

LOCAL ECONOMIC DEVELOPMENT STRATEGY

SECTION TWO POLICY & LEGISLATIVE FRAMEWORK

This Section sets out the National, Provincial and Local Government policies, programmes and initiatives to which the LED strategy needs to conform and/or take into consideration.

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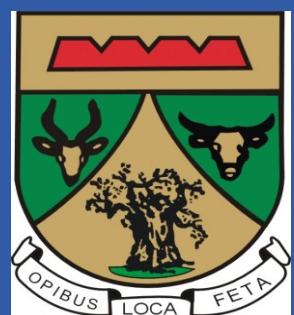


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SECTION 2: POLICY FRAMEWORK

This Section sets out the National, Provincial and Local government policies, programmes and initiatives to which the LED strategy needs to conform and/or take into consideration. In other words this Section sets out the platform for future Economic Development so that the relationship between these are clearly articulated and to ensure alignment to existing policies, programmes, strategies, etc.

This Section consists of the following sub-sections:

- National Policies and Strategies;
- Provincial Policies and Strategies; and
- Municipal Policies and Strategies.

2.1 NATIONAL POLICIES AND STRATEGIES

This Section is focussed on the major applicable National policy frameworks that guide planning and LED efforts in South Africa. The aim, therefore, is to provide an overview of the broader national yardstick that guides development and ultimately guides LED efforts at grassroots level.

The following International and National policies have reference:

- New Partnership for Africa's Development;
- Accelerated and Shared Growth Initiative for South Africa (AsgiSA);
- Medium Term Strategic Framework (MTSF) 2006 to 2009;
- National Spatial Development Perspective (NSDP);
- Integrated Sustainable Rural Development Programme (ISRDP);
- White Paper on Agriculture (1995);
- Land Redistribution for Agricultural Development (LRAD);
- Mining Charter (2002);
- Small Enterprise Development Agency (SEDA);
- Broad Based Black Economic Empowerment Strategy (BBBEE); and
- Co-operatives Act (2005).

2.1.1 New Partnership for Africa's Development

The New Partnership for Africa's Development (NEPAD) is a vision and strategic framework for Africa's Renewal. The NEPAD strategic framework document arises from a mandate given to the five initiating Heads of State (Algeria, Egypt, Nigeria, Senegal, and South Africa) by the Organization of African Unity (OAU) to develop an integrated socio-economic development framework for Africa. NEPAD is designed to address the current challenges facing the African continent. Issues such as the escalating poverty levels, underdevelopment and the continued marginalisation of Africa needed a new

radical intervention, spearheaded by African leaders, to develop a new vision that would guarantee Africa's Renewal.

The primary objectives of NEPAD are as follows:

- To eradicate poverty;
- To place African countries, both individually and collectively, on a path of sustainable growth and development;
- To halt the marginalisation of Africa in the globalisation process and enhance its full beneficial integration into the global economy; and
- To accelerate the empowerment of women.

The NEPAD priorities are to establish the Conditions for Sustainable Development by ensuring:

- Peace and security;
- Democracy and good political, economic and corporate governance;
- Regional co-operation and integration; and
- Capacity building.

Policy reforms and increased investment need to take place in the following priority sectors:

- Agriculture;
- Human development in health, education, science, technology and skills development;
- Building and improving infrastructure, such as ICT, energy, transport, water and sanitation;
- Promoting diversification of production and exports, particularly with respect to agro-industries, manufacturing, mining, mineral beneficiation and tourism; and
- Accelerating intra-African trade and improving access to markets of developed countries.

Key Implications for Musina Local Municipality

Musina Municipality borders Zimbabwe and Botswana to the north and the LED Strategy should contain practical strategies for feasible twinning projects with the aforementioned African countries. The Musina Municipality LED Strategy should also take into consideration the lessons learnt from the successes and failures that have been applied in the neighbouring countries in the face of socio-economic and economic challenges. LED projects identified for Musina Municipality by the LED Strategy should embark on eradicating poverty, promoting sustainable growth and developing and facilitating the empowerment of women and the poor. The LED Strategy should also promote agriculture, human development, infrastructure development and the diversification of exports.

2.1.2 Accelerated and Shared Growth Initiative for South Africa (ASGISA)

The mandate by the South African government in 2004 to halve poverty and unemployment by 2014 resurrected commitment in the public sector delivery trajectory. Dismal malfunction of the previous highly contentious GEAR to address economic backlogs resulted in the formation of a new economic strategy today known as AsgiSA. The South African government's AsgiSA aims to guide and improve on the country's remarkable economic recovery, raising economic growth to 6% and halving poverty and unemployment by 2014. AsgiSA is a micro-economic strategy that strives to accelerate growth. It is a national shared growth initiative that was informed by extensive consultation from all sectors. The two main objectives of AsgiSA include:

- To align its efforts by halving poverty by 50% in 2014; and
- To realise annual growth rates that averages 4.5% or higher between 2005 and 2009 and average growth rate of at least 6% of gross domestic product (GDP) between 2010 and 2014.

AsgiSA is also informed by the following binding constraints that have been identified as major stumbling blocks to growth and require commitments based on uprooting them:

- Continuous instability and level of currency;
- The cost, efficiency and capacity of the national logistics system;
- Lack of suitably skilled labour amplified by the impact of apartheid spatial patterns on the cost of labour;
- Obstacles to entry, limits to competition and limited new investment opportunities;
- Regulatory environment and the burden on small and medium businesses; and
- Deficiencies on state organisation, capacity and leadership.

Interventions responding to the binding constraints include:

- **Infrastructure programmes:** aimed at improving the availability and reliability of infrastructure services in response to rapidly growing demand through the municipal and provincial infrastructure grant programmes;
- **Sector investment (or industrial) strategies:** To promote private-sector investment, sector investment programmes that are identified include tourism, agriculture, manufacturing, mining and business process outsourcing programmes;
- **Second economy interventions:** Government has already initiated interventions to address deep-seated inequalities and target the marginalised poor, to bridge the gap with the Second Economy, and ultimately to eliminate the Second Economy. One key mechanism is to use the leverage of the First Economy to address the Second Economy. This includes leveraging the increased levels of public expenditure through promotion of small businesses, broad-based empowerment and development of Sector strategies;
- **Macro-economic issues:** The development of a new capital expenditure management information system by the National Treasury was recently introduced to address the issue of poor expenditure and budgeting at macro level;

- **Public administration issues:** The focus of this intervention is to realise a people's contract on economic matters, the effective implementation of agreed BEE Charters and leveraging benefits from offsets. On local government and service delivery, focus is placed on addressing the skills problems through Project Consolidate; and
- **Skills and education initiatives:** Skill shortages have been an impediment on infrastructure programmes and private sector investment. The AsgiSA response ranges from medium-term educational interventions to raise the level of skill in areas needed by the economy, to immediate measures to acquire skills needed for the implementation of AsgiSA projects. Programmes identified by AsgiSA to address the skills and education backlog include the QUIDS-UP programme, the Maths and Science (Dinaledi) Programme and the Joint Initiative for Priority Skills Acquisition (JIPSA).

JIPSA is tasked to identify urgent skills needed and to provide feasible, sound and effective remedies. Major remedies include special training programmes, attracting South Africans currently working abroad, bringing back retirees, mentoring and overseas placement of South African trainees to fast track their development and encouraging highly skilled emigrants back into the mainstream employment.

Key Implication for Musina Local Municipality

The repercussions of AsgiSA for Musina Local Municipality is that the LED Strategy must strive to encourage existing larger and small businesses (micro-enterprises) to work collectively and share investments. Dormant and emerging businesses in the area should also be included in the major strategic interventions aimed at reviving the economy of Musina Municipality. Tourism businesses in the Municipality should seek consultation with domestic and international experts as they form a major economic sector in the area. Scarcity of skilled labour is also problematic for Musina Municipality. Efforts should therefore be directed towards placement of committed trainees from Musina Municipality into strong corporations, allowing them to acquire skills and subsequently work within the Municipality. Skills development efforts also need to form part of every economic, social and environmental initiative. This will permit industries and small businesses to acquire skilled labour, while local communities are groomed in the appropriate skills to take up employment in the area. Intensive training should therefore be the cornerstone for uplifting the communities in Musina Municipality.

2.1.3 Medium Term Strategic Framework (MTSF) 2006 to 2009

The aim of the MTSF is focussed on sustaining higher GDP growth, job creation, investment and exports, as well as broadening economic participation and activity through Black Economic Empowerment and enterprise development. The MTSF provides:

- A translation of the electoral mandate;
- Priorities for the next 5 years;
- Focus on economic investment and growth; and
- An expansionary fiscal outlook.

The MTSF also identifies the high-level micro-economic reforms necessary, which includes:

- **Crosscutting issues:** Technology, HR development, access to finance and infrastructure;
- **Competitive input sectors (utilities):** Transport, telecommunications, energy and water;
- **Prioritised growth sectors:** Clothing and textiles; mining, metals and minerals; automotives and transport; chemicals; tourism; agriculture; information and communication technology; cultural industries; and services and aerospace; and
- **Equity and growth:** BEE, women empowerment, small business development, employment and geographic spread.

For the MTSF period, the DTI is pursuing three high-level goals:

- To accelerate the economic growth rate;
- To create new employment opportunities; and
- To reduce economic inequalities.

The DTI seeks to work towards the following economic outcomes:

- Increase in economic output;
- Increase in employment;
- Increase in the contribution of small enterprises to GDP;
- Significant progress in achieving BBBEE with a special emphasis on black women;
- More equitable geographic spread of economic activities;
- Increase in direct investment, with a emphasis on investment in priority sectors;
- Increase in the value and volume of exports, with a emphasis on priority sectors; and
- Increase in investment in the drivers of South Africa's future competitiveness, namely, skills, technology and infrastructure.

The MTSF also includes outputs and targets for each of the following programmes:

- Enterprise and industry development;
- International trade and economic development;
- Consumer and corporate regulation;
- Investment promotion, attraction and facilitation; and
- Export development and trade promotion.

It is important that the Municipal Growth and Development Strategies take note of the following developments, which are currently emanating from the MTSF with regards to investment promotion and sustainability:

- Financial investment support will be provided through several programmes including the Small and Medium Enterprise Development Programme, the Black Business Supplier Development Programme, the Skills Support Programme, and the Export Market and Investment Assistance scheme;

- New incentive schemes will be launched including schemes to support cooperative enterprises, women-owned enterprises and BPO;
- Support to the Black Business Supplier Development Programme will be increased;
- The Apex fund will disburse its first loan in 2006/2007, thus providing micro-loans to micro-enterprises addressing a gap in the financing provided by other development finance institutions and the private sector; and
- Other forms of financial support provided to enterprises include tax incentives through the Strategic Industrial Programme and export credit guarantees provided by the Export Credit Insurance Corporation.

