"The Reset, Rebuild and Redistribute Model

DRAFT 1

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PART 1: OVERVIEW

1.1.   Purpose

This document seeks to reset MLM's 2014/19 LED strategy in order to improve its fit-for-purpose and impact leverage. Further, the strategy forms the basis on which MLM seeks to chart a new economic recovery path especially in this post-Covid-19 era. This new path is built on ideals of inclusivity, transformation, focus for impact and greater localisation of economic opportunity. The ultimate goal is to deliver a local economy that is resilient, modernised, and diversified.

1.2.   Problem statement

Due to marked changes in the local economic landscape over the past 5 years as a result of shifting global, national and provincial contexts, the reset of the 2014/19 strategy is manifestly overdue. In its current state, the 2014/19 strategy is not only unfit-for-purpose, but also undermines on-going efforts by MLM to combat new economic threats as well capitalise on emerging opportunities.

1.3.   Developmental hurdle

The review is taking place at a time when the local economy is facing multifaceted challenges. The triple crisis of poverty, unemployment and inequality remains MLM's longstanding challenge. Ironically, these challenges are historical in nature and therefore protracted in character. Other notable barriers to MLM's development journey include inter-alia; high levels of adult illiteracy, lack of skills, lack of modern economic infrastructure, ageing social facilities, poor access to organised markets, undiversified local economy, food insecurity and high-levels of HIV infections especially among its economically active population. Worse still, for the greater part of 2020 and lately 2021, the local business climate is at weakest point as the ripple effect of Covid-19 take its toll. However, through this strategy, MLM seeks to improve its investment climate by modernising its economic infrastructure, streamlining its business licence application processes, reform its investment attraction policies, place SMMEs at the centre of its recovery efforts and foster the greater localisation of procurement opportunity.

1.4.   Our Mandate

1.4.1. Constitutional mandate

Chapter 7, Section 152 of the Constitution clearly sets out the developmental mandate of MLM. Subsection (b) directs the municipality to implement activities that promote the socioeconomic development agenda of local communities. Pursuant of this mandate, MLM established the LED division. In essence, the division's primary mission is to give full meaning and effect to Section 152 subsection (b) of the Constitution. This strategy remains a potent weapon MLM will use in the next five years to fulfil this vital constitutional obligation.

1.4.2. Legislative and Policy mandate

The Municipal Finance Management Act (Act 1 of 1999), as amended.	The Act obligates MLM to efficiently, economically and ethically manage its resources and finances. From an LED perspective, the impact of the PFMA on the local investment climate is threefold; 1. A financially sustainable MLM is in a formidable position to use its IDP budget to stimulate local economic activity. 2. An indebted MLM with a poor revenue collection record run the risk of undermining its capacity to deliver quality services to the local business community. 3. A history of poor audit outcomes can harm MLM's reputation in the eyes of investors.
Broad-based Black Economic Empowerment Act of 2003 as amended	The objective of the Act is to enable the meaningful participation of HDI companies based in MLM in the mainstream of the economy. However, despite great strides made since 1994, MLM's BBBEE journey has been fraught with the following challenges*:* 1. The fronting culture which has been blamed for reversing BBEEE gains made in the past, 2. Inability by incapacitated SMMEs to fulfil their contractual obligations, 3. Lack of an effective internal mechanism to monitor and enforce compliance with the BBBEE Act at municipal level, 4. Lack of customised mechanisms to fund distressed companies possessing credible contracts or orders. 5. Erosion of public confidence in BBBEE due to allegations of corruption and other unethical practices. 6. Inability by MLM and other public entities to consistently pay service providers within the 30-day prescribed period. 7. The failure by MLM to audit the *"job creation effect"* of its past BBEEE transactions
Preferential Procurement Policy Framework Act No 5 of 2000.	1. Outlines the benchmark MLM uses to calculate BBBEE points claimable by bidding local companies. 2. Over the years, MLM failed to fully utilise the PPPFA to catalyse the localisation of procurement opportunity. 3. Going forward, the challenge is for MLM to vigorously push for the greater localisation of procurement opportunity. 4. For this to happen, there is a need for MLM to radically reform its SCM attitude and behaviour.
Skill Development Act No 97 of 1998 as amended	Although the Act lays the foundation in which the professionalisation and capacitation of local SMEs is built, the challenge of skill shortage especially among local entrepreneurs still remains.

1.4.3. Institutional Policies and Strategies

Policy Framework	
Sustainable Development Goals (SDGs)	1. The SDG framework is aligned seamlessly with the NDP. The SDGs are also imbedded, by extension, in the LDP and IDPs of municipalities. 2. This strategy was crafted with SDG Goal No. 8, 5, and 9 in mind. 3. Goal No. 8 calls MLM to prioritise development projects that enhances the job absorption capacity of the local economy. 4. Goal No 9 underscores the centrality of a resilient infrastructure to MLM's economy. It also implores MLM to build its manufacturing and innovation capability. 5. Goal No 5 pushes for an economic development path that places women and girls within MLM at the centre of mainstream economic activity.
The ILO Resolution 204 of 2015	In line with this resolution, MLM needs to step up efforts to transform the informal sector into the formal economy. The idea is to avert the informalisation of formal jobs by the local private sector through building their productive capabilities.
African Continental Free Trade Area Agreement	a. There are two compelling reasons why local companies need to embrace the ACFTA deal: b. Africa as a niche is home to 1.2 billion consumers making it a "prime target for local exporters". c. It is estimated that about 50% of new babies born in the world by 2050 will be born in Africa. d. If we take market size into account, the new ACFTA deal will turn Africa into the "new China". The ACFTA aims to: • deepens economic integration in Africa in accordance with Agenda 2063, • create a continental customs union, • liberalise intra-African trade, • contribute to the movement of capital and natural persons and facilitating investment, • promote sustainable and inclusive socio-economic development, gender equality and structural transformation, and, • Promote industrialisation. 1. Without doubt, this historic pact recently ratified by the South African parliament comes as a welcome relief to those local exporters who for years have been struggling to penetrate the lucrative but highly protected African niche. 2. Opening local tourism operators and agricultural exporters to a "mega market of 1.2 billion new consumers" is in itself a "historic game changer". 3. By tapping into the ACFTA space, we expect local tourist volumes and agro-export receipts to experience a marked increase.

	4. However, the fact that most local exporters are not fully aware of this ground breaking trade pact remains a painful reality.
	5. MLM needs to roll-out a local exporters awareness campaign in order to reposition local exporters for ACFTA linked export opportunities.
AU Agenda 2063	Agenda 2063 is an African Union approved master plan that seeks to turn the African continent into a global economic powerhouse. At the center of this master plan are 20 goals.
	1. Goals No 18 and 4 have a direct bearing on this strategy in that:
	2. Goal No. 4 emphasizes the need for MLM to grow an inclusive economy that rewards young people with decent work opportunities and
	3. Goal No. 18 advocates for MLM to prioritise projects that economically empowers the youth and children.
Regional Indicative Strategic Development Plan	Goal No 1 seeks to eliminate trade barriers that undermine interregional trade among SADC countries.
	Goal No 2 emphasises the need for SADC countries to effectively coordinate their infrastructural development programmes in order to accelerate the regional integration agenda.
National Development Plan	Although the NDP lays a foundation in which the framework for a better life for all by 2030 is built, the main challenge is that in the absence of a buy-in from all social partners (private sector, government, organized labour and civil society) the NDP's vision of better life for all by 2030 will remain elusive. With only 9 years remaining to 2030, the sad reality is that almost all NDP targets are not yet met. For instance, whilst the NDP targets an average of 5.4% GDP per year, the 2020 GDP figure was 0.3%. In terms of unemployment rate, the 2020 rate of 31% per year is sadly way above envisaged by the NDP by 14% and 6% by 2030.
	At the current rate and scale of economic growth, it is self-evident that the economy will not be able to mitigate historically marginalised rural communities from the harsh realities of unemployment, inequality and poverty.
	Since its inception, the government has failed to secure vital private sector support or uptake.
	Placing the private sector at the apex of the NDP's implementation matrix remains MLM's future challenge.
Industrial Policy Action Plan	1. IPAP provides a broader policy framework that MLM must use to build its weak manufacturing, agro-processing and exporting capability.
	2. Like any other rural municipality, MLM's industrial base or manufacturing capability is relatively low.
	3. Lack of appropriate industrial infrastructure in form of zoned industrialised land, industrial development master plan, dedicated industrial parks, productive finance schemes and incubation facilities continue to undermine efforts by MLM to awaken its industrial potential.
	4. It is important to note that over the years, successive MLM leaders have been criticised for displaying an uneven bias towards tourism and agricultural sectors obviously at the expense of non-tourism and agricultural sectors.

