

GREATER GIYANI LOCAL MUNICIPALITY LED STRATEGY

2014-2016

*A Municipality where environmental sustainability,
tourism and agriculture thrive for economic growth.*



GREATER GIYANI LOCAL MUNICIPALITY LED STRATEGY

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Executive Summary

The Greater Giyani Local Municipal Economy is currently in a very strong position for growth and development. There is a great deal of unemployment in Greater Giyani LM. One of the main focuses of this Strategy is to increase the number of employment opportunities for the community in order to lower the unemployment rate, thus allowing GGLM local economy to grow.

The economic sectors that have been identified as being the main drivers of GGLM's economy are Agriculture, Tourism, Manufacturing and Trade. Each of these sectors have their own unique opportunities and constraints that can be used to develop key programmes and projects that will facilitate growth and development for the economy.

Agriculture has many opportunities relating to agro-processing (value addition and diversification such as with Mopani worms and Marula fruit), communal vegetable gardens and organic farming. Some of the constraints currently limiting these opportunities include a lack of water, the threat of HIV/AIDS and malaria, lack of information and training, lack of infrastructure (such as adequate fencing) and high input costs.

Tourism has opportunities relating to Greater Giyani LM's proximity to the Kruger National Park, its Tourism Information Centre, the "Shangaan" brand, the Shangani Gate, the many activities available for tourists to do such as adventure tourism and cultural tourism, the strong retail and supporting services already present, the airfield and sports tourism. Constraints to this potential includes the need to support local SMME development by local government, infrastructure (poor road access) and policy structures and strategy.

Manufacturing has opportunities with regards to agro-processing, cultural products (such as beads, jewellery and clothing) and links with every sector of the economy. The constraints faced by this sector include a lack of skills, the state and availability of infrastructure and lack of support structures.

The opportunities available in Trade include the government's diversification and deepening of the country's trading networks, export markets and sources of Foreign Direct Investment, the number of jobs that can be created and the growth that is apparent in both the formal and informal business sectors. The constraints facing this sector include a lack of support structures, a lack of training and skills and the lack of a local beneficiary database of skills present in the community.

All of these economic sectors identified for growth are referred to as "Pillars" in the document in order to emphasise their importance as drivers of the economy. In addition to providing information about these Pillars, this Strategy will also provide information with regards to proper Capacity Building as well as giving key programmes and projects for each pillar along with implementation strategies for the Pillar.

1. INTRODUCTION

The Greater Giyani Local Municipality has appointed Urban-Econ: Development Economists to compile a Local Economic Development (LED) Strategy.

1.1 What is LED?

Local Economic Development (LED) is an approach to sustainable economic development that encourages residents of local communities to work together to stimulate local economic activity that will result in, inter alia, an improvement in the quality of life for all in the local community.

The purpose of LED is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation to advance the economic identity, based on a local competitive and comparative economic profile.

LED offers local government, the private sector and local communities the opportunity to work together to improve the local economy. It focuses on enhancing competitiveness, increasing sustainable growth and ensuring that growth is inclusive. LED encompasses a range of disciplines, including physical planning, economics and marketing. It also incorporates many local government and private sector functions including environmental planning, business development, infrastructure provision, real estate development and finance, translating into a range of sector investments.

According to the World Bank's definition, —**successful private enterprises (and productive public-private partnerships) create wealth in local communities**. Private enterprise, however, depends upon favourable local business conditions to achieve prosperity. Local governments have an essential role in creating favourable environments for business success. LED is thus a partnership between local government, business and community interests.

1.2 Purpose of the Strategy

The purpose of this Strategy is to develop an integrated local economy that unlocks latent economic development potential, encourages private sector investment and creates economic development and job opportunities for the poor in its drive to alleviate poverty.

1.3 Main Objectives of the Strategy

The Greater Giyani Local Municipality has identified the following main objectives for the Strategy:

1. To improve the understanding of LED.
2. To demonstrate understanding of what is economically feasible for the area.
3. To identify the Key Economic Trends in the area.
4. To establish and determine sectors, commodities and market opportunities that exist in the area which contribute to the economy and could be developed.

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5. To formulate a database of projects being implemented, as well as Economic Development Opportunities that can be pursued in future.
6. To identify institutional and financial requirements for the implementation of the Strategy.
7. To conduct a brief analysis of the local economy with emphasis on key opportunities for growth.
8. To attract key investors through various models of implementation of project implementation.

2. LEGISLATIVE FRAMEWORK

The Policy Review provides a summary of all strategic documents guiding development in the Greater Giyani LM including policies and strategies from national, provincial, district and local government addressing a range of issues including spatial, industrial, agricultural, small business and tourism development. The purpose of this review is to ensure that the Greater Giyani LED Strategy is aligned to the existing policy framework and to identify any implications for development in the region.

2.1 National Development Strategies

Government has issued a range of policies and strategies, the following of which are relevant to LED in the Greater Giyani LM.

2.1.1 National Development Plan (2030)

The National Development Plan 2030 (NDP) addresses the Commission's mandate to *'take a broad, cross-cutting, independent and critical view of South Africa, to help define the South Africa we seek to achieve in 20 years' time and to map out a path to achieve those objectives'*. The NDP has since been adopted by government with the intention that its directives will inform strategic decision making throughout South Africa. It is envisioned that by implementing the strategic guidelines and directives outlined in the NDP, South Africa will achieve the *goal of eliminating poverty and reducing inequality by 2030*.

2.1.2 The New Growth Path (2010)

The New Growth Path's focus is to create decent work opportunities that will reduce inequality and end poverty in South Africa. Government aims to achieve this by restructuring the South African economy to achieve labour absorption and a steady economic growth rate. The New National Growth Path incorporates the Industrial Policy Action Plan (IPAP) and various other policies, programmes and strategies. The aim of the New Growth Path is to ultimately create a more developed, democratic, cohesive and equitable economy and society in South Africa.

2.1.3 Industrial Policy Action Plan V (2012)

The Industrial Policy Action Plan (IPAP) is an annual series of industrial strategies aimed at promoting diversification beyond the current reliance on traditional commodities and non-tradable services. The purpose of the IPAP is *to expand value-added sectors, promote labour absorbing industries, increase economic participation by historically disadvantaged individuals, and expand into regional markets*. It is envisioned that a collective commitment between government, labour, business and civil society, will enable the rejuvenation of these and other productive industries, providing meaningful employment, attracting investment and achieving accelerated economic growth.

2.1.4 Regional Industrial Development Strategy and Action Plan (2006)

The Regional Industrial Development Strategy (RIDS) presents a comprehensive framework for industrial development in South Africa and builds on the outcomes of the National Spatial Development Plan (NSDP). The RIDS therefore advances the understanding that the economic development landscape is not equal across the country and emphasises the need for *focused growth* based on proven economic development potential.

2.1.5 National Spatial Development Plan

The National Spatial Development Plan provides a framework that discusses the future development of the national spatial economy. The purpose of the NSDP is to fundamentally reconfigure apartheid spatial relations and implement spatial priorities that meet the Constitutional imperative of providing basic services and alleviating poverty and inequality. It provides a set of principles and mechanisms for guiding infrastructure investment and development decisions. The NSDP serves as a tool for identifying key areas of tension and/or priority in achieving positive spatial outcomes.

2.1.6 Comprehensive Rural Development Programme (2009)

The Comprehensive Rural Development Programme (CRDP) is a national collective strategy to fight poverty, hunger, unemployment and lack of development in rural areas. The strategy is premised on three development phases whose common thread is the *development of agriculture*. To this effect government has pledged over R2.6 billion in conditional grants to provinces over the medium term. This will be used for agricultural infrastructure, training, advisory services and marketing, and for upgrading agricultural colleges. Government also supports the provision of agricultural implements and input to support emerging farmers while making agricultural loans accessible and ensuring quality agricultural extension services.

2.1.7 The 1998 White Paper on Local Government

The 1998 White Paper on Local Government introduces the concept of “**developmental local government**” which is defined as:

Local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs, and improve the quality of their lives. However the same document makes it clear that: Local Government is not directly responsible for creating jobs. Rather, it is responsible for taking active steps to ensure that the overall economic and social conditions of the locality are conducive to the creation of employment opportunities

2.2 Provincial Development Strategies

2.2.1 Limpopo Economic Growth and Development Plan

The Limpopo province developed the LEGDP to indicate the direction in which the provincial government wants economic growth and development to take place in the province. This document gives guidelines regarding the type of economic activities that the provincial government wants to implement in the province. The aim of this strategy is to stimulate economic growth and economic development in the province. Its main objective are to improve the quality of life of the population of Limpopo, to achieve a growing economy with sustainable jobs, innovation and competitiveness, to improve institutional efficiency and effectiveness and to concentrate on black empowerment, poverty reduction and issues of land and environment.

2.2.2 Limpopo Tourism Strategy

The Limpopo Tourism Strategy focuses on the concept of tourism clusters and the importance thereof for economic development for the Limpopo Province. This cluster approach is done to

raise international competitiveness in the province and to combine it with public and private contributions to have greater impact. The aim is to increase the contribution from tourism to provincial GGP. The Tourism Strategy further indicates that tourism clusters intend to promote private and public partnerships, attract more tourists than isolated tourism products and keep the tourist as long as possible in the province. The Limpopo Lowveld cluster straddles the Greater Giyani LM which includes the Kruger National Park. Tourism development is thus important as Greater Giyani LM has an advantage in this sector.

2.3 Municipal Development Strategies

The development of an effective and integrated LED Strategy requires a clear understanding of development priorities and identified opportunities at the local level. The purpose of this sub-section is therefore to summarise these strategies and identify implications for LED in the Greater Giyani LM. This requires consideration of the following development strategies from the Mopani DM and the Greater Giyani LM:

2.3.1 Integrated Development Plan

The Integrated Development Plan is an overarching municipal strategy encompassing both local and regional development initiatives. In this context, the LED Strategy is aligned to both the local and district IDP Strategies. The LED Strategy must be aligned with the content and review cycle of the IDP. LED Projects must be approved by Council and implemented through the IDP process.

3. DEMOGRAPHIC AND SOCIO-ECONOMIC ANALYSIS

3.1 Introduction

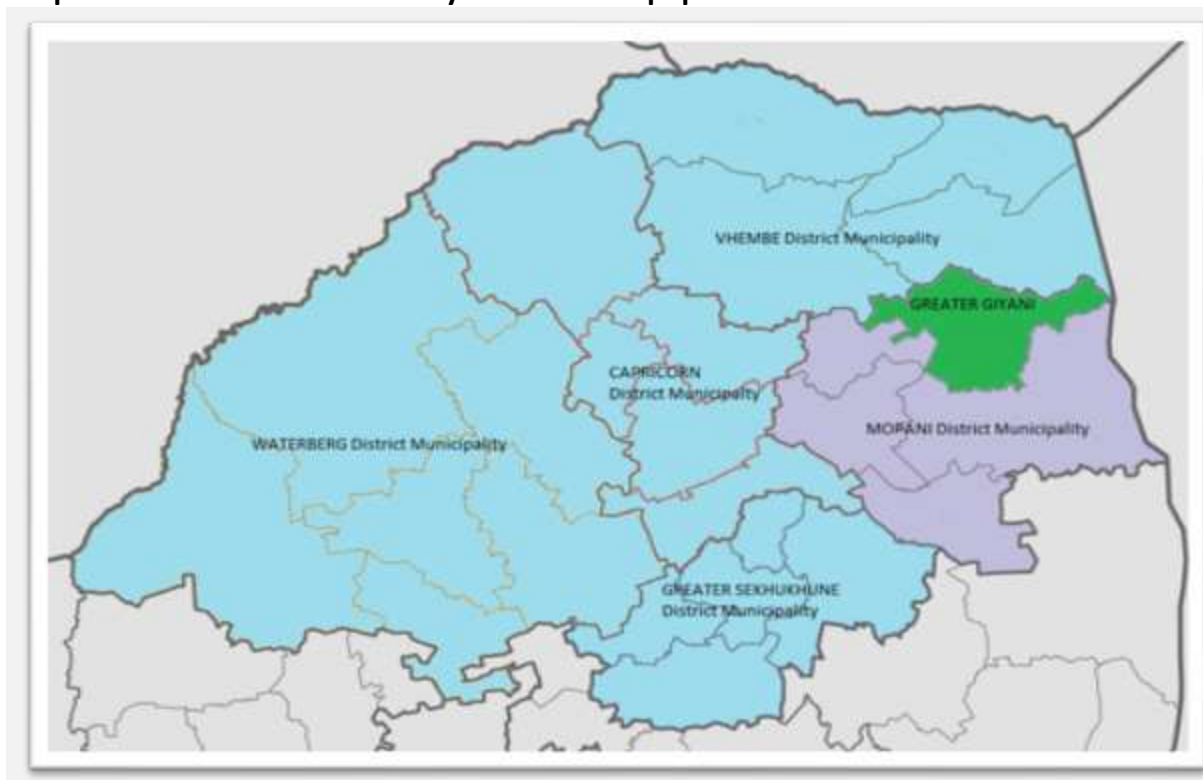
The purpose of this Section is to obtain a comprehensive and detailed insight into the nature and extent of social-economic development trends in Greater Giyani in relation to the Mopani District and province. In this Section the following items of analysis will be discussed in relation to the Local Municipality:

1. Defining the Area of Analysis
2. Demography
3. Labour and Employment
4. Households

3.2 Defining the Area of Analysis

The Greater Giyani LM is one of five Local Municipalities in the Mopani DM, found in the Limpopo Province. Greater Giyani is largely rural, with Giyani the only semi-urban concentration. There are also some 91 rural villages in Giyani. The main town, Giyani, is located +/- 185 km from Polokwane, +/-100 km from Thohoyandou and +/- 550 km from Tshwane. Giyani town is the largest centre of population concentration, employment opportunities, shopping and recreational facilities. The Municipality covers a geographic area of 2 967,27 km² and is demarcated into 30 wards with 60 councillors. In terms of the new demarcation of ward 19, Shingwezi Camp, located within the National Kruger Plak which has +/- 100 voters, is now included within the Greater Giyani Local Municipality. Most of the land in Greater Giyani is under traditional authority which implies the need for close cooperation between the LED Directorate of the Municipality and the Traditional Authority towards planning and implementing LED initiatives.

Map 1: Orientation of Greater Giyani within Limpopo Province



3.3 Demographic Profile

The demographics of a region affect economic, social and spatial development by dictating the demand for employment, infrastructure and services. This sub-section offers a demographic profile of the Greater Giyani LM including population and household trends as well as the identification of development indicators such as dependency and vulnerability.

3.3.1 Population Growth

In **Table 1** it is indicated that the total population in the Greater Giyani LM in 2011, according to South African Census data, was 244,217. This is 3 488 more people than in 2001, which is the last time a nation-wide census was conducted, which translates into an average annual growth rate of 0.14%. Assuming this rate of population growth has remained consistent since 2011 there is an estimated **244,901 people** living in the Greater Giyani LM in 2013.

	Total Population		Population Growth		2001		2011	
	2001	2011	1996-2001	2001-2011	Male	Female	Male	Female
South Africa	44,819,777	51,770,560	1.99%	1.44%	47.8%	52.2%	48.7%	51.3%
Limpopo	4,995,462	5,404,868	1.75%	0.79%	45.5%	54.5%	46.7%	53.3%

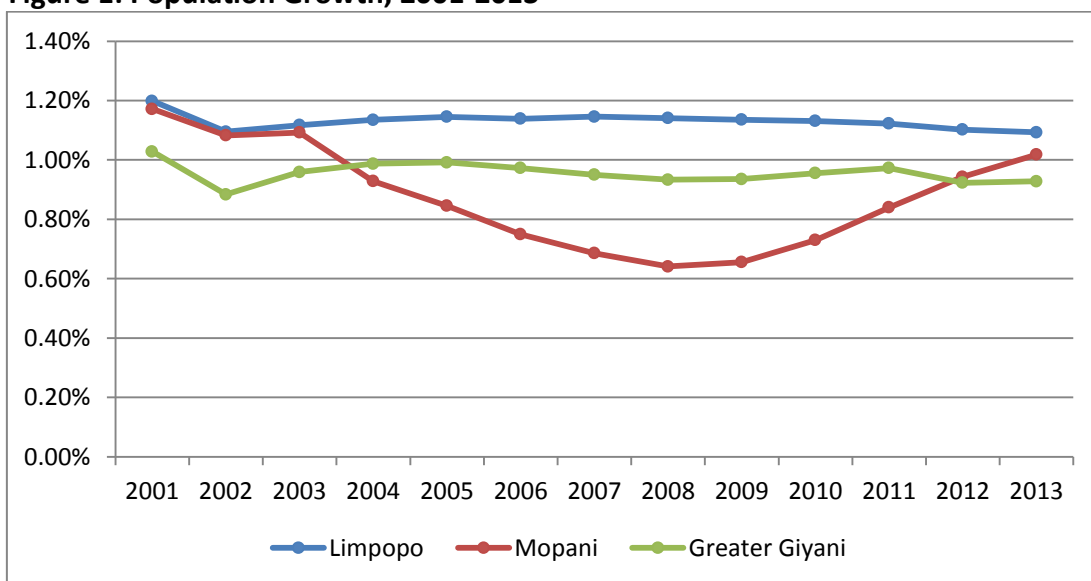
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Mopani	1,061,107	1,093,507	1.95%	0.29%	45.5%	54.5%	45.9%	54.1%
Greater Giyani	240,729	244,217	1.91%	0.14%	44.3%	55.7%	44.3%	55.7%

(Source: Census 2011)

Figure 1 gives a more detailed graph of population growth. While the growth rate had a steep fall in the Mopani DM from 2003 through 2008, the Greater Giyani LM growth rate was more consistent. This can be attributed to more stable households in Greater Giyani. People could also be relocating out of the Mopani DM for employment opportunities.

Figure 1: Population Growth, 2001-2013



(Source: Quantec Research 2013)

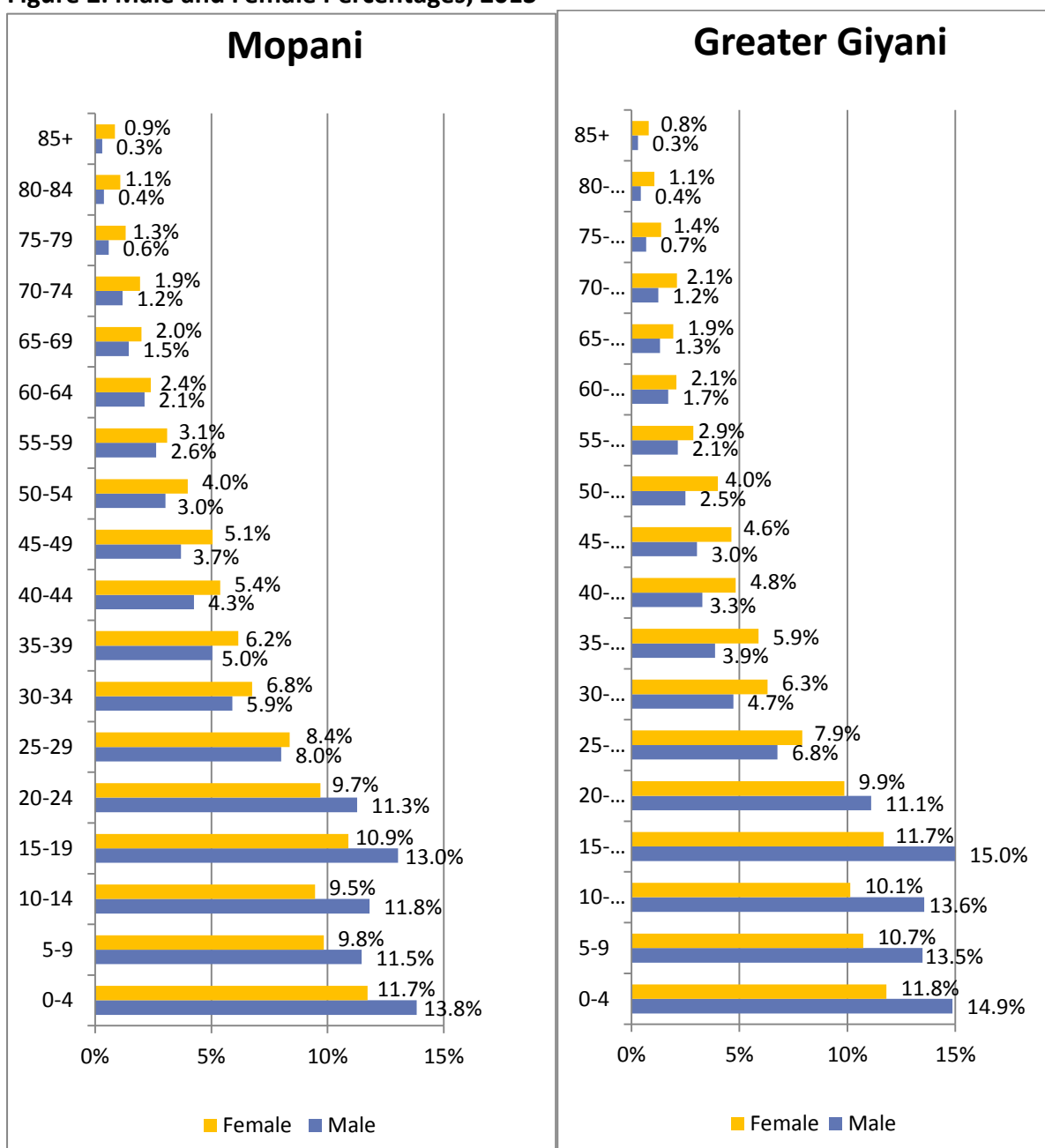
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3.3.2 Age and Gender

The age and gender profile of the Greater Giyani LM appears relatively the same to that of the Mopani DM. The concentration of the population is under the age of 30. **Figure 2** illustrates the age-gender profile for the Mopani DM and the Greater Giyani LM.

It is, however, observed that the working-age (15 to 64) population of Greater Giyani is female dominated (60% vs. 54.1%), where this age group is more evenly distributed between the genders in the Mopani DM (59% vs. 61.8%). This can be attributed to young male workers that relocate to larger economic centres, such as Phalaborwa and Polokwane, for better work opportunities.

Figure 2: Male and Female Percentages, 2013

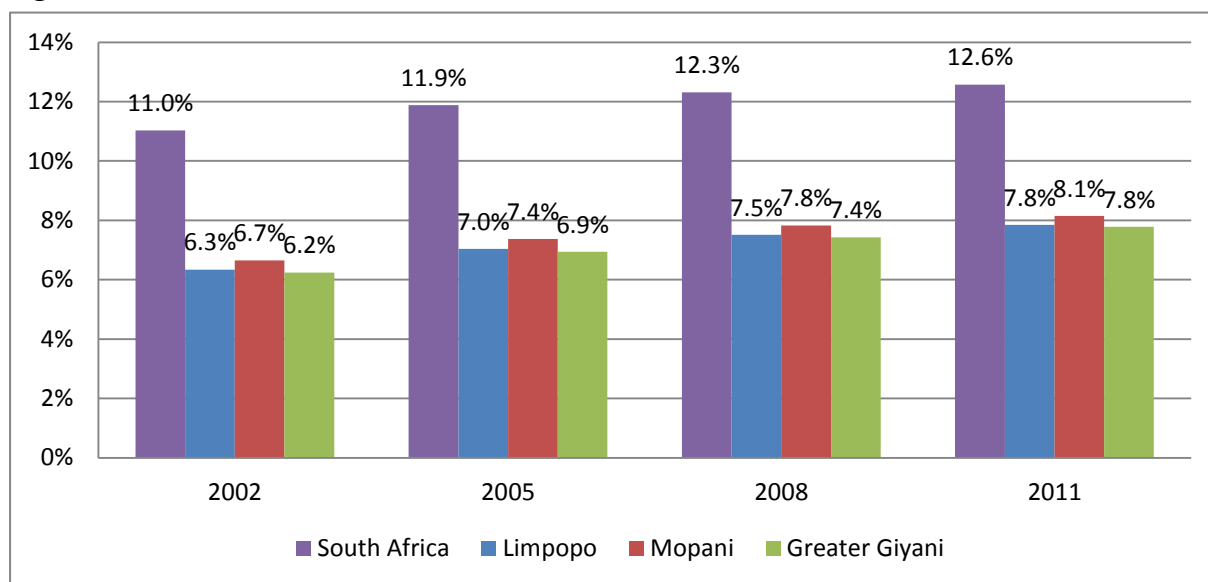


(Source: Quantec Research 2013)

3.3.3 HIV and AIDS

The HIV/AIDS profile of the Limpopo province, Mopani DM and Greater Giyani LM (from 2002 to 2011) is illustrated by **Figure 3**. From this graph it is evident that the prevalence of HIV/AIDS has increased slightly in recent years in all of the geographic areas under discussion.

Figure 3: HIV Prevalence Rate, 2002, 2005, 2008, 2011



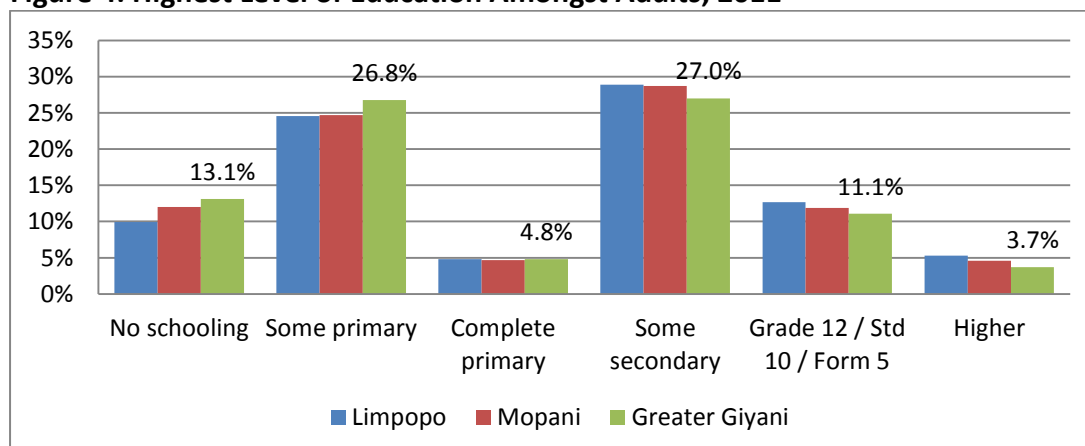
(Source: Quantec research 2013)

Greater Giyani has managed a lower rate of prevalence when compared to the province and district municipality average. It is also quite evident that the incurrence of HIV/AIDS is considerably lower in Greater Giyani (7.8%, 2011) compared to the nation's average (12.6%, 2011).

