

INKOSI LANGALIBALELE LOCAL MUNICIPALITY

LOCAL ECONOMIC DEVELOPMENT STRATEGY

FINAL COMPOSITE REPORT

"an outcome based on local initiative and driven by local stakeholders. It involves identifying and using primary resources, ideas, and skills to stimulate economic growth and development".



INKOSI LANGALIBALELE LOCAL
MUNICIPALITY

LED PLANNING SECTION
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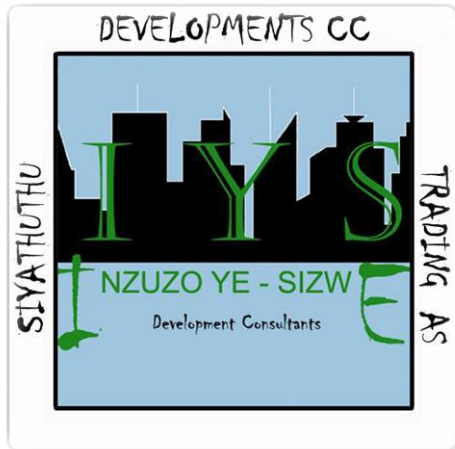
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1. SECTION 1 – INTRODUCTION

1.1 BACKGROUND

This document presents a 10-year economic strategy for Inkosi Langalibalele Local Municipality. The strategy does not provide any recipe or formula, but rather a framework to guide the further growth and development of the Inkosi Langalibalele economy. The strategy only presents part of a much larger effort with the real challenge and crux being its successful implementation. The strategy must not be considered “final” and implemented rigidly but must be appreciated as a “live” document to be amended in accordance with the dynamics of the ever-changing environment, which will require experimenting with new ideas and “learning by doing”.

International experience in LED conclude that there is simply no “sure fire” recipe for economic development, as the environments and variables are simply too varied and dynamic. On another level, this concept is captured by Deng Xiaoping’s dictum “cross the river by feeling the stones”, which means that an economic strategy sometimes requires small steps, rather than grandiose plans and programmes. This is particularly true for a small and open economy such as that of for Inkosi Langalibalele, where changes in a lead sector such as tourism, or a change in political leadership, can

change the landscape in a significant way, requiring a re-think and realignment of the strategy. In short, a LED “is never done”.

1.1.1 THE BROAD APPROACH FOLLOWED

Economics and in particular Development Economics, is one of the youngest fields and only started to be recognized as a discipline in its own during the nineteenth century. Although great strides have been made since the original economic theories with the development of more robust models to explain economic systems and predict outcomes, there is not a simple formula for economic growth. Part of the reason lies in the fact that an economic system is not only determined by the resource base, but most importantly by human behaviour. Put simply, it is human behaviour that makes it impossible to fully explain economic systems or to accurately predict economic outcomes.

Most economic strategies are based on specific models or schools of thought. However, experience shows that local conditions vary too much and economic systems are too dynamic for any particular model to provide the ultimate answer. So, instead of following a particular model or school of thought, the approach followed in the development of this strategy was to learn from those economies and societies that have managed to grow their economies for prolonged periods. Experience with the so-called “miracle

economies” shows that economic growth does not simply occur by itself but requires specific actions that must be implemented with dedication and under strong leadership. Although great care must be taken not to simply “copy” strategies, it is believed that there are certain basic fundamentals that should be followed in the development and implementation of any economic development strategy. These fundamentals will form the basic point of departure for this strategy.

1.1.2 INTRODUCTORY NOTES ON LED

International good practice in local economic development (LED) suggests that LED is in the first place a community activity whose success is closely linked to community cohesion and effective community economic governance. Sections 155 and 156 of the Constitution set out the functions of municipalities, which include certain LED related functions. It is however important to note that LED per se is not a municipal function. As such, the implementation of this Strategy cannot simply be allocated to the municipality. Instead, the Constitution places an obligation upon communities to assume greater responsibility for LED. Herein lies one of the key requirements of a successful LED Strategy, namely, to have a set of properly constituted structures in place that deal with the local economy, such as a properly functioning Business Chamber.

It is important to recognize that LED involves far more than merely a list of projects. Instead, LED has a very strong strategic character

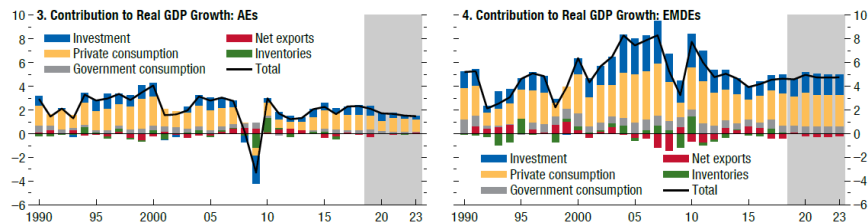
and it essentially involves the process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation in pursuit of a better life for all. It is therefore in essence not a "thing we do" but rather a "way we do things". The main elements include:

- ➔ It involves some degree of structured co-operation between and co-ordination of the activities of the various stakeholders in the local economy in order to achieve common purpose.
- ➔ It seeks to mobilize the total resources, including the social and economic potential that exists in the community toward the upliftment and prosperity of all of the community through shared growth.
- ➔ It seeks to disseminate information enabling informed development initiatives within the community.
- ➔ It is essentially "home-grown". Externally driven development initiatives are most frequently "top-down" and relatively insensitive to local priorities. LED approaches seek to reflect the strengths, weaknesses, opportunities and threats of individual communities and to tailor local responses to achieve the maximum sustainable benefit for those communities. It involves local responses to local problems aligned with broad overall development guidelines provided by the provincial and national spheres.

1.2 GLOBAL CONTEXT

1.2.1 GLOBAL ECONOMIC TRENDS

Figure 1. Growth in world GDP



According to the International Monetary Fund (IMF), the global economy has since 2012 experienced its strongest sustained period of growth. This was a recovery period from the 2009 global economic recession. Figure 1 below shows this trend in terms of both the real Gross Domestic Product (GDP) and per capita GDP. Emerging economies contributed significantly towards this growth trajectory, particularly economies such as China, India and Russia. In 2018, economic activity was accelerating in almost all regions of the world and the global economy was projected to grow at 3.9 percent in 2018 and 2019. One year later, much has changed: the escalation of US–China trade tensions, macroeconomic stress in Argentina and Turkey, disruptions to the auto sector in Germany, tighter credit policies in China, and financial tightening alongside the normalization of monetary policy in the larger advanced economies

have all contributed to a significantly weakened global expansion, especially in the second half of 2018. With this weakness expected to persist into the first half of 2019, the World Economic Outlook (WEO) projects a decline in growth in 2019 for 70 percent of the global economy. Global growth, which peaked at close to 4 percent in 2017, softened to 3.6 percent in 2018, and is projected to decline further to 3.3 percent in 2019. Although a 3.3 percent global expansion is still reasonable, the outlook for many countries is very challenging, with considerable uncertainties in the short term, especially as advanced economy growth rates converge toward their modest long-term potential.

While 2019 started out on a weak footing, a pickup is expected in the second half of the year. This pickup is supported by significant policy accommodation by major economies, made possible by the absence of inflationary pressures despite closing output gaps. Looking forward, some economists are talking about the “de-coupling” of the global economy, meaning the large emerging economies such as the Asian region, having developed sufficient momentum to carry them forward and being less sensitive to the fluctuations in the advanced economies. However, if this will actually materialize in the global economy remains to be seen. At closer inspection, the picture is not all rosy as global imbalances have increased with large current account deficits in major economies such as the USA and surpluses in a few other countries, mainly in Asia.

1.2.2 SUCCESSFUL ECONOMIES

Since 1950, of thirteen (13) economies eight (8) have managed to achieve an annual growth of 7% or higher for a period of 30 years or longer. These economies are Botswana, Brazil, China, Hong Kong (China), Indonesia, Japan, the Republic of Korea, Malaysia, Malta, Oman, Singapore, Taiwan (China), and Thailand. Two other countries are on their way namely India and Vietnam. At such a rate, an economy would almost double in its size every decade. These countries vary significantly in terms of their size and resource endowments. Also, not all these countries managed to maintain the growth with a number of the economies petering out (e.g. Brazil's growth phase ended at the last major oil crisis in around 1979). A commission was established to study these miracle economies to try and identify the main commonalities and found the following:

- ➔ They used the global market. These economies could not have grown at the rate they did with an “inward looking” economy. Although the domestic markets are vital, they also managed to penetrate and maintain international markets. In addition to a larger demand pool, an important component of the global market is access to skills and technology.
- ➔ High levels of domestic savings levels of up to 20 -25% of the GDP are not unusual in these economies (very little dependence on foreign finance). Domestic savings include government, business and the private household. In some cases, the

governments developed specific schemes to ensure savings from the private household.

- ➔ Forward looking, strong and credible political leadership – The political leadership was able to create a clear vision and to excite and unite the nation to achieve this vision (the leadership must also be accountable).
- ➔ Strong government system – This involves government systems with minimal bureaucracy and strong technocratic ability to implement policies and strategies. Included in this element are focused strong monetary policies to manage inflation and money growth, as well as responsible fiscal strategies to ensure a fair and equitable tax system and focus government spending.
- ➔ Focused government investment – This involves the development and proper maintenance of service infrastructure, as well as investment in health and educational facilities (skills development is a vital ingredient).
- ➔ Market orientated – The market is the best mechanism to allocate and reward resources. In essence, these economies are based on the basic principles of capitalism.
- ➔ Policies and their implementation should be pragmatic – Although policies are forward looking, they have to be adapted with changes in the environment. Also, policies should never be considered as absolute and sometimes a “trial and error” or “learn by doing” approach is more appropriate.

To this can be added two other elements namely:

- ➔ Entrepreneurial activity - Entrepreneurs represent the core of any economy as they combine the various production factors to create wealth. International studies such as that conducted by the OECD show that entrepreneurship is the result of three dimensions working together namely: conducive framework conditions, well designed government programmes and thirdly, supportive cultural attitudes. Sadly, these factors are either absent or under-developed in South Africa with studies such as Global Entrepreneurship Monitor (GEM) showing that South Africa's so-called Total Early Stage Activity (TEA) rate was as low as 5% in 2005. This means that for every 100 adults between the ages of 18 and 64, only 5 own and manage a business. The average TEA for all developing countries is about 10, with some countries such as Venezuela having very high TEA's of 25. South Africa therefore has one of the lowest TEA's amongst developing countries in the world. The reasons for this can be ascribed to a lack of cultural support and a general fear for failure, often generated by an historical legacy that for the majority did little to build confidence and capacity.
- ➔ Properly functioning institutional systems - According to Arrow (1999): "much of the economic backwardness in the world can be explained by a lack of mutual confidence". The promotion of open social dialogue to establish business networks and partnerships is considered important for the flow of information and development. This is achieved through the establishment of inclusive structures that involve local business chambers, as well

as sectoral forums such as agriculture, tourism and informal traders (e.g. business needs a well-structured and representative mouthpiece to talk to government).

1.2.3 WHAT IS DRIVING THE GLOBAL ECONOMY?

The current growth in the global economy can be attributed to a number of interrelated factors. The following are some of the main driver:

- ➔ An increase in the volume and value of global trade, which indicated a growing market. This increase in trade volumes not only involves the exchange of goods, but also the exchange of skills and technology which further increase consumer demand and production abilities.
- ➔ A growth in the number of the middle-class consumers, which increases the demand for commodities ranging from clothing to food. This increase in demand is particularly prominent in the Asian economies such a China and Japan.
- ➔ The current increase in commodity prices particularly minerals such as copper and crude oil. This has resulted in record capital inflows into Africa. According to the United Nations Conference on Trade and Developments World Investment Report (2011), FDI inflows into Africa as a whole rose to a record high of US\$109 billion in 2017 which is double that of 2015. It is also interesting to note that about 75% of cross border acquisitions of African

firms were by to Asian multination's, mainly in the energy and mineral industries.

- ➔ Growth in specific sectors such as the international tourism industry that has managed very high growth rates as a result of an affluent ageing population in developed countries as well as improved communication and transport systems. However, the industry is notoriously fickle and is affected by variables such perception about recipient countries, political stability, the cost of fuel and by exchange rates.

On the downside, the increase in demand together with the stagnant supply reserves, resulted in upward inflationary pressure which affect the emerging economies much more than the established economies.

1.2.4 ARE THESE DRIVERS PRESENT IN INKOSI LANGALIBALELE ECONOMY?

Growth in the Inkosi Langalibalele economy is largely driven by the tertiary sectors, mainly, tourism, manufacturing industries and the agricultural industries. As such, the increase in commodity prices has very little positive affect on the Inkosi Langalibalele economy as no minerals of note are produced. As with the rest of the world and South Africa, the increase in the infliction levels is affecting the local economy through lower purchasing power. Also, the increase in the South African interest rate is putting strong downward pressure on the real estate market can be expected that the past high growth

levels achieved will be severely affected. Thirdly, the combined effect of the increase in inflation, interest rates and fuel reduce the total value of the disposable income of South Africans, which in its turn affects the trade and tourism sectors

1.3 OVERVIEW OF THE SOUTH AFRICAN ECONOMY

Rating from Moody's has lowered the South African GDP growth prospects for 2019 – cutting it to 0.1% from a forecast of 1.3% previously. In a research note published on Monday 10 June, Moody's attributed the cut to the shocking GDP numbers that were published last week StatsSA reported a quarterly decline of 3.2%. Initial predictions for the GDP numbers were expected to be a drop of around 1.6%. Primarily due to load shedding and other economic pressure such as the sustained decline of the SOEs, forecasts for South African economy in 2019 now range between 0.5% - the position of local economists and analysts to 1.3% which is the last figure out of the IMF. For the purpose of this strategy, the following worrying observations can be made namely:

- ➔ The high debt level: a large number of people have over-extended themselves during the times of low interest rates and are now struggling to finance the debt. The financing of debt effectively mops up a large portion of disposable income. On a national level, the debt to disposable income is about 70%.
- ➔ Low savings: total domestic savings is at 14% of the GDP, which is not enough to finance the current rate of capital formation,

resulting in South Africa becoming more dependent on foreign capital.

- ➔ Low skills base: the following sobering facts from the UASA report:
 - South Africa came last in the latest study amongst 40 countries on reading and literature skills;
 - In the same study, South Africa came last in both science and mathematics (worse than countries such as Ghana and Botswana);
 - A very low ratio of school leavers qualifies for university exception;
 - About 6% of the South African labour force has no formal schooling, whereas the majority (45%) only has lower secondary;
 - Low levels of job creation

1.3.1 WHAT DRIVES THE SOUTH AFRICAN ECONOMY?

A number of factors fuelled the growth in the South African economy:

- ➔ Private consumer spending has been at an all-time high for the last few years, mainly driven by the increase in the size of the middle class, as well as easier access to credit provided by both financial and non-financial institutions. However, the increase in the interest rate and the high inflation rates have tempered

consumer spending and it is anticipated that this downward trend will continue for some time.

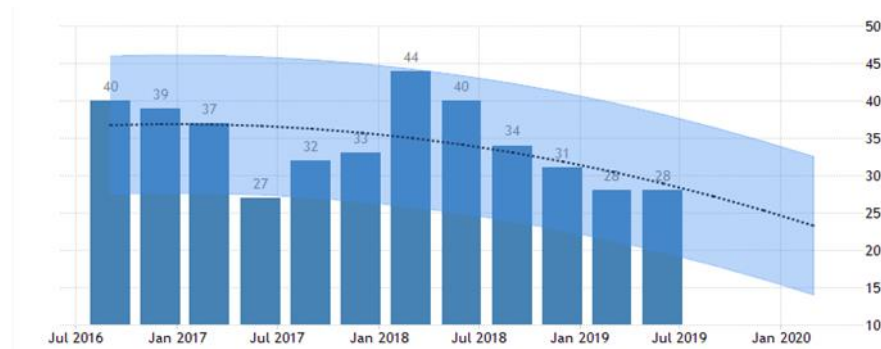
- ➔ Large-scale capital projects were committed for the 2010 soccer world cup which, combined with the boom in the real estate, resulted in very high growth rates achieved in the construction sector.
- ➔ The high mineral prices help to earn much needed foreign capital.
- ➔ The abandoning of much central planning and subsidized production prior to 1994, and the slow emergence of more effective enforcement of competition policy.
- ➔ However, the future prospects look less rosy mainly as a result of the downturn in consumer spending, increase in fuel prices, the problem with electricity supply, as well as a constraint on production which is at least partially caused by a skills shortage, business confidence and trade levels.

1.3.1.1. BUSINESS CONFIDENCE AND TRADE LEVELS

In South Africa, the BER Business Confidence Index covers 1,400 businesspeople in the building sector, 1,400 in the trade sector and 1,000 in manufacturing. The survey assesses the level of optimism that senior executives in the companies have about current and expected developments regarding sales, orders, employment, inventories and selling prices. The index varies on a scale of 0 to 100, where 0 indicates an extreme lack of confidence, 50 neutrality and 100 extreme confidence. This page provides - South Africa Business

Confidence - actual values, historical data, forecast, chart, statistics, economic calendar and news. South Africa Business Confidence - actual data, historical chart and calendar of releases - was last updated on July of 2019.

Figure 2. Business confidence and trade levels



Source: TradingEconomics.com | Bureau for Economic Research (BER)

The SA's business confidence index (BCI) as calculated by the South African Chamber of Commerce and Industry (SACCI) ended at an average of 95.2 in 2018, below the baseline mark of 100 points. The lower merchandise export volumes, the decreased real value of building plans passed, and fewer new-vehicle sales, and the weaker rand exchange rate drove down the index. The subdued confidence by the business sector is primarily due to investors' seeing activity in the real economy remaining sluggish. This lower recording is also corroborated by the Rand Merchant Bank (RMB) / Bureau of Economic Research's (BER) BCI, which stood at 31 in the fourth

quarter of 2018, far below the minimum desired 50 points. The RMB/BER business confidence index in South Africa stood at 28 in the second quarter of 2019, unchanged from previous period. It remains at the lowest level since Q2 2017, as sentiment deteriorated sharply among new vehicle dealers and manufacturers. Meanwhile, slight improvements were seen in building, retail and wholesale trade sectors. Business Confidence in South Africa averaged 43.65 Index Points from 1975 until 2019, reaching an all-time high of 92 Index Points in the third quarter of 1980 and a record low of 12 Index Points in the fourth quarter of 1977.

1.3.1.2. CONSUMER CONFIDENCE

Figure 3. South African Consumer confidence index



The Consumer Confidence Index (CCI) is defined as the degree of optimism on the state of the economy that consumers are expressing through their activities of savings and spending. In South Africa, the BER Consumer Confidence Index covers 2,500

households in metropolitan areas, cities, towns and villages. The survey is made from personal at-home interviews and assesses general economic outlook, household's economic condition and major spending purposes. The index is computed as the difference between the share of respondents expecting an improvement from the percentage expecting a deterioration. The indicator varies on a scale of -100 to 100; a value of -100 indicates extreme lack of confidence, 0 neutrality and 100 extreme confidence. This page provides the latest reported value for - South Africa Consumer Confidence - plus previous releases, historical high and low, short-term forecast and long-term prediction, economic calendar, survey consensus and news. South Africa Consumer Confidence - actual data, historical chart and calendar of releases - was last updated on July of 2019.

After falling sharply from an average of above 20 points in the third quarter of 2018, the FNB/BER CCI held steady at 7 points in the fourth quarter of 2018. Nevertheless, the latest reading is still above the long-run average reading for the CCI, suggesting that most consumers are fairly optimistic with respect to the outlook for the SA economy and their own household finances. However, demand for a more enduring and significant improvement in consumer spending to take hold, household income and credit growth will also need to accelerate. Although the elevated consumer confidence level suggests that consumers remain most willing to spend their money, this does not necessarily imply that actual consumer spending remained robust during the second quarter. Household

income levels and/or access to credit would have had to improve in conjunction with the positive sentiment to see strong household expenditure growth during the second quarter. However, further investor-friendly reforms are urgently needed to boost economic growth and household income levels.

The South Africa consumer confidence index rose to 5 in the second quarter of 2019 from 2 in the previous quarter, boosted by recent elections and the stabilisation of the country's power supply which likely offset substantial increases in fuels as well as growing unemployment. Still, "household budgets were expected to remain constrained by higher personal income taxes, sharp fuel and electricity price hikes and rising unemployment rates", FNB Chief Economist Mamello Matikinca-Ngwenya said. Consumer Confidence in South Africa averaged 1.53 Index Points from 1982 until 2019, reaching an all-time high of 26 Index Points in the first quarter of 2018 and a record low of -33 Index Points in the second quarter of 1985. The following factors are considered the main reasons for this significant fall:

- ➔ The accelerated increase in the inflation levels that are largely fuelled by increases in food and transport cost, but which are under-pinned by decades of under-investment in skills and infrastructure.
- ➔ The further increase in the repo rate, and the reports that the Reserve Bank may consider further increases.
- ➔ A deterioration in employment prospects.

- ➔ The impact of the recent xenophobia attacks combined with the socio-economic and political unrest.

1.3.2 ARE THESE DRIVERS PRESENT IN INKOSI LANGALIBALELE?

These observations and sentiments also apply to the Inkosi Langalibalele economy and the local consumer base. The significance is that during times of significant negative CCI, consumers cut back on their expenditure to levels below their disposable income in an effort to reduce outstanding debt. This lower expenditure levels have an impact on sectors such as Trade

1.4 OVERVIEW OF KZN ECONOMY

1.4.1 DEMOGRAPHICS

The KZN population has grown to approximately 10 645 400 people in 2010 (StatsSA 2010:4) from approximately 9,557,165 people in 2001. The year on year growth is shown on the table 1 below. These estimates are medium scenario of StatsSA population projections which include the effect of HIV/AIDS and in and out migration i.e. the projections are not only natural growth. It is shown in Table 1 that the number of people in 2010 by approximately 1.88% a decrease of 1.52% from 2009 but an increase compared to the year on year growth figures prior to 2009.

Table 1. Mid-year population estimates by year

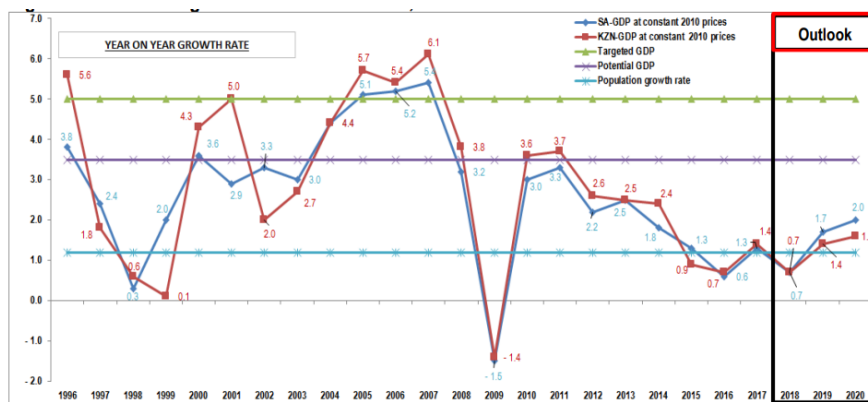
Year	Medium Mid -Year Population Estimates by Year	Year on Year Growth %
2001	9,557,165	
2002	9,659,485	1,07
2003	9,752,211	0,96
2004	9,835,710	0,86
2005	9,910,636	0,76
2006	9,974,344	0,64
2007	10,045,594	0,71
2008	10,105,436	0,60
2009	10,449,300	3,40
2010	10,645,400	1,88
Average	9,993,528	1,21
Median	9,942,490	0,86
St Dev	339,90	0,91
Range	1,088,235	2,81

Source: StattSA 2001 [Edited by Coetzee in 2011]

1.4.2 ECONOMY

KZN is the second largest contributor to the economy of the country, generating a percentage share of national GDP of 16% (R 498 billion); this proves that the province plays a significant role in SA's economy. In line with both the global and national trends, the provincial economy is estimated to have recorded a seasonally

adjusted increase of 0,6% in 2016 compared to 0,2% contraction suffered in the third quarter of 2016. Similar to the national projections, the provincial economic outlook is in a subdued trajectory but expected to grow at 1,1% and 1,5% from 2016 to 2020 respectively. These growth rates are however, below the targeted 5% required to achieve job creation as outlined in both the National Development Plan (NDP) and the Provincial Growth and Development Plan (PGDP, 2014). This therefore signals a steeper trajectory ahead in terms of addressing poverty, unemployment, inequality and other socio-economic challenges.



Source: IHS Markit, 2019

1.4.3 WHAT DRIVES ECONOMIC DEVELOPMENT IN KZN TODAY?

The main driver of the provincial economy is tertiary sector (tourism, trade, transport, finance and community services) which accounts for 63%, this is followed by the secondary sector

(manufacturing, electricity and construction) which accounts for 22% and at very least the Primary Sector (agriculture and mining) which accounts for 5,8%. The dominance of the tertiary sector is mostly due to tourism and transportation (harbour and international airport). The popularity of the province with widely acclaimed attractions such as Ushaka Marine, Gateway Shopping Centre, Isimangaliso Wetlands Park, Ukhahlamba Drakensberg World Heritage Site, Old Court House Museum and KwaZulu Natal Museum to mention proves this. These attraction sites are complemented by other economic activities like Agriculture, Industries and Construction sectors

1.4.4 ARE THESE DRIVERS PRESENT IN INKOSI LANGALIBALELE ECONOMY?

The four economic drivers of KZN are also visible in Inkosi Langalibalele Municipality, i.e. tourism, agriculture and manufacturing. The municipal area is home to Ukhahlamba Drakensberg World Heritage Site, large scale food industries and a number of foods producing farms.

1.5 DEVELOPMENT POLICY CONTECXT FOR INKOSI LANGALIBALELE

Inkosi Langalibalele Municipality local economic development strategy is formulated within the context and is aligned to the national, provincial and local development policy. At a national

level, this includes macro-economic development strategy and a range of the associated sector-based policies and programs, while the provincial economic development agenda is articulated in the Provincial Growth and Development Strategy. In addition to the Integrated Development Plans, both UThukela District and Inkosi Langalibalele Municipality have developed a number of sector plans with serious implications for LED.

1.5.1 LED CONTEXT

Local economic development has evolved overtime in both conceptual and practical terms. This has given rise to many and varied approaches. Each of the approaches is based on particular assumptions and makes certain assertions about the local economy, its impact and the role of different stakeholders, particularly municipalities. A detailed consideration of these approaches falls outside the ambit of this plan, suffice to mention that they collectively provide a broad frame of reference for the formulation of are and/ or condition specific economic development strategies. Until recently, the traditional approach was been the most dominant paradigm in local government circles. It put greater emphasis on poverty alleviation and was implemented through a series of small income generation and poverty alleviation projects. It gave rise to a number of small projects (most of which were unsustainable) spread unevenly and unsystematically in space. Although this practice is still very common in municipalities, it is now correctly referred to as social development projects.

On the other hand, urban/rural efficiency approaches assume that the economic fortunes of localities will improve enormously if local government puts greater emphasis on creating a climate conducive for increased productivity. This could be achieved by lowering costs of living and doing business locally. There is no record or evidence of LED initiatives based on this approach in Inkosi Langalibalele. However, it has again become fashionable for municipalities to develop incentive schemes and marketing/ investment promotion strategies as a means to attract private sector investment. Most recently, municipalities located on Ingonyama Trust land are considering formalization of certain development nodes as a means to achieve this.

This approach closely articulates with the entrepreneurial and sectoral approach in terms of which municipalities play an active role on the identification of actual and potential growth areas, and in providing support to the Small Medium Enterprises. This could take the form of information, funding and/or partnerships, economic infrastructure, etc. In addition, three types of progressive approaches have emerged over the last few years. The first one puts more emphasis on the need to support industries that show potential for maximizing local social support. This includes development of local human resource base focusing mainly on the poor. It is aimed at sectors which create the right kind of jobs for the poor. Community based progressive approach on the other hand, emphasizes the importance of working directly with the low-income poor communities or their organizations. It promotes direct

interventions for broadening access to production assets and thereby fostering redistribution of wealth. Projects based on the land reform program are a good example in this regard.

The past decade has also seen the emergence and development of new institutionalism as an approach to development. It breaks down the artificial separation between social and economic development paradigms. It promotes the formulation of common values and norms to strengthen networks for social and economic cohesion. Central to this, is the importance of the role of a locality in a complex set of networks operating at different scales. Contemporary ideas in the study of local economies and the practice of LED include (DPLG, 2006: 4):

- ➔ The role of the locality within multiple, complex networks that may extend right up to the global scale;
- ➔ The role of institutions in supporting economic development and the importance of strengthening these institutions;
- ➔ Both the 'hard infrastructure' provided by new technologies and the 'soft infrastructure' of social networks and interaction;
- ➔ The mix between co-operation and competition that is required to support development;
- ➔ The importance of knowledge transfer and innovation; and,
- ➔ The need for sustainable and inclusive patterns of growth.

While each of these could be applied in Inkosi Langalibalele with a certain degree of success and effectiveness, the approach adopted highlights the importance of mobilizing the internal resources,

capacities and skills, and the provision of support to emerging businesses in line with the sustainable development principle outlined in the municipality's Integrated Development Plan and various government policies dealing with the subject of development. It attempts to optimize the use of local resources (natural, human and otherwise), cease latent opportunities and harness the available support mechanisms to unlock economic development potential of Inkosi Langalibalele area.

1.5.2 NATIONAL AND PROVINCIAL ECONOMIC DEVELOPMENT

1.5.2.1 NATIONAL DEVELOPMENT PLAN

The National Development Plan (NDP) is a country wide strategy intended to eliminate poverty and reduce inequality by 2030. It intends to do this through uniting South Africans, unleashing the energies of its citizens, growing an inclusive economy, building capabilities, enhancing the capability of the state and leaders working together to solve complex problems. Objectives of the NDP include improving:

- ➔ Education,
- ➔ Training and Innovation;
- ➔ Economy and Employment;
- ➔ Environmental Sustainability and Resilience;
- ➔ Inclusive Rural Economy;
- ➔ Transforming Human Settlements;
- ➔ Provision of Health Care for All;

- ➔ Social Protection;
- ➔ Building Safer Communities;
- ➔ Fighting Corruption; and
- ➔ Economic Infrastructure.

There were a few capital projects stipulated on the municipal IDP which share infrastructure developmental themes of the policy objective of NDP. These include the construction of RDP houses, installation of electrification in provision of enabling infrastructure for economic and social development with the intention to advance the quality of the community expectations, needs and desires of Inkosi Langalibalele Municipality. It is therefore incumbent on each municipality to facilitate spatial and economically, development that will meet with the purposes, goals and objectives contemplated in the NDP. Spatial planning and land use management are integral in order to bring this to fruition.

1.5.2.2 PROVINCIAL SPATIAL ECONOMIC STRATEGY

The KwaZulu-Natal Provincial Economic Development Agenda is articulated in a number of policies and input documents into an emerging provincial Growth and Development Strategy (PGDS). The existing PGDS was developed in the late 1990s and has since been overtaken by a number of initiatives and events. A process towards the development of a new PGDS has not been completed, but an emerging provincial development vision as outlined in the Provincial Spatial Economic Development Strategy (PSEDS) suggests the

following pillars as the strategic focus areas for a new provincial development agenda:

- ➔ Economic development based on regional competitive advantages.
- ➔ Economic clustering based on a hierarchy of nodes model.
- ➔ Improved cooperation and dialog among key stakeholders at different levels.
- ➔ Broadening participation in the economy with a clear focus on cooperatives and Broad Based Black Economic Empowerment (BBBEE).
- ➔ Investment in critical economic infrastructure such as Dube Trade Port located in eThekweni and Industrial Development Zone (IDZ) in Richards Bay

1.5.3 INKOSI LANGALIBALELE WITHIN UTHUKELA SPACE ECONOMY

The Department of Traditional and Local Government Affairs (DTLGA), in KwaZulu Natal recently compiled a Provincial Spatial Economic Development Strategy (PSEDS). From this exercise, a number of issues emerged which indicate areas of economic spatial concentration in the province of KwaZulu Natal. These areas include eThekweni, uMgungundlovu and uThungulu, which contribute to 79.2% of the GDP (Gross Domestic Product) within KwaZulu – Natal. The PSEDS further indicated that uThukela District has a GDP, which

only amounts to 3.5% of the total GDP within KwaZulu – Natal province.

The economy of uThukela is dominated by the secondary and tertiary/ service sectors (i.e. Manufacturing = 27%, Government Services = 14%, Finance and Business Services = 12%, Transport and Communications = 11%, Wholesale, Retail and Tourism = 11% and Agriculture, Forest and Fisheries = 6%), which accounts for approximately 81% of uThukela GDP. These sectors contributed to the total GDP of more than R 10 billion and a per capita income of R 10 641 within uThukela District in 2004 (ILM Tourism Strategy, 2007). In its review of the Integrated Development Plan (IDP), the municipality acknowledged the fact that, Inkosi Langalibalele is the second dominant economic hub within uThukela District on economic terms. The municipal area has a sound economic base which is supported by the towns and industrial hubs.

1.5.4 THE ROLE OF INKOSI LANGALIBALELE IN LOCAL ECONOMIC DEVELOPMENT

The role of local municipalities in local economic development includes the following:

- ➔ Facilitation.
- ➔ Co-ordination.
- ➔ Stimulation, and
- ➔ Entrepreneurial development

The coordination role is perhaps the most fundamental since there are a number of stakeholders such as government department both national and provincial which administer a number of programmes that can benefit communities. With regard to facilitation, it is imperative that the local municipality creates an enabling environment for business expansion including attracting new investment. Close collaboration and interaction with various stakeholders such as NGO's, the private sector and other relevant stakeholder is important.

1.5.5 IMPLICATIONS FOR INKOSI LANGALIBALELE LOCAL MUNICIPALITY

Inkosi Langalibalele economy operates within a larger South African context influenced by several national and provincial policy frameworks that inform and guide local economic development. Inkosi Langalibalele Local Municipality (ILM) should as far as possible adopt an approach based on the creation of an enabling environment for economic development. Owing to this approach, is the fact that, the municipality has high levels of unemployment hence provision of information to SMME's, coupled with infrastructure investment should in the near future begin to yield positive results. The municipality should play the co-coordinator and facilitator role between the aspiring new and emerging businesses within the framework of existing programmes whilst not undermining private sector initiatives.

2. SECTION 2 – COMPETITIVE ASSESSMENT

2.1 SPATIAL PATTERNS AND LAND OWNERSHIP

2.1.1 URBAN HIERARCHY

Inkosi Langalibalele Local Municipality is a category B municipality situated within the UThukela District. It is the smallest of the three municipalities in the district but makes up a third of its geographical area. The majority of the municipality's population is concentrated in urban and farming areas, but there are a few patches of high-density settlements within the informal areas. The municipality covers a 3 399km² with a population of 215 182 people. Estcourt is the largest commercial center in the Midlands region. Weenen is a small agricultural town that is starting to emerge as a tourist destination. There are numerous parcels of state land located throughout the municipal area. They include the land parcels upon which various facilities have been constructed, for example, government and municipal offices, police stations, schools, clinics and utilities (such as water works, and sewerage treatment works). Small portions of agricultural state land are found near Ennersdale.

The predominant form of land ownership in the municipal area is privately-owned land. However, this is likely to change as more land is increasing registered in the name of groups as a result of the land reform program. Huge tracks of land will fall under communal land

as defined in the Communal Land Rights Act (CLaRA). Some parts of the land within the municipal area is owned by the Ingonyama.

2.1.2 LAND USE MANAGEMENT

The Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013) better known as SPLUMA requires all municipalities across the country to develop and adopt a Single Land Use Scheme throughout their area of jurisdiction. This must take place within 5 years from the commencement of the Act. In addition, SPLUMA requires that the Single Land Use Scheme be reviewed every after 5 years to achieve consistency within the Municipal Spatial Development Framework. Inkosi Langalibalele is a newly formulated municipality which began its existence after the 2016 Local Government elections. This new Municipality formed following the joining of two Municipalities namely UMtshazi Local Municipality and Imbabazane Local Municipalities.

Historically, there were efforts that were made to introduce land use management and development controls within Inkosi Langalibalele Area of jurisdiction. This happened for the former UMtshazi Local Municipality. The intention was to develop the wall-to-wall Land Use Management Systems (LUMS). However, only the Estcourt and Weenen Land Use Schemes were implemented. Most recently the municipality adopted the schemes for Cornsfield,

Thembalihle, KwaNobamba, Frere and Farming Areas around the former UMTshezi Municipality. These TPSs (Estcourt and Weenen) were introduced in terms of the Natal Town Planning Ordinance, No. 27 of 1949. Last reviewed in 1996, the TPS comprises a TPS Map and a set of TPS Clauses. The existing TPS provides for a substantial number of zones and reservations and is accordingly a Complex Scheme.

Inkosi Langalibalele Local Municipality is fulfilling its role to facilitate land use management and land development within its jurisdiction. This comes as a response to the mandate contemplated in the Municipal Systems Act (No. 32) of 2000 that every municipality must have a land use management system (i.e. town planning scheme) as part of their integrated development plans. The purpose of a land use scheme is to create coordinated, harmonious and sustainable development of a municipal area in such a manner that it efficiently promotes health, safety, order, amenity, convenience and general welfare, as well as efficiency. There is currently a draft land use scheme being prepared for the municipality by a Service Provider.

A SPLUMA application is out for comments by sector department and the Service Provider together with the PSC members are yet to do amendment of the Single Land Use Scheme where deemed necessary. The scheme map together with the scheme clauses will be presented and workshopped to the Inkosi Langalibalele Council for adoption and support. The municipal staff will be trained on how

to handle the processing of SPLUMA Applications of new areas where the Single Scheme will be implemented on

2.1.3 DEVELOPMENT CORRIDORS

2.1.3.1 NATIONAL CORRIDOR

Estcourt is classified as a Level 3 Node which is an urban centre with good existing economic development and growth potential, and which services the regional economy. R103 corridor is identified as an existing corridor. PSEDS also identify a tourism corridor which runs between three centres, namely Estcourt; Msinga; Melmoth. This corridor has potentials for production of labour intensive, mass produced goods which are more dependent on labour costs, and affordable transport linkages (i.e. agriculture and tourism), retail and private sector services which are large employers of skilled and semi-skilled workers in advanced economies, tourism which is dependent on tourism attractions and public service and administration.

The significance of the N3 and as the national/provincial corridor that runs through the district and the Inkosi Langalibalele. The N3 is identified in the NSDP as a national corridor and is recognized as such (existing corridor) in the PSEDS. It runs in an east-west direction almost dividing Inkosi Langalibalele Municipality in two halves. It is a high-speed limited access road providing access and inter-nodal connections at a national and provincial level. It carries traffic between Johannesburg and Durban. The N3 is identified in the NSDP

as a national corridor and is recognised as such (existing corridor) in the PSEDS. N3 has divided Inkosi Langalibalele Municipality in two halves.

The southern portion is dominated by high potential agricultural land and portions of conservation worthy areas, while areas to the north could be described as moderate to low in production potential and generally suitable for livestock and game farming. It is a high-speed limited access road providing access and inter-nodal connections at a national and provincial level. It carries traffic between Johannesburg and Durban. At a local regional and local level, it presents an opportunity for the integration of Estcourt Town to the national and provincial trade routes. It is a tourist route to the major tourist destinations in KwaZulu-Natal (KZN), particularly the Drakensburg and the Battle-fields Route. Development along this route should occur as follows:

- ➔ Facilitate the establishment of mixed land use activity nodes at the intersection of the N3 and the regional or provincial routes. Activities that may locate in these areas include logistics, warehousing, light industry and commercial facilities.
- ➔ In the short to medium term, high value agricultural land located along the corridor should be protected, but in the long term, strategically located areas abutting onto the mixed land use nodes should be opened for development as mixed land use precincts.

- ➔ Compliance with the policies and regulations introduced by the South African National Roads Agency (SANRAL).
- ➔ Development of Wembezi Interchange as a mean facilitate access to the “Berg”.

2.1.3.2 PRIMARY CORRIDOR

Two main access and mobility routes have been identified as primary development (regional) corridors, namely:

- ➔ Giant Castle to Weenen Nature Reserve Corridor (north–south axis);
- ➔ Regional road from Colenso in the west through Weenen to Greytown and beyond (east-west axis); and
- ➔ R103 which runs parallel to and north of the N3. For the purposes of the SDF, R103 is seen as part of the broader N3 corridor.

There are other development corridors which are as follows:

- ➔ The P10-1 runs along the north western portion of the municipality and connects Loskop to Estcourt town. This road is considered a primary road because it carries relatively high volumes of traffic as it connects directly to the N3. This route also serves as a connector with adjoining municipalities on the north-western (Okhahlamba). At a community level it connects various settlements which are situated alongside it. It could be developed into being a highly functional activity spine.

- ➔ The P29 connects Ntabamhlophe to Estcourt town. It's also identified as an important local development corridor. The P29 is of significance because it links various settlements such as Sobabili, Boschi, Shayamoya, Emdwebu and Goodhome. Therefore, the P29 is significant as it has an economic role and facilitates for service delivery for traditional authority areas situated along it.
- ➔ The third primary corridor is the road linking Ntabamhlophe and Mahlutshini (P379). This road engraves through dense settlements of KwaNdaba and KwaDlamini which are characterised by few economic development initiatives.

2.1.3.3 SECONDARY CORRIDORS

The following are a list of secondary corridors within the municipality:

- ➔ Road from Winterton to Colenso running along the western boundary of Inkosi Langalibalele Municipality. This corridor links Winterton with Colenso and beyond. It runs mainly along agricultural land. As such, development along this corridor should focus on intensive and extensive agriculture including livestock farming. Settlement should be limited to the consolidation of the existing Chieverlery, its expansion to accommodate land reform beneficiaries and provision of the necessary public facilities so as to establish the area as a sustainable human settlement.

- ➔ P11 linking Bergville and Winterton to Estcourt is identified as a secondary corridor in the Inkosi Langalibalele SDF.
- ➔ P170-D385 corridor from Wagendrift dam through Estcourt town to Weenen running along the eastern boundary of the municipal area. The road from Winterton to Colenso serves as a major link at a district level knitting together small towns from Bergville through Winterton to Ladysmith, Weenen and beyond. It runs mainly along agricultural land. As such, development along this corridor should focus on intensive and extensive agriculture including livestock farming. Settlement should be limited to the consolidation of the existing Chieverlery, its expansion to accommodate land reform beneficiaries using a cluster approach and provision of the necessary public facilities so as to establish the area as a sustainable human settlement.
- ➔ P170-D385 corridor is a proposed corridor linking the eco-tourism and leisure node of Wagendrift Dam through Estcourt town with the proposed Big Five Game Reserve but running along the eastern boundary of the municipal area. It is essentially a tourism corridor, but its future development should provide for a strategic mix of agricultural and eco-tourism activities. From Weenen, this corridor runs northwards into Alfred Duma Municipality where it links with the proposed Cannibal Route.
- ➔ The road from the southern portion of ILM P28-1 linking with the Hlathikhulu area. This road is in good condition and should be used as a secondary development corridor to facilitate service

provision to surrounding communities in the Mkhize area. This road is also utilised by the tourist visiting Giant Castle

- ➔ The road from Ntabamhlophe Lodge linking with Dlamini area should be identified as a secondary development corridor. This is due to a few scattered settlements located along this road.
- ➔ The P331 could be considered a tertiary corridor as it connects Loskop/ Emangweni areas to the Injisuthi Nature Reserve which is a significant tourism node. Alongside this corridor there are various clusters of settlements ranging from medium to relatively high densities.

2.1.3.4 TERTIARY CORRIDOR

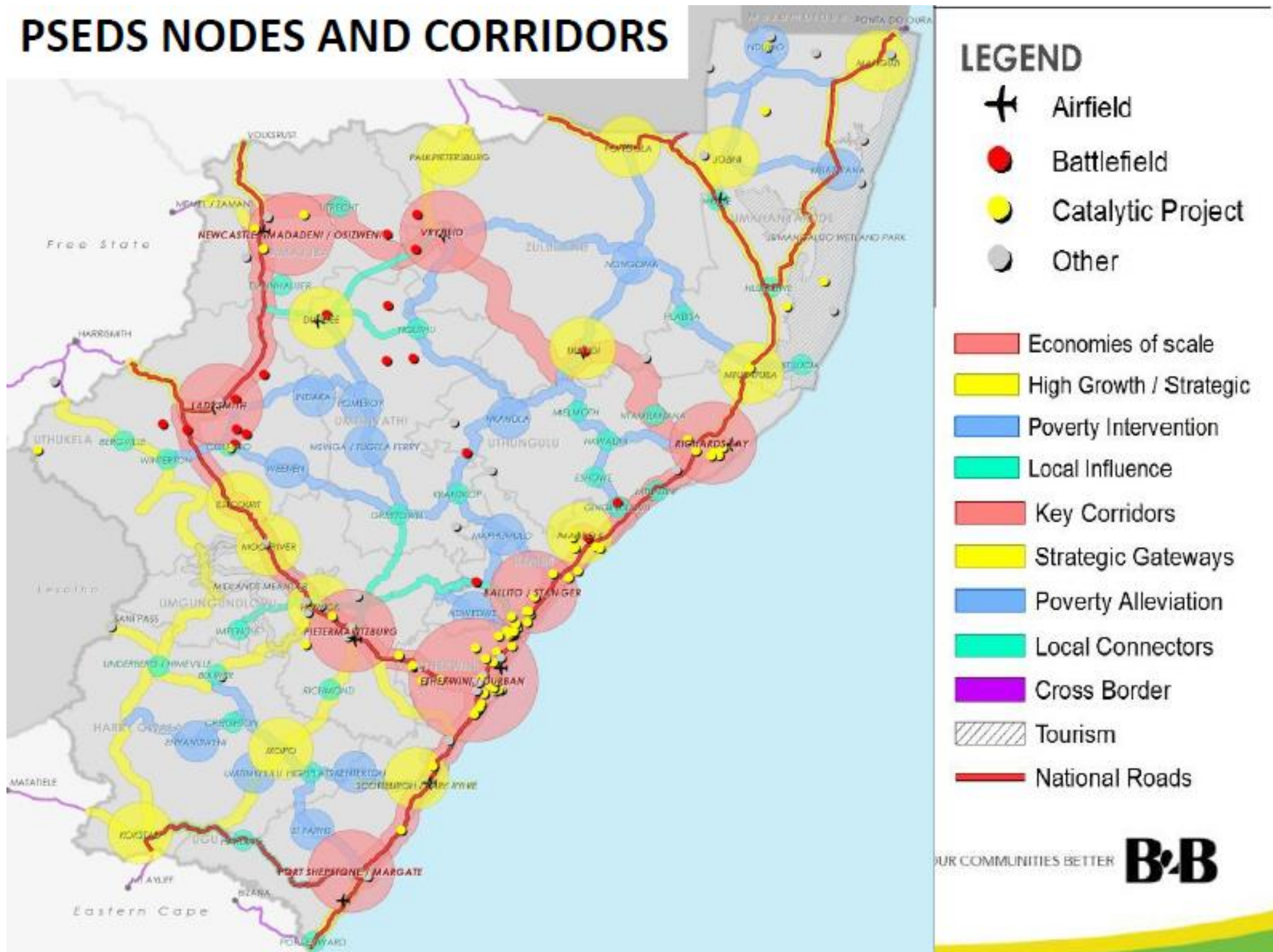
Tertiary corridors are also known as local corridors because they serve mainly a local function including the following:

- ➔ D489 – D721 (Cornfields-Thembalihle Corridor).
- ➔ P179 from Loskop road through Wembezi to Wagendrift Dam and the surrounding proposed conservation areas.
- ➔ Cornfields-Thembalihle Corridor serves as a major link between the two parallel secondary corridors and has potential to improve access to Thembalihle and Cornfields which area both isolated expansive rural settlements located on commercial farmlands. It has potential to link with Chieverley as well. To all intents and purposes, this corridor has limited economic opportunities.
- ➔ P179 from Loskop road through Wembezi to Wagendrift Dam and the surrounding proposed conservation areas is also an

emerging corridor intended to reinforce linkages and integrate Wembezi and the surrounding settlements to the agricultural and the proposed eco-tourism areas in the vicinity of the Wagendrift Dam. It has potential to serve as an alternative access to the Wagendrift eco-tourism node from the Loskop road. It has potential to serve as an alternative access to the Wagendrift eco-tourism node from the Loskop road. It also provides access to settlements such as Wembezi and C- section

Spatial integration between Wembezi and Estcourt is one of the main spatial development challenges facing Inkosi Langalibalele Municipality. It is thus recommended that the portion of the main road between the two areas be developed as a low impact mixed land use corridor in the short to medium term. This will ensure protection of the existing agricultural land while also opening opportunities for tourism, leisure, housing and commercial development. The proposed N3 off-ramp gives further impetus to the development of a mixed land use node which accords well with the proposed corridor.

PSEDS NODES AND CORRIDORS



LEGEND

- Airfield
- Battlefield
- Catalytic Project
- Other

- Economies of scale
- High Growth / Strategic
- Poverty Intervention
- Local Influence
- Key Corridors
- Strategic Gateways
- Poverty Alleviation
- Local Connectors
- Cross Border
- Tourism
- National Roads

2.2 EASE OF DOING BUSINESS IN INKOSI LANGALIBALELE

2.2.1 OVERVIEW OF DOING BUSINESS COSTS

There can be little doubt that the general level of competition in the business world is continuously on the increase, which requires that entrepreneurs have to make a conscious effort to reduce costs and at the same time, increase production output to stay in business. Apart from having access to resources and markets, a key variable in the ability of an entrepreneur to remain competitive is the institutional environment in which the business operates. The institutional environment mainly involves policies and regulations that govern issues such as the procedure to register a business, license applications, rezoning and property ownership.

Institutions such as the World Bank and the World Economic Forum conduct regular surveys to assess the business environments in the various countries in order to establish the ease and cost of doing business in a country. Although these are very broad and macro indicators, they are useful in suggesting areas that need improvement. As an example, the latest Global Competitive Report states the following as the problematic factors that hamper economic growth in South Africa:

- ➔ Inadequately educated workforce (i.e. the much talked about “skills shortage”).