	5. Even to this today, evidence shows that there is no significant appetite at the top to diversify into non-tourism and agricultural sectors.
	6. The dangers of running a non-diversified economy have been laid bare during the recent Covid-19 crisis.
	7. The tourism sector was the hardest hit by the ripple effects of Covid-19-induced lockdowns, a development which almost cost the local economy millions of Rands.
	8. Such a crisis could have been averted if MLM's economy was diversified
Medium Term Strategic Framework	The MTSF is a five-year programme of action that aims to translate the NDP vision into concrete actions and outcomes. Although the framework outlines 7 key priority areas, this strategy is linked to Priority 1 and 2.
	1. Priority 1: Economic Transformation and Job Creation – underscores the centrality of growing an inclusive economy on which HDI owned companies become key beneficiaries of opportunities generated within MLM.
	2. Priority 2: Education, Skills and Health – places skills development at heart of on-going efforts to drive forward MLM's local economic development agenda.
Limpopo Development Plan	Three (3) LDP priorities that correlates with this strategy include inter-alia;
	1. Create decent employment through inclusive economic development and sustainable livelihoods,
	2. Promote vibrant and equitable sustainable rural communities,
	3. Ensure sustainable development.
	4. As one of the coalfaces of service delivery and by implication the local executor and driver of the LDP, MLM must lead efforts to roll-out LDP projects falling under its geographical jurisdiction.
	MLM must also see to it that spinoffs arising from these projects benefit local companies.

Integrated Development Plan	MLM has just finalized its IDP for the 2020/21 FY.
	The economic development ambitions of MLM as captured in its IDP vision. "*The powerhouse of socio-economic development through sustainable and integrated agriculture and tourism*" communicates three clear but important aspirations;
	1. "Desire to secure a better socio-economic deal for the people of Maruleng,
	
	2. "Desire to promote sustainable livelihoods, i.e. fulfilling the socio-economic needs of present and future generations without undermining the integrity of its local environment,
	
	3. Desire to turn MLM into one of the world's sought-out "tourism and agricultural hubs". This explains why a tourism and agricultural-led economic rebound remains one of the central features of the 2020/21 IDP instalment.
	4. MLM must be commended for crafting a pro-LED vision. Placing LED at the centre of its future trajectory certainly put MLM in a formidable position to unleash its economic growth potential.
	5. The 2021/22-2022/23 Capex reflected in the IDP remains a tool MLM will constantly use to spearhead an infrastructure-led post covid-19 recovery.
	    • 2019/20(R124,366,675) base point.
	    • 2020/21 (R167,644,484.33) (+34.7% increase)
	    • 2021/22 (R122,641,632.66 (−26.8%) decrease)
	    • 2022/23 (R124,629,823.12 (+1.6%) increase)
	As part of efforts to drive the greater localization of procurement opportunity, MLM plans to ringfence 30% of its total Capex to local SMMEs. This will go a long way in stimulating demand for local goods and services.

National Small Enterprise Act 1996, (No.102 of 1996).	The Act provides the basis in which MLM will partner relevant business development agencies to intensify its pro-SMME empowerment agenda.
Industrial Development Corporation Act, No. 22 of 1940	The IDC Act provides the basis and mechanism on which local tourism operators, exporters and agro-processors can access productive finance provided they meet its set qualifying criteria. Although IDC is reputable for its game changing financial solutions, companies based in MLM constantly fail to tap into IDC funds due to stringent qualifying criteria and inability to submit bankable business plans.

1.5.   Our Strategic Focus

This section provides a summary of MLM's founding charter which comprises of its vision, mission, strategic objectives, values and Motto. The idea of a vision that places socio-economic development at the apex of its business domain remains MLM's key differentiator. Through this vision, MLM makes its desire to better the lives of its people a top priority.

Vision

"The power house of socio-economic development through sustainable and integrated agriculture and tourism"

Mission

MLM is committed to the accelerated provision of quality basic services and promotion of socio-economic development through the harnessing of all resource endowments in an integrated and sustainable manner.

Strategic objectives

MLM's strategic objectives as set out under Section 52 of the Constitution are as follows:

   a.   to provide democratic and accountable government for local communities,

   b.   to ensure the provision of services to communities in a sustainable manner,

   c.   to promote social and economic development,
   d.   to promote a safe and healthy environment, and

   e.   To encourage participatory development in local government matters.

Core Values

MLM's development approach is guided by the Back-To-Basic principles which focus on the following:

   a.   putting people first,

   b.   basic service delivery and infrastructure development,

   c.   promote local economic development,

   d.   building capable institution and administration, and

   e.   Sound financial management

Motto

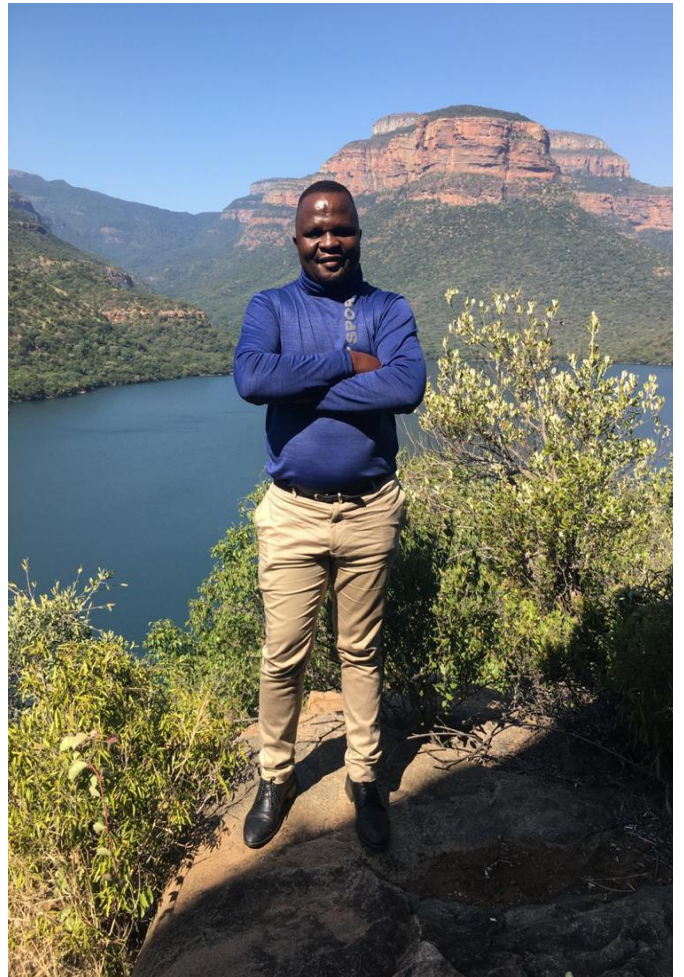"Wildlife haven"

1.6.   Outline of the Report

After this Part 1 section, the report has four further parts namely:

Part 2 which captures the spatial analysis,

Part 3 in which MLM's socio-economic profile is analysed,

Part 4 that analyses MLM's local investment climate,

Part 5 which outlines the core elements of the LED strategy.

PART 2: SPATIAL ANALYSIS

2.1.   Overview

Part 2 outlines MLM's spatial profile. Notable issues covered include: analysis of climate, soil and hydrological characteristics, opportunities for regional trade cooperation, and assessment of legacy spatial projects. An overview of key spatial challenges is also outlined. '

