should focus on the creation of conducive business environment by:
- Promoting establishment of job creation ventures;
- Promoting and marketing local investment opportunities;
- Providing quality cost effective services for business and the general community;
- Democratizing economic development process by allowing stakeholders to participate.

Lastly, the White Paper clearly states that local government role is not that of creating jobs but creating conducive environment for business to create employment opportunities for the citizens.
2.1.3 Municipal Systems Act (32 of 2000)

Local Economic Development is one of the strategic tools through which local municipalities adhere to its duties, as prescribed by the Municipal Systems Act. Section 25 (1) of the Act states that each municipal council must, within a prescribed period after the start of its elected term of office, adopt a single, inclusive and strategic plan for the development of the municipality which:

- Links, integrates and coordinates plans and takes into consideration proposals for the development of the municipality;
- Aligns the resources and capacity of the municipality with the implementation of the plan, and;
- Forms the policy framework and general basis on which annual budgets must be based.

Specific reference to Local Economic Development is made in section 26 (c) of the Municipal Systems Act which further specifies that the Integrated Development Plan (IDP) must contain its Local Economic Development objectives. This gives rise to the legal status of the Local Economic Development Strategy as part of the Integrated Development Planning processes.

2.1.4 National Framework for Local Economic Development

The National Framework for Local Economic Development in South Africa was developed as a guide that seeks to advance an understanding of Local Economic Development and has put forward a strategic implementation approach that municipalities, provinces, national government, state owned enterprises and communities may concentrate on in order to improve local economic development. The objectives of the Framework include the following:

- To shift towards a more strategic approach to the development of local economic and overcome challenges and failures in respect of instances where municipalities try to manage litany of non-viable projects or start-ups;
- To support local economies in realizing their optimal potential and making local communities active participants in the economy of the country;
- To elevate the importance and centrality of effectively functioning local economies in growing the national economy;
- To wage the national fight against poverty more effectively through local debates, strategies and actions;
- To improve community access to economic initiatives, support programmes and information;
- To improve the coordination of economic development planning and implementation across government and between government and non-governmental actors;
To build greater awareness about importance and role of localities and regions which globally are playing an increasingly significant role as point of investment facilitated by supportive national policies.

2.1.5 White Paper on Spatial Planning

The white paper on spatial planning and land use management was developed to deal with the relationship among the following elements of human kind, namely; social, economic and environmental development. The white paper highlights the critical issues of land use management which are aimed at:

- Sustainability
- Equality
- Efficiency
- Fairness and good governance in spatial planning and land use management

The white paper clearly states that municipalities are the regulators of land use management.

2.1.6 National Spatial Development Perspective (NSDP)

The NSDP is thus South Africa’s attempt to construct a national spatial development perspective with a three-fold purpose in mind:

- To provide common principles and mechanisms to guide infrastructure investment and development spending across government;
- To provide a description of the spatial manifestations of the main social economic and environmental trends which should form the basis for a shared understanding of the national space economy;
- To provide an interpretation of the spatial realities and the implications for government interventions.

The ultimate purpose of the NSDP in the South African setting is to fundamentally reconfigure apartheid spatial relations and to implement spatial priorities in ways that meet the constitutional imperative to provide access to basic services and economic opportunities to all, to alleviate poverty and equality.

NSDP supports and promotes more extensive Local Economic Development within areas displaying significant economic development potential and aimed at supporting rural quality of life in areas displaying little potential for economic development.
2.1.7 National Priorities for Next Five Years: (2009-2014)

The Medium Term Strategic Framework base document is meant to guide planning and resource allocation across all spheres of government. National and provincial governments in particular will immediately develop their five year strategic plans and budget requirements, taking into account the medium-term imperatives. Similarly informed by Medium Term Strategic Framework and their 2006 mandates, municipalities are expected to adapt their integrated development plans in line with the national medium-term priorities, and these are;

**Strategic Priority 1:** Speeding up growth and transforming the economy to create decent work and sustainable livelihoods

**Strategic Priority 2:** Comprehensive rural development strategy linked to land and agrarian reform and food security.

**Strategic Priority 3:** Strengthen the skills and human resource base.

**Strategic Priority 4:** Improve the health profile of all South Africans

**Strategic Priority 5:** Intensify the fight against crime and corruption.

2.1.8 Industrial Policy Action Plan (IPAP 2 of 2010)

Developed in response to the global financial crisis of 2008, the Industrial Policy Action Plan 'sets out government’s broad approach to industrialization…' Key among its objects is issues around the following:

- Economic diversification and increased value addition
- Intensification of the industrialization process, particularly labour absorbing industries.
- Promotion of broad based industrialization characterized by participation of historically disadvantaged and marginalized groups.

What is also critical for Emalahleni are the following sector clusters that can be targeted for the industrialization of the local space:

- Metal fabrication, capital and transport equipment
- Green and energy saving industries
- Agro-processing
- Advanced manufacturing etc.

Industrial development in Emalahleni is feasible given endowments in coal reserves and current manufacturing activities. These activities can be used as leverage for high level industrialization of the area.
2.1.9 Broad-Based Black Economic Empowerment Act (53 of 2003)

The successful implementation of Black Economic Empowerment (BEE) will be evaluated against the following policy objectives:

- Promoting economic transformation in order to enable meaningful participation of black people in the economy;
- Achieving a substantial change in the racial composition of ownership and management structures and in the skills occupations of existing and new enterprises;
- Increasing the extent to which communities, workers, cooperatives and other collective enterprises own and manage existing and new enterprises and increasing their access to economic activities, infrastructure and skills training;
- Increasing the extent to which black women own and manage existing and new enterprises and increasing their access to economic activities, infrastructure and skills training;
- Promoting investment programmes that lead to broad-based economic empowerment and meaningful participation in the economy by black people in order to achieve sustainable development and general prosperity;
- Promoting access to finance for black economic empowerment;
- Empowering rural and urban communities by enabling access to economic activities, land, infrastructure, ownership and skills.

2.1.10 National Strategy for the Development and Promotion of Small Businesses in South Africa

The strategy provides the Local Economic Development Practitioners at all spheres of government a base from which interventions to pursue the objectives of the strategy can be formulated. Policies need to be formulated with national, provincial and local spheres of government that will unblock the potential of SMME’s which should contain strategies for sustaining and growing the small enterprises.

The interventions should form part of the tools that will be utilized by the Local Economic Development practitioners to empower and assist to grow the SMME’s.

2.1.11 Accelerated and Shared Growth Initiative for South Africa (AsgiSA)

Although now overtaken by the New Growth Path; ASGISA is rooted in local level implementation and designed to help eradicate inequalities and poverty, which are the desired outcomes of the Local Economic Development efforts. The emphasis on the infrastructure and skills development also speaks to the Local Economic Development framework, and the development of Local Economic Development Strategies needs to be consolidated within ASGISA initiative framework.
2.1.12 National Youth Enterprises Development Strategy

The strategy outlines three key objectives to be achieved through its implementation;

- To ensure that entrepreneurial skill, talent and experience are nurtured among youth, women and men to enhance their capacity to participate in all aspects of the economy;
- To ensure that young women and men are recognized as a key target group of need and resource in the development of small enterprises with national, provincial and local economies;
- To maximize access to financial and non-financial resources for youth, women and men who are in business.

Key focus areas of the strategy include the following:

- Creation of entrepreneurial culture
- Strengthening and expanding successful youth support schemes
- Addressing the financial needs of youth entrepreneurs
- Monitoring youth enterprise development endeavors

2.1.13 National New Growth Path (2011 and Beyond)

The main focus of the New Growth Path is the restructuring of the South African economy in order to improve its performance in terms of economic growth (both composition and rate) and the employment intensity of that growth (labor absorption rate). In this way, growth of the economy will achieve the key goals of creating decent work opportunities, reduce inequality and defeat poverty ravaging most of the South African communities. More importantly, the New Growth Path enjoins government, business and labor to address key trade-offs in which;

1. Government must prioritise its own efforts and resources more rigorously to support employment creation and equity.
2. Business must take on the challenge of investing in new areas capable of generating employment opportunities; and
3. Business and labor together must work with government to address inefficiencies and constraints across the economy and partner to create new decent work opportunities.

Some of the key trade-offs include the following:

- Between present consumption and future growth, since that requires higher investment and saving in the present;
- Between the needs of different industries for infrastructure, skills and other interventions;
- 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;
- 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;
- Between the present costs and future benefits of a green economy.
The New Growth Path identifies the following as key job drivers:

1. Substantial public investment in infrastructure both to create employment directly in construction, operation and maintenance as well as production of inputs; and indirectly by improving efficiency across the economy.
2. Targeting more labor absorbing activities across the main economic sectors, that is, agriculture and mining value chains, manufacturing and the services sectors.
3. Taking advantage of new opportunities in the knowledge and green economies.
4. Leveraging social capital in the social economy and public services.
5. Fostering rural development and regional integration.

Finally, the New Growth Path states that efforts will be prioritised to support employment creation in the following key sectors:

- Infrastructure
- Agriculture value chain
- Mining value chain
- The green economy
- Manufacturing sectors, which are included in IPAP2 (Industrial Policy Action Plan 2)
- Tourism and certain high level services

**Implications:**

The development of the Emalahleni LED Strategy is largely driven by government’s New Growth Path in terms of economic sector growth, creation of decent work opportunities through targeted sector activities; as well as the fight against poverty and wealth inequality. The basic premise of the NGP is that government, labor and business need to make trade-offs for the successful implementation of the NGP. More importantly for this strategy the NGP places emphasis on infrastructure, agriculture and mining value chains as well as the green economy, manufacturing sectors, tourism and other high level services as sectors key for unlocking the economic growth and development potentials of the local spaces. For Emalahleni, the LED strategy should specify economic sectors that must be supported; in line with the New Growth Path imperatives.

**2.1.14 Provincial New Growth Path**

The Mpumalanga Provincial New Growth Path identifies the following sectors as key in advancing economic sector growth and employment creation:

- Agriculture and Forestry
- Mining and Energy
- Manufacturing and beneficiation
- Tourism and Cultural industries

For Emalahleni Local Municipality, focus should be on mining and energy, manufacturing and beneficiation since these sectors have comparative advantages in the local space. Agriculture and agro-processing potential would require full investigation before action is taken.
2.1.15 Nkangala District LED Perspective

As espoused in the District LED plan, the Nkangala District Municipality views employment creation as the primary mechanism for economic development in the area. Investment is seen as the key driver for unlocking the employment generating ability of the District, hence facilitating the creation of environment conducive to attraction of investment is crucial. The LED plan focuses on sector development and employment creation. The Nkangala LED plan utilizes a six point criteria to identify employment creation projects.

The identification criteria are clearly rooted in the economic theory proven to effectively pinpoint prerequisites for successful development. These criteria indicate factors important to the promotion of a dynamic economy capable of effectively meeting the needs of producers and consumers.

Nkangala LED Strategic Objectives
- To facilitate the establishment of small to medium business enterprises,
- Economic empowerment of entrepreneurs through mentorship and other capacity development initiatives,
- To create sustainable employment opportunities for the members of the local community,
- To enable people from all corners of the country to reach to it and to maintain a positive interest in the Ndebele cultural heritage, including language, customs and practices, rituals, dance, music, arts and crafts, as well as showing their cultural achievements to other people,
- Develop skills through technical and soft training,
  - Establish linkages between formal and informal sectors for training
  - To provide technical training and support infrastructure to enable the economic development of the region.
- Economic empowerment of members of the local community by means of the establishment of formal economic activities which are managed and operated by themselves,
- Employment creation among the local community,
- Improvement in households income,
- Capacity building through training and skills transfer to the local community.

2.1.16 Emalahleni Context of LED

2.1.16.1 Integrated Development Plan

The Emalahleni Local Municipality IDP identifies LED and job creation as one of the Key Performance Areas (KPAs) of the municipality and it highlights the following programmes on LED:

- Tourism Development
- SMME Development
- Emerging Farmers Development
To accelerate interaction between the municipality and business community
To market Emalahleni Municipality as an investor friendly municipality
To identify poverty pockets and formulate means to address such.

The following are some of the key challenges identified relating to Emalahleni LED:
- Tourism not fully exploited,
- Inadequate support of SMMEs leading to ineffective growth and sustainability,
- Insufficient support for emerging farmers leading to underutilization of available agricultural land,
- Poor business relationships and lack of common vision amongst business and other institutions,
- Insufficient marketing drive to attract huge investments,
- Inadequate institutional structures/arrangements that plan, implement, monitor and evaluate LED programmes and projects (e.g. LED unit structure and LEDF).

The IDP identifies the following key LED projects for implementation within the 2011-2012 Financial Year:
- Implementation of the LED plan
- Establishment of business information center
- Development of data-base of guest houses within Emalahleni
- Training of emerging farmers and other entrepreneurs
- Facilitate business networking

2.1.16.2 Emalahleni Spatial Development Framework

Development Objectives
The following objectives are set for the spatial development of the Emalahleni Local Municipality:

- To consolidate and integrate the fragmented urban structure of the eMalahleni complex;
- To concentrate investment in areas with potential for sustainable economic development;
- To focus development on activity corridors (N4 and N12) and nodes and specifically the Maputo Development Corridor;
- To define a clear settlement hierarchy and consolidate the dispersed rural settlements in the area and optimise existing resources;
- To optimise service delivery to the entire community by way of the establishment or formalisation of multi-purpose service delivery centres throughout the area;
- To protect and enhance the natural environment;
- To identify areas for the growth and expansion of residential uses and economic activities, based on existing development needs;
- To strengthen the spatial structure of eMalahleni by clearly defining a hierarchy of nodes and activity spines; and
• To provide principles for land use management by broadly defining desirable and undesirable land uses.

As far as the regional transportation network is concerned, the most prominent feature in the Emalahleni municipal area is the N4 freeway which runs from east to west through the central part of Witbank town and which represents a portion of the Maputo-Walvis Bay development corridor. One of the major challenges to Emalahleni will be to find ways and means to benefit from the fact that this corridor runs through its area of jurisdiction. Although access to and from the N4 is fairly limited, the Emalahleni Local Municipality can make use of the secondary road network and related access interchanges in the area to unlock development potential associated with the N4 corridor. The fact that there is limited access to land uses adjacent to the N4 is however a constraining factor, as this is causing increasing congestion at the existing interchanges and few linkages with the N4.

The railway line and Middelburg Road (Y3) which run parallel to the N4 pose the opportunity for the development of a local activity spine or corridor between eMalahleni and Middelburg. In addition to the N4, the other major strategic freeway through the area is the N12 which links eMalahleni town to the City of Johannesburg and the remainder of the Witwatersrand area.

Apart from these two freeways there is a range of other major routes running through the Emalahleni Local Municipality resulting in the entire area being well served by a grid-like network of road infrastructure (both north-south and east-west movement desire lines are well covered).

The major issues around transport in the area are not the construction of any additional road infrastructure, but rather the proper maintenance of the existing road infrastructure which is a very valuable asset to the municipality. Maintenance of the roads and road reserves is especially important in the smaller settlements and in the rural areas.

As far as rail is concerned the commuter and freight rail network follow more or less the same desire lines as the freeway network running through the area. There are two lines from the west feeding into the area: the one from Tshwane in the north and the other from Johannesburg towards the south. These two lines converge in the vicinity of eMalahleni town from where it runs as a single line in an easterly direction towards Steve Tshwete Municipality and towards the eastern parts of Mpumalanga Province and Mozambique.

In the vicinity of Ogies the southern railway line splits with its eastern extension running into the southern parts of the mining belt of Emalahleni. This rail network forms part of the Richards Bay export initiative and the main function of this line is to carry coal deposits from Emalahleni to the Richards Bay harbour.

The railway lines run through most of the settlements in the Emalahleni area and the more intensive use of the railway lines for commuter transport and freight services will have a positive effect on the economy of the area as a whole.
Effective Use and Management of Vacant Land
In 2007 the Emalahleni Municipality undertook an audit of vacant land, with the intention of providing guidelines for the development thereof. The following section summarises the key findings and recommendations.

From this it is evident that the bulk of land belonging to Council occurs in a linear strip along the eastern edge of town, and immediately to the west and south of the Kwa-Guqa-Hlananikahle complex. The various areas are briefly described in Table below:

Summary of Development Status of Strategically Located Land

<table>
<thead>
<tr>
<th>NO.</th>
<th>REFERENCE</th>
<th>OWNERSHIP</th>
<th>COMMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tshwelopele Junction</td>
<td>Council</td>
<td>Earmarked for Industrial/Commercial Use and a Small Residential Strip along western boundary.</td>
</tr>
<tr>
<td>2</td>
<td>Ben Fleur</td>
<td>Council</td>
<td>Earmarked for High Income Residential.</td>
</tr>
<tr>
<td>3</td>
<td>South Eastern Quadrant</td>
<td>Council</td>
<td>Commercial Use.</td>
</tr>
<tr>
<td>5</td>
<td>Hotel</td>
<td>Council</td>
<td>Sold on Tender.</td>
</tr>
<tr>
<td>6</td>
<td>Highveld Park X1</td>
<td>Council</td>
<td>R30 million offer, out on tender – busy with evaluation.</td>
</tr>
<tr>
<td>7</td>
<td>Highveld Park X1</td>
<td>Council</td>
<td>Not out on tender yet: Services could be problematic.</td>
</tr>
<tr>
<td>8</td>
<td>Highveld Park</td>
<td>Council</td>
<td>Site is planned and pegged – never serviced – near river.</td>
</tr>
<tr>
<td>9</td>
<td>Del Judor X6</td>
<td>Council</td>
<td>Vacant Township (± 200 stands) Density could be doubled and part could be used for Social Housing.</td>
</tr>
<tr>
<td>10</td>
<td>Jackaroo Park X1</td>
<td>Council</td>
<td>Could be utilized for residential purposes.</td>
</tr>
<tr>
<td>11</td>
<td>Reyno Ridge X9</td>
<td>Council</td>
<td>± 150 Stands (1000m²) Township Established – could densify.</td>
</tr>
<tr>
<td></td>
<td>Location</td>
<td>Type</td>
<td>Remarks</td>
</tr>
<tr>
<td>---</td>
<td>--------------------------</td>
<td>-----------</td>
<td>-------------------------------------------------------------------------</td>
</tr>
<tr>
<td>12</td>
<td>Tasbetpark X6, Duvhapark X1</td>
<td>Council</td>
<td>11 000 units built, 4 000 planned. Social Housing (Presidential Project).</td>
</tr>
<tr>
<td>13</td>
<td>Nu Way Land/Spring Valley</td>
<td>Nu Way</td>
<td>Awaiting pegging and registration of General Plan.</td>
</tr>
<tr>
<td>14</td>
<td>ABSA Dev Co</td>
<td>Private</td>
<td>Draft layouts Feasibility Phase..</td>
</tr>
<tr>
<td>15</td>
<td>Klarinet X2 and X1</td>
<td>Council</td>
<td>Could be developed for affordable housing.</td>
</tr>
<tr>
<td>16</td>
<td>Pine Ridge</td>
<td>Council</td>
<td>Individual erven to be serviced and sold at cost.</td>
</tr>
<tr>
<td>17</td>
<td>Schoongezicht/Lynnville</td>
<td>Council</td>
<td>Limited opportunity for infill development.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Interface area to the north currently investigated.</td>
</tr>
<tr>
<td>18</td>
<td>CBD</td>
<td>Council/Private</td>
<td>Limited opportunity to buy and redevelop.</td>
</tr>
<tr>
<td>19</td>
<td>Empumeleleneni Exts 6,7,8</td>
<td>Council</td>
<td>First 4000 stands pegged.</td>
</tr>
<tr>
<td>20</td>
<td>Kwa-Guqa X1</td>
<td>Council</td>
<td>Council Owned Residential: Council to develop.</td>
</tr>
<tr>
<td>21</td>
<td>Emsagweni Informal</td>
<td>Council</td>
<td>In process.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>In Situ upgrade.</td>
</tr>
<tr>
<td>22</td>
<td>X Strata Land</td>
<td>Private</td>
<td>Training Facilities – Rental Stock could develop here.</td>
</tr>
<tr>
<td>23</td>
<td>Schoongezicht 308 JS</td>
<td>Private</td>
<td>Potential Future Strategic Development Area.</td>
</tr>
<tr>
<td>24</td>
<td>Naauwpooort 335 JS</td>
<td>Private</td>
<td>Potential Future Strategic Development Area.</td>
</tr>
<tr>
<td>25</td>
<td>Seekoeiwater AH and Zeekoewater 311 JS</td>
<td>Private</td>
<td>Potential Future Strategic Development Area.</td>
</tr>
<tr>
<td>26</td>
<td>Jackaroo Park</td>
<td>Private</td>
<td>Potential Future Strategic Development Area.</td>
</tr>
<tr>
<td>27</td>
<td>Blesboklaagte 296 JS</td>
<td>Private</td>
<td>Potential Future Strategic Development Area.</td>
</tr>
</tbody>
</table>
Municipal Housing Delivery Framework: Informal Settlements