- ➔ Crime and theft – this include both blue and white-collar crime (and the implied additional cost for business to protect themselves).
- ➔ Inefficient government bureaucracy (e.g. the length of time it takes to register a business and secure business rights).
- ➔ Restrictive labour regulations (i.e. the cost and problems involved to “hire and fire” people).
- ➔ Inadequate supply of infrastructure.
- ➔ Poor work ethic in labour force

Clearly, Inkosi Langalibalele Municipality does not have a direct influence on all these elements, but the municipality should at least strive to improve the ease and reduce the cost of doing business. It is important that this does not only refer to direct cost such as municipal services, but also the indirect costs such as administrative turn-around times and the cost to access information. CoGTA is currently piloting tools to allow municipalities to make an objective assessment of the quality of the business environment

2.2.2 SITUATION IN INKOSI LANGALIBALELE

The Single Land Use Scheme (LUS) will replace the existing Town Planning Scheme but it does not change the procedures to be followed in land-use applications, as these procedures are governed by the Spatial Planning and Land Use Management Act No. 16 of 2013. The current situation can be summarized as follows:

- ➔ Easy to apply for consent uses – The LUS will simplify the requirements and procedures to apply for consent uses, most of which will involve home-based businesses. However, the procedures involved in other applications such as township establishment and rezoning will remain the same (as these procedures are governed by the Spatial Planning and Land Use Management Act.
- ➔ Communication as required in terms of the legislation – The municipality has a Communication Strategy that was compiled in accordance with the relevant legislation. The primary objective of this Communication Strategy is to ensure that the Municipality, both at Council and Management levels, articulate common messages in an efficient, coherent and coordinated manner. All notices and invitations to meetings and imbizo's (e.g. for the IDP) are planned and arranged in accordance with this Communication Strategy. However, problems are experienced on three levels namely:
 - Enquiries made by customers (business and civil) to the municipality – The reaction time from the municipality seems to be slow and the feedback weak. The general complaint is that customers find it difficult to make contact with the appropriate official in the municipality, resulting in frustration. It would appear as if some officials are regularly out of office, or do not return calls.
 - Curtsey and professionalism of officials in dealing with customers – The general complaint is that some officials do

- not always honor the principles of Batho Pele as they are not always friendly and helpful when dealing with customers.
- Suggestions made by customers – The complaint is that inputs and suggestions made by the commercial sector are rarely accepted and implemented.
- ➔ Lack of a clear policy on the informal trade sector – The informal sector is managed by way of a By-Law that specifies matters such as: where trading is prohibited, the restrictions on the type of trading allowed, and defines the powers of the municipality in regulating informal trade. Although the By-Law is useful for the purposes of regulation, a comprehensive policy is required on the informal sector to deal with all its dimensions in order to allow the sector to make a meaningful contribution to the local economy.
- ➔ Preferential procurement policy – The municipality has a Supply Chain Management (SCM) policy that gives preference to local business. However, in practice, it would seem as if a large portion of municipal contracts are still awarded to businesses located outside the area.
- ➔ Turn-around times for zoning and business applications – Opinions about the turn-around for land-use applications time differ, but the following concerns were noted:
 - The long-time delays in approving building plans.
 - A number of developments have located elsewhere after their applications took too long.

- Bulk service costs and contributions are increased without any consultation or reason given. The high service fees put pressure on the feasibility of developments and a number have relocated

➔ Infrastructure

- Roads – The internal road infrastructure of Inkosi Langalibalele is in a fairly good condition (apart from a few potholes). These roads are:
 - N3 national route, links Durban and Johannesburg. It is approximately 80km from Pietermaritzburg and about 40km from Ladysmith.
 - R103 which runs parallel to and north of the N3.
 - P10-1 runs along the north-western portion of the municipality and connects Loskop to Estcourt town.
 - The P29 connects Ntabamhlophe to Estcourt town.
 - The third primary corridor is the road linking Ntabamhlophe and Mahlutshini (P379). This road engraves through dense settlements of KwaNdaba and KwaDlamini which are characterised by few economic development initiatives.
 - P170-D385 corridor is a proposed corridor linking the eco-tourism and leisure node of Wagendrift Dam through Estcourt town with the proposed Big Five Game Reserve but running along the eastern boundary of the municipal area.
- Water – Inkosi Langalibalele have sufficient water until 2030.

- Sanitation – The sanitation infrastructure in Inkosi Langalibalele are overloaded and require urgent upgrading. MIG funds have to be secured for this.
- Electricity – The electricity demand in Inkosi Langalibalele far exceeds the approved allocation from Eskom and the infrastructure requires major upgrading. Funds have been secured from DME to start addressing the problem.
- Telecommunication – In general, the telecommunication infrastructure (both fixed line and cellular) is well developed. Cell reception may be problematic in the deeper rural and mountainous areas.

- ➔ Industrial space – There are still ample industrial sites available.

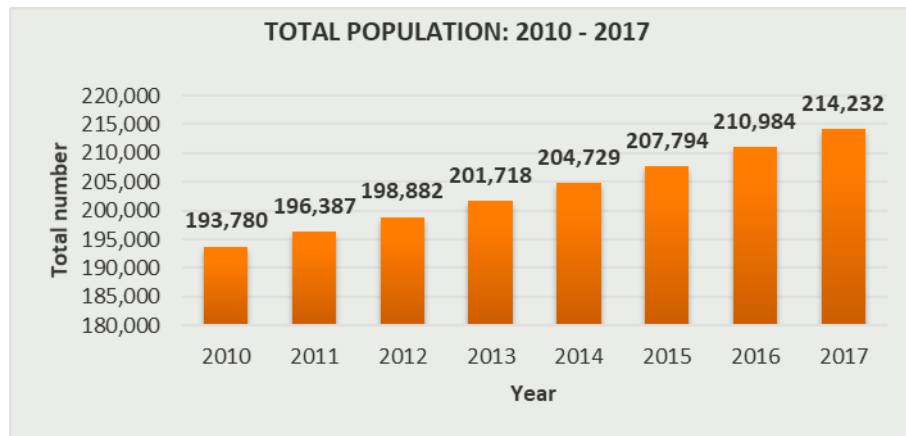
2.3 SOCIO-ECONOMIC PROFILE OF INKOSI LANGALIBALELE COMMUNITY

2.3.1 POPULATION SIZE, GROWTH RATE AND AGE PROFILE

The total population of Inkosi Langalibalele Local Municipality was estimated at 196 387 people living in approximately 46 953 households according to Census 2011 compared to 36 325 in 2001. This demonstrated an increase of 14.59%. The Community Survey enumerated a total of 215 182 people in 2016. This is evidence of an increase of 18 955 people between the current previous census and the recent survey. This increase can be associated with a number of premises, of which one is receiving new dwelling for household and moving to live with or be closer to family and place of work. The

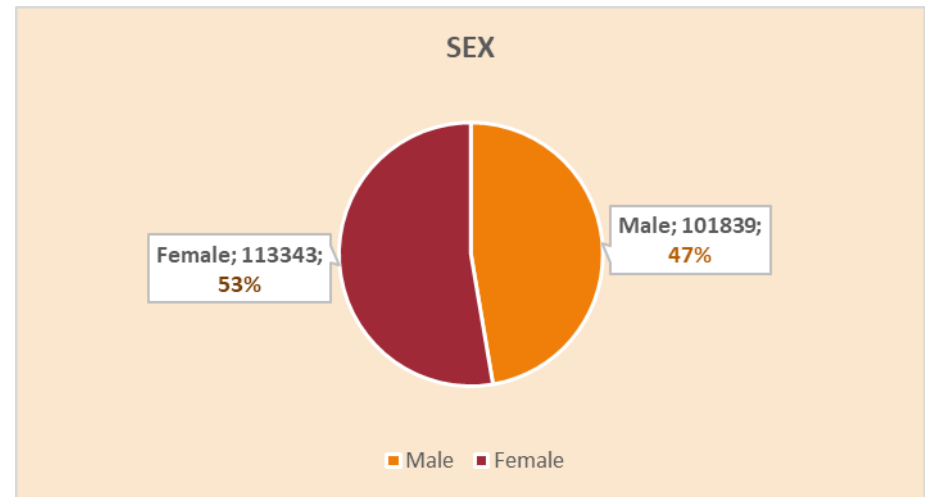
population of Inkosi Langalibalele is unevenly spread over 23 wards. The current population of the study area is divided into three categories; young age with 30%, working age constituting of 62%, and the elderly with 8%. Inkosi Langalibalele is dominated with black Africans comprising of 96% of the populace, followed by Asians with 2%, and whites with coloureds both each at 1%. It is no doubt that IsiZulu is the dominant language within this local municipality. 50% of the population is estimated to be single and has never lived together as husband/wife/ partner and that resulted into a statistical evidence of 135 434 number of the households being headed by females. The total number of number of females is 113 015 and male 101 217 according to the 2017 Stats SA data. Baptist Church/Shembe).

Figure 4. Total population 2010-2017



Source: Quantec 2019

Figure 5. Sex structure



Source: StatsSA [Community Survey 2016]

Figure 6. Population Group

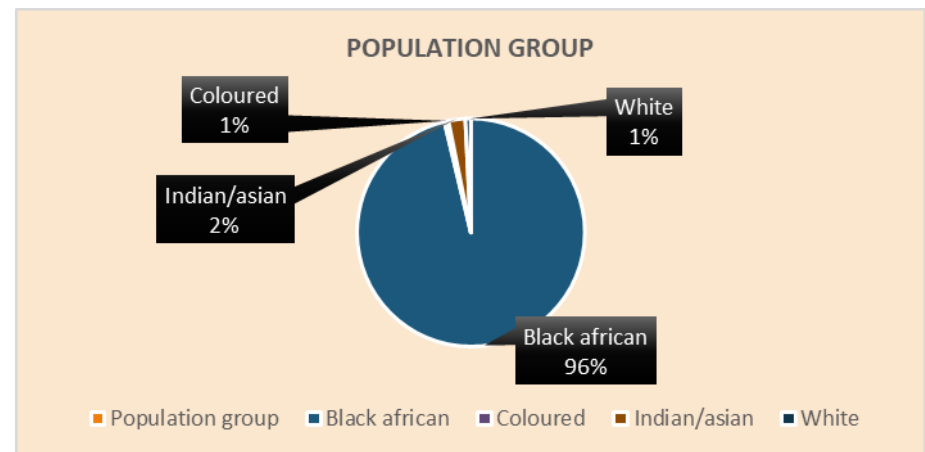
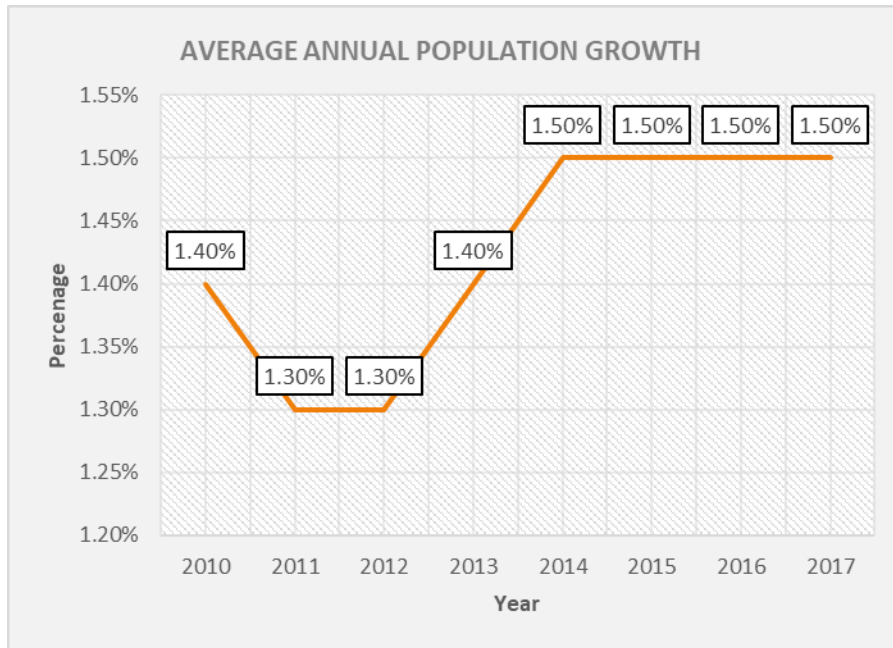


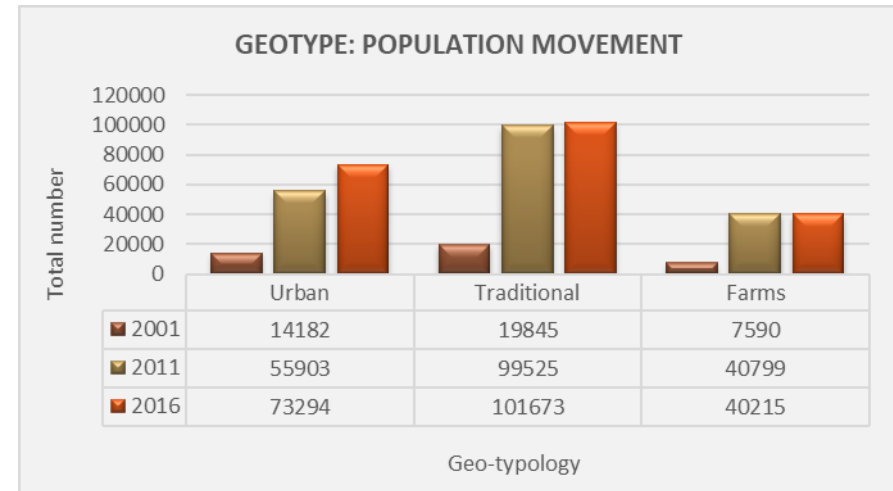
Figure 7. Average Annual population growth



Source: Quantec 2019

Figure 5 below, clearly illustrates the trends which have been taking place within Inkosi Langalibalele Municipality. From the year 2001, urbanization has clearly been taking place. Briefly, in definition, urbanization is the increasing number of people that migrate from rural to urban areas and mainly results in the physical growth of the urban areas. Within the context of Inkosi Langalibalele, not only urbanization was or is taking place, but the process that is referred to as the rural immigration, is also taking place.

Figure 8. Geotype: Population movement



Source: StatsSA – Census 2001, 2011 and 2016 Community Survey

2.3.2 EDUCATION LEVELS

Education in every sense is one of the fundamental factors of development. The key to achieve sustainable economic development lies in the substantial investment in human capital. According to the Inkosi Langalibalele 2019-2020 Integrated Development Plan, spatial distribution of education facilities in relation to the population density reveals that some areas are not well provided with education facilities. This is based on the application of a standard of 1200 households per secondary school and 600 households per primary school. Areas that require urgent attention include Ntabamhlope, Loskop, Frere, Rensburg Drift,

Cornfields and Thembalihle. In some instances, the settlement does not have sufficient threshold to warrant a school. This situation accounts for a high rate of school dropout and the associated functional illiteracy. This affects mainly the farm dweller households that are located in deep commercial farmlands. Census data articulated in the table below reveals that the rate of non-schooling has however dropped since the year 2015.

Table 2. Education Level

Education Level	2015	2016	2017
No Schooling	13,898	13,510	13,233
Grade 0 -2	3,790	3,719	3,596
Grade 3 -6	12,819	12,837	12,795
Grade 7-9	17,760	17,772	17,524
Grade 10 - 11	26,208	27,579	28,695
Certificate/ diploma without matric	431	487	534
Matric only	30,204	31,208	32,262
Matric & certificate/diploma	3,917	3,857	4,002
Matric & bachelor's degree	2,355	2,531	2,953
Matric & Postgrad degree	812	925	1,125

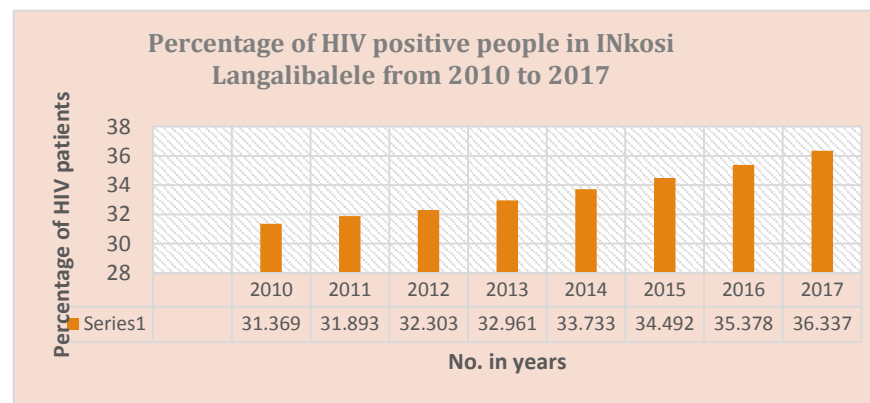
Source: Quantec 2019

The educational levels have however seen a slight increase in the number of people with matric qualifications as well as further tertiary education.

2.3.3 HIV/AIDS AND TB

The HIV/AIDS and TB epidemic is one of the biggest challenges faced by the INkosi Langalibalele Local Municipality. There is a need to ensure that all planning and projects take into account HIV/AIDS and its consequences. The statistical data below articulates the rate at which HIV has increase in the municipality. Approximately 36% of people living within the municipality are HIV positive. By analyzing the data provided, it is evident that each consecutive year there is a 1% increase of patients effected with this HIV epidemic.

Figure 9. Percentage of HIV positive people in Inkosi Langalibalele from 2010 to 2017

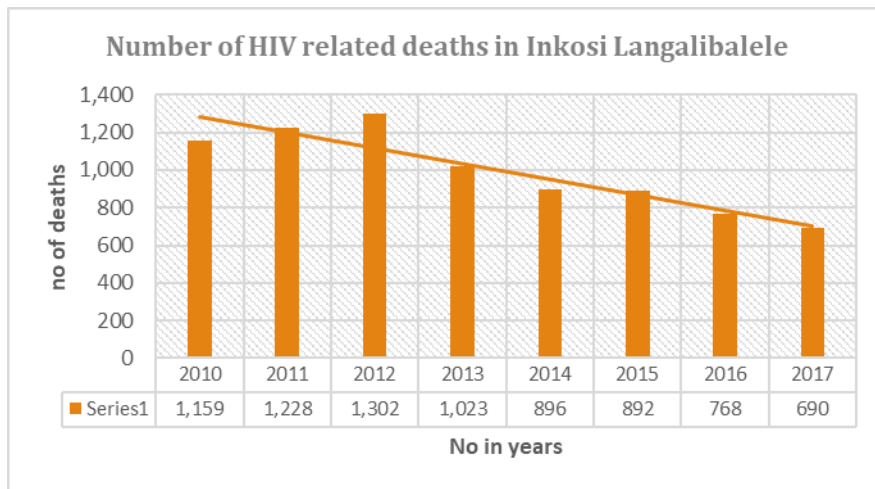


Source: Quantec 2019

Although the number of people effected with the HIV/AIDS virus has increased within the municipality, the number of HIV related deaths has however decreased. The figure below outlines the gradual

decrease of the number of deaths which commenced in the year 2013 till 2017.

Figure 10. Number of HIV related deaths in Inkosi Langalibalele



Source: Quantec, 2019

The municipality is working tirelessly to curb the spread of HIV/AIDS in South Africa. This has been filtered down to ward level where councilors and the marginalized society are most vulnerable. The Municipality is also no exception and has a unit that deals directly with this pandemic on daily basis. The establishment of WAC's. (i.e.) Ward Aids Committees is the entry point where the ward councilor becomes the champion. It works closely with ward committees. The LAC is the next structure which is headed by the honorable Mayor of the Local, The LAC then reports to the DAC –District Aids Council.

In this structure stakeholder from various field meets quarterly to discuss mitigating strategies relevant to the community served by the Local Municipality. The HIV/AIDS coordinator in the Municipality works with all the local clinics hospitals, sectors, and NGO's in tackling issues pertinent to the pandemic. The Local Municipality has an itinerary created on monthly basis and reports are submitted electronically. The coordinator responsible for this unit also deals with the substance abuse forum which is led by the Department of social development.

The LAC is planning a training session of all councilors so as to strengthen the fight against this scourge. Traditional leaders are the major stakeholder in this phenomenon as they are the ones that also lead Maidens Camps and reed dance in this local Municipality.

2.3.4 IMPACT OF HIV/ AIDS ON THE HOUSEHOLD

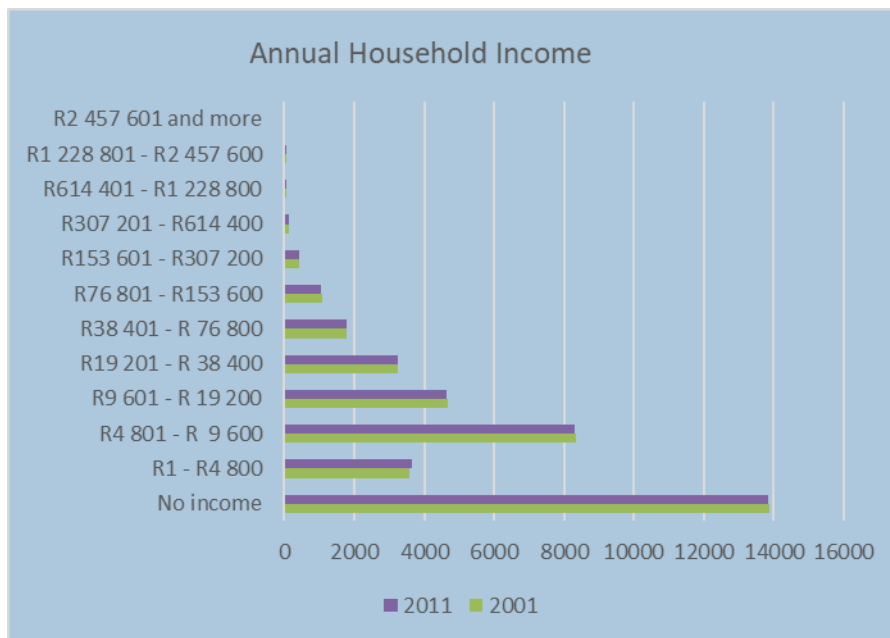
Inkosi Langalibalele Municipality notes the potential impact of HIV and AIDS on the population and development within the municipal area generally. It thus introduces strategies and programs to mainstream HIV and AIDS in all municipal development initiatives. The cost of managing HIV/TB coinfection significantly increases the costs to the families in the subsidized HIV treatment program. Patients with TB/HIV impose a higher economic burden on the health system than HIV/AIDS patients. HIV/AIDS changes the make-up of the population in terms of the age distribution as well as

changing the household structure, with more female, child and elderly-headed households.

2.3.5 INCOME AND POVERTY LEVELS

According to StatsSA Census 2001 and 2011 data, the Inkosi Langalibalele Municipality income levels for people with no income have decreased. The figure below illustrated the annual household income experienced within the municipality.

Figure 11. Annual Household income



Source: StatsSA, Census 2001 and 2011

The local municipality is characterised by levels of high-income inequality and discrepancies in resource distribution. The locality contains areas that are well developed mainly located within the town of Ladysmith and areas that are underdeveloped which are mainly located in dispersed rural settlements where poverty levels are relatively high. The South African Multidimensional Poverty Index (SAMPI) depicts several poverty hotspots within the province largely situated in previously disadvantaged areas furthest from the main transport routes and struggling in attracting investment (PSEDS, 2017). The Provincial Spatial Economic Development Strategy identifies district municipality as one of the districts in the province with the largest pocket of poverty. Inkosi Langalibalele is a largely rural area characterised by widespread socio-economic challenges including low revenue base, poorly maintained infrastructure and services, limited access to social services, high levels of poverty, unemployment, skills shortage and low levels of education. It is thus clear that within the locality Inkosi Langalibalele is the area highest hit by poverty, evident in the high level of unemployment and low levels of household income. This implies that there is a need to ensure that this area receives attention to assist in poverty alleviation.

The experience of poverty is multi-dimensional. While the inability to access income remains one of the most obvious expressions of poverty, definitions of poverty typically refer to the absence of capital such as land, access to natural resources, or to the importance of social, intellectual capital and even the climate of

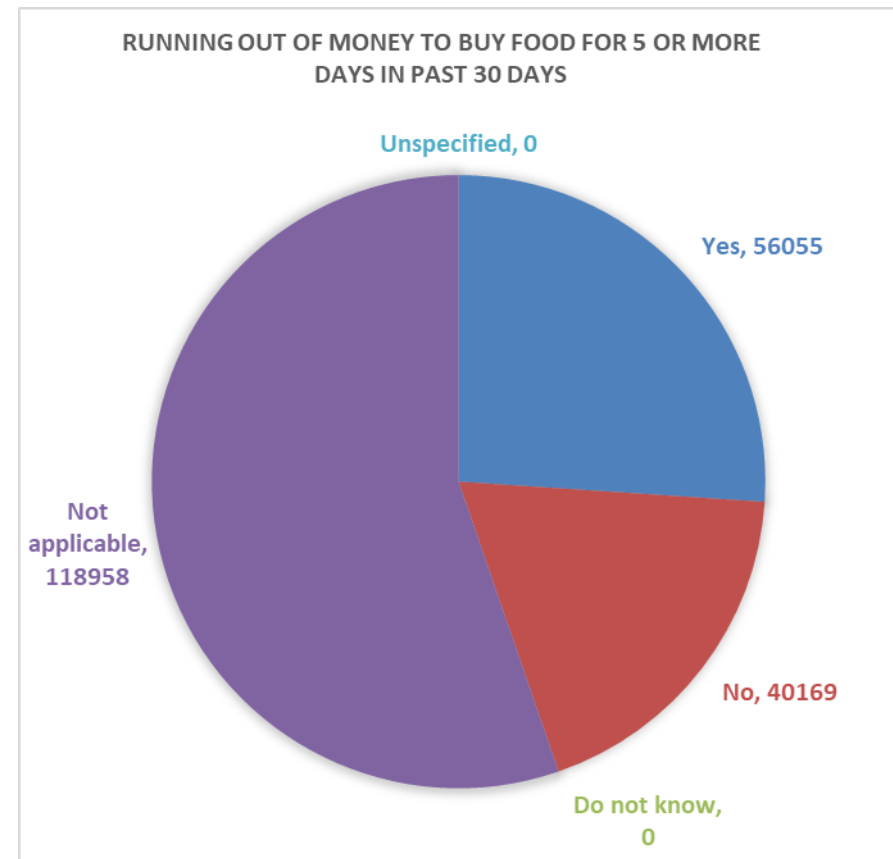
democracy as well as security necessary to enhance the capabilities of the poor and excluded. Furthermore, there is an additional institutional dimension of poverty that recognises that the poorest in the nation are those who are unable to access state assistance designed to provide a social safety net because of institutional failure.

Poverty is located across the full range of settlement types from deep rural areas to inner cities. It is thus the concern of all municipalities. According to uThukela IDP (2018), *“most poverty-stricken areas are found within Inkosi Langalibalele and Alfred Duma, and the overwhelming majority of people living in poverty are from the black community. The three measures of poverty and social inequality clearly show that poverty is concentrated in the Black communities and that inequality are widening over time”*. The municipality currently does not have any poverty alleviation programme in place that will deal particularly with combating poverty. However, this plan will attempt to devise strategies in attempt to mitigate poverty levels within the study area.

Poverty is often defined in absolute terms of low income of less than US\$1 a day or typically the state of being inferior in quality or insufficient in amount, however in actuality, the magnitudes of poverty happens on a comparative scale. Within Inkosi Langalibalele, poverty assessment will be assessment by examining food security data extracted from Community Survey 2016 data, as

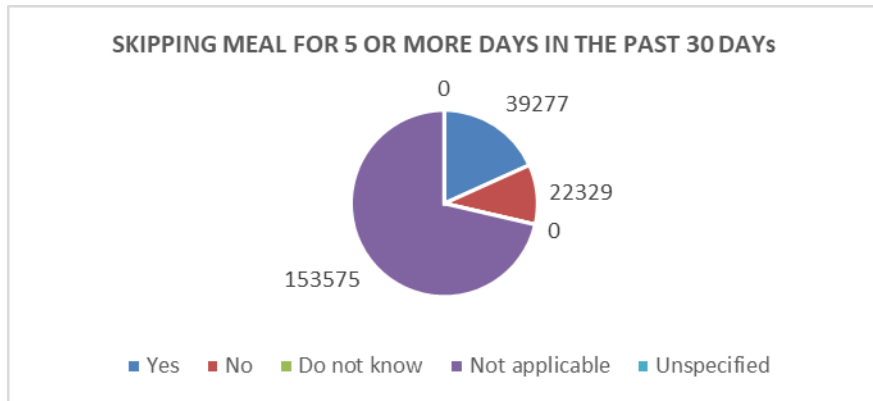
illustrated below, and also probing the household annual income of the recent census enumeration.

Figure 12. Population of people running out of money to buy food for 5 or more days in the past 30 days



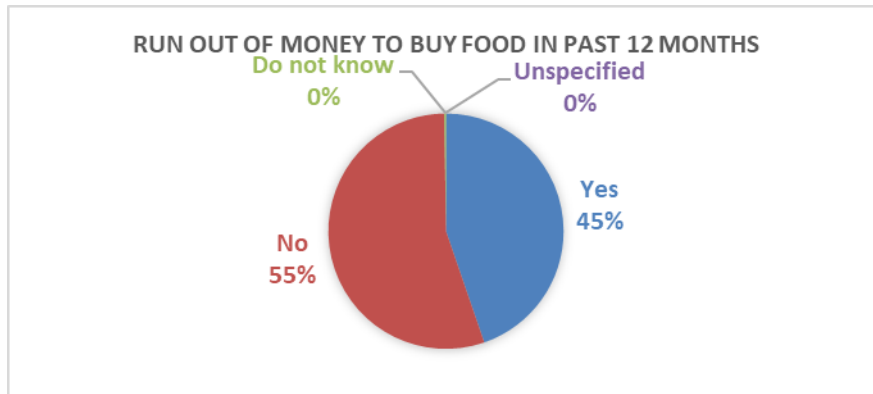
Source: StatsSA [Community Survey, 2016]

Figure 13. People that skipped meal for 5 or more days in the past 30 days



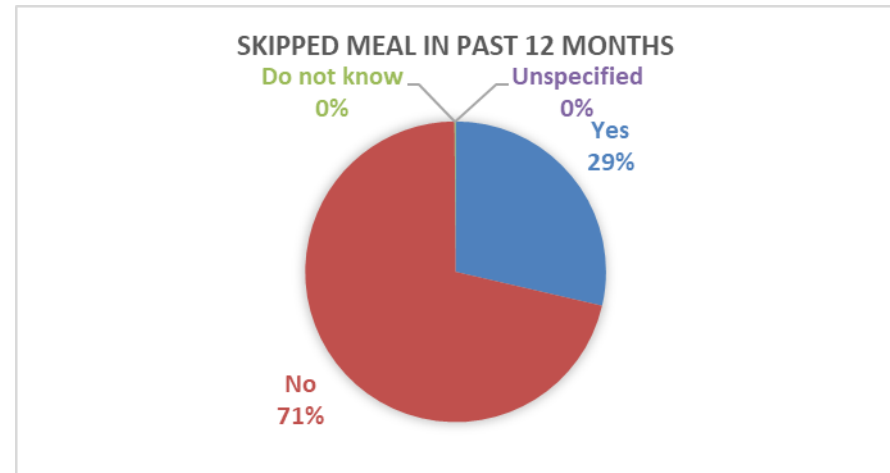
Source: StatsSA [Community Survey, 2016]

Figure 14. People that ran out of food in the past 12 months



Source: StatsSA [Community Survey, 2016]

Figure 15. Persons that skipped meal in past 12 months



Source: StatsSA [Community Survey, 2016]

The following implications can be drawn:

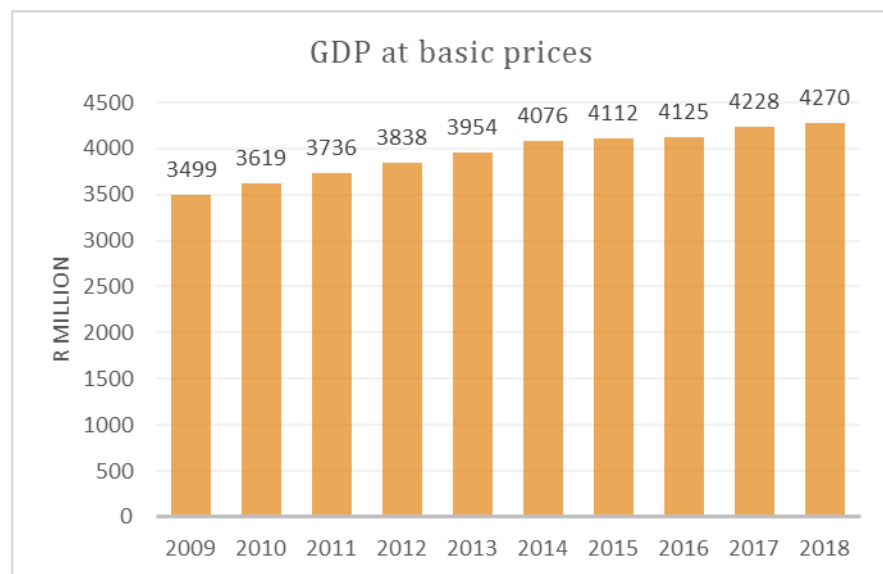
- ➔ According to the Census data depicted above, it is evident that there are high poverty levels within Inkosi Langalibalele Municipality. Approximately 26% of the population has reported running out of money to buy food for the 5 or more days in the past 30 days.
- ➔ Approximately a high 75% of the population has skipped a meal for 5 or more days in the past 30 days.
- ➔ Rural poverty is one of the key issues faced by the municipality, rural poverty is often perpetuated by the disconnection of settlements to economic and social development areas.

➔ The Census 2001 and 2011 illustrate that there is a very high level of people with no income as well as the majority of the population earning an annual household income of less than R20 000.00. This is evident suggest that the municipality is faced by high levels of poverty.

2.4 OVERVIEW OF INKOSI LANGALIBALELE

2.4.1 GROSS DOMESTIC PRODUCT BY REGION

Figure 16. GDP at basic prices



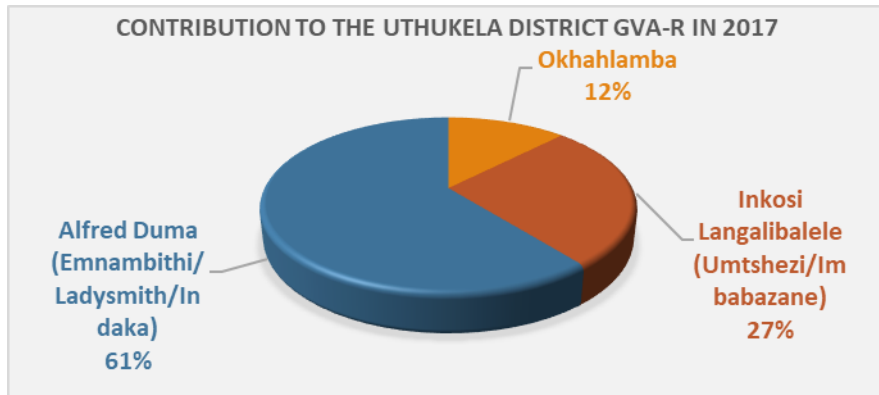
Source: Quantec 2019

The country's economy has been facing a lot of turmoil since the global financial along with issues of labour unrests, low commodity prices, drought, rising interest rates, mining disasters, rising oil prices and electricity constraints affecting a number of sectors as evidenced with the sluggish economic growth. KwaZulu-Natal has shown a steady increase in GDP-R at constant 2010 prices with an estimated real GDP-R of approximately R 498.5 billion in 2017 (IHS Markit, 2018). eThekweni Metropolitan Municipality contributed about 61 percent towards the provincial GDP, followed by UMgungundlovu District Municipality and King Cetshwayo District Municipality accounting for about 10.5 percent and 6.9 percent respectively towards the provincial GDP in 2017 (IHS Markit, 2018).

UThukela District Municipality was recorded as the fifth largest contributor to the provincial GDP accounting for 3.5 percent in the 2017. Inkosi Langalibalele municipality's economy has however managed to consistently grow as evidenced in Figure 2.4. The municipality's Gross Domestic Product (at domestic prices) contributions over the past decade showing an upward sloping trend. Since 2009, the municipality's GDP has been relatively on the rise with the GDP having increased by 22 percent in 2018 standing at R4.27 billion.

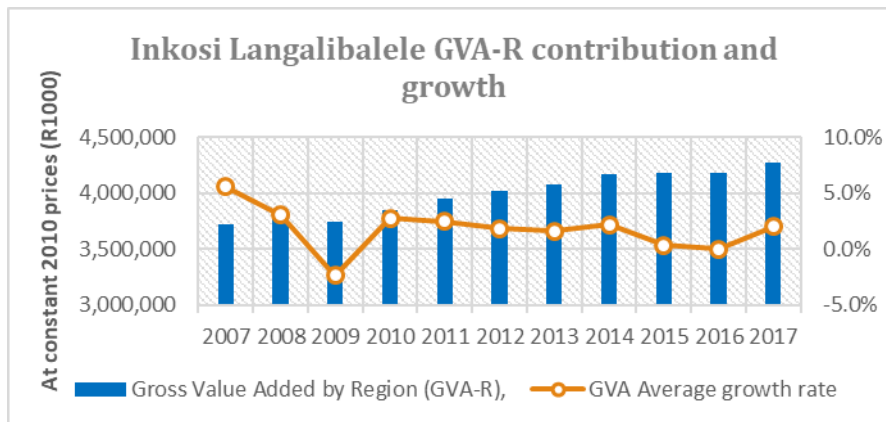
2.4.2 GROSS VALUE ADDED BY REGION

Figure 17. Contribution to the uThukela DM GVA-R in 2017



Source: Quantec 2019

Figure 18. Inkosi Langalibalele GVA-R contribution and growth

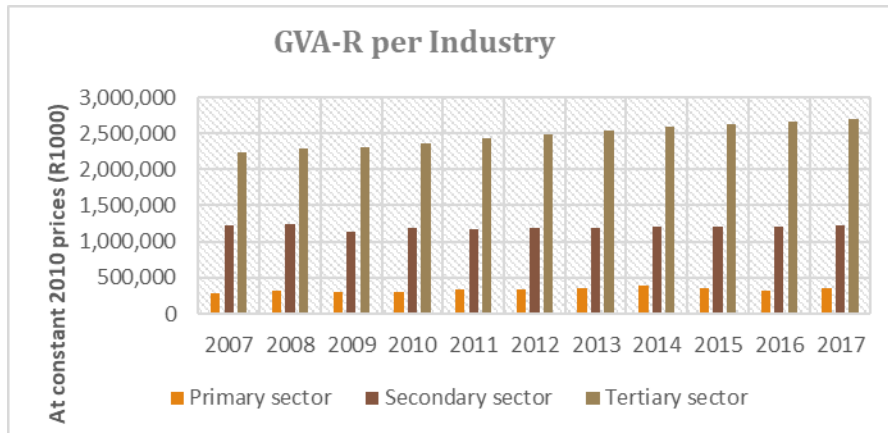


Source: Quantec 2019

eThekweni municipality continues to dominate within the province, contributing the largest share to the total provincial GDP and Gross Value Added (GVA). The eThekweni municipality accounted for 53 percent of the provincial GVA economic contribution followed by uMgungundlovu District at 12 percent and King Cetshwayo District at 8 percent. Consequently, major economic activities within the province are dominated by Durban, Pietermaritzburg and Richards Bay cities with the remaining smaller towns and rural areas accounting for less than 30 percent of the total provincial GVA (PGDP, 2019). Within the district, Alfred Duma Local Municipality is the largest contributor to the district economy accounting for approximately 61 percent in 2017 as depicted in Figure 15.

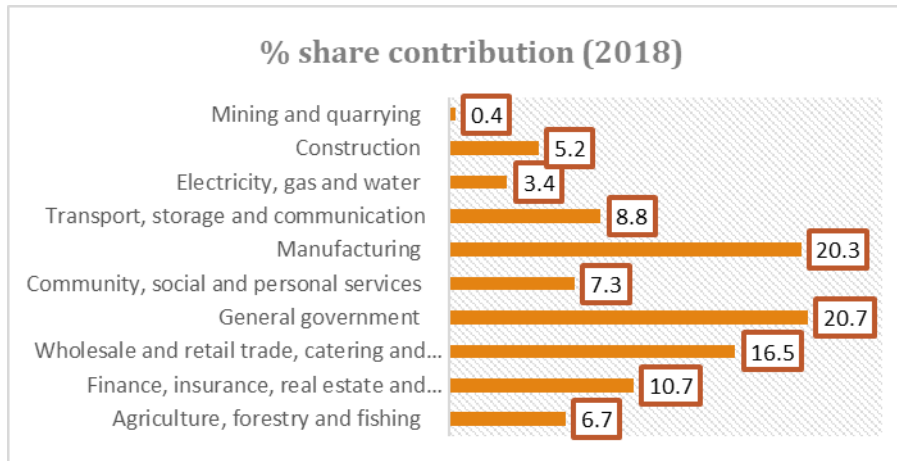
This is then followed by Inkosi Langalibalele Municipality contributing about 27 percent then Okhahlamba Municipality accounting for 12 percent. The municipal GVA-R for the Municipality has been growing since the year 2007 despite the sharp decline experienced in 2009 mainly associated with the global financial crisis in 2008/2009. In 2017, the municipality recorded a GVA-R of R4.27 billion with average GVA-R growth recorded at 2 percent. The GVA-R average growth rate has been fluctuating since 2007 where the highest growth (5.6%) was recorded. As noted, the impact of the global financial crisis had an adverse impact of growth with a negative growth rate of 2.4 percent recorded in 2009.

Figure 19. GVA-R per Industry



Source: Quantec 2019

Figure 20. % share contribution (2018)



Source: Quantec 2019

Inkosi Langalibalele municipality's economy has been largely dominated by the tertiary services sector consisting of trade, transport, finance and community services since 2007. Combined the tertiary sectors accounted for approximately 66 percent in 2017 with general government services taking the largest share of approximately 20.7 percent of the municipality's GVA-R sector share. The secondary sector is the second largest GVA contributor in the municipality accounting for 24 percent in 2017 this is largely because of the manufacturing sector which contributed about 20.3 percent towards the municipal GVA. The primary sector is the least contributor despite the dominance of agricultural production in the municipality.

The municipality has a fairly well diversified economy with Estcourt as its major town well-established and serviced with light-to-medium industries, commercial and tourism service centres. The municipality's key economic sectors contributing to the economic growth of the municipality in 2018, included general government (20.7%); manufacturing (20.3%); Wholesale and retail trade, catering and accommodation (16.5%); Finance, insurance, real estate and business services (10.7%); Transport, storage and communication (8.8%); Community, social and personal services (7.3%); Agriculture (6.7%); Construction (5.2%); Electricity, gas and water (3.4%) and Mining (0.4%).

2.4.3 CONCENTRATION LEVELS, COMPARATIVE AND COMPETITIVE ADVANTAGE

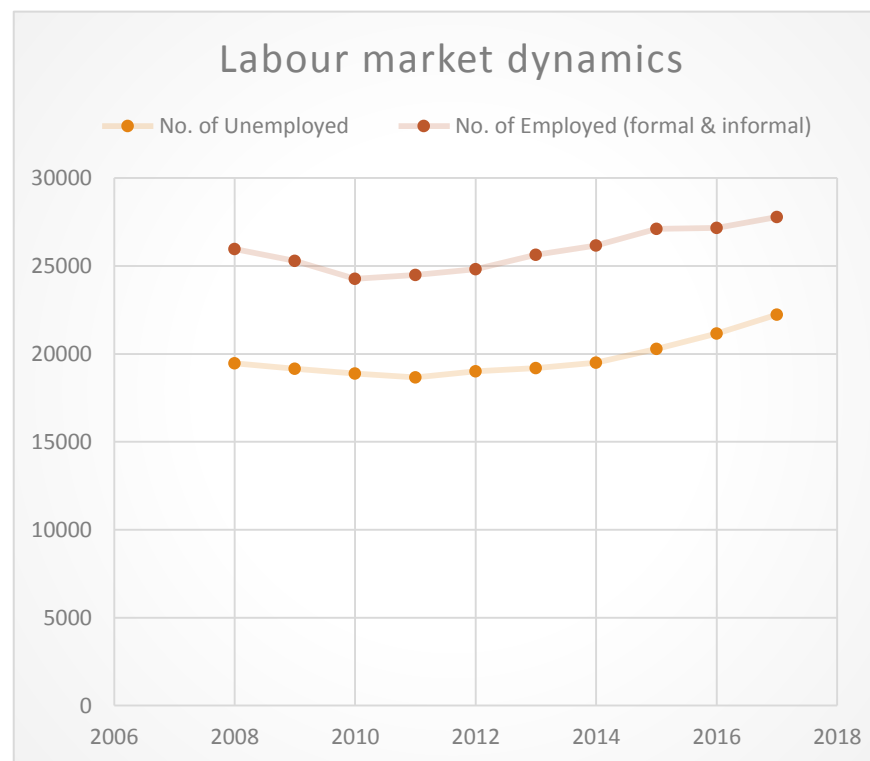
The important elements of competitive and comparative advantage within municipalities include available infrastructure and services, the institutional environment, economic indicators and the overall capacity of the municipality. Thus, Inkosi Langalibalele municipality's competitive advantage lies in its available infrastructure and services and its relatively well-established institutional environment. The municipality has comparative advantages in terms of GDP contribution lies in the sectors of general government services sector, the manufacturing sector dominated by fuel and petroleum products sub-sector, trade dominated by retail trade and repairs of goods sub-sector and the finance sector dominated by the finance and insurance sub-sector.

Correspondingly, the employment contribution of the community services as well as in the agriculture and trade sectors provides comparative advantage to the municipality. The municipality is further holding vast agricultural land with major potential for primary and secondary production along with the strategic location of the municipality along the N3 development corridor and its proximity to the World Heritage Site (Inkosi Langalibalele Local Municipality, 2018). Lastly although various issues exist in terms of the functionality of the municipal capacity, the municipality has an LED unit in place to help drive economic development and provide comparative advantage for the municipality.

2.5 OVERVIEW OF INKOSI LANGALIBALELE LABOUR FORCE

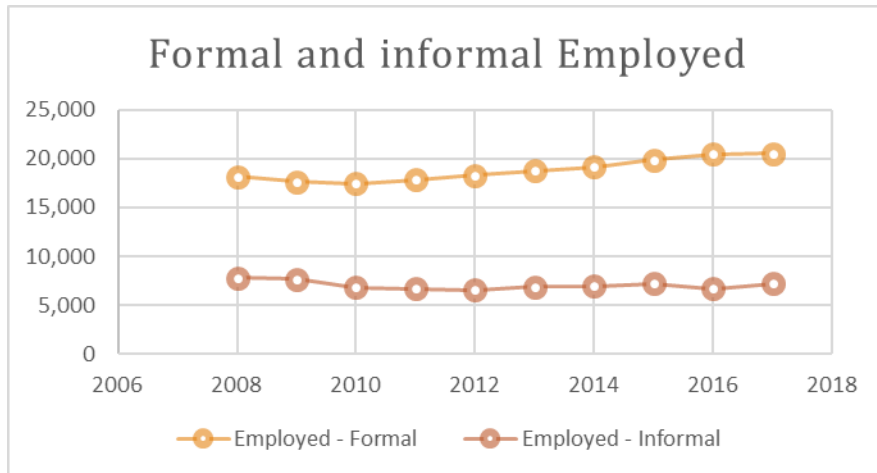
2.5.1 THE LABOUR MARKETS

Figure 21. Labour market dynamics



Source: Quantec 2019

Figure 22. Formal and informal employed



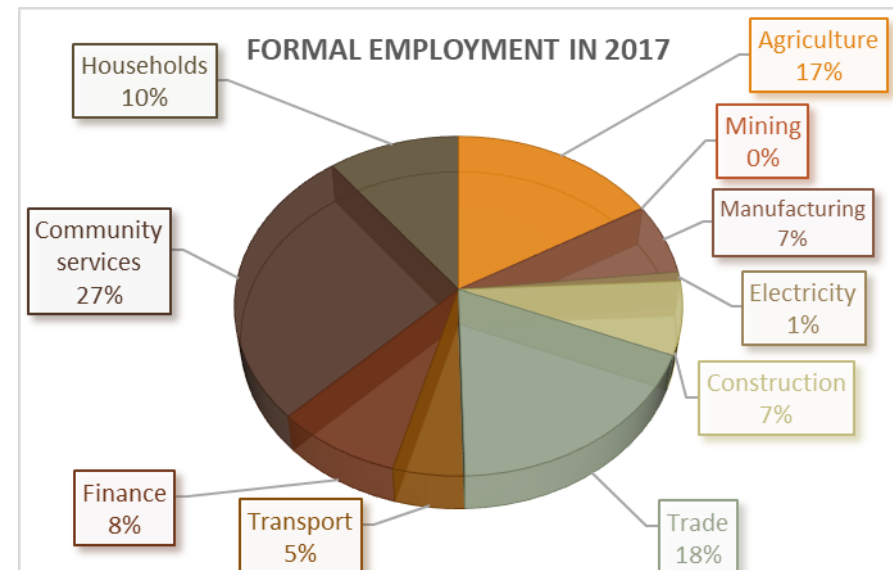
Source: Quantec 2019

In a country still plagued by issues of high poverty, unemployment and inequality the labour market remains challenged by imbalances in the supply and demand of labour, low levels of employment creation and excessive unskilled labour. Though transformation in the labour market has been achieved since the country’s democratization, much still needs to be done to meet the growing demand including improvement in the access of education and training to grow the supply of skills. In terms of employment, the number of people employed in the municipality has been on the rise with about 27 779 people employed in both the formal and informal sector in 2017. Similarly, the number of the unemployed in the municipality has also been on the rise since 2008 reaching to 22 232

unemployed individuals in the municipality in 2017. Generally, both the formal and informal employment in the municipality has been increasing since 2008. Thus, the formal to informal employment ratio for Inkosi Langalibalele was 1: 0.35 in 2017 compared to 1:0.43 in 2008 suggesting a decline in the informal sector. This can be translated to 0.35 informal sector jobs for every one formal sector job.