2.2.   Brief profile

Map 2.1: Regional Map

This map shows the location of MLM and how it is linked to other towns, cities and municipalities within the Mopani Region. The Map reaffirms the municipality's geographical centrality which make it easier to significantly influence the economic activities of other small towns and settlements throughout the region.
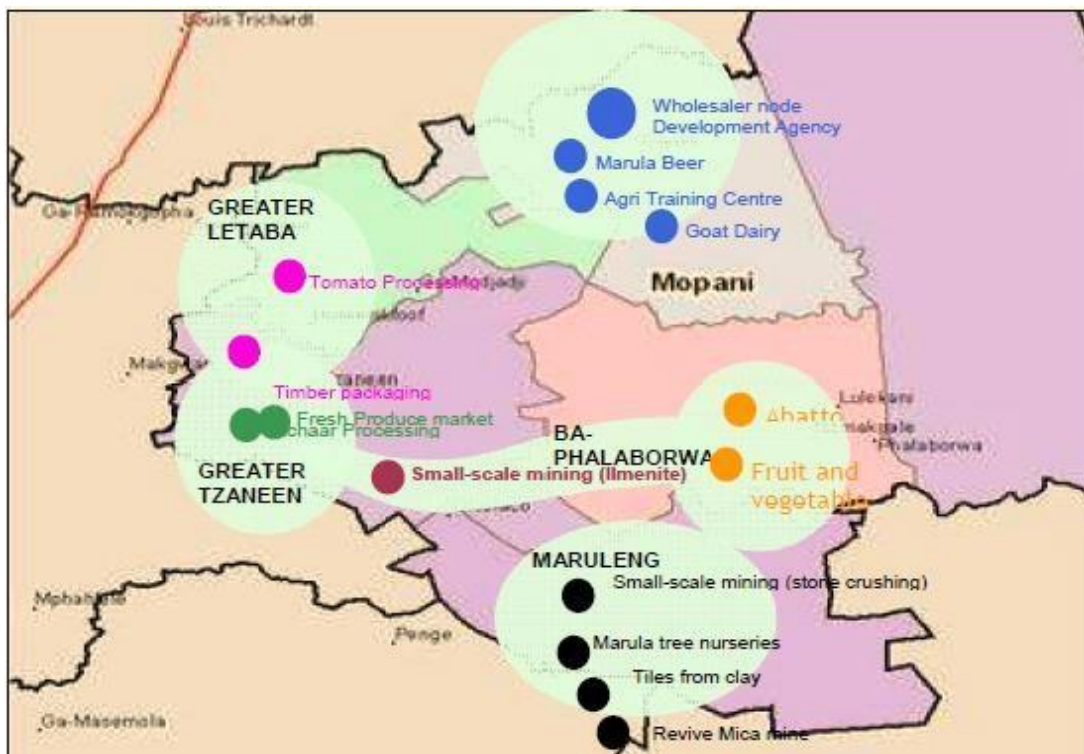
Covering an area of 3247 km² and situated in the south eastern part of Limpopo province, MLM shares the border with Kruger National Park to the east, Ba-Phalaborwa and Tzaneen to the north, Lepelle Nkumpi to the west, and Tubatse and Bushbuckridge to the south and the scenic Drakensberg escapement to the south. MLM is a category B municipality that falls under the jurisdiction of Mopani District Municipality. Hoedspruit Town doubles as the municipality's administrative and commercial hub. Due to its centrality and proximity to the magnificent Kruger National Park, (home to the largest species of the big five, Elephant, Lion, Rhino, Leopard and Buffalo) MLM has carved itself as a top-notch tourism hub. This explains why over the years, tourism and agriculture have been undoubtedly the local economy 's catalytic drivers.

The municipality's R3 billion economy (according to 2011 prices) is the source of livelihood for its 98 905 residents (IHS Market Regional Explorer, 2019). Apart from being a host to K2C one of the country's biggest biosphere reserves, MLM is also home to South defence Force Airforce base. The base is located at the Eastgate Airport. This airport links overseas holiday makers with OR Tambo and Cape Town International Airports. Plans are now afoot to secure an International Custom License, a development set to boost MLM's tourism sector.

Approximately (88.7%) of its population lives in traditional areas, 2.3% lives in urban areas and 9% lives in farms (StatsSA, 2019). Basic services are delivered via the municipality's 14 wards.

2.3. Regional context

Maruleng is an integral part of Mopani district's economic development ecosystem. As a result, its economy is closely intertwined with that of its resource-rich neighbors. Phalaborwa to the North, is renowned for its abundant copper and phosphates deposits, Greater Tzaneen to the east is home to untapped forestry, tourism, citrus and horticulture potential. Greater Letaba to the far east is known for its vast banana and avocado plantations. Greater Giyani to the North east, is famous for its export quality citrus and tomatoes. Due to its abundant agricultural wealth and eco-tourism potential, MLM was drafted into the "Valley of the Oliphants Tourism Route Club, (an elite club of municipalities with reputable tourism sites and facilities). It is important to note that the performance of MLM's economy is manifestly depended on how well the economies of the whole region is performing. One of the ways MLM can unlock municipality-to-municipality trade is by deepening regional economic integration and cooperation. Key areas of regional cooperation include inter-alia; security, R&D, tourism and agriculture, investment marketing and promotion, network infrastructure, logistics and transport.

2.4. Development corridors

Hoedspruit's unique geographical centrality makes roads that links it with other towns and regions to easily radiate from the town in a spots wheel-like pattern. This makes the town the Province's most linked, well-integrated and highly accessible logistics hub. In order to unlock maximum logistics value, the town adopted the concept of development corridors (DCs). The DC model aims to promote significant investment and economic activity along strategic routes that links the town with other economic hubs. DCs represent a marked concentration of integrated infrastructure development activity along key transport routes within MLM. The R40 which passes through Hoedspruit provides vital passage to the famous Maputo Development Corridor (MDC) via the Nelspruit channel. Similarly, the same R40 channel, connects Hoedspruit with Tzaneen and Phalaborwa to the north as well as the City of Polokwane (N1) to the far north. Each day, thousands of tons of cargo/freight passes through this vital link.
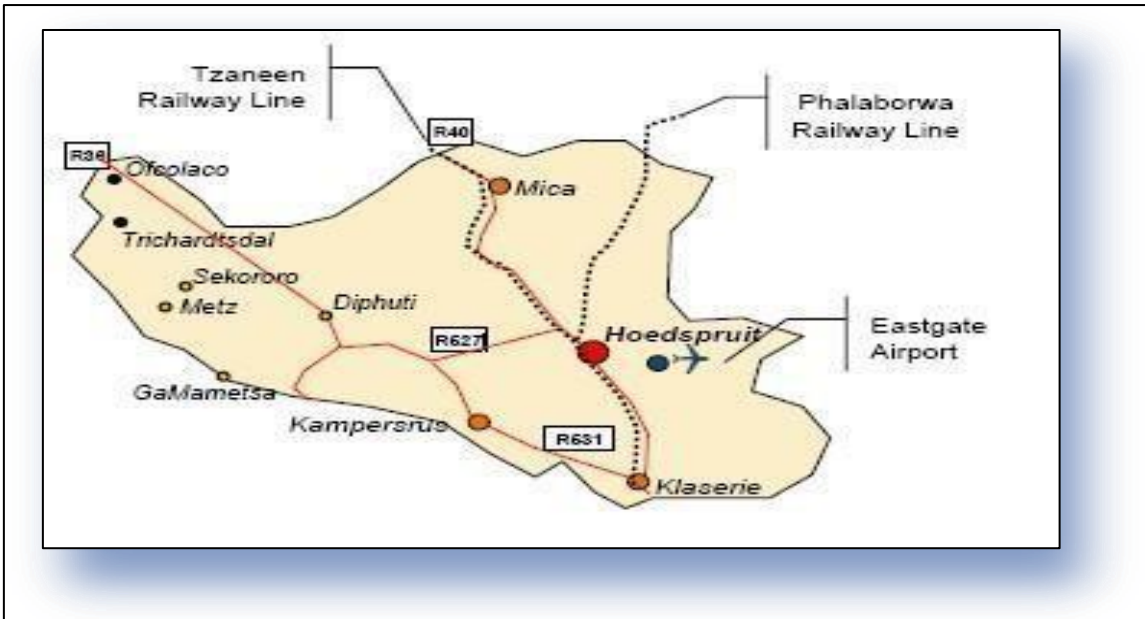
Other notable routes to market channels are the R527 which links Strijdom tunnel and Hoedspruit; the R531, which runs along the Drakensberg foothills, and in the process linking the R527 with Kampersrus and Klaserie; the R530 which connects Hoedspruit with Phalaborwa and R36 which leads northwards form the R527 towards Tzaneen

2.5. Spatial structure

Fig 2 below shows how MLM is spatially structured.
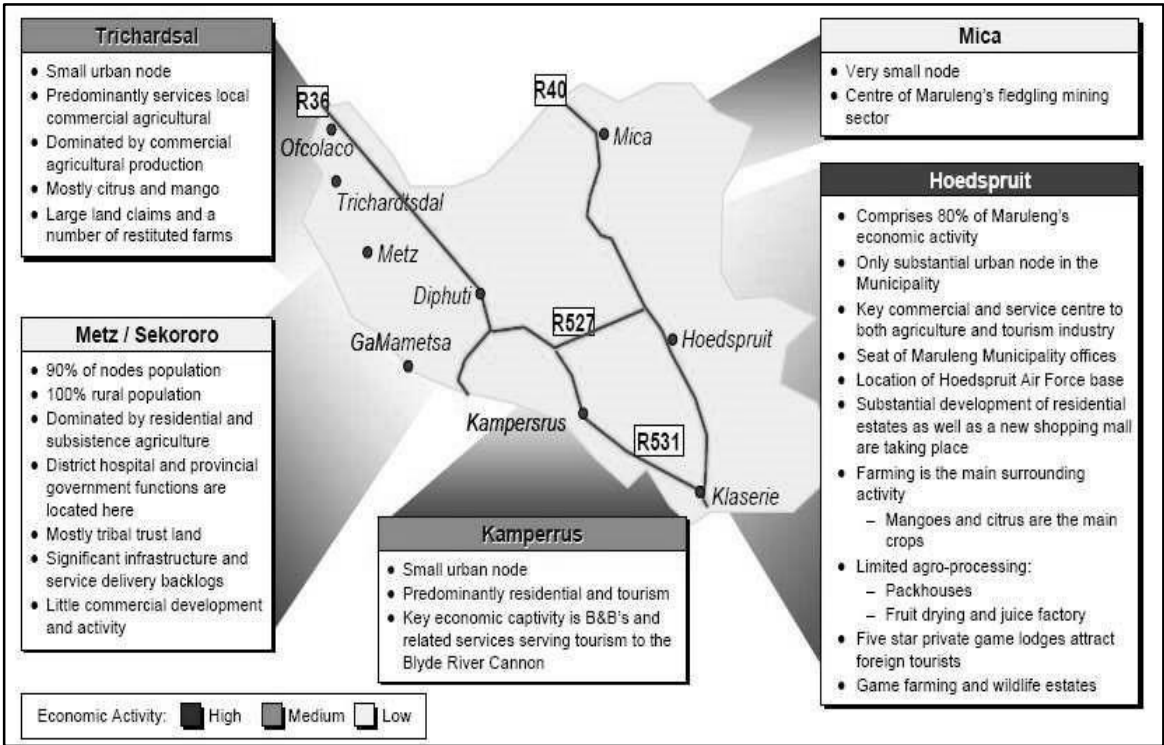
From a spatial perspective, MLM is divided into four main economic clusters, namely:

Cluster	Analysis of economic activity	Economic opportunity analysis
North-western Cluster	Comprising of sprawling village settlements along the foothills of the Drakensburg range. The cluster accounts for 90% of MLM's population. Besides being impoverished, the cluster is characterised by limited economic development activity and a backlog in infrastructure development. Smallholder farming activity (livestock, poultry, goats, sheep) and spaza shops remains the main sources of livelihoods.	Due to its populous characteristic, the cluster provides a fertile ground for a retail boom. It also possesses unrivalled light manufacturing and livestock breeding potential. The aim is to turn the cluster into MLM's retail hub. The reawakening of the cluster's cultural and sports tourism potential will be the game changer. Revitalising the cluster's township economy should remain a key policy priority.
North Eastern Cluster	Widely known for its spectacular tourism sites and world class lodges especially around the Klaserie Game Reserve, the cluster is also home to a low-level mining activity.	Focus must be directed towards building the entrepreneurial capability of new entrants and ensuring that small businesses in the tourism value chain maximally benefit from spin offs. Opening up the mining sector to black owned firms in pursuant of transformation will be a key policy priority. MLM will also intensify efforts to curb illegal sand mining activity.
Central and Southern Cluster	Popular for its endowment in abundant agricultural wealth the cluster is also a well-known agro-processing hub. The Central and Southern Cluster is popular with holidaymakers for its centrally sited game reserves and tourism facilities. The Blyde River, is the main catalytic driver of tourism and agriculture activity in the cluster	Priority projects in this cluster include among others, the establishment of Agri-parks, light agro-processing industries, leather tanning, taxidermy, shoe manufacturing projects etc.

SouthEastern Cluster	The cluster is home to Hoedspruit, MLM's administrative capital and epicentre of commerce and industry. Some of the notable economic activity include among others, The Eastgate Airport, the Airforce Base, banks, insurance firms, shopping centres and a modern taxi holding facility.	Game changers include inter-alia, establishment of office parks, shopping malls/centres, social housing projects, warehouse and logistics infrastructure and turning the town into a digital hub.

PART 2: SOCIO-ECONOMIC ANALYSIS

3.1. Overview

Part 2 summarises MLM's socio-economic profile. Some of the key elements of Part 2 include among others; analysis of indicators such as Population, HDI, Gin Coefficient, Food poverty line, unemployment, GVA etc. Understanding the current socio-economic status of MLM will assist in informing future strategies that seek to deepen the socio-economic advancement of the people of Maruleng.

3.1.1. Global economic outlook

Figure 1 below provides a summary of the global economic outlook between 2020 and 2022.
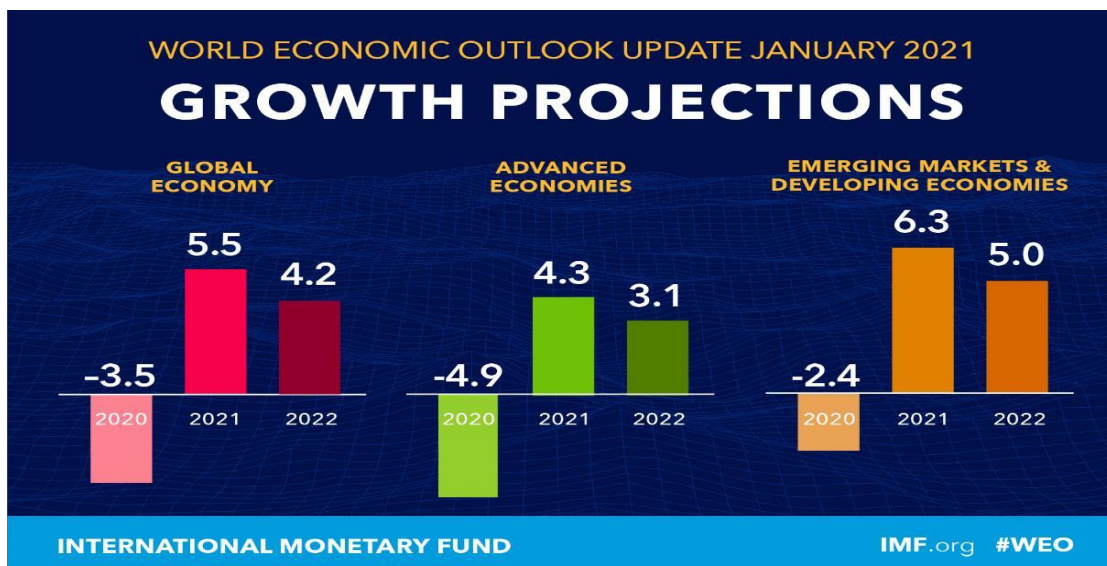
Source: IMF, 2021 World Economic Outlook, IMF WEO Database

Although recent vaccine approvals have raised hopes of a turnaround in the pandemic later this year, renewed waves and new variants of the virus pose concerns for the outlook. However, amid exceptional uncertainty, the global economy is projected to grow by 5.5% by 2021and 4.2% in 2022. The projected growth recovery this year follows a severe collapse in 2020 that had acute adverse impacts on women, youth and the low-income earners. The strength of recovery is projected to vary significantly across countries, depending on access to medical interventions, effectiveness of policy support and exposure to cross-country spill overs. Economies also continue to adapt to new ways of working despite reduced mobility leading to a stronger than anticipated rebound across regions.

South Africa's economy is under pressure not only to create new jobs but also to sustain existing ones. The fact that the economy regressed into a technical recession two years in a row is proof to this fact. Recently, its under-performing economy further deteriorated due to the ripple effect Covid 19. Other indicators pointing to an economy in a deep crisis include among others, national unemployment rate that stands at (31.1%), negative GDP (-7.5%), exchange rate of (R17.30 to US$), Consumer Price Index (CPI) (3.5%), declining exports earnings (1.5%), a sharp increase in imports (1.4%). Declining tax revenues (-1.2%), marked increase in national debt (73% of the GDP), and the phenomenal increase in welfare transfers (5%). The 2016 (0.3%), 2017 (1.0%), 2018 (1.1%) and 2019 (1.3%) GDP data is way below the NDP's target of 5.4%. Worse still, National Treasury forecast a GDP figure of 2.8% in 2021 and 1.4% in 2022. However, with the economy struggling to shrug off the ripple effects of the Covid pandemic, indications are that SA may not meet its 2021 and 2022 targets. The government pins its hopes of economic recovery in mega infrastructural projects lined up between 2021 and 2025. An infrastructural-led rebound is possible only if the government make good its promises to restructure its ballooning debt (73% of the GDP), reduce its runaway wage bill and accelerate its anti-corruption program. MLM also welcome a recent announcement by President Cyril Ramaphosa to improve the country's ease-of-doing-business by streamlining business licensing and registration processes.