The MTSF also elaborates on the DTI's Integrated Manufacturing Strategy. This Strategy, which was released in April 2002, spells out in detail the DTI's understanding of the current trade and industry policy challenges confronting South Africa and the DTI's response to these challenges. The Integrated Manufacturing Strategy (IMS) argues that an integrated and advanced Manufacturing sector in South Africa can be leveraged to generate higher levels of economic growth, employment creation, and the reduction of economic inequalities throughout the entire economy.

The medium term financial strategy of government refers to growing the economy and the provision of social security support to all who are eligible. The National Indicators for 2005-2014 are intended to measure government performance in this regard and are focused on indicators that relate to governance and institutional quality, social development and poverty alleviation, economic development and growth, justice, peace and security, and international relations. Some of these cannot be measured at a local government level.

The National Key Performance Indicators (NKPI's) are:

- The percentage of households with access to basic level of water, sanitation, electricity, solid waste removal;
- The percentage of households earning less than R1 100 per month with access to free basic services, water, sanitation, electricity and solid waste removal;
- The percentage of a municipality's capital budget actually spent on capital project identified for a particular financial year in terms of the Municipal IDPs;
- The number of jobs created through the municipality's local economic development initiatives including capital projects;
- The number of people from employment equity groups employed in the three highest levels of management in compliance with municipality's employment equity plan;
- Percentage of the municipal budget spent on implementing workplace skills plan; and
- Financial viability, bank balances, investments, outstanding debtors to revenue, creditor payments, credit rating, external loans, aggregate for bad debts.

The National Indicators set for 2005 – 2014 are indicated below:

Area	Indicators/indices
Governance indicators	<ul style="list-style-type: none"> - Process by which those in authority are selected, replaced (voice, accountability, political stability, absence of violence) - The capacity of government to formulate and implement policies (government effectiveness, regulatory quality and the predictability of policy making) - The respect of citizens and state for institutions that govern interactions among them (Rule of law, control of corruption/severity of corruption; bureaucratic efficiency).
Economic indicators	<ul style="list-style-type: none"> - Current growth (how well the economy is currently growing) - Sustainable growth (the likelihood that the growth will be sustained or even accelerated) - Economic stability (vulnerability to economic problems) - Economic governance - Future competitiveness (future potential of the economy to grow and spread its benefits) - Employment and unemployment
Social indicators	<ul style="list-style-type: none"> - Health and food security (efforts to maintain and improve the nutritional health of the population) - Housing and basic services (access to housing/shelter, water, sanitation, electricity) - Human resource development (from the education system of indicators point of view) - Social Cohesion (includes groups and networks, trust and solidarity, collective action and cooperation, information and communication, inclusivity, empowerment, political action) - Poverty, inequality and human development (Gini-coefficient, human poverty index, human development index)
Justice, crime prevention and security indicators	<ul style="list-style-type: none"> - Public safety (internal safety and security and covers broad based policy indicators such as reducing the levels of crime, reducing public fear of crime and increased access to justice) - National security (external threat and security of the state, and includes increased territorial integrity and increased stability and good governance within region and Africa)
International relations indicators	<ul style="list-style-type: none"> - Bilateral political and economic relations - International organisations and multi-lateralism - Peace, security and stability - Global economic integration - African renaissance

Key implications for Musina Municipality

The LED strategy for Musina should strive to focus on crosscutting issues that will drive the economy. Issues such as technological innovations, access to credit and infrastructure, human resources development, etc need to be the centrepiece of success in mitigating economic backlogs in Musina Municipality. The LED strategy should strive to

broaden economic participation of local labour through encouraging BEE and enterprise development. These elements will contribute to reducing poverty and inequality.

2.1.4 National Spatial Development Perspective, 2006

The NSDP, 2006 comprises the reviewed, updated and amended version of the NSDP developed in 2003. The challenge facing South Africa is rooted in its inherent failure to provide services to all communities. Another challenge is in the economic fraternity where the fruits or gains of the first economy are not shared in the second economy. These challenges have been compounded by the failure of the enshrined Constitutional principles of integrating, coordinating and aligning the actions of the three spheres of government (National, Provincial and Local spheres). The NSDP provides the following:

The NSDP is fundamentally tailored at reconfiguring apartheid spatial relations and implementing spatial priorities in a manner that meets the Constitutional imperative. This is focused at devotions to provide services to everyone and to alleviate poverty and inequality. The NSDP is an indicative tool that guides overall development in all spheres of government. It involves a progressive development agenda based on respective development plans of the national, provincial and local government such as the Integrated Development Plans (IDPS), the Provincial Growth and Development Strategies (PGDS) and the Medium Term Strategic Framework (MTSF). It provides feasible methodological grounds and principles for making government decisions on infrastructure investment and development spending more focused and rational. It necessarily responds to the challenge of economic growth and inclusion by posting the twin concepts of development potential and need as reflected in the poverty gap. It also provides a delineated yardstick suitable for debates about the future development of the national space economy. It proceeds by offering recommendations necessary to bring about optimum alignment between infrastructure and development programmes within localities. It operates in line with the planned national government objectives such as poverty reduction, job creation, sustainable service delivery, integration, rectification and coordination of distorted spatial development.

The NSDP, therefore, involves the following:

- A set of principles and mechanisms for guiding infrastructure investment and developmental decisions;
- A shared understanding of the national space economy by describing the spatial manifestations of the main social, economic and environmental trends; and
- An interpretation of the spatial realities and the implications for government intervention.

Given the objective to grow the economy, create jobs, address poverty and promote social cohesion, the NSDP assists government in confronting three fundamental planning questions, namely:

- Where should government direct its investment and development initiatives to ensure sustainable and maximum impact?

- What kinds of spatial reforms and arrangements are more conducive to the achievement of the objectives of democratic nation building and social and economic inclusion?
- How can government as a whole capitalise on complementarities and facilitate consistent decision making; and move beyond mere focus on integration and coordination procedures to establishing processes and mechanisms that would bring about strategic coordination, interaction and alignment?

The NSDP is also informed by the following principles:

- Rapid economic growth that is sustained and inclusive is a prerequisite for the achievement of other policy objectives, amongst which poverty alleviation is key;
- Government has a constitutional obligation to provide basic services to all citizens (eg. water, electricity as well as health and educational facilities), wherever they reside;
- Beyond the constitutional obligation identified in Principle 2, government spending on fixed investment should be focused on localities of economic growth and/or economic potential in order to gear up private sector investment, stimulate sustainable economic activities and create long-term employment opportunities;
- Efforts to address past and current inequalities should focus on people, not places;
- In order to overcome the spatial distortions of apartheid, future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or link the main growth centres.

NSDP has a critical role to play in reconstructing the historical spatial distortions of the past. It is very relevant in surfacing spatial dimensions of social exclusion and inequality in accessing economic and social development projects in communities. This will also accelerate the level of development and contribute to the broader growth and development policy objectives of government.

Key implications for Musina Local Municipality

As Musina Local Municipality forms part of the areas that were spatially designated and distorted, NSDP will assist in bringing investment and growth in the area. Musina Municipality can be seen as an area of limited potential growth as NSDP purports, where providing basic service and grants, human resource development, labour market intelligence is not enough. Musina Municipality's economic and infrastructural development needs to be aligned within the LED strategy. Growing sectors in Musina Municipality such as the Agriculture and Tourism sectors need to be strengthened to ensure progressive economic development. Investment in these areas needs to be coordinated and integrated with the IDP of Musina Municipality and form part of the LED programmes identified as part of the LED Strategy.

2.1.5 Integrated Sustainable Rural Development Programme (ISRDP)

Countless efforts by the South African government to undertake joint ventures with an assortment of stakeholders had assumed multiple instruments. One of the recent instruments is the ISRDS aimed at enhancing opportunities and well-being of rural

people. ISRDS is defined as a federal policy designed to realise a vision that will “attain socially cohesive and stable rural communities with viable institutions, sustainable economies and universal access to social amenities, able to attract and retain skilled and knowledgeable people, who are equipped to contribute to growth and development”. The ISRDP calls for the progressive coordination and integration of programmes by various government departments and stakeholders to maximise the development of rural communities. This vision is a radical one in that it envisages transformed rural economies, which move away from subsistence economic activities. Local government is the point of delivery and the implementation of the ISRDP. Specifically, the implementation process aims to strengthen the quality of Integrated Delivery Plans (IDPs) and the delivery of these IDPs.

The vision of ISRDP is informed by four elements, which include:

- **Rural development:** going beyond just the poverty alleviation connotation, but focusing on changing rural environments to create enabling platforms for people to earn more and to invest in themselves and their communities. This emphasises that rural people must be the masters of their own destiny and to survive and improve their own economic packages within their environments;
- **Sustainability:** sustainability evolves from increased local growth, with people enjoying own gains and maintaining available resources for future development;
- **Integrated:** this calls for coherent coordination across traditional sectors in all spheres of government. It requires the Municipal five year plan (IDP) to establish coordination and maintain integration at the municipal sphere; and
- **Rural Safety net:** in responding to the continuous crisis facing rural people, social assistance has been extended to all rural people and the ISRDP is also consolidating that effort.

Key implications for the Musina Local Municipality

It is of critical importance that the LED strategy for Musina Municipality be tailored towards creating an enabling environment for its people. The LED strategy must comprise a “culture of collectives” with rural youth and young women coming together to work in developmental projects to increase their income and investments and subsequently gaining ownership of local businesses. This will require coherent coordination and interaction among organisations in Musina Municipality.

2.1.6 White Paper on Agriculture (1995)

The fundamental mission and premise of this Paper is to “ensure equitable access to agriculture and promote the contribution of agriculture to the development of all communities, society at large and the national economy, in order to enhance income, food security, employment and quality of life in a sustainable manner.” Due to pressures on the past agricultural production and management, farmers have through this policy been assured of equitable access to efficient financial services. Previous studies have revealed that most financial institutions, whether public or private, served only part of the agricultural sector. This affected many black farmers, small-holders and part-time farmers. The policy indicates that financing of the beginner farmers needs to be

accelerated. This is necessary as agriculture is a major activity in rural economic growth and in development as it consequently enhances quality of life.

The policy is based on addressing the following critical agricultural policy goals:

- Developing a new order of economically viable, market-directed commercial farmers, with the family farm as the basis;
- The broadening of access to agriculture via land reform should be enhanced by adequate agricultural policy instruments, and supported by means of the provision of appropriate services;
- Financial systems should focus on the resource-poor and beginner farmers, enabling them to purchase land and agricultural inputs;
- Trade in and the marketing of agricultural products should reflect market tendencies; and
- Agricultural production should be based on the sustainable use of the natural agricultural and water resources available.

A critical premise of the policy is to direct efforts customised to promote, facilitate and support institutional development and to enhance the capacity of farm workers, farmers and other rural dwellers at local, provincial and national level and to ensure that they have a say in the formulation of policy that affects them.

The policy recognises that all farmers should be made aware of issues surrounding the sustainable utilisation of the natural agricultural resources. In addition, South Africa's productive agricultural land should be retained for agricultural use.