3.3.4 Education

Figure 4 illustrates the level of adult education in the Greater Giyani LM, compared to Limpopo and Mopani. Less than 15% of adults in the study area completed Grade 12 or attained a higher education qualification, while 13.1% have no schooling at all.

Figure 4: Highest Level of Education Amongst Adults, 2011



(Source: Quantec data 2011)

This has serious implications for employment and money generating opportunities for the populace. In total, 73.3% of the Greater Giyani population have some form of schooling and can be regarded as literate. A big concern is the amount of people that did not finish their schooling, 26.8% have some primary schooling, but only 4.8% completed their primary school education. The same is true for secondary schooling where 27.0% started, but only 11.1% finished.

3.4 Labour and Employment

3.4.1 Employment

Table 2 compares the unemployment rate of Greater Giyani with the district, province and country.

Table 2: Unemployment Rate, 2011

	Unemployment Rate	Youth Unemployment rate (15 - 34)
	2011	2011
South Africa	29.8%	38.4%
Limpopo	38.9%	49.4%
Mopani	39.4%	51.4%
Greater Giyani	47.0%	61.2%

(Source: Census 2011)

Table 3: Total workers per skill class in Greater Giyani, 2013

	2004	2005	2006	2007	2008	2009	2010	2011
Total	21,348	22,132	23,188	24,559	25,379	24,846	23,239	22,740
Highly skilled	4,811	4,963	5,175	5,470	5,771	5,884	5,741	5,756
Skilled	8,856	9,403	9,990	10,696	11,070	10,822	10,095	9,863
Semi- & unskilled	7,681	7,766	8,022	8,394	8,538	8,140	7,404	7,121
Informal(total)	7,549	7,896	8,110	8,458	9,197	10,517	11,849	12,499

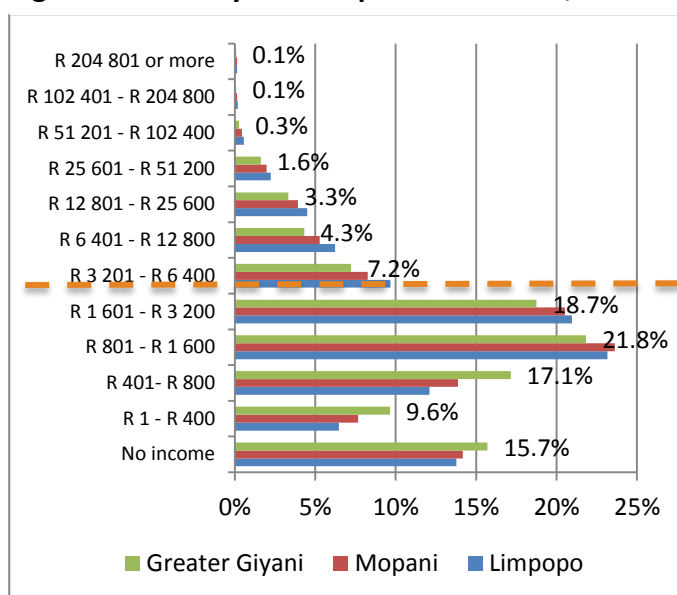
3.5 Households

3.5.1 Household income

In order to determine community living standards, as well as their ability to pay for basic services, such as water and sanitation, the income levels of the local population are analysed and compared to the income levels of Limpopo and Mopani. In **Figure 5**, the distribution of income per household is shown.

The poverty line is at R3 200 per month. This means that 82.9% of the people in the Greater Giyani live beneath the poverty line.

Figure 5: Monthly Income per Households, 2013



(Source: Quantec Research 2013)

From **Figure 5** it is evident that a large portion (42.4%) of households in Greater Giyani has no income or earns less than R800 per month. This is less than R9 600/year. If the average size of 3.8 persons per household (**Table 3**) is taken it equates to R125/person per month or R1 263/year. A further 40.5% of households earn less than R3 200/month or R38 400/year.

From these observations it is evident that a large portion of the Greater Giyani LM population is extremely poor and thus experience low living standards. These low income levels indicate that most of the population is dependent on a small income, implying that the local population is less able to afford basic services, such as water and sanitation.

3.5.2 Household Dynamics

The average size of households in Greater Giyani has decreased by 15.56% from 4.5 to 3.8 people. This implies that less people are dependent on one person where only one person in a household has a job. **Table 4** compares the average household size of South Africa, Limpopo, Mopani and Greater Giyani and show the percentage decrease from 2001 to 2011.

Table 4: Average Household Size, 2011

	Average Household size		Percentage change
	2001	2011	
South Africa	3.9	3.6	-7.69%
Limpopo	4.3	3.8	-11.63%
Mopani	4.2	3.7	-11.90%
Greater Giyani	4.5	3.8	-15.56%

(Source: Census 2011)

3.5.3 Household services

Basic service delivery in Greater Giyani is generally poor. Although 89% of households had electricity for lighting, only 13.4% had access to piped water inside their dwellings. This implies that 86.6% of all households in the Greater Giyani LM depended on alternative water sources like streams, pools, rain tanks and water vendors for their basic water requirements. **Table 5** shows that this trend is evident throughout the province.

Table 5: Access to Household Services, 2013

	Flush-toilet connected to sewerage %		Weekly refuse removal %		Piped water inside dwelling %		Electricity for lighting %	
	2001	2011	2001	2011	2001	2011	2001	2011
South Africa	50.0	57.0	55.4	62.1	32.5	46.3	70.2	84.7
Limpopo	16.6	19.7	15.6	21.1	10.3	18.4	63.2	87.3
Mopani	16.6	15.8	15.2	16.9	10.8	16.8	68.1	88.7
Greater Giyani	13.7	11.9	10.4	11.7	11.3	13.4	67.3	89.0

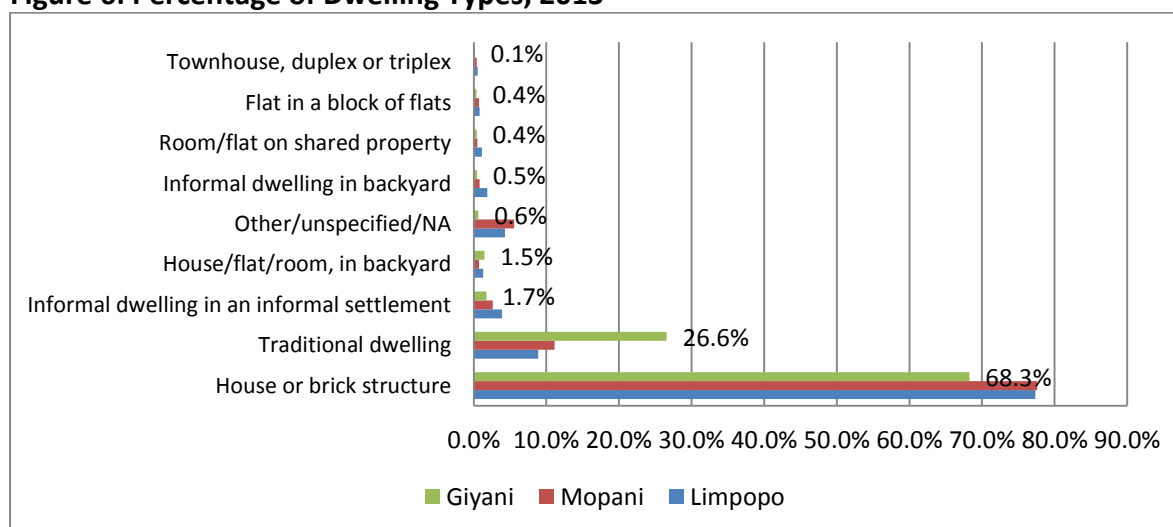
Table 5: Access to household services

(Source: Quantec Research 2013)

3.5.4 Dwelling types

Figure 6 illustrates the various dwelling types found in the Greater Giyani LM, Mopani DM and Limpopo Province. The most common form of dwelling type is brick houses on individual stands. This category represents 68.3% of housing in Greater Giyani, 77.6% in the District and 77.3% in the province. This means that 31.7% of households in Greater Giyani have to make use of alternative types of housing such as Traditional Dwellings.

Figure 6: Percentage of Dwelling Types, 2013



3.6 Conclusion

The demographic and social analysis presented the following observations with reference to LED:

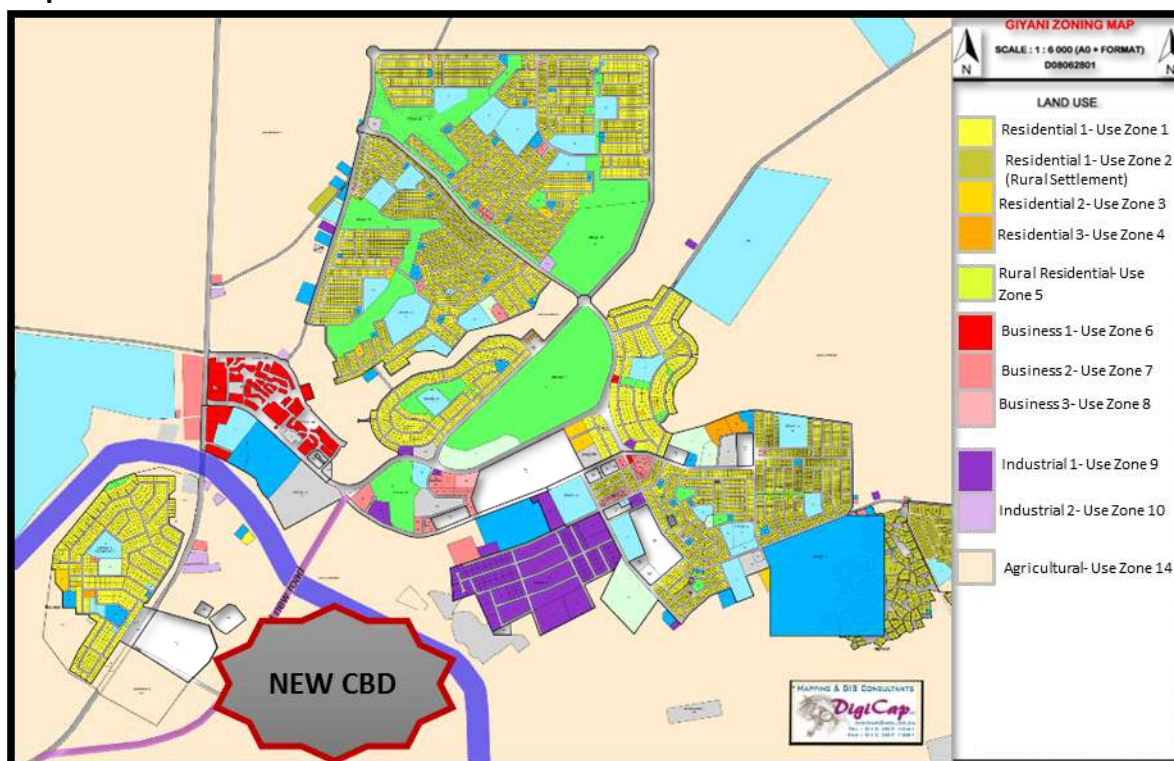
1. The *working-age population* above 25 years of age of Greater Giyani is female dominant, which implies that many working-age men leave the area in search of employment opportunities elsewhere.
2. The *population* of Greater Giyani grew by 0.14% on average per annum between 2001 and 2011, compared to the provincial growth rate of 0.79%. This was mainly due to an out-migration of job-seeking young people, unemployment and poverty.
3. An analysis of *household income* revealed that approximately 25.3% of households in Greater Giyani earned *less* than R400 per month. That equates to R125/person (average household 3.8). A further 17.1% of households earn less than R800/month. This observation, together with the unemployment rate (47%), implies that there are extreme poverty and insufficient disposable income in the area and therefore low buying capacity. This has negative implications for the survival of local businesses and therefore on the trade sector in general. Furthermore, low household income levels imply that many households are not in a financial position to pay for services, municipal rates and taxes.
4. Less than 15% of the Greater Giyani adult population has a Grade 12 or *higher education qualification*; while 13.1% have no schooling at all. The local labour force is largely classified as low to semi-skilled. The poor education profile of the local population present serious challenges in terms of the availability of skills required for employment opportunities that might be created in the area. Approximately a third of the labour force is classified as informal labour.
5. The most common form of *dwelling type* is brick houses on individual stands. This category represents 68.3% of housing in the Local Municipality. This means that 31.7% of households in the Greater Giyani have to make use of alternative types of housing (mostly Traditional Dwellings).
6. Only 13.4% of households have access to *pipled water* inside their dwellings, which means that 86.6% is dependent on other water sources which may not be safe for human consumption (i.e. health risks such as disantray, cholera, bilharzia and diarea).

4. SPATIAL ANALYSIS FROM AN LED PERSPECTIVE

4.1 Introduction

As previously stated, Greater Giyani LM covers a geographic area of 2,967,27 km². The majority of this land area is rural and agricultural land as shown in **Map 2**, which means that there is room for growth, especially in the agricultural sector. Another area of land that has growth potential is the tribal land surrounding the town, which the tribal leaders are willing to make available for development.

Map 2: New CBD Placement



(Source: Greater Giyani LM SDF)

4.2 Analysis

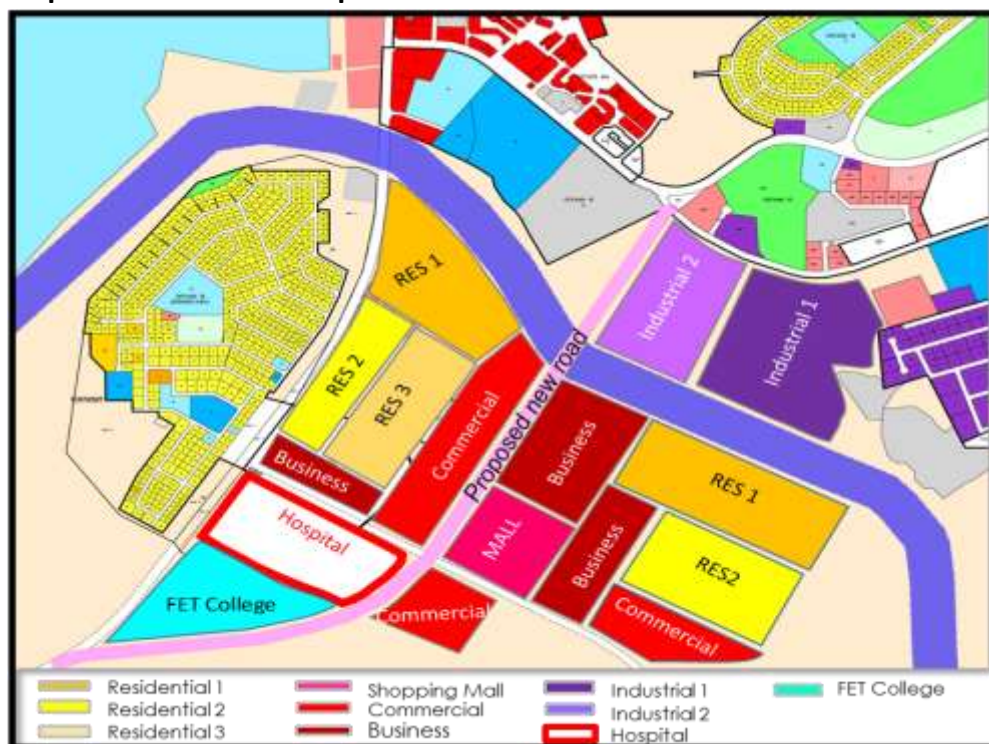
In order to take advantage of these potential growth areas, Greater Giyani is in the process of developing a Master Plan, the aim of which is the outward growth of the town from the CBD center. Strategic land for growth, for business in particular, has mainly been identified as the land along the R81, as this road is heavily traveled. The current functionality of the town is challenged primarily by the access roads of the town. Main access is only by the R81, which is heavily congested at peak times. To counteract this frustration, a new road has been proposed, illustrated in **Map 3**, that will relieve traffic congestion by providing an alternate access route to the town.

Greater Giyani is chiefly characterized by a flat topography, which makes it easier to implement municipal infrastructure. As the land does not need to be leveled before building can commence, it makes development much more affordable and thus a much more viable proposition.

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There is a lack of infrastructure in Greater Giyani that can be used to control the cattle that roam free and end up on the main access road. The unrestricted movements of these cattle has resulted in the land being overgrazed and has also caused motor accidents, which result in harm to both the cattle and the people concerned.

Map 3: Illustration of Proposed New Road



(Source: Greater Giyani LM SDF)

Greater Giyani is fortunate in that it has a favorable climate that is facilitative of agriculture. This climate makes agriculture a sector with great growth potential. The potential for this sector lies both in agro-processing and in more traditional crops, such as cotton. Cotton grows very well in the climate of Greater Giyani LM and is a crop that presents many benefits for the economy as well, especially in terms of job creation, as it is a labor intensive crop that requires many laborers since it must be harvested by hand.

Land use management is also a big issue for Greater Giyani. The current spatial arrangements separate human and economic settlements, as shown in Map 2. This separation implies a need for integrated or mixed-use development which will promote safety issues and compliment the income of households. Given the current spatial arrangement, after a certain time of day, the town becomes empty or “dies.” It is during this empty time, usually during the night, that the town becomes most susceptible to break-ins as there is no one around to deter such behavior. If the town and settlements were more integrated, the town would not have this “dead” period as people would be in town more of the time, promoting businesses to be open later, thus keeping the streets full which will deter unlawful behaviour such as break-ins. With regards to complimenting the income of households, if the settlements are closer to the town, then citizens of the town will need less money for transport so their disposable income will increase.

5. ECONOMIC SECTOR ANALYSIS AND DEVELOPMENT POTENTIAL

5.1 Introduction

The purpose of this Section is firstly, to provide a broad economic analysis of the regional and local economy. It is important to understand the economy of the Greater Giyani LM within the context of the broader region so that comparisons and linkages with the broader economic community can be made. In doing so, this Section discusses and analyses each economic sector in terms of sectorial analysis and also identifies those sectors with growth potential.

Secondly, this section will provide the LED Strategy with an overview of development potential in the main sectors of the local economy that have been identified as having the most growth potential. The relationship between local planning and the Policies and Legislation discussed in Section Two of this report should be informed by the identification of real development potential in Greater Giyani. The purpose of the LED Strategy is thus to expand information flow and knowledge about Greater Giyani, which should provide Government as a whole with a better appreciation of development potential in the municipal area. The potential analysis should not only inform the Greater Giyani IDP, but also the planning framework and other medium to long-term strategies of government.

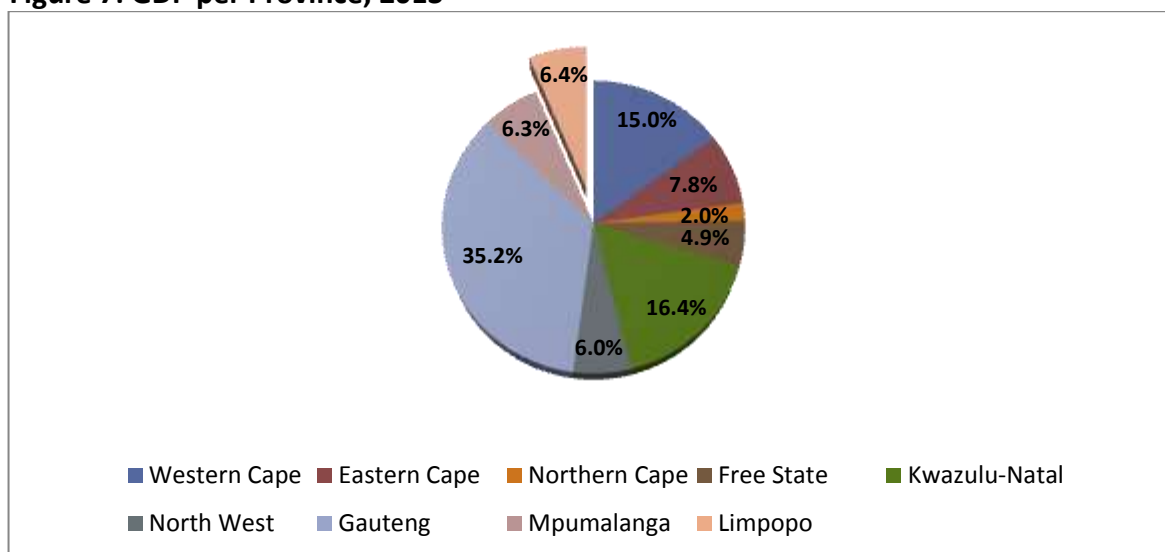
5.2 Regional Integration

The purpose of this sub-section is to interpret the economic context of Greater Giyani within the provincial and national context. To determine the economic context of the above economies, the most important economic and labour indicators are discussed.

5.2.1 Provincial Overview

The Limpopo Province contributed approximately 6.4% to the Gross Domestic Product (GDP) of South Africa in 2011.

Figure 7: GDP per Province, 2013



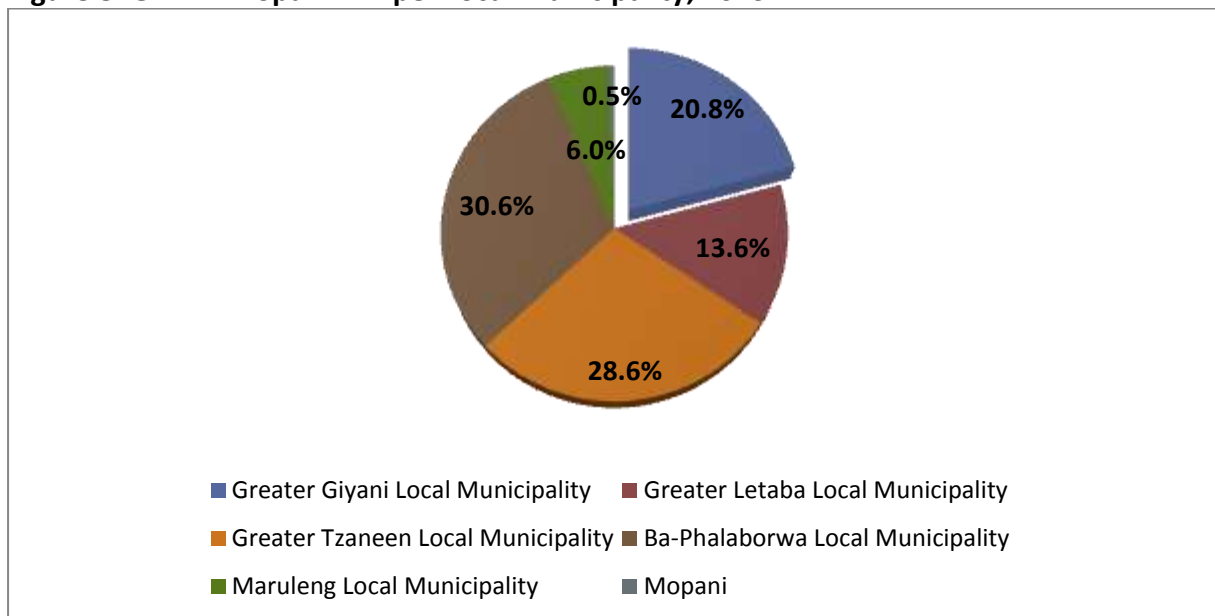
GREATER GIYANI LOCAL MUNICIPALITY LED STRATEGY

Figure 7 illustrates the Limpopo GDP compared to the other 8 Provinces in South Africa. Limpopo recorded the 5th largest economy and Gauteng had the largest (35.2%) in 2011. The North West Province and Mpumalanga had around the same GDP as Limpopo.

5.2.2 District Overview

Figure 8 illustrates the GDP contribution of the Greater Giyani Local Municipality compared to the other 5 Local Municipalities in the Mopani District. Greater Giyani contributed the third most (20.8%) to the District economy. Ba-Phalaborwa (30.6%) and Greater Tzaneen (28.6%) contributed the most to the economy in Mopani. Greater Letaba, Maruleng and Mopani Local Municipalities contributed considerably less to the economy.

Figure 8: GDP in Mopani DM per Local Municipality, 2013

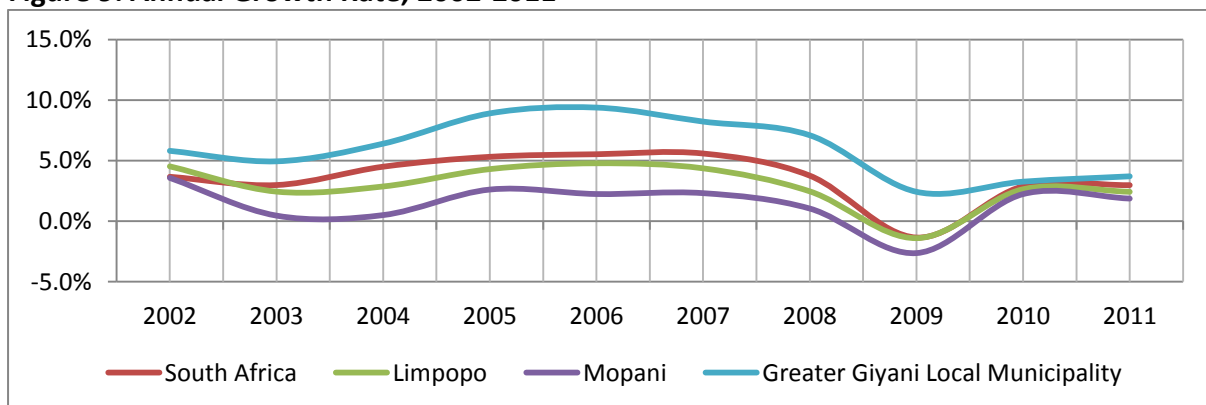


(Source: Quantec data 2013)

5.2.2.1 Growth

During 2002 to 2011, the economy of Greater Giyani experienced an average annual growth rate of 6.0%, compared to a 1.4% growth rate in Mopani and 2.9% in Limpopo. **Figure 9** indicates the annual growth rate from 2002 to 2011 in Greater Giyani, compared with the District, the Province and South Africa.

