



Molemole Municipality



**2019-2024**



**MOLEMOLE  
LOCAL ECONOMIC  
DEVELOPMENT STRATEGY**

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## Acronyms

<b>COGTA</b>	Cooperative Governance and Traditional Affairs (Department of)
<b>DPLG</b>	Department of Local Government
<b>IDP</b>	Integrated Development Plan
<b>LDP</b>	Limpopo Development Plan
<b>LED</b>	Local Economic Development
<b>SEZ</b>	Special Economic Zone
<b>UNDP</b>	United Nations Development Programme
<b>PSC</b>	Project Steering Committee



## THE MAYOR'S FOREWORD

We present to you the revised Local Economic Development Strategy for the Molemole Local Municipality. This LED strategy is a culmination of year-long hard work by municipal officials and stakeholders through inputs and comments, including members of the public who participated during the consultative meetings that were held throughout the area of jurisdiction of our municipality. We embarked on this driven by the belief we hold so dearly that "Our people are central to the development of their neighbourhoods". We regard economic development as the future of our municipality and the efforts we invested in the development of this strategy are aimed at making the necessary impact in the lives of our people. The LED strategy forms part of our responsibility as government to create suitable environment for members of the public with business ideas to invest in our areas and provide our local communities with employment opportunities. It is only through strong partnerships with the private sector and the public in general that we can win the fight against unemployment and poverty.

Our municipal area is predominantly rural and it is also dominated by agriculture, our strategy must reflect this if it is to successfully improve the lives of the local communities. The contribution of our municipality to this area is dependent on our ability to strengthen the performance of agriculture, and encourage productivity. Our performance in agriculture support will put us at the forefront of socio-economic development as we will be able to empower local communities and enable them to contribute towards job creation and poverty eradication. I would like to thank all the stakeholders that took part in the difficult and prolonged task of compiling this important document and I also urge them to continue to support the municipality in all its endeavours to grow the local economy and better the lives of the people. I am convinced that working together as councillors, officials, members of the public, civil society organisations and business, we will achieve the goals set in this strategy.

HONOURABLE MAYOR

CLLR. MASILO EDWARD PAYA





## EXECUTIVE SUMMARY BY THE MUNICIPAL MANAGER

Molemole Municipality is part of the global village. As such, its economy and lives of its people are affected directly and indirectly by global, continental, national, provincial and regional economic phenomena at macro and microeconomic levels. The challenge of LED practice is to understand the nature, depth and effects of these phenomena on the political, strategic, institutional, economic and social aspects of the municipality and its people. The analysis of the socio-

economic and physical situation of the municipality area indicates that:

- The economy is dominated by government, finance, retail, accommodation, and general and personal services. These account for much of formal employment in the public service, banks, retail centres, services, consulting and household services. There are no large firms in manufacturing, agriculture, mining, construction or forestry.
- In the absence of productive economic sectors like minerals, agriculture and manufacturing, the economy is consumption driven as individuals and households spend more than 80% of income on consumer and durable goods like furniture, transport, electronics, food, apparel, services and public goods.
- This consumption economy is indicated by the growth of retail and informal business, which have been the only major economic developments in the past decade in the area. Consumption is driven by unsustainable levels of credit card debt, medium term loans and mortgage debt.
- More than half of economically active people are unemployed or underemployed. The rural villages have huge backlogs of basic infrastructure, public services and employment opportunities.
- This economic structure (characterized by consumption rather than production), together with population growth and lack of public/private sector investment, presents a major political challenge to the municipality and its potential partners in the provincial government and the business sector to design innovative LED programmes that will achieve economic growth, social progress and create jobs.

The analysis further reveals that the municipality needs to deal with the following structural challenges in order to grow its economy:

- Chronic poverty, structural unemployment and a relatively small market.
- Poor education and skills development outcomes – which exacerbate poverty and unemployment.
- Environmental degradation and depletion of soil nutrients.
- Lack of industrialisation programmes.
- Spatial distances between the urban/rural divide and within urban areas, and binding constraints posed by poor physical planning and network infrastructure.
- Distance from main markets globally and limited market access.
- Poor implementation and coordination at provincial and municipal levels

## I. Sources of information

**The information used during the review of this strategy was obtained from the following sources:**

- Interaction with LED Department
- Project Steering Committee meetings:
- Interaction with key stakeholders
- Statistics:
- Observation
- IDP and LED Strategy

## II. Strategies

Molemole can tap into the implementation of the Agricultural Policy and Action Plan. The NDP sees the potential to create close to 1million new jobs by 2030, a significant contribution to the overall employment target. To achieve this target the NDP identified the following key activities:

- Molemole can expand irrigated agriculture: Evidence shows that the 1.5 million hectares under irrigation(which produce virtually all South Africa's horticultural harvest and some field crops) can be expanded by at least 145 000 hectares through the better use of existing water resources and developing new water schemes.

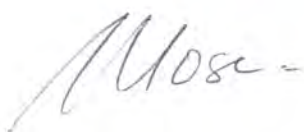
- Molemole can make use of underutilised land in communal areas and land-reform projects for commercial production. Better land use in communal areas could improve the livelihoods of its people, and create jobs in communal areas.

**Growing the local economy and improving the quality of life of the community will be achieved through the following strategies:**

- To promote agriculture and agro-processing
- To promote Tourism and Hospitality
- To promote the Services, Retail and Light Manufacturing Sector
- To undertake Business Retention, Attraction and Expansion
- Institutional Arrangements and Capacity Building of the LED Unit

**A number of projects have been identified in order to realise the LED vision of the municipality and improve the local economy. Care has been taken to ensure that only bankable and implementable projects which are in line with the municipality's vision and are realistic are included in the strategy. The strategy has also taken into consideration the development in the fourth industrial revolution by acknowledging and incorporating information communication technology as one of the area of development that must influence the growth of the local economy.**

**Achieving the above requires strategic leadership by political and administrative office bearers who are willing to take bold and far-reaching steps to deal with obstacles such as structural economic inefficiencies, lack of skilled labour and de-industrialization, among others. Finally the programmes and projects herein must form part of the municipal Integrated Development Plan to ensure that they are taken into cognisance and implemented as part of the annual review of the IDP.**



**MOSENA M.L**  
**MUNICIPAL MANAGER**

## 1. Introduction

Local Economic Development is one of the Key Performance Areas of municipalities. As a municipality, Molemole has a Constitutional responsibility to promote local economic development. Section 153 of the Constitution states:

*A municipality must structure and manage its administration, and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community.*

The South African government has prioritized rural development and urban renewal as key strategies to counter the legacy of uneven development in the country. As a rural municipality, Molemole Local Municipality must take advantage of this declaration by national government and ensure that its people benefit optimally from rural development efforts. The municipality must be driven by the desire to make the municipal area attractive places to live in, invest in and visit. This is to be achieved by making LED the fashionable and important.

Mindful of the fact that local government is not directly responsible for creating jobs, but rather to create an enabling environment for jobs, Molemole Local Municipality's LED strategy will develop a clear vision and strategic agenda for economic development. The overall goal of the strategy is to unlock economic development opportunities in the municipal area through the involvement and collaboration of all stakeholders

An LED plan or strategy must be based on the prevailing conditions of a municipality so that the municipality can implement it and attain its goal of growing the local economy. A thorough analysis of the local environment, both economic and social will be the primary focus of the chapter. The analysis will enable the municipality and other role players to have a clearer picture of the economic possibilities and obstacles in the municipal area and develop strategies to grow the local economy.

## 2. Brief Background of Molemole Local Municipality

Molemole is a category B municipality, which is located in the Capricorn District of the Limpopo Province. Molemole is a predominantly rural municipality, with an estimated population of 125 326 people. The municipality covers an area of 3 636.1 square kilometres, with a population density of 34.5 people per square kilometre.

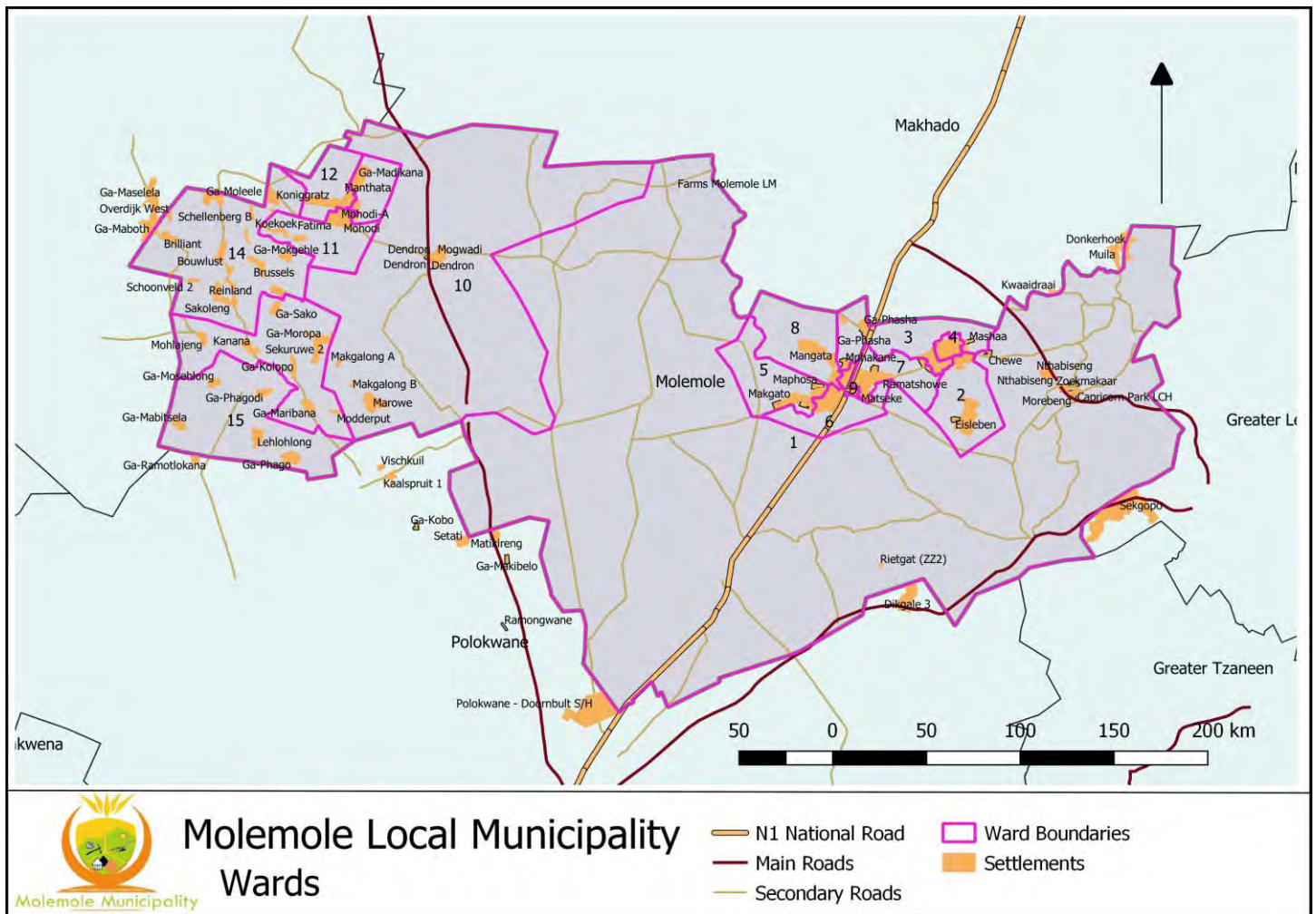


Figure 1: Map of Molemole Local Municipality

As depicted in Figure 1 above, the municipality is demarcated into 16 wards. Due to the rural nature of Molemole, the municipality is made up of a number of villages as depicted in Table 1 below.

**Table 1: Main Settlement in Molemole**

Ward No	Settlements
01	Morebeng, Nthabiseng, Bosbult, boerlands, Capricorn Park.
02	Ga-Sebone,Ga-Mokganya,Riverside,Ga-Masekela,Ga-Kgatla, Ga-Makgato, Ga- Rakubu, Ga-Mmasa, Masedi, Eisleben
03	Ga-Phasha, Moshate, Greenside, Vuka, Motolone, Moneyane,Ga-thoka,Diwaweng,Ga-joel,molotone.
04	Sephala,Madiehe,Maila,Makwetja, Ga-Thoka, Mashaha,Mabula,Ga-Chewe
05	Makgato,Lebowa,Mashabe,Morelele.Maphosa
06	Sekonye,Mmamolamodi,Ga-podu dikgading, Mphakane, Springs,
07	Matseke, Ramatjowe, Sekhokho, Sefene
08	Sekakene, Mangata,Polatla, Sione,Ribane, Dikgolaneng,
09	Matswaing, Sekhokho, Dipateng, Nyakelang, RDP,Sekhwama
10	Mogwadi,Makgalong,Marowe,
11	Sekakene, Mankwe Park,Fatima
12	Newstand B Mohodi,Maponto,
13	Kofifi, Madikana, Newstand
14	Maupye, Koek-Koek Rheinland, Breyland, Bouwlast, Schoonveldt, Brussels, Mokgehle, Westphalia
15	Sako,Kanana,Witlig(mohlajeng)Kolopo,Sekuruwe, Maribana
16	Matlou,Mabitsela,Phago,Phaudi,Flora,Masehlong

The municipality is predominantly rural and as a result agriculture is the dominant economic activity, with a lot of potential for tourism, which has not been optimally explored. The majority of commercial farmers in the area produce potatoes and tomatoes to local and international market and also provide permanent and periodic employment opportunities to local communities. Developing the local economy must therefore focus on growing the agriculture sector by introducing new players in the form of black farmers.

### 3. Introduction to the national local economic development framework

#### 3.1 What is LED

The national local economic development framework defines LED as

“LED is the process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation with the objective of building up the economic capacity of a local area to improve its economic future and the quality of life for all”.

#### 3.2 Purpose of local economic development

The purpose of local economic development (LED) is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and nongovernmental sector partners work collectively to create better conditions for economic growth and employment generation. Key LED goals include:

- Ensuring that the local investment climate is functional for local businesses;
- Supporting small and medium sized enterprises;
- Encouraging the formation of new enterprises;
- Attracting external investment (nationally and internationally);
- Investing in physical (hard) infrastructure;
- Investing in soft infrastructure (educational and workforce development, institutional support systems and regulatory issues);
- Supporting the growth of particular clusters of businesses;
- Targeting particular parts of the city for regeneration or growth (areas based initiatives);
- Supporting informal and newly emerging businesses;
- Targeting certain disadvantaged groups. *DPLG: Toolkit on Local Economic Development, 2005*

### 3.3 Key principles of LED

According to the UNDP: Local Economic Development through Strategic Planning, (2012), LED is primarily driven by the following principles:

- LED is never the business of some unit of the municipality alone. It's a collaborative effort between government, business, civil society, labour, academia, parastatals and the voluntary sector as well as individuals. Collaboration spans planning, funding, implementing, monitoring, reporting and review of programmes.
- LED strategies must prioritize job creation and poverty alleviation. Poverty and unemployment are the main challenges facing South Africa.
- LED must target previously disadvantaged people, marginalized communities and geographical regions, black empowerment enterprises and SMMEs to allow them to participate fully in the economic life of the country.
- There is no single approach to LED. Each locality may develop an approach that is best suited to its local context
- LED promotes local ownership, community involvement, local leadership and joint decision making.
- LED involves local, national and international partnerships between communities, businesses and government to solve problems, create joint business ventures and build up local areas.
- LED uses local resources and skills and maximizes opportunities for development.
- LED involves the integration of diverse economic initiatives in a comprehensive approach to local development.
- LED relies on flexible approaches to respond to changing circumstances at local, national and international levels.



### 3.4 Core Pillars

The draft revised National LED Framework is proposing six core pillars which should form the basis of all economic planning in the public sector. The six core pillars and supporting activities of the National LED Framework are depicted in Table 2 below.