As a first step in the Informal Settlement Formalisation Programme, the areas in the Emalahleni Municipality representing the major functional areas for the development of housing catering for the informal settlements should be identified and classified as such. Seven such areas have been identified:

- Lynnville
- Kwa-Guqa/Hlanakahle
- Pineridge/Klarinet
- South Eastern Suburbs
- Phola
- Ga-Nala-Rietspruit
- Van Dyksdrift/Emaglasini

The basic principle is that each of these areas should, as far as possible, cater locally for the local housing needs – either by way of in-situ upgrading and/or local relocations. The minimum number of long distance relocations should be allowed as such relocations usually disrupt the existing social cohesion within the area, and also dislocates people from where they work. In many such cases the solution is rather temporary in nature as informal settlement frequently re-occurs in the area from where people were re-located due to the inherent locational advantages of that specific site.
SECTION THREE: SITUATIONAL ANALYSIS

3.1 Summary of Key Statistics

Emalahleni Local Municipality, located in the district of Nkangala in Mpumalanga province has a geographical area of 14,164,240 square kilometers and consists of 30 wards.

Emalahleni has a Population of 351,859 (31.2% of Nkangala population) which is the highest as compared to the other five municipalities within Nkangala District. This is more than 31 percent of Nkangala population. The population growth stood at 3.0% in 2009. 52% of the population is male and 48% are female. 39 percent of the population falls between the ages 15 to 34 (mostly economically active category), whereas 26 percent falls between 0 to 14 years old.

The Gini-Coefficient (a quantitative measure of the degree of inequality) is at 0.63 which is more than half. This is an indication that the gap between the rich and the poor within the municipality is high. A society that scores 0.0 on the Gini scale has perfect equality in income distribution. The higher the number over 0 the higher the inequality and the score of 1.0 (or 100) indicate total inequality where only one person owns all the income.

The estimates of people living with HIV/AIDS showed an increase over the years from 2001 to 2004, as the estimates show that HIV infected people increased from 39,518 in 2001 to 44,644 in 2004 only to decrease steadily to 41 304 in 2009 while AIDS estimates also increased steadily from 1,527 in 2001 to 3,772 in 2008. The decline in HIV infected persons is a welcome development while the increase in AIDS estimates is a worrisome development that will put a strain on resources needed to treat the sick.

The Human Development Index of the municipality is 0.62 and it is higher than that of the district which is 0.52. This index is a measure of the people’s ability to live a long and healthy life, to communicate, to participate in the community and to have sufficient means to be able to afford a decent living. Emalahleni is one of the industrialised municipalities in Mpumalanga because of the town of Witbank. There is a high level of migration from other municipalities within the District and beyond to Emalahleni because of its potential job opportunities. There was a general decrease in the Human Development Index (HDI) of Emalahleni municipality from 0.64 in 2002 to 0.62 in 2009. The White population still enjoy better living standards where they had a HDI of 0.88 in 2009. The Black population had the lowest human development index of 0.55 which is less than that of the municipal average of 0.62 in 2009.

In 2009, Emalahleni had a Poverty Rate of 29.7% which shows a minor decrease when compared to 30.1% in 2008. However, this is lower than the District average of 39.8% The Black population is the most affected as 35.1% live in poverty, followed by the Coloured population with poverty rate of 24.8%. The White population has the lowest poverty rate of 0.6%. This combined with the human development index shows that past apartheid policies and programmes disenfranchised the African population grouping compared to the other racial groupings.
In terms of **Education**, from the total population of those who are aged 15 years and above, 7% have no schooling. Out of those who attended school, about 27% have Matric only. Only 1% of the 15-years+ population have bachelors’ degrees while 7% have certificates or diplomas. Since education and training are the building blocks for the skills base needed to grow the economy as well as entering the job market, a challenge exists within the local space in terms of the local skills base.

**Total Employment** showed a decrease when comparing 2008 and 2009 figures from 122,550 in 2008 to 120,526 jobs in 2009. This shows that a total of 2,024 jobs were lost between 2008 and 2009. Experiencing job losses in a locality where population growth stands at 3% per annum would mean that the majority of the people either survive on remittances or government grants; thereby putting a strain on the fiscus.

The **Economy** of the municipality is driven by the Mining sector which contributed 50% in 2009 followed by Electricity at 12.1% and Finance at 10.8%. Agriculture and manufacturing don’t seem to be performing well within the local space. Given the longer value chains characteristic of these sectors and their potential to generate employment opportunities, it is worth to investigate on key constraints to the growth of these sectors.

**Tress Index** is an economic indicator which measures the level of concentration or diversification within an economy. A tress index of zero represents a totally diversified economy, while a number closer to 100 indicates a high level of concentration. The higher the index the more concentrated or vulnerable the region's economy will be to exogenous variables, such as adverse climatic conditions, commodity price fluctuations, etc. Emalahleni tress index at 60.65 is gravitating towards 100 showing the dominance of the mining, electricity and finance sectors. The economy is therefore more concentrated. Diversifying the economic through sectors such as agriculture, manufacturing and the green economy would be the most ideal step; provided the factor endowments are supportive of such initiatives.

The **Unemployment Rate** of Emalahleni was 16.6% in 2009 (compared to the District average of 25.8%). The black population had the highest unemployment rate of 18.1% which was higher than the municipal average.

Average **Annual Growth** (Constant 2005 Prices) at 0.6% is far from being impressive, given that population is growing at an average rate of 3% per annum. Critical issues relating to growing the economy need to be addressed. The table below shows a summary of some of these key statistics:
Table 3.1

<table>
<thead>
<tr>
<th>Key Statistics 2009</th>
<th>Nkangala District Municipality</th>
<th>Delmas</th>
<th>Emalahleni</th>
<th>Steve Tshwete</th>
<th>Emakhazeni</th>
<th>Thembisle</th>
<th>Dr JS Moroka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population</td>
<td>1,124,687</td>
<td>63,930</td>
<td>351,859</td>
<td>169,386</td>
<td>52,388</td>
<td>269,866</td>
<td>217,257</td>
</tr>
<tr>
<td>Population Growth rate (%)</td>
<td>1.1%</td>
<td>1.4%</td>
<td>3.0%</td>
<td>1.7%</td>
<td>2.7%</td>
<td>0.7%</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Human Development Index (HDI)</td>
<td>0.54</td>
<td>0.49</td>
<td>0.62</td>
<td>0.60</td>
<td>0.52</td>
<td>0.45</td>
<td>0.47</td>
</tr>
<tr>
<td>Gini coefficient</td>
<td>0.65</td>
<td>0.67</td>
<td>0.63</td>
<td>0.69</td>
<td>0.59</td>
<td>0.59</td>
<td>0.60</td>
</tr>
<tr>
<td>Percentage of people in poverty</td>
<td>39.8%</td>
<td>45.2%</td>
<td>29.7%</td>
<td>31.9%</td>
<td>38.6%</td>
<td>51.0%</td>
<td>47.1%</td>
</tr>
<tr>
<td>EAP as % of total pop. (expanded definition)</td>
<td>36.7%</td>
<td>44.4%</td>
<td>38.1%</td>
<td>44.1%</td>
<td>38.3%</td>
<td>32.0%</td>
<td>31.8%</td>
</tr>
<tr>
<td>Unemployment rate, official definition (%)</td>
<td>25.8%</td>
<td>27.4%</td>
<td>16.6%</td>
<td>12.9%</td>
<td>12.2%</td>
<td>28.1%</td>
<td>58.2%</td>
</tr>
<tr>
<td>GDP-R Constant 2005 prices (R 1000)</td>
<td>45,577.71</td>
<td>2,092,71</td>
<td>20,954,468</td>
<td>16,927,816</td>
<td>1,433,894</td>
<td>2,481,361</td>
<td>1,687,466</td>
</tr>
<tr>
<td>Average annual growth (Constant 2005 Prices)</td>
<td>-2.1%</td>
<td>-2.0%</td>
<td>0.6%</td>
<td>-5.5%</td>
<td>-8.7%</td>
<td>0.9%</td>
<td>2.7%</td>
</tr>
<tr>
<td>Tress index</td>
<td>51.74</td>
<td>43.44</td>
<td>60.65</td>
<td>61.60</td>
<td>51.29</td>
<td>58.05</td>
<td>69.31</td>
</tr>
<tr>
<td>Exports as % of GDP</td>
<td>5.1%</td>
<td>0.5%</td>
<td>6.9%</td>
<td>4.8%</td>
<td>0.3%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Total trade as % of GDP</td>
<td>6.2%</td>
<td>9.2%</td>
<td>8.0%</td>
<td>5.1%</td>
<td>3.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

*Source: IHS Global Insight ReX July 2009*
3.2 Demographic Profile
3.2.1 Population (Age and Gender)

Figure 3.1.1

According to IHS Global Insight, Emalahleni had a total population of 351,859 in 2009 and of these, 52% are male and 48% are female. Most men migrate to the town of Witbank to seek for job opportunities in mines, steel manufacturing and electricity power stations. 39% of the population is between the ages 15 to 34 years, which falls within the youth category and 26%, are between the age of 0 to 14 years and 8% fall in the 55 years and above, which are the categories of dependents.
### 3.2.2 HIV-AIDS Estimates

#### Figure 3.3.1

<table>
<thead>
<tr>
<th>Year</th>
<th>HIV+ Estimates</th>
<th>AIDS Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>39,518</td>
<td>1,527</td>
</tr>
<tr>
<td>2002</td>
<td>41,149</td>
<td>1,975</td>
</tr>
<tr>
<td>2003</td>
<td>43,376</td>
<td>2,434</td>
</tr>
<tr>
<td>2004</td>
<td>44,644</td>
<td>2,867</td>
</tr>
<tr>
<td>2005</td>
<td>44,346</td>
<td>3,224</td>
</tr>
<tr>
<td>2006</td>
<td>44,023</td>
<td>3,532</td>
</tr>
<tr>
<td>2007</td>
<td>43,152</td>
<td>3,734</td>
</tr>
<tr>
<td>2008</td>
<td>42,167</td>
<td>3,799</td>
</tr>
<tr>
<td>2009</td>
<td>41,304</td>
<td>3,772</td>
</tr>
</tbody>
</table>

Source: IHS Global Insight ReX July 2009

The estimated people living with HIV/AIDS (HIV positive estimates) shows an increase from 2001 to 2004 and started declining gradually from 2005 till 2009. This may be because of the awareness programmes initiated by government, prevention of mother to child infection, the protection and general abstinence. The estimates show that HIV infected people increased from 39,518 in 2001 to 44,644 in 2004 and slightly stabilised at that level, then generally declined until 2009. HIV/AIDS has a detrimental negative effect on the workforce and may wipe all the available skills within the locality and this needs to be managed. The declining trend is a welcome development; while the increase in AIDS estimates is a worrisome development.

### 3.3 Socio-Economic Profile

#### 3.3.1 Human Development Index (HDI)

There was a general decrease in the Human Development Index of Emalahleni Municipality from 0.64 in 2002 to 0.62 in 2009. This might have been caused by the influx of people seeking for job opportunities. The White population still enjoys better living standards and their HDI was at 0.88 in 2009. The black population had the lowest human development index of 0.55 which is lower than 0.62; the municipality average. Programmes and projects that emanate from the LED strategy processes should seek to redress the imbalances created in the past because this
scenario presents a time bomb that will explode in the not so distant future, as a result of racial and social tensions. The figure below summarises the HDI for different racial groupings for the period 2001-2009.

Figure 3.2.1

<table>
<thead>
<tr>
<th>Year</th>
<th>African</th>
<th>White</th>
<th>Coloured</th>
<th>Asian</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>0.55</td>
<td>0.87</td>
<td>0.63</td>
<td>0.75</td>
<td>0.64</td>
</tr>
<tr>
<td>2002</td>
<td>0.55</td>
<td>0.87</td>
<td>0.62</td>
<td>0.76</td>
<td>0.63</td>
</tr>
<tr>
<td>2003</td>
<td>0.55</td>
<td>0.87</td>
<td>0.62</td>
<td>0.76</td>
<td>0.63</td>
</tr>
<tr>
<td>2004</td>
<td>0.55</td>
<td>0.87</td>
<td>0.62</td>
<td>0.76</td>
<td>0.63</td>
</tr>
<tr>
<td>2005</td>
<td>0.56</td>
<td>0.88</td>
<td>0.62</td>
<td>0.77</td>
<td>0.64</td>
</tr>
<tr>
<td>2006</td>
<td>0.57</td>
<td>0.88</td>
<td>0.63</td>
<td>0.77</td>
<td>0.64</td>
</tr>
<tr>
<td>2007</td>
<td>0.56</td>
<td>0.88</td>
<td>0.63</td>
<td>0.77</td>
<td>0.64</td>
</tr>
<tr>
<td>2008</td>
<td>0.55</td>
<td>0.87</td>
<td>0.61</td>
<td>0.76</td>
<td>0.62</td>
</tr>
<tr>
<td>2009</td>
<td>0.55</td>
<td>0.88</td>
<td>0.61</td>
<td>0.75</td>
<td>0.62</td>
</tr>
</tbody>
</table>

Source: IHS Global Insight ReX July 2009

### 3.3.2 Percentage of People in Poverty

Emalahleni had a poverty rate of 29.7% in 2009 which reflected a decrease from 30.1% in 2008. Most of the population in poverty is the Black population at 35.1% followed by the Coloureds at 24% and Indians at 10.4%. The poverty figures reflect the legacy of the former apartheid which discriminated the Black population. The decline in poverty levels may be because of the social security interventions by government such as grants as well as employment opportunities and remittances from relatives located in other parts of the country.
3.3.3 Education

Emalahleni has an estimated 7% of the population who are aged 15 years and above with no schooling. Out of those who attended school, at least 27% have Matric only. Only 1% of the population have bachelors’ degrees while 7% have certificates or diplomas. The level of education is therefore generally low because only less than 9% of the population has a qualification more than matric. Basic education is a requirement for a healthy and developing country and it will be important to be given more attention.

Table 3.2.3

<table>
<thead>
<tr>
<th>Highest Level of Education: Age 15+</th>
<th>2008</th>
<th>2009</th>
<th>2009(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No schooling</td>
<td>20,139</td>
<td>18,960</td>
<td>7%</td>
</tr>
<tr>
<td>Grade 0-2</td>
<td>3,039</td>
<td>2,946</td>
<td>1%</td>
</tr>
<tr>
<td>Grade 3-6</td>
<td>21,873</td>
<td>21,408</td>
<td>8%</td>
</tr>
<tr>
<td>Grade 7-9</td>
<td>55,247</td>
<td>55,300</td>
<td>21%</td>
</tr>
<tr>
<td>Grade 10-11</td>
<td>61,984</td>
<td>64,335</td>
<td>25%</td>
</tr>
<tr>
<td>Less than Matric &amp; Certificate /Diploma</td>
<td>3,117</td>
<td>3,135</td>
<td>1%</td>
</tr>
<tr>
<td>Matric only</td>
<td>68,401</td>
<td>70,929</td>
<td>27%</td>
</tr>
<tr>
<td>Matric &amp; Certificate / Diploma</td>
<td>17,062</td>
<td>18,149</td>
<td>7%</td>
</tr>
<tr>
<td>Matric &amp; Bachelor’s Degree</td>
<td>3,534</td>
<td>3,667</td>
<td>1%</td>
</tr>
<tr>
<td>Matric &amp; Postgrad Degree</td>
<td>1,532</td>
<td>1,586</td>
<td>1%</td>
</tr>
<tr>
<td>Total</td>
<td>255,928</td>
<td>260,415</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: IHS Global Insight ReX July 2009
3.3.4 Total Employment (Formal & Informal)

Table 3.2.4

<table>
<thead>
<tr>
<th>Total Employment (Formal &amp; Informal)</th>
<th>2007</th>
<th>2007(%)</th>
<th>2008</th>
<th>2008(%)</th>
<th>2009</th>
<th>2009(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Agriculture</td>
<td>3,261</td>
<td>3%</td>
<td>3,216</td>
<td>3%</td>
<td>2,843</td>
<td>2%</td>
</tr>
<tr>
<td>2 Mining</td>
<td>18,929</td>
<td>17%</td>
<td>20,700</td>
<td>17%</td>
<td>23,220</td>
<td>19%</td>
</tr>
<tr>
<td>3 Manufacturing</td>
<td>17,914</td>
<td>16%</td>
<td>18,355</td>
<td>15%</td>
<td>16,605</td>
<td>14%</td>
</tr>
<tr>
<td>4 Electricity</td>
<td>4,830</td>
<td>4%</td>
<td>4,658</td>
<td>4%</td>
<td>4,488</td>
<td>4%</td>
</tr>
<tr>
<td>5 Construction</td>
<td>8,590</td>
<td>8%</td>
<td>8,795</td>
<td>7%</td>
<td>8,440</td>
<td>7%</td>
</tr>
<tr>
<td>6 Trade</td>
<td>25,963</td>
<td>23%</td>
<td>28,621</td>
<td>23%</td>
<td>26,799</td>
<td>22%</td>
</tr>
<tr>
<td>7 Transport</td>
<td>5,055</td>
<td>4%</td>
<td>6,043</td>
<td>5%</td>
<td>5,716</td>
<td>5%</td>
</tr>
<tr>
<td>8 Finance</td>
<td>6,514</td>
<td>6%</td>
<td>7,171</td>
<td>6%</td>
<td>7,431</td>
<td>6%</td>
</tr>
<tr>
<td>9 Community services</td>
<td>14,941</td>
<td>13%</td>
<td>16,159</td>
<td>13%</td>
<td>16,393</td>
<td>14%</td>
</tr>
<tr>
<td>Households</td>
<td>8,098</td>
<td>7%</td>
<td>8,831</td>
<td>7%</td>
<td>8,592</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>114,095</strong></td>
<td><strong>100%</strong></td>
<td><strong>122,550</strong></td>
<td><strong>100%</strong></td>
<td><strong>120,526</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: IHS Global Insight ReX July 2009

Total employment showed a decrease when comparing 2008 and 2009 figures from 122 550 in 2008 to 120 526 jobs in 2009 (a loss of 2024 jobs over a year). From the statistics, it is evident that over the entire three year period, trade sector is the highest employer; followed by mining, manufacturing and community services. Agriculture is far from being impressive with job losses as follows: 3% in 2007 and 2008; and 2% in 2009 hence the need to thoroughly investigate the sector. Despite its high GDP contribution to the local economy, electricity sector is among the least absorbers of labor. This could either attributed to the technology driven nature of the activities (as opposed to labor-intensive) or the shorter value chains, characteristic of electricity generation.