Key implication for Musina Municipality

The LED Strategy for Musina Municipality should encourage existing agricultural activities, farming and agribusiness micro-enterprises taking place in the area. The Strategy should also consider the role of emerging farmers in income generation and in creating employment for local labour. The acceleration of land claims to ensure the speedy completion of this process should also be advocated by the LED Strategy.

2.1.7 Land Redistribution for Agricultural Development (LRAD)

Land reform encompasses three distinct components, namely the restitution, tenure reform and the redistribution programmes. The redistribution programme, in turn, has different components, or 'sub-programmes', which includes:

- **Agricultural Development:** to make land available to people for agricultural purposes;
- **Settlement:** to provide people land for settlement purposes; and
- **Non-agricultural enterprises:** to provide people land for non-agricultural enterprises, for example eco-tourism projects.

LRAD has two distinct parts. Firstly, LRAD deals with the transfer of agricultural land to specific individuals or groups. Secondly, LRAD deals with commonage projects, which

aim to improve people with access to municipal and tribal land, primarily for grazing purposes.

The strategic objectives of the sub-programmes include:

- Contributing to the redistribution of 30% of the country's agricultural land over 15 years;
- Improving nutrition and incomes of the rural poor who want to farm on any scale;
- De-congesting over-crowded former homeland areas; and
- Expanding opportunities for women and young people who stay in rural areas.

Key implications for Musina Local Municipality

The Agricultural sector in Musina Municipality is dominated by private land comprising commercial horticultural and livestock farming and small scale crop farming. In order to expand farming enterprises, land is required. Therefore, the Musina Municipality LED needs to advocate the increased availability of land. The lengthy land claims process constrains development in Musina Municipality, as up to 27% of land is subject to land claims, with land not being able to be developed until the claims have been settled. Land reform elements, therefore, have to materialise in this regard.

2.1.7 Mining Charter, 2002

The Mining Charter was conceived as the underlying principle meant to cater for the previously disadvantaged peoples who have not benefited from South Africa's great mineral wealth in the past. It is seen as a Broad-based Socio-economic Empowerment Charter for the South African Mining industry and associated Scorecard. The charter was developed in consultation between mining and minerals industry and government and was endorsed in 2002. The goal is to create a mining industry that will proudly reflect the promise of the non-racial South Africa in the post-apartheid dispensation. It was specifically designed to provide a yardstick for accelerating the empowerment of historically disadvantaged South Africans (HDSAs) in the Mining and Minerals Industry.

The objectives of the Charter are:

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

The following outlines the priority issues, focus areas and the targets of the Charter:

Priority issue	Focus area	Targets
Employment equity	Opportunities for HDSAs Women empowerment	<ul style="list-style-type: none"> ▪ Baseline of 40% HDSA participation in management within 5 years ▪ Focus overseas placement and/or training programmes on HDSAs ▪ Talent pool and fast tracking ▪ Baseline of 10% women participation in mining industry within 5 years
Migrant labour	Non-discrimination against foreign migrant labour	
Mine community and rural development	Mine and rural communities	<ul style="list-style-type: none"> ▪ Integrated Development plans for mining communities and major labour- sending areas
Housing & Living conditions	Housing & living conditions of mine employees	<ul style="list-style-type: none"> ▪ Improve standard of housing ▪ Improve nutrition of mine employees
Procurement	Preferential procurement for HDSAs	<ul style="list-style-type: none"> ▪ 5% of procurement from HDSA companies ▪ Encourage partnerships with HDSA companies ▪ Develop HDSA procurement capacity
Ownership and Joint ventures	Ownership and participation by HDSAs	<ul style="list-style-type: none"> ▪ 26% HDSA ownership of mining industry assets in 10 years

Key Implication for Musina Local Municipality

The LED Strategy for Musina Municipality needs to take into consideration the provisions of the Mining Charter and localise these provision for the benefit of the local people. Women and youth need to be incorporated into mining activities in Musina Municipality and the principle of inclusiveness must form a yardstick in the local Mining sector.

2.1.8 Small Enterprise Development Agency (SEDA)

The Small Enterprise Development Agency (SEDA) is the Department of Trade and Industry's agency for supporting small business across South Africa. SEDA is the government's initiatives to locate small businesses in their rightful place in the economy. SEDA initiative is based on the structural changes that have taken place in South African economy and internationally. It is also seen as a poverty alleviation tool meant to empower those who want to spend their time designing business strategies while simultaneously earning profit and investing money. Small businesses have been noted as critical component of government's strategy towards creating an economy for all South Africans. SEDA's critical task involves the support and promotion of co-operative enterprises, with bulk of the focus on those located in rural areas. The mandate of SEDA

is executed in line with the Department of Trade and Industry's Integrated Small Enterprise Development Strategy. SEDA aims to:

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

The programmes that SEDA currently promote are:

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

Key Implications for the Musina Local Municipality

Musina Municipality LED Strategy should be informed by the proposal of progressive, viable and organized micro-enterprises. These micro-enterprises have to be engaged in a sound regulatory framework that effectively governs business undertaking. This will assist small businesses such as game farming, or livestock farming, manufacturing, tourism businesses, etc. to gain access to credit and loans. The LED Strategy for Musina Municipality will need to include proposals for the establishment of enterprise groupings (such as cooperatives), SMME business centers to facilitate skills development and support in small businesses, etc.

2.1.9 Broad Based Black Economic Empowerment Strategy (BBBEE)

Broad Based Black Economic Empowerment is defined by the South African Government as: "...an integrated and coherent socio-economic process that directly contributes to the economic transformation of South Africa and brings about significant increases in the numbers of black people that manage, own and control the country's economy, as well as a significant decline in income inequalities". The strategy is underpinned by four key principles, which indicate that Black Economic Empowerment is:

- Broad-based;
- An inclusive process;

- Associated with good governance; and
- Part of our growth strategy.

The seven elements of the Strategy and the Generic Scorecard, and their respective weightings (out of 100) are depicted below:

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

The priority issues emphasised by this Strategy are presented in the below Table.

Priority issues	Focus areas
Equity ownership	Share of economic benefits
Management	Black persons in executive management and/or executive board and board committees
Employment equity	Weighted employment equity analysis
Skills development	Skills development expenditure as a proportion of total payroll
Preferential procurement	Procurement from black-owned and empowered enterprises as a proportion of total assets
Enterprise development	Investment in black-owned and empowered enterprises as a proportion of total assets
Residual	Any issue that does no fall into one of the previous categories

Source: *A Strategy for Broad Based Black Economic Empowerment, 2003.*

The strategy proposes that the MGDS take the following elements into consideration:

- Alignment of local development strategies and social programmes with the BBBEE Strategy in order create an environment in which these marginalised groups can develop and flourish.
- To establish a communication vehicle that will provide information regarding incentives and programmes available for these groups and assisting them in accessing these programmes and incentives.

The Strategy also calls for broader access to finance by SMMEs and cooperative enterprises. In this regard the Strategy states that "companies, closed corporations, co-operatives, sole proprietorships and partnerships, will be assisted to a total investment amount of R100 million to acquire land and buildings, machinery, commercial vehicles and equipment for new projects or the expansion of existing projects related to manufacturing, high value agriculture, agro-processing, aquaculture, agro-processing, biotechnology, tourism, information and communication technology investment. This will be facilitated through the SMME Development programme of the DTI.

Key Implications for Musina Local Municipality

The LED projects identified for Musina Municipality should be geared towards the inclusion of a “culture of business ownership” by young black people in the Municipality. This cannot be implemented in a vacuum. Certain measures are necessary, most critically of which is that skills development needs to be intensified in realising these efforts. The identified LED projects must also refrain from producing social projects without economic gains and must create an enabling environment that will allow emerging black beneficiaries to develop enterprises and grow their businesses.

2.1.10 Co-operatives Act, 2005

The Act specifically indicates that government will facilitate targeted support for emerging cooperatives, especially those owned by black people and women. The Act regulates the functioning, purpose and registration procedures of cooperatives within the Republic. The Act is focused on providing for:

- The formation and registration of co-operatives;
- The establishment of a Co-operatives Advisory Board;
- The winding up of co-operatives; and
- The repeal of Act No. 91 of 1981.

The Act recognises:

- The co-operative values of self-help, self-reliance, self-responsibility, democracy, equality and social responsibility;
- That a viable, autonomous, self-reliant and self-sustaining co-operative movement can play a major role in the economic and social development of the Republic of South Africa, in particular by creating employment, generating income, facilitating broad-based black economic empowerment and eradicating poverty;
- That the South African economy will benefit from increasing the number and variety of viable and sustainable economic enterprises; and
- That government is committed to providing a supportive legal environment to enable co-operatives to develop and flourish.

In order to ensure that international co-operative principles are recognized and implemented in the Republic of South Africa, the Act:

- Enables co-operatives to register and acquire a legal status separate from their members; and
- Facilitate the provision of targeted support for emerging co-operatives, particularly those owned by women and black people.

Key Implications for Musina Local Municipality

The LED strategy should assist emerging cooperatives in finding a niche in business. The Strategy and LED projects identified should also be aligned to the provision of the Cooperatives Act, which allows for the registration of cooperatives according to regulatory

procedures. In Musina Municipality, this will facilitate a progressive and accelerated system of registration of emerging black farmers, agribusiness, micro-enterprises, tourism enterprises, traders and other businesses owned by young black people and women, allowing them to have joint ownership, risk sharing and ultimately to expand.

2.2 PROVINCIAL POLICIES AND STRATEGIES

The purpose of this sub-section is to provide the legislative yardstick against which the Musina Municipality can set its policies and strategies. The following Provincial policies and strategies are analysed in this subsection:

- Limpopo Provincial Growth and Development Strategy (2004)
- Limpopo Provincial Spatial Rationale (2002)
- Limpopo Municipal Capacity Building Strategy (2005)
- Limpopo Sustainable Livelihoods Programme (2000)
- Limpopo LED Strategy Building Programme (2005)
- Limpopo Agricultural Development Programme (LADEP), 2006
- Limpopo Province Project Consolidate (2005)
- Limpopo SMME Strategy
- Limpopo Tourism Strategy
- Trans Limpopo SDI

2.2.1 Limpopo Provincial Growth and Development Strategy (2004)

The Limpopo Provincial Growth and Development Strategy (LGDS) is the initiative of the Limpopo province in response to the economic, social challenges facing the province. It is a yardstick that was developed and adopted in 2004 to guide programmes that advance the growth of the economy in a manner that attracts investment, create sustainable jobs and consequently, enhance the living conditions of the people of Limpopo. The purpose of this strategy is “to share the dream of a prosperous Province that, through the actions of both government and its collaborating stakeholders, will improve the quality of life of all its citizens.”

The Development Strategy proposes a merged strategy centred on pro poor economic growth through the development of clusters in the priority Sectors of comparative advantage while at the same removing obstacles to investment and business. Major impetus for this strategy is the reduction of unemployment through the revival of the local economy by the provincial government through its Development Strategy and its Vision 2020 economic policy. The Strategy necessarily aligns the Municipal planning process (IDP) with the provincial government processes for fruitful intervention and integration and coordination in service delivery and in unlocking local economies at a larger scale.