Table 2: Core Pillars

National LED Framework Core Pillars										
<p><b>Building a Diverse &amp; Innovation-driven Local Economies</b></p> <ul style="list-style-type: none"> <li>Local sector development</li> <li>• Link to Regional Economic Development</li> <li>Regional industrial development</li> <li>Informal economy support</li> <li>Advancing primary, secondary and tertiary sectors</li> <li>Exploiting STI to advance sustainability, competitiveness and productivity</li> </ul>	<p><b>Developing Inclusive Economies</b></p>	<ul style="list-style-type: none"> <li>Informal economy support</li> <li>Inner city economic revitalisation</li> <li>Township economic development</li> <li>Inclusive and integrated rural economies</li> <li>Expanded public community works programmes</li> </ul>	<p><b>Developing Learning &amp; Skilful Economies</b></p>	<ul style="list-style-type: none"> <li>Improving economic and management capacity</li> <li>Leadership and management skills</li> <li>Addressing skills gaps</li> <li>Enhancing innovation, skills and productive capacities</li> <li>Workplace skills</li> <li>21 Century skills</li> <li>Innovation capacities</li> </ul>	<p><b>Enterprise Development and Support</b></p>	<ul style="list-style-type: none"> <li>Support of businesses owned by women, youth and people with disabilities</li> <li>SMME support</li> <li>Techno-entrepreneurship</li> <li>Co-operative support</li> </ul>	<p><b>Economic Governance</b></p>	<ul style="list-style-type: none"> <li>Improving economic and management capacity</li> <li>Administrative economic development capacity</li> <li>Access to Development Funding/Finance</li> <li>Developing Local Economy</li> <li>Informal economy support</li> <li>Inclusive rural economy</li> <li>Inner city economic development</li> </ul>	<p><b>Strengthen Local Innovation Systems</b></p>	<ul style="list-style-type: none"> <li>Strengthen relationships between municipalities and universities and science councils</li> <li>Strengthen capacities of municipalities to support science and technology entrepreneurship</li> <li>Provide support for science and technology infrastructure</li> <li>Strengthen capacities of municipalities to undertake mapping of knowledge holders, and science, technology and innovation activities especially those that originate from local system of innovation and solve local problems</li> </ul>

## 4. Legislative and Policy Mandate

Economic development is driven by laws and policies from international organisations such as the United Nations and laws and regulations governing economies of individual countries and municipalities. Some of the international and national policies and laws that have an impact on economic development will be briefly discussed below.

### 4.1 Sustainable Development Goals

Sustainable Development Goals are a set of 17 goals agreed to by countries of the world after two years of intensive negotiations to guide and set development targets for 2030. The goals are backed by 169 detailed targets which have a universal application, i.e. they apply to all countries of the world adopted a set of goals to stimulate action for people, planet, prosperity, peace and partnership as part of a new international sustainable development plan.

Meeting the needs of the present generations, without compromising (& perhaps even creating a better platform) the ability of future generations to meet their needs;

Balancing the needs for economic growth, social development and environmental integrity.



Figure 2: Sustainable Development Goals

As a member of the United Nations, South Africa is committed to the attainment of the SDGs and the National Development Plan is aligned to these goals. The responsibility of working towards the SDGs does not only lie on the part of national government, provinces, municipalities and individuals are challenged to contribute towards the 169 targets.

#### 4.2 Constitution of South Africa, (Act 108 of 1996)

The constitution is the overarching legislation in South Africa and all other policies, legislation and strategies have to align to it. It mandates all levels and spheres of government, to promote social and economic development.

**Section 152** of the Constitution relates to economic development by stating the following objectives of local government:

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

The objects of local government, enjoins municipalities such as Molemole to take responsibility for and lead efforts to develop the local economies. The constitution also put emphasis on the centrality public participation in matters of developmental government.

**Section 217** of the constitution also enjoins all organs of state to conduct procurement of goods and services in a fair ***fair, equitable, transparent, competitive and cost-effective*** manner. *Procurement is central to economic development and as part of government Molemole Local municipality is required to comply with this requirement in its dealings with SMMEs.*

### 4.3 National Development Plan

The National Development Plan 2030 recognises that inclusive economic growth in South Africa is critical for addressing inequality. Development at local government should also be based on the NDP as all government planning targets and indicators are contained in the NDP.

#### 4.3.1 The six Pillars of the National Development Plan

The objectives of the plan are the elimination of poverty and the reduction of inequality through

- Uniting South Africans around a common programme to eliminate poverty and reduce inequality
- Encourage an active citizenry, also in keeping government accountable
- Raising economic growth, promoting exports and making the economy more labour absorbing
- Focusing on key capabilities of both people and the country (Capabilities include skills, infrastructure, social security, strong institutions and partnerships both within the country and with key international partners
- Building a capable and developmental state
- Strong leadership throughout society that work together to solve our problems

### 4.3.2 Core themes of the NDP

Through the NDP, South Africa has set-a number of targets and indicators, which are aimed at achieving a decent standard of living for all by 2030. The plan aims to develop the lives of all South Africans by focusing on the themes displayed below.

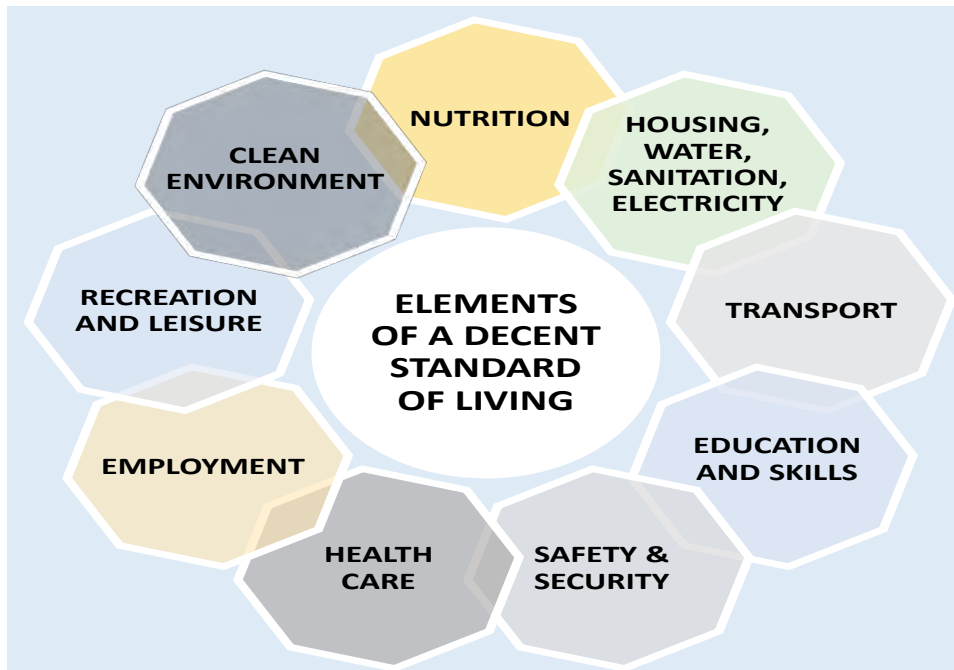


Figure 3: National Development Plan Themes

Figure 3 above depicts the elements of a decent standard of live, which the NDP has identified as key to the improvement in the socio-economic wellbeing of all South Africans. Molemole Local Municipality, must also ensure that its LED efforts addresses some of these standards.

### 4.4 NDP Chapters and LED

Although all chapters in the NDP are relevant to the growth of the economy of the country, province and local municipality, this section will focus on the three chapters of the NDP, which are concerned with Economic and Employment, Economic Infrastructure and Inclusive Rural Economy.

#### 4.4.1 Economy and Employment

According to the NDP, (pg., 110), “the key measures of economic success identified in the plan are that South Africa achieves average Gross Domestic Product (GDP) growth of over 5 percent, and that by 2030 GDP per capita is more than twice the present level, export growth has accelerated, income levels have risen above the poverty line for all, inequality has been substantially reduced, and unemployment has been reduced from 25 percent to 6 percent. These targets will result in the positive growth of the economy and the reduction in the rate of unemployment in the country. A growth in the economy will also lead to the elimination of poverty and inequality among the section of the citizens who are categorised as poor. Actions that will lead to the growth of the economy and reduction of unemployment include:

- Reduce the cost of living for poor households and costs of doing business through microeconomic reforms.
- Remove the most pressing constraints on growth, investment and job creation, including energy generation and distribution, urban planning etc.
- Offer a tax incentive to employers to reduce the initial cost of hiring young labour market entrants. Facilitate agreement between employers and unions on entry-level wages.
- Give a subsidy to the placement sector to identify, prepare and place matric graduates into jobs.
- Business and labour to develop their own proposals to reduce youth unemployment.

#### 4.4.2 Economic Infrastructure

The NDP has identified economic Infrastructure as the basic requirement for the growth of the economy. Although infrastructure does not directly produce goods and services it plays an important role in development by facilitating production in primary, secondary and tertiary economic activities by creating positive external economies. A number of actions have been proposed to grow the country’s economy through the improvement of the economic infrastructure, these include:

- Increasing access to water
- Resolving maintenance refurbishment backlogs in the water and electricity infrastructure
- Expanding transport networks and systems
- increased access to communications technologies, in particular broadband,

#### 4.4.3 Inclusive Rural Economy

The improvement of the economy of rural areas is one of the goals of the NDP. The main objective with regard to the creation of an inclusive rural economy is create a balance in the development of both the rural and urban areas by maintaining their interdependence and support of each other. According to the NDP, the following actions should enable the government to create an inclusive rural economy

- Rural economies will be activated through improved infrastructure and service delivery, a review of land tenure, service to small and micro farmers, a review of mining industry commitments to social investment, and tourism investments
- Create tenure security for communal farmers, especially women, investigate different forms of financing and vesting of private property rights to land reform beneficiaries that does not hamper beneficiaries with a high debt burden.

#### Key Economic Development issues for Local Government

- Develop flexible human settlements, responsive to changing locations of work (such as available rental stock, and good and affordable public transport systems).
- Reduce the cost of living in relation to food, transport, education, health and other basic services
- Government procurement should help reduce racial patterns of ownership of wealth and income



- Lowering the costs of transport and logistics and investing in remedies to address spatial divides
- Reduce red tape
- Focus on infrastructure that promotes efficiency in the economy and reduces costs for business and for individuals.

## 4.5 Limpopo Development Plan

### 4.5.1 Introduction

The Limpopo Provincial government developed a five year developmental plan for the period 2015-2019. The Limpopo Development Plan (LDP) serves as the medium term strategic plan of the current provincial administration. Although the plan is being reviewed at the moment, it is still relevant to the economic development of the province and as such all planning in the province must be based on it. The plan is aligned to the NDP and its main goals include the reduction of poverty, unemployment and inequality through sustainable development and transformation as a means of growing the provincial economy. The vision of the LDP is to **fulfil the potential for prosperity in a socially cohesive, sustainable and peaceful manner**. The vision will be achieved through **participatory leadership aimed at promoting excellence and an entrepreneurial spirit, improved service delivery, facilitation of decent job-creation and systematic poverty reduction**

The LDP emphasizes enhancing economic thrusts of the province, which include g mining, manufacturing, agriculture and tourism. The objectives of the LDP are to:

- Create decent employment through inclusive economic growth and sustainable livelihoods
- Improve the quality of life of citizens Prioritize social protection and social investment
- Promote vibrant and equitable sustainable urban and rural communities
- Raise the effectiveness and efficiency of developmental public service

- Ensure sustainable development

Through its alignment with the NDP and the national government’s medium term strategic framework, the LDP has also adopted the outcome based approach planning, which emphasises the impact that is derived from government’s development effort. The 14 outcomes that make up the LDP are displayed in the table below:

**Table 3: 14 Outcomes, (adapted from the LDP)**

<b>Outcome</b>	<b>Brief Description</b>
Outcome 1	<p><b>Quality Basic Education By 2030</b></p> <p>Limpopo must have a basic education system with high-quality, universal early childhood education and quality school education, with globally competitive literacy and numeracy standards. Education is seen as an important instrument in equalising an individual’s life chances, preparing future generations to be economically mobile and successful and critical to poverty reduction. Six sub-outcomes are described to improve education performance.</p>
Outcome 2	<p><b>Long and Healthy Life 2015-2020</b></p> <p>Nine long-term health goals for national and provincial government range from primary health care to reduced mortality rates, filling of critical posts and health information systems. The Strategic and Annual Performance Plans of the Limpopo Department of Health will indicate how these goals will be pursued over the MTSF period, with assistance from other agencies, where needed.</p>
Outcome 3:	<p>All People are Safe People living in Limpopo will feel safe at home, at school and at work, and enjoy a community life free of fear. There will be zero tolerance for corruption, citizens do not offer bribes and are confident that officials will be held accountable. Leaders have integrity and high ethical standards.</p>
Outcome 4	<p><b>Decent Employment through Inclusive Growth</b></p> <p>A long-term vision is provided towards dealing with the challenges of unemployment, inequality and creating a more inclusive society. Central to meeting the vision enshrined in the NDP is the implementation of the New Growth Path (NGP) the Industrial Policy Action Plan (IPAP) and the National Infrastructure Plan. They provide a more detailed programme of action within the context of the NDP for the next five years. The strategy is based on the cluster value-chain potential that has been identified and investigated in recent years. Growth points will be promoted in the process</p>
Outcome 5	<p><b>Skilled and Capable Workforce By 2030</b></p> <p>Limpopo should have access to education and training of the highest quality, leading to improved learning outcomes. The education, training and innovation system should cater for different needs and produce highly skilled individuals. The graduates of Limpopo’s universities and colleges should have the</p>

	skills and knowledge to meet the present and future needs of the economy and society. Research and development should be significantly expanded. Responsibility to achieve the 9 sub-outcomes in Limpopo rests with the Planning Branch in the Office of the Premier
Outcome 6	<p><b>Competitive Economic Infrastructure</b></p> <p>Limpopo needs to invest in a network of economic infrastructure designed to support medium- and long-term economic and social objectives. This is a precondition for providing basic services such as electricity, water, sanitation, telecommunications and public transport, and it needs to be robust and extensive enough to meet industrial, commercial and household needs.</p>
Outcome 7	<p><b>Comprehensive Rural Development</b></p> <p>The 2030 vision is rural areas which are spatially, socially and economically integrated and where residents have economic growth, food security and jobs, as a result of agrarian transformation and infrastructure development programmes, and have improved access to basic services, health care and quality education. By 2030, agriculture will contribute strategically to the GGP of Limpopo.</p>
Outcome 8	<p><b>Human Settlement Development</b></p> <p>There is a need to transform the functioning of human settlements, so as to observe meaningful and measurable progress in creating more functionally integrated, balanced and vibrant urban settlements by 2030. This requires institutional capabilities for effective coordination and spatial investment decisions, to effect spatial transformation across all geographic scales supported by policies, plans and instruments to reduce travel distances and costs, especially for poor households. 11   Page Limpopo Development Plan (LDP)</p>
Outcome 9	<p><b>Developmental Local Government 2015-2020</b></p> <p>By 2030 Limpopo will have a developmental local state that is accountable, focused on citizens' priorities and capable of delivering high-quality services consistently and sustainably through cooperative governance. In this scenario, local government is at the forefront of participatory democracy, involving citizens in meaningful deliberations regarding governance and development. It is responsive to citizens' priorities and enjoys high levels of trust and credibility amongst the public.</p>
Outcome 10	<p><b>Environmental Protection By 2030</b></p> <p>Limpopo's transition to an environmentally sustainable, climate-change resilient, low carbon economy and just society will be well underway. The first phase focuses on a framework for implementing the transition to an environmentally sustainable, low-carbon economy. This phase will include unblocking regulatory constraints, data collection and establishment of baseline information, and indicators testing some of the concepts and ideas to determine if these can be scaled up.</p>
Outcome 11	<p><b>Regional Integration</b></p> <p>The National Development Plan sets out a Vision for a future South Africa and Limpopo that are prosperous and stable, with high labour absorption rates in a country that is strategically integrated into</p>

	the region, the continent and the global political economy.
Outcome 12	<p><b>Developmental Public Service</b></p> <p>An efficient, effective and development oriented public service is essential for a capable and developmental state. This LDP highlights the need for well-run and effectively coordinated provincial institutions with skilled public servants who are committed to the public good and capable of delivering high-quality services, while prioritizing the provincial developmental objectives.</p>
Outcome 13	<p><b>Inclusive Social Protection System</b></p> <p>By 2030 everyone must enjoy an adequate standard of living. There must be basic social protection guarantees, aimed at preventing or alleviating poverty and protecting against vulnerability. These guarantees should be easily accessible and available to those who need them the most.</p>
Outcome 14	<p><b>Social Cohesion</b></p> <p>In 2030, residents of Limpopo will be more conscious of the things they have in common than their differences. Their lived experiences will progressively undermine and cut across the divisions of race, gender and ethnic cleavages</p>

The LDP had set itself a number of targets, which should be attained by the end of the current medium term strategic plan, i.e. by 2019. The following are some of the main development targets for the province:

- I. Limpopo's Growth Trajectory Scenario (Current MTSF) at 3%;
- II. Increase Matric pass rate from 72.9% in 2014 to beyond 80%;
- III. Create 429 000 jobs;
- IV. Reduction of official unemployment rate from 16.9% in 2014 to 14%. (Expanded unemployment rate from 38.4% in 2014 to less than 33%);
- V. Improve access to basic services (water) from 83% in 2014 to 90%;
- VI. Improve access to electricity supply from 83% in 2014 to 90%;
- VII. Improve access to sanitation from 43% in 2014 to 50%;
- VIII. Reduce HIV Incidence from approx. 9% of the total population of Limpopo in 2014 to 5%;
- IX. Increase Life expectancy M = 58.3, F = 62.5 in 2014 to M = 60, F = 65;
- X. Reduce inequality (Gini-Coefficient) from 0.61 to 0.50; and
- XI. Increase GGP contribution to the national economy from the current 7.1%.