3.3.5 Unemployment (based on official definition)

The unemployment rate of Emalahleni was 16.6% in 2009. The black population had the highest unemployment rate of 18.1% which was higher than that of the municipal average. Over the years, the unemployment rate has generally declined among the African, Coloured and White population groupings; while it increased within the Asian grouping between 2007 and 2009. However, unemployment rate within the Coloured grouping is extraordinarily high and worrisome (despite the generally low population sizes of the Coloured community in the country and various regions compared to the other racial groupings). Such a scenario could trigger social ills such as drug dealing and alcohol abuse if left unchecked.
Figure 3.2.5

<table>
<thead>
<tr>
<th>Percent</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>African</td>
<td>25.0%</td>
<td>24.9%</td>
<td>24.6%</td>
<td>21.9%</td>
<td>20.8%</td>
<td>20.6%</td>
<td>19.5%</td>
<td>17.9%</td>
<td>18.1%</td>
</tr>
<tr>
<td>White</td>
<td>9.3%</td>
<td>8.8%</td>
<td>8.3%</td>
<td>7.5%</td>
<td>7.2%</td>
<td>6.8%</td>
<td>6.7%</td>
<td>6.0%</td>
<td>6.4%</td>
</tr>
<tr>
<td>Coloured</td>
<td>50.0%</td>
<td>52.1%</td>
<td>52.4%</td>
<td>48.8%</td>
<td>47.9%</td>
<td>50.4%</td>
<td>50.2%</td>
<td>46.6%</td>
<td>45.7%</td>
</tr>
<tr>
<td>Asian</td>
<td>12.3%</td>
<td>12.5%</td>
<td>12.1%</td>
<td>11.3%</td>
<td>9.3%</td>
<td>9.1%</td>
<td>8.6%</td>
<td>9.3%</td>
<td>11.8%</td>
</tr>
<tr>
<td>Total</td>
<td>22.6%</td>
<td>22.6%</td>
<td>22.2%</td>
<td>19.9%</td>
<td>19.0%</td>
<td>18.8%</td>
<td>17.8%</td>
<td>16.3%</td>
<td>16.6%</td>
</tr>
</tbody>
</table>

Source: IHS Global Insight ReX July 2009

3.4 Economic Profile

3.4.1 GDP-R Constant 2005 prices (R 1000)

Fig 3.3.1

<table>
<thead>
<tr>
<th>District</th>
<th>Delmas</th>
<th>Emalahleni</th>
<th>Steve Tshwete</th>
<th>Emakhazeni</th>
<th>Thembisile</th>
<th>Dr. JS Moroka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nkangala District</td>
<td>45,577,718</td>
<td>2,092,714</td>
<td>20,954,468</td>
<td>16,927,816</td>
<td>1,433,894</td>
<td>2,481,361</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>5%</td>
<td>46%</td>
<td>37%</td>
<td>3%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: IHS Global Insight ReX July 2009

At district level Emalahleni contributes 46% of the GDP of the region. This clearly indicates the nature of concentration of economic activities in the area followed by Steve Tshwete (at 37%). However, what is absent from the statistics is the breakdown of the sector concentration within the local spaces to clearly show the locational quotient of these sectors within the Nkangala region. Emakhazeni, Dr JS Moroka, Thembisile Hani and Victor Khanye (Delmas) have the least contributions. The economic dorminance of Emalahleni within Nkangala has the potential of influencing population migration from nearby localities thereby putting a strain on the provision of job opportunities and basic services. Growth and development within neighboring municipalities is therefore a key priority at the district level.
3.4.2 GVA-R (Gross Value Added – Sector Share of Regional Total)

Fig 3.3.2

![Graph showing sector's share of regional total](image)

**Source: IHS Global Insight ReX July 2009**

The Economy of the municipality is driven by the Mining sector which contributed more than 50% in 2009 followed by Electricity at 12.1% and Finance at 10.8%. Over the three year period, mining has had a steady increased contribution to the economy of Emalahleni; from 41% in 2007, 50.8% in 2008, with a slight decline to 49.8% in 2009. Electricity has also had significant contribution as well, although marginal decline was experienced. However, Agriculture’s contribution to the economy of Emalahleni is relatively low compared to the other sectors of the economy. It is critical to investigate and establish the current state of the primary agricultural activities and the value chain activities associated with the sector. The other sectors with potential include Finance, Trade and the green economy (given the dominance of mining and electricity and their environmental degradation potential).

From the socio-economic analysis, it is evident that Emalahleni faces a number of challenges that should be addressed by growing certain sectors of the economy that are capable of generating employment opportunities, reduce poverty as well as the poverty gap in line with the terms of the New Growth Path. This is the challenge that must be addressed through the development of the Emalahleni LED strategy.
SECTION FOUR: KEY SURVEY FINDINGS (OPPORTUNITIES/ISSUES)

This section seeks to provide an assessment of the development potential and key constraints of the sectors that were targeted during business surveys and stakeholder engagement workshops. Each sector’s opportunities and critical challenges is analysed and a package of investment opportunities recommended for consideration. The other sectors should be constantly monitored for development and support. The following sectors were chosen for consideration:

- Mining and Quarrying
- Manufacturing
- Agriculture and Rural Development
- Tourism and Hospitality Services
- Business and Finance Services
- SMME and Cooperatives Development (across sectors)

4.1 Mining Sector Development

Mining in Emalahleni is the highest contributor to both economic growth and job creation. Given the abundance of coal reserves in Mpumalanga (and being the key mineral within Emalahleni); the local space is likely to benefit from the resources abundantly found within the locality; at the expense of agriculture. However, coal mining and electricity generation within Emalahleni pose serious challenges around environmental degradation and pollution from greenhouse gas emissions; which calls for special focus being given on the green economy and related projects.

Coal produced within Emalahleni is for both the local and export markets. For the local market, Eskom is the major buyer while China is the major export buyer. Mining houses contend that production levels and order books tend to fluctuate. However, demand for coal is generally very high for both market segments. The state of the rail freight transportation system is one of the biggest challenges faced by mining houses within Emalahleni for transporting coal to power stations within Mpumalanga and Richards Bay; and this has put a strain on the road infrastructure which requires regular repairs. Selling prices are generally regarded as stable both currently and in the foreseeable future.

4.1.1 Development Potential and Constraints

There is limited upstream and downstream beneficiation from coal. However, clay and quarry dust are among the by-products of the coal mining processes. In this context, the following products or possible development potentials are part of the side stream beneficiation:

- Cement production
- Production of concrete used in manufacturing and construction industries
• Manufacturing of paving bricks
• Manufacturing of clay bricks, especially for RDP houses
• Rehabilitation of abandoned mines and land for agriculture purposes
• Projects around the greening of the local environment

The following were identified as factors limiting or capable of limiting mining companies’ ability to increase production and improving their operational efficiency:

• Unreliable rail freight transportation system and the state of the roads used for transporting coal to power stations (particularly in the absence of intermodal freight transportation system);
• Shortage of skilled labour, particularly skilled artisans and technicians among the previously disadvantaged population groupings;
• Lack of appropriate (heavy machinery) mining equipment, which is mainly imported at very exorbitant costs. This challenge is prevalent among small scale and new mining ventures who cannot easily afford.
• Shortage of energy due to Eskom electricity outages that tend to cause machine breakdowns and work stoppages;
• Unclear economic laws and an anti-investment climate situation propagated by some sections of the South African society. Since mining is a capital intensive business, certainty in relation to economic laws, policies and mining regulation is required.

4.1.2 Investment Opportunities

• Road reconstruction and repairs using labour intensive methods
• Civil Engineering related contracts
• Engineering contracts
• Cleaning and catering services
• Supply of protective clothing
• Manufacturing of and or supply of mining equipment

Potential business support services identified as having great potential for SMME up-take include:

• Quarrying
• Cement manufacturing
• Clay brick manufacturing
• Repairs of various kinds
• Construction projects
• Rehabilitation of abandoned and or exhausted mines
• Greening of the local environment
• Rehabilitation of land for agricultural purposes
4.2 Manufacturing Sector Development

The manufacturing sector’s performance within Emalahleni over the past couple of years is a serious cause for concern. Given the location of some of the major steel manufacturing companies such as Highveld Steel within the locality, the sector contribution to GVA-R and growth rates are expected to out-perform sectors such as finance and trade. However, the lack of diversification of the sector and its concentration on metal products is identified as a key factor contributing to the present performance state of the sector.

4.2.1 Development Potential and Constraints

Generally, manufacturing is one of the key sectors with huge potential for beneficiation and longer value chains, with resultant impacts on job creation, economic growth and SMME development. Given the proxy relationship between manufacturing and other sectors such as mining, agriculture and construction; the manufacturing sector potential within Emalahleni needs special exploration and exploitation. In the context of the sector performance relative to other sectors, suffice is to say that Emalahleni needs to develop an Industrial Development Plan in which extensive and intensive research is undertaken to unlock the manufacturing potential that is linked to both mining and agriculture as well as other support services sectors. Manufacturing is capable of providing upstream, downstream as well as side stream linkages capable of massifying job creation and economic growth.

The more critical constraints to the manufacturing sector within Emalahleni include the following:

- Huge capital outlay requirements;
- Competition from other established companies within the country (given its proximity to Gauteng, South Africa’s industrial hub);
- Lack of manufacturing incubation hubs, training as well as coaching and mentoring programmes;
- Lack of manufacturing activities for small businesses within Emalahleni.

4.2.2 Investment Opportunities

In the absence of conducting focused research on manufacturing and its beneficiation potential within Emalahleni, specifying investment opportunities across the manufacturing sector sub-categories is rather speculative. However, the following are some the investment opportunities and initiatives recommended for exploration in the next 3-5 years:

- Manufacturing of bricks from clay (by-product of mining)
- Livestock and poultry processing
- Establishment of manufacturing skills Training and Advice Centre
- Establishment of manufacturing SMME Incubation Centre
- Green manufacturing around organic foods and bio-degradable packaging materials
- Furniture manufacturing
4.3 Agriculture and Rural Development

Agricultural land around the settlements in the Emalahleni area is increasingly under threat due to the need for urban expansion, mining development and electricity generation. The constraints posed by undermined land further decreases the attractiveness of agricultural land for development. The agricultural land in Emalahleni is however considered to have high production value and potential, and should be protected as a scarce resource. These agricultural activities are capable of supporting rural development; particularly through emerging farmer support programmes.

4.3.1 Development Potential and Constraints

As is the case with the manufacturing sector, the agricultural potential within Emalahleni needs to be fully explored and exploited; particularly on rehabilitated mining land; through the development of an **Agricultural Development and Farmer Support Plan**. Research should be conducted to establish the following key issues:

- Land available for agricultural purposes within Emalahleni, to include ownership and utilization;
- Soil types and their suitability for crop and animal production;
- Potential for value chains and related linkages through agro-processing and supply to the other sectors of the local and regional economy;
- Existence of economic clusters within the agricultural sector and potential for diversification.

As is the case with the other sectors within Emalahleni, the agricultural sector faces a number of development constraints key of which include the following:

- Shortage of land for agricultural purposes due to the 'mining rush' preferred by most businesses;
- Unresolved land claims and uncertainty due to a clamor for 'land take-overs without compensation';
- Extreme climatic conditions which sometimes hamper productivity and price fluctuations;
- Requirements for huge capital outlay for major rural agriculture development projects ;
- Inadequate research and veterinary services and farmer support in capital intensive agricultural programmes and projects.

4.3.2 Investment Opportunities

The following are some of the best practice models for exploiting opportunities within the agricultural sector as it relates to rural development:
- Building the physical and biological agricultural assets in remote areas such as roads, grain bins and wells;
- Circulating the local products and services by localizing exchange of goods and services within rural communities;
- Promoting the value of self-employment and entrepreneurship;
- Bequeathing life and survival skills to the youth and promotion of traditional principles of agriculture for self-sustenance in rural areas and ultimately;
- Improvements on technology to transforming traditional agriculture;
- Agro-processing promotion.

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 energy). Green energy can be considered a priority to reduce the environmental impact of coal generated energy in and around Emalahleni.

### 4.4 Tourism and Hospitality Services

Business tourism is identified as the key contributor to the performance of the hospitality services sector within Emalahleni. Key clients were identified and categorised as government employees from both national and provincial, mine employees and executives visiting the various mining houses and other businesses across the municipal area, friends and relatives visiting and tourists and travellers in transit either to the Lowveld or Maputo as well as those to Gauteng. Key product offerings include bed and breakfast services, full hotel accommodation services; and meals and entertainment during the day and evenings.

Businesses within the sector contend that since late 2008, business has been fluctuating due to the recession. To survive in the market, businesses resort to cutting prices in order to attract clients or offer massive discounts. This phenomenon cuts across different hotel and bed & breakfast sizes and is likely to continue in the foreseeable future if the overall business environment does not improve dramatically.

#### 4.4.1 Development Potential and Constraints

Businesses in the hospitality sector indicated that some of the SMMEs do not offer quality services, hence the need to build their capacity through incubation, skills training and mentorship programmes. Key factors identified as limiting business performance currently and in the future include the following:

- Competition within the sector among hotels, lodges and bed & breakfast facilities;
- Cost of labour and its over-unionization; in which most companies cannot afford to pay minimum regulated salaries;
• Stringent economic conditions due to the economic crisis and cutting on travels and accommodation by most companies and families;  
• Failure to access credit facilities especially by small bed & breakfast facilities;  
• Electricity cuts, erratic water supplies and inefficient waste removal were also identified as some of the key challenges faced by businesses in the hospitality services sector.

Infrastructure was identified as largely inadequate within Emalahleni and requiring serious attention from the municipality. Key among the infrastructural challenges are the following:

• Water supplies are not adequate and reliable;  
• Electricity outages that normally come unannounced cause damage to business reputation and loss of confidence by clients;  
• Road infrastructure, particularly within the business centre is potholed and generally dirty (little cleaning is done);  
• Garbage collection needs improvement (must be regular and timeous);  
• Management of water pressure and waste water need attention to avoid the over-flowing of sewerage and water leakage.

Two critical recommendations submitted for future consideration are:

• Availing land (bigger space) with adequate and safe parking space for the establishment of hospitality businesses;  
• Establishment of a cultural resort or center around the Witbank Dam; which must take into account business viability and environmental considerations as well as economic empowerment of the locals.

4.4.2 Investment Opportunities

Businesses within the hospitality industry regard the presence of SMMEs as critical for their operations especially around the various supplies that the businesses require and the activities are part of the up and down stream value chain and include the following:

• Construction of main structures and other needed facilities  
• Air conditioning services  
• Electrical and plumbing services  
• Furniture repairs and refrigeration maintenances  
• Housekeeping and laundry  
• Various supplies, to include food, stationery and other consumables  
• Security services and  
• Travel and entertainment services
4.5 Business and Finance Services

The financial services sector in South Africa, dominated by the four major banks (Standard Bank, FNB, ABSA, and Ned Bank) is one of the highly regulated economic sectors like mining and energy development. Key products from the banking sector include investments, transactional accounts (cheque, smart accounts and savings), unsecured and secured loans (business, home and personal loans), traditional banking services and financial advisory services.

Demand for the various financial services tends to be fluctuating within Emalahleni and such trends are expected to remain in the next 3-5 years. However most of these institutions feel that with the opening up of new businesses within the local space (particularly mining houses, energy generation and manufacturing firms), business upswing is expected. The international financial crisis that has hit most of the world economies and is still ravaging a number of European countries is viewed as a major threat to the financial services sector and other sectors within Emalahleni.

4.5.1 Development Potential and Constraints

The current general business situation is viewed as satisfactory and the future as entirely dependent on the overall economic outlook, performance and policy direction taken by the government (particularly on the nationalization policy). All institutions regard their current financial situations and access to credit as satisfactory. To deal with stabilization of the job environment, banks are planning to increase or improve on their staff retention policies. The other opportunities lie within the new banking technologies that are capable of creating jobs as well as allowing the participation of SMMEs within the IT sector.

The following key factors were identified as limiting the sector’s ability to improve business:

- Competition especially among the four major banks present an oligopoly market form in which actions by one bank is easily known to the other banks.
- Stringent economic conditions, especially with regards to regulation within the financial services sector. Borrowing by individuals and small businesses tends to be difficult due to regulations (particularly FICA) that disqualify most potential borrowers. This regulation generally affects most of the products offered.
- Cost of finance in the form of the interest (lending) rate is also regarded as too high for most business and individual market segments. Since this is determined by the Reserve Bank of South Africa, all other financial institutions have limited role in the determination of the repo rate which then influences the lending rate.
- The performance of the financial services sector tends to reflect the performance within other economic sectors (derived demand). With the advent of the economic crisis and its effects across sectors; as well as job losses and the economy’s inability to create new job opportunities, the financial services sector faces the challenge of insufficient demand for the various product offerings.
Financial services institutions within Emalahleni are largely located either within the CBD centres or within shopping malls. Their infrastructure challenges are therefore associated within these centres and are more pronounced for the CBD located institutions than the others (located in spacious and more modern complexes). Key among the infrastructure challenges identified includes the following:

- Street pavements require revamping using labour intensive methods;
- There is serious water shortages and this requires immediate attention from the municipality;
- Businesses tend to experience electricity outages without prior notice and this proving very costly to the businesses;
- Waste removal for businesses is a major problem and needs attention from the Emalahleni Local Municipality;
- Parking space for banking customers’ needs to be increased so that they are not inconvenienced by having to travel long distances to access banking halls.

4.5.2 Investment Opportunities

One of the key recommendations from the banking sector, particularly CBD located, is the need for an urban renewal programme particularly for Witbank CBD; of the old and sometimes dilapidated buildings. The following were identified as key benefits of the programme:

- The programme is capable of massifying job opportunities across various construction related businesses;
- The new or revamped buildings will have plenty of parking space thereby alleviating parking challenges associated with most clients, shoppers and employees of various companies;
- The urban renewal programme will create office space that could accommodate, among others SMMEs and businesses located at home or in other inappropriate locations;
- Finally, the programme will boost different sectors within Emalahleni, from manufacturing, trade, construction, and transport; to the SMME sector.

