



**Final 2026/2027
Integrated
Development Plan
(IDP) Review**

**Annexure D: Local
Economic
Development
Strategy (2023)**

REPORT PREPARED FOR:



December 2022



Midvaal Local Municipality

LOCAL ECONOMIC DEVELOPMENT (LED) STRATEGY

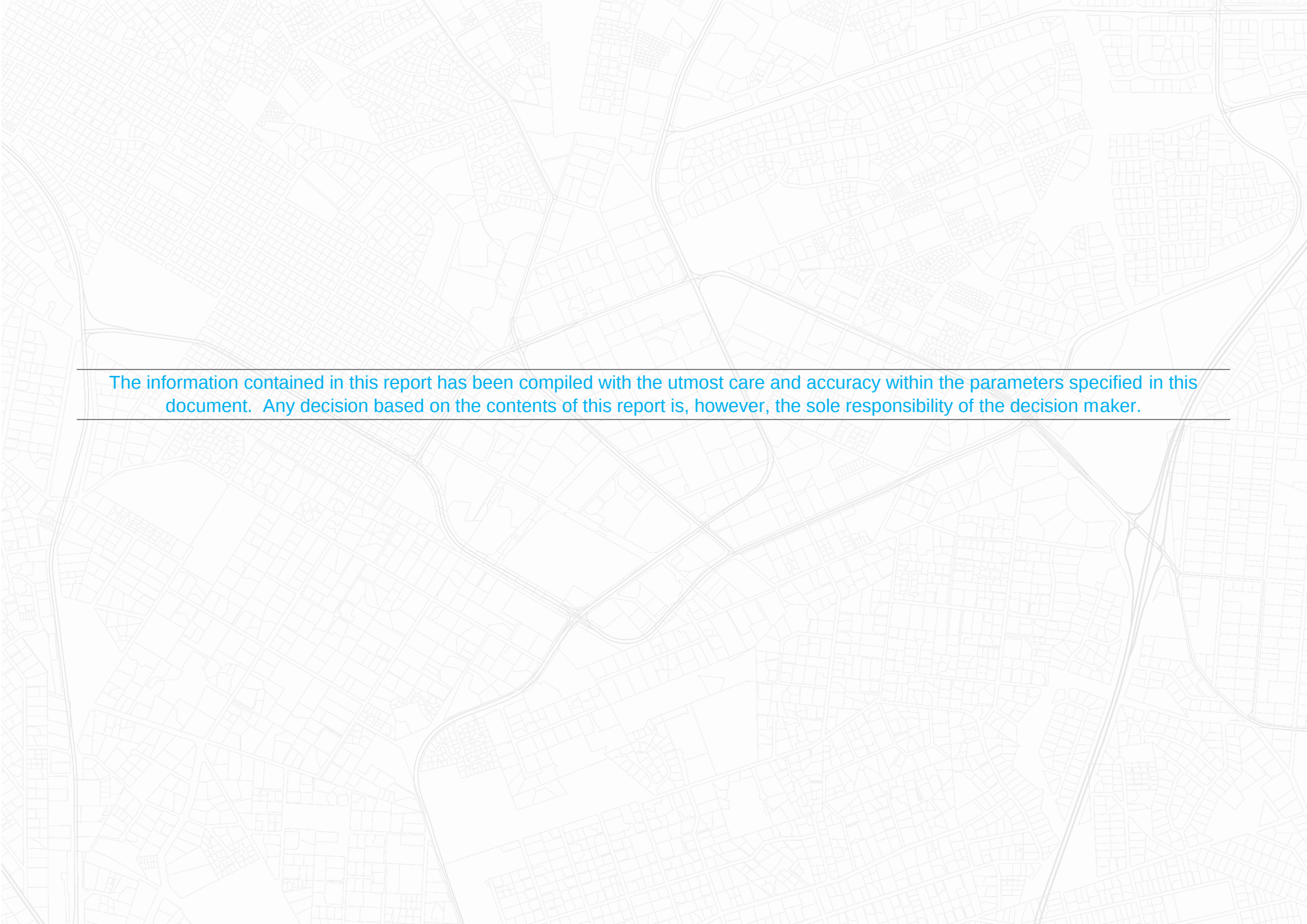
PREPARED BY:



in conjunction with

PLAN
ASSOCIATES





The information contained in this report has been compiled with the utmost care and accuracy within the parameters specified in this document. Any decision based on the contents of this report is, however, the sole responsibility of the decision maker.

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INTRODUCTION AND BACKGROUND



1

1. INTRODUCTION AND BACKGROUND

1.1 INTRODUCTION

Demacon was commissioned by the **Midvaal Local Municipality** to compile a **Local Economic Development (LED) strategy** for the Municipality. This section provides a brief background on the Midvaal Local Municipality, followed by an overview of the LED concept, the purpose of the Midvaal LED and the methodology applied during this investigation.

1.2 BRIEF BACKGROUND: MIDVAAL LOCAL MUNICIPALITY

- ✓ Midvaal Local Municipality is **one of three local municipalities** within the Sedibeng District Municipality, along with the Lesedi and Emfuleni Local Municipalities.
- ✓ **Midvaal** is the **largest local municipality** within the district at 1 723km² - constituting **nearly half** of the **district's** total geographical area
- ✓ **Major towns and settlements** within the Midvaal Local Municipality include:
 - Meyerton
 - Daleside
 - Randvaal
 - De Deur
 - Walkerville
 - Vaal Marina
- ✓ Midvaal Local Municipality is identified as a Category B municipality
- ✓ Ekurhuleni Metropolitan and the City of Johannesburg Metropolitan Municipalities are situated to the north with the Free State Province located towards the southern boundary of the municipality and Mpumalanga Province to the east
- ✓ The Midvaal Local Municipality boasts a largely rural environment characterised by extensive farming activity.
- ✓ Pockets of industrial activity are evident around the Meyerton and Randvaal areas – see Map 1.3 overleaf.

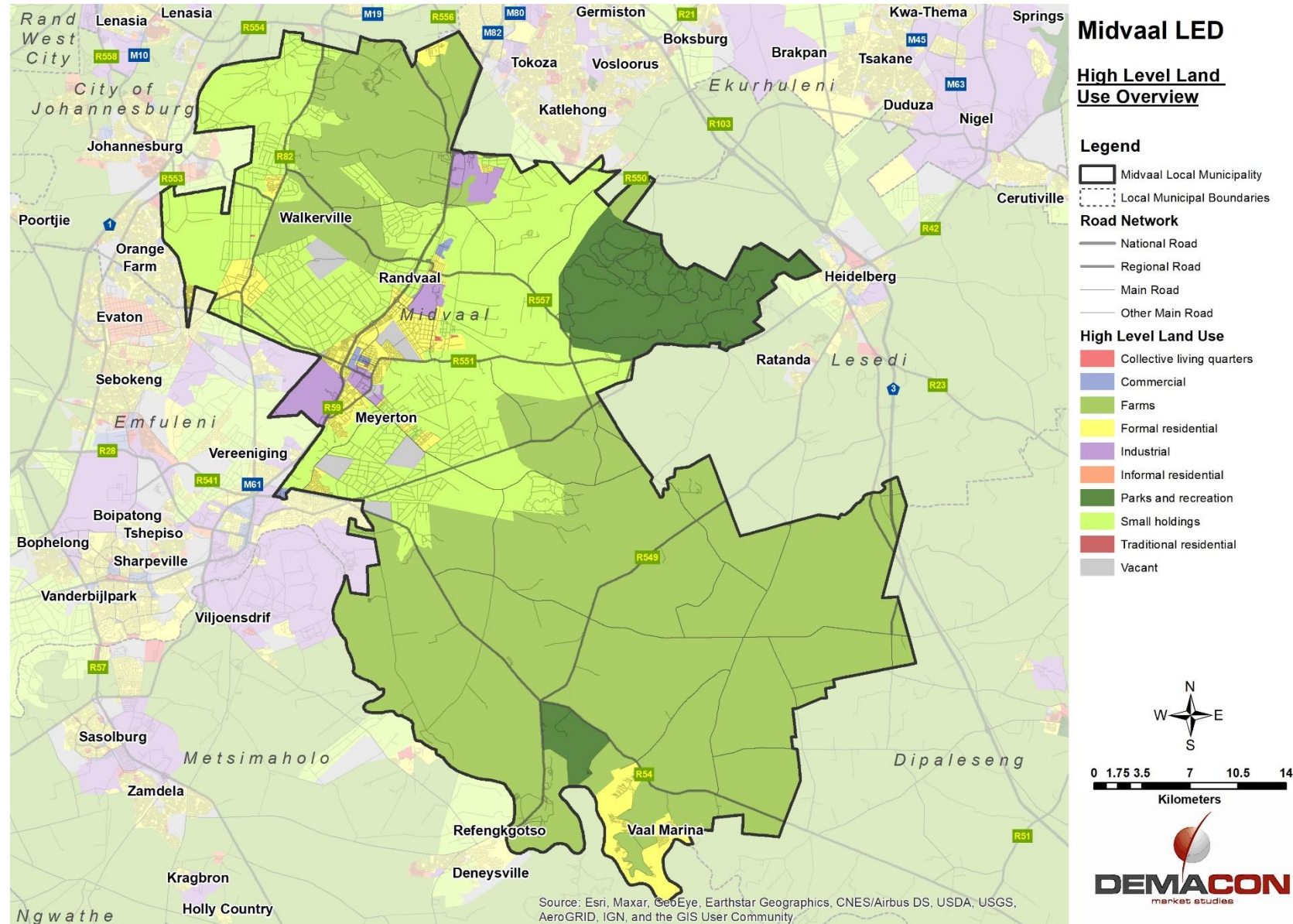
Map 1.1: Midvaal Local Municipality in Provincial Context



Map 1.2: Midvaal Local Municipality with Major Towns and Settlements



Map 1.3: Midvaal Local Municipality – High Level Land Use Overview



1.3 DEFINING LOCAL ECONOMIC DEVELOPMENT (LED)

1.3.1 WHAT IS LED?

Economic development refers to all activities directed at building the economic capacity and productivity of an economy. The concept of Local Economic Development (LED) refers to a development approach that seeks to actively involve all stakeholders within a local environment in the process of economic development. Essentially, local economic development seeks to exploit local economic potential through a participatory approach and by capitalising on the unique context associated with the local environment. Local role-players work together to create improved conditions for economic growth.

The ultimate objective of LED is to enable and encourage economic growth within the local environment by devising context specific, local oriented strategic interventions in collaboration with key local role-players. The term “local” is of particular significance in the term LED as LED is specifically meant to maximise economic potential of the local economy, given the unique challenges, opportunities and resources associated with the environment.

LED essentially has two broad goals: 1) exploiting economic potential and ultimately improving economic growth and prevailing economic conditions, and 2) Contributing towards poverty alleviation by creating sustainable jobs within the local environment.

LED is developed with the purpose of enabling economic growth and development within the unique context provided by the local environment. The process seeks to optimise the use of local resources and local opportunities to improve the economic performance of the local environment.

1.3.2 KEY ELEMENTS OF LED

The key elements of LED is summarised in the subsequent table.

Table 1.1: Key Elements of LED

Local	What makes LED such a unique approach to development, is its focus on opportunities presented by the local environment
--------------	--

	or context. This includes local resources – human capital, natural resources, local government, local businesses, the community, local infrastructure etc. The process seeks to capitalise on local opportunities to strengthen and expand economic performance.
Participation	LED is meant to be a participatory process, involving all those resident in the local environment – public sector, private sector, businesses and the community. It is an integrated approach to development. Collaborating with the different areas of the local environment to share, optimise and capitalise the resources and opportunities offered within the local environment.
Economic	LED is an economic plan and should therefore focus on economic aspects as opposed to pure social upliftment oriented actions. Although successful LED will result in socio-economic benefits, the primary focus of LED is not primarily social in nature.

As evident from the preceding section, LED is a geographically specific, economically focused development approach and as such, the key target areas for LED are as follow:

- Broadening the local economic base
- Building local capacity
- Creating favourable investment conditions
- Creating an enabling local environment
- Local ownership and vested interest
- Establishing partnerships
- Improved local linkages and support

1.3.3 GUIDING PRINCIPLES OF LED

The Midvaal Local Municipality identified the following guiding principles of LED (Midvaal LED Strategy, 2017):

- Prioritising job creation and poverty alleviation

- Creating a conducive, ease of doing business environment within the municipality
- Reach out to the previously disadvantaged and marginalised communities
- Promote healthy trade partnership between private, community and government
- Promote skills development and training for community members to maximise opportunities for business
- Encourage healthy local competition and trading collaborations amongst community members with much focus on global comparative advantage and a focus on comparative advantages
- Ensure a better quality of life for all
- Reduce red-tape on municipal processes to expedite economic growth and development.

1.4 PURPOSE OF THE MIDVAAL LED

The objective of the Midvaal LED strategy is to plan and prioritise strategies that will enable economic growth and development to ultimately intensify the fight against poverty, inequality and unemployment to enhance the quality of life for all Midvaal citizens through the development of an innovative, inclusive and competitive local economy.

Local government has a constitutional obligation to participate in development of the country. As such, local governments have to develop an LED strategy encourage and facilitate economic development within their jurisdiction.

The LED aims to highlight the various economic opportunities presented by the local context and to identify ways in which to capitalise on these opportunities to stimulate economic growth, create employment and in so doing, uplift local communities and contribute to overall growth within the municipality. The LED will therefore build a development strategy based on the underlying needs, opportunities and comparative and competitive advantages presented by the local economy to encourage investment and job creation.

The strategy will also identify sustainable economic development initiatives that will take advantage of the dominant economic sectors and competitive and

comparative advantages of the Midvaal local economy, encourage innovation, promote entrepreneurship and small business development, develop township economies, and attract investment in the area. Economic diversification is an important aspect that will form part of the strategy to capitalise on potential economic sectors such as tourism (including arts and culture) and manufacturing.

1.5 METHODOLOGY

The process of LED development will essentially consist of four broad phases, each comprising various steps. The core of the process includes a comprehensive situational analysis which consists of policy alignment, socio-economic profiling and a comprehensive economic analysis. This process will form the base of the LED strategy development process.

After gaining greater insight and understanding regarding local dynamics and characteristics, the strategy development process can commence. The LED process is finalised with an implementation plan to encourage the successful implementation and follow-through of the key strategies proposed in the Midvaal LED.

1

Step 1: Organising the Effort

- Meeting with client and team
- Finalising project administration matters
- Aligning key project concept definitions
- Gathering of key information sources from Midvaal Local Municipality
- Desktop research regarding key relevant research topics
- Develop and finalised the process plan.

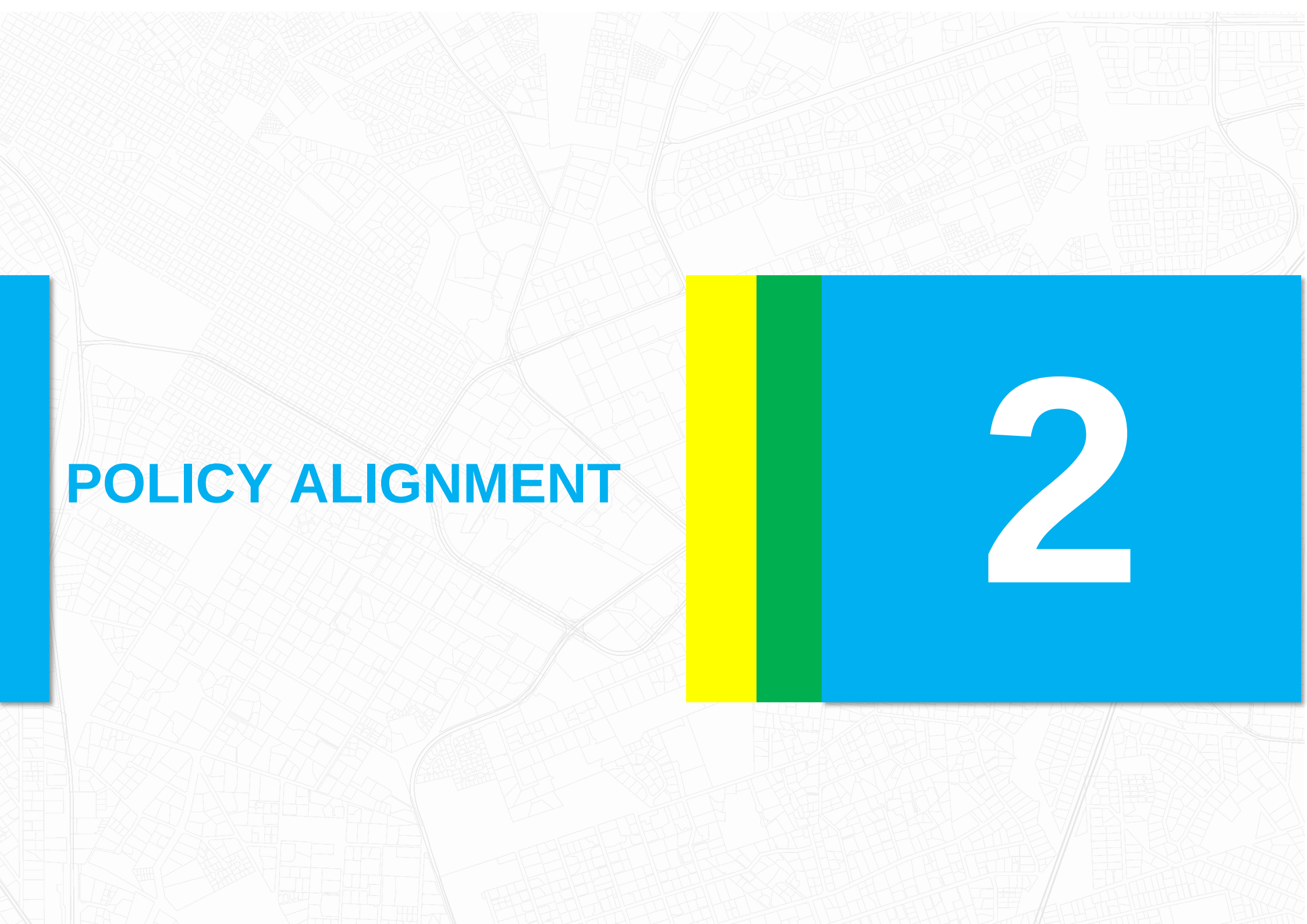
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Step 2: Situational Analysis

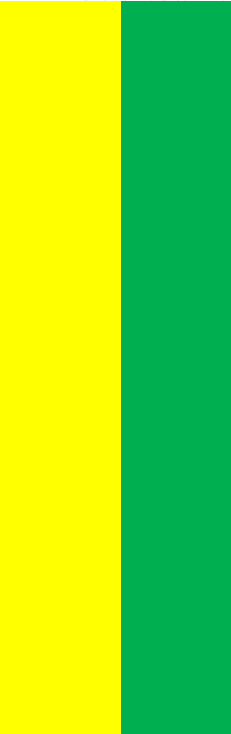
- Policy alignment and overview
- Socio-economic profiling
- Comprehensive economic analysis

3

Step 3: LED Strategy Development



POLICY ALIGNMENT



2

2. POLICY ALIGNMENT

2.1 INTRODUCTION

This section provides greater insight into the policies, legislation and strategies considered during the Midvaal LED development process. The objective of the policy alignment process to ensure the thorough alignment and consideration of key development objectives and principles provided by government. The overarching objective is to ensure a unified development vision and direction. For purpose of the Midvaal LED development, various national, provincial, district and local government legislation, policies and other documents were reviewed. The subsequent table provides a summary of the respective documents considered in the policy alignment process.

Table 2.1: Documents Considered during the Policy Alignment Process

National	
- The Constitution of the Republic of South Africa (Act 108 of 1996) - National Development Plan, 2030 - New Growth Path for South Africa, 2010 - National Spatial Development Perspective, 2006 - Spatial Planning and Land Use Management Act 16 of 2013 - Industrial Policy Action Plan, 2018/19 – 20120/21 - National Comprehensive Rural Development Programme, 2009 - The Integrated Growth and Development Plan, 2012, and The Agricultural Policy Action Plan, 2015-2019 - Black Industrialist Policy, 2015 - Broad Based Black Economic Empowerment Amendment Act 46 of 2013 - Medium Term Strategic Framework, 2014 – 2019 - Draft National Spatial Development Framework, 2018 - National Informal Business Upliftment Strategy, 2014 - Intergovernmental Relations Framework, Act no 13 of 2005 - National Framework for Local Economic Development, 2018-2028	
Provincial	
- Gauteng Employment Growth and Development Strategy, 2009-2014 - Gauteng Township Economy Revitalisation Strategy, 2014 - 2019	

- Gauteng Department of Co-operative Governance and Traditional Affairs Strategic Plan, 2020-2050
- Gauteng SMME Policy Framework, 2010-2014
- Growing Gauteng Together, 2030
- Gauteng Transformation, Modernisation and Re-industrialisation Programme
- Gauteng 2055
- Gauteng Provincial Spatial Development Framework, 2030
- Gauteng Township Economic Development Act, 2022

District

- Sedibeng District Spatial Development Framework, 2030
- Sedibeng Integrated Development Plan, 2020/2021
- Sedibeng District One Plan
- Sedibeng Growth and Development Strategy, 2030

Local Municipal

- Midvaal 5-year Integrated Development Plan, 2022-2027
- Midvaal Spatial Development Framework, 2022-2027
- Midvaal Agricultural Growth Strategy, 2015
- Previous Midvaal LED Framework, 2017

2.2 NATIONAL POLICY ALIGNMENT

2.2.1 THE CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA (ACT 108 OF 1996)

The Constitution (Act 108 of 1996) of South Africa forms the cornerstone for all legislation and policy-making in South Africa. Section 7 of the Constitution (Act 108 of 1996) identifies the role of local government in its community as well as the key objectives of local government (section 152):

- To provide democratic and accountable government of local communities
- To ensure the provision of services to communities in a sustainable manner
- To promote social and economic development
- To promote a safe and healthy environment

- To encourage the involvement of communities and community organisations in the matter of local government

In accordance to this, Section 153 mentions the following developmental duties for all municipalities:

- A municipality must structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote social and economic development
- A municipality must participate in national and provincial development programmes

Key implications for Midvaal Local Municipality:

South African provinces and municipalities are legally obligated to promote social and economic development in local communities. This implies that public investment in the Midvaal Local Municipality should primarily be directed toward growing the municipal area in terms of local economic growth and meeting the community's basic requirements, especially with service delivery, while ensuring a healthy living environment in a sustainable manner.

2.2.2 NATIONAL DEVELOPMENT PLAN, 2030

This document is focused on setting a new growth path for South Africa. The goal of this path is to eliminate poverty, reduce inequality and to ensure equal access to opportunities for all its residents, taking into consideration the influence of the Apartheid history.

In order to achieve radical economic transformation, the following need to be addressed:

- Productive investment crowded in through the infrastructure build programme
- Competitiveness enhancement in productive sectors of the economy
- Addressing spatial imbalances in economic opportunities
- Elimination of unnecessary regulatory burdens
- Workers' education and skills development to meet economic needs
- A macroeconomic and financial framework to support employment-creating growth

- Workplace conflict reduction and improved cooperation between government, organised businesses and organised labour
- Expanded opportunities for historically excluded and vulnerable groups, small businesses and cooperatives
- Public employment schemes to provide relief for the unemployed and build community solidarity

The NDP seeks to attain these goals by ensuring residents have access to:

- Education and skills
- Property housing
- Proper nutrition
- Safe communities
- Social security
- Efficient transport
- Job opportunities

For government to attain the goal of eliminating poverty and delivering on equal access to services, government will have to reassess current strategies to enable citizens to actively employ their own development in order to achieve the following outcomes:

- The active efforts and participation of all South Africans in their own development
- Redressing the injustices of the past effectively
- Faster economic growth and higher investment and employment
- Rising standards of education, a healthy population and effective social protection
- Strengthening the links between economic and social strategies
- An effective and capable government
- Collaboration between the private and public sectors
- Leadership from all sectors in society.

The plan identifies key priority areas that need to be focused on in order to eliminate poverty by 2030. These key areas of priority include:

- Creating an economy that will ensure more job opportunities

- Improve infrastructure
- Switch to a low-carbon economy
- Ensure an inclusive and integrated rural economy
- Reversing the spatial effects of apartheid
- Improving the quality of education, training and innovation
- Ensure quality healthcare for all
- Achieve social protection
- Build safer communities
- Reform the public service sector
- Fight corruption
- unite the country.

Key implications for Midvaal Local Municipality:

The National Development Plan 2030 outlines a variety of objectives for alleviating poverty and ensuring employment opportunities for all national citizens in the workforce by 2030. This entails that the LED for the Midvaal Local Municipality should make it a priority to contribute to the alleviation of poverty by implementing initiatives and programmes that empower people to take control of their own futures via skill development and job creation. This may in turn improve the capabilities of the workforce to participate in employment opportunities, subsequently reducing poverty and strengthening the economy while redressing past injustices.

2.2.3 THE NEW GROWTH PATH FOR SOUTH AFRICA, 2010-2020

This framework is the vision of the Government to alleviate joblessness by putting jobs and decent work at the centre of economic policy. Therefore, this framework seeks to set South Africa on a trajectory that effectively addresses mass joblessness, poverty and inequality by restructuring the South African economy to enable the growth rate and improve the labour absorption. The New Growth Path identifies where employment creation is possible, both within economic sectors as conventionally defined and in cross-cutting activities. The aim is to target limited capital and capacity at activities that maximise the creation of decent work opportunities within the context of both macro- and micro economic policies. In placing the focus on creating jobs and decent work opportunities, it empowers the development of labour-absorbing activities. This

process will include deepening domestic and regional markets and widening the market for South African goods and services.

The process will be prioritised as a long-term structural change as it is not an easy achievement. Efforts to support employment creation in the following sectors will be prioritised:

- Infrastructure
- The agricultural value chain
- The mining value chain
- The green economy
- Manufacturing sectors, which are included in IPAP
- Tourism and certain high-level services.

The document identifies a growing consensus that creating decent work, reducing inequality and defeating poverty can only happen through a new growth path founded on restructuring the economy and its key elements.

Key implications for Midvaal Local Municipality:

The LED programmes and initiatives for Midvaal Local Municipality should be focused on industries that create large-scale employment. In the same sense, ongoing emphasis should be placed on existing advanced industries that are critical to long-term growth. For Midvaal, investment can specifically be made in agricultural sector, as the contribution of the agricultural industry grows immensely annually. To facilitate the growth of job-creating activities, the LED must also stimulate private and public sector investment in economic strengths.

2.2.4 NATIONAL SPATIAL DEVELOPMENT PERSPECTIVE, 2006

The National Spatial Development Perspective (NSDP) is essentially aimed at reconstructing apartheid spatial relations and executing spatial priorities in accordance with the Constitutional requirement. The NSDP is a planning mechanism that directs overall development across all levels of government

It is essential that the issue of economic growth and inclusion is addressed by presenting the dual concepts of development potential and need, as expressed in the poverty gap. It also serves as a well-defined benchmark for discussions

concerning the future growth of the national space industry. Furthermore, it offers guidelines for achieving optimal alignment between infrastructure and development programs within municipalities. This policy therefore functions in accordance with national government objectives including poverty alleviation, employment creation, long-term service delivery, integration, correction, and coordination of distorted spatial development.

Therefore, the following is included:

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

Key implications for Midvaal Local Municipality:

Midvaal Municipality can be seen as the Sedibeng District Municipality's most promising area, as it has the fewest unemployed people and those living below the poverty line, as determined by the NSDP, while also providing basic services and grants, human resource development, and labour market intelligence. The LED plan must be matched with the economic and infrastructural growth of Midvaal Municipality.

2.2.5 SPATIAL PLANNING AND LAND USE MANAGEMENT ACT (ACT 16 OF 2013)

The Spatial Planning and Land Use Management Act (SPLUMA), Act 16 of 2013, is a national framework that guides South Africa's national spatial planning and land use management. The Act's objective is to motivate inclusive development as well as fair and efficient spatial planning throughout the three branches of government (National, Provincial and Local spheres). It also intends to offer a framework for monitoring, coordinating, and reviewing spatial planning and land use management by providing a standardised framework for its policies, principles, norms, and standards. As a result, the Act is objected to rectifying historical spatial disintegration and regulatory imbalances by guaranteeing

uniformity in the procedures and decision-making process related land use and development applications.

The following important legislative points are articulated in this directive:

- Section 2(2) - Prior to its proclamation, all legislation governing spatial planning, land development, and land use management shall be repealed.
- Section 7(a)(ii) - All spatial development frameworks and policies at all levels of government must address the inclusion of previously excluded persons and areas, with a focus on informal settlements, former homeland areas, and areas characterised by widespread poverty and deprivation.
- Section 7(a)(iv) - Land use management systems must encompass all areas of a municipality and especially contain measures that are flexible and appropriate for the management of disadvantaged regions, informal areas, and former homeland areas.
- Section 7(b)(i) - Spatial planning and land use management systems must support land development that is within the Republic's fiscal, institutional, and administrative abilities.
- Section 7(b)(ii) - Prime and distinctive agricultural land should be given special consideration.

Key implications for Midvaal Local Municipality:

The LED of the Midvaal Municipality should take into account historical and current land claims and follow SPLUMA's processes and decision-making guidelines. The LED Strategy's programmes for Midvaal Municipality should focus on reducing poverty, encouraging sustainable growth, and developing the area's capabilities. As such, the local municipality must ensure that the spatial planning in the region align with the SPLUMA principles and objectives in order to ensure fair and efficient spatial planning that may ultimately improve economic development for example, with the agglomeration benefits of land uses that may improve the local economy.

2.2.6 INDUSTRIAL POLICY ACTION PLAN (IPAP), 2018/19-2020/21

The Industrial Policy Action Plan (IPAP) seeks to enhance the productive capabilities of the economy, therefore increasing National industrial capabilities. Traditionally, policy has placed emphasis on the manufacturing sector although

more recently industrial activities associated with the mining and agricultural sectors have become increasingly prominent areas of industrial opportunity.

IPAP identifies five transversal focus areas:

- Public procurement – encourage the procurement of locally produced goods
- Industrial financing and incentives – develop enhanced incentive programmes for the manufacturing sector industries
- Developmental trade policy – enabling policy environment for manufacturing sub-sectors
- Innovation and technology – protecting intellectual property and updating key legislation associated with the science and technology field
- Special economic zones – encouraging and enabling the designation of Special Economic Zones through institutional capacity development and marketing

Sectoral focus areas include:

- Clothing, textiles, leather and footwear
- Metal fabrication, capital and rail transport equipment
- Agro-processing
- Forestry, timber, paper, pulp and furniture
- Plastics
- Chemicals, pharmaceuticals and cosmetics
- Automotives
- Green industries
- Business process services
- Marine manufacturing and associated services
- Aerospace and defence
- Electro-technical and white goods industries
- Minerals beneficiation

Key implications for Midvaal Local Municipality:

The development of the Midvaal Local Municipality should be oriented at diversifying the local economy to successfully absorb economic shocks and provide more employment opportunities in order to meet the area's need for employment. Skills development is critical, enabling the community to partake in the manufacturing and agricultural sectors in the area.

2.2.7 NATIONAL COMPREHENSIVE RURAL DEVELOPMENT PROGRAMME (CRDP), 2009

The CRDP is a programme developed to alleviate poverty and food insecurity and consequently improve the standard of living and address disproportionate distribution of ownership and wealth through:

- the use and management of natural, local resources to create sustainable rural communities
- rectifying past injustices through right-based interventions.

This programme is based on three key strategies:

- Agrarian reform: facilitating the establishment of rural and agro-industries, cooperatives, cultural initiatives and vibrant local markets. Also focuses on increasing production and the sustainable use of local natural resources
- Rural Development: improved access to social facilities and improving infrastructure development conducive to economic- and social development.
- Land Reform: Promoting compensation, tenure reform, access to land and improved record keeping of land ownership.

Key implications for Midvaal Local Municipality:

The Bantu-Bonke area in Midvaal is one of the focus areas identified in the CRDP document. This is an aquiculture project in the south of the Midvaal Local municipality. Therefore, the Midvaal Local Municipality LED strategy should adhere to the CRDP's objectives and aspire to create a dynamic, equitable, and sustainable community through agricultural transformation, skills development, and job creation. The LED should therefore build on the CRDP by focusing on agricultural development, enhancing food security, developing entrepreneurial possibilities, and broadening opportunities for women, youth, people with disabilities, and elderly in rural regions.

2.2.8 THE INTEGRATED GROWTH AND DEVELOPMENT POLICY (IGDP), 2012 AND THE AGRICULTURAL POLICY ACTION PLAN (APAP), 2015-2019

Given the central role the agricultural sector fulfils in many communities in South Africa, the APAP has been developed to aid in establishing an environment where opportunities for higher incomes and employment is created for poor-resource farmers alongside commercial farming sector. Therefore, decent work and job opportunities are considerably important. The APAP identifies four objectives for decent work and job opportunities, including:

- the promotion of standards and rights at work, to ensure that the workers' constitutionally protected rights to dignity, equality and fair labour practices, amongst others, are safeguarded by appropriate legal frameworks
- the promotion of employment creation and income opportunities, with the goal being "not just the creation of jobs, but the creation of jobs of acceptable quality"
- the provision and improvement of social protection and social security, which is regarded as fundamental to the alleviation of poverty, inequality and the burden of care responsibilities.

The plan identifies the following goals:

- To build an efficient and internationally competitive agricultural sector
- To support the emergence of a more diverse structure of production with large increase in the numbers of successful smallholder farming enterprises

- To conserve agricultural natural resources and put in place policies and institutions for sustainable resource use.

The APAP recognizes that different subsectors operate according to different dynamics and encounter district challenges, and therefore there is a need to be selective about which subsectors or value chains to focus on in the short and medium term, while also acknowledging that agricultural commodities in particular are frequently inter-related. In relation to this, eleven sector interventions were identified, with a specific key milestone developed specifically for each sector intervention. These eleven sector interventions (Key Action Programmes) include:

- Poultry/Soybeans/Maize Integrated Value Chain
- Red Meat Value Chain
- Dairy
- Sugar Cane
- Wheat Value Chain
- Horticulture
- Biofuels Value Chain
- Forestry
- Small-scale fisheries
- Aquaculture Competitiveness Improvement Programme (ACIP)
- Improved compliance enforcement in the fisheries sector.

Key implications for Midvaal Local Municipality:

As an economically significant sector within the local municipality, the agricultural sector of the Midvaal Local Municipality should be concerned with providing employment, improving food security, increasing economic opportunities, and developing a knowledgeable and trained workforce. It is consequently critical to align with the APAP-identified actions, particularly in the areas of red meat, horticulture, and dairy.

2.2.9 BLACK INDUSTRIALIST (BI) POLICY, 2015

The Black Industrialists (BI) policy seeks to improve the government capacity to unlock the industrial potential that exists within black-owned and managed

businesses in South Africa by promoting growth and competitiveness of black-owned businesses in the economy. This process involves deliberate, targeted and well-defined financial and non-financial interventions as described in IPAP and other government policies. The objectives in this policy include:

- Accelerating the quantitative and qualitative increase and participation of black industrialists in the National economy, selected industrial sectors and value chains, as reflected by their contribution to growth, investment, exports and employment
- Create multiple and diverse pathways and instruments for Black Industrialists to enter strategic and targeted industrial sectors and value chains.

The policy therefore seeks to promote industrialisation, sustainable economic growth and transformation through the support of black-owned entities in the manufacturing sector. .

Key implications for Midvaal Local Municipality:

The Midvaal LED should encourage the investment in Black Businesses and Black Entrepreneurs, ensuring that all citizens in the municipality have access to financial opportunities and that all citizens can partake in economic activities. Therefore, financial support should be provided to Black Industrialists, as well as training and information sharing in order to ensure sustainable growth and success in Black Businesses.

2.2.10 BROAD BASED BLACK ECONOMIC EMPOWERMENT AMENDMENT ACT, ACT 46 OF 2013

The Broad Based Black Economic Empowerment Amendment Act (BBBEE) essentially means the viable economic empowerment of all black people, in particular women, workers, youth, people with disabilities and people living in rural areas through diverse but integrated socio-economic strategies.

These strategies include (but are not limited to):

- Increasing the number of black people that manage, own and control enterprises and productive assets

- Facilitating ownership and management of enterprises and productive assets by communities, workers, co-operatives and other collective enterprises
- Human resource and skills development
- Achieving equitable representation in all occupational categories and levels in the workforce
- Preferential procurement from enterprises that are owned or managed by black people
- Investment in enterprises that are owned or managed by black people.

In addressing this, the following need to be implemented:

- Empowering rural and local communities by enabling access to economic activities, land, infrastructure, ownership and skills
- Promote access to finance for black start-up businesses, small, medium and micro enterprises, co-operatives and black entrepreneurs, including those in the informal business sector
- Increasing effective economic participation and black- owned and managed enterprises, including small, medium and micro enterprises and co-operatives and enhancing their access to financial and non-financial support.
- Develop a plan for financing broad-based black economic empowerment, including the creation of incentive schemes to support effective black owned and managed enterprises.