#### 4.5.2 Integrated Planning Framework

As a central plan for the province, the attainment of the LDP adopted an integrated planning framework, whose goal was to integrate planning and reporting between different role players and spheres of government. The diagrammatic representation of the integrated planning framework is displayed in Figure 4 below.

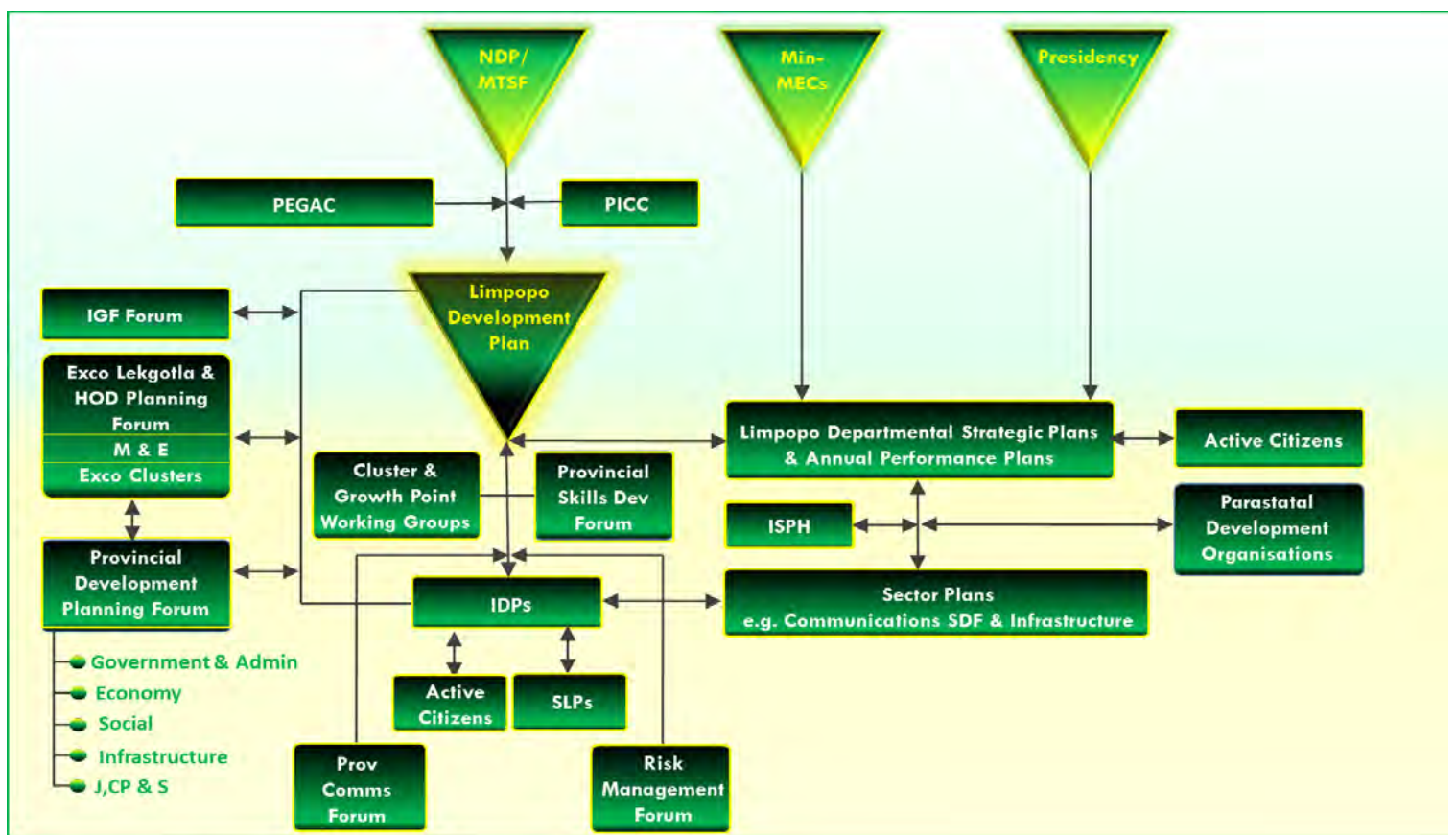


Figure 4: Limpopo Integrated Planning Framework (Adapted from LDP, 2015-2019)

The Integrated planning framework is intended to enforce cooperation between different spheres of government with regard to planning and reporting. One key feature of the plan is that it recognises the importance of municipal Integrated Development Plans and Local Economic Development Plans as key instrument for development in the province. Through this approach, sector departments are required to participate in the development of

municipal plan and support programmes and projects identified in both the IDPs and LED strategies of municipalities.

#### 4.5.3 LDP and the Provincial Economy

The main approach of the LDP in growing the local economy and creating jobs include focus in:

- Cluster value-chain development strategies, including the Special Economic Zones;
- The Green Economy Strategy;
- Information and Communication Technology Development;
- SMME and Co-operative Development, including the informal sector; and
- Biodiversity Development.

Economic planning in Molemole will respond to the above focus areas, with a special focus on SMME development and the creation of an inclusive economy.

#### 4.6 Molemole Integrated Development plan 2018/2019

The integrated development plan (IDP), is a five-year strategic plan compiled by a municipality to determine and address the development needs of its community. In line with the Municipal Systems Act and other related laws, Molemole Local Municipality adopted the reviewed IDP for the 2018/2019 financial year in May 2018.

The IDP identified local economic development as one of the municipal priorities which require more focus from the municipality, government agencies and the private sector. Other municipal priority issues include:

- Access roads
- Storm water drainage
- Electricity
- Environmental management
- Social amenities
- Law enforcement
- Spatial planning

- Financial management
- Skills development
- Capacity building

The priorities identified during the IDP compilation process have a direct impact on the quality of life of the community of Molemole and the growth potential of the economy. A focus in each of the above priority issues will yield positive results for the people of Molemole and the LED strategy is best placed to assist the municipality in this regard.

The IDP has also identified agriculture in the form of vegetable and livestock farming, as the sector with the highest potential in the municipal area. In terms of vegetable farming, potatoes, tomatoes, cabbage, spinach, onion are some of common vegetables which produced by both commercial and small scale farmers.

#### *4.7 Other policy and legislative imperatives*

Other pieces of Legislation and policies that have a bearing on local economic development and will therefore be taken into consideration during the planning and implementation of this strategy include, but is not limited to:

- White Paper on Local Government, 1998
- Municipal Systems Act, 32 of 2000
- The Medium Term Strategic Framework 2015-2019
- State of the Nation Address, 2018

## 4.8 ECONOMIC ANALYSIS

### 4.8.1 Introduction: South African Economic Overview

The state of the South African economy is by all accounts unsatisfactory. The economy is performing below par despite a favourable external environment. South Africa has one of the highest unemployment rates in the world at 26, 7 per cent%. In recent years the South African economy was not only affected by a low economic growth rate, but the mining industry has been culling jobs as commodity prices have fallen in the international markets, throwing many communities and towns into economic distress. Job losses in mining are having a ripple effect felt in other industries, including finance, manufacturing, agriculture and government services.

### 4.8.2 South African Economic Outlook

Following a year marked by recession and policy uncertainty, South Africa's economic growth outlook has improved in recent months. GDP growth was 1, 3 percent in 2017. It is forecast to grow 1, 7 percent in 2018 and to reach 2.1 per cent by 2020. The optimistic outlook flows from strong growth in agriculture, higher commodity prices and a modest recovery in investor confidence. Global risk factors remain high, but the world economy continues to provide opportunities for South Africa to expand foreign trade and inward investment. World economic growth is at its highest level since 2014 and continues to gather pace. GDP growth is rising across all major economies. The International Monetary Fund (IMF) forecasts global growth of 3.9 per cent in 2018. *National Treasury: SA Economic Outlook 2018-2020*

### 4.8.3 Limpopo Province Economic Overview

Limpopo province has sustained positive economic growth over a number of years, only once recording negative growth in 2009 due largely to the global financial crisis. It has since recovered and has been on a positive growth path in the past years, recording a 2.0 percent GDP growth rate in 2015. The 2.0 percent GDP growth rate is however below the Limpopo Development Plan's targeted GDP growth of 3 percent, which was deemed the minimum rate required to stimulate job creation and reduce overall poverty in the province



#### *4.8.4 Limpopo Sector Growth and Contribution*

The severe drought of the past few years affected agricultural output in a significant way. In terms of contribution to the provincial GDP growth in 2015, Agriculture has experienced a negative contribution of -0.2 percent; especially due to lower output in horticultural crops and animal products. Conversely, the mining sector held the provincial economy from possible disaster by contributing 1.6 percent to the GDP growth, and this was largely due to recovering commodity prices.

The provincial economy is mainly driven by four sectors, which are the Mining, Finance, Community services and Trade. These sectors contributed 1.6, 0.2, 0.1 and 0.1 percent respectively to GDP growth in 2015. Mining sector's contribution to the local economy has been significant in the past years and the sector has been playing a major role in job creation for the citizens of the province.

#### *4.8.5 Capricorn District Municipality*

Capricorn District Municipality is situated in the centre of the Limpopo Province, and as a result it is the only district that shares boundaries with all the other four districts of Limpopo Province and the . The district municipality shares a border with Mopani District to the east, Sekhukhune District to the south, Vhembe District to the north and Waterberg District to the west.

The capital city of Limpopo Province, Polokwane, is one of the four constituent local municipalities in the Capricorn district, with others being Molemole, Blouberg and Lepelle Nkumpi. The population of the Capricorn district is estimated at 1 353 381 and it amounts to 23% of the population of the district.

According to HIS Markit, 2017, community services is the most dominant sector which employs about 30 per cent of the labour force, followed by trade at 18 per cent and finance at 13 per cent. The agricultural sector employs only 8% of the workforce, which is insignificant considering that the area is mostly rural.

## 5. DEMOGRAPHIC PROFILE

### 5.1 Introduction

The South African population has been on an upward trajectory over time, growing on average at 1.5 percent per annum, slightly above the world population growth rate. The national population numbers grew from 47 million in 2004 to 55.91 million in 2016 and is projected to grow to 59.12 million in 2020. The growth is spurred by a number of factors among others being the increasing child birth rates and inward migration. (StatsSA, 2017)

### 5.2 Total Population

The population of Molemole is currently estimated at 127,741 and is the lowest population size among the municipalities falling under Capricorn District Municipality. As depicted in Table 4 below, the municipality account for 9.4% of the total population of the district and 2.1% of the population of the Limpopo Province.

Table 4: Total Population (Source: IHS Markit, 2017)

Area	2011	2017
Molemole	126,116	127,741
Blouberg	175,567	173,853
Polokwane	736,271	812,102
Lepele-Nkumpi	231,538	239,686
Capricorn	1 269,923	1 353,381
National	51, 537,310	56 548,694

Table 4 also indicate that there has been a slight growth of 0.5% in the population of Molemole Local municipality since 2011. Although the 2018/2019 IDP indicate that the municipality is experiencing population emigration, the slight growth in the population can be attributed to the inclusion of two wards from the disestablished Aganang Local Municipality. .

### 5.3 Gender Structure

Figure 5, below indicate that females are the majority in the municipality as they account for 54 per cent of the population, while males only make 46 per cent.

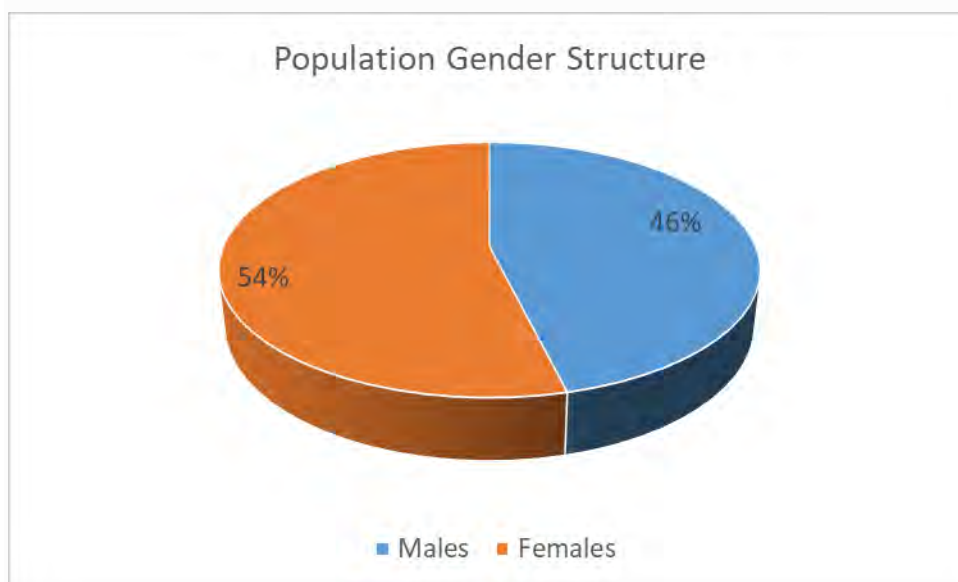


Figure 5: Population Gender distribution (Source, IHS Markit, 2017)

### 5.4 Population Age Structure

The provincial population age structure has transformed from a honey comb in 2006 to a bell shape in 2016. This implies that the composition of the population is growing especially among infants and teenagers. This raises very important policy questions in terms of government services in general. More investments will be required to ensure the achievement of the SDGs on access to universal education. A further risk is the possibility that the high unemployment rate and child dependency will eventually become the state's responsibility as some of the children will need to be accommodated in the social security net for child support grants and other social security services, putting more pressure on the already limited resources. The growth in the infant population and that of the elderly population increases the level of total dependency ratio in the country, thereby reducing

the demographic dividend that could have otherwise spurred economic growth and development. (*National Treasury, Socio-Economic Outlook for Limpopo Province, 2017*)

### 5.5 Age profile of Molemole

Following the general Limpopo provincial pattern of the age structure, young people between the ages of 0-24 constitute more than a third of the population of Molemole. 75% of the population is younger than 35 years.