4.6 SMME and Cooperatives Development

The SMME (and Cooperatives) sector the world over is regarded as the engine of economic growth and development. Besides SMME contribution to growth, SMME growth in South Africa has the potential of creating job opportunities, closing the income and wealth gap as well as dealing with the poverty challenge particularly among the previously disadvantaged population groupings.

Business support for SMMEs across sectors is viewed as a serious challenge within Emalahleni; with most people preferring looking for employment. In this line, survey participants indicated that local companies should give preference to local people when it comes to job opportunities. The influx of people from other parts of the district, province and country;
compound the unemployment challenge within the locality. There is inadequate financial and business planning support to finance working capital and start-up costs by private sector and government agencies.

4.6.1 Development Potential and Constraints

Key challenges that were identified include the following:

- Lack of knowledge and skills which prevent people from venturing into business to explore various economic opportunities across sectors;
- Reluctance among the people to venture into the entrepreneurial jungle in preference for paid employment as well as the tendency to want to rely on government tenders which are not sustainable;
- Inexistent and sometimes inadequate training and capacity development around marketing, management, technology, financial management, technical related training, waste management and other related matters;
- Reluctance by the youth to venture into agriculture and lack of proper youth development programmes.

With regards to municipal support services, SMMEs identified the following as key challenges small businesses and communities face:

- Payment of service providers takes too long and this impacts negatively on cash-flows of most small businesses;
- Electricity shedding (outages) and water cuts make business very difficult, particularly among SMMEs within the hospitality industry;
- Lack of training on tendering, pricing of documents and other finance matters as well as perceived corrupt practices discourage some SMMEs from tendering;
- There is no access to land and industrial space for business development; and where it is available, private developers sell the land at very exorbitant prices unaffordable to small businesses;
- Water provision, sewer management, garbage collection and state of most roads need very serious attention if a conducive environment for business development is to be created.

LED stakeholder engagement within Emalahleni is viewed as very weak and at the center of most of the other challenges identified. If platforms exist and parties meet regularly, matters can be easily and quickly addressed. The following issues were identified as being at the core of the problem:
The LED Forum (LEDF) is either non-existent or very ineffective and therefore no meetings are held and no regular stakeholder dialogue.

In the few occasions where and when such meetings are held; the discussions are either stifled or directionless, signifying the absence of clear terms of reference of the LEDF and action plan that guides programme implementation.

Both community and business participation in the activities of the LEDF is essential but currently not in place and therefore dealing with challenges of poverty eradication and unemployment is very difficult.

Finally, it is essential to try and unify the fragmented chambers or associations representing the same sector for cross-pollination of ideas, experiences and business wisdom.

The specific challenges/problems that were identified across sector respondents include the following:

- Training, incubation, coaching and mentoring of small businesses across sectors, sizes and geographical locations within Emalahleni
- Equipment and machinery for establishing and running businesses across different sectors; to include brick making, laundry, industrial cleaning, wheel balancing & alignment, brush cutters, tipper truck etc.
- Development of bankable business plans that are capable of getting finance from various finance houses; for capital and other business requirements.
- Land ownership and registration of cooperatives; as well as the structuring and running of these businesses particularly within the agriculture sector.
- There is also a problem around getting financing for carrying out mining prospecting and then buying own land to do the actual mining.

### 4.6.2 Investment Opportunities

As part of the survey, SMME participants were requested to indicate some of the programmes and projects for consideration into the LED strategy and therefore municipal IDP. These include the following:

1. Upgrading of the Witbank Dam and trying the triple Ps in the implementation of the various projects within that programme.
2. Planning annual events around the Witbank Dam to boost traveller tourists into the Emalahleni space.
3. Upgrading of the Kipfontein Dam which has been neglected for a long time.
4. Revival of the Cultural heartland concept to revive arts and culture within the local space.
5. Development of the N4-N12 Junction into a nodal point and therefore business hub of the whole municipal area.
6. Encouraging and organising mining tours to both current and disused mines to curb the flight or passing of tourists from Gauteng to the Lowveld and Mozambique.

The other recommendations around the creation of an enabling environment include the following:

- Use of LED to improve stakeholder and public confidence in the local municipality.
- Intensification of enterprise development and support as well business infrastructure in areas of the local space.
- Introducing sustainable community economic development programmes/investments through partnerships, development trusts and cooperatives; and promote support for cooperatives
- Improve infrastructure investments through Municipal Infrastructure Grants(MIG funding) and other intergovernmental projects.
- Develop SMME development and support strategy which will address the challenges of skills, mentorship, access to finance and markets and a host of other challenges previously identified.
SECTION FIVE: SUMMARY OF STRATEGIC ISSUES

This section seeks to present a summary of the key strategic issues identified through the perspective analysis, business climate surveys and stakeholder workshops conducted. These strategic issues underpin the LED strategic goals and objectives; as well as the programmes and projects for implementation. Five strategic issues identified are broadly categorised as follows:

- Economic Sector Growth and Development
- Socio-Economic Development
- Infrastructure Development and Basic Service Delivery
- Community Economic Development and Empowerment
- Institutional Development and Arrangements

5.1 Economic Sector Growth and Development

The perspective analysis section of the strategy shows that the economy of Emalahleni is largely dependent on two sectors of Mining and Electricity. These sectors are complimentary to each other and have very limited value chain development or beneficiation potential. With a Tress Index of 60.65 (gravitating towards 100), it is evident that the economy of Emalahleni is not diversified enough; thereby making the local space vulnerable to the performance of the two complimentary sectors. The other sectors making significant contribution to the economy of the local space are Business and Finance; Community Services and Trade (wholesale and retail). However, the performance of these sectors is largely dependent on the overall performance of the whole economy; the economy’s ability to create jobs (labour intensity of growth) as well as the income levels of the majority of the community members. These sectors therefore cannot be used as leverage for growing the economy of Emalahleni.

What is worrisome from the perspective analysis is the performance of Manufacturing and Agriculture (based on their contributions). Generally, these two sectors have great potential for beneficiation or value chain development and are capable of creating sustainable business ventures (unlike mining and electricity which is dependent on resource availability). The issue therefore is; how can we leverage sustainable economic growth of Emalahleni through high performing sectors towards the more sustainable manufacturing and agriculture sectors with a view to development of a sustainable provincial economic hub.

5.2 Socio-Economic Development

A number of socio-economic challenges are highlighted in the perspective or situational analysis section and key among them is the problem of unemployment, poverty, education (skills and capacity) and inequality. In addition, the perspective analysis also shows that population growth rate is higher than the rate of economic growth. The implications are therefore that over time,
more and more people will be unemployed and therefore relegated into poverty zones. Addressing these challenges therefore requires that the Emalahleni LED strategy programmes and projects target economic sectors capable of massifying creation of decent work opportunities. In addition, strides must be made to cultivate, nurture and develop strong entrepreneurial capacity within the community, SMME and cooperatives movement. Collectively, sector growth and development coupled by SMME/Co-operatives development will deliver more in addressing the identified socio-economic challenges.

5.3 Infrastructure Development and Basic Service Delivery

Both the Emalahleni Spatial Development Framework and business survey and workshop findings show that infrastructure development is critical for economic growth and development. In the mining sector, both road and rail infrastructure are not enabling efficient coal transportation to power stations, SASOL and Richards Bay. This calls for the development of intermodal freight transportation system so that the two modes complement each other and relieve over-reliance on road transportation. Within Witbank CBD, parking space, state of roads and pavements as well as general cleanliness is a serious challenge; thereby calling for urban renewal of the ‘decaying’ town. The other infrastructure and basic services required include water and electricity supplies, waste water management and provision of housing. To address some of these challenges would require the development of an Emalahleni 20 Year Infrastructure Development Master Plan.

A key observation from infrastructure development and basic services challenges is that programmes and projects for addressing them sometimes take a local, provincial and national dimension. Therefore all key stakeholders within the public, private and parastatals sectors would need to play their role in order to address these challenges.

5.4 Community Economic Development and Empowerment

Through-out stakeholder consultations, the issue of community economic development and empowerment featured prominently. Three dimensions of the problem identified are:

- Skills and capacity development of community members on a range of job categories;
- Preferential employment and procurement opportunities for the local people;
- Community economic development and empowerment through SMME and cooperatives development

The first dimension of the problem deals with the inability of locals within Emalahleni in terms of accessing job opportunities, especially within the mining sector. This challenge is attributed largely to the lack of technical skills among locals in job categories such as artisans and technicians. To address this challenge requires that Emalahleni Local Municipality, jointly with Nkangala District Municipality and the private sector undertake a community skills audit for
development and matching with available employment opportunities. For those who are interested in business, capacity development programmes that include SMME/Co-operatives incubation, mentorship and training programmes are developed and implemented. All the programmes would need to be sector focused dealing with both managerial and technical skills of running a business.

Finally, community members within Emalahleni would appreciate a deliberate bias towards the local people both in terms of procurement and job opportunities. This preferential bias should be adopted by the private and public sector. However, in the absence of capacity and skills development; such a move could be counter-productive when the local firms fail to deliver quality goods and services.

### 5.5 Institutional Development and Arrangements

Structure follows strategy (as long as the left leg follows the right); so goes the adage. The one most fundamental missing link in Emalahleni local economic development endeavors is the absence of an institutional structure that can plan, implement, coordinate, monitor and evaluate LED programmes and projects. This is so in terms of both the location and population of the LED unit (which unfortunately is a KPA in terms of legislation). Two options could be considered, namely:

- Establishment of a full Department called Planning and (Economic) Development or
- Establishment of Local Economic Development Agency (LED Agency)

With respect to the first option, special attention should be given to skills around economic research and promotion; mining, manufacturing, agriculture and development of different sectors; transport economics; SMME and small business development as well as stakeholder management and business financing & regulation. The establishment of LED Agency will be funded by the Industrial Development Corporation.

The other key aspects of institutional arrangements include revival of the LED Forum, capacity and skills development of LEDF, LED department and Portfolio Committee on LED. Finally, the coordination of all key LED stakeholders would require a clear marketing and communication strategy, given the current state of stakeholder management, economic research and investment promotion.
SECTION SIX: LED STRATEGIC FRAMEWORK

The Emalahleni Local Economic Development Strategic Framework was developed through stakeholder consultation workshops, upon presentation of perspective and business survey reports.

6.1 LED Vision, Strategic Goals & Objectives

The Emalahleni LED vision is conceptualized as follows:

“To Create an Industrial Hub of The Mpumalanga Province by 2016 Through Sustainable, Efficient and Effective Economic Growth, Development and Empowerment of the Community”

Key mission statements emanating from the vision are:

- Creating an economic hub of the Mpumalanga Province
- Targeting sectors that create job opportunities
- Community economic participation and empowerment
- Sustainable economic growth and development

Based on the strategic issues and vision statement, the LED strategic goals and objectives of Emalahleni are summarised as follows:

1. To be number one economic hub in Mpumalanga by 2016;
2. To grow the economy of Emalahleni by 4% per annum through targeted sectors that ensure sustainable growth and development within the 2011-2016 period;
3. To create employment opportunities in line with New Growth Path targets; and halve poverty in line with Millennium Development Goals;
4. To address all economic infrastructure and basic service delivery backlogs and new requirements within 5 years, for quality living standards for all;
5. To ensure meaningful economic participation of all the citizens through capacity building and preferential procurement opportunities;
6. To develop institutional capacity and arrangements that can drive implementation, monitoring and evaluation of all LED programmes and projects within the 5 year planning period.
### 6.2 Programmes and Projects for Implementation

The Emalahleni LED strategy is anchored around the following programmes (which are referred to as *pillars* or *development thrusts*):

**Pillar One**: Targeted Economic Sector Development  
**Pillar Two**: SMME, Cooperatives and Community Development and Support  
**Pillar Three**: Good Governance, Institutional Arrangements and Capacity Development  
**Pillar Four**: LED Research, Investment Promotion and Marketing

The four programmes or development thrusts are the building blocks for the Emalahleni LED Strategy and a number of projects have been identified under each of the four pillars. The specific projects are categorised into catalytic projects and quick-win projects as follows:

<table>
<thead>
<tr>
<th>LED Programme/Pillar</th>
<th>Catalytic (Anchor) Projects</th>
<th>Quick-win Projects</th>
</tr>
</thead>
</table>
| **Pillar One: Targeted Economic Sector Development & Support** | • Prospecting and Development of New Coal Mines  
• Development of the Rail-Road Freight Intermodal Transportation System  
• Establishment of Mining Incubation and Development Centre for SMMEs  
• Project Scoping and feasibility study for establishing mining equipment manufacturing company | ➢ Road Construction (using labour intensive methods)  
➢ Rehabilitation of abandoned or exhausted mines  
➢ Rehabilitation of mining land for agricultural purposes  
➢ Manufacturing and supply of protective clothing  
➢ Cleaning and catering within mining houses  
➢ Quarrying projects  
➢ Greening of local mining environment |
| **Gear 1: Mining Development**                             |                                                                                            |                                                                                  |
| **Gear 2: Manufacturing Development**                      | • Undertake Study to explore Manufacturing Value Chains and potential for Beneficiation within the Sector  
• Develop Manufacturing or Industrial |
|                                                           |                                                                                            | ➢ Cement and clay brick manufacturing  
➢ Livestock and Poultry Production  
➢ Furniture Manufacturing |
| Gear 3: Agriculture and Rural Economic Development | Development & Support Plan  
- Establish an SMME Manufacturing incubation and Development Centre  
- Green manufacturing of organic foods and biodegradable packaging materials | Manufacturing of paving bricks and bricks for constructing RDP houses  
- Undertake an Agriculture and Rural Economic Development Study to explore Value Chains and Land Suitability for Agricultural purposes  
- Develop Agriculture and Rural Economic Development and Support Plan  
- Build Physical and Biological Agricultural Assets in the remote and more rural areas (roads, grain bins and water reservoirs)  
- Explore potential for electricity generation through green technologies within farms (bio-mass, solar and wind energy) |  
| Gear 4: Tourism and Hospitality Services | Establish Cultural and Entertainment Centre around Witbank Dam  
Establish Five Star Hotel within Witbank with Adequate and Safe | Air conditioning services  
Electrical and plumbing services  
Furniture repairs and |
<table>
<thead>
<tr>
<th>Gear 5: Business and Financial Services</th>
<th>Parking Space</th>
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</thead>
<tbody>
<tr>
<td>• Undertake Urban Renewal Programme/Project for Witbank CBD</td>
<td>• Develop a Tourism Development and Support Plan for Emalahleni</td>
</tr>
<tr>
<td>• Develop Business/Office and Industrial Parks on the N4-N12 Development Node</td>
<td>• Develop Tourism Packages for Internet Marketing</td>
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<tr>
<td>• ICT Opportunities within Financial Services for SMMEs</td>
<td>refrigeration maintenance</td>
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<td></td>
<td>• Housekeeping and laundry</td>
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<td>• Various supplies, to include food, stationery and other consumables</td>
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<td>• Security services and</td>
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<td>• Travel and entertainment services</td>
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<tr>
<th>Pillar Two: SMME, Cooperatives and Community Development &amp; Support</th>
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<tr>
<td>• Undertake Community and SMME Skills and Capacity Audit (among the youth and women) for Matching with Job and Investment Opportunities</td>
<td>SMMEs and Cooperatives Capacity Development on:</td>
</tr>
<tr>
<td>• Compile SMME and Cooperatives Database by Sector, Size and</td>
<td>• Entrepreneurship</td>
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<td></td>
<td>• Small Business General Management</td>
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<td></td>
<td>• Financial Management</td>
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<td>• Pricing and Tendering Procedures</td>
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<tr>
<td>Business Scope</td>
<td>Accessing Market Opportunities</td>
</tr>
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<td>----------------------------------------------------</td>
<td>-----------------------------------------------------</td>
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<tr>
<td>• Identify Practical SMME and Cooperatives</td>
<td>• Technical Training</td>
</tr>
<tr>
<td>Challenges &amp; Develop Capacity Development</td>
<td>(relevant to business operations)</td>
</tr>
<tr>
<td>Interventions and Programmes (training,</td>
<td>➢ SMMEs and Cooperatives</td>
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<tr>
<td>finance, incubation, mentoring)</td>
<td>Mentorship Programmes</td>
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<tr>
<td>• Develop an Information and Business Opportunities</td>
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<tr>
<td>Portal for Matching with SMMEs across Sectors</td>
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<td>and Business Scope</td>
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<th>Business Scope</th>
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<tr>
<td>• Technical Training</td>
<td>• Sign MOUs with Research Houses to</td>
</tr>
<tr>
<td>• Technical Training</td>
<td>➢ Review by-laws and policies that are not</td>
</tr>
</tbody>
</table>

| Pillar Three: Good Governance, Institutional        | Develop Terms of Reference for LEDF                 |
| and Capacity Development                           |                                                     |
| • Establish Department called Planning and         | • Reconstitute and capacitate LEDF                  |
|   Development Populated with LED Experts OR        |                                                     |
| • Establish LED Agency to Drive Business            | • Capacitate Portfolio Committee on LED             |
|   Development and Investment Promotion             |                                                     |
| • Revive the LED Forum and Develop clear Terms of  | • Capacitate municipal officials on LED research,   |
|   Reference                                     |   feasibility studies, impact                       |
| • Develop Capacity of LED Department, LEDF         |   assessment studies and project monitoring         |
|   and Portfolio Committee on LED                   |   and evaluation                                    |
| • Develop clear Communication Strategy between     |                                                     |
|   Municipality, Mining Houses and other Stakeholders |                                                     |
|   to tape into ALL their Projects                 |                                                     |

| Pillar Three: Good Governance, Institutional        | Develop Terms of Reference for LEDF                 |
| and Capacity Development                           | • Reconstitute and capacitate LEDF                  |
| • Establish Department called Planning and         | • Capacitate Portfolio Committee on LED             |
|   Development Populated with LED Experts OR        | • Capacitate municipal officials on LED research,   |
| • Establish LED Agency to Drive Business            |   feasibility studies, impact                       |
|   Development and Investment Promotion             |   assessment studies and project monitoring         |
| • Revive the LED Forum and Develop clear Terms of  |   and evaluation                                    |
|   Reference                                     |                                                     |
| • Develop Capacity of LED Department, LEDF         | • Capacitate municipal officials on LED research,   |
|   and Portfolio Committee on LED                   |   feasibility studies, impact                       |
| • Develop clear Communication Strategy between     |   assessment studies and project monitoring         |
|   Municipality, Mining Houses and other Stakeholders |                                                     |
|   to tape into ALL their Projects                 |                                                     |

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<td>• Technical Training</td>
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</tr>
<tr>
<td>• Technical Training</td>
<td>➢ Review by-laws and policies that are not</td>
</tr>
</tbody>
</table>