Key implications for Midvaal Local Municipality:

The Midvaal LED should align with this BBBEE Act, in empowering Black people in investing in their capabilities and skill development in order to ensure and encourage more black management and black-owned businesses. This may be achieved through programmes and initiatives that support the empowerment of rural and local communities to enable access to economic activities while investing in infrastructure that may increase the effective absorption of black people into the economy through financial support.

2.2.11 MEDIUM TERM STRATEGIC FRAMEWORK 2019-2025

The Medium-Term Strategic Framework (MTSF) is national government's strategic plan for the term 2019 to 2025. The framework essentially has two themes – radical economic transformation and improving service delivery. The MTSF is further structured around 14 priority outcomes which covers the focus areas identified in the NDP.

The MTSF highlights government's support for a competitive economy, creating decent work opportunities and encouragement of investment. The aim of the MTSF is to ensure policy coherence, alignment and coordination across government plans as well as alignment with budgeting processes.

There are also seven top priorities which continues to drive the MTSF:

- A capable, ethical developmental state
- Economic transformation, rapid economic growth and job creation
- Improving the quality of and expanding access to education and training, skills and health
- Consolidating the social wage through reliable and quality basic services, and ensuring adequate human settlements
- Spatial integration, human settlements and local government through rural development, land and agrarian reform and food security
- Social cohesion and safe communities while fighting corruption and crime
- Contributing towards a better Africa and world.

The plan provides a series or criteria for prioritising projects:

- Interventions can be evaluated across a range of criteria that would enable prioritisation of:
 - Policy based (e.g., transformation and inequality)
 - Social (e.g., extends life expectancy)
 - Economic (e.g., leveraging private investment)
 - Environment (e.g., positive environment impacts)
 - Regional integration (e.g., regional commitments)
 - Technical (e.g., rates of return or benefit / cost / risk analysis)
 - Capacity (e.g., feasibility to implement)

- Interventions could be assessed independently depending on their nature or a weighted average of multiple criteria can be determined to arrive at a final score for ranking
- Prioritisation criteria would then account for both economic and social interventions but would allow for ranking and trade-offs.

Key implications for Midvaal Local Municipality:

Midvaal's LED strategy review should seek to improve on crosscutting concerns that will promote economic growth. The economy should contribute to the attainment of the MTSF's objectives. Issues including technological breakthroughs, access to financing and infrastructure, human resource development, and other factors must be at the core of Midvaal Municipality's efforts to address economic backlogs. This should aim to increase local labour economic engagement through employment and consequently contribute to reducing poverty and inequality.

2.2.12 DRAFT NATIONAL SPATIAL DEVELOPMENT FRAMEWORK, 2018

The National Spatial Development Framework (NSDF) aims to make a daring and decisive contribution to achieving the peaceful, prosperous, and truly transformed South Africa envisioned in the Freedom Charter, the Reconstruction and Development Programme, and the National Development Plan. It does so in full acknowledgement of:

- The grasp that the past's oppressive national spatial development ideas, logics, and patterns have placed on numerous endeavours to destroy the credibility of poverty, unemployment, and inequality
- The significant, though often difficult, lessons learned over the previous years in pursuit of national rebuilding, inclusive economic growth, and spatial change
- The need for deliberate, collaborative, and focused state action in national space to propel South Africa toward the shared, inclusive, and sustainable future.

In being in line with the SPLUMA legislation, the NSDF considers:

- All policies, plans and programmes of public and private bodies that impact on spatial planning, land development and land use management
- Any matter relevant to the coordination of such policies, plans and programmes that impact on spatial planning, land development and land use management
- All representations submitted to the Minister in respect of the framework

Key implications for Midvaal Local Municipality:

The Midvaal LED should focus on aligning to policies, plans and programmes of the public and private sector that ensure adequate spatial planning, to eliminate the stronghold that past oppressive spatial development have had on the region. This may ensure inclusive economic growth and a sustainable future. Therefore, the LED should address the influence that spatial patterns and spatial planning have on economic growth, by enhancing natural resource usage, ensuring agglomeration benefits, addressing social inequalities, and enhancing economic growth.

2.2.13 NATIONAL INFORMAL BUSINESS UPLIFTMENT STRATEGY, 2014

The national Informal Business Upliftment Strategy (NIBUS) seeks to uplift the conditions and operations of informal businesses within the informal economy and concentrate government support to local chambers, local business associations, municipalities, and Local Economic Development offices to deliver and facilitate access to upliftment programmes.

The strategy is especially focused on women, youth, and people with disabilities in township and rural areas. With this strategy in place, government can improve the acceleration of economic growth in transforming and developing the economy in order to ensure the creation of decent jobs and sustainable livelihoods.

Within this strategy, an Informal Traders Upliftment Project (ITUP) is developed as an instrument with the aim to improve the capabilities and capacity of informal

traders in the wholesale and retail sector. This will increase the competitiveness of local traders as well as ensure decent standard jobs within this sector.

Key implications for Midvaal Local Municipality:

The Midvaal LED should support the informal businesses in the municipal area, and also provide programmes and training in improving the capabilities of the informal traders. In addressing the contribution of the informal traders to the local municipality, it may increase investment in these informal businesses, and ensure sustainable and successful businesses. Therefore, all sectors in the local economy are being addressed, and uplifted.

2.2.14 INTERGOVERNMENTAL RELATIONS FRAMEWORK ACT, NO 13 OF 2005

This act applies specifically to national-, provincial- and local governments with the objective of providing the necessary principles of co-operative government as set out in Chapter 3 of the Constitution. This act promotes and facilitate intergovernmental relations as well as ensure the provisioning of mechanisms and procedures enabling the resolution of intergovernmental differences. The aim is to facilitate co-ordination in the implementation of policy and legislation.

National, provincial, and local governments should therefore uphold the objective of this act during the conduct of their functions. This includes taking into account:

- Circumstances, material interest and budgets of other organs of state
- The need for consulting other affected stat organs
- Coordinating actions when implementing policy or legislation affecting other governments
- Avoiding unnecessary and wasteful duplication or jurisdictional contests
- Taking reasonable steps to ensure all have sufficient institutional capacity and effective procedures
- Participating in intergovernmental structures and putting in effort to settle intergovernmental disagreements.

Key implications for Midvaal Local Municipality:

In ensuring economic development through the Midvaal LED, all spheres of the government should work in coherence in ensuring adequate local economic development and implementation.

2.2.15 NATIONAL FRAMEWORK FOR LOCAL ECONOMIC DEVELOPMENT, 2018-2028

The adopted and revised 2018-2028 National Framework for Local Economic Development is built upon the achievements and lessons gained in the implementation of the 2006-2011 LED Framework. The 2018-2028 LED Framework sets out an expanded vision for LED which identifies with high levels of certainty what need to be done in order to move towards a more successful form of LED, which is underpinned by the need to advance and deepen the understanding of LED and its function in national, regional development and growth in South Africa.

The revised framework is anchored on six Core Policy Pillars that will influence the design, development and implementation of LED:

- Building diverse & innovation-driven local economies
- Developing inclusive economies
- Developing learning and skilful economies
- Enterprise development and support
- Economic governance and infrastructure
- Strengthening local systems of innovation

Key implications for Midvaal Local Municipality:

In aligning the Midvaal Local Municipal LED to the National LED, the Midvaal Local Municipal LED should address ways in which the competitiveness of the Local Municipality can increase, ensuring the LM to compete economically with all the other municipal regions in South Africa. This can be achieved through investing in competitive and comparative advantages of the local economy. The LED should also be constantly improving and integrating the national priorities and programmes into the local priorities and programmes and should also ensure the local developed initiatives and programmes align with the national economic development objectives.

2.3 PROVINCIAL POLICY ALIGNMENT

2.3.1 GAUTENG EMPLOYMENT GROWTH AND DEVELOPMENT STRATEGY, 2009 – 2014

The Gauteng Employment Growth and Development Strategy (GEGDS) outlines a set of strategic choices and programmes that will build towards strong and sustainable Gauteng economy in which all can access economic opportunities and enjoy decent work. Gauteng envisages that the economy will need to shift as rapidly as possible to a growth trajectory based on innovation, green growth and inclusivity. In achieving this, the main focus of the GEGDS strives to accomplishing “an inclusive and sustainable Gauteng City-Region that promotes a developmental and equitable society”.

The strategy also identifies the strategic interventions by which Gauteng will work to make Gauteng's economy green, innovative and inclusive and these five pillars include:

- Transforming the provincial economy through improved efficiency
- Sustainable employment creation
- Increasing economic equity and ownership
- Investing in people
- Sustainable communities and social cohesion.
- The main economic agenda of the GEGDS is to create decent work through an inclusive growing economy and this will require GEGDS to strike a balance in its interventions between the role of state and the role of the market
- The formal and informal sectors of the economy
- The first and second economy
- Mining and manufacturing sector development and service sector growth
- Developing new sector with high-valued added goods and services
- Supporting highly urbanised areas with a high concentration of people and existing services and more peripheral rural areas and informal settlements where there are limited services available
- Focusing on both top-down and bottom-up interventions.

The main economic agenda of the GEGDS is to ensure and create decent jobs by developing an including, growing economy. In ensuring this, a balance is to be created between initiatives in the short- and medium-term in order to address the impact of the global economic crisis on businesses and communities.

Key implications for Midvaal Local Municipality:

In the GEGDS it is evident that the Sedibeng DM is an area which lack adequate education and economic support for adequate education. These objectives and strategic goals of the GEGDS should be implemented in order to accomplish and promote economic growth and social development. The LED should strive to improve production, reduce poverty, generate job creation, promote good health, and achieve environmental sustainability in addition to enhancing skills and education levels.

2.3.2 GAUTENG TOWNSHIP ECONOMY REVITALISTION STRATEGY, 2014 - 2019

Informal businesses form the root of the township economy, meeting the economic and social needs of the community on the basis of cooperation and solidarity. Considering this, these informal businesses as playing a vital role in creating a vibrant, socially inclusive, labour-absorbing and growing economy.

Government has a vision of transforming informal economies into vibrant and sustainable township businesses as part of building an inclusive, labour absorbing and growing economy.

The Township Economy Revitalisation Strategy builds on present government support programs and addresses the shared difficulties. This may include:

- Limited access to capital and finances
- Limited access to operating infrastructure
- Limited access to markets, skill development and monopoly power
- Lack of entrepreneurial and productive activity
- Poor understanding of the abilities and value to township enterprises
- Lack of evidence regarding the impact and value of township enterprises
- Limited account taken of the particular characteristics and needs of township enterprises within enabling and supportive environment

- Complexity and lack of coherence within township economy sectors combined with widely varying skills and knowledge bases.

Promoting successful informal businesses will contribute to economic transformation and modernisation that will create productive activities, socially inclusive wealth, as well as fostering sustainable livelihoods.

Key implications for Midvaal Local Municipality:

In ensuring comprehensive economic development in the Midvaal LM, the LED should address the impact that the informal economic active businesses have on the local economy. As previously mentioned, support programmes and skill-development initiatives should be development in order to provide informal businesses with access into the local economy. The informal economy should be embraced, rather than disregarded, due to its vital economic contribution.

2.3.3 GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS STRATEGIC PLAN, 2020-2050

Currently, municipalities within the Gauteng province are plagued by inter- and intra-political disputes that hinder effective governance and service delivery in the province. This influences the decreasing satisfaction with service delivery in Gauteng over time.

The lack of service delivery in the province is due to inadequate support mechanisms for local governance, as well as poor councillor skills, and the inability of local government structures to effectively respond to the complex service delivery demands. In addressing this, Government has put the following pillars in place, focusing on:

- Putting people (community members) first
- Providing adequate service delivery
- Ensure good governance
- Improve financial management
- Ensure capable local government institutions
- Improved spatial planning and Integrated Development Plans (IDPs)
- Encourage local economic development
- Building resilience for climate change

Although statistics illustrate an upswing of quality of life in Gauteng, the province still suffer from high unemployment rates as well as spatial and racial inequalities. This characterises Gauteng with an uneven and highly dual economy with a sophisticated formal sector while the informal sector exists on the margins of the formal economy.

Key implications for Midvaal Local Municipality:

Although the Midvaal LM being the service area with the highest satisfaction with services in 2017/18, the unemployment rates and spatial and racial inequalities are still high. Therefore, all spheres of the LM government should cooperate in ensuring intergovernmental relations in supporting economic growth in all sectors in the region.

2.3.4 GAUTENG SMME POLICY FRAMEWORK, 2010-2014

The Gauteng SMME Policy Framework establishes a comprehensive qualitative and quantitative framework for the growth of small, medium, and micro enterprises (SMMEs) in Gauteng Province. It recognizes the distinct contributions represented by this diversified and dynamic sector in the province in terms of job creation, economic growth, and the support of sustainable livelihoods. The policy framework capitalizes on the province's distinct characteristics and highlights how essential national, provincial, district, and local stakeholders in the province may collaborate.

The policy framework serves as a foundation for the creation, implementation, and evaluation of systems and procedures that promote the growth of a more competitive and sustainable SMME sector. It serves as a foundation for collaboration and coordination among public, private, and community stakeholders, and it creates a space for these stakeholders to contribute to SMME development in Gauteng in a mutually reinforcing and synergistic manner, while also increasing opportunities for mobilising resources that can be used to boost SMMEs' contribution to the province's long-term social and economic development.

Key implications for Midvaal Local Municipality:

The Midvaal LED should promote and contribute to the development of the SMME sector by providing a framework serving as a foundation for the growth of the SMME sector. Therefore, the Midvaal LED should address the impact that the SMME sector have on the economic development of the Midvaal LED and identify potential SMME businesses to invest in for job creation and economic development.

2.3.5 GROWING GAUTENG TOGETHER (GGT), 2030

The GGT2030 plan of action, sets out the vision for the Gauteng of 2030, inspired by the values and goals included in the Freedom Charter, the NDP, the Manifesto, and work carried out to date as part of Gauteng's Transformation, Modernisation and Reindustrialisation (TMR) initiative.

This plan of action seeks to address the fundamental problems facing the residents of Gauteng:

- Unemployment
- Poverty and hunger
- Crime and substance abuse
- Climate change
- Unsustainable growth and economic crises
- Migration
- Flight and displacement
- Health
- Inequality
- Social exclusion
- Lack of decent work and social protection
- Political instability, insecurity and violent conflicts.

In addressing these problems, the GGT2030 prioritises the following:

- Economic growth
- Improving employment and reducing unemployment
- Increasing per capita GDP
- Reducing the poverty rate

- Declining the income inequality
- Industrial restructuring

Key implications for Midvaal Local Municipality:

The GGT2030 identified Sedibeng DM as an agricultural value chain for grain, horticulture, poultry, piggery, and red meat. The GGT2030 also prioritised the support of upgrading informal settlements in the Sedibeng DM, while also aspiring to build a new economy in the Vaal by investing the Southern Development Corridor in the Sedibeng DM. Therefore, the Midvaal LED should provide initiatives to correlate with investment in these projects, due to the economic injection that the Midvaal LM will experience with these projects.

2.3.6 GAUTENG TRANSFORMATION, MODERNISATION AND RE-INDUSTRIALISATION PROGRAMME

The Gauteng Transformation, Modernisation and Re-Industrialisation (TMR) programme has been developed to enable radical socio-economic and political transformation of the province to build a globally competitive, socially inclusive and sustainable Gauteng province. The programme is based on ten pillars which include:

- Radical economic transformation
- Decisive spatial transformation
- Accelerated social transformation
- Transformation of the state and governance
- Modernisation of the economy
- Modernisation of the public service and the state
- Modernisation of human settlements and urban development
- Modernisation of public transport and other infrastructure
- Re-industrialising Gauteng as the country's economic hub
- Taking a lead in Africa's new industrial revolution.

Key implications for Midvaal Local Municipality:

The LED should align with the development priorities identified for the Southern Corridor. The TMR states that access to adequate service delivery in the Midvaal LM have declined from 2009 to 2013, considering access to piped water, electricity, sanitation and refuse. Therefore, it is evident that the LED should address the improvement of service delivery in the LM as part of the incentive to improve governmental investment in the LM.

2.3.7 GAUTENG 2055

While Gauteng is at the centre of South Africa, the Gauteng City Region (GCR) encompasses a broader functional region defined by clusters, linkages, and movements of transport, people, economic activity, natural resources, and other factors. The entire potential of this area may be fulfilled by recognizing the genuine flow of the GCR's economy beyond administrative and political limits.

Without a unified long-term vision, current short-term efforts may only yield short-term success at the expense of long-term sustainability. It is critical to address the urgent needs of many citizens.

To address concerns about long-term planning versus short-term delivery, the GCR envision developing a long-term plan with staggered deliverables and outcomes across the timeframe leading up to 2055, allowing for a clear sense of what is possible in the near future versus those outcomes that will require longer-term intervention. The objective of this framework is to fulfil the potential of the GCR in 2055 by:

- Change the urban landscape and remove social barriers
- Migrate fully to renewable energy and eradicate waste
- Build a refined education system, and generation of skilled, employable South Africans
- Eliminate poverty and reduce inequality
- Establish a unique approach to the management of the growth of the city-region, founded on economic, social and environmental sustainability.

Key implications for Midvaal Local Municipality:

It is important for the Midvaal LED to not only establish short- and medium-term goals, but also envisage long-term economic goals for the LM. Therefore, the LED should address the key priorities for the short, medium and long term in the Midvaal LM, while aligning with the Provincial long-term goals and objectives.

2.3.8 GAUTENG PROVINCIAL SPATIAL DEVELOPMENT FRAMEWORK, 2030

The Gauteng Spatial Development Framework (GSDF), 2030 aspires to establish a balanced, polycentric spatial network, with strong and resilient nodes that enables mutually beneficial exchanges of goods and services, as well as the movement of people. In support of the establishment of this polycentric form, four spatial development strategies are followed, namely:

- Building an integrated economic network, through a system of high-order nodes and activity corridors, developing economic clusters .
- Capitalising on proximity by directing higher densities closer to economic nodes and public transport networks, and improving conditions in areas closer to economic opportunities
- Managing settlement development and growth, to prioritise infill development and densification.
- Creating a viable and productive hinterland, protecting valuable resources and high potential agricultural land and managing water resources.

These four strategies in the GSDF address the six spatial objectives in various aspect, with certain principles featuring more prominently in certain development strategies. These spatial objectives for Gauteng are:

- Being liveable
- Concentration
- Connectivity
- Conservation
- Diversity
- Viability

In achieving this, the GSDF aim to:

- contain urban development within the existing Gauteng urban footprint
- prioritise development along the major public transport networks in the province, including the Gautrain, PRASA rail and the BRT networks
- Utilise well-located vacant land within the existing urban footprint for infill development

Key implications for Midvaal Local Municipality:

The Midvaal LED should take cognisance of the developments in the GSDF and the economic opportunities and implications offered. Midvaal is earmarked in the GSDF for the following strategic development initiatives:

- Incremental development of the western parts of the municipality
- Consolidation and expansion of the urban footprint along the R59 corridor
- Proposed infill development between the R59 corridor and the CoJ
- The south-eastern extents of Midvaal were identified as one of three agricultural hubs in the Sedibeng DM
- Proposed extensive agriculture in the remaining northern extents of the LM
- Development of the Vaal Marina and Suikerbosrand Nature Reserve as Provincial Tourism/ Cultural Nodes.

2.3.9 GAUTENG TOWNSHIP ECONOMIC DEVELOPMENT ACT (ACT 2 OF 2022)

The Gauteng Township Economic Development Act (GTEDA) promotes the development of the township economy, and creates an environment for thriving township-based businesses. The objectives of the GTEDA are to:

- Provide a regulatory framework which makes it possible for people living in townships to establish viable and thriving businesses where they live
- Make it possible for retail malls and supermarkets in townships to partner with local small enterprises, including enabling these established businesses to buy some of their products and services from township-based producers, service providers and manufacturers
- Establish procurement rules that allow government and its main contractors to:
 - Buy from a large group or groups of township-based enterprises, with systems linking them so they can supply as if they are one large enterprise, or

- To compel enterprises that are awarded government contracts to spend a portion of their procurement budget on local entrepreneurs and co-operatives
- Provide an enabling environment for municipalities to develop taxi ranks into small central business districts and to support the taxi economy to use its economic muscle to supporting local value chains and industries
- Promotes the real estate industry in the township by converting areas with high commercial density into township high streets

Key implications for Midvaal Local Municipality:

The GTEDA provides for the designation, promotion, development and operation of Township Enterprise Zones, provides for the establishment of Township Enterprise Zone Coordination and Management Centres and provides for the establishment of the Township Enterprise Fund and for matters connected with township economies. The GTEDA clearly articulates the roles and responsibilities of organs of state and municipalities within the province in regard to the promotion and development of Township-based enterprises. It is important that the LED Strategy and the Midvaal Local municipality aligns with the GTEDA?

2.4 DISTRICT POLICY ALIGNMENT

2.4.1 SEDIBENG DISTRICT SPATIAL DEVELOPMENT FRAMEWORK, 2030

The Sedibeng Spatial Development Framework (SDF), 2030, provides greater detail on the desired spatial direction of the district, which includes the Midvaal Local Municipality. The SDF aims to address spatial, environmental and economic challenges in both urban and rural settlements. Therefore, the Sedibeng District SDF aim towards achieving the following objectives:

- Provide a strategic spatial development vision for the district in line with the broad development objectives of the National and Provincial policies
- Provide a clear and comprehensive Spatial Framework for the district which will inform, improve and guide cross-sectoral policy alignment and project implementation and integration

- Indicate in as much detail as possible to stakeholders the desired future spatial form for the district
- Highlight planning, environmental, infrastructural and institutional issues that gave rise to the proposals contained in the final document
- Provide all stakeholders an opportunity to participate during the process of formulating the SDF
- Provide a spatial reflection of the needs and priorities established in the district integrated development plan and identify specific issues which are unique to the district
- Address rural development issues such as the integration with urban areas, the provision of social facilities and the provision of infrastructure to rural communities
- Identify areas for economic opportunities, particularly in the industrial, commercial, agricultural and tourism sectors
- Identify infrastructure needs and services constraints and bring forward tangible solutions to address these
- Accommodate the growing housing needs taking into account the current backlogs and the projected need for development of various housing methodologies (e.g., “Gap Housing”, Social Housing, FLISP, etc.)
- Protect the natural environment, and more specifically hydrological and topographical resources, biodiversity areas, and high potential agricultural land.

The SDF advocates for spatial planning that eradicates the spatial challenges of the past, while bringing services and economic opportunities close to communities that need it most.

Key implications for Midvaal Local Municipality:

The Sedibeng SDF identifies the upgrading of the Midvaal Agro-processing facilities and roads and rail links to radically develop the Agritropolis sector in the DM. This development could be favourable for the Midvaal LM, if it is correctly implemented. There are also various projects mentioned in the Sedibeng SDF that may improve the local economy of the Midvaal area, due to investment in the LM. Midvaal LM is also identified as one of the municipalities with the highest economic growth in the Sedibeng DM, as well as the municipality with the largest recorded employment gains and the lowest unemployment rates. Therefore, the LED should address ways in maintaining these impressive statistics.

2.4.2 SEDIBENG INTEGRATED DEVELOPMENT PLAN, 2020/2021

According to the Sedibeng Integrated Development Plan (IDP) the mission of this district Municipality is to encourage and maintain integrated service delivery that improves and support the municipal area to achieve growth and development in the community. In achieving this, the following strategic objectives are devised:

- Promote efficient and effective integrated services that address the socio-economic and environmental development imperatives of the region
- Implement prudent and cost-effective financial management and sustainability
- Ensure good governance and sound management practices
- Ensure effective service delivery.

In order to accomplish the vision of job creation and the improvement of quality of life (providing basic needs, subsidies and community projects) of the Sedibeng District Municipality, nine strategies are established:

- Institutional capacity development (good governance, accountability, effectiveness, sustainable, leadership, partnership, participation)
- Facilitation of spatial structural change, nodal and corridor development (including housing and land)
- Regional infrastructural development
- Sectoral support and development: Manufacturing and re-industrialization
- Sectoral support and development: Agriculture and rural development (Agritropolis concept focus in Gauteng)

- Sectoral support and development: Tourism development and environmental management
- Township social and economic development (infra, industrial hubs, indigenous knowledge, access to markets revitalization and community development (including youth development)
- Maximize the impact of tertiary higher education (including youth development)
- Facilitation of business support and development (including skills, entrepreneurship, finance and youth development).

Key implications for Midvaal Local Municipality:

In the Sedibeng IDP, Midvaal is identified as a municipality rich in agriculture and tourism, contributing immensely to the Sedibeng DM. Midvaal LM is also elucidated as the Local Municipality in the Sedibeng DM with the highest level of development with the smallest rate of the population living below the upper poverty line. It is evident that the Midvaal LM should invest in the agriculture and tourism industry in supporting job creation in order to prevent the poverty rate from increasing.

2.4.3 SEDIBENG DISTRICT ONE PLAN

The Sedibeng District One Plan provides a strategic direction for many spheres of government, stakeholders, communities, and investors in moving from the current conditions to the desired future. This One Plan is intended to guide a more effective and accountable deployment and implementation of resources and investments. The purpose of the Sedibeng District One Plan is therefore to:

- Give effect to the District Development Model (DDM) as a practical method to improve service delivery and development impact in the Sedibeng District region.
- Localise and synergise the National Development Plan, the Medium-Term Strategic Framework, National Spatial Development Framework, Integrated Urban Development Framework and key, national and provincial sector policies/strategies/plans with socio-economic and spatial development logic of the space.
- Express a coherent and predictable government approach in relation to these key priorities through a long-term strategic framework

- Enable a programmatic intergovernmental relations approach with regard to the Sedibeng District through

In addressing the current challenges in the District Municipality, 6 goals are developed:

- Demographic/people development by prioritising:
- Economic positioning by focussing on:
- Spatial restructuring and environmental sustainability
- Spatial restructuring and environmental sustainability achieved through:
- Improving infrastructure engineering through:
- Ensuring integrated service provisioning:
- Improving governance through:

Key implications for Midvaal Local Municipality:

In the District One Plan, various development projects are earmarked for the Midvaal LM. This may promote major investment in the Midvaal economy. These investments mostly attend to infrastructure development, improved service delivery, and environmental sustainability. Therefore, the LED should address the support of these earmarked developments in the Midvaal LM.

2.5 LOCAL POLICY ALIGNMENT

2.5.1 MIDVAAL FIVE-YEAR INTEGRATED DEVELOPMENT PLAN (IDP), 2022-2027

The Midvaal IDP identifies the overarching vision and mission for the municipality for the next five years. The vision for the municipality is “Achieve excellence in service delivery.” This vision is underpinned by the following:

- Enhance service delivery through innovative technologies
- Enable a safe, healthy community and environment
- Promote local economic development and tourism
- Adopt clean, renewable energy
- Build strong partnerships
- Be a people-centred, compassionate institution.

The development priorities and objectives of the IDP are as follows:

- Good Governance: to promote increased participation and improved communication with all key internal and external stakeholders
- Safe and healthy environments: create a sustainable environment safe from harm
- Community development: to create an environment focussed on uplifting the youth, the poor and the most vulnerable.
- Institutional development: to transform and align the people, processes and systems of the municipality to achieve its objectives
- Financial stability: To improve the financial sustainability and capacity of the municipality, whilst adhering to statutory requirements
- Infrastructure and sustainable living environments: to ensure efficient infrastructure and energy supply that will improve the quality of life of the community
- Communications and customer care: to deliver inclusive and excellent services to the community
- Economic growth and spatial transformation: to facilitate sustainable economic empowerment for all communities within Midvaal and through the development of partnerships and innovation

The IDP provides detail regarding the key performance areas and their associated focus areas. This provides good guidelines regarding the development direction of the municipality.

Key implications for Midvaal Local Municipality:

The Midvaal IDP lists a series of key performance areas together with their objectives and associated performance areas. Overall, these objectives are in support of the general objectives of LED which is to enable economic growth to ultimately uplift local communities. All of the respective key performance areas will aid in creating an environment more conducive of inclusive economic growth and development. Economic growth and spatial transformation are also highlighted as key performance areas, underpinning the role of LED in the municipality's development vision.

The Midvaal Spatial Vision as per the SDF (2022) is:

The Midvaal Local Municipality offers a unique spatial composition of urban and rural development located along strategic economic corridors and spines. The rural character is protected by means of consolidated and well-designed urban areas and managed urban-rural cross-over zones. Urban expansion is consolidated along the R59 Corridor and R82 mobility spine, with east-west spines becoming more prominent.

The 2022-2027 SDF builds on the previous SDF that aimed to consolidate and integrate the national spatial directives with the reality on the ground. The Development Drivers and Spatial Proposals are set out in Table 2.2 (overleaf).

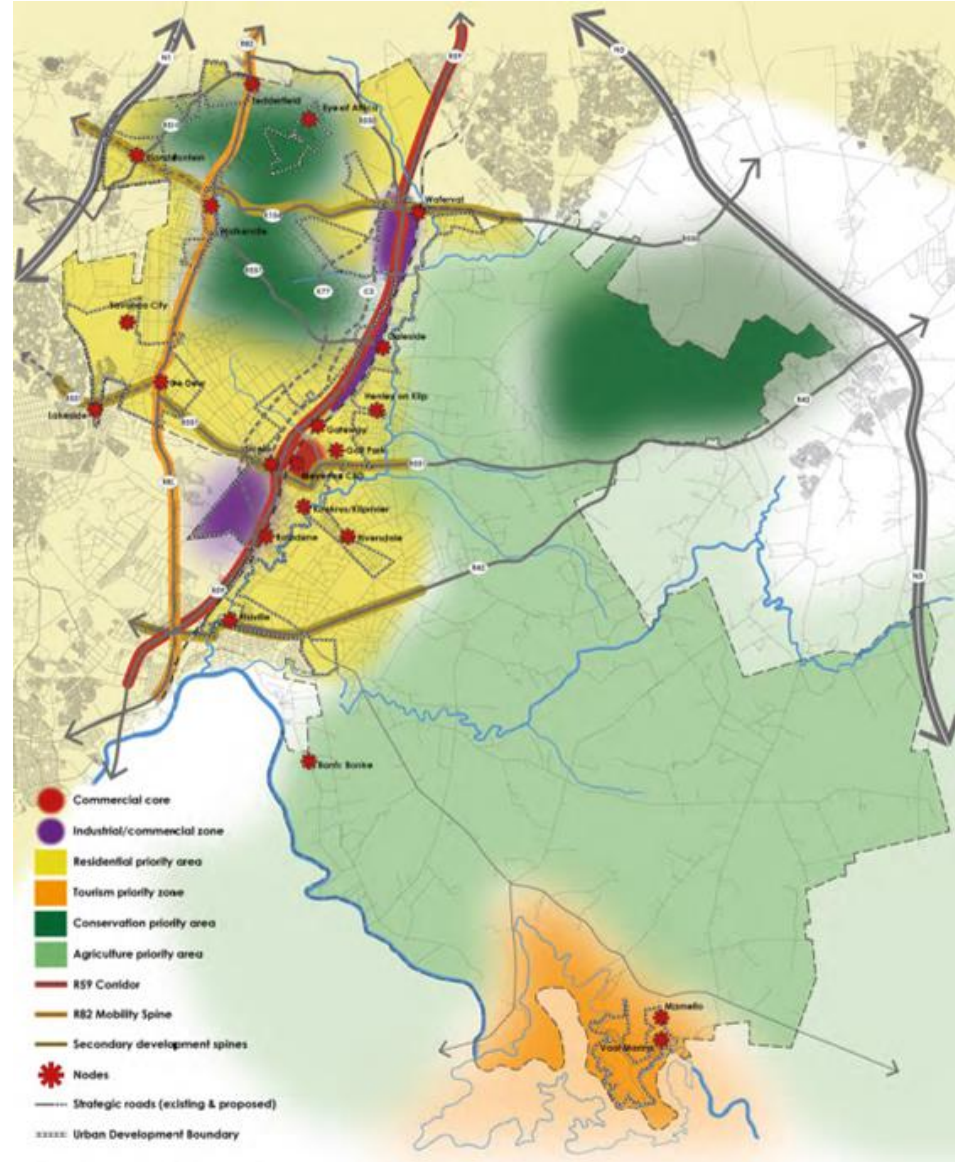


Table 2.2: Spatial proposals

Development drivers	Spatial proposal
1. Strive towards consolidated compact urban areas	Maintain the Urban Development Boundary (UDB) and manage urban-rural cross-over zones to promote compact urban development, support the integrity of rural residential areas, protect high potential agricultural land, and conserve critical biodiversity areas and valuable ecosystems
2. Pursue alternative clean energy and reduce the cost to industrial and commercial consumers	To tackle the shortage of energy by partnering with renewable energy service providers and participate in initiatives to generate local power, aid economic diversification along the R59 Corridor, industrial and commercial zones and the urban nodes through public-private partnerships.
3. Implement and manage corridor and spine development initiatives	Plan, design and facilitate development along the R59 Corridor, the R82 Mobility Spine and secondary east-west spines by means of appropriate developments and responsive township layouts in line with the spatial vision and relevant precinct plan proposals.
4. Encourage agricultural production and processing	Protect all land earmarked for agriculture in order to facilitate and enhance agricultural production. Support innovative small-scale farming in agricultural areas and cross-over zones, and support agri-processing in cross-over zones and in corridors and spines.
5. Stimulate tourism	Protect tourism resources, heritage assets, and unique precincts by stimulating relevant tourism-related activities and appropriate developments in the ridges, in unique precincts, around Bass Lake, in Suikerbosrand Nature Reserve, and along the Vaal Dam.
6. Foster walkable nodes and transit-orientated development (TODs)	Promote transit-orientated development (TODs) and the creation of compact, walkable, pedestrian-orientated, mixed-use communities centred around all public transit facilities (train stations, taxi ranks, rapid bus systems). Facilitate the development of walkable urban nodes, rather than suburban shopping centres for reduced dependence on a car for mobility and survival.
7. Ensure connectivity by means of a considered movement network	Capitalise on existing regional links to promote development and utilise the internal movement network to support public transport networks and services. For enhanced continuity, prioritise strategic roads identified in the SDF and consider alignment of proposed roads carefully to prevent further fragmentation of precincts, and unnecessary sterilisation of potential land for development.
8. Support quality human settlement development	Promote integrated human settlements through varying housing typologies, income models and densification, and prioritise the expansion of the gap market. Plan and implement for the integration of social facilities and commercial activities as integral part of any housing development.
9. Prioritise environmental management	Protect and manage the natural environment by administering the UDB to ensure an equilibrium between agricultural, tourism, industrial, and urbanisation activities

Development drivers	Spatial proposal
10. Streamline targeted engineering infrastructure	Prioritise short to medium term upgrading of engineering services in priority strategic development areas (SDAs) and ensure that engineering services are available before township establishment processes are finalised.
11. Implement local area plans (precinct plans)	Undertake precinct plans to give effect to the intentions of the broader strategic direction of the SDF and make proposals on a detailed level. Proposals should not only be focused on land use and transport, but should also provide practical spatial proposals and urban design guidelines to ensure appropriate spatial form in support of design principles, such as walkability.

Key implications for Midvaal Local Municipality:

In the SDF it is identified that the largest economic contribution to the local economy is along the R59 development corridor. It is also identified in the SDF that the Midvaal LM should diversify its economic base in order to reduce the pressure and dependency on a single economic sector, being the manufacturing sector. Considering this, there is potential for growth in the trade, tourism, agriculture and construction sectors. The investment in these key sectors should therefore be addressed in the Midvaal LED.

2.5.3 MIDVAAL AGRICULTURAL GROWTH STRATEGY, 2015

Agriculture is a critical enabler in terms of local employment creation, food and nutrition security, income generation, capacity building and skill development, as well as local economic growth. The strategy's aim is to increase the commitment of the Midvaal Local Municipality to agriculture investment and growth. The aim of this strategy is to:

- Create a common vision for agriculture with key stakeholders
- Design and implement a strategic framework
- Identify programmes and projects that will facilitate agricultural growth
- Address issues undermining investor confidence and interest in agriculture
- Ensure increased access and participation in the sector
- Combine, share and optimise the resources and benefits among the partners
- Foster global competitiveness, growth and profitability in the sector in order to attract new investment
- Ensure sustainable agricultural development

- Build lasting partnerships among key role-players
- Encourage youth participation in agriculture.

Key implications for Midvaal Local Municipality:

In previous documents the need for investment in the agricultural sector is evident. Therefore, it will be sensible for the Midvaal LED to address initiatives, policies and projects that may ensure the implementation of strategies to ensure the improvement and expansion of the agricultural sector. The LED should also address the impact that the agricultural sector may have on economic development on the Midvaal LM.

2.5.4 PREVIOUS MIDVAAL LOCAL ECONOMIC DEVELOPMENT PLAN, 2017

In May 2017, the Midvaal Local Municipality established a Local Economic Development (LED) Strategy, which offered mechanisms aimed at enabling long-term local economic growth. This strategy was based on 8 strategic pillars namely:

- Kgatelopele Youth Development Programme
- Agricultural growth and development
- Sectorial growth
- Youth skills, development, education and training
- Business development and support
- Township economic revitalization
- SMME, cooperatives and black industrial
- Poverty Reduction

The Municipal's Strategic Goals for LED, including Poverty Alleviation and Broad-Based Black Economic Empowerment, would be used to achieve these methods.