3.1.3. Provincial Economic Outlook

Limpopo is home to about 5.8 million people (StatsSA, 2018), which approximates to 10 % of South Africa's total population. During the same period, the Province contributed just 7.2 % to the national GDP. The contribution of each sector to Limpopo's GDP is reflected in Figure 3 below:
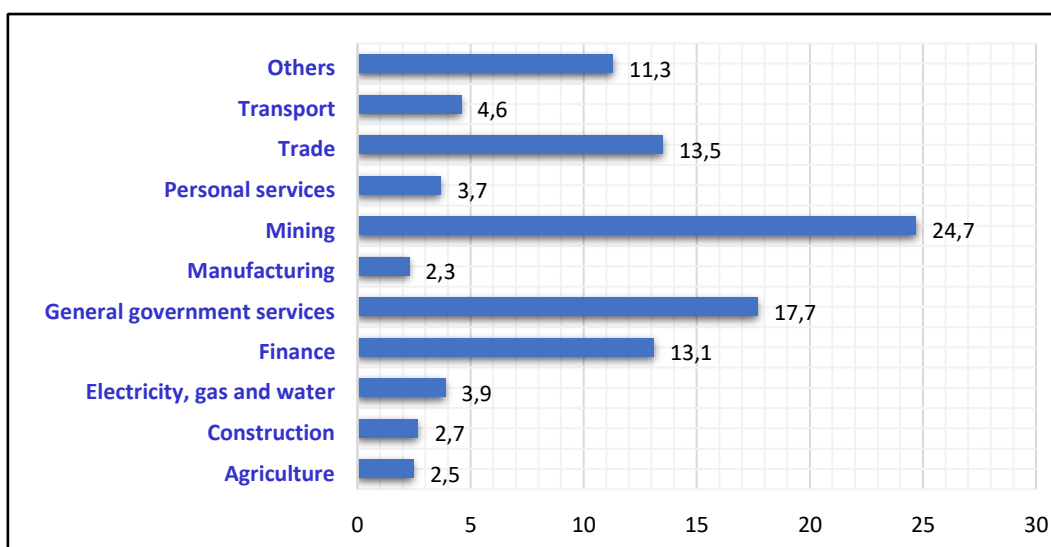
Source: IHS Market Regional Explorer, 2019

In descending order, sectoral contribution to the GDP in 2018 was as follows; Manufacturing (2.3%), Agriculture (2.5%), Personal services (3.7%), Electricity, gas and water (3.9%), transport (4.6%), others (11.3%), Finance (13.1%), Trade (13.5%), Public sector (17.7%) and (Mining 24.7%). Limpopo's economy is dominated by tertiary sectors making it largely consumptive in character. However, this does not mean that its non-tertiary sectors are insignificant. For instance, in 2018, mining contributed 24.7% of the province's GDP. Despite reporting economic gains in the past, the province has not been immune to the adverse effects of persistent droughts, a sharp fall in commodity prices, domino effect of Covid-19 etc.

It is against this backdrop that Premier Mathabatha recently launched an infrastructural led economic stimulus package with the aim to gear the economy towards a speed turnaround. Notable catalytic projects lined up by the provincial government include inter-alia, Musina, Makhado SEZ, Fetakgomo-Tubatse SEZ and the revitalisation of the Industrial Parks. Apart from injecting more than R150 billion into the provincial economy, the two SEZs are expected to inject 33,000 jobs in the provincial economy.

3.1.4. District Economic Outlook

As a key member of Mopani district's network of municipalities, MLM's LED program is likely to yield little impact if it fails to forge synergies with key regional players (Greater Letaba LM, Greater Giyani, Greater Tzaneen and Ba-Phalaborwa).

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3.1.5. District Economic Drivers

District economic drivers that will inform the basis of MLM's economic cooperation with regional allies are discussed below:

3.1.5.1. Mining

Mining has been dominating Mopani's economy for years now, with Phalaborwa being the epicenter of major mining activity. Phalaborwa is popular for its huge copper and phosphates deposits. In 2019, mining accounted for 35% of the district's GVA (StasSA, 2019). Mopani's mining belt comprises of Murchison Greenstone Belt, Giyani Greenbelt and Rooiwater Complex Northern flank of Murchison. In addition, small-scale gold mining activity is concentrated around Giyani and Murchison.

3.1.5.2. Tourism

The district's proximity to Kruger National Park, one of the world's popular tourist sites, makes it a top contender for the world's top tourism award. Mopani is a host to one of the premier tourism facilities in the province (5-star hotels/lodges, game farms, nature reserves, and other eco-tourism sites). Ironically, these assets are dotted around the Kruger National Park enclave.

3.1.5.3. Agriculture

Agriculture remains one of the mainstays of Mopani's economy. The district is endowed with fertile loom soils and large swathes of productive land. Besides pine and eucalyptus plantations, the Letaba greenbelt is also an accomplished producer of fresh citrus, avocados, mangoes and bananas. Mopani is also popular for its high-grade tomatoes, which for years have been exported to European and Asian markets.

3.1.5.4. Manufacturing

Manufacturing activity mainly dotted around Nkowa Nkowa, Giyani and Tzaneen comprise of basic metals and fabricated metals, agro- processing (canned, preserved and dried fruit and vegetable juices) and wood processing industries. It is clear that the district's manufacturing

base is not as leveraged as it should. By applying a sector-specific-focus to industiralisation, a strong business case exists to turn Mopani into South Africa's future agro-processing hub.

3.1.6. MLM Socio-economic outlook

3.1.6.1. Demographics
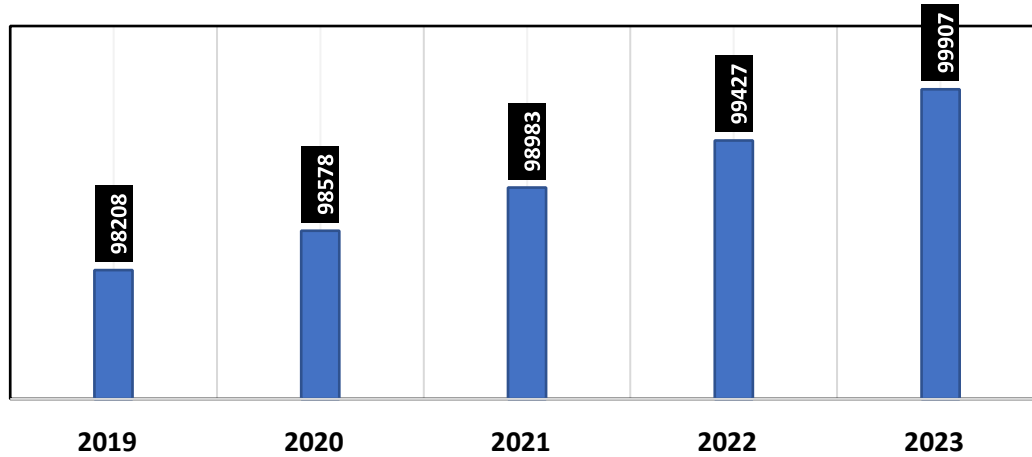
Source: IHS Market Regional Explorer, 2019

MLM's R1,2 billion economy is a source of livelihood to approximately 98,983 of its people (IHS Market Regional Explorer, 2019). We forecast MLM's population to increase by 0.9% (99 427) and 0.5% (99 907) in 2022 and 2023 respectively. Prior to this, its population grew by 0.2% (98578) in 2020 and 0.4% (98983) in 2021(IHS Market Regional Explorer, 2019). We expect this growth to exert further pressure on already overwhelmed existing socio-economic infrastructure. With the current growth rate of (-0.4%), it is self-evident that MLM's economy is not growing at a level that matches its population growth. From an economic planning perspective, we expect this mismatch to pose a serious policy headache for many years to come.

3.1.6.2. Human Development Index

HDI is a measure of the standard of living (SoL)of Maruleng residents. (four quadrants that measures a municipality's HDI are longevity (life expectancy), literacy, infant mortality and population growth rate.

Year	2014	2015	2016	2017	2018
HDI	0.56	0.57	0.57	0.59	0.59

Source, IHS Market Regional Explorer, 2019

In descending order, MLM's HDI for the period between 2014 and 2018 was as follows: 2014 (0.56), 2015 (0,57), 2016 (0,57), 2017 (0,59) and 2018(0,59). During the same period, the average HDI was 0.58. An HDI that is under 0.6 paints an unpleasant picture of a low standard of living (characterised with high illiteracy and infant mortality rates as well as a low life

expectancy). The main policy challenge is for MLM to repurpose its energies towards economic projects with a positive bearing on the life expectancy, education and health status of its citizens.

3.1.6.3. People below the Food Poverty Line (FPL)
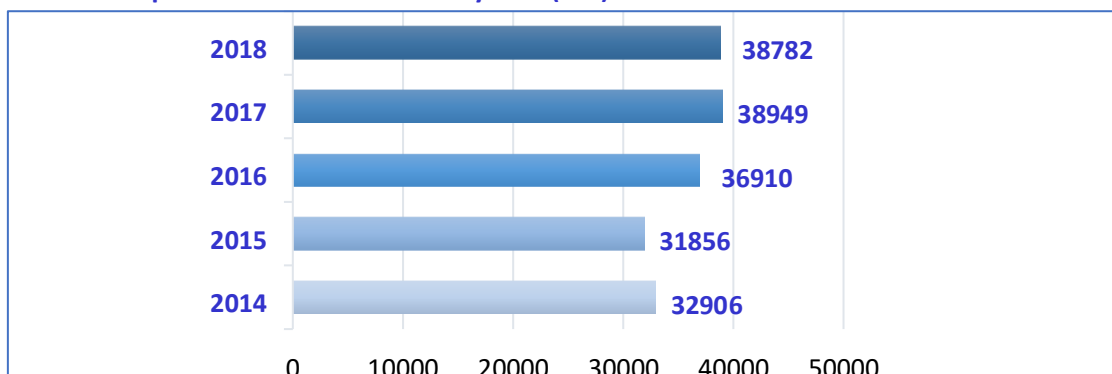
Source, IHS Market Regional Explorer, 2019

The food security situation in MLM is not encouraging in that almost 39 percent of its population is at risk of hunger and starvation. The number of people living below the PFL between 2014 and 2018 increased by 5876 (18%), making food security a top priority on MLM's business risk agenda. The predominant goal is to ensure that the municipality energises its food-security base by building the productive capacities of smallholder farmers. This also entail building strategic food reserves by reviving the concept of village food banks.