### Pillar Four: LED Research, Investment Promotion and Marketing

<table>
<thead>
<tr>
<th>augment Internal Research Capacity</th>
</tr>
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<tbody>
<tr>
<td>Subject ALL Anchor Projects to Viability or Feasibility Studies prior to Implementation</td>
</tr>
<tr>
<td>Develop Business Opportunity Prospectus (Investment Promotion Plan) for Marketing through Municipal Website, LED Summits &amp; Conferences and International Fora</td>
</tr>
<tr>
<td>Conduct LED Summits/Conferences bi-annually to Promote or Market Investment Opportunities and Packaged Initiatives</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>business friendly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop new by-laws, policies and investment incentive schemes that are business friendly</td>
</tr>
<tr>
<td>Develop LED Impact Assessment Tool / Metric (based on M &amp; E principles)</td>
</tr>
<tr>
<td>Receive (annually) economic, socio-economic and demographic profiles of the municipality from Provincial Department of Finance and share information with stakeholders</td>
</tr>
</tbody>
</table>

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### 6.3 Prioritisation of Projects and Spatial Context

Project prioritisation is critical for distinguishing between projects with a high impact and those with low impact once implemented. Anchor projects are catalytic projects likely to have multiplier effects on both economic growth and development in terms of GDP contribution, job creation, community empowerment etc. Prioritisation of LED projects is based on the following criteria:

- Strategic Importance (anchor position and value chain potential)
- Potential for creation of decent Job Opportunities (poverty reduction and inequality)
- SMME Development and Support
- Capacity and Skills Development
- Community Development and Economic Empowerment
- Overall Development Impact

Focus in terms of prioritisation is given on catalytic rather than quick win projects. However, all LED stakeholders should also focus on implementation of quick win projects which are short term and tend to have immediate impact on the local space. Based on the above list and criteria, Emalahleni LED projects are prioritised as follows:
<table>
<thead>
<tr>
<th>Priority No.</th>
<th>Project Name</th>
<th>Possible Location &amp; Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Establish Department: Planning and Economic Development OR Establish LED Agency to drive Business Development and Investment Promotion</td>
<td>Emalahleni Local Municipality</td>
</tr>
<tr>
<td>2</td>
<td>Revive LEDF, Develop clear Terms of Reference and Capacitate PED Department, LEDF and Portfolio Committee on LED Sign MOUs with Research Houses, Private Mining Houses and Relevant Government Structures for Implementation of LED Projects</td>
<td>Emalahleni Local Municipality</td>
</tr>
<tr>
<td>4</td>
<td>Undertake Community &amp; SMME Skills and Capacity Audit (targeting mainly youth and women) for Matching with Job and Business Opportunities Develop an Information (Jobs and Business Opportunities) Portal accessible to SMMEs, Stakeholders and Communities</td>
<td>Nkangala District Municipality Nkangala District Municipality</td>
</tr>
</tbody>
</table>
| 4           | Subject all Anchor Projects to Feasibility or Viability tests prior to Implementation:*  
  - Rail-Road Freight Intermodal Transportation System (coal transportation)  
  - Mining Equipment and Machinery Manufacturing Company  
  - Cultural and Tourism Facility Centre around Witbank Dam | East, South and Western part of Witbank Ferrobank Area Witbank Dam |
<table>
<thead>
<tr>
<th></th>
<th>Development Node with Business/Office and Industrial Parks (with all required infrastructure)</th>
<th>N4-N12 Junction Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Detailed Sector focussed Studies:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Agriculture and Rural Economic Development Study (explore value chains and soil suitability) and Develop Agriculture Development and Support Plan</td>
<td>Whole of Emalahleni</td>
</tr>
<tr>
<td></td>
<td>• Manufacturing or Industrial Development Study (explore value chains / beneficiation potential) and Develop Manufacturing Development and Support Plan</td>
<td>Whole of Emalahleni</td>
</tr>
<tr>
<td></td>
<td>• SMME/Cooperatives Development and Support Study (explore practical challenges, scope &amp; size across sectors) and Develop SMME/Cooperatives Support Plan</td>
<td>Whole of Emalahleni</td>
</tr>
<tr>
<td></td>
<td>• Tourism Study and Develop Tourism Development and Support Strategy(Plan)</td>
<td>Whole of Emalahleni</td>
</tr>
<tr>
<td>7</td>
<td>SMME/Cooperatives Skills and Capacity Development:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• SMME/Cooperatives Manufacturing Development and Incubation Centre</td>
<td>Nkangala District Municipality</td>
</tr>
<tr>
<td></td>
<td>• SMME/Cooperatives Mining Development and Incubation Centre</td>
<td>Ferrobank Industrial Area</td>
</tr>
<tr>
<td></td>
<td>• SMME/Cooperatives Agriculture Development and Incubation Centre</td>
<td>Southern part of Witbank Town / Ogies</td>
</tr>
<tr>
<td></td>
<td>• Develop and Implement SMME / Cooperatives Skills and Capacity</td>
<td>North of Witbank Town</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Nkangala District Municipality</td>
</tr>
<tr>
<td>No.</td>
<td>Development Programmes</td>
<td>Description</td>
</tr>
<tr>
<td>-----</td>
<td>---------------------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>8</td>
<td>New Mining Development Projects</td>
<td>Continuous Prospecting and Exploitation of Coal Reserves and Development of necessary Infrastructure (roads, rail, water, sewer etc.)&lt;br&gt;Investigating and Exploration of Gold Deposits within Emalahleni (undertaking necessary studies)</td>
</tr>
<tr>
<td>9</td>
<td>Witbank CBD Urban Renewal Project</td>
<td>Demolition, Reconstruction and Renovation of Existing Old Buildings&lt;br&gt;Renovation of Roads, Water, Sewer and Parking Systems</td>
</tr>
<tr>
<td>10</td>
<td>Build Physical and Biological Agricultural Assets in remote areas of Emalahleni (roads, grain bins and water reservoirs)</td>
<td>Remote Agricultural Areas mainly North of Witbank</td>
</tr>
<tr>
<td>11</td>
<td>Develop LED Business Opportunity Prospectus (Investment Promotion Plan) for Marketing through Municipal Website, LED Conferences and other International Fora. Conduct LED Summits/Conferences Bi-Annually (to promote or market investment opportunities and packaged projects)</td>
<td>Evaluate (as well as monitoring) Impact of LED Projects Implementation through Impact Assessment Studies</td>
</tr>
</tbody>
</table>
6.4 Project Packaging

6.4.1 Overview of Projects

Summary of Pillar 1 Projects: Targeted Economic Sector Development & Support - (Mining & Manufacturing)

- **A 01** Prospecting & Development of New Coal Mines
- **A04** Establish Mining Incubation & Development Center for SMMEs
- **C 13** Explore Potential for Electricity Generation through Green Technologies
- **B 07** Develop Manufacturing or Industrial Development & Support Plan
- **B 06** Study to explore Manufacturing Value Chains & Beneficiation
- **A05** Project Scoping & Feasibility Study for Establishing Mining Equipment Manufacturing Company
- **B 08** Establish an SMME Manufacturing Incubation & Development Centre
- **B 09** Green Manufacturing of Bio-degradable Packaging Materials
- **A 03** Development of the Rail-Road freight Intermodal Transportation System
Summary of Pillar 1 Projects: Targeted Economic Sector Development & Support - (Agriculture and Rural Economic Development)

C 10
Agriculture & Rural Development study to explore Value Chains & land suitability for Agriculture purposes

C 11
Develop Agriculture & Rural Economic Development Support Plan

B 9A
Develop Green Manufacturing of Organic Foods

C 12A
Build Biological Agriculture Assets in Rural Areas (Cattle, Plantations)

C 12B
Build Physical Agriculture Assets in Rural areas (Roads, Grain Bins & Water Reservoirs)
Summary of Pillar 1 Projects: Targeted Economic Sector Development & Support - (Tourism & Hospitality)

D 14
• Establish Cultural & Entertainment Center around Witbank Dam

D 15
• Establish 5-Star Hotel within Witbank with adequate & safe parking space

D 16
• Develop a Tourism Development & Support Plan for Emalahleni

D 17
• Develop Tourism Packages for Internet marketing

Summary Pillar 1 Projects: Targeted Economic Sector Development & Support - (Business & Financial Services)

E18:
Undertake Urban renewal Programme / project for Witbank CBD

E19
Develop Business / Office & Industrial Parks on N4-N12 Development Node

E20
Explore ICT Opportunities within Financial Services for SMMEs
Summary of Pillar 2 Projects: SMMEs, Cooperatives & Community Development & Support

F 22
Compile SMME & Cooperatives Database by Sector, Size and Business Scope

F21
Undertake Community & SMME Skills & Capacity Audit (among youth & women) for matching with Job and Investment Opportunities

F23
Identify Practical SMME & Cooperatives challenges & Develop Capacity development Interventions & Programmes (Training, Finance, Incubation, mentoring)

F24
Develop an Information & Business Opportunities Portal for Matching with SMMEs across Sectors and Business Scope
Summary of Pillar 3 Projects: Good Governance, Institutional & Capacity Development

G25A
Establish Department called Planning & Development Populated with LED Experts

G25B
Establish LED Agency to Drive Business Development & Investment Promotion

G27
Revive the LED Forum & Develop clear Terms of Reference

G28
Develop Capacity of LED Department, LEDF & Portfolio Committee on LED

G29
Develop Clear Communication Strategy between Municipality, Mining Houses & other Stakeholders
Summary of Pillar 4 Projects: LED Research, Investment Promotion and Marketing

- **H30**
  Sign MOUs with Research Companies to Augment Internal Research Capacity

- **H31**
  Subject ALL Anchor Projects to Viability or Feasibility Studies prior to Implementation

- **H32**
  Develop Business Opportunity Prospectus (Investment Promotion Plan) for marketing through Municipal Website, LED Summits & Conferences and International Fora

- **H33**
  Develop LED Performance Monitoring & Evaluation Tool

- **H34**

- **H35**
  Conduct LED Summits / conferences biannually to promote or Market Investment Opportunities & Packaged Initiatives
### Project A 01

**Prospecting and Development of New Coal Mines**

<table>
<thead>
<tr>
<th>Nature of Project</th>
<th>Opening new coal mines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Possible Site for Project</td>
<td>ELM area which is currently unclaimed. The exact location depends on where economic coal deposits are found.</td>
</tr>
</tbody>
</table>
| Key / Major Project Promoters | **DMR:** Mining rights and licenses  
**ELM:** Promotion of the mining area and providing incentives to attract mining investors  
**DEDET:** Coordination and promotion of project |
| Targeted Project Developers | Current coal mines in the area with the possibility of expanding operations, preferably local SMMEs  
New coal mining companies (local or international) |
| Major Challenges | 1. Financing – heavy capital injection required  
2. Extensive marketing and lobbying for private investors required  
3. Location of most economic coal not yet known  
4. Possible land claims may delay process of acquiring land for coal mining by investors  
5. State of rail freight transportation system  
6. Environmental degradation and pollution from coal mining  
7. Little beneficiation on coal  
8. Shortage of skilled labour for specialized mining jobs  
9. Power (electricity) challenges  
10. Unclear economic laws especially in mining |
| Possible Benefits | 1. High employment creation  
2. Major boost in the local economy |
| Suggested Time for Implementation | a) Promotion of the area to attract investors to start coal prospecting within the area – **up to 12 months**  
b) Development of the project; Prospecting to full implementation – **up to 5 years** |
| Proposed Project Budget | 1. Promotion of the Project – **R1,000,000.00** (To include Investment summit(s).)  
2. Development of Project – **Cost to be advised by investor(s)** |
<table>
<thead>
<tr>
<th><strong>Project A 03</strong></th>
<th><strong>Development of the rail-road freight intermodal transportation system</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nature of Project</strong></td>
<td>This project heavily depends on Transnet, and is of national significance. This is because any meaningful road or rail upgrade cannot be restricted to ELM. It has to transcend the other regions where goods emanating from ELM pass through. Major outcomes of the project include the following: 1. Development of road and rail system by upgrading roads and rail system. 2. Building new roads or new railway lines that complement 3. Upgrading the rail infrastructure e.g. wagons and locomotives</td>
</tr>
<tr>
<td><strong>Possible Site for Project</strong></td>
<td>Emalahleni key road and rail routes</td>
</tr>
<tr>
<td><strong>Key / Major Project Promoters</strong></td>
<td>• ELM  • DEDET  • Dept. of Public Works, Roads and Transport</td>
</tr>
<tr>
<td><strong>Targeted Project Developers</strong></td>
<td>• ELM : Local roads  • Department of Roads and Transport : National roads  • Private sector developers e.g. TRAC for management or the infrastructure  • TRANSNET: rail infrastructure</td>
</tr>
<tr>
<td><strong>Major Challenges</strong></td>
<td>1. Financing the infrastructure projects 2. Marketing project to attract attention of key stakeholders in government and parastatals such as Transnet. 3. Convincing the Dept. of Roads and Transport to prioritize ELM routes. This is because the project takes a national dimension as the whole length of the targeted road or rail has to be developed if project is to make economic sense e.g. the route to Richards Bay.</td>
</tr>
<tr>
<td><strong>Possible Benefits</strong></td>
<td>• Transport spinoffs  • Easing of road traffic and hence less strain on the ELM infrastructure budget  • Employment creation in road maintenance, upgrading or building.</td>
</tr>
<tr>
<td><strong>Suggested Time for Implementation</strong></td>
<td>Promotion – Up to 12 months  Project development – Road/Rail construction, upgrade or maintenance – dependent on the investor or the authority responsible.</td>
</tr>
<tr>
<td><strong>Proposed Project Budget</strong></td>
<td>TBA – Internal processes by government departments</td>
</tr>
<tr>
<td>Project A 04</td>
<td>Establishment of mining incubation and Development Centre for SMMEs</td>
</tr>
<tr>
<td>-------------</td>
<td>-------------------------------------------------------------</td>
</tr>
<tr>
<td>Nature of Project</td>
<td>Development of an incubation Centre where SMMEs will be developed in mining related issues as well as other business opportunities.</td>
</tr>
<tr>
<td>Possible Site for Project</td>
<td>Emalahleni business / industrial area. The exact location should be convenient for SMMEs to access.</td>
</tr>
</tbody>
</table>
| Key / Major Project Promoters | - ELM  
- DEDET  
- DTI  
- SEDA  
- Mining Houses in ELM area  
- Manufacturing companies |
| Targeted Project Developers | - Local mining companies  
- Manufacturing companies |
| Major Challenges | - Organizing the effort  
- Marketing to the right stakeholders |
| Possible Benefits | - Capacity challenges of SMMEs addressed  
- Huge potential for job creation by SMMEs |
| Suggested Time for Implementation | - Further detailed investigation and promotion – up to 12 months  
- Project development; 6 - 16 months |
| Proposed Project Budget | - Detailed investigation – R500,000.00  
- Project development – Amount depends on the scope of the project |
<table>
<thead>
<tr>
<th>Project A 05</th>
<th>Project scoping and feasibility study for establishment of mining equipment manufacturing company</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nature of Project</strong></td>
<td>Project is in the form of a scoping and feasibility study leading to the following;</td>
</tr>
<tr>
<td></td>
<td>a) Establishment of manufacturing or assembly plant for mining equipment such as Graders, Excavators, Front-end loaders, earthmovers etc., AND/ OR</td>
</tr>
<tr>
<td></td>
<td>b) Establishment of manufacturing plant for heavy mining machinery components (parts) assembling.</td>
</tr>
<tr>
<td>This project is part of the wider manufacturing survey to establish manufacturing value chains highlighted in Project B006 below. The exact nature of the survey will take 2 dimensions as follows;</td>
<td></td>
</tr>
<tr>
<td>1. Survey of mining company machinery and component requirements (Technical Survey).</td>
<td></td>
</tr>
<tr>
<td>2. Business Feasibility study to establish/ locate manufacturing company (or companies) in ELM.</td>
<td></td>
</tr>
<tr>
<td>The nature of the feasibility study may require the technical and business consultants to visit the mining houses in South Africa, and neighbouring countries to establish their equipment requirements, as a way of establishing demand.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Possible Site for Project</th>
<th>South Africa, Witbank Industrial Area</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Key / Major Project Promoters</strong></td>
<td>a) <strong>ELM</strong>: Project investigation, promotion and marketing</td>
</tr>
<tr>
<td></td>
<td>b) <strong>DEDETi</strong>: Project investigation, promotion and marketing</td>
</tr>
<tr>
<td></td>
<td>c) <strong>Dept. of Trade and Industry (DTI)</strong> Project investigation, project promotion and marketing</td>
</tr>
</tbody>
</table>

| Targeted Project Developers | a) **ELM:** |
|                            | b) **Private Investors** (Local or International) |

| Major Challenges | a) **Financing**: Heavy capital injection required |
|                 | b) **Project scope**: Exact nature of project not yet established – this will depend on the type of investors attracted |
|                 | c) **Marketing**: Extensive marketing and lobbying for private investors needed |

| Possible Benefits | a) High employment creation if project is pursued vigorously |
|                  | b) Massive beneficiation whether up-stream or down-stream |

| Suggested Time for Implementation | a) Investigation and promotion – Up to 12 months |
|                                   | b) Project Development after feasibility study – 2 to 5 years |

| Proposed Project Budget | Investigation and promotion – **R5,000,000.00** |
|                        | Project Development – **Cost to be advised by Investor** |
### Project B 06

**Undertake study to explore manufacturing value chains and potential for beneficiation within the sector.**

#### Nature of Project

**Step 1:** Determine economic value chain of all output from ELM and surrounding areas which can be further processed. Manufacturing sectors to cover the following sub-categories:

- Metal products, machinery and appliance manufacturing
- Non-metallic products
- Fuel, chemical and rubber products
- Textiles, clothing and leather products
- Furniture manufacturing
- Wood and paper manufacturing
- Food, beverages and tobacco

**Step 2:** Study and determine possible beneficiation or further processing that could be made on raw and unfinished products from ELM area.

**Step 3:** Determine the most economic projects to replicate / carry out through SMMEs or other private investors.

**Step 4:** Develop a Strategic Plan on Manufacturing or Industrial Development Support (see Project B007).

**Step 5:** Promote projects through appropriate channels e.g. Investment Summits, Incubators etc.

#### Possible Site for Project

ELM and surrounding areas in the greater Mpumalanga area

#### Key / Major Project Promoters

- ELM
- DEDET
- DTI
- Mining Houses
- Manufacturing Companies

#### Targeted Project Developers

- Mining Houses
- Other private Investors
- SMMEs
- DBSA

#### Major Challenges

- Lack of skills locally to take on identified projects
- Failure to coordinate / promote the projects (step 1-4 above)

#### Possible Benefits

- Huge potential for beneficiation
Huge potential for employment creation

**Suggested Time for Implementation**
Step 1-3; Up to 12 months

**Proposed Project Budget**
Cost of investigation – **R2,000,000.00**
Project development – will depend on investors

<table>
<thead>
<tr>
<th>Project B 07</th>
<th>Develop Manufacturing or Industrial Development and Support Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nature of Project</strong></td>
<td>Research based survey which follows from the results of the research / study in the manufacturing survey <em>(B006)</em> above. It cannot be done in isolation and therefore forms part of B006 above. The manufacturing survey should therefore be broadly defined so as to generate input for this project as well.</td>
</tr>
<tr>
<td><strong>Key Outcomes:</strong></td>
<td>A manufacturing or industrial development support strategy outlining support plans for each identified manufacturing sub-sector.</td>
</tr>
<tr>
<td><strong>Step 1:</strong></td>
<td>Determine economic value chain of all output from ELM and surrounding areas which can be further processed. Manufacturing sectors to cover the sub-categories identified above in Project B006.</td>
</tr>
<tr>
<td><strong>Step 2:</strong></td>
<td>Study and determine possible beneficiation or further processing that could be made on raw and unfinished products from ELM area.</td>
</tr>
<tr>
<td><strong>Step 3:</strong></td>
<td>Determine the most economic projects to replicate / carry out through SMMEs or other private investors.</td>
</tr>
<tr>
<td><strong>Step 4:</strong></td>
<td>Develop a Strategic Plan on Manufacturing or Industrial Development Support <em>(see Project B006 above)</em>.</td>
</tr>
<tr>
<td><strong>Possible Site for Project</strong></td>
<td>Emalahleni industrial zones and interlinked / related industrial zones around and closer to ELM</td>
</tr>
<tr>
<td><strong>Key / Major Project Promoters</strong></td>
<td>ELM, DEDET, DTI, Mining Houses, Manufacturing Houses, Business Chambers</td>
</tr>
</tbody>
</table>
### Targeted Project Developers
- ELM
- DEDET
- DTI
- Mining Houses
- Manufacturing Houses
- Business Chambers
- SEDA
- MEGA
- Municipalities that are in the vicinity of ELM

### Major Challenges
Poor coordination mechanisms between the private sector and government sectors to drive a project of this nature.