- Poverty Reduction
 - To focus on the sustainable livelihoods approach
 - Access to essential resources need to enable sustainable livelihood.
 - Provision of support to indigents, to reduce indigent households
- Broad Based Black Economic Empowerment
 - Increased broader based participation and ownership
 - Partnership initiatives that result in skills transfer and capacity building.
 - Focus on key growth sectors and industries of relevance to Midvaal .

Key implications for Midvaal Local Municipality:

The previous Midvaal LED provides good insight into the economic development direction of the municipality during previous years. This provides a good base for the development of a new LED for the Midvaal Municipality.

2.6 SYNTHESIS

The policy alignment process comprised a comprehensive review of key legislative and policy documents from all spheres of government. The process provided insight into the development objectives and principles identified by government spheres in pursuit of a communal goal – development that benefits all - which will underpin the considerations and recommendations of the Midvaal LED strategy development.



SOCIO-ECONOMIC PROFILE



3

3. SOCIO-ECONOMIC PROFILE

3.1 INTRODUCTION

This section provides greater insight into the socio-economic context of the Midvaal Local Municipality. The chapter includes an overview of key demographic indicators together with selective mapping of key indicators. The socio-economic profile includes an overview of the following indicators:

- Population and household size
- Population forecasting –2025, 2030 and 2050.
- Population dynamics – age and gender profile, racial profile as well as migration profile.
- Education profiling – Educational institution attendance
- Employment dynamics including employment and unemployment, occupation profile and industry of employment as well as skills-levels.
- Housing profiling including dwelling typology and tenure status
- Socio Economic Measure (SEM) Profiling
- Household income profiling including average annual and monthly income for All SEM categories and SEM 2-5.

3.2 KEY SOCIO-ECONOMIC INDICATORS

Table 3.1: Key Socio-Economic Indicators – Midvaal Local Municipality

Total Population	✓ 121 153 people (2021 mid-year estimate)
Total Households	✓ 39 239 households (2021 mid-year estimate)
Migration	✓ 37.0% of the local population moved to the Midvaal Local Municipality since 2011.
Education	✓ Moderate education levels with 29.4% of the local population having some secondary education.
Employment	✓ 68.4% of the Midvaal Local Municipality's population is economically active of which

	81.3% are employed and 18.7% are unemployed.
Occupations	✓ The occupation profile by skill, the semi-skilled category dominates at 48.7%. ✓ The elementary occupations category, however, dominates in terms of individual occupations (26.1%)
Industry of Employment	✓ Local population is employed mostly within the tertiary sector (58.6%) with the wholesale and retail trade sector employing the largest proportion of residents (18.7%).
Housing	✓ Housing within the Midvaal Local Municipality is comprised mostly of formal dwelling typologies (81.3%) with the largest proportion of dwellings consisting of freestanding houses (71.6%).
SEM Profile	✓ SEM 1 consists of 60.5% of local households
Household Income	All SEM ✓ R185 756 per annum ✓ R15 480 per month SEM 2 – 5 ✓ R434 794 per annum ✓ R36 233 per month

Note: Data Sources and Calculations:

Demacon utilises data from various sources as base-data and re-work key base figures for specific applications. Demographic findings are based on Demacon-calculations informed by data from Statistics SA using multi-variant regression modelling.

3.2.1 DEMOGRAPHIC SIZE AND COMPOSITION – MIDVAAL LOCAL MUNICIPALITY

POPULATION SIZE (2021)

121 153
PEOPLE IN THE
MIDVAAL
MUNICIPALITY



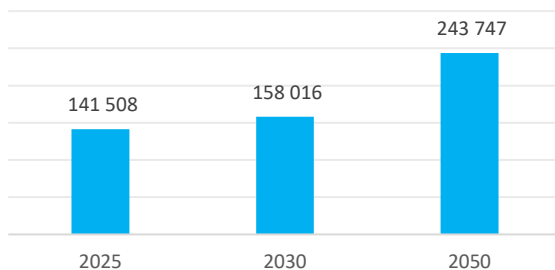
Population and Household figures are based on Mid-Year population estimates for 2021 published by Statistics SA

39 239
HOUSEHOLDS



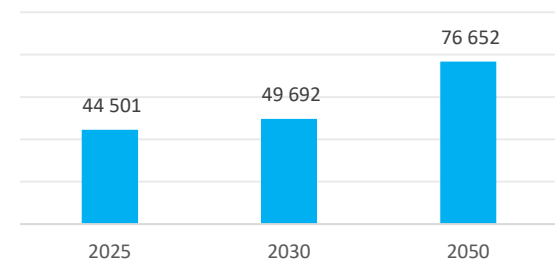
POPULATION FORECAST

(SDF MEDIUM GROWTH SCENARIO)

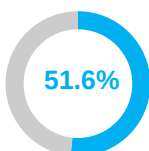


HOUSEHOLD FORECAST

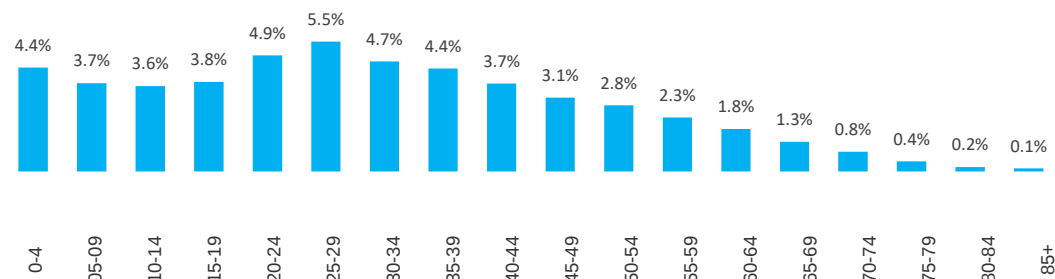
(SDF MEDIUM GROWTH SCENARIO)



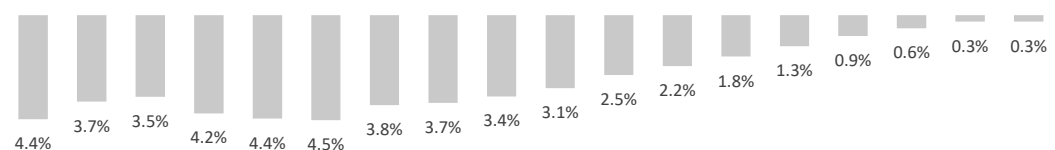
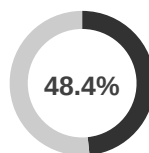
AGE AND GENDER PROFILE



MALE



FEMALE



RACIAL PROFILE



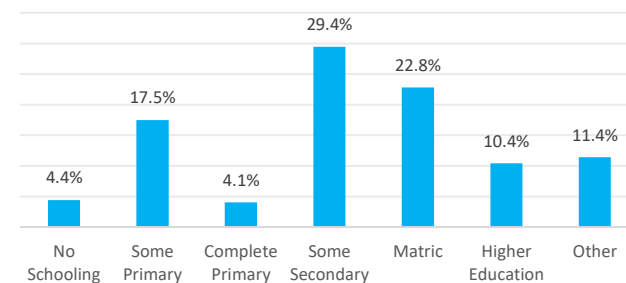
Black African	58.7%
Coloured	1.6%
Indian / Asian	0.8%
White	38.9%

EDUCATION PROFILE

Educational Institution Attendance (20+ Years)

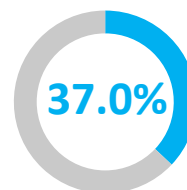
46.5% attend a UNIVERSITY	16.7% attend an FET COLLEGE	14.5% attend an ORDINARY SCHOOL
---------------------------------	-----------------------------------	---------------------------------------

Educational Institution Attendance (20+ Years)



MIGRATION PROFILE

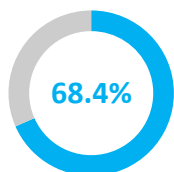
Data indicates that 37.0% of the municipal population migrated to the Midvaal Local Municipality since 2011.



3.2.2 EMPLOYMENT PROFILE

ECONOMICALLY ACTIVE SEGMENT

ECONOMICALLY
ACTIVE
Population

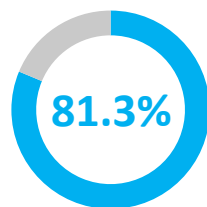


31.6% Not Economically Active

Economically active population refers to a person of working age 15 to 65 who are either employed or unemployed.

Not economically active population refers to ages 0 to 14 and 65 and older, persons unable to work or persons engaged in educational activities or are homemakers.

EMPLOYMENT PROFILE



Employed
Economically
Active

18.7% Unemployed Economically Active

Employed and unemployed persons are economically active and thus is a segment of the economically active percentage.

OCCUPATION PROFILE

Skilled
Occupations
18.6%



Semi-Skilled
Occupations
48.7%



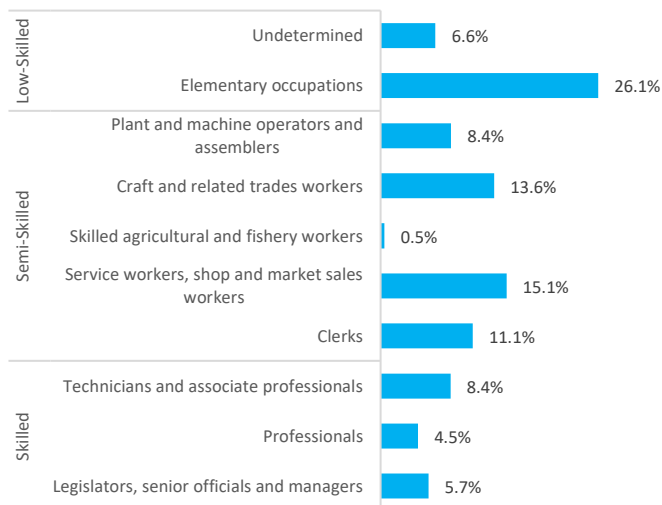
Low-Skilled
Occupations
26.1%



**ELEMENTARY
OCCUPATIONS
ARE MOST POPULAR**
26.1%

**SERVICE WORKERS,
SHOP & MARKET SALES
WORKERS
ARE THE SECOND
MOST POPULAR**
15.1%

**CRAFT & RELATED TRADES
WORKERS
ARE THE THIRD MOST
POPULAR**
13.6%



EMPLOYMENT PER INDUSTRY

4.3%
Employed in the
Primary Sector

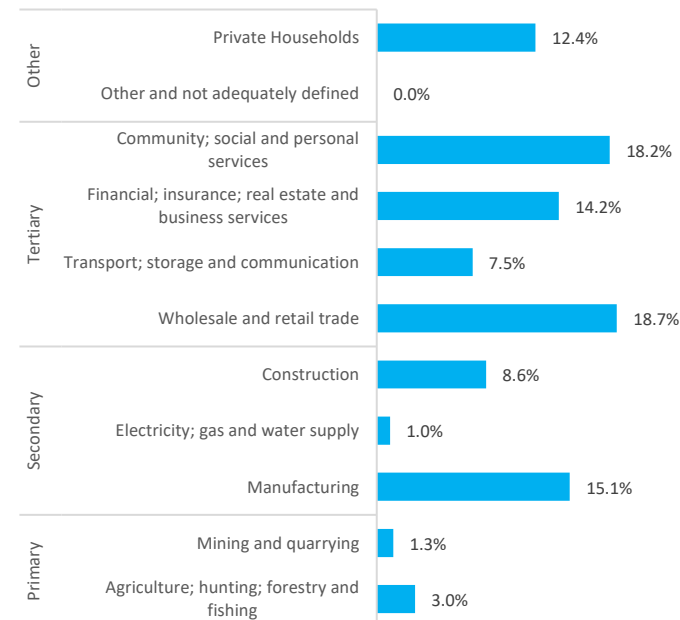


24.7%
Employed in the
Secondary Sector

58.6%
Employed in the
Tertiary Sector

**Biggest Employing Economic Sectors
among Midvaal population:**

18.7% Wholesale and retail trade
18.2% Community, social & personal services
15.1% Manufacturing



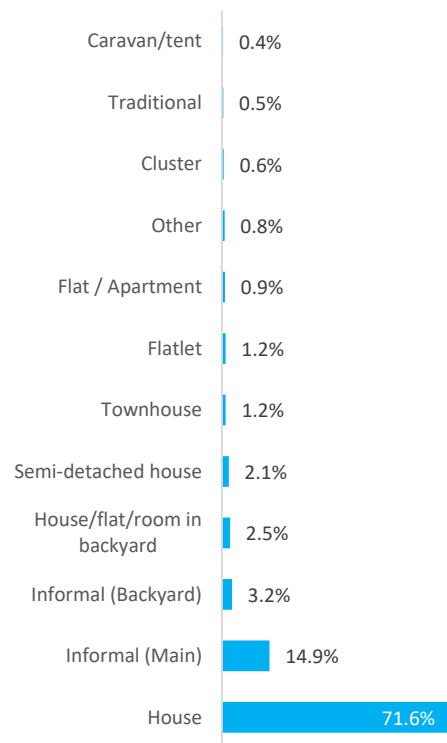
3.2.3 HOUSEHOLD PROFILE

DWELLING TYPOLOGY

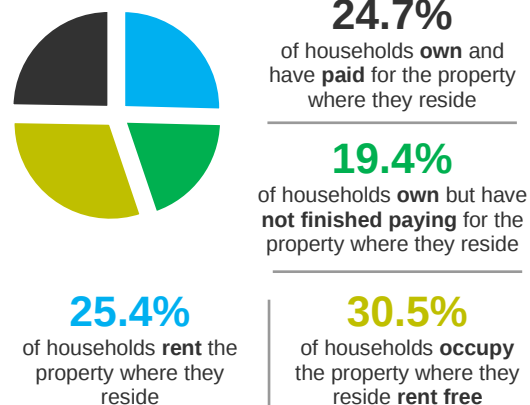
Majority of Households Reside in a **Formal Dwelling** **81.3%**

18.3% of households reside in an **informal dwelling**

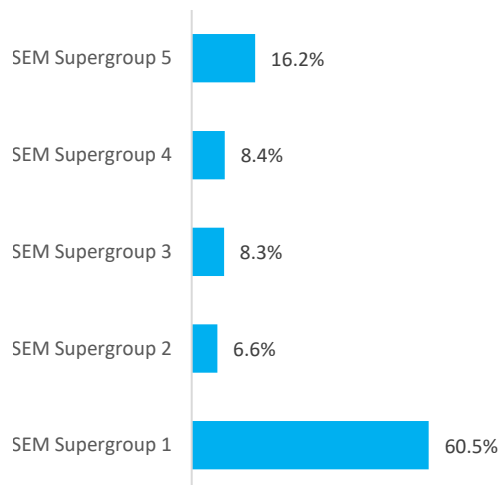
0.5% of households reside in a **traditional dwelling**



TENURE STATUS



SEM PROFILE



HOUSEHOLD INCOME PROFILE

Average annual household income for all SEM groups (2022)

R185 756

Average annual household income for SEM Groups 2+ (2022)

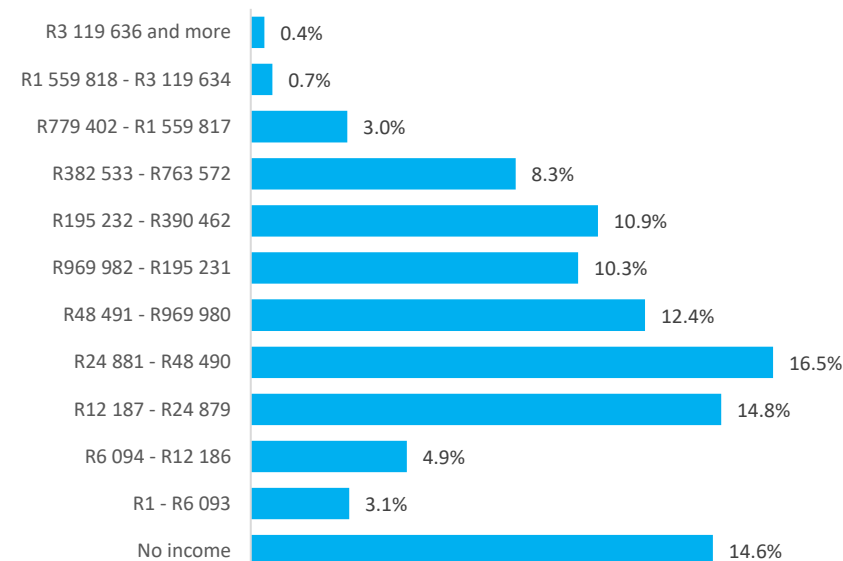
R434 794

Average monthly household income for all SEM groups (2022)

R15 480

Average monthly household income for SEM Groups 2+ (2022)

R36 233



3.2.4 LIVING STANDARDS MEASURE (LSM) TO SOCIO-ECONOMIC MEASURE (SEM)

LSM

LATEST VARIABLES:

- Hot running water
- Fridge/freezer
- Flush toilet in house/on plot
- VCR in household
- Vacuum cleaner/floor polisher
- Have a washing machine
- Have a computer at home
- Have an electric stove
- Have TV set(s)
- Have a tumble dryer
- Have a Telkom telephone
- Hi-Fi or music centre
- Built-in kitchen sink
- Home security service
- Have a deep freeze
- Water in home/on stand
- Have M-Net and/or DSTV
- Have a dishwasher
- Metropolitan dweller
- Have a sewing machine
- DVD player
- House/cluster/townhouse
- 1/more motor vehicles
- No domestic worker
- No cell phone in household
- 1 cell phone in household
- None or only one radio
- Living in a non-urban area

VS

SEM

FINAL VARIABLES:

- Post office nearby
- Police office nearby
- Built-in kitchen sink
- Home security service
- Motor car
- Deep freezer which is free standing
- Microwave oven
- Floor polisher or vacuum cleaner
- Washing machine
- Floor material
- Water source
- Type of toilet
- Roof material
- Number of sleeping rooms



LIMITATIONS OF LSM



LSM is not related to any specific brand or category



LSM cannot accurately determine spending power



Consumers have changed, LSM has not

ADVANTAGES OF SEM



Focus on structural items



Low reliance on durables

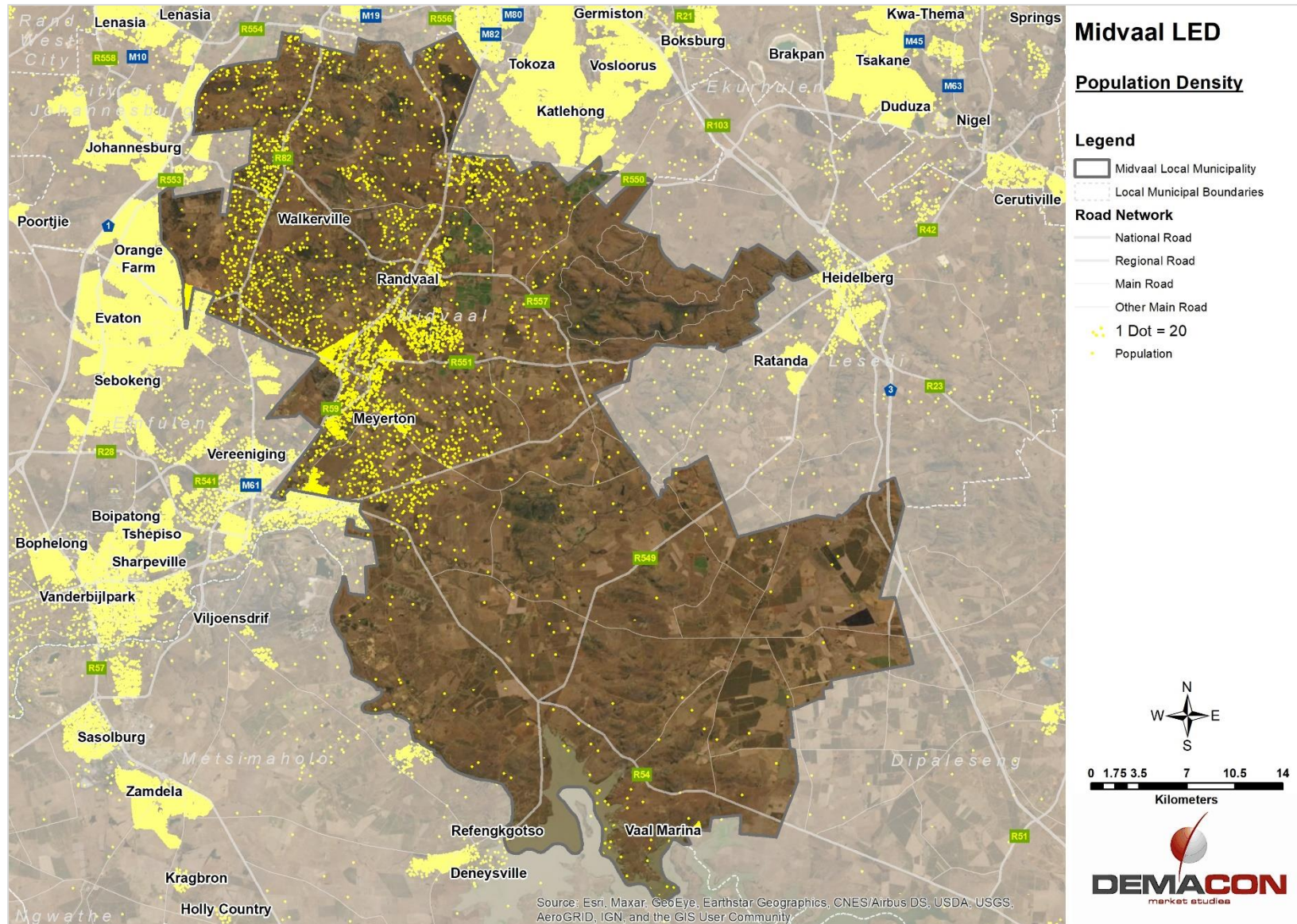


No reliance on technology items



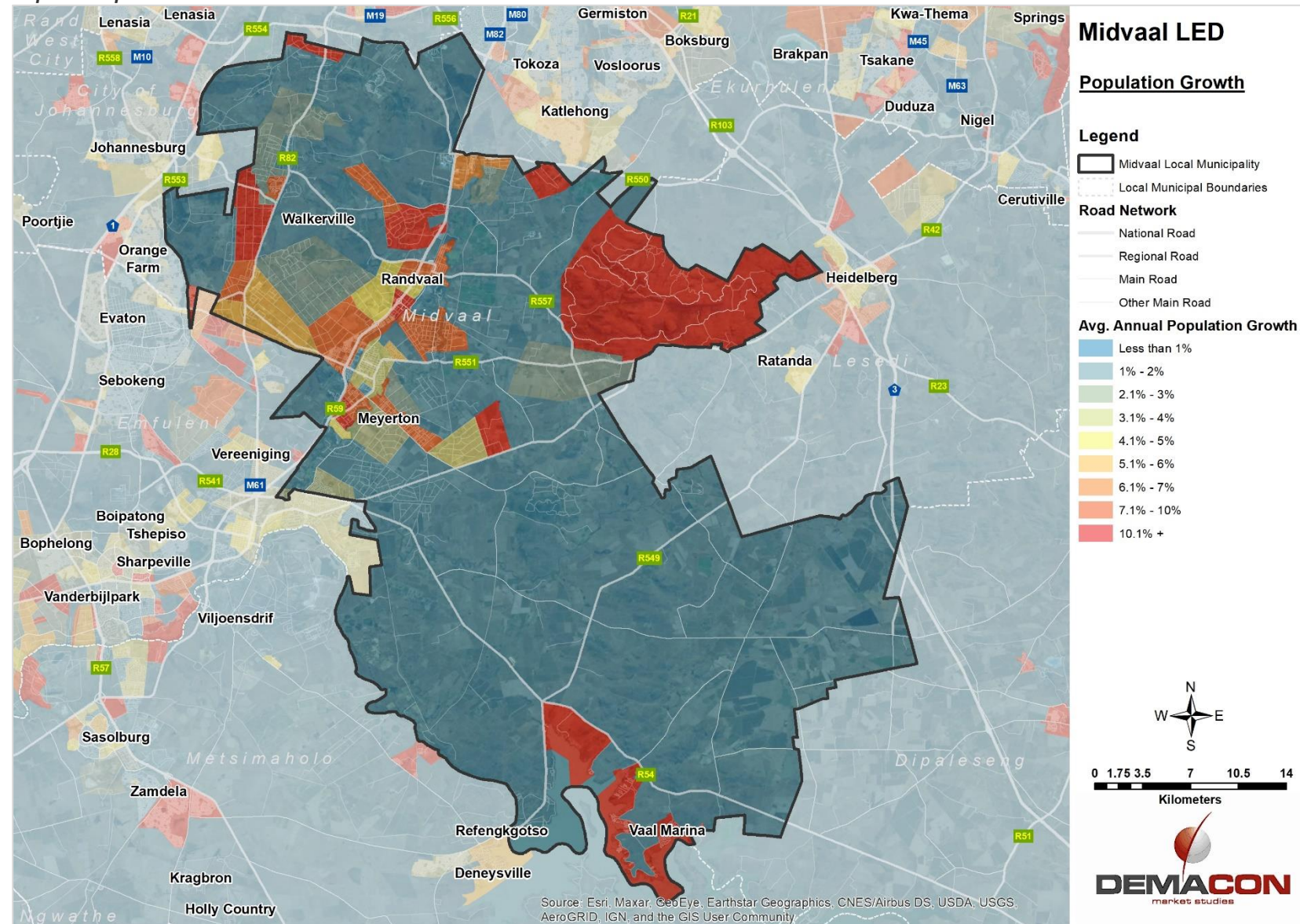
Short and easy to use

Map 3.1: Population Density



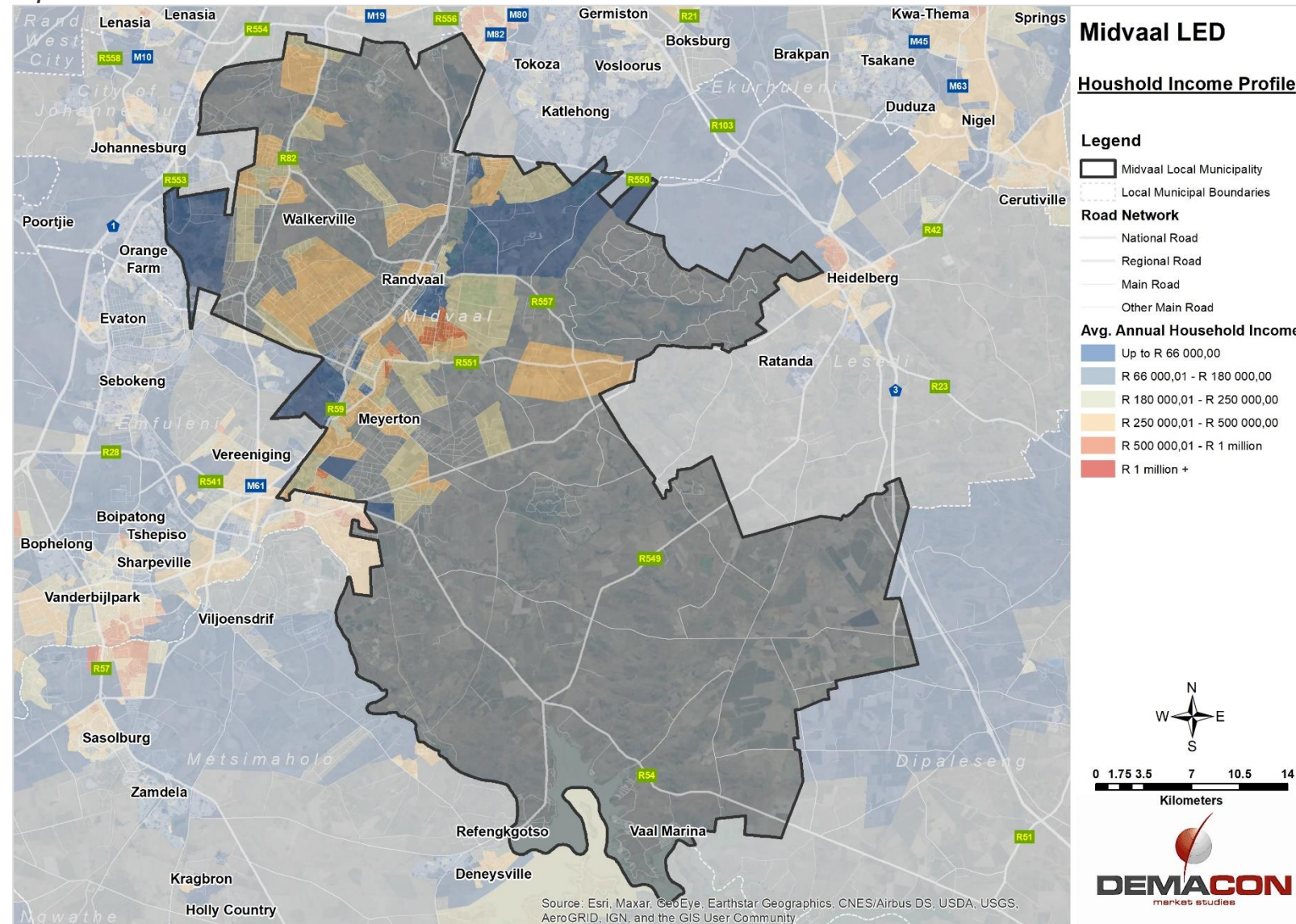
Source: DEMACON, 2022

Map 3.2: Population Growth



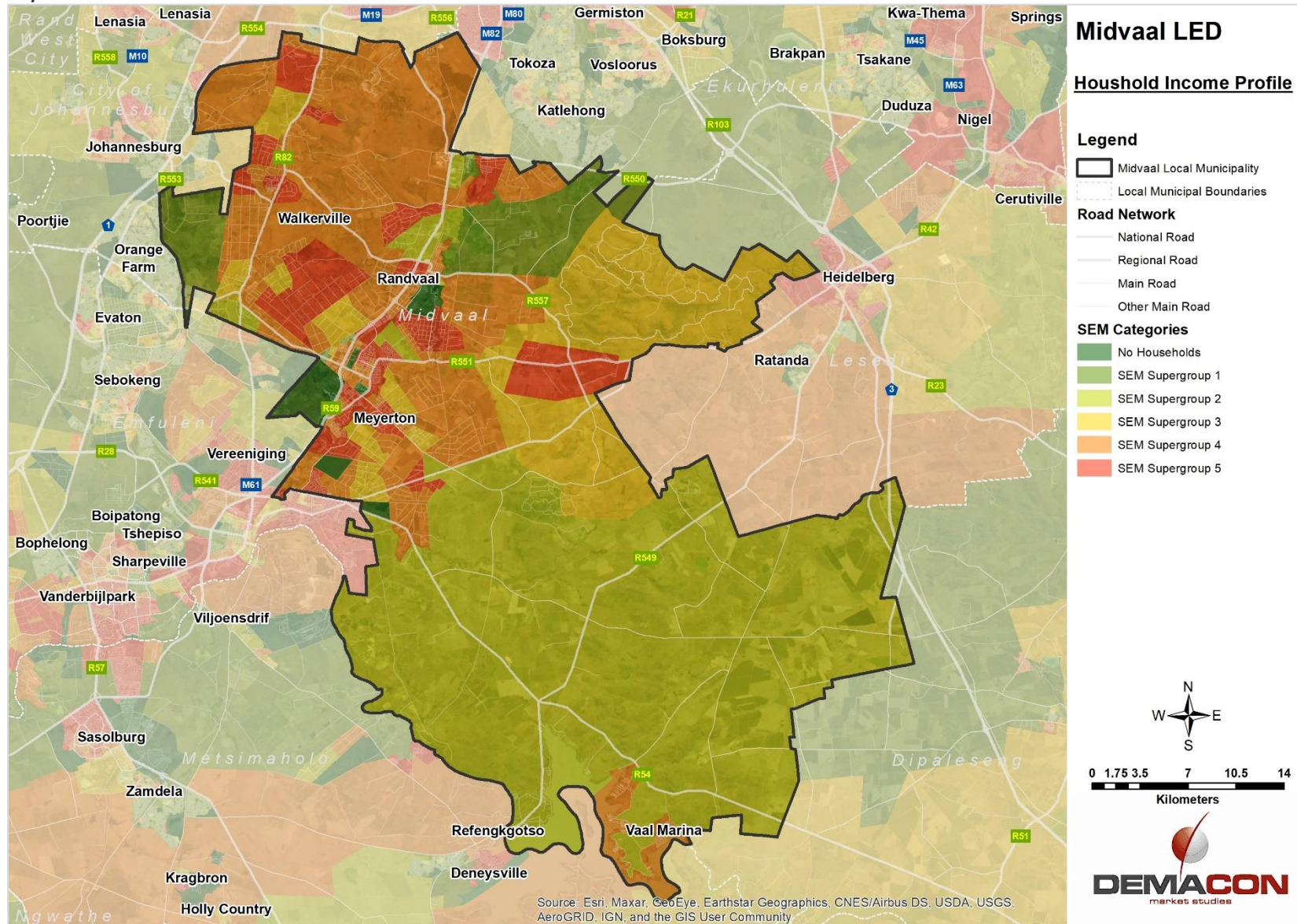
Source: DEMACON, 2022

Map 3.3: Household Income Profile

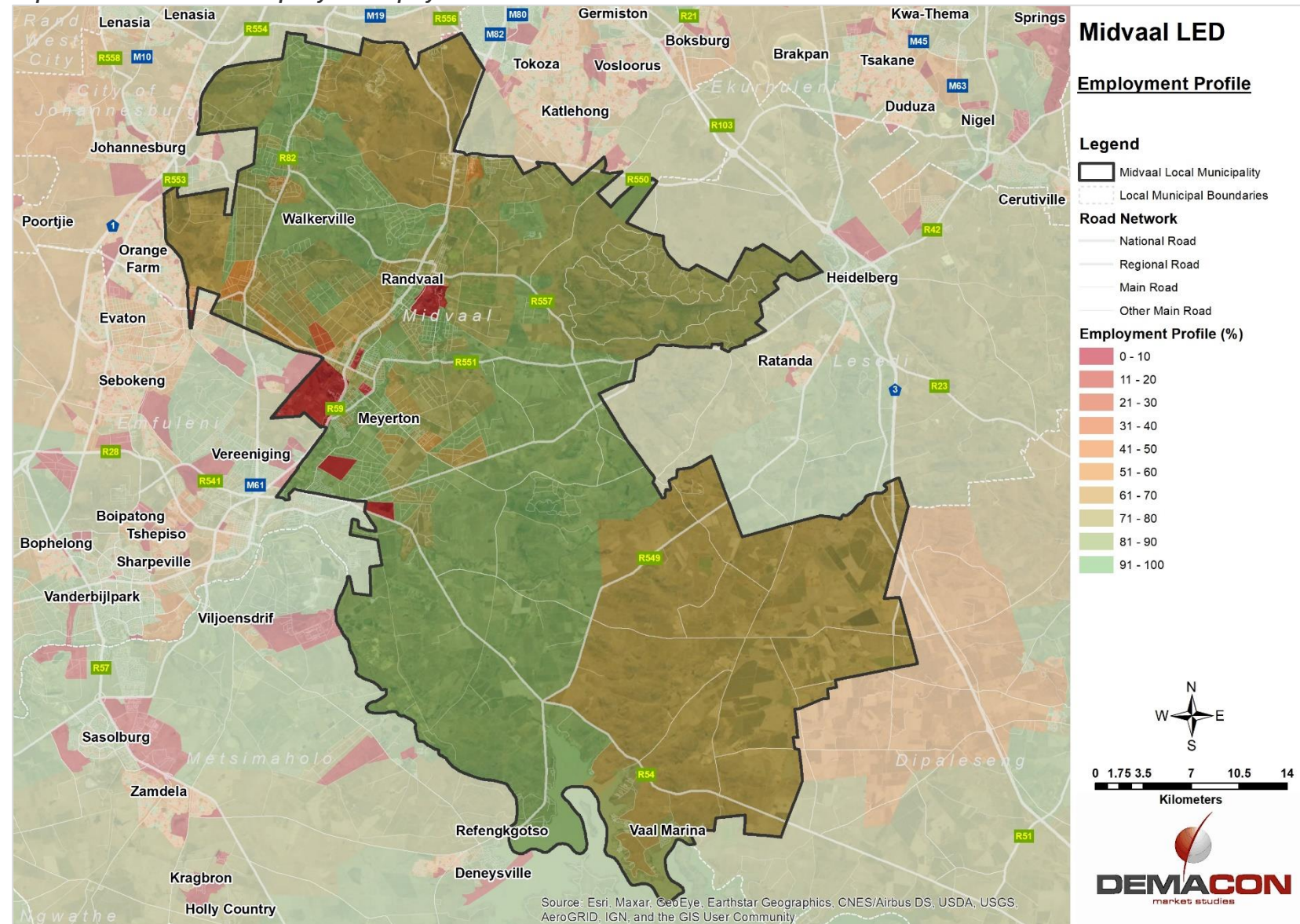


Source: DEMACON, 2022

Map 3.4: SEM Profile



Map 3.5: Midvaal Local Municipality - Unemployment Profile



Source: DEMACON, 2022

3.3 SYNTHESIS

3.3.1 POPULATION & HOUSEHOLD SIZE

According to Statistics SA mid-Year Population Estimates for 2021, Midvaal accommodates a population of 121 153 people and 39 239 households.