Figure 9: Annual Growth Rate, 2002-2011



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In comparison with the province and the District, it can be observed that Greater Giyani also experienced an average decline in economic growth from 2007 to 2009. This is mainly attributed to the global financial recession during the 2008/09 period which had a negative impact on the national and regional economy.

5.2.2.2 Comparative advantage per economic sector

A Location Quotient indicates the comparative advantage or disadvantage of a particular economic sector in an area or region. A comparative advantage indicates a relatively more competitive production function for a product or service in that specific activity.

Table 6: GDP per Sector and Location Quotient in Mopani and Greater Giyani, 2013

	Mopani	Greater Giyani	
Agriculture, forestry and fishing	3.8%	1.6%	0.6
Mining and quarrying	15.5%	3.3%	0.6
Manufacturing	4.6%	3.0%	0.2
Utilities	3.5%	3.5%	0.9
Construction	2.2%	1.6%	0.5
Trade and accommodation	14.1%	17.3%	1.2
Transport and communication	10.2%	7.7%	0.7
Finance and real estate	19.7%	25.1%	1.1
Personal services	5.7%	6.4%	1.0
Government	20.6%	30.5%	2.0
TOTAL	100%	100%	1

(Source: Quantec data 2013)

A Location Quotient analysis for Greater Giyani in District context is provided by **Table 6**. A quotient larger than one indicates a comparative advantage and a quotient smaller than one indicates a comparative disadvantage in an economic activity. A quotient greater than five indicates a dependence on an industry sector.

From this Table it is evident that the Greater Giyani economy has a comparative advantage in the following sectors with regards to the District economy:

1. Trade and accommodation
2. Finance and real estate
3. Government services

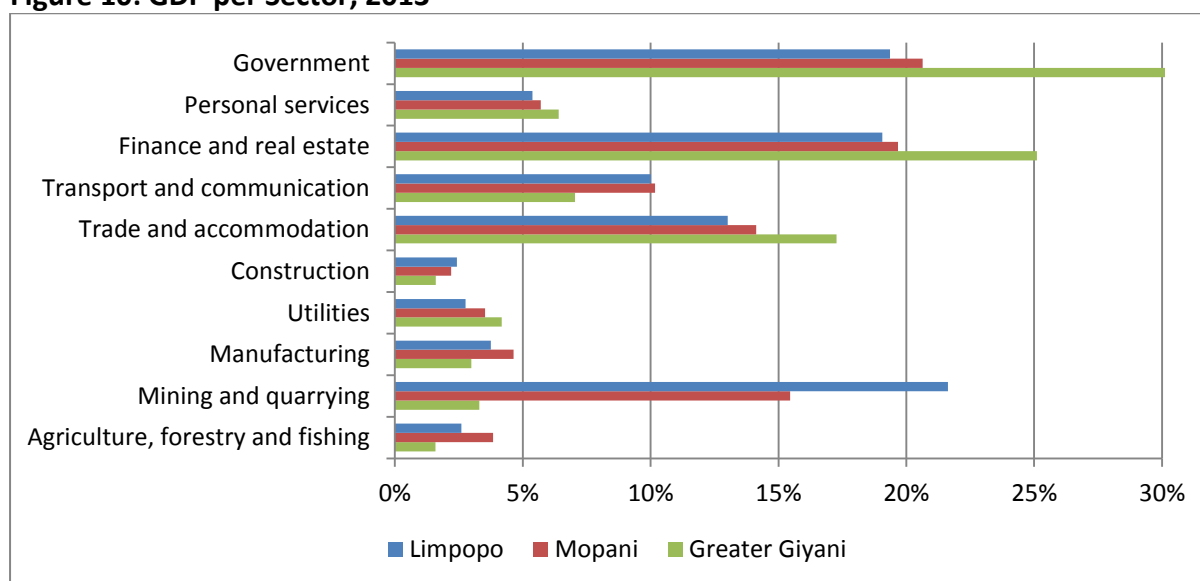
Comparative advantage is the ability to produce something at less cost due to having resources that others might not have. Competitive advantage is the ability to produce something at less cost due to resources that one has created, perhaps by gaining additional expertise in a field.

In the following sub-section of this report, these sectors will be further unpacked and their comparative advantages discussed.

5.3 Economic Sector Performance Overview

Figure 10 illustrates the economy of the Greater Giyani LM compared to the District and province by sectorial production. The local economy is dominated by Government services (30.5%) and is considerably higher than the District and province. The other big contributors to the local economy were the Finance (25.1%) and Trade (17.3%) sectors. The Mining sector is considerably smaller compared to the District and province and only contributes 3.3% versus 15.5% and 21.6% respectively. The rest of the sectoral contribution is very similar.

Figure 10: GDP per Sector, 2013



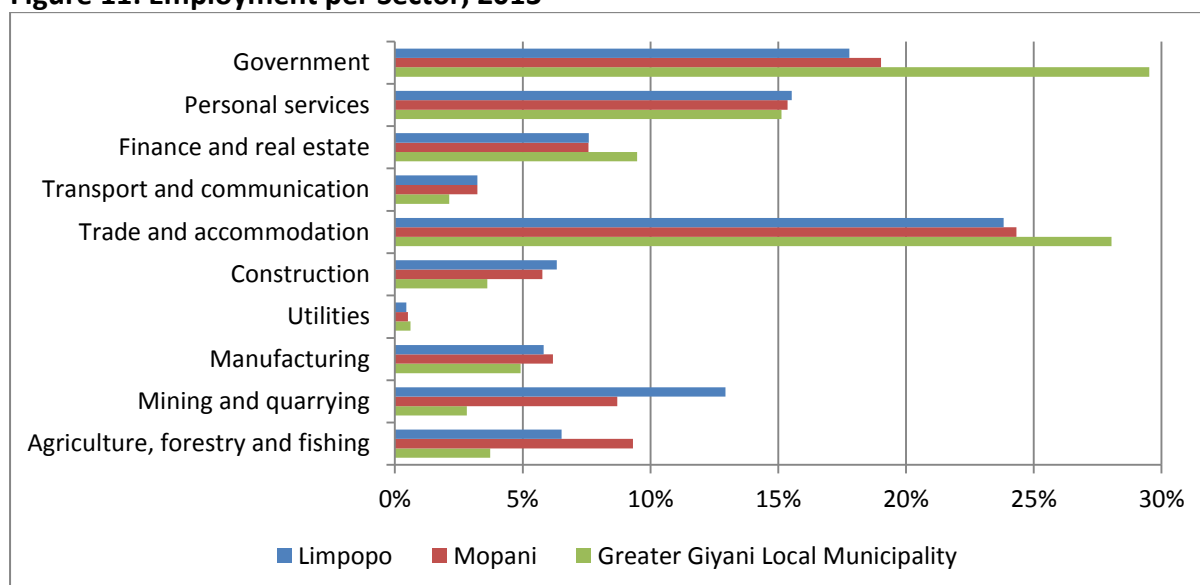
(Source: Quantec data 2013)

5.3.1 Labour

This sub-section addresses the composition of the labour force, important labour indicators, labour force quality and the distribution of the formal labour force in the various economic sectors. It is necessary to describe the labour situation, as these indicators also give insight into the economic and social conditions present in the area.

Figure 11 provides a breakdown of the employment per industry sector in the Limpopo Province, Mopani DM and Greater Giyani LM. The most significant employment sectors were General Government services, Trade and Accommodation and Personal services with 29.5%, 28.0% and 15.1% respectively in Greater Giyani. Utilities employed the smallest share of the labour force with only 0.6% in Greater Giyani.

Figure 11: Employment per Sector, 2013



(Source: Quantec data 2013)

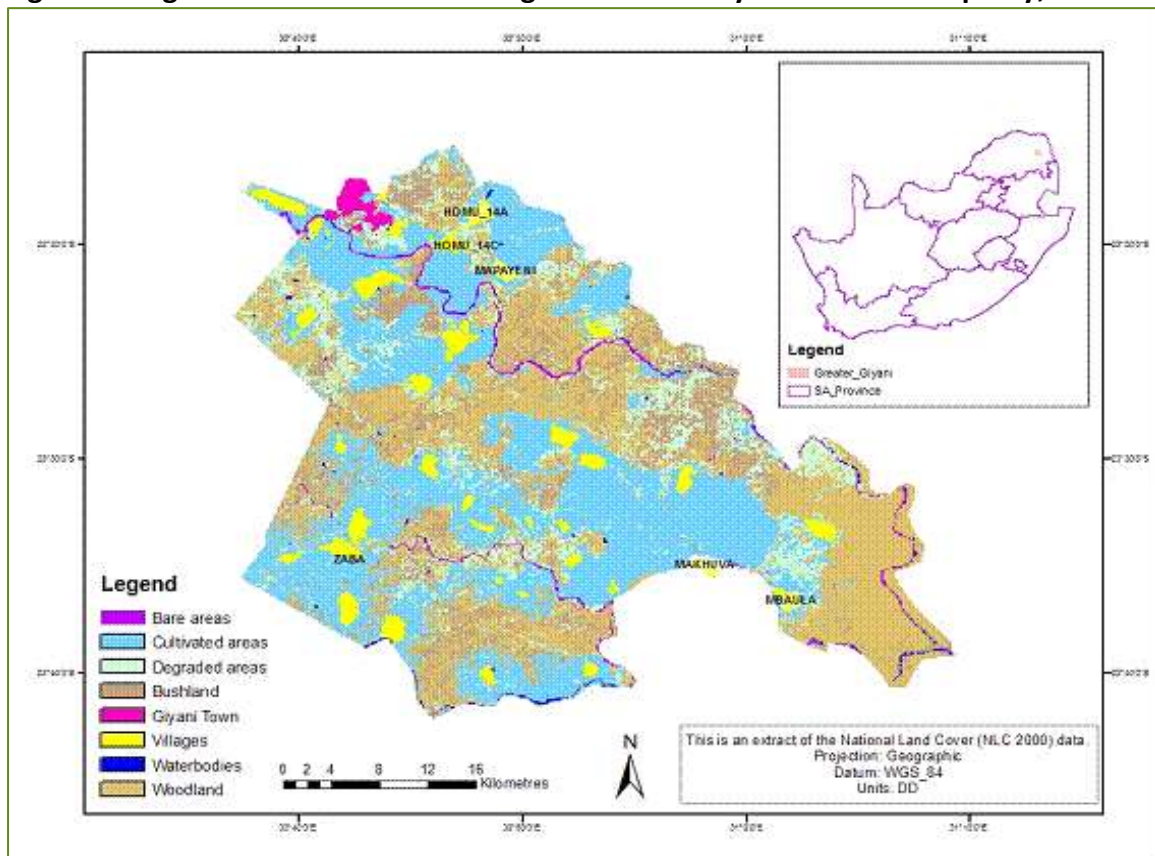
5.4 Development Potential

5.4.1. Agriculture

Agriculture has been identified as the dominant land use in Greater Giyani. This is in contrast with this sector's contribution to GDP and employment. The geographical area of the Greater Giyani Municipality is 2,967 km². **Figure 12** shows that 59.4% of the total area of the Greater Giyani Municipality consists of cultivated areas, 30% by woodland and bush land. The town of Giyani accounts for 0.7% of the total area, while 5.4% is taken up by villages.

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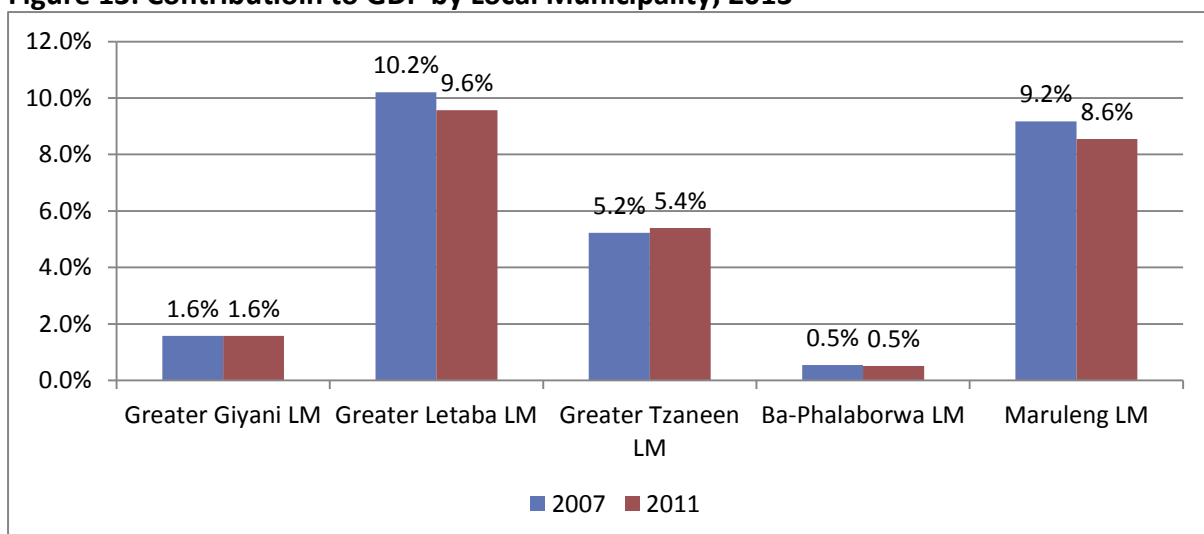
Figure 12: Agricultural Activities withing the Greater Giyani Local Municipality, 2000



[National Land Cover, 2000]

The Agricultural sector seems to be under-reported in the official statistics, which attribute only 1.6% of the Municipality’s Gross Value Add (GVA). This is because there is not much commercial farming, but mostly informal or communal farmers. Employment by the Agricultural sector accounted for 3.7% of the the labour force in Greater Giyani in 2011. The Agricultural sector in the other Local municipalities in Mopani are relatively higher than Greater Giyani as can be seen in **Figure 13**.

Figure 13: Contribution to GDP by Local Municipality, 2013

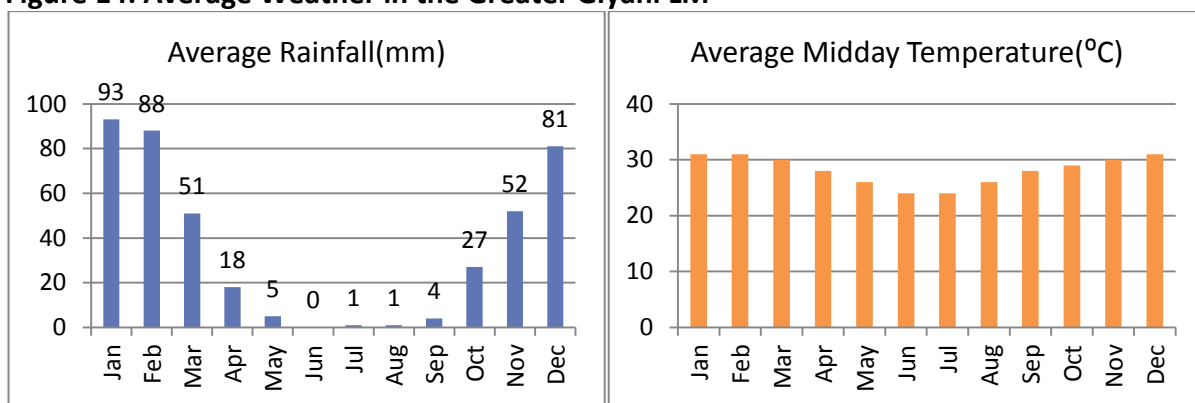


Greater Giyani has a mild climate with average temperature between 24°C and 31°C. The average annual rainfall is 421 mm per year, with most rainfall occurring during mid-summer

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(Figure 14). Farmers are highly dependent on boreholes for water as the water schemes in the area are not in proper working condition.

Figure 14: Average Weather in the Greater Giyani LM



The area is well known as a tomato producing region. Commercial livestock forms a very small part of agriculture in Greater Giyani. Most of the livestock belongs to informal and communal farmers that farm on the vast tribal lands covering most of the municipality. There is not any fencing next to the road and there is occasional accidents involving livestock walking in front of cars. This is not only dangerous and costly for travellers, but also a loss of livestock to local farmers.

¹ ONLINE[www.saexplorer.co.za/south-africa/climate/giyani_climate.asp]

President's pilot village participates in ART

By Samson Mabunda

Muyexe, President Zuma's Comprehensive Rural Development Programme's pilot village is participating in the Assisted Reproductive Technologies (ART). Twenty (20) farmers (From Muyexe) will benefit from the multi-faceted project meant to upgrade emerging farmers' cattle throughout the country.

According to Dr Khathutshelo Nephawe, the Livestock Research Manager in the Limpopo Department of Agriculture (LDA), the upgrading is done by introducing genetically superior cattle through artificial insemination (AI) and embryo transfer (ET). Professor (Prof) Lucky Nedambale, the Project Leader from the Agricultural Research Council (ARC) concurs with Dr Nephawe.

He says: "There are not enough [superior] bulls in the community. So we bring semen from the performance tested bulls and inseminate the cows after synchronisation." Synchronisation is the starting point whereby pregnancy diagnosis and disease tests are conducted before cows are selected and prepared for participation in the programme. At the time of writing the story, the process was still at the synchronisation stage at Muyexe which is in Giyani in Mopani District.

Sarah Valoyi and Mamayila Chabalala, female farmers to benefit from the ART are optimistic that their herds will be improved.

"I will be happy if my cow could conceive and produce a quality calf," indicates Valoyi.

"I am delighted like Ms Valoyi. We are expecting good calves from this exercise. I did not hesitate to bring to this project," says Chabalala.

In Vhembe and Capricorn Districts, the AI has been done already. Dr Nephawe says they are focusing on the Nguni breed. Nevertheless, he states that farmers who want the introduction of genetically superior cattle of other breeds through AI and ET could be assisted. The project's main objective is to address "low reproductive rates observed in the communal and emerging farming sectors".

This initiative is a tripartite partnership among the ARC, the Department of Agriculture, Forestry and Fisheries and Technology Innovation Agency; the funder. Temo News anticipates to report about other areas the project is also focusing on in the next issue.

2

5.4.1.1. Development Potential

a) Value addition and diversity

The Agriculture sector in Greater Giyani relies almost entirely on the production of primary products such as tomatoes, cabbage, spinach butternut and carrots, but no significant value is being added to these products.

² 2014 [ONLINE] Available at:
<http://www.daff.gov.za/docs/media/Presidens%20pilot%20village%20participates%20in%20ART.pdf.->
[Accessed 03 February 2014].

CASE STUDY

Beneficiation and Value Addition

On 6 June 2003, the Deputy Minister of Trade and Industry, Ms Lindiwe Hendricks, opened a R7-million pineapple-processing plant in East London, Eastern Cape. Collondale Cannery is one of only two pineapple-processing factories in South Africa. The company has installed a plant with a new evaporator specifically imported for processing pineapple-juice concentrate. South Africa accounts for 6% of the world's pineapple production.

The world market is dominated by Thailand, Indonesia, the Philippines and Kenya. South African pineapples are traditionally less sweet and more acidic than those of its competitors. A blend between South African pineapple concentrate and that of its competitors' results in a sweeter product, but with the distinctive pineapple taste that is unique to the South African product.

The new plant illustrates the value of investment in production-capacity for export sales and job creation. The Collondale plant incorporates the latest technology that will enable the company to increase its production of pineapple-juice concentrate by 50%. All of this will be exported, generating sales of R7 million per year.

[Source: South African Yearbook, 2003/2004]

Greater Giyani has sufficient land for the cultivation of cash crops and, with sufficient investing in infrastructure like water, is an ideal location for agro-processing and beneficiation. Value addition to primary products could expand the market and create economic opportunities for both the investor (monetary return on exports of beneficiated goods), as well as the job market for those who are unemployed within the area. Veggie tunnels can be erected to enhance the growing of crops and provide a constant stream of vegetables for processing.

The processing of natural products like mopani worms and marula fruit is also a prospect. Mopani worms are a staple part of the diet in rural areas and are considered a delicacy in the cities. They can be eaten dry, as crunchy as potato chips, or cooked and drenched in sauce. The collection and processing of marula fruit can grow into a larger industry as well.



An existing project called the Greater Giyani Natural Resource Development Program looked into several development possibilities.

The vision behind the expansion of the Mopani worm project is twofold. Firstly, being a seasonal resource, communities have, at best, only the opportunity to make two harvests per year. Much of this harvest is "exported" to the urban centres which, after a few months of local abundance, leave the communities of Giyani lacking access to this valuable produce. Secondly, a Mopani

Worm Belt stretches across Botswana, Zimbabwe, and Limpopo Province in South Africa and into Mozambique.

The export potential of Mopani worms from Greater Giyani is currently limited by the lack of local storage and processing facilities. A proposed Processing Centre will:

- Store larger quantities of Mopani in hygienic and appropriate conditions
- Act as a cooperative where many Mopani collectors can bring and sell their stock
- Ensure the longer term availability of Mopani worms not only to local communities but also to urban centres and export markets
- Process the dried Mopani worms into a variety of products (which are currently being developed)
- Bring the benefits of a more structured and organised Mopani worm product chain to various countries of the SADC region

The outcomes of this Strategy indicated that Mopani and Marula should be implemented at a minimal scale. There is need for appropriate bylaws to regulate the sustainable harvesting of Mopani worms.

Industry Production and Market Potential of the marula fruit

There are a number of products currently being produced in the marula industry, the most common are:

- Spirits
- Jam
- Cream Liquor
- Groundnuts
- Beer
- Oil
- Juice
- Dried Products

Looking at the market in terms of the supply and demand, the general view is that demand is less of a problem than supply at current levels. The potential production is very difficult to calculate with any accuracy because of the limited information and availability only of anecdotal evidence on some of the newer product lines – for example, cosmetics.

It is important to acknowledge the vulnerability in the market place, especially in the highly competitive beverage arena. This comes from the synthetically produced flavourant market. There is little doubt that an effective beverage industry carrying the marula name (and flavour) can be developed synthetically, without any off-take from the fruit production areas market.

The same is not true for the oil and nuts which cannot be synthesised. In the non-beverage component of the marula industry, prices have not stabilised. But it appears from discussion with marketers that the price 'pitch' of the kernel-derived products offers attractive profits.

Industry Integration

In agro-processing it is important to integrate processors/users to protect the resource by ensuring that as much of the tree is beneficiated as possible. For example, producing juice from the flesh, dried fruits from the flesh and the skin, nuts from the pips, oil from the broken unsalable nuts and chicken litter from the shells increases the total income and benefit extracted from the fruit.

This integration will also reduce the costs of the various products, thereby increasing their competitiveness in the market and increasing their sales and the total benefit to the municipality.

b) Communal vegetable gardens

Communal vegetable gardens are a cheap and proven way to produce fresh vegetables for the community by the community. A champion or community leader that is in charge of such a garden is a good example of the Ubuntu principle. This can empower the youth, especially from a young age as their parents will be part of it and they will benefit directly from it. Households will get a double gain from the vegetables as first, they would not have to buy from supermarkets and second, there will not be transport costs to get to supermarkets.

There is not a large investment that is necessary to start such a garden as basic equipment and techniques can be used and a relative small area is needed. Water is a problem, but the Infield Rainwater Harvesting technique can be utilised.

In-field Rainwater Harvesting Project

Situation analysis rural Limpopo

Research carried out by the Nova Institute confirms that the lack of food security is an important inhibitor of quality of life in low income rural communities in the Limpopo province. Household based food production remains an important source of food for vast numbers of rural South Africans.

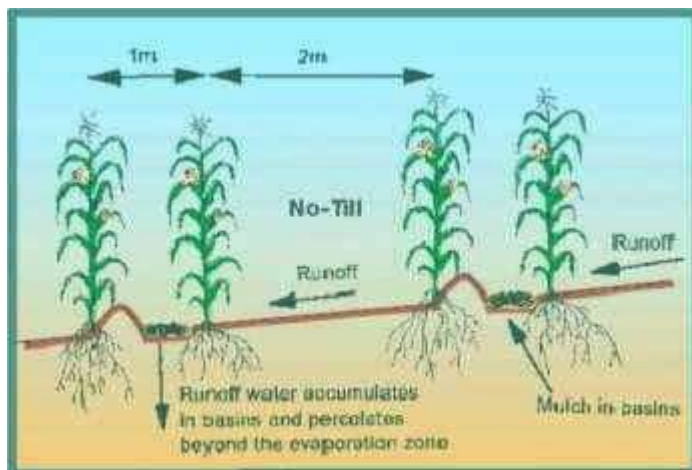
This type of agriculture is however generally inefficient and vulnerable to crop failure and poor production. Technical methods are available that could make it possible for rural people to provide staple food security and sufficient nutrition for themselves, even in dry areas. Income generation and even wealth generation are also possible.

However, to be effective these technical methods must become a common practice in thousands of communities. This is where Nova would be able to make a contribution, by engaging one community over a sufficient period of time to make it possible for the technical methods to become daily practice in that community. If that succeeds, the practice can be transferred to similar communities.