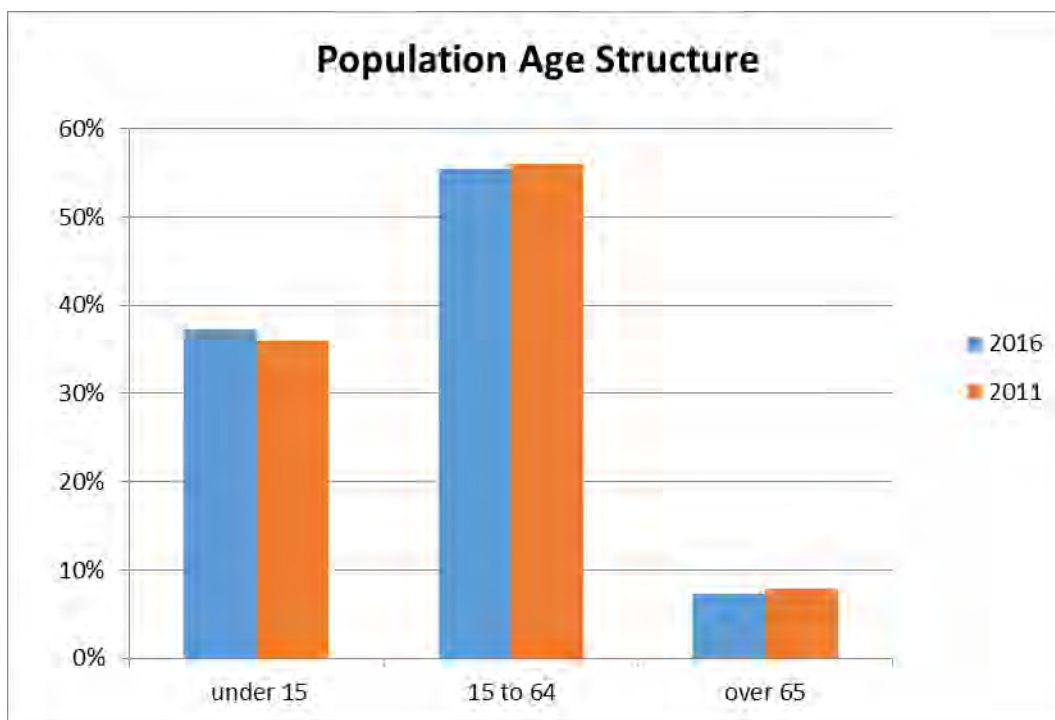


Figure 6: Population Age Structure (Source: The Local Government Handbook, 2017)

This youthful population presents a particular challenge for municipal planning. The municipality must accelerate the provision of basic social infrastructure such as schools, health care facilities and housing as well as provide an ever-expanding economic infrastructure and job creation. Otherwise, the rising unemployment rate and growing share of young dependants on welfare services such as child grants is becoming unsustainable.

Source: StatsSA

**Table 5: Population Age Structure (StatsSA)**

Age	Males	Females
0 – 14	18%	17,6%
15 – 19	6,5%	6,1%
20 – 24	4,7%	4,5%
25 – 29	3,1%	3,9%
30 – 34	2,3%	2,9%
35 – 39	2%	2,9%
40 – 44	1,8%	2,6%
45 – 49	1,6%	1,6%
50 – 54	1,3%	2,6%
55 – 59	1,2%	1,8%
60 – 64	1,1%	1,7%
65 +	2,7%	2,9%
TOTAL	46%	54%

The above table shows that the female population is higher than the average (51%). This results from the high migration of males to urban areas, a growth in the trend of single motherhood and the feminization of poverty.

### *5.6 Racial composition*

Africans constitute almost the only racial group in Molemole. This is mostly due to the tribal nature of the area as well as negligible economic and employment prospects.

**Table 6: Racial Composition of the population (Source: IHS Markit, 2017)**

Group	Percentage
Black African	99,1%
Coloured	0,1%

Asian	0,1%
White	0,7%

## 6. LABOUR MARKET ANALYSIS

### 6.1 Introduction

The labour market, also known as the job market, refers to the supply and demand for labour in which employees provide the supply and employers the demand. It is a major component of any economy and is intricately tied in with markets for capital, goods and services. When you talk about the labour market, you are referring to all the people who are able to work and want jobs in a country or area, in relation to the number of jobs there are available in that country or area.

“Most provinces have witnessed an increase in the unemployment rate year on year, however, Free State, North West and Mpumalanga recorded unemployment rates of above the 30 percent mark. Eastern Cape and Northern Cape had a decline in the rate of unemployed people year on year from 29.2 percent to 28.2 percent and 34.8 percent to 34.2 percent respectively. For the past few years, Limpopo and Western Cape have recorded the country’s lowest unemployment rate. Although they are still doing well in this regard, their average rate of unemployment is rising gradually. Western Cape’s unemployment rate increased from 20.6 percent to 21.7 percent year on year and Limpopo’s grew from the low of 18.8 percent to 21.9 percent year on year.

### 6.2 Unemployment rate

While the official unemployment rate in South Africa is estimated at 27%, Limpopo province has the second lowest rate after the Western Cape Province at 19 per cent as depicted in [Figure 7](#) below. The provincial unemployment rate increases to 35% when people who are unemployed, but are not actively looking for employment are included in what is called

expanded unemployment rate. On the local level, the unemployment rate of Molemole Local Municipality was standing at 21 per cent in 2017 as reflected below. The municipality's rate of unemployment is second to that of Polokwane at 14 per cent.

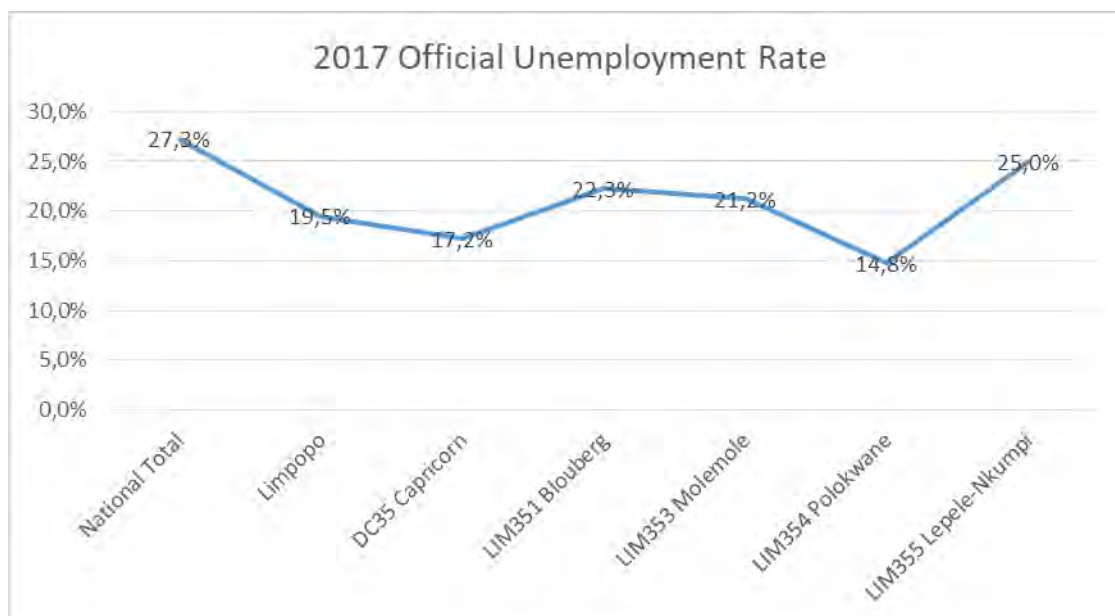


Figure 7: Official Unemployment Rate (Source; IHS Markit. 2017)

### 6.3 Employment by sector

The two sectors that contribute significantly to total employment in Molemole Local municipality are community services, agriculture as depicted in Figure 8 below. Community services, which include employment in the government sector contributes to 26% of the job market.

A large part of Molemole's economy depends on agricultural, which is responsible for 22% of the employment in the municipal area. Farmers in the municipal area produce some of the finest potatoes and tomatoes for the export markets. Although the recent drought had a negative impact in the agricultural sector, more investment in this sector will go a long way in improving the local economy. Game farming is also gaining momentum as one of the major agricultural activities in the municipal area.

Manufacturing is standing at a worrying figure of 4%. There is a need to invest more on manufacturing, especially on the food processing industries because of the large amount of potatoes that are produced in the municipal area.

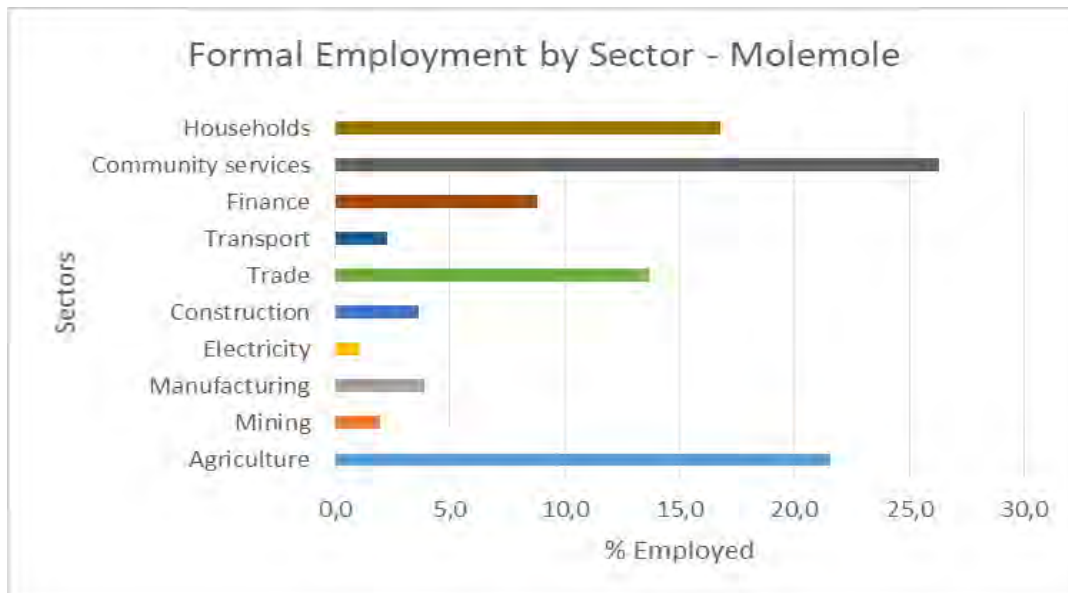


Figure 8: Formal Employment by Sector (Source: IHS Markit, 2017)

Another economic sector which has potential in the municipal area is tourism. The location of the municipality along the Tropic of Capricorn is not optimally utilised for tourism purpose. Other areas that have potential to contribute to the local economy through better planning include the Matoks Bridge.

Mining contributes just under 5% to the labour force. This is because of the small deposits of minerals found across the municipal area. Due to the small size of the minerals deposits, Molemole is characterised by small scale mining of minerals such as granite. Other minerals deposits available in the municipal area include:

- Iron ore
- Dimension stone (granite) and crusher stone
- Sand
- Brick clay/shale



The economic development of Molemole Local Municipality is depended on a vibrant local economy, which requires investment in the dominant sectors of agriculture and tourism. The green economy must also be explored as a potential contributor to the growth of the local economy.

## 7. EDUCATIONAL PROFILE

### 7.1 Introduction

The 2030 Agenda for Sustainable Development highlights education as a stand-alone goal (*SDG 4- ensure inclusive and quality education for all and promote lifelong learning*) and also includes targets on education under several other SDGs, notably those on health; growth and employment; sustainable consumption and production; and climate change. In fact, education can accelerate progress towards the achievement of all of the SDGs and therefore should be part of the strategies to achieve each of them. Education can improve the capacity of individuals to live a decent life and to escape from the hunger trap. The basic idea is that being educated improves rural people’s capacity to diversify assets and activities, to access information on health and sanitation, to enhance human urgency in addition to increasing productivity in the agricultural sector.

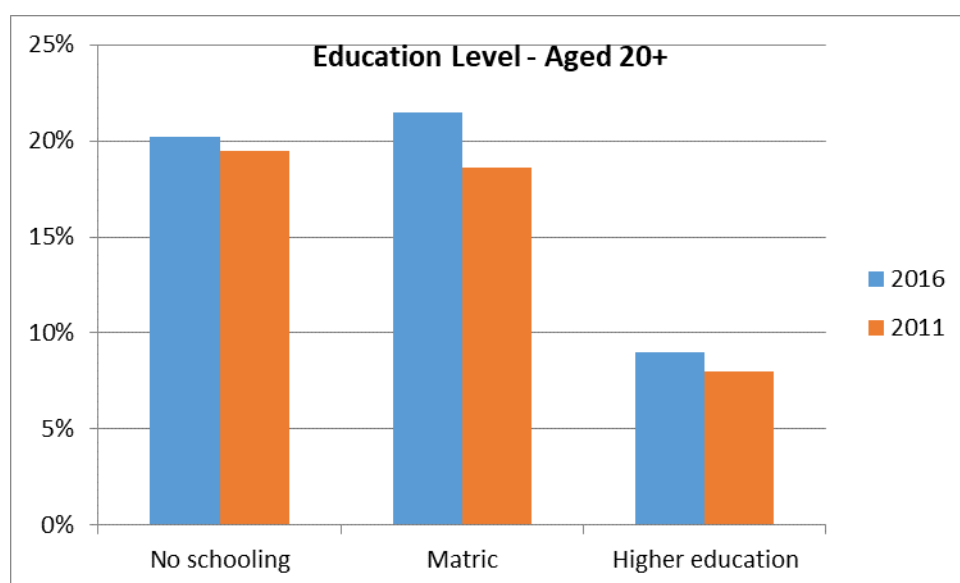


Figure 9: Levels of Education (Source: Local government Handbook)

There is a growing number of people with primary school and high school education in the municipal area. Most noticeably, is the growing number of people in possession of matric and diploma qualifications. These individuals are ready to join the labour market or pursue their studies further. The policy question is, whether the provincial and national labour market and higher learning institutions are ready to absorb them.

## 7.2 Levels of Education

Table 7, below indicate the highest level of education attained by people who are 20 years and older, as can be seen, about 11 771 people have no schooling at all. Lack of education makes the prospect of finding a job very difficult, so this number of uneducated people creates a serious burden in the local economy.

**Table 7: Levels of Education in Molemole (Source, IHS Markit, 2017)**

Level of Education	Number of people aged 20+
No schooling	11 771
Grade 0-2	1 057
Grade 3-6	5 851
Grade 7-9	12 080
Grade 10-11	16 120
Certificate / diploma without matric	663
Matric only	12 263
Matric & certificate / diploma	4 275
Matric & Bachelor's degree	1 633
Matric & Postgrad degree	846

## 8. BASIC INFRASTRUCTURE AND SERVICES

### 8.1 Introduction

Another Key Performance Area for municipalities is Basic Services and Infrastructure. Since the bulk of consumers are indigent, legislation requires municipalities to prioritize the poor and provide basic level of infrastructure and services such as water, electricity, refuse removal and sanitation free of charge.

South Africa has a relatively good core network of national economic infrastructure. The challenge is to maintain and expand its electricity, water, transport and communications infrastructure in order to support economic growth and social development goals. There is some concern that the state does not have the institutional or financial capability to implement the investment plans needed to finance infrastructure to the required scale. Current investment levels are insufficient and maintenance programmes are lagging behind. Given the government's limited finances, private funding will need to be sourced for some of these investments. *EconRSA.org*

Many South Africans in poor rural and Peri-urban communities struggle to access basic social and economic infrastructure. These are some of the bigger underlying causes:

- Many households are too poor to pay for the cost of services
- Some municipalities are poorly managed or have limited human and financial resources to deliver services
- There is inadequate bulk infrastructure to supply all households with electricity and water in some communities
- Unrestrained use of resources by some households leave others with nothing

## 8.2 Access to municipal Services in Molemole Local Municipality

Table 8 below shows access to municipal service in the country, Limpopo Province and the municipalities within the Capricorn District. Access to Electricity and formal housing is 97.1 and 96.4 per cent respectively, indicating that only a small percentage of the population do not have access to both formal housing and electricity. When compared to other local municipalities in the district, Molemole has the highest access for electricity and formal housing.