3.3.2 EMPLOYMENT

The largest proportion of residents within the Midvaal Local Municipality are economically active at 68.4%, translating to 31.6% of residents being not economically active. Of the economically active population, 81.3% are employed and 18.7% are unemployed.

Although the largest proportion of residents are employed within elementary occupations (16.1%), the occupation profile for the municipality in terms of skills category consists of semi-skilled occupations (48.7%). The tertiary sector employs more than half of local residents (58.6%) with the largest employment sector being the wholesale and retail trade sector (18.7%), followed by the community, social and personal services sector at (18.2%).

3.3.3 HOUSEHOLD INCOME

The largest proportion of households fall within the SEM supergroup 1 (60.5%) – indicative of comparatively poor living conditions. Around 14.6% of primary trade area households have no income.

The average annual household income figure across all SEM groups equates to R185 756, translating to R15 480 per month. The average annual household income among SEM 2+ groups are R434 794 and R36 233 per month.

Overall, despite the dominance of the SEM 1 category, household income levels reflect an overall middle-income environment which is the product of the effect of low-income households and pockets of higher income households within the municipality.

3.3.4 IMPLICATION

- ✓ Population and household growth is positive which translates to a growing population that will need access to stable, quality employment opportunities.
- ✓ A notable proportion of residents consists of young and upcoming individuals, again underpinning the need to create sustainable employment opportunities within the Midvaal Local Municipality.
- ✓ SEM profile reflects that a need exists for the upliftment of the residents and highlights the need for economic growth and the associated social benefits of economic development.

ECONOMIC ANALYSIS

4

4. ECONOMIC ANALYSIS

4.1 INTRODUCTION

This chapter provides insight into the features of the Midvaal Local Economy. This includes:

- Key economic statistics
- Economic profile
- Economic growth
- Employment profile
- Labour force participation and labour absorption
- Tress index
- Location quotient
- Economic base assessment
- Shift-Share analysis
- Carvalho Classification
- Industry targeting
- Target sector identification
- High level overview of existing value chains
- Synthesis.

4.2 KEY ECONOMIC INDICATORS

The subsequent table provides a concise overview of key economic characteristics of the Midvaal Local Economy.

Table 4.1: Summary of Key Economic Statistics – Midvaal Local Economy

Economic Size 2020 (Current Value)	✓ R13.7 billion
Economic Contribution	✓ Midvaal Local Economy contributes 15.0% towards the Sedibeng District Economy
Economic Growth	✓ 10 year annual average: 0.4% ✓ 5 year annual average: -0.7%

Economic Sector Orientation	✓ Tertiary sector constitutes 58.2% of the local economy
Dominant Economic Sectors	✓ Manufacturing (29.9%) ✓ Community, social and personal services (17.1%) ✓ Finance, insurance, real estate and business services (14.5%) ✓ Wholesale and retail trade (14.4%)
Dominant Sub-Sectors	✓ Wholesale and retail trade (13.4%) ✓ Business services (11.5%) ✓ Metals, metal products, machinery and equipment (9.0%)
Total Employment 2020	✓ 30 517 formal jobs
Top Sectors of Employment	✓ Community, social and personal services (21.0%) ✓ Wholesale and retail trade (20.6%) ✓ Manufacturing (20.6%)
Top Informal Employment Sector	✓ Trade (11.7%)
Labour force Participation	✓ 73.0%

Note: Data Sources and Calculations

Demacon utilises data from various sources as base-data and re-work key base figures for specific applications. Subsequent economic findings were based on Demacon calculations informed by Quantec data.

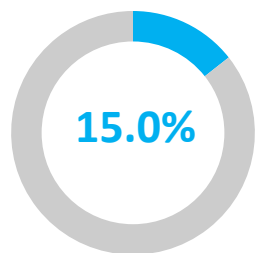
4.3 ECONOMIC PROFILE

Midvaal Local Economy

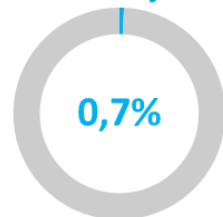
R13.7 billion

(2021 current value)

Midvaal Local Economy
Contributes **15.0%** toward the
Sedibeng District Economy



Midvaal Local Economy
Contributes **0.7%** towards the
Gauteng Provincial Economy.



The local economy is driven largely by the tertiary sector (58.2%), followed by the secondary sector (35.6%) with the primary sector being the smallest (6.3%).

Figure 4.1: Midvaal Economic Profile – Sector Based

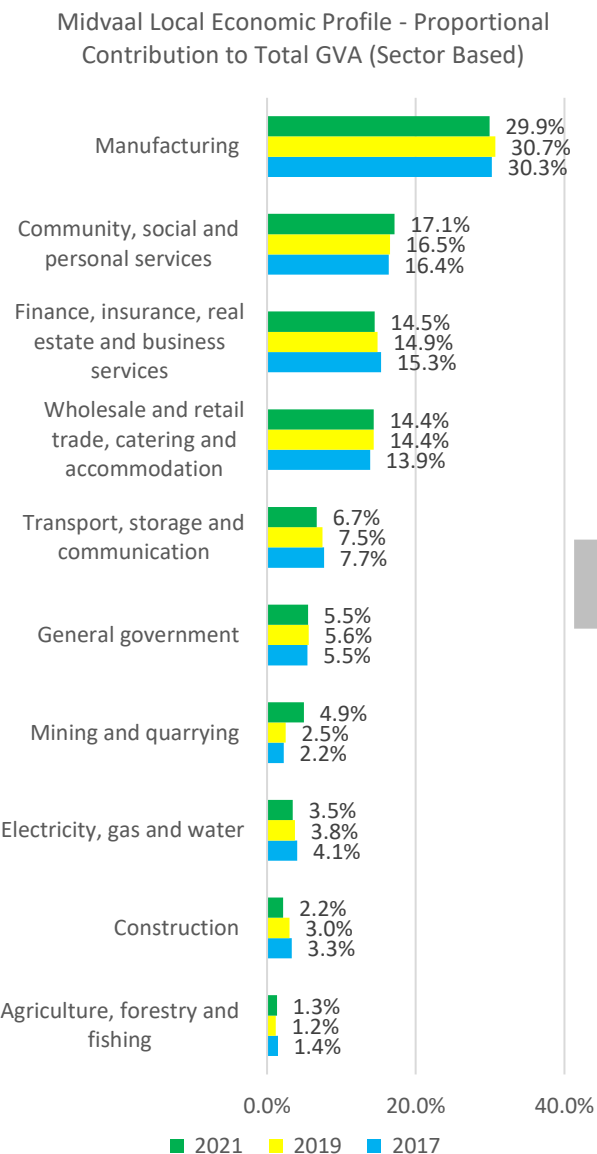
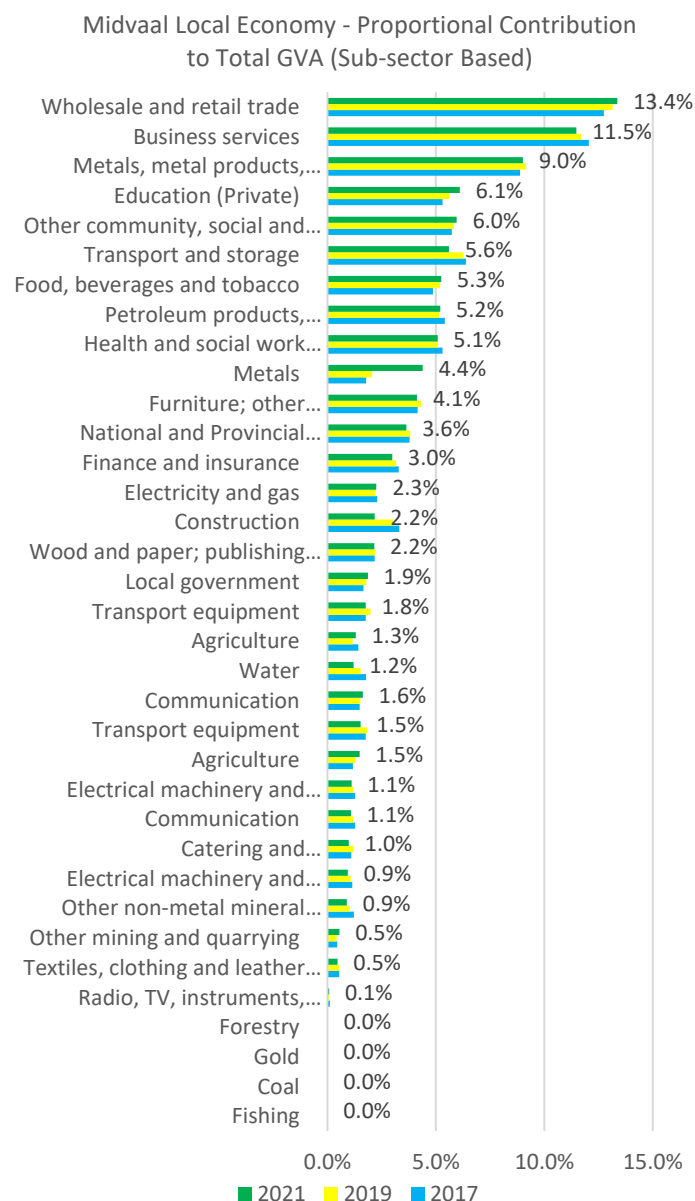


Figure 4.2: Midvaal Economic Profile – Sub-Sector Based



4.4 ECONOMIC GROWTH

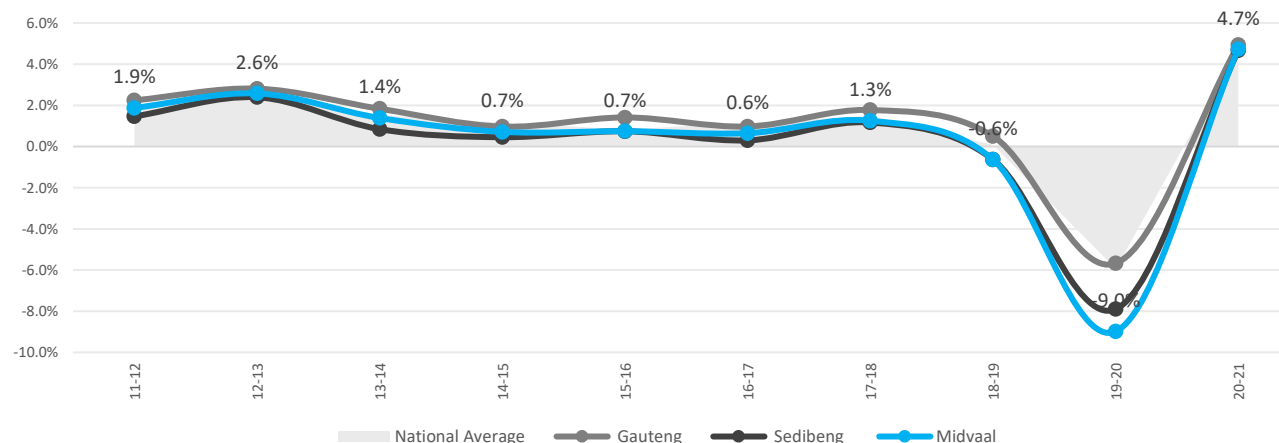
Midvaal Local Economy

10 Year Annual Average Growth
Rate: **0.4%**

5 Year Annual Average Growth
Rate: **-0.7%**

The Midvaal Local Economy generally recorded lower average annual growth rates than the district, provincial and national averages.

Figure 4.3: Midvaal Economic Growth

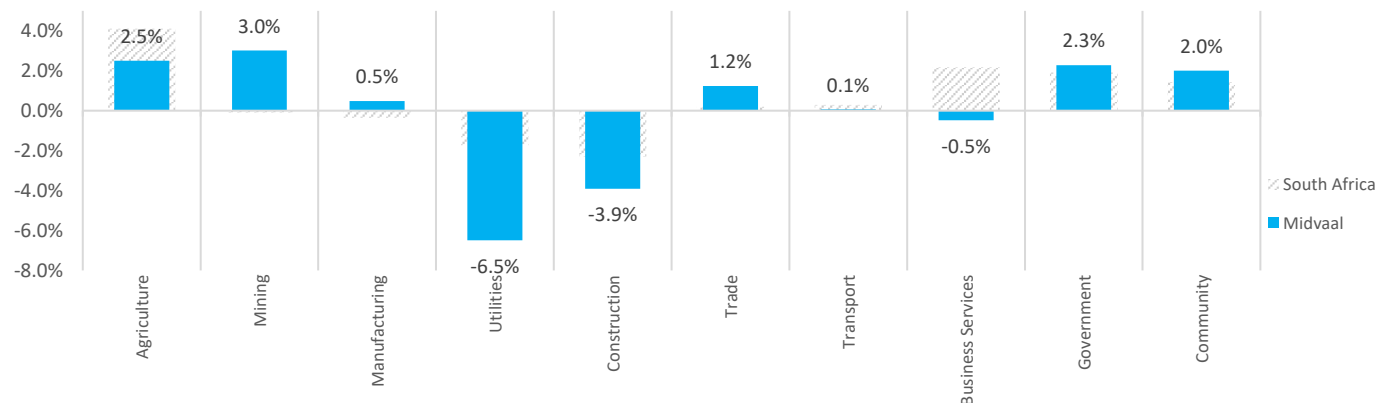


Midvaal Local Economy – Sectoral Growth

10 Year Annual Average Growth Rates

- Agriculture: 2.5%
- Mining: 3.0%
- Manufacturing: 0.5%
- Utilities: -6.5%
- Construction: -3.9%
- Trade: 1.2%
- Transport: 0.1%
- Business Services: -0.5%
- Government Services: 2.3%
- Community Services: 2.0%

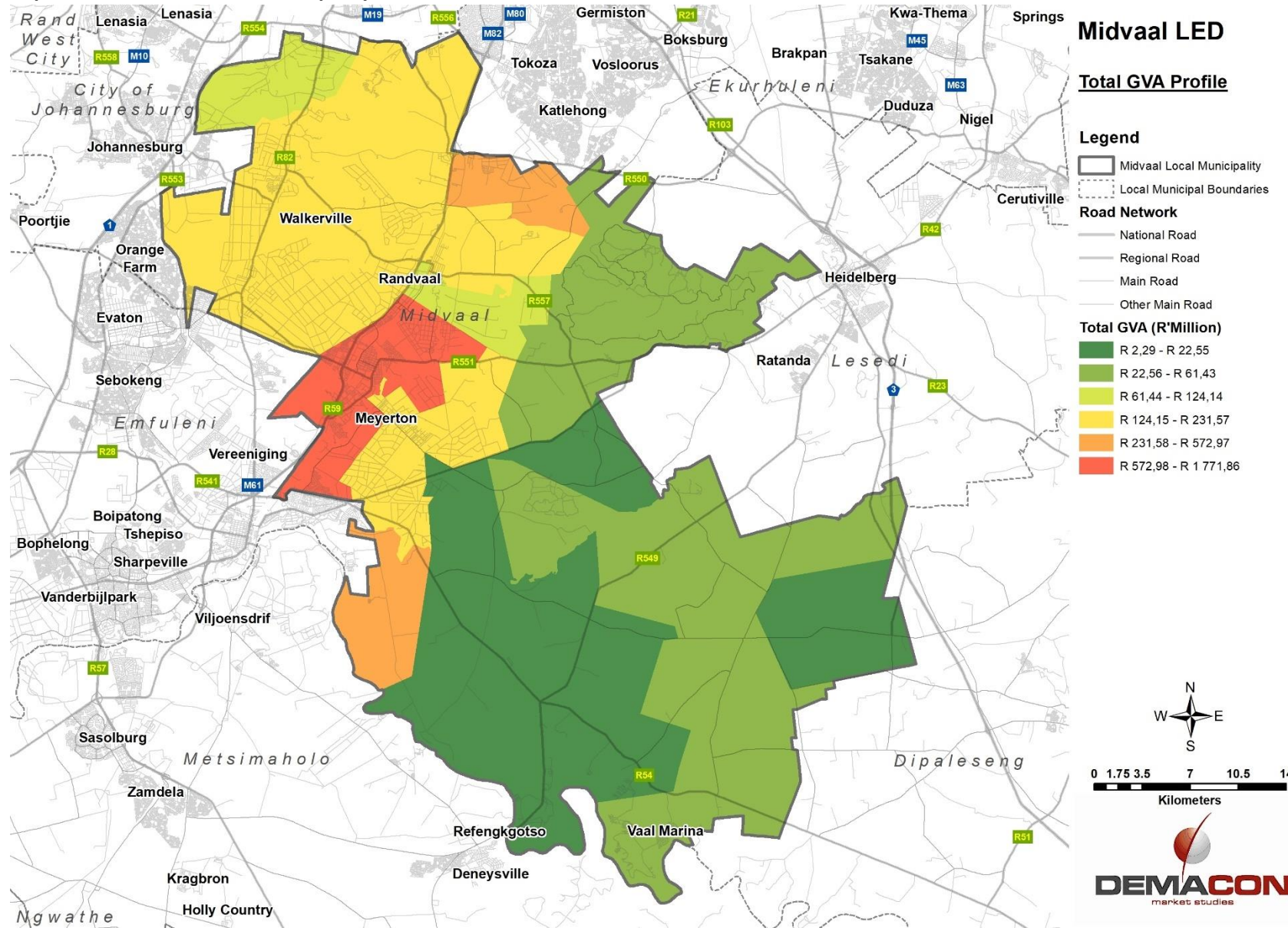
Figure 4.4: Economic Sectoral Growth



Overall, growth of the utilities and construction sectors are **decelerating** on a national and local economic level with negative growth rates recorded for the national and local economies.

The agriculture, trade, transport, government services and community services sectors recorded **positive growth** for both the national and local economy with the highest annual average growth rate in the **Midvaal Local Economy** recorded for the **mining sector** at **3.0%**.

Map 4.1: Midvaal Total GVA Profile (2020)

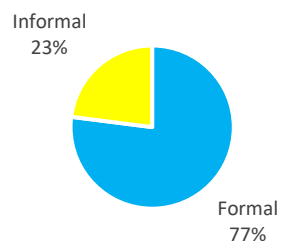


4.5 EMPLOYMENT PROFILE

Midvaal Local Economy

Local economy consists of 77% formal employment 23% informal employment.

Total Employment: Formal and Informal



Total Employment: 39 630 jobs

Formal Employment: 30 517 jobs

Informal Employment: 9 113 jobs

The **community services** sector provides the most **formal jobs** within the local economy at 6 405 jobs (21.0%).

The **trade** sector provides the most **informal jobs** within the local economy at 3 562 jobs (11.7%).

Figure 4.6: Formal Employment by Sector (Proportional Contribution)

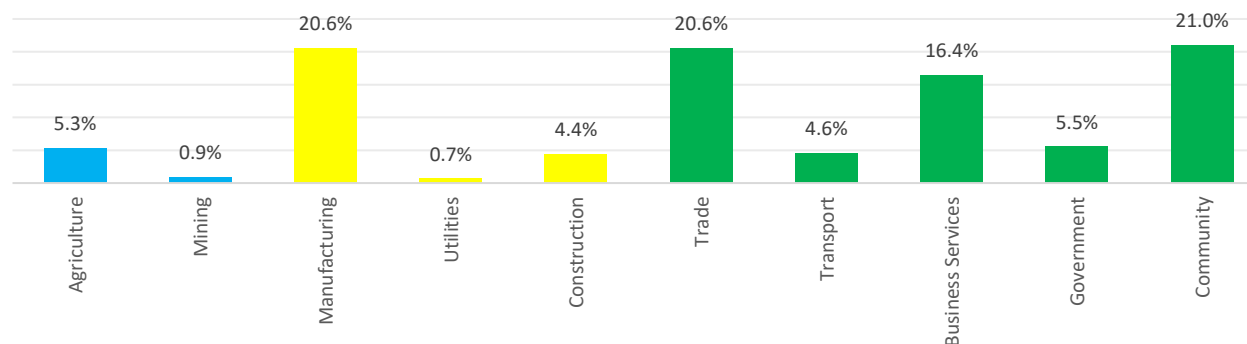


Figure 4.8: Informal Employment by Sector (Proportional Contribution)

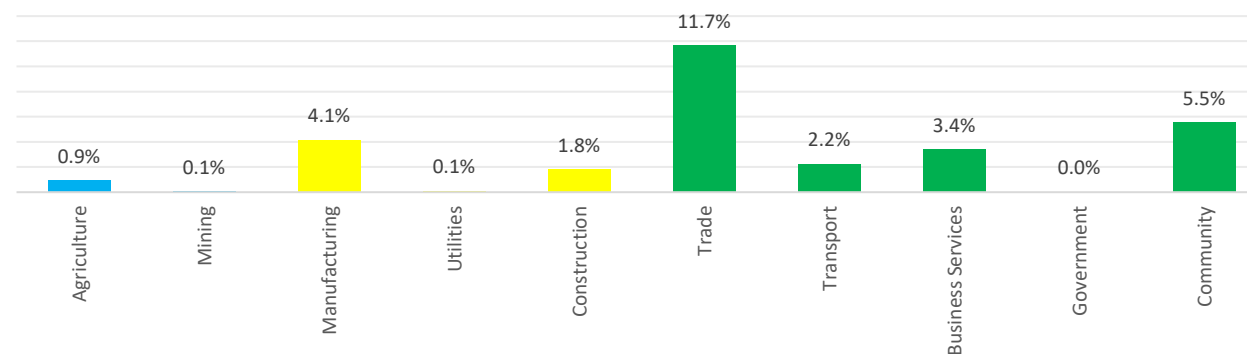
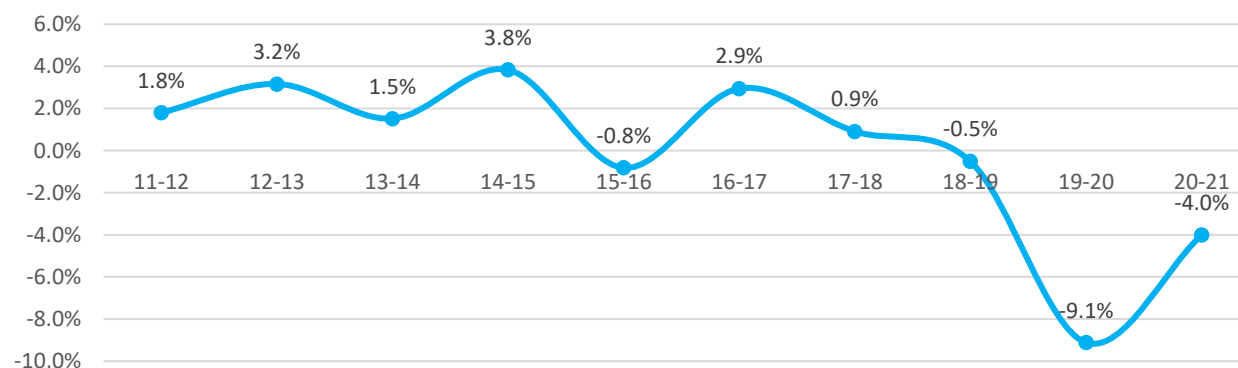
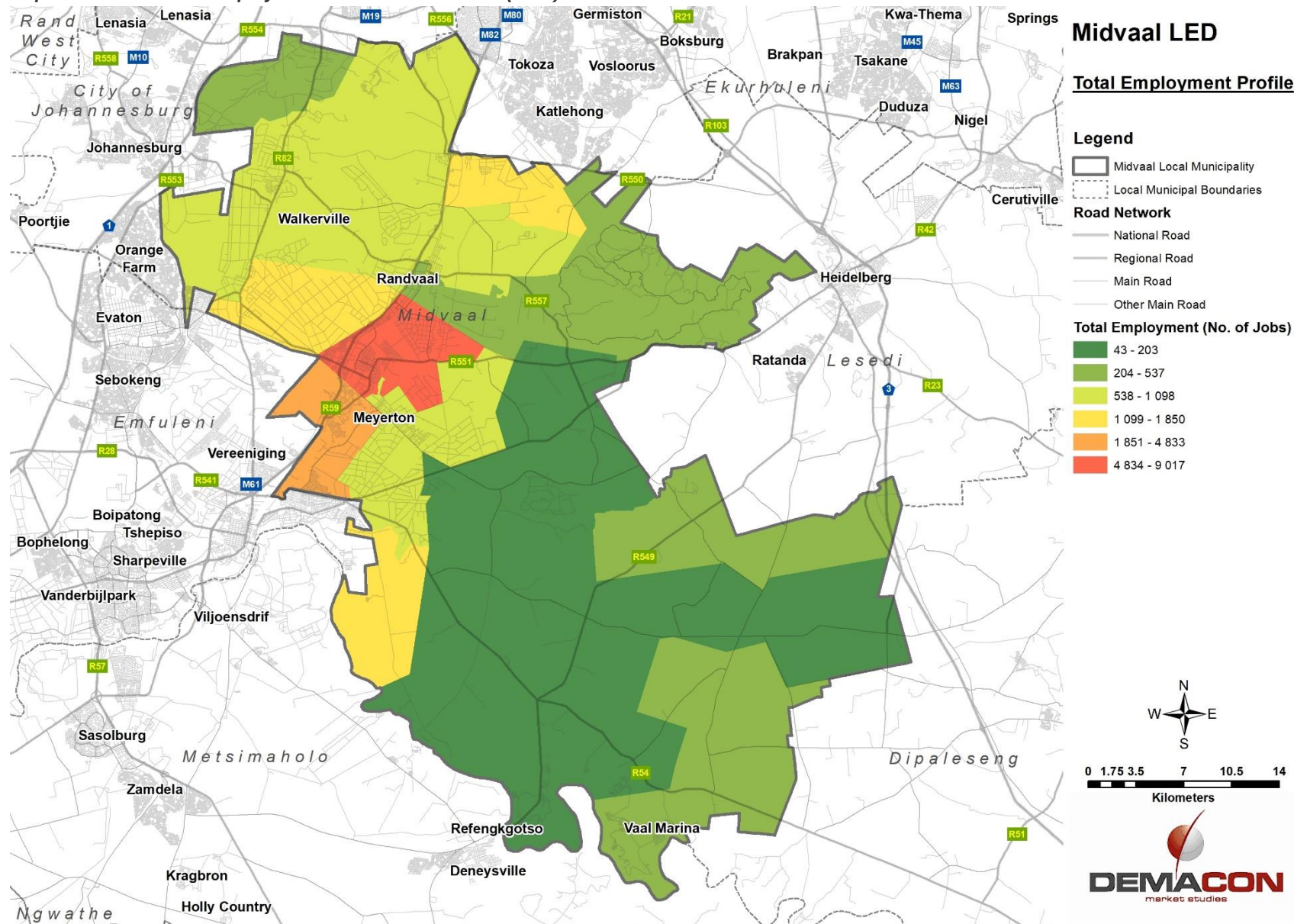


Figure 4.7: Total Employment Growth (Formal & Informal)



Map 4.2: Midvaal Total Employment Profile – No. of Jobs (2020)



4.6 LABOUR FORCE PARTICIPATION & ABSORPTION

Labour Force Participation National & Local

Labour force participation for the **Midvaal Local Economy is 73.0%** - higher than the National figure of 56.5% for 2021.

Overall, labour force participation in the Midvaal Local Economy has improved, although a notable decrease is evident from 2019 to 2020.

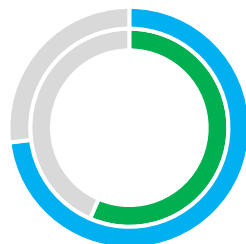
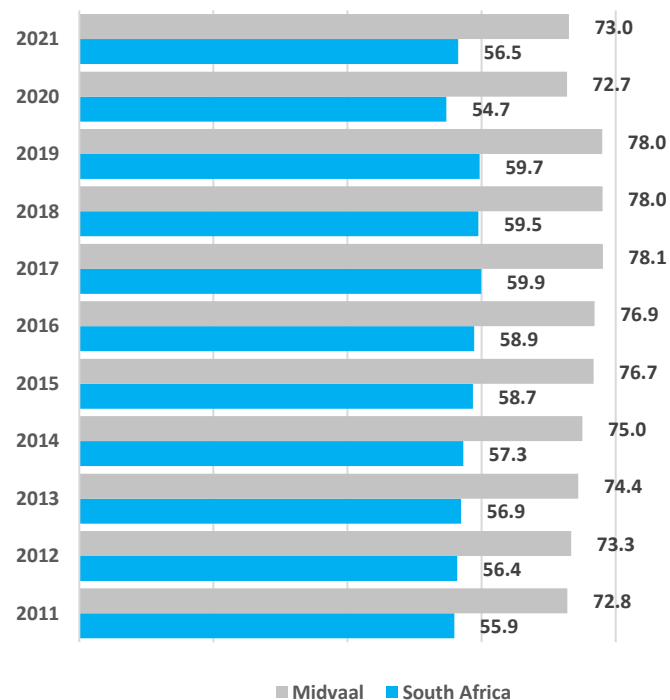


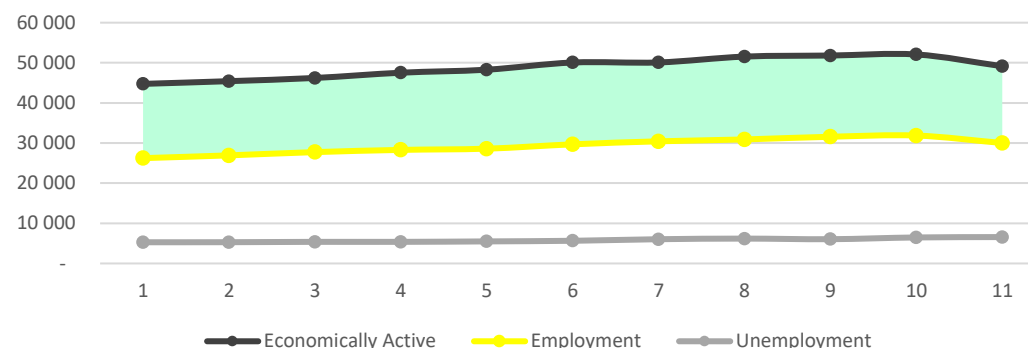
Figure 4.11: Labour Force Participation – National and Local



Labour Absorption

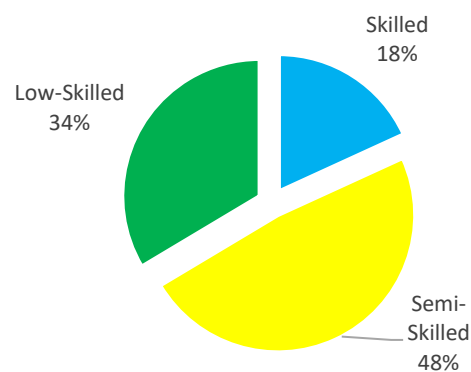
In terms of labour absorption reflects that despite a comparatively good labour force participation rate, the gap between the economically active population and those that are employed have remained constant. This is indicative of poor job creation within the local economy.

Figure 4.10: Midvaal Local economy – Labour Absorption (No. of People)



Employment by Skill

Figure 4.9: Employment by Skill Level



Midvaal Local Economy: Employment by Skill

Skilled

- 5 545 jobs in 2021
- Lost 109 jobs since 2011

Semi-Skilled

- 14 727 jobs in 2021
- Gained 2 218 jobs since 2011

Low-Skilled

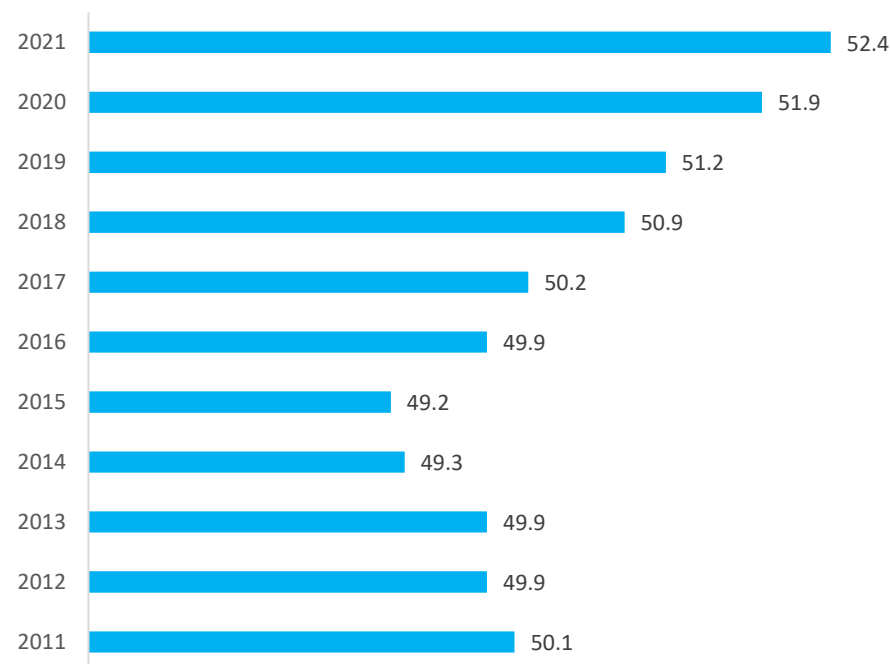
- 10 245 jobs in 2021
- Gained 1 524 jobs since 2011

4.7 TRESS INDEX

The subsequent figure reflects the tress index of the Midvaal Local Economy over 10 industries. The tress index measures the degree of concentration of an area's economy on a sector basis. A tress index value of 0 means that all economic sectors in the region contribute equally to GVA, whereas a tress index of 100 means that only one economic sector makes up the whole GVA of the region.

The tress index for the Midvaal Local economy shows that the local economy has become slightly more concentrated in 2021 in relation to 2020 with the tress index increasing from 51.9 to 52.4.

Figure 4.12: Midvaal Local Economy – Tress Index (10 Industries)

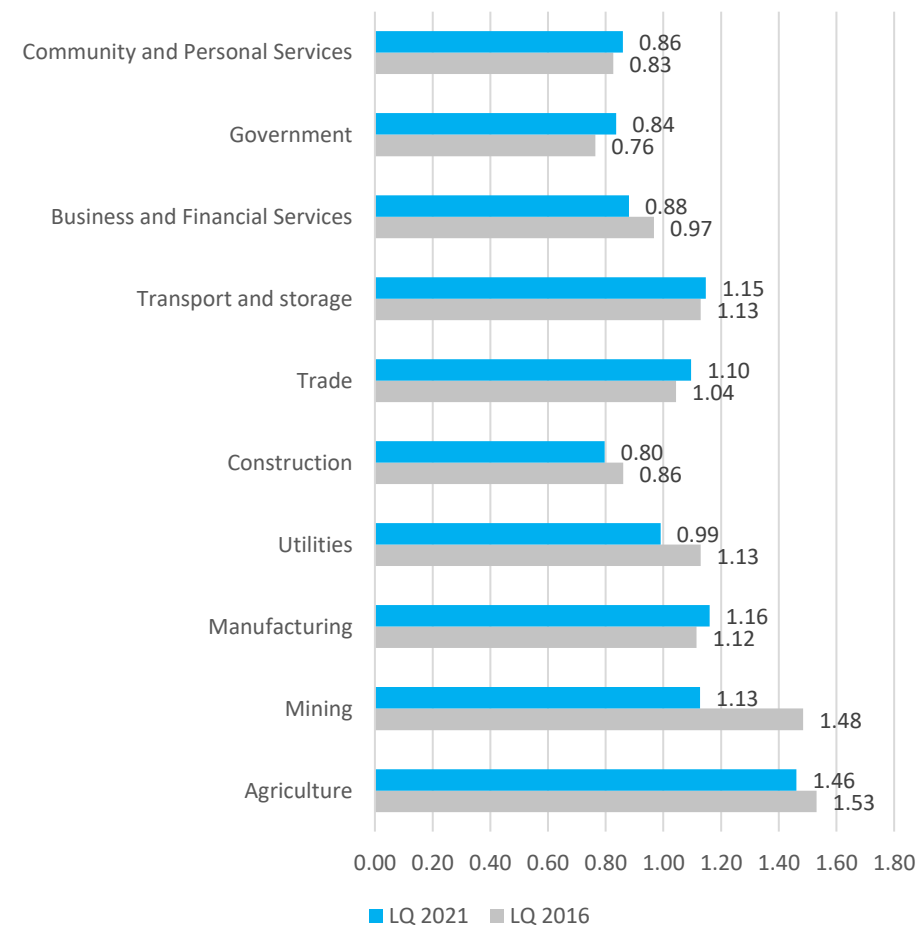


Source: Demacon Ex. Quantec, 2022

4.8 LOCATION QUOTIENT

The figure below provides a detailed overview of the location quotient of the Midvaal Local Economy. The figure reflects the location quotient per sector for 2016 vs. 2021.