The Limpopo Development Strategy is informed by the following major objectives:

- An Integrated and Developmental approach that brings together strategies and programmes of different spheres of government together towards achieving sustainable economic growth, poverty reduction, and unemployment,
- Contributing to National and International commitments e.g. Reconstruction and Development Programmes objectives, the outcome of the World Summit on Sustainable Development, United Millennium Development Goals etc.
- Building of Relationships, sharing of information and a shared vision between spheres of government, between municipalities and between departments.
- Participatory Democracy and Good Governance to ensure transparency and accountability in shaping the future of the Province.

The Limpopo Growth and Development Strategy has four primary objectives, namely:

- Improve the quality of life of the Provincial population
- Promote sustainable economic growth
- Raise the institutional efficiency of the Provincial Government
- Address unique priorities as they arise, including BEE, HIV/AIDS-TB and poverty reduction.

These objectives are seen to be driving force for the contribution of different sectors, such as cluster departments of the provincial government, parastatals, utilities, business, organised labour and the community. The Strategy proposes focused efforts on the integration of provincial strategies, programmes and targets into a collective effort. This will be done to improve quality of life, institutional efficiency of government, address unique priorities as they arise and resource mobilisation for growth and development. The strategy also strive to embark on formulation, integration of outstanding policy documents into LGDS, including:, Provincial Housing Strategy, Provincial Black Economic Empowerment Strategy, Provincial Science and Technology (Research and Development) Strategy, Local Economic Development, Provincial Environment Policy and also contributions from Limpopo to the objective of NEPAD.

The Development Strategy explains the basic principles, vision and objectives of the provincial government with regard to the Limpopo Province as a whole and for the following specific economic clusters:

- Platinum mining cluster;
- Coal mining and petrochemical cluster;
- Fruit and Vegetable (horticulture) cluster;
- Logistics cluster in Polokwane (Capricorn District);
- Red and White meat cluster on all the corridors (all Districts);
- Eight tourism sub-clusters at a number of high-potential destinations;
- Forestry cluster in the Mopani and Vhembe Districts.

The relevant clusters affecting the Musina Municipality include:

- **Fruit and Vegetable (Horticulture) cluster:** The development of this cluster has been identified as one of the anchor projects in the Vhembe, Mopani and Bohlabela district municipality areas and includes various parts of the Musina Municipality. The intent is for the cluster value-chain to be extended up-stream to include the local

production of inputs for the growing of selected fruit and vegetable commodities, such as plant material production, nurseries, pesticides and fertilisers (including organic fertilizers). The value-chain down-stream includes processing, packaging and exporting industries. Additionally, the Province has a very advantageous climate and land for the development of high-value organic food products, which could complement the tourism cluster. Public sector interventions in this cluster includes the commercialisation of state farms, water resource development, rehabilitation of community irrigation schemes, skills development among emerging farmers and the encouragement of public-private partnerships with established commercial farmers. Improvements to logistical capacity and investment in plant biotechnology will also contribute significantly to increased competitiveness of this cluster. Given the fairly strong agricultural sector in Musina Municipality, which is largely based on horticultural products such as tomatoes and citrus, this cluster presents opportunities for development within the Municipality, particularly in respect of agro-processing.

- **Red and White meat cluster:** This cluster is centred along the corridors in all districts of the Province and while not extensively so, the Musina Municipality also forms part of this cluster. The meat cluster builds on emerging and current cattle and poultry production, animal feed production and sorghum production. Public sector interventions should include the commercialisation of state farms, skills development among emerging livestock farmers and the encouragement of Public-Private-Partnerships with established commercial farmers.
- **Tourism Cluster:** This cluster covers all the districts of the Province, as the tourism industry has been identified as one of the industries in which Limpopo enjoys a competitive advantage. As it is considered that the whole Province offers unique attractions, 8 sub-clusters have been identified, which include special interests; the game industry value-chain; golf and game tours; biospheres such as Lowveld, Waterberg and Soutpansberg; family entertainment (resort, sport and picnic places); Polokwane business tourism; mountain adventure on escarpment and Tranfrontier Parks. Musina Municipality offers unique opportunities for tourism development, particularly in respect of the game industry, and should therefore expand its competitive advantage in line with the tourism cluster.

Implications for Musina Local Municipality

The LED Strategy for Musina Municipality needs to deal with critical obstacles with regard to local economic growth. The LED Strategy should assist in creating a conducive regulatory and enabling environment for business initiatives. It should also encourage a “culture of entrepreneurship” among local people, support access to relevant skills and accelerate access to relevant information, loans and credit. Agri-business development and agricultural enterprises need to be expanded in Musina Municipality, with particular focus on the expansion of the agricultural value chain.

2.2.2 Limpopo Provincial Spatial Rationale (2002)

The spatial settlement pattern for the Limpopo will largely incontestably resolute with political and economic forces, processes and changes. The availability of resources (e.g. natural resources) has a direct impact on economic development of any settlement. The Spatial Rationale focus on those historical patterns that have shaped spatial development and proposes a way forward on how to reconcile the past separated development tendencies and current spatial reorganization. One of its other main objectives is the establishment of sustainable settlements in rural areas that are able to create jobs for residents, based on optimum land and resource use. By targeting of high growth potential settlements in the former homelands is expected to create momentum for economic growth in other smaller communities.

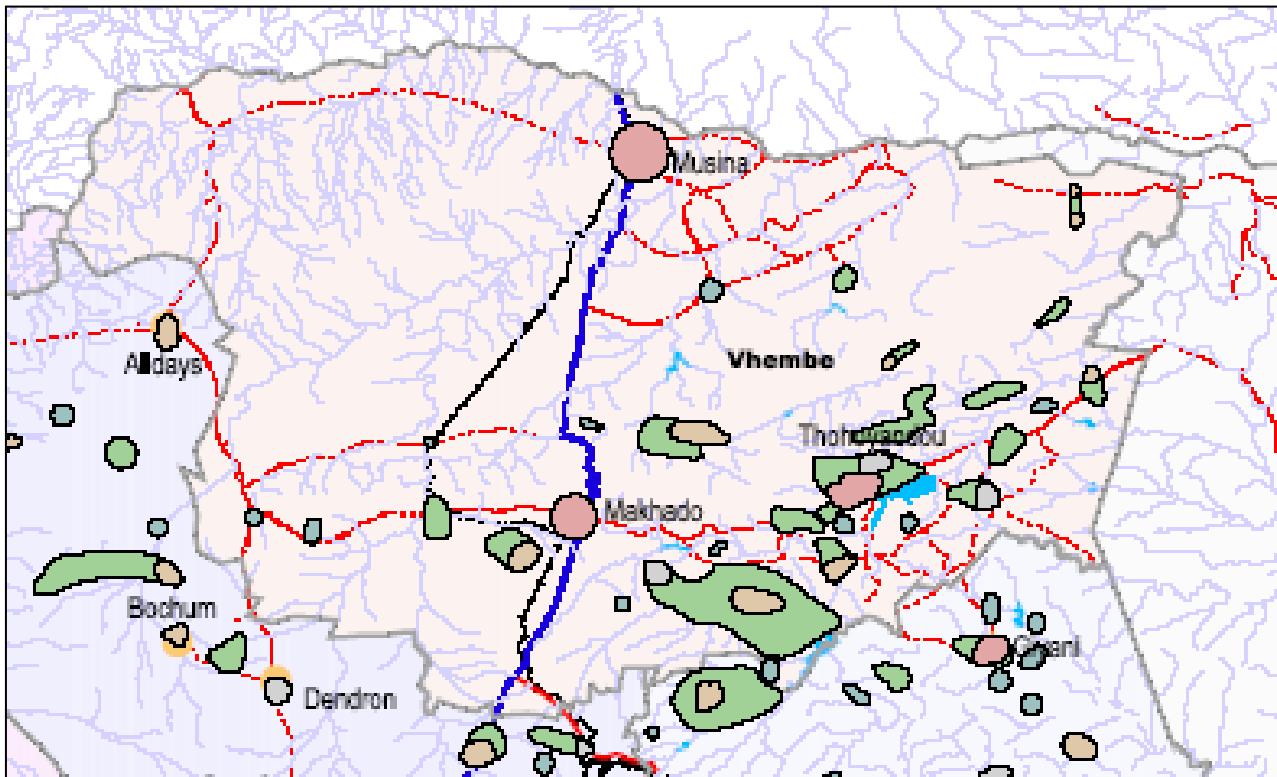
The Spatial Rationale put forward a settlement hierarchy for the Province. The settlement hierarchy of the Musina Municipal Area, in terms of the Spatial Rationale is as follows:

- Musina (Messina & Nancefield) can be described as a provincial growth point (1st order settlement) due to their relative high level of economic activity and rendering of services to local and surrounding communities. Musina will remain the only 1st order settlement in the future, as no other significant urban areas exist in the Musina Municipal Area.
- Tshipise can be described as a 3rd order settlement (local service points) due to its function in terms of limited service delivery to the surrounding commercial farming areas, tourism attraction and nature conservation. Tshipise does not have a residential or business component and can therefore not be regarded as a growth point.
- Madimbo, Malale & Domboni can be described as 5th order settlements due to their small populations and the fact that they are only functioning as residential areas with no economic base. The potential of these settlements for future self-sustainable development is extremely limited. These settlements have no economic base and only serve a dormitory function. Madimbo may be classified as the “higher order” settlement in the area due to its population of nearly 2000 people and the fact that a clinic facility is located in the settlement.
- The remainder of the municipal area consists of commercial farmland that is utilised for game, grazing and crop farming.

Approximately 90% of the total population of Musina Local Municipality are situated within first order settlements (growth points).

The Diagram below illustrates the growth points of Vhembe District, as indicated in the Spatial Rationale.

Diagram 2.1 Growth points of Vhembe District



Source: *SpatialRationale*, 2002

The Spatial Rationale focuses on those historical patterns that have shaped spatial development and proposes a way forward on how to reconcile the past separated development tendencies and current spatial reorganization. One of its other main objectives is the establishment of sustainable settlements in rural areas that are able to create jobs for residents, based on optimum land and resource use.

Key Implications for Musina Local Municipality

Musina town & Nancefield should be stimulated to provide an increasingly higher level of social, physical, institutional and economic services to the municipal area. Higher levels of service infrastructure should be provided in Musina town to ensure that appropriate services are available for potential business and service/light industrial concerns. Tshipise exhibits some development potential based on its service function and tourism potential. Development in terms of increasing the service function of Tshipise should be encouraged. If higher order services/facilities need to be established in the area of Madimbo, Malale & Domboni, preference should be given to establishing such services/facilities at Madimbo. Active and viable farming practises should be encouraged throughout the Musina Municipal Area to increase the contribution of this sector to the local economy, resulting in increased job opportunities.