The in-field rainwater harvesting technique is an example of a method that is available for people in rural communities.

3

³ [ONLINE] Available at: <http://www.nova.org.za/> . [Accessed 09 December 2013]



The in-field rainwater harvesting (IRWH) technique was developed by the Agriculture Re-search Council's Institute for Soil, Climate and Water (ISCW) in an attempt to improve yields of dry land crops in South Africa. The technique is specifically suited to smallholder farmers who farm on soils with high clay content. The technique consists of a hard, flat, two meter wide runoff strip that runs perpendicular to the slope from where runoff water is

collected in a micro basin. The result is that water is concentrated in the basins and infiltrated deeper into the soil. The crops are planted in two lines next to the basins. Dry land yields are between 30% and 50% higher than conventional tillage.



ABOVE: Crops that were growing in conventional tillage conditions.



RIGHT: Crops that were planted with the IRWH technique.

c) Organic farming

Organic farming involves methods that exclude the use of pesticides, herbicides, fungicides, chemical fertilizers or synthetic chemicals of any kind in the soil and plant material. Anything that is labelled —organic must be certified as such by one of the following certification agencies:

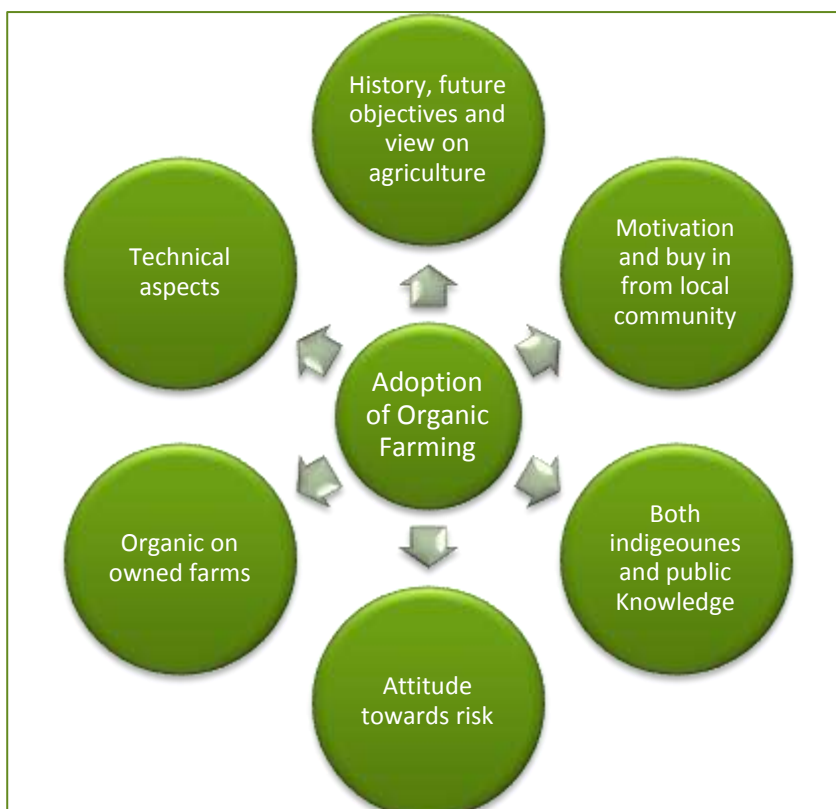
- EcoCert
 - Website (www.ecocert.com).
 - Telephone: 014 611 558

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- SGS South Africa
 - Website (www.sgs.com)
 - Telephone: 011 680 3466
- The Soil Association
 - Website (www.soilassociation.org)
 - Telephone: 011 314 5000

The reality is that many vendors in South Africa sell their produce as natural or under other similar labels, although their suppliers have not been certified as organic by any institution authorised to do so (such as those listed above). If genetic modification methods were applied by producers, South African vendors are also not required by law to label their products as such.

The global market for organically grown products has a growing trend. There has been a shift (trend) towards high quality, organically farmed produce, which is captured by a smaller, high-quality portion of the market. This trend has especially been visible within the middle to high-income portion of the market and looks to be an escalating one, in terms of domestic sales and exports.



Some 70% to 100% of the produce from large organic farms in South

Africa is exported, whereas smaller farms tend to produce for the local market. An estimated 80% of all exports are to the EU, primarily the UK, Germany and the Netherlands. Despite the existence of EU producer subsidies that put pressure on local prices, there are further export opportunities, particularly given southern hemisphere seasonal advantages.

Production for the local market includes a variety of vegetables and produce not of export quality. Some 15% of produce is sold directly to the public, with 30% going to national retail chains and 15% to small retailers. The remaining 40% is used in processing.

Organic farming is very appropriate for the inclusion of emerging farmers in Greater Giyani, because it implies traditional farming methods. Development of this market within the Greater Giyani Agriculture sector therefore presents real opportunities for growth and subsequent job creation. The current situation on labour within the Agriculture sector should be addressed through the provision of incentives to farmers in order to encourage labour intensive practices.

d) Manufacture of smokeless tobacco supported by BAT (SA)

Smokeless tobacco is currently cited as a viable alternative for addicted users of tobacco for nicotine as it is less harmful and can be used in areas where there are smoking restrictions, e.g., on board planes and in designated no-smoking areas. The product range includes snuff for sniffing through the nose and pouches for placing under the tongue.

5.4.1.2. Development constraints

a) Lack of water:

The Middle Letaba water works is not in a proper working condition anymore and was one of the main suppliers of water for the area. As a result of this, farmers are highly dependent on boreholes for water. Commercial farming cannot be viable without the availability of sufficient water sources. Irrigated farming could facilitate higher crop yields if sufficient water supplies can be secured.

b) Threat of HIV/AIDS and Malaria:

HIV/AIDS and malaria tend to severely restrain the economically active workers who are the breadwinners of the family, which could leave the children abandoned and place a higher dependence on the farmer and government to provide for these families. Although Limpopo and Greater Giyani have a lower than national average HIV/AIDS infection rate, this disease remains a key threat to families who make their living from farming. In this regard, rural communities and especially farm workers are regarded as the most vulnerable.

c) Lack of information and training:

Not all farmers in Greater Giyani employ the latest production techniques and bio-technology. The main reason for this is a general lack of information about these techniques, which can make farming more profitable and sustainable.

The Agriculture Research Council (ARC) and the Centre for Scientific and Industrial Research (CSIR) are the authorities on bio-technology in South-Africa. The involvement of these institutions as providers of farming advice and information on scientific production techniques can make a positive impact on the sustainability and growth of the local Agriculture sector. It is advised that the Municipality, together with Limpopo Agriculture, approach these institutions.

A Soil Suitability Analysis can be done to assist farmers. Soil survey, or soil mapping, is the process of classifying soil types and other soil properties in a given area and geo-encoding such information. It applies the principles of soil science, and draws heavily from geomorphology, theories of soil formation, physical geography, and analysis of vegetation and land use patterns. The information in a soil survey can be used by farmers and ranchers to help determine whether a particular soil type is suited for crops or livestock and what type of soil management might be required.

There's no money in the offices

Wisani Mathebula

Greater Giyani Mayor Pat Hlungwani warned youth against opting for clerical work, saying this was why many youth were jobless, and that, youth must go for technical skills “where money is.”

“If there could be post in our municipality for a town planner for example; you’ll find that none of you here would qualify to fill that position –am I lying,” he asked to a deafening silence. “This means that we would be forced to hire someone from far away while you sit back and hope to secure a clerical job,” he said.

The mayor was speaking during the official launch of a rural development project called CWP or Community Work Programme at Mushiyani village. The project is said to be an extension of Muyeke presidential project and aims to uplift poor communities by giving them jobs to sustain themselves.

The project aims to employ 500 community members, majority of whom are youth, and is expected to run for two years. The first group of 100 people have just been inducted to work on the project.

4

d) Infrastructure:

Due to the lack of fencing in the LM, farmers and livestock owners are exposed to theft, wild animal attacks and accidents on roads that kill their livestock. This is a significant setback for small-scale farmers who may, in many cases, only have a few heads of livestock. The lack of grazing camps diminishes the value of the veld.

Periods of rest are necessary to give grass plants a period in which uninterrupted development can take place and the plants can have an opportunity for the processes which are necessary for their survival without any disturbance. These include seed production, the development of seedlings and the formation of carbohydrate reserves. Periods of rest are also recommended in order to build up fodder reserves for utilization during the dormant season.

It is imperative that natural pastures should be rested for certain periods in the grazing season to sustain healthy communal livestock numbers within a certain area. Periods of rest are essential if the condition of veld must be maintained or improved, irrespective of the grazing management system that is used.

e) High Input Cost:

Farmers in Greater Giyani have continuously experienced rising input costs, such as labour, fuel, plant material, machinery, fertilizer, herbicides and pesticides etc., in recent years. This, coupled with lower market prices, has seen the commercial viability of many farmers in South Africa reduced dramatically. This is especially true with regards to dairy farming, which has seen a myriad of smaller operations closing down in recent years.

⁴ [ONLINE] Available at: <http://www.greatergiyani.gov.za/>. [Accessed 09 December 2013]

5.4.2. Tourism

Tourism is not an economic sector on its own (as classified by the SIC), but forms part of other sectors especially the Trade, Transport and Finance sectors. However, due to its increasing importance as an income and employment creator in South Africa, it is believed that this industry should be discussed separately from the other sectors.

Defining the tourism industry is difficult as it includes many different sources of goods and services. The World Trade Organisation's definition of tourism states that '*tourism comprises the activities of persons travelling to, and staying in places outside their usual environment, for not more than one consecutive year, for leisure, business and other purposes.*' The usual environment of a person consists of a certain area around his / her place of residence, plus all other places he / she frequently visits e.g. the workplace.

The proximity of Greater Giyani and especially Giyani Town to the Kruger National Park and its striking natural landscape, could make the LM a tourism destination of choice. The documented tourism industry is largely made up of business and government travellers. This is supported by the religious and cultural events associated with the annual Full Gospel Church Festival every February, Chief Mahumani day in October and King Ngunghunyani Day every December when people traditionally congregate in Giyani. Greater Giyani is part of the Rixile Route. There are approximately 450 beds amongst the available bed and breakfasts, lodges and hotel. The Middel-Letaba and Nsami dams offer opportunity for water sport and fishing.

Greater Giyani LM borders a large provincial nature reserve, Man'ombe Nature Reserve, a massive granite outcrop where the natural vegetation is protected and visitors can view giraffe, zebra and buck and enjoy the lush green surroundings when the summer rains arrive. For birders, the reserve is a haven of indigenous woodland birds. Not an obvious tourist feature, the main road crosses the Nsami Dam, the life force of the town where the cries of fish eagles can be heard.



Giyani Tourism Information centre

The Giyani Tourism Information Centre provides information for tourists and visitors in the Greater Giyani LM and assists in SMME development and support. Many local arts and craft products are also on display in the centre for purchase. Also available in the centre are a variety of foods of the Tsonga and Shangaan people, which you can taste and buy. This vast piece of land also caters for a caravan park.

The 'Shangaan' brand is internationally recognised and arguably utilised inadequately in marketing Greater Giyani. In addition, the Tsonga and Shangaan peoples are an internationally recognised cultural group. The richness of the history and the relationship of these groups with

the Portuguese colonial history make for a unique and interesting tourist offering that is not yet exploited to any significant degree.

5.4.2.1. Development Potential

a) Shangoni Gate

The Shangoni Gate into the Kruger National Park (KNP), situated 40km from Giyani will attract more tourists to the Greater Giyani LM. The access roads to and through the LM are in good condition and should be maintained in a good condition to ensure that tourists are willing to choose this road above any other into the KNP. It is necessary for Greater Giyani LM to position itself economically as tourism based for the opening of the gate to extract the most profit from it. To make full use of the road and gate to KNP, Greater Giyani could promote established tourism attractions with distinct signs to direct tourists to the local attractions.

The local community can also benefit from the proximity of the gate for training and skills development through the KNP Environmental Education Programmes.

Shangoni Gate given a green light

Wisani Mathebula

After many years of contemplating, the Shangoni Development Charter that seeks to pave the way for the opening of Shangoni gate into Kruger National Park via Giyani has been signed at Shingwedzi Camp recently.

Nomsa Khandhele the head of Local Economic Development in Giyani said the project would be a huge boost to the municipality in terms of creating jobs. "Our role as municipality is to create conducive environment for local economic development. Therefore, we view this project as an opportunity for us to create a platform for our local business people to develop and do more businesses that will create more jobs," she said.

According to Kruger National Park managing director Abby Sibiyi, "the road will half tourists' traffic for both Phalaborwa Gate and Phunda Maria Gate in Thulamela municipality since it is in the middle."

"This project is going to be significant because if you look at the communities living along that road, there isn't enough development...so diverting our tourism traffic to Shangoni Gate is going to accelerate development in those communities by creating jobs for them," he said.

5

Globally, recent tourism development plans and schemes have noted the strategic potential of developing centralised tourism activity hubs. Such activity hubs have been noted as development nodes which provide an offering that attract tourists. Considering the KNP, the potential development of such activity hubs is not only aligned with the commercialisation strategy of the KNP, but they provide potential to create and develop prospective projects supporting the Beneficiation Scheme, and thus will provide a source of increased revenue and tourism potential for both the park and claimants.

The hub will become a destination in itself and facilities will expand based on growth in demand and popularity. The focus will be to develop a more comprehensive tourist package/product

⁵ [ONLINE] Available at: <http://www.greatergiyani.gov.za> [Accessed 09 December 2013]

offering in partnership with SANParks. The location, adjacent to the KNP, offers the potential for visitors to access the best of both worlds, the tranquillity of the KNP inside its borders and the comprehensive activities and products that would be on offer right outside and within the periphery zone of the KNP. Activities and facilities that could be established as part of the hubs include: (reflect these projects in next chapter)

- Upgrading of the road leading to the Shangoni Gate
- cycle routes,
- quad-bike routes,
- archery,
- game drives and night game drives,
- picnic areas and coffee shops,
- retail stores/kiosks,
- market facilities for craft and food sales,
- outdoor film shows,
- accommodation (cultural village),
- zip lines,
- specialized walks (for the sensory disabled),
- star gazing,
- children centres/camps,
- cultural/historical tours,
- training courses,
- filling stations,
- community business incubators.

In relation to the above there is a need for township establishment which will result in a review of the municipal land-use management scheme and SDF.

The activities will be predominantly based on tourism activities such as adventure tourism, agro-tourism, cultural tourism, educational tourism, nature-based and eco-tourism. Complimentary supporting infrastructure such as accommodation and retail will be developed.

b) Cultural tourism

The focus of Greater Giyani should be on cultural tourism with the 'Shangaan' brand as marketing tool. There are attractions like the *Baleni Camp*, *Greater Giyani Jewellery Project* and *Thomo Heritage Park* already. It is important to create an enabling environment for domestic and international travellers and tourists by filtering in other industries to provide a complete experience to visitors.

A tourist friendly market area could be created at the Tourist Information Centre where local arts and crafts are already sold and with local cuisine that can make for a one stop destination. Greater Giyani LM has to invest in education and skills development so the community know how to be tourist friendly and to enable them to gain from tourists by making their own arts and crafts.

c) Strong retail and supporting services

GREATER GIYANI LOCAL MUNICIPALITY LED STRATEGY

Greater Giyani LM and more specifically Giyani Town have a strong retail base and supporting services. This eases the transition of focus to tourism considering that no extra planning and expenses need to be incurred.

d) Airfield

The airfield can be upgraded to receive chartered flights of small aircraft for business and tourist purposes. Sightseeing flights for wildlife can also be launched from here.

e) Sports tourism

Greater Giyani has access to a soccer stadium that seats 20,000 people and a golf course that is not used to its full potential.

The Municipality can invest in the local soccer team to ensure they perform well and secure a spot in the PSL which will provide opportunities for people from other areas to come and watch their team play in Giyani.

f) Giyani Tourist Information Centre

The Giyani Tourist Information Centre can be used as a centralised booking centre for all accommodation and other tourist attractions in the municipality. It could be linked to the KNP network as well.

Beneficiaries from the community can be trained to become tourist guides and work from the Information Centre to provide assistance as tour operators.

5.4.2.2. Development Constraints

a) The need to support local SMME development by local government

Government, and related services, is the biggest contributor to local GDP (30.5 %). Procurement by local government should preference local SMMEs and entrepreneurs as far as possible. The system is, however, constrained by an absence of local businesses that can cater to the needs of local government. A centralised database of local businesses, their products and services, as well as their skills is not readily available.

b) Infrastructure

The availability of proper infrastructure such as good quality roads, electricity, piped water and sanitation are critical to the development of the Tourism sector. The water network needs to be in proper working condition at all times. Currently, the LM cannot provide sufficient water to residents. According to the Department of Water Affairs, Greater Giyani only scored 65.48% on the Blue Drop rating system in 2011 (2012 report)⁶. The Nandoni pipeline, which is expected to be completed by September 2014, should rectify the problem.

The entrance to Giyani Town could be upgraded to ensure people remember where they were and could be used as a marketing tool as well to incorporate the cultural tourism of the region. Greater Giyani is already on the *Rixile Route* of Open Africa, which should be used to the advantage of the community and can be extended to include all new attractions on the road. The word *rixile* means '*rising of the sun*' or '*the dawn of day*'. The route, situated in the Limpopo

⁶ [ONLINE] Available at: <http://www.dwaf.gov.za> [Accessed 09 December 2013]

province of South Africa, meanders between the small town of Giyani and Phalaborwa, the only town with a gate into the Kruger National Park.⁷

The soft infrastructure that enhances the aesthetic identity of Greater Giyani is also of importance. The softening and beatification of hard infrastructure, like the roads and buildings of Giyani, should be upgraded and maintained to give an authentic Giyani, yet modern aesthetic identity to area. This should be done in such a way that the tradition of the area is preserved.

DWA Regulatory Comments, 2011:

The DWA Inspectors identified a lack of municipal management support as a reason for concern which could delay future improvements in the drinking water quality management performance of the Mopani District Municipality. While the municipality provided information that allowed for a better assessment of performance in most of the supply systems managed solely by Mopani, a number of systems were still found not-assessed. Water to residents in the Nondweni, Nkambako, Thapane Semarela, Giyani, Mapuve and Middle Letaba water supply areas were found of a microbiological quality not compliant with the requirements of SANS 241 (South African National Standard for Drinking Water).

While the municipality improved on chemical compliance monitoring to confirm that monitoring only fluoride, nitrate / nitrite and sulphate is sufficient to safeguard against all the chemical health determinants which could be associated with drinking water, disinfection needs to improve. Failures of residual chlorine levels at points of use further confirm the need to improve treatment.

The performance of Mopani was measured at higher scores in systems where the WSA received assistance from Tzaneen Local Municipality and Northern Lepelle Water. While the performance in systems receiving water from Lepelle Water (Nkowankowa; Phalaborwa, Lulekani & Namakgale as well as Letaba Politisi & Modjadji) remain on the brink of Blue Drop status, the DWA evaluated performance of Mopani and Tzaneen LM of a quality in the Greater Tzaneen and Letsitele supply systems that deserves Blue Drop status for a second

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c) Policy structures and strategy

Although tourism is difficult to measure accurately or comprehensively it can be seen as a large contributor to the municipality's GDP due to contributing factors and indicators. Therefore, there needs to be a Tourism Strategy that stipulates the structure of tourism management. Together with the Strategy, a tourism manager needs to be allocated under the LED manager for the municipality. These actions correspond with the vision and mission of the municipality that emphasise the importance of economic development through tourism.

When in conversation with the local tourism forum the problem of communication was prominent. There is a communication gap between the forum and the Local Municipality. To improve the development of small tourism based businesses and supporting businesses, a constant stream of information needs to flow from the Local Municipality and investors. A clear

⁷ [ONLINE] Available at: <http://www.openafrica.org> [Accessed 09 December 2013]

⁸ [ONLINE] Available at: <http://www.dwaf.gov.za> [Accessed 09 December 2013]

policy and strategy needs to be implemented to ensure that all stakeholders move in a uniform direction.

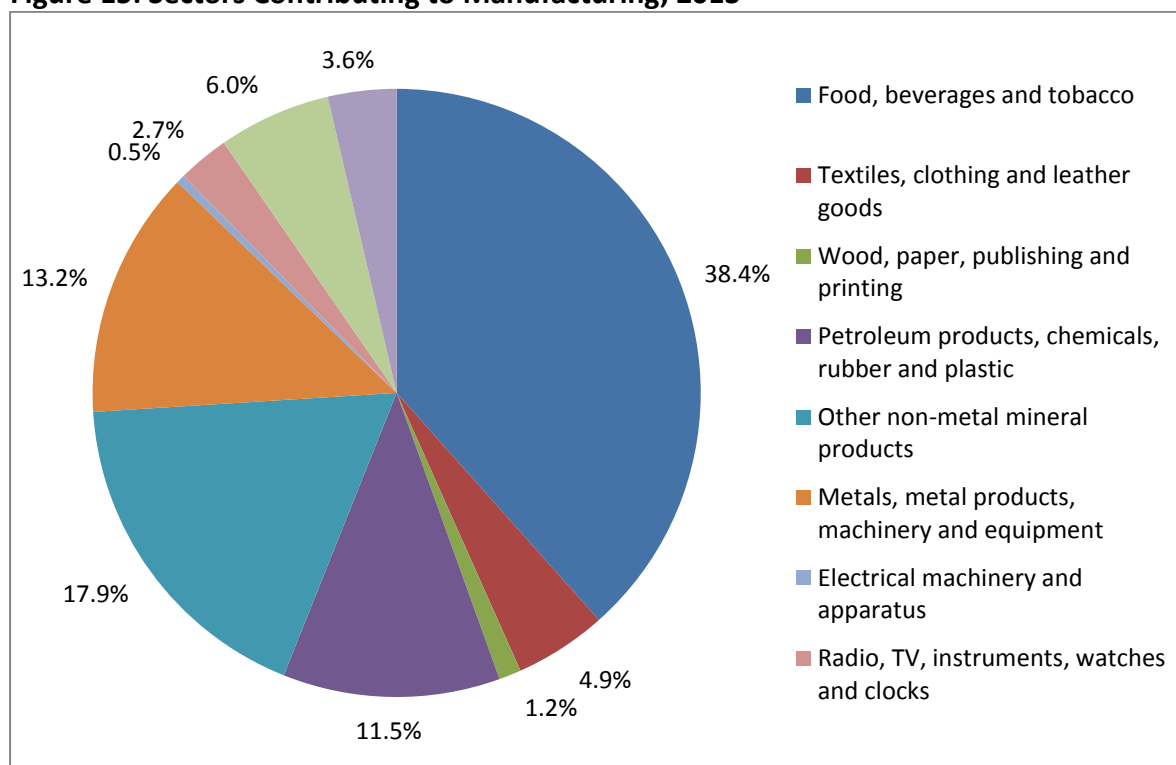
Tourism needs to be integrated with all other policies while still considering its importance. The Spatial Development Framework is one example. The spatial planning of the town needs to include the development of infrastructure that promotes tourism like walkways through the town, signs that clearly indicate where points of interest are and a market area in or near the Info centre. Thus tourism focus points will be created to ease the flow of tourism traffic and enhance the experience for tourists.

5.4.3. Manufacturing

Manufacturing is defined as the physical or chemical transformation of materials or compounds into new products. This section explores the current situation within the sector, as well as future possibilities for economic development within Greater Giyani.

Manufacturing contributed 3% to the GDP of the Greater Giyani Municipality in 2011. From an LED perspective, most of the development potential for Giyani in manufacturing relates to agro-processing activities associated with local resources. Furthermore, the region produces small volumes of traditional beads, clothing and jewellery for the tourism industry.

Figure 15: Sectors Contributing to Manufacturing, 2013



[Source: Quantec 2013]

Similar to the issues discussed under the Trade sector, manufacturing in Greater Giyani is constrained by a lack of small business support and relevant skills. Initiatives aimed at accredited skills training and the development of a beneficiary skills database is required to facilitate development. To stimulate the demand for manufactured products from Greater Giyani it is recommended that SABS be approached to assist SMME with quality control and assurance.

The state and availability of infrastructure in the area is a point of concern for development. The revitalisation of the LIMDEV industrial area is highly recommended to facilitate investment into the area. The old educational buildings in Giyani can also be designated for light manufacturing or other LED uses. The establishment of an educational facility in the area to address needed skills in the area should be considered.

5.4.4. Trade

The Trade sector is defined as the resale (sale without transformation) of new and used goods to the general public for personal or household consumption, or for use by shops, department stores, stalls, mail-order houses, hawkers and peddlers, consumer co-operatives, etc.

Government has diversified and deepened the country's trading networks, export markets and sources of Foreign Direct Investment. Apart from its traditional trading partners, South Africa has developed more extensive relations with South America, Asia and Africa, thereby enhancing South-South economic co-operation.

The local Trade sector contributed 17.3% to the municipal GDP in 2011 and provided 28% of the employment.

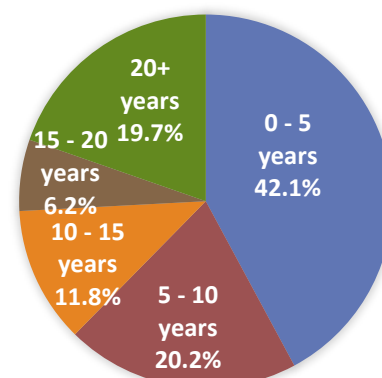
5.4.4.1. Formal & Informal Business Surveys

1) Formal Business Activity – Survey Findings

The small business and retail profile is based on survey data collected from within the Greater Giyani Local Municipality. The survey was conducted during October 2013. The formal business survey addressed several key components including business characteristics, location and challenges, market linkages, historic and future trends, and business confidence. In total over 181 business owners participated in the survey.