3.1.6.4. Highest level of education: age 20+ (2018)
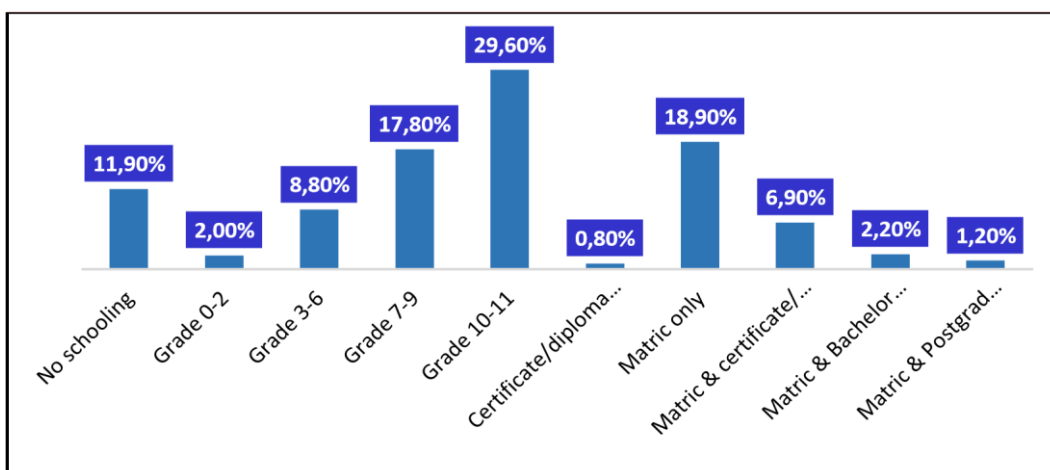
Source, IHS Market Regional Explorer, 2019

In a predominantly knowledge economy like ours, it is essential that those at the forefront of driving MLM's economic recovery program demonstrate some basic literacy or entrepreneurship skills. In descending order, the educational status of MLM is as follows;

Grade 10-11(29.3%), Matric Only (18.9%), Grade 7-9 (17.8%), No schooling (11.9%), Grade 36 (8.8%), Matric & Certificate without matric (6.9%), Matric & Bachelor Degree (2.2%), Grade 0-2(2.0%), Matric & Postgrad degree (1.2%) and Certificate/Diploma without matric (0.8%). If the picture painted by this data is to go by, then MLM needs to step up its war against illiteracy and skill poverty. If not tackled head on, Illiteracy has the danger of undermining the development agenda of the municipality. If MLM-based are to effectively compete on a global stage, a skill revolution should be at the apex of MLM's priority-list. This skill revolution can only gain traction if MLM build strong synergies with the private sector, SETAs and institutions of higher learning.

3.1.6.5. Gini Coefficient

Year	2014	2015	2016	2017	2018
	0.60	0.60	0.60	0.60	0.61

The Gini-Co-efficient measures income inequality on an index where 1 reflects perfect inequality and 0 reflects perfect equality. MLM reported a constant Gini-Coefficient of 0.60 between 2014 and 2017. The figure rose to 0.61 in 2018 signalling that a marginal increase in the municipality's inequality curve. It is clear that the gap between the poor and the rich within

MLM continue to widen despite efforts by authorities to prioritise pro-poor self-help-projects.

3.1.6.6. Economically active population (EAP)

Year	2014	2015	2016	2017	2018
	24.1%	25.7%	27.1%	28.1%	28.2%
%Increase		+1.6%	+1.4%	+1%	+0.1%

Source, IHS Market Regional Explorer, 2019

EAP comprises of people aged 16 and above who are either in employment or not employed. Between 2014 and 2018, MLM reported a 4.1% increase in its EAP. MLM expects its EAP to play a frontline role in driving this Economic Recovery and Stabilisation Agenda (ERSA) forward. With 28.2% of its population in the EAP loop, there is no doubt that MLM's relatively young population presents it with a unique demographic advantage.

Unemployment rate

| | 12,90% | 13,30% | 14,20% | 14,30% | 13,90% |
| 2014 | 2015 | 2016 | 2017 | 2018 |
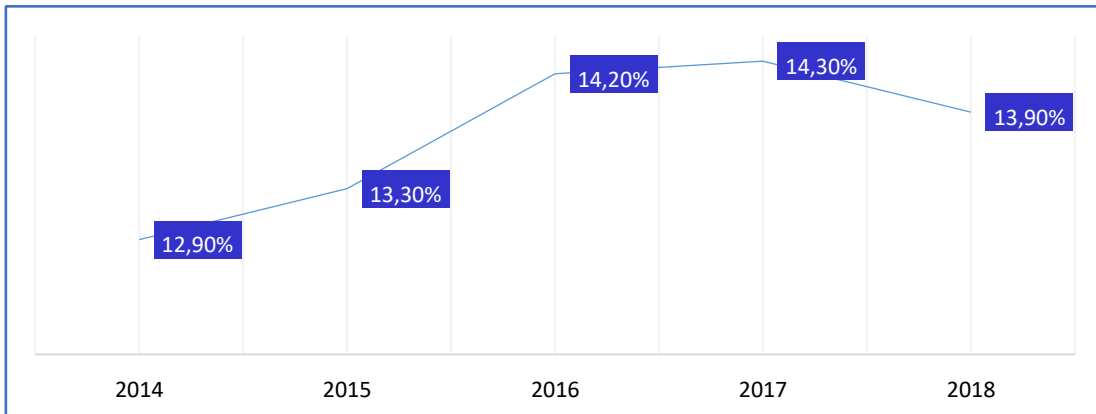
MLM is battling to insulate its youth against an unrelenting unemployment burden. Economists blame unemployment for driving high crime, HIV and STIs and substance abuse prevalence among youths. Compared to other BRICS countries, (Brazil-(13.1%) Russia – (4.7%); India (3.5%) and China – (4%), SA's unemployment burden of (33.1%), Limpopo (16.5% and MLM (13.9%) is turning to be a real national disaster (StatsSA, 2019). The picture painted by data in figure 1 shows that from as low as 12.9% in 2014, the rate surged to 14.3% in 2017 before it marginally fell to 13.9% in 2018. One of the pillars of this ERSA is to prioritise investment projects known to have a high job absorption effect.

Employment
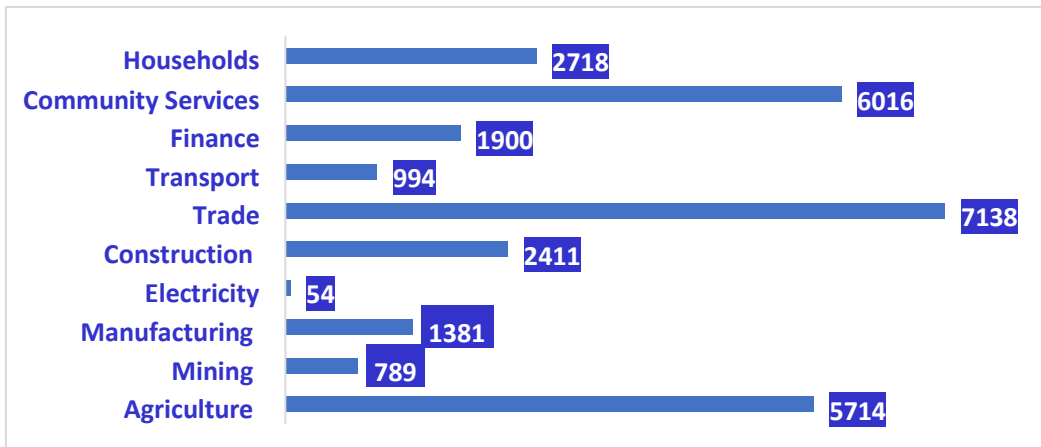
The majority of jobs in Maruleng are created in the Trade sector (7138) whilst the electricity sector creates relatively fewer jobs (54). Other prominent job absorbers in descending order are inter-alia, Community Services (6016), Agriculture (5714), Households (2718), Construction (2411), Finance (1900), Transport (994), Mining (789). With the emergence of 4th IR, we expect digital-driven sectors such as finance and trade to shed off some jobs as firms increasingly embrace digital transformation. Owing to its labour intensiveness, we expect the agriculture sector to anchor MLM's future job creation drive. As part of a grand

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plan to make MLM a job-secure municipality, resources will be channelled towards projects with high job absorption capacities.