Figure 4.13: Midvaal Local Economy – Location Quotient (2016 vs. 2021)



Source: DEMACON Calculations, 2022

The subsequent table provides a detailed overview of the location quotients for the respective economic sectors and associated sub-sectors of the Midvaal Local Economy.

Table 4.2: Location Quotients of the Midvaal Local Economy (2021)

Economic Sector	2021 LQ	Classification
Agriculture	1.46	High
Agriculture	1.50	High
Forestry	0.68	Low
Fishing	0.00	Low
Mining	1.13	Medium
Coal	0.00	Low
Gold	0.00	Low
Metals	3.39	High
Other mining and quarrying	0.37	Low
Manufacturing	1.16	Medium
Food, beverages and tobacco	1.00	Medium
Textiles, clothing and leather products	1.01	Medium
Wood and paper, publishing and printing	1.37	High
Petroleum products, chemicals, rubber and plastic	1.05	Medium
Other non-metal mineral products	1.04	Medium
Metals, metal products, machinery and equipment	1.12	Medium
Electrical machinery and apparatus	1.44	High
Radio, TV, instruments, watches and clocks	0.74	Low
Transport equipment	1.51	High
Furniture, other manufacturing	1.53	High
Utilities	0.99	Medium
Electricity and gas	1.02	Medium
Water	0.92	Medium
Construction	0.80	Medium
Construction	0.80	Medium
Trade	1.10	Medium
Wholesale and retail trade	1.10	Medium
Catering and accommodation services	1.09	Medium
Transport and storage	1.15	Medium

Economic Sector	2021 LQ	Classification
Transport and storage	1.32	High
Communication	0.81	Medium
Business and Financial Services	0.88	Medium
Finance and insurance	0.87	Medium
Business Services	0.88	Medium
Government	0.84	Medium
National and Provincial government	0.80	Medium
Local government	0.92	Medium
Community and Personal Services	0.86	Medium
Education (Private)	0.71	Low
Health and social work (Private)	0.94	Medium
Other community, social and personal services	1.00	Medium

Source: DEMACON Calculations, 2022

The preceding data shows that the economic sectors such as **agriculture** are **serving** the needs of **communities beyond the boundaries of the local economy** (these sectors **likely export products** and services). Economic sectors such mining, manufacturing, utilities, construction, trade, transport, business and financial services, government and community and personal services sectors are most likely importing goods and services.

Various sub-sectors are currently not represented within the local economy or are not satisfying local needs and therefore import goods and services to service localised demand.

The **importance** of the local economy is illustrated when considering the **degree of specialization** in the economy. The data shows that all sectors and most sub-sectors of the local economy have medium to high level of specialization. Therefore, the **local economy** has the **capability** to successfully **drive growth** and **expansion**.

4.9 ECONOMIC BASE ASSESSMENT

The table below summarises the results of the economic base analysis. Essentially, the process reveals which economic sectors and sub-sectors are regarded as basic and non-basic sectors, indicative of which economic activities form the economic base of the Midvaal Local Economy. Basic sectors are regarded as sectors that contribute to the local economy by producing enough to export goods and services.

Table 4.3: Midvaal Local Economy Base Analysis

Sector	Classification	BM Multiplier
Agriculture	Basic sector	3.17
Agriculture	Basic sector	3.00
Forestry	Non-basic sector	
Fishing	Non-basic sector	
Mining	Basic sector	8.88
Coal	Non-basic sector	
Gold	Non-basic sector	
Metals	Basic sector	1.42
Other mining and quarrying	Non-basic sector	
Manufacturing	Basic sector	7.23
Food, beverages and tobacco	Basic sector	309.59
Textiles, clothing and leather products	Basic sector	71.52
Wood and paper, publishing and printing	Basic sector	3.69
Petroleum products, chemicals, rubber and plastic	Basic sector	20.59
Other non-metal mineral products	Basic sector	28.18
Metals, metal products, machinery and equipment	Basic sector	9.24
Electrical machinery and apparatus	Basic sector	3.25
Radio, TV, instruments, watches and clocks	Non-basic sector	
Transport equipment	Basic sector	2.95
Furniture, other manufacturing	Basic sector	2.88

Sector	Classification	BM Multiplier
Utilities	Non-basic sector	
Electricity and gas	Basic sector	41.07
Water	Non-basic sector	
Construction	Non-basic sector	
Trade	Basic sector	11.36
Wholesale and retail trade	Basic sector	11.33
Catering and accommodation services	Basic sector	12.04
Transport and storage	Basic sector	7.80
Transport and storage	Basic sector	4.14
Communication	Non-basic sector	
Business and Financial Services	Non-basic sector	
Finance and insurance	Non-basic sector	
Business Services	Non-basic sector	
Government	Non-basic sector	
National and Provincial government	Non-basic sector	
Local government	Non-basic sector	
Community and Personal Services	Non-basic sector	
Education (Private)	Non-basic sector	
Health and social work (Private)	Non-basic sector	
Other community, social and personal services	Basic sector	565.33

Source: DEMACON Calculations, 2022

The **agriculture, mining, manufacturing, trade and transportation and storage** sectors are classified as **basic sectors**. This means that these sectors represent the **base** of the **Midvaal Economy** and typically service local demand and export goods and services. The data shows that the basic multiplier for the local economy is 4.68. The data suggests that for every economic output created in the basic sector, approximately 4.68 times the economic output is created in non-basic sectors.

4.10 SHIFT-SHARE ANALYSIS

The subsequent table summarises the results of the **shift-share analysis** for the **Midvaal Local Economy**.

Table 4.4: Midvaal Local Economy Shift-Share Analysis

Economic Sector	GVA 2016	Share of GVA				GVA 2021
		District Effect	Industrial Effect	Regional Effect	Total	
Agriculture	133	-4	35,7	-8,6	23	157
Agriculture	132	-4	35,8	-8,5	24	155
Forestry	2	0	0,0	-0,2	0	1
Fishing	0	0	0,0	0,0	0	0
Mining	214	-6	32,1	-59,2	-33	181
Coal	0	0	0,0	0,0	0	0
Gold	0	0	0,0	0,0	0	0
Metals	175	-5	-20,8	-9,6	-35	140
Other mining and quarrying	39	-1	13,0	-9,7	2	41
Manufacturing	3 036	-85	-133,9	94,6	-124	2 912
Food, beverages and tobacco	457	-13	52,4	26,2	66	523
Food	268	-8	65,3	-14,7	43	311
Beverages and tobacco	190	-5	3,9	24,1	23	213
Textiles, clothing and leather products	54	-2	-6,0	-2,3	-10	44
Textiles	16	0	-1,5	-0,9	-3	13
Wearing apparel	20	-1	-0,5	0,2	-1	19
Leather and leather products	18	-1	-6,4	0,6	-6	12
Footwear	1	0	0,0	0,1	0	1
Wood and paper, publishing and printing	209	-6	-12,2	1,9	-16	193
Wood and wood products	28	-1	0,2	-1,1	-2	26
Paper and paper products	149	-4	-14,7	2,7	-16	133
Printing , recorded media	32	-1	0,3	2,3	2	33

Economic Sector	GVA 2016	Share of GVA				GVA 2021
		District Effect	Industrial Effect	Regional Effect	Total	
Petroleum products, chemicals, rubber and plastic	547	-15	-13,4	-11,4	-40	507
Coke, petroleum products and nuclear fuel	136	-4	23,0	-16,0	3	139
Basic chemicals	157	-4	-35,0	11,3	-28	129
Other chemical products	138	-4	-23,2	10,8	-16	121
Rubber products	29	-1	-4,7	0,0	-6	24
Plastic products	88	-2	8,1	1,0	7	94
Other non-metal mineral products	145	-4	-28,7	-9,3	-42	103
Glass and glass products	29	-1	-0,6	0,4	-1	28
Non-metallic mineral products	117	-3	-26,0	-11,9	-41	76
Metals, metal products, machinery and equipment	890	-25	-104,2	83,4	-46	844
Basic iron and steel products; casting of metal	358	-10	-110,8	53,9	-67	291
Non-ferrous metal products	112	-3	-22,5	-3,0	-29	83
Structural metal products	121	-3	9,5	6,7	13	134
Other fabricated metal products	154	-4	33,6	12,6	42	195
Machinery and equipment	145	-4	-1,4	0,7	-5	140
Electrical machinery and apparatus	127	-4	-25,9	1,5	-28	99
Electrical machinery	127	-4	-25,9	1,5	-28	99
Radio, TV, instruments, watches and clocks	16	0	-2,2	-2,0	-5	12
Radio, television and communication apparatus	10	0	-1,8	-1,3	-3	7

Economic Sector	GVA 2016	Share of GVA				GVA 2021
		District Effect	Industrial Effect	Regional Effect	Total	
Professional equipment	6	0	-0,6	-0,4	-1	5
Transport equipment	178	-5	-17,9	4,8	-18	160
Motor vehicles, parts and accessories	129	-4	-14,2	2,8	-15	114
Other transport equipment	49	-1	-2,7	1,1	-3	46
Furniture, other manufacturing	411	-12	21,6	4,5	15	426
Furniture	24	-1	-3,9	1,2	-3	21
Other manufacturing groups	388	-11	24,7	4,0	18	405
Utilities	391	-11	-55,9	-41,9	-109	282
Electricity and gas	220	-6	-31,7	8,5	-29	191
Water	171	-5	-24,1	-50,5	-79	92
Construction	376	-11	-107,2	-21,1	-139	237
Construction	376	-11	-107,2	-21,1	-139	237
Trade	1 415	-40	-60,7	57,2	-43	1 372
Wholesale and retail trade	1 301	-36	-2,4	56,4	18	1 318
Catering and accommodation services	114	-3	-59,0	1,4	-61	54
Transport and storage	764	-21	-81,7	6,0	-97	666
Transport and storage	616	-17	-119,0	28,6	-108	508
Communication	148	-4	19,9	-5,1	11	159
Business and Financial Services	1 596	-45	194,3	-167,8	-18	1 578
Finance and insurance	332	-9	39,5	-30,7	0	331
Finance and insurance	332	-9	39,5	-30,7	0	331
Business Services	1 264	-35	154,8	-137,1	-18	1 247
Professional business services	979	-27	131,0	-139,0	-35	943
Business activities n.e.c.	286	-8	23,0	2,8	18	303
Government	545	-15	10,9	46,8	42	588
National and Provincial government	383	-11	-30,4	26,2	-15	368
Local government	162	-5	47,3	14,6	57	220

Economic Sector	GVA 2016	Share of GVA				GVA 2021
		District Effect	Industrial Effect	Regional Effect	Total	
Community and Personal Services	1 610	-45	136,0	57,0	148	1 758
Education (Private)	515	-14	96,9	30,0	112	627
Health and social work (Private)	532	-15	-52,3	42,6	-25	507
Other community, social and personal services	564	-16	82,7	-6,9	60	624
Midvaal Local Economy	10 082	-283	-30	-37	-350	9 732

Source: DEMACON Calculations, 2022

The preceding data shows:

- **District growth share:** the local economy performs comparatively weaker than the district economy in terms of GVA contribution. If the local economy was identical to the provincial economy, the loss in GVA would have been - R283 million as opposed to -R350 million.
- **Industry Mix Share** – If the Midvaal local economy's sectors were similar in terms of structure to the district's sectors, the local economy would have lost R30 million in GVA.
- **Local Share** – The Midvaal local economy has lost R37 million in GVA on account of the lack of competitive advantage that the economy has in relation to the district. Therefore, local economic conditions have resulted in the local economy to underperform in relation to growth within the district economy.

4.11 CARVALHO CLASSIFICATION

The subsequent table provides a summary of the **Carvalho Classification** results for the **Midvaal Local Economy**.

Table 4.5: Midvaal Local Economy Carvalho Classification

Economic Sector	District Relative Growth	Local Relative Growth	Classification
Agriculture	Lagging	Lagging	Challenging
Agriculture	Lagging	Lagging	Challenging
Forestry	Leading	Lagging	Modest

Economic Sector	District Relative Growth	Local Relative Growth	Classification
Fishing	-	-	-
Mining	Leading	Lagging	Vulnerable
Coal	-	-	-
Gold	-	-	-
Metals	Leading	Lagging	Promising
Other mining and quarrying	Lagging	Lagging	Marginal
Manufacturing	Leading	Leading	Accelerating
Food, beverages and tobacco	Lagging	Leading	Transitional
Textiles, clothing and leather products	Leading	Lagging	Yielding
Wood and paper, publishing and printing	Leading	Leading	Driving
Petroleum products, chemicals, rubber and plastic	Leading	Lagging	Yielding
Other non-metal mineral products	Leading	Lagging	Yielding
Metals, metal products, machinery and equipment	Leading	Leading	Accelerating
Electrical machinery and apparatus	Leading	Leading	Driving
Radio, TV, instruments, watches and clocks	Leading	Lagging	Modest
Transport equipment	Leading	Leading	Driving
Furniture, other manufacturing	Lagging	Leading	Evolving
Utilities	Leading	Lagging	Yielding
Electricity and gas	Leading	Leading	Accelerating
Water	Leading	Lagging	Yielding
Construction	Leading	Lagging	Yielding
Trade	Leading	Leading	Accelerating
Wholesale and retail trade	Leading	Leading	Accelerating
Catering and accommodation services	Leading	Leading	Accelerating

Economic Sector	District Relative Growth	Local Relative Growth	Classification
Transport and storage	Leading	Leading	Accelerating
Transport and storage	Leading	Leading	Driving
Communication	Lagging	Lagging	Vulnerable
Business and Financial Services	Lagging	Lagging	Vulnerable
Finance and insurance	Lagging	Lagging	Vulnerable
Business Services	Lagging	Lagging	Vulnerable
Professional business services	Lagging	Lagging	Vulnerable
Business activities n.e.c.	Lagging	Leading	Transitional
Government	Leading	Leading	Accelerating
National and Provincial government	Leading	Leading	Accelerating
Local government	Lagging	Leading	Transitional
Community and Personal Services	Lagging	Leading	Transitional
Education (Private)	Lagging	Leading	Moderate
Health and social work (Private)	Leading	Leading	Accelerating
Other community, social and personal services	Lagging	Lagging	Vulnerable

Source: DEMACON Calculations, 2022

The preceding table reflects that the **mining, manufacturing, utilities, construction, trade, transport and storage**, and government services sectors are growing at a rate **faster** than the **comparative sectors** at **district level**. Therefore, the local economy has a **competitive advantage** in the sense that these sectors are growing more than the district average.

The following table provides an **interpretation** of the **preceding table**. The interpretation shows that several primary and secondary sectors are classified as accelerating which means the local economy is moderately specialised and is growing at a rate greater than the provincial economy in the manufacturing, trade, transport storage and communication sectors. Many secondary sectors of the manufacturing sector are also in the process of accelerating. See Table 4.6 overleaf.

Table 4.6: Interpretation of the Carvalho Classification for Midvaal Local Economy

Classification Definition	Primary Sectors	Secondary Sectors
Accelerating Community is neither highly specialised nor under-specialised in this sector, which is growing at the aggregate economy level and growing at an even higher rate locally	- Manufacturing - Trade - Transportation, storage and communication	- Beverages and tobacco - Textiles, clothing and leather products - Wood and paper, publishing and printing - Metals, metal products, machinery and equipment - Electrical machinery and apparatus - Transport equipment manufacturing - Furniture and other manufacturing - Electricity and gas - Wholesale and retail trade - Catering and accommodation services - Transport and storage - National and provincial government - Health and social work (private)
Rising A relatively low proportion of local productivity, but will likely increase due to growth in this sector, which is growing on an aggregate economic level and growing at an even higher rate locally	None	Education (private)
Transitional Average specialisation in a sector which grew at an aggregate economy level at a slower rate than overall growth, local growth exceeded aggregate economic growth in this sector	- Government services - Community and personal services	- Food, beverages and tobacco - Local government

Classification Definition	Primary Sectors	Secondary Sectors
Yielding Average specialisation in a sector which grew at an aggregate economic level, local growth was slower than aggregate economic growth in this sector	- Mining and quarrying - Utilities - Construction	- Metal mining - Petroleum products, chemicals, rubber and plastic manufacturing - Other non-metal mineral product manufacturing - Water
Modest Relatively low specialisation in a sector which grew at an aggregate economic level; local growth was slower than aggregate economic growth in this sector	None	- Forestry - Other mining and quarrying - Radio, TV, instruments, watches and clocks manufacturing
Vulnerable Industries have an average concentration of productivity	- Agriculture, forestry and fishing - Finance, insurance and business services	- Agriculture - Communication - Finance and insurance - Business services - Other community, social and personal services

Source: DEMACON Calculations, 2022

4.12 INDUSTRY TARGETING

Industry Target Classification is similar to the Carvalho model in that it is based on a combination of the location quotient, Provincial Sector Growth and Local Sector Growth values and it is expressed qualitatively not quantitatively. It is somewhat different in the way that it classifies the sectors, the categories and phrases that suggest the kind of prospects for growth that could be expected and, in some cases, whether the sector should be a retention target.

Table 4.7: Midvaal Local Economy Targeting Classification

Sector	Classification
Agriculture	High priority retention target
Agriculture	High priority retention target
Forestry	Prospects limited overall

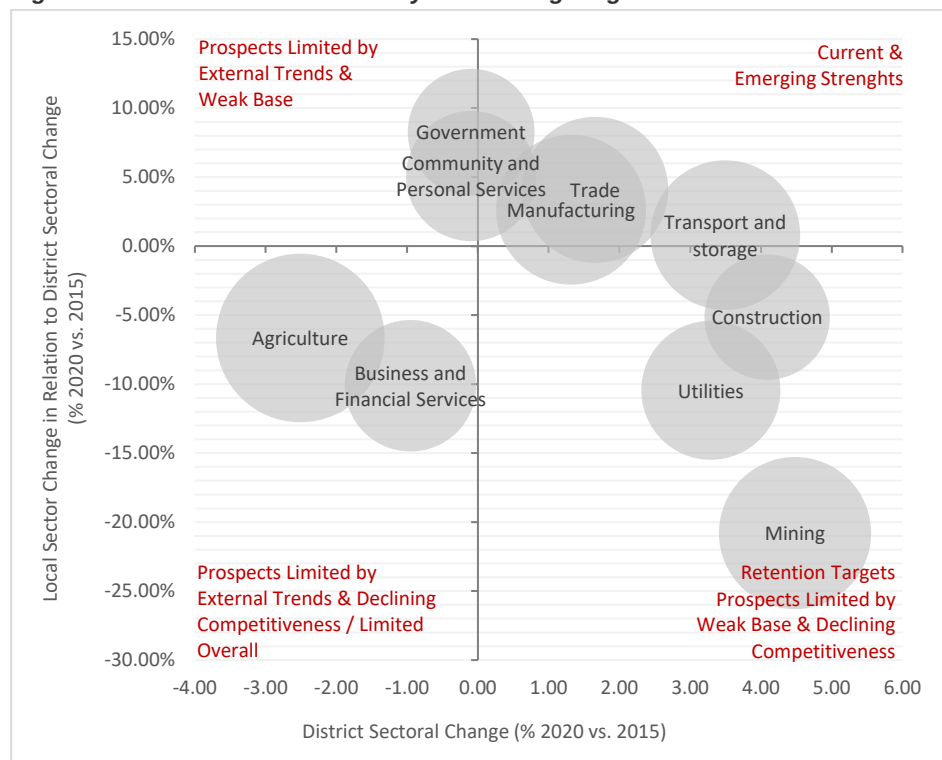
Sector	Classification
Fishing	Prospects limited by weak base and declining competitiveness
Mining	Prospects limited by external trends and declining competitiveness
Coal	Prospects limited by weak base and external trends
Gold	Prospects limited by weak base and external trends
Metals	Prospects limited by external trends and declining competitiveness
Other mining and quarrying	Prospects limited overall
Manufacturing	Prospects limited by external trends
Food, beverages and tobacco	Current Strength
Textiles, clothing and leather products	Prospects limited by external trends
Wood and paper, publishing and printing	Prospects limited by external trends
Petroleum products, chemicals, rubber and plastic	Prospects limited by external trends and declining competitiveness
Other non-metal mineral products	Prospects limited by external trends and declining competitiveness
Metals, metal products, machinery and equipment	Prospects limited by external trends
Electrical machinery and apparatus	Prospects limited by external trends
Radio, TV, instruments, watches and clocks	Prospects limited overall
Transport equipment	Prospects limited by external trends
Furniture, other manufacturing	Prospects limited by external trends
Utilities	Prospects limited by external trends and declining competitiveness
Electricity and gas	Prospects limited by external trends

Sector	Classification
Water	Prospects limited by external trends and declining competitiveness
Construction	Prospects limited by external trends and declining competitiveness
Trade	Prospects limited by external trends
Wholesale and retail trade	Prospects limited by external trends
Catering and accommodation services	Prospects limited by external trends
Transport and storage	Prospects limited by external trends
Transport and storage	Prospects limited by external trends
Communication	High priority retention target
Business and Financial Services	High priority retention target
Finance and insurance	High priority retention target
Finance and insurance	High priority retention target
Business Services	High priority retention target
Professional business services	High priority retention target
Business activities n.e.c.	Current Strength
Government	Current Strength
National and Provincial government	Prospects limited by external trends
Local government	Current Strength
Community and Personal Services	Current Strength
Education (Private)	Prospects limited by weak base and external trends
Health and social work (Private)	Prospects limited by external trends
Other community, social and personal services	High priority retention target

Source: DEMACON Calculations, 2022

The industry target classification is displayed graphically by the subsequent figure. The size of the circles represents the location quotient, that is, the relative size of the sector.

Figure 4.14: Midvaal Local Economy Sector Targeting Classification



Source: DEMACON Calculations, 2022

Sectors in the top and bottom left quadrants are considered to have limited prospects because these industries are declining in the aggregate economy. If they are small, they have additional challenges and if they are within the negative range in terms of LSRG, they also suffer from declining competitiveness.

In business terminology, the upper left quadrant reflects industry groups that are increasing their market share in a declining market, industries in the lower left quadrant represents industries that are losing market share in a declining market.

Sectors falling within the lower right quadrant are classified as retention targets (if large enough) because they are growing in the aggregate economy but more slowly locally. Smaller industry groups in this quadrant are deemed to have limited prospects. Sectors within the upper right quadrant are growing in the aggregate economy and locally. These industries represent the strengths and emerging strengths of the local economy.

If the circles are large, it represents current strengths and if the circles are smaller then it reflects emerging strengths. In business terminology, industries in the upper right quadrant are increasing their market share in an expanding market, whereas the industries in the lower right quadrant are losing market share in an expanding market.

4.13 TARGET SECTOR IDENTIFICATION

Considering the preceding analysis and key findings, primary and secondary target sectors can be identified. The target sectors are, according to the preceding analysis, key sectors that, given their potential to lead growth in accordance to the district economy, have the ability generate economic benefit as a result of localised demand and market factors, have a locational advantage considering the degree to which local industries are specialised and consists of several basic sectors that form a multi-sectoral base upon which the remainder of the economy is built.

Current strengths:

- Food, beverages and tobacco manufacturing sub-sector
- Although the metal, metal products, machinery and equipment manufacturing sub-sector is identified as a sub-sector where prospects are limited by external trends, the manufacturing of other metal products in particular is identified as a current strength
- Government services
- Community and personal services sector.

High Priority Retention Target Sectors:

- Agricultural sector
- Business and financial services sector
- Communication sub-sector.

4.14 HIGH LEVEL OVERVIEW OF EXISTING VALUE CHAINS

The section to follow provides a high-level overview of key value-chains within the Midvaal Local Economy.

Table 4.8: High Level Value Chain Overview

Value Chain	Indicators	Note
Agriculture 	✓ Sector Size: R142 million (GVA 2020, Constant Value) ✓ Contributes 1.5% towards the total Midvaal Economy ✓ Positive sector growth at 2.4% (10 year annual average) ✓ Sector employs 1 623 people ✓ Contributes 5.4% of total formal employment within Midvaal	The Midvaal IDP Theme for 2021/2022 is Growth and Employment with a specific focus on the key sectors for growth: • Agriculture • Construction • Tourism • Commercial (retail). IDP highlights the importance of promoting the efficient use of vast arable land within the municipality to encourage growth and job creation within the agricultural sector and the associated agro-processing industry. The Midvaal Region has the potential to increase its agricultural production, not only to create employment but to contribute to the local economy and food security. Despite the comparatively small economic contribution of the economic sector to the local economy, the sector presents opportunity for job creation and unlocking the agro-processing value chain.
Manufacturing 	✓ Sector Size: R2.8 billion (GVA 2020, Constant Value) ✓ Manufacturing sector contributes 30.6% toward the total Midvaal economy – the largest sectoral contribution. ✓ Dominated by the manufacturing of metals, metal products, machinery and equipment (9.3% of the total Midvaal economy). ✓ Positive sector growth at 0.5% (10 year annual average) ✓ Total Employment (2020): 6 078 jobs ✓ Contributes to 20.2% of total formal employment within the local municipality (third largest contributor to formal employment)	The Midvaal local economy boasts a notable manufacturing sector. The Midvaal IDP notes the need for economic diversification to ensure greater sustainability of the local economy, given the sectors vulnerability to external factors. The IDP also identifies the need for the local economy to move towards higher value-added activities and technological innovation and advanced manufacturing activities. Current industries within the Midvaal local economy are dominated by heavy industries which translates to environmental, social and planning impacts. This underpins the desire to diversify the local economy and to incorporate higher value added and advanced manufacturing activities. The manufacturing sector is dominated by the manufacturing of metals, metal products and equipment but does exhibit various other smaller-scale manufacturing activities including the manufacturing of food and beverages, chemicals, timber products, diapers, gas products etc.
Retail 	✓ Sector Size (Trade): R1.3 billion (GVA 2020, Constant Value) ✓ Trade sector contributes 13.3% toward the total Midvaal economy ✓ Positive sector growth at 1.6% (10 year annual average) ✓ Total Employment (2020): 5 730 formal jobs ✓ Total Employment (2020): 4 396 informal jobs	The greatest contribution to the Midvaal LM's trade sector can be attributed to the Henly-on-Klip / Highbury / Daleside agglomeration along the R59 freeway, followed by the Vereeniging / Meyerton agglomeration and the Walkerville area. Trade activities include formal shopping centres, town CBD environment and trade linked to the steel sector. Informal trading contributes significantly to the overall second economy of the Midvaal local economy. This sector is invaluable in the creation of entrepreneurial spirit, enabling residents to make a livelihood and for businesses to eventually enter

Value Chain	Indicators	Note
	✓ Contributes to 19.1% of total formal employment within the local municipality (largest formal employment sector). ✓ Contributes to 35.0% of total informal employment within the local municipality (largest informal employment sector).	the formal market. Informal trade policy and regulations should create a conducive environment/ The trade sector is identified as a sector in which growth and diversification is encouraged. The Midvaal SDF identifies the need to facilitate informal trade upscaling through district policy as a means of developing business in the area. Trade sector has been identified as a sector for future diversification and intensification.
Tourism 	✓ Sector Size (Catering & Accommodation): R52 million (GVA 2020, Constant Value) ✓ Catering and accommodation sector contributes 0.5% toward the total Midvaal economy ✓ Decelerating sector growth at -6.9% (10 year annual average) ✓ Total Employment (2020): 651 formal jobs and 519 informal jobs ✓ Contributes to 2.2% of total formal employment within the local municipality. ✓ Contributes to 4.1% of total informal employment within the local municipality.	The Midvaal Local Municipality offers various tourist attractions including nature reserves, beautiful natural scenery and tourism accommodation. The most notable attraction is the Vaal Dam and the Vaal Marina development. The greater area exhibits great potential for expansion of the tourism sector given the scenic natural environment, key points of interest on offer and the proximity of the area to major cities. Walkerville has the potential to develop as a tourism town, similar to Clarens / Cullinan. Investment in the tourism sector is encouraged in the Midvaal SDF given the need for economic diversification within the municipality and existing tourism base.

4.15 SYNTHESIS

This **Economic Analysis chapter** investigated the key economic features of the Midvaal Local Economy. The objective of the analysis was to gain greater insight regarding the salient economic features of the local economy, and to highlight key strengths and advantages presented by the local economy to ultimately inform the LED strategy.

The analysis reflects the following **key characteristics** for the **Midvaal Local Economy**:

- ✓ The Midvaal Local Economy recorded a total GVA value of R13.7 billion in 2021 (current value)
- ✓ Comparatively higher value economic activity is concentrated around the Meyerton area.
- ✓ In terms of economic growth, the Midvaal Local Economy recorded an average annual growth rate of 0.4% over the past decade with more recent growth trends reflecting a decelerating economy with average annual growth at -0.7% over the past five years.
- ✓ The Midvaal Local Economy is performing comparatively poor in relation to the district, provincial and national economies
- ✓ The economic profile of the Midvaal Local Economy in terms of proportional GVA contribution reflects the following dominant **sectors**:
 - Manufacturing (29.9%)
 - Community, social and personal services (17.1%)
 - Finance insurance, real estate and business services (14.5%)
 - Wholesale and retail trade (14.4%)
- ✓ In terms of proportional contribution by **sub-sectors** (more detailed insights), the following sub-sectors are most notable:
 - Wholesale and retail trade (13.4%)
 - Business services (11.5%)
 - Metals, metal products, machinery & equipment manufacturing (9.0%)
- ✓ In terms of economic base, which considers whether a sector is basic or non-basic and whether it produces enough goods and services for export as opposed to selling all output within the local economy, the following basic sectors exist within the Midvaal Local Economy:

- Agricultural sector
- Mining sector
- Manufacturing sector
- Wholesale and retail trade, catering and accommodation services
- Transportation, storage and communication.
- ✓ The agricultural, manufacturing, trade, government and community services sector are the only sectors that recorded positive average annual growth rates over the past decade.
- ✓ Overall, it is evident that the Midvaal Local Economy has a competitive and comparative advantage in the following sectors:
 - Agriculture
 - Manufacturing.
- ✓ Given insight gained from this investigation, it is recommended that the following **sectors and sub-sector** form **primary focus** of **economic interventions** within the Midvaal Local Economy:
 - Agricultural sector and associated activities
 - Manufacturing sector, in particular the following:
 - Food and beverage manufacturing
 - Steel product manufacturing
 - Trade sector– including informal trade
 - Transport & storage – especially activities associated with logistics
 - Business services.

Potential within the Midvaal Local Economy is not limited to the abovementioned sectors and sub-sectors only, although these sectors are highlighted as those which fulfil a prominent function within the local economy and most likely to result in sustainable, economic growth and diversification.

It is vital to invest in the current strengths and opportunities presented by the local economy within the agricultural and manufacturing industries as well as trade, transport and business services together with their associated supporting activities to enable economic development. Further diversifying and growing these sectors will result in beneficial outcomes for other sectors within the local economy.

LED FRAMEWORK

5

5. LED FRAMEWORK

5.1. INTRODUCTION

This section forms the backbone of the strategy and provides the LED vision for the municipality, a set of objectives, development thrusts, programmes and projects identified through Section 4. These projects are then prioritised. The structure of the Section is as follows:

- LED vision and objectives
- Development Thrusts, Programmes and Projects
- Project Prioritisation

5.2. LED VISION AND OBJECTIVES

In order to achieve sustained economic development in the Midvaal Local Municipality, it is very important to envision a clear future for the municipality and to establish a clear path to achieve the desired future.

This visioning should be done in a realistic manner through acknowledging and incorporating the strengths and opportunities embedded within the Midvaal Local Municipality. This will enable the local community to set up attainable objectives and reach them – thus achieving economic development and community upliftment. It is important that the LED vision and objectives be aligned with that of the Local Municipality's IDP.

The vision and objectives as set out by the IDP (2022-2027) are presented below.

IDP Vision:

*"Achieve **excellence** in service delivery".*

IDP mission:

- Enhance service delivery through **innovative technologies**
- Enhance a safe, **heathy community and environment**
 - Promote **local economic development and tourism**
 - Adopt clean, **renewable energy**
 - Build strong **partnerships**
- Be a **people centred**, compassionate institution

Core values of the municipality:

- *Equity*
- *Accessibility and Communication*
 - *Collaboration*
 - *Innovation*
- *Safety and Security*
 - *Forward Thinking*
- *Decisive decision-making*

The previous LED Strategy (2017) did not have a clearly defined local economic development vision for the Midvaal Local Municipality. Seeing as the previous LED Strategy for Midvaal did not have a LED vision, it was deemed extremely important to refer to the following set of principles to compile a vision and objectives for this LED Strategy that would align with the vision of the Integrated Development Plan (IDP):

- Identified needs: The needs of the community were translated into priorities to be addressed by the programmes suggested within this LED strategy
- Comparative advantage: Focus was placed on developing areas of current comparative advantage within the municipality
- Linkages: In order for Midvaal Local Municipality's economy to grow and be sustainable, two linkages are needed; economic linkages and information linkages
- Employment: All programmes and projects to be implemented must be focussed on job creation. This means that programmes and projects must be labour intensive
- Income: The project has to be aimed at improving the income distribution in the municipality
- Sustainability: The economic and socio-environmental impacts of development need to be taken into account. These financial and physical impacts have to be assessed before the implementation of programmes

- and projects to ensure responsible utilisation of resources to ensure that the economy is sustainable in the long run
- **Economic equality and empowerment:** Economic empowerment is an integral part of our country's transformation process. This is to ensure the equal redistribution of wealth and opportunities amongst previously disadvantaged individuals
 - **Efficiency:** Efficiency is achieved as soon as the rate of the completion of a task is increased. This approach is focussed on the projects and outcomes that must be achieved. Improvement in efficiency of municipal tasks and implementation of projects will make investment more attractive and improve the business climate
 - **Effectiveness:** Effectiveness goes hand in hand with efficiency. The aim of effectiveness is to improve the relationship between outputs and inputs and energy required to perform a task
 - **Capacitation:** In order to exploit and implement the development opportunities and projects the skills base of the economically active population, local governments and non-government institutions needs to be improved. It is implied that skills and technical knowledge must be expanded and developed to capacitate the municipality to take advantage of development opportunities

Taking all of the above into consideration, the proposed vision and objectives for the Midvaal Local Municipality's LED can be defined as the following:

LED Vision:

"to improve and promote economic growth through diversification and integration; ensuring job creation, equal economic opportunities and ultimately a better quality of life for it's citizens."

LED Strategic objectives:

- *Establish the municipality as a competitive economy on a sub-regional and regional level*
- *Enhance and promote the agricultural sector*
- *Expand and diversify the manufacturing sector*
- *Encourage entrepreneurship through education and enhanced opportunities*
- *Promote existing business and provide for their needs*

- *Provide small business support*
- *Promote local economic development capacity within the municipality and amongst the communities*

The vision stated above is aligned with the visions and objectives of various National, Provincial and Local legislation and policies (all of which are outlined in Section 2), in that it is geared toward alleviating poverty, creating sustainable jobs and reducing inequality.

5.3. DEVELOPMENT THRUSTS, PROGRAMMES AND PROJECTS

The LED framework is based on the competitive and comparative advantage of the local municipality, as well as the strengths and opportunities identified within the different economic sectors. In an effort to capitalise on the unique advantages of the area, as well as to intensify the local community benefit and enhance the competitiveness of the municipality, the strengths and opportunities identified through Chapter 4 are grouped into strategic thrusts. Thrusts are defined as "planned actions aimed at creating impetus and critical mass in the local economic environment in order to generate momentum in the economy".

Within each thrust, a number of programmes have been identified which are aimed on specific areas of development. These programmes were formulated specifically to obtain the overall goals set for the LED Strategy. Furthermore, each programme has a number of projects and facilitation issues that need to be implemented and addressed. These projects and facilitation actions are aimed specifically at enabling the municipality to achieve the targets that have been set by the various development programmes and thrusts.

The thrusts are therefore formulated and packaged in such a way that an integrated approach towards development and growth in the municipality is possible. The various thrusts also enable projects and other development initiatives to be linked to the different thrusts identified, so as to enable a more focused and coordinated approach to economic development.

While issues such as the expansion of economic infrastructure, improved institutional capacity and good governance do have a critical role to play in ensuring the effective economic development does take place, these issues are considered to be supportive elements that will not in its own result in the

expansion of the economic base, and are therefore not included in the strategic thrusts.

Table 5.1 presents the key thrusts and programmes of the reviewed Midvaal Local Municipality LED Strategy.