**Table 8: 2016: Access to municipal Services (Source IHS Markit, 2017)**

Level of Service	National Total	Limpopo	DC35 Capricorn	LIM351 Blouberg	LIM353 Molemole	LIM354 Polokwane	LIM355 Lepele-Nkumpi
Formal Housing	78,6%	90,7%	93,3%	94,9%	96,4%	92,5%	93,5%
Sanitation	78,9%	51,1%	52,5%	42,0%	46,1%	57,4%	45,5%

Water Access	83,8%	65,9%	74,4%	56,9%	64,4%	82,7%	61,7%
Electricity	88,5%	92,2%	93,2%	94,2%	97,1%	91,7%	95,9%
Refuse Removal	65,3%	23,3%	32,8%	20,7%	5,6%	42,1%	22,1%

With regard to water services, only 64.4 per cent of households have access to water in Molemole and this figure is slightly less than the levels of success experienced in Polokwane, but is higher than the access levels in Lepelle-Nkumpi and Blouberg.

The access level to sanitation is generally low in the district with Polokwane scoring the highest with 57 per cent, while Molemole is only 46.1 per cent.

Refuse removal is also very low in both the Capricorn District and Limpopo province as depicted in Table 8 above. Molemole is the worst performer in the case of refuse removal with a paltry 5.6 per cent of household with access to the service. This low level of access to refuse removal should be treated as both a problem in that the service is not provided and an opportunity in terms of the recycling. The municipality should consider involving community organisations in waste removal and processing as part of its green economy programme.

### *8.3 Perception of service delivery quality*

As part of the 2016 Community Survey, Statistics South Africa produced a report titled “The state of basic service delivery in South Africa: In-depth analysis of the Community Survey 2016 data”, which looked at the state of service delivery in all municipalities. The report indicate that although major strides have been made in increasing access of communities to services such as water, electricity and sanitation, overall some parts of the country do not have access to these services or some are receiving below standards services. [Figure 10](#), below indicate the perceptions of communities in the four local municipalities of the Capricorn District towards quality of service.

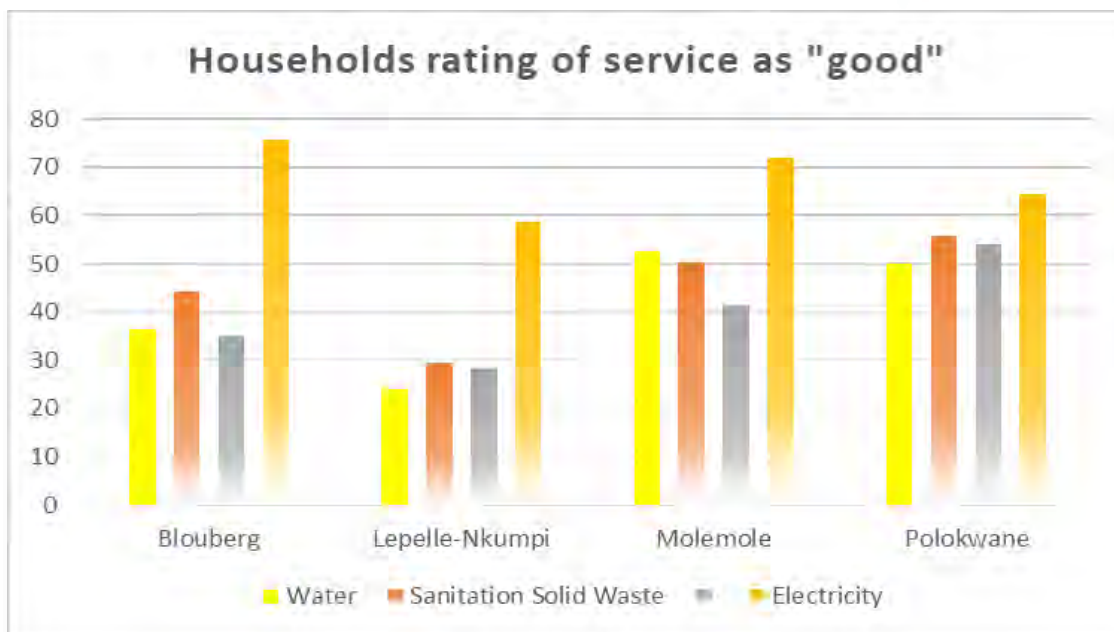


Figure 10: Households Perception of service quality, (Source: StatsSA, 2016)

Residents of Molemole are generally happy with the level of services offered by their municipality as depicted in Figure 10 above. It is only in the provision of Solid waste service were the level of satisfaction is only 41.4 per cent. This is understandable because the municipal area is rural and the majority of the population do not use water borne sanitation. The satisfaction level for electricity is very high at 72 per cent and this is only second to the 75.8 per cent level obtained by Blouberg.

The high level of access to services by residents indicates that the municipality has sufficient infrastructure to attract investors and grow the local economy.

## 9. Spatial patterns

The Table below shows that less than 10% of households are urbanized and much less live on farm land. The bulk of the population is on tribal land under traditional leaders. Many of the communal villages are located scores of kilometres from the nearest urban centre of Mogwadi. These rural settlements have several features of underdevelopment in common: high rates of poverty and unemployment, low penetration of modern communications infrastructure, high costs of food and transport as well as low density and food insecurity.

**Table 9: Land patterns in Molemole (Source: StasSA)**

Area	Percentage
Urban	8,4%
Traditional or tribal	85,2%
Farmland	6,4%

### **9.1 Major Roads**

Three major roads cuts through the municipal area of Molemole. The N1 passes through Botlokwa and connects Polokwane with Musina and Zimbabwe, while R521 passes through Mogwadi and connects Polokwane and All Days. Another major road in the municipal area is the R36 that passes near Morebeng and is located between Tzaneen and the Maputo Corridor, (N1). Apart from connecting the municipality with neighbouring towns and countries, the road network also eases the transportation of goods, which can be produced from within the municipal area. The challenge for the municipality is to facilitate the development of the manufacturing sector to optimise the benefits from the road networks.

### **9.2 The Nodal Growth Points**

The municipality's spatial development framework, identified three main nodal development points in the municipal area, whose growth are central to the economic development of the municipality. The three growth points are:

#### **9.2.1 Morebeng CBD**

Morebeng has been categorised as a secondary nodal nodes and it is earmarked to provide residential service and other related functions.

#### **9.2.2 Mogwadi**

This urban area is situated along road R521 from Polokwane to Botswana via All Days, and it also serves as the administrative and economical capital of the Municipality. The town provides services and goods for surrounding farming communities and the developing urban settlement in the centre of town.

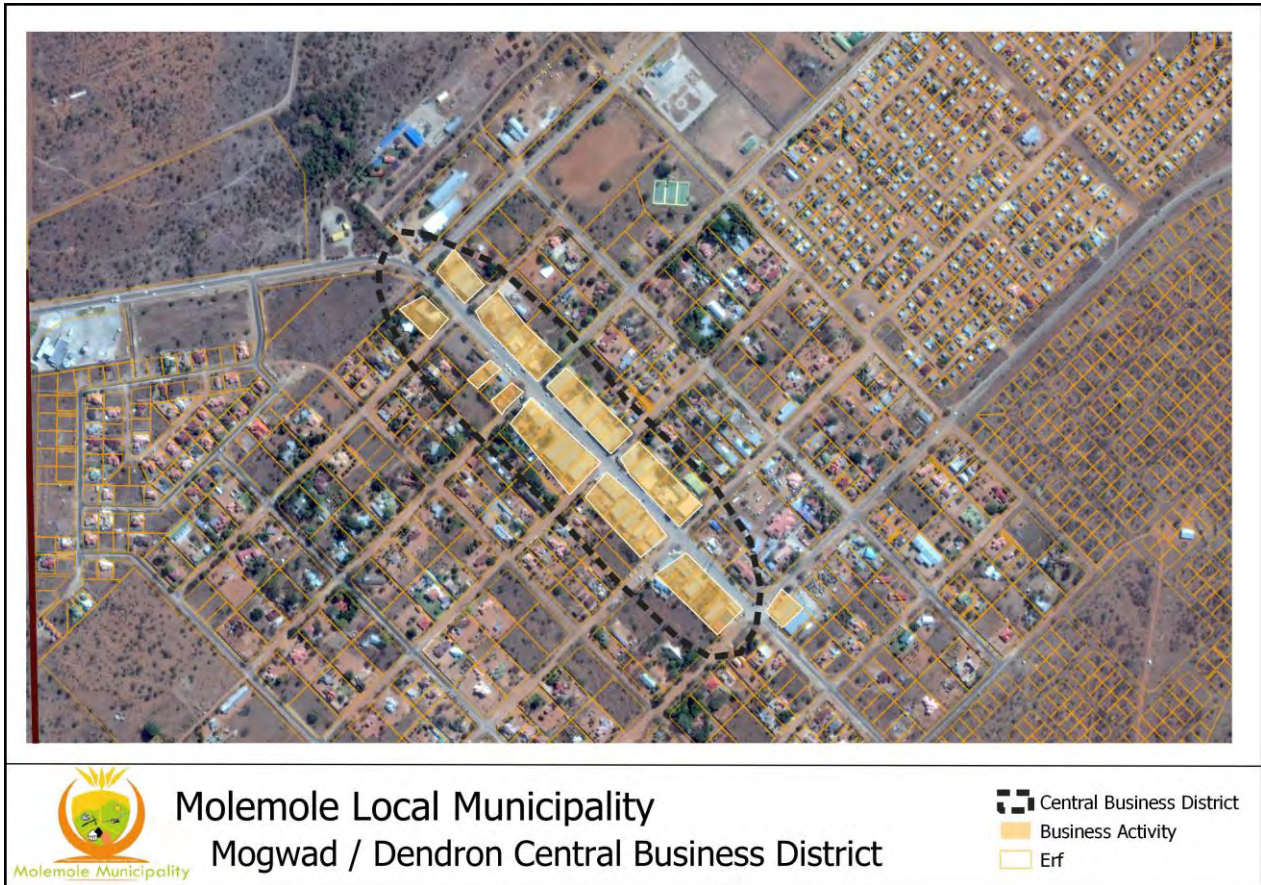


Figure 11: Mogwadi CBD

### 9.2.3 Botlokwa

The area around Botlokwa and the Matoks Bridge has the potential to propel the local economy in the areas of tourism and service sector. The municipality must work with especially the tribal councils to ensure that planning is done in a proper way and to the benefit of the community and the municipality in general.

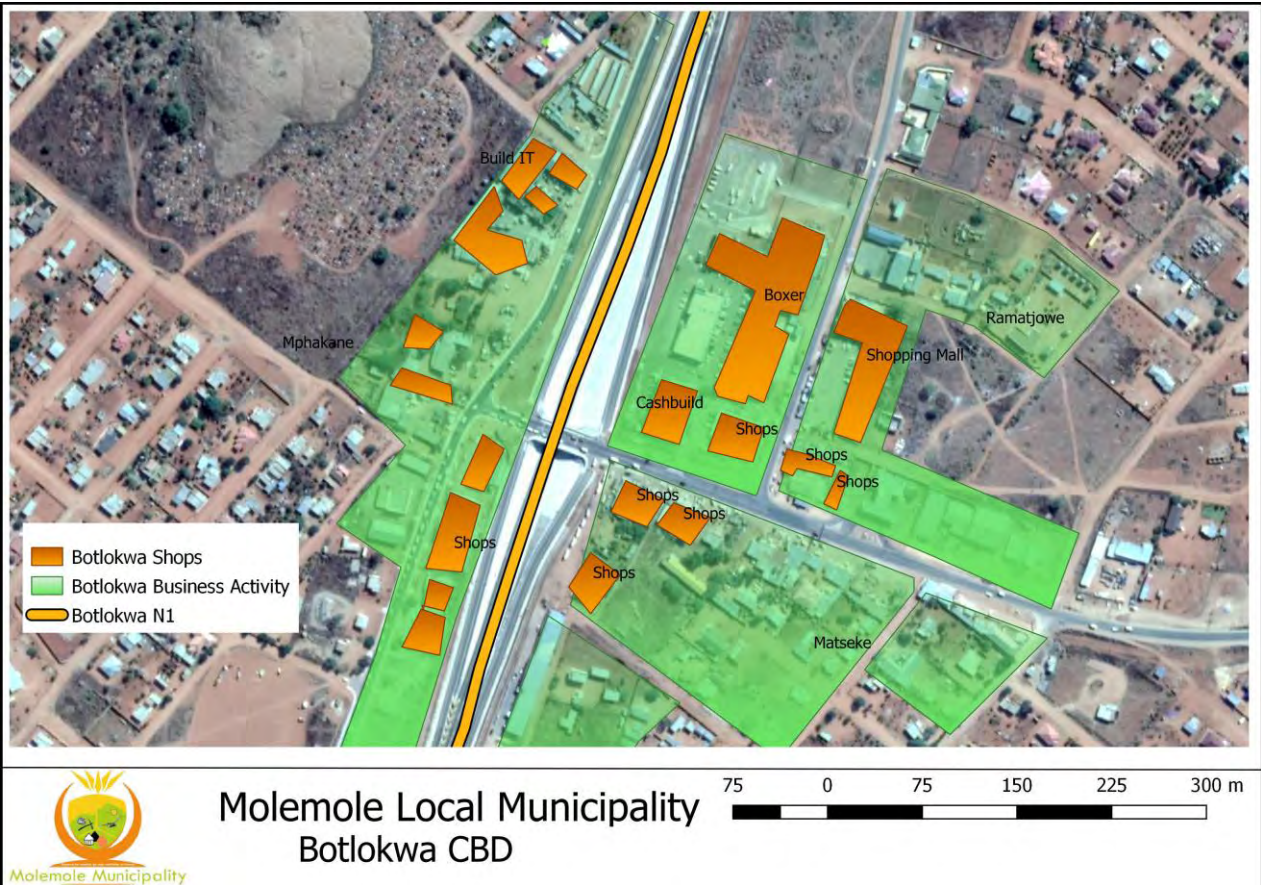


Figure 12: Botlokwa CBD

There is also a need to establish an industrial area within the municipality.



## 10. DEVELOPMENT

### 10.1 Introduction

Development is a highly laden work, which has been evolving throughout human history. In the context of local economic development is explained in the context of Human development index (HDI), Gini Coefficient and the prevalence of poverty.

### 10.2 Human Development Index

Human Development Index (HDI) produced by the United Nations Development Programme, and it includes the combined measures of three development indicators, i.e.

- Levels of wealth within the country or region as measured by GDP per capita and adjusted in purchasing power parity (PPP);
- Health – measured by average life expectancy;
- Education – measured by adult literacy rate and years of schooling

An HDI is measures these indicators by a factor of between 0 and 1, one being the best and zero the worst. As can be seen on the [Table 10](#) below, the HDI of Molemole is 0.58, which compares well with the measures of the neighbouring municipalities, but is less than the figures of the Capricorn district, Limpopo province and the National figure of 0.65.

**Table 10: Human Development Index (Source IHS Markit)**

National Total	Limpopo	DC35 Capricorn	LIM351 Blouberg	LIM353 Molemole	LIM354 Polokwane	LIM355 Lepele-Nkumpi
0,65	0,60	0,62	0,55	0,58	0,65	0,58

### 10.3 Gini Coefficient

The Gini coefficient is the measure of income inequality, ranging from 0 – 1, whereby 0 is a perfectly equal society and a value of 1 represents a perfectly unequal society. There should be converse relationship between the HDI and the Gini Coefficient. When the HDI is high, there should be low income inequalities, however, when the HDI deteriorates, the income inequality rises. In 2015, Limpopo income inequality, measured by Gini Coefficient was 0.59 and the national average was 0.63. The 2016 Gini Coefficient value for Molemole was estimated at 0.57. This figure confirms that there is high inequality in terms of income in the municipal area.

### 10.4 Poverty in Molemole

LED has a critical role to play in the eradication of poverty. In South Africa, food, energy and transport are main cost drivers among the majority of households. This majority of households, which can be classified as poor, feel the effects of food price and VAT increases much more severely than more affluent households. Furthermore, rural households such as Molemole pay more for a basic food basket than their urban counterparts because of the low volume of sales, limited competition, high transport costs and lack of adequate storage facilities in rural areas.