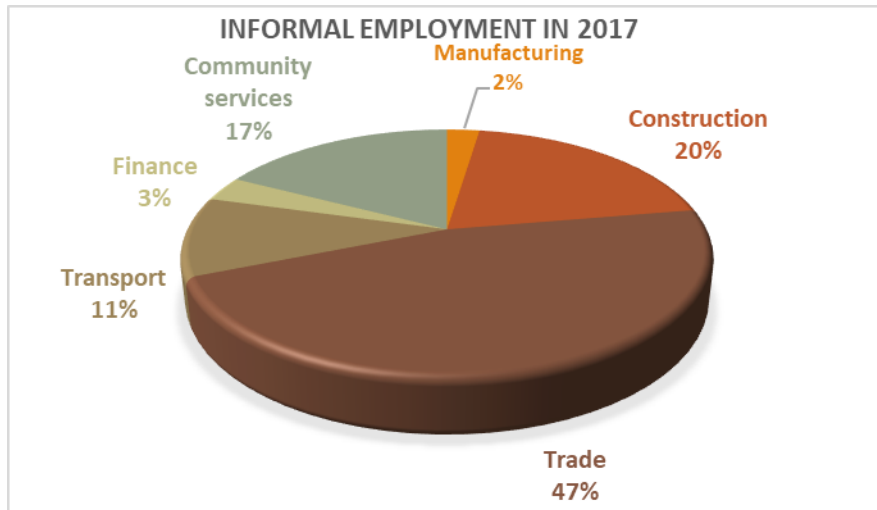
2.5.2 SECTORAL MARKETS

Figure 23. Formal employment in 2017



Source: Quantec 2019

Figure 24. Informal employment in 2017



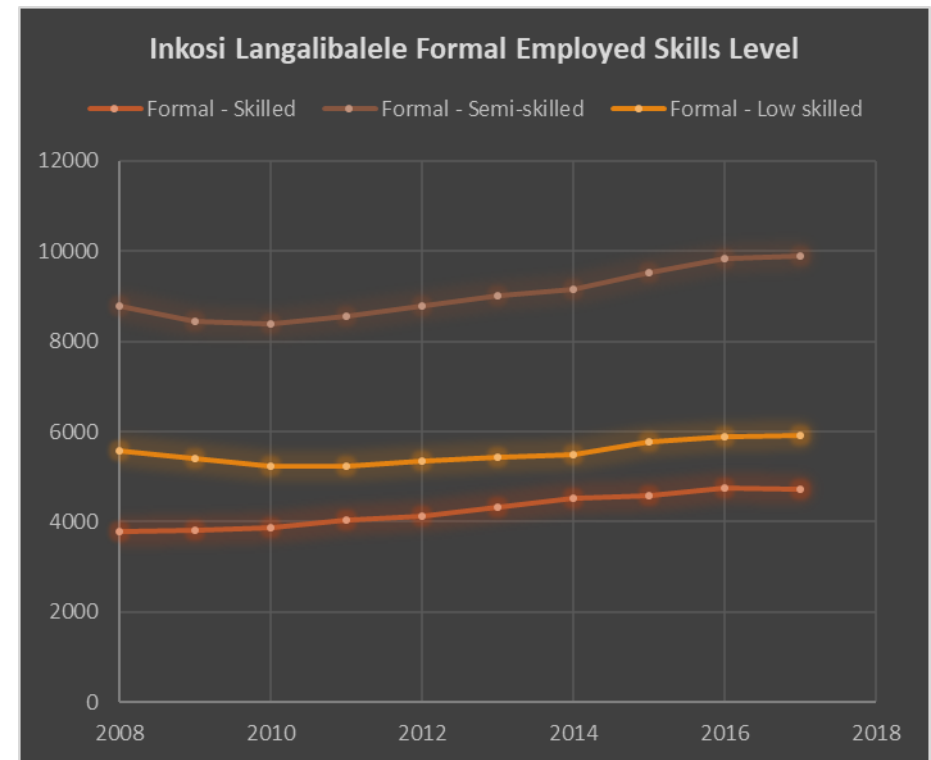
Source: Quantec 2019

In terms of sectoral employment, the four largest formal sector industries in Inkosi Langalibalele were community services accounting for 27 percent followed by the trade sector at 18 percent, the agricultural sector at 17 percent and the household services at 10 percent. Together, these four industries account for 72 percent of all formal sector employment in the municipality in 2017. The industries contributing the least to formal employment within the municipality include the mining sector and electricity sector accounting for approximately 0 and 1 percent respectively in 2018, as evidenced in Figure 21. The three largest industries in terms of informal employment within the municipality include the trade

sector accounting for 47 percent followed by construction at 20 percent and community services at 17 percent. Combined these three industries account for approximately 84 percent of total informal employment as evidenced in Figure 22.

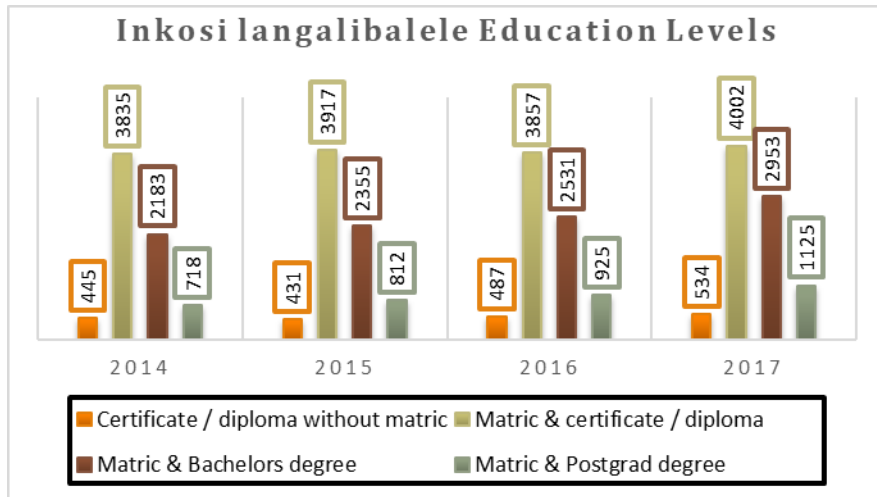
2.5.3 TERTIARY EDUCATION SKILLS

Figure 25. Formal employed skills level



Source: Quantec 2019

Figure 26. Educational levels



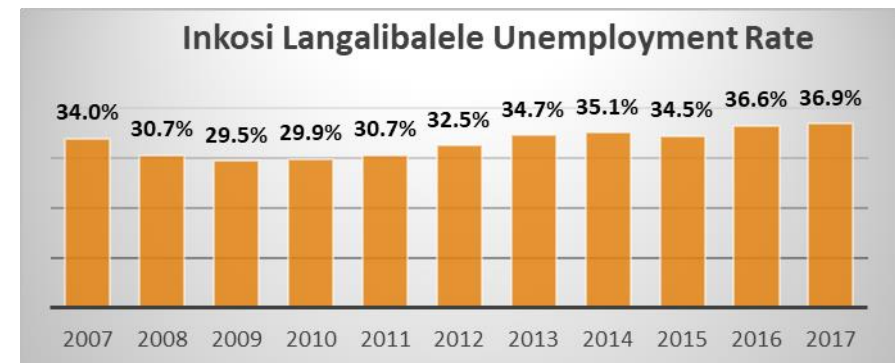
Source: StatsSA [Community Survey, 2016]

Education somewhat indicates human resource and skills available within the municipality and is key to growing the future economy. It increases access to job opportunities and assists in fast-tracking and sustaining inclusive development. As such, poor levels of education attainment and quality hinders inclusive development whilst further perpetuating poverty. As such, policy decisions impacting upon education play a crucial role in developing the municipality's future economy and its ability to eradicate poverty. Consequently, growing the future economy and eradicating poverty requires sound policy decisions on education that reflect an understanding of the current education dynamics. Figure 23 depicts the skills level and tertiary education levels of the population of INkosi Langalibalele

municipality. The majority of the population in the municipality employed in the formal sector over the decade are semi-skilled followed by the low-skilled population. In 2017, about 9 906 people were recorded as semi-skilled whilst only 5 904 and 4 733 were recorded as low skilled and skilled respectively as illustrated in Figure 2.5.3. In terms of higher education attainment, the largest share of the educated population has matric and certificate or diploma followed by those with matric and a bachelor's degree. The number of people with matric and Postgraduate degree in 2017 increased by about 64 percent since 2014 growing from 718 in 2014 to 1 125 in 2017. Overall, the number of individuals with higher education have been increasing in the municipality since 2014 as illustrate in Figure 24.

2.5.4 UNEMPLOYMENT RATES

Figure 27. Unemployment rate



Source: Quantec 2019

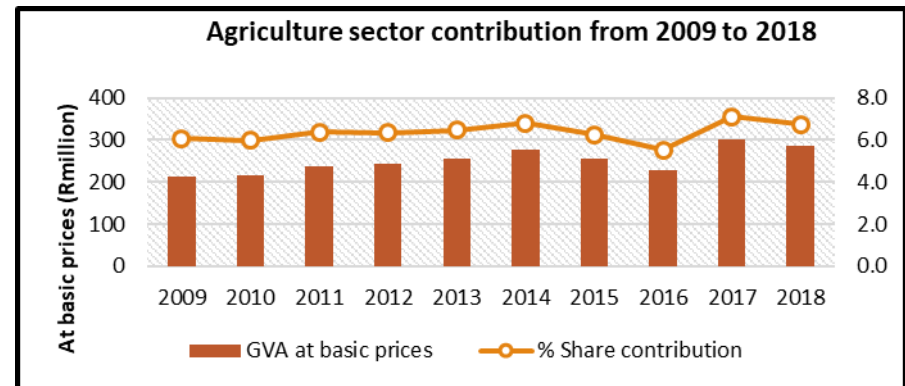
While the KwaZulu-Natal province is the second largest contributor to the South Africa's economy, the province has been shedding a large number of jobs since the global financial crisis. The sectors of major job losses in the province included the transport, community and social services, construction and manufacturing sector. This along with the high unemployment especially amongst the youth is one of the country's biggest challenges further corresponding to the sluggish performance of the country's economy. Figure 25 illustrates the unemployment rates for Inkosi Langalibalele municipality over the last decade. The unemployment rate within the municipality has been fluctuating with the highest rate recorded in 2017 accounting for a very high 36.9 percent.

2.6 AGRICULTURE, FORESTRY AND FISHERY

2.6.1 OVERVIEW OF AGRICULTURAL CONTRIBUTION

Agriculture is one of the biggest economic activities within the municipality and contributes significantly to local employment. In 2017, the sector was the third largest industry employment (formal) contributor accounting for approximately 17 percent of total employment within the municipality. Figure 2.6.1 shows that, although the municipality contributes significantly to employment its sector share and growth however is fluctuating. The sector contributed 6.1 percent in 2009 and increased (by 0.6 percent) to 6.7 percent in 2018 while its gross value addition grew from R213 million in 2009 to R288 million in 2018 as evidenced in Figure 2.6.1.

Figure 28. Agriculture sector contribution from 2009 to 2018



Source: Quantec 2019

This can however be attributed to numerous factors beyond the control of the municipality including climatic factors such as droughts, the rising oil prices affecting the price of fuel, low commodity prices and fluctuating exchange rates. The municipality has high agricultural and agri-processing potential however, this potential is not realized with the agricultural sector only contributing about 6.7 percent and vast agricultural land not under production. This is of key concern especially with the benefits associated with agricultural production in ensuring food security along with the links the agricultural sector has with the secondary and tertiary sectors with reference to manufacturing, transport and trade.

2.6.2 KEY FACTORS IMPACTING ON AGRICULTURE

The municipal IDP 2019/2020 identifies the agricultural sector as economically significant mainly due to its ability to not only provide rural residents with food but also a source of income and its overall impact on employment and links to the secondary and tertiary sectors. The municipality identifies a range of factors impacting upon agriculture in the municipality including: the very poor working conditions and wages along with the existence of underemployment; the municipal area is characterized by high altitudes, hence cooler climate, high rainfall potential and susceptibility to snowing and violent hailstorms; and the high dependence on traditional crop and products with limited innovation.

2.6.3 FOOD SECURITY

Since the country's democratization, the political and economic environment has advanced. Nonetheless, the country is still plagued by issues of poverty and unemployment exacerbated by sharp food and fuel prices, high electricity tariffs and cumulative interest rates that puts pressure on ordinary citizens struggling to meet basic household needs. Labadarios, Mchiza, Steyn, Gericke, Maunder, Davids, and Parker (2011) define food security as the ability of all in society at all times have sufficient food for an active and healthy life. Moreover, food security is expanded to including the accessibility of food that is safe and nutritious along with the assured ability to

procure and acquire food of good quality in a socially acceptable way (that is without resorting to emergency food supplies, scavenging, stealing or similar coping strategies). Thus, in contrast, the authors argue that, food insecurity exists when food is not easily accessible, and households have difficulty securing adequate food to sustain them.

The Statistic SA community survey (2016) found that, uThukela district municipality exhibited the second highest proportion of households that ran out of money with the province of KwaZulu-Natal accounting for about 38.2 percent (61 670). Whilst in Inkosi Langalibalele, about 19 851 households in the municipality ran out of money to buy food in the 12 months preceding Community Survey 2016 and 13 095 households were recorded as having skipped a meal in the last 12 months. A need exists for government and other stakeholders to consider alternatives interventions in the agricultural sector to grow the sector so as to ensure food security for the municipality and province at large. Consequently, small and emerging farmers need to be supported so as to grow them whilst also ensuring sustainable food security and employment of local residents within these areas.

2.6.4 COMMERCIAL AGRICULTURE

The municipal IDP 2019/2020 identifies agriculture as the dominant land use in the municipality in the form of commercial farming followed by conservation both public and private conservation

entities then land for residential purposes. The commercial farmlands are privately owned with a large extent of this land under land restitution. In terms of production both extensive and intensive farming activities are prominent throughout the municipal area including crop production (primarily in irrigated areas), game farming, limited forestry and livestock farming. The areas of Weenen, Ntabamhlophe, Hlathikhulu and Loskop are recognised as representing the agricultural hubs of the municipality.

2.6.5 AGRI-BEE AND LAND OWNERSHIP

The biggest form of land ownership in the municipal area is privately-owned land with some parts of the land within the municipal area under the Ingonyama Trust Board. The massive private land ownership is however anticipated to change as a large portion of the land is increasing registered under the land reform program. These large tracks of land will fall under communal land as defined in the Communal Land Rights Act (Inkosi Langalibalele Local Municipality, 2019).

The AgriBEE founded on the commodity/product value chain approach is aimed at creating a pipeline of black suppliers, farmers and industrialists within the value chain of the South African agricultural industry. Additionally, it aims to empower the youth and women in order to contribute towards the transformation and growth of the sector. Thus, the exploration of different ways in which agricultural product beneficiation can be boosted is

warranted perhaps through the developing of a municipal wide agricultural sector strategy involving all key stakeholders in the agricultural sector.

2.7 TOURISM

2.7.1 OVERVIEW OF MACRO TRENDS IN TOURISM

According to the World Travel and Tourism Council (WTTC), tourism is the fastest growing sector in South Africa and contributes close to 9% to South Africa's gross domestic product and over 1,6 Million people are employed in this sector. In general, the development of tourism in recent decades has been heavily influenced by the development of society as a whole. The rise of the industrial society turned tourism into a mass leisure activity, while globalization and post modernization have created an increasingly fragmented, individualized and diverse field of tourism supply and demand. Greg Richards (2017:3), a professor of leisure studies, outlines that the current growth of tourism is largely a result of increasing globalisation. Greg Richards stipulates that the following are key macro trends in tourism bound up with the development of a global society:

- ➔ More individualised consumption;
- ➔ Travel as everyday life;
- ➔ Growing competition between places;
- ➔ New consumers;

- ➔ New form of travel; and
- ➔ Geographical shifts in demand.

More individualised consumption trend outlines that Leisure tourism is still a mass market. However, it will be less organised and a more individual form of mass consumption. Holidays will be less frequently booked as package arrangements and more often compiled from individual elements. Another macro trend to tourism is the travelling as everyday life. As life becomes more complex and chaotic, as we are forced to be more mobile and travel with increasing frequency, we look for holidays as a counterbalance offering a touch of normality and stability either stay at home or traveling to the same place year in, year out. Globalisation and the growing competition between places have arguably made places increasingly the same and intensified competition between places around the world for flows of finance, people and talent and knowledge.

At the same time, a countertrend towards localization has made locality even more important, and tourism destinations increasingly emphasize the local aspects of culture and everyday life in their marketing. There is a growing need for distinctiveness in all areas of life in a globalizing world, which drives a relentless search for USPs, “genus loci” and authenticity in places around the world. Two main trends are discernible. On the one hand, new tourism consumers are coming from the emerging economies as these become richer and travel restrictions are eased. At the same time tourists from the

developed world are increasingly experienced and are looking for new types of tourist experiences. Because air travel has increasingly made the exotic into the everyday, for some, the search for newness and difference now occurs closer to home, in the rural areas.

2.7.2 PERFORMANCE OF TOURISM IN INKOSI LANGALIBALELE

Inkosi Langalibalele Local Municipality (ILLM) Integrated Development Plan (IDP) identifies tourism as a potential growth sector and an opportunity for realizing the local economic development objectives. This arises from the fact that the municipality is in a strategic location of the area in relation to the World acclaimed and celebrated UKhahlamba-Drakensburg Mountain, battlefields, the unique cultural and natural resources, and rich history of the area. The tourism development strategy forms part of the local economic development agenda and in spite of this, ILM has huge potential for economic development, particularly the tourism sector.

There are five key tourism experiences that currently exists within the Central Drakensburg area. There are primarily derived from the natural and cultural attractions of the area, which subsequently enforce a tourism developmental response through tourism products by Inkosi Langalibalele and Central Drakensburg to a larger extent. The tourism experiences (5) that exist within the Central Drakensburg can be discussed as follows:

- ➔ **Eco-tourism:** This tourism experience focuses on local culture, wilderness adventures, volunteering and personal learning and growth
- ➔ **Nature-Based Tourism:** Nature-based tourism attracts people interested in visiting natural areas of the Central Drakensburg for the purpose of enjoying the scenery, including plant and animal wildlife
- ➔ **Geo-tourism** focuses on the irrefutable witnesses of an everlasting evolution of life on Earth, caves, large geological rifts, ancient geological formations or landscapes chiselled by natural forces throughout the geological ages.
- ➔ **Avi-tourism:** It has a vital role to play in the conservation of bird habitat and sustained ecotourism. It increases awareness of the plight of endangered birds and the conservation effort and creates jobs in the tourism industry.

The main tourism experiences found within the boundaries of the municipality are:

- ➔ Hiking/ Mountain Climbing.
- ➔ Aesthetic and Scenery Landscape.
- ➔ San Rock Art.
- ➔ Avi-tourism.
- ➔ Horse Trails
- ➔ Fishing, Bird Watching, Canoe and Biking.
- ➔ Helicopter Tours.
- ➔ Craft Centre.

Popular events such as the Inkosi Langalibalele Celebration, White Mountain Folk Festival and the Mountain Bike Challenge form part of the important event in Inkosi Langalibalele Municipality. These events take place once a year in different seasons. Tourist attraction events consist of but not limited to the following:

- ➔ Inkosi Langalibalele Celebration;
- ➔ Mountain Bike Challenge;
- ➔ White Mountain Folk Festival;
- ➔ Trout Festival;
- ➔ Kamberg Outdoor Challenge;
- ➔ Imbizo;
- ➔ Somgubha Spin Bash Festival; and
- ➔ Flea Market.

Tourism spatial strategy indicates that the Municipal area is considered to contain cultural and eco-tourism opportunities. It is important that these opportunities are exploited as a substantial amount of national resources are channeled into the tourism sector.

2.7.3 MAIN CONCLUSION ON THE INKOSI LANGALIBALELE TOURISM INDUSTRY

Tourism spatial strategy indicates that the Municipal area is considered to contain cultural and eco-tourism opportunities. It is important that these opportunities are exploited as a substantial amount of national resources are channelled into the tourism

sector. Tourism within the municipal area has been inadequately resources and funded. There are inadequate tourism education, training and awareness which has led to the lack of protection of tourism potential areas.

Developments that promote eco-tourism and leisure products should be promoted in the following areas:

- ➔ Area around the Wagendrift Dam, particularly along the proposed Wembezi-Estcourt Development.
- ➔ Conservation area to the south of the municipal area. This area has endemic species and is already being considered for the development of a game farm.
- ➔ Area being considered for the development of a big-five game reserve between Weenen and Estcourt. The development area may need to be re-configured so as to cater for the social development needs of the labour tenants and land restitution claimants.
- ➔ Heritage sites spread throughout the municipal area, particularly within Estcourt Town.

2.8 MANUFACTURING

Inkosi Langalibalele has a well-established industrial sector which is recognized as economically significant at different levels. The most dominant goods produced is food processing and leather products. The town of Estcourt is the main industrial hotspot as well as a smaller hub that are located in Loskop. Literature reveal this sector emerged during the twentieth century when the area changed from

being known as the farming town into one in which the products from the farming community were used in the manufacture of consumer products. One of the first industries to be established in Estcourt Town was a Milk Processing Plant (Natal Creamery Ltd) which was developed by Joseph Baynes. This factory was located adjacent to the railway station. Baynes died in 1925 and in 1927 the factory, which by this time was owned by South African Condensed Milk Ltd. was bought by Nestlé's. Today the factory produces Coffee, MILO and NESQUIK. In August 1917 the Farmer's Co-operative Bacon Factory Limited was founded and the building of the factory commenced. The factory was opened on 6 June 1918 by then Prime Minister General Louis Botha and marketed its products under the brand name Eskort. The following year the factory commenced exports to the United Kingdom and during the Second World War supplied over one million tins of sausages to the Allied forces all over the world and over 12 tonnes of bacon weekly to convoys calling at Durban harbour.

A sister plant was built in Heidelberg and in 1967 the Eskort brand was the largest processed meat brand in South Africa. In 1998 the company was converted from a cooperative to a limited liability company. In 1948 saw the establishment of the Masonite factory in Estcourt. Masonite was a hardboard product developed in the USA in 1924 by William H. Mason. The mill is in Estcourt, but its headquarters are in Durban and uses timber harvested from 21 922 ha of productive commercial plantations owned by the company. The mill currently employs 900 people and chips 600 logs a day.

Then there are two industries that are located within the rural part of the municipality which are the KwaZulu Shoe Factory and National Braiding Industry.

Figure 29. Sector contribution: manufacturing



Source: Quantec 2019

Figure 30. GVA: Manufacturing (R' millions)



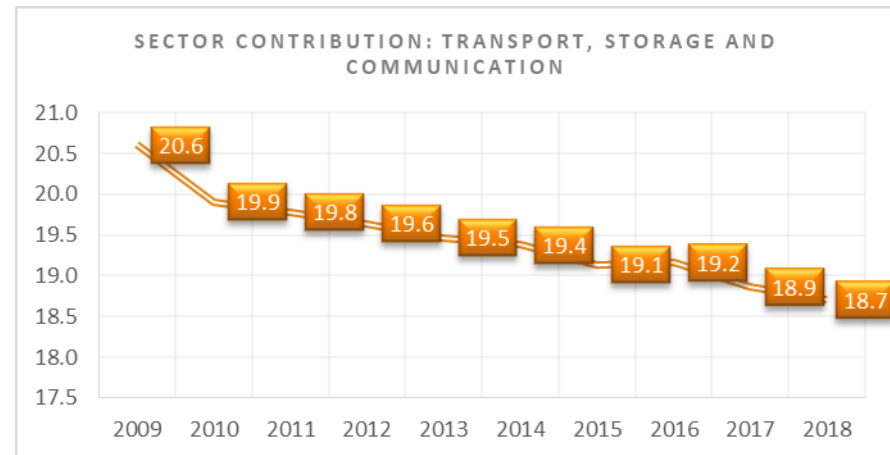
The KwaZulu Shoe Company is located in the Loskop area, and has long history of existence (See map overleaf, indicating existing economic initiatives). Its core function is to manufacture shoes and has been working on a target of approximately 3 million per annum. It has played a significant economic and social role in the surrounding communities within the Loskop area. At present, it is estimated to be employing approximately 1700 people. Astoundingly, prior to penetration of local markets by cheap imports from overseas countries, KwaZulu Shoe Company used to employ approximately 5000 people, which suggests that over the years it has shredded approximately 3300 jobs. However, the manufacturing company still plays a pivotal role in stabilizing the local economy. National Braiding Company is one of the few manufacturing industries located within the former Imbabazane Local Municipality in an area commonly known as Loskop/Emangweni (See map overleaf, indicating existing economic initiatives). It has been in existence since the early 1980, which makes it over 20 years old. It offers a wide range of products which include shoe lazy, ropes, industrial cords etc. these products are generally supplied to the industries manufacturing a wide range of products such as footwear, clothing, furniture, tents, packaging and gifts to mention but a few. The company employs approximately 118 people, most of which are from the surrounding local communities thus making it an essential partner in terms of job creation in the area.

The graph that are reflected suggests that the contribution of the industrial sector started to decline from 2010 – 2017, however it is starting to pick up again as it grew from 39,6% to 40,1% from 2017 to 2018. The contribution of this sector to the economy in terms of GVA suggests that it has remained a very steady sector such that the only decline that was noted was from 2010 – 2011 when it dropped from R 834 000 000 to R 816 000 000 as well as in 2016 – 2017 when it fell from R 849 000 000 to R 846 000 000. However, the contribution of this sector towards the GVA has been so positive that in 2019 it reached R 866 000 000 which is the highest peak that it has ever reached within the past 10 years (2009 – 2018).

2.9 TRANSPORT, STORAGE AND COMMUNICATION

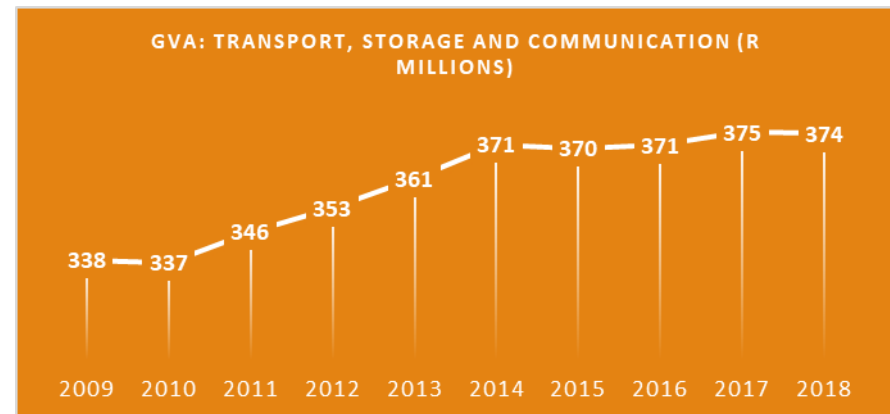
The transport, storage and communication sector are one of the growing industries within Inkosi Langalibalele Municipal Area due to the strategic location of the municipal area within the central part of the province while it is served with N3 as well as its close proximity to the Durban Harbour as well as International Tradeport. Logistics and supply chain management is growing in importance and it is fast becoming the central function in companies. To be competitive in a globalize economy one needs to be innovative, creative, able to communicate effectively and move goods efficiently, all of which embrace service activities.

Figure 31. Sector contribution: transport, storage and communication



Source: Quantec 2019

Figure 32. GVA: Transport, storage and communication (R' million)



Source: Quantec 2019

KwaZulu-Natal's continued success in international trade depends on improved transport and logistics infrastructure. Road freight transport in serves a wide range of industries and handles almost all general cargo and distribution of products to end users. The road freight industry plays a vital role towards economic growth and it is a barometer of integration into regional marketplace and a critical support system for trade with our neighbouring states. An assessment of this sector from 2009 – 2018 reflect a similar trend as the manufacturing/ industrial sector. While the sectoral contribution seems to have been declining within that period the GVA contribution has however grew substantially within the same period. This suggest that the sector is very prominent, and the sectorial contribution is declining because there may be other sectors that have grown at a very higher substantial rate but not necessarily to the detriment of this sector. In terms of sectorial contribution, the overall decline within a 10-year past period amount to -2,1% but the positive growth in terms of GVA has seen this sector moving from a GVA of R 338 000 000 from 2009 to R 374 000 000 in 2018. It has indeed reached the highest milestone within a ten (10) year period.

2.10 MINING AND QUARRYING

The mining sector is not active within the Inkosi Langalibalele. In fact, uThukela District Municipal Area as a whole is relatively low in terms of mineral occurrences for mining purposes. However, there are limited natural resources for quarrying and sand winning. The

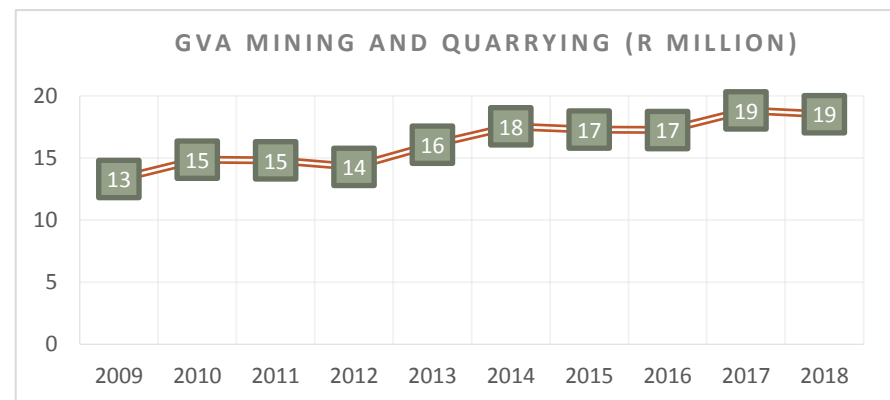
sand winning potential is worth investigations particularly within the major rivers (i.e. UMTshezi and Bushmans River).

Figure 33. Sector contribution: mining and quarrying



Source: Quantec 2019

Figure 34. GVA mining and quarrying (R' million)



Source: Quantec 2019

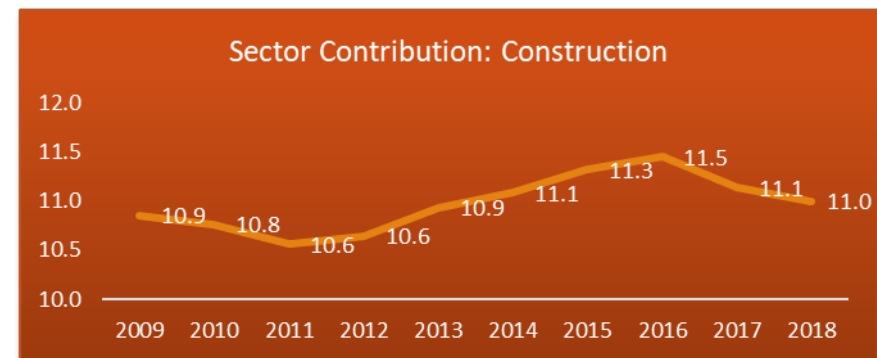
There are questions regarding the sustainability of this activity and the impact thereof on the environment, but no information could be accessed relating to these activities. This local construction industry can benefit the readily available material. Mining related to quarrying would emanate from the extraction and processing of stones to supply the gravel road rehabilitation projects. This would also need to be properly initiated and managed in order to avoid environmental degradation and soil erosion. The performance of this sector in comparison to the rest of the economy suggested that that it has mostly remained at 0,9% within a 10-year period. In 2017, there was a growth that led to the contribution of this sector to reach 1%. The Gross Value Added suggests that this sector has grown from 13% in 2009 to 19% in 2018

2.11 CONSTRUCTION

The construction sector is also a growing industry within Inkosi Langalibalele Municipality. At a country scale, the South African construction industry can be alluded as a strategic sector that supports the government's National Development Plan (NDP). During 2016 total nominal expenditure on construction works and related activities totalled approximately R420bn and the sector generated an estimated 1,483,000 employment opportunities across the formal and informal sectors. Infrastructure investment, or Gross Fixed Capital Formation (GFCF), was approximately 19.6% of GDP for 2016, with public sector infrastructure investment contributing 6% to GDP. Government has reiterated its commitment

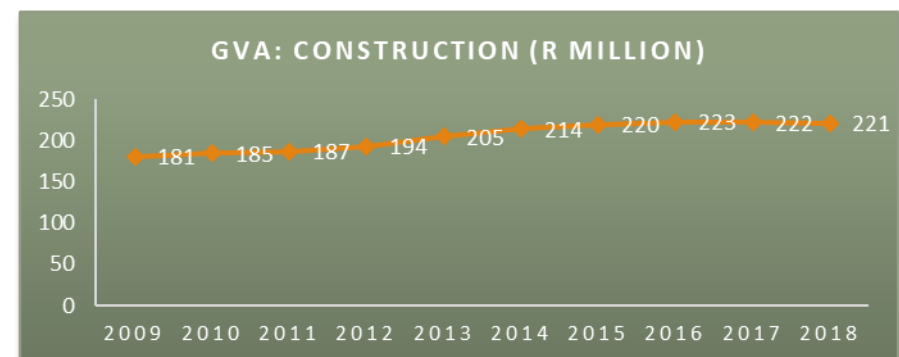
to infrastructure development by earmarking R948bn over the next three years.

Figure 35. Sector contribution: construction



Source: Quantec 2019

Figure 36. GVA: Construction (R'million)



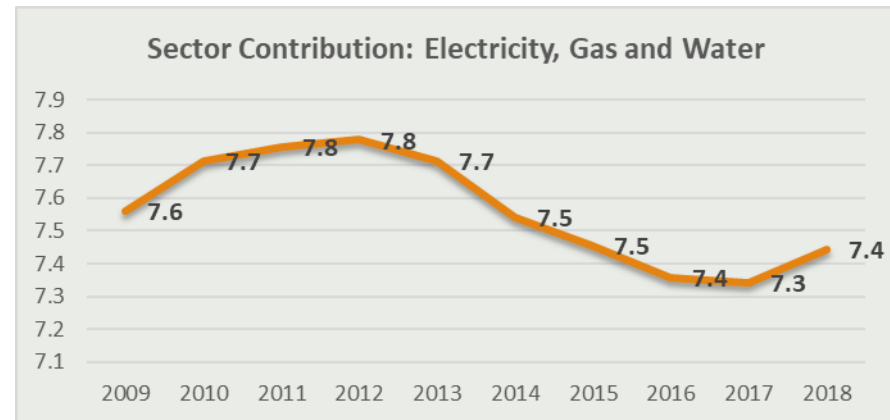
Source: Quantec 2019

“The more infrastructure you build – whether these are roads, housing, schools, hospitals, or commercial centres – the more the economy is booming. Once you build something, you have a whole range of employment opportunities opening up in that area, which in turn sends long-lasting ripple effects through the community,” With reference to the graph above, the construction sector has slightly grown from 10,9% to 11% from 2009 to 2018. The highest growth that was achieved within this sector amounted to 11,5% in 2016 but it then started to decline. The GVA has also steadily grown from R 181 000 000 in 2009 to R 221 000 000 in 2018.

2.12 ELECTRICITY, GAS AND WATER

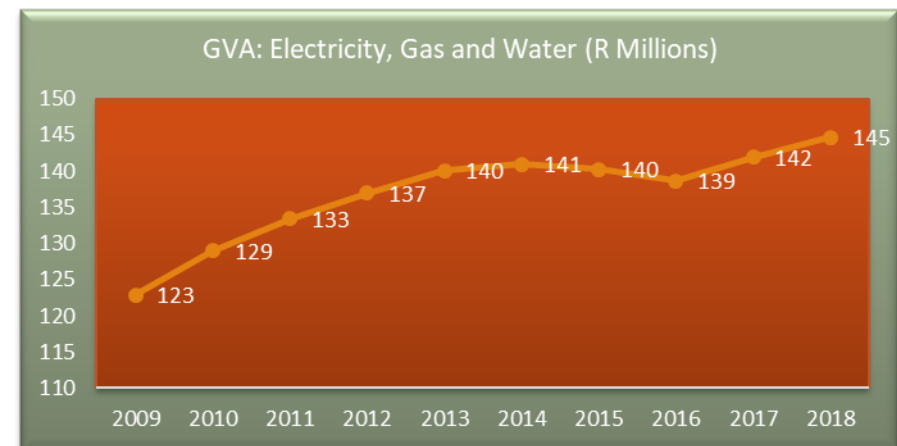
This industry makes up roughly 2.1% of South Africa's total economy. So, it is a very small part of South Africa's economy but in terms of importance water and electricity is the life blood of any country's economy. The total income for the electricity, gas and water supply industry in 2016 was R242,0 billion. The total income represents an increase of 9,8% per annum over the income reported in the corresponding survey of 2013 (R182,6 billion). ‘Generation, transmission and distribution of electricity’ is the only type of service which had profit margins lower than the overall profit margin in all four years surveyed. Comparing 2013 and 2016, a large increase was reported for ‘generation, transmission and distribution of electricity’ (+R49,9 billion). The highest profit margin by type of service was ‘manufacturing and distribution of gaseous fuels through mains’ at 28,3% in 2016.

Figure 37. Sector contribution: Electricity, gas and water



Source: Quantec 2019

Figure 38. GVA: Electricity, gas and water (R' million)



Source: Quantec 2019

In relation to Inkosi Langalibalele, this sector exists at a very small scale as it was initially accounted for 7,6% in 2009 and eventually declined to 7,4% in 2018. Nonetheless the drop in sectorial contribution does not imply that the sector has poorly performed in economic terms as the GVA has been consistently increasing from R 123 000 000 in 2009 to R 145 000 000 in 2019

2.13 TRADE

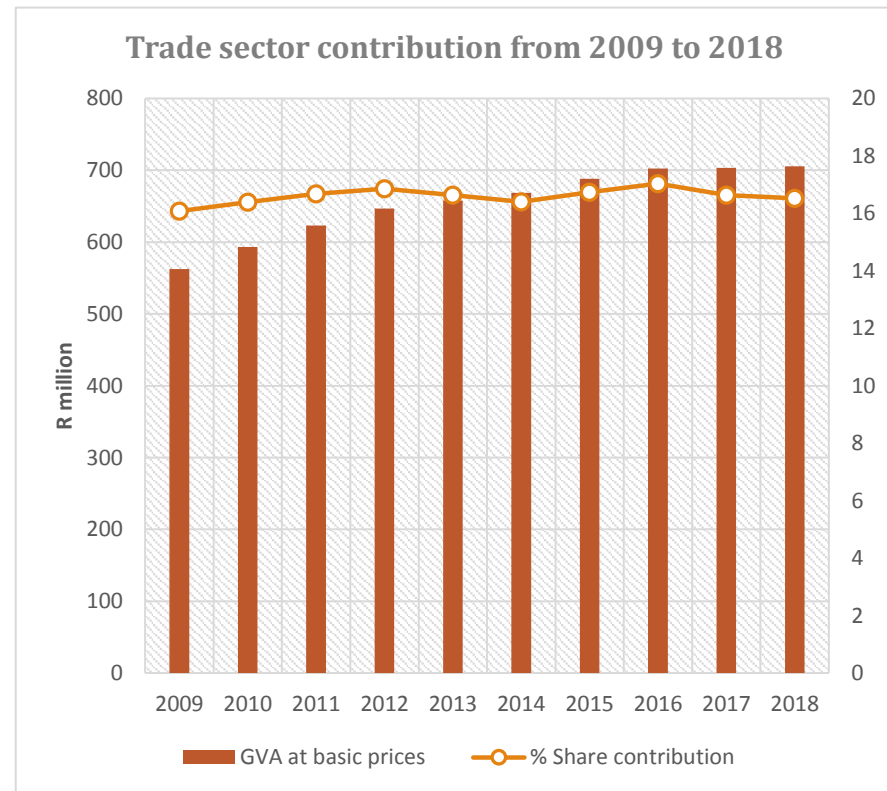
2.13.1 OVERVIEW OF TRENDS IN THE WHOLE SALE AND RETAIL TRADE

Wholesale and retail trade are defined as resale of new and used untransformed goods to the general public. The wholesale and retail trade, catering and accommodation sector is the third largest economic sectors of Inkosi Langalibalele municipality contributing with 16.5 percent to the GVA-R and formal (18%) and informal (47%) employments. The sector is mainly concentrated within the CBD including small, medium and micro enterprises (SMMEs) and informal traders. It is by far the largest contributor to informal employment within the municipality.

The sector has seen steady increase since 2009 with the highest contribution observed in 2018 amounting to a GVA-R contribution of approximately R706 million as illustrated in Figure 27. The wholesale and retail trade, catering and accommodation sector within the municipality consists of both the formal and informal

commercial sectors located Estcourt as the primary node (the main sub-regional economic hub and industrial area for the processing of raw materials produced in the region) and other secondary nodes such as Wembezi, Ntabamhlophe and Emagweni/ Loskop.

Figure 39. Sector contribution from 2009 to 2018

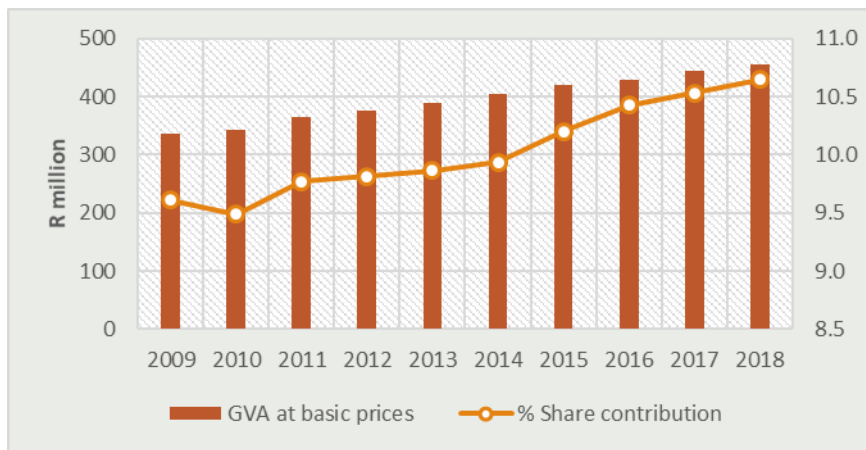


Source: Quantec 2019

2.14 FINANCE, INSURANCE, REAL ESTATE AND BUSINESS SERVICES

2.14.1 OVERVIEW OF TRENDS IN THE FINANCE, INSURANCE, REAL ESTATE AND BUSINESS SERVICES SECTOR

Figure 40. Finance sector contribution from 2009 - 2018



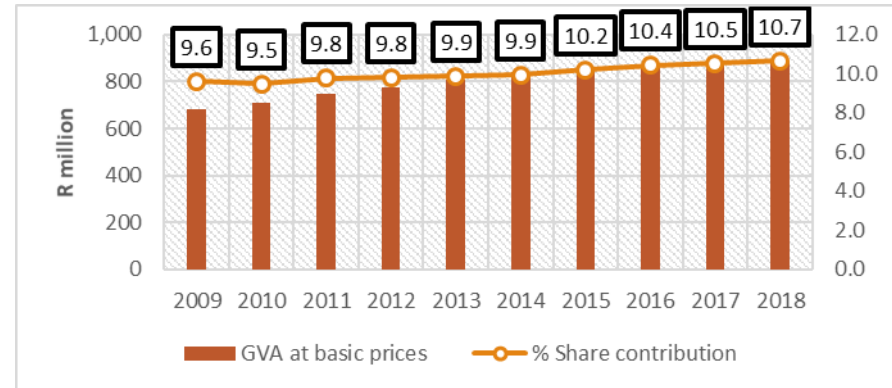
Source: Quantec 2019

The finance sector of the local municipality includes business services and real estate. This sector is the fourth largest contributor to the local economy accounting for 10.7 percent of the total economy in 2018 as demonstrated in Figure 28. The sector has seen steady increase since 2009 with the highest contribution observed in 2018 amounting to a GVA-R contribution of approximately R 455 million.

2.15 GOVERNMENT

2.15.1 AN OVERVIEW OF GENERAL GOVERNMENT SECTOR

Figure 41. General sector contribution 2009 - 2018



Source: Quantec 2019

The general government sector is the dominant sector of the municipality contributing about 20.7 percent towards the local economy in 2018 and 27 percent towards formal employment. This sector has seen a steady increase in terms of total contribution from 2009 to 2018 with a record high GVA contribution of R885 million in 2018 as illustrated in Figure 29. This sector includes public administration and defence activities; health and social work; education; and other service activities. Therefore, this sectors' performance suggests a level of significance in terms of employment and economic growth. It has a growing share and dominance in the

tertiary sector suggesting a convergence in the local economy towards a tertiary based economy which tends to be skilled based thereby raising concerns on future performance as the majority of the local population lacks the necessary skills.

2.15.2 AN OVERVIEW OF THE MUNICIPALITY AS A STAKEHOLDER IN THE LOCAL ECONOMY

Local government is a distinct sphere of government that is interdependent and interrelated with both the national and provincial spheres, responsible for delivering public services to communities and providing a range of functions including LED. As such, it has a developmental role to play in communities which sees to the improvement in quality of life and the standard of living of all citizens. Although significant progress has been made since the democratic government in developing communities, local government is still aggrieved by socio-economic challenges including poverty, inequality and underdevelopment.

Municipalities are thus obliged by the Constitution to play a facilitative role in promoting LED within their locality and create ideal environments for business that attracts and promotes investment. Strengthening LED in the municipality will require improvements in the market confidence of business in local government, growing municipal capacity that allows exploitation of competitive advantage and the identification of potential opportunities as well as creating an environment conducive for

business whilst also intensifying local support for small business development. Moreover, Du Plessis and Thomas (2007) highlights various roles that municipalities within the country need to play to facilitate and promote LED within their locality, including:

- ➔ “support for small and medium businesses through the provision of training and support mechanisms and creating optimal infrastructure, e.g. SMME incubators;
- ➔ improvement in infrastructure and services in general to improve economic efficiency and productivity;
- ➔ training and capacity building initiatives;
- ➔ targeted investment to boost potentially growing sectors, e.g. tourism, knowledge industries;
- ➔ pro-localism procurement and servicing policies;
- ➔ simplifying regulations and by-laws to stimulate, as opposed to hindering, economic development;
- ➔ place marketing to attract potential tourists and importantly, investors; and
- ➔ defining the municipality as an economic actor in the local economy with considerable clout and leverage capability” (Du Plessis and Thomas, 2007: p21).

2.15.3 MUNICIPAL BUDGET

The municipal IDP 2019/ 2020 emphasizes numerous constraints hindering LED within Inkosi Langalibalele with budget constraints identified as one of the constraints. Although, a dedicated LED unit exists within the municipality issues of staff doing jobs that are not in their job descriptions, unhealthy working conditions, limited resources, limited staff skills development and compliance by staff are common. A need exists for the municipality to understand that LED signifies a potential driver of imminent growth in revenue, and that effective activities in LED will impact the increase in the general economic activity locally, whilst also increasing the local government budget. Thus, the dedicated budget for LED promotion and investment along with lack of business incentives and resources poses a threat to attracting and retaining business in the local area.

2.16 INFORMAL SECTOR

2.16.1 OVERVIEW OF INFORMAL SECTOR

The informal economy is the diversified set of economic activities, enterprises, jobs, and workers that are not regulated or protected by the state. The informal sector of the economy is part of an economy that is neither taxed nor monitored by any form of government. Unlike the formal economy, activities of the informal economy are not included in a country's gross national product or gross domestic product. Although the informal sector makes up

significant portion of the economies in developing countries, it is often stigmatized as unmanageable. However, the informal sector provides critical economic opportunities for the poor and has been expanding rapidly. The informal sector is largely characterised by several qualities: easy entry, meaning anyone who wishes to join the sector can find some sort of work which will result in cash earnings, lack of stable employer-employee relationships, a small scale of operations, and skills gained outside of a formal education. The type of work that makes up the informal economy is diverse, particularly in terms of capital invested, technology used, and income generated. The spectrum ranges from self-employment or unpaid family labor to street vendors, shoe shiners, and junk collectors. Most workers in the informal sector, even those are self-employed or wage workers, do not have access to secure work, benefits, welfare protection, or sometimes even representation

2.16.2 OVERVIEW OF INFORMAL SECTOR IN INKOSI LANGALIBALELE

There is an increase importance of the secondary economy or informal sector within the Inkosi Langalibalele Municipality. Informal trading is prevalent in urban centres, particularly in the vicinity of taxi ranks and market areas. It also occurs outside of public facilities such as clinics, schools and pension pay points and form a vital part of any emerging economy. The municipality has started an initiative of formalizing informal traders into a legitimate structure as per Municipal Traders Policy and trading permit are

being issued. There is however an outdated Informal Traders By-Law. The following are “hotspots” within Inkosi Langalibalele Municipality where informal economy activities are occurring.

- ➔ Estcourt Intermodal Facility;
- ➔ Harding, Phillips, Victoria, Albert, Alexander, and Alfred Streets;
- ➔ All the streets in the CBD of Weenen;
- ➔ EMtshezi Public Transport Facility;
- ➔ Weenen Market Stalls;
- ➔ Weenen Taxi Rank;
- ➔ Ezitendeni Township;
- ➔ Wembezi Township;
- ➔ Hlathikhulu Taxi Rank;
- ➔ Amangwe Area next to Satellite Office;
- ➔ Primary, High School and Other areas.

The following categories of business of found from the above-mentioned areas:

- ➔ Mobile Traders (roving, bakkies and containers);
- ➔ Intersection Trading;
- ➔ Special events;
- ➔ Car washers;
- ➔ Hairdressers;
- ➔ The Traditional Healers;
- ➔ Market Vendors;
- ➔ Visual Art and crafts artisans;
- ➔ Construction workers;

- ➔ Mining;
- ➔ Livestock trading;
- ➔ Woodworks;
- ➔ Clothing and textile manufacture;
- ➔ Motor mechanics;
- ➔ Electrical and electronics services and;
- ➔ Catering services

2.16.3 HAWKERS

The term hawker has been used to define someone who travels about selling his wares. A hawker is a vendor of merchandise that can easily be transported. In most places where the term is used, a hawker sells inexpensive items, like handicrafts, or food items. The area of Loskop, a secondary node, consists of a range of informal trading takes place in the area which constitute hawkers selling of vegetables and fruits along the road pavement, public phones operated mainly in containers and small shops catering to day to day needs of local residents. In 2014, the Weenen Informal Market stalls were finally opened for use by the public.