The formal business survey sought to determine the characteristics of small enterprise and retail businesses in the Local Municipality, with the main focus on the LM's seat and main town (Giyani) with its immediate surroundings. Firstly, the survey established how long businesses had operated in the region. The findings are illustrated in **Figure 16**, which shows that 42.1% of respondents had operated in the area for less than five years, 11.8% for more than 10 years and 19.7% for more than two decades. This implies that **the small business and retail sector has developed over time and is relatively well established**. Additionally, the fact that there are many new businesses illustrates a reasonably high level of confidence in the local economy.

Figure 16: Years in Operation



(Source: Urban-Econ Business Survey, 2014)

The formal business survey also assessed the size of retail enterprises according to employment. **Figure 17** shows that 52.7% of businesses employ less than 5 people, 13.6% of respondents employ more than 10 full-time staff members and 23.1% employ between 5 and 10 employees. These findings illustrate the **diversity and strength of the small business and retail sector**. They also highlight the importance of small and retail businesses in providing household income and employment.

The formal business survey assessed the influence of business chambers and support organisations in the Greater Giyani LM. It found that merely 14.3% of respondents held membership in some form of organisation. This rate of membership is very low compared to other similar communities and illustrates a low level of organisation among the business community.

The survey also asked respondents to identify the top three advantages and disadvantages of operating a business in their current location within the Greater Giyani LM. The five most often cited advantages were:

- 1) Proximity to consumer demand
- 2) Local business accessibility
- 3) Availability of staff/labour
- 4) Suitability of business premises
- 5) Rental rates

The top five disadvantages of operating a business in the Greater Giyani LM according to survey respondents are:

- 1) No/little help from government institutions
- 2) Crime and security
- 3) Little economic growth/development
- 4) Rent too high
- 5) High unemployment

The final set of questions in the Greater Giyani LM formal business survey addressed historical and projected trends among the local business community. The first question asked respondents to report on changes to their business over the previous three years according to five main indicators; turnover, production, employment, market share and physical size. **Figure 18** presents the survey findings, illustrating the relatively high fluctuation in business turnover and production compared to other indicators.

Figure 17: Number of Employees

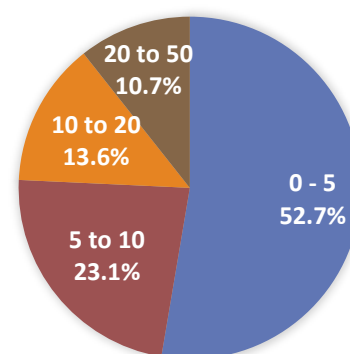
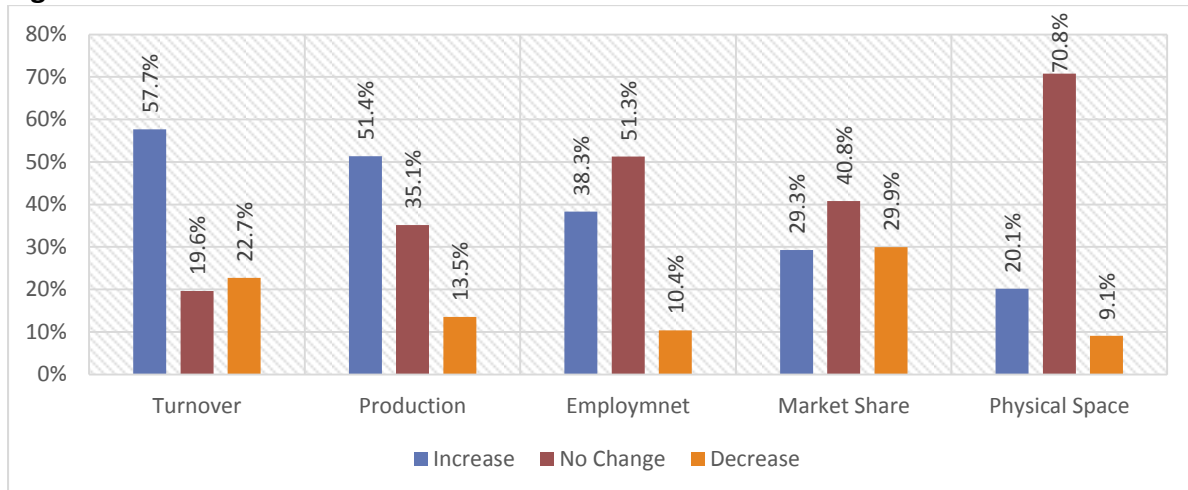


Figure 18: Formal Business Growth

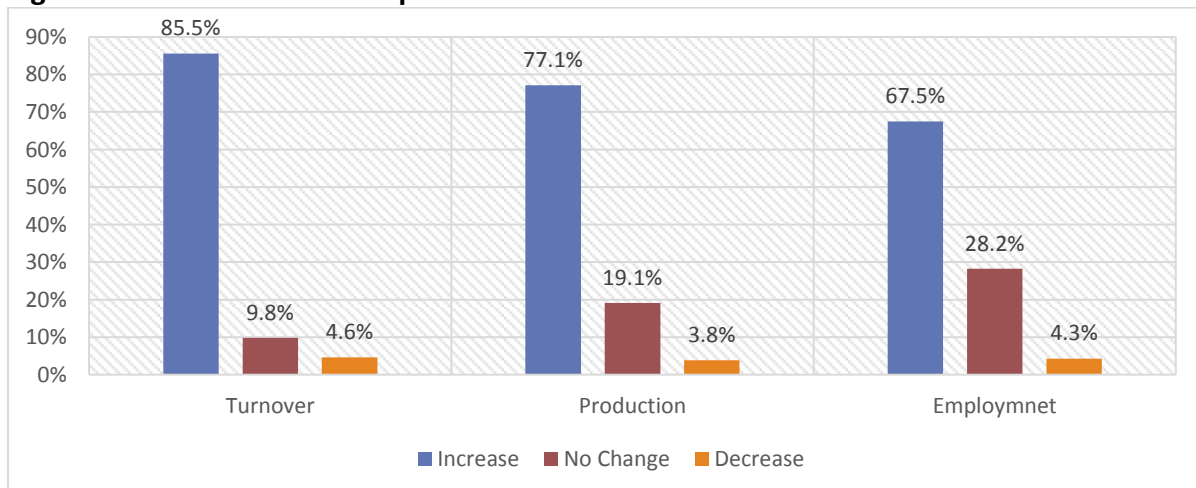


(Source: Urban-Econ Business Survey, 2014)

Indicators were positive, with twice as many business owners reporting an increase rather than a decrease in turnover, production, employment, market share and physical size. These findings are indicative of a growing retail and small business sector and opportunity for further development.

The small business and retail survey also asked respondents to comment on their expectations over the next twelve months for short-term indicators including production, turnover and employment. **Figure 19** illustrates that the vast majority of responses were positive, with 85.5% anticipating an increase in turnover, 77.1% an increase in production and 67.5% an increase in employment.

Figure 19: Formal Business Expectation



(Source: Urban-Econ Business Survey, 2014)

Additionally, in a separate and final question, 60.9% of survey respondents reported having good or excellent business confidence in the Greater Giyani LM area.

2) Informal Business Activity – Survey Findings

The informal business survey was conducted in the Greater Giyani LM in October 2013 and included 82 business owners and operators in the Local Municipality. The purpose of this

research was to develop a profile of informal business activity in the Local Municipality and to identify opportunities for formalisation and development.

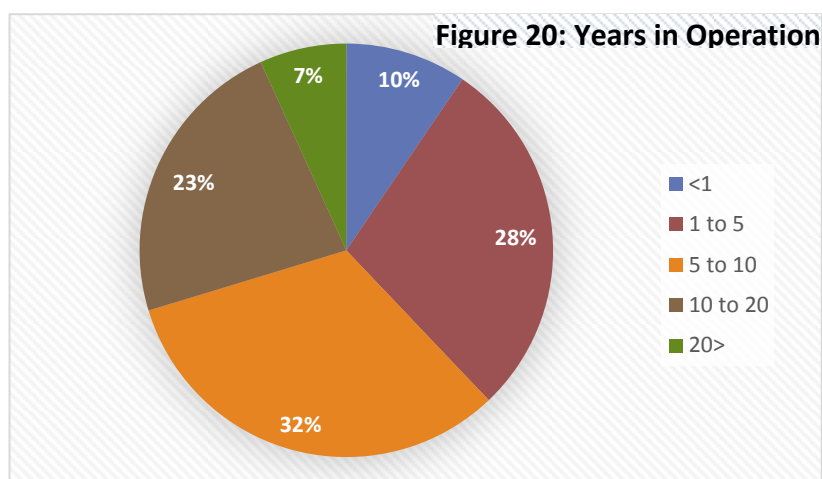
Most of the informal businesses are owned by people who only own that particular business (88.7%); have been in operation between 1 and 10 years (**Figure 20**); and pay employees R140 per day on average. Profit and income are much lower in the informal business sector than among established businesses. According to survey respondents the average profit in a good week is R2,000 and in a bad week drops to R800. It is, however, owing to the informal nature of these businesses that they are able to remain in operation despite inconsistent and relatively low profits.

The relatively low level of employment and wages in the informal sector belays the potential for income generation, especially in townships and other highly populated areas. It is

therefore important to support informal business owners and encourage formalisation in order to alleviate township unemployment and poverty.

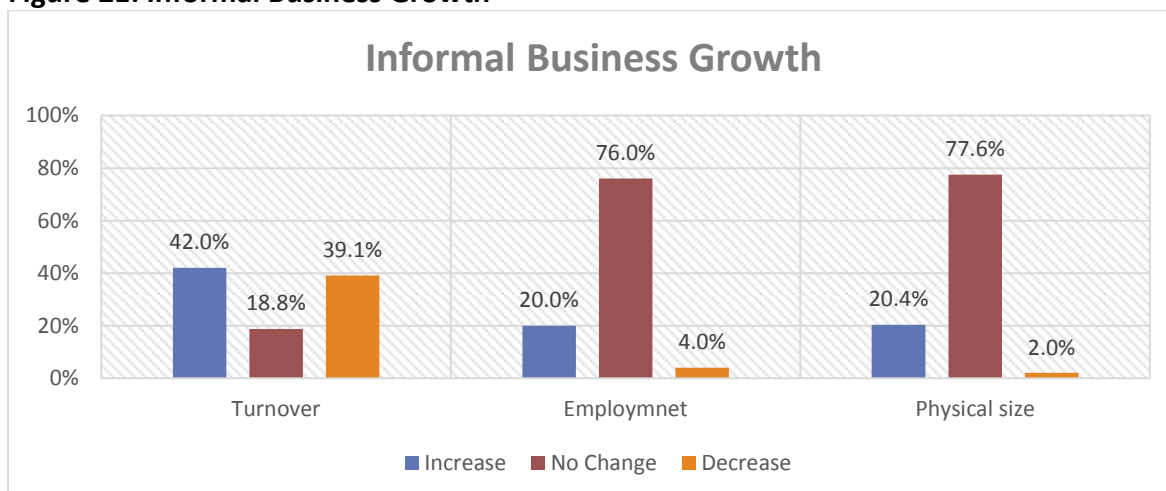
Interestingly 35.4% of respondents said that they did not need to borrow money for their business, which is a good indication. Furthermore, only 21.8% of the informal businesses within the Greater Giyani LM belong to a street trading organisation. The 73.8% of informal traders which indicated that they need to pay for storage to lock up their merchandise indicated that, on average, they pay R560 p.m.

The final section of the survey asked business owners to consider their prior development and their expectations for growth. **Figure 21** illustrates the reported change in business size over the previous three years. It shows that a little more than half of the survey respondents experienced an increase in turnover, while employment and physical size remained much more static. This indicates that, although businesses are growing, they are largely unwilling to increase the number of people they employ and the space that they occupy.



(Source: Urban-Econ Business Survey, 2014)

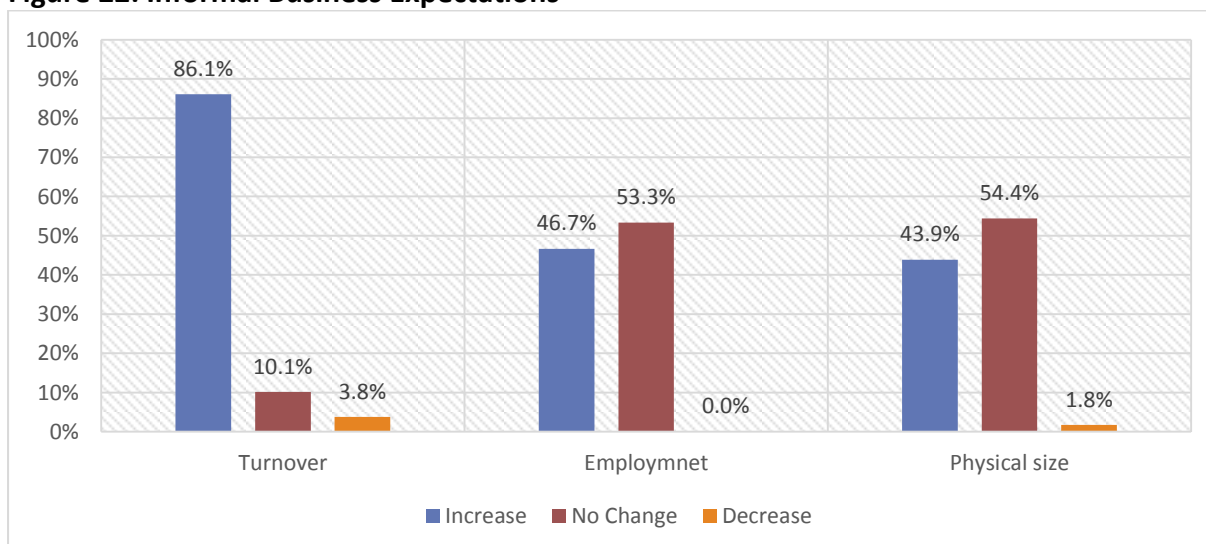
Figure 21: Informal Business Growth



(Source: Urban-Econ Business Survey, 2014)

Informal business owners were also asked to discuss their expectations over the next year according to the same four indicators. **Figure 22** illustrates that 86.1% of respondents expect an increase in turnover; 46.7% expect to hire more staff; and 43.9% anticipate moving to a larger business space. In summary, **the growth expectations of business owners far outweigh past performance, much like in the formal business sector.** Informal business owners indicated that approximately two thirds of them have good or excellent confidence in doing business within the Greater Giyani LM.

Figure 22: Informal Business Expectations



(Source: Urban-Econ Business Survey, 2014)

5.4.4.2. Development Opportunities

In this sector the participation from the SMME sector is very important. The expansion of SMMEs can create much needed employment and also help improve the skill level of people employed. Small business development in the area faces various challenges, which can be mitigated through several approaches:

- An assessment of local SMME requirements needs to be conducted to determine the type of support that must be provided.
- Giyani must develop a local beneficiary database of skills among community members that can be aligned to the needs of the local economy and LED projects. Such a database will require that a skills audit be conducted in the area.
- SEDA (and other service providers) can provide training and support to entrepreneurs and small businesses in the area in partnership with the Local Municipality. The SETAs can provide accredited training to local entrepreneurs and small business owners.
- The outcomes of the LED Strategy must be communicated to local communities and support institutions such as LIMDEV.

5.4.5. Mining

Mining in Greater Giyani contributed 3.3% to GDP in 2011 and provide 2.8% of jobs and is not regarded as one of the main drivers of the local economy. Gold mining ceased in 2000, but Giyani Gold Corporation started in 2012 with new exploration of old projects, specifically the Klein Letaba and Frankie projects. A number of small stone crushing enterprises are in operation to support the local construction sector. River sand mining is also present in the area that supports the Construction sector.

5.4.6. Construction

This sector contributed 1.6% to total GDP in 2011 and 3.6% to employment. The main constraint is a lack of private land to develop. This will be alleviated by the land that was released by Chief Hosi Ngove V. This land is near the CBD of Greater Giyani. Upgrades to existing houses are driving construction in Giyani.

The Geater Giyani Municipality (GGM) will, for the first time in more than twenty years, have land for demarcation of residential sites.

Hosi Ngove V signed an agreement with the GGM to release part of his land for development. This comes after years of negotiation between him and the municipality to release a portion of land that is close to Giyani’s CBD, so it could be used for developmental purposes that would bring about shopping malls and other development. The agreement will not only see the creation of jobs, but will also help to overcome a backlog in residential development in Giyani. This has been hindering the growth of the municipality for many years.

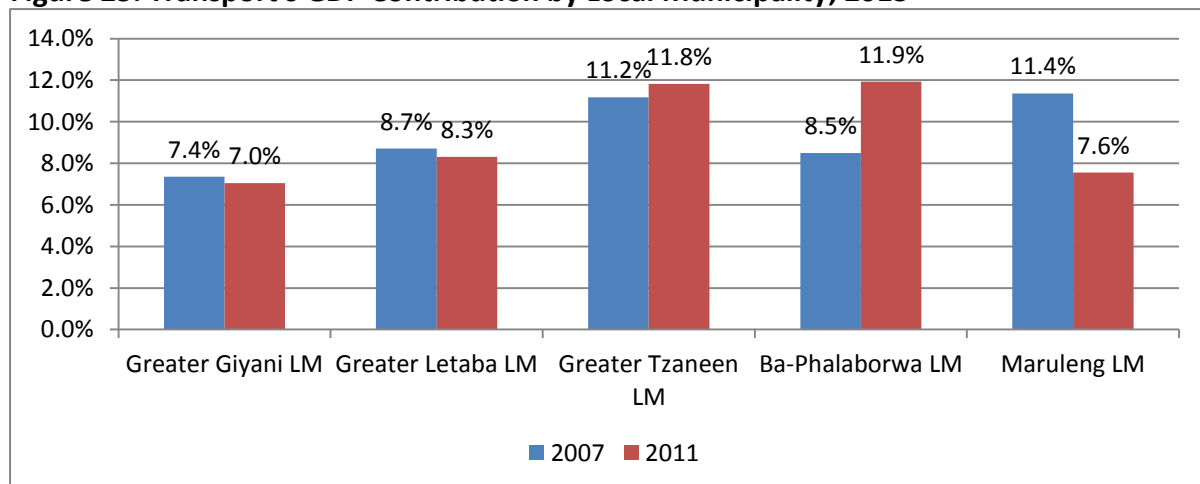
Ngove said “the Mabunda traditional authority agrees on a public partnership to make land available to greater Giyani municipality for developmental purposes. In order to achieve the set objectives, the Mabunda traditional authority and the GGM resolved to work together [in the development of the land]... this includes assuming respective developmental functions that will bring change to the current use and the condition of the land.” He also promised to create more than one thousand jobs, “directly or indirectly”, by 2014 to the area under his jurisdiction. “What I mean by ‘directly and indirectly’ is that some of the jobs will be created through partnership while some will be created through the use of the resources that we already have,” he said.

The agreement was signed in the presence of the minister for Cooperative Governance and Traditional Affairs, Mr Richard Baloyi, Limpopo’s MEC for Health and Social Development, Mr Norman Mabasa, and Mopani district mayor Joshua Matlou. Speaking at the event Baloyi said “traditional communities have rights to developed areas like any other urban areas”. He said “this can only happen if their leaders could release land for development just like Hosi Ngove did, and give it up for development”. He added traditional communities also have their rights to services as well as good governance.

5.4.7. Transport and Roads

The Transport sector contrubited 7% to total GDP during 2011 as shown by **Figure 23**. The sector is mainly driven by passenger services such as busses and mini-bus taxis rather than bulk cargo transport companies.

Figure 23: Transport's GDP Contribution by Local Municipality, 2013



5.4.7.1. Development potential

a) Central transport hub

Due to the high dependency on public transport in Giyani the opportunity arise for a central transport hub where an integrated transport system can be administrated from. This can include a stop for major bus routes from places of work and a taxi rank.

With this comes the opportunity to create a market area for informal traders where they can sell their goods and services. If there is one central market area the cost of transport can be minimised.

5.4.7.2. Development constraints

a) Access roads to villages

The main roads are in a very good condition, but access roads to villages needs to be upgraded to all-weather gravel road, rebuilding the road crossings over annual flowing streams. For example, the road to Muyexe village where the Comprehensive Rural Development Programme was launched is a pressing problem.

At present a bus service frequents the village twice a day, but taxis will not enter the village because of the state of the road. People are forced to use donkey carts as a means of transport. The Spatial Development Framework is important in this aspect as it is advised that designated taxi stops will be incorporated and created along the roads.

b) Traffic flow

As previously discussed, the placement of traffic lights crossing into town can be problematic during peak times. This is especially true over holiday periods when tourist traffic is at its peak, creating traffic congestion and diminishing the tourists' experience of the town. The resultant negative image of traffic flow in the area may impact on future tourism promotion of the town.

6. ECONOMIC STRATEGY AND POTENTIAL PROGRAMMES/PROJECTS

6.1 Introduction

The purpose of this Section is to present the Strategic Development Plans for the local economy of Greater Giyani. The Development Plans are now packaged as the core of the Greater Giyani LED Strategy, together with implementation programmes and associated anchor projects. These focus areas also serve as the point of alignment with the municipal IDP and the development policies presented in Section two of this report.

From a strategic development facilitation point of view, it is necessary to ensure that the appropriate linkages and interactions between projects and actions be established. Such an integrated approach is needed to ensure the optimal rate of implementation and economic development in the area.

As can be seen in **Table 7**, the Greater Giyani LM has been thoroughly investigated and all of its most relevant features have been identified. A summary of the economic analysis of the LM shows all the vital statistics of the LM that can be taken advantage of in the proposed programmes and projects.

Table 7: SWOT

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Proximity to Kruger National park • Near main roads to big economic centres • Strong retail sector – formal and informal • Support services for tourism in place • Abundance of natural agricultural resources • Indigenous community/tribal knowledge 	<ul style="list-style-type: none"> • Lesser purchasing power to sustain big retail businesses and bigger investment • Rural community involves villagers a long way from employment and retail opportunities • Remoteness and high transport costs for people and businesses • Basic services – water, sanitation, roads and energy – still in arrears • Minimum utilization of facilities and development programmes
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Steady inflow of revenue from government salaries • International association with ‘Shangaan’ brand • Agriculture – commercial and communal can flourish • New land where there can be developed 	<ul style="list-style-type: none"> • Dependence on government sector and funding for projects • Private sector withdraws from socio-economic planning due to lack of communication and frustration • HIV afflicting the economically active • Shortage of water • Lack of information and training

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The economic analysis presented the following observations with reference to LED:

1. Greater Giyani LM contributed 20.8% to the *GDP* of the Mopani DM in 2011.
2. Greater Giyani's *GDP* had an *average annual growth* rate of 6%, compared to 1.4% in the District and 2.9% in the province.
3. There are *comparative advantages* in the Utilities, Trade and Accommodation, and Finance and Real Estate sectors.
4. Government Services (30.5%) Finance and Real Estate (25.1%) and Trade and Accommodation (17.3%) dominate the Greater Giyani economy.
5. The most significant *employers* in Greater Giyani are the Government (29.5%), Trade and Accommodation (28.0%) and Personal Services (15.1%).

It is envisaged that the programmes and projects proposed in this Section will be implemented by the Greater Giyani LM working in partnership with other relevant stakeholders and funders as identified in **Table 8**.

Table 8: Stakeholders' Roles & Responsibilities

Stakeholders	Roles & Responsibilities
National Government	Policy Development
Provincial Government	<ul style="list-style-type: none"> • Policy Development • Support • Capacity Building & Implementation <ul style="list-style-type: none"> ○ Agriculture ○ Tourism ○ Environmental Issues Rural Development
Local Government	<ul style="list-style-type: none"> • Policy Development- by laws • LED Implementation • Infrastructure Development Provision of Basic Services
Private Sector	Economic Development
Parastatals	Economic Development, Capacity Building
NGOs	<ul style="list-style-type: none"> • Support Social Development
Local Communities	<ul style="list-style-type: none"> • Planning Consultation • Labour • Development Initiatives Programme Monitoring

The proposed programmes and projects of this Section have been ordered according to which sector they belong. The sectors are referred to as “Pillars” throughout the rest of the document as they have been identified as the main drivers for the growth and development of Greater Giyani LM’s economy. The Pillars are Agriculture, Tourism, Manufacturing and Trade. All of these Pillars, along with their strategies and key programmes and projects will be discussed in the sections that follow. The potential funders and stakeholders that have been identified as being integral to the success of the programmes and projects proposed are given by **Table 9**.

