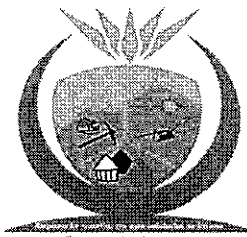


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Ref: 8/1/1-LED/05

**24 February 2014**

## **Terms of Reference: Local Empowerment through Investment Support**

### **1. Project Objectives**

The importance of accelerated service delivery in local government cannot be further emphasized; local government is bound, irrespective of legislative requirements, to ensure that it creates a sustainably transformational environment that permits broad based transformation, especially given the natural resources (minerals, solar, etc.) that the areas within jurisdiction possess. It is an essential responsibility of Local Government, as a custodian of service delivery to create an enabling environment for unflinching transformation through implementation of proper developmental mechanisms that will conquer barriers to accomplishment the objectives of the White Paper on Local government with regard to ensuring developmental local government that removes the burdens of our historical past and stamp out legacies poverty and underdevelopment.

Molemole Local Municipality (MLM) possesses natural resources that allow establishment of plethoric of economic development and related commercial activities. MLM, therefore, as a strategic intervention, in response to the Council Objectives stipulated in the Integrated Development Plan, discerned development of a sustainable, equitable and a very broad-based local economy. This will be accomplished by rigorous exploration and dogged speeded growing key economic sectors. Amongst other key economic development drives, within our economic development framework as underpinned by our comprehensive and broader economic strategy is development of a platform to engage with current investors and project promoters/sponsors in the municipal area. The primary objective is to develop trajectories of economic development, in line with the Local Economic Development Strategy and Spatial Development Framework, which, parallel to the development of the identified investment opportunities, will benefit broadly and equitably, the communities and citizens of MLM.

**Vision: A developmental people driven organization that serves its people"**

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

## 2. Background

MLM is located within Capricorn district of Limpopo province in the Republic South Africa. Molemole Local Municipality is located about 60km north of Polokwane within the Capricorn District in Limpopo Province. Molemole Municipality's head office is situated in the town of Mogwadi, formerly known as Dendron. The municipality is bordered to the south by Polokwane Municipality, to the north-west by Blouberg Municipality, to the south-east by Greater Letaba Municipality and to the north by Makhado Municipality. Molemole Municipality is one of five municipalities that make up Capricorn District Municipality.

MLM is endowed with a plethora of feasible investment opportunities in various economic sectors that can be successfully converted into economically value-adding commercial activities that will accordingly generate a wider spectrum of socio-economic benefits for the local economic growth. MLM has already identified six investment opportunities that are at fairly advanced stage to ready for commercialization. These investment opportunities are as follows;

1. Development of shopping complex (Mogwadi)
2. Development of solar treatment plant (Drooggeloop)
3. Prospecting for Wayland Iron Ore Mine (Kalkfontein)
4. Prospecting for Kumba Iron Ore Mine (Zandrivierpoort)
5. Establishment of filling station & truck-in at Mogwadi
6. Establishment of Organic Fertilizer and compost Treatment Plant.(Geluksfontein)

The ultimate purpose of this task is to prudently profile and package local economic development packages, within the framework of Social and Labour Plans developed by the investing companies. MLM will therefore draft a developmental framework, which will be translated into developmental plans that the investing company SLAs must adequately address to ensure local empowerment on a broader base. The developmental framework will need to be agreed upon by the investing company and MLM within the following context;

1. Job Creation
2. Enterprise Development
3. Corporate Social Investment
4. Local Ownership (Broad-based)
5. Local and Preferential Procurement

The process will enable facilitate of potential latent investment opportunity with developers, to ensure linkage with strategic partners, i.e. investment banks, institutional investors, partners and developmental funders/banks.

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A growing economy will result in creation of local industries, wider job creation and entrepreneurial development on a broader basis. Our KEY economic sectors include agriculture, mining and tourism. These economic sectors are similar to those of our district municipality (Capricorn) and provincial (Limpopo Province) economic drivers, enabling us to align and derive maximum benefit as we trajectory growth within the municipality.