Hawkers stall project assist in promoting orderly development which provide security and dignity for the informal traders. In the year 2018, a joint programme between Inkosi Langalibalele and the Small Enterprise Development Agency handed over various items to assist grow business for informal traders. The entrepreneurs; which included amongst many fruit and vegetable vendors, barbers, food

stall holders at taxi ranks and on sidewalks in town, not only receive equipment but prior to the handover they received basic business management training. The aim of the hand over was to develop informal businesses in the area and close the gap between the formal and informal business sectors.

2.16.4 FLEA MARKET

The term flea market has been used through the century. This term is used to define an area or street market selling second-hand goods. This street market provides space for vendors to sell previously owned merchandise. According to the municipal IDP, the flea market located in Inkosi Langalibalele is regarded as a tourist attraction which takes place seasonally within the municipal area.

2.17 ECONOMIC INFRASTRUCTURE

2.17.1 ROAD INFRASTRUCTURE

The following are considered the problem areas:

- ➔ P29: The condition of the roads that services the tourism areas can be considered to be a huge challenge. P29 is identified as a primary development corridor and a fundamental tourism route. This road is also utilized by the tourists visiting Giant Castle;

- ➔ P379 road goes through the dense settlements of KwaNdaba and KwaDlamini, which are characterized by a few economic development initiatives and its development as the primary corridor will open up a multitude of economic and social opportunities.
- ➔ The road from Ntabamhlophe to Emangweni should strengthen the relationship between two nodes thus opening opportunities for various economic initiatives. This road needs to be rehabilitated since it is not in a good condition.
- ➔ Internal linkages and circulation is however poor especially between settlements. The majority of these routes are not continuous which imply that they do not connect to each other or pass beyond the settlements.

2.17.2 BULK WATER AND SANITATION INFRASTRUCTURE

The following is considered as the problem area:

- ➔ Staff constraints are negatively impacting on the regulation of industrial wastewater discharged to the plants at Estcourt. This scenario has resulted in recommendation that uThukela DM to establish a focused programme that seeks to improve the operation and performance of all the WWTWs.

However, the area is generally well served with bulk infrastructure to support future economic activities. In 1963 the 58.5 million cubic metre Wagendrift Dam was constructed on the Bushman's River some 2km upstream from the town of Estcourt. The dam was

designed to irrigate 3,000 ha of land that lay upstream from the river's confluence with the Tugela River.

2.17.3 BULK ELECTRICITY INFRASTRUCTURE

The challenges with bulk electrical infrastructure include the following:

- ➔ Wembezi Substation: Limited to 1 Transformer, should the Transformer fail, there is no alternative within a reasonable time. Possibility of Tripping, prolonged outages and Protests Actions. Remaining 11 kV Panels and Circuit Breakers are aged and need to be replaced. Possible failure and loss of Supply to Communities in Wembezi.
- ➔ John Erikson Substation: Old Wiring not completed, needs to be moved to new panels. Failure of Transformers can result in Loss of Electricity. The 15 MVA Transformer must be replaced with a 20 MVA. Failure of Transformer can be costly to replace.
- ➔ Masonite Substation: Limited to supplying only 6 600 Volts, cannot cater for 11 000 Volt Upgrade. Failure of Transformers can result in Loss of Electricity.

The root causes of these challenges are aging infrastructures, aging of poles, rotting, rusting, damage transmission and distribution Pole and inconsistent meter readings.

2.17.4 TELECOMMUNICATIONS

- ➔ Fixed line: The area is generally well provided with fixed line telecommunication.
- ➔ Cellular: The deeper rural areas do not have reliable cellular reception.

2.18 CONCLUSIONS ON HOW THE INKOSI LANGALIBALELE ECONOMY WORK

Figure 42 compares the unemployment levels with the annual growth rates achieved in the key indicators namely population, aggregate economy and employment.

Figure 42. Unemployment levels compared with annual growth rate of key economic indicators

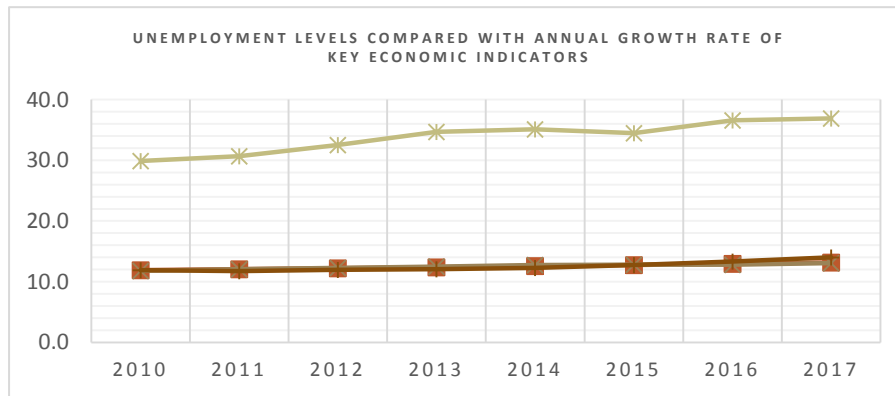


Table 3. Economic indicators from 2010 to 2017

Economic Indicators	2010	2011	2012	2013	2014	2015	2016	2017
Population	11,9	12,1	12,2	12,4	12,6	12,8	13,0	13,2
GVA	11,8	12,1	12,3	12,5	12,8	12,8	12,8	13,1
Unemployment	29,9	30,7	32,5	34,7	35,1	34,5	36,6	36,9
Employment	11,9	11,7	12,0	12,1	12,3	12,8	13,3	14,0

Source: Stats SA (Census 2011, CS 2016) and Quantec 2019

The following observations can be made:

- ➔ The formal economy managed to compete with the growth rate of the population. This should have managed the growth rate of unemployment. However, the rate of employment creation appears to have grown at a far slower rate, even during times of economic growth.
- ➔ The level of formal job creation has now decreased to a rate lower than the population growth, meaning that the economy is not even able to absorb the natural annual increases in the labour market.
- ➔ In view of the current positive performance in the aggregate economy, which is projected to last for the next year or so, it is highly likely that the level of job creation will increase, resulting in a further improvement of the unemployment levels. The above (optimistic) observations make it imperative that a concerted effort be made to encourage business development and job creation. The continuous refinement and implementation of this LED Strategy should provide the basic foundation for this effort. The sub-paragraphs following provide a strategic overview on the strengths, weaknesses, threats and opportunities of the Inkosi Langalibalele economy.

3. SECTION 3 – STRATEGIC ECONOMIC ASSESSMENT

3.1 SWOT ANALYSIS

Table 4. SWOT Analysis

Strengths	Weakness
<ul style="list-style-type: none"> ○ The municipality has a strong manufacturing base with large companies like Nestle, Sasko, Clover and Eskort Bacon etc.; ○ There is good agricultural land available for the municipality to cultivate; ○ There are significant cultural, heritage and environmentally significant sites which put the municipality at a competitive advantage; ○ The municipality is located at the foothills of the UKhahlamba Drakensburg world heritage site, which has significant tourism value. 	<ul style="list-style-type: none"> ○ Lack of land administration results in the underdevelopment of agricultural land and settlements located on good agricultural land; ○ Lack of investment in the municipality; ○ The municipality recognises tourism as one of the main economic drivers, but tourism has been inadequately resourced and funded; ○ Inadequate tourism education, training and awareness; ○ Inadequate protection of the environment and agricultural land; ○ Lack of economic governance systems and municipal strategic plan.
Opportunities	Threats
<ul style="list-style-type: none"> ○ Large parcels of agricultural land for farming and cultivating produce; ○ Skills training and development for agricultural emerging businesses; ○ Retaining current business by offering attractive incentives. ○ Form partnership with the informal sector; 	<ul style="list-style-type: none"> ○ Lack of business incentives poses a threat to attracting and retaining business in the area; ○ Outdated informal Traders By-Laws; ○ Lack of infrastructure services while transport is the on the main economic contributors in the municipality; ○ Lack of SMME contribution to the economy of the municipality;

- Focus on unlocking new development through the use of existing network corridors;
- Development of a LED plan with strategies to grow economy and attract foreign investors;
- The INkosi Langalibalele is strategically located within the N3 development corridor
- Stimulate economic development opportunities in rural and urban areas;
- Promote investment in the Estcourt commercial sector

3.2 VALUE CHAIN ANALYSIS

With the ever-increasing competition for unbeatable prices, exceptional products and customer loyalty, businesses must continually evaluate the value they create. One of the most valuable tools, the value chain analysis, provides businesses an advantage over their competition. A value chain is the full range of activities – including design, production, marketing and distribution – businesses conduct to bring a product or service from conception to delivery. For companies that produce goods, the value chain starts with the raw materials used to make their products, consists of everything added before the product is sold to consumers.

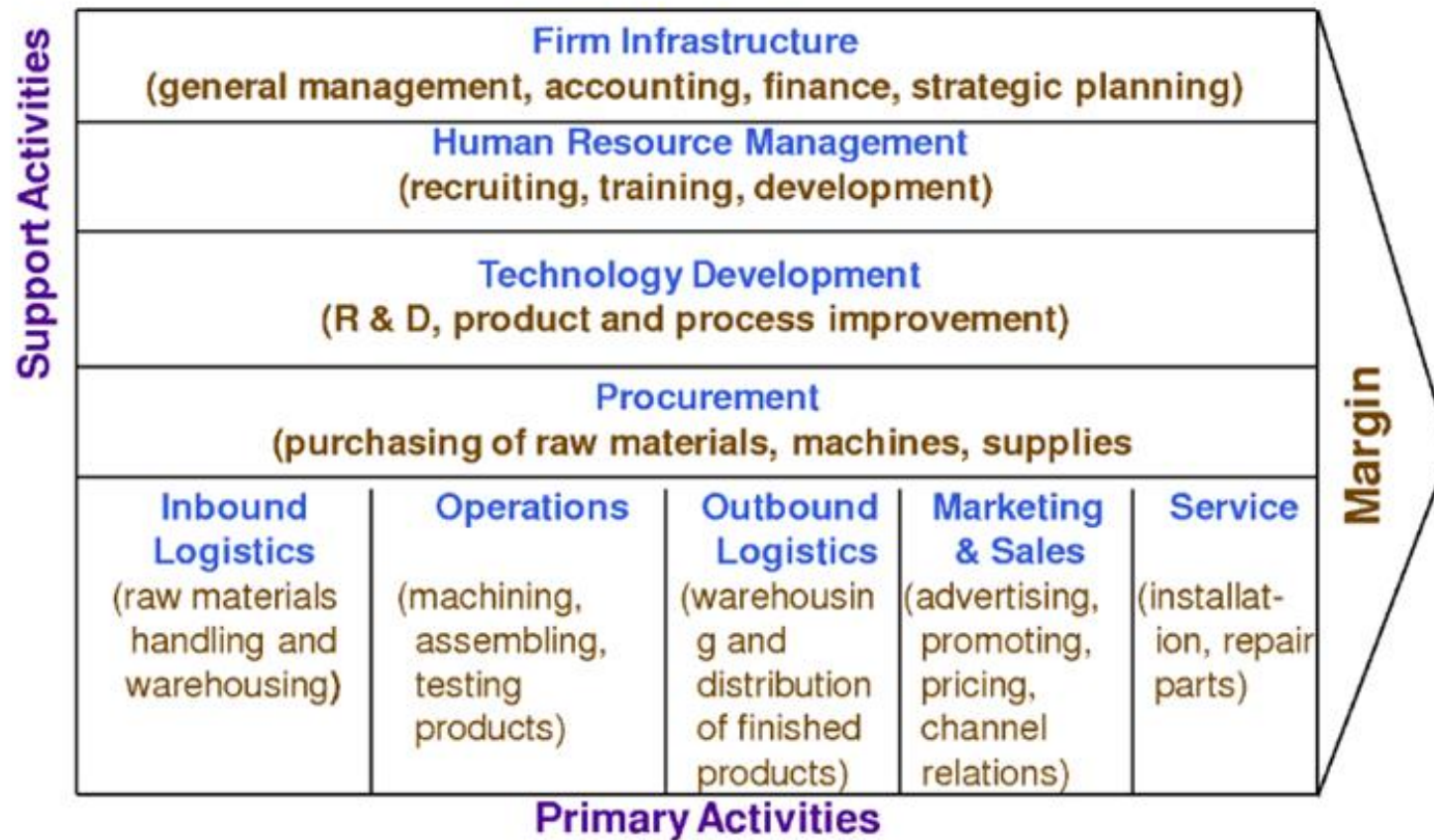
Value chain management is the process of organising these activities in order to properly analyse them. The goal is to establish communication between the leaders of each stage to ensure the product is placed in the customers hands as seamlessly as possible. A value chain analysis of the manufacturing sector is an ideal approach especially in the context of INkosi Langalibalele Local Municipality since it can generate significant development impacts and rural employment creation. Manufacturing goods drive much more economic value than what is measured at the factory loading dock. Manufacturing in INkosi Langalibalele Municipality employs 643 people within the formal sector and 89 people as part of informal employment. According to the Census data depicted on the graph below the contribution of manufacturing sector to the municipal GDP has decreased since the year 2010. In 2018 it has contributed only 40% to the GDP. The following manufacturing industries were identified within the municipality:

- ➔ Eskort Bacon Factory (Meat Processing);
- ➔ Masonite (Manufacturing of Masonite Board);
- ➔ Narrowtex (Manufacturing of Safety / Seat Belts for vehicles);
- ➔ Clover (Dairy processing e.g. Milk and cream);
- ➔ Nestle South Africa (Food Processing, e.g. Skimmed Milk, Hot Chocolate, Chocolate and other products);
- ➔ ECO Plant (Processing of food for animals);
- ➔ Cabortech (Manufacturing of Charcoal);
- ➔ Glamosa PTY LTD (Manufacturing of Glass and related items);
- ➔ Midlands Beer Distribution (Distribution of Beer and related items to the customers of the South Africa Breweries);
- ➔ KwaZulu Shoe Company (manufacture shoes); and
- ➔ National Braiding Industry (shoelace, ropes, industrial cords etc.).

The value chain analysis model can be used to assess the manufacturing sector of the INkosi Langalibalele Municipality.

Figure 43. Value Chain Analysis

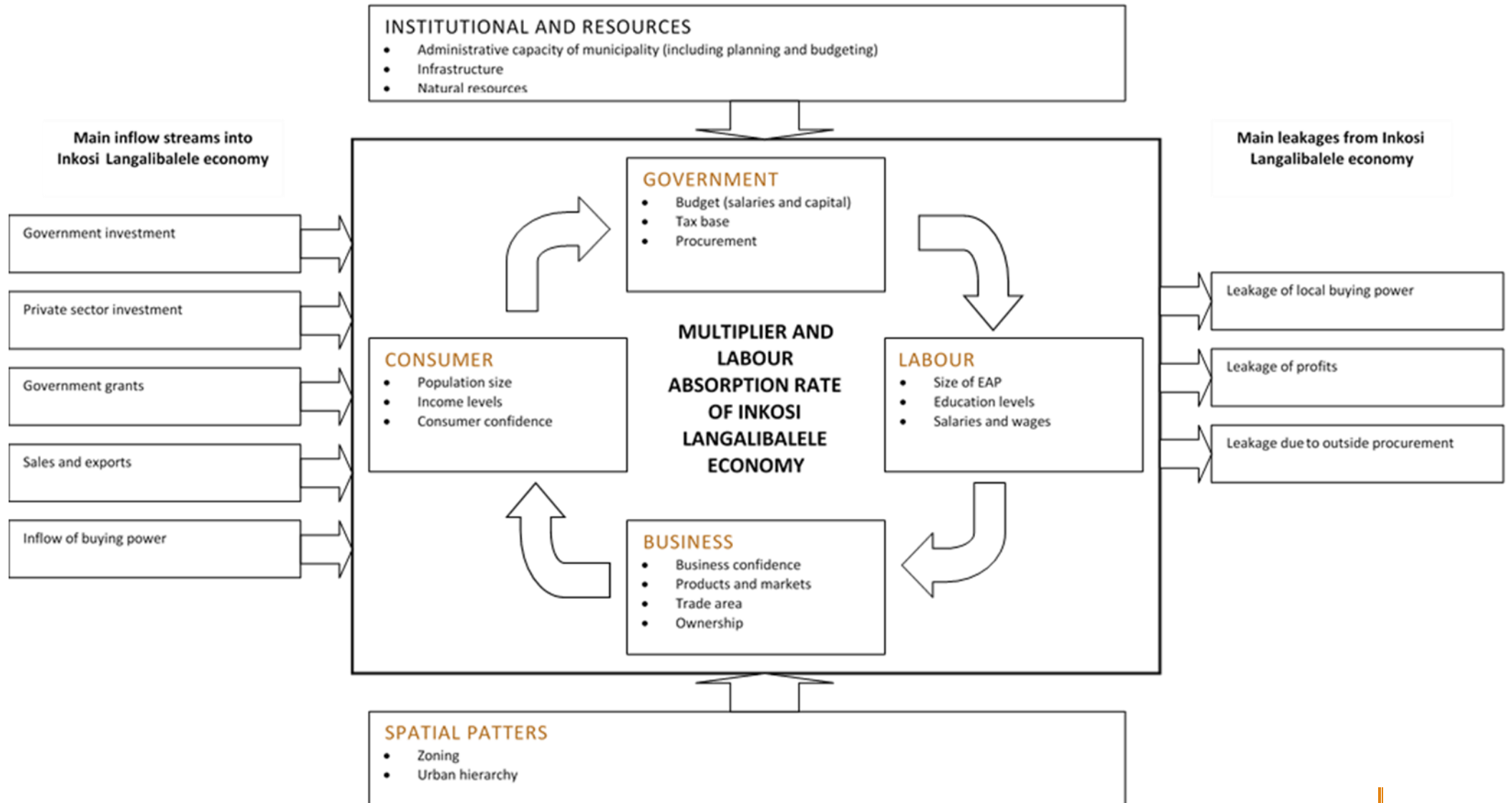
Value Chain Analysis for Manufacturing Firms



3.3 CLASSICAL ECONOMIC ANALYSIS

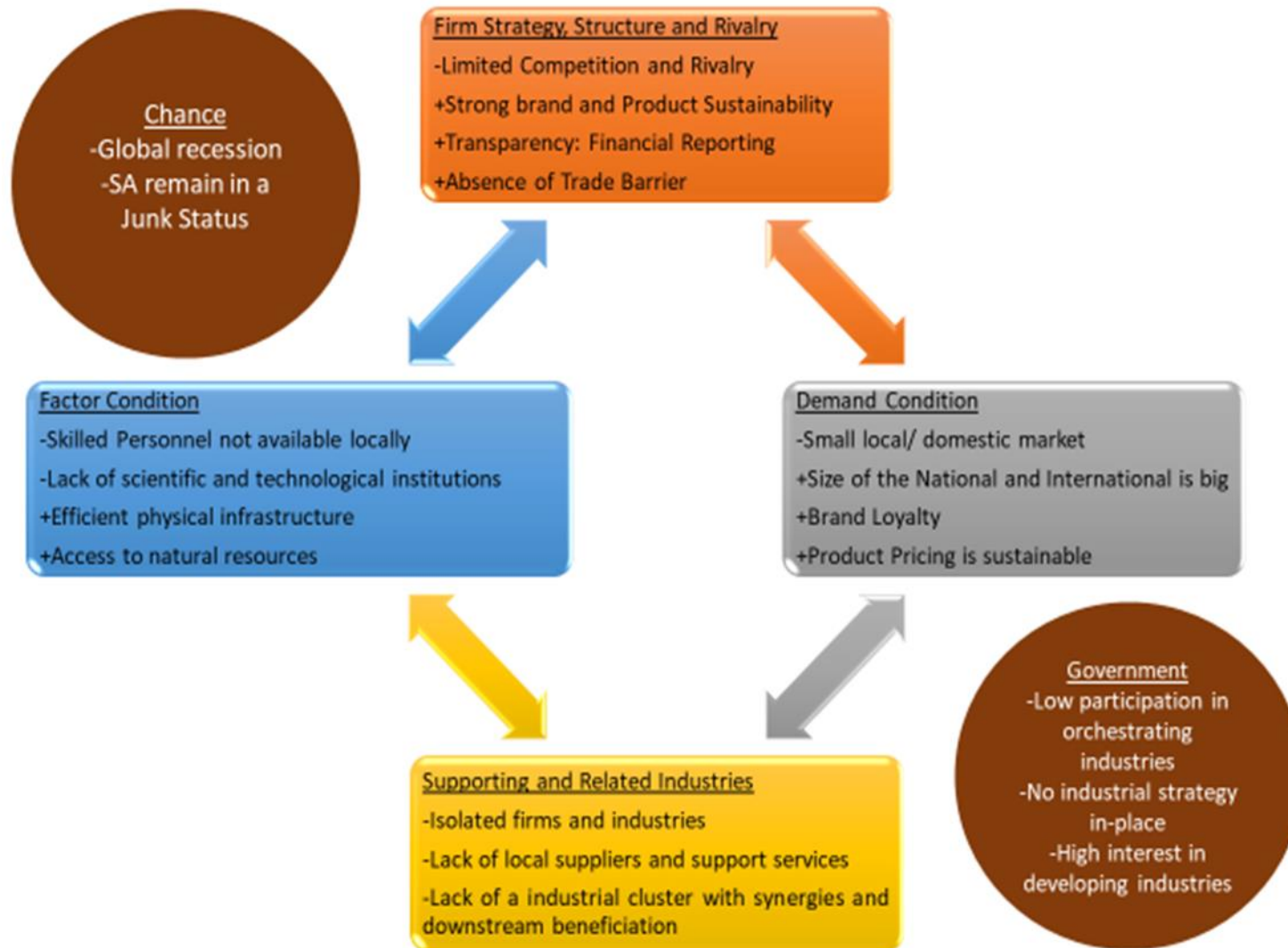
Figure 44. Classic economic analysis

Model used to assess Inkosi Langalibalele Economy



3.4 PORTERS DIAMOND

MANUFACTURING INDUSTRY COMPETITIVENESS



TOURISM INDUSTRY COMPETITIVENESS



4. SECTION 4 – DESIGNING ECONOMIC STRATEGY FOR INKOSI LANGALIBALELE

4.1 POINTS OF DEPARTURE

4.1.1 APPROACH TO LED: INTEGRATED APPROACH



Figure 45: An Integrated Approach

Based on the constitution, Inkosi Langalibalele Local Municipality has a mandate to promote local economic development within its area of jurisdiction. Section 153 of the Constitution states the following:

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

From this perspective, it is essential for Inkosi Langalibalele Local Municipality to position itself in a manner that enables it to fulfill its constitutional mandate of promoting economic development. The strategy serves as a sector plan and forms part of the overall IDP for ILLM.

4.1.2 PRINCIPLES OF LOCAL ECONOMIC DEVELOPMENT

The primary aim of the local economic development strategy is to assist Inkosi Langalibalele Local Municipality to realize its vision of halving poverty through developing and growing a sound economic base. In so doing, there are a number of essential principles which should serve as guiding mechanisms, and can be categorized in the following manner:



Figure 46: Principles of Local Economic Development

- ➔ LED is about using local resource: local economic development initiatives should embrace local knowledge including local resources which have a comparative advantage but have not been turned into competitive advantage. Local people should be encouraged to help themselves through provision of support programmes from government, civil society and business. From this perspective, a participatory approach towards the implementation of LED initiatives is pivotal.
- ➔ Access to information: without access to proper and correct information, successful implementation of an LED will remain minimal. To this effect, it is essential for the municipality to devise mechanisms that will assist local people to access information timeously. This includes potential sources of funds, technical expertise and relevant support programmes.
- ➔ Entrepreneurial development: the issue of entrepreneurial development and skills transfer is central to ensuring a thriving economy. This aspect requires strong managerial and technical support. To this end, it is pivotal for the Inkosi Langalibalele to encourage projects which are labor intensive and can contribute towards skills transfer.
- ➔ Access to markets: access to reliable markets forms the bases for the implementation of a successful LED strategy. Markets should be identified for products produced within the Inkosi Langalibalele. Products manufactured from sectors such as agriculture have an advantage since, they can have direct access

to the market or can be marketed through their linkages with other sectors.

- ➔ Integration: LED cannot succeed without investing in other important spheres such as social, environmental protection and good leadership. Alignment with other national, provincial and local initiatives also forms an important component for a successful LED implementation.
- ➔ Governance: municipal by-laws and government policies in general have a direct impact on the success or failure of the business initiatives. Aspects such as rates, levies and land use management are also important in facilitating LED initiatives.
- ➔ Economic development requires that the four main groupings within a society namely business, labour, civil society and government, must cooperate and work purposefully together. Such purposeful cooperation is rarely achieved and there is normally a lack of effective interaction and even mistrust and animosity between these groupings. As a result, the groupings tend to operate in silos and may even undermine each other. The institutional structures for LED and the way they relate to each other must work to overcome this isolationism.
- ➔ There is a direct link between political stability and business investment and therefore economic growth. A stable political environment is required where party politics is regarded secondary to business and economic development. Unfortunately, there are ample examples in South Africa and

internationally, where party politics and inter-party-political fighting have been to the detriment of the economy.

- ➔ Credible leadership: Credible leadership is required to create a shared vision and generate enthusiasm and energy to pursue the vision through the implementation of the strategy.
- ➔ Any strategy is worthless unless it is purposefully implemented. The implementation of a strategy cannot follow a rigid regime but has to be flexible to allow for changes. This requires:
 - Realistic goals – It is important to set realistic goals to provide a measure to monitor the overall success achieved and to highlight specific shortfalls. These goals should ideally be quantified or described in sufficient detail to enable monitoring. They should also, as be the case with the Inkosi Langalibalele strategy, be traceable back to the socio-economic analysis of the municipality.
 - Managerial and administrative capacity – To develop the business plans and budgets and, plan the actual implementation and continuous management of the implementation process. This stage of the process is particularly resource intensive. It requires a flow of information from the field back to management and needs management of a quality that recognizes the situation if there is variance from the strategy and which is motivated and strong enough to take corrective action.

4.2 ECONOMIC GOALS TO BE ACHIEVED

In its simplest form, a strategy is a deliberate plan of action to achieve a particular goal or set of goals. When applied to the field of local economic development (LED), typical goals include: reduction in poverty, employment creation, or an increase in production output. In short, this strategy states to the municipality the way it should be doing things in LED over a period of ten years. Strategic planning is by its nature not a once-off event, but a continuous process of refinement and re-alignment with the changing variables in the economic environment. Within this context, LED strategy involves much more than simply a list of projects, although project possibilities are included. Instead, a LED strategy is by its nature strategic. As such, a good LED strategy goes far beyond the technical and operational levels and includes the socio-political and administrative spheres.

4.3 DESIGN OF ECONOMIC STRATEGY FOR INKOSI LANGALIBALELE

4.3.1 STRATEGIC THRUST

The purpose of this section is to provide the basic background and recommendations for each of the thrusts identified. The thrusts involve the following:

➔ Commercial Agriculture:



Figure 47: Strategic Thrust

- Climate Change Resilience and Mitigation;

- LRAD Programme and Capitalization; and
- Development of The Meat Cluster.
- ➔ Emerging Agriculture:
 - Agri-Product 1: Stock Farming Value Chain;
 - Agri-Product 2: Intensive Crop Farming;
 - Agri-Product 3: Production of Hides;
 - Development of Subsistence Farmers;
 - Access to Agricultural Markets; and
 - Agricultural Infrastructure Support Programmes.
- ➔ Tourism Development:
 - Development of a Comprehensive Tourism Strategy;
 - Ukhahlamba Drakensberg Park (UDP) World Heritage Site (WHS) and Potential Tourism Development;
 - Encourage Establishment to Apply and Maintain Star Grading;
 - Develop Accurate Intelligence;
 - Explore Possibility of Niche Markets;
 - Intervening in Tourism Value Chain Development; and
 - Community Based Tourism and Potential Products.
- ➔ Development of Trade and Business Sector:
 - Intervening in the Retail Services Value Chain Development;
 - Enterprise Support;
 - Improving Business Confidence;
 - Formalization of Rural Emerging Towns: Ntabamhlophe and Emangweni; and
 - Revitalization of Existing Major Towns: Estcourt and Weenen.
- ➔ Finance, Insurance and Real Estate:
 - Economic Enabling Infrastructure and Artefacts; and
 - Improving Business Confidence.
- ➔ Expansion of The Manufacturing Sector:
 - Proposal 1: Industrial Parks;
 - Proposal 2: Potential Products for Manufacturing;
 - Proposal 3: Sustain Business Retention and Expansion Program;
 - Proposal 4: Waste Tyre Recycle Programme;
 - Proposal 5: Bone and Horn Products;
 - Proposal 6: Gravel/ Crush Stone; and
 - Proposal 7: Intervening in The Manufacturing Value Chains.
- ➔ Development of the Transportation, Storage and Communication Sector:

- Intervening in The Services, Innovation and Technology Value Chains;
- Intervening in Basic Led Assets of The Local Area Through Renewal and Refurbs; and
- Upgrades and Additions and Maintenance.

➔ Development of the Mining Sector:

- Proposal 1: Responsible Mining;
- Proposal 2: Sand Winning;
- Proposal 3: Any Other Mineral Extraction; and
- Proposal 4: Intervening in The Mining Value Chains.

➔ Supporting Measures:

• Institutional Development-

- Establishment of the led committee and supporting structure;
- Municipality to improve communications and service levels with customers;
- Partnerships to deliver on led;
- Intervening in public-owned land resources and processes; and
- Intervening in private-owned land resources and processes.

• Skills Development-

- Labour skills development;
- Entrepreneurial and business skills development; and
- Career guidance and promotion of mathematics and science.

• Infrastructure Development-

- Road infrastructure;
- Upgrade electricity infrastructure;

- Upgrade sanitation infrastructure; and
- Engage in planning for water.

• Municipal Functions and Government Procurement Procedures-

- Red tape reduction;
- Public sector procurement; and
- Expanded public work programme (PPP) and government employment systems.

4.3.2 THE LIMITATIONS OF THE ECONOMIC STRATEGY

The LED Strategy is not a panacea of all the economic related challenges that affect the municipality. It inherits all the weaknesses that are commonly known in Economic Planning and in Development Economics. The following limitations can be listed:

- ➔ An LED Strategy is mostly based on the assumption of rational behaviour of human beings and this assumption is not always valid. Mainstream economics main principle is rationality. This means to maximize utility (coming from consumption of individuals) and profits of firms. Mainstream economics has limited applicability (invisible hand works only if we have no externalities), while moral issues and interaction with nature are not addressed. But real practice may be sometimes even not rational from the viewpoint of mainstream economics;
- ➔ Many of the limitations in that mainstream economics include property rights, limited availability of information, dissemination and access to information, institutional failures (regulatory system, corruption, bureaucracy, etc.), high illegal and informal economic activity, high levels of exclusion from the process and benefits of economic development (i.e. access to



Figure 48: Limitations of the LED Strategy

capital, education and to the legal system is a privilege for a small share of the population). Among other market and

institutional failures. Following on the rationality argument, many poor people have to be very rational to survive in such a risky environment;

- ➔ The economics does not necessary account for the value of ecosystem services i.e. a forest is valued only if it is logged for timber. Nor does mainstream economics consider the value of voluntary services such as caring for older relatives, persons with disabilities or social services;
- ➔ The informal economy businesses being considered are those within the legal framework i.e. illegal activities within the informal economy are not included;
- ➔ There are certain limitations of the informal economy in promoting inclusive and sustainable local economies. These are reviewed with respect to limitations of the informal economy to meet inclusive and sustainable productive opportunities for the local community. The lack of recognition from the government, overcrowding by bigger businesses, lack of access to credit and various illegal activities within the informal sector, that may not be suitable for promoting inclusive and sustainable local economic development;
- ➔ When there are inequalities, there tends to be political instability and political unrest leads to inconsistent economic policies and growth. Also, the corruption and moral issues are far from prioritized if poor people still try to find way to escape from poverty trap. The strategy has a limited scope in terms of promoting or enforcing ethical leadership; and

- ➔ Economic development is intended to present a plethora of choices. Yet choices are very limited due to scarcity of resources and human capital. This also relates to the absence of entrepreneurship spirit within a society limit some of the opportunities from being realized.

4.4 INKOSI LANGALIBALELE ECONOMIC VISION

By 2035 ILLM shall strive to achieve a corrupt free, prosperous and harmonious municipality that seek to eradicate poverty and enhance skilled population through integrated sustainable environment for future generation. Source: 2018/19 IDP

By 2035 Inkosi Langalibalele will be characterized with a robust economy built on Agriculture, Tourism, Manufacturing and Entrepreneurship. (Proposed)

Figure 49: Proposed Economic Vision

The municipality's development vision as presented in the IDP clearly elevates local economic development and commits the municipality to the use of its scarce resources and in partnership with other relevant stakeholders, to create an environment conducive to economic development and growth. Key themes that come out of the vision include the following:

- ➔ Ethical Governance;
- ➔ Prosperity;
- ➔ Skills Development; and
- ➔ Sustainability.

Based on the overall municipal development vision and the strategic intent as outline dint he IDP, the municipality has further committed itself and its partners to the development of a balanced and sustainable rural economy as follows:

- ➔ To develop and grow the local economy of ILLM using local resources;
- ➔ To work in partnerships with relevant stakeholders and other development programmes so as to create an enabling entrepreneurial environment; and
- ➔ To stimulate economic growth, contribute to job creation thus meeting the objective of poverty alleviation.

5. SECTION 5 – STRATEGIC THRUST

5.1 COMMERCIAL AGRICULTURE

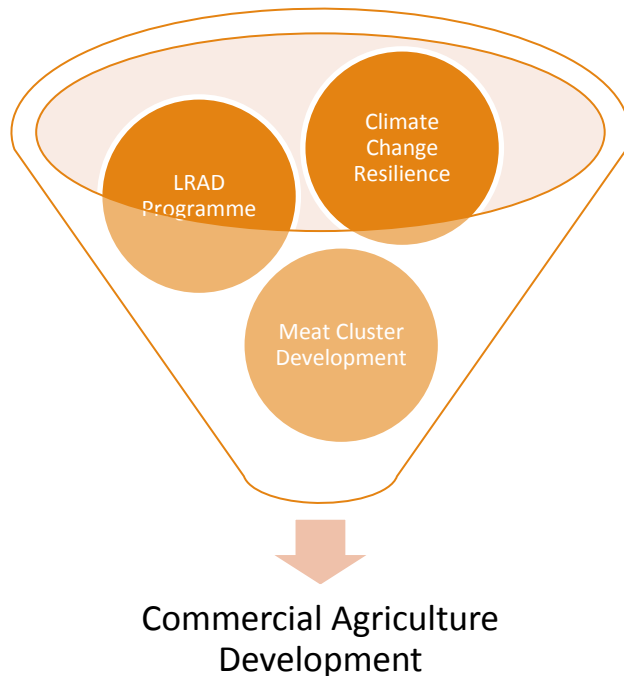


Figure 50: Commercial Agriculture Development

Commercial farming within the municipality is largely privately owned with enormous extent of this land under land restitution. In terms of production both extensive and intensive farming activities are prominent throughout the municipal area including crop production (primarily in irrigated areas), game farming, limited forestry and livestock farming with the areas of Weenen, Ntabamhlophe, Hlathikhulu and Loskop recognised as representing the agricultural hubs of the municipality. Consequently, agriculture remains significant and dominant in terms of its contribution and is one of the key drivers of economic growth, development and employment creation within the municipality.

Vast opportunities exist within this sector to help address the municipality's challenges of poverty, food insecurity and unemployment especially in the more rural communities, and as such the sector remains crucial in safeguarding food security, creating labour intensive employment and reducing unemployment. Key stakeholders within the sector include the local municipality, local farmers, farmer's organizations, value chain participants (suppliers and investors), land reform beneficiaries, government departments and supporting agencies, community members and traditional leaders, NGOs and CBOs all of which are important in promoting the development of agriculture within the municipality.

The municipality identifies a range of factors impacting upon agriculture in the municipality including: the very poor working conditions and wages along with the existence of underemployment; the municipal area is characterized by high altitudes with cooler climate, high rainfall potential and susceptibility to snowing and violent hailstorms; and the high dependence on traditional crop and products with limited innovation. The challenges above accompanied by climate change vulnerability have an adverse impact on meaningful and sustainable agricultural production.

To address these challenges, numerous strategic interventions are required to precisely target the challenges confronting both commercial and small-scale farmers. This should be accompanied by substantial investment in infrastructure including roads, the identification of new agricultural opportunities, improvement and strengthening of institutional relationships and the promotion of multi-stakeholder partnerships. Accordingly, the following programmes are identified as key to growing commercial agriculture within the municipality.

5.1.1 CLIMATE CHANGE RESILIENCE AND MITIGATION

Climate change poses a great risk and challenge to the economy, society and environment in general. As it is mainly associated with changes in weather patterns with notable rises in climate variability impacting upon both water quality and availability. This is evident in

the changes in rainfall patterns, intensified thunderstorms, flooding and droughts, variations in soil moisture and runoff, effects of increasing evaporation and changing temperatures on aquatic systems (Dept. of Environmental Affairs, 2019). Thus, climate change presents a real threat to agriculture and humanity in general with the country having experienced serious drought since 2015 resulting in major crop losses, water restrictions, and ultimately impacting on food and water security.

Consequently, a need exists for the municipality to work towards implementing a pragmatic approach towards climate change. This will include the implementation of climate change related programmes to reduce the impact of climate change disasters which could ultimately impact upon total agricultural production in the municipality. This includes programmes geared towards building resilience to current and future climate change impacts to reduce costly adaptation and mitigation activities in future. Since climate change adaptation stresses the importance of reducing vulnerabilities that result from current and future climate change impacts, the Food and Agriculture Organization (FAO, 2012) finds that adaptation is concerned with reducing the vulnerability of agricultural systems to the impacts of climate change and climate-related risks through sustaining or growing adaptive capacity and resilience.

While, mitigation addresses the causes of climate change such that the mitigation potential of agriculture is found to be significant as

agriculture and deforestation contribute to about one third of global greenhouse gas emissions. Thus, strategies focused on adaptation should include a comprehensive set of activities ranging from activities that focus on reducing drivers of vulnerability to interventions aimed at confronting not yet experienced climate change impacts. Whereas, strategies focused on mitigation should include actions aimed at reducing GHG absorption and generating Carbon sinks through Carbon sequestration in soils and below and above ground biomass (FAO, 2012). This will therefore require the municipality to:

- ➔ Integrate climate change considerations and challenges into the Integrated Development Plan (IDP) and other municipal service delivery programmes.
- ➔ Conduct vulnerability assessments to climate change in the agricultural sector and the monitoring and disseminating of climate change related information.
- ➔ The municipality should also look towards developing a climate change/adaption plan focussed on the development or implementation of climate change/adaption strategies which includes response and recovery strategies, greening programmes as well as awareness raising programmes. This includes the development of communications systems and planning processes, and the improvement of mapping, weather monitoring and natural resource management practices (i.e. alien invasive plant species awareness and removal).

- ➔ Promote the minimization of soil erosion and land degradation (improved soil management) by encouraging the subdivision of large fields and building of windbreaks; changing farming practices to conserve soil moisture, organic matter and nutrients; rotation of crops (and avoiding mono-cropping); and the improvement of livestock grazing practices to improve soil cover.
- ➔ Other interventions include encouraging the optimization of fertilizer application, conservation agriculture and residue management.

5.1.2 POST-LRAD PROGRAMME AND CAPITALIZATION SUPPORT

In 2009, the Department undertook an evaluation of the implementation of the Land Reforms Programs since their inception. It identified that many land reform projects were not successful and thus in distress or lying fallow, there was a lack of adequate and appropriate post-settlement support and numerous properties acquired through various sub-programs (such as the Land Redistribution for Agriculture Development (LRAD) were on the verge of being auctioned or had been sold due to the collapse of the project, resulting in a reversal of the original objectives of land reform. Recapitalization and Development focuses on human (capacity development), infra-structure development and operational inputs on properties in distress and newly acquired through the land reform redistribution, restitution and other programmes since 1994 as well as other agricultural properties in

distress acquired without grant funding. The approach is to ensure that the enterprises are profitable and sustainable across the value chain in line with the Business Plan which stipulates comprehensive development requirements of targeted properties over 5-year recapitalization and development cycle.

This programme aims to contribute to the transformation of the rural economy through establishment of enterprise and industrial development in the various agricultural value chains by ensuring national and household food security and the promotion of job creation. Implemented correctly, RADP would result in the significant reduction of the rural-urban population and resource flow. The intention of this programme can be summarised as follows:

- ➔ Provide black emerging farmers with the social and economic infrastructure and basic resources required;
- ➔ Combat poverty, unemployment and income inequality;
- ➔ Reduce tide or rural-urban migration; and
- ➔ Compliments agricultural development programs of the Department of Agriculture, Forestry and Fisheries (DAFF).

RADP has considered and tried to address challenges through the following:

- ➔ Mentorship of emerging farmers and/or land reform farmer;
- ➔ Co-management;
- ➔ Share-equity arrangements; and
- ➔ Contract farming and concessions.

In the RADP policy emphasis is placed on:

- ➔ Assessing capability of emerging farmer;
- ➔ Assessing farm needs with regards to RECAP;
- ➔ Use outcome of the above to determine kind of partnership appropriate for the farm;
- ➔ Enter into milestone-based performance agreement with termination clause;
- ➔ Deploy partner and monitor performance;
- ➔ Analyse social and economic impact; and
- ➔ Close out report at the end of five years.

5.1.3 DEVELOPMENT OF THE MEAT CLUSTER

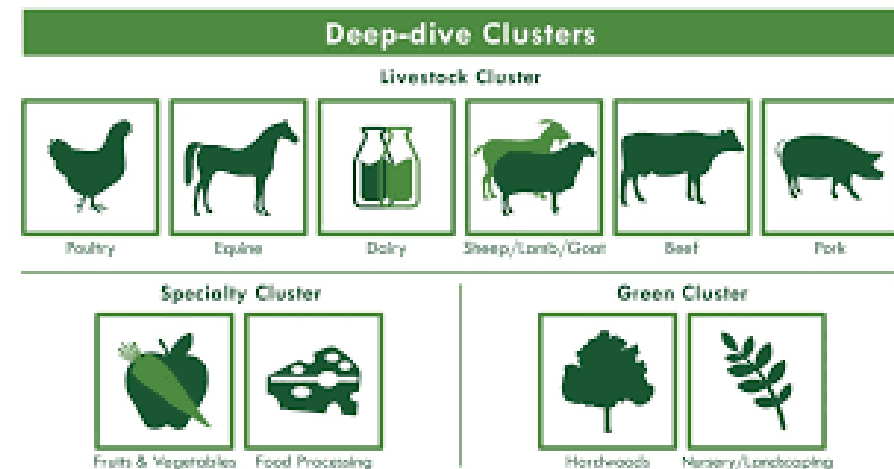


Image 1: Meat Cluster

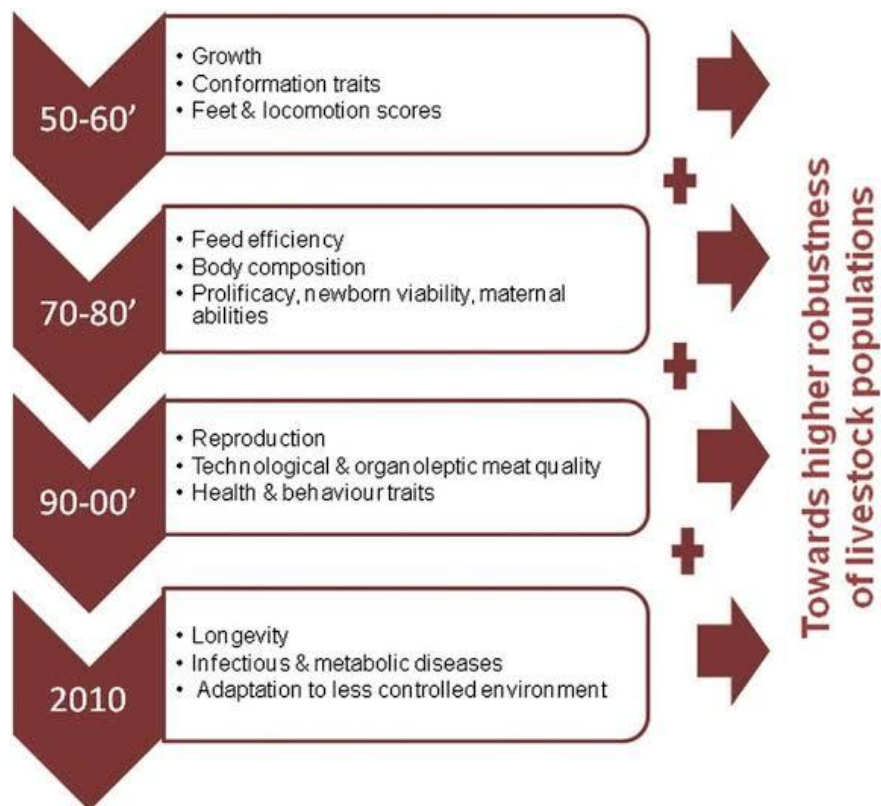


Image 2: Meat Cluster Principles

Livestock farming within the municipality is one of the dominant agricultural activities including beef, chickens, pigs and sheep. Thus, a need exists to support livestock farming within the municipality. This can be done through the promotion of clustered developments of the meat industry within the locality. Emelyanov (2008) cited in Bauer, Ismailova, Okutaeva and Bencheva (2016) defines clustering as geographically focused groups of interconnected companies,

specialized suppliers, service providers, companies in related industries, along with associated activities of their organizations (i.e. universities, agencies, trade associations etc.) in particular fields that compete but at the same time work collaboratively together. Clustering of the meat industry thus offers the opportunity to join all participants involved in the industry to create a cluster-based economy that promotes competitiveness and investment attraction that will greatly benefit all involved including not only large enterprises but also the small and medium enterprises located within the municipal cluster. Additionally, clustering will assist in improving industry cooperation, provide knowledge and information exchange along with sharing of best practices which will overall enhance the competitiveness of the industry within the municipality whilst also stimulating the formation of new businesses. However, the development of the meat cluster within the municipality will require direct support and collaboration from government, financial intermediaries and research institutions.

5.2 EMERGING AGRICULTURE

5.2.1 AGRI-PRODUCT 1: STOCK FARMING VALUE CHAIN

The four opportunities that exist within livestock value chain include animal feed production, livestock production, slaughtering and processing and the production of hides. This process is interrelated with the abattoir requiring a sustainable supply of livestock that could be provided by the feedlots whilst the meat processing would

require the slaughter of livestock with the by-products of slaughtering livestock as hides which can be used to produce leather by the tanneries.

PRODUCT DEVELOPMENT

Agri-Product 1: Stock Farming Value Chain

Agri-Product 2: Intensive Stock Farming

Agri-Product 3: Production of Hides

SUPPORT PROGRAMMES

Development of Subsistence Farmers

Access to Agricultural Markets

Agricultural Infrastructure Support

Figure 51: Emerging Agriculture Programme

The encouragement of both vertical and horizontal integration of the meat value chain is required as integration in the country is primarily driven by the feedlot industry where most of the large feedlots own their own abattoirs, or at least have some business interest in certain abattoirs. Additionally, some feedlots have been found to have integrated further down the value chain and sell directly to consumers through their own retail outlets whilst some abattoirs have also begun integrating vertically towards the wholesale level (DAFF, 2017). Thus, understanding the dynamic forces within the industry will allow stakeholders to be able to position themselves to increase their performance at each segment of the industry to the benefit of the entire industry.

It is broadly acknowledged that livestock managed by small-scale and emerging farmers in the country are significantly under-utilised in terms of income generation and poverty reduction. The development of livestock value chain in the cattle, sheep, poultry and piggery in the municipality has potential to increase participation of rural communities within the industry. This will help target smallholder farmers and rural households focused on livestock systems and practices. A notable lack of stakeholder linkages in the agricultural value chain exist with limited communication between informal traders, co-operatives, commercial farmers and the municipality in terms of agricultural development.

Thus, greater communication is required in the municipality to identify significant value chain linkages. Understanding the current value-chains within the municipality is important to properly develop this sector. Thus, interventions should be aimed towards understanding the current value chain and facilitating the development of these value chains in order to have a significant impact on the local economy. Livestock farming in the municipality is characterized by commercial farming, small holder farming and household farming. The most important steps in the implementation of value chains is identifying potential key partners in the value chain that will address the needs of livestock farmers and the associated business models and risk/profit drivers of these partners. These partnerships have an advantage in that they can provide opportunities such as access to the inputs, services and finance that enable smallholder livestock producers to participate competitively in markets. Consequently, a need exists for the municipality to facilitate the development of a livestock value chain by identifying enterprises that can contribute to production whilst also providing services and institutional support that deal with blockages preventing progress of livestock enterprises in the municipality.

This requires development of the agri-business programmes focussed on abattoir, feedlots and livestock centres along with processing plants and storage facilities. By so doing, potential to increase support for locally produced feed resources and the development of safe slaughter facilities near major consumption areas could be achieved whilst also creating employment and

increasing the earning potential of participants along the entire livestock value chain from locally grown feed to processing, marketing, veterinary services and the distribution of final livestock products. This, however, will require the support from industry stakeholders and government through the provision of pack house's and cold storage facilities to enable trade along with the provision of veterinary services in the local area and livestock breeding, hatcheries and incubation to enable local affordable stock buying.

5.2.2 AGRI-PRODUCT 2: INTENSIVE CROP FARMING

Agricultural potential within Inkosi Langalibalele Municipality falls into six of the eight land categories including: good agricultural potential; relatively good agricultural potential; moderate agricultural potential; low agricultural potential; poor agricultural potential; and restricted agricultural potential. It is worth noting however that the extent of high agricultural potential land and arable land in the municipality is roughly around 18% of the total land area of the municipality. The municipal IDP asserts that although the quantity and distribution of water resources in the municipality is very good the rainfall however is unpredictable, and the municipal soils are found to be poor. Most of the municipal population is dependent upon crop cultivation thus prompting the need for strengthening of subsistence farming at the household level within the municipality. Thus, the promotion of sustainable agricultural development is especially important for small scale farmers and households in enhancing food security and further

growing income potential for the respective farmers without adversely impacting upon the environment.