Gross Value Added (GVA) by Sector

Sector	Percentage
Community Services	8,6%
Finance	4,9%
Trade	5,8%
Construction	1,3%
Electricity	0,7%
Mining	70,9%
Manufacturing	0,8%
Agriculture	1,6%
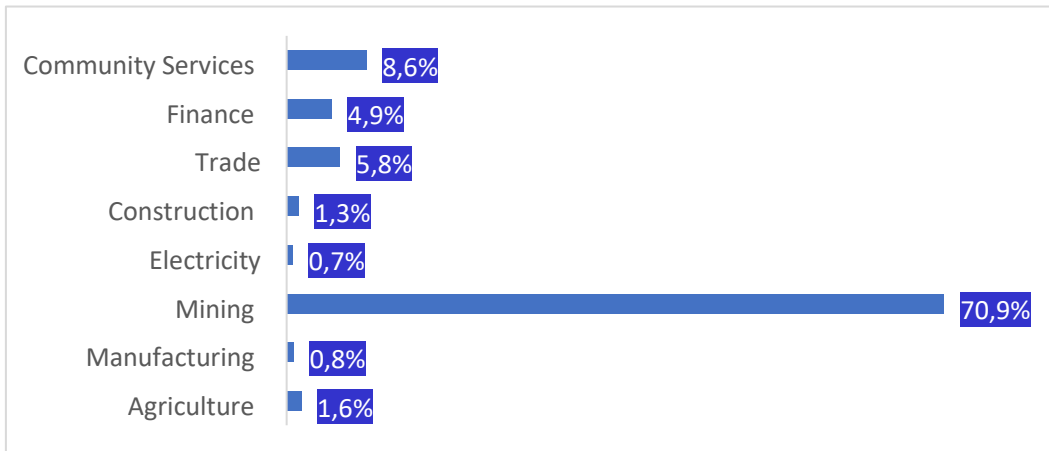
Source, IHS Market Regional Explorer, 2019

If the data in Fig 3 above is to go by, then mining is by far the top contributor (70,9%) to MLM's GVA. In contrast, the electricity sector remains the least contributor at 0,7%. Other key contributors in descending order are; Community Services (8.6%), Trade (5.8%), Finance (4.9%), Agriculture (1.6%), Construction (1.3%) and Manufacturing (0.8%). In 2017, the GVA was at its peak (3,9%) only to fall by 4.3% to (-0,4%) in 2018. We expect the figure to further slip as the local economy crumbles under Covid-19 pressures. MLM needs to avoid the danger of embracing an economic growth trajectory that does not have a net positive effect on job creation. A "jobless growth trajectory" is problematic in that it undermines on-going efforts to eradicate the triple crisis of poverty, inequality and unemployment.

Tourism
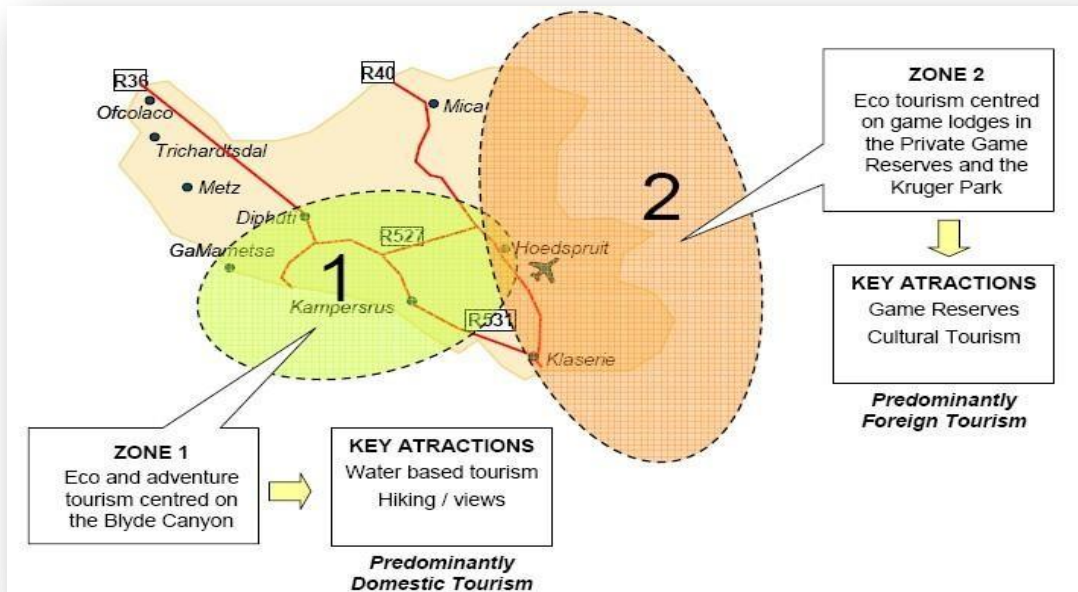
Source: Maruleng Municipality, 2018: Tambavati Safari Lodge. Source

MLM's R1,2 billion economy is anchored on two key drivers (tourism and agriculture) (StatsSA, 2011). Between the two, Tourism remains the driving force and hence its main source of comparative advantage. Secondly, MLM is home to one of the world's magnificent lodges, hotels and game farms, nature reserves and spectacular wildlife breeding facilities. This explains why MLM has long adopted a strategic bias towards the sector.

The table below summarises some of the reasons why MLM is regarded as the Mecca of South African tourism:

Factor	Analysis
World acclaimed Tourist attractions	Its proximity to one of the world's most sought out tourist destinations which include Kruger National Park, Timbavati

	Private Reserve and Blyde River Canyon.
Mobility and connectivity	The East Gate Airport often dubbed the "Gateway to Kruger" is popular with both domestic and international holiday makers. Alternative routes include the R527 which connects holiday makers with Khamai Reptile Park, Bombyx Mori Silk farm.
Bed capacity	Local tourist operators comprising of 70 lodges 10 guesthouses and 10 resorts have a combined 2814 bed capacity.
Luxurious and magnificent accommodation	MLM accounts for 70 to 80% of Lowveld luxury lodges., world class private Game Reserves and 5-star luxury lodges, (Thornbush, Kapama, Timbavati (home of the white lions), Klaserie, Babule and Oliphants and Aerotel in Zandspruit).
Wildlife breeding	Home to Hoedspruit Endangered Species Centre renowned for its remarkable Cheetah breeding exploits.
Animal rehabilitation centres	Those curious to witness sick and wounded wildlife be rehabilitated have an opportunity to visit Moholoholo Animal Rehabilitation Centre.
Hunting seasons	Winter Hunting seasons are without doubt a major rallying point of MLM's tourism. International hunters cannot resist the temptation to hunt in an area that is home to all the "Big Five" plus other game varieties.
Adventure Tourism	Blyde river canon offers Bird watching (globally recognised and important bird area), Adventure tourism including hiking, white water Rafting, abseiling, hot air ballooning. Drakensberg Mountain Range is famous for its rock climbing, hiking whilst and Mariepskop provides a rare scenic mountain view
K2C Biosphere Enclave	Hoedspruit is Kruger 2 Canyon (K2C) Biosphere's service center of choice. K2C is an award-winning bio-diversity hub that has earned the recognition of UNESCO.

Festival Tourism	a. **The Blyde X Fest**
	Between March and April of every year, Kayakers from all walks of life flock to Blyde River to test their kayaking skills on the fresh waters of the Blyde River.
	b. **The Hlokomela Herb Banquet**
	Every year, thousands of food tourists converge at
	Thornybush Game Reserve at the beginning of each September to feast on different varieties of herb-mixed dishes.
	c. **WildeFees**
	Arguably, one of the highly subscribed game auction events on MLM's annual festival calendar, the festival is hosted by Blyde Wildlife Estate every year. Since its launch 34 years ago, the event continues to grow in both popularity and scope.
	d. **Rocking 4 Rhino Fest**
	Each weekend of 21 – 22 September, the Rhino Protection community commemorates World Rhino Day at Franklyn Park in style.

Agriculture

Source: Maruleng Municipality: 2018.

There is enough evidence in literature to demonstrate that just like tourism, agriculture is also one of the widely acknowledged pivots of MLM's economy. There are three fundamentals reasons why this is so. Firstly, MLM is endowed with one of Limpopo's nutrient-

rich alluvial soils. Secondly, the Blyde River Basin which perennially flows into the Blyde dam, has been a key enabler of irrigation-fed agriculture. Thirdly, for years now, MLM has demonstrated a strategic bias towards the sector, making it easier to assign resources to its development. Four pillars that drive agricultural activity in MLM are inter-alia, mango, citrus, banana and Litchi.