2.2.3 Limpopo Municipal Capacity Building Strategy (2005)

Participatory, inclusiveness and holistic approaches are the major driving forces and pillars in the programme functioning and mandate of the Limpopo Province. However,

one obstacle that has been reported national wide is that both provincial and local government spheres are experiencing incessant capacity crises. This happens when these spheres are faced with big projects to implement. Retention and recruitment of skilled, experienced and educated personnel has thwarted many of these spheres efforts to realize its mandates. Repercussion to lack of such capacity emerged as one of the main reasons that the Sustainable Living Program's implementation was delayed for 8 months. All provincial government programs have as one of their key objectives the development of their target Municipal governments and departments capacity.

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

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

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

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

Key Implications for Musina Local Municipality

Stakeholders in Musina Municipality need to develop a relevant model that will assist in achieving establishing appropriate interventions aimed at addressing the specific problem areas that are unique to the locality. The interventions identified must be based on suitable strategies tailored towards the retention and recruitment of qualified personnel, particularly engineers, planners, financial officers and project managers. Musina Municipality should also increase its capacity, appropriately plan its budget and align its resources fruitfully with these budgets to ensure that the Municipality is able to successfully meet the targets set in its five year plan (IDP).

2.2.4 Limpopo LED Strategy Building Programme (2005)

Local economic development (LED) is a platform for local government, the private and non-profit sectors, and local communities to work together to improve the local economy. It focuses on enhancing competitiveness, increasing sustainable growth and ensuring that growth is inclusive. In essence it is an integrated, multi-disciplinary approached tailored to eradicate poverty through pro-poor focused projects.

It was initiated in Limpopo for the one purpose of lessening the “considerable cost of the indiscriminate financing of individual projects, Sectors or geographical areas” and avoids the “waste of resources if there is not a proper resource planning system in place.” The LED programme delineates the principles, main actors and the steps involved in the preparing, implementing and monitoring of LED strategy at the District and Local Municipal Levels.

The Limpopo LED Strategy Building Programme is also aligned and resonates with other relevant Limpopo programmes and strategies. These include the following:

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

The entire LED Strategy Building Program also comprises of progressive and feasible seven phases that guides the programme of the programme in meeting the needs of communities. It includes, namely; Kick-off Meeting, Socio-Economic Audit, SWOT Analysis, Vision defined, Comparative Advantages and Strategic Orientations, Objective Tree, and writing of an Operational Plan.

Key Implications for Musina Local Municipality

LED programmes undertaken by Musina Municipality should resonate well with the broader Provincial and District level initiatives to ensure service alignment, continuity and consistency. The LED Strategy should foster a public administration ethos and the principles of sustainability, inclusiveness and integration, community participation and strategic planning and should instil a culture of community project ownership. The LED Strategy should allow the flow of debates and consensus among a range of stakeholders, particularly community members.

2.2.5 Limpopo Sustainable Livelihoods Programme (2000)

The Human Poverty Index has pointed out that the Limpopo Province has experienced the most terrible episode of poverty in South Africa. The Sustainable Livelihoods Program (SLP) was instituted in 2000 and was designed to reduce poverty in rural communities by “building the capability of the target beneficiaries to make a living and improve their

quality of life without endangering the environment and livelihoods of other people in the present or the future."

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

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

The overarching objectives of the programme are:

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

Key Implications for the Musina Local Municipality

In a contemporary South Africa, the alleviation of poverty needs to be orientated and positioned in such a way that it addresses the specific needs of the poorest of the poor. In Musina Municipality, particular attention must be given to the livelihood of communities involved in informal business activities, as it has a direct impact on individual and household survival. By advancing informal activities, particularly in the rural areas of the Municipality, the income levels of local communities can be increased. SMME development, coupled with business support and mentoring should also form an integral part of the Musina LED Strategy. It is also important that local communities in Musina Municipality are capacitated with the appropriate telecommunications and other infrastructure required to support the development of efficient and sustainable businesses.

2.2.6 Limpopo Agriculture Development Programme (LADEP) Partnership for Africa's Development, 2006

The Limpopo Agricultural Development Programme (LADEP) is an initiative of the Limpopo Department of Agriculture. The focus of LADEP programme is on rural agricultural productivity from a holistic perspective. This includes agricultural activities such as crop production, animal husbandry, water management and agro forestry practices. The aim is to give support to an integrated framing approach that would allow farmers to diversify production, increase income and lessen risk. LADEP is operating in rural communities, particularly those villages characterised by low income and prolonged unemployment. LADEP is seen as programme providing leadership in the development of market-led production system of black emerging farmers and developing and nurturing entrepreneurial skills among rural farmers. The main objective of LADEP is to strive to ensure that "living conditions of low-income households in rural and peri-urban communities are improved. The objective has specific indicators that have been identified in describing the overall objective in measurable terms. This includes, income level of rural communities from agricultural is increased, the emigration level of rural communities is reduced and the overall social welfare of the communities has improved. The main problem that has emerged in the LADEP is the limited viability of the agricultural micro enterprises that have been developed with the assistance of LADEP since 1997.

LADEP is informed by the following programs:

- Facilitate the infrastructural related agricultural activities such as irrigation equipment, poultry houses and fenced livestock grazing areas. This permits emerging rural farmers to extend their production and income within a highly resourced environment.
- Building of group's business skills and other pertinent entrepreneurial capacities in agricultural production and group management skills. The program is a cornerstone for building a progressive micro-enterprise with group of rural communities in instilling the culture of entrepreneurship and strengthens the capacity of emerging agri-business micro enterprises.
- There is also Agribusiness Development Academy Programme training and mentoring programme for 1000 emerging black commercial farmers in Limpopo.
- PRIDE under the umbrella of LADEP, is Technical Cooperation Project by Limpopo Department of Agriculture and Japan Cooperation Agency (JICA). Its projects are implemented through 8 pilot projects at grassroots level (community). The aim of the project is to groom economically and socially active rural communities responsible to master their own development. PRIDE operates on 3 basic concepts, namely; money in pocket, pride in heart and green in eyes.
- Under the umbrella of LADEP there is PEA/PDA for institutionalisation and integration of micro-enterprises. The programme capacitates rural individuals and communities to improve their livelihoods.

Key implications for Musina Local Municipality

The LADEP programme forms a critical milestone for the emergence of vigorous agribusiness micro-enterprise development in Limpopo Province and by extension

Musina Municipality. The Musina Municipality LED Strategy needs to focus on the development of emerging and dormant agricultural business as a core programme of action. Of critical importance is to engage the Agribusiness Development Academy Programme to decentralise its training and mentoring programme to those emerging agricultural activities undertaken in Musina Municipality. All initiatives under the umbrella of LADEP need to be taken into consideration in formulating the LED Strategy.

2.2.7 Limpopo Agriculture Management Plan (2003)

The Limpopo Agriculture Management Plan has taken a progressive stance in reconstructing the agricultural sector in redressing the imbalances of the past in the sector. The Agricultural sector has been positioned as the major sector activity to spearhead economic regeneration in Limpopo Province. The mission of the Agricultural Management Plan (AMP) is “Increasing economic growth and reducing poverty by empowering people to manage natural resources in a sustainable manner”.

The plan adopts an assortment of strategies tailored towards improving the Sector to become a progressive business in the Province and is it is specifically designed to attract major investment. This is coupled by fitting exit strategies to combat dependency including the restructuring of State Owned Enterprises; Human Resources Development, Farmer Settlement, Poverty Eradication and special programmes that strives to gain agricultural development in the Province. The plan is informed by five main programmes, tailored towards combating backlogs:

- Restructuring of state assets, ARDC projects and project transformation;
- Land Reform;
- Poverty alleviation;
- Statutory Services (Veterinary); and
- Human resource development and Management.

Key Implications for Musina Local Municipality

Sustainable economic development should be sought in all agricultural projects identified as part of the LED Strategy. The Musina Municipality LED Strategy should also focus on the Agricultural sector as means of assisting the Municipality to develop an array of community owned enterprises. By supporting the development of agro-business, high levels of employment and appropriate investments could be generated locally.

2.2.8 Limpopo SMME Strategy

The Limpopo SMME Strategy evolves from the efforts by the Limpopo Department of Economic Development, Environment and Tourism to resurrect economic growth, by supporting the development of a small business driven economy. The Strategy was conceived by the Province, essentially to create a strong equilibrium between the startling unemployment rate and the growing provincial economy. The SMME strategy seeks to address obstacles to economic intensification by reducing poverty, creating employment opportunities at a larger scale and enhancing quality of life for all. The Strategy holds

strong that SMME's are the impetus for economic growth as they directly generate income for community members and reduce poverty at a larger scale. The Strategy was informed by the research project that detected and identified major challenges facing SMME in Limpopo province and feasible solutions to conquer them. The main purpose of the SMME strategy is to create an enabling framework in the business environment to reach the following economic goals:

- To increase the contribution of small business towards the economic growth of the Province and to reduce the poverty levels;
- To increase the impact on job creation and reduction of poverty levels in the Province;
- To ensure that the Province's growing economy proportionally contribute to the GDP; and
- To ensure that there is effective and efficient co-ordination and integration of SMME programmes in the Province.

The Strategy has also identified ways to overcome the challenges as identified in the previous strategies. The current framework strives to enhance the impact of small businesses on the socio-economic crisis facing South Africa. The Strategy focuses on:

- The need to have business development information. This set of strategies is critical in assisting development planning and the monitoring and review of the impact of small business development support services.
- The need to integrate business development support strategies in order to streamline activities and maximize the impact and resources allocated to small business development.
- To overcome the challenges of unemployment, there is a need to improve the competitiveness of small business, which will then ensure sustainability and increase profitability of small businesses. This will include tailor made capacity building programmes.
- There is also a need to increase access to local and international markets, as well as business linkages within small business.
- The issue of lack of or inadequate funding resources is also dealt with as the research has proven that the available funding programmes don't respond to the needs of the different categories of SMMEs. Small business promotion is the last strategy to be dealt with, which also emphasizes the role of the formal education system in assisting to educate and create awareness on small business development.
- The institutional framework will seek to define the role of the different government institutions in small business development.
- The Strategy will be reviewed mid-term in order to gauge the impact it will have on society and specifically to the business community.

It is a geographical reality that Limpopo Province is well positioned in the international markets and particularly close to the South African borders with other major African countries. The economic activities of Limpopo Province are integral to the Southern African Development Community (SADC) and the New Partnership for African Development (NEPAD) initiatives. Limpopo Province is located in the northern-most part

of the Republic of South Africa and has a conducive competitive advantage to trade economically with SADC countries. The Limpopo Provincial government has already implemented programmes to generate economic growth. The Provincial Spatial Development Initiative (SDI's) aim to unlock the potential of four developed corridors by attracting investments for various projects. Polokwane International Airport is in a better position to facilitate movement of goods and services to and from SADC region and Africa. Taking advantage of all these factors should assist developing and initiating trade for SMME programmes in the Province.