Much of the crops grown within the locality include maize and potatoes. Maize is by far the most important grain crop in the country and is produced throughout the country under various environments. The maize industry is significant to the economy in terms of employment and its multiplier effects. Additionally, maize also serves as a raw material for manufactured products such as paper, paint, textiles, medicine and food. Whilst potatoes are recognised as important globally as a key in the fight against hunger and malnutrition and the creation of food security. Much like maize potatoes have a wide range of uses including vegetable consumption, as a processed product such as chips, in brewing alcoholic beverages (i.e. vodka), as an adhesive for the manufacturing of paper and boards and as a base for biodegradable packaging. There is therefore a need to harness intensive crop farming of these crops in the municipality especially among small and emerging farmers to grow the potential of the crop industry. This will however require assistance in terms of provision of supporting services including irrigation schemes, seed and tissue culture laboratories to small and emerging farmers along with the provision of plant nurseries or propagation areas within the municipality. Additionally, small scale farmers can also focus on intensifying fresh produce within the municipality by opting for Hydroponics/ aquaponics systems which are distinctively different

to other systems in that it is designed as a self-sustainable system with little to no waste products being released into the environment.

Hydroponics and aquaponics systems provide great benefits in areas with restricted land potential and land size. They allow small scale farmers to adapt to environmental threats associated with climate change, such that, these methods are resilient to the impacts of climate change such as heat stress, flooding, lightning, wind and hail associated with severe storms. At present, many small scale and subsistence farmers lack access to information and the resources necessary to adapt to climate change and as such are left vulnerable to its impacts affecting their productivity. As such, emerging and small-scale farmers need to be assisted in obtaining these systems to promote sustainable production.

The development of crops and fresh produce will need to be linked to commodity development which is critical in ensuring growth and diversification of the agricultural sector and providing a platform for agro-processing to happen. This will entail development of agri-business programmes designed to focus on processing, packaging, marketing and storage of goods. This should be done in partnership with uThukela District Municipality, the Department of Economic Development, Tourism and Environmental Affairs (EDTEA), the Department of Trade and Industry (DTI), the Department of Agriculture, Forestry and Fisheries (DAFF), the Agricultural Development Agency (ADA) and the Department of Rural Development and Land Reform (DRDLR). The realization of the

planned District Agri-Park and associated FPSU's will assist in this regard.

5.2.3 AGRI-PRODUCT 3: PRODUCTION OF HIDES

Hides and skins are a by-product of the meat industry and form part of value adding. Tanneries convert raw animal hides and skins into finished leather with three commonly used types of hides and skins in leather manufacturing including cattle, sheep, and pigs. Within the country the demand leather is from the automotive industry, footwear industry, furniture industry and clothing and textile industries. In terms of demand for hides the automotive industry surpasses the number of cattle slaughtered locally. Most of cattle slaughtered for hides comes from feedlot cattle accounting for



Image 3: Production of Hides

approximately 75% whilst the balance is from small scale and

informal farmers. This small scale and informal farmers are found to fail in meeting consistency in slaughter weight thus impacting upon quality.

A study commissioned by the Dept. of Trade and Industries (DTI, 2016) finds skins and hides to provide a rich source of raw material in country's leather value chain with most abattoirs found to have partnerships with skins and hide traders who export raw skins and hides as well as low value-added semi-finished leather products. Furthermore, the study found that hides from communal cattle farmers were thought to be going to waste or attracting only very low price in informal markets.

This as a result of communal farmers lacking the ability to improve their products into tanned leather and supply it for further value addition in the labour-intensive footwear, furniture and automotive leather value chains. Thus, the skins and hides available in the informal sector could generate potential business opportunities for communal entrepreneurs to act as emerging hide wholesalers and the sector could be significantly elevated by training informal slaughter operators, emerging farmers and herders to prepare hides, collect and sell them to local tanneries. This will ultimately impact upon slaughtering practices by communal farmers and create better quality hides which realize higher market prices. In light of this, a need exists to commission a study within the locality to establish the potential value of skins and hides and furthermore the assessment of the need for a local tannery to absorb local the produce. There is

also a need to investigate the potential of the un-exploited skins available in the rural parts of the municipality primarily goat skins which are not part of the local economy. Stakeholder engagement should include the associations' key to the leather industry including the Skin, Hide and Leather Council (SHALC), South African Meat Industry Company (SAMIC), SA Footwear and Leather Export Council (SAFLEC), SA Footwear and Leather Industries Association, National Union of Leather and Allied Workers (NULAW) and the Southern African Clothing and Textile Workers Union (SACTWU).

5.2.4 DEVELOPMENT OF SUBSISTENCE FARMERS



Image 4: Subsistence Farming Input

Subsistence and small-scale farming within the municipality is common with households practicing both small scale cropping and

livestock breeding. Though small, subsistence farming has the potential to play an important role in promoting food security, reducing poverty and improving rural livelihoods within the municipality. However, several challenges impact upon sustainable small scale and subsistence farming, including:

- ➔ limited access to financial markets for both inputs and outputs affecting actual production;
- ➔ limited or poor infrastructure to support farming especially climate resistant infrastructure to help curb the impact of climate change on production;
- ➔ climate change impact;
- ➔ market facilities which make cost of production to be high and as such causing a disincentive for small scale farmers to continue and to increase production; and
- ➔ land degradation because of poor land management leading to unproductive land, alien plant invasion, over exploitation of natural resources, uncontrolled rural and urban sprawl.

This strategy is focussed on aiding the development of emerging and small-scale farmers within the municipality to promote diversification of the sector through the development of new commodities which can only happen if emerging and small-scale farmers are supported. Collaboration and knowledge sharing between small scale farmers and other agricultural organizations will be needed. This will necessitate support from national, provincial departments and agricultural agencies mandated to assist small

businesses in agricultural development, particularly, the Dept. of Agriculture Forestry and Fisheries (DAFF), Dept. of Rural Development and Land Reform (DRDLR), Agricultural Development Agency (ADA) and the African Farmers' Association of South Africa (AFASA).

The assistance of commercial farmers and established organised agriculture needs to be encouraged to assist in development of small-scale farmers through the provision of mentorship and training, the facilitation of supplier agreements between emerging and established Farmers as well as the identification of new opportunities and potential collaboration between small-scale farmers and commercial producers within the municipality. Accordingly, all these initiatives will require great support and collaboration between the local community, government, and the private sector to succeed.

Thus, the initiative by National government to build an Agri-park within the district and the associated Farmer Production Support Unit (FPSU) Centre within the municipality will greatly benefit small-scale farmers and communities located within the municipality. The FPSU Centre envisioned to be located in the municipality will provide local small-scale farmers and subsistence farmers with support in:

- ➔ Agricultural input supply control, in terms of quality, quantity, and timeous deployment of inputs;

- ➔ Extension support and training, using Universities, agricultural graduates and NARYSEC working in a symbiotic relationship to “hold-hands” with farmers over the next 10 years;
- ➔ Mechanization support (tractor driving, ploughing, spraying, harvesting etc.);
- ➔ Machinery, servicing workshop facilities;
- ➔ Local logistics support, which could entail the delivery of farming inputs, transportation post-harvest, transportation to local markets; and
- ➔ Primary produce collection.

This will ensure that local small-scale farmers and surrounding communities are afforded with economic development opportunities and employment opportunities. It will also enable these farmers to Investment in climate-resilient agricultural practices and physical infrastructure that will mitigate impacts of climate variability whilst connecting farming cooperatives to existing and new markets. Overall, the intention of an Agri-Park, through the Agri-Hubs and Farmers Production Support Units (FPSU) is to consolidate the value chain of commodities in a manner that maximises the participation by black farmers and especially land reform beneficiary farms.

5.2.5 ACCESS TO AGRICULTURAL MARKETS



Image 5: Access to Agricultural Markets

While noted that small and emerging farmers struggle to get access to formal markets. Almost all produce that is not used for consumption can be found in the informal markets found along main roads, outside bus stations, taxi ranks, alongside existing fresh produce markets and in parts of the CBD. There is therefore a need to develop programmes aimed at providing small and emerging farmers access to formal markets. This could be done through the establishment of seasonal and permanent agricultural markets, fairs and auction facilities to support local trade accompanied by the provision of logistical support through preferential agreements with local transporters and the provision of specialised cooperative processing facilities and Infrastructure.

Furthermore, the provision of phytosanitary services in the local area is required to ensure that small and emerging farmers are able to not only access local markets but also international markets. This therefore should be done in partnership with the district municipality, the district development agency, the Dept. of Economic Development, Tourism and Environmental affairs and the Department of Trade and Industries. Furthermore, skills development, training and capacity building with emphasis on business management, financial management and planning is required to ensure that emerging farmers are aware of market dynamics and its impact on their businesses.

5.2.6 AGRICULTURAL INFRASTRUCTURE SUPPORT PROGRAMMES

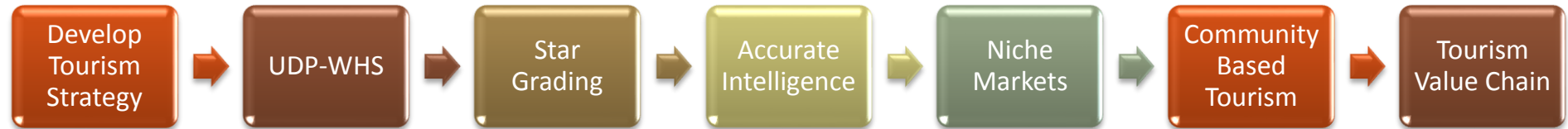
Agricultural infrastructure has an impact on agricultural productivity and overall agricultural income of small and emerging farmers. Thus, access to agricultural infrastructure provides small scale and emerging farmers the opportunity to not only increase productivity and income but also provides opportunity for potential commercialization of production. Some of the important infrastructure requirements for emerging farmers include irrigation infrastructure, fencing for livestock grazing and crop production and cattle dip tanks. Additionally, support through the provision of basic infrastructure, services and equipment will further assist in this regard. Several infrastructure programmes and initiatives are identified as key to support small scale and emerging farmers including:

- ➔ Comprehensive Agricultural Support Programme (CASP) focused on providing farm and business level activity support such as rehabilitation of irrigation schemes to support beneficiaries of the LRAD programme and other strategic programme so as to provide post settlement support and enabling value adding enterprises. Additionally, the programme offers support for household food security and subsistence food production and promotes agricultural macro-systems within consumer, economic environment that ensures a conducive business and the regulatory environment that supports agricultural development and food safety. This programme has six pillars focussed on and off farm infrastructure, technical and advisory support, information and knowledge management, regulatory services, training and capacity building and marketing and business development and finance which has since been branded MAFISA.
- ➔ The Recapitalisation and Development Programme ensures that redistributed land becomes productive and profitable by providing mechanised irrigation, farmer mentorship and farm inputs.

The proposed Agri-parks initiatives supports rural enterprises by developing rural industries and facilitate the efficient movement of rural produce to markets. The initiative develops networked systems of agro-production, processing, logistics, marketing, training and extension services in district municipalities and developments on

underused land. Each Agri-park supports smallholder farmers by providing capacity-building, mentorship, farm infrastructure, extension services, and production and mechanisation inputs. Smallholder farmers own 70% of an Agri-park, while the remainder is owned by Government and commercial farmers.

5.3 TOURISM DEVELOPMENT



5.3.1 DEVELOPMENT OF A COMPREHENSIVE TOURISM STRATEGY



The development of a comprehensive tourism strategy builds on a foundation to support the tourism industry and maximize its economic potential. Tourism generates benefits and value in many

ways across a range of activities in local and national economies. The strong cross-sector linkages require tourism contributions to be seen within a comprehensive policy framework and an overall economic development strategy. A comprehensive tourism strategy provides direction for the growth and development of tourism within the municipal area. The pyramid below illustrates the type of model used for strategic planning of a comprehensive tourism strategy. A comprehensive tourism strategy identifies how to:

- ➔ Achieve a profitable and sustainable industry;
- ➔ Promote industry transformation;
- ➔ Instil principles of visitor safety;
- ➔ Welcome, involve and satisfy visitor;
- ➔ Engage and benefit the host communities; and
- ➔ Protect and enhance the local environment.

The following are some of the key strategic objectives that the tourism sector needs to aim to:

- ➔ Enhance understanding and awareness of the value of tourism and its opportunities through providing support services for the municipality's engagement in tourism structures in an effort to enhance relations with strategic government partners;
- ➔ Create an enabling regulatory environment for tourism development and growth by developing a comprehensive tourism strategy that is aimed to guide a harmonized approach to growth and development of tourism across the municipal area;
- ➔ Accelerate the transformation of the tourism sector through the implementation of programmes aimed at empowerment of marginalized enterprises and individuals to promote inclusive growth of the sector;
- ➔ Facilitate tourism capacity building programmes to build capacity for inclusive tourism development and growth, with special focus on tourist guides;
- ➔ Reduce barriers to tourism growth to enhance tourism competitiveness;
- ➔ Accelerate the transformation of the tourism sector by identifying and implementing interventions aimed at inculcating a culture of travel in domestic market and make tourism experience more accessible; and
- ➔ Implement prioritized programmes that present opportunities for training and development for the growth of the sector.

Tourism development is a joint responsibility of local government with the private sector. The role of local government is to attract

investors with their capital, undertake planning and provide leadership while the private sector is to attract customers with their capital. Local governments can therefore foster and build its commitment to tourism development in a number of ways:

- ➔ Promote partnerships between public and private sectors;
- ➔ Ensure appropriate infrastructure is available to facilitate the development of businesses and industry;
- ➔ Facilitate (by promoting and assisting) existing business and new enterprises with required resources (such as land use matters, information and training);
- ➔ Build political will to meet development targets; and
- ➔ Promote private infrastructure investment in line with tourism goals.

5.3.2 UKHAHLAMBA DRAKENSBURG PARK (UDP) WORLD HERITAGE SITE (WHS) AND POTENTIAL TOURISM DEVELOPMENT

The primary attraction for the Ukhahlamba-Drakensberg destination is the scenic Drakensberg Mountain range. It is considered to be one of South Africa's prime eco-tourism destination. It boasts the status of being a World Heritage Site and attracts visitors both nationally and internationally. UKhahlamba Drakensberg Park is 243 000 Ha in extent. Natural attractions within the UKhahlamba Drakensberg Park include the Drakensberg Mountain, archaeological sites, nature reserves (game viewing and bird watching), UThukela Biosphere Reserve, Tugela catchments and the Tugela River, natural bush,

forests and a mostly comfortable climate. Cultural attractions within the UKhahlamba Drakensberg Park include certain parts of the Battlefields and Memorial, museums, monuments, rock art, crafts, recreation (horse riding) and tourism routes. The dominant attraction within the Drakensberg are bird watching, horse riding, hiking/ mountain climbing/ aesthetic and scenery landscape, san rock art, fishing and biking, helicopter tours and craft centre. To increase tourism development for this World Heritage the following is noted:

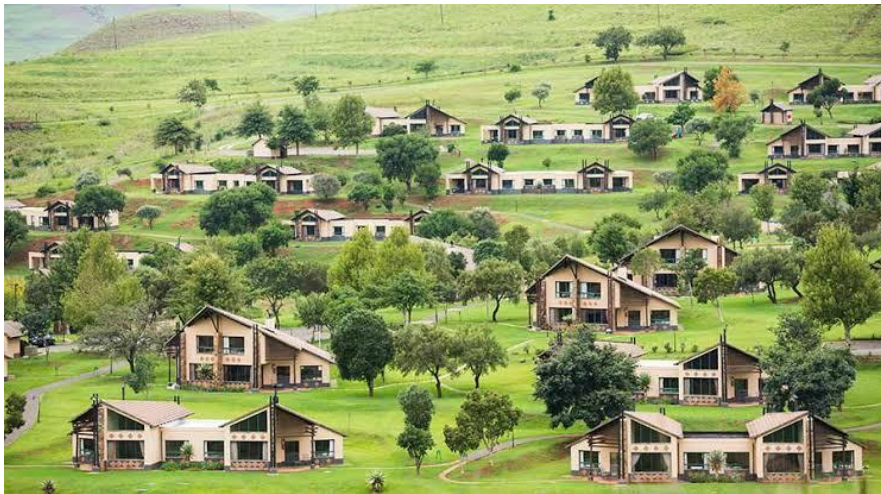


Image 6: Majestic Drakensberg

- ➔ There is a need to maintain and increase the number of tourists from existing tourist-source markets, at the same time as developing new tourist-source markets through existing product

maintenance, new product development and effective marketing strategies for the tourism destination and/or product

- ➔ Development of package of activities linked to various tourist accommodation facilities or as separate activities that tourists visiting the area could undertake for amusement.
- ➔ Consolidate and proclaim additional wilderness areas;
- ➔ Brand the Park to internal and external stakeholders as world heritage Site with International obligations; and
- ➔ Establish opportunities for national and international collaboration and sharing management ideas through the World Heritage status.

5.3.3 ENCOURAGE ESTABLISHMENT TO APPLY AND MAINTAIN STAR GRADING



Image 7: Star Grading

Star grading tells your customers about the quality of your establishment as well as letting your customers know that what you offer is of nationally recognised standard. Being quality graded can improve the reputation of an establishment, visibility and credibility

in the marketplace. In order to maintain outstanding/ exceptional quality and luxurious accommodation matching the best international standards, establishments within Inkosi Langalibalele municipality need to:

- ➔ Undertake a self-assessment prior to applying for a star grading to ensure compliance against the category standards;
- ➔ Upgrade services and visual maintenance of establishment;
- ➔ Ensure easy access to all facilities within the establishment;
- ➔ Increase customer satisfaction and the chance of repeat business and; and
- ➔ Improve the reputation of the establishment and be seen as a credible business once star graded.

5.3.4 DEVELOP ACCURATE INTELLIGENCE

The following are a list of strategies that can be undertaken in order to develop accurate intelligence vital to the tourism sector:

- ➔ New tech initiatives to revolutionise travel and tourism sector by introducing a travel and tourism repository with consolidated and comprehensive tourism data that will equip tourism businesses with valuable insights to inform their business strategies.
- ➔ Utilising of existing booking tools that will improve access of small and medium tourism enterprises within Inkosi Langalibalele to the global market and increase the visibility of the municipality's tourism attractions and establishments.

Currently existing booking tools that can be used are Bookings.com or Trivalgo as well as social media handles like Instagram, Facebook and Twitter.

- ➔ Visitor app and portal that will better showcase the Inkosi Langalibalele tourism product. Will provide travellers with a wealth of useful real-time travel information including, among others, Geo-location and mapping of Inkosi Langalibalele experiences, access to a tourist safety tool, a helpline and social media sharing.
- ➔ Increase use of artificial intelligence for a meaningful data pool that will focus on customization in order to learn what the customer wants or is expecting from a tourism experience within the municipal area.

5.3.5 EXPLORE POSSIBILITY OF NICHE MARKETS

A niche market is a method used to meet customer needs through tailoring goods and services for small markets. It is an advertising strategy that focuses on a unique target market. Instead of marketing to everyone who could benefit from a product or service, this strategy focuses exclusively on one group, a niche market, or demographic of potential customers who would most benefit from the offerings. Establishing a niche market gives you the opportunity to provide products and services to a group that other businesses have overlooked. Niche markets are narrowly defined group of potential customers that have specific needs, a subset of a larger group. Niche markets can also specialize in tourism. Niche

market tourism uses programs to attract visitors focusing on very specific market segment build around a well-defines product. Examples of some popular niche tourism markets that exist within the tourism sector:

- ➔ **Agri-tourism:** agriculturally based activities that bring visitors to a farm or area.
- ➔ **Eco-tourism:** the unique ecology of an area- its flora and fauna- that brings in tourists.

The following is a list of tourism experience in Inkosi Langalibalele that can be utilized in a niche market:

- ➔ **Heritage tourism** – cultural village should be developed for the purpose of showcasing historical and contemporary culture of the local people.
- ➔ **Eco-tourism** - Tourism focus on local culture, wilderness adventures, volunteering and personal learning and growth;
- ➔ **Nature-based tourism** - Nature-based tourism attracts people interested in visiting natural areas of the Central Drakensburg for the purpose of enjoying the scenery, including plant and animal wildlife
- ➔ **Geo-tourism** focuses on the irrefutable witnesses of an everlasting evolution of life on Earth, caves, large geological rifts, ancient geological formations or landscapes chiseled by natural forces throughout the geological ages.

- ➔ **Avi-tourism** – there are 631 bird species that within the municipal area. Bird watching should be packaged as an avitourism product.

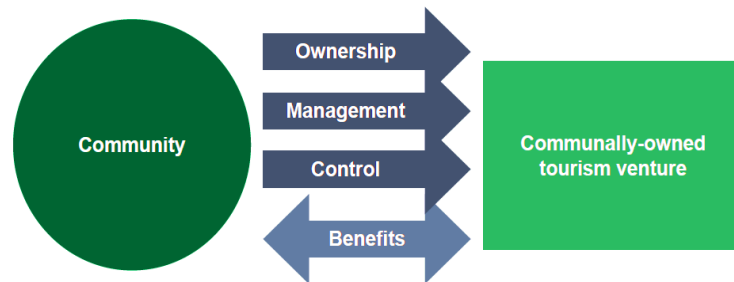
There is a need for a strategic assessment to identify if there are possibilities to develop an entirely new market niche within the tourism sector. The following important tasks need to be unpacked for a further understanding:

- ➔ Assessment of the available tourism resources;
- ➔ Identify new or slack resources that will allow for new niche activities and/or growth; and
- ➔ Assessments of key capabilities (set of skills and knowledge of employees), competencies and competitive advantage. These competencies are generally a result of deploying resources using existing capabilities. Only core competency that is unique to the firm will help create a sustainable competitive advantage. To be effective, these core competencies must be distinctive, and the capabilities should be performed better.

5.3.6 COMMUNITY BASED TOURISM AND POTENTIAL PRODUCTS

Community Based Tourism (CBT) centres on the involvement of the host community in planning and maintaining tourism development in order to create a more sustainable industry. Residents manage their resources in community as the tourism supply and provide it to tourist. The residents earn income as land managers, entrepreneurs, service and produce providers, and employees. At least part of the

tourist income is set aside for projects which provide benefits to the community as a whole. Community-based tourism has been specifically recognized as a tourism development approach aimed at facilitating the development of disadvantaged communities. The



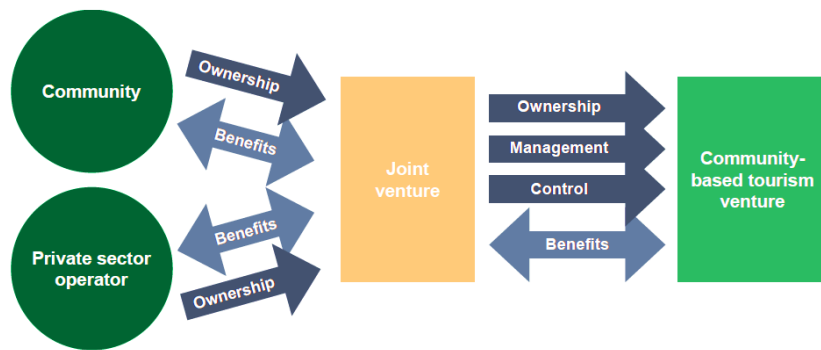
following is a variation of models that can be utilized within Inkosi Langalibalele for community involvement and community benefits in community-based tourism:

➔ **Community-owned tourism venture:** In a community-owned tourism venture (COV), the community has full ownership, control and responsibility of the venture and the majority of benefits remain within the community. The venture may be established through volunteerism without capital investment, funded by donor agencies or government, accumulated community resources or is financed through socially responsible investment – investment in which a private sector investor considers social good as important as financial return – or any combination of these sources. Government and non-

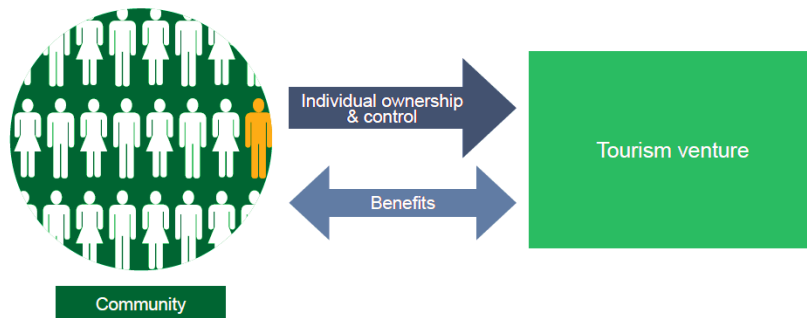
governmental organizations provide technical support, training and capacity building. The venture benefits from community resources, such as land, labor and building material, contributed to establish the business.

➔ **Activities that work best for a community-owned tourism venture:** simple accommodation like homestays, self-catering, campsites, backpackers, traditional restaurants and crafts outlets.

➔ **Community tourism initiative in partnership with a private sector operator:** Partnerships between a community and a private sector operator most commonly takes the form of a joint venture (JV). Both contribute to the partnership, have a share of ownership and receive benefits. Usually the community contributes resources that they have access to like land, grant funding and labor. The private sector typically contributes expertise and investment, be they business and financial management expertise, marketing knowledge, existing client bases, reputation, capital and security for commercial loans.



- ➔ **Activities that work best for a community-owned tourism venture:** Luxury and mid-range accommodation like 3 to 5- star guest house, game lodge, tour company or a restaurant.

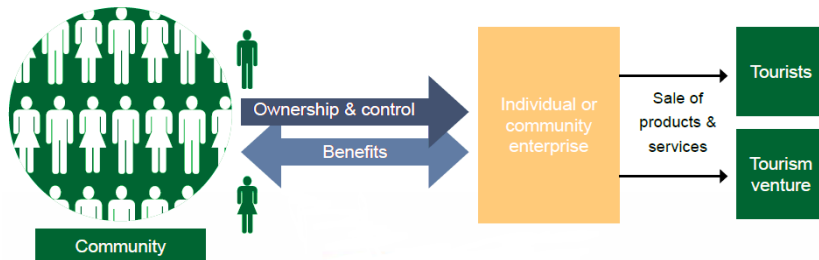


- ➔ **Community-based tourism entrepreneurship:** A community member, a group of community members or an individual with links to a community may establish and run a tourism venture that is based on community resources, be they natural and

cultural. This model is no different from that of a traditional small business - the venture has no formal commitments in relation to community benefits, though the community may benefit from employment or enterprise linkages.

- ➔ **Activities that work best for a community-owned tourism venture:** Depending on the entrepreneur’s resources, this could be simple to mid-range accommodation, transport, activities, tours, and small-scale tourism services.
- ➔ **Community enterprise linkages with private sector-owned tourism businesses:** Individual entrepreneurs, partnerships and collectives in communities (e.g. cooperatives) sell their products or services to tourism companies and to tourists. Tourism businesses may also provide opportunities for guests to visit communities and spend money directly on products (e.g. craft, décor and food) or services (e.g. guided tours, visits to cultural attractions and transport). The community enterprise linkages (CEL) model emphasizes the involvement of communities in the tourism supply and value chain. It is important to note that the private sector owned tourism business can be either owned by an entrepreneur/s within the community or have owners from outside the community.

- ➔ **Activities that work best for a community-owned tourism venture:** Potential for products and services to be supplied to tourism businesses include transport, laundry, security, community visits, provisions of food and beverages, supply of fresh produce, maintenance and construction, tours and guiding.



A community-based tourism venture can be developed by following a six-step process that covers all stages from design through to operations:

- ➔ Identify opportunities;
- ➔ Design and test the CBT venture;
- ➔ Set a stakeholder structure;
- ➔ Develop the community-based tourism venture;
- ➔ Operating a community-based tourism venture;
- ➔ Track progress and success.

The following is a list of community assets and resources that the Inkosi Langalibalele community currently has that could be used to invest in a community-based tourism venture:

- ➔ Natural and cultural attractions;
- Establishment of Phasiwe Mountain with Bushman’s paintings located in Amangwe Traditional Council;

- Establishment of Hillside Camp Zoo located in Mhlungwini Traditional Council;
- Establishment of a zoo in Engodini located Amangwe Traditional Council;
- ➔ Historical and heritage attractions;
- Historic storytelling and role playing of history of Inkosi Langalibalele for tourism
- Cultural events - which involve the visit to local cultural village center or museum for observations and experience of traditional life, music, dances, food and oral history (story telling). The tourists can also be shown how to make traditional food and beer (umqombothi).
- ➔ Recreational activities;
- Village and sightseeing tours, – which are linked to heritage site observation and interaction with local community. This can be done as the guided tours in the form of horse riding or mountain biking;
- Tourism development of Ndundulu Mountain in Mhlungwini Traditional Council;
- Cable cars, zoo and possible nature reserve in Ntabamhlophe.
- ➔ Skills that will support tourism- particularly hospitality, craft and catering skills;
- Arts and craft from traditional community, the local crafters and artists can be organized to show case their work to the tourists and be in a

position to market their products in a more diversified tourism market. The facilities that are normally needed include the art and craft centers;

- Traditional Guest Houses
- ➔ Entrepreneurs and small businesses already in the community and;
- Tourism Consultants which offer tourism and events management;
- Existing co-operatives which offers maintenance (grass cutting, plumbing, construction, electricity) service which could be utilized particularly by existing hospitality avenues;
- Existing co-operatives that offer protection services within hospitality area for the ease of comfort for tourists.
- ➔ Existing products and services that could be sold to tourism ventures and tourists
- Greater yields of agricultural produce from Dlamini Traditional Council to be sold to hospitality avenues;
- Photographic portraits and other services made by existing co-operative which captures tourism experience of tourists.

5.3.7 INTERVENING IN TOURISM VALUE CHAIN DEVELOPMENT

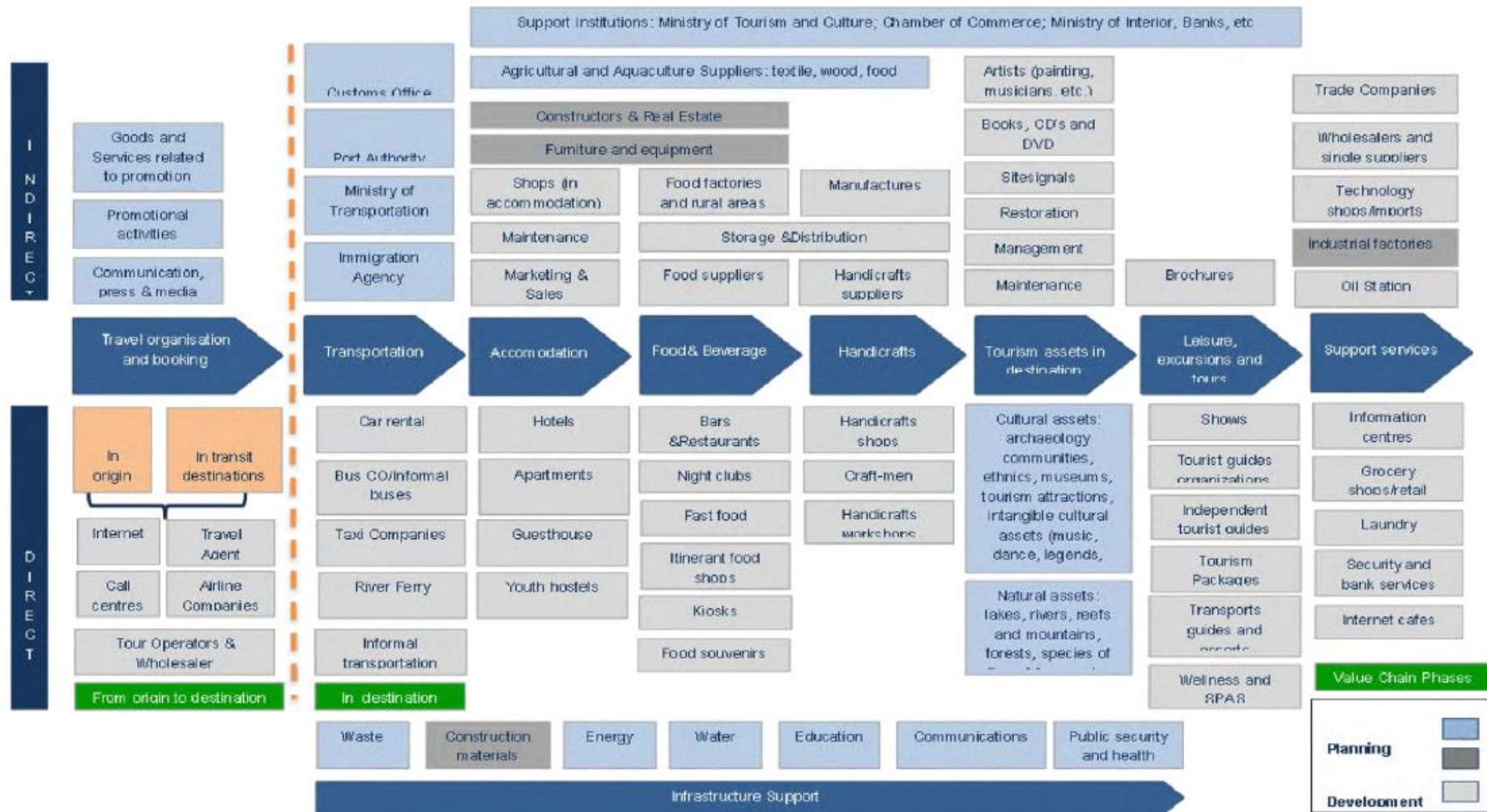


Image 8: Tourism Value Chain

5.4 DEVELOPMENT OF TRADE AND BUSINESS SECTOR



Figure 53: Development of Trade and Business Sector

One of the striking features within the study area is its continual reliance on the higher providing order of goods and services town such as Estcourt on both economic and social grounds. This comes amid lack of a well-defined functioning urban area which could be used to stimulate economic growth and development. The local community of study area continues to conduct its shopping and other day to day activities in the town of Estcourt. While not

undermining the important role the town of Wembezi have on the regional economy, it has thus far benefited from underdevelopment experienced within the study area. The underdevelopment of the study area has had unintended repercussions mainly in the form of the leakage of income. Notwithstanding the fact that, defining economic boundaries is a daunting task (due to mobility and technological advancement), however, initiatives should be put in place to limit the continual leakage of income within the study area. One possible initiative which could stem the out flow of income is the development of commercial precincts in Weenen and potential economic development in Weenen, Ntabamhlophe and Loskop.

These areas offers great opportunities for future development due to the existing agricultural properties which is indicative of the importance of agriculture in the local economy and the area of Ntabamhlophe has vast tracts of vacant land which present an opportunity for small enterprise development and this may entail the development of small business shelters and other Small Medium Micro Enterprise initiatives. Further to that, there are already established initiatives which could provide a base for enhancing current level of development in these areas. In the Sobabili area, within Ntabamhlophe, the Municipal Offices were established and are in operation while Draycott is served with a Community Service Centre (CSC). Through this process, a range of development initiatives could occur.

Firstly, the municipality will be in a position to increase its tourism opportunities given that P179 (tertiary) from Loskop road through

Wembezi to Wagendrift Dam and the surrounding proposed conservation areas is also an emerging corridor intended to reinforce linkages and integrate Wembezi and the surrounding settlements to the agricultural and the proposed eco-tourism areas in the vicinity of the Wagendrift Dam. It has potential to serve as an alternative access to the Wagendrift eco-tourism node from the Loskop road. It has potential to serve as an alternative access to the Wagendrift eco-tourism node from the Loskop road. Secondly, free hold ownership would result to individual title being issued and this brings with its business confidence and certainty as opposed to the current situation. In Loskop this initiative might be acceptable to a few since the area may need to undergo formalization since the area is within Ingonyama land and hence opposition could be expected. From this perspective, a thorough consultation process and proper exploration of formalization processes would be necessary.

5.4.1 INTERVENING IN THE RETAIL SERVICES VALUE CHAIN DEVELOPMENT

The retail value chain defines a series of actions that enable businesses to sell their products to customers. Each action in the chain brings a portion of value to the entire process. The major steps in the retail value chain are creating the product, storing the inventory, distributing the goods and making the product available for consumers. Small businesses that participate in the retail value chain must be aware of how each of these processes operate. The wholesale trade, catering and accommodation sector within the

municipality consists of both the formal and informal commercial sectors located within Estcourt as the primary node (the main sub-regional economic hub and industrial area for the processing of raw materials produced in the region) and in other secondary nodes such as Wembezi, Ntabamhlophe and Emangweni/ Loskop. One of the key competitive advantages held by the SMMEs and local co-operatives within Inkosi Langalibalele is its regional position within the N3. The following key approaches are what local cooperation can execute in order to tap into the retail value chain of formal businesses.

- ➔ Development of warehouses in close proximity to the N3 for managing retail inventory;
- ➔ Development of warehouses for personnel truck inventory;
- ➔ Cold storage room preserves for meat, dairy and other animal products;
- ➔ Truck hire in terms of distributary inventory
- ➔ Social facilitation held by co-operatives for customer loyalty programmes.
- ➔ Providing specialised services e.g. security protection at retail outlets

The diagrams below illustrate the value chain analysis that occurs in retail and outlines the different types of activities local co-ops can tap into.

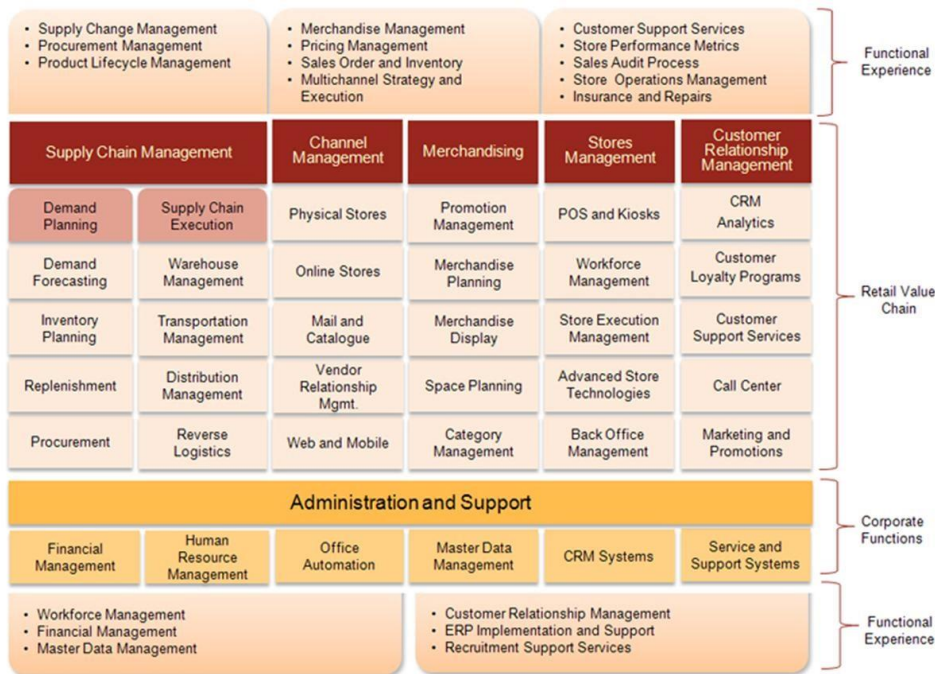


Image 9 and 10. Retail Value Chain Analysis

The Retail Value Chain



5.4.2 ENTERPRISE SUPPORT



Image 10: Business Support

This initiative is meant to assist those who have organized themselves into co-operatives and small businesses. It is done through a number of instruments which include mentoring, establishment of information centres and skills development programme. Within Inkosi Langalibalele Local Municipality, there are a number of co-operatives and small business operators who stand a good chance of benefiting from such initiatives. Central to the theme of this initiative is the notion of assisting those “who are presently economically trapped in the non-functioning local township and rural marginalized economies of the Second Economy.” This is in line with the broader objectives of ASGISA, National LED strategy and Provincial interventions such as the

Provincial Growth Development Strategy (PGDS) and Provincial Spatial Economic Development Strategy (PSEDS).

Institutions tasked with overseeing the implementation of a support system to co-operatives and emerging small businesses include Small Enterprise Development Agencies (SEDA) which will undertake business support and Khula – which provides wholesale funding. SEDA emerged through amalgamation of a number of initiatives, such as the National Manufacturing Advice Centre Trust (NAMAC) and the Community Public Private Partnership Programme (CPPPP). SEDA aims to support the growth of small enterprises or businesses in South Africa, assist to create an enabling and regulatory environment for business growth and most importantly, to encourage a culture of entrepreneurship. Amongst other aspects, SEDA offers the following:

- ➔ Information, advice and referrals;
- ➔ Import and export training;
- ➔ Tender information and advice;
- ➔ Trade information;
- ➔ Business assessment;
- ➔ Technical support;
- ➔ Business mentoring;
- ➔ Market access, and
- ➔ Business linkages etc.

SEDAs appear to be established at District Municipality level and Enterprise Information Centres (EICs) at Local Municipality level. The

SEDA offices will supply basic business support capacity and will be a channel to provide further assistance such as linking organizations with Cipro and SARS etc. The following actions are proposed to deepen enterprise support within Inkosi Langalibalele:

- ➔ Identify existing co-operatives including small businesses;
- ➔ Create a database of all co-operatives and small businesses;
- ➔ Undertake needs assessment for co-operatives and small businesses;
- ➔ Undertake skills audit;
- ➔ Identify sectors which could be exploited by co-operatives and small businesses. e.g. tourism, agriculture etc;
- ➔ Establish skills training centre;
- ➔ Identify programmes that can assist co-ops and small businesses;
- ➔ Link co-ops with relevant structures e.g. SEDA, DED etc;
- ➔ Provide training with sector focus; and
- ➔ Provide an entrepreneurial environment.

5.4.3 IMPROVING BUSINESS CONFIDENCE



Image 11: Business Confidence

The introduction of the new system of local government in South Africa brought about many changes. This includes the new role of local government structures based on a paradigm shift from 'control orientated' to 'developmental orientated'. As part of affirming this initiative, a number of policies have been developed (at national and provincial level), with the primary aim of complimenting the new role of local government structures. In 2006, the LED Policy was promulgated which advocated the need to ensure 'Market Confidence'. With the municipalities being at the cutting edge of development initiatives and are in consistent contact with local

communities and investors, their role in preserving 'Market Confidence' cannot be emphasized. From this perspective, local municipalities need to use tools at their disposal to create an enabling environment for business development and growth.

These tools inter-alia include, Land Use Management Systems (LUMS), Integrated Development Plans (IDP's), Municipal By-Laws, Budgets, Procurement Policies, Rates and Levies and Business support institutions etc. To achieve some of the above-mentioned initiatives, it is important that the strategy is built on ensuring continuous dialogue between stakeholders and the municipality on a range of issues. This includes transparency and open dialogue on municipal by-laws (how they are formulated and implemented and the implications thereof). Also, the provision of both soft and hard infrastructure. There are generally conflicting views on the prioritization processes used for provision of infrastructure hence a need for transparency and open dialogue.

5.4.4 PROCUREMENT PROCESSES

All local government structures should develop procurement policies that provide guidance when procuring goods at any level. The design and implementation of these policies can go a long way to alleviating poverty. This means careful consideration needs to be given when goods or services are procured. It is incumbent upon municipalities to ensure that outside agencies operating within their jurisdiction also benefit local residents. This is more prevalent in

infrastructure related projects such as water, sanitation, roads etc. Having said that, the municipality should also see to it that, its procurement policy gives preference to local service providers, except where services required are of a sophisticated nature. However, services such as catering, delivery of stationery to the municipality, block making could be sourced locally. So, from this perspective, it is pivotal for municipality monitor initiatives taking place thus ensuring that maximum benefits are accruing to local enterprises and businesses. The interventions that are proposed in this regard can be outlined as follows:

- ➔ Develop a list of existing policies and assess their impact;
- ➔ Develop policies that should be in place but not yet operational;
- ➔ Implement initiatives in line with the existing municipal programmes and policies;
- ➔ Develop procurement policy if not in existence;
- ➔ Ensure that procurement policy gives preference to local enterprises and businesses; and
- ➔ Ensure continuous monitoring of various policies to assess their impact on local economic development.

5.4.5 FORMALIZATION OF RURAL EMERGING TOWNS: NTABAMHLOPHE AND EMANGWENI

The Integrated Development Plan envision that Inkosi Langalibalele Local Municipality by 2035 shall strive to achieve a corrupt-free, prosperous and harmonious municipality that seeks to eradicate

poverty and enhance skilled population through integrated sustainable environment for future generation. For the rural emerging towns of Ntabamhlophe and Emangweni to be formalized, the places should aim to:

- ➔ To spatially restructure the town in order to improve movement system, efficiency and convenience;
- ➔ To promote uniformity in terms of built form;
- ➔ To promote an attractive urban environment;
- ➔ To develop sustainable town with uniform land use activities; and
- ➔ To develop an improved sense of place.

These will also boost the business confidence within these rural emerging town, to attract investments. The location of Ntabamhlophe is approximately 13 km south of Wembezi and within the Inkosi Langalibalele Municipality. It is accessible via the main corridor the P29 from Estcourt Town. The role and function of the area is been identified as a secondary administrative centre, it is located within an area which indicates growth potential and it performs a coordinating role amongst a range of service satellites within a certain radius or threshold. It consist most of the facilities, which include the municipality offices, the multipurpose centre, the library, etc. with regards to the land use within this area, it is comprised of (1) Residential settlements, (2) Commercial activities, (3) Social activities, (4) Government and institutions; and (5) agriculture.

Ntabamhlophe is one of the emerging rural towns with the most visible relative short supply of recreational facilities and poor circulation as such the main goals should be to spatially restructure the town in order to improve the movement system, efficiency and convenience. There is a need to promote uniformity in terms of built form as well as the uniformity in terms of land use activities. There is also a need to promote an attractive urban environment in a manner that will develop an improved sense of place within ILLM. These sub-goals are considered to be responding (in partial) to the IDP vision which is to create a platform that is vital for economic activity and development for all.

Emangweni/ Loskop is a secondary node of ILLM. It is located approximately 35 km from Estcourt Town. It is accessible via the main corridor the P29 from Estcourt Town. The function of this area already serves as the satellite municipality office and is home to a number of important services. It has great potential to play a dual role which include economic development and administration matters to surrounding communities. In order for Loskop to be revitalized, it will require a basket of urban regeneration interventions which will aim at improving the streetscape and built form of the town. The area should also be characterized with harmonious land use activities with suitable density. The town should also be improved in terms of movement system and structurally. This would also enhance the functionality of the town.

5.4.6 REVITALIZATION OF EXISTING MAJOR TOWNS: ESTCOURT AND WEENEN

In the South African context, the term urban renewal generally refers to the rehabilitation of impoverished and excluded areas through large-scale renovation or reconstruction of infrastructure. In essence, it means the physical redevelopment, restructuring and revitalisation of the urban fabric, but goes beyond the physical and also addresses the social and economic aspects of development. It is highly influenced by the quest to address the legacy of apartheid, changing private sector attitude towards investing in townships, socio-political landscape and local government capacity and financial constraints.

The legacy of past planning practices establishes the need for urban renewal. The national government identified the importance of urban renewal and introduced the Urban Renewal Programme, which focuses on coordinating investment in economic and social infrastructure, poverty alleviation, enterprise development and strengthening the criminal justice system. The overall objectives of urban renewal are:

- ➔ To address poverty alleviation and underdevelopment;
- ➔ To achieve increased equity, by bringing these previously excluded communities closer to economic and social opportunities;

- ➔ To ensure integration between the spheres and sectors of government; and
- ➔ To enhance local government capacity to deliver, by building stronger, accountable and financially healthy municipalities.

Local government has also realized the importance of reviving urban centres in order to promote economic growth and as such is taking the initiative to develop urban regeneration/renewal policy. These policies should however be aligned to the municipality's integrated development plans to ensure maximum impact. The ILLM must develop a proposal for Urban Renewal Framework that will enhance the performance of the town and contribute to meeting the development needs of those who work, live and/or use the town. This should occur within the context of a broader development vision of the Inkosi Langalibalele Municipality as outlined in the Integrated Development Plan (IDP) and the associated sector plans (Spatial Development Framework & Local Economic Development Plans). In particular, it must advance the strategic objectives of the emerging spatial development vision and contribute to the transformation, renewal and regeneration of this core social and economic node of the municipality. The requisite for this initiative arises from the need to;

- ➔ Enhance regional role of Inkosi Langalibalele through the development of appropriate infrastructure.
- ➔ Improve the aesthetic character of the town and create a pleasing environment to visit, live and/or work in.

- ➔ Improve the functioning of the identified intervention areas.
- ➔ Attract public and private sector investment.

The following should be achieved through the plan:

- ➔ Improve functionality and create a more attractive urban environment;
- ➔ Improve the environment;
- ➔ Provide efficient transport;
- ➔ Improve urban management and safety and security; and
- ➔ Create investment and economic opportunities and to protect the area from competing developments in out of town locations.

The objectives of the plan should be:

- ➔ To address the physical structure of the town and promote functionality with the broader Municipal economy;
- ➔ To provide an urban regeneration structure/plan that will respond to unique needs of Maphumulo, opposed to generic proposals;
- ➔ To promote local economic development for Maphumulo, whilst responding to the ecological and environmental sensitivities, taking into account the nature of the town;
- ➔ To attract and leverage public and private sector investment;
- ➔ To ensure positive coordination of development initiatives and policies through a linkage of central and local government institutions;

- ➔ To provide a mechanism for land supply (where relevant) to meet the full range of needs and aspirations of the community and economic progress;
- ➔ To ensure public involvement in the formulation of the urban renewal framework;
- ➔ To identify areas for informal trade, local economic development opportunities and opportunities for growing the economy;
- ➔ To identify infrastructure needs and services constraints and bring forward tangible solutions to address these constraints;
- ➔ To provide a management tool/mechanism to address traffic and transportation challenges facing the town within the framework;
- ➔ To ensure that mechanisms are in place for the protection of the natural environment;
- ➔ To accommodate the growing housing needs with Municipality with the framework, taking into account opportunities available for development of “gap market” housing.