Table 5.1: LED Thrusts and Programmes

LED THRUSTS				
Agriculture development, support & value-adding	Tourism & Green-economy development & promotion	Business development, support & promotion	Township & Informal Economy Revitalisation	Business Retention and Investment Attraction
LED PROGRAMMES				
• Sustainable & diversified agricultural development • Emerging farmer support and skills development • Agro-processing & niche produce development • Market development & creating an enabling environment	• Tourism industry growth & development • Tourism marketing, promotion & awareness • Green-economy and eco-tourism development and promotion	• Business support & capacitation & Entrepreneurial Development • SMME development & Integration of the informal economy • Promotion of Industrial, Trade & Construction activities • Marketing & Information Technology Platforms	• Provision of an Adequate Regulatory and Policy Environment • Economic Infrastructure • Business Skills Development & Entrepreneurship • Provision of market support and business linkages through partnerships and collaboration	• Existing Business Retention and Expansion • New Business and Investment Attraction

As can be seen in the above table, there are five (5) thrusts, and each have a number of supporting programmes. The following sub-sections details upon the three thrusts, the programmes associated with each of the thrusts and all of the projects and development facilitation actions associated with each of the programmes.

5.3.1 THRUST 1: AGRICULTURAL DEVELOPMENT, SUPPORT AND VALUE-ADDING

The Agricultural sector is considered an important sector within the Midvaal Local economy. The future of agricultural production (especially maize, red meat, etc.) and agro-processing is critical for the area. The agricultural sector not only contribute to employment (as it is labour-intensive) but also contributes to food security.

According to information obtained from Gauteng Department of Agriculture and Rural Development there is both active and inactive farmers, subsistence and commercial farmers within the municipality. Farmers are primarily small scale and farming from their individual plots/farms. In achieving agricultural growth and sustenance, it is important for MLM to focus on supporting these small scale farmers with training and appropriate expertise so that they can be self-reliance and graduate from subsistence farming to commercial farming: “**AGRO-PRENEURS**”. The ultimate vision is for the farmers to be able to contribute towards a regional agricultural production in MLM and extend their knowledge and expertise to other struggling farmers. MLM is a very important resource to Sedibeng and the rest of Gauteng in terms of food production.

This thrust is aligned with various policies at national, provincial, district and local level, by focusing on sustainable agricultural development, ensuring food security and transforming the agrarian industry/sector.

The objective of this Thrust is to add value to agricultural activities through establishing local manufacturing and processing plants, which utilise local raw materials and resources as primary inputs. It is therefore aimed at the regeneration of the agricultural sector, through building upon existing structures, to enable improved efficiency and diversification. Even though commercial pressures bear on the agricultural sector, large numbers of existing producers are likely to seek continued involvement in primary agriculture.

The following programmes have been identified under the agricultural development, support and value-adding thrust:

- Sustainable and diversified agricultural development
- Emerging farmer support and skills development
- Agro-processing and niche produce development
- Market development & creating an enabling environment

This thrust is thus aimed at:

- Supporting existing agricultural activities by building upon existing structures
- Diversifying the sector by proposing alternative agriculture activities
- Adding value to local raw materials through establishing beneficiation activities
- Ensuring food security to local communities
- Developing the skills of local communities
- Providing avenues and access to local markets for products

5.3.1.1 Programme 1: Sustainable and Diversified Agricultural Development

The aim of this Programme is to ensure that the agricultural production in Midvaal Local Municipality becomes more diversified whilst also ensuring that farmers, communities as well as households become more self-sufficient through sustainable agricultural production.

Diversification of agriculture refers to the increase of agricultural activities undertaken within a specific area, while sustainable agriculture not only refers to ecological aspects, but considers social aspects such as hunger and poverty eradication. One of the main ways to expand production is to involve subsistence and emerging/ upcoming farmers by increasing involvement in formal sector

production as well as promoting the use of new cultivars more suited to sub-tropical climates.

The projects listed below therefore aims to encourage subsistence farmers, agricultural households and community members to take part in organised and different types of new and current agricultural activities to become emerging/ upcoming/small-scale farmers while ensuring food security, taking cognisance of existing and proposed projects:

- **Project 1:** Promote and assist the establishment of vegetable production small-scale farmers (especially niche products) and encourage commercialisation
- **Project 2:** Encourage the development of agro-processing plants in the area to process and package agricultural produce to market standards
- **Project 3:** Develop small-scale livestock farming cooperatives, identify land for livestock farming and align to Department of Agriculture initiatives
- **Project 4:** Establish vegetable production cooperatives focusing on produce suitable to the area such as spinach, cabbage, butternut, beans peppers, etc. Obtain mentorship for these cooperatives from the current cooperatives practising vegetable production. Furthermore, investigate possible tunnel production for certain everyday vegetables that is not suitable for cultivation in the climate of the area.
- **Project 5:** Develop a poultry cluster, focusing on support and development of the existing and struggling poultry farming cooperatives/small-scale farmers in the area. Conduct an audit to determine the needs of and constraints faced by these cooperatives/small-scale farmers.
- **Project 6:** Investigate opportunities for the cultivation, processing and distribution of cannabis in alignment with Gauteng Province's Cannabis Industrialisation Programme

The actions requiring facilitation to support this programme include:

- Identify and approach possible niche markets for vegetable production
- Facilitate the creation of support groups with mentorship and training programmes for farmers seeking to diversify their farming activities
- Facilitate and assist with continuous research for agriculture diversification and the introduction of new products
- Entice communities to start chicken farming, drought-resistant crops, vegetable farming, etc.
- Facilitate the establishment of a cattle support centre/group that will support and provide guidance to new cattle farmers
- Ensure continued discussion with institutions like SEDA and with national institutions like the IDC and the dti to formulate financing mechanisms for the establishment of BBBEE farming enterprises and cooperatives
- Facilitate and assist interested farmers and agripreneurs with applications to the Gauteng Provincial Government for support from the Cannabis Industrialisation Programme

5.3.1.2 Programme 2: Emerging Farmer Support & Skills Development

The establishment of stronger linkages between small-scale, emerging/upcoming and commercial farmers and drawing the emerging/upcoming and small-scale farmers into the first economy is required. These linkages are vital for economic development. However, emerging/upcoming and small-scale farmers face several constraints to develop sustainable ventures. These include a lack of adequate transportation, lack of business management skills, lack of access to external markets, existing levels of small-scale production, lack of access to financing for improvement, and lack of knowledge of existing opportunities.

Another constraint faced by emerging/ upcoming farmers is the inability to finance investments in equipment, such as irrigation to increase the efficiency of production. Another way to provide practical hands-on training is to develop training plots where participants would come and spend time doing what they would do in the project but under supervision while being given more formal instruction in the evening. These training or demonstration plots are small-scale, short-cycle projects or test projects that prepare the way for replication or expansion.

Public Private Partnerships (PPP) between the existing commercial farmers and the emerging/ upcoming farmers also need to be promoted. This programme should also be aimed at getting the emerging/ upcoming farmers (and mostly women and the youth) involved in part ownership of agricultural activities.

It is vital that sustainable farming practices become a central feature of the farming activities undertaken in the rural economies. A key aspect facing the agricultural sector in the rural areas is the large percentage of aged persons whom are currently practising agriculture and linked to this the lack of interest of youth to be involved in agriculture. A dire need exists for the development of a farming succession plan.

The projects supporting the achievement of this programme are as follows:

- **Project 1:** Develop a central mentorship programme for emerging farmers to enable them to effectively manage a productive farming unit
- **Project 2:** Develop a skills development programme aimed specifically at young/emerging farmers (including business management skills, etc.)
- **Project 3:** Bring commercial farmers and emerging/upcoming and small-scale farmers together through Agri-BEE partnerships
- **Project 4:** Create a farming education and information sharing centre for farmers to share information on farming practices, attend training seminars and access local and affordable inputs for farming
- **Project 5:** Monitor and Ensure that an agricultural expert (a Department of Agriculture official/extension officer) visit each emerging farmer/cooperative once or twice a year to assess the farming practices and techniques and to give practical advice and on-site training and guidance

The actions requiring facilitation to support this programme include:

- Identify and approach candidates (commercial and/or retired farmers) to be incorporated into the Central Mentorship database
- Explore different sources of funding; approach funding institutions and source investors/partners

- Appoint a knowledgeable agricultural official to manage the information sharing centre
- Facilitate the acquisition of suitable land for sustainable small farming enterprises through projects catered for under the Land Redistribution for Agricultural Development (LRAD) Programme
- Facilitate access to training for youth and women
- Organise working groups among the same type livestock, poultry horticulture and maize/grains farmers
- Facilitate the formation of farmer-based community associations and agri-business entities for farmer support, to ensure full participation in local economic development opportunities
- Facilitate provision of information on how to access funding such as the Comprehensive Agricultural Support Programme, etc.
- Promote farmer utilisation of extension officers
- Initiate shared transport and machinery scheme to support emerging farmers

5.3.1.3 Programme 3: Agro-processing and niche produce development

This programme is aimed at the development and promotion of agro-processing/value-adding activities in the municipality as well as the development of niche produce. Various opportunities exist to taking the production of raw material in the Municipality as inputs into the development of local value-adding activities to produce both intermediate and final products. The processing of raw materials from agricultural products will contribute significantly in expanding the manufacturing sector. The agglomeration of these activities will result in economies of scale and that would increase both economic development and employment opportunities.

Furthermore, in response to declining agricultural profits, the general trend is for producers to develop new products with higher profit margins. Customer consumption habits are also shifting and demanding products such as organic produce and pre-packaged foods. Certain opportunities have been identified for the production of niche produce that are well adapted to the climatic conditions of the Municipality, such as cassava and honey.

The following projects were identified in support of this programme:

- **Project 1:** Investigate niche agricultural products and agro-processing opportunities such as cassava processing, bees wax beneficiation, etc.
- **Project 2:** Investigate the expansion of the Bantu-Bonke Hydroponic project. Furthermore, investigate agro-processing/beneficiation opportunities such as the manufacturing of jams, juices, achars, etc.
- **Project 3:** Investigate the feasibility of an Essential Oils Pilot project and the roll-out of additional project once the cultivars have been determined – focused on the lucrative export market for locally produced essential oils.
- **Project 4:** Investigate the feasibility of a cattle feed production plant that will use processed chicken manure from broiler and poultry cooperatives/projects as primary input

Development facilitation issues to be addressed in support of this programme include:

- Facilitate public-private partnerships and joint venture establishments for development of agro-processing facilities
- Facilitate training in agro-processing, and develop and maintain a database of trained individual

5.3.1.4 Programme 4: Market development & Creating an enabling environment

The aim of this programme is to successfully market the agricultural sector in Midvaal; in terms of new and existing development products, facilities and local markets (such as the Walkerville Farmers Market – see Thrust 2 Programme 1). The marketing of the opportunities that the agricultural sector in Midvaal provides will enable maximum beneficiation for the community.

At present, a fair amount of road freight transport moves through the Municipality (via the R59 as an alternative route), but also on either sides of the municipality via the N1 and N3. The municipality is also ideally located as part of the Southern Development Corridor. Therefore through capitalising on its location and improving its transport and logistics services an enabling environment should be

created for the agricultural sector in order to further stimulate the sector in Midvaal.

This programme will thus focus on the municipality creating awareness of the potential opportunities that have been identified in this LED strategy that would be implemented to strengthen the economy.

The projects supporting the achievement of this programme are as follows:

- **Project 1:** Develop a multi-purpose agricultural centre and distribution depot that supports the agricultural sector with: storage and distribution of fresh produce, weekly market, nursery, agricultural retailers, youth development, commodity groups associations, truck pooling, skills training, letting of equipment, demonstration plots, etc.
- **Project 2:** Initiate a study to identify niche markets in agriculture suitable for small farmers.
- **Project 3:** Assist small-scale as well as emerging/ upcoming farmers in terms of packaging, quality management and marketing of produce to be able to market and sell their produce at existing markets in Midvaal LM.
- **Project 4:** Assist local sellers with their current needs (e.g. packaging, quality management and marketing)

The actions requiring facilitation to support this programme include:

- Audit existing cooperatives, determine what their challenges are and how they can be assisted.
- Facilitate land acquisition for the development of a multi-purpose agricultural centre and distribution depot
- Facilitate the establishment of well-advertised markets for emerging/ upcoming farmers

5.3.2 THRUST 2: TOURISM AND GREEN ECONOMY DEVELOPMENT AND PROMOTION

The objective of this thrust is to promote economic development through promotion of the tourism industry and development of the green economy.

Currently, the economy of Midvaal Local Municipality is largely dependent on certain sectors, such as manufacturing, community and business services. In order to address this dependency it is vitally important that the Municipality diversify by developing and supporting the underdeveloped sectors within the area. These sectors include Tourism and Green Economy sectors.

The following programmes have been identified under the Tourism and Green Economy Development and Promotion Thrust:

- Tourism Industry Growth & Development
- Tourism Marketing, Promotion & Awareness
- Green Economy & Eco-Tourism development & promotion

5.3.2.1 Programme 1: Tourism Industry Growth and Development

The Tourism sector has been identified as a key focus area for the Midvaal Local Municipality by the previous LED Strategy and current IDP. The Tourism sector is increasingly being recognised as an industry which has the economic potential to contribute to the reduction of poverty in developing countries and in remote rural areas, particularly as a result of its labour-intensive nature, as well as the fact that many of the natural and heritage attractions are located in these rural areas, giving them a comparative advantage

Midvaal's locality in relation to Johannesburg Metro and Ekurhuleni Metropolitan Municipality, two of the most important Metro's in South Africa is potentially one of its greatest assets. Existing and potential future tourism activities are not far from large concentrations of potential customers, and the roads linking them are generally good. Facilitates attracting day visitors increases the possibility of marketing the entire Midvaal as a tourist destination. Tourism should not be defined by a narrow definition of tourism, and should not be limited to trying to attract just International Tourists. The strategy should cater for all kinds of tourists, local and international, business and recreational, active and passive recreation, eco-tourism and non-eco- tourism etc.

Walkerville has a unique tourist destination potential because of its country setting, and excellent locality. Midvaal offers: scenic beauty with ridges and river systems, conservancies, nature reserves, game farms, a range of outdoor activities; cultural experiences; local cuisine; and historical landmarks. Tourists can spend a few days leisurely travelling through Midvaal; or day tourists can visit a few tourism nodes and experience a range of tourist activities. The aim of

this programme is therefore to develop the tourism sector within the Midvaal Local Municipality, by promoting existing tourism products and activities but also by creating and developing new tourism products and activities.

The key principles in developing new tourism products is to ensure, firstly, that markets for such products have been identified, and, secondly, that the new product will be located along strategic tourism corridors or flows or within, or adjacent to, established destinations. Any resource that lies too far from main routes and flows, or is not close to a place already visited by tourists, will need to have exceptional drawing power to attract viable flows of visitors.

The following projects were identified in support of this programme:

- **Project 1:** Cooperate and support the Gauteng Provincial Government with regard to the Suikerbosrand Nature Reserve. Specific focus need to be given to the upgrading and maintenance of facilities (especially ablutions), the development of additional facilities (such as a curio shop, kiosk and possibly a restaurant/coffee shop); as well as extensive branding and marketing. Developing the Nature Reserve into a viable tourist destination with game viewing, market-related overnight facilities, guided trails, teambuilding/conferencing, etc.
- **Project 2:** Erect tourism signage and establish information landmarks along the main routes to ensure effective destination branding of Midvaal
- **Project 3:** Formulate hospitality training programmes aimed at the youth as well as individuals currently involved in the hospitality industry. These training programmes should be marketed by providing a link on the municipal website
- **Project 4:** Establishment of an adventure camp and youth development centre with environmental and tourism awareness education at the Vaaldam Nature Reserve
- **Project 5:** Investigate and implement one or two possible mountainbiking/hiking circuits with proper signage indicating location and routes (e.g. Suikerbosrand Nature Reserve has hiking routes, but no cross-country mountainbike trails). Klip River at Henley-on-Klip could also be considered.

- **Project 6:** Investigate the possibility of reviving the Walkersville Farmers Market. This market was once a thriving market and served as an inter-regional tourist attraction.
- **Project 7:** Develop day visitor facilities and recreational infrastructure aimed at promoting local tourism

Development facilitation issues to be addressed in support of this programme include:

- Facilitate training in the hospitality industry through accredited SETAs
- Facilitate and implement tourism development support systems for emerging entrepreneurs
- Create private sector awareness of opportunities in developing potential partnerships with the rural communities
- Facilitate the development of tourism activities within the Sicelo area promoting township tourism and contributing to the township economy revitalisation
- Creating public-private partnerships for opportunities to promote and enjoy the Klip River and Vaal Dam (such as low impact restaurants and places of leisure) and using such partners to maintain natural areas and provide ablution facilities

5.3.2.2 Programme 2: Tourism Marketing, Promotion and Awareness

It is important to correctly package attractions, sites, products and experiences that make them easier to buy by the travelling public. It has been said that the simple objective of the tourism industry is to give people a reason to come, a reason to stop, a reason to stay and a reason to spend. This is achieved by making information available that is up-to-date, user-friendly, accurate and believable with regards to both tourism attractions, as well as existing investment opportunities.

Various opportunities exist to develop tourism within the area especially around adventure and natural tourism. In order for Midvaal Local Municipality to attract investment and ensure sustained economic development, it is of vital importance to ensure that the municipality and its various functions operate efficiently.

The following projects were identified in support of this programme:

- **Project 1:** Undertake tourism market demand and trends analysis of the local and surrounding areas
- **Project 2:** Develop a local Tourism Development and Marketing Plan
- **Project 3:** Update and expand the existing Midvaal Tourism website (www.midvaal.travel) to promote and provide more information on tourism activities and events, with links to other attractions and accommodation websites, maps, places to go and images of these areas.

Development facilitation issues to be addressed in support of this programme include:

- Liaise with neighbouring destinations
- Facilitate tourism awareness campaigns at schools
- Establish an appropriate performance evaluation and monitoring system for the destination within the tourism industry
- Collaborate and support the Gauteng Tourism Authority, with efforts focused on what can be done to promote Midvaal and its tourism offering.

5.3.2.3 Programme 3: Green Economy & Eco-tourism development

A green economy is one that results in improved wellbeing and social equity, while significantly reducing environmental risks and ecological scarcities. The underlying principle is to reduce the reliance of economic development on the increased consumption of, and damage to, natural resources and the environment, while meeting social needs and understanding inequities.

The development of the green economy has become a significant topic and focus throughout South Africa and government. In order to obtain sustainable development and to ensure the future of our towns and country, it is vitally important that all development actions should include green practices such as carbon reduction measures.

This programme therefore seeks to promote the development of a green economy (harvesting an environmentally responsible community) and promote eco-tourism.

The following projects were identified in support of this programme:

- **Project 1:** An effort should be made to revive interest amongst the agricultural community in allowing tourists to visit farms and other places of interest involved with the planting, harvesting, packaging and processing of produce
- **Project 2:** Establish recycling collection points (plastic, paper and household and commercial waste) at various point around towns and settlements. Linked thereto, establish recycled goods manufacturing cooperatives that produce plastic furniture, gifts, arts and crafts and handmade paper, etc.
- **Project 3:** Establish building material manufacturing cooperatives (bricks, biodegradable materials)
- **Project 4:** Undertake a feasibility for the establishment of refuse buy-back voucher centres, undertake pilot and once successful roll-out to other communities

Development facilitation issues to be addressed in support of this programme include:

- Facilitate the education of local communities in regard to environmental conservation
- Identify stakeholders to champion ecosystem protection initiatives
- Facilitate training for the production of bio-degradable (green) building materials
- Incentivise and encourage the incorporation of alternative energy sources in new developments and existing business – both industrial and commercial in nature – to alleviate pressures on the national electricity grid
- Liaise with National Government to secure funding and gain support for green municipal service interventions

5.3.3 THRUST 3: BUSINESS DEVELOPMENT, SUPPORT & PROMOTION

This thrust is focussed on the development, support and promotion of local businesses to ensure that the needs of local communities are sufficiently served from within the Municipality. It is also important that local businesses are supported in their development and growth and that the development of new

SMMEs is stimulated. Many local businesses experience constraining factors such as a lack of business and financial management skills. The Municipality should, therefore, provide support in the provision of skills training.

The programmes forming the basis of this Thrust include:

- Business support & capacitation and Entrepreneurial Development
- SMME development & Integration of the informal economy
- Promotion of Industrial, Trade and Construction activities
- Marketing & Information Technology Platforms

5.3.3.1 Programme 1: Business support & capacitation and Entrepreneurial Development

This programme is designed to help community members and existing businesses develop skills and knowledge to be able to survive and grow within the local economy. In essence this programme involves determining the skills level of local community members and businesses, as well as providing guidance with regards to mentorship and accessing of financial resources and potential opportunities.

In order to support business expansion entrepreneurs need to be successfully equipped with the necessary business skills in order to have knowledge about developing new business enterprises, technological advances, business and financial planning, resource usage, etc. Support should also be given to small local businesses in gaining access to capital and financial sources. It is essential that knowledge and skills are transferred to up-coming business men and women. By hosting training workshops, new businesses can be supported through training and mentoring to make their manufacturing enterprises viable and successful.

The following projects were identified in support of this programme:

- **Project 1:** Compile and maintain a Midvaal Gateway 2 Opportunity database that will consist of a referral database of local maintenance and service providers with an associated list of references (to “man on side of the road” and a local business database (business directory) to ensure networks, linkages, etc.) – could link with the municipal website and tourism website.

- **Project 2:** Collaborate with the Gauteng Provincial Treasury to assist qualifying local businesses to register on the National Treasury’s Central Supplier Databases (CSD)
- **Project 3:** Launch annual entrepreneur of the year competition and annually identify start-ups in tourism, agriculture, SMME as nominees
- **Project 4:** Develop a partnership with businesses in Midvaal to establish a skills transfer programme whereby aspiring entrepreneurs/students can do a short-term internship at existing businesses
- **Project 5:** Undertake a skills review in relation to market demand with business organizations (particularly in tourism, manufacturing and agriculture) and connect current database to gaps in the market

The actions requiring facilitation to support this programme include:

- Set up a task team to undertake the opportunities audit and to maintain the completed database.
- Assist the application process for local businesses to register on the National Treasury’s Central Supplier Databases
- Setup criteria and selection process for the entrepreneur of the year competition.
- Facilitate the development of public-private partnerships
- Facilitate the development of discussion platforms to initiate marketing and networking opportunities
- Develop entrepreneurial study material for skills transfer and short term internships at various businesses.
- Create a task team to liaise with the local business sector to identify possible mentors as well as identifying any gaps and opportunities related to the local skills base.
- Promote competition among businesses through free for all access of information in the various industries (business processes, prices, suppliers, manufacturing processes etc.)

5.3.3.2 Programme 2: SMME development & Integration of the informal economy

The main objective of this programme is for the Midvaal Local Municipality to promote small businesses as well as provide support to informal sector businesses. The programme focuses on stimulating the development of new businesses and cooperatives.

It is important that existing local businesses be supported in their development and growth and that the development of new SMMEs be stimulated. Apart from providing the support for the establishment of new enterprises, the public and potential entrepreneurs should also be made aware of specific opportunities that exist for the establishment of new businesses. In this respect, the Municipality should make available and actively promote projects and opportunities, thereby enticing industrial/manufacturing, trade, tourism and other businesses to develop.

The projects supporting the achievement of this programme are as follows:

- **Project 1:** Compile and maintain a funding resource database that can be distributed to entrepreneurs and used to facilitate lobbying for financial resources for SMMEs
- **Project 2:** Promote the establishment of IT-related SMMEs providing support services to individuals and on issues related to technology, internet services and connectivity
- **Project 3:** Promote the establishment of a local sewing and handiworks SMME focusing on manufacturing uniforms and other equipment (e.g. tables and chairs) for the local schools, businesses, etc.
- **Project 4:** Establish a local youth small business development centre in partnership with local FET, SEDA, TIL, linked to career guidance with high-schools, entrepreneurship development, sponsored computers etc.

The actions requiring facilitation to support this programme include:

- Set up a task team to undertake the funding resource database and to update the current assistance available for SMMEs

- Develop entrepreneurial study material based on the local economic climate and opportunities for the training workshops and business courses to be hosted local youth small business development centre in conjunction with local FET, SEDA, etc.
- Provide financial application assistance to SMME's through making use of the DTI's incentive programmes
- Appoint a task team to identify opportunities for small businesses based on skills identified in the skills register

5.3.3.3 Programme 3: Promotion of Industrial, Trade and Construction activities

This programme is aimed at the continuation and further development of industrial, trade and construction activities. The programme includes the expansion of industrial areas, a diversification of manufacturing and trade opportunities, along with more local construction undertakings.

It is important for a database to be set up that reflects locally available construction companies and labour. This allows an opportunity for local construction companies and cooperatives to take part in projects and contribute towards the economy, and procurement of building materials which will contain spending within Midvaal Local Municipality.

The following projects were identified in support of this programme:

- **Project 1:** Collaborate with the Dti, Gauteng Government and neighbouring Emfuleni LM with regard to the planned Vaal River Special Economic Zone focusing on the agglomeration of industrial/manufacturing activities within existing industrial areas within Midvaal.
- **Project 2:** Develop Manufacturing Advice and Incubation Centre (MAC) to provide support, facilities and training to develop local manufacturers.
- **Project 3:** Support and promote current Business and Commercial Park(s) – such as the Midvaal Commercial Park.
- **Project 4:** Establish the qualifications and experience of construction companies and individuals and assist them with relevant

certification and registration to be able to content for government tenders. This should be linked to the skills and “Gateway 2 Opportunity” database

- **Project 5:** Setup an Internal Industrial Development Task Team that can provide advice and feedback to developers and industrialist, and to implement red tape interventions
- **Project 6:** Provide rate incentives for development that are in demand according to government policies
- **Project 7:** Develop guidelines for contractors development and programme alignment

The Actions requiring facilitation to support this programme include:

- Market industrial and manufacturing opportunities and facilitate/fast-track the processing of applications
- Identify the stakeholders who are interested in producing at the manufacturing centre (MAC)
- Create a task team who can be mentors at the MAC, through providing support, facilities and training
- Facilitate skills development in construction industry such as bricklaying, painting, plumbing, etc.
- Set up a task team to undertake the qualifications audit and to assist with registration of the construction companies and individuals

5.3.3.4 Programme 4: Marketing & Information Technology Platforms

This programme is aimed at the influence and access that technology platforms can provide to businesses in Midvaal Local Municipality. By making use of these platforms it will allow for improved usage of existing business and networking groups as well as focusing on the development of new business assistance platforms.

In establishing new businesses and expanding existing business enterprises, it is also important for the Municipality to provide support by facilitating the establishment of business linkages between clients and suppliers, as well as facilitating networking opportunities and information sharing among businesses that provide similar commodities or services.

Networking is also an important business tool which allows small businesses to share information on current trends and new technologies and to work together to find solutions to the problems faced locally. In order to further expand the business sector in the Municipality, it is also essential that the Municipality facilitates and supports the establishment of a dedicated help desk where business can find e-learning centres, as well as assistance with other business documents such as business plans, tender applications or funding initiatives.

Furthermore, businesses in rural areas often do not have access to information in respect of new and emerging markets, the latest technology or business support services and the Municipality should ensure that support and information is also distributed into these areas where it is needed most.

The projects supporting the achievement of this programme are as follows:

- **Project 1:** Establish a municipal website and service desk/call centre where complaints as well as suggestions can be logged and tracked on the website
- **Project 2:** Launch an LED opportunities marketing campaign by distributing poster/providing links on the municipal website to attract investors/entice business start-ups in projects identified in the LED strategy
- **Project 3:** Establish a tender, business plan, government incentives, local recruitment support desk
- **Project 4:** Undertake a feasibility for the creation of Wi-Fi zones in strategic places in Meyerton and other nodes where individuals can log onto the internet at a reduced cost
- **Project 5:** Development of e-learning centres within rural nodes, providing rural communities with access to internet services, computers, etc.

The actions requiring facilitation to support this programme include:

- Source funding to appoint and train a team to set up the monitoring database and run the municipal services complaints desk
- Identify and promote economic opportunities for communities which will be developed through the implementation of the LED strategy

- Communicate these opportunities to the community to entice individuals or businesses to take part
- Identify stakeholders to champion a business support desk

5.3.4 THRUST 4: TOWNSHIP & INFORMAL ECONOMY REVITALISATION

Informal settlements in Midvaal Local Municipality have a unique character compared with ones in other regions such as Emfuleni (Boiketlong), Tshwane (Winterveld) and Merafong (Khutsong). The informal settlements in Midvaal Local Municipality show little evidence of rapid physical growth and subsequent land invasions. A common factor is the desire of households to be closer to social and economic opportunities. Many informal households are clustered in Sicelo - west of Meyerton CBD, in Vaal Marina along the Vaal Dam, and on the outskirts of the Waterval industrial complex.

The township & Informal Economy Revitalisation Thrust is aimed at achieving a more conducive, innovative, and developmentally orientated regulatory environment at the Midvaal Local Municipal level to revitalise the local township and informal economies of the municipality.

The programmes forming the basis of this Thrust include:

- Provision of an adequate regulatory and policy environment
- Economic infrastructure
- Business skills development and entrepreneurship
- Provision of market support and business linkages through partnerships and collaboration

5.3.4.1 Programme 1: Provision of an Adequate Regulatory and Policy Environment

To ensure the functioning of the local economy, the Municipality need to ensure that the required enabling environment is in place – getting the basics right. This means reducing red tape to improve the conditions to do business in townships and addressing appropriate land use management and other regulatory issues that hamper economic development.

The projects supporting the achievement of this programme are as follows:

- **Project 1:** Develop an Informal Sector Plan to assist the sector to access amenities and opportunities for growth
- **Project 2:** Adopt By-laws on Informal Trading to assist with planning for the sector

The actions requiring facilitation to support this programme include:

- Provision of red tape reduction measures to ensure the ease of establishing businesses in townships
- Structure appropriate land uses along key transport nodes

5.3.4.2 Programme 2: Economic Infrastructure

For businesses to prosper they need suitable infrastructure which includes access to electricity, roads and water, suitable lighting, adequate public transport, transport facilities, access to reliable internet and sufficient security. Details regarding economic empowerment/upscaling guidelines for the informal trade and services industry is included as Annexure A.

The projects supporting the achievement of this programme are as follows:

- **Project 1:** Develop the necessary infrastructure to empower local entrepreneurs in rural and township areas to establish more localised economic activities, specifically Sicelo, Bantu Bonke and Mamello
- **Project 2:** Provide and upgrade lockable storage facilities for traders at taxi ranks at key points
- **Project 3:** Provision of basic services and infrastructure at taxi ranks
- **Project 4:** Develop Neighbourhood Watch Initiatives with increased street lighting and visible policing to target crime prevention

The actions requiring facilitation to support this programme include:

- Conduct a survey of all suitable sites in the townships within Midvaal Local Municipality

- Submit applications to the Municipal Infrastructure Grant (MIG) to develop suitable infrastructure to promote clusters of SMME incubators in designated areas

5.3.4.3 Programme 3: Business skills development and entrepreneurship

This programme will focus on a structured framework to facilitate targeted business support initiatives to both formal and informal sector enterprises. The business support will focus on building the entrepreneur as the “jockey” of the enterprise but will also focus on the growth of the business. In addition it will include the establishment of a virtual business incubator to allow entrepreneurs to become part of a localised supply network.

The projects supporting the achievement of this programme are as follows:

- **Project 1:** Develop incentives for skills transfer from private sector to youth owned businesses
- **Project 2:** Conduct training in essential business skills

The actions requiring facilitation to support this programme include:

- Facilitate access to funding to finance businesses
- Provide customised support based on individual business needs

5.3.4.4 Programme 4: Provision of market support and business linkages through partnerships and collaboration

The impact of the Covid-19 pandemic will exacerbate poverty and inequality in South Africa – with townships and informal areas affected most severely. Government will need to ensure that procurement regulations are adapted in order to ignite the local economy. To do this, the municipality will have to take lead in developing “buy-local” campaigns first – demonstrating the municipal commitment to build a resilient economy.

The projects supporting the achievement of this programme are as follows:

- **Project 1:** Develop a new Preferential Procurement Policy aimed at supporting local businesses, especially SMME's and businesses owned by youth and women
- **Project 2:** Create a database of youth-owned businesses

- **Project 3:** Incorporate youth business owners in local business forums engagements
- **Project 4:** Establish and promote a market for rural business owners

The actions requiring facilitation to support this programme include:

- Facilitate local procurement opportunities through the implementation of a new Preferential Procurement Policy
- Facilitate business linkages with other local, regional and national value chains
- Work towards branding and quality standards for rural and township enterprises

5.3.5 THRUST 5: BUSINESS RETENTION & INVESTMENT ATTRACTION

Business Retention and Investment Attraction is a key element of local economic development efforts. Recent global economic conditions (exacerbated by the global Covid-19 pandemic and the conflict in Eastern Europe) has impacted many companies and businesses. While the attraction of new businesses and investment can be an important component of the overall LED Strategy, current conditions recognise that helping existing businesses in Midvaal survive and grow should be the number one strategy.

Commonly, more jobs are created by business expansions than by new business start-ups. Research have shown that nearly 80% of new jobs in many local areas are created by existing businesses. The aim of this trust is to improve the climate for existing businesses and therefore, benefit from the continued presence and growth of those businesses.

The programmes forming the basis of this Thrust include:

- Existing Business Retention & Expansion
- New Business and Investment Attraction

5.3.5.1 Programme 1: Existing Business Retention & Expansion

Any type of development, regardless of sector or project details, requires a favourable investment environment. The success of specific projects, to a certain degree, is dependent upon interventions to improve the existing business

environment. The existing business retention and expansion programme consists of various projects and development facilitation actions largely based on the components underpinning the Global Competitiveness Index (GCI¹).

The projects supporting the achievement of this programme are as follows:

- **Project 1:** Beautification and landscaping of main streets to give the main centres in Midvaal a facelift
- **Project 2:** Establish a Municipal Services Monitor at local level, whereby the municipality maintain a clear investment picture to inform planning, prioritisation and decision-making
- **Project 3:** Upgrading and maintenance of the main rail line connecting Vereeniging with Germiston and Johannesburg; as well as the train station in Meyerton
- **Project 4:** Undertake an Annual Business Confidence Survey to identify the strengths and weaknesses of the current business climate
- **Project 5:** Develop commodity/business working groups and stimulate dialogue over issues and problems within specific sectors/community groups in order to promote collective action
- **Project 6:** Identify business expansion opportunities and develop mechanisms to communicate these opportunities to businesses
- **Project 7:** Develop a Midvaal Economic Impact Assessment Tool for the evaluation of projects on an annual basis

The actions requiring facilitation to support this programme include:

- Improve intergovernmental relations, co-ordination and planning
- Develop partnerships (i.e. business sector, NPO's, NGO's) and facilitate institutional demarcation through the establishment of economic networks and linkages between entities to ensure coordination of development activities
- Undertake higher levels of interaction between communities and businesses with quality customer care facilities and better service delivery with high levels

of maintenance, cleanliness and law enforcement, with associated high levels of public confidence

- Lobby with role-players (i.e. public works, international funding organisations, etc.
- Conduct a staff skills audit to determine skills gaps and required curriculum for training and undertake vigorous and comprehensive staff training programmes
- Utilise existing inter-governmental structures and local economic development forums to lobby the responsible authorities to prioritise key logistical infrastructure linkage investment benefitting the Midvaal Local Municipality

5.3.5.2 Programme 2: New Business & Investment Attraction

The New Business and Investment Attraction Programme is ultimately aimed at attracting new development and direct investment to Midvaal Local Municipality. Focus is placed on improving and promoting the Midvaal image within the investment community as a favourable location for investment and making potential investors and stakeholders aware of the competitive advantages and potential business opportunities in the municipality in order to generate investment directly in such sectors (as identified within this LED Strategy).

The projects supporting the achievement of this programme are as follows:

- **Project 1:** Plan and undertake inward and outward missions – i.e. information seminars on investment opportunities; “Know your municipality” virtual tours; develop and distribute brochures and CDs of marketing information, and update website with marketing information.
- **Project 2:** Develop a Development Incentives Policy outlining development incentives as a discretionary reward system aimed at influencing and encouraging business development in the Midvaal area

¹ The index is an annual yardstick for policy-makers to look beyond short-term and reactionary measures and to instead assess their progress against the full set of factors that determine productivity.

- **Project 3:** Undertake Spatial Growth Demand Modelling and Economic Growth Modelling in order to identify spatial targeted areas for the Development Incentive Policy.
- **Project 4:** Undertake a Monitoring and Evaluation Appraisal (Cost-Benefit Analysis) post-implementation of the Incentives Policy.
- **Project 5:** Develop a Business Investment Guide providing potential investors access to information with regards to development potential in all sectors in the Municipality
- **Project 6:** Red tape reduction and ease of doing business to attract new businesses (but also retain existing businesses) – i.e. take stock of all procedures and regulations related to investment and determine where efficiency improvements and/or changes are required.
- **Project 7:** Develop a property database and market specific sites to certain prospective businesses
- **Project 8:** Develop and maintain business hubs and incubators with low rent to attract start-ups
- **Project 9:** Develop a Public Recruitment Agency that will assist labour market efficiency by matching appropriately skilled unemployed individuals with employers who are in the market for hiring

The actions requiring facilitation to support this programme include:

- Appoint an Investment Officer to the LED Portfolio and establish a special enquiry point
- Address the most pertinent barriers to new business development
- Promote entrance of new businesses: promote entrepreneurship and ensure adequate access to potential funding sources
- Assist local start-ups to access the dti's Black Industrialist Scheme Grant
- Encourage businesses to integrate skills strategies into business strategies and plans
- Ensure an increase in the municipality's base skills profile through registered accredited training linked to the National Qualifications Framework (NQF)

The following subsection provides a summary of the Development Framework's thrusts, programmes, projects and development facilitation actions as discussed in the preceding subsections.