The expansion of trade to international players will necessarily not only boost economic growth in the Province, but will go beyond and also empower SMME's and other business ventures in SADC countries. The government procurement policy has positioned itself to realize its mandate of affording the local communities opportunities to access resources that will enable them to participate and contribute significantly to economic growth of the Province and SADC region. In addition and most importantly, supply chain management makes provision for the SMMEs to render a variety of expertise in economic growth, either in Agriculture, Manufacturing, Tourism, Mining, Construction, etc. In order to ensure that the SMMEs involvement in the procurement process yields positive results, local communities need to be well informed about the process. Through proper co-ordination, the Department should ensure effective monitoring of the impact of the procurement process and how the process benefits the Black Economic Empowerment (BEE) initiatives. Taking into account the levels of literacy and inability to access information by the majority of rural communities in Limpopo Province, the government is compelled to monitor procurement related issues, such as ensuring that the targeted groups are benefiting from the process and ensuring the establishment of sustainable SMME's, whilst facilitating an information dissemination mechanism on procurement policy.

The implementation of the SMME Strategy is tailored towards reducing poverty, creating employment opportunities, reducing dependency, improving quality of life for all etc. All these objectives are benchmarks against which the success of the Strategy will be evaluated. The Strategy also takes cognisance of the fact that the implementation process is not a static process and must not be pursued in a vacuum. Most critically, the environmental factors around which the SMME programmes are implemented often change in response to social, economic, political and cultural changes taking place. The Strategy review process should then take due cognisance of all environmental factors that may impact negatively on the successful implementation of SMME activities and should focus on the planning, implementation, monitoring and evaluation of the proposed and prioritised SMME activities from all stakeholders.

Key Implications for Musina Local Municipality

In developing the LED Strategy, Musina Municipality must take note of the importance of SMME's in reducing poverty in the locality. Therefore, the availability of relevant business information and support in Musina Municipality should urgently be addressed, together with education and skills development. Particular focus should be placed on providing local business with the skills to write business plans and proposals for funding, as well as other skills related to managing a small business. Furthermore, issues related to access to funding needs a concerted effort. The Musina Municipality LED Strategy also needs to advocate the improved competitiveness of small businesses in the Municipality,

particularly in the Agricultural and Tourism sectors, which are currently predominating. The LED Strategy must also emphasize the importance of small business agglomeration or clusters in order to enhance competitiveness in trade and to boost the economy of the locality.

2.2.9 Limpopo Tourism Growth Strategy (2006)

The Limpopo Province has moved progressively towards putting forward feasible strategies to resurrect its economic position. Tourism is one of the main economic pillars that is imperative in driving the economy of Limpopo Province. In this respect, the Department of Economic Development, Environment and Tourism initiated the formulation of a Provincial Tourism Growth Strategy (PTGS) in 2002. The main objective of the Strategy was to double tourism's contribution to the provincial economy from 4% to 8% by December 2008. This was a tactical Strategy informed by fact that tourism was emerging as one of the major economic pillars of the Provincial Growth and Development Strategy (PGDS). This led to the hosting of a Provincial Tourism Summit in 2004, where the cluster concept was adopted by various National and Provincial Tourism sectors. This was informed by rigorous engagements with different stakeholders in tourism, including government departments, municipalities and parastatals. The summit was geared towards engaging tourism as a driving force in raising international competitiveness and investment rating in the Limpopo Province.

Most critically, the Strategy involves specific objectives to be accomplished and they need to be benchmarked by December 2008. These objectives include, but are not limited to:

- Double the number of visitors to Limpopo;
- Extend visitors period of stay;
- Increase the volume of domestic tourist movements within the Province;
- Double the number of bed nights sold;
- Double tourism spend by all visitors to the Province;
- Increase the percentage of tourist spend retained by operators within the destination, region or the Province;
- Route development within each cluster;
- Grow the number of new tourism products within the Province;
- Increase the number of jobs created within the Industry;
- Increase mobility of existing workers in terms of improved wages, positions, responsibilities etc;
- Expansion of tourism destinations or cluster value chains within the Province
- Enhance transformation of the Industry through skills development, BEE and SMME integration within the identified clusters and existing operations;
- Promote Black Economic Empowerment in the Tourism industry and in measures to monitor the implementation;
- Align the Provincial Marketing strategy with the Growth Strategy and re-focus marketing and promotion of Limpopo tourism opportunities and products to the domestic and SADC markets; and
- Develop a monitoring mechanism to evaluate the output of the Tourism Growth Strategy.

The Strategy is informed by a focused approach towards cluster development. This implies that all existing and planned tourism products/destinations in the pipeline will be amalgamated into appropriate clusters. The Tourism strategy is based on six clusters, namely:

- Family and Recreation Cluster;
- Special interest Cluster;
- Golf and Game Cluster;
- Mega-Conservation Cluster;
- Safari and Game Industry Cluster; and
- MICE (Meetings, Incentive travel, Conferences and Events) and Infrastructure Cluster.

All these clusters are based on general project interventions for each, including its current status, intervention plans, benefits and resources requirements to accomplish development in each cluster. Under special interest projects cluster, Mapungubwe Route Development is mentioned as a project, with intervention plans based on two major routes which was developed to increase tourist flow interests to Mapungubwe. Two routes include 'Footsteps of Ancestors' and 'Art on the Rocks'. The project also includes the facilitation of road infrastructure development between Alldays and Mapungubwe and suitable signage. The cluster also introduce Mapungubwe interpretive centre (housing the parks head quarters, a commercial outlet for Arts and Crafts as well refreshment centre). This is also driven by an extensive consultative process between local government, parastatals and the private sector agencies. In addition to that, new business opportunities were identified and integrated into the specific objectives set for the tourism growth.

Key Implications for Musina Local Municipality

The Tourism sector in Musina Municipality is a critical driving force of the local economy and for job creation opportunities. The activities and attractions around Musina Municipality are highly enticing to both domestic and international tourists. However, an area of development that needs concerted attention is the progressive marketing of this sector and the local attractions in Musina Municipality. The Musina Tourism Information Centre located in Musina town is not adequate in telling about the endowment or richness of tourism in Musina Municipality. This is particularly true for Mapungubwe National Park, which is very attractive and has been proclaimed as a World Heritage site, but is not yet marketed exhaustively. Tourists who happen to visit the Musina Tourism Information Centre still asks for directions to visit the Kruger National Park and that is not what the Centre intends to disseminate. Involvement of the black community in the Tourism sector is critical in order to portray indigenous products and attractions that can pull the bulk of both international and domestic tourists. The communities in Musina Municipality need to be educated about the opportunities and benefits that the Tourism sector holds for them. The importance of marketing the Mapungubwe Landscape as World Heritage site must form the cornerstone for the progressive development of the Tourism sector in Musina Municipality, as it is the magnet that will attract tourists to the Municipality, thereby increasing tourism flows in the area. In addition, the Musina Tourism Information Centre needs to be revitalized and begin to offer relevant and up to date information for display

products and local attractions, which will ensure that tourists stay in Musina Municipality for longer periods. Moreover, tourism activities in Musina Municipality must go beyond just creating jobs for local people, but must also involve them in major tourism activities, particularly through skills transfer. Tour guides need to be more specialized and stimulate tourists to visit one attraction to the next in Musina Municipality.

2.2.10 Trans-Limpopo Spatial Development Initiative (TLSI)

The Trans-Limpopo SDI came into being through the signing of a memorandum of understanding between the Limpopo Province of South Africa and the Provinces of Matabeleland North, Bulawayo and Matabeleland South in 2001. The initiative was initiated to develop the economic potential of the Southern African region through cross border investment and joint ventures. It is a planned inter-country trade expansion corridor between South Africa and Zimbabwe that extends from Victoria Falls to Beitbridge on the Zimbabwe side and into South Africa's Limpopo Province up to Polokwane. It follows the Victoria Falls-Beitbridge highway that goes through Bulawayo, Gwanda, Beitbridge and Musina. It also aims to tap all the development in the corridor through the exploitation of all locational advantages offered hence the geographical location of the region. The corridor will bring the Zimbabwean side of the corridor into perspective and facilitates the joint marketing of the corridor. The initiative is seen as an economic and spatial development strategy that could unlock investment potential in the corridor. Among its major components, the initiative would pave the way for increased agri-businesses, eco-tourism and infrastructure development programmes.

Some of the anchor projects that were identified by the TLSI include the Matebeleland Zambezi Water Project, the exploitation of methane gas deposits in Lupane, a one-stop border post in Beitbridge and export processing zones in Zimbabwe and South Africa. The TLSI includes opportunities for cross-border private sector joint ventures to exploit untapped mineral resources, such as the revival of the country's only diamond mine near Beitbridge. Twinning arrangements between South African municipalities in Limpopo Province and those in the Matabeleland provinces of Zimbabwe were also on the cards. Developments along the corridor were planned to take place within 50 km of either side of the Bulawayo – Polokwane railway line. The great potential that exists in the initiative, which would combine South African money, untapped Zimbabwean resources and pre-existing links between business communities on both sides of the border, has been put on hold due to the political situation in Zimbabwe.

Key Implications for Musina Local Municipality

Particular attention must be devoted towards exploiting the anchor projects that were identified through this initiative. The Musina Municipality LED Strategy should emphasize the use of local labour and the provision of intensive training to local people in relation to project undertaking. The infrastructural development programmes in place need to attract local people from both countries and utilize the existing skills in these localities. Local emerging entrepreneurs have to be encouraged to start businesses along the SDI corridor, in order to create economic spin-offs for the localities.

2.3 DISTRICT AND LOCAL MUNICIPAL POLICIES AND STRATEGIES

The purpose of this sub-section is to provide a broad overview of the policies and priorities of the Local Municipal Governments within the Musina Local Municipality's Local Economic Development (LED) paradigm. This sub-section will provide the political context that has been set within the Vhembe District and the Musina Local Municipality.

The following policies and strategies and their relevance to economic development are analysed within this sub-section:

- Vhembe Integrated Development Plan (IDP)
- Vhembe Spatial Development Framework (2006)
- Vhembe District LED Strategy
- Musina IDP (2006/7)
- Musina Spatial Development Framework (SDF)
- Tourism Plan for Musina Local Municipality
- Twinning Agreement between Musina Municipality and Beitbridge Rural District of Matabeleland.

2.3.1 Vhembe Integrated Development Plan

The Vhembe District Municipality (VDM) was established in terms of the Municipal Structures Act, 117 of 1998 which provides for the establishment of municipalities, their categories, competencies, powers and functions. The major languages spoken are Xitsonga, Tshivenda, Sepedi, English and Afrikaans.

The mission entails that the Vhembe District Municipality is committed to the improvement of the physical, social, economic and institutional environment in order to address poverty and promote development. The vision is to improve the quality of life through sustainable development and services excellence.

According to the IDP, the implementation stage of the IDP should focus on the following:

- That delivery is happening in the planned manner;
- The municipality is using its resources most efficiently;
- It is producing the quality of delivery envisaged; and
- Planned delivery is having the desired effect on the lives of the community within the Vhembe District Municipality.

To achieve the above-mentioned core delivery factors of the IDP, municipalities need to be pro-active towards the development of a Performance Management System (PMS) to undertake an annual review on the IDP. The Vhembe District is engaging in a process of assessing its performance and undertaking an annual review of the IDP.