The identification of Estcourt and Weenen as the primary economic regions within the municipality elevates the role of these towns into an area responsible for the provision of essential and critical services and functions to the threshold population it serves. Such a spatial system must create an environment conducive to economic development and growth, that will promote social and economic development and contribute to the achievement of the development objectives as outlined in the IDP.

The key main strategies for revitalization for these existing major towns include;

- ➔ Creating a stronger CBD identity and logical based on public space structure;
- ➔ A living and sustainable CBD, underpinning to;
 - Maximise the residential core (especially conversion of the buildings)
 - Improve and create public realm and amenities to support urban living;
 - Support for economic sectors that have the potential to thrive in the CBD and encourage growth in those sectors;
 - Discourage ‘sinkholes’ properties that are abandoned, overcrowded or poorly maintained, and which in turn pull down the value of entire CBD by discouraging investment; and
 - Encourage ‘ripple effect’ investment that can lift an entire are.
- ➔ Establish a clear public transport strategy. A significant component if any town is the public transport network. Walkability to potential pick up and drop off points are critical as well as the visual and interconnectedness to the public transport stops.
- ➔ Urban management. The key aspect in this regard include;
 - Safety and security;

- Improvement to service quality and delivery;
- Enforcement of by-laws;
- Management of taxis;
- Management of informal traders; and
- Potential to establish BID/CIDs as urban management tools.

These existing major towns of ILLM must adopt principles for urban design proposals up front so that a coherent urban area with quality can be created. There are a number of urban design proposals that should be applied in new designs of Estcourt and Weenen. Some of the principles that could apply to these existing major towns are the following:

- ➔ Create open space systems that integrate the elements of a settlement to contribute to a meaningful urban structure. This can be done by:
 - Providing connectivity between open spaces;
 - Ensuring that open spaces remain functional in terms of biodiversity objectives and where possible tie in with recreational activities.
 - Establishing linkages between open spaces;
 - Aligning the open space system with public buildings; and
 - Ensuring an improved quality of linkages through the continuation of special activities or functions along major routes.
- ➔ Create visual recognition and surveillance along open spaces and public routes. This can be achieved through:

- Locating buildings around open spaces and streets so that sufficient enclosure is created;
- The appropriate height of buildings; and
- Locating the highest buildings to the southern side of the open space, with lower buildings or trees on the northern side.

- ➔ Create appropriate road cross-section widths that can provide for vehicle traffic, parking, pedestrian movement, cycling and landscaping.
- ➔ Urban block length should promote access (penetration) and encourage economic activity by orientating the short side of blocks to major streets wherever possible.
- ➔ Space buildings from each other to provide adequate solar access to buildings. In this regard the roof pitch of buildings should be orientated so that roof solar panels have a maximum continuous direct access to the sun.
- ➔ The use of local materials should be encouraged in the construction of new buildings.
- ➔ Encourage appropriate water-wise landscaping.
- ➔ Ensure that the main streets of the urban areas are appropriately landscaped to encourage a pleasant gateway treatment into the settlements.
- ➔ The public realm and buildings must be designed and managed to maximise, consistent with other legitimate goals, the potential for passive surveillance.

- ➔ Built environments, i.e. urban precincts, must be designed, detailed and managed to make them legible for users, especially pedestrians and cyclists, without losing the capacity for variety and interest.
- ➔ Legibility must be promoted in both the overall structure and form of the environments and in appropriate detail within them.
- ➔ Security must be supported by designing and managing spaces and buildings to define clearly legitimate boundaries between private, semi-private, community-group and public space. Security fences must be of a permeable material.
- ➔ Fencing between business and commercial zones must be aesthetically pleasing.
- ➔ A feeling of individual and community ownership of the public realm and associated built environments must be promoted to encourage a level of shared responsibility for their security.
- ➔ The built environment must be designed and managed to reduce or limit risk from assault by providing well-lit, active and overlooked places and pedestrian and cyclist systems and routes to important places.
- ➔ The design and management of places must avoid creating or maintaining hidden spaces close to pedestrian/cyclist travel routes in the public realm, in ways that remain consistent with the purpose of the place.
- ➔ The design and management of places should provide a variety of alternative routes and other ways to avoid potential or actual

security problems. Other design principles are those based on the 'smart town principles.

- ➔ Establish walkable, integrated and compact urban environments with a focus on Transit-oriented development (TOD). TOD describes moderate to high density development that incorporates a mix of land uses, compact design, pedestrian and cycle friendly environments. It also promotes the clustering of public and civic spaces around the hub of a transit station or along a transit corridor.

Design complete streets which are operated to enable safe access for all users, including pedestrians, cyclists, motorists and transit riders of all ages and abilities. Complete Streets make it easier to cross the street, walk to shops and bicycle to work. They allow buses to run on time and make it safe for people to walk to and from transit stations. It implies that the entire right of way should be designed and operated to enable safe access for all users, regardless of age, ability, or mode of transportation.

5.5 EXPANSION OF THE MANUFACTURING SECTOR



Figure 54: Manufacturing Proposals

The following statements and assumptions are considered important and fundamental to the industrial strategy process:

- ➔ The industrial development must be confined to specific localities – and in this way also encourage business parks to be developed. The Municipality must commit to assisting in the provision of appropriate planning and infrastructure

development in these areas. It is recommended the municipality adopt an Industrial Development Strategy.

- ➔ Differentiate between dirty industry and clean industry. Dirty industries are those that require special waste management, have an impact on the environment (pollute in some way, such as bad smells), and those that are unsightly. These must be separate as a category from clean industry such as light industry and warehousing.
- ➔ The scale of the intervention is crucial. This will depend on the resources and priority afforded to the Municipality for industrial development.
- ➔ Attracting new completely foreign investment and industrial development is difficult as investment patterns are complex and remain path dependent in many ways.
- ➔ The Municipality cannot and should not try to “choose winners” in sectors, technology, markets etc. It needs to support general industrial development, not attempt to participate in the industrial market.
- ➔ Attract industrial development through a commitment to the provision of infrastructure. The cost recovery can be a gamble, but there are models for off-setting costs.

5.5.1 PROPOSAL 1: INDUSTRIAL PARKS

The Industrial parks are proposed within Estcourt and N3 Opportunity Interchange Areas as defined by the Municipal Spatial

Development Framework (SDF). This idea of setting aside land through this type of zoning is based on several concepts:

- ➔ To be able to concentrate dedicated infrastructure in a delimited area to reduce the per-business expense of the infrastructure such as roadways, railroad sidings, etc.
- ➔ To be able to attract new business by providing an integrated infrastructure environment in one location.
- ➔ To set aside industrial uses from urban areas to try to reduce the environmental and social impact of industrial areas.
- ➔ To provide for localized environmental controls that are specific to the needs of an industrial area.

5.5.2 PROPOSAL 2: POTENTIAL PRODUCTS FOR MANUFACTURING

The manufacturing sector in KwaZulu-Natal is the second largest in the country, after Gauteng Province. The manufacturing sector is geared for export, with nearly a third of South African manufactured exports being produced in KwaZulu-Natal. Its diversified nature is significant in the KZN economic growth rate and generates 20 percent of provincial employment. The largest manufacturing industries are the automobile and component sector, pulp and paper products, chemicals and petrochemicals, and food and beverages. The mining sector which includes titanium dioxide, zircon along with iron, steel and ferroalloys is important. The vehicle-manufacturing industry has created a considerable multiplier effect in component and service providers. The

automotive leather industry has grown rapidly, with exports significantly increasing foreign exchange earnings. There are many opportunities for small businesses in value added initiatives. The importance of downstream development, which is required to increase capacity and lay a foundation for successful economic development where it is most needed. One of the industries considered conducive to more downstream development is the aluminium industry, where beneficiation both by large companies and financially assisted small, medium and micro enterprises (SMMEs) is considered to be economically feasible. The industries that are seen to be a potential in Inkosi Langalibalele are as follows:

- ➔ Non-Metallic Mineral Products: This is a fairly small manufacturing sector in KwaZulu-Natal, but there are nevertheless several factories capable of high-quality production. The sector covers consumer products such as pottery, china, earthenware and glass. It incorporates building products such as cement, clay piping, tiles, and products made of concrete, gypsum, asbestos, plaster, slate and abrasives. The sector is highly dependent on the building and construction industries and on consumer confidence and is therefore sensitive to the business cycle. The building products listed are well represented in KwaZulu-Natal's manufacturing sector, but the consumer products less so.
- ➔ Biofuels: There is great potential for the effective introduction of biofuels to South Africa. Inkosi Langalibalele with its vast

agricultural and that lays idle, can tap into the biofuel manufacturing.

- ➔ Plastics, Metal and Paper Recycling: The plastics industry in South Africa is well established, versatile and diversified over a wide range of processes and products. KwaZulu-Natal provides nearly a third of the country's plastics requirements. A move towards recycling and cleaner production should be considered as an opportunity to introduce the recycled plastic and paper products within the municipal area. Plastic recycling should be considered as a key priority due to the environmental risk that the plastics present if these disposed anyhow.
- ➔ Small Manufacturing Workshops: these include tannery/ leather production, woodworking, aluminium windows/ doors and waste tyres production.

5.5.3 PROPOSAL 3: SUSTAIN BUSINESS RETENTION AND EXPANSION PROGRAM

Business Retention and Expansion (BR&E) is an economic development strategy of proactively connecting with existing businesses to understand and respond to local business needs. Inkosi Langalibalele must give special attention to small businesses that employ between 10 to 99 employees, otherwise known as Stage 2 firms. Purdue Extension recognizes that thriving communities need to be economically successful. Communities with an active and sustained economic development strategy will plant seeds of success locally and regionally—and BR&E should be part of

that equation. Over time, a quality and targeted BR&E program improves the business operating climate, ensures competition remains healthy, provides quality jobs and employment opportunities and assists in stabilizing the economy.

Purdue Extension's BR&E program engages the broader community in developing comprehensive business retention and expansion planning, which in turn helps businesses stay, grow and become more committed to the community. Engagement with the community involves education, training and providing research for each community, thus building upon their ability to assess opportunities, understand local/regional resources and issues that impact their local and regional economies. All training, tools and resources are provided by Purdue Cooperative Extension's Community Development Program and the Purdue Center for Regional Development.

Why is BR&E Important? Existing businesses and the local workforce are key "barometers" of a community's economic health (as a place to live, work and play). Research shows that small businesses are the major drivers of job growth. In Indiana, 85 percent of all existing businesses employ less than 100 people. They are the often-overlooked growth machine of the state—and the ones most likely to add new jobs to their portfolio. BR&E is intended to help focus the energies of community stakeholders on the economic assets that already exist in their cities, counties and regions, making them stronger and more resilient over time.

Retaining and expanding existing businesses is a surer economic development bet than recruiting new ones from other towns. Extension helps understand communities understand local business needs and respond – so that businesses stay, grow and become more committed to the community. The following retention and expansion strategies can be implemented within the Inkosi Langalibalele local municipalities:

- Leveraging procurement policies to support local small businesses;
- Reliable delivery of services, notably water, electricity and waste;
- Smart incentives and the availability of other facilities with assistance in the initiation costs of expansion and which will yield returns to the municipality later;
- Helping business owners prepare marketing materials;
- The provision of accessible business counselling of local businesses at a substantial level of expertise based on experience;
- Ensuring an enabling environment in which industrial expansion and greenfield development is easy to achieve;
- Municipality to acquire suitable serviced land for expansion;
- Development and facilitation of proposals to telecommunication companies to install and ensure effective communication and connectivity;
- Regular bilateral consultations on the part of the municipality with local businesses on the conscious promotion of public-

private partnerships and the identification of opportunities for these to set up;

- More facilitation and meaningful discussions between business and the municipality, particularly on issues such as the municipal budget.

5.5.4 PROPOSAL 4: WASTE TYRE RECYCLE PROGRAMME

A recent study into the development of waste legislation reveals that South Africa has been going through four stages over the past three decades. The first phase termed “The Age of Landfilling” is a period starting in 1989 and from which South Africa has not yet emerged. The second stage is “The Emergence of Recycling”, which started in 2001 with the publication of the Polokwane Declaration and the lead up to the banning of single-use plastic bags. A waste recycling economy has emerged in South Africa since then, but as the last official waste statistics show, the country has only been able to divert 10 per cent of the waste generated away from landfill sites towards recycling. It seems that the most significant achievements in the recycling industry is in the recycling of plastics where 19.7 per cent were recycled in 2015, and the sector registered an annual recycling growth rate of three per cent for plastics.² The third stage, is “The Flood of Regulation”, a period starting in 2008 with the promulgation of the NEM: Waste Act (Act 59 of 2008), thereby giving rise to a wave of new waste legislation and regulations aimed at largely controlling the waste and secondary resources sector. The fourth and final stage, is “The Drive for EPR”, which started in 2012

with the publication of the Integrated Industry Waste Tyre Management Plan (IIWTMP).

It suffices to state that the IIWTMP, managed by a Producer Responsibility Organisation (PRO), was aimed at fulfilling tyre producers' responsibilities for end-of-life waste tyres, through a mandatory Extended Producer Responsibility (EPR) scheme. The promulgation of the Waste Tyre Plan in 2012 marked the start of mandatory EPR in South Africa. This gave rise to the creation of the Recycling and Economic Development Initiative of South Africa (REDISA), which formally started out in July 2013 with lofty goals. The Department of Environmental Affairs wanted it to be an example of how to create jobs (10 000 of them) while solving an environmental problem. Indeed, South Africa seemed to have a working example of how to turn waste into jobs and money, for a moment, as REDISA was the runner-up in the World.

Economic Forum's Circular Economy Awards in 2015. REDISA proposed a system in which waste pickers would collect the 30-million waste tyres, rather than leave them lying around, be burnt or placed back on vehicles, as was generally the case. The pickers would take these waste tyres to collection depots, which would then be transported to central processing plants, where most of the rubber would be shredded and used for road surfaces or spongy matting in playgrounds. The rest would be burnt in kilns to provide energy for cement plants and so forth. This waste tyre reuse recycles, or recovery operation would be funded by a levy of R2.30

on each kilogramme of tyre sold, consistent with "the polluter pays principle" that the country pursues.

In a short space of time, REDISA built 22 tyre collection centres and employed more than 3 000 people, using the R500-million a year levy generated. The idea was that the tyre recycling scheme could be turned into a blueprint for the 37 other waste streams that need to be recycled in order for the government to meet its 2022 target of recycling 100 per cent of waste. What is most important about this REDISA model is that it did not cost the fiscus anything. However, this waste tyre EPR scheme, which was managed by REDISA as a Producer Responsibility Organisation had been plagued by concerns from government, labour and civil society over the past five years. Consequently, government gazetted legislation that shifted the EPR "fee", previously collected by the PRO, to an EPR "tax", which is now paid by producers directly to government, further calling for additional waste tyre industry waste management plans or the EPR schemes.

5.5.5 PROPOSAL 5: BONE AND HORN PRODUCTS

Ranking on our developed industry experience, KZN is known as a recognized Animal Horn Manufacturers, Exporters and Suppliers, based in Delhi (India). KZN deal in manufacturing and supplying a huge array of Fashion Jewellery water buffalo horn products, Handicrafts items, Horn massages tools and much more. Our wide range of products include Horn Buttons Blanks, Bone Buttons

Blanks, Buffalo Horn Spectacle Frame Plates, Horn Toggles, Ox Horn Plates, Bone Scales, Animal Horn, Horn Roll, Horn Archery Products, Buffalo Horn Roll, Cow Horn Roll, Horn Massages Tools, Buffalo Horn Slab, Horn Roll, Buffalo Horn Long Strips, Hair Accessories, Bracelet, Fashion Bangle, Coasters and Napkin Ring, Magnifier, Earring, Pendant, Necklace, Wood Spoon and so on. All our born plates and other animal horn products are custom made and are extensively designed and crafted by our extremely knowledgeable experts. That's why we are acclaimed as a reliable Born Plates Exporters in India. We are catering our products to all over India, Canada, USA, UK and Australia. Apart from all these, our ranges of products are also offered in Middle East Countries and in Europe. Horn Plates like this were used during several periods in history. Item is completely handmade of horn in a socially responsible manner.

Kindly note: Wash by hand, not suitable for dishwashing machines. Sizes may vary slightly from piece to piece. Horn material is particularly suited to spoons. A true enthusiast of caviar and soft-boiled eggs will happily and satisfactorily tell you that horn spoon offers matchless purity of taste. Technically speaking, it's the Sulphur in egg white and caviar that smears the metal and change the taste. The range of patterns and colours is remarkable. A set of six spoons from one horn will result in six very different spoons of varying colours and patterns. In this in the light of the above that Inkosi Langalibalele Municipality through its Industrial Parks must pursue to be part of these global market to create sustainable jobs and on the other hand creating business entrepreneurs.

5.5.6 PROPOSAL 6: GRAVEL/ CRUSH STONE

The market for gravel and crushed stones is one of the markets that Inkosi Langalibalele need to tap into. Advantages are as follows:

- ➔ Gravel – this is a product that does not need any capital to establish, and with construction and rehabilitation of roads infrastructure currently taking place in the broader KZN, gravel and G5 materials can be of value adding.
- ➔ Crushed Stone – this is also a product that requires only compliance from the Economic Development Department and Department of Labour

These two commodities have the potential of creating sustainable jobs.

5.5.7 PROPOSAL 7: INTERVENING IN THE MANUFACTURING VALUE CHAINS

A manufacturing value chain is a physical representation of the various processes involved in producing good (and services), starting with raw materials and ending with the delivery product (also known as the supply chain). It is based on the notion of value-added at the link level. When it comes to manufacturing, smart companies are always looking for competitive advantage. The town of Estcourt is the main industrial hotspot as well as a smaller hub that is located at Loskop. The most dominant goods produced is food processing and leather products. Value chain analysis of the leather sector,

which looks across the whole process from the livestock resource, market, rawhide, and skins to the export market, is expected to depict the major constraints to the success of the country despite the huge livestock resource. Opportunities for local co-operatives to take advantage of within the leather production:

- The private slaughtering and supply of raw skin to the Loskop shoe company for the production of leather;
- Subcontracting and promoting investment in collaboration as joint ventures (community-based ventures);
- Assisting in improving processing capacity of tanners, i.e. towards finished leather rather than being limited to wet blue and pickle;
- Facilitating conformity to environmental standards and;
- Establishment of formal slaughterhouses by rural farmers.

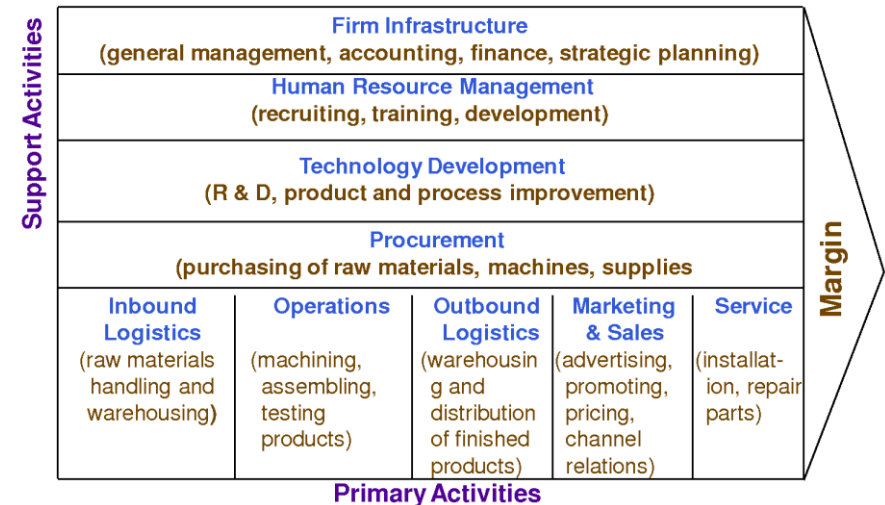
One of the main manufacturing companies within Inkosi Langalibalele is Nestle. Nestle obtains the differentiation advantage by analysing different value chain activities. For instance, Nestle analyses value chain activities that can reduce costs, find better deals with suppliers and private companies that offer high quality products and affordable prices. Nestle outsources the following activities that local co-operative companies within Inkosi Langalibalele can take advantage of:

- Outbound logistics- effective handling and better transportation to reduce product damage;

- Enhance communication with customers by offering high quality information;
- Flexible delivery capabilities;
- Reliable and quick repair/maintenance service;
- Personnel training for effective interaction and superior customer service;
- Reliable transportation to ensure quick delivery and;
- Procure high quality raw materials.

Image 12. Manufacturing Value Chain Analysis

Value Chain Analysis for Manufacturing Firms



Nestlé's Value Chain

Creating Shared Value at Each Stage of the Value Chain



Image 13. Nestle Value Chain Analysis

5.6 DEVELOPMENT OF THE TRANSPORTATION, STORAGE AND COMMUNICATION SECTOR

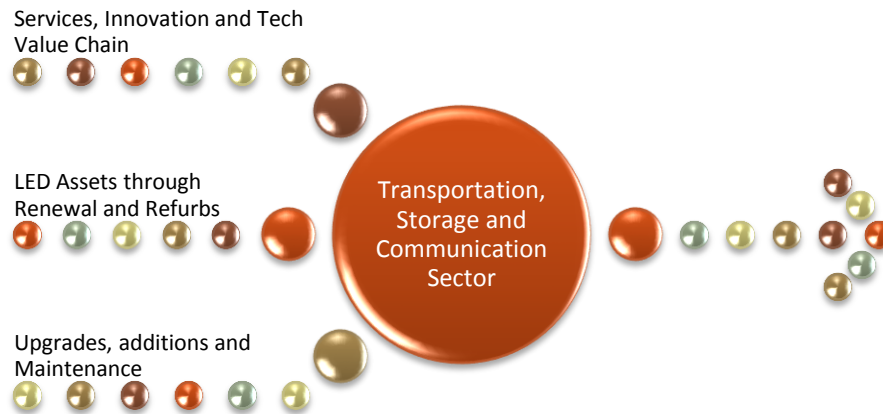


Figure 55: Transportation, Storage and Communication

5.6.1 INTERVENING IN THE SERVICES, INNOVATION AND TECHNOLOGY VALUE CHAINS

The internet and different types of software systems should be used to increase the communication of information throughout the transportation, storage and communication sector. Emerging technologies such as the Internet of Things, drones, driverless trucks, and robotics all suggest endless possibilities for innovation—

particularly to members of the C-suite. But it's important to recognize that while these technologies will have a massive impact on the value and supply chain, although the changes won't happen today—or even the immediate future. Indeed, for most companies, "innovation" means altering existing processes or the current business model to improve the company's bottom line. Technology is a vehicle to enhance value and supply chain competitiveness and performance by enhancing the overall effectiveness and efficiency of logistics system. For a successful LED Strategy, Inkosi Langalibalele municipality, together with role-players, stakeholders and beneficiaries need to prioritize the following intervention method:

- ➔ Availability of local logistic suppliers (outsourced transportation) to ensure frequent deliveries of good in all areas including remote rural areas
- ➔ Local logistics suppliers using real time data which allows for complete transparency between third logistics provider and customer,
- ➔ Local logistics can use route planning and in-cab technology which allows for optimised routes and faster delivery of goods and services;
- ➔ Tracking software allow for improved communication and accuracy. With increased international trade, many supply chains are growing and now feature more than just one of two organisations. With tracking information available to all

involved, communication channels open up and data can flow seamlessly between parties.

- ➔ Municipality to prepare regulations, policies and investment strategy in terms of Fourth Industrial Revolution, ensuring access to Artificial Intelligence;
- ➔ Municipality to ensure the regulation and licensing of private vehicles to participate in the technological e-hailing of metered taxis, i.e. Uber and Taxify.

5.6.2 INTERVENING IN BASIC LED ASSETS OF THE LOCAL AREA THROUGH RENEWAL AND REFURBS

The transport sector is one of the key engines of growth in an economy. Improving the quality and reliability of transport infrastructure and services is a major building block for reducing transport costs, attracting domestic and foreign investment, and expanding access to economic opportunities. Inkosi Langalibalele Municipality must at all cost adopt the National Infrastructure Maintenance Plan (NIMS) that was approved by Cabinet in 2006, setting the overarching policy for sector-based initiatives and describes the framework for a coordinated programme of actions. It is an essential part of government vision of delivering infrastructure services to all. Recommendation:

- Renewal and maintenance of road infrastructure;
- Rehabilitation of the railway transportation;

- Restoration of currently existing warehouses within the municipal area especially those in close proximate to the N3
- Install cell phone mast to ensure access to radio-frequency communications technologies for cellular systems and wireless local area networks, which have enabled modern mobile voice and data communications;
- Designing and beautification of roads;
- Improve signage and road name identification;
- Access to public safety networks that offer greater mobility, interoperability, adaptability to harsh and changing conditions, and increased resiliency to damage;
- Increase access to adaptive and cognitive wireless networks that enable higher-performance communications and more efficient use of radio spectrum, allowing them to provide capabilities that rival and complement those associated with wired networks; and
- Land acquisition for the development of storage units within close proximate to the N3.

5.7 DEVELOPMENT OF THE MINING SECTOR



Figure 56: Development of Mining Sector

The mining sector is not active within the Inkosi Langalibalele Municipality, however, there are limited natural resources for quarrying and sand mining within the municipality particularly within major rivers (i.e. UMTshezi and Bushmans River).

5.7.1 PROPOSAL 1: RESPONSIBLE MINING

Responsible or ethical mining is mining that is done in less destructive ways to workers and the community. It focuses on six core areas including economic development, business conduct, lifecycle management, community wellbeing, working conditions

and environmental responsibility with gender and human rights as cross-cutting issues for the mining sector. Some benefits of responsible mining include: reduced labour shortages through investing in local education and skills training; more consistent production as a result of healthier workforce; less likelihood of conflict as better relations are built with local indigenous people and artisanal miners; better access to lower costs services and suppliers through regional business development; and faster access to financing because of perceived risk by equity markets (Forbes, 2012).

With reference to quarrying in the municipality, miners need to ensure that they can produce a wide variety of products under best practice quality control conditions, whilst also pursuing the highest strong focus on protection of the environment including limiting the impact that the quarries have on the surrounding environment. Thus, emphasis should not only be placed on safe operation of facilities but also on the upskilling of workers to ensure that the necessary level of operational capabilities is available. Some of the environmental disturbances generated by quarrying is directly caused by engineering activities through aggregate extraction and processing with the more obvious impact of quarrying associated with loss of habitat, noise, dust, vibrations, erosion and neglect of the mined site. While some of the impacts may be short lived and easy to predict and observe, many engineering impacts can be controlled, mitigated and kept at tolerable levels using responsible

operational practices that use available engineering techniques and technology.

5.7.2 PROPOSAL 2: SAND WINNING

Sand mining is the process of extracting sand from an open pit, rivers and ocean beds, sea beaches, riverbanks and inland dunes. The extracted sand is thus used a various kind of manufacturing including a concrete used in construction of buildings and other structure. Sand mining however if it is not done ethically can lead to soil erosion, destroying of aquatic eco-system and making areas more inclined to flooding. Sand mining needs to be controlled to protect the environment.

Consequently, illegal sand mining should be included in the municipal by-laws whereby clear cause of actions are emphasized that will be taken against anyone who flouts the law. Thus, before a quarry can be established, all the regulatory procedures as laid out in the Mineral and Petroleum Resources Act (MPRA) (28 of 2002) and the Mine Health and Safety Act (MHSA) (29 of 1996) must be followed. These include securing the rights to the minerals (rock source), completing an Environmental Impact Assessment (EIA) and Environmental Management Programme (EMP) to mitigate or minimise the resultant environmental impacts.

The EMP should include a rehabilitation plan for the mine on closure and detail as to how this will be funded. All the necessary EIA and EMP documentation is submitted to the authorities in support of the

application for the mining license. If a license is granted the recovery of the mineral/rock through mining can begin. This require the assistance of sector departments such as the Dept. of Trade and Industry, the Dept. of Environmental Affairs, the Department of Mineral Resources.

5.7.3 PROPOSAL 3: MINING COMPLIANCE ISSUES

Interventions in the mining value chains applicable to mining sector in the locality as per the National LED framework, include:

- ➔ The establishment of a business licensing and scheduled trade permit office which will be managed by the Department of Mineral Resources and the development of an Industrial and Mining business database;
- ➔ The provision of dedicated power distribution and transmission to Mines and Industrial Areas;
- ➔ The development of a spatial mining guide and implementation framework plan for support to the sector; and
- ➔ The granting of mining license permits and the regularization of illegal mining activities

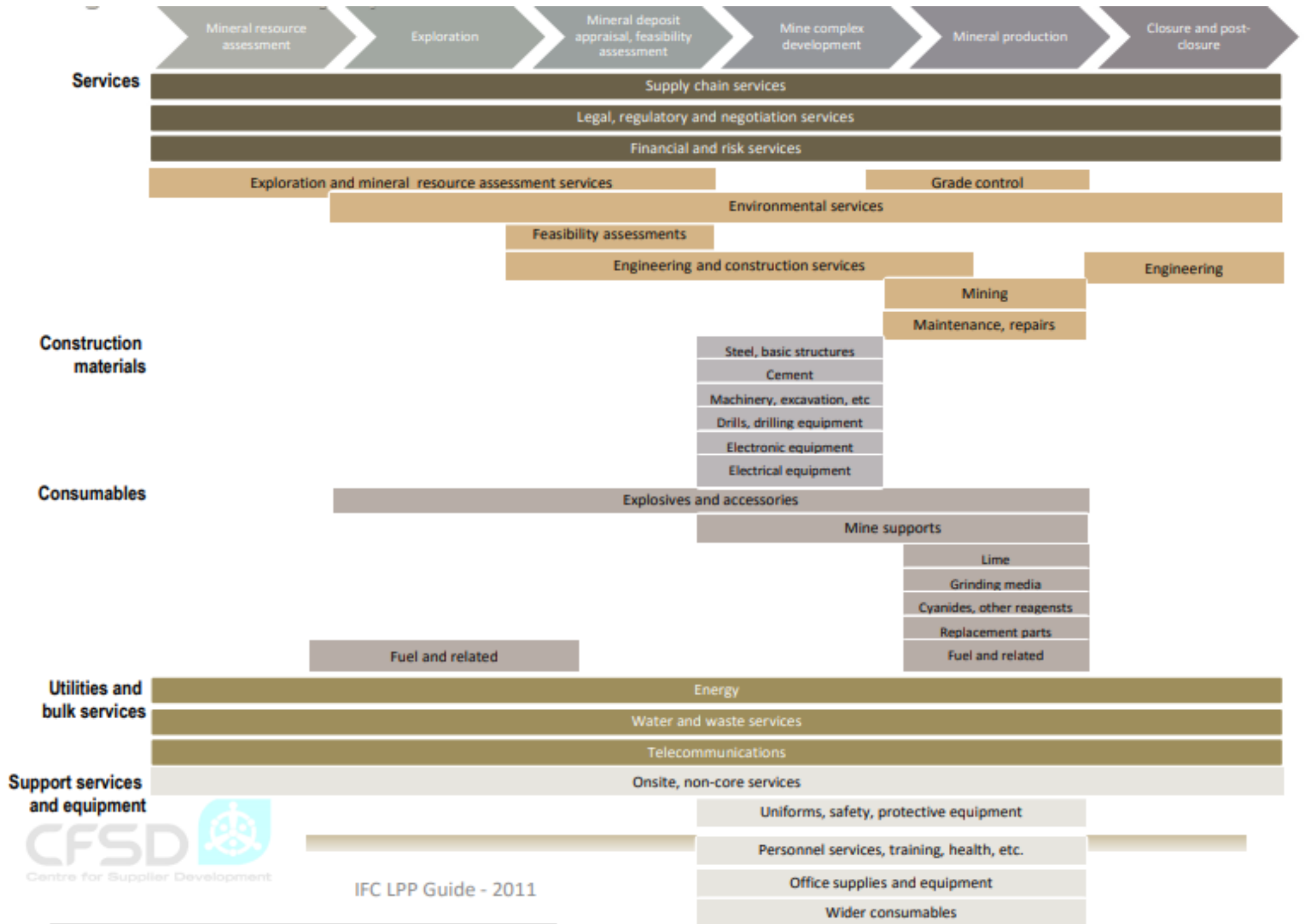
5.7.4 PROPOSAL 4: INTERVENING IN THE MINING VALUE CHAINS

The emphasis on the mining value chain is the emphasis on the mining activities and thus the outbound and marketing functions are not seen to have the same importance as would be the case in a

manufacturing enterprise. In normal mining operations these functions are often performed by third parties or form a part of specialized services that could be considered to fall in the category of supporting services.

- Opportunities for outsourced services e.g. specialised services that is, air quality management and non-specialised, i.e. security services and cleaning;
- Opportunities for local transportation companies to transport mining products;
- Local companies to supply raw materials e.g. timber, coal, sand etc.
- Opportunity for the maintenance of primary mining facilities.
- Other services local businesses can tap into is consultancy, temporary developers, brokerage, financial consulting, machine sales, risk assessment services, power supply, equipment leasing, software and technology, safety services and even data mining.

Image 14. Mining Value Chain Analysis



6. SECTION 6 – SUPPORTING MEASURES

The purpose of this section is to provide the basic background and for each of the support measures, the support measures include the following:

6.1 INSTITUTIONAL DEVELOPMENT



Figure 57: Institutional Development

6.1.1 ESTABLISHMENT OF THE LED COMMITTEE AND SUPPORTING STRUCTURE

The establishment of an LED Committee which will assist the Municipality to improve communications and service levels with customers. Inkosi Langalibalele does not have a properly constituted

forum through which various parties to the local economy can interact purposefully to formulate specific goals and develop strategies to achieve these goals. An un-coordinated forum exists for various industry stakeholder groupings such as the Business Forum, Agricultural Forum, Art Forum and Taxi Association, all operating separately. What is however required is a forum that is representative of all stakeholders, including the municipality, organized labour, commercial agriculture, tourism, manufacturing, transport, trade and civil society.

Description of Recommendation: The ultimate goal is to establish a set of appropriately structured and properly constituted forums to lead and direct LED strategy formulation and implementation in Inkosi Langalibalele. As a basic point of departure, the following good practice guidelines serve to define the role of forums in LED institutional arrangements:

- ➔ They are to be consensus-seeking bodies to facilitate agreement between key stakeholders in regard to overall economic vision, socio-economic policy and community development priorities;
- ➔ Where agreements are reached between stakeholders this implies a commitment to implement such agreements;
- ➔ The forum holds no veto power over the actions of government or any other stakeholder. This implies that in the event of

disagreement, each stakeholder is free to elect its own course in accordance with its own autonomy and conscience;

- ➔ The role of the various structures is to facilitate debate and consultation on policy and legislation amongst the social partners, disseminate information and facilitate the participation of key stakeholders in developmental decision making of significance for the entire community;
- ➔ Structures should undertake joint projects to achieve local economic development objectives within the community in which the capacity, resources and expertise of the parties to the forum are optimally integrated to achieve desired outcomes in the most cost-effective way;
- ➔ Structures should jointly monitor policy implementation against intended and desired community LED outcomes and develop recommendations regarding the improvement of performance;
- ➔ Structures should enhance communication, co-operation and co-ordination between the key economic stakeholders in the community; and
- ➔ The parties to LED structures should commit themselves to working jointly to identify ways and means of:

- Enhancing economic policy and the collective efforts of stakeholders in the local community to the sustainable benefit of the local economy and the local community at large
- Addressing policy gaps
- Developing new policy based upon an intimate knowledge and understanding of the prevailing local economic conditions; and
- Self-regulating local economic activity to promote economic development and the creation of viable employment

The structure will be formulated by the following:

- ➔ The District LED Forum;
- ➔ The District Economic Development Agency;
- ➔ Inkosi Langalibalele LED Forum;
- ➔ LED Portfolio Committee streamlined alongside Inkosi Langalibalele Council;
- ➔ LED Unit (in the municipality);
- ➔ Department of Economic Development and Planning;
- ➔ Business Forum, Tourism, Agriculture (commercial and emerging) Manufacturing, Transport. The following is recommended:

- Status of the Inkosi Langalibalele LED Forum – The Inkosi Langalibalele Forum will be accorded formal recognition as an integral instrument of the local development planning process of:

- Local government in respect of its IDP obligations in terms of Section 16,17 and 29 of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000);
- Other stakeholders to the extent that it reflects a community developmental perspective. To this extent it should be a standard requirement to refer all matters with a local economic developmental implication to the Inkosi Langalibalele LED Forum and its structures:

- Size- The forum should ideally not be larger than 20 people (permanent members);
- Sectoral working groups – The forum itself will comprise members nominated by various sectoral working groups, some of which are already in existence;

- Each sectoral group will nominate two people to present its interests at the forum;
- The size of the sectoral working must be decided by themselves;
- In cases where they do not exist, it is therefore imperative that these sectoral working groups be established as a matter of priority;
- Municipal representation- Inkosi Langalibalele Municipality will have representation through both the LED Portfolio Committee and LED Unit (in the Department of Economic Development and Planning)
- District representation – the district will have representation, which can either be through the municipality or the District Economic development Agency;
- Other government representation – other spheres of government (such as regional and local offices of national departments) can be invited to attend to discuss specific matters;
- Chairman and Exco of Forum – the chairman, deputy chairman and Exco will be democratically elected on the basis of nominations from the various sectoral working groups;
- Members of the Exco will serve for a period of one calendar year; and
- The Exco will provide all secretarial work.
- ➔ Recognition of all forums – All forums established in terms of this recommendation must be fully recognized in the Municipal Communication Strategy; and

- ➔ Purpose of the sectoral workgroups – The purpose of the sectoral working groups will be to:
 - Seek consensus on sectoral Charter per sector as an instrument of self-regulation of the activities of role players on the sector in support of community local economic development objectives;
 - Advance the interests of the sector;
 - Advise the Inkosi Langalibalele LED Forum on matters affecting the sector in Inkosi Langalibalele; and
 - Reflect the collective views and opinions of the sector in regard to matters affecting the sector.

RECOMMENDATION: Determine the status of the existing initiative to establish a ‘chairman’s forum’. It is important that this effort not be duplicated or replaced, but it can be augmented and adjusted to incorporate the recommendations made in this paragraph.

6.1.2 MUNICIPALITY TO IMPROVE COMMUNICATIONS AND SERVICE LEVELS WITH CUSTOMERS

The municipality have a Communication Strategy that was compiled in accordance with the relevant legislation. The main objective of the Communication Strategy is to ensure that the Municipality, both at Council and Management levels, articulate common messages in an efficient, coherent and co-ordinated manner. All notices and invitations to meetings and imbizo’s (e.g. for IDP) are planned and

arranged in accordance with this Communication Strategy. Challenges are however experiences on three levels, namely:

- ➔ Enquiries made by customers (business and civil) to the municipality – The reaction time from the municipality seems to be very slow and feedback not always comprehensive. The general the municipality, resulting in frustration. It would appear as if some officials are regularly out of office, avoids them and do not return calls;
- ➔ Batho Pele Principles – The general complaint is that some officials do not always honour the set of these principles (i.e. being friendly and helpful when dealing with customers); and
- ➔ Suggestions made by customers – the complaint is that inputs and suggestions made by the commercial sector are rarely accepted and implemented. This results in frustration about the real value of inputs and suggestions

Description of recommendations: The municipality should review the Communication Strategy to address the particular concerns noted above. At the minimum, the Batho Pele principles must be achieved. Cabinet put much emphasis and has decided to revitalize the principles. The revitalized programme involves about 22 interrelated programmes that focus on matters such as:

- ➔ Changing the culture of government to make the principles a way of life;
- ➔ Informing citizens about their rights so that they can call the officials to account for their actions;

- ➔ Officials that works directly with the public should wear nametags; and
- ➔ Batho Pele principles should be included in the performance contracts of at-least middle and senior management.

The development and implementation of the municipal communication strategy should not only be compliance driven and the following should be considered:

- ➔ It is of critical importance that all personnel, and in particular those dealing directly with customers fully understand and subscribe to the Batho Pele principles. Where necessary, training courses should be offered. As far as could be established, the South African Management Development Institute (SAMDI) has, developed a comprehensive training module specifically for Front End Staff;
- ➔ An effort should be made that relevant personnel are in office at-least a few days a week to deal with customers queries; and
- ➔ Systems should be put in place to report on the status of the of recommendations made by customers (and reasons be given why the recommendations or offers are not implemented).

6.1.3 PARTNERSHIPS TO DELIVER ON LED

The use of strategic partnerships or public-private partnerships (PPPs) are one of the main tool's governments have focused on as drivers of Local Economic Development. Characteristics of strategic partnerships include joint ventures, strategic alliances, coalition,

association as well as through networks between SMMEs, established businesses and the government. Public-Private Partnerships are a way of delivering and funding public services using a capital asset where project risks are shared between the public and private sector. These partnerships are long term agreements between the government and a private sector where the service delivery objectives of the government are aligned with the profit objectives of the private sector. The specific goals to these partnerships is to determine the role of LED partnerships in creating employment and developing skills for SMMEs. Public-private partnerships play a key pivotal role in LED and therefore there is a strong recommendation for more public-private partnerships. Relationships provide support to SMMEs and SMMEs gain from the programs that are derived from relationships. Partnerships grow SMME turnover and help in instilling confidence. SMMEs grow and gain strength from partnerships. Partnerships also provide job creation and provide business support. Partnerships between private and public businesses provide capacity building, business linkages, skills development and other LED related benefits to SMMEs. The following strategic reasons highlight the opportunities derived from Public-private opportunities:

- ➔ Help by uniting public and private sector components, including local governments and politicians;
- ➔ Provide reform to local public services, ensuring that they are accessible to local community and also talk to their needs;

- ➔ Utilization of public and private sector resources to meet community social needs in a more cost-effective mechanism;
- ➔ Linkages resulting from public and private sector PPPS improve the quality of public policy;
- ➔ Conduit for the reformation of government and “civil society”

In order to ensure partnerships between SMMEs and businesses the following legal/policy mechanisms can be implemented by the Inkosi Langalibalele Municipality to ensure businesses are using to promote or prescribe the involvement of SMMEs in partnerships:

- ➔ Legal requirement for including SMMEs or local partners in public procurement/public private partnership or as sub-contractors;
- ➔ Incentives in bidding documents and contractual provisions for SMMEs to bid in public private partnerships that encourage local economic development
- ➔ Implement policies encouraging the integration of existing SMME operators into new PPP projects that promote local economic development;
- ➔ Sample guidelines used by contractors on best practice in promoting SMMEs as actors that can assist promote and deliver local economic development.

6.2 SKILLS DEVELOPMENT

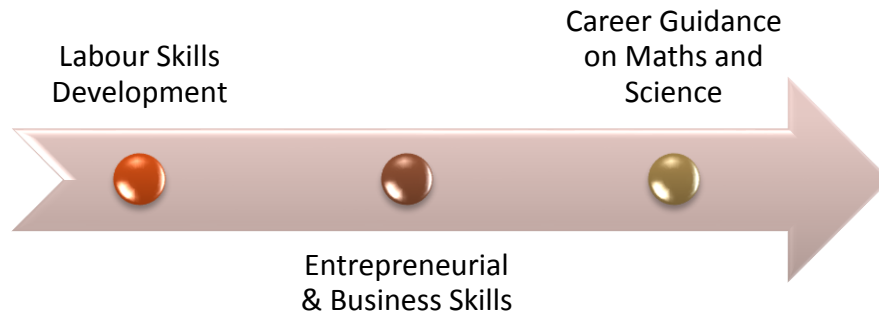


Figure 58: Skills Development

6.2.1 LABOUR SKILLS DEVELOPMENT

Within the municipality most of the formal labour is employment in community services, trade, agriculture and the household services sectors with most of them either semi-skilled or low-skilled. Many of the low-level workers do not have formal education with most unable to read or write. Challenges of low productivity in the workplace, slow transformation of the labour market and the lack of flexibility of the workforce, mainly result in insufficient, quality assured training for those already in the labour market. The establishment of labour skilling initiatives within the municipality to

improve the skills of workers across the municipality is required. This could be done through various Sector Education and Training Authorities (SETAs).

In addressing the issue of illiteracy within the municipality initiatives focused on Adult Basic Training and education is required especially for labourers within the agriculture and trade sectors to help improve their numeracy and literacy skills. This will in turn improve the standard of living of many disadvantaged locals in the municipality as well enable them to have access to higher level work in the job market. There is also a need to provide continuous skills development programmes within the municipality to grow its skills base along with encouraging workplace-based learning to support post school education and training. Other programmes should include the support and active promotion of night schools for use by 3rd party skills development providers to improve local skills development in the municipality. Along with supporting the development of Internship Programmes and access of learnerships.

6.2.2 ENTREPRENEURIAL AND BUSINESS SKILLS DEVELOPMENT

Entrepreneurship and innovation remain crucial for expanding and creating opportunities for small businesses and the informal economy and as such requires support from the municipality. There is a need to provide continuous skills development programmes within the municipality to grow its skills base. This should focus on basic business skills for SMMEs and informal traders which should

run concurrently with other business programmes offered by the Small Enterprise Development Agency (SEDA) and the Dept. of EDTEA. Furthermore, the study area has various informal traders that could be linked with Further Education Training (FET) Colleges. Business skills development will require effective stakeholder engagements including stakeholders such as formal and informal business, SEDA, tertiary institutions and Sector Education and Training Authorities (SETAs) that will be able to describe sector trend and identify skills in demand in order to identify priorities for skills development and align the programmes with the necessary skills that are in demand.

The facilitation of training for farmers, SMME and informal businesses along with the provision of financial management skills, marketing and promotion skills and business management skills is warranted for successful entrepreneurial and business skills development. Whilst other initiatives should focus on periodical training of cooperatives and the promotion of trades as employment opportunities to youth (including plumbing, electricity, hairdressing, etc.) through links with TVETs and FET colleges.

6.2.3 CAREER GUIDANCE AND PROMOTION OF MATHEMATICS AND SCIENCE

As highlighted in the status quo, education somewhat indicates human resource and skills available within the municipality and is key to growing the future economy. It increases access to job

opportunities and assists in fast-tracking and sustaining inclusive development. As such, poor levels of education attainment especially in maths and science along with poor quality hinders inclusive development whilst further perpetuating poverty. Various teaching approaches have been tried to improve student attitudes and achievement in science and mathematics education however, this has yielded poor results. As such, skills development systems must devote the essential resources that support career and vocational guidance as a critical component of successful skills development.

However, inadequate emphasis on career and vocational guidance has been made especially at a school level for the youth. Therefore, a need exists for the establishment of career guidance initiatives focused at the local youth tide to skills needs that will ensure that young people are trained early on in areas needed in the economy. This should include career exhibitions involving the participation of public institutions of higher learning, funding agencies and higher education institutions to provide information to learners from as early as grade 10. There is also a need for Life Orientation teachers to take up the duties of career guiding their learners along with the deployment of career guidance councillors to provides career guidance to learners on a full-time basis. The municipality should play a role in facilitating the establishment of at least one career centre within the locality catering for all the schools within the municipality to successfully facilitate career guidance and promote maths and science in the municipality.

6.3 INFRASTRUCTURE DEVELOPMENT



Road Infrastructure



Bulk Water Infrastructure



Electricity Infrastructure

Figure 59: Infrastructure Development

6.3.1 ROAD INFRASTRUCTURE

There is a need to upgrade the existing road infrastructure which included P29; P379; the road to Loskop from Ntabamhlophe; and the interchanges that connect the settlements and construct new transport infrastructure in order to ensure that an efficient transportation system is realized within the study area. As soon as the proposed public transport are upgraded, these will need to be provided with proper signage and road markings. This will greatly improve traffic flow and pedestrian safety. The upgrading of some of the roads into tar and the construction of bridges is essential in order to allow proper movement and circulation within the study area.

6.3.2 UPGRADE BULK WATER INFRASTRUCTURE

According to UMTshezi Water Master Plan (2016), the proposed long-term bulk master plan strategy to accommodate the current demand as well as anticipated growth was developed based on the following contributing factors:

- ➔ The George Cross and Archie Rodel WTWs are under capacity and require large scale refurbishment;
- ➔ There is a need to ultimately centralise the WTW capacity at George Cross and to extend the supply area to incorporate the rest of the former UMTshezi area supply area as was proposed in the 2007 WSDP. The WSDP proposed that Cornfields,

Thembalihle and Rensburgdrift be supplied from George Cross WTW in the medium term (6-10 years) and Frere in the long term (20 years). The proposed scheme is graphically shown below in the figure above.

- ➔ The Wagendrift Dam was assumed to be a reliable source, and ultimately to be the main abstraction point to supply the entire ultimate demand requirement.

6.3.2.1 PUMP STATION AND RISING MAIN FROM WAGENDRIFT DAM TO GEORGE CROSS WTW:

The raw water abstraction pump station at Wagendrift Dam needs to be upgraded to ultimately deliver a flow rate of 1200 ℓ/s @ 150m maximum head to be phased in from the current need of 370 l/s. According to the Blue Drop and IDP Reports, the pump station is already requiring refurbishment and also has no standby pump. It is proposed to replace the existing 610 mm pipeline supplying George Cross WTW with a 900mm pipe subject to a detailed condition assessment.

6.3.2.2 GEORGE CROSS WTW:

Currently George Cross WTW is under capacity and cannot supply the current need without compromising the water quality. Certain bottlenecks in the treatment process including the flocculator, clarifier and other smaller hydraulic limitations must be upgraded to maximise the current WTW treatment to achieve the design capacity of 25 Mℓ/day as stated in the WSDP Mechanical and

electrical refurbishment of the plant is also required as stated in the WSDP for the plant to operate optimally, which has been included in the cost (R7mil for hydraulic refurbishment and R42.5mil for mechanical and electrical refurbishment). The following phased upgrading of the George Cross WTW is proposed, after its capacity has been increased to 25Mℓ/d:

- ➔ Module 1 - 15Mℓ/d immediate expansion to increase WTW capacity to a total of 40Mℓ/d;
- ➔ (0-year horizon) – (Project GC_WTWT_B2);
- ➔ Module 2 - 15Mℓ/d expansion in 2022 (6-year horizon) – (Project GC_WTWT_B3);
- ➔ Module 3 - 15Mℓ/d expansion in 2031 (15-year horizon) – (Project GC_WTWT_B4);
- ➔ Module 4 - 15Mℓ/d expansion in 2039 (23-year horizon) – (Project GC_WTWT_B5); and
- ➔ Module 5 - 15Mℓ/d expansion in 2046 (30-year horizon) – (Project GC_WTWT_B6).