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Table 9: Potential Funders & Stakeholders for Pillars

Pillars	Funders	Stakeholders
Agriculture	<ul style="list-style-type: none"> • DTI: Co-operative Incentive Scheme (CIS) • LEDA • Limpopo Department of Agriculture • Limpopo Department of Roads and Transport • Limpopo Department of Cooperative Governance, Traditional Leadership and Human Settlement • Private Sector (LED Forum) • Tribal Authority • Parastatals • NGOs/NPOs • DBSA: Development Fund/Jobs Fund • Foreign Funding <ul style="list-style-type: none"> ◦ European Union • Independent Development Trust (IDT) • Land Bank 	<ul style="list-style-type: none"> • Greater Giyani LM • LED Forum • Limpopo Department of Agriculture • Department of Cooperative Governance, Traditional Leadership and Human Settlement • Commercial Farmers in GG • Agriculture Research Council & CSIR • Department of Water Affairs & Forestry • Mopani District Municipality • Eskom • Development Bank of South Africa • The DTI • The Department of Transport • Sanral • Local Communities
Tourism	<ul style="list-style-type: none"> • DTI <ul style="list-style-type: none"> ◦ Black Business Supplier Development Program (BBSDP) • LEDA • Limpopo Department of Economic Development, Tourism and Environmental Affairs • Private Sector (LED Forum) • Foreign Funding <ul style="list-style-type: none"> ◦ European Union • DBSA: Development Fund/Jobs Fund • Tribal Authority • Limpopo Department of Cooperative Governance, Traditional Leadership and Human Settlement • Parastatals 	<ul style="list-style-type: none"> • LED Forum • The Limpopo Tourism Authority • Limpopo Department of Economic Development, Tourism and Environmental Affairs • Local Tourism Associations • Greater Giyani Formal Business Association • Local Communities • The Mopani District Municipality • Limpopo Economic Development Agency • Local Tourism Related SMMEs and other businesses • Kruger National Park • Local Travel Agencies and Tour Operators • The land owners of the tourist attractions • The Greater Giyani Local Municipality
Manufacturing	<ul style="list-style-type: none"> • IDC • DTI <ul style="list-style-type: none"> ◦ Black Business Supplier Development Program (BBSDP) ◦ Clothing and Textile Competitiveness Improvement Programme (CTCIP) <ul style="list-style-type: none"> ▪ Production Incentive (PI) ◦ Export Marketing & Investment Assistance Scheme (EMIA) ◦ The Manufacturing Competitiveness Enhancement Programme (MCEP) ◦ Manufacturing Investment Programme (MIP) • LEDA • Limpopo Department of Economic Development, Tourism and Environmental Affairs • Limpopo Department of Cooperative Governance, Traditional Leadership and Human Settlement • Private Sector (LED Forum) • Foreign Funding <ul style="list-style-type: none"> ◦ European Union • DBSA: Development Fund/Jobs Fund • Tribal Authority • Parastatals • NEF 	<ul style="list-style-type: none"> • LED Forum • The Greater Giyani Local Municipality • Limpopo Department of Economic Development, Tourism and Environmental Affairs • Limpopo Department of Cooperative Governance, Traditional Leadership and Human Settlement • Greater Giyani Formal Business Association • Local Industrialists • Local Communities • DBSA • SEDA • Municipal Service Providers • Limpopo Business Support Agency
Trade	<ul style="list-style-type: none"> • IDC • DTI/SEDA <ul style="list-style-type: none"> ◦ Incubation Support Program (ISP) ◦ Support Program for Industrial Innovation (SPII) ◦ SEDA Technology Program (STP) ◦ Black Business Supplier Development Program (BBSDP) • LEDA 	<ul style="list-style-type: none"> • Greater Giyani LM • LED Forum • Department of Cooperative Governance, Traditional Leadership and Human Settlement • Commercial Farmers in

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Pillars	Funders	Stakeholders
	<ul style="list-style-type: none"> • Private Sector (LED Forum) • Foreign Funding <ul style="list-style-type: none"> ◦ European Union • DBSA: Development Fund/Jobs Fund • Tribal Authority • Parastatals • Limpopo Department of Cooperative Governance, Traditional Leadership and Human Settlement • The Limpopo Department of Economic Development, Tourism and Environmental Affairs • Independent Development Trust (IDT) 	<ul style="list-style-type: none"> • Greater Giyani • Mopani District Municipality • DBSA • SEDA • Trade Point South Africa • The Giyani Formal Business Association • Local Tourism Association • Limpopo Economic Development Agency (DBSA) • Municipal Service Providers • Department of Public Works • Mopani District Municipality • Limpopo Business Support Agency • Local Industrialists • Local SMMEs • Local Informal Traders • Limpopo Department of Economic Development, Tourism and Environmental Affairs • Local taxi operators and long distance buses • The Small Business Association • Local Communities

6.1.1 Tools and Instruments

Tools and instruments are defined as something that gives the ability, capacity, responsibility and accountability to achieve the desired goals and objectives. Efficient tools and instruments in key interventions are needed in all sectors to facilitate the cost-effective delivery of services to the community. Some of the most important instruments that can be utilised for the capacitation of communities relate to the transfer of knowledge in terms of:

- *HIV/AIDS management* and its influence on productivity. This instrument is best implemented and utilised if the coordination of the relevant (health) authorities with the rural development initiatives is viewed as a priority. The influence of HIV/AIDS should be anticipated / viewed as a long term impact.
- *Knowledge management* is a relatively new instrument to Development. This instrument entails the improvement and optimal utilisation of tacit knowledge within communities. However, this also includes the transfer of explicit knowledge to communities within Greater Giyani. Usually, this instrument is placed under the ambit of human resources development.
- The use of *appropriate technologies and techniques* is a major element that requires attention. The rationale behind the utilisation of appropriate technologies and techniques will increase yields in addition to the protection of resources. This increased productivity can be viewed as the relationship between the input and output ratios. The following prerequisites need to be in place before such activities can be successfully implemented:
 - Better and more effective co-ordination between Greater Giyani and Limpopo government entities.
 - More effective communication of policies and actions between Greater Giyani, local farmers and research institutes.

- Practical training, education and awareness building.
- Technology demonstrations.
- The *improved communication* between all local role-players and stakeholders are required as the primary element that influences the achievability of development initiatives. This should be strengthened through the formalisation of collaboration between sectorial activities through a LED Forum.

6.1.2 Business Models

6.1.2.1 Private Company ((Pty) Limited)

A Private Company is a separate legal entity. A Private Company must register as a tax payer in its own right (independent from the owner) and is required by the Companies Act No 61 of 1973 to have its own rights and duties. Private companies under the new Companies Act of 2008 are prohibited to offer securities to the public and the transferability of their shares is also restricted. Private companies however, are no longer limited to 50 members.

Advantages of a Private Company:

- Shareholders have limited liability.
- The Companies Act imposes personal liability on directors.
- Life span is continuous.
- Adaptable to both small and large businesses.
- Not required to file their annual financial statements with the Registrar of Companies and are not available to the general public.

Disadvantages of a Private Company:

- Subject to many legal requirements
- Can be difficult and expensive to establish
- A private company cannot issue share warrants or be a bearer shares
- The quorum for a meeting is two shareholders for a Private Company
- A Private Company has its annual financial statements audited
- A Private Company must have at least one and no more than 50 shareholders
- A Private Company articles must restrict the right to transfer its shares
- A Private Company cannot, therefore, be listed on the stock exchange

6.1.2.2 Cooperative

A cooperative is a voluntary organisation formed by a group of people who have a common need that they want to address jointly, or a group of people who want to create employment for them⁹.

A Cooperative means an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically – controlled enterprise organised and operated on co-operative principles¹⁰.

Cooperative Principles:

⁹ dti Co-operatives Handbook

¹⁰ Co-operatives Act

1. Voluntary membership.
2. Democratic member control.
3. Member economic participation.
4. Autonomy and Independence.
5. Education, Training and Information.
6. Co-operation with other co-operatives.
7. Concern for members of the community.

6.1.2.3 Public-Private Partnership

A Public Private Partnership (PPP) is a contractual agreement in which a private party takes responsibility for and assumes the risks for all or part of a public sector function for a specified amount of time. A PPP contract can be a service contract for a period of time, a management contract, a lease, a concession, a build-operate-transfer arrangement (BOT) or any other contractual agreement of similar nature.

Public-Private Partnerships are becoming increasingly popular in various parts of the world. They provide a means for both the public and private sectors to participate in areas, which were previously considered to be public responsibilities. The major benefits, which result, are the sharing of resources and risk.

PPPs can take a wide range of forms. A large infrastructure project such as the construction of a major highway in which the private sector undertakes design, construction, maintenance and operation (and possibly partial or full ownership), and takes a large portion of the risk is one example of a public-private partnership. Another example is the outsourcing of a routine operation such as solid waste collection to a private company.

Some of the benefits associated with public-private partnerships include:

1. Access gained by government to private sector design and innovation skills.
2. Access to project management skills.
3. Access to private sector financing.
4. Access to finance and technical resources not available to the public sector.

A typical public-private partnership has the following characteristics:

1. The private firm invests in a capital asset and is responsible for maintaining and operating it over the life of the contract.
2. The focus is on the services provided and not on the assets used.
3. Risk transfer is a key element.
4. State assets are often transferred or made available to the private firm.

Public-Private Partnerships can play an important role in Lejweleputswa in regards to the design, development, implementation, and financing of LED developmental projects. More often than not, the private sector can prove extremely effective in delivering basic services and infrastructure at a cost lower than government. This has not always been the case but there are a number of examples where private companies have proven so, particularly in areas related to large scale construction, solid waste collection, and the construction of waterworks.

At the national level, South Africa has embraced the PPP concept as a key strategy in overcoming some of its infrastructure backlogs. Usage of PPPs has become fairly widespread at the provincial and municipal spheres of governance. They represent an outstanding opportunity for governments to deliver much needed basic services and infrastructure at affordable costs and high quality levels. It is important to note that the National Treasury needs to be consulted and provide their approval before a Municipality can engage a private entity in a PPP arrangement.

In LED, Public Private Partnership's examples include the development of tourism game farms on state owned land and the establishment of SMMEs in government owned buildings (including incubation initiatives).

6.1.2.4 Non-Profit

A non-profit company is an entity that is incorporated for public benefit regarding cultural and social activities, or communal or group interests. The income and property non-profit company is not distributable to its incorporators, shareholders, directors, officers or persons related to any of them. In South Africa, non-profit companies issue a tax certificate when requested by donors which can be used as a tax deduction by the specific donor¹¹.

6.1.2.5 Business Trust

Business Trusts consist of business assets that are placed under the control of a trustee(s) that is administered and operated for the benefit of the beneficiaries. There is no limit on the number of beneficiaries that are incorporated in the Business Trust. Assets and beneficiaries must be clearly identified. A trust can be set up for any period of time and is thus capable of continuous existence.

Advantages of a Business Trust:

1. Easy to establish.
2. There is limited liability (because the Trust is a legal entity on its own).
3. Extreme flexibility.
4. Can provide tax advantages.
5. Continuity

Disadvantages of a Business Trust:

1. Limited access to capital.
2. Potential for conflict between parties (Trustees)

¹¹ Companies Act

6.2 Pillars

Figure 24: Integrated Development Approach



(Source: Urban-Econ, 2014)

Based upon Figure 24, there are **4 main Pillars** for stimulating growth and development within the Greater Giyani economy.

These Pillars are based on the situation experienced within the Greater Giyani local economy and aim to utilise existing strengths and opportunities by transforming these into workable programmes and actions that will assist in reducing threats and alleviate the weaknesses in the local economic environment. The Pillars are supported via the development of programmes that aim to enable the specific sector. Distinct actions are formulated in order to reach the targets of each programme.

Each of the abovementioned Pillars are discussed below, each containing the following discussion points:

- A brief description of the Pillar
- A description of themes relevant to the specific Pillar
- A description of the anchor projects associated with the Pillar

6.2.1 Agricultural

6.2.1.1 Strategy

There is a growing need to solve the host of problems faced by the Agriculture sector in Greater Giyani in a more integrated manner, within the framework of sustainable development. Rural and inclusive development strategies in the past have moved between maximising growth through promoting commercial crops and emphasising food production / self –sufficiency on

one hand and import substitution on the other. There are, however, various strategies to improve this sector such as rural beneficiation and diversification.

6.2.1.1.1 Rural Beneficiation and Diversification

Agribusiness may be defined as all market and private business-oriented entities involved in the production, storage, processing and distribution of agro-based products, in the supply of production inputs and in the provision of services. Agribusiness is an integral component of rural development and forms part of the strategy to improve regional and local economic development and ensure food security.

Agribusiness enterprises are primarily labour-intensive small and medium sized enterprises located near agricultural production sites in rural areas or in rural centres, such as Greater Giyani. Economic success of these agricultural enterprises is increasingly determined by the performance and capacity of upstream and downstream sectors. Agribusiness entities need to respond by improving their efficiency and market orientation. What is required in agribusiness is access to expertise, the availability of market information and sufficient management skills. Agribusiness support in itself must be an integral part of the economic development concept and must be targeted towards the creation of jobs and income in Greater Giyani.

In line with a common business concept, the guiding principle is always the market orientation of all support services. Employment promotion and poverty alleviation in rural areas are additional goals of promoting agribusiness. Agribusiness does not only focus on the primary production of products, but also requires additional workers. New employment opportunities are created in the processing industry and, especially, in the service sector.

Experience shows that there are some areas that offer particularly high potential for the successful promotion of the agribusiness sector. These interventions include:

- Product quality trade
- Management of agribusiness-related support services
- Development and management of market infrastructure
- Management of food chains
- Voluntary organisations and co-operation in production and marketing

These abovementioned approach to rural development is by no means exhaustive, but provides a clear indication of the specifics required in order to utilise LED as a vehicle to improve the wealth situation of especially rural and poor communities.

On-going policy developments should anticipate/consider the long-term impact of development activities and therefore strive to continuously update the information database of the economic situation within Greater Giyani. This should be done through on-going research that should inform the implementation strategy of the initiatives.

It is vital that poverty reduction objectives are translated into straightforward operational guidance for programme preparation, implementation and monitoring. Therefore, it must be set out how poverty reduction will be incorporated in all stages of sectorial programming that might be introduced into rural development approaches.

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The following guidelines should be incorporated to facilitate the utilisation of rural development in order to reduce poverty:

- Coherent Pro–Community Agricultural Sector Policy Framework.
 - Increase agricultural productivity; lower transport costs; increase rural-, employment- and food security and integrate remote and lower potential areas into the Greater Giyani LED strategy.
 - Use appropriate institutional structures to encourage involvement of the private sector and civil society (e.g. a LED Forum).
 - Encourage the private sector and enhance market reforms (increase competition between agribusinesses).
- Public and Private sector institutions.
 - Define the roles and responsibilities of the public and private sectors, taking account of local situations.
 - Build institutional capacity to manage the programme and to provide rural services.
- Introduce new management practices to tackle biases against farmworkers and women.
- Improve the target resources.
 - Increase funding for rural development initiatives.
 - Target a greater proportion of funds directly at rural communities, farm workers and women.
 - Increase investment in lower potential areas and develop services for the poor and women to integrate them into the LED growth process.
- Ensure the participation of the poor and women in programme preparation and services.
 - Representatives and civil organisations representing rural communities and farm workers must be consulted during programme/project identification.
 - The Greater Giyani LM must assist these communities to establish such civic organisations that represent their interests (outside the political process).
 - Rural LED initiatives identified through a LED Forum and by the Municipality should be presented to the target rural communities or intended beneficiaries to accommodate any comments or concerns they may have.
 - Establish systems to monitor and evaluate the impact of development initiatives in these rural areas.

Rural development and agriculture play an important role in determining the livelihoods and standard of living of many low income communities in Greater Giyani, particularly when these communities are asked to pay for their use of basic municipal services. Increasing agricultural productivity is, therefore, a key area in the fight against poverty. For the poorest, whose only asset is their labour, returns are vital.

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6.2.1.2 Project Identification

Table 10 lists the potential programmes and projects identified for the Agricultural Pillar.

Table 10: Potential Programmes and Projects for Agriculture

Programme Name	Projects/Activities	*Cost Estimate	Business Model	Timeframe	Potential Funders	Stakeholders
Opportunities For Agro-Processing	Mango & Vegetable Atchaar Production	R2,000,000	Private Company ((Pty) Limited)	1 year	Agricultural Funders (Table 9)	Agricultural Stakeholders (Table 9)
Opportunities For Agro-Processing	Maize Mill	R4,000,000	Private Company ((Pty) Limited)	2 years		
Opportunities For Agro-Processing	Hydroponic Vegetable Farming	R1,000,000	Cooperative	1 year		
Opportunities For Agro-Processing	Commercial Egg Laying Plant	R3,000,000	Private Company ((Pty) Limited)	1 year		
Opportunities For Agro-Processing	Establish Chutney Processing Plant (Mango, Tomato, etc.)	R2,000,000	Private Company ((Pty) Limited)	1 year		
Opportunities For Agro-Processing	Processing of Mopani Worms (Dried & Ground)	R2,000,000	Private Company ((Pty) Limited)	1 year		
Opportunities For Agro-Processing	Marula Fruit Production, Trade & Processing <ul style="list-style-type: none"> • Beer Brewing • Pulp • Preserves/Jam • Juice 	R3,000,000	Private Company ((Pty) Limited)	2 years		
Opportunities for Agro-Processing	Community Charcoal Projects	R300,000	Cooperative	1 year		
Opportunities For Agro-Processing	Establish Communal Vegetable Gardens	R45,000	Cooperative	1 year		
Opportunities For Agro-Processing	Tomato Production & Manufacturing <ul style="list-style-type: none"> • Puree • Juice • Tomato Sauce 	R2,000,000	Private Company ((Pty) Limited)	1 year		
Support Emerging Farmers	Establishment of a Cattle Abattoir	R4,500,000	Cooperative	2 years		
Support Emerging Farmers	Establishment of a Cattle Feedlot	R4,000,000	Cooperative	2 years		
Support Emerging Farmers	Improve Road Infrastructure in Rural Areas	R3,000,000	Public-Private Partnership	Ongoing		
Support Emerging Farmers	Provide Extension Services	R500,000	Nonprofit	Ongoing		
Support Emerging Farmers	Collectively Owned Transport Facilities	R30,000,000	Public-Private Partnership	2-5 years		

*Cost: Rough Estimate Pending Feasibility Studies

6.2.2 Tourism

6.2.2.1 Strategy

There are many definitions and descriptions of tourism. While some specialists restrict tourism to trip distances (i.e. over 50 or 100 km from home), others require that a person stay overnight to be counted as a tourist. More traditional definitions include only vacations or pleasure trips. Today, however, the trend is to use tourism and travel as synonymous terms. Probably the best working definition is:

“Tourism is the temporary movement of people to destinations outside their normal places of work and residence, the activities undertaken during their stay in those destinations and the facilities created to cater to their needs.”

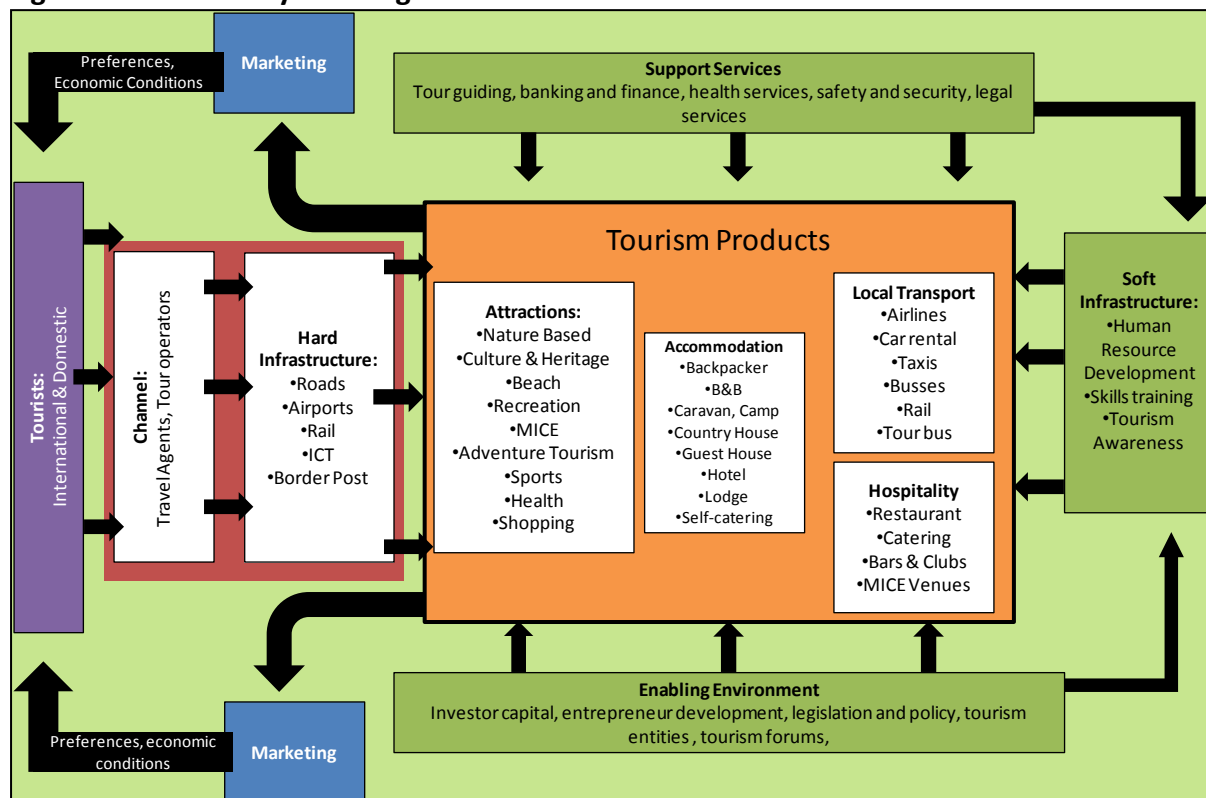
This broader definition does not only include leisure tourism but also business and even medical tourism.

DEVELOPMENT ELEMENTS

Tourism products and their foundations are far more perishable than manufactured products. For example, if a manufacturer of gearboxes discovered that the demand for the product has increased in a certain region the manufacturer can supply products to those areas. However, when a new hotel is developed in a region and a large capital investment was made and the travel market decides to go elsewhere, it is costly, if not impossible to move. In order to understand tourism dynamics, **Figure 25** is used to describe tourism and to assist in the identification of the various components within the tourism system.

The tourism system logic was adapted from Gunn's functional tourism model, which has the underlying rationale that tourism is a system of major components linked together in an intimate and interdependent relationship. According to **Figure 25**, the tourism system logic is divided into subsystems, which serve to transform the inputs into the tourism industry into the desired outputs.

Figure 25: Tourism System Logic



These subsystems include the following:

The Local Transport subsystem, which includes local travel at destinations and the gateways that facilitates transport infrastructure (e.g. bus terminals) that links attractions and gateways. The tourist’s journey takes the visitor through a series of gateways or entry points, routes, staging posts, distribution points or springboards to various destinations and attractions. Consequently, the visitors utilise several modes of transport on one trip e.g. automobile, taxi, bus etc. Passenger transportation is a vital component of the tourism system and provides the critical linkage between market source and destination.

The Attractions & Accommodations subsystem. A destination is an area with a concentration of tourism products in a broadly defined spatial region, which may include one or more tourism clusters (such as KNP and the tourism route). The quality of the experience is weighed against the effort, cost, safety and convenience of the tourists.

The tourism retailing subsystem (combination), also known as the distribution system, consists of travel agencies and intermediaries, who facilitate travel. Many visitors make use of the local distribution system that is composed of tour operators, travel agents, consolidators and wholesalers.

Although external factors are crucially important, the only factor that can be directly affected is the efforts of the Greater Giyani Local Municipality and other local role players. The related interventions that will impact (positively) on this dimension are addressed through the overall strategic framework.

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6.2.2.2 Project Identification

Table 11 lists the potential programmes and projects identified for the Tourism Pillar.

Table 11: Potential Programmes and Projects for Tourism

Programme Name	Projects/Activities	*Cost Estimate	Business Model	Timeframe	Potential Funders	Stakeholders
Expand Tourism Offering	Community Lodge Development (Shangoni Gate)	R6,000,000	Public-Private Partnership	2 years	Tourism Funders (Table 9)	Tourism Stakeholders (Table 9)
Expand Tourism Offering	Development of Eco-Friendly Chalets	R2,000,000	Private Company ((Pty) Limited)	2 years		
Expand Tourism Offering	Development of Cultural Tourist Attractions in Association with the Rixile Culture to Kruger Route	R3,000,000/unit	Public-Private Partnership	2 years		
Expand Tourism Offering	Establish Overnight Facilities and other Tourism near Giyani Town	Not Applicable	Private Company ((Pty) Limited)	2-5 years		
Expand Tourism Offering	Agro-Tourism <ul style="list-style-type: none"> Experimental Farms (Demonstration Plots) 	R4,000,000/unit	Private Company ((Pty) Limited)	1 year		
Expand Tourism Offering	Business Tourism <ul style="list-style-type: none"> Conference Centers Exhibition Halls Hotel & Lodge Development 	R15,000,000	Private Company ((Pty) Limited)	1-2 years		
Expand Tourism Offering	Educational Tourism <ul style="list-style-type: none"> Field Trips Holiday Courses 	Not Applicable	Non-profit	Ongoing		
Support Structures	Tour Guide & Game Ranger Training School	R4,000,000	Private Company ((Pty) Limited)	1 year		
Transport	Road Maintenance and Upgrading	GGLM Capital Budget	Public-Private Partnership	Ongoing		
Transport	Provision and Upgrading of Road Signage	GGLM Capital Budget	Public-Private Partnership	Ongoing		

*Cost: Rough Estimate Pending Feasibility Studies

6.2.3 Manufacturing

6.2.3.1 Strategy

As stated previously in Section 5, the majority of development potential for the Greater Giyani LM in terms of manufacturing lies in combining manufacturing with agro-processing activities. There are many opportunities for manufacturing to link with agro-processing, such as through the processing of Mopani worms and tomato products. There are also opportunities to link with other sectors, for example Greater Giyani can look into manufacturing protective clothing, clay bricks and plastic water tanks. The LM can also take advantage of the traditional beads and jewellery currently being produced and increase the production of those items.

In order for any of these opportunities to be taken advantage of, there first need to be certain things put in place. The proper skills for these types of manufacturing need to be found. This can be done through skills training programmes and facilities. It can also be aided by those in the community who are already in possession of these skills, such as through mentorship programmes. A beneficiary skills database should be constructed so that the skills that are already present in the community can be known and thus properly utilised.

To build manufacturing, Greater Giyani can also look at resources that it currently possesses to see how they can be converted to add the most benefit to the community in terms of manufacturing. These resources include the LIMDEV industrial area, which can be revitalised in order to make it viable and profitable once again. Another example is the old educational buildings that are not currently in use. These buildings can be designated and made over for light manufacturing, thus lowering the start-up costs for those who wish to go into manufacturing.

Those who begin manufacturing will also find themselves in need of various support, such as that provided for all small businesses. Greater Giyani should ensure that structures and facilities are in place that will provide assistance for the growing manufacturers as they are starting out and as they grow and develop their businesses. A big company, such as SABS, should also be approached to assist these SMMEs with quality control and assurance in order to ensure that they are holding up to industry standards so they can be competitive in the market.