### Possible Benefits
Huge potential to transform the economy of ELM and its surrounds though economic growth and employment creation.

### Suggested Time for Implementation
Step 1-4: **Up to 12 months**

### Proposed Project Budget
Cost of Project: **R2,000,000.00**
(Project is part of B006)

**Project B 08**

<table>
<thead>
<tr>
<th>Nature of Project</th>
<th>Establish an SMME Manufacturing Incubation and Development Centre(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project feeds from survey findings on Project B006 and hence uses the results to craft the appropriate Incubation and Development Centres. This project comes after Step 4 of Project B006 and will be guided by the following steps;</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Step 1:</strong> Establish SMME nature, scope and size</td>
<td></td>
</tr>
<tr>
<td><strong>Step 2:</strong> Establish SMME challenges</td>
<td></td>
</tr>
<tr>
<td><strong>Step 3:</strong> Craft solutions to SMME challenges (an SMME Sector Intervention Strategy) along incubation lines.</td>
<td></td>
</tr>
<tr>
<td><strong>Step 4:</strong> Develop manufacturing incubation and development centres alongside the mining incubation centres.</td>
<td></td>
</tr>
<tr>
<td>Possible Site for Project</td>
<td>ELM Industrial area / rural areas and outlying areas closer to ELM</td>
</tr>
<tr>
<td>Key / Major Project</td>
<td>ELM</td>
</tr>
</tbody>
</table>
| **Promoters** | **DEDET**  
| | **DTI**  
| | **Mining Houses**  
| | **Manufacturing houses**  
| | **Business Chambers**  
| | **MEGA**  
| | **Closer Municipalities**  
| **Targeted Project Developers** | **ELM**  
| | **DEDET**  
| | **DTI**  
| | **Mining Houses**  
| | **Manufacturing houses**  
| | **Business Chambers**  
| | **MEGA**  
| | **Closer Municipalities**  
| **Major Challenges** | **Failure to organize creative execution of a project of this nature**  
| | **Failure to market the project and put on board the proper stakeholders**  
| **Possible Benefits** | **Capacity challenges of SMMEs in the manufacturing sector addressed**  
| | **Huge potential for job creation by SMMEs**  
| **Suggested Time for Implementation** | **Further detailed investigation and promotion – up to 12 months**  
| | **Project development; 6 - 16 months**  
| **Proposed Project Budget** | **Detailed investigation – R1,000,000.00**  
| | **Project development – Amount depends on the scope of the project**  

| **Project B 09A** | **Green manufacturing of Organic Foods (Agriculture)**  
| **Nature of Project** | This is an agricultural project closely linked with **Project C010**. The major Project outcomes are farms producing food in a very natural way (environmentally friendly), taking into account the need to protect the environment. It should be noted that green manufacturing can be more expensive than the other farming techniques even though it protects the environment.  
| | This project should be conducted at the same time as **Project C010**. The steps in Project C010 are modified to reflect the eco-friendly nature of this type of project, and are outlined below;
Project C010 will follow these steps:
1) Establish land availability / utilization for agriculture purposes
2) Study nature of soil and vegetation for purposes of recommending best agriculture practices.
3) Recommend environmentally-friendly land use practices for agriculture type of activities.
4) Conduct audit of farms / farming cooperatives in terms of land use, green farming techniques in use, nature of farming taking place, farming challenges etc.
5) Study agriculture output in terms of suitability for value chain activities.
6) Study best practices in terms of green manufacturing of organic Foods
7) Recommend Green production of crops and animals in line with international best practices identified in 3 above.
8) Develop Agriculture and Rural Economic Development and Support Plan (See Project C011) for eco-friendly farming

<table>
<thead>
<tr>
<th>Possible Site for Project</th>
<th>ELM and surrounding agriculture land</th>
</tr>
</thead>
</table>
| Key / Major Project Promoters | ELM  
DEDET  
DTI  
Mining Houses  
Manufacturing Companies  
Department of Agriculture  
Department of Land Affairs |
| Targeted Project Developers | Agriculture companies  
Mining Houses  
Other private Investors  
SMMEs  
DBSA |
| Major Challenges | There is need to develop interest in agriculture as a way of life especially in the young generations  
Unresolved land claims |
| Possible Benefits | Massive employment generation  
Massive economic turnaround |
| Suggested Time for Implementation | Up to 12 months |
| Proposed Project Budget | Cost of comprehensive study – R2,000,000.00 |
### Project B 09B

**Green Manufacturing of Bio-degradable Packaging Material (Manufacturing)**

<table>
<thead>
<tr>
<th>Nature of Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>This project is closely linked with <strong>Project B006</strong> and should be conducted at the same time as Project B006. The major outcome is the establishment of manufacturing companies that produce bio-degradable packaging material. The following steps modified from <strong>project B006</strong> should be followed;</td>
</tr>
</tbody>
</table>

**Step 1**: Determine packaging requirements in the economic value chain of all output from ELM and surrounding areas. Manufacturing sectors to cover the following sub-categories;

- Metal products, machinery and appliance manufacturing
- Non-metallic products
- Fuel, chemical and rubber products
- Textiles, clothing and leather products
- Furniture manufacturing
- Wood and paper manufacturing
- Food, beverages and tobacco

**Step 2**: Conduct study to determine possible eco-friendly packaging material that can be used in the manufacturing sub-categories.

**Step 3**: Establish market for eco-friendly packaging. It is important to note that such material can be too heavy and hence uneconomic for companies that are supposed to be the beneficiaries e.g. wooden crates vs. plastic crates.

**Step 4**: Determine the most economic projects to replicate / carry out through SMMEs or other private investors.

**Step 5**: Develop a Strategic Plan on Green Manufacturing or Green Industrial Development Support (**see Project B007**)

**Step 6**: Promote green manufacturing projects through appropriate channels e.g. Investment Summits, Incubators etc.

<table>
<thead>
<tr>
<th>Possible Site for Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>ELM and surrounding areas in the greater Mpumalanga area</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key / Major Project Promoters</th>
</tr>
</thead>
<tbody>
<tr>
<td>ELM</td>
</tr>
<tr>
<td>DEDET</td>
</tr>
<tr>
<td>DTI</td>
</tr>
<tr>
<td>Mining Houses</td>
</tr>
<tr>
<td>Targeted Project Developers</td>
</tr>
<tr>
<td>----------------------------</td>
</tr>
<tr>
<td>Mining Houses</td>
</tr>
<tr>
<td>Other private Investors</td>
</tr>
<tr>
<td>SMMEs</td>
</tr>
<tr>
<td>DBSA</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Major Challenges</th>
<th>Lack of skills locally to take on identified projects</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Failure to coordinate / promote the projects</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Possible Benefits</th>
<th>Huge potential for beneficiation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Huge potential for employment creation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Suggested Time for Implementation</th>
<th>Step 1-3 : Up to 12 months</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Proposed Project Budget</th>
<th>Cost of investigation – R2,000,000.00 (Project carried out as part of Project B006)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Project development – will depend on investors</td>
</tr>
</tbody>
</table>

### 6.4.4 Pillar 1: Targeted Economic Sector Development & Support - (Agricultural and Rural Economic Development)

<table>
<thead>
<tr>
<th>Project C 10</th>
<th>Undertake an agriculture and rural economic development study to explore value chains and land suitability for agricultural purposes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nature of Project</td>
<td>Project entails development of a major Agriculture and Rural Economic Development Strategy with these main outcomes;</td>
</tr>
<tr>
<td></td>
<td>a) To establish suitability of land in terms of animal husbandry or crop production.</td>
</tr>
<tr>
<td></td>
<td>b) To establish agriculture value chains possible in ELM area.</td>
</tr>
<tr>
<td></td>
<td>c) Recommend areas and places to do certain types of farming.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project will follow these steps:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Establish land availability / utilization for agriculture purposes</td>
</tr>
<tr>
<td>2.</td>
<td>Study nature of soil and vegetation for purposes of recommending best agriculture practices.</td>
</tr>
<tr>
<td>3.</td>
<td>Recommend best land use practices for agriculture type of activities</td>
</tr>
<tr>
<td>4.</td>
<td>Conduct audit of farms / farming cooperatives in terms of land use, nature of farming, farming challenges etc.</td>
</tr>
<tr>
<td>5.</td>
<td>Study agriculture output in terms of suitability for value chain activities.</td>
</tr>
</tbody>
</table>
6. Recommend crop and animal production in line with best practices identified in 3 above.
7. Develop Agriculture and Rural Economic Development and Support Plan (See Project C011)
8. Build Biological Assets in rural areas as per recommendations in 6 above (fruit trees, plantations, animals; cows, pigs, poultry etc. (See Project C012A)
9. Build Physical agricultural assets e.g. grain silos, as per recommendations from study (See Project C012B).

<table>
<thead>
<tr>
<th>Possible Site for Project</th>
<th>ELM and surrounding agriculture land</th>
</tr>
</thead>
</table>
| Key / Major Project Promoters | - ELM  
- DEDET  
- DTI  
- Mining Houses  
- Manufacturing Companies  
- Department of Agriculture  
- Department of Land Affairs |
| Targeted Project Developers | - Mining Houses  
- Other private Investors  
- SMMEs  
- DBSA  
- Agriculture companies |
| Major Challenges | - There is need to develop interest in agriculture as a way of life especially in the young generations  
- Unresolved land claims |
| Possible Benefits | - Massive employment generation  
- Massive economic turnaround |
| Suggested Time for Implementation | Up to 12 months |
| Proposed Project Budget | Cost of comprehensive study – R2,000,000.00 |

<table>
<thead>
<tr>
<th>Project C 11</th>
<th>Develop Agriculture and Rural Economic Development and Support Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nature of Project</td>
<td>This project is directly linked with Project C010 above and should be conducted as part of this big agriculture project. The development of the Agriculture and Rural Economic Development and Support Plan should</td>
</tr>
</tbody>
</table>
kick off after Step 6 as highlighted in the Project C010 milestones below;

**Project C010** will follow these steps:
1. Establish land availability / utilization for agriculture purposes
2. Study nature of soil and vegetation for purposes of recommending best agriculture practices.
3. Recommend best land use practices for agriculture type of activities
4. Conduct audit of farms / farming cooperatives in terms of land use, nature of farming, farming challenges etc.
5. Study agriculture output in terms of suitability for value chain activities.
6. Recommend crop and animal production in line with best practices identified in 3 above.

<table>
<thead>
<tr>
<th>Possible Site for Project</th>
<th>ELM and surrounding agriculture land</th>
</tr>
</thead>
</table>
| Key / Major Project Promoters | ELM  
|                           | DEDET  
|                           | DTI  
|                           | Mining Houses  
|                           | Manufacturing Companies  
|                           | Department of Agriculture  
|                           | Department of Land Affairs |
| Targeted Project Developers | Mining Houses  
|                           | Other private Investors  
|                           | SMMEs  
|                           | DBSA  
|                           | Agriculture companies |
| Major Challenges | There is need to develop interest in agriculture as a way of life especially in the young generations  
|                              | Unresolved land claims |
| Possible Benefits | Massive employment generation  
<p>|                           | Massive economic turnaround |
| Suggested Time for Implementation | Up to 12 months |
| Proposed Project Budget | Cost of comprehensive study –, R2000,000.00 |</p>
<table>
<thead>
<tr>
<th>Project C 12</th>
<th>Build physical and biological agricultural assets in remote rural areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nature of Project</td>
<td>This project is directly linked with Project C010 above and should be conducted as part of this bigger agriculture project. The building of physical and biological assets in remote rural areas should commence once Step 7 of Project C010 starts to be implemented.</td>
</tr>
</tbody>
</table>

**Project C010 will follow these steps:**
1. Establish land availability / utilization for agriculture purposes
2. Study nature of soil and vegetation for purposes of recommending best agriculture practices.
3. Recommend best land use practices for agriculture type of activities
4. Conduct audit of farms / farming cooperatives in terms of land use, nature of farming, farming challenges etc.
5. Study agriculture output in terms of suitability for value chain activities.
6. Recommend crop and animal production in line with best practices identified in 3 above.
7. Develop Agriculture and Rural Economic Development and Support Plan *(See Project C011)*
8. Build Biological Assets in rural areas as per recommendations in 6 above (fruit trees, plantations, animals; cows, pigs, poultry etc.
9. Build Physical Agricultural Assets e.g. grain silos, dams, roads as per recommendations from Project C010.

<table>
<thead>
<tr>
<th>Possible Site for Project</th>
<th>ELM and surrounding agriculture land</th>
</tr>
</thead>
</table>

**Key / Major Project Promoters**
- ELM
- DEDET
- DTI
- Mining Houses
- Manufacturing Companies
- Department of Agriculture
- Department of Land Affairs

**Targeted Project Developers**
- Mining Houses
- Other private Investors
- SMMEs
- DBSA
- Agriculture companies

**Major Challenges**
- There is need to develop interest in agriculture as a way of life especially in the young generations
- Unresolved land claims

**Possible Benefits**
- Massive employment generation
- Massive economic turnaround
- Agricultural land under threat due to the need for urban expansion, mining development, and electricity generation.

<table>
<thead>
<tr>
<th>Suggested Time for Implementation</th>
<th>Up to 12 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed Project Budget</td>
<td>Cost of comprehensive study – R2,000,000.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project D 13</th>
<th>Explore potential for electricity generation through green technologies within farms (bio-mass, solar and wind energy)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nature of Project</td>
<td>This project is closely linked with Project B006, B009A and B009B on green manufacturing and therefore should be conducted at the same time as these projects. The major project outcomes are recommendations on generation of power for use on farms through green technologies. This power should be substantial enough to conduct agricultural operations without interruption. The following steps modified from project B006, B009A and B009B should be followed;</td>
</tr>
<tr>
<td>Step 1: Conduct a study to determine energy requirements in and around ELM farming areas.</td>
<td></td>
</tr>
<tr>
<td>Step 2: Conduct study on best practices for electricity generation through green technologies within farming areas.</td>
<td></td>
</tr>
<tr>
<td>Step 3: Identify and Recommend possible electricity generation through green technologies for the farming sector. It is important to note that such technologies may be expensive in the short term, but provide a viable long term return on investment.</td>
<td></td>
</tr>
<tr>
<td>Step 4: Develop a Strategic Plan on how to harness green technology electricity generation.</td>
<td></td>
</tr>
<tr>
<td>Possible Site for Project</td>
<td>ELM and surrounding areas in the greater Mpumalanga area</td>
</tr>
</tbody>
</table>
| Key / Major Project Promoters | ELM  
DEDET  
DTI  
Agriculture companies  
Mining Houses : Possible sponsorship  
Manufacturing Companies : possible sponsorship |
Targeted Project Developers

- Agriculture companies
- Manufacturing companies
- Mining Houses
- Other private Investors
- SMMEs
- DBSA

Major Challenges

- Lack of skills locally to take on identified projects
- Failure to coordinate / promote the projects

Possible Benefits

- Huge potential for beneficiation
- Huge potential for employment creation
- Potential for power saving

Suggested Time for Implementation

Step 1-3; Up to 12 months

Proposed Project Budget

- Cost of Investigation – R2,000,000.00 (Project carried out as part of Project B006)

6.4.5 Pillar 1: Targeted Economic Sector Development & Support - (Tourism and Hospitality Services)

Project D 14

Establish Cultural and Entertainment Centre around Witbank dam

Nature of Project

Development of a cultural Centre in the area around Witbank Dam to take the following steps;
1. Study the nature and type of the Centre activities to be offered (best practices model).
2. Survey Tourists in the area for opinion
3. Develop Cultural and Entertainment Centre

Possible Site for Project

Area around Witbank Dam

Key / Major Project Promoters

Department of Tourism
ELM
DEDET
Private Sponsors
| Targeted Project Developers | Department of Tourism  
   | ELM  
   | DEDET  
   | Private Sponsors |
|-----------------------------|----------------------------------|
| Major Challenges            | Lack of a package programme for tourists to the area. Further development of the tourist facilities at Witbank Dam will be necessary |
| Possible Benefits           | Employment creation for SMMEs in the tourism sector |
| Suggested Time for Implementation | | |
| Proposed Project Budget     | **Cost of Study (only) R1 500 000** |

<table>
<thead>
<tr>
<th><strong>Project D 15</strong></th>
<th><strong>Establish 5-Star Hotel within Witbank with adequate and safe parking space</strong></th>
</tr>
</thead>
</table>
| Nature of Project | Development of a 5-Star hotel in a strategic place in Witbank. This project will be 100% sponsored by private investors as far as the building of the actual hotel is concerned.  

1. Conduct a customer survey to establish demand for 5-Star hotel service in and around ELM  
2. Determine and make available investor incentives to attract Investors to build a hotel in ELM  
3. Market and promote the idea of a 5-star hotel |
| Possible Site for Project | Area around Witbank |
| Key / Major Project Promoters |  
   | Department of Tourism  
   | ELM  
   | DEDET |
| Targeted Project Developers |  
   | Private Investors  
   | Department of Tourism  
   | ELM  
   | DEDET |
| Major Challenges |  
   | 1. Competition within the sector  
   | 2. Electricity cuts, inadequate and unreliable water supplies  
   | 3. Waste removal challenges  
   | 4. Poor road infrastructure |
### Possible Benefits
Huge potential for employment creation

### Suggested Time for Implementation
- **Feasibility study:** up to 6 months
  Actual development of hotel: depends on the nature and size of the hotel and Investor

### Proposed Project Budget
**Budget for feasibility and promotion – R1,500,000.00**

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<table>
<thead>
<tr>
<th>Project D 16</th>
<th>Develop a Tourism Development and Support Plan for Emalahleni</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nature of Project</strong></td>
<td>This project is done in conjunction with the other sector investigation surveys, <strong>Project B007</strong> for manufacturing and <strong>C011</strong> for Agriculture. The main objective is to develop a Strategic Plan for Tourism Development in ELM.</td>
</tr>
<tr>
<td><strong>Possible Site for Project</strong></td>
<td>Area around Witbank</td>
</tr>
</tbody>
</table>
| **Key / Major Project Promoters** | - Department of Tourism  
- ELM  
- DEDET  
- Hospitality Chamber |
| **Targeted Project Developers** | - Private Investors in the Hospitality Sector  
- Department of Tourism  
- ELM  
- DEDET |
| **Major Challenges** | - Land availability  
- Infrastructural challenges (Water, sewage, electricity, roads) |
| **Possible Benefits** | Potential for employment creation |
| **Suggested Time for Implementation** | Up to 12 months – Project depends on information collected in the hospitality sector researches |
| **Proposed Project Budget** | R450,000.00 |
Project D 17

**Develop Tourism packages for Internet Marketing**

**Nature of Project**
Development of Tourism packages for internet marketing. The project involves promotion of businesses in the hospitality industry by assisting them to showcase their services on the internet.