### **3. Scope of Work**

#### **3.1. Local Empowerment Facilitation**

The following key activities will be undertaken to ensure Local Empowerment Facilitation with the investing companies;

- MLM will through a qualified Service Provider, ensure engagement with project developers and or investors to define Developmental Framework. The Developmental framework, should encapsulate the contents and strategic intents of the Social and Labour Plans developed by the investing companies in Molemole. It should also be aligned with the IDP and LED strategy of the municipality.
- Develop and negotiate commitment, signing of MOUs and Final Agreements. The final agreements, which will be based on the agreement on the contexts of the developmental plans, will be signed between the municipality and the investing company for each project implanted within the municipality.
- Develop implementation monitoring frameworks. These monitoring frameworks will ensure that the targets and goals set within the developmental plans and agreements are adhered to. Not only will the framework monitor the deliverables by the investing company, but will also monitor the promises on service delivery and the statutory facilitations that the MLM commits in the agreements.
- Develop/Capacitate municipal staff to monitor implementation of the plans. It is very essential that there is skill transfer from the Service Provider to the LED team of the municipality to ensure continuation of the process and ensuring implementations of the plans in the developmental plans.
- Community Participation Structuring and negotiations of equity participation. MLM will ensure that it assist in supporting the investing companies in identifying empowerment structure, community trusts and any other structures that the investing company may desire to ensure that the transactions/projects are in line with black economic empowerment legislature and policies in the country. MLM will ensure that equity negotiations are in line with the respective sector charters and that the process is fair and equitable, and thus yielding broader benefits to the community of MLM.

- Where possible, funding structure and linkage to funding institutions. Given the strategic linkage of the municipality with governmental institutions, whose mandate are to promote local economic development, the municipality will, through the assistance of the Service Provider and through its internal institutional capacity, creates opportunities for investing partners to interface with developmental funders, potential funders and access to investment incentives and grants.
- Other enabling local structures and platforms: the MLM will also, ensure that the following structure and platform are in place;
  - Database of local and potential suppliers to enable local and preferential procurement.
  - A database of SMMEs who qualifies for Enterprise Development opportunities by the investing companies.
  - A database of skilled personnel, or support system of getting access to labour, within the municipality to ensure access to skill to be employed in the projects.
  - A list of potential local economic development and infrastructure development projects, that the investing partners can fund/c-fund as part of their corporate and social investment.

### **3.2. Developmental Plan**

The Developmental Framework will be developed within prescribed regulations and transformational charters, i.e. mining, manufacturing, construction etc. the framework will form a basis for the Developmental Plan that will be signed between the municipality and the investing company for each project developed within MLM. The developmental framework will encapsulate the following pillars of empowerment;

- a) Local or preferential procurement,
- b) Local Ownership
- c) Enterprise development,
- d) Corporate Social Investment
- e) Local Employment and skill development

Each pillar of empowerment, will have targets sets to ensure that the process can be monitored, where required, intervention for improvements be put into place.

### **3.3. Role of the Municipality**

It is understood that the municipality will play a reciprocal role in the process, to that end, the municipality will bestow the following to the investing companies;

- a) Facilitation of statutory requirements (EIA, Building approvals, licenses, other approvals, etc.).
- b) Facilitation of community or stakeholders participation.
- c) Assistance with local SMME, access to labour and local suppliers.
- d) Assistance with access to traditional council and required approval process.
- e) Facilitation on issues of access to land, land acquiring or leasing processes.
- f) Assistance with access to any governmental structures that the investing company may require.

### **4. Deliverables**

The following deliverables are expected from this project;

1. Opportunity analysis for each investment opportunity identified and potential benefit to the local community;
2. Facilitation road map showing clear schedules, target project, target audience and expected outcomes;
3. Developmental Framework for each investment opportunity depicting the targets, goals and objectives of each opportunity and how this will benefit the local communities.
4. Signed MOU, followed by signed Developmental Agreements.
5. A monitoring framework for each project, depicting clear performance indicators and targets.

### **5. Timeframes**

Project completion is dependent on the date at which the service provider would have been appointed by the municipality.

## **6. Proposal**

Formal proposal responding to this request for proposals should be accompanied by similar work done by the service provider. The proposal should indicate how the service provider will undertake the scope of work indicating a work breakdown structures, timeframes and corresponding budgets. The proposals should be submitted in a sealed envelope and dropped in the tender box at the Molemole municipal building in Mogwadi.

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