The District as a whole is seen as having comparative advantage on the field of LED potential, particularly on agriculture, mining, and tourism. If the LED Strategy is used

correctly and strategically, it can assist in the alleviation of the high level of poverty and reduce unemployment in the area. The IDP further reveals that the District has the potential to further develop its Agriculture, Tourism, Manufacturing (agro-processing), and Forestry sectors.

LED projects identified in the Vhembe District IDP for implementation in Musina Municipality relate only to the development of an LED Strategy for Musina Municipality and the undertaking of a feasibility study for LED projects.

Key Implication for Musina Local Municipality

Alignment and coordination forms a central part of post-apartheid local government in South Africa and it is, therefore, essential that the LED Strategy for Musina Municipality considers the similarities between the District and Musina Municipalities in terms of the strategies utilised to implement projects. Musina Municipality should learn from the success stories of Vhembe District and design their own strategy, based on the contextual issues prevalent in Musina Municipality. As both the District and Musina Municipality share development potential in the Agriculture, Agro-processing and Tourism sectors, it is critical for the Musina Municipality LED to evaluate how initiatives can integrate with that of the District, but also to understand its own context and focus on its strengths to expand its economy.

2.3.2 Vhembe Spatial Development Framework

A Draft Spatial Development Framework has been prepared for the District, with the following applicable aims:

- Set out Objectives e.g. desired spatial form;
- Desired pattern of land use;
- Address spatial reconstruction;
- Provide strategic guidance regarding location and nature of future development;
- Set out Guidelines for a land use management system;
- Set out a capital investment framework for the Municipality's development programmes;
- Identify programmes and projects for the development of land within the municipality;
- Align with SDF's of neighbouring municipalities; and
- Provide visual representation of the desired spatial form.

The main spatial challenges of Musina Municipality as highlighted in the Draft Vhembe District SDF (2006) are as follows:

- Temporal population movements from neighbouring countries are possibly imposing additional stresses on the community facilities within the municipality and needs to be addressed.
- Numbers of suspected illegal immigrants settling in Musina are increasing pressures on housing and social facilities.

- Despite the above the adjoining countries also provide opportunities with respect to movement of trade and tourists between SA, Botswana and Zimbabwe.
- The border post areas need to be improved and made more efficient while enhancing economic opportunities for the municipality.
- It appears that the focus of population growth is within the urban areas of Musina namely Nancefield and Musina town, at the expense of the smaller rural settlements.
- The correlation of state and large institutional land holding with land claims suggests opportunities for the municipality to intervene in the acquisition of land for resolving some of the land claims and meeting the need for additional service settlements.
- The agricultural areas within Musina are limited and need to be preserved and therefore should be taken into consideration in the spatial planning of the area.
- The national road (N1) running through the area presents some commercial opportunities for development in the areas adjacent to it.
- Mining within the municipality appears to be on the decline, with many mines shut down, however there is potential for coal mining should the road infrastructure be improved.
- There is a cluster of rural settlements around the Domboni, which have poor access to basic services. These settlements are dormitory residential areas, with limited supporting land uses.
- Related to the above, the vast area of low population densities within the more rural areas of the municipalities, i.e. western area, combine to make the potential provision and maintenance of infrastructure and other municipal services very costly. Future settlement development should thus be concentrated in a few locations where bulk infrastructure is already available and where services can be maintained in as cost-effective a way as possible.
- The municipality contains a number of nature reserves, conservancies and game farms, which is a comparative advantage over other municipalities.
- The Golden Horseshoe Initiative – a conceptual spatial framework that aims to provide a receptacle for a diverse portfolio of tourism and related activities as a major opportunity in the area. Area extends from the western, northern and eastern borders of the Limpopo Province.
- Future spatial planning in the municipality should protect the natural resources in the area and promote tourism. Recreational development in those areas, which has potential for it (e.g. the areas adjacent to the numerous river catchment's areas, watercourse and nature reserves in the area).
- Overall there appears to be a greater provision of infrastructure and facilities in the eastern area creating a spatial imbalance between the west and eastern areas in terms of settlement and infrastructure development, which may need to be addressed should tourism development around Mapumgupwe/Dongola Complex develops.
- There is poor accessibility to social and economic activities for rural populations.
- Under-utilization of the railway network and inefficient public transport.
- The majority of social facilities are located around Musina town and to the east of Musina. Nineteen education facilities exist in Musina municipality, of which only four are located to the west of Musina. There are three medical facilities within the municipality, two of which are in the town of Musina. One magistrate's court is located in Musina.

- There appears to be a shortage of education and health facilities in terms of the minimum access distance to these facilities, in the western portion of the municipality (western half of Ward 1).
- Other shortages of social facilities include libraries in wards 1 and 2; postal facilities (or at least post box facilities) in the same areas.
- Additional pension pay-points should be sought along the northern edges of the municipality and in the far western areas in order to achieve equal distribution across the municipality.
- The rural settlements tend to be of a clustered nature and sparingly distributed outside of the eastern portion, within the Municipality.

Key Implications for Musina Local Municipality

Rather than focusing on the challenges posed by illegal immigrants, the Musina Municipality LED Strategy should instead focus on creating enabling conditions for the establishment of joint venture projects with neighbouring countries. The LED strategy should advocate the expansion of projects around Musina town to also include the rural areas of the Municipality. Local labour, especially those from dispersed rural areas, must also be absorbed in major business enterprises so as to boost the economy of the locality and reduce the net out-migration of particularly young people. The conservation and preservation of agricultural land and mineral resources also needs to be advocated and should form part of the spatial planning of Musina Municipality.

2.3.3 Vhembe District LED Strategy

The Vhembe District LED Strategy provides the Musina Municipality with feasible guidelines applicable to the creation and facilitation of economic development locally. A key focus of the Vhembe District LED Strategy is to unlock the District's economic development potential in order to improve the economic situation of the District in a sustainable manner. This is to be facilitated through the encouragement of private sector investment, in order to create platforms for job creation and other District projects tailored to unlock the economy.

Key economic sectors in the District were identified through the Vhembe District LED Strategy, namely Agriculture, Mining, Tourism and Manufacturing. The Strategy also identified existing economic opportunities within the District. This was packaged into five strategic thrusts, aimed at achieving sustainable economic development in the District. The Table below reflects the Thrusts, along with the Strategic Focus Areas identified in the Vhembe District LED Strategy:

The District LED Strategy recognised that these Thrusts would need enough financial and institutional capacity to be implemented. This issue was raised upon the current reality of lacking municipal capacities.

Feasibility studies were also developed for three priority projects. These included the development of a fresh produce market, the establishment of a macadamia oil extraction plant and the development of the 'Footsteps of the Ancestor' tourism route. A dynamic

monitoring and evaluation plan was also developed to keep the Vhembe District LED responsive to changing context within the economy.

THRUST	STRATEGIC FOCUS AREAS
1. Business Support and Development	<ul style="list-style-type: none"> ▪ LED focused marketing campaign ▪ Business training, mentorship and support
2. Agricultural Value Chain Development and Integration	<ul style="list-style-type: none"> ▪ Diversification and expansion of agricultural sector production ▪ Forestry product processing ▪ Development of agro-processing industries
3. Mining Sector Value Chain development and integration	<ul style="list-style-type: none"> ▪ Diversification of mining and Quarrying ▪ Development of SMME's supplying inputs and support services to the Mining Sector
4. Tourism development and promotion	<ul style="list-style-type: none"> ▪ Upgrade existing man-made tourism attractions ▪ New Tourism product development ▪ Support and expand existing and new route initiatives ▪ Tourism awareness and support
5. Rural Economic Base Development	<ul style="list-style-type: none"> ▪ Revitalization of irrigation schemes and support for land claim beneficiaries ▪ Emerging farmer support and skills training

Most critically, the overall goals of the Vhembe District Municipality LED Strategy are as follows:

- To develop the local economy in order to create employment and retain youth in the community;
- To insulate the local economy from negative external shocks by diversifying both the sources of employment and income within the Vhembe District Municipality;
- Develop linkages between local business in order to retain locally generated capital and decrease leakages of income from the local economy;
- To facilitate the development of the skill base of the local labour force;
- To support local businesses, entrepreneurs and emerging farmers;
- To ensure the involvement and collaboration of all stakeholders in the local development process;
- To encourage communication and cooperation between all levels of government departments and non-government agencies; and
- To integrate the 2nd economy into the formal economy.

Key Implications for Musina Local Municipality

Implications for the Musina Municipality LED Strategy involves taking the Strategic Thrusts that have been identified in the Vhembe District LED Strategy into consideration and broadly aligning the Economic Framework of the Musina Municipality LED with that of the District. The Musina Municipality LED Strategy should also focus on the diversification and expansion of the major existing economic sectors such as Agriculture, Tourism, Mining and small business development. Support also needs to be given for the land claims process in Musina Municipality. Attention should also be given to boosting existing

businesses by offered business-related training, support and strong mentorship to aspiring rural youth and women.

2.3.4 Musina Municipality IDP (2006/2007)

Musina Municipality will deal with the declining economy through the establishment of an LED Committee to formulate an LED policy. The committee will also be responsible for the coordination and sustainability of all job creation projects that occur within Musina Municipality. Musina Municipality, in its IDP, also specifies the need for labour intensive techniques to be used in infrastructure projects, in order to create employment within the Municipality. The Municipal Systems Act 2000 section 26(c) (Act No. 32 of 2000) stipulates that an Integrated Development Plan must reflect, “the council’s development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs”.

The Priority issues for the Musina Local Municipality’s Economic cluster, as outlined in the Local Municipality’s IDP are:

- The declining economy of the Musina Local Municipality;
- The shortage of job opportunities and job creation in the Musina municipal area;
- The occupation of the potential employment created on local farms by foreign labour, rather than by local communities in Musina Municipality; and
- The current poor development of the Tourism sector.

Key Implications for Musina Local Municipality

Increasing the economic growth of the locality requires multiple interventions that at some point require a detailed situational analysis of the locality. Proper management of available limited resources is key to such interventions. This must be coupled by efforts to identify and overcome major or systematic obstacles to economic growth in Musina Municipality. The Musina Municipality LED Strategy must therefore provide the Municipality with an appropriate guide to direct future planning and developmental objectives. The LED Strategy should also take into consideration development opportunities identified in the Vhembe District LED Strategy for Musina Municipality.

2.3.5 Musina Municipality Spatial Development Framework

The Musina town CBD has developed in a linear style along the N1 National Road, which extends through and serves as the major traffic route in/through the town. It creates a locational advantage for businesses along the N1-National Road, i.e. maximum exposure to passing traffic. This puts pressure on the CBD to develop along this axis in the form of “ribbon” development.

The SDF basically represents the future spatial vision for the municipality. The main purpose is to guide the spatial form and location of future development within a municipality. It attempts to readdress the spatial imbalances of the past legacy. The major purpose is to guide give spatial effect to multi-sectoral projects identified in the IDP as

well as assists the municipality to co-ordinate the various implementation of the various sector plans.