5.3.4 SUMMARY OF THRUSTS, PROGRAMMES, PROJECTS AND FACILITATION ACTIONS

Having described the aims of each of the thrusts and specific programmes required to ensure the successful implementation of the Thrusts, Table 5.2 – 5.4 overleaf provides a summary of all the strategic programmes, projects (or potential local community-owned businesses) and development facilitation actions developed per Thrust as part of the LED Framework presented by this Strategy.

Table 5.2: Summary of Thrust 1: Agricultural Development, Support & Value-Adding

	Sustainable and Diversified Agricultural Development	Emerging farmer support and skills development	Agro-processing and niche product development	Market development & creating an enabling environment
Projects	- Promote and assist the establishment of vegetable production small-scale farmers - Encourage the development of agro-processing plants in the area - Develop small-scale livestock farming cooperatives - Establish vegetable production cooperatives focusing of produce suitable to the area - Develop a poultry cluster, focusing on support and development of the existing and struggling poultry farming cooperatives/small-scale farmers in the area. - Investigate opportunities for the cultivation, processing and distribution of cannabis in alignment with Gauteng Province's Cannabis Industrialisation Programme	- Develop a central mentorship programme for emerging farmers - Develop a skills development programme aimed specifically at young/emerging farmers - Bring commercial farmers and emerging/upcoming and small-scale farmers together through Agri-BEE partnerships - Create a farming education and information sharing centre - Monitor and ensure that an agricultural export (an Department of Agriculture official/extension officer) visit each emerging farmer/cooperative once or twice a year	- Investigate niche agricultural products and agro-processing opportunities. - Investigate the expansion of the Bantu-Bonke Hydroponic project. - Investigate the feasibility of an Essential Oils Pilot project. - Investigate the feasibility of a cattle feed production plant	- Develop a multi-purpose agricultural centre and distribution depot. - Initiate a study to identify niche markets in agriculture suitable for small farmers. - Assist small-scale and emerging farmers in terms of packaging, quality management and marketing of produce to be able to market and sell their produce at the existing markets in Midvaal LM. - Assist local sellers with their current needs (e.g. packaging, quality management and marketing) - Promote a SMME for hiring of farming implements, tools and machinery and other equipment
Development Facilitation	- Identify and approach possible niche markets for vegetable production - Facilitate the creation of support groups with mentorship and training programmes for farmers seeking to diversify their farming activities - Facilitate and assist with continuous research for agriculture diversification and the introduction of new products - Entice communities to start chicken farming, drought-resistant crops, vegetable farming, etc. - Facilitate the establishment of a cattle support centre/group that will support and provide guidance to new cattle farmers - Ensure continued discussion with institutions like SEDA and with national institutions like the IDC and the dti to formulate financing mechanisms for the establishment of BBBEE farming enterprises and cooperatives	- Identify and approach candidates to be incorporated into the Central Mentorship database - Explore different sources of funding; approach funding institutions and source investors/partners - Appoint a knowledge agricultural official to manage the information sharing centre - Facilitate the acquisition of suitable land for sustainable small farming enterprises - Facilitate access to training for youth and women - Organise working groups among the same type livestock, poultry horticulture and maize/grains farmers - Facilitate the formation of farmer-based community associations and agri-business entities - Facilitate provision of information on how to access funding - Promote farmer utilisation of extension officers - Initiate shared transport and machinery scheme to support emerging farmers	- Facilitate public-private partnerships and joint venture establishments for development of agro-processing facilities - Facilitate training in agro-processing, and develop and maintain a database of trained individual	- Audit existing cooperatives, determine what there challenges are and how they can be assisted - Facilitate land acquisition for the development of a multi-purpose centre and distribution depot - Facilitate the establishment of well-advertised markets for emerging/upcoming farmers

Table 5.3: Summary of Thrust 2: Tourism and Green Economy Development and Promotion

	Tourism Industry Growth and Development	Tourism Marketing, Promotion and Awareness	Green Economy & Eco-tourism development
Projects	- Cooperate and support the Gauteng Provincial Government with regard to the Suikerbosrand Nature Reserve. - Erect tourism signage and establish information landmarks along the main routes to ensure effective destination branding of Midvaal - Formulate hospitality training programmes aimed at the youth as well as individuals currently involved in the hospitality industry - Establishment of an adventure camp and youth development centre with environmental and tourism awareness education at the Vaaldam Nature Reserve - Investigate and implement one or two possible mountainbiking/hiking circuits with proper signage - Investigate the possibility of reviving the Walkersville Farmers Market. - Develop day visitor facilities and recreational infrastructure aimed at promoting local tourism	- Undertake tourism market demand and trends analysis of the local and surrounding areas - Develop a local Tourism Development and Marketing Plan - Update and expand the existing Midvaal Tourism website (www.midvaal.travel) to promote and provide more information on tourism activities and events, with links to other attractions and accommodation websites, maps, places to go and images of these areas.	- An effort should be made to revive interest amongst the agricultural community in allowing tourists to visit farms and other places of interest involved with the planting, harvesting, packaging and processing of produce - Establish recycling collection points (plastic, paper and household and commercial waste) at various point around towns and settlements. Linked thereto, establish recycled goods manufacturing cooperatives that produce plastic furniture, gifts, arts and crafts and handmade paper, etc. - Establish building material manufacturing cooperatives (bricks, biodegradable materials) - Undertake a feasibility for the establishment of refuse buy-back voucher centres, undertake pilot and once successful roll-out to other communities
Development Facilitation	- Facilitate training in the hospitality industry through accredited SETAs - Facilitate and implement tourism development support systems for emerging entrepreneurs - Create private sector awareness of opportunities in developing potential partnerships with the rural communities - Facilitate the development of tourism activities within the Sicelo area promoting township tourism and contributing to the township economy revitalisation - Creating public-private partnerships for opportunities to promote and enjoy the Klip River and Vaal Dam (such as low impact restaurants and places of leisure) and using such partners to maintain natural areas and provide ablution facilities	- Liaise with neighbouring destinations - Facilitate tourism awareness campaigns at schools - Establish an appropriate performance evaluation and monitoring system for the destination within the tourism industry - Collaborate and support the Gauteng Tourism Authority, with efforts focused on what can be done to promote Midvaal and its tourism offering.	- Facilitate the education of local communities in regard to environmental conservation - Identify stakeholders to champion ecosystem protection initiatives - Facilitate training for the production of bio-degradable (green) building materials - Incentivise and encourage the incorporation of alternative energy sources in new developments and existing business – both industrial and commercial in nature – to alleviate pressures on the national electricity grid - Liaise with National Government to secure funding and gain support for green municipal service interventions

Table 5.4: Summary of Thrust 3: Business Development, Support & Promotion

	Business support, capacitation, and Entrepreneurial development	SMME Development & Integration of the Informal Economy	Promotion of Industrial, Trade and Construction activities	Marketing & Information Technology Platforms
Projects	• Compile and maintain a Midvaal Gateway 2 Opportunity database • Collaborate with the Gauteng Provincial Treasury to assist qualifying local businesses to register on the National Treasury's Central Supplier Databases (CSD) • Launch annual entrepreneur of the year competition and annually identify start-ups in tourism, agriculture, SMME as nominees • Develop a partnership with businesses in Midvaal to establish a skills transfer programme • Undertake a skills review in relation to market demand with business organizations (particularly in tourism, manufacturing and agriculture) and connect current database to gaps in the market	• Compile and maintain a funding resource database that can be distributed to entrepreneurs and used to facilitate lobbying for financial resources for SMMEs • Promote the establishment of IT-related SMMEs providing support services to individuals and on issues related to technology, internet services and connectivity • Promote the establishment of a local sewing and handiworks SMME focusing on manufacturing uniforms and other equipment (e.g. tables and chairs) for the local schools, businesses, etc. • Establish a local youth small business development centre	• Collaborate with regard to the planned Vaal River SEZ • Develop Manufacturing Advice and Incubation Centre (MAC) • Support and promote current Business and Commercial Park(s) • Establish the qualifications and experience of construction companies and individuals and assist with certification and registration to content for tenders. • Setup an Internal Industrial Development Task Team that can provide advice and feedback to developers and industrialist • Provide rate incentives for development that are in demand according to government policies • Develop guidelines for contractors development and programme alignment	• Establish a municipal website and service desk/call centre • Launch an LED opportunities marketing campaign by distributing poster/providing links on the municipal website to attract investors/entice business start-ups • Establish a tender, business plan, government incentives, local recruitment support desk • Undertake a feasibility for the creation of Wi-Fi zones in strategic places in Meyerton and other nodes where individuals can log onto the internet at a reduced cost • Development of e-learning centres within rural nodes, providing rural communities with access to internet services, computers, etc
Development Facilitation	• Set up a task team to undertake the opportunities audit and to maintain the completed database. • Assist the application process for local businesses to register on the National Treasury's CSD • Setup criteria and selection process for the entrepreneur of the year competition. • Facilitate the development of public-private partnerships • Facilitate the development of discussion platforms to initiate marketing and networking opportunities • Develop entrepreneurial study material for skills transfer and short term internships • Create a task team to liaise with local businesses to identify possible mentors & identifying any gaps and opportunities related to local skills base. • Promote competition among businesses through free for all access of information in the various industries	• Set up a task team to undertake the funding resource database and to update the current assistance available for SMMEs • Develop entrepreneurial study material based on the local economic climate and opportunities for the training workshops and business courses • Provide financial application assistance to SMME's through making use of the DTI's incentive programmes • Appoint a task team to identify opportunities for small businesses based on skills identified in the skills register	• Market industrial and manufacturing opportunities and facilitate/fast-track the processing of applications • Identify the stakeholders who are interested in producing at the manufacturing centre (MAC) • Create a task team who can be mentors at the MAC • Facilitate skills development in construction industry. • Set up a task team to undertake the qualifications audit and to assist with registration of the construction companies and individuals	• Source funding to appoint and train a team to set up the monitoring database and run the municipal services complaints desk • Identify and promote economic opportunities for communities which will be developed through the implementation of the LED strategy • Communicate these opportunities to the community to entice individuals or businesses to take part • Identify stakeholders to champion a business support desk

Table 5.5: Summary of Thrust 4: Township & Informal Economy Revitalisation

	Provision of an Adequate Regulatory and Policy Environment	Economic Infrastructure	Business Skills Development & Entrepreneurship	Provision of market support and business linkages through partnerships and collaboration
Projects	• Develop an Informal Sector Plan to assist the sector to access amenities and opportunities for growth • Adopt By-laws on Informal Trading to assist with planning for the sector.	• Develop the necessary infrastructure to empower local entrepreneurs in rural and township areas to establish more localised economic activities, specifically Sicelo, Bantu Bonke and Mamello • Provide and upgrade lockable storage facilities for traders at taxi ranks at key points • Provision of basic services and infrastructure at taxi ranks • Develop Neighbourhood Watch Initiatives with increased street lighting and visible policing to target crime prevention	• Develop incentives for skills transfer from private sector to youth owned businesses • Conduct training in essential business skills	• Develop a new Preferential Procurement Policy aimed at supporting local businesses, especially SMME's and businesses owned by youth and women • Create a database of youth-owned businesses • Incorporate youth business owners in local business forums engagements • Establish and promote a market for rural business owners
Development Facilitation	• Provision of red tape reduction measures to ensure the ease of establishing businesses in townships • Structure appropriate land uses along key transport nodes	• Conduct a survey of all suitable sites in the townships within Midvaal Local Municipality • Submit applications to the Municipal Infrastructure Grant (MIG) to develop suitable infrastructure to promote clusters of SMME incubators in designated areas	• Facilitate access to funding to finance businesses • Provide customised support based on individual business needs	• Facilitate local procurement opportunities through the implementation of a new Preferential Procurement Policy • Facilitate business linkages with other local, regional and national value chains • Work towards branding and quality standards for rural and township enterprises

Table 5.6: Summary of Thrust 5: Business Retention and Investment Attraction

	Existing Business Retention and Expansion	New Business and Investment Attraction
Projects	• Beautification and landscaping of main streets to give the main centres in Midvaal a facelift • Establish a Municipal Services Monitor at local level, whereby the municipality maintain a clear investment picture to inform planning, prioritisation and decision-making • Upgrading and maintenance of the main rail line connecting Vereeniging with Germiston and Johannesburg; as well as the train station in Meyerton • Undertake an Annual Business Confidence Survey to identify the strengths and weaknesses of the current business climate • Develop commodity/business working groups and stimulate dialogue over issues and problems within specific sectors/community groups in order to promote collective action • Identify business expansion opportunities and develop mechanisms to communicate these opportunities to businesses. • Develop a Midvaal Economic Impact Assessment Tool for the evaluation of projects on an annual basis	• Plan and undertake inward and outward missions – i.e. information seminars on investment opportunities; “Know your municipality” virtual tours; develop and distribute brochures and CDs of marketing information, and update website with marketing information. • Develop a Development Incentives Policy outlining development incentives as a discretionary reward system aimed at influencing and encouraging business development in the Midvaal area, together with an Implementation Plan • Undertake Spatial Growth Demand Modelling and Economic Growth Modelling in order to identify spatial targeted areas for the Development Incentive Policy. • Undertake a Monitoring and Evaluation Appraisal (Cost-Benefit Analysis) post-implementation of the Incentives Policy. • Develop a Business Investment Guide providing potential investors access to information with regards to development potential in all sectors in the Municipality • Red tape reduction and ease of doing business to attract new businesses (but also retain existing businesses) – i.e. take stock of all procedures and regulations related to investment and determine where efficiency improvements and/or changes are required. • Develop a property database and market specific sites to certain prospective businesses • Develop and maintain business hubs and incubators with low rent to attract start-ups • Develop a Public Recruitment Agency that will assist labour market efficiency by matching appropriately skilled unemployed individuals with employers who are in the market for hiring
Development Facilitation	• Improve intergovernmental relations, co-ordination and planning • Develop partnerships (i.e. business sector, NPO's, NGO's) and facilitate institutional demarcation through the establishment of economic networks and linkages between entities to ensure coordination of development activities • Undertake higher levels of interaction between communities and businesses with quality customer care facilities and better service delivery with high levels of maintenance, cleanliness and law enforcement, with associated high levels of public confidence • Lobby with role-players (i.e. public works, international funding organisations, etc. • Conduct a staff skills audit to determine skills gaps and required curriculum for training and undertake vigorous and comprehensive staff training programmes • Utilise existing inter-governmental structures and local economic development forums to lobby the responsible authorities to prioritise key logistical infrastructure linkage investment benefitting the Midvaal Local Municipality	• Appoint an Investment Officer to the LED Portfolio and establish a special enquiry point • Address the most pertinent barriers to new business development • Promote entrance of new businesses: promote entrepreneurship and ensure adequate access to potential funding sources • Assist local start-ups to access the dti's Black Industrialist Scheme Grant • Encourage businesses to ingrate skills strategies into business strategies and plans • Ensure an increase in the municipality's base skills profile through registered accredited training linked to the National Qualifications Framework (NQF)

5.4. PROJECT PRIORITISATION

The purpose of this section is to prioritise the different projects according to the potential multiplier effect or impact of the projects. The projects deemed to have the greatest impact will be implemented first.

The criteria used in the prioritisation are as follows:

- Capacity building
- Economic empowerment
- Job creation
- Economic growth and impact
- Implementability

Criterion 1: Capacity building

The development of capacity within the LED unit, SMMEs and community on issues of Local Economic Development is key in shaping the future of the Midvaal Local Municipality. Such capacity building interventions will ensure that both the first and second economy grows to the benefit of big businesses and SMMEs. The prioritisation matrix should therefore favour projects that promote skills development and transfer.

Criterion 2: Economic Empowerment

Economic Empowerment is a criterion which measures how a particular project favours the previously disadvantaged groups. This dimension forces project implementation to be as inclusive as possible, signifying the importance of community economic development. Key questions that guide such determination are:

- Will the proposed project cater for SMME, community and small business assistance and involvement?
- Will the proposed initiative be sufficiently linked to the primary and tertiary sectors of the local economy?
- Will the proposed initiative make use of local resources and skills?
- Will the proposed project promote the establishment or expansion of start-up SMMEs?

Criterion 3: Job creation

One of the key dimensions of LED is dealing with the socio-economic challenges of unemployment and poverty. Any project implemented should at least address the following issues:

- The number of direct jobs to be created or generated
- Quality of the jobs created
- Long-term sustainability of the jobs
- Ability to improve skills and capacity levels of the local people

Criterion 4: Economic Growth and Impact

Economic impact refers to the sum of the project's influence on the economy, commonly known as its multiplier effect in terms of GDP contribution. Other impacts also considered include the following:

- Increased levy income
- Social advantages
- Foreign direct investment
- Inflows resultant

This criterion is probably the first to be considered when evaluating any investment opportunity or initiative from a business perspective.

Criterion 5: Implementability

This criterion focuses on the ease of implementing a particular project. Key issues for consideration under this criterion include:

- Cost of implementation of the project
- Possible access to funding and the funding mechanism
- Existing infrastructure availability and need for new infrastructure

A prioritisation model was developed that ranks projects as high, medium, and low. The projects that are considered as having the highest ranking receive implementation priority first.

Rank	Low	Medium	High
Project score	1	2	3

Each project is measured on a 0-3 score and the projects with the highest-ranking score will receive priority.

The table below summarises the project scoring using the prioritisation matrix:

- Five factor criteria:

- Capacity Building (CB)
- Economic Empowerment (EE)

- Job Creation (JC)
- Economic Impact (EI)
- Implementability (I)

- Three-point score:

- Low (1)
- Medium (2)
- High (3)

Table 5.7: Project Prioritisation

Programme	Projects	CB	EE	JC	EI	I	Score
Sustainable and Diversified Agricultural Development	Promote and assist the establishment of vegetable production small-scale farmers	1	3	3	3	2	12
	Encourage the development of agro-processing plants in the area	1	2	2	3	2	10
	Develop small-scale livestock farming cooperatives	1	3	3	3	2	12
	Establish vegetable production cooperatives focusing of produce suitable to the area	1	3	3	3	2	12
	Develop a poultry cluster, focusing on support & development of the existing and struggling poultry farming cooperatives/small-scale farmers in the area.	2	3	2	3	1	11
	Investigate opportunities for the cultivation, processing and distribution of cannabis in alignment with Gauteng Province's Cannabis Industrialisation Programme	1	2	2	3	2	10
Emerging farmer support and skills development	Develop a central mentorship programme for emerging farmers	3	3	1	2	2	11
	Develop a skills development programme aimed specifically at young/emerging farmers	3	3	1	2	2	11
	Bring commercial farmers and emerging/upcoming and small-scale farmers together through Agri-BEE partnerships	2	3	1	2	1	9
	Create a farming education and information sharing centre	3	2	1	2	2	10
	Monitor and ensure that an agricultural expert (an Department of Agriculture official/extension officer) visit each emerging farmer/cooperative once or twice a year	2	2	1	2	2	9
	Investigate niche agricultural products and agro-processing opportunities.	1	2	1	2	2	8
	Investigate the expansion of the Bantu-Bonke Hydroponic project.	1	2	2	2	2	9

Programme	Projects	CB	EE	JC	EI	I	Score
Agro-processing and niche product development	Investigate the feasibility of an Essential Oils Pilot project.	1	2	2	2	2	9
	Investigate the feasibility of a cattle feed production plant	1	2	2	2	2	9
Market development & creating an enabling environment	Develop a multi-purpose agricultural centre and distribution depot.	1	2	3	3	1	10
	Initiate a study to identify niche markets in agriculture suitable for small farmers.	1	3	1	2	3	10
	Assist small-scale and emerging farmers in terms of packaging, quality management and marketing of produce to be able to market and sell their produce at the existing markets in Midvaal LM.	2	3	2	2	2	11
	Assist local sellers with their current needs (e.g. packaging, quality management and marketing)	2	2	1	2	1	8
	Promote a SMME for hiring of farming implements, tools, machinery & other equipment	1	3	3	2	1	10
Tourism Industry Growth and Development	Cooperate and support the Gauteng Provincial Government with regard to the Suikerbosrand Nature Reserve.	1	1	2	3	3	10
	Erect tourism signage and establish information landmarks along the main routes to ensure effective destination branding of Midvaal	1	1	1	2	2	7
	Formulate hospitality training programmes aimed at the youth as well as individuals currently involved in the hospitality industry	3	2	1	2	2	10
	Establishment of an adventure camp and youth development centre with environmental and tourism awareness education at the Vaaldam Nature Reserve	2	2	3	3	1	11
	Investigate and implement one or two possible mountain biking/hiking circuits with proper signage	1	1	1	2	2	7
	Investigate the possibility of reviving the Walkersville Farmers Market.	1	3	2	3	2	11
	Develop day visitor facilities & recreational infrastructure aimed at promoting local tourism	1	1	1	2	1	6
	Undertake tourism market demand and trends analysis of the local and surrounding areas	1	1	1	2	3	8

Programme	Projects	CB	EE	JC	EI	I	Score
Tourism Marketing, Promotion and Awareness	Develop a local Tourism Development and Marketing Plan	1	1	1	2	3	8
	Update and expand the existing Midvaal Tourism website (www.midvaal.travel) to promote and provide more information on tourism activities and events, with links to other attractions and accommodation websites, maps, places to go and images of these areas.	1	1	1	2	3	8
Green Economy & Eco-tourism development	An effort should be made to revive interest amongst the agricultural community in allowing tourists to visit farms and other places of interest involved with the planting, harvesting, packaging and processing of produce	1	1	1	2	2	7
	Establish recycling collection points (plastic, paper and household and commercial waste) at various point around towns and settlements. Linked thereto, establish recycled goods manufacturing cooperatives that produce plastic furniture, gifts, arts and crafts and handmade paper, etc.	2	3	3	3	2	13
	Establish building material manufacturing cooperatives (bricks, biodegradable materials)	1	3	3	3	1	11
	Undertake a feasibility for the establishment of refuse buy-back voucher centres, undertake pilot and once successful roll-out to other communities	1	2	1	2	2	8
Business support, capacitation, and Entrepreneurial development	Compile and maintain a Midvaal Gateway 2 Opportunity database	2	2	1	2	2	9
	Collaborate with the Gauteng Provincial Treasury to assist qualifying local businesses to register on the National Treasury's Central Supplier Databases (CSD)	2	2	1	1	3	9
	Launch annual entrepreneur of the year competition and annually identify start-ups in tourism, agriculture, SMME as nominees	2	2	1	1	2	8
	Develop a partnership with businesses in Midvaal to establish a skills transfer programme	3	2	1	1	2	9
	Undertake a skills review in relation to market demand with business organisations (particularly in tourism, manufacturing and agriculture) and connect current database to gaps in the market	3	2	1	1	1	8
SMME Development &	Compile and maintain a funding resource database that can be distributed to entrepreneurs and used to facilitate lobbying for financial resources for SMMEs	1	3	1	2	3	10

Programme	Projects	CB	EE	JC	EI	I	Score
Integration of the Informal Economy	Promote the establishment of IT-related SMMEs providing support services to individuals and on issues related to technology, internet services and connectivity	2	3	3	3	1	12
	Promote the establishment of a local sewing and handiworks SMME focusing on manufacturing uniforms and other equipment (e.g. tables and chairs) for the local schools, businesses, etc.	2	3	3	3	1	12
	Establish a local youth small business development centre	3	3	2	3	1	12
Promotion of Industrial, Trade and Construction activities	Collaborate with regard to the planned Vaal River SEZ	1	2	3	3	2	11
	Develop Manufacturing Advice and Incubation Centre (MAC)	2	2	3	3	1	11
	Support and promote current Business and Commercial Park(s)	1	2	2	3	2	10
	Establish the qualifications and experience of construction companies and individuals and assist with certification and registration to content for tenders.	2	2	2	2	2	10
	Setup an Internal Industrial Development Task Team that can provide advice and feedback to developers and industrialist	2	2	2	1	2	9
	Provide rate incentives for development that are in demand according to government policies	1	1	1	2	3	8
	Develop guidelines for contractors development and programme alignment	2	2	1	1	2	8
Marketing & Information Technology Platforms	Establish a municipal website and service desk/call centre	2	1	2	1	2	8
	Launch an LED opportunities marketing campaign by distributing poster/providing links on the municipal website to attract investors/entice business start-ups	1	1	1	2	2	6
	Establish a tender, business plan, government incentives, local recruitment support desk	2	1	2	2	2	9
	Undertake a feasibility for the creation of Wi-Fi zones in strategic places in Meyerton and other nodes where individuals can log onto the internet at a reduced cost	2	1	1	2	2	8
	Development of e-learning centres within rural nodes, providing rural communities with access to internet services, computers, etc	3	2	1	2	1	9

Programme	Projects	CB	EE	JC	EI	I	Score
Provision of an Adequate Regulatory and Policy Environment	Develop an Informal Sector Plan to assist the sector to access amenities and opportunities for growth	1	3	1	2	3	10
	Adopt By-laws on Informal Trading to assist with planning for the sector.	1	2	1	1	3	8
Economic Infrastructure	Develop the necessary infrastructure to empower local entrepreneurs in rural and township areas to establish more localised economic activities, specifically Sicelo, Bantu Bonke and Mamello	1	3	1	3	2	10
	Provide and upgrade lockable storage facilities for traders at taxi ranks at key points	1	2	1	1	2	7
	Provision of basic services and infrastructure at taxi ranks	1	1	1	1	2	6
	Develop Neighbourhood Watch Initiatives with increased street lighting and visible policing to target crime prevention	1	1	2	1	2	7
Business Skills Development & Entrepreneurship	Develop incentives for skills transfer from private sector to youth owned businesses	3	3	1	1	3	11
	Conduct training in essential business skills	3	2	1	1	3	10
Provision of market support and business linkages through partnerships and collaboration	Develop a new Preferential Procurement Policy aimed at supporting local businesses, especially SMME's and businesses owned by youth and women	2	3	1	2	3	11
	Create a database of youth-owned businesses	2	3	1	2	3	11
	Incorporate youth business owners in local business forums engagements	2	3	1	1	3	10
	Establish and promote a market for rural business owners	2	2	1	2	2	9
Existing Business Retention and Expansion	Beautification & landscaping of main streets to give the main centres in Midvaal a facelift	1	1	2	1	2	7
	Establish a Municipal Services Monitor at local level, whereby the municipality maintain a clear investment picture to inform planning, prioritisation and decision-making	1	1	1	2	3	8
	Upgrading and maintenance of the main rail line connecting Vereeniging with Germiston and Johannesburg; as well as the train station in Meyerton	1	1	2	3	1	8
	Undertake an Annual Business Confidence Survey to identify the strengths and weaknesses of the current business climate	1	2	1	2	3	9

Programme	Projects	CB	EE	JC	EI	I	Score
	Develop commodity/business working groups and stimulate dialogue over issues and problems within specific sectors/community groups to promote collective action	2	2	1	2	3	10
	Identify business expansion opportunities and develop mechanisms to communicate these opportunities to businesses.	1	3	1	2	2	9
	Develop a Midvaal Economic Impact Assessment Tool for the evaluation of projects on an annual basis	1	2	1	2	3	9
New Business and Investment Attraction	Plan and undertake inward and outward missions – i.e. information seminars on investment opportunities; “Know your municipality” virtual tours; develop and distribute brochures and CDs of marketing information, and update website with marketing information.	2	1	2	1	2	8
	Develop a Development Incentives Policy outlining development incentives as a discretionary reward system aimed at influencing and encouraging business development in the Midvaal area, together with an Implementation Plan	2	2	1	2	3	10
	Undertake Spatial Growth Demand Modelling and Economic Growth Modelling in order to identify spatial targeted areas for the Development Incentive Policy.	1	1	2	2	3	9
	Undertake a Monitoring and Evaluation Appraisal (Cost-Benefit Analysis) post-implementation of the Incentives Policy.	1	2	1	2	3	9
	Develop a Business Investment Guide providing potential investors access to information with regards to development potential in all sectors in the Municipality	2	3	1	3	3	12
	Red tape reduction and ease of doing business to attract new businesses (but also retain existing businesses) – i.e. take stock of all procedures and regulations related to investment and determine where efficiency improvements and/or changes are required.	1	2	1	2	3	9
	Develop a property database and market specific sites to certain prospective businesses	1	2	1	2	2	8
	Develop and maintain business hubs and incubators with low rent to attract start-ups	1	3	1	3	2	9
	Develop a Public Recruitment Agency that will assist labour market efficiency by matching appropriately skilled unemployed individuals with employers who are in the market for hiring	1	2	2	2	1	8

Important notes about the matrix:

- Projects are rated in the same manner
- The ranking in the matrix is based on a five-factor criteria system
- The assumption in categorising the ranking is that each criterion will score equally in a ranking level
- Where x is a project, the ranking can be categorised as follows:

Type	Formula	Priority
Category One	$x = 0$	No priority
Category Two	$0 \leq x \leq 5$	Low priority
Category Three	$5 \leq x \leq 10$	Medium priority
Category Four	$10 \leq x \leq 15$	High priority

It is clear that a large number of projects are in the high priority category and the challenge will be on whether the municipality can have the time and resources to implement all of these projects at once. The strategy gives the municipality an opportunity to further engage and come up with annual implementation or actions plans that will further prioritise projects for implementation.

Possible factors contributing to the above scenario could include the following:

- Configuration and lean staffing of the LED unit
- Absence of a stakeholder owned and driven LED Strategy
- Uncoordinated LED support by key stakeholders
- Lack of LED capacity development
- Allocation of inadequate budget for core LED activities and absence of mechanism for sourcing funds



IMPLEMENTATION GUIDELINES



6

6. IMPLEMENTATION GUIDELINES

6.1 INTRODUCTION

This section provides guidelines for the preparation and implementation of the identified LED projects. It will service as an LED implementation manual for the Midvaal Local Municipality's LED unit after the completion and adoption of the LED Strategy.

6.2 PRIORITY PROJECTS IMPLEMENTATION GUIDELINES

The purpose of this sub-section is to facilitate the streamlined and fast-tracked delivery of the LED Strategy, its Thrusts and Programmes, through the effective implementation of a number of key projects and development facilitation actions. In order to successfully implement the projects, a number of implementation tasks typically need to be undertaken. The following aspects typically need to be addressed in order to facilitate the implementation of projects:

- Obtain ongoing funding
- Appoint an implementer
- Finalise ownership
- Develop detailed business plan
- Location and facilities (if need arises)
- Management team
- Staffing
- Human resource development
- Financial and accounting system

These are detailed upon hereunder.

6.2.1 Obtain ongoing funding

- There are numerous funding sources through which the Municipality can secure financial assistance or loans to support the implementation of the proposed projects. These sources include both private sector establishments and public sector resources. A complete list of potential funding institutions is provided in Annexure B.

- Find ways to obtain and secure capital;
- Determine how much money the owners/members have, how much the owners/members are willing to risk, how much they are going to invest, etc.
- Determine whether or not the owners are going to obtain a loan or make use of investors;
- Contact all funding sources and development programmes to obtain buy-in and support;
- Utilise a feasibility study to market the project to potential funders;
- Compile and submit applications for funding. Please note that funding of development is often one of the most constraining issues faced during the implementation of projects. Development funds is a scarce resource and all sources should be mobilised with due care;
- Ensure alignment of project with Council policies in order to get funding;
- Government support mechanism for the SMMEs also need to be obtained, as well as other support mechanisms. These programmes aim to assist people to apply for new projects (e.g. close corporation), expansion of an existing project and skills support programmes.
- Consider utilising an external implementer to attain funding on behalf of the municipality for priority projects on a risk basis. I.e. the external entity is not remunerated for work undertaken in order to obtain funding, but should funding be obtained, the said external implementer needs to be appointed to undertake the project implementation (remuneration of which typically entails a 10-15% implementation fee of the funding obtained).

6.2.2 Appoint an implementer

- In order to implement the project successfully, a dedicated person needs to take responsibility for the implementation. This can either be done in-house if sufficient capacity and know-how exists, or can be put out on tender for development facilitators (in the short term) or in the medium term obtain assistance from the Gauteng Provincial Government. In order to ensure that the implementation and management of the proposed project is driven successfully, the implementer must ensure

that the project produces the deliverables to the required standard of quality and facilitate handover of the successfully implemented project. Consequently, the implementer must be appropriately empowered and provided with sufficient decision-making authority to fulfil his or her responsibilities;

- The project implementer needs to meet regularly with the community/potential owners of the project, as well as with the relevant LED coordinator / tourism & SMME officer/ agriculture and environmental officer (whichever is applicable) on a weekly basis to ensure that the learning process is shared with all members and to effectively evaluate the progress of the project. This will ensure that the LED Unit is capacitated to in future implement projects internally;
- The implementer must also take responsibility for the following: liaising with the Municipality, project programming and execution, monitoring overall performance of members, undertaking accounting administration of project, time frame management, setting up implementing user agreements, monitoring and managing risks, establishing and enhancing reporting mechanisms, conducting regular team meetings, monitoring quality assurance and deliverable acceptance, monitoring construction and skills training phases, producing monthly progress reports and status reports in order to ensure that the project aligns with the required outputs, timeframe and budget.

6.2.3 Finalise ownership

- Identify stakeholders/businesses/community members interested in becoming involved in the proposed project;
- Identify local communities and role-players/stakeholders (such as Government departments, Traditional Authorities, parastatals, NGOs, CBOs, emerging SMMEs, etc.) that need to be involved in planning and decision-making processes;
- Undertake strategic workshops to engage with relevant project stakeholders. This includes obtaining local business interests with regards to the projects and to obtain community-based interests. It is essential that this participation be fostered, as the acceptance of the outputs of the project needs to be in line with business and community desires. The purpose of these workshops will also be to ascertain stakeholder visions for the project, so that key issues not previously

raised can be taken into consideration. It is essential to obtain such input from the start of the project;

- Undertake negotiations with the community, private sector businesses/funders interested in partnerships, government departments, support organisations, etc. to finalise ownership. The negotiations should include determining what possible partnerships can be forged with; and
- Hold introductory meetings with existing (or proposed beneficiaries) of the proposed projects. The purpose of this introductory meeting will be to explain the purpose of the project to the beneficiaries so that they are able to make informed decisions regarding the project at a later stage.

6.2.4 Develop a detailed business plan

- Once the body responsible for implementation (either internal or external) has been identified, such a person needs to develop a detailed action plan (as part of the business plan), which consists of: project scope and work breakdown structure, programme and milestones, agenda's and minutes of meetings, correspondence, progress reports, communication schedule, coordination of parties involved, timeframe management, working capital, liaison with end users, ongoing monitoring plan, facilitation and final handover, etc.
- The action plan needs to identify: whether each action is really required for reaching the vision; will these actions allow you to reach all of the defined objectives; will these actions remove all of the identified issues; will these actions allow you to reach the identified critical success factors; and can you do these actions for the expected investment?
- A detailed business plan needs to be developed and should contain the following guidelines and actions to facilitate the implementation: project description, vital issues that need to be addressed before the business can be started, economic impact, key role-players that need to take responsibility for the development, nature and possible sources of additional financing for the business, facilitation plan (what needs to be done to ensure successful implementation), implementation timeframe and phasing, institutional arrangements (Legal form of ownerships and responsibilities, strategic partners, organisational structure, internal monitoring mechanisms), operating plan, forecasts and timeframes, financial requirements, income creation to ensure breaking-even, final

capital costs, operating costs, outputs and outcomes, resource requirements, budget, cash flow, funding sources, investment opportunities, returns, income/expenditure and revenue stream, balance sheet, etc.

- Such a business plan is often required in order to obtain funding (see first step – Obtain ongoing funding).
- Business plan assessment and refinement is also needed. This entails ensuring attainable vision, goals, strategies and objectives, ensuring that detailed outcomes and project indicators exist, ensuring alignment to policy frameworks, obtaining a detailed understanding of risks and identifying risk ameliorations, verifying timeframes for implementation, revising financial plans and resource requirements, ensuring effectiveness – to ensure it contains all that investors need to know, etc.
- Other actions that need to be undertaken to ensure the successful implementation of a project include: determining the income and expenditure of the project over a three-year period, giving an indication of the monthly profit/loss, establishing how any profits will be re-invested into the project, how the project will break even and the sustainability of the project; determine what type of record keeping will be required; identify which associations need to be joined; etc.

6.2.5 Location and facilities (if need arises)

- Finalise location and position of the potential project;
- Determine requirements in terms of location such as identifying local authority regulations and permits needed for business in the area;
- Insure acceptance of location by those involved;
- Appoint architect/specialist for design of floor layout plan to ensure most efficient layout of space;
- Determine detailed costs of the buildings required in terms of size, parameters, and rental requirements, where applicable;
- Appoint specialists as and when needed, such as quantity surveyor, architect, construction company etc.
- Fast track approval of building plans, the provision of bulk services, etc.
- Provide assistance with regards to preparations of the sites and buildings to accommodate the project, as well as the purchase of equipment and tools required;

- Obtain quotes for costs and discuss with owners; and
- The construction processes also need to be monitored to ensure its timely completion and to ensure that all aspects of the project are implemented successfully.