According to the data released by Stats SA, poverty is on the rise in South Africa. The latest “Poverty Trends in South Africa” report shows that, despite the general decline in poverty between 2006 and 2011, poverty levels in South Africa has increased since 2015.

The situation in Molemole is no difference, according to IHS, Markit, 2017, a total of 38 296 people were living in poverty in the municipal area (See Table 11). This is approximately 30% of the total population of the municipality. Poverty in Molemole is structural and is inextricably linked to the high rate of unemployment and rural nature of the municipality. Key social and economic structural challenges which contribute heavily to poverty is lack of skills, low literacy levels and a failure of the job market to provide a proper amount of jobs which pay enough to keep families out of poverty. The labour market is saturated with low-

paying, part-time work that lacks benefits (thus limiting the amount of full-time, good paying jobs).

**Table 11: People below the food poverty line, (Source: IHS Markit)**

National Total	Limpopo	DC35 Capricorn	LIM351 Blouberg	LIM353 Molemole	LIM354 Polokwane	LIM355 Lepele-Nkumpi
14 010 361	1 800 184	380 502	63 789	38 296	200 055	78 363

The municipality also suffers from changing trends in the country's economy - particularly the decline of agricultural jobs - lack of education, high migration rate of the male population, which causes feminization of poverty, having a culture of poverty, epidemic and lifestyle diseases such as AIDS and diabetes, and environmental problems such as intermittent rainfall.

There is no doubt that poverty is a contributing factor to poor health outcomes. Poor people have lower life expectancies, higher prevalence of chronic illnesses and health conditions, and they have more unmet health needs than people in the middle-class and high income levels. Poverty eventually traps people in the vicious cycle.

### 10.5 Household income

Income is another reliable measure of poverty and inequality. Figure 13 below indicate that 13% of households earn between R18 000 and R30 000, while 14% earn between R30 000 and R42 000. Although the number in the table below shows that 74% earn between 0 and R38, 200 or R3, 183 per month. The population is not only youthful and largely unemployed, per capita income is well below the minimum living wage of R4, 500 per month

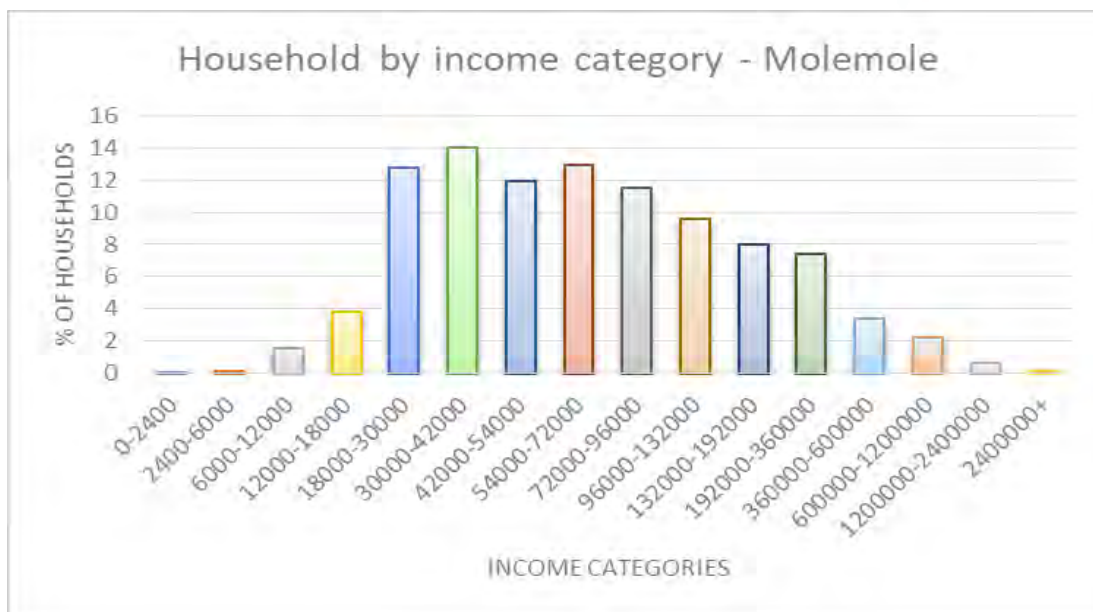


Figure 13: Households income (Source: IHS Markit, 2017)

Many people in Molemole are still poor, and earning are generally low as depicted in Figure 13 above. The municipality and other government agencies must focus on reducing poverty, by creating job opportunities in the municipal area.

### 10.6 Disposable income

With per capita income below the minimum living wage, the bulk of the people do not have disposal income to be able to purchase many essentials or luxury goods. However, a small percentage can afford satellite television, a personal computer, a telephone in the house and a motor car.

Table 12: Households, Disposable income purchases (Source, StatsSA)

ITEM	YES	NO
Cell phone	87,3%	12,7%
Computer	9,9%	90,1%
Television	78,5%	21,5%
Satellite television	15,9%	84,1%
Radio	64%	36%
Landline	3,2%	96,8%
Motor car	17,1%	82,9%

Refrigerator	72,7%	27,3%
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## 11. INSTITUTIONAL CAPACITY

### 11.1 LED Department

The LED department is currently headed by a Senior Manager, who is assisted by one Manager. The current staffing of the department, is a far cry from the organisational structure, which was approved with the last LED strategy. At the current moment, the LED department is understaffed and therefore the function is not optimally performed.

The LED function also received the lowest in terms of budget allocation, further hampering the municipality's efforts to contribute to job creation and poverty eradication.

### 11.2 2018/2019 LED Project

Although the LED department has limitations in terms of resource such as human capital and funding the department is currently managing 6 projects as reflected in the table below. All the projects will be completed by the end of the financial year.

**Table 13: 2018/2019 LED Projects**

No	Project Name	Budget	Progress
1.	Youth in Agriculture Programme	R 400 000.00	6x graduates placed at Elimak Farm and MapFresh Produce Enterprise, and processes to appoint project manager is underway, appointment will be done by end of October. Capacity building of graduates is continuous, monthly monitoring has been done.
2.	Investment Coordination and Facilitation	R 380 000.00	Specification and ToR has been developed and approved, bi for the project has been advertised. The service provider to be appointed by end of October.
3.	Career and Skills Expo	R 190 000.00	Concept Document has been reviewed, and specification was developed and approved, the

			project will be advertised by end of October and appointment to be done before end of November.
4.	Capacity building on SMME's	R 180 000.00	Specification for the project has been approved, bid was advertised and prospective service provider has been appointed. Training for 20 SMME's is due to take place during second quarter
5.	LED Strategy Review	R 500 000.00	Roll over project, PSC has been established and work in progress, stakeholders is scheduled to be conducted in October, and it is anticipated that the project will be completed during second quarter
6.	Community Work Programme (CWP)	CoGTA	1080 participants are currently on site at various wards; involved in various projects i.e. household gardens, school renovations & cleaning.

## 12. LED STRATEGY FRAMEWORK

The section above focused on the status quo, which is a result of actions and processes that took place in the past. The status quo serves as a baseline for the future plan, which in this case is the LED strategy. This section is therefore forward looking as it will employ the use of strategic planning technics to develop components of the LED strategy such as:

- Assessment of strengths, weaknesses, opportunities and threats;
- LED Vision;
- LED Mission;
- Objectives;
- Programmes; and
- Projects.

The overall goal of this section is to ensure that the strategy is fully implemented, by securing resources, organizing these resources and directing the use of these resources within and outside the municipality. The last part of the section will cover stakeholder engagement and management structures within the municipality, including how these structures can be strengthened

### 12.1 SWOT Analysis

The starting point in a strategic planning process is the assessment of one's internal capacity in relation to the environment in which one is operating. A common technique used to do this assessment is called SWOT Analysis, which is an acronym for Strengths, Weaknesses, opportunities and Threats. The results of this exercise are best used to develop a strategy with an actionable plan that will:

- Leverages Strengths
- Manages Weaknesses
- Takes advantage of market opportunities
- Is responsive to market threats

## 12.2 SWOT Analysis

- During the LED Strategic Planning Workshop participants were be asked to conduct an analysis of the strengths, weaknesses, opportunities and threats (SWOT) for the following economic sectors: Agriculture, Tourism and Manufacturing, Service and Retail. The purpose of the SWOT analysis is to identify and evaluate the key factors that will guide the community in developing a strategic plan for the economic development of Molemole that is responsive to the environment within which it is to be executed.

**Table 1: SWOT Analysis of Molemole's Economic Sectors**

<b>AGRICULTURE and AGROPROCESSING SECTOR</b>	
<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>▪ Well –Skilled extension officers</li> <li>▪ Rural employment (seasonal and part/time</li> <li>▪ Source of food security</li> <li>▪ Good soil and climatic conditions</li> <li>▪ Skilled farmers (agric. Graduates)</li> <li>▪ Easy access to agricultural land (tribal authorities)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Lack of resources (mechanisation / start-up capital)</li> <li>▪ Few black commercial farmers</li> <li>▪ Inadequate support from sector departments / Parastatals</li> <li>▪ Relationship between farmers and farm workers is not good</li> <li>▪ Limited water supply</li> <li>▪ Lack of skills</li> <li>▪ Unable to meet market requirements (quantity/quality standards)</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>▪ Agri -park development</li> <li>▪ Organic farming and food production</li> <li>▪ Improved farming methods and established standards</li> <li>▪ Food processing potential</li> <li>▪ Agricultural awareness in schools</li> <li>▪ Outstanding land claims</li> <li>▪ Red meat production</li> <li>▪ Agricultural awareness in schools</li> </ul>	<ul style="list-style-type: none"> <li>▪ Climate change/unpredictable weather patterns</li> <li>▪ Natural disasters (draught)</li> <li>▪ Policy uncertainty</li> <li>▪ Escalating prices of production inputs</li> </ul>



<b>TOURISM SECTOR</b>	
<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>▪ Natural beauty of community;</li> <li>▪ Linkages with neighbouring municipalities</li> <li>▪ Existence of an information center);</li> <li>▪ Hospitality establishments</li> <li>▪ Clean environment;</li> <li>▪ Friendly and helpful residents.</li> <li>▪ Location along tropic of Capricorn</li> <li>▪ Location along N1</li> </ul>	<ul style="list-style-type: none"> <li>▪ Unreliability of potable water;</li> <li>▪ No inventory of tourism attractions;</li> <li>▪ No local tourism strategy</li> <li>▪ Lack of signage;</li> <li>▪ Limited retail and other services</li> <li>▪ No calendar of local tourism events</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>▪ Potential for eco-tourism;</li> <li>▪ “Farm tourism”</li> <li>▪ Home stays</li> <li>▪ Under-utilised assets Machaka Game Reserve</li> <li>▪ Optimal usage of Tropic of Capricorn</li> <li>▪ Increased recreational activities through use of Mogwadi Park</li> <li>▪ Development of physical attractions.</li> <li>▪ Support from sector departments</li> <li>▪ Establishment of local tourism association</li> </ul>	<ul style="list-style-type: none"> <li>▪ High unemployment rate;</li> <li>▪ Increased human, vehicular traffic;</li> <li>▪ Climate change and the unpredictable weather patterns,</li> </ul>

## SERVICES, RETAIL AND MANUFACTURING SECTOR

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>▪ Strong SMMES support institutions</li> <li>▪ Increased business activity in community;</li> <li>▪ Access to financing and support through institutions like SEFA and SEDA</li> <li>▪ Location of Motumo Trade Post along N1</li> </ul>	<ul style="list-style-type: none"> <li>▪ SMMEs cannot secure startup capital</li> <li>▪ Lack of capacity to develop viable business plans</li> <li>▪ Struggle to secure funds to expand/develop business;</li> <li>▪ Low or inadequate returns on investments;</li> <li>▪ Lack the required human resources with appropriate skill-sets;</li> <li>▪ Few established local businesses</li> <li>▪ Underdeveloped service sector</li> <li>▪ Business friendly guidelines on local level does not exist</li> <li>▪ Town development not properly addressed in SDF</li> <li>▪ Spatial planning: no emphasis on rural development</li> <li>▪ Communication between municipality, business and community</li> <li>▪ Trading control by-laws not enforced</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>▪ Survey needs of community and cater to them;</li> <li>▪ Skills development to empower</li> <li>▪ Availability of public land</li> <li>▪ Training in business management and financial accounting</li> <li>▪ Spinoffs from Makhado-Musina SEZ</li> <li>▪ Mall development at Botlokwa and Dendron</li> <li>▪ Community radio stations to assist with communication</li> </ul>	<ul style="list-style-type: none"> <li>▪ High levels of unemployment and weak demand</li> <li>▪ Economic depression</li> <li>▪ Increasing inflation and related increase in prices of basic foods</li> <li>▪ Limited development due to insufficient infrastructure</li> </ul>

### 12.3 What is our Vision and Mission of the Future for our Community?

Vision is the long term dream of where we would like the economy of the municipality to be in the future, the future can be 5, 10 or 20 years. This is captured in a single statement

#### **Vision for Local Economic Development:**

“Innovative, competitive, sustainable, inclusive local economies that maximize local opportunities, address local needs, and contribute to national development objectives”

(National Framework for LED)

Ultimate test of achieving ideal municipality is when citizens attest that they have a decent living environment and integrated human settlement; they enjoy safety for themselves and their children; they can easily access education and health and recreation facilities; they are **part of a vibrant economy creating jobs and promoting inclusiveness.**

#### **Molemole IDP Vision**

**A developmental people driven organization that serves its people**

#### **LED Vision Statement:**

**A diversified and inclusive economy with sustainable job opportunities**

## 12.4 How are we going to achieve our vision?

The things we would do to achieve our vision are captured in the mission statement. The **IDP mission** statement of Molemole Local Municipality is

**To provide essential and sustainable services in an efficient and effective manner**

### **LED MISSION STATEMENT**

Improving the quality of life of our people through local economic development driven by investment in infrastructure and skills development

## 12.5 Our Priorities

The following are priorities which should enable the municipality to achieve the vision above:

- i. Support agriculture and Land reform
- ii. Support and develop SMMEs
- iii. Improve LED governance
- iv. Provide municipal infrastructure
- v. Promote Tourism
- vi. Promote arts and Culture
- vii. Facilitate rural development
- viii. Create opportunities for women and youth
- ix. Reduce poverty and unemployment

## 12.6 Pillars of the National LED Framework

The following six core pillars of the LED framework will guide local economic development of Molemole local municipal LED strategy:



## 12.7 Our Strategies

Flowing from the Status Quo Socio-Economic Analysis and Strengths, Weaknesses, Opportunities and Threats, we have adopted the following high level Strategies, namely:

- I. Build a diversified and innovation driven economy
- II. To promote Tourism and Hospitality
- III. To promote the Services, Retail and Light Manufacturing Sector
- IV. Business Retention, Attraction and Expansion
- V. Institutional LED function

## 12.8 How do we achieve our strategies?

Mobilizing community buy-in and participation; identifying opportunities; establishing and leveraging partnerships; and efficiently and effectively utilising available resources (e.g. civil society, financial institutions, community assets, natural resources etc.) will be vital in undertaking any actions aimed at achieving the objectives above.