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6.2.3.2 Project Identification

Table 12 lists the potential programmes and projects identified for the Manufacturing Pillar.

Table 12: Potential Programmes and Projects for Manufacturing

Programme Name	Projects/Activities	*Cost Estimate	Business Model	Timeframe	Potential Funders	Stakeholders
Link With Textiles	Protective Clothing Manufacturing	R4,000,000	Private Company ((Pty) Limited)	1 year	Manufacturing Funders (Table 9)	Manufacturing Stakeholders (Table 9)
Link With Plastics	Plastic Water Tank Manufacturing	R5,000,000	Private Company ((Pty) Limited)	1 year		
Link With Bricks	Clay Brick Manufacturing	R6,000,000	Private Company ((Pty) Limited)	1 year		
Link With Culture	Traditional Jewellery, Beads and Clothing Manufacturing	R800,000	Private Company ((Pty) Limited)	1 year		
Link With Agro-Processing	Packaging of Mopani Worms	R3,000,000	Private Company ((Pty) Limited)	1 year		
Link With Agro-Processing	Tomato Production & Manufacturing <ul style="list-style-type: none"> • Puree • Juice • Tomato Sauce 	R2,000,000	Private Company ((Pty) Limited)	1 year		
Skills Expansion	Accredited Skills Training: Establish an Educational Facility to Address Needed Skills	R4,000,000	Private Company ((Pty) Limited)	1 year		
Skills Expansion	Develop a Beneficiary Skills Database	R600,000	Private Company ((Pty) Limited)	2 years		
Utilise Existing Resources	Revitalise LIMDEV Industrial Area	R50,000,000	Public-Private Partnership	Ongoing		
Utilise Existing Resources	Designate Old Educational Buildings for Light Manufacturing	Not Applicable	Private Company ((Pty) Limited)	1 year		

*Cost: Rough Estimate Pending Feasibility Studies

6.2.4 Trade

6.2.4.1 Strategy

6.2.4.1.1 Utilisation of government programmes

The local economic analysis indicated the need to focus on certain types of SMMEs and micro enterprises. These include:

- Agro-processing
- Trade activities
- Service provision
- Tourism activities

After the Greater Giyani local economic analysis, it became evident that the area has its own, unique economic structure, with different opportunities for SMME development. The implementation of locally-based SMME programmes should therefore be based on the local economic and socio-economic forces that strongly influence business development in this area.

By implementing this Strategy, attention should, however, be given to the following core activities:

1. Investigating the availability of alternative funding sources to implement SMME development programmes by the Greater Giyani Municipality and the LED Forum. Funding options could also include different PPP structures, donor assistance, discounted rates for municipal services, competitive sale prices for municipal property, etc. It is thus essential that officials at the Greater Giyani Municipality become familiar with the different SMME support options.
2. Establishing a database of the different funding options for the Greater Giyani Municipal area. For example, information is needed on the different funding organisations available (such as the DTI), their contact details, their scope of funding and the way to approach these organisations.
3. The development of a financial management model for the Municipality from where the allocation of funds, budgets, donor assistance, private sector contributions and project implementation can be monitored.
4. The establishment of a proper communication strategy and information exchange platform for government officials dealing with LED/SMME development. This entails the establishment and maintenance of a platform from where the different spheres of government, including the Greater Giyani Municipality, can frequently interact and communicate with each other on relevant development issues. This will establish a basis from where important information can be shared (such as strategies and programmes implemented, alternative funding sources, etc.). The establishment of a communication system can be done in various ways, such as via Internet and intranet facilities, the development of a municipal information database, discussion forums and regular SMME reviews through newsletters/bulletins.
5. The formulation of appropriate partnership structures and programmes. Best practice has indicated that there is no single organisational type or structure that is best suited to

deliver all the SMME development services that are necessary. Services provided through a mix of public, private and NGO delivery agents generally are more successful than those with a single institutional delivery system. Public, private and NGO structures have different perspectives, motivation and strengths, which together provide a stronger web of economic development support structures. This is why these entities should all be represented in the Greater Giyani LED Forum.

6. The Municipal Systems Act (2000) conditionally provides for a municipality to enter into an alternative service delivery agreement with a third party for the delivery of municipal services, given that the municipality has a legal mandate to deliver the service (such as programmes aimed at poverty alleviation and job creation). It is envisioned that most LED initiatives in Greater Giyani will be implemented by members and associations in the LED Forum.

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6.2.4.2 Project Identification

Table 13 lists the potential programmes and projects identified for the Trade Pillar.

Table 13: Potential Programmes and Projects for Trade

Programme Name	Projects/Activities	*Cost Estimate	Business Model	Timeframe	Potential Funders	Stakeholders
Exploit Business Opportunities	Create a New Urban Economic Node across the River	R10,000,000	Public-Private Partnership	2 years	Trade Funders (Table 9)	Trade Stakeholders (Table 9)
Exploit Business Opportunities	Trade Sector Development	R3,800,000	Private Company ((Pty) Limited)	1 year		
Exploit Business Opportunities	Residential Development	R50,000,000	Public-Private Partnership	Ongoing		
Establish Structure and Support System	Spaza Plaza Retail Concept	R5,000,000	Public-Private Partnership	2 years		
Establish Structure and Support System	Public Transport	R10,000,000	Public-Private Partnership	Ongoing		
Establish Structure and Support System	Establish a Combined Taxi Rank and Market Place for Informal Traders	R7,000,000	Public-Private Partnership	2 years		
Establish Structure and Support System	Establish a Transport Hub	R5,000,000	Public-Private Partnership	1 year		
Establish Structure and Support System	LED Information Portal	R300,000-R800,000	Private Company ((Pty) Limited)	6 months - 1 year		
Establish Structure and Support System	Provide Development Services: <ul style="list-style-type: none"> Access to Market Information Technologies Quality Standards 	R1,000,000	Public-Private Partnership	Ongoing		
Establish Structure and Support System	Formulate Appropriate SMME-Targeted Policies: <ul style="list-style-type: none"> Centrally Directed Policy Framework Supported by Decentralized Interventions 	R300,000	Public-Private Partnership	1 year		
Establish Structure and Support System	Provide Appropriate Infrastructure for Use by SMMEs: <ul style="list-style-type: none"> Municipal Services Incubator Local Business Support Center (LBSC) Entrepreneurial Support Center 	R20,000,000	Public-Private Partnership	2 years		
Community	Establish a Business Incubator	R5,000,000	Business Trust	1 year		
Community	Vocation Training Programme	R700,000	Private Company ((Pty) Limited)	1 year		
Community	Community Credit Scheme (Revolving Loan Fund)	R30,000,000	Public-Private Partnership	Ongoing		
Community	Youth Recycling Plant	R3,000,000	Private Company ((Pty) Limited)	1 year		

*Cost: Rough Estimate Pending Feasibility Studies

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6.3 Other Sectors

Table 14: Potential Projects Identified for Other Sectors

Programme Name	Projects/Activites	*Cost Estimate	Business Model	Timeframe	Potential Funders	Stakeholders
Mining	Examine Gold Mining Prospects in the Area	Not Applicable	Public-Private Partnership	1 year	<ul style="list-style-type: none"> • IDC • DTI • LEDA • Limpopo Department of Cooperative Governance, Traditional Leadership and Human Settlement • Private Sector (LED Forum) • DBSA • Tribal Authority • Parastatals 	<ul style="list-style-type: none"> • Greater Giyani LM • LED Forum • Department of Cooperative Governance, Traditional Leadership and Human Settlement • Local Communities
Mining	Develop Guidelines to Ensure Existing Prospectors Communicate with Tribal Authority	Not Applicable	Public-Private Partnership	1 year		
Transport and Logistics	Logistics Company (Transporting Agro-Products)	R4,000,000	Private Company ((Pty) Limited)	1 year	<ul style="list-style-type: none"> • IDC • DTI • LEDA • Limpopo Department of Cooperative Governance, Traditional Leadership and Human Settlement • Parastatals • Department of Transport • Sanral • DBSA • Tribal Authority • Private Sector (LED Forum) 	<ul style="list-style-type: none"> • Greater Giyani LM • LED Forum • Department of Cooperative Governance, Traditional Leadership and Human Settlement • Local Communities • Eskom • The Department of Transport • Sanral • Local taxi operators and long distance buses
Transport and Logistics	Warehouse (Manufacturing Product Storage)	R780,000- R2,000,000	Private Company ((Pty) Limited)	1 year		
Transport and Logistics	Central Transport Hub	R5,000,000	Public-Private Partnership	2 years		
Transport and Logistics	Rebuild Roads Crossings over Annually Flooding Streams	R3,000,000	Public-Private Partnership	Ongoing		
Transport and Logistics	Designated Taxi Stops Along Rural Roads to Villages	R2,000,000	Public-Private Partnership	2 years		
Transport and Logistics	Investigate Traffic Light Placement	R400,000	Public-Private Partnership	1 year		

**Cost: Rough Estimate Pending Feasibility Studies*

7. INSTITUTIONAL DEVELOPMENT AND CAPACITY BUILDING

This Section will focus on LED internal institutional arrangement, external structures involved in LED and capacity building respectively.

7.1 LED Internal Institutional Arrangement

The GGLM LED office is placed within the Planning & Development Department. It is comprised of the following Units:

- Agriculture
- Tourism
- Business regulation and control

The functions and responsibility of LED are structures as follows:

- Managing LED initiatives both internally and externally
- Policy development
- SMME development and support
- Economic sector development and support
- Integration of projects and programmes from various stake holders
- Coordinating and facilitating capacity building
- Identifying potential investors

7.1.1 Challenges LED Internal Institutional Arrangement

Challenges faced by LED internal institutional arrangement include:

- Financial constraints
- Shortage of staff
- Lack of policies supporting various LED functions (especially business attraction and retention policy), the existence of which will create consistency in planning and increase confidence among investors and tribal authorities.

7.1.2 Recommendations in relation to Internal Institutional Arrangements

The following are recommendations for the improvement of internal institutional arrangements:

- Prioritise business regulation and control especially with regards to:
 - Town planning, give it a new delegated function to deal with the shortage of staff
 - Business licences, which are a potential source of revenue
- Allocation of adequate resources

7.2 LED External Institutional Arrangement

LED functions with the support of external stakeholders, which constitute representatives of various sector departments and businesses and other external stakeholders such as:

- Parastatals

- Development finance institutions
- NGOs
- Various Forums: LED, Tourism and Agriculture

7.2.1 Challenges LED External Institutional Arrangement

Challenges encountered by the LED external institutional arrangement function include:

- Lack of participation by stakeholders
- Limited planning and policy integration
 - Fragmented funding of project phases

7.2.2 Recommendations in relation to External Institutional Arrangement

The following are recommendations for the improvement of the external institutional arrangement;

- Integrate planning with external stakeholders, which will solve the fragmented funding issues
- Divide the LED Forum into two new forums and collapse the Tourism and Agricultural forums into these new structures:
 - Agriculture & Manufacturing Forum
 - Tourism & Trade Forum
- Develop an Integrated Capacity Building Plan involving all major funders and institutions

7.3 Capacity Building

The LED Strategy was formulated to guide the Municipality's economic development efforts. The importance of the LED Strategy is significant in the planning and implementation of the LED Development Plans and their programmes.

The capacitation of the Greater Giyani LED Department, other government institutions active in LED initiatives, as well as the LED Forum must:

- Be appropriately structured to facilitate cross-functional collaboration between different departments and institutions.
- Be appropriately capacitated in terms of resource allocations and qualified staff to ensure that deliverables/activities are performed as planned.
- Be appropriately staffed with individuals that are motivated and committed to the LED development process.
- Have a willingness to actively engage with the LED Forum, local businesses, potential investors and local communities.

It is important to note, however, that the Greater Giyani Local Municipality must possess the capacity to implement these Development Plans and their programmes. As this may not always be the case, Greater Giyani should be aware of the role of the Mopani District Municipality (including the Development Agency), Limpopo Economic Development Agency (LEDA), the Limpopo Department of Economic Development, Tourism and Environmental Affairs (DETEA), as well as the Limpopo Department of Cooperative Governance, Traditional Affairs and Human Settlements (COGTA), in providing assistance and resources where it is limited in Greater Giyani.

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It is also important for the Municipality to apply for development programmes (funding) provided by the National Department of Trade and Industry where these programmes align with the Development Plans identified in this Section. Table 15: Stakeholder Capacity Building Table 15 gives an indication of the skills missing in the Greater Giyani LM's LED Forum.

Stakeholder	Identified Gap	Skills	Training Provider
Internal LED Staff	Policy Development	<ul style="list-style-type: none"> • Legal • Language & Writing • Decision Making & Problem Solving • Ethics & Integrity • Communication Skills • Leadership • Teamwork • Budgeting & Financial Management 	<p>SEDA LEDA SETA Higher Learning Institutions</p>
Internal LED Staff	Facilitation of Training	<ul style="list-style-type: none"> • Subject Matter Knowledge • Communication • Leadership • Monitoring • Service Orientation 	
Internal LED Staff	Project Management	<ul style="list-style-type: none"> • Scheduling • Resource Allocation • Risk Management • Budgeting • Team Management (Leadership) • Change Management • Issue Management • Communication 	
Internal LED Staff	Business Support and Development	<ul style="list-style-type: none"> • Legal • Subject Matter Knowledge • Communication • Service Orientation • Complex Problem Solving 	
External LED Staff	Policy Integration	<ul style="list-style-type: none"> • Communication • Legal • Systems Evaluation • Systems Analysis 	
External LED Staff	Project Planning	<ul style="list-style-type: none"> • Organization • Time Management • Leadership • Data Analysis • Procedural (Legal) Knowledge • Planning & Scheduling (Coordination) • Budgeting 	
External LED Staff	Stakeholder Interaction	<ul style="list-style-type: none"> • Communication (Language & Writing) • Interpersonal & Leadership Skills • Social Perceptiveness • Service Orientation • Negotiation • Persuasion 	

Table 15: Stakeholder Capacity Building

(Source: Urban-Econ, 2014)

To address the issues identified in this Section the capacity of the Greater Giyani Local Municipality and its development partners needs to be strengthened in a number of ways, including:

- Closer cooperation with training support institutions such as FET colleges and the SETAs.
- A centralised database of stakeholders and beneficiaries should be created. A skills audit of beneficiaries should also be conducted.

- Development of a Communication Strategy to facilitate improved interaction with stakeholders, role players and communities. A Process Plan of stakeholder engagement should also be considered.
- Continued and expanded engagement with various development forums.
- SMMEs in the area face various funding and maturity related challenges. The establishment of a Financial Management Database is recommended to facilitate better access to funding and the monitoring thereof.
- Proper Land Use Management is deemed as critical in Greater Giyani where most of the land available for development fall under the ambit of the Tribal Authority. The Municipality should adopt applicable by-laws to ensure proper spatial development.)

7.3.1 SMME Development

SMMEs are small, micro and medium sized businesses, usually started by entrepreneurs. They are an integral part of the economy and its success. At present, SMMEs do not form very big part of the economy, nor do they provide a significant amount of employment. However, SMMEs have the potential to become a much more influential part of Greater Giyani's economy. If properly developed, they have the potential to provide numerous employment opportunities as well as to have a bigger say and a bigger impact on the economy.

SMME support systems are a critically important aspect of local economic development and capacity building due to this sector's employment creation characteristics. The Greater Giyani business survey classified some 90% of local businesses as SMMEs. This Development Plan's main focus is to establish and expand SMMEs in Greater Giyani. Thus, the strategy has a dual aim, including:

- The support of SMMEs (existing and newly emerged).
- The development of new SMMEs.

Therefore, the objective of this Plan is to facilitate the establishment of new SMMEs, to provide support during the initiation phases of establishment and to provide sustainable information and support for new and existing SMMEs within the local area.

The strategic focus of this Plan is on the following areas:

- The efficient utilisation of government programmes aimed at SMME development
- Networking and matchmaking
- Development assistance provision to the SMME sector
- Channelling of information

The focus areas of this Development Plan are to:

- Ensure that existing SMMEs and micro enterprises become more sustainable due to the fact that many SMMEs in Greater Giyani close within their first five years of operation.
- Create a business friendly environment for the establishment of new SMMEs, and
- Create a structure through which the Greater Giyani Local Municipality can facilitate SMME development and provide sustainable information and support.

By implementing this Development Plan, Greater Giyani can reap the following benefits:

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- SMMEs have shown a remarkable capacity to absorb labour capacity, albeit largely unskilled.
- SMMEs are locally owned and controlled.
- SMMEs provide a nursery and a proving ground for entrepreneurship and local innovation.
- A stable SMME sector can extend the current revenue base of the Municipality.

To become prosperous business entities, SMMEs need:

- Opportunity, which can be created by a more favourable business environment. This environment can be achieved by:
 - Establishing viable business support facilities
 - Effective networking
 - Nurturing of an entrepreneurial culture.
- Knowledge of business opportunities through information channelling networking, service outreach and networking. The LED Forum will play a central role in fulfilling this function.
- The ability to perform, which can be enhanced through proper training, business advice, finance, high quality business infrastructure and efficient business structures.

In developing SMMEs, government should also look at street vendors for inspiration. Identifying the methods they have used to become successful and applying those same or similar methods to SMMEs will greatly assist in the growth and success of the SMME sector.

8. FEEDBACK MECHANISM: MONITORING & EVALUATION

This Section presents the Implementation Plan for the Greater Giyani LED Strategy. In Section 5 of this report, various Development Plans and programmes have been identified. The success of these Plans will depend on the ability of Greater Giyani's role players to create an enabling LED environment and attract investment to the area. This will require the implementation of selected turn-key projects as well as the provision of effective investment brokering activities to attract, especially private sector, investment.

Successful investment facilitation will also have a significant impact on the implementation of other projects under the LED umbrella (spin-off opportunities). Systematic targeting and negotiations with potential investors are usually left to the last phases of project implementation – resulting in less time spent on this exercise. For this reason it is central that this Strategy should, from the start, establish a framework through which investors could be attracted. It is anticipated that the Greater Giyani LED Forum would provide the basis for such a framework.

This Section builds on the Potential Analysis and the LED Development Strategy (Plans), and serves as a basis for implementation. However, the Plan below will be integrated into the GGM PMS/SDBIP framework.

8.1. Implementation Plan

8.1.1. Agriculture

The first step in expanding emerging farmer support is to improve existing agriculture extension services. Although this process falls beyond the ambit of the Greater Giyani Local Municipality, active lobbying of the responsible department to restructure the delivery mechanism must be undertaken.

Through such lobbying, the specific requirements within Greater Giyani can be communicated to the Department of Agriculture and the restructuring can be of such a nature that the activities of the extension officers in the area align with the efforts of the Municipality (and a LED Forum).

The steps associated with improving access to markets that must be performed are:

1. Formalisation and establishment of regional market areas.
2. Formulation of an informal trading policy, as well as the actual enforcement of the policy.
3. Alignment and utilisation of available development programmes to develop independent agro-production entrepreneurs. Such programmes can be accessed through the National Department of Land Affairs, the Land Bank, DBSA, Khula Enterprises, etc. Commercial Banks in South Africa also have their own loan programmes for emerging entrepreneurs in South Africa (such as ABSA Micro-Finance).

In order to fast-track the identification and implementation of the various linkage-opportunities within the Greater Giyani local economy, the foundation of a cluster formation task team (as part of the LED Forum) to drive the processes involved is vitally important.

Subsequent to the formation of this team, the following activities should be undertaken:

- Discussions with local business to identify potential linkages and to determine which inputs can be obtained locally.
- Identify outputs that are currently not being benefited locally and assess development opportunities and potential products.
- Communicate opportunities and development requirements to the LED Forum as a platform for entrepreneurial and SMME development.
- Establish linkages with other industries and businesses whereby certain costs of doing business can be shared. Such costs may include transport, training, infrastructure, communication, social responsibility, web portals and packaging.

Constantly monitor and evaluate the establishment of strategic alliances, as well as the functioning of linkages and new ventures.

To encourage the formation of communal gardens, it is vitally important to follow the following steps:

- Obtain buy-in from all stakeholders and role-players.
- Identify suitable candidates from local communities.
- Organise local communities to participate in the concept and to support the development of the communal gardens.
- Identify suitable land for development.
- Consolidate the farming allotments of local communities into the necessary farming units.
- Ensure close linkages between the communal gardens and the demonstration plots to guarantee the transfer of knowledge gained to the broader emerging farmer community.

When the first phase of the communal gardens establishment is self-sustainable, repeat the process to increase the number of gardens throughout Greater Giyani.

8.1.2. Tourism

The Greater Giyani Local Municipality is responsible to facilitate and co-ordinate environmental conservation in the area. In this regard, the following must be done:

- Establish local policy and land-use control mechanisms
- Identify specific criteria for each geographical area within Greater Giyani
- Develop a comprehensive Land Use System and SDF
- Draft mechanisms to facilitate the implementation of these criteria
- Amend the necessary town planning control measures, such as town planning schemes and policies and implement the drafted mechanisms
- Market the area's potential to land owners and potential developers
- Promote waste recycling and greening

The following steps should be incorporated during the implementation:

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- Identify potential investors and provide sufficient assistance to these investors.
- Solicit community input, especially at nodes where extensive tourism-related projects are planned.
- Establish Public-Private Partnerships amongst role-players to secure funding and effective implementation of the programme.
- Link this development programme with an aggressive marketing campaign of Greater Giyani.
- Coordinate this development programme with current planning initiatives and projects for the tourism industry on provincial and regional level.
- Initialise planning and implementation of infrastructure provision.
- Compile an inventory of available tour packages, facilities, services and operators in the area and review current services offered.
- Involve relevant organisations in order to compile a strategy for business and educational tourism.

Various activities should be facilitated to plan and develop the working partnerships and the linking of tourism activities. These activities include:

- Establishment of the Collaborative Action Group at part of the LED Forum.
- Identification and development of tourism opportunities that can be linked to a wider tourism theme/route.
- Initiate collaborative communication channels between activities.
- Investigate methods to link activities through tourism travel.
- Approach local tour-operators to expand activities offered to include new tourism developments.
- Market the consolidated tourism activities (i.e. tourism route) as a set of affordable packages.
- Constantly monitor the performance of the various activities to guarantee quality of the entire tourism product and experience.

Transport infrastructure forms the backbone of the economy as it is directly linked to the accessibility of destinations and the convenience of all stakeholders and participants in the area. This is especially important for tourism as it does insure the safe and comfortable travel of tourists.

Elements of this programme include:

- Road maintenance and upgrading
- Provision and upgrading of road signage

Accessibility is seen as an enabler of tourism in rural areas and the upgrading and maintenance of rural roads are crucial to ensure sustainable economic growth within Greater Giyani.

Road signage is a continuous process, specifically tourism signage, as new attractions are developed and some cease to exist. Moreover, road signage needs to be integrated with the offering-mix and the marketing strategy of Greater Giyani and requires planning and collaboration between various fields of expertise.

8.1.3. Manufacturing

In order for manufacturing to grow as a sector and for all of its opportunities to be taken advantage of the following needs to be done:

- Identify the main stakeholders and funders for each project
- Develop a database of Beneficiary Skills
- Establish support structures and policies to support the development of manufacturing enterprises in Greater Giyani
- Identify outputs that are currently not being benefited locally and assess development opportunities and potential products
- Alignment and utilisation of available development programmes to develop independent agro-production entrepreneurs. Such programmes can be accessed through the National Department of Land Affairs, the Land Bank, DBSA, Khula Enterprises, etc. Commercial Banks in South Africa also have their own loan programmes for emerging entrepreneurs in South Africa (such as ABSA Micro-Finance).
- Discussions with local business to identify potential linkages and to determine which inputs can be obtained locally.
- Identify outputs that are currently not being benefited locally and assess development opportunities and potential products.
- Communicate opportunities and development requirements to the LED Forum as a platform for entrepreneurial and SMME development.
- Establish linkages with other industries and businesses whereby certain costs of doing business can be shared. Such costs may include transport, training, infrastructure, communication, social responsibility, web portals and packaging.
- Constantly monitor and evaluate the establishment of strategic alliances, as well as the functioning of linkages and new ventures.
- Formulate revised policy frameworks and programmes

8.1.4. Trade

The main activities associated with the establishment of the LBSC are to:

- Identify the stakeholders that will become directly involved in the LBSC
- Determine the organisational format and institutional structure of the LBSC
- Develop a database of business development opportunities, needs and constraints
- Establish specific support functions, procedures and actions to support the development of small businesses in Greater Giyani
- Market the LBSC through a focused marketing strategy

The formulation of a SMME Policy for Greater Giyani is very important to guide future business development throughout the area. The following steps towards developing this Policy will realign the Municipality's planning approach and re-adjust the focus of local role players with regards to SMME support.