The total ultimate treatment capacity will need to be increased to 100Mℓ/day in the long term, even though the total future demand is only 70Mℓ/day (20-year horizon). This is because the WTW is required to service the AADD in addition to summer peaks and in plant losses. In this case a total extra flow of 30% has been assumed (25% peak + 5% in plant losses). The phasing was calculated assuming a population growth of 3.3% as calculated from the

growth that occurred between 2001 and 2011 as per Census population data.

6.3.2.3 GEORGE CROSS WTW TO FUTURE HIGH-LYING GEORGE CROSS RESERVOIR 2

Due to the future developments surrounding George Cross WTW, a new high-lying reservoir is proposed to supply the future developments and improve peak pressures in Drakensview. From George Cross Res 1(FUT), a proposed 400 mm rising main will be required to supply the proposed 17.1Mℓ high-lying George Cross Res 2 (FUT) at 198ℓ/s @ 60m head.

6.3.2.4 GEORGE CROSS WTW TO WEMBEZI RESERVOIR:

To accommodate the future demands of both Wembezi and Ntabamhlope, the existing PS at George Cross needs to be upgraded. This will also entail that a new gravity supply pipeline be installed from the future George Cross reservoir as the existing reservoirs cannot supply the future demand to the upgraded pump station. The existing 350mm AC rising main, that is reported to be leaking, is also proposed to be replaced with a 450mm HDPE pipe. The existing Wembezi reservoir is currently inadequate to supply the existing demand (due to the high UAW in Wembezi). To accommodate the ultimate demand a new 8Mℓ reservoir is proposed. Moreover, a consultant is already been appointed for the upgrading of the pump stations, reservoir and rising main.

6.3.2.5 WEMBEZI RESERVOIR TO NTABAMTHLOPE:

To accommodate the future demands in Ntabamhlope, the existing PS supplying Ntabamhlope and the 250mm rising main needs to be upgraded to a 350mm rising main. The existing 250mm gravity mains from Wembezi reservoir also needs to be upgraded to a 350/500mm main.

6.3.2.6 GEORGE CROSS RESERVOIRS TO IKWEZI RESERVOIRS:

Currently Ikwezi, Bacon Factory and Richmond road reservoir are supplied via Archie Rodell WTW through pumping. It is proposed that the reservoirs be supplied from George Cross via gravity to be implemented in the short term as part of the longer-term strategy explained. The proposed gravity supply will feed from the proposed 90 Mℓ George Cross Res1 (FUT) and the existing 5Mℓ George Cross Res 1. The existing gravity supply will be made discrete to Drakensview reservoir by disconnecting the take-offs into Drakensview residential area. The existing 300/375mm main supplying Drakensview reservoir is proposed to be replaced with a 500 mm pipeline. From Drakensview a new 450mm pipeline will feed both Richmond Road Reservoir and Bacon Factory. From Bacon Factory a 350/400mm gravity pipeline will feed Ikwezi reservoirs.

The existing pump main will be replaced with a 350 mm gravity main. The existing take off from the rising main supplying the hospital will be disconnected and the supply to Ikwezi reservoirs will be made discrete when the new gravity feed has been installed up

to Archie Rodell WTW and the George Cross WTW has been upgraded to 40 Ml/d then the Archie Rodell Reservoir, Archie Rodell PS (1 to 3) and the Archie Rodell WTW can be abandoned. This upgraded gravity pipeline from George Cross to Archie Rodell has been sized to also accommodate the ultimate water demand for Weenen and surrounds.

6.3.2.7 IKWEZI RESERVOIRS TO MIMOSADALE RESERVOIR:

The existing PS at Ikwezi and the existing Mimosadale Reservoir are inadequate to supply the current demand of Mimosadale, as well as the future demand. It is thus proposed that the existing Ikwezi PS pumping to Mimosadale be upgraded to a 132ℓ/s @ 160m head. A new 350 mm rising main is proposed to supply the reservoir. A new 11.5 Mℓ reservoir is also proposed in Mimosadale, which will replace the existing undersized reservoir. The existing Mimosadale reservoir is proposed to be abandoned in future when the new reservoir is commissioned.

6.3.2.8 GEORGE CROSS TO WEENEN:

Currently Weenen is supplied with water from the new WTW via pumping. The new WTW in Weenen will have a maximum capacity of 5 Mℓ, when the upgrades have been completed. The future projected demand for Weenen is estimated at approximately 5Mℓ, which excludes any losses at the WTW or summer peaks. Accounting for a 25% peak loss and 5% loss at the WTW (similar to that of George Cross WTW), the required future capacity of the WTW needs

to be 7Mℓ. The upgraded WTW will thus not be able to cope with the future demand. It is thus proposed that the WTW be abandoned in the longer term and the whole of Weenen and surrounds be supplied via gravity from George Cross WTW. To supply Weenen from George Cross WTW, a new 315 mm Ø pipeline is proposed. Due to the big change in elevation, excessive pressures are expected in the pipeline and a BPT (or control valve) is proposed to reduce pressures in the pipeline. The pipeline downstream of the BPT is also proposed to be a 315mm pipeline which will connect into the existing infrastructure. The pipeline is proposed to connect into the rising main supplying Msobotsheni reservoir which will negate the need for the existing PS supplying the reservoir.

The size of the rising main is uncertain and should be investigated. The section from the WTW to where the new 315mm pipeline is proposed to be connected into the rising main, is proposed to be upgraded to a 250/315mm pipeline. The new 250mm pipeline is proposed to connect into the 250mm rising main supplying Weenen town and Weenen reservoir from the WTW currently. A new pipe link is also proposed to link the proposed 250mm gravity supply with the 90mm feed to Weenen tower. Once the new gravity feed to Weenen is installed, the existing WTW in Weenen can be abandoned along with the three pump stations at the WTW.

6.3.2.9 GEORGE CROSS TO INDUSTRIAL AREA:

To ensure adequate storage capacity to supply the industrial area from George Cross WTW in future, the existing 10Mℓ reservoir at

George Cross is proposed to be dedicated to supply the industrial area and the existing 300/350mm pipeline supplying the area should be replaced by a 400 mm pipeline.

6.3.2.10 GEORGE CROSS TO FUTURE FORDEVILLE RESERVOIR:

To minimise pumping from George Cross WTW to Frere/Cornfields/Thembalihle (a key objective of the proposed bulk supply strategy), it is proposed that the Lower Fordeville reservoir be supplied via a 500 mm gravity main from George Cross Reservoir site. This would allow the Canna Avenue PS to be abandoned. From Lower Fordeville reservoir water will have to be pumped up to a proposed 4.1 Mℓ Fordeville Res (FUT). The existing pump station and rising main at Lower Fordeville will thus need to be upgraded to 168ℓ/s @ 55m head via a 350mm rising main. The existing Fordeville high-lying area is experiencing very low peak pressures. To ensure adequate pressures a new 25m high 150kℓ tower is proposed to be supplied from the Fordeville Res (FUT) via a new 34ℓ/s @ 26m head PS. A new 160mm supply main is also proposed from the future Fordeville Res (FUT) to supply existing Fordeville Higher Reservoir.

6.3.2.11 FORDEVILLE TO RESERVOIR CT

In the WSDP it was proposed that Thembalihle and Cornfields be supplied from George Cross in the medium term, which will require the installation of a 250/315 mm gravity Ø supply from the Fordeville Res (FUT). A booster PS to delivering 59ℓ/s @ 110m is

proposed to aid in supplying the future command reservoir CT via a 250mm rising main.

6.3.2.12 RESERVOIR CT TO CORNFIELDS AND THEMBALIHLE:

Cornfields: Currently Cornfields is supplied from 2 boreholes. It is proposed that Cornfields be supplied via reservoir CT (FUT) from George Cross WTW. To supply the lower lying area in Cornfields a new 350mm gravity main is proposed from reservoir CT (FUT), which will fork into two 200mm Ø pipes, one of which will supply Cornfields Tank 1 (FUT). The capacity of the tank is proposed at 1450kℓ (24hrs AADD). The other 200mm pipeline will feed into a new BPT (or control valve) to reduce pressures in the pipeline. Downstream of the BPT the 200mm pipeline will feed into a new high-level tank (Cornfields Tank 2 (FUT)). The tank is proposed to have a capacity of 1550kℓ. Once the supply from future reservoir CT to Cornfields is established and the distribution/reticulation pipes has been established, the existing borehole supply can be abandoned (Projects CRN_A1, A2 and A3)

Thembalihle: Currently Thembalihle is supplied via an abstraction PS. Downstream of the BPT supplying Cornfields Tank 2 (FUT), a 200mm take-off is proposed to supply the existing lower Thembalihle reservoir via a 110mm pipe (Item CTF_B1.18) and feed the proposed Cornfields Tank 2 (FUT). Two new 100kℓ tanks are proposed to supply the higher-level area, which will be supplied via a new 110mm pipeline (Items CTF_B1.13 and B1.15 to B1.17). The existing 150mm rising main will be utilised as part of the supply to

the proposed tanks. The existing manual treatment tanks at Thembalihle lower reservoir is proposed to be abandoned as well as the existing supply to lower Thembalihle reservoir once the supply from reservoir CT (FUT) is established. The higher reservoir is also proposed to be abandoned once the new tanks zones have been established.

6.3.2.13 FORDEVILLE RESERVOIR TO FRERE:

In the WSDP it was proposed that Frere also be supplied from George Cross WTW in the long term. This will require a 110mm take-off be installed, from the proposed 315 mm gravity pipeline supplying reservoir CT, to feed a new 250kℓ reservoir, which will then supply Frere. A BPT (or flow control valve) will be required along the way to reduce the pressures in the pipeline supplying the new reservoir. The existing borehole currently supplying Frere can then be abandoned once the supply from George Cross has been established.

6.3.3 UPGRADE ELECTRICITY INFRASTRUCTURE

6.3.3.1 PROPOSED CONNECTIONS

A ward-based analysis indicates that 10 997 households have no access to electricity. The issues with electricity as outlined in the status quo report include:

- ➔ Main Substation 39 cannot switch to 11 000 Volts, Transformers not Dual Ratio;
- ➔ Wembezi Substation: Limited to 1 Transformer, should the Transformer fail, there is no alternative within a reasonable time.
- ➔ Possibility of Tripping, prolonged outages and Protests Actions.
- ➔ Remaining 11 kV Panels and Circuit Breakers are aged and need to be replaced.

Possible failure and loss of Supply to Communities in Wembezi; John Erikson Substation:

- ➔ Old Wiring not completed,
- ➔ needs to be moved to new panels.
- ➔ Failure of Transformers can result in Loss of Electricity; and
- ➔ the root causes of these challenges are aging infrastructures, aging of poles, rotting, rusting, damage transmission and distribution Pole and inconsistent meter readings.

The proposed new connection must be ideally located where there is a dire situation of electricity. Furthermore, substations will need to be upgraded, the John Erikson 15 MVA Transformer must be replaced with a 20 MVA, dilapidated infrastructure needs to be renewed. There is a need of new of Supply, Delivery and Installation of M.V. Substation. Moreover, it was indicated telecommunications are generally good, except in the rural areas, high level musk is proposed that will provide 4G network coverage.

6.4 MUNICIPAL FUNCTIONS AND GOVERNMENT PROCUREMENT PROCEDURES

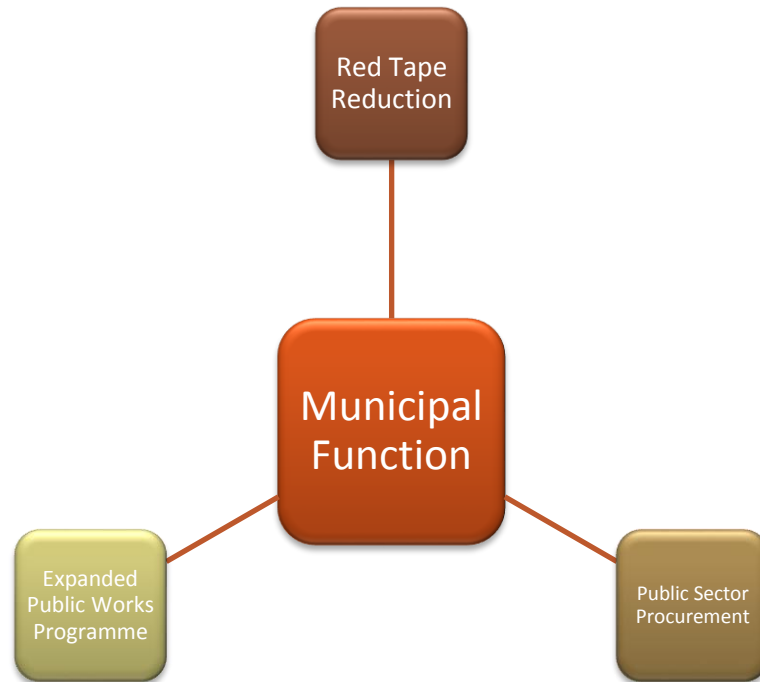


Figure 60: Municipal Functions

6.4.1 RED TAPE REDUCTION

Despite the varying size, roles and responsibilities of municipalities in the country, there are various challenges (cutting across all categories) that hamper the ability of municipalities to create an

enabling environment for business attraction, retention and expansion within their areas of jurisdiction. As a result, these factors nullify efforts made by municipalities to bring about socio-economic development in their localities; one of those factors (and one of particular interest to CoGTA) is the existence of Red Tape.

There are several definitions of Red Tape but it is generally understood as the existence of complicated regulations or bureaucratic procedures, processes or systems that hinder or delay the completion of an action. This hindrance caused by compliance in turn leads to services not being delivered by Local Authorities (The department of trade and industry, 2017). The existence of Red Tape may also lead to negative consequences such as the restriction of business and economic growth or the bleeding of potential funds from a country.

This can be as a direct result of business frustration who either invest their funds elsewhere or do not get a chance to invest in the first place (Western Cape Government, 2017). Businesses are a fundamental aspect of any country's economic growth and progress, as business activities lead to employment, infrastructure development, education and investment. It is thus important that municipalities create a conducive enough environment to enable businesses to conduct their activities in a seamless manner. This includes the creation of a platform that enables effective interaction and cooperation between businesses and municipalities (Business day, 2017).

The South African National Development Plan (NDP) 2030 states that about 90% of new jobs will be created by the private's sector, especially by small and medium enterprises (SMEs). This illustrates the important role that the government places on the private sector in the development of the country's economy. This statement reiterates the mandate that South African municipalities have to drive economic development within their localities by creating an environment that allows business development to flourish. CoGTA (2017) maintains that "Local government must take active steps to create an enabling environment to ensure economic development and businesses thrive, thereby creating employment opportunities and growing the local revenue base.

An enabling environment begins with a functional municipality - one that is able to perform its most basic functions twenty-four hours a day and seven days a week. Capacity building of government officials in the reduction of red tape is equally important. Red tape reduction has produced less than optimal results; therefore, a tool to support municipalities to find the appropriate lasting, impactful, practical and implementable mechanisms to reduction of red tape especially in the following five (5) areas/themes:

- Improving Supply Chain Management Processes;
- Speeding up land development processes and time frames i.e. Town Planning-related approvals (land approvals and building plans);

- Improving Municipal Service Delivery: Citizen Service Charters and Complaints Management and Notifications Systems;
- Improving Enforcement of Municipal By-laws, policies and regulations;
- Business Licensing and Permits; and
- Improving Municipal communication.

To effectively reduce Red tape, it is important to follow a well-organised and managed process, which involves the following stages:

- Identify what the critical Red Tape problems are facing businesses in the area, and which fall within the control of the municipality, by either conducting a survey or holding a workshop.
- Design a participative and consultative process that involves both businesses and municipal officials involved in, knowledgeable about and affected by the Red Tape issue.
- Begin by identifying the various causes of the Red Tape problem (using the Fish Bone diagram).
- Develop a Red Tape Action Plan, which includes identifying practical ideas and solutions to address each of the causes and identifying a Red Tape Champion to take responsibility for taking forward and ensuring the Action Plan is implemented.
- It is recommended that municipalities adopt a red tape reduction policy that is informed by the National Red Tape

Reduction Guidelines developed by the Department of Trade and Industry (2013).

6.4.2 PUBLIC SECTOR PROCUREMENT

The goal for public procurement is to award timely and cost-effective contracts to qualified contractors, suppliers and service providers for the provision of goods, work and services to support government and public services operation in accordance with principles and procedures established in the public procurement rules. The public sector procurement must comprise of three major players, (i.e. Actors, Stakeholders and Beneficiaries):

- ➔ Stakeholders – this are those standing to benefit from the results of public procurement including those included in the process and who might be affected directly or indirectly by a particular procurement action;
- ➔ Actors/Practitioners – they are the principal actors in the public procurement processes. They are responsible for ensuring the goal of public procurement is achieved. They must gain the stakeholders trust and ensure they fully understand the procurement processes and policies. They must be directly and indirectly involved in the procurement process, from need assessment to contract close out. They must also provide advice and support during contract execution; and
- ➔ Beneficiaries of public procurement – all residents of Inkosi Langalibalele municipality must be beneficiaries of public

procurement systems through public goods and services in any form.

6.4.3 EXPANDED PUBLIC WORK PROGRAMME (PPP) AND GOVERNMENT EMPLOYMENT SYSTEMS

There is a tight but complex relationship between the skill levels of a population on the one hand, and the growth and development of the economy. Broadly speaking, an increase in global competition and to increase production output, reduce costs and stay competitive. Complex and more sophisticated production techniques in their turn require high skill levels. But, unfortunately due to shrinkage of markets that resulted in high rate of job losses, many sectors, to curb the rate of unemployment and to assist local municipalities in bettering the livelihood of its communities, went the route of Extended Public Works Programme. The Expanded Public Works Programme is one of government's key programmes aimed at providing poverty and income relief through temporary work for the unemployed. This programme is nationwide covering all spheres of government and SOEs increasing the labour intensity of government funded infrastructure projects, with the mandate of creating work opportunities in sectors, namely:

- ➔ Infrastructure;
- ➔ Non-State;
- ➔ Environment and Culture; and
- ➔ Social by;

- Increasing labour intensity of government-funded infrastructure projects;
- Creating work opportunities through the Non-Profit Organization programme and Community Work Programme; and
- Creating work opportunities in public social programme.

7. SECTION 7 – PRIORITIZING

The implementation of recommendations, such as those presented in the document, requires the use resources that range from financial, to capital, manpower and institutional. Due to the scarcity of these resources, it is not possible to embark on all the recommendations simultaneously and a choice needs to be made on those recommendations that should be pursued immediately, and those that can be postponed and pursued at a later stage. It is not only the availability of resources that come into play, but also the possible impact of the recommendations. One of the challenges is to achieve a balance between implementing those recommendations that will on the one hand lay the foundation for sustainable economic growth and development, and so-called “quick wins” on the other. The former may take some time to materialize and the results are not always visible or tangible to the broader public. As such, it may be advisable to include a few “quick wins” or “low hanging” fruit that will show tangible results to support the credibility of the initiative amongst the wider public. In view of two considerations, it is imperative to get the sequencing right through the prioritization of the recommendations. The purpose of this section is to provide a model that will ensure consistency in the procedure and criteria used to prioritize the various recommendations in order to achieve these two goals.

7.1 PRIORITIZATION MODEL

The prioritization of recommendations is not a simple arbitrary process, but requires careful consideration as it involves committing scarce public and private resources. As such, there is an opportunity cost involved. The ultimate aim is to achieve the goals defined in the document. The multi-dimensional nature of these goals, and the recommendations, renders “neat” and clinical assessment methods such as Net Present Value (NPV) or the Internal Rate of Return (IRR), less useful. The simple truth is that there is no simple or a “back box” model available to assess, within the context of the multi-

dimensional nature of the goals, such a wide array of recommendations as contained in this report. The only possible solution to this problem is move away from a quantified model, to a strategic approach that can on a broad level schedule the various recommendations to the appropriate budget and implementation period. The essence of such an approach involves the multi-year planning and budgeting system.

7.1.1 MULTI-YEAR BUDGET SYSTEM

In essence, a multi-year planning and budgeting process involves a never ending or “rolling” system where the recommendations scheduled for the long term (e.g. 10 years) are continuously refined. Those found to be feasible on such a strategic level are fed into the medium term planning and budgeting cycle where they are subjected to further refinement. Those recommendations found to be feasible in the medium term cycle are ultimately fed into the 3 year budget cycle and finally into the annual budget cycle for actual implementation. As such, there is a “through flow” of projects, with them exiting the cycles through the 1st year cycle. The process therefore allows for the continuous assessment and refinement of the recommendations as they move through the various cycles, from the strategic level, to the tactical level and finally to the operational level. This “progression” is clearly illustrated in the

model recommended and discussed in the sub-paragraphs following.

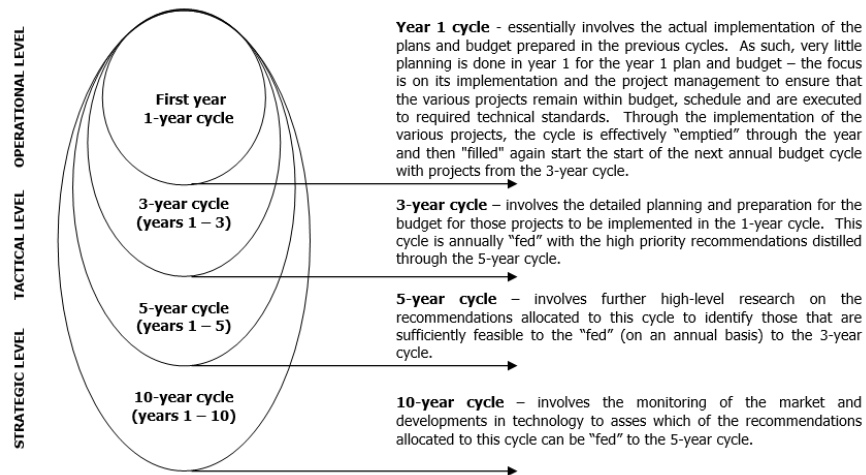


Figure 61: Prioritization Model

7.1.2 THE MODEL

The approach used here is loosely based on a model that was developed in the corporate sector to assess and decide on a broad level, which opportunities or recommendations should be pursued. The process involves two stages namely:

- ➔ Stage 1 – First level prioritization. The objective is to divide all recommendations into categories to distinguish between those that should be pursued in the short term and those that should be pursued in the longer term; and

- ➔ Stage 2 – Implementation matrix. The objective is to decide on the specific approach to be taken towards the implementation of each recommendation (based on the findings of the “first level prioritization”).

7.1.3 STAGE 1 – FIRST LEVEL PRIORITIZATION

Figure 7 shows the basic design of the model used for stage 1. The figure shows a matrix that comprises two dimensions namely:

- ➔ The degree of (technical) difficulty to conduct the more detailed planning and the difficulty in implementing the recommendation. This dimension is to a large extent a function of the institutional, technical and budgetary capacity of the ILLM and the other relevant stakeholders.
- ➔ The possible impact the recommendation will have towards achieving the goals.

For the purposes of this model, both of these dimensions were further divided into three sub-categories. As an example, the “technical” dimension was divided into “very easy”, “intermediary difficult” and “very difficult”. This allows for a much finer prioritization scale.

Table 5: Prioritization Model

IMPACT ON ACHIEVING THE GOALS AND PROMOTING ECONOMIC DEVELOPMENT	DIFFICULTY OF PLANNING AND IMPLEMENTATION		
	Very easy to plan and implement	Intermediary difficult to plan and implement	Very difficult to plan and implement
Significant impact	<p><u>Category 1:</u></p> <p>These recommendations are easy to plan, implement and will have a significant impact on achieving the goals.</p>	<p><u>Category 2:</u></p> <p>These recommendations are of intermediary complexity but will have a significant impact on achieving the goals.</p>	<p><u>Category 3:</u></p> <p>These recommendations are highly complex but will have a significant impact on achieving the goals.</p>
Medium impact	<p><u>Category 4:</u></p> <p>These recommendations are easy to plan but will in all probability have a medium level impact on achieving the goals.</p>	<p><u>Category 5:</u></p> <p>These recommendations are of intermediary complexity and will in all probability have a medium level impact on achieving the goals.</p>	<p><u>Category 6:</u></p> <p>These recommendations are highly complex and will in all probability have a medium level impact on achieving the goals.</p>
Low impact	<p><u>Category 7:</u></p> <p>These recommendations are easy to plan but will in all probability have a low-level impact on achieving the goals.</p>	<p><u>Category 8:</u></p> <p>These recommendations are of intermediary complexity and will in all probability have a medium level impact on achieving the goals.</p>	<p><u>Category 9:</u></p> <p>These recommendations are highly complex and will in all probability have a medium level impact on achieving the goals.</p>

7.1.4 STAGE 2 – IMPLEMENTATION MATRIX

The purpose of stage 2 is to decide on the most appropriate approach and schedule towards the actual implementation of the recommendations. Table above shows the basic design of the matrix and it makes provision for the following priorities:

Table 6: Implementation Matrix

<p>i. Priority 1 – Immediate implementation (1st -year budget cycle):</p>	<p>It is easy to implement the recommendations. The appropriate action is to start immediately with implementation and the schedule is therefore short term (year 1). From the First Level Prioritisation Model, this includes category 1.</p>
<p>ii. Priority 2 – Prepare for implementation (3-year budget cycle):</p>	<p>The degree of difficulty to plan is on an intermediary level, but some of the recommendations may have a high-level impact. The appropriate action is to get prepared for implementation by taking appropriate actions such as improving the financial and institutional capacity (e.g. of ILLM). The implementation schedule is therefore short to medium term (years 1 – 3). From the First Level Prioritisation Model, this includes categories 2, 4 and 7.</p>
<p>iii. Priority 3 – Conduct further research to establish feasibility (5-year budget cycle):</p>	<p>These recommendations are more difficult to plan and implement and the appropriate action is to conduct further research to establish the feasibility of the recommendations. The implementation schedule is therefore medium to long term (years 1 – 5). From the First Level Prioritisation Model, this includes categories 3, 5 and 8.</p>
<p>iv. Priority 4 – Put on back burner for now (10-year budget cycle):</p>	<p>These recommendations are technical and difficult to plan and implement and that appropriate action is to “put them on the back burner” until such time that there is more clarity what it involves. The implementation schedule is therefore long term (years 1 – 10). From the First Level Prioritisation Model, this includes categories 6 and 9.</p>

Table 7: Impact Model

IMPACT ON ACHIEVING THE GOALS AND PROMOTING ECONOMIC DEVELOPMENT	Low Impact	<p>Priority 3 – Conduct further research</p> <p>(Schedule to 5-year planning / budget cycle)</p>	<p>Category 4 - Put on back burner</p> <p>(Schedule to 10-year planning / budget cycle)</p>	
	Medium impact	<p>Priority 2 – Prepare for implementation</p> <p>(Schedule to 3-year planning / budget cycle)</p>		
	Significant impact	<p>Priority 1 - Aggressive implementation</p> <p>(Schedule to 1st year planning / budget cycle)</p>		
		Very easy to plan and implement	Intermediary difficult to plan and implement	Very difficult to plan and implement
		DIFFICULTY OF PLANNING AND IMPLEMENTATION		

7.2 FIRST LEVEL PRIORITIZATION: INKOSI LANGALIBALELE ECONOMIC INTERVENTIONS

Table 8: First Level Prioritization

		DIFFICULTY OF PLANNING AND IMPLEMENTATION		
		Very easy to plan and implement	Intermediate difficulty to plan and implement	Very difficult to plan and implement
IMPACT ON ACHIEVING THE GOALS AND PROMOTING ECONOMIC DEVELOPMENT	Significant impact	<u>Category 1:</u> <ul style="list-style-type: none"> Establishment of the LED Committee and Supporting Structure Municipality to Improve Communications and Service Levels with Customers Red Tape Reduction Public Sector Procurement 	<u>Category 2:</u> <ul style="list-style-type: none"> Entrepreneurial and Business Skills Development Development of a Comprehensive Tourism Strategy Climate Change Resilience and Mitigation Measures Development of Subsistence Farmers Access to Agricultural Markets 	<u>Category 3:</u> <ul style="list-style-type: none"> Post-LRAD Programme and Capitalization Support Proposal 1: Industrial Parks Proposal 2: Potential Products for Manufacturing Proposal 3: Intervening in the Mining Value Chains Proposal 4: Waste Tyre Recycle Programme Proposal 5: Bone and Horn Products Proposal 6: Gravel/ Crush Stone
	Medium impact	<u>Category 4:</u> <ul style="list-style-type: none"> Develop Accurate Intelligence Agricultural Infrastructure Support Programmes Community Based Tourism and Potential Products Encourage Local Retail Procurement Processes Labour Skills Development Enterprise Support 	<u>Category 5:</u> <ul style="list-style-type: none"> Agri-Product 1: Stock Farming Value Chain Agri-Product 2: Intensive Crop Farming Agri-Product 3: Production of Hides UKhahlamba Drakensberg Park (UDP) World Heritage Site (WHS) and Potential Tourism Development Improving Business Confidence Partnerships to Deliver on LED Road infrastructure Upgrade Bulk water Infrastructure Upgrade electricity infrastructure 	<u>Category 6:</u> <ul style="list-style-type: none"> Development of the Meat Cluster Intervening in the Retail Services Value Chain Development Formalization of Rural Emerging Towns: Ntabamhlophe and Emangweni Revitalization of Existing Major Towns: Estcourt and Weenen Proposal 7: Intervening in The Manufacturing Value Chains
	Low impact	<u>Category 7:</u> <ul style="list-style-type: none"> Encourage Establishment to Apply and Maintain Star Grading Explore Possibility of Niche Markets Proposal 3: Sustain Business Retention and Expansion Program 	<u>Category 8:</u> <ul style="list-style-type: none"> Intervening in the Services, Innovation and Technology Value Chains Intervening in Basic Led Assets of the Local Area Through Renewal and Refurbs Upgrades, Additions and Maintenance Proposal 1: Responsible Mining Proposal 2: Sand Winning 	<u>Category 9:</u> <ul style="list-style-type: none"> Career Guidance and Promotion of Mathematics and Science Expanded Public Work Programme (PPP) and Government Employment Systems

7.3 PRIORITIZATION SUMMARY: INKOSI LANGALIBALELE ECONOMIC INTERVENTIONS

IMPACT ON ACHIEVING THE GOALS AND PROMOTING ECONOMIC DEVELOPMENT	LOW IMPACT	<p>Priority 3 – Conduct further research (Schedule to 5-year planning / budget cycle)</p> <ul style="list-style-type: none"> • Post-LRAD Programme and Capitalization Support • Proposal 1: Industrial Parks • Proposal 2: Potential Products for Manufacturing • Proposal 3: Intervening in the Mining Value Chains • Proposal 4: Waste Tyre Recycle Programme • Proposal 5: Bone and Horn Products • Proposal 6: Gravel/ Crush Stone 		<p>Category 4 - Put on back burner (Schedule to 10-year planning / budget cycle)</p> <ul style="list-style-type: none"> • Intervening in the Services, Innovation and Technology Value Chains • Intervening in Basic Led Assets of the Local Area Through Renewal and Refurbs • Upgrades, Additions and Maintenance • Proposal 1: Responsible Mining • Proposal 2: Sand Winning • Career Guidance and Promotion of Mathematics and Science • Expanded Public Work Programme (PPP) and Government Employment Systems • Upgrade of Taxi rank (safety of commuters) • Roll-out pre-paid meter installation in all businesses & domestic homes
	Medium impact	<p>Priority 2 – Prepare for implementation (Schedule to 3-year planning / budget cycle)</p> <ul style="list-style-type: none"> • Entrepreneurial and Business Skills Development • Climate Change Resilience and Mitigation Measures • Development of Subsistence Farmers • Access to Agricultural Markets • Agri-Product 1: Stock Farming Value Chain • Agri-Product 2: Intensive Crop Farming • Agri-Product 3: Production of Hides • UKhahlamba Drakensberg Park (UDP) World Heritage Site (WHS) and Potential Tourism Development • Improving Business Confidence • Partnerships to Deliver on LED • Road infrastructure • Upgrade Bulk water Infrastructure • Upgrade electricity infrastructure 	<ul style="list-style-type: none"> • Develop Accurate Intelligence • Agricultural Infrastructure Support Programmes • Community Based Tourism and Potential Products • Encourage Local Retail Procurement Processes • Labour Skills Development • Enterprise Support • Development of the Meat Cluster • Intervening in the Retail Services Value Chain Development • Formalization of Rural Emerging Towns: Ntabamhlophe and Emangweni • Revitalization of Existing Major Towns: Estcourt and Weenen • Estcourt Shopping Mall • Proposal 7: Intervening in The Manufacturing Value Chains • Visible policing & installation of surveillance cameras • Database of local job seekers to be prioritised for employment locally • Interchange/ Dry-port – warehousing, Storage & employment (land previously identified) 	
	Significant impact	<p>Priority 1 - Aggressive Implementation (Schedule to 1st year planning/ budget cycle)</p> <ul style="list-style-type: none"> • Establishment of the LED Committee and Supporting Structure • Municipality to Improve Communications and Service Levels with Customers • Red Tape Reduction • Public Sector Procurement • Development of a Comprehensive Tourism Strategy • Encourage Establishment to Apply and Maintain Star Grading • Explore Possibility of Niche Markets • Communication strategy (municipality & business community) • Proposal 3: Sustain Business Retention and Expansion Program 		
		Very easy to plan and implement	Intermediary difficult to plan and implement	Very difficult to plan and implement
DIFFICULTY OF PLANNING AND IMPLEMENTATION				

Table 9: Prioritization Summary

8. SECTION 8 – IMPLEMENTATION PLAN

8.1 PURPOSE

The purpose of this section is to provide guidelines to prepare for and start with the implementation of the recommendations made in sections 4 – 6 and as prioritised in section 7. This section comprises the following sub-headings:

- i. Paragraphs 8.2 – 8.4 - provide a series of tables that contain guidelines for the implementation of the recommendations. The tables provide the following information per recommendation:
 - Name of recommendation – This column provides the name of the recommendation, as well as cross-references to paragraphs elsewhere in the document where background information is provided.
 - Goal and objectives – This column provide the goals and objectives to be achieved. As such, these goals and objectives represent the basic framework for the evaluation criteria to be used in the monitoring system (also refer Sub heading 8.7).
 - o Goals – each recommendation has a specific goal, which is cross-referenced to the goals stated in Sub heading 4.2 (to illustrate how the recommendation supports these goal(s)).
 - o Objectives – each of the goals comprises one or a number of specific objectives.
 - Comments – The column provides background notes on the recommendation.
 - Actions – The column provides guidance on the immediate actions to be taken towards the implementation of the recommendation.
 - Implementing agent – The column specifies the agent that should be responsible for the implementation of the recommendation.
- ii. Sub heading 8.6 – Provides a summary of sub heading 8.2 – 8.5.
- iii. Sub heading 8.7 – Provides recommendations on a monitoring system.
- iv. Paragraph 8.8 – Provides recommendations on the immediate actions to be taken to start the implementation process.

8.2 PRIORITY 1 – IMMEDIATE IMPLEMENTATION (PLANNING / BUDGET CYCLE YEAR 1)

Table 10. Priority 1 - Immediate implementation (planning/budget cycle year 1)

Name of recommendation	Goal and objectives	Comments	Actions	Implementing agent
<p>i. Establish LED Committee and supporting structures (with sectoral working groups)</p> <p><u>Cross references:</u></p> <ul style="list-style-type: none"> Sub Heading 5.1.1 	<p><u>Goal:</u> A set of structured and properly constituted forums to lead and direct LED strategy formulation and implementation in Inkosi Langalibalele.</p> <p><u>Objectives:</u></p> <ul style="list-style-type: none"> The successful establishment of a properly constituted and functioning the LED Committee. The successful establishment of the relevant sectoral working groups. It is recommended that at least the following be established: <ul style="list-style-type: none"> Agriculture (commercial and emerging) Tourism Service and Retail Businesses (Formal and Informal) Manufacturing The development of a work programme for year 1 for each forum, using this Implementation Plan as a point of departure (also refer the broad schedule presented in Table 8.2). 	<ul style="list-style-type: none"> The basic design as presented in Figure 13 (of Strategy and Programme document) and the recommendations as presented in sub heading 6.1.1) can be used as the basic points of departure. Do not duplicate the existing initiative to establish a “chairman’s form”, but it can be adjusted to incorporate the recommendations made in paragraph 6.1.1). 	<p>i. Start by drafting a constitution for each of the forums.</p> <p>ii. Establish the forums in accordance with the constitutions and use the recommendations of this strategy to develop the year work programme for year 1 (for each of the forums).</p>	<p>The initiative should be driven as a joint effort between Inkosi Langalibalele Municipality and existing Business Forums.</p>

Name of recommendation	Goal and objectives	Comments	Actions	Implementing agent
	<ul style="list-style-type: none"> The development of a monitoring system to assess the implementation of the various work programmes (refer paragraph 8.7). 			
<p>ii. Municipality to improve communications and services to customers</p> <p><u>Cross reference:</u></p> <ul style="list-style-type: none"> Sub Heading 5.1.2 	<p><u>Goal:</u> To improve the speed and efficiency of the communication between the municipality and its clients, with particular reference to the local rate payers (including business).</p> <p><u>Objectives:</u></p> <ul style="list-style-type: none"> Increase the number of queries from clients addressed successfully by the various line departments (for this purpose, a record should be kept of queries lodged and addressed). Reduction in the reaction time to queries from the clients. Improve the standard of service at the “front line”. 	<ul style="list-style-type: none"> The national initiative around Batho Pele must be used as the basic reference framework. This is not a once-off project, but a continuous process of improvement (i.e. the municipality must always strive and act to improve its service levels – a continuous striving towards excellence). 	<ul style="list-style-type: none"> Start by assessing the three core problems as noted in paragraph 5.1.2) as the extent and nature of these issues will determine the action(s) required. Based on the findings, review the official municipal Communication Strategy to identify specific shortcomings. The DPSA should be contacted to source all relevant documentation such as the: <ul style="list-style-type: none"> Batho Pele Handbook – A Service Delivery Improvement Guide Batho Pele Change Management Toolkit From Red Tape to Smart Tape Report 	<p>Inkosi Langalibalele Municipality</p>
<p>iii. Develop a comprehensive tourism strategy</p> <p><u>Cross reference:</u></p> <ul style="list-style-type: none"> Sub Heading 5.3.1 	<p><u>Goal:</u> Develop Inkosi Langalibalele as the preferred tourism destination in the UThukela region.</p> <p><u>Objectives:</u></p>	<ul style="list-style-type: none"> Inkosi Langalibalele enjoys a comparative advantage in the tourism industry as it offers a wide portfolio of attractions that include world heritage 	<ul style="list-style-type: none"> Draft a clear TOR to describe in detail the minimum issues to be investigated, as well as the desired outcome of the strategy. A key element of the strategy must be to provide a clear future 	<p>Tourism work group</p>

Name of recommendation	Goal and objectives	Comments	Actions	Implementing agent
	<ul style="list-style-type: none"> • Increase the number of visitors to Inkosi Langalibalele (both domestic and international). • Increase the number of jobs created by tourism. • Increase the number of businesses directly involved in tourism. • Improve the forward and backward linkages to increase the multiplier effect. • Improve the BEE profile of the industry. • Upgrade the infrastructure and physical appearance of Inkosi Langalibalele, particularly so the entrance to the town. 	<p>site, game ranches to battlesfield.</p> <ul style="list-style-type: none"> • Inkosi Langalibalele tourism industry is however fragmented at present with operators pursuing their own particular markets, without working towards a shared vision. By implication, the various operators are pursuing the same market segments, thus effectively cannibalizing each other, instead of working together to grow Inkosi Langalibalele market share. One of the most important reasons for this is the lack of a shared vision and clear strategy. • Also, the town is considered a significance tourism hub but the physical appearance of the town, and in particular the entrance of the town, does not support this status. 	<p>vision for Inkosi Langalibalele tourism that describes the particular market segments to be developed.</p> <ul style="list-style-type: none"> • Examples of issues to be analysed include the following: <ul style="list-style-type: none"> o Tourism experience. o A lack of tourism intelligence. o Lack of progress with BEE. • The strategy must also provide clarity on issues such as: <ul style="list-style-type: none"> o The particular market segments that should be pursued • The marketing platforms to be used, etc. 	
<p>Encourage Establishment to Apply and Maintain Star Grading <u>Cross reference:</u></p>	<p><u>Goal:</u> To improve the overall standard and quality of the local tourism product.</p>	<ul style="list-style-type: none"> • Very few of the local establishments are star graded. Although it may not pose much of a problem for 	<ul style="list-style-type: none"> • Make contact be made with the Grading Council of South Africa to establish the criteria, procedure and costs. 	<p>Tourism work group</p>

Name of recommendation	Goal and objectives	Comments	Actions	Implementing agent
<ul style="list-style-type: none"> •Par 5.3.3 	<p><u>Objectives:</u></p> <ul style="list-style-type: none"> •All tourism establishments must be graded. • The tourism establishments must at least maintain but preferably improve their grading. 	<p>those establishments that focus on the local market or the “repeater” visitor, it limits the promotion and marketability of the industry in general, particularly so for the international market.</p>	<ul style="list-style-type: none"> • Encourage the local establishments to apply for grading. If necessary, a workshop can be arranged to take the owners through the application process. 	
<ul style="list-style-type: none"> • Red Tape Reduction <p><u>Cross reference:</u></p> <ul style="list-style-type: none"> • Sub Heading 6.4.1 	<p><u>Goal:</u> To cut-out the complicated and unnecessary regulations, reduce bureaucratic procedures and systems which hinder the authority’s ability to deliver on Economic Development mandate.</p> <p><u>Objectives:</u></p> <ul style="list-style-type: none"> • Reduce the long unnecessary Supply Chain Management Processes; • To reduce the waiting period for Town Planning-related approvals (i.e. land approvals and building plans); • To cut-out the long waiting period for Complaints Management Systems; • Timely enforcement of Municipal By-laws; and • Timely issuing of business licenses and permits. 	<ul style="list-style-type: none"> • The reaction time from the municipality seems to be slow and the feedback weak. The general complaint is that customers find it difficult to make contact with the appropriate official in the municipality resulting in frustration. • The complaint is that inputs and suggestions made by the commercial sector are rarely accepted and implemented. • The South African National Development Plan (NDP) 2030 states that about 90% of new jobs will be created by the private’s sector, especially by small and medium enterprises (SMEs). This illustrates the important role that the government places on the 	<ul style="list-style-type: none"> • Engage the Department of Trade and Industry National Guidelines on Local Government Red Tape Reduction. • Develop the Terms of Reference for Inkosi Langalibalele Red Tape Reduction. • Develop a Policy on Inkosi Langalibalele Red Tape Reduction. • Implementation of the policy through: <ul style="list-style-type: none"> ○ Amendment of municipal rules and processes. ○ Amendment of affected policies. ○ Workshops. 	<p>Inkosi Langalibalele Municipality and LED Forum</p>

Name of recommendation	Goal and objectives	Comments	Actions	Implementing agent
		<p>private sector in the development of the country's economy. This statement reiterates the mandate that South African municipalities have to drive economic development within their localities by creating an environment that allows business development to flourish. CoGTA (2017) maintains that "Local government must take active steps to create an enabling environment to ensure economic development and businesses thrive, thereby creating employment opportunities and growing the local revenue base.</p>	<ul style="list-style-type: none"> ○ Monitoring and Evaluation. 	
<ul style="list-style-type: none"> • Public Sector Procurement <p><u>Cross reference:</u></p> <ul style="list-style-type: none"> • Sub Heading 6.4.2 	<p><u>Goal:</u> To use the fiscal resources of government to deliver services to the public while promoting the local business.</p> <p><u>Objectives</u></p> <ul style="list-style-type: none"> • Pro-localism procurement and servicing policies; 	<ul style="list-style-type: none"> • Procurement does not seem to have been positioned towards building the local businesses. • The lack of skills and specialised companies has caused government to look outside for specific services and goods that needs to be procured. 	<ul style="list-style-type: none"> • Skills Audit. • Diagnostic of policy position for the municipality in terms of local procurement. • Review of Supply Chain Management Policy to suggest preference to local contractors, suppliers and service providers. 	<p>Inkosi Langalibalele Municipality, LED Forum and CoGTA</p>

Name of recommendation	Goal and objectives	Comments	Actions	Implementing agent
	<ul style="list-style-type: none"> • Support for small & medium businesses through the provision of training and support mechanisms and creating optimal infrastructure, e.g. SMME incubators; • Improvement in infrastructure and services in general to improve economic efficiency and productivity; • Training and capacity building initiatives; • Targeted investment to boost potentially growing sectors, e.g. Tourism, knowledge industries; • Simplifying regulations and by-laws to stimulate, as opposed to hindering, economic development; and • Defining the municipality as an economic actor in the local economy with considerable clout and leverage capability 		<ul style="list-style-type: none"> • Development of Toolkits to train and capacitate the local contractors, suppliers and service providers. • Development of a programme similar to a model that was used by KZN Dept. of Transport [i.e. Vukuzenzele] 	
<ul style="list-style-type: none"> • Explore Possibility of Niche Tourism Markets <p><u>Cross reference:</u></p> <ul style="list-style-type: none"> • Sub Heading 5.3.2 	<p><u>Goal:</u> To position Inkosi Langalibalele as a unique tourism destination.</p> <p><u>Objectives</u></p>	<ul style="list-style-type: none"> • Inkosi Langalibalele enjoys a strategic location in terms of tourism. This is due to the influx of tourism who travels to the area to explore attractions such as UKhahlamba World Heritage Site and Battlesfield 	<ul style="list-style-type: none"> • To mobilize and identify SMMEs and black owned companies with interest in tourism; • To provide training to the potential product owners. 	LED Forum and ILLM

Name of recommendation	Goal and objectives	Comments	Actions	Implementing agent
	<ul style="list-style-type: none"> • To develop Heritage Tourism e.g. Cultural Villages and Lodges at Strategic Tourism Hotspots; • To ensure that SMMEs form part of Tourism Product Ownership more especially: - <ul style="list-style-type: none"> ○ Community Based Tourism; ○ Eco-Tourism; ○ Nature Based Tourism; ○ Geo Tourism; and ○ Avi-Tourism. 	<p>but the SMMEs have hardly developed from such opportunities.</p>	<ul style="list-style-type: none"> • To establish the tourism hospitality enterprises with the help of SEDA, DTI and DETEA; • To formulate the business plans for the companies based on different ventures that the companies intend to pursue. • To assist the companies with securing funding for capital outlay. 	
<ul style="list-style-type: none"> • Proposal 3: Sustain Business Retention and Expansion Program <p><u>Cross reference:</u></p> <ul style="list-style-type: none"> • Sub Heading 5.5.3 	<p><u>Goal:</u> To ensure that the area attract and sustain businesses that helps to build the economy and create jobs.</p> <p><u>Objectives</u></p> <ul style="list-style-type: none"> • To invite new businesses into the area. • To ensure that the existing businesses within the area continue to strive. • To assist the companies with mentorship programmes that will ensure that the businesses grow and expand. • To ensure that the local businesses partake in analysis of local economies, identifying, designing 	<ul style="list-style-type: none"> • Business Retention and Expansion (BR&E) is an economic development strategy of proactively connecting with existing businesses to understand and respond to local business needs. Inkosi Langalibalele must give special attention to small businesses that employ between 10 to 99 employees, otherwise known as Stage 2 firms. Purdue Extension recognizes that thriving communities need to be economically successful. Communities with an active and sustained economic 	<ul style="list-style-type: none"> • Identification of the BR&E targets for the area; • To develop the Terms of Reference for BR&E; • To identify a championing and Co-ordinator for BR&E; • Mobilizing funding for the Programme; and • Implementation. 	LED Forum

Name of recommendation	Goal and objectives	Comments	Actions	Implementing agent
	and implementing strategies that can help strengthen existing businesses and industries.	development strategy will plant seeds of success locally and regionally—and BR&E should be part of that equation.		