6.2.6 Management Team

- Finalise partnerships with other entities/support organisations/initiatives where appropriate;
- Finalise exact legal requirements for type of company/co-operative/association;
- Contact institute involved and obtain requirements for the registration of the company; and
- The personality, professional and social competence, and motivation of the team also need to be evaluated so as to ensure successful implementation.

6.2.7 Staffing

- Assist with the identification and appointment of a manager. This position is extremely important, as the manager will drive the entire project and provide the necessary assistance and mentorship to members/staff/permanent workforce.
- Ensure that adequately skilled workers are appointed (where appropriate) for the proposed project; and
- Develop detailed job descriptions in association with owners, including roles and responsibilities.

6.2.8 Human Resource Development

- Identify needs through research, meetings, seminars and workshops with similar type projects and related staff;
- Undertake the identification of training and technical needs of similar type companies in collaboration with relevant and interested organisations, e.g. SEDA;
- Identify cost of training required. The training required should include access to technical training in order to operate the machinery involved in manufacturing processes if projects require this type of skill;
- Identify sources of training;

- Negotiate with existing similar type business owners and managers in Midvaal Local Municipality who are willing to be involved in skills transfer, mentorship and assistance in respect of business management, market penetration, registration, etc. Request assistance from the LED forum members in this regard.
- Contact and rope in relevant SETA's;
- Monitor the training programmes to meet these needs; and
- Ensure that staffing teams have complementary skills and strengths, shared vision, flexible approach to problems, sticks together etc.

6.2.9 Financial and accounting system

- Effectively manage cash flow and funding resources of the proposed project;
- Efficient management of working capital includes the following: reducing the duration of the working capital shortage (and hence reducing the cost of the product due to lower interest expense), selecting the best option available for financing any working capital shortfall, ensuring that the time required to bring the product to the market is not underestimated, ensuring that market acceptance is not overestimated – realistic goals are required, the need for increased working capital must be taken into consideration as turnover rises, not to use short-term finance for long-term requirements, make allowance for peak cash requirements just prior to month end, make allowance for monthly salary deductions, determining how large the companies' capital requirements will be until break-even, etc. How much cash will be needed in the worst case? Determining where the capital will come from, what returns investors can expect, determining how profits can be realised, etc.; and
- The financial and accounting system needs to be implemented.

6.3 CONCLUSION

While all the aspects covered in the preceding subsection need to be addressed in implementation, some of the critical success factors required to ensure successful implementation include:

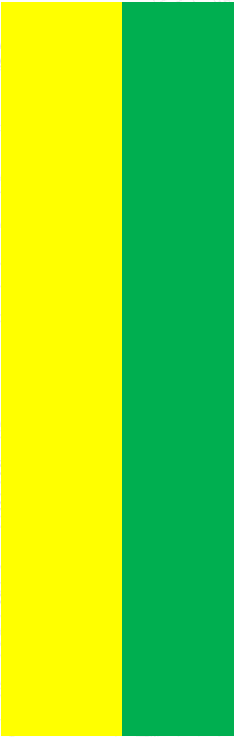
- The development of a feasibility and business plan
- Lodging applications with financial sources and lobbying and determination of the amount of subsidies available

- The identification of appropriate partners/beneficiaries and type of ownership
- The identification of skills requirements
- The establishment of appropriate linkages with existing similar type enterprises for the provision of practical advice and mentorship, as well as the possible formation of an advisory board.

Furthermore Section 5 of this strategy provided the complete LED Framework with a comprehensive list of Programmes, Projects and Development Facilitation Actions. If these are addressed and implemented successfully, the Municipality should be able to reach its goals of poverty alleviation through the creation of employment opportunities by primarily utilising local resources.

However a 'vital issues' approach needs to be undertaken. That is, not all of the above-indicated programmes, projects and actions, should or could (given financial and human resources constraints) be implemented simultaneously. The Economic Framework set out in this Strategy should thus be implemented in a phased manner, necessitating a focused and progressive approach toward the implementation of certain programmes and projects throughout the LED process. Nonetheless, equal attention should be given to each of the thrusts so as to avoid the creation of economic sector dominance on the one hand and dependence on the other.

**STRATEGIC
FRAMEWORK**



7

7. STRATEGIC FRAMEWORK

7.1 INTRODUCTION

The purpose of this section is to provide a strategic framework for the implementation of the LED Strategy. This Section address strategic aspects of Local Economic Development, such as institutional arrangements, the relationship of LED to other municipal, provincial and government structures, factors in development facilitation, marketing, integrated programming and performance monitoring.

This Section constitutes the following:

- Legislative background and LED roles and responsibilities
- Programme and Project Implementation Requirements of the LED Unit
- Outsourcing projects for implementation
- Capacitation and Human Capital Development
- Monitoring and Evaluation Guidelines & Procedures

7.2 LEGISLATIVE BACKGROUND & LED ROLES AND RESPONSIBILITIES

This sub-section is aimed at firstly clarifying the legislative background against which Municipalities are tasked to implement local economic development in their areas of jurisdiction and the roles and responsibilities.

The cornerstone for all legislation and policy-making in South Africa is the Constitution (No 108 of 1996). Chapter 7 of the Act defines the role of local government in its community, and five objectives of local government are outlined in section 152:

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

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

- A municipality must structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote social and economic development.
- A municipality must participate in national and provincial development programmes.

The Medium Term Strategy Framework builds on the successes of democracy, and is a framework which identifies South Africa's development challenges and outlines the medium-term strategy for improvements in the conditions of life of the citizens of South Africa. The aim of the MTSF is focussed on sustaining higher GDP growth, job creation, investment and exports, as well as broadening economic participation and activity through Black Economic Empowerment and enterprise development. Planning and resource allocation across all the spheres of government should be guided by the MTSF. The MTSF provides:

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

The National Framework for LED aims to serve as a guide that seeks to ensure an understanding of LED and has put forward a strategic implementation approach that municipalities, provinces, national government, state-owned enterprises and communities can follow to improve local economic development. The NFLED seeks to mobilise local people and local resources in an effort to fight poverty. This framework also seeks to guide the implementation of the LED Key Performance Indicator of the 5-year Local Government Strategic Agenda.

LED is not conducted in isolation by a particular municipal department or private sector organisation. It is an integrated strategy that involves a number of key role players, who are responsible for a variety of activities that are imperative to the potential success of any LED strategy. Almost every LED action will, or should, involve the local government to some degree. This is because they are deeply involved in local business activity as suppliers of infrastructure, as tax collectors,

through service delivery, resource allocation and as regulators of land, buildings and activities.

National roles and responsibilities are outlined below:

- Provide an overall policy and strategic framework for LED at provincial & local government levels;
- Provide legislative framework for LED;
- Provide a framework for provincial and municipal capacity-building and support systems;
- Support for key institutions;
- Obtain support for commitment towards LED;
- Maintain strong inter-governmental relationships using and strengthening existing IGR institutions;
- Disseminate information to provincial and local government levels about LED support;
- Increase administrative efficiency, and
- Monitor and evaluate the impact of LED nationally

Provincial roles and responsibilities are as follows:

- Provide a strategic vision and strategy for integrated economic, social and community development through the Provincial Growth and Development Plan (PGDP);
- Vertical and horizontal integration of the municipal IDPs
- Training and capacity building for LED;
- Facilitate LED through financial and technical resources to implement and sustain LED in municipalities;
- Share information (e.g., provincial economic trends, land use, investment); and
- Monitor and evaluate the impact of LED provincially.

District roles and responsibilities are as follows:

- Establish a LED institution which includes the DM and LMs to foster cooperation and coordinate LED policies, structures and projects in the district municipality;
- Identify “lead” LED sectors within the district that can drive development, by undertaking economic analysis and studies;

- Collect and disseminate information to assist local municipalities with LED interventions;
- Identify resource availability (grants available at provincial level, land, infrastructure);
- Maintain strong relationship with the province;
- Build capacity of LMs in its area to perform their LED functions;
- Monitor and evaluate LED strategy within the IDP framework.
- Provide assistance to local municipalities in the accessing of funding;
- Develop a district-wide LED/Economic Development strategy.

The roles and responsibilities of local municipalities are as follows:

- Coordinate & manage LED planning within the LM
- Implement LED projects;
- Source funding from government and private sector for the implementation of LED projects;
- Establish a LED institution to coordinate LED activities;
- Build local capacity over the long term as LED becomes embedded within the municipality’s priorities;
- Encourage and facilitate public participation in LED;
- Promote inter-departmental collaboration;
- Promote and organise PPPs
- Establish sector linkages; and
- Monitor and evaluate the implementation of the LED strategy and specific LED projects.

The roles and responsibilities of other roleplayers are as follows:

- **Private Sector:**
 - Establishment, management and operation of business enterprises to the benefit of the enterprise and the community of the local area;
 - Sustainable employment creation, income generation and investment; and
 - Capacity building of personnel.
- **Labour/NGO/CBO sector:**

- Provide support to economic growth and development policies, strategies and the implementation of opportunities within the context of sustainable development.
- **Local/national/international donor organisations:**
 - Provide funding and economic development support and services within the legislative and institutional context of economic development at national, provincial and local level
- **National & Provincial Development Agencies:**
 - Provide funding and economic development support and services within the legislative and institutional context of economic development at national, provincial and local level.
 - Appropriate partnership mechanisms between government, the private sector and civil society can enhance the ability of the private sector to accelerate job creation within an LED programme. This is to ensure that social capital is nurtured at the local level, empowered and drawn upon. Overall, in line with international best practice, local government is allocated a facilitative or enabling role in LED processes.

Outside of government, an important role is played in LED by a number of other key stakeholders, namely the South African Local Government Association (SALGA), the Development Bank of Southern Africa (DBSA), Department of Local Government (DPLG), Department of Trade and Investment (Dti), Integrated Development Corporation (IDC), Small Enterprise Development Agency (SEDA), etc. The aforementioned should all engage in a process which defines complementary roles for each partner rather than the existing situation of overlapping roles and responsibilities. Finally, a valuable role is assumed in the landscape of LED in South Africa by the activities of the group of international donors, including the European Union, The World Bank, GTZ, DFID, etc.

7.3 PROGRAMME AND PROJECT IMPLEMENTATION REQUIREMENTS OF THE LED UNIT

Developing an effective institutional structure and framework for a municipality is often challenged by various factors such as funding availability to employ more LED officers, identifying the skills shortages and filling the gaps where responsibilities of the LED Unit are not being met, working within the political and

economic context of the municipality and being able to construct an institutional structure and framework that will appropriately address needs of that context.

The purpose of this section is to offer viable options for the institutional arrangements of the LED Unit of Midvaal LM. Recommendations will be provided for the short-, medium-, and long- term restructuring possibilities.

To ensure that the LED Strategy is properly implemented and focuses on key LED factors such as poverty alleviation, job creation, SMME development there are several standard actions that key role-players must undertake. These include:

- Capacitate the LED Unit with competent and relevantly skilled people before beginning with implementation of LED programmes and projects
- Facilitate the successful roll-out of programmes and projects by implementing those that have been identified as immediate priority, followed by the medium- and long-term projects as prioritised in Section 5.
- Develop reasonable timeframes and monitor the time schedule monthly or weekly in order to effectively evaluate the progress of all necessary actions
- Create a balance between noticeable economic growth and stimulating local community empowerment in order to have more sustained LED
- Job creation and implementation of projects must be primarily undertaken by the local community, not through the utilisation of external service providers and workers
- Ensure that vital financial resources, equipment and human capital are have been accessed and are in place for utilisation prior to the roll-out of programmes and projects.

Appointed LED institutions/role-players must be operational at Programme- and at Project level. At Programme level, institutions are tasked with coordinating development initiatives (see Diagram 7.1); while at Project level the institutions have definitive tasks, budgets and timeframes.

Whereas LED projects may be managed and driven through the support from a number of different institutions. The Municipality however needs to coordinate the project initiatives by drawing them together into a coherent LED Programme for the area. However, while Project level institutions can comprise institutional

arrangements outside of the Municipality, it should be stressed at the outset that Municipalities remain politically accountable for LED and cannot delegate political responsibility to other institutions. Furthermore, Municipalities also remain responsible for public funds, even if projects are delegated to Project level institutions, such as a Section 21 Company or a Community Trust.

Diagram 7.1: Responsibilities of Programme Level Institutions

Programme Level Institutions

- Coordination of LED Programme
- Management of LED Programme
- Communication between relevant stakeholders
- Driving force behind the development
- Identification of resources
- Mobilisation of resources
- Facilitate improved participation
- Build capacity of stakeholders to fulfil their individual functions as well
- Select appropriate Project Level Institutions

Given the large variety of projects that could be implemented as part of local economic development, it is impossible to provide details of specific institutional arrangements for each project. However, certain aspects are characteristic of successful Project level institutions, regardless of the projects they are involved in.

The capacity of any LED unit is dependent on its staffing levels, the levels of skills possessed by appointed staff, the available budget for the operation of the unit and for the implementation of projects, the commitment on the part of the Municipality and the presence of the necessary facilities to effectively complete its tasks.

7.4 OUTSOURCING PROJECTS FOR IMPLEMENTATION

A specific role for the implementation of projects also needs to be created within the LED Unit, to ensure that LED initiatives do not remain only identified projects but is successfully facilitated. Dedicated LED implementing post is thus needed, and it is suggested that the Senior LED Officers (includes Tourism and Agriculture) fulfil this role. This role requires focussed management and development facilitation of specific projects, including the targeting of support agencies and funding sources, the development of the required infrastructure, etc. This would include determining the feasibility of the projects in terms of demand and supply factors, potential stakeholders, potential impact in terms of employment, economic development potential, etc. Once feasibilities have been undertaken, promotion of the feasible projects to private sector stakeholders and funding institutions, and development facilitation to identifying stakeholders/partners, identifying suitable location and building, appointment of specialists (as and when required), providing training on way forward for implementation, etc. follows. The first step prior to implementation is to submit applications for funding and the ensure capacity-building and availability for project implementation.

As such, it is advised that an interim or second option entail outsourcing of the projects for development facilitation, to overcome budget and capacity constraints. In this instance the LED Unit could play a larger coordinating role at programme level, concentrating its efforts on the identification of LED programmes and projects, planning for LED programmes, consultations, etc. The implementation of specific projects can then be outsourced as many municipalities are currently undertaking. This means that all of the time-consuming aspects such as feasibilities, marketing, sourcing financing, sourcing investors, undertaking training, etc. are all outsourced. It is thus suggested as an interim measure that the implementation of projects get outsourced.

Throughout the country limited success is being achieved with regards to implementation of LED strategies. Midvaal Local Municipality should move beyond strategy development by implementing project opportunities contained in the LED strategy in order to obtain much needed economic development. However, lack of funding, shortage of resources, and lack of capacity are some of the most constraining issues faced during the implementation of projects. As such, it is proposed that implementing agents be endorsed by the Municipal Manager to submit applications for funding to various entities such as the DBSA,

IDC, DTI, etc. of projects contained within the approved LED strategy of the municipality. This will greatly assist the municipality, because in order to attain economic development it is critical that funding for priority projects be obtained so that the municipality can move beyond strategy development into actual delivery and job creation in line with national and provincial policy directives.

Implementing agents thus require permission to apply for funding to initiate the process of getting the projects on the ground through packaging funding applications accompanied with covering letters, motivations, concepts, etc. The professional work to be undertaken could be borne by the implementing agents on a risk basis and all professional work undertaken will be voluntarily and without payment. In return, the implementing agents will obtain funding for being the project implementers as part of the grant applications and will thus ensure implementation and realisation of the projects, for which funding has been obtained. In this regard, the implementing agents will have separate agreements in place with potential funding providers. The municipality will thus in no way be liable for providing the implementing agents with any fees related to professional work for attaining funds on behalf of high priority LED projects contained within the approved LED strategy and this in no way legally binds the municipality for payment in anyway.

The purpose of endorsing professionals is thus merely to provide the implementing agents with consent to apply for funding of Local Economic Development (LED) projects within the jurisdiction of the local municipality, as identified in the municipalities approved LED strategy, in order to initiate the process of getting LED projects on the ground.

7.5 CAPACITATION AND HUMAN CAPITAL DEVELOPMENT

The following local conditions contribute deeply to the building blocks of LED and needs to be in place to ensure economic growth within the Local Municipality:

- A strong local institutional presence with a variety of organisations, financial bodies, business chambers, trade unions, local and regional authorities, development agencies, innovation centres and marketing entities are vital to provide an ensemble of services and representative functions

- A high level of interaction between local organisations, in the form of regular formal and informal communication and at all levels of authority. Information exchanges, collaborations and cooperation between these entities are also necessary and provide the opportunity for organisations to adjust to the changing economic environment in relation to one another. Social norms and behaviour will collectively shape a certain social atmosphere which will help build trusting relationships between people and organisations
- Shared awareness of being part of a common enterprise. This will produce a common agenda which can both develop and influence patterns of relative power to establish trusting relations and local legitimacy. A widely held and accepted project will mobilise a large area of stakeholders with efficiency and speed
- Patterns of coalition and structures of power will decrease silo-behaviour or sectionalism. It will assist with coordination of projects and the sharing of costs. The structure of the entity relationships in the region will reflect on the power base of the organisations, their resources, the financial capacity and stability, and their independence from influential external factors.

It is this concept that will inform the elements of capacity building and human capital development that are discussed below.

7.5.1 LED Unit Capacity Building and Human Capital Development

It is not sufficient to only increase the number of personnel that is employed, but also that the right personnel with the appropriate qualifications, experience and training is appointed. None the less, it may be necessary for staff appointed to the LED Units to undergo training specific to local economic development in Midvaal Local Municipality.

This training could include aspects such as the context-specific economic theories that underlie local economic development, basic concepts and influences on economies, procedures related to LED in Midvaal Local Municipality, and undertaking situational analyses to understand the socio-economic and economic profiles of the Municipality. Training should also include the skills to identify opportunities and constraints and the conversion of these opportunities and constraints into programmes and viable projects, learning how

to compile and evaluate feasibility studies, gain access to capital and funding, implement the LED Strategy and manage programmes/projects, and how to monitor and evaluate the strategy and the programmes/projects set in motion.

7.5.2 Capacity of the Implementing Agent

Certain characteristics of implementing agents/institutions are essential for successful project delivery. These characteristics must be actively sought in the institutions to which tenders are awarded or to implementing agents that are endorsed to obtain funding for the implementation of LED Projects. The implementers appointed should:

- Have the ability to produce effective results
- Have sufficient staff capacity to implement the project efficiently
- Have the ability to mobilise sufficient finance and human resources for the project
- Have the ability to transfer skills from any outside agents involved to the municipality and community members to build in-house capacity where applicable
- Match LED objectives and strategies of the project
- Build and inspire confidence among the stakeholders
- Minimise the potential liability of the LED programme institution, the Municipality and other stakeholders if the project experiences problems
- Monitor the progress of the project
- Meet the requirements of government legislation and commercial law

Should the route of appointing external expertise be followed in the interim period, it is imperative that the implementers appointed contribute to the building of in-house capacity in the medium term, thereby ensuring that the Municipality will eventually be able to implement many of the projects on their own.

In other words it is suggested that the implementers whom get appointed create a fitting understanding of the underlying theoretical aspects influencing LED in the Midvaal Local Municipality, equip the local role-players to initiative and drive LED activities, and to enable the generation of LED momentum.

This can be achieved by involving the LED Unit in the hands-on implementing process of projects from start to finish, allowing the transfer of skills to LED

officials. This almost 'on-the-job' training approach could include training related to:

- Identification of local people to become involved in ownership of projects
- Undertaking strategic workshops to engage relevant project stakeholders
- Negotiating with communities, traditional authorities, , land owners (where applicable), etc. in finalising ownership
- Putting projects out to tender by advertising and promoting opportunities for development of projects and evaluating tenders
- Finding ways to obtain and secure start-up capital
- Utilising feasibility studies to market projects to potential funders
- Submitting applications for funding
- Developing detailed business plans
- Determining requirements in terms of location, such as licensing and rental, etc.
- Determining infrastructure requirements of project
- Obtaining quotes for costs and appointing specialists
- Finalising legal requirements/registration related to management of projects
- Appointing appropriately skilled staff and developing suitable job descriptions
- Identifying training and technical needs of members and sourcing appropriate training
- Drawing up detailed marketing plans and understanding the markets
- Developing and implementing efficient financial and accounting systems
- Undertaking progress and performance monitoring
- Providing ongoing support and mentorship

7.5.3 External Stakeholder Relations

Essentially, the LED Unit cannot undertake local economic development in isolation, particularly in view of its currently constrained capacity. It should seek guidance and involvement from external institutions which could assist in achieving a dynamic, diverse and sustainable economy. It is, therefore, necessary for the LED unit to build relations and coordinate the involvement of various community groups, support service agencies and government structures

to successfully implement the Programmes and Projects identified and described in this Strategy.

LED involves local, national and international partnerships (e.g. twinning) between communities, businesses and governments to solve problems; create joint business ventures and build up local areas. It is also necessary that the Midvaal Local Municipality should make use of external support mechanisms by establishing linkages beyond the municipality with a wider group of stakeholders. Appropriate partnership mechanisms between government, the private sector, non-governmental organisations (NGOs) and civil society can enhance the ability of the private sector to accelerate job creation within an LED programme. In this way social capital is nurtured at the local level, empowered and drawn upon by the private sector and active external entities. The roles of these entities are defined below:

- **Private Sector:**
 - Establishment, management and operation of business enterprises to the benefit from the enterprise and the community of the local area;
 - Sustainable employment creation, income generation and investment; and Capacity building of personnel
- **Labour/NGO/CBO sector roles and responsibilities:**
 - Provide support to economic growth and development policies, strategies and the implementation of opportunities within the context of sustainable development.
- **Local/national/international donor organisations roles and responsibilities:**
 - Provide funding and economic development support and services within the legislative and institutional context of economic development at national, provincial and local level
- **National & Provincial Development Agencies' roles and responsibilities**
 - Provide funding and economic development support and services within the legislative and institutional context of economic development at national, provincial and local level.

Beyond government, an important role is played in LED by a number of other key stakeholders, namely the South African Local Government Association

(SALGA), the Development Bank of Southern Africa (DBSA), Department of Local Government (DPLG), Department of Trade and Investment (DTI), Integrated Development Corporation (IDC), Small Enterprise Development Agency (SEDA), etc. The aforementioned should all engage in a process which defines complementary roles for each partner rather than the existing situation of overlapping roles and responsibilities. A valuable role is also assumed by the activities of the group of international donors, including the European Union, The World Bank, GIZ and DFID.

Successful LED depends on the collective efforts of the public, private and community sectors. Formal and informal structures and processes should be established to ensure all stakeholders are involved and the planning process is well managed.

The advantages to involving stakeholders include:

- Stakeholders bring specialist knowledge and different perspectives making the planning process more robust
- They bring professional, financial and physical resources to the table
- They legitimise the process by being involved
- They forestall problems by being engaged in the process
- Business partners are likely to know much more than local government representatives about the true state of the competitive position of the community
- By involving higher tiers of government, strategies are likely to benefit from their support (including financial)
- Local community representatives are likely to be best informed about local problems and opportunities that could be addressed by the LED strategy
- By involving communities, it is more likely that a volunteer effort could be established to support LED implementation programs
- Jobs and economic growth are created in the private sector. Government is usually merely a facilitator in this process.

However a 'vital issues' approach needs to be undertaken. That is, not all of the above-indicated programmes, projects and actions, should or could (given financial and human resources constraints) be implemented simultaneously. The Economic Framework set out in this Strategy should thus be implemented in a phased manner, necessitating a focussed and progressive approach towards the

implementation of certain programmes and projects throughout the LED Process. Nonetheless, equal attention should be given to each of the thrusts so as to avoid the creation of economic sector dominance on the one hand and dependence on the other.

7.6 MONITORING & EVALUATION

As highlighted by the LED South African Network, all LED strategies and projects must have specific goals and objectives in order to ensure success. These goals and objectives need to have effective monitoring and evaluation (M&E) focus points that will help guide implementation and deliver successful results.

The Monitoring and Evaluation Plan is an important component of the LED Strategy, as it allows the Midvaal Local Municipality to assess and report on how well it is performing in implementing the Strategy and reaching its goals in terms of local economic development. Monitoring and evaluation can effectively be used to improve how the LED Unit achieves results, as it provides set benchmarks against which progress can be tracked and can be utilised as essential feedback mechanisms, whereby the Municipality can ensure that its LED initiatives remain dynamic and responsive to changing conditions in the local, national and international economy.

Monitoring and evaluation are two separate, but interrelated strategies, which involve the collection of data and reporting on the findings, allowing the Municipality to assess its performance. The monitoring component of the Plan involves the continuous collection and analysis of information in order to compare how well the Strategy and its component Thrusts are performing against expected results. Results-based monitoring, therefore, demonstrates whether a project, programme, or policy is achieving its stated goals.

The evaluation component of the Plan involves assessing the information received during the monitoring process to measure how well local economic development is being implemented in the Municipality. It, therefore, entails analysis of the information and data collected during the monitoring phase. The evaluation component of the Monitoring and Evaluation Plan assesses the efficiency, effectiveness, and sustainability of any individual intervention in the local economy, as put forth by the LED Strategy. The evaluation component is also intended to incorporate lessons learnt into the decision-making process when implementing further development programmes. Both components are

essential in the successful implementation of both the Midvaal Local Municipality LED as a whole and the individual Programmes themselves.

Five main priority areas can be identified within the LED Strategy that constitutes the main development thrusts. Proxies to measure success in implementation can be developed for each of these thrusts:

- Thrust 1: Agriculture development, support & value-adding
- Thrust 2: Tourism & Green-economy development & promotion
- Thrust 3: Business development, support & promotion
- Thrust 4: Township & Informal Economy Revitalisation
- Thrust 5: Business Retention and Investment Attraction

Examples of performance indicators have been selected for each of the five thrusts in order to develop an index to measure the success of each thrust. The following indicators were selected for each thrust:

7.6.1 Agricultural Development, Support and Value Adding Index

Employment and GDP growth in the agricultural and agro-processing sectors are used as indicators of the development and expansion of the agricultural sector, on the bases that as the sector develops there will be increasing opportunities for job and GDP growth, and in addition the number of new agriculture products introduced to the area will provide further indication of expansion within this sector.

The following proxies are used to measure this thrust/index:

- Agriculture sector GDP
- Agriculture sector employment
- Agro-processing sector GDP
- Agro-processing sector employment
- Number of new agricultural products introduced to the LM

7.6.2 Tourism and Green Economy Development & Promotion Index

In monitoring the performance of the Tourism and Green Economy Development and Promotion Thrust a number of indicators in regards to the various sectors are taken into account, namely the Tourism Sector as well as the Green Economy sector.

The proxy indicators utilised in this index are:

- Catering and Accommodation GDP
- Catering and Accommodation employment
- Number of establishments accredited by the Tourism Grading Council of South Africa (TGCSA)
- Number of tourism-related events hosted
- Number of green economy initiatives established/implemented
- Number of conservation initiatives implemented

7.6.3 Business development, support and promotion index

This thrust is focussed on the development, support and promotion of local businesses to ensure that the needs of local communities are sufficiently served from within the Municipality. It is also important that local businesses are supported in their development and growth and that the development of new SMMEs is stimulated. Many local businesses experience constraining factors such as a lack of business and financial management skills. The Municipality should, therefore, provide support in the provision of skills training.

The proxy indicators utilised in this index are:

- Overall GDP
- Tress Index for GDP
- Overall employment
- Number of registered SMMEs
- Number of SMMEs successfully implemented/supported
- Number of cooperatives registered
- Number of cooperatives successfully implemented/supported

7.6.4 Township & Informal Economy Revitalisation Index

The township & Informal Economy Revitalisation Thrust is aimed at achieving a more conducive, innovative, and developmentally orientated regulatory environment at the Midvaal Local Municipal level to revitalise the local township and informal economies of the municipality.

The proxy indicators for this index area:

- Number of entrepreneurs from rural and township areas assisted
- Number of supporting infrastructural project implemented

- Informal Economy employment

7.6.5 Business Retention & Investment Attraction Index

The aim of this trust is to improve the climate for existing businesses and therefore, benefit from the continued presence and growth of those businesses.

- Number of existing businesses retained
- Number of new businesses attracted

7.6.6 LED Implementation Index

This Index seeks to measure the effectiveness of the LED Unit in implementing the Projects and Programmes identified in the LED Strategy. Through this Index, the LED Unit can measure its performance in implementing the Strategy, as well as its effect on the local economy. The number of LED projects successfully implemented and the number of LED actions per programme successfully facilitated by the Midvaal Local Municipality LED unit gives an indication of how effective the Unit is in the implementation of the LED Strategy. The number of direct job opportunities created through the implementation of certain projects and actions is a further measure of the Unit's effectiveness in meeting the employment generation goals and objectives of the LED Strategy.

The indicators utilised as performance proxy for the LED unit are:

- Number of LED projects successfully implemented
- Number of LED actions per programme successfully facilitated
- Number of direct permanent employment opportunities created
- Number of direct temporary employment opportunities created
- Number of indirect permanent employment opportunities created

Table 8.1 (overleaf) provides an example of the indicator that can be used to measure the performance of the LED Strategy and LED implementation.

Index	Proxy Indicators	Baseline (2022)	2022/2023	2023/2024	2024/2025	2025/2026
Agriculture development, support & value-adding	Agriculture sector GDP					
	Agriculture sector employment					
	Agro-processing sector GDP					
	Agro-processing sector employment					
	Number of new agricultural products introduced to the LM					
Tourism & Green-economy development & promotion	Catering and Accommodation GDP					
	Catering and Accommodation employment					
	Number of establishments accredited by the Tourism Grading Council of South Africa (TGCSA)					
	Number of tourism-related events hosted					
	Number of green economy initiatives established/implemented					
	Number of conservation initiatives implemented					
Business development, support & promotion	Overall GDP					
	Tress Index for GDP					
	Overall employment					
	Number of registered SMMEs					
	Number of SMMEs successfully implemented/supported					
	Number of cooperatives registered					
	Number of cooperatives successfully implemented/supported					
	Number of entrepreneurs from rural and township areas assisted					
	Number of supporting infrastructural project implemented					

Index	Proxy Indicators	Baseline (2022)	2022/2023	2023/2024	2024/2025	2025/2026
Township & Informal Economy Revitalisation	Informal Economy employment					
Business Retention & Investment Attraction	Number of existing businesses retained					
	Number of new businesses attracted					
LED Implementation	Number of LED projects successfully implemented					
	Number of LED actions per programme successfully facilitated					
	Number of direct permanent employment opportunities created					
	Number of direct temporary employment opportunities created					
	Number of indirect permanent employment opportunities created					

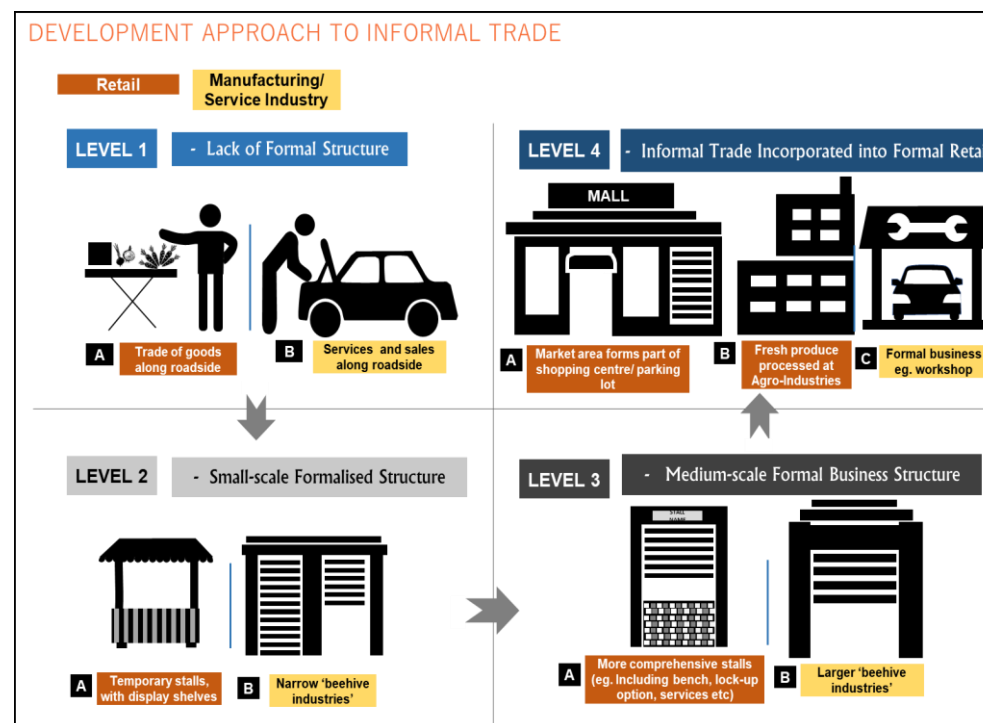
7.7 WAY FORWARD

A critically important aspect for the successful implementation of the LED Strategy in Midvaal Local Municipality is the need to ensure that all stakeholders and parties involved in the LED process take ownership of the Programmes and Projects identified. It is also important that the monitoring and evaluation elements of the Strategy are incorporated into the performance management system of the Local Municipality. This will ensure accountability and responsibility for the implementation of the LED Strategy and its Programmes.

ANNEXURE A: ECONOMIC EMPOWERMENT/UPSCALING GUIDELINES FOR THE INFORMAL TRADE/SERVICES SECTOR

Informal Trade Empowerment and Upscaling

Level 1	Informal trading business in a form of selling perishable or non-perishable goods, and informal motor repair businesses are being conducted without adequate formalised informal structures.
Level 2	Formalised informal trading structures in this level are very basic. Level 2a structures are temporary and may be placed along pedestrian movement desire lines where space is limited. Level 2b structures are more permanent in nature, and may be utilised by small emerging service industries.
Level 3	The structures at Level 3 are permanent and typically larger in size when compared with 'level 1' informal trading structures. Level 3a includes features such as lock-up roller doors for over-night storage, and may include water and sanitation services shared between traders. This allows for more comprehensive retail activities including food preparations and/ or service industries such as internet cafes, kiosk, electronic repair services, motor repairs services and welding works.
Level 4	Level 4 provides that informal traders be incorporated into the formal economy (as illustrated on Diagram 12) by way of providing permanent and formalised trading structures as part of a shopping centre or business incubation centre.



DEVELOPMENT APPROACH TO INFORMAL TRADE

Level 2 - Small-scale Formalised Structure

Temporary stalls, with brick display counter



Temporary stalls, with display shelves



Temporary stalls, with display shelves



Level 3 - Medium-scale Formal Structure

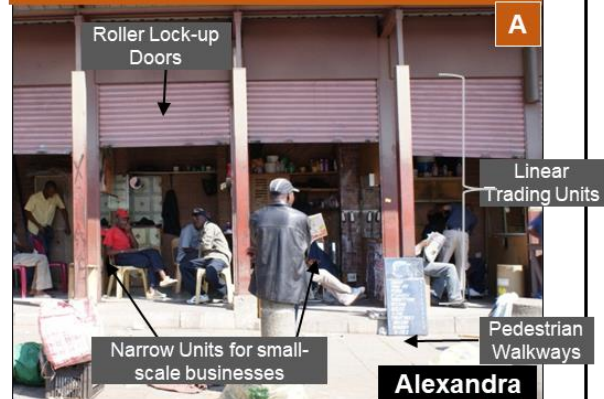
Permanent Informal Trading Structures



Permanent Informal Trading Structures



Permanent Informal Trading Structures



DEVELOPMENT APPROACH TO INFORMAL TRADE

Level 4 - Informal Trade Incorporated into Formal Retail

Market area forms part of shopping centre/ parking lot



LOCAL EMPOWERMENT INDUSTRIAL ZONE- BEEHIVE SERVICE INDUSTRY

SMME INFRASTRUCTURE - Linear Beehive Buildings



Shipping Containers – Emerging Local Businesses



LOCAL EMPOWERMENT INDUSTRIAL ZONE- BEEHIVE SERVICE INDUSTRY



PROMINENT TOURISM DESTINATIONS DESIGNED FROM SHIPPING CONTAINERS



ANNEXURE B: POTENTIAL FUNDING SOURCES

- Department of Human Settlements (DHS)
- Department of Trade and Industry (DTI)
- Department of Environmental Affairs (DEA)
- Department of Labour's National Skills Fund (NSF)
- EPWP (National Dept. of Public Works)
- Industrial Development Corporation (IDC)
- Development Bank of Southern Africa (DBSA)
- Small Enterprise Development Agency (SEDA)
- Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority (CATHSSETA)
- Sector Education Training Authorities (SETA)
- Gauteng Provincial Government
- Gauteng Growth and Development Agency (GGDA)
- Gauteng Tourism Authority
- Sedibeng District LED Unit
- Midvaal Local Municipality Economic Development & Planning