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- Identify which existing policies, by-laws and programmes adopted by Council in the past have an impact on the local SMME development environment. These must be re-interpreted as SMME development tools and instruments for SMME support:
 - Overall development policy
 - Procurement policy
 - Approach to alternative service delivery
 - Investment incentives
 - Outsourcing alternatives
 - Privatisation alternatives
 - Etc.
- Establish specific objectives for SMME development, as well as role players
- Formulate revised policy frameworks and programmes
- The draft SMME Policy must be presented for public comment
- Review by the LED Forum
- Adoption by Council
- Implementation of the revised SMME Policy
- The process that needs to be followed in order to establish the Greater Giyani LED-information portal is relatively simple. Firstly, the information indicated under the Core Components sub-section of this programme needs to be collected. This must be done in collaboration between the LED Forum and the Municipality. Secondly, the Municipality must appoint an external service provider to develop and implement the Information Portal. This will ensure a professional product that is optimised on internet search engines (such as Google), hosted on international web servers, properly maintained, and fitted with an easy-to-use mechanism that would allow the Municipality to update the information on the site with very little effort. Overall, it must be ensured that the actual LED-information portal is easy to use and understandable. An example of a proper LED-information portal can be viewed at <http://www.michiganadvantage.org>.
- The next step is to identify groups of SMMEs (and other businesses) in Greater Giyani that could be convinced to participate in the formation of strategic alliances in the local economy. Information that is required relates to the specific nature of the businesses, what they have to offer and what services are required. It is critically important to identify a champion or a business group to drive and coordinate the deployment of the strategic alliance. It is envisioned that the LED Forum will be the main driver in the formation of strategic alliances.
- It must be emphasised that the size and nature of any business strategic alliance will depend on the local business-, market- and economic dynamics. Continuous lobbying with the business sector is crucial for the initial success and to gain momentum in the strategic alliance as well as to ensure the sustainability of the alliances.
- A vital issue is the commitment that is required by stakeholders in various strategic alliances. A clear mandate or agreement on participation will ensure that trust is built between alliance partners.
- Liaising with selected large firms via a LED Forum in Greater Giyani is important in order to establish whether opportunities for outsourcing exist and to determine who can

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champion the strategic alliance. Such activities should include capacity building and an advice component through which the larger firms can transfer expertise to the participating alliances. Where outsourcing is anticipated and undertaken, it is important that appropriate mentoring and assistance is given to the alliance participants to guarantee quality standards of products and reliability of delivery to the larger firms.

- Best practice indicates that strategic alliances should be kept small and organised around practical goals. Additionally SMMEs tend to be resistant to strategic alliances due to perceived competition, loss of independence, trade secrets and market share. For this reason a champion or broker should be involved in the process. In Greater Giyani it is recommended that a LED Forum fulfils this role.

The following main implementation activities are associated with a transport hub:

- Identification of appropriate land/space for development
- Develop and provide preferential incentives for informal traders to comply
- Establish an informal business sub-committee as part of a LED Forum
- Provide the necessary infrastructure necessary for taxis to use the transport hub

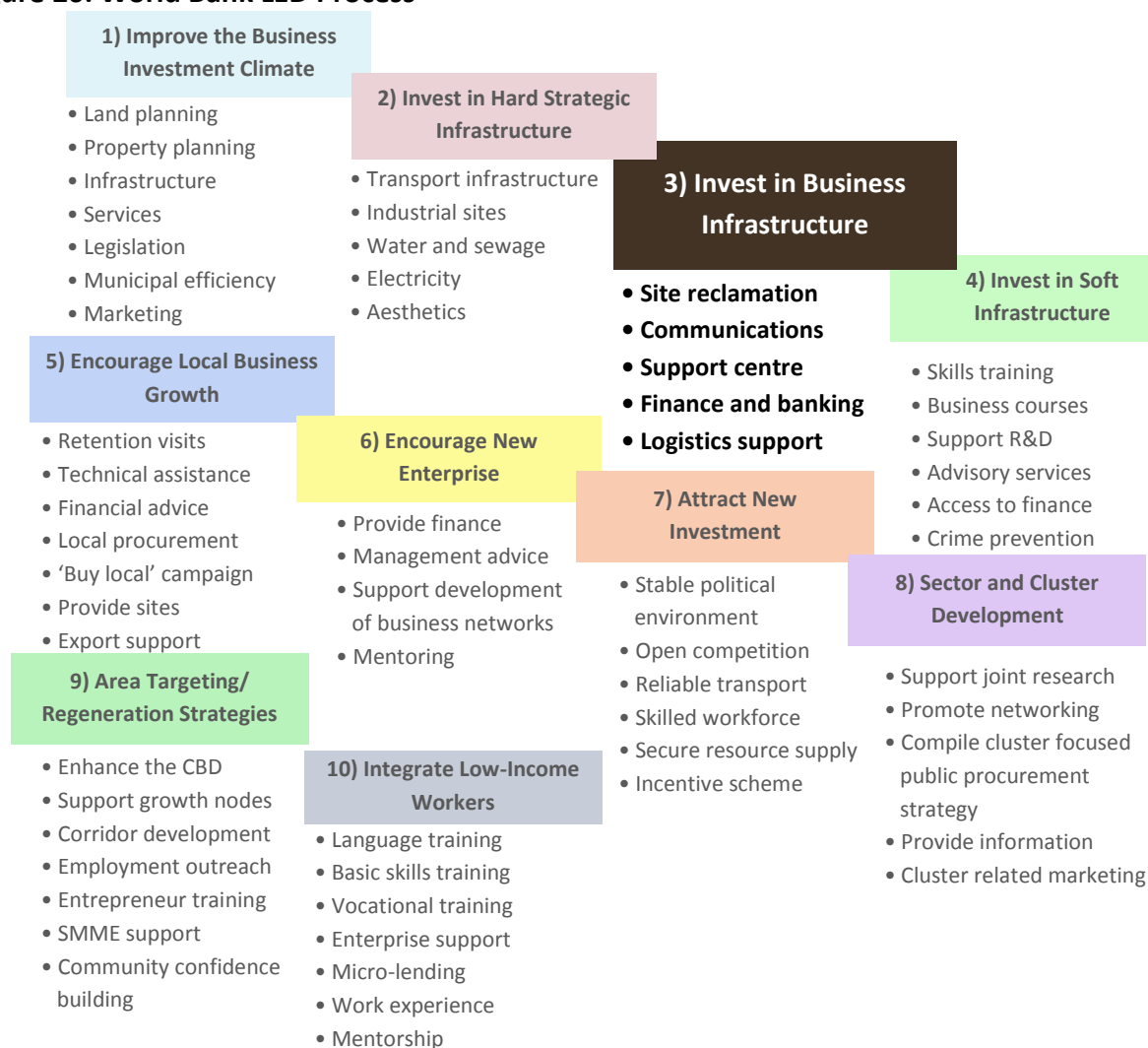
The following main implementation activities are associated with revitalisation of the CBD:

- 1) Develop a LBSC in Giyani. This Centre would offer a range of information, support and services including the following:
 - i. Support with business registration, SARS registration and other legal issues
 - ii. Advice and support in business plan development
 - iii. Information on available support mechanisms and financial resource
 - iv. Assistance with funding and loan applications
 - v. Access to internet, printing and copying facilities for entrepreneurs
- 2) Partner with local stakeholders including the private sector in the delivery of skills development programmes and entrepreneurial support. Initially this should involve partnership in execution of the SMME Help Desk, with the Municipality providing strategic and financial support. This project could also be linked to the proposed business support centre.
- 3) Improve access to credit and finance by actively recruiting micro-lending agencies and extending these services to the surrounding townships. The Greater Giyani LM can also provide this agency and/or branch with incentives including a low cost site, free basic services and other support.
- 4) Increase access to communications technology such as computers and the internet. This technology could be provided at a low cost at the business support centre or other community facility. There is also an opportunity to provide computer skills courses and assistance with business related research.
- 5) Invest in the Development of Business Infrastructure within the proposed new CBD. Investment in business infrastructure for the new urban CBD is vital in the revitalisation of the local economy. It is therefore recommended that the LED Unit focus on this initiative through investment in business infrastructure. This infrastructure includes the services, facilities and support required to facilitate accelerated business growth and development.

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The World Bank stresses the development of business infrastructure as a key component of the LED process as illustrated in Figure 36. This illustration is also meant to highlight how business infrastructure development forms part of a more holistic and integrated LED approach.

Figure 26: World Bank LED Process



6) Provide logistics support to facilitate the trade, export and transport of locally manufactured goods. This support could be provided in a variety of forms including:

- i. Development of secure and low cost storage facilities in Giyani.
- ii. Facilitating the creation of a low cost transportation system utilising contributions from local business owners.
- iii. Providing information on transport methods, costs and customs regulations.
- iv. Assisting small business owners with transport and delivery management as part of the proposed business support centre.

The development of business related infrastructure is a collaborative process involving the municipality, provincial departments and state resources. Therefore implementation of the proposed projects will require a collective effort, with strategic direction provided by the LED Unit.

8.2. Development Principles

Table 16 presents the primary principles according to which the implementation of the various Pillars and their programmes should be undertaken.

Table 16: Development Principles

PRINCIPLES	DESCRIPTIONS
<i>Sustainability</i>	Sustainability is important on terms of economic, social as well as environmental impacts. Accurate assessment of this dimension prior to the implementation of any LED initiative must be undertaken to limit the irresponsible application of resources.
<i>Broad Based Black Economic Empowerment</i>	In light of the distribution of opportunities in terms of demographic characteristics, the development of the economy should be performed against the background of national BBBEE guidelines.
<i>Employment</i>	All development projects that are implemented must be guided by employment creation as the ultimate goal of the project. In other words, where applicable labour intensive methods should be employed.
<i>Income</i>	LED initiatives must aim to better the income profile of local households and communities. As far as possible steps should be taken to ensure an equitable distribution of income emanating from projects. Good results in this regards can be observed among cooperatives and PPPs.
<i>Comparative advantage</i>	The Development Plans have been identified based on the rationale of building on local comparative advantages. Local economic sectors with such advantages should be targeted for investment and expanded upon. Investment constraints should also be mitigated through development interventions (e.g. a lack of serviced business plots).
<i>Identified needs</i>	LED Initiatives should be presented to targeted local communities and beneficiaries before implementation. The purpose of such communication is not only to obtain buy-in and support but also to identify additional community needs which the project can potentially address in a creative manner. These needs should be translated into development priorities for the implementation of LED projects.
<i>Investment</i>	Investment attraction from outside the Greater Giyani Municipality is important as this implies that funds are injected into the local economy. This also implies efforts to increase local levels of investment as well as the circulation of locally generated capital.

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PRINCIPLES	DESCRIPTIONS
<i>Capacitation</i>	A key element to the success of LED initiatives is the availability of skills and the competency of workers. As most workers in Greater Giyani are regarded as low to medium skilled, capacity building should form part of all projects. It is recommended that this component be addressed in the feasibility study and business plans of LED projects to ensure it is properly budgeted for. Contributing factors also includes business mentoring and SMME Incubation.
<i>Latent potential</i>	Existing but under-utilised resources and development opportunities are regarded as latent potential. Such resources and opportunities should be presented to the LED Forum and information made available through the LED Information Portal.
<i>Linkages</i>	Linkages in the LED context refer to both the flow of economic goods and services as well as the communication of both government and non-government entities with each other. The basis of any LED Strategy is to strengthen these communication channels or establish them where they do not exist. The Greater Giyani LED Forum and Information Portal are initiatives in this regard but seen as only the start in a process of strengthening linkages and communication.
<i>Efficiency</i>	Efficiency improvement can be regarded as an increase in the rate at which work (or specific tasks) is completed. This concept focuses on the outcomes that must be achieved. An overall improvement of efficiency is central to LED implementation and applicable to all role players in Greater Giyani. This term is viewed as “ doing things right ”. The road to improved efficiency can be achieved through rethinking institutional mandates and organisational arrangements (such as task teams and institutional systems).
<i>Effectiveness</i>	Closely related to efficiency is effectiveness. This term is, however, aimed at the improvement of the relationship between the outputs and the energy or inputs required to perform a specific task. Therefore, the focus should be “ doing things right with less ”. This concept is central to LED which will always be faced with resource constraints. Effectiveness in LED is achieved through a partnership between role players and creative thinking.
<i>Poverty alleviation</i>	Specific focus should be placed on poverty alleviation throughout the implementation process. Although market forces would determine the optimal location of investment (e.g. a transport hub), communities subject to poverty and hardship should always be considered during project planning. If market forces dictate that a project will not be feasible in such an area the business plan must

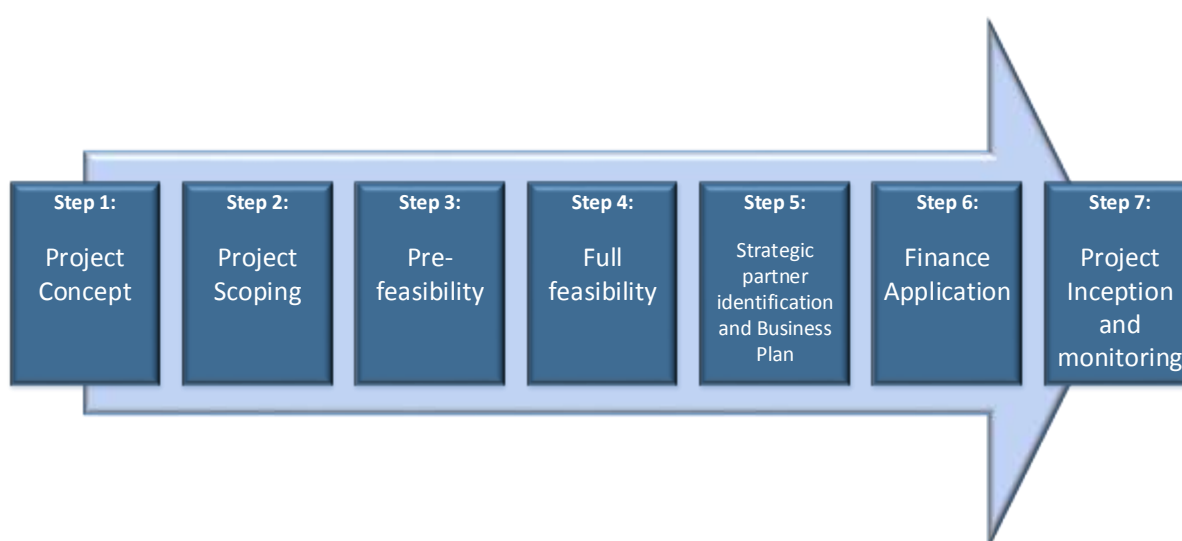
PRINCIPLES	DESCRIPTIONS
	outline how the initiative will benefit those who are most disadvantaged in Greater Giyani society.

8.3. The Way Forward

8.3.1. Implementation of identified projects

To implement the projects identified within the Greater Giyani LM LED, a **coherent and systematic implementation strategy is required**. **Figure 27** provides an illustration of a project implementation process from the initial idea to project inception.

Figure 27: The Seven Stages of the Implementation Strategy



(Source: Urban-Econ, 2014)

As illustrated in **Figure 27** a project needs to go through at least **seven critical steps** prior to project inception. Each step is designed in such a way that it informs the steps that follow. The project concept and scope are identified from the projects that have been classified as part of the Greater Giyani LM LED framework.

The pre-feasibility study is undertaken to ensure that there is a solid basis for undertaking a feasibility study. It is usually prepared when there is insufficient information to prepare a feasibility study. A pre-feasibility usually has the following objectives:

- Undertake a detailed analysis of the development situation and constraints the project is to address, and to identify government partner policies, programs and projects designed to address these constraints (including activities of other donors).
- Refine the logical framework matrix (based on collection of sound, objective data) and project proposal in a clear and realistic manner and make a preliminary assessment of the viability of alternative approaches.
- Identify and define the linkages between the project and poverty reduction, taking into account the findings of a poverty analysis.
- Define achievable outcomes for the project or define possible design options or concepts that may merit further investigation.

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- Make a preliminary identification of the likely risks to achieving the objectives and to achieving sustainability after project completion, and assess the importance of these risks (i.e. preliminary risk analysis and sustainability analysis).
- Develop a terms of reference for a feasibility design study if this is deemed appropriate.
- Define further data collection and analysis requirements, and possible data sources, for the feasibility/design stage.

A feasibility study is conducted to establish whether the identified projects are **feasible**, and whether they should, in fact, go ahead. It evaluates and analyses the potential impact of a proposed project or program as well as all of the aspects of the project. The study provides local government officials with a very detailed assessment of what the best alternative is in response to the highest priority community needs. It also serves as a source of unbiased justification for moving forward with the implementation of the project. The usual components of a feasibility study include:

- Executive Summary
- Background Information
- Discussion of the proposed project
- Advantages and Disadvantages of the Proposed Project
- Project Schedule
- Final Recommendation

For each of the identified project it is imperative that a **strategic partner** with the relevant in field experience is identified to carry the projects forward. A business plan is developed with the strategic partner in mind so that **business strategies are aligned** with the partners' expertise and relevant experience. The business plan should greatly increase the ability of government officials to effectively manage, monitor and evaluate a project's implementation. It should serve as the principal source of guidance for the project implementation. The components of a comprehensive business plan are as follows:

- Mission statement
- Identification of goals and objectives
- Statement of Purpose
- Description of the Proposed Project
- Background information about the location and beneficiaries
- Market Strategy
- Management and Human Resources
- Expected Effect of the Proposed Project
- Strategic Implementation Timeline
- Summary
- Monitoring and Evaluation Plan
- Financials

The comprehensive business plan will form part of the applications for finance required for each of the projects. Various funders with **appropriate funding schemes** are approached for the financial requirements. When approaching the funders, GGLM should ensure the projects are

viable, sustainable and will provide a reasonable return on investment. For the local government to gain access to private capital, it must indicate its willingness and ability to apply strict fiscal management to its budgetary process. The same principle applies to local and provincial governments in search of funds from national departments to support developmental initiatives. Fiscal accountability is critical to a government's efforts to gain funding. Once the finance is acquired the project is initiated along with the strategic partner, while it is monitored for success and sustainability.

The above approach is in place to ensure the project is implemented successfully while the **client remains informed throughout the process**. These steps have been tried and tested and are proven to ensure the success of implementation. Key points to remember to ensure the optimal implementation of the Greater Giyani LM LED Strategy are:

- Make use of experts for the drafting of the relevant project business plans and utilise the available funding sources.
- Ensure that all detail for implementing a project is included in the business plans, including the responsible parties, the amount of funding required, the timeframes for implementation, resources and equipment needed for implementation, etc.
- Implement the framework programmes for stimulating development across all sectors of the local economy.
- Ensure balanced economic development by means of adopting an integrated, holistic, coordinated and diverse developmental focus.
- Start by implementing the programmes and projects with the fastest anticipated impact on job creation, poverty alleviation, BEE, SMME development, increase in living conditions, human development, etc. followed by those with a medium and longer term effect.
- Make sure all financial sources, equipment, human resources, etc. are in place and available before starting with the implementation of a programme and/or project.
- Focus on stimulating economic development and empowerment of local people at the same time.
- Make sure that the implementation of projects are executed by local people and not imported labour.
- Set reasonable timeframes and keep a monthly/weekly track record to evaluate the progress of all necessary actions.

8.4. Monitoring and Evaluation

Monitoring and evaluation (M&E) should be considered during each step of both the LED Strategy and project implementation process and not as a specific "add-on" conducted only at the end of the process.

Monitoring is a continuous process of collecting information using key performance measures (or indicators) to gauge the process or project. Monitoring identifies successes or failures as early as possible. Evaluation is the process that "uses the information from monitoring to analyse the process, programmes and projects to determine if there are opportunities for changes to the strategy, programmes and projects." Evaluation, like monitoring, should promote

learning. In the implementation stage of a LED strategy, evaluation is used to determine if the actions are meeting the strategic objectives, efficiently, effectively and/or at all.”

Components of monitoring and evaluation are:

- **Review the success of the newly capacitated structures after a period of one year**

1. Review the performance of the LED Committee, LED Forum and Project leaders
2. Review staff capacity
3. Determine strengths and weaknesses in the new approach and identify mechanisms to enhance performance

- **Review success of project implementation**

1. Review status of projects
2. Determine if projects are on track or not (if not, indicate why)

- **Review & update LED Strategy on a regular basis.**

1. The LED Strategy is an evolving document that changes with the economy and the environment. It will need to be updated regularly to ensure optimal use of resources, an enhanced enabling environment, and to take advantage of new opportunities.

Monitoring & Evaluation should be used to:

- Enhance learning and capacity building throughout all steps of the LED.
- To empower the participants to do a better job.
- To help promote implementation partnerships as partners work through the process together.
- Inform decision making on project implementation.
- Analyse the current situation.
- Identify problems and find solutions.
- Discover trends and patterns.
- The monitoring program should regularly collect data on the performance measures that are indicators for the original objectives.

Monitoring ensures that limited resources for economic development can be put to ‘best use’ and that negative or unintended impacts can be identified and minimised.

One way to formalise M&E is identifying performance indicators. Performance Indicators can be identified for each Driver, as well as on a project-by-project basis.

Project objectives should be formulated in such a way so as to quantify measurable outputs and targets (deliverables). This is made easier by identifying a specific and appropriate purpose, location and role-players for the project; anticipated (and realistic) impacts (jobs created, GGP growth, return on investment ratios and so forth) and by assigning time-frames for the various stages of implementation (each with its own tangible set of outcomes).

8.5. Monitoring and Evaluation Plan

As indicated in Section two, LED projects elevated into the approved budget will find expression in the SDBIP. They will be reviewed annually and on a quarterly basis.

Table 17 outlines the monitoring and evaluation plan that will fulfil these requirements.

Table 17: Monitoring and Evaluation Plan

Strategic integration			
Obtain support for contents of this document	Communicate the document to relevant stakeholders, including the Municipal Manager and Councillors	LED Manager	<ul style="list-style-type: none"> The Greater Giyani LM
Driver Implementation			
Establish an LED Committee	Establish an LED Committee	LED Manager	<ul style="list-style-type: none"> The Greater Giyani LM
Establish an LED Forum	Greater Giyani LED Forum is currently non-functional and should be recussitated.	LED Manager LED Committee	<ul style="list-style-type: none"> The Greater Giyani LM
Identify appropriate LED Training and Capacity Building programmes for various staff members	Identify potential LED Training Programmes for Department staff.	LED Manager and LED Committee would need to implement training programmes.	<ul style="list-style-type: none"> The Greater Giyani LM
Agriculture and Rural Development			
Determine the viability of new agricultural ventures. This includes the possibility of cultivating new crops using technology techniques as well as agro-processing opportunities.	<ol style="list-style-type: none"> 1. Conduct a feasibility study to determine the viability of new agricultural ventures. 3. Provide information on funding sources for the local farmers. 4. Ensure necessary infrastructure is available to potential investors e. g tarred roads and storm water, sanitation and water. 5. Market to potential investors 	Greater Giyani LM	<ul style="list-style-type: none"> National Development Agency (NDA) Limpopo Department of Agriculture DWA Department of Environment and Nature Conservation LEDA

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Release land to local farmers	<ol style="list-style-type: none"> 1. Identify land that can be released (this could include municipal land, buying private land). 2. Release land to local farmers 3. Link with training and mentorship programmes to ensure that the sustainability 	Greater Giyani LM	<ul style="list-style-type: none"> • SPP • Comprehensive Rural Development Programme
Funding for farmers	<ol style="list-style-type: none"> 1. Source funding for local farmers. 2. Make this information available to the public. 3. Research the possibility of establishing a primary agricultural cooperative between emerging farmers. Assist emerging farmers in establishment of cooperative. 	Greater Giyani LM	<ul style="list-style-type: none"> • CASP • LRAD • MAFISA
Extend water capacity	Consider other options for water saving techniques, water capturing & harvesting. A Water Study for the area should be conducted.	Greater Giyani LM	<ul style="list-style-type: none"> • Working for Water • DWA • LEDA
Community gardens	<ol style="list-style-type: none"> 1. Assist community in obtaining plots 2. Give guidance on what to farm 3. Help to find markets for the excess produce that is not used in the community 4. Promote the usage of rain water tanks (link with water capacity extension action) 		<ul style="list-style-type: none"> • Household Food Production, Food Security & Starter Packs • MAFISA • Limpopo Department of Agriculture • DWA • Department of Environment and Nature Conservation • LEDA
SMME Development			
Skills development and training	<ol style="list-style-type: none"> 1. Conduct a skills audit 2. Identify skills gaps within key economic sectors (skills audit) 3. Ensure training programmes provided are relevant and accredited 4. Facilitate training programmes available 5. Provide training and support for leadership and management development 6. Implement mentorship 	Greater Giyani LM	<ul style="list-style-type: none"> • Small Enterprise Development Agency (SEDA) • National Empowerment Corporation (NEC) • Khula

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	programmes for SMME's		
Form Business support unit	<ol style="list-style-type: none"> 1. Link local SMMEs as service providers by generating a SMME Database 2. Source funding for emerging businesses 3. Identify available land & ensure that it is serviced & zoned correctly 		
Transport Hub	<ol style="list-style-type: none"> 1. Create central taxi rank and link with other transport modes. 2. Link market place for informal traders at taxi rank. 	Greater Giyani LM	<ul style="list-style-type: none"> • Department of Transport • SEDA
Tourism Development			
Formulate a well-developed Tourism Strategy for the Greater Giyani LM	<ol style="list-style-type: none"> 1. Formulate a well-developed Tourism Strategy that facilitates the development of attractions, activities and accommodation options. 2. This strategy should also identify opportunities that can be marketed to investors and projects locals can take ownership of. 		<ul style="list-style-type: none"> • The Limpopo Department of Economic Affairs and Tourism • The Tourism Learnership Project (TLP) • Tourism Enterprise Partnership (TEP) • Tourism Business Council of South Africa (TBCSA)
Link tourism initiatives with surrounding areas.	Compile a Events Calendar and investigate possible linkages and joint initiatives with other Mopani Local Municipalities and the Kruger National Park	Limpopo province Mopani DM Greater Giyani LM	<ul style="list-style-type: none"> • LEDA • The Limpopo Department of Economic Affairs Tourism
Development and promotion of the Rixile culture to Kruger Route	<ol style="list-style-type: none"> 1. Source funding and assist marketing. 2. Search for new additions to the route. 	Greater Giyani LM	<ul style="list-style-type: none"> • LEDA • The Limpopo Department of Economic Affairs Tourism • Open Africa
Quality of life improvement			
Overcome backlogs in service delivery	Address backlogs in service delivery - Planning, measuring and servicing of plots.	Greater Giyani LM	<ul style="list-style-type: none"> • The Greater Giyani LM • EPWP
Implement opportunities for bulk infrastructure development	<ol style="list-style-type: none"> 1. Identify infrastructure gaps within key economic sectors 2. Build, upgrade & maintain infrastructure 	Greater Giyani LM	<ul style="list-style-type: none"> • The Greater Giyani LM • EPWP

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	addressing the needs of the industry		
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