Some of the potential projects which have been identified during the stakeholder consultations (see action plan) include:

### **Strategy 1: To Promote Agriculture and agro-processing Sector:**

- Provide emerging farmers with technical and infrastructure support
- Link emerging farmers with established commercial farmers
- Training Farmers modern and sustainable farming techniques;
- Agro-processing facility to develop value-added commodities;
- Establish 'Farm Tourism' model;
- Communication Strategy aimed at school children to raise awareness;
- Recruitment of youth into sector through graduate placement;
- Diversifying into maize and cabbage production

### **Strategy 2: To promote and Enhance the Tourism and Hospitality Sector:**

- A Tourism Marketing Strategy is needed urgently
- Identifying new and enhancing existing assets (natural and physical);
- Support service providers;
- Graduate placement;
- Creating an community awareness campaign; and
- Launching a branding and advertising campaign.
- Establishing a Calendar of Events;
- Revitalizing Machaka Game Reserve and Motumo Trading Posts; and
- Training persons to develop creative skills.
- Celebrating local icons such as Charlotte Maxeke and Hugh Masekela

### **Strategy 3: To Promote the Development, Expansion and Modernization of the Services, Retail and Light Manufacturing:**

- Facilitating the formation of associations of small and informal businesses;
- Establishing relations with funding programmes agreed at the Jobs Summit, namely BIZNIS-IN-A-Box Youth Development Programme and the Findfind SMME Funding Readiness Programme;
- Facilitating access to Business Development Services to help startups to develop bankable business plans to be able to access funding
- Facilitating access to business management and entrepreneurial training

### **Strategy 4: Business Retention, Attraction and Expansion**

- Developing a Molemole Marketing Strategic Plan
- Supporting the construction of Botlokwa Mall
- Promoting land and property at affordable prices to potential investors
- Avail unused buildings for the incubation of start-ups

### **Strategy 5: Institutional Arrangements and Capacity Building of LED Unit**

- Undertake strategic review of the staffing requirements in order to implement the LED strategy
- All staff members of the LED Unit should be trained regularly to understand new trends and opportunities
- Staff members should be able to undertake study tours and attend exhibitions and seminars
- A multi-stakeholder LED forum should be established and strengthened

## 12.9 What Resources Do We Have That Will Help Us Achieve Our objectives?

This list of resources is by no means exhaustive but rather serves to highlight that which has already been identified throughout the LED process.

- I. **Institutional Resources** – This refers to any organizational, human, financial, technical, facilities, and other resources that are available and accessible to the community for achieving their goals:

- a) **Community Assets:**

- i. Locals living outside the municipality who are still connected to the community)
    - ii. Institutions
    - iii. Traditional Councils
    - iv. Local Businesses

- b) **State Assets:**

- i. Molemole Local Municipality officials
    - ii. Capricorn District Municipality officials
    - iii. Agencies e.g. LEDA, SEFA, Limpopo Tourism etc.
    - iv. Youth and Sports Organizations
    - v. Sector Departments

- c) **Civil Society**

- i. Faith Based Organizations
    - ii. Local Business Chambers/Forum

- II. **Natural Resources and Physical Assets (infrastructure):**

- a) Motumo Trading Post
  - b) Machaka Game Reserve
  - c) Tropic of Capricorn
  - d) Land



### III. Human & Social Institutional Capacity:

- a) Cultural organizations;
- b) Volunteerism (willingness of people);
- c) Traditional Councils

## 13. LED STRATEGY IMPLEMENTATION PLAN

### 13.1.1 Our Approach

The municipality views LED as an integral part of the municipality whose functions cuts across all departments. In this regard the municipality would employ the following methods in implementing the LED strategy:

- Integrated approach;
- Innovative approaches; and
- Coordinated action.

### *13.2 The Municipal structure and LED Stakeholders*

A number of stakeholders are involved in shaping the economy of Molemole Local Municipality. It will be prudent to assess the role of each of the stakeholders as part of planning, with the intention of improving their contribution to the attainment of the objectives of this strategy. The following are some of the main stakeholders in the Molemole LED space.

- a. LED Department
- b. LED Forum
- c. Business Community
- d. Traditional Councils
- e. Government Agencies

### *13.3 Improving our internal processes – dealing with red-tape*

The municipality will also make an enormous contribution to the growth of the local economy by adopting the tips that follow below on reducing municipal red tape. All the tips

below emanate from the internal management process in the municipality and as such the municipality should be able to implement them with ease.

- Improving Municipal Service Delivery: Citizen Service Charters and Complaints Notification Systems (CNS)
- Improving Municipal-Business Communication and Customer Relationship Management (CRM):
- Improving Municipal Policies, By-laws and Regulations
- Improving Supply Chain Management processes
- Speeding up Land Development Processes and Time Frames
- Speeding up Building Plan Approval Processes and Time Frames
- Better Management of Informal Trading

### 13.4 STRATEGY 1: To Promote Agriculture and Agro-processing

Government has firmly identified agro-processing - together with its upstream sector - as a critical driver of inclusive growth in South African economy, with very significant job creation potential. (At least a million possible new job opportunities). The commitment to agro-processing has been repeatedly articulated: in the National Development Plan (NDP); successive iterations of IPAP; the Agricultural Policy Action Plan (APAP); Operation Phakisa for Agriculture, Land Reform and Rural Development (2016); and the Presidential 9-Point Plan (Revitalisation of the Agriculture and Agro-processing Value Chains).

The South African agro-processing sector has particularly strong linkages both up- and downstream. Upstream, the sector links to agriculture across a wide variety of farming models and products. Downstream, the sector's products are marketed across wholesale and retail chains and through a diverse array of restaurants, pubs and fast food franchises. Agro-processing is the largest single sub-sector in manufacturing, showing relatively rapid growth in sales and employment over the past 15 years. — IPAP 2019/20

**Strategy 1- Agriculture and Agro processing**

Project	Objective	Project Leader	Molemole's role	Input	Key performance indicator/s	Target
Emerging Farmers Support	Provision of technical and infrastructure support to farmers	Department of Agriculture and rural development Personnel	Partner	Emerging Farmer Development Plan adopted	Number of emerging farmers supported	Ten (10)
Meat production Feasibility	To promote agro processing of red meat in Molemole East	MLM/LEDA/SEDA/NEF	Facilitation and project sponsor	Appointment of service provider	<ul style="list-style-type: none"> <li>Number of studies completed</li> <li>Timeous completion of study</li> </ul>	June 2019
Graduates placement programme	To promote mentoring of Agriculture graduates and expand agricultural output	Department of Agriculture and rural development Personnel	Partner	Advertisement and interviews	Number of graduates placed on farms	Fourteen (14)
Land Restitution and land reform	To promote agricultural expansion by supporting land reform initiatives	Department of Land Reform and Rural Development	Partner	Conduct feasibility studies of projects for land reform beneficiaries	Timeous completion of outstanding	TBC
Schools Agriculture awareness Programme	To promote agriculture amongst young people through visits to farms and seminars	MLM	Implementer	Visits to schools	<ul style="list-style-type: none"> <li>Number of awareness programmes implemented</li> <li>Number of schools/learners reached</li> </ul>	2 (two) roadshows in a year
Agri-Park established in Molemole	Establishment of Agri-park in Molemole West	Department of Agriculture	Partner	Develop Agri-Park Master Plan for CDM	The Agri-Park business plan for Molemole	June 2019
Promote production of maize and cabbage	To promote the diversification of agriculture	Department of Agriculture	Sponsor	Adopt a business plan for maize and cabbage	Number of emerging cooperatives developed for maize and cabbage	Five (5)
Establishment of a process plant for local potatoes by local commercial farmers	To promote agro processing	Department of Agriculture	Sponsor		Feasibility study completed	December 2019

### 13.5 STRATEGY 2: To promote the expansion and modernization of the Tourism and Hospitality Sector

The tourism sector contributes immensely to employment and GDP growth, supporting one in ten jobs globally and one in 22 in SA. Although we have probably the worst unemployment rates in the world, Molemole has the potential to reduce its unemployment burden significantly by leveraging on the existing housing, cultural, business and natural endowments and infrastructure.

Strategy 2 - Tourism and Hospitality						
Project	Objective	Project Leader	Role of MLM	Input	Key performance indicator/s	Target
Hospitality industry support	To promote the development of accommodation and hospitality sector	Molemole local municipality	Implementer	Invite and workshop homeowners	The number of homeowners workshoped	Ten (10)
MICE industry Promotion	To promote the growth of the meetings, exhibitions, conferencing and events industry	Molemole local municipality	Implementer	Facilitate training	Number of workshops held	One per annum
Local Tourism Association	To promote shared learning and collaboration	Molemole local municipality	Implementer	Facilitate	LTA established	June 2019
Grading of accommodation facilities	To enhance the quality of accommodation and hospitality establishments	<i>Limpopo Department of Economic Development, Environment and Tourism</i>	Partner	Support local entities to get grading	Proportion of establishments graded	50%
Calendar of municipal cultural events	To promote the heritage and profile of the municipality	<i>Limpopo Department of Economic Development, Environment and Tourism</i>	Partner	Compile a calendar of all cultural events in the municipal area	Number of events identified and included in calendar	December 2019
Local Icons Celebrations	To enhance the profile of the	Molemole Local	Implementer	Invite proposals	Number of	December

	municipality	Municipality/Limpopo Enterprise Development Agency	(RFI) on ways to celebrate the icons for the benefit of local residents	responses from public	2019
Tourism Graduate Placement	To place a graduate at the LED department of MLM	<i>Limpopo Department of Economic Development, Environment and Tourism</i>	Stipend	The graduate identified and placed	July 2019
Tourism Signage	To promote and develop the tourism and hospitality sector	Molemole local municipality	R50,000	Signage installed	July 2019
Machaka Game Reserve Revitalisation	To support efforts to revitalise MACHAKA Game reserve	Limpopo Tourism	Business plan	Business plan developed	December 2019
Motumo Trading post Resuscitation	To facilitate the functioning of Motumo Trading Post	Limpopo Enterprise Development Agency	Business plan	Business plan finalized	September 2019

### 13.6 STRATEGY 3: Promote the Development, Expansion and Modernization of the Services, Retail and Light Manufacturing

#### Sector

Government has prioritized entrepreneurship and the advancement of small business sector as the catalyst to higher growth and employment creation. The majority of the small business sector is informal. Entrepreneurs are not registered, taxed or monitored. The sector includes spaza shops, electricians, bricklayers, welders, auto repairs, hair and beauty shops, street food vendors, chesa nyamas, car washes, cell phone repairs, seamstresses, tailors, plumbers and internet cafes

Strategy 3 –Services, Retail and Light Manufacturing Sector						
Project	Objective	Project Leader	Role of MLM	Input	Key performance indicator/s	Target
Facilitate Business Development Services	To make business planning consultancies available	Molemole Local Municipality	Sponsor	Office space	Community has access to a BDS	March 2020
Inform SMME regarding available funding and requirements	Conduct opportunity awareness in collaboration with government agencies	Molemole Local Municipality	Implementer	Workshops	Number of awareness workshops conducted	Two (2)
Establish link with “Bizniz in a Box Youth Development Programme” and SEFA to fund	To support spazas, street restaurants and other SMMEs	Molemole Local Municipality	Implementer	To be advised by SEFA	Information disseminated among young	March 2019



spazas, internet cafes, etc.						people	
Establish link with Finfind SMME Funding Readiness Programme through SEFA and Nedbank	To support start-ups	Molemole Local Municipality	Implementer	To be advised by SEFA	Information disseminated among young people	September 2019	
Support construction of Botlokwa Mall	To create opportunities for local SMMEs	Molemole local municipality	Facilitator	To be advised by the company	Information disseminated among young people	December 2019	
Training, capacity building and empowerment of SMMEs	To provide basic management and entrepreneurial skills	Molemole local municipality and Services SETA	Facilitator		Small traders workshopped	December 2019	
Facilitate formation of associations of small traders	To promote the development and growth of the small sector	Molemole	Facilitator	Meetings	Associations formed	December 2019	
Secure 30% local spend	To ensure that 30% of government spent in the municipality is allocated to local SMMEs	Molemole Local Municipality	Implementer	Liaison with government sectors	% of government spent allocated to local SMMEs	June 2019	
ICT Training and awareness	Improve uptake of ICT in the community	Molemole Local Municipality	Implementer	Liaison with stakeholders	Number of workshops/seminars conducted	December 2019	

### 13.7 STRATEGY 4: Business Retention, Attraction and Expansion (BRA&E) in Molemole Local Municipality

Up to 80% of new business growth in any community is generated by existing businesses. However, an innovative outreach programme of BRA&E is pivotal to ensuring that both new businesses is attracted to the area and existing businesses do not relocate. Molemole has attracted a retail mall, on which it can leverage for the attraction of hundreds of new businesses.

Strategy 4 - Business Retention, Attraction and Expansion (BRA&E)						
Project	Objective	Project Leader	Role of MLM	Input	Key performance indicator/s	Target
Red tape reduction and ease of doing business	To attract new business and retain existing business	Molemole local municipality	Leader	Consult business	Meetings held to solicit advise from businesses	June 2019
Develop Molemole Marketing Strategic Plan	To attract new business and retain existing business	Molemole local municipality	Owner		Marketing strategic plan adopted	September 2019
Beautification and landscaping of main streets	To give Molemole a facelift	Molemole local municipality	Owner	Encourage residents to beautify their homes and pick up litter	Workshops with community	Ongoing
Assist local start-ups to access Black Industrialists programme	to promote the growth and expansion of black business in Molemole	Molemole local municipality	Facilitation	Establish close links with the BIP	Information readily available on website and brochures	Immediately
Maintain business hubs and incubators with low rent to attract start-ups	To promote the development of local businesses	Molemole	Facilitation	Advertising and maintenance of municipal property portfolio	Information disseminated across various platforms	Ongoing
Develop a property database and market specific sites to certain prospective businesses	To attract new business and expansion opportunities for existing businesses	Molemole local municipality	Owner	Land	Number of business plans developed	June 2019

### 13.8 STRATEGY 5: Institutional Arrangements and Capacity Building of LED Unit

The LED Strategy requires appropriate number and variety of skills sets for successful implementation. In this challenging economic climate, municipalities that build on their comparative and competitive strengths as well as eliminate unnecessary red tape, institutional weaknesses and relational tensions will be able to attract new business and retain existing ones. Molemole will review the staffing capacity of the LED Unit and its relationship with external stakeholders in order to enhance its capacity to attract new investments

STRATEGY 5: Institutional Arrangements and Capacity Building						
Project	Objective	Project Leader	Role of Molemole	Input	Key performance Indicators	Target
Strategic review of staffing	To ensure that the LED Unit has enough personnel to enable implementation	Head LED Unit	Owner	Internal review	Report	June 2019
Staff training in LED	To ensure skills and capacity to implement LED	Head LED Unit	Owner	Training budget	All members of unit receive training	September 2019
Training of LED Stakeholders	To ensure that all LED associations are provided with training on governance and related areas	Head LED Unit	Owner	Training budget	Number of trainings provided	One per annum
Establishment and strengthening of LED forum	To ensure buy-in and build broad partnership for economic development of	Head LED Unit	Owner	Invite organized agriculture, CDM, small business organization, CBOs and NGOs	LED forum established and MoA signed	June 2019
Consultation, reporting and review of LED strategy	To ensure implementation	LED Unit	Owner	Consultation on an ongoing basis	Quarterly reports	Ongoing

### 13.8.1 Proposed LED Organisational Structure

As indicated in the previous section, the LED Department is currently understaffed and as a result key economic development functions such as agriculture and marketing and tourism are not optimally performed. For MLM to be able to implement this LED strategy it would be necessary to expand the current institutional arrangement within the Local Economic Development and Planning unit. Below is the proposed institutional structure for implementing LED located within the LEDP unit

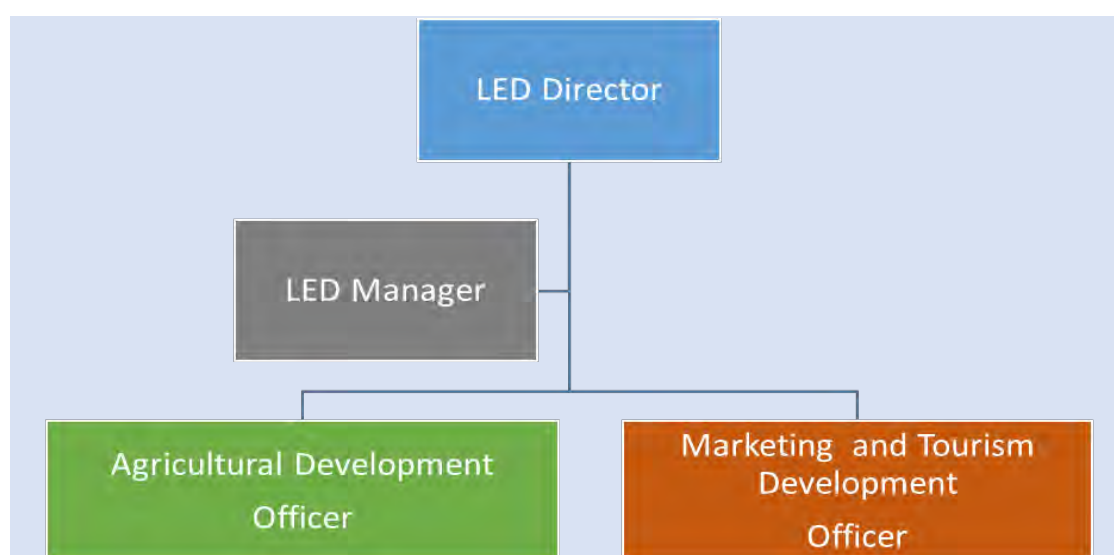


Figure 14: Proposed LED Structure

As be seen from above, the proposed new posts are that of Agricultural Development Officer and Marketing and Tourism Development Officers. The municipality should consider reviewing the current structure with the view of strengthening it by including the two proposed positions. The municipality can take advantage of the Provincial department of tourism and environmental affairs' tourism graduate placement programme, to fill the position of Marketing and Tourism Development Officer at no cost to the municipality.