8.3 PRIORITY 2 – PREPARE FOR IMPLEMENTATION (PLANNING/ BUDGET CYCLE YEARS 1 – 3)

Table 11. Priority 2 - prepare for implementation (planning/budget cycle year 1 - 3)

Name of recommendation	Goal and objectives	Comments	Actions	Implementing agent
<p>Entrepreneurial and business skills development</p> <p><u>Cross reference:</u></p> <ul style="list-style-type: none"> Sub Heading 6.2.2 	<p><u>Goal:</u> Improve the level of business skills amongst entrepreneurs (with specific focus on the emerging group).</p> <p><u>Objectives:</u></p> <ul style="list-style-type: none"> At least one presentation given by Trade and Investment Kwazulu-Natal (TIKZN) and SEDA each Four courses presented by TIKZN and SEDA each Entrepreneurs able to engage in systematic research and the development of a bankable business plan for their business. Fewer businesses going bankrupt as a result of bad cashflow management practices. Entrepreneurs able to engage and stick to proper budgets. 	<ul style="list-style-type: none"> One of the critical problem areas for emerging entrepreneurs involves the lack of skills required to conduct systematic research to compile a bankable business plan. The real value of drafting a business plans does not only involve getting access to funding, but the procedure also forces the entrepreneur to apply his mind and systematically think about the various aspects of the enterprise. Included in this is the lack of skill to develop a bankable budget and then to stick to the budget (and avoid the temptation of spending both startup capital and the profits on “luxuries”). 	<ul style="list-style-type: none"> Make contact with the various institutions and invite them to give presentations to the local community on the courses on offer. Start with TIKZN and SEDA. 	<p>LED Forum</p>
<p>Tourism – develop comprehensive intelligence</p> <p><u>Cross reference:</u></p> <ul style="list-style-type: none"> Sub Heading 5.3.4 	<p><u>Goal:</u> To have easy access to accurate information on the vital statistics of the tourism sector.</p>	<ul style="list-style-type: none"> One of the main problems that hampers the purposeful planning and monitoring of the Inkosi Langalibalele tourism industry is the lack of industry 	<ul style="list-style-type: none"> An audit of the existing tourism product. This should include: <ul style="list-style-type: none"> Name and contact details 	<p>Tourism work group</p>

Name of recommendation	Goal and objectives	Comments	Actions	Implementing agent
	<p><u>Objective:</u></p> <ul style="list-style-type: none"> • Easy access to reliable data that is regularly updated. • At least the data items listed under “actions” in this recommendation must be collected and maintained. 	<p>intelligence. As a result, there are only estimations on the number of beds available and even less information on the visitor numbers and occupancy rates. On the demand side, there is no information available on the perceptions and actual experiences of the visitors to Inkosi Langalibalele.</p> <ul style="list-style-type: none"> • The intelligence can be collected by way of a three-pronged survey (that can be part of the proposed tourism strategy) namely: <ul style="list-style-type: none"> o Survey of tourism product – to be conducted periodically (e.g. once a year) o Survey amongst the visitors – this should be a continuous process to ensure the data is “dynamic” and to pick-up on seasonal and longer-term trends. o Survey of occupancy rates – this can be done quarterly. 	<ul style="list-style-type: none"> o Description of product (Ideally, this should include a description of the primary market segment which should correlate with the segments provided for in the proposed Tourism Strategy) o Number of beds and occupancy level o Star grading o Number of jobs o Other (e.g. training) • Survey amongst visitors (to be completed by the visitors): <ul style="list-style-type: none"> o Origin o Purpose of visit o Duration of stay o How did they come to know and how was the booking done? o Estimated spending (per day) o Highlights of visit o Low points of visit • Survey of occupancy rates which can involve a simple questionnaire to be 	

Name of recommendation	Goal and objectives	Comments	Actions	Implementing agent
		<ul style="list-style-type: none"> • In the design, the following is advised: <ul style="list-style-type: none"> o The questionnaires should be short and open-ended questions should be avoided (i.e. provide multi choice questions). o The survey amongst the visitors should be conducted in such a manner that it poses a minimum interference (e.g. the visitor can complete the questionnaires whilst booking in). o Capturing should be kept simple (e.g. use a simple spreadsheet). 	<p>completed by all operators and submitted to the Tourism Authority on a regular basis (e.g. quarterly). The questionnaire should provide the following:</p> <ul style="list-style-type: none"> o Number of visitors o Origin of visitors o Length of stay • Purpose of visit 	
<p>Labour skills development</p> <p><u>Cross reference:</u></p> <ul style="list-style-type: none"> • Sub Heading 6.2.1 	<p><u>Goal:</u> To improve the skills base of the labour force in order to increase productivity and marketability.</p> <p><u>Objectives:</u></p> <ul style="list-style-type: none"> • Increase the number of local employees registering for SETA and other courses. 	<ul style="list-style-type: none"> • The highly competitive global economy requires a skilled work force. This trend is also evident in South Africa with the liberalization of the economy in the early 1990's, which resulted in exposure to international competition from low cost producers such as India and China. To remain competitive, 	<ul style="list-style-type: none"> • Start off by conducting a simple survey to determine the extent to which local businesses are making use of SETA's and in particular: <ul style="list-style-type: none"> o In what sector(s) o The number of persons sent on courses and the type of courses completed. 	LED Forum

Name of recommendation	Goal and objectives	Comments	Actions	Implementing agent
		<p>South Africa had to engage in more sophisticated production processes and as a result, employment of low and semi-skilled workers fell by 19% between 1990 and 1998, whereas the demand for demand for skilled and high skilled labour increased by 12%.</p> <ul style="list-style-type: none"> • To ensure the labour market react to this change in demand, government established the Sector Education and Training Authorities (SETA's) to plan and promote the training of employees. Twenty-three (23) of these SETA's have been established, of which the following are the most important for Inkosi Langalibalele: <ul style="list-style-type: none"> o Agricultural sector training authority (AgriSETA) o Local government (LGSETA) o Tourism and hospitality SETA (THETA) o Wholesale and retail SETA (W&RSETA) 	<ul style="list-style-type: none"> o The reasons why some businesses are not taking part. o The experience of labour upon completing the course. o The experience of business upon labour completing the course(s) o It is also recommended to get the sector plans from each of these SETA's to assess the main trends in and strategies for the sectors •Based on the findings of this survey, a strategy can be developed per sector to address the concerns and bottlenecks to increase the participation levels. 	

Name of recommendation	Goal and objectives	Comments	Actions	Implementing agent
		<ul style="list-style-type: none"> Indications are that very few local businesses make use of the SETA's, despite the fact that they contribute towards the levy. 		
<p>Climate Change Resilience and Mitigation Measures</p> <p><u>Cross reference:</u></p> <ul style="list-style-type: none"> Sub Heading 5.1.1 	<p><u>Goal:</u> To lessen the negative impact of Climate Change on the agricultural sector.</p> <p><u>Objectives:</u></p> <ul style="list-style-type: none"> To introduce regular vulnerability assessment and dissemination of information to all farmers; To introduce climate change adaptation strategies; To improve farming methods in light of changes to the extreme weather conditions; and To introduce new mechanisms such as residue management, conservation and optimize fertilizer application. 	<p>Climate change poses a great risk and challenge to the economy, society and environment in general. As it is mainly associated with changes in weather patterns with notable rises in climate variability impacting upon both water quality and availability. This is evident in the changes in rainfall patterns, intensified thunderstorms, flooding and droughts, variations in soil moisture and runoff, effects of increasing evaporation and changing temperatures on aquatic systems (Dept. of Environmental Affairs, 2019). Thus, climate change presents a real threat to agriculture and humanity in general with the country having experienced serious drought since 2015 resulting in major crop losses, water restrictions, and ultimately impacting on food and water security.</p>	<ul style="list-style-type: none"> Develop the Terms of Reference for Climate Change Mitigation Measures; Appoint a Climate Change Specialist; Preparation and finalization of the strategy; and Monitoring and evaluation thereof. 	<p>UThukela District Municipality, ILLM and LED Forum</p>

Name of recommendation	Goal and objectives	Comments	Actions	Implementing agent
<p>Development of subsistence farmers and Agricultural Infrastructure Support Programmes</p> <p><u>Cross reference:</u></p> <ul style="list-style-type: none"> Sub Heading 5.2.5 and 5.2.6 	<p><u>Goal:</u> To attain food security targets and ensuring that the potential that exists is optimally utilized.</p> <p><u>Objectives:</u></p> <ul style="list-style-type: none"> To introduce proper methods of subsistence farming to communities through ILLM rural areas; To provide support to the subsistence farmers in terms of farm implements and resources; and To provide training and mentorship on a structured and on-going basis. 	<p>This will ensure that local small-scale farmers and surrounding communities are afforded with economic development opportunities and employment opportunities. It will also enable these farmers to Investment in climate-resilient agricultural practices and physical infrastructure that will mitigate impacts of climate variability whilst connecting farming cooperatives to existing and new markets.</p>	<ul style="list-style-type: none"> Engagement with existing subsistence farmers and aspiring farmers; Secure meetings with the Department of Agriculture; Identification of the needs and the budgetary resources as well as suitable programmes with the Department; Inclusion of commitment on the IDPs and Provincial Budgets; and Implementation Monitoring and Evaluation. 	<p>KZN Department of Agriculture, ILLM and UThukela District</p>
<p>Access to agricultural markets</p> <p><u>Cross reference:</u></p> <ul style="list-style-type: none"> Sub Heading 5.2.5 	<p><u>Goal:</u> To establish seasonal and permanent agricultural markets, fairs and auction facilities.</p> <p><u>Objectives:</u></p> <ul style="list-style-type: none"> To develop a formal market that can be used by the subsistence farmers for the display of their products and sale to the end users; 	<p>While noted that small and emerging farmers struggle to get access to formal markets. Almost all produce that is not used for consumption can be found in the informal markets found along main roads, outside bus stations, taxi ranks, alongside existing fresh produce markets and in parts of the CBD. There is therefore a need to develop programmes aimed at providing small and emerging</p>	<ul style="list-style-type: none"> Engage the subsistence farmers who would be interested on participating on the programme; Sourcing of funds for the development of the market facility; Engagement with the existing formal market retailers; Workshops with subsistence farmers on food compliance matters; 	<p>KZN Department of Agriculture, ILLM and UThukela District</p>

Name of recommendation	Goal and objectives	Comments	Actions	Implementing agent
	<ul style="list-style-type: none"> To assist the subsistence farmers to penetrate on the existing formal markets; and To introduce the new marketing mechanisms (Website, Facebook, Twitter and Instagram Pages) that would publicize and broadcast the produce in order to create and increase the clientele. 	<p>farmers access to formal markets. This could be done through the establishment of seasonal and permanent agricultural markets, fairs and auction facilities to support local trade accompanied by the provision of logistical support through preferential agreements with local transporters and the provision of specialised cooperative processing facilities and Infrastructure.</p>	<ul style="list-style-type: none"> Land identification; Development/ Construction of the facility; and Monitoring and evaluation thereof. 	
<p>Agri-Product 1: Stock Farming Value Chain</p> <p><u>Cross reference:</u> Sub Heading 5.2.1</p>	<p><u>Goal:</u> To ensure optimal income generation and poverty reduction through the existing rural livestock by tapping into four opportunities that exist within livestock value chain which include animal feed production, livestock production, slaughtering and processing and the production of hides.</p> <p><u>Objectives:</u></p> <ul style="list-style-type: none"> To mainstream all the potential SMME enterprises on opportunities that are prevalent due to the existence of livestock; 	<p>The most important steps in the implementation of value chains is identifying potential key partners in the value chain that will address the needs of livestock farmers and the associated business models and risk/ profit drivers of these partners. These partnerships have an advantage in that they can provide opportunities such as access to the inputs, services and finance that enable smallholder livestock producers to participate competitively in markets. Consequently, a need exists for the municipality to facilitate the development of a livestock value chain by identifying enterprises that</p>	<ul style="list-style-type: none"> Identification of value chain partners and associated business model; Engagement on meetings and workshops; Obtaining required licenses and permits in terms product compliance; Development of business plans and Memorandum of Agreements; Implementation; and Monitoring and Evaluation 	<p>KZN Department of Agriculture, ILLM and UThukela DM</p>

Name of recommendation	Goal and objectives	Comments	Actions	Implementing agent
	<ul style="list-style-type: none"> To foresee the establishment of meat production, skin/ hide products, horn/ bone products and animal feed as part of the value chain; and To ensure that the local communities are able to tap into all opportunities as prevalent. 	can contribute to production whilst also providing services and institutional support that deal with blockages preventing progress of livestock enterprises in the municipality.		
<p>Agri-Product 2: Intensive Crop Farming</p> <p><u>Cross reference:</u> Sub Heading 5.2.3</p>	<p><u>Goal:</u> To become the significant crop farming producer within UThukela District Municipality.</p> <p><u>Objectives:</u></p> <ul style="list-style-type: none"> To introduce hydroponic or tunnel farming within the rural areas in order to increase the volume of output; To focus on rare and lucrative crops that are a scarcity in the marketplace i.e. Strawberries 	<p>Agricultural potential within Inkosi Langalibalele Municipality falls into six of the eight land categories including: good agricultural potential; relatively good agricultural potential; moderate agricultural potential; low agricultural potential; poor agricultural potential; and restricted agricultural potential. It is worth noting however that the extent of high agricultural potential land and arable land in the municipality is roughly around 18% of the total land area of the municipality. The municipal IDP asserts that although the quantity and distribution of water resources in the municipality is very good the rainfall however is unpredictable, and the municipal</p>	<ul style="list-style-type: none"> Identification of suitable areas for intensive crop farming; Mobilize the target beneficiaries; Development of Business Plans; Package application for funding; Implementation; and Monitoring and Evaluation. 	<p>KZN Department of Agriculture, ILLM and UThukela DM</p>

Name of recommendation	Goal and objectives	Comments	Actions	Implementing agent
		<p>soils are found to be poor. Most of the municipal population is dependent upon crop cultivation thus prompting the need for strengthening of subsistence farming at the household level within the municipality. Thus, the promotion of sustainable agricultural development is especially important for small scale farmers and households in enhancing food security and further growing income potential for the respective farmers without adversely impacting upon the environment.</p>		
<p>Agri-Product 3: Production of hides</p> <p><u>Cross reference:</u> Sub Heading 5.2.3</p>	<p><u>Goal:</u> To become the producer of high-quality hides that can be used is a wide range of applications.</p> <p><u>Objectives:</u></p> <ul style="list-style-type: none"> • Decrease the damage to hides on the farm to increase the percentage of hides that can be used. • Increase the number of hides bought and used by the tanners. 	<ul style="list-style-type: none"> • Hides and skins are essentially a by-product of the meat, dairy and wool industries, but there is very little financial incentive for the farmer to look after the skins as its monetary value is a fraction of the main commodity. As a result, much damage is done to the hides through parasites and scratches. • Recent years have seen a strong growth in the demand for hides 	<ul style="list-style-type: none"> • It is recommended that a study be undertaken to establish the potential value of hides and skins in the study area, starting with cattle and including the game industry. The study should at least focus on the following: <ul style="list-style-type: none"> o The main trends (national) in the demand and supply of hides (including imports and exports) – specific focus on the 	<p>Agriculture work group</p>

Name of recommendation	Goal and objectives	Comments	Actions	Implementing agent
		<p>and skins in the automotive industry which was further fuelled by government incentives under the Motor Industry Development Act, in the form of rebates for locally produced hides. This increase in the demand for hides in the automotive industry has encouraged tanneries to produce for this sector, resulting in a shortage in supply in the domestic footwear and clothing industries. As a result, there are virtually no clothing tanneries left and just about all leather used in the clothing industry new has to be imported.</p> <ul style="list-style-type: none"> • Although there may be little financial incentive at present for the farmer, the production of a high-quality raw hide may improve the financial return for the farmer. • The strategy calls for the better coordination between the tanning section of the value chain and the upstream stages, 	<p>drivers of these trends such as the automotive industry.</p> <ul style="list-style-type: none"> o The problems experienced by tanners in South Africa. o The views and opinions of the local farmers on hides and skins o The bottlenecks that exist between the local farmers and tanners <ul style="list-style-type: none"> • Ultimately, the study must make recommendations on how these bottlenecks can be addressed, with specific reference to the possible incentives for the farmers to improve the quality of the hides. 	

Name of recommendation	Goal and objectives	Comments	Actions	Implementing agent
		<p>most importantly the farming stage and to a lesser extent the abattoirs. The main objective would be to develop treatment/handling regimes that will reduce damage to the hides. However, this can only be achieved if there is some form of financial incentive for the farmer to improve framing practices in order to improve the quality of the hides.</p>		
<p>UKhahlamba Drakensberg Park (UDP) World Heritage Site (WHS) and Potential Tourism Development</p> <p><u>Cross reference:</u> Sub Heading 5.3.2</p>	<p><u>Goal:</u> To use the status of UKhahlamba Drakensberg World Heritage Site to position Inkosi Langalibalele into a notable tourism hub.</p> <p><u>Objectives:</u></p> <ul style="list-style-type: none"> • To maximise the visibility of the area; • To increase the length of stay within the area; • To maintain the aesthetic beauty of the area; and • To harness from other opportunities that are still available especially by the 	<p>The primary attraction for the UKhahlamba-Drakensberg destination is the scenic Drakensberg Mountain range. It is considered to be one of South Africa's prime eco-tourism destination. It boasts the status of being a World Heritage Site and attracts visitors both nationally and internationally. UKhahlamba Drakensberg Park is 243 000 Ha in extent. Natural attractions within the UKhahlamba Drakensberg Park include the Drakensberg Mountain, archaeological sites, nature reserves (game viewing and bird watching), UThukela Biosphere Reserve, Tugela catchments and the</p>	<ul style="list-style-type: none"> • Develop relations with product owners; • Identify issues that require government involvement e.g. signage and infrastructure; • Participate in tourism expo and related engagements; • Support SMMEs who intend to establish tourism hospitality business aligned to UDP WHS; and • Introduce EDTEA, SEDA and NEF to the projects that have been conceived. 	<p>EDTEA, UThukela DM, ILLM and SEDA</p>

Name of recommendation	Goal and objectives	Comments	Actions	Implementing agent
	SMME's e.g. Rural B n Bs and Cultural Villages.	Tugela River, natural bush, forests and a mostly comfortable climate.		
<p>Improving Business Confidence</p> <p><u>Cross reference:</u> Sub Heading 5.4.3</p>	<p><u>Goal:</u> To improve</p> <p><u>Objectives:</u></p> <ul style="list-style-type: none"> • To encourage an investor friendly environment; • To improve relations between the municipality and the businesses; • To strengthen clear procedures and reduce unnecessary blockages; and • To encourage business growth. 	<p>With the municipalities being at the cutting edge of development initiatives and are in consistent contact with local communities and investors, their role in preserving 'Market Confidence' cannot be emphasized. From this perspective, local municipalities need to use tools at their disposal to create an enabling environment for business development and growth.</p>	<ul style="list-style-type: none"> • Development of tools such as: <ul style="list-style-type: none"> o Land Use Management Systems (LUMS), o Integrated Development Plans (IDP's), o Municipal By-Laws, o Budgets, o Procurement Policies, o Rates and Levies, o Social Relief Programmes, o Policies dealing with Indigent, Youth, Elderly, Disabled, Women and Business support institutions etc. • Continuous dialog between stakeholders and the municipality on a range of issues. i.e. transparency and open dialogue on municipal by-laws (how they are formulated and implemented and the implications thereof). • Also, the provision of both soft and hard infrastructure. 	<p>LED Forum and ILLM</p>

Name of recommendation	Goal and objectives	Comments	Actions	Implementing agent
<p>Economic Infrastructure Upgrade</p> <p><u>Cross reference:</u> Sub Heading 6.3</p>	<p><u>Goal:</u> To unlock economic development through resourcing the area with the requisite infrastructure.</p> <p><u>Objectives:</u></p> <ul style="list-style-type: none"> • To improve access to economic opportunity areas; • To enable business to function seamlessly; and • To create an environment that attracts new investments. 	<p>The quality of infrastructure sometimes renders challenges for development purposes.</p>	<ul style="list-style-type: none"> • To upgrade the existing road infrastructure which included P29; P379; • Upgrade road to Loskop from Ntabamhlophe; • Upgrade interchanges that connect the settlements; • Proper signage and road markings; • Upgrade of Taxi rank (safety of commuters); • Roll-out pre-paid meter installation in all businesses & domestic homes; and • Upgrade of bulk water and electricity infrastructure when required. 	<p>DoT, Inkosi Langalibalele Municipality.</p>
<p>Community Based Tourism and Potential Products</p> <p><u>Cross reference:</u> Sub Heading 6.3</p>	<p><u>Goal:</u> To maximize community benefit on the tourism sector and ensure that the benefits of the tourism industry are cascaded down to the community.</p> <p><u>Objectives:</u></p> <ul style="list-style-type: none"> • To increase tourist product offering; • To increase the number of tourists as well as the new 	<ul style="list-style-type: none"> • Community Based Tourism (CBT) centres on the involvement of the host community in planning and maintaining tourism development in order to create a more sustainable industry. Residents manage their resources in community as the tourism supply and provide it to tourist. The residents earn income as land managers, 	<ul style="list-style-type: none"> • Identify CBT opportunities; • Design and test the CBT venture; • Set a stakeholder structure; • Develop the community-based tourism venture; • Operating a community-based tourism venture; • Track progress and success; • Possible ventures identified by the community include: 	<p>DETEA, SEDA, LED Forum, Drakensberg Experience and ILLM</p>

Name of recommendation	Goal and objectives	Comments	Actions	Implementing agent
	<p>players within the industry; and</p> <ul style="list-style-type: none"> To develop and mainstream the local community to the benefits of the tourism industry. 	<p>entrepreneurs, service and produce providers, and employees. At least part of the tourist income is set aside for projects which provide benefits to the community as a whole. Community-based tourism has been specifically recognized as a tourism development approach aimed at facilitating the development of disadvantaged communities.</p>	<ul style="list-style-type: none"> o Establishment of Phasiwe Mountain with Bushman's paintings located in Amangwe Traditional Council; o Establishment of Hillside Camp Zoo located in Mhlungwini Traditional Council; o Establishment of a zoo in Engodini located Amangwe Traditional Council; o Horse riding or mountain biking; o Tourism development of Ndundulu Mountain in Mhlungwini Traditional Council; o Cable cars, zoo and possible nature reserve in Ntabamhlophe; and o Photographic portraits and other services made by existing co-operative which captures tourism experience of tourists. 	
<p>Development of meat cluster.</p> <p><u>Cross reference:</u> Sub Heading 5.1.3</p>	<p><u>Description:</u></p> <p>Slaughtering and processing of meat (produced in feedlots)</p>	<ul style="list-style-type: none"> The development of red and white meat clusters is one of the key thrusts of the PGDS. In 	<ul style="list-style-type: none"> The complexity and small margins of the feedlot industry requires that a 	<p>Agriculture work group</p>

Name of recommendation	Goal and objectives	Comments	Actions	Implementing agent
	<p><u>Goal:</u> To maximise value adding to locally produced cattle.</p> <p><u>Objectives:</u></p> <ul style="list-style-type: none"> • Increase the volume of locally slaughtered carcasses. • Develop a wide range of high-quality meat products with the emphasis being on high quality and uniqueness of the product (e.g. similar to the unique game meat products sold at a butchery in Hoedspruit). • Local retail outlets, restaurants and places of accommodation to stock and sell predominantly locally produced meat products. 	<p>essence, the goal is to develop the entire value chain from the upstream stages of producing the animal feed (e.g. sorghum by emergent farmers), animal production, to the downstream stages of meat processing (slaughtering, processing and packaging).</p> <ul style="list-style-type: none"> • At present, beef production in the study area only involves the initial stages of the value chain namely weaner production. By far the largest portion of the weaners are sold, taken out of the province and prepared in feedlots, most of which are located in Mpumalanga. • It must be noted that the feedlot industry is highly specialized with small margins that require large volumes in order to achieve economies of scale. • As part of the strategy, the marketability of the product can be improved by developing a generic local brand, similar to 	<ul style="list-style-type: none"> • detailed study be conducted to test the feasibility of this option. 	

Name of recommendation	Goal and objectives	Comments	Actions	Implementing agent
<p>Intervening in the Retail Services Value Chain Development and Proposal 7: Intervening in The Manufacturing Value Chains</p> <p><u>Cross reference:</u> Sub Heading 5.4.1 and 5.5.7</p>	<p><u>Goal:</u> To maximise local income circulation.</p> <p><u>Objectives:</u></p> <ul style="list-style-type: none"> • To increase local trading amongst businesses; • To encourage the internal fiscal, circulate before income leakages weakens the local economy; and • To encourage the existing local business to trade with the new emerging local businesses. 	<p>what has been achieved with the production of mutton.</p> <ul style="list-style-type: none"> • One of the key weaknesses with the local economy is the continued reliance on the outside enterprises which promote income leakages. A need exists for the local business to begin trading with each other in order to improve the local income circulation economic targets. 	<ul style="list-style-type: none"> • Compilation of a database of the local business; • Undertake an audit of the existing companies that outsource some of their services; • Identification of the possibilities to source some of the services from the local businesses that exists or creation of the new local business that can deliver on such services; and • Engagements between businesses. 	<p>LED Forum</p>
<p>Enterprise Support</p> <p><u>Cross reference:</u> Sub Heading 5.4.2</p>	<p><u>Goal:</u> To assist co-operatives and small businesses to get support for business development.</p> <p><u>Objectives:</u></p> <ul style="list-style-type: none"> • To support co-operatives and small businesses with: <ul style="list-style-type: none"> o Information, advice and referrals; o Import and export training; o Tender information and advice; o Trade information; 	<p>There are a number of co-operatives and small business operators who stand a good chance of benefiting from such initiatives. Central to the theme of this initiative is the notion of assisting those “who are presently economically trapped in the non-functioning local township and rural marginalized economies of the Second Economy.” This is in line with the broader objectives of</p>	<ul style="list-style-type: none"> • Identify existing co-operatives including small businesses; • Create a database of all co-operatives and small businesses; • Undertake needs assessment for co-operatives and small businesses; • Undertake skills audit; • Identify sectors which could be exploited by co-operatives 	<p>Inkosi Langalibalele Municipality, LED Forum and UThukela DM</p>

Name of recommendation	Goal and objectives	Comments	Actions	Implementing agent
	<ul style="list-style-type: none"> o Business assessment; o Technical support; o Business mentoring; o Market access, and o Business linkages etc. 	ASGISA, National LED strategy and Provincial interventions such as the Provincial Growth Development Strategy (PGDS) and Provincial Spatial Economic Development Strategy (PSEDS).	<p>and small businesses. e.g. tourism, agriculture etc;</p> <ul style="list-style-type: none"> • Establish skills training centre; • Identify programmes that can assist co-ops and small businesses; • Link co-ops with relevant structures e.g. SEDA, DED etc; • Provide training with sector focus; and • Provide an entrepreneurial environment. 	
<p>Formalization of Rural Emerging Towns: Ntabamhlophe and Emangweni</p> <p>Revitalization of Existing Major Towns: Estcourt and Weenen</p> <p>Visible policing & installation of surveillance cameras</p> <p><u>Cross reference:</u> Sub Heading 5.4.5 and 5.4.6</p>	<p><u>Goal:</u> To redevelop the primary commercial and industrial centres of the municipality in order to strengthen the trade and manufacturing sectors.</p> <p><u>Objectives:</u></p> <ul style="list-style-type: none"> • To improve the aesthetic appeal of the commercial hubs; • To create a very attractive environment for businesses to prosper; and • To Improve functionality and create a more attractive urban environment; • Improve the environment; 	Local government has also realized the importance of reviving urban centres in order to promote economic growth and as such is taking the initiative to develop urban regeneration/renewal policy. These policies should however be aligned to the municipality's integrated development plans to ensure maximum impact. The ILLM must develop a proposal for Urban Renewal Framework that will enhance the performance of the town and contribute to meeting the development needs of those who work, live and/or use the town.	<ul style="list-style-type: none"> • Develop the Terms of Reference for Urban Regeneration Weenen; • Develop the Terms of Reference for Ntabamhlophe and Emangweni New Town Centre Development; • Appoint the service provider; • Establish a PSC; • Preparation and completion of the plans; and • Adoption and implementation. • To develop a Shopping Centre in Estcourt. 	Inkosi Langalibalele LM and Dept. of Co-operative Government and Traditional Affairs

Name of recommendation	Goal and objectives	Comments	Actions	Implementing agent
	<ul style="list-style-type: none"> • Provide efficient transport; • Improve urban management and safety and security; and • Create investment and economic opportunities and to protect the area from competing developments in out of town locations. 			

8.4 PRIORITY 3 – CONDUCT FURTHER RESEARCH (PLANNING / BUDGET CYCLE YEARS 1 –5)

Table 12. Priority 3 - Conduct further research (planning/budget cycle years 1 -5)

Name of recommendation	Goals and Objectives	Comments	Actions	Implementing agent
<p>Post-LRAD Programme and Capitalization Support</p>	<p><u>Description:</u> Agricultural land redistribution</p> <p><u>Goal:</u> To empower the previously disadvantaged individuals within the community through redistributing land for agricultural purposes.</p> <p><u>Objectives:</u></p> <ul style="list-style-type: none"> • Support black commercial farmers. • Improve agriculture businesses through registration with appropriate Agriculture Councils and trade associations, in order to promote formality. • Impose Agriculture businesses on the black community and supporting previously disadvantaged individuals. • Eliminate gender discrimination. 	<ul style="list-style-type: none"> • The programme is focused with the transfer of agricultural land to specific individuals or groups and with commonage projects aimed at improving people's access to municipal and tribal land mainly for grazing purposes. • The programme is aimed to assist previously disadvantaged people to purchase land primarily for commercial farming. • The programme enables any black individual to apply for a land purchase grant that increases with personal contribution. The grant was designed to achieve the goal of transferring 30% of agricultural land to black South Africans by 2014. • This programme inspires beneficiaries to design what works best for them with access to grants ranging from 	<ul style="list-style-type: none"> • Interventions focused on private owned land resources and processes should focus on ensuring expropriation of land and land reform and promoting equitable share. In this regard, the LRAD programme forms the core in achieving this by enabling beneficiaries' access to agricultural land. • Interventions focused on public owned land resources and processes should include the disposal of State-owned land to agricultural beneficiaries. • There should be constant engagement and collaboration between government departments especially the Department of Agriculture and the Department of Land Affairs. • There is a need for the provision of technical 	<p>ILLM, ADA, SEDA, KHULA, Department of Agriculture, Department of Land Affairs</p>

Name of recommendation	Goals and Objectives	Comments	Actions	Implementing agent
		<p>(R20 000 to R100 000) depending on the amount of their own contribution in kind, labour and/or cash. The grants are thereby approved based on the viability of the proposed project that takes into consideration the total project costs and projected profitability.</p> <ul style="list-style-type: none"> Some of the projects associated with this programme include food safety net projects, equity schemes, production for markets and agriculture in communal areas. 	<p>assistance to land reform programmes ranging from surveys, geotechnical studies; agricultural studies; Environmental Impact Assessments (EIAs); subdivision of land; property transfer and social compacts as well as provision of agricultural research services and support to beneficiaries</p> <ul style="list-style-type: none"> Support to land reform beneficiaries will require the collaboration and cooperation with the three main state agencies that is the Agricultural Development Agency (ADA) focused on agricultural development, the Small Enterprise Development Agencies (SEDA) focused on business support and KHULA focused on comprehensive funding. 	
Proposal 1: Industrial Parks	<p><u>Description:</u> Establishment of industrial parks</p> <p><u>Goal:</u> Promoting sustainable integrated development as well as improving the industrial business sector.</p>	<p>This idea of setting aside land through this type of zoning is based on several concepts, including the following:</p> <ul style="list-style-type: none"> To be able to concentrate dedicated infrastructure in a 	<ul style="list-style-type: none"> Commit municipal funds toward the development of such infrastructure in the case of constructing industrial parks. 	ILLM

Name of recommendation	Goals and Objectives	Comments	Actions	Implementing agent
	<p><u>Objectives:</u></p> <ul style="list-style-type: none"> To support industrial businesses through reducing business costs (infrastructure) as well as providing policy support. To enable economic growth through creating new business. 	<p>delimited area to reduce the per-business expense of the infrastructure such as roadways, railroad sidings, etc.</p> <ul style="list-style-type: none"> To be able to attract new business by providing an integrated infrastructure environment in one location. To set aside industrial uses from urban areas to try to reduce the environmental and social impact of industrial areas. To provide for localized environmental controls that are specific to the needs of an industrial area. 	<ul style="list-style-type: none"> Undertake spatial planning while including the allocation of land for such development as well as analysing the best suitable location through the various Municipality spatial development plans – especially in the case of dirty industries. Dispose suitable State land to investors who may wish to construct office parks to rent to businesses. 	
<p>Proposal 2: Potential Products for Manufacturing</p>	<p><u>Description:</u> Supporting the manufacturing sector</p> <p><u>Goal:</u> Identifying key products within the manufacturing sector and to provide support to manufacturing businesses within the Municipal Area.</p> <p><u>Objectives:</u></p> <ul style="list-style-type: none"> Tap into the opportunity areas for manufacturing within the Municipality and 	<ul style="list-style-type: none"> The manufacturing sector in KwaZulu-Natal is the second largest in the country, after Gauteng Province. The manufacturing sector is geared for export, with nearly a third of South African manufactured exports being produced in KwaZulu-Natal. The diversified nature of the manufacturing sector is significant in the KZN 	<p>The industries that are seen to be a potential in Inkosi Langalibalele Municipality are enlisted below.</p> <ul style="list-style-type: none"> Non-Metallic Mineral Products: The sector covers consumer products such as pottery, china, earthenware and glass. It incorporates building products such as cement, clay piping, tiles, and products made of concrete, gypsum, asbestos, plaster, 	<p>ILLM</p>

Name of recommendation	Goals and Objectives	Comments	Actions	Implementing agent
	<p>initiate support through providing the capital needed.</p> <ul style="list-style-type: none"> • Provide employment opportunities for the community. • Provide support through supplying raw materials for making products. 	<p>economic growth rate and generates 20 percent of provincial employment.</p> <ul style="list-style-type: none"> • The largest manufacturing industries are the automobile and component sector, pulp and paper products, chemicals and petrochemicals, and food and beverages. • There are many opportunities for small businesses in value added initiatives. • One of the industries considered conducive to more downstream development is the aluminium industry, where beneficiation both by large companies and financially assisted small, medium and micro enterprises (SMMEs) is considered to be economically feasible. 	<p>slate and abrasives. The building products listed are well represented in KwaZulu-Natal's manufacturing sector and therefore the Municipality should provide capital and raw materials to support the sector.</p> <ul style="list-style-type: none"> • Biofuels: There is great potential for the effective introduction of biofuels to South Africa. Inkosi Langalibalele with its vast agricultural and that lays idle, can tap into the biofuel manufacturing. • Plastics, Metal and Paper Recycling: The plastics industry in South Africa is well established, versatile and diversified over a wide range of processes and products. The move towards recycling and cleaner production should be considered as an opportunity to introduce the recycled plastic and paper products within the Municipal area, and more because KwaZulu-Natal 	

Name of recommendation	Goals and Objectives	Comments	Actions	Implementing agent
			<p>provides nearly a third of the country's plastics requirements.</p> <ul style="list-style-type: none"> • Small Manufacturing Workshops: these include tannery/ leather production, woodworking, aluminium windows/ doors and waste tyres production. The Municipality can boost this sector by providing work opportunities for those small business enterprises within this sector (i.e. tender opportunities for supplying aluminium windows). 	
<p>Proposal 3: Intervening in the Mining Value Chains</p>	<p><u>Description:</u> Supporting the mining industry within the Municipality.</p> <p><u>Goal:</u> To boost the mining sector within the municipal area so to have more activity in the mining sector within Inkosi Langalibalele.</p> <p><u>Objectives:</u></p> <ul style="list-style-type: none"> • Provide technical support within the industry. 	<p>The mining sector is not active within the Inkosi Langalibalele Municipality however there are limited natural resources for quarrying and sand mining within the municipality particularly within major rivers (i.e. UMTshezi and Bushmans River).</p>	<p>Interventions in the mining value chains applicable to mining sector in the locality as per the National LED framework, include:</p> <ul style="list-style-type: none"> • The establishment of a business licensing and scheduled trade permit desk and the development of an Industrial and Mining business database; • The provision of dedicated power distribution and 	<p>ILLM and DME</p>

Name of recommendation	Goals and Objectives	Comments	Actions	Implementing agent
	<ul style="list-style-type: none"> Establish the regulation of businesses within the mining sector. 		<p>transmission to Mines and Industrial Areas;</p> <ul style="list-style-type: none"> The development of a spatial mining guide and implementation framework plan for support to the sector; and The granting of mining license permits and the regularization of illegal mining activities. 	
<p>Proposal 4: Waste Tyre Recycle Programme</p>	<p><u>Description:</u> Establishing a waste tyre recycle organisation within the Municipality.</p> <p><u>Goal:</u> Creation of jobs through implementing the Extended Producer Regulatory (EPR) scheme within the Municipality.</p> <p><u>Objectives:</u> Establish the EPR scheme for tyre recycling within the Municipality to create employment for the community.</p>	<ul style="list-style-type: none"> “The Drive for EPR” started in 2012 with the publication of the Integrated Industry Waste Tyre Management Plan (IIWTMP). The IIWTMP is managed by a Producer Responsibility Organisation (PRO) and is aimed at fulfilling tyre producers’ responsibilities for end-of-life waste tyres, through a mandatory Extended Producer Responsibility (EPR) scheme. This gave rise to the creation of the Recycling and Economic Development Initiative of South Africa (REDISA). South Africa seemed to have a 	<ul style="list-style-type: none"> Establish collection depots where the waste tyres can be brought forth by collectors. Instead of just having collection depots; also construct processing plants for shredding the rubber and providing it to be used for something else suitable. 	<p>REDISA, ILLM, The Department of Environmental Affairs</p>

Name of recommendation	Goals and Objectives	Comments	Actions	Implementing agent
		<p>working example of how to turn waste into jobs and money, for a moment, as REDISA was the runner-up in the World.</p> <ul style="list-style-type: none"> • REDISA proposed a system in which waste pickers would collect the 30-million waste tyres, rather than leave them lying around, be burnt or placed back on vehicles, as was generally the case. The pickers would take these waste tyres to collection depots, which would then be transported to central processing plants, where most of the rubber would be shredded and used for road surfaces or spongy matting in playgrounds. The rest would be burnt in kilns to provide energy for cement plants and so forth. 		
Proposal 5: Bone and Horn Products	<p><u>Description:</u> Supporting bone and horn production</p> <p><u>Goal:</u> Creating employment opportunities for the rural community.</p> <p><u>Objectives:</u></p>	<ul style="list-style-type: none"> • Ranking on our developed industry experience, KZN is known as a recognized Animal Horn Manufacturers, Exporters and Suppliers, based in Delhi (India). 	Inkosi Langalibalele Municipality through its Industrial Parks must pursue to be part of these global markets to create sustainable jobs and on the other hand creating business entrepreneurs.	ILLM, SEDA, DTI and DEDTEA

Name of recommendation	Goals and Objectives	Comments	Actions	Implementing agent
	Provide support to the industry through supplying capital for manufacturing these variety products.	<ul style="list-style-type: none"> • KZN deal in manufacturing and supplying a huge array of Fashion Jewellery water buffalo horn products, Handicrafts items, Horn massages tools and much more. • Our wide range of products include Horn Buttons Blanks, Bone Buttons Blanks, Buffalo Horn Spectacle Frame Plates, Horn Toggles, Ox Horn Plates, Bone Scales, Animal Horn, Horn Roll, Horn Archery Products, Buffalo Horn Roll, Cow Horn Roll, Horn Massages Tools, Buffalo Horn Slab, Horn Roll, Buffalo Horn Long Strips, Hair Accessories, Bracelet, Fashion Bangle, Coasters and Napkin Ring, Magnifier, Earring, Pendant, Necklace, Wood Spoon and so on. • We are catering our products to all over India, Canada, USA, UK and Australia. Apart from all these, our ranges of products are also offered in 		

Name of recommendation	Goals and Objectives	Comments	Actions	Implementing agent
		<p>Middle East Countries and in Europe.</p> <ul style="list-style-type: none"> Each item is completely handmade of horn in a socially responsible manner. 		
<p>Proposal 6: Gravel/ Crush Stone</p>	<p><u>Description:</u> Utilizing the advantages of the gravel/crush stone industry.</p> <p><u>Goal:</u> Creating employment for the community as well as promoting entrepreneurship</p> <p><u>Objectives:</u> Tap into the Inkosi Langalibalele Municipality gravel/ crush stone industry and establishing ways to create sustainable jobs within the community.</p>	<p>Advantages are as follows:</p> <ul style="list-style-type: none"> Gravel - this is a product that does not need any capital to establish, and with construction and rehabilitation of roads infrastructure currently taking place in the broader KZN, gravel and G5 materials can be of value adding. Crushed Stone - this is also a product that requires only compliance from the Economic Development Department and Department of Labour. 	<ul style="list-style-type: none"> Establish a plant for producing gravel and G5 materials. Creating sustainable jobs or entrepreneurship through producing these two aforementioned products. 	<p>ILLM, SEDA, DTI and DEDTEA</p>

8.5 PRIORITY 4 – PUT ON BACK BURNER (PLANNING / BUDGET CYCLE YEARS 1 – 10)

Table 13. Priority 4 - Put on back burner (Planning/ Budget cycle year 1 - 10)

Name of recommendations	Outcomes	Comments	Actions	Implementing agent
<p>Career guidance and promotion of science and mathematics</p> <p><u>Cross reference:</u> Sub Heading 5.2.3</p>	<p><u>Goal:</u> Enable students to make more informed decisions about their future to improve their chances of either becoming an entrepreneur or gaining a marketable skill</p> <p><u>Objectives:</u></p> <ul style="list-style-type: none"> Establishing a “culture of learning” <p>Encouraging more students taking mathematics and science as subjects.</p>	<ul style="list-style-type: none"> Research by the Department of Labour shows that the unemployment levels amongst the youth is much higher than for the older age groups. As an indication, the 2002 Labour Force Survey showed that 71% of those that are unemployed are between the ages 15 – 34. International experience shows the importance of a good school education system to provide the basic foundation for the labour force. The importance of proper career guidance facilities on school level is crucial to ensure a closer match between the skills demand by the economy and the supply. There is a tendency to avoid the “difficult” subjects such as mathematics and science which automatically narrow their choices as it disqualifies them from studying certain fields. 	<ul style="list-style-type: none"> There are two elements (each having a number of specific actions) to this namely: <ul style="list-style-type: none"> Preparing the school going youth <ul style="list-style-type: none"> Advising the school going population on subject choices Cultivating a culture of reading Offer special classes in mathematics and science Expose students to career opportunities through talks and excursions Improving the marketability of the unemployed youth <ul style="list-style-type: none"> Skills development for unemployed youth 	<p>LED Forum</p>

Name of recommendations	Outcomes	Comments	Actions	Implementing agent
			<ul style="list-style-type: none"> • Assisting finding employment for qualified youth • Assisting unemployed youth to start their own businesses 	
<p>Intervening in the Services, Innovation and Technology Value Chains</p> <p><u>Cross reference:</u> Sub Heading 5.6.1</p>	<p><u>Goal:</u></p> <p>To take advantage of the opportunities that are presented by the Fourth Industrial Revolution in order to benefit local aspiring entrepreneurs and introduce multiple innovative platforms that enhances communication between municipality and stakeholders</p> <p><u>Objectives:</u></p> <ul style="list-style-type: none"> • To introduce the local community to smart innovative business opportunities; • To ensure that the economic stakeholders receive: <ul style="list-style-type: none"> • regular feedback; • Continuous update on progress; 	<p>The fourth Industrial Revolution has made it easier to get into businesses that were previously viewed as the capital intensive. With tourism as a key sector, the area has potential to tap into holiday accommodation and tourist’s transportation through joining some of these innovative industries e.g. AirBnB as well as Uber.</p>	<ul style="list-style-type: none"> • Outreach Programmes on Fourth industrial Revolution Opportunities for Entrepreneurs; • Identification and engagement of opportunities that may be best suited within the area; and • Monitoring progress 	<p>LED Forum and ILLM</p>

Name of recommendations	Outcomes	Comments	Actions	Implementing agent
	<ul style="list-style-type: none"> • Clarity on objectives and why certain decisions are made; and • Reflection and encourage all players to reflect on their performance. 			
<p>Intervening in Basic Led Assets of the Local Area Through Renewal and Refurbs, Upgrades, Additions and Maintenance</p> <p><u>Cross reference:</u> Sub Heading 5.6.2</p>	<p><u>Goal:</u> To ensure that the municipality is able to account and keep its own asset in a functional state.</p> <p><u>Objectives:</u></p> <ul style="list-style-type: none"> • To develop the asset register; • To regularly update the register; and • To write off and replace redundant assets. 	<p>The maintenance of the Asset Register is enforced by the law e.g. MFMA as such it is a compliance matter. It is also an economic issue since the municipality need to deliver on economic targets as such the assets that the municipality uses need to be constantly useful.</p>	<ul style="list-style-type: none"> • Development of the Asset Register; • Regular maintenance of the register; and • Action linked to maintenance of the assets that have reached the stage of refurb and replacement of the assets that have grown impaired. 	ILLM
<p>Proposal 1: Responsible Mining and Proposal 2: Sand Winning</p> <p><u>Cross reference:</u> Sub Heading 5.7.1 and 5.7.2</p>	<p><u>Goal:</u> To ensure mining that advance economic development, business conduct, lifecycle management, community wellbeing, working conditions and environmental responsibility with gender and</p>	<p>Responsible or ethical mining is mining that is done in less destructive ways to workers and the community. It focuses on six core areas including economic development, business conduct, lifecycle management, community wellbeing, working conditions and environmental responsibility with gender and human rights as cross-cutting issues for the mining sector.</p>	<ul style="list-style-type: none"> • Regular engagements with the Department of Minerals and Energy; • To adopt responsible mining guidelines; and • To conduct regular air quality management. 	DME and ILLM

Name of recommendations	Outcomes	Comments	Actions	Implementing agent
	<p>human rights as cross-cutting issues for the mining sector.</p> <p><u>Objectives:</u></p> <ul style="list-style-type: none"> • To achieve reduced labour shortages through investing in local education and skills training; • To achieve more consistent production as a result of healthier workforce; • To have less likelihood of conflict as better relations are built with local indigenous people and artisanal miners; • To have better access to lower costs services and suppliers through regional business development; and • Faster access to financing because of perceived risk by equity markets. 			

8.6 SUMMARY OF IMPLEMENTATION PLAN

Table 14 presents a summary of the implementation programme described in the preceding paragraphs.

Table 14. Summary of Implementation Plan

Recommendation	Implementing agent	1 st year budget cycle	3-year budget cycle	5-year budget cycle	10-year budget cycle	Estimated Budget
Establish LED Committee and supporting structures (with sectoral working groups)	Inkosi Langalibalele Municipality and existing Business Forums.	☐				R 100 000.00
Municipality to improve communications and services to customers	Inkosi Langalibalele Municipality	☐				R 100 000.00
Develop a comprehensive tourism strategy	Tourism work group	☐				R 300 000.00
Encourage Establishment to Apply and Maintain Star Grading	Tourism work group	☐				R 10 000.00
Red Tape Reduction	Inkosi Langalibalele Municipality and LED Forum	☐				R 200 000.00
Public Sector Procurement	Inkosi Langalibalele Municipality, LED Forum and CoGTA	☐				R 10 000.00
Explore Possibility of Niche Tourism Markets	Tourism work group	☐				R 200 000.00
Proposal 3: Sustain Business Retention and Expansion Program	LED Forum	☐				R 200 000.00
Entrepreneurial and business skills development	LED Forum		☐			R 200 000.00
Tourism – develop comprehensive intelligence	Tourism work group		☐			R 200 000.00
Labour skills development	LED Forum		☐			R 1 000 000.00

Recommendation	Implementing agent	1 st year budget cycle	3-year budget cycle	5-year budget cycle	10-year budget cycle	Estimated Budget
Climate Change Resilience and Mitigation Measures	UThukela District Municipality, ILLM and LED Forum		☐			R 500 000.00
Development of subsistence farmers	KZN Department of Agriculture, ILLM and UThukela District		☐			R 1 000 000.00
Agricultural Infrastructure Support Programmes	KZN Department of Agriculture, ILLM and UThukela District		☐			R 30 000 000.00
Access to agricultural markets	KZN Department of Agriculture, ILLM and UThukela DM		☐			R 5 000 000.00
Agri-Product 1: Stock Farming Value Chain	KZN Department of Agriculture, ILLM and UThukela DM		☐			R 500 000.00
Agri-Product 2: Intensive Crop Farming	Agriculture work group		☐			R 5 000 000.00
Agri-Product 3: Production of hides	EDTEA, UThukela DM, ILLM and SEDA		☐			R 10 000 000.00
UKhahlamba Drakensberg Park (UDP) World Heritage Site (WHS) and Potential Tourism Development	Tourism work group		☐			R 200 000.00
Improving Business Confidence	DoT, Inkosi Langalibalele Municipality.		☐			R 50 000.00
Economic Infrastructure Upgrade	DETEA, SEDA, LED Forum, Drakensberg Experience and ILLM		☐			R 150 000 000.00
Community Based Tourism and Potential Products	Tourism work group		☐			R 10 000 000.00
Development of meat cluster.	LED Forum		☐			R 10 000 000.00

Recommendation	Implementing agent	1 st year budget cycle	3-year budget cycle	5-year budget cycle	10-year budget cycle	Estimated Budget
Intervening in the Retail Services Value Chain Development	Inkosi Langalibalele Municipality, LED Forum and UThukela DM		☐			R 50 000.00
Proposal 7: Intervening in The Manufacturing Value Chains	Inkosi Langalibalele Municipality, LED Forum and UThukela DM		☐			R 50 000.00
Enterprise Support	Inkosi Langalibalele Municipality, LED Forum and UThukela DM		☐			R 10 000.00
Formalization of Rural Emerging Towns: Ntabamhlophe and Emangweni	Inkosi Langalibalele LM and Dept. of Co-operative Government and Traditional Affairs		☐			R 400 000.00
Revitalization of Existing Major Towns: Estcourt and Weenen	Inkosi Langalibalele LM and Dept. of Co-operative Government and Traditional Affairs		☐			R 1 000 000.00
Visible policing & installation of surveillance cameras	Inkosi Langalibalele LM and Dept. of Co-operative Government and Traditional Affairs		☐			R 10 000 000.00
Post-LRAD Programme and Capitalization Support	ILLM, ADA, SEDA, KHULA, Department of Agriculture, Department of Land Affairs			☐		R 10 000 000.00
Proposal 1: Industrial Parks	ILLM, DETEA, Private Sector			☐		R 10 000 000.00
Proposal 2: Potential Products for Manufacturing	ILLM, Private Sector			☐		R 10 000.00

Recommendation	Implementing agent	1 st year budget cycle	3-year budget cycle	5-year budget cycle	10-year budget cycle	Estimated Budget
Proposal 3: Intervening in the Mining Value Chains	ILLM and DME			<input type="checkbox"/>		R 10 000.00
Proposal 4: Waste Tyre Recycle Programme	REDISA, ILLM, The Department of Environmental Affairs, Private Sector			<input type="checkbox"/>		R 10 000 000.00
Proposal 5: Bone and Horn Products	ILLM, SEDA, DTI and DEDTEA, Private Sector			<input type="checkbox"/>		R 10 000 000.00
Proposal 6: Gravel/ Crush Stone	ILLM, SEDA, DTI and DEDTEA, Private Sector			<input type="checkbox"/>		R 10 000 000.00
Career guidance and promotion of science and mathematics	LED Forum				<input type="checkbox"/>	R 10 000.00
Intervening in the Services, Innovation and Technology Value Chains	LED Forum and ILLM				<input type="checkbox"/>	R 50 000.00
Intervening in Basic Led Assets of the Local Area Through Renewal and Refurbs, Upgrades, Additions and Maintenance	ILLM				<input type="checkbox"/>	R 10 000 000.00
Proposed Estcourt Shopping Mall	Private Sector			<input type="checkbox"/>		R 150 000 000.00
Proposal 1: Responsible Mining and Proposal 2: Sand Winning	DME and ILLM				<input type="checkbox"/>	R 50 000.00
TOTAL						R 445 910 000.00

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