**Possible Site for Project**
ELM area hospitality businesses

**Key / Major Project Promoters**
- Department of Tourism
- ELM
- DEDET
- Hospitality Chamber

**Targeted Project Developers**
- Private Investors in the Hospitality Sector
- Department of Tourism
- ELM
- DEDET

**Major Challenges**

**Possible Benefits**
Possibility of advertising to the whole world

**Suggested Time for Implementation**
Up to 6 months – Project depends on data collected from other researches in the hospitality sector

**Proposed Project Budget**
R100,000.00

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**6.4.6 Pillar 1: Targeted Economic Sector Development & Support - (Business and Financial Services)**

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Project E 18

**Undertake Urban renewal programme / Project for Witbank CBD**

**Nature of Project**
Revamping the Witbank CBD town to give it a new look by upgrading some or all of the following;
1. Road network
2. Water system
3. Sewage system
4. Uplifting old buildings
5. Parks and recreational areas

**Possible Site for**
ELM area especially the Witbank CBD
<table>
<thead>
<tr>
<th>Project</th>
<th>E 19</th>
</tr>
</thead>
</table>
| **Key / Major Project Promoters** | ELM  
DEDET  
Hospitality Chamber  
Department of Tourism  
Department of Roads and Transport |
| **Targeted Project Developers** | Private Sector sponsors  
Department of Tourism  
ELM  
DEDET  
Department of Roads and Transport |
| **Major Challenges** | No by-laws to enforce private building owners to refurbish old and dilapidated buildings. Such legislation may need to be put in place.  
Financial constraints on the municipality to prioritise urban renewal against some other more pressing issues |
| **Possible Benefits** |  |
| **Suggested Time for Implementation** | Up to 2 years |
| **Proposed Project Budget** | TBA – Budget depends on nature of the adopted Urban Renewal Plan |

**Project E 19**

Develop Business / Office and Industrial Parks on the N4-N12 Development Node

**Nature of Project**

This project is done in conjunction with the other sector investigation surveys, Project B007 for manufacturing and C011 for Agriculture. The objective is to develop a Business / Office and Industrial Parks on the N4-N12 Development Node, which is seen as a strategic place in Witbank. This project should be 100% sponsored by private investors in the actual construction of the business/office and industrial park.

1. Conduct a customer survey to establish demand for business/office park and industrial space.
2. Conduct study to determine suitability of identified place for the development.
3. Determine and make available investor incentives to attract investors to build business/office and industrial park in ELM at the identified site or indeed elsewhere in the local space.
4. Market and promote the idea of a business/office and industrial park.
### Possible Site for Project

**N4 – N12 Development Node**

### Key / Major Project Promoters
- ELM
- DEDET
- Business Chambers
- Department of Tourism
- Department of Roads and Transport
- Property Developers

### Targeted Project Developers
- Private Sector sponsors
- Department of Tourism
- ELM
- DEDET
- Department of roads and transport
- Property Developers

### Major Challenges
1. Area not yet verified in terms of suitability for such a project
2. Huge capital outlay required

### Possible Benefits
Potential for massive employment creation

### Suggested Time for Implementation
Feasibility Study and Promotion - Up to 12 months

### Proposed Project Budget
R1,000,000.00

---

### Project E 20
**Explore ICT opportunities within financial services for SMMEs**

### Nature of Project
Development of ICT opportunities within the financial services sector. The project involves promotion of SMME businesses in the ICT sector to service computers and provide other IT services for the banking sector. This is a highly regulated area as banks are concerned with customer confidentiality, and as a result employ a number of security measures to protect client information. SMMEs will require capacitation before they can offer services in this sector.

### Possible Site for Project
Financial services sector businesses in ELM

### Key / Major Project Promoters
- SEDA
- ELM
- DEDET
- Financial Houses
| Targeted Project Developers | ELM  
|                           | DEDET  
|                           | DEDET  
|                           | Financial houses |

<table>
<thead>
<tr>
<th>Major Challenges</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Possible Benefits</th>
<th>Employment generation</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Suggested Time for Implementation</th>
<th>Up to 12 months</th>
</tr>
</thead>
</table>

| Proposed Project Budget | Budget for Capacitating ICT SMMEs – R500,000.00 |

### 6.4.7 Pillar 2: SMME, Cooperatives and Community Development and Support

<table>
<thead>
<tr>
<th>Project F 21</th>
<th>Undertake Community and SMME skills and capacity audit (among the youth and women) for matching with job and investment opportunities</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Nature of Project</th>
<th>This project is done in conjunction with the following projects;</th>
</tr>
</thead>
</table>
|                   | • A004 for mining incubation  
|                   | • B008 for manufacturing incubation,  
|                   | • C011 for Agriculture Support strategy,  
|                   | • F22 for SMME sector, size and scope  
|                   | • F23 for practical SMME challenges  
|                   | • F24 for development of an information portal |

The overall aim is to gather critical information about skills in terms of availability in the Community as well as among the SMMEs in the area. The project is therefore 2 pronged; SMMEs skills vs Community skills and should be split as such during the survey, in order to generate information for the 2 sets of databases.

A comprehensive and well thought out survey should gather information for all the projects identified above. This will save time and cost and will be convenient for the communities and the SMMEs involved.

<table>
<thead>
<tr>
<th>Possible Site for Project</th>
<th>ELM Area</th>
</tr>
</thead>
</table>

| Key / Major Project Promoters | SEDA  
|                              | ELM  
|                              | DEDET  
|                              | Department of Labour |
### Targeted Project Developers

<table>
<thead>
<tr>
<th>Employment Agencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business chambers</td>
</tr>
</tbody>
</table>

### Major Challenges

#### Possible Benefits

- Comprehensive database made available for matching jobs and investment opportunities
- It becomes possible to capacitate disadvantaged people in the communities

**Suggested Time for Implementation**

Up to 6 months

**Proposed Project Budget**

R1, 000,000.00 – Project will have to be sub-categorised to capture essential data for the other sub-projects identified above.

### Project F 22

**Compile SMME and Cooperatives database by sector, size and business scope**

**Nature of Project**

This project is done in conjunction with the following projects:

- A004 for mining incubation
- B008 for manufacturing incubation,
- C011 for Agriculture Support strategy,
- F21 Community and SMME skills audit
- F23 for practical SMME challenges
- F24 for development of an information portal

The overall aim is to gather critical information about small businesses in terms of their sector, sizes and business scope.

*As outlined in Project F021 above, a comprehensive and well thought out survey should gather information for all the projects identified above. This will save time and cost and will be convenient for the communities and the SMMEs concerned.*

**Possible Site for Project**

ELM Area

**Key / Major Project**

- SEDA
| Promoters                          | • ELM  
|                                  | • DEDET  
|                                  | • Business chambers |
| Targeted Project Developers      | • ELM  
|                                  | • DEDET  
|                                  | • DEDET  
|                                  | • Business chambers |
| Major Challenges                 |  |
| Possible Benefits                | • Comprehensive database made available for matching SMMEs and investment opportunities  
|                                  | • It becomes possible to capacitate disadvantaged SMMEs in the communities |
| Suggested Time for Implementation| Up to 6 months |
| Proposed Project Budget          | R1,000,000.00 – Project part of the major Project F021 |

| Project F 23                     | Identify practical SMME and Cooperatives challenges and develop capacity development interventions and programmes (training, finance, incubation, mentoring) |
| Nature of Project                | This project is done in conjunction with the following projects;  
|                                  | • A004 for mining incubation  
|                                  | • B008 for manufacturing incubation,  
|                                  | • C011 for Agriculture Support strategy,  
|                                  | • F21 Community and SMME skills audit  
|                                  | • F22 for SMME sector, size and scope  
|                                  | • F24 for development of an information portal  

The overall aim is to gather critical information about small businesses in terms of SMME and cooperatives challenges and develop capacity development interventions and programmes through training, finance, incubation and mentoring.

As outlined in Project F021 above, a comprehensive and well thought out survey should gather information for all the projects identified above. This will save time and cost and will be convenient for the communities and the SMMEs concerned.

This project will result in the development of capacity development programmes, and recommendations for SMMEs and Cooperatives to go through training, financing, incubation and mentoring.
### Possible Site for Project
- ELM Area

### Key / Major Project Promoters
- SEDA
- ELM
- DEDET
- Business chambers in Agriculture, Manufacturing and Mining

### Targeted Project Developers
- ELM
- DEDET
- Business chambers in Agriculture, Manufacturing and Mining

### Major Challenges

### Possible Benefits
- Comprehensive database made available for matching SMMEs, Cooperatives and capacitation programmes.
- It becomes possible to capacitate disadvantaged SMMEs and Cooperatives in the communities.

### Suggested Time for Implementation
- Up to 6 months

### Proposed Project Budget
- R1,000,000.00 – Project is part of the major Project F021

---

### Project F 24

**Develop an Information and Business Opportunities Portal for matching with SMMEs across sectors and business scope**

### Nature of Project
This project is done in conjunction with the following projects:
- A004 for mining incubation
- B008 for manufacturing incubation,
- C011 for Agriculture Support strategy,
- F21 Community and SMME skills audit
- F22 for SMME sector, size and scope
- F24 for development of an information portal

The overall aim is to use the gathered critical information from the above projects into one common point (The Portal). This information will then be made available to other businesses as they request for it in order to create strategic alliances in their day to day affairs.

### Possible Site for Project
- ELM Area

### Key / Major Project Promoters
- SEDA
- ELM
- DEDET
### Targeted Project Developers

- Business chambers in Agriculture, Manufacturing and Mining
- ELM
- DEDET
- DEDET
- Business chambers in Agriculture, Manufacturing and Mining

### Major Challenges

- Comprehensive database made available for matching SMMEs and Cooperatives.
- It becomes possible to capacitate disadvantaged SMMEs and Cooperatives in the communities.

### Possible Benefits

- Up to 12 months – Portal requires information from researched projects

### Proposed Project Budget

- TBA – Internally driven process

### 6.4.8 Pillar 3: Good Governance, Institutional and Capacity Development

<table>
<thead>
<tr>
<th>Project G 25A</th>
<th>Establish department called Planning and Development populated with LED experts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nature of Project</td>
<td>Establishment of Planning and Development Department in the ELM to spearhead issues of Local Economic Development.</td>
</tr>
<tr>
<td>Possible Site for Project</td>
<td>ELM</td>
</tr>
</tbody>
</table>
| Key / Major Project Promoters | DEDET
Current LED personnel
ELM |
| Targeted Project Developers | DEDET
Current LED personnel
ELM |
<p>| Major Challenges | Finding the most appropriate personnel to man the new department |
| Possible Benefits | Department will change the landscape of LED in the municipality |
| Suggested Time for Implementation | This department determines how the municipality moves forward: <strong>Up to 3 months (URGENT)</strong> |
| Proposed Project Budget | TBA – Internally driven process |</p>
<table>
<thead>
<tr>
<th><strong>Project G 25B</strong></th>
<th>Establish LED Agency to drive business development and investment promotion</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nature of Project</strong></td>
<td>Establish a Local Economic Development Agency to spearhead LED issues in the ELM area.</td>
</tr>
<tr>
<td>1.</td>
<td>Identify best practices for LED Agency</td>
</tr>
<tr>
<td>2.</td>
<td>Conduct LED Agency Summit for Input</td>
</tr>
<tr>
<td>3.</td>
<td>Develop Agency Terms of Reference</td>
</tr>
<tr>
<td>4.</td>
<td>Call for nominations</td>
</tr>
<tr>
<td>5.</td>
<td>Set up agency</td>
</tr>
<tr>
<td>6.</td>
<td>Capacitate Agency personnel</td>
</tr>
<tr>
<td><strong>Possible Site for Project</strong></td>
<td>ELM</td>
</tr>
</tbody>
</table>
| **Key / Major Project Promoters** | - DEDET  
- Current LED personnel  
- ELM  
- Business Chambers  
- LED Forum |
| **Targeted Project Developers** | - DEDET  
- ELM  
- Business Chambers  
- IDC |
| **Major Challenges** | - Finding the most appropriate personnel to populate the LED Agency  
| | - Crafting workable terms of reference for the LED Agency |
| **Possible Benefits** | Agency can change the landscape of LED in the municipality for the best if properly constituted. |
| **Suggested Time for Implementation** | Up to 6 months (URGENT) |
| **Proposed Project Budget** | R2 500,000.00 |

<table>
<thead>
<tr>
<th><strong>Project G 27</strong></th>
<th>Revive the LED Forum and develop clear Terms of Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nature of Project</strong></td>
<td>Revive the LED Forum and Develop clear terms of reference for the LED Forum to guide it</td>
</tr>
<tr>
<td><strong>Possible Site for Project</strong></td>
<td>ELM</td>
</tr>
</tbody>
</table>
| Key / Major Project Promoters | ▪ DEDET  
▪ Current LED personnel  
▪ ELM  
▪ Business Chambers  
▪ LED Forum  
▪ Last functional LED Forum |
|---|---|
| Targeted Project Developers | ▪ DEDET  
▪ Current LED personnel  
▪ ELM  
▪ Business Chambers  
▪ LED Forum  
▪ Last functional LED Forum |
| Major Challenges | ▪ Finding the most appropriate personnel to populate the LED Forum  
▪ Crafting workable terms of reference for the LED Forum  
▪ Establishing liaison mechanisms between LED Forum and the Municipality |
| Possible Benefits | LED Forum can influence the LED landscape of the municipality for the better if appropriately constituted. |
| Suggested Time for Implementation | Up to 3 months |
| Proposed Project Budget | N/A - |

<table>
<thead>
<tr>
<th>Project G 28</th>
<th>Develop capacity of LED Department. LEDF and Portfolio Committee on LED</th>
</tr>
</thead>
</table>
| Nature of Project | Project entails capacitating the LED personnel in the following departments;  
1. LED Department of the municipality  
2. LED Forum  
3. Portfolio Committee on LED  
These LED personnel will need to undergo relevant training that will ensure they are well equipped to handle LED matters in a municipality as complex as ELM. |
| Possible Site for Project | ELM |
| Key / Major Project Promoters | ▪ DEDET  
▪ Current LED personnel  
▪ ELM  
▪ Business Chambers |
| LED Forum | LED Research and Training Organisations |
| Targeted Project Developers | DEDET  
Current LED personnel  
ELM  
Business Chambers  
LED Forum  
LED Research and Training Organisations |
| Major Challenges | Finding the most appropriate and relevant LED trainers |
| Possible Benefits | Once equipped the LED personnel can redirect the LED programmes in ELM with confidence. |
| Suggested Time for Implementation | Immediately - (URGENT) – All projects are driven by a well-functioning LED department. |
| Proposed Project Budget | TBA – Internally driven project |

| Project G 29 | Develop clear Communication Strategy between municipality, mining houses and other stakeholders to tape into all their projects |
| Nature of Project | The project aims to establish a clear communication strategy between municipality, mining houses and other stakeholders to tape into all their projects.  
An effective **coordinating structure** should be put in place to address this concern. This structure should liaise with all the parties at any given time and be able to convene meetings whenever appropriate. |
| Possible Site for Project | ELM |
| Key / Major Project Promoters | DEDET  
Current LED personnel  
ELM  
Business Chambers  
LED Forum |
| Targeted Project Developers | DEDET  
Current LED personnel  
ELM  
Business Chambers |
### LED Forum

<table>
<thead>
<tr>
<th>Major Challenges</th>
<th>Locating the right people for this structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Possible Benefits</td>
<td>Structure will address most of the coordinating challenges between the municipality and business</td>
</tr>
<tr>
<td>Suggested Time for Implementation</td>
<td><strong>Immediately</strong> – All projects require communication and engagement with other business stakeholders</td>
</tr>
<tr>
<td>Proposed Project Budget</td>
<td><strong>TBA</strong> – Internally driven process</td>
</tr>
</tbody>
</table>

---

**6.4.9 Pillar 4: LED Research, Investment Promotion and Marketing**

<table>
<thead>
<tr>
<th>Project G 30</th>
<th>Sign MOUs with Research Companies to augment internal research capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nature of Project</td>
<td>This project involves the establishment of mutual relationships with Research Companies so that the internal research capacity can be boosted. This is because all projects have a research component, and there is need for properly conducted researches to be carried out if there is to be a degree of success in carrying out these projects. The state departments need to establish research units of their own which can then be capacitated.</td>
</tr>
<tr>
<td>Possible Site for Project</td>
<td>ELM</td>
</tr>
</tbody>
</table>
| Key / Major Project Promoters | • ELM LED Department  
  • DEDET |
| Targeted Project Developers | • ELM LED Department  
  • DEDET |
| Major Challenges | Locating the appropriate research companies |
| Possible Benefits | Departments spearheading LED will be capacitated to deal with projects |
| Suggested Time for Implementation | **Immediately** – Any new projects will start with a research aspect |
| Proposed Project Budget | **TBA** – Cost of each research depends on the nature and scope of that research |
Project H 31

Subject all Anchor Projects to viability or feasibility studies prior to implementation

Nature of Project
This project underlines the importance of subjecting all Anchor projects to viability or feasibility tests. This is to ensure that the ideas undergo a preliminary test before they are fully explored and implemented. Great savings will be obtained, and it will also become easier to market to potential investors on a well-researched project. As outlined in Project H30, all projects have a research component, and there is need for properly conducted researches to be carried out if there is to be a degree of success in carrying out these projects. A viability or feasibility study forms a crucial part of the research for any project, especially where substantial amounts are expected to be invested.