The purposes and functions of the two proposed positions are listed below:

**Table 14: Marketing and Tourism Development Officer Functions**

<b>POSITION: MARKETING AND TOURISM DEVELOPMENT OFFICER</b>
<p><b>PURPOSE:</b></p> <p>To provide council Tourism marketing material and tourism services</p>
<p><b>FUNCTIONS:</b></p> <ul style="list-style-type: none"> <li>• The Co-ordination of marketing existing tourism attractions</li> <li>• The facilitation and implementation of exhibitions</li> <li>• The Facilitation of the Grading of Tourism Facilities and Service Excellence</li> <li>• The promotion of tourism business opportunities</li> <li>• The promotion of arts and heritage activities</li> <li>• Supports activities within the tourism, arts and culture sector by reviewing and analysing data, developing strategies, analytical models, and methodologies, providing assistance and advice on tourism development issues; and</li> <li>• Develops, oversees, manages, and evaluates tourism, arts and culture development policies and program activities in a wide range of program areas.</li> </ul>

**Table 15: Agricultural Development Officer Functions**

<b>POSITION: AGRICULTURAL DEVELOPMENT OFFICER</b>
<p><b>PURPOSE:</b></p> <p>To Facilitate Agricultural Development Projects</p>
<p><b>FUNCTIONS</b></p> <ul style="list-style-type: none"> <li>• The coordination of capacity-building for SMME's and cooperatives in agriculture sector</li> <li>• The sourcing of funds for agricultural programmes;</li> <li>• Implements, monitors, and evaluates agriculture programs that encompass a range of activities such as natural resource management, agribusiness, and agricultural institutional development;</li> <li>• Supports activities within the agriculture sector by reviewing and analysing data, developing strategies, analytical models, and methodologies, providing assistance and advice on agricultural development issues; and</li> <li>• Develops, oversees, manages, and evaluates agricultural development policies and program activities in a wide range of agricultural program areas.</li> </ul>

## 14. FUNDING THE LED STRATEGY

The availability of funds is key to the successful implementation of the LED strategy. As the primary authority within the municipal area, Molemole Local Municipality is responsible for the identification of funding needs, development of funding strategies, and identification of funding resources for projects in the LED Strategy, and the IDP.

This section makes suggestions on the possible sources of funds for LED and other projects which may contribute to service delivery and the improvement in the quality of life of the people of Molemole. A list of potential funders and the kind of projects they fund is suggested to both the municipality and the community in general. The sources of funding suggested are only a guide to funding possibilities and not prescriptive.

### 14.1 Categories of funders

Table 16: Categories of funders (Adapted from MLM LED Strategy, 2012)

Category	Brief Description
Government	The South African government is the primary funder of projects in Local government, municipalities receive funding through equitable share from national government and this is appropriated through different functions in the form of municipal budget
Development finance institutions-	Development Finance institutions include institutions such as the DBSA, Land Bank and IDC, which will be backed by government to fund infrastructure and other developmental programmes in the public sector.
Private sector investors-	These will invest in viable and feasible economic projects which are likely to offer a return on investment. Long term profitability of a business venture is critical in the investment decision. Venture capital funds normally provide not only loan finance but also take equity in the investment and take more active participation in running of a business venture.
Commercial financial institutions-	This category include commercial banks, which often provide funding in the form of loans to the public sector.
Donors-	Donors, especially from foreign countries make funding available for infrastructure and socio-economic programmes in municipalities and the public sector in general Some of the popular donors with a foot print in South Africa include: <ul style="list-style-type: none"> <li>• USAID South Africa Low Emissions Development Program (SA-LED)</li> <li>• Agence Française de Development</li> <li>• GIZ-SAGEN – South African – German Energy Programme</li> </ul> <i>KFW Development Bank</i>

Funding may be sourced from various entities depending on the nature of the project. Apart from sector departments, which often budget for projects in the municipal area, funding may also be sourced from the private sector. A list of funding sources available for the municipality and business are attached as annexure 1.

Thorough preparation on the part of the municipality is required in order to secure funding from the identified funders. A well-researched and written business plan lays the basis for engaging with potential funders as it demonstrate that the municipality is fully aware of its situation and most importantly it is able to implement the project. Prospective funders want to see serious commitment from funds recipients in order for them to throw their money in a project.

All identified LED projects should be captured in the IDP during the next phase of IDP Review, because government agencies often refuse to fund projects that do not appear in the IDP. This move will also promote integrated planning and ensure that LED is part of the IDP.

## 15. Risk Management

Risk management is as much about identifying opportunities as avoiding or mitigating losses. It is a logical and systematic process of establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating risks associated with any activity, function or process, in a way that enables an organisation to minimise losses and maximise opportunities.

The planning and implementation process of local economic development as one of the municipal functions is also affected by risks and as such in developing a local economic development strategy, one needs to identify and contextualise the risks.

Risks
Access to finance/ capital
Lack of coordination
Lack of infrastructure
Limited production/ service delivery
Poor access to support services
/ infrastructure that is aging
Lack of skills
Access to markets

### 15.1 CRITICAL SUCCESS Factors

During course of the review of the LED Strategy a number of issues were observed and raised with regard to risks that may negatively affect the successful implementation of LED projects which are part of this strategy. Key among the issues raised was the strength of the LED department of Molemole Local Municipality. The LED departments needs to be strengthened with warm bodies if this strategy is to be implemented.

The following key considerations should be taken into consideration as key to the implementation of the strategy:



- a) An integrated approach should be adopted with regard to LED, so that LED is not treated as a mere line-function, and is supported by all municipal departments;
- b) The municipal IDP need to be more practical with LED featuring prominently;
- c) More funds should be allocated to LED projects from the municipal budget so that LED can make the required impact in the local economy;
- d) The development of municipal infrastructure will go a long way in promoting investment and growth in the municipal area;
- e) A closer working relationship between the municipality and the formal and informal business sectors should be established, to place the municipality at the forefront of development;
- f) Sector departments should involve the municipality at the conceptual stage of all projects that are earmarked for the Molemole Local Municipal area
- g) Local leadership is critical and essential for LED success
- h) The municipality must encourage the use of local labour and effective local procurement as far as possible;
- i) All efforts must be employed to continuously seek funding for all identified projects;
- j) The monitoring and evaluation framework must be utilised to identify successes and blockages.

## 16.LED Strategy Monitoring and Evaluation

### 16.1 Framework for Monitoring and Evaluation

The monitoring and evaluation framework for the strategy will be based on the government's outcome approach. In this regard, planning will also be based on the outcome approach, to ensure that the programmes and projects planned have the desired impact in the lives of the community or project beneficiaries. The template below,

Table 17: Planning and monitoring template

Project	Inputs	Activities	Output	Target	Outcome

Molemole Local Municipality, through the LED department will be responsible for monitoring the implementation of the project, through the LED forum.

### 16.2 Indicators for monitoring and evaluation

The following are examples of outcome indicators that should be considered and beefed-up by the stakeholders:

- Inclusive and diverse economic growth
- Improving Business Competitiveness and Diversity;
- Investing in Sustainable Development and Infrastructure
- Improved quality of life through sustainable jobs

### 16.3 Reporting

Reporting is an integral part of monitoring and evaluation as it will maintain accountability to stakeholders and oversight by the authorities over the project. Reporting will be done

through the existing municipal reporting mechanism and the following reports will be produced:

- Quarterly Report;
- Mid-term Report; and
- Annual Report.

Reports will be submitted to the portfolio committee before they are submitted to council and the LED forum and finally published for the general public.

## 17. Conclusion

The successful implementation of this strategy solely depends on the combined efforts of all stakeholders in Molemole Local Municipality. The municipal leadership in the form of the Mayor and Councillors must take control of the strategy by playing the oversight role on the administration, which is tasked with the actual implementation of the strategy. Through the optimal participation and inclusion of all stakeholders, the political will, interest and passion, the strategy will be implemented and the local economy will grow.

Key to the implementation of the strategy is the need to address the underlying challenges which are in the control of the municipality such as strengthening of the LED department, enforcement of relevant by-laws and the allocation of more resources to LED.

## Annexure 1: Funding sources

Table 18: Funding Sources

Fund/Programme	Funder	Areas funded
Secondary cities support programme	CoGTA in collaboration with the World Bank	Provide infrastructure funding for sustainable urban development
Energy Efficiency Demand Side Management Grant (EEDSM) by	Department of Energy	Energy efficiency programmes
Municipal Infrastructure Grant (MIG)	Department of Cooperative Governance and Traditional Affairs (CoGTA)	Municipal Infrastructure Projects
Infrastructure Investment Programme for South Africa (IIPSA)	Government of South Africa and the European Union	Large infrastructure projects
Infrastructure Finance Corporation Limited	INCA Portfolio Managers (Pty) Ltd Private Sector	Provides <b>finance</b> and expertise to public sector entities, to assist them in executing their socio economic infrastructure
DBSA Infrastructure Finance in South Africa	Development Bank of South Africa	Infrastructure projects including sectors such as water, energy, transport and ICT
Green Fund	Managed by DBSA on behalf of South African Government	Provides catalytic finance to facilitate investment in green initiatives
Small Enterprise Finance Agency (SEFA)	IDC and the Government	Funding for small business
Department Of Trade and Industry (DTI)	SA Government	Funding for qualifying businesses
National Empowerment Fund (NEF)	SA Government	It offers a funding for start-ups and expansion as a loan, equity funding
National Youth Development Agency (NYDA)	SA Government	funds for young entrepreneurs aged between 18 and 35 years old
Technology Innovation Agency (TIA)	SA Government	Invest in developing and exploiting technological innovations
Land Bank	SA Government	Provides loans for all financial needs like buying land, equipment and working capital for agricultural projects
Industrial Development Corporation (IDC)	SA Government	Offers financial support to start-up businesses needing capital for equipment, working capital and buildings.
Isivande Fund	SA Government	Provides financial support to blacks in business with education and training

## Annexure 2: Sample Project Action Plan

Sample Project Action Plan			
Project Title:		LED Programme:	
Short Project Description:			
Expected Results (Objectives)		Target Group(s) (Population sector or geographical areas/ward):	
Possible Stakeholders		Possible contributors to the project	
Project Manager		Source of Funding	
Technical Group (If necessary)		Project Budget	
Activity	Time Frame	Output	Outcome

### Annexure 3: Land Claims in Molemole

#### Phase Claim Project Approved

PROJECT NAME	PROGRAMME	SETTLEMENT OPTION
<b>Mabare Community</b> Draaifontein 180 LS, Verdwaalpan 181 LS (Verdwaalpan 271 LS), Laagpan 441 LS, Duikerspruit 502 LS, Driedoornhoek 452 LS, Maroelaknop 210 LS, Eendekuil 447 LS, Brakspruit 211 LS, Kafferbosch 563 LS, Limoendraai 566 LS, Witklip 556 LS, Springforbi 557 LS, Rugtevei 559 LS, Kalkfontein 173 LS, Biesjesfontein 568 LS, Alion 170 LS, , Brakspruit 211 LS	Restitution	Land Restoration
<b>Ntjie Community</b> Mimosa 218 KS, Mizpah 214 KS and Morgendal 216 KS	Restitution	Land Restoration
<b>Mohale community</b> Mooiplaats 771 LS, Uitkomst 769 LS, Vryburg 791 LS, Vergenoegd 766 LS, Uitdraai 772 LS, Kopje Allen 771 LS & Erstegeluk 790 LS	Restitution	Land Restoration
<b>Batlokwa ba Polatla:KRP 10548/11491</b> Rietspruit 732 LS, Waterval 793 LS, Maroelaput 764 LS, Waterval 785 LS, Doornlaagte 787 LS, Kraalhoek 685 LS Uitvalplaats 842 LS, Roodewal 808 LS, Salamis 807 LS, Brakfontein 796 LS, Spitshoek 795 LS, Eersteerechter 794 LS, Zoetfontein 797 LS, Zonderwater 840 LS, KleinFontein 847 LS, Suurfontein 800 LS, Sewefontein 798 LS, Soetfontein 797 LS, Siwinshoek 848 LS, Maroelabult 839 LS,	Restitution	Land Restoration
<b>Machabaphala: KRP 2339</b> Klaaperbosch 752 LS, Holvlakte 758 LS, Vlakfontein 759 LS, Withoutlaagte 757 LS, Swartpan 755 LS, Groenpan 754 LS, Groenvlei 751 LS, Swartlaagte 749 LS, Blysteel 748 LS, Graspan 753 LS, Makouwpan 507 LS, Leeuwpan 506 LS, Leeuwkopje 505 LS, Hartebeesthoek 504 LS, Tigerfontein 503 LS, Duikerspruit 502 LS,	Restitution	Land Restoration
<b>Rapetsoa community: KRP 555</b> Kraalhoek 685 LS, Boschkopje 872 LS	Restitution	Land Restoration
<b>Morebene community</b> Zoekmekaar 778 LS, Goedgedacht 1179 LS, Fourieskolk 1174 LS, Minnaarsdraai 1177 LS, Witrand 336 LT, Goedehoop 489 LS, Driefontein 777 LS, Grobler 776 LS, Modderfontein 517 LS, OOg Van Driefontein 522 LS, Witrand 336 LS, Zevenfontein 485 LS, Welgevonden 485 LS, Wakkerstroom 484 LS, Kleinfontein 521 LS Soekmekaar 524 LS, Nooysensfontein 780 LS, Geluk 783 LS, Middagson 512 LS	Restitution	Land Restoration
<b>Pheeha community</b> Boshluishoek 377 LT, Dassiehoek 339 LT, Goudplaats 340 LT, Rietloop 341 LT, Tygerkloof 173 LT, Bronkorsfontein 181 LT, Kogelfontein 183 LT, Baskloof 375 LT, Nooitgedacht 342 LT	Restitution	Land Restoration
<b>Bakgalaka Thabeng</b> Rietspruit 792 LS, Uitkomst 769 LS, Uitdraai 772 LS, Vergenoegd 766	Restitution	Land Restoration

LS, Vryburg 791 LS

Outstanding land claims

PROJECT NAME	PROGRAMME	SETTLEMENT OPTION
Matima Clan KRP 10713 Unclear Property ( Pls check EDMS to verify properties)	Restitution	Land Restoration
Malemela Modisa KRP 2062 Troost Mij 881 LS (Also check EDMS for more information)	Restitution	Land Restoration

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**Molemole Municipality**

**VISION:**

**A DEVELOPMENT PEOPLE DRIVEN ORGANIZATION  
THAT SERVES ITS PEOPLE.**

**MISSION:**

**TO PROVIDE ESSENTIAL AND SUSTAINABLE SERVICES  
IN AN EFFICIENT AND EFFECTIVE MANNER**

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