The immensity of state land both national and provincial with the exception of few individual farms is around the town of Musina. This constitutes 8% of land holdings of the municipality. Land owned by the local municipality consists of 27 farms, distributed throughout the municipality and make up 2% of land holdings within the municipality. This mirror land distribution in Musina, land along the N1 national road is covered by forestry with assortment of guest houses, accommodation (Bed and Breakfast) and other leisure or vacation spot for tourists. Along the N1 road, there is no residential area prior reaching the town of Musina from Makando Local Municipality. Over 786 (59%) of farms are privately owned within the municipality. These mixed land ownership sites constitute parent farms that have been subdivided and the subdivisions are owned by the state, privately or by an institution. There are no traditional authority areas within the Musina Municipality area. However, over 351 land claims have been lodged on some 351 farm subdivisions, covering some 27% of the municipality area. These claims will have a significant impact on spatial developments within the municipality. Twenty one of these claims are on state land, located mainly along the N1 and rail routes and adjacent to Mapungupwe. There are another two clusters of claims, on the institutional land around the Venetia Mine owned by DeBeers consolidated Diamond mines and around the Domboni/Madimbo areas owned by the South African Development Trust. The remainder and majority of claims are on private farms distributed mainly in the south and east of the municipality.

Agricultural sector generates more employment opportunities in the municipality than any other sector in the economy. Agricultural potential should therefore be protected from any development that may negatively affect existing and future agricultural activities. The only significant commercial activity within the municipality occurs in the town of Musina and at the Beitbridge border post. The Musina CBD renders an important function, not only to the residents of the Musina Municipality, but also in a sub-regional context and beyond the international boundary with Zimbabwe.

Spatial challenges of Musina:

- Numbers of suspected illegal immigrants settling in Musina are increasing pressures on housing and social facilities.
- The residential component is forced out of these zones and decay is often visible as old residential buildings are neglected, awaiting redevelopment.
- The existing backlog of low-income residential
- Despite the above the adjoining countries also provide opportunities with respect to movement of trade and tourists between SA, Botswana and Zimbabwe.
- The border post areas need to be improved and made more efficient while enhancing economic opportunities for the municipality.
- It appears that the focus of population growth is within the urban areas of Musina namely Nancefield and Musina town, at the expense of the smaller rural settlements.
- The correlation of state and large institutional land holding with land claims suggests opportunities for the municipality to intervene in the acquisition of land for resolving some of the land claims and meeting the need for additional service settlements.

- The agricultural areas within Musina are limited and need to be preserved and therefore should be taken into consideration in the spatial planning of the area.
- The national road (N1) running through the area presents some commercial opportunities for development in the areas adjacent to it.
- Mining within the municipality appears to be on the decline, with many mines shut down, however there is potential for coal mining should the road infrastructure be improved.
- There is a cluster of rural settlements around the Domboni, which have poor access to basic services. These settlements are dormitory residential areas, with limited supporting land uses.
- Related to the above, the vast area of low population densities within the more rural areas of the municipalities, i.e. western area, combine to make the potential provision and maintenance of infrastructure and other municipal services very costly. Future settlement development should thus be concentrated in a few locations where bulk infrastructure is already available and where services can be maintained in as cost-effective a way as possible.
- The municipality contains a number of nature reserves, conservancies and game farms, which is a comparative advantage over other municipalities.
- The Golden Horseshoe Initiative – a conceptual spatial framework that aims to provide a receptacle for a diverse portfolio of tourism and related activities as a major opportunity in the area. Area extends from the western, northern and eastern borders of the Limpopo Province.
- Future spatial planning in the municipality should protect the natural resources in the area and promote tourism. Recreational development in those areas, which has potential for it (e.g. the areas adjacent to the numerous river catchment's areas, watercourse and nature reserves in the area).
- Overall there appears to be a greater provision of infrastructure and facilities in the eastern area creating a spatial imbalance between the west and eastern areas in terms of settlement and infrastructure development, which may need to be addressed should tourism development around Mapumgupwe/Dongola Complex develops.
- There is poor accessibility to social and economic activities for rural populations.
- Under-utilization of the railway network and inefficient public transport.
- The majority of social facilities are located around Musina town and to the east of Musina. Nineteen education facilities exist in Musina municipality, of which only four are located to the west of Musina. There are three medical facilities within the municipality, two of which are in the town of Musina. One magistrate's court is located in Musina.
- There appears to be a shortage of education and health facilities in terms of the minimum access distance to these facilities, in the western portion of the municipality (western half of Ward 1).
- Other shortages of social facilities include libraries in wards 1 and 2; postal facilities (or at least post box facilities) in the same areas.
- Additional pension pay-points should be sought along the northern edges of the municipality and in the far western areas in order to achieve equal distribution across the municipality.
- The rural settlements tend to be of a clustered nature and sparingly distributed outside of the eastern portion, within the municipality.

Key Implications for Musina Local Municipality

Musina Municipality must be informed by a LED Strategy that will plan for the development and growth of the local economy, taking into consideration the spatial organisation of the Municipality. Efforts must be directed towards ensuring that LED projects identified in the Strategy encompass all areas of the Municipality, aligning with the spatial landscape of the locality.

2.3.6 Tourism Plan for Musina Local Municipality

Musina has developed into one of the most attractive destination in terms of tourism as it has a beautiful nature environment. Musina has a wide range of tourism attraction spots like Vhembe Dongola National Park, Mapungubwe Rout, BeitBridge. Musina has several kinds of game farms, conservancies, national parks, nature reserves, and resorts that have been established and developed, and significant initiatives concerning tourism and conservation in or affecting the area are in progress. Efforts to convert the tourism demand have culminated into Musina Local Municipality in partnership with the Development Bank of Southern Africa in developing its tourism.

The Musina tourism plan strives to identify in substantiation with the White Paper, a range of opportunities for historically disadvantaged groups ranging from small guest houses, shebeens, and restaurants with local cuisine, through community tour guiding, music, dance, and story-telling, arts and crafts, traditional hunting and medicine to laundry, gardening and specialty agriculture.

To ensure the sustainable growth of the tourism sector in the period of 2005-2010; striving to increase international arrival from 10% - 15% each year, exceeding the growth set in the Limpopo Tourism Growth Strategy in the period of 2004 – 2010 that in Musina by the year 2006 international arrivals will reach 6 - 8 thousands, domestic visitors will reach 10 – 20 thousands, 5% percent increase per year on average. By the year 2010, social income from tourism will double the year 2002, dealing with 10 000 directly employment and 20 000 indirectly ones in Musina. Creating some distinctive tourism products of Musina with high competition and attracting tourists, raising expenditure and the length of stay of arrivals on the bases of upgrading and investing in new tourism resorts, and exploiting great potentials of Musina tourism.

The objectives of the plan are to set a powerful and sustainable development step for Musina tourism, affirming the role of a spearhead economic sector of Musina by the year 2010. Striving by the year 2010, Musina will become a developed country in the region with symmetrical physical and technical facilities, unique tourism products with Musina's cultural identity, turning Musina into an attractive destination of the global tourism.

Key Implications for Musina Local Municipality

Tourism has become a major engine of the economy of Musina Municipality. The Musina Municipality LED Strategy therefore needs to be oriented towards introducing novel development programmes and projects that align with the Musina Tourism Strategy. The LED Strategy must also strive to create an impetus into tourism related economic

activities, in order to increase the contribution of the Tourism sector to the economy of Musina Municipality.

2.3.7 Twining Agreement: Musina Local Municipality and Beitbridge Rural District of Matabeleland

A twining agreement exists between Musina Local Municipality of the Limpopo Province in South Africa and Bietbridge Rural District of Matabeleland South Province in Zimbabwe. The Agreement was signed on the 22nd of October 2004 at the Beitbridge Border by both parties and is bound by two major components, based on friendship and cooperation. These include:

- Driven by the desire for the strengthening and multilateral development of economic, trade, scientific, cultural and human relations; and
- Assured in the belief that firm and friendly relations between them will strengthen the good relations between their peoples and countries.

The purpose of the Memorandum of Agreement is to facilitate the strengthening of friendly relations and cooperation, which aim for the better knowledge between the community members of the Council and the Municipality. The agreement further encourage cooperation between representatives of the business community, banks and insurance services, as well as medium and small-sized business of both the Council and the Municipality. The agreement is also based on future programmes and joint activities based on mutual interest.

The Agreement entails the following twinning issues that will spearhead friendship and cooperation between the two parties. This includes the following:

- Tourism and Conservation;
- Environment and Engineering;
- Women and Children;
- Education, Arts, Sports and Culture;
- Health;
- Transport and Disaster Management;
- Safety and Security; and
- Economic and Administration.

The twining agreement continues to consolidate relationship between the two countries, Musina in South Africa and Beitbridge in Zimbabwe. The Agreement is signed under the auspices of the Trans-Limpopo Spatial Development Initiative. The Agreement operates against the background that Zimbabwe is South Africa's biggest trading partner in the region. In the business fraternity, sentiments have emerged that Musina is what it is today because of Zimbabweans, as the records of shops in Musina indicates that the bulk of customers are from Zimbabwe. So with the Agreement in place, cooperation will continue to reflect economic gains and long-term relationship.

Key Implications for Musina Local Municipality

The twining agreement will have strong economic benefits if both partners can plan properly for it. This is particularly true for the business fraternity, especially the Wholesale, Retail and Tourism sectors, as well as other untapped minerals that can benefit the communities of both Musina Municipality and Beitbridge Rural District. The Agreement will assist Musina Municipality to maintain its trading ties with the community of Beitbridge, through which the flow of people from Zimbabwe on a daily basis to purchase goods in Musina town will increase overwhelmingly. The twining agreement should monitor developments related to the Trans-Limpopo Spatial Development Initiative and should take advantage of the projects that have been identified through this initiative. Musina Municipality should also, through the twining agreement, seek to unlock the stringent prerequisites of the South African visa requirements that have been in the pipeline since October 2006. The visa requirements are seen as a stumbling block to many Zimbabweans who want to purchase goods in Musina town and may impact negatively on the daily activities and functioning of many businesses in the town, subsequently thwart trading relations between these two countries. However, such efforts would to a large degree be influenced by the current political situation in Zimbabwe.

2.4 CONCLUSION

Musina Municipality operates within a complex regulatory and policy framework, as is evident from the above. While there is no specific legislation that clearly sets out a local authority's duty to plan for and facilitate local economic development, LED is consistent with and/or is directly underpinned by a number of policy and regulatory mandates, by virtue of its inclusion as one of the thrusts of the new developmental local authorities approach.

Clarity on the goals, objectives and future direction of the different policies and strategies as highlighted in this Section, assist in affecting a more coordinated effort in realising the LED ideals of Musina Municipality. It also ensures that LED initiatives and frameworks are aligned to National, Provincial and Local ideals.

It is within this framework of local objectives, together with the provincial and national policies and legislation, that the LED Strategy for Musina Municipality is formulated and implemented. This not only ensures its alignment with the overall vision for the development of the country, but also allows wider government support and access to grants and funds to be gained.