Possible Site for Project
ELM

Key / Major Project Promoters
- ELM LED Department
- DEDET
- SEDA
- DTI
- Private Sector Sponsors

Targeted Project Developers
- ELM LED Department
- DEDET
- SEDA
- DTI
- Private Sector Sponsors

Major Challenges
Ability to conduct the proper feasibility study

Possible Benefits
- Stakeholders will be able to make informed decisions
- State Departments spearheading LED will be able to market projects with confidence

Suggested Time for Implementation
Immediately – Any projects from now on should be subjected to feasibility studies

Proposed Project Budget
N/A – Budget identified in each of the projects
<table>
<thead>
<tr>
<th>Project H32</th>
<th>Develop Business Opportunity Prospectus (Investment Promotion Plan) for marketing through Municipal Website, LED Summits and conferences and International Forum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nature of Project</td>
<td>This project assimilates all the researched information on business potential of the ELM and packages it in the form of an ELM Prospectus. This prospectus can be made available at the Municipal website, at LED Summits, LED Conferences and the international forum. It becomes an information portal where investors, big or small can access the options available for business in the local space.</td>
</tr>
<tr>
<td>Possible Site for Project</td>
<td>ELM</td>
</tr>
</tbody>
</table>
| Key / Major Project Promoters | - ELM LED Department  
- DEDET  
- SEDA  
- DTI  
- Private Sector Sponsors |
| Targeted Project Developers | - ELM LED Department  
- DEDET  
- SEDA  
- DTI  
- Private Sector Sponsors |
| Major Challenges | Availability of up-to-date information |
| Possible Benefits | Key business opportunity information about the local space is made available to a wider audience |
| Suggested Time for Implementation | Up to 12 months |
| Proposed Project Budget | N/A (Internally driven process ) |

<table>
<thead>
<tr>
<th>Project H33</th>
<th>Develop LED Performance Monitoring and Evaluation Tool</th>
</tr>
</thead>
</table>
| Nature of Project | This tool should show progress attained in any project, and should capture the following details:  
1. The number of LED projects successfully implemented  
2. The number of LED actions per programme successfully facilitated  
3. The number of direct permanent employment opportunities created  
4. The number of direct temporary employment opportunities created  
Each sector of the economy will need a modified and fine-tuned monitoring and evaluation tool to reflect the challenges in that sector. |
### Possible Site for Project

All projects implemented in ELM

### Key / Major Project Promoters

- ELM LED Department
- DEDET
- SEDA
- DTI
- Private Sector Sponsors

### Targeted Project Developers

- ELM LED Department
- DEDET
- SEDA
- DTI
- Private Sector Sponsors

### Major Challenges

- Ensuring that the monitoring and evaluation is consistent
- Lack of information to conduct monitoring and evaluation
- Lack of will

### Possible Benefits

Progress is easier to monitor, and hence improvements can be made

### Suggested Time for Implementation

Up to 3 months

### Proposed Project Budget

Not Applicable

### Project H34

**Develop and Review business friendly by-laws and Investment Promotion Policies and Incentive Schemes**

### Nature of Project

Develop and Review business friendly by-laws and Investment Promotion Policies and Incentive Schemes

### Possible Site for Project

ELM

### Key / Major Project Promoters

- ELM
- DEDET
- Department of Lands / Agriculture
- DTI
- All state departments that have policies negatively affecting business

### Targeted Project Developers

- ELM
- DEDET
- Department of Lands / Agriculture
- DTI
<table>
<thead>
<tr>
<th>Major Challenges</th>
<th>Possible Benefits</th>
<th>Suggested Time for Implementation</th>
<th>Proposed Project Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>All state departments that have policies negatively affecting business</td>
<td>Willingness to put in place the legislation or policies urgently enough</td>
<td>Enforcing the by-laws</td>
<td>A positive business environment created</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Up to 12 months</td>
</tr>
<tr>
<td>TBA (based on identified policies, incentive schemes and by-laws)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project H35</th>
<th>Conduct LED Summits or Conferences biannually to promote or market Investment opportunities and packaged initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nature of Project</td>
<td>This is a marketing project which provides a platform for the ELM to promote all the business opportunities available in the local space. The project combines the output from all the other projects, and presents that to the business world. As such the project provides a mechanism for business to interact with the municipality and with each other so as to develop certain critical linkages.</td>
</tr>
<tr>
<td>Possible Site for Project</td>
<td>ELM</td>
</tr>
</tbody>
</table>
| Key / Major Project Promoters | ELM  
DEDET  
Department of Lands / Agriculture  
DTI  
All state departments that are critical depending on the theme of the summit/ conference |
| Targeted Project Developers | ELM  
DEDET  
Department of Lands / Agriculture  
DTI  
All state departments that are critical depending on the theme of the summit/ conference  
Private Sector Sponsors |
| Major Challenges | The Summit may become a talk show and hence lose its significance |
The need for organisers to realize the nature of an investment promotion conference as it differs from an LED summit.

**Possible Benefits**
- Businesses able to mix and develop connections
- State departments able to develop linkages with companies in and around the local space

**Suggested Time for Implementation**
Up to 6 months

**Proposed Project Budget**
Depends on whether a Conference, an LED Summit or Investment Conference is conducted – up to R5,000,000.00
SECTION SEVEN: IMPLEMENTATION FRAMEWORK

This section presents the Implementation Framework for the Emalahleni LED Strategy and is divided into three sub-sections consisting of integrated implementation guidelines, phased implementation and roll-out plan; and investment promotion and marketing plan. The purpose of this section therefore is that of building the foundation on which all identified programmes and projects are implemented by all LED stakeholders.

7.1 Integrated Implementation Guidelines

Across sectors, programmes and projects; implementation of the Emalahleni LED strategy should be guided by the following principles:

**Sustainability**- seeks to balance between economic, socio-economic (social) and environmental goals of development in the short, medium and long-term.

**Competitive and Comparative Advantages**- projects for implementation are based on the municipal economic comparative advantages as well as the competitiveness of the sectors within the local space.

**Employment, Poverty and Inequality**- creation of decent job opportunities, eradication of poverty and closing of the income and wealth gap are critical elements of successful local economic development implementation.

**Community Needs and Challenges**- community needs and challenges must be identified and should form the basis for development projects for implementation to ensure community empowerment.

**Investment Promotion**- economic gardening and hunting are twin pillars of successful investment into the local space. Both local and foreign investors should be afforded the opportunity to snatch investment opportunities available.

**Stakeholder Linkages and Participation**- implementation of LED programmes and projects is the responsibility of all key stakeholders and role-players and the municipality acts as the center for LED coordination.

**Skills and Capacity Development**- successful LED implementation is hugely anchored around well skilled and capacitated structures and businesses through a variety of strategic interventions.

**Income Generation and Living Standards**- implementation of LED projects has the ultimate goal of improving income earning capacity of individuals within communities as well as improved living standards of the citizenry.

**BBBEE**- national BBBEE guidelines are a cornerstone of local economic development, both in terms of employment and procurement opportunities.
Efficiency and Effectiveness - doing things right and doing the right things are essential elements of LED planning, implementation, monitoring and evaluation. From institutional arrangements, capacity development, economic projects implementation to projects monitoring and evaluation; both efficiency and effectiveness are key ingredients for success.

Integrated Development Plan - the development of the Emalahleni LED strategy is viewed as part of the broader municipal integrated development planning process. It therefore stands that all LED programmes and projects must be mainstreamed into the municipal IDP, with budgets and responsibilities properly allocated.

7.2 Phased Implementation and Roll-Out Plan

The concept of phased implementation entails an incremental approach to execution of the LED strategy. Three critical implementation phases have been identified as follows:

- **Phase One: Creating an Enabling Environment** focuses on preparatory work for LED implementation which includes establishment of PED department or LED Agency, LEDF review and capacitation, pre-feasibility or scoping studies etc.
- **Phase Two: Feasibility Studies and Projects Implementation** across sectors as assigned in the roll-out plan (as per project package).
- **Phase Three: Projects and Development Impact Assessment** to determine the economic as well as socio-economic and environmental impact of project implementation. Different impact assessment models can be adopted with specific performance indicators.

On-going monitoring and evaluation as well as remedial action are embedded elements of the three phase process; as shown below:
Based on the project list, prioritisation matrix & packaging and phased implementation approach; the roll-out plan for Emalahleni LED projects is schematically presented as follows:
<table>
<thead>
<tr>
<th>No.</th>
<th>Project Name</th>
<th>Implementation Time Frame (Over 5 years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>PED Department or LED Agency &amp; Revive and Capacitate LED structures &amp; Sign MOUs</td>
<td>xxxxxxxxxxx</td>
</tr>
<tr>
<td>2</td>
<td>By-laws, Policies and Investment Incentive Schemes &amp; Communications Strategy</td>
<td>xxxxxxxxxxx</td>
</tr>
<tr>
<td>3</td>
<td>SMME/Cooperatives and Community Skills &amp; Capacity Audit and Jobs/Business Portal</td>
<td>xxxxxxxxxxx</td>
</tr>
<tr>
<td>4</td>
<td>Scoping &amp; Feasibility Studies on Rail-Road Intermodalism, Witbank Dam, Mining Equipment, Five Star Hotel, Electricity Generation, Green Manufacturing</td>
<td>xxxxxxxxxxx</td>
</tr>
<tr>
<td>5</td>
<td>Business/Office and Industrial Parks Development</td>
<td>xxxxxxxxxxx</td>
</tr>
<tr>
<td>6</td>
<td>Detail Sector Focused Studies on Agriculture and Rural, Industrial / Manufacturing, SMME and Tourism Development</td>
<td>xxxxxxxxxxx</td>
</tr>
<tr>
<td>7</td>
<td>SMME/Cooperatives Skills and Capacity Development through Mining, Manufacturing and Agric. Development and Incubation Centres</td>
<td>xxxxxxxxxxx</td>
</tr>
<tr>
<td>8</td>
<td>SMME/Cooperatives Skills and Capacity Development Programmes (training &amp; mentorship)</td>
<td>xxxxxxxxxxxxxxxx</td>
</tr>
<tr>
<td>---</td>
<td>-------------------------------------------------------------------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>9</td>
<td>New Mining Development (coal and gold) and Infrastructure</td>
<td>xxxxxxxxxxxxxxxx</td>
</tr>
<tr>
<td>10</td>
<td>Witbank CBD Urban Renewal Programme (construction, paving, plumbing and road maintenance)</td>
<td>xxxxxxxxxxxxxxxx</td>
</tr>
<tr>
<td>11</td>
<td>Physical and Biological Agricultural Assets</td>
<td>xxxxxxxxxxxxxxxx</td>
</tr>
<tr>
<td>12</td>
<td>Business Opportunity Investment Prospectus (Investment Promotion Plan)</td>
<td>xxxxxxxxxxxxxxxx</td>
</tr>
<tr>
<td>13</td>
<td>LED Summits/Conferences and National &amp; International Investment Promotion Fora</td>
<td>xxxxxxxxxxxxxxxx</td>
</tr>
<tr>
<td>15</td>
<td>Development Impact Assessments / Evaluations as part of M &amp; E</td>
<td>xxxxxxxxxxxxxxxx</td>
</tr>
</tbody>
</table>
### 7.3 Investment Promotion and Marketing Planning

In his book *Marketing Plans, How to Prepare them; How to Use them*, Malcolm McDonald states that, “Many institutions under siege have recognized the need for formalised and structured approaches to planning; but this has not brought the claimed benefits due to certain design and implementation challenges...” Developing the Emalahleni LED strategy is one thing and implementation of the strategy is a totally different ball game. Experience has shown that the biggest LED implementation challenge lies in the packaging, promotion and marketing of the identified investment initiatives to prospective investors.

Since recommendations have been submitted on the development of a Comprehensive Marketing Communications Strategy, this section seeks to highlight the key issues that should guide the marketing and promotion of investment opportunities within Emalahleni Local Municipal boundaries, namely:

1. Marketing principles guiding local economic development
2. Marketing objectives in the context of local economic development
3. Tactical / Marketing action programmes critical in LED

**Marketing Principles critical in LED**

Both place marketing and the promotion of investment opportunities are key ingredients of any LED marketing plan. Municipalities that have bad governance reputation tend to attract fewer investments into their space as much as those that cannot package and promote their investment opportunities. The key marketing principles that should underpin investment promotion within Emalahleni Local Municipality include the following:

1. Municipal branding and positioning as well as investment promotions based on resource endowments and delivery of basic services to business and communities.
2. Message designs that seek to communicate truthfully to target audiences in simple but powerful tone.
3. Media choices that will maximize audience reach with the minimum possible budgets. A combination of different medium of communication such as websites (of the municipality, government departments and private sector companies); local, national and international investment promotion platforms are highly recommended.
4. Vivid, unique and distinct packaging of all investment opportunities (through development of an investment prospectus) that would guarantee a good return on investment to both stake and stockholders.
In the context of the above principles, the Emalahleni LED marketing objectives are therefore to:

1. Brand, position and promote Emalahleni and investment opportunities within it as unique and distinct;
2. Promote (through performance) Emalahleni as a destination for visit, business and stay;
3. Deal with past or current perceptions around lack of good governance and poor service delivery through platforms that build public confidence in municipality’s service delivery capacity and performance.

Key tactical or marketing actions that will breathe life into the Emalahleni Local Economic Development Strategy include the following:

- Undertaking recommended studies and researches around identified anchor projects prior to promotion; in order to demonstrate feasibility or viability of initiatives.
- Packaging of investment opportunities into bankable business plans as well as the development of *Investment Opportunity Prospectus* for use in the marketing of these initiatives.
- Upgrading of the municipal website and utilisation of partner websites for the marketing and promotion of investment initiatives.
- Conducting LED summits/conferences aimed at promoting investment initiatives within Emalahleni as well as their promotion through national and international platforms and,
- Above all, ensure good governance (through everyone’s actions/behaviours), service delivery and avoid negative publicity in order to gain public and investor confidence.
SECTION EIGHT: MONITORING AND EVALUATION FRAMEWORK

Monitoring and evaluation of the Emalahleni LED programmes and projects is needed to gauge how well the local economy is performing against certain set benchmarks. The evaluation component is also intended to incorporate lessons learnt into the decision-making process of implementing further development programmes as well as during LED strategy review exercises.

A set of proxies to indirectly measure the economic impact of each of the Pillars as well as LED in general have been designed. These proxies are compiled into a development index. Proxies should be based on readily available and reliable data, which allows for annual measurements.

Indicators can help describe changes over time with a common base value, identify benchmarks and progress in relation to goals as well as reflect the status. Indicators are measurements that give us information about the changes in the condition of something over time. Indicators help us define the nature and size of environmental problems, set goals for their solution, and track progress towards those goals. They are useful because they help to express a large quantity of data or complex information in a simple way. Economic indicators are usually reports which contain specific information, e.g. on population growth, GDP growth, etc. The indicators were selected on the basis that they would be reflective of the objective that they were designed to measure. They were also designed to be able to be measured on an annual basis, and be based on reliable data. Three indicators chosen for LED monitoring and evaluation are LED strategy implementation index, LED programmes and projects index and LED development impact assessments.

LED Performance Monitoring and Evaluation Framework

The first step in the LED monitoring and evaluation process is the development of a framework for assessing or evaluating various LED programmes and projects under implementation; by specifying indicators against which performance is measured. For the Emalahleni LED strategy, programmes and projects; the following indicators were selected for monitoring and evaluation:

- LED Strategy Implementation Index
- LED Programmes and Projects Implementation Index
  - Economic Sector Development Indexes
    - Mining Development Indicators
    - Manufacturing Development Indicators
    - Agriculture and Rural Development Indicators
    - Tourism and Hospitality Services Development Indicators
    - Business and Financial Services Development Indicators
  - SMME/Cooperatives Development Index
  - Good Governance, Institutional and Capacity Development Index
  - Investment Promotion and Marketing Index
- LED Impact Assessments
8.1 LED Strategy Implementation Indicators

The number of LED projects successfully implemented, the number of LED actions per programme successfully facilitated as per the proposed implementation plan, the number of direct permanent employment, and the number of direct temporary employment generated per year gives an indication of how effective Emalahleni Local Municipality and key stakeholders are in the implementing the LED Strategy. This Index thus seeks to measure the effectiveness of the LED Department and stakeholders are in implementing the projects and programmes set out by this LED Strategy. Through this index, the LED Department can measure its performance in implementing this strategy and its effect on the local economy. The indicators utilised as performance proxy for the performance include:

- The number of LED projects per programme successfully implemented
- The number of LED actions per programme successfully facilitated
- The number of direct permanent employment opportunities created
- The number of direct temporary employment opportunities created
- The level of collaboration among stakeholders in LED projects implementation
- Resources allocated per programme and project

8.2 LED Programmes and Projects Evaluation Indicators

The programmes and projects implemented should be monitored and evaluated annually (for the whole 5 year period) using different sets of indicators as shown below:

<table>
<thead>
<tr>
<th>PROGRAMME/PILLAR</th>
<th>PERFORMANCE INDICATORS</th>
<th>2011-2012</th>
<th>2012-2013</th>
<th>2013-2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>LED implementation index</td>
<td>Number of LED projects successfully implemented</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of LED actions per programme successfully facilitated</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of direct permanent employment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of direct temporary employment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PROGRAMME/PILLAR</td>
<td>PERFORMANCE INDICATORS</td>
<td>2011-2012</td>
<td>2012-2013</td>
<td>2013-2014</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>----------------------------------------------------------------------------------------</td>
<td>-----------</td>
<td>-----------</td>
<td>-----------</td>
</tr>
<tr>
<td>SMME Development</td>
<td>Number of registered SMME</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of registered co-operatives</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Overall GDP</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of direct permanent employment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of direct temporary employment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture sector development</td>
<td>Number of emerging farmers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of operational co-operatives</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Agriculture sector GDP</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Agriculture sector Employment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Agro-processing GDP</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Agro-processing Employment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Rural Agriculture Assets Development</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mining sector development</td>
<td>New Mining Development</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mining sector GDP</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mining sector employment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mineral beneficiation GDP</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mineral beneficiation employment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SMME participation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PROGRAMME/PILLAR</td>
<td>PERFORMANCE INDICATORS</td>
<td>2011-2012</td>
<td>2012-2013</td>
<td>2013-2014</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>----------------------------------------------------------------------------------------</td>
<td>-----------</td>
<td>-----------</td>
<td>-----------</td>
</tr>
<tr>
<td>Tourism development and promotion</td>
<td>Number of registered hotels, lodges and guest houses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Five Star Hotel establishment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of established accommodation tourism products</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of jobs created according to tourism products</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of annual events</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Skills/Capacity development index</td>
<td>Skills audit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of LED training workshops undertaken</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of LED awareness workshops undertaken</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 8.3 Overall LED Impact Assessments (Economic Growth & Development Impact)

Impact refers to effect and assessment refers to measurement. So impact assessment studies are in simple terms success measurement studies. An impact study is therefore, a research done on a certain topic to determine if a certain action would, or is, having some sort of an effect on its environment. This kind of study delivers feedback that is essential to policy making and planning in development work. In this context, the study seeks to measure the effect of LED programmes and projects on the targeted communities, businesses and the overall economy of Emalahleni. Impact assessment studies also seek to identify challenges associated with the planning and implementation of these programmes, with a view to influencing policy and future programme planning.
As shown in the illustration below, the LED Impact Assessment Studies will focus on the following key aspects of the whole LED process, using the Impact Value Chain Model:

1. Inputs  
2. Activities undertaken  
3. Outputs  
4. Outcomes  
5. Impact and  
6. Goal Alignment

**The Impact Value Chain Model**

- **Inputs**
- **Activities**
- **Outputs**
- **Outcomes**

What you put!  What you do!  Measurable results!

**Outcomes**
Collection of all results

**Less**

What would have happened anyway?

**IMPACT:** Change in:
- employment
- poverty levels
- GDP/GVA-R
- living standards

**GOAL ALIGNMENT**
- Successes and failures
- Lessons learnt and best case practices
- Strategy review and future plans

*Source: Adopted from Rockefeller Foundation Double Bottom Line Project, 2006.*