Citrus
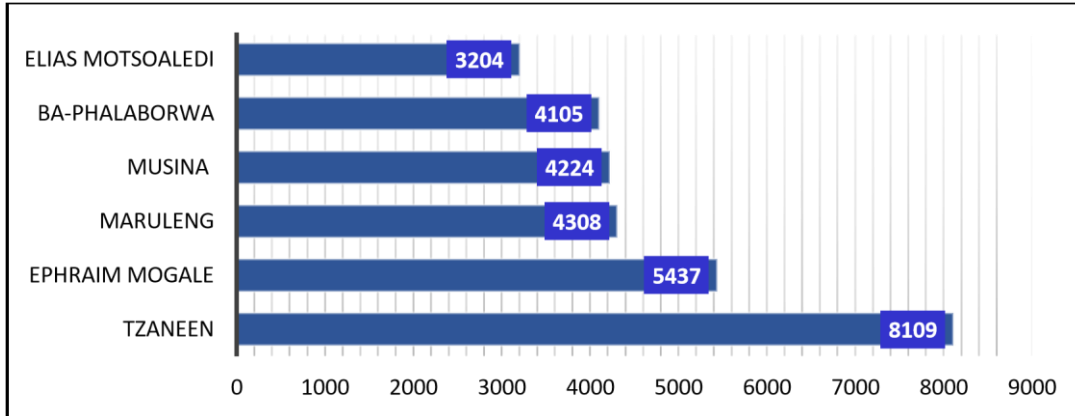
Source: SIQ Information 2012

Citrus production is one of the integral elements of MLM's agro-based economy. With 4308 Ha under citrus production in 2012, Maruleng is ranked the third citrus producer behind Tzaneen (8109 Ha) and Ephraim Mogale (5437 Ha) respectively. Whilst 54% of citrus from Maruleng are exported to Europe, USA, Japan and the Middle East, 25% is sold to local fruitprocessors whilst the rest (21%) is sold to local fresh produce markets (South African Citrus Growers Association, 2012).

Mango
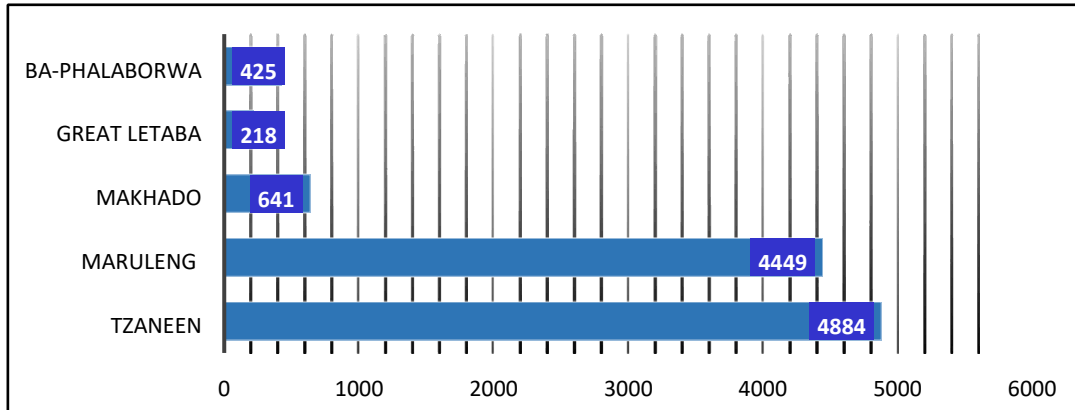
Source: SIQ Information 2012

Maruleng is famed for its mango growing exploits. Out of a total of 10,813 Ha under mango production in 2012 in Limpopo, Maruleng accounted for (4,449 Ha) or 41% of total hectarage. Top mango producing municipalities in ascending order are; Greater Tzaneen 4,884 ha (45%), Maruleng 4,449 ha) (41%), Makhado (641 Ha)5.9%, Ba-Phalaborwa 425 ha (3.9%) and Greater Letaba 218 ha (2%).

Banana production
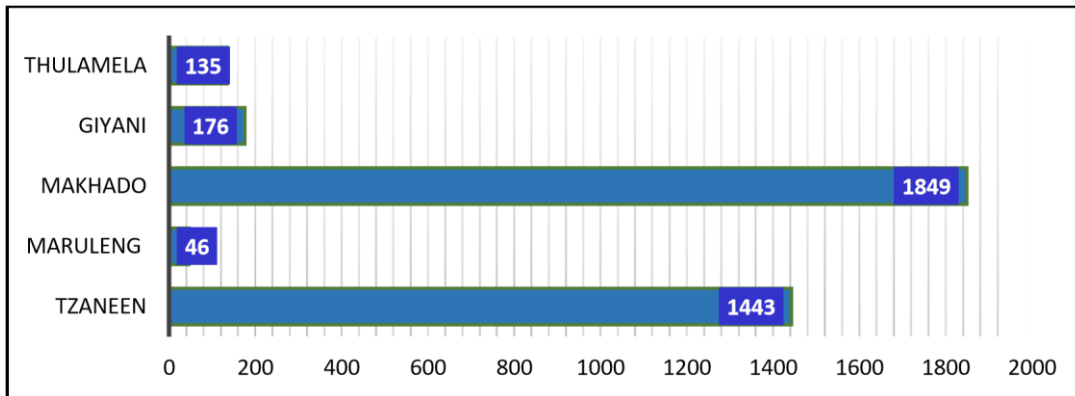
Source: SIQ Information 2012

Although banana production in hectarage terms is not that significant in Maruleng (46 Ha) compared to leading producing municipalities such as Makhado (1849 Ha), Tzaneen (1443 Ha, Giyani (176 Ha) and Thulamela (136 Ha), the municipality remains one the key members of Limpopo's elite banana producing community.

Litchi
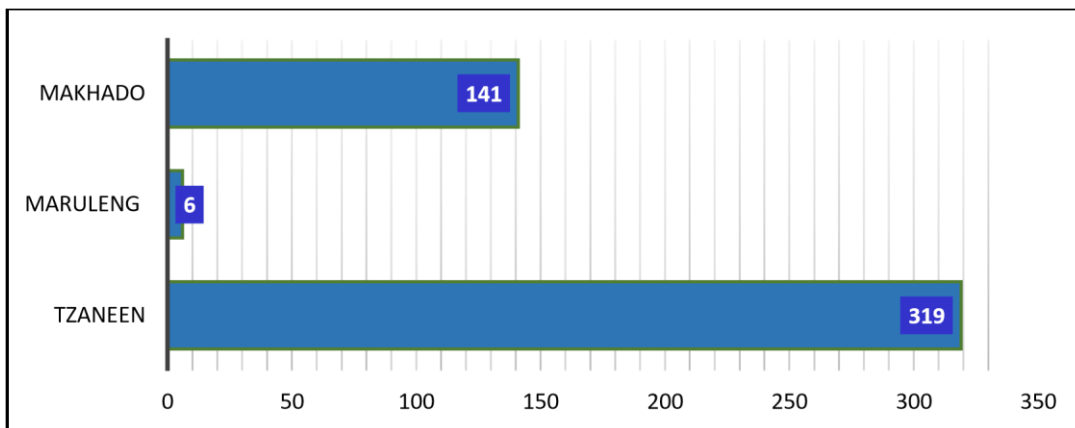
Source: SIQ Information 2012

With 6 Ha under Litchi cultivation, Maruleng is ranked the third largest Litchi producers in the province. The municipality is behind Tzaneen (319 Ha) and Makhado respectively.

Sugarcane

Hoedspruit can be turned into one of SA's bio-ethanol producing giants only if the municipality resolves its longstanding water question. Currently, plans by the IDC to incorporate Hoedspruit into the elite club of SA's sugarcane growers were shelved off citing its perennial water crisis. As a result, Hoedspruit lost its share in the whooping R3 billion Bio-ethanol Project. The Hoedspruit sugarcane story remains one sad story in which a billion Rand project that could have changed the face of Hoedspruit's economy suffered a stillbirth due to water scarcity. However, despite this setback, sugarcane production under contract farming (TSB Millers) is still thriving

in the Nkomati Basin, albeit on a scale that cannot sustain the bioethanol initiative. IDC's withdrawal case presents a golden opportunity for MLM to place bulk water harvesting on top of its business risk agenda.

3.1.7. Economic Maturity Analysis (EMA)

Rostow's 5 stage economic maturity model is widely used to gauge a given economy's degree of maturity. In this case the model was applied to MLM's unique economic context.

Key parameter	Analysis
Two-tier economy	The results of this analysis show that MLM's economy is at different stages of growth depending on the cluster under consideration. Within the Hoedspruit's town the economy is largely biased towards secondary and tertiary sectors whilst the primary sector headlined by small-scale agriculture dominates its rural clusters.
	MLM runs a two-tier economy in that whilst the rural-side of its economy is still at the traditional society level (i.e. characterised by
	subsistence farming, limited access to farm mechanization and increased reliance on indigenous knowledge systems) whilst on the other hand, we have the urban-side of the economy which is gradually sliding into maturity given its strong inclination towards secondary and tertiary sectors. Key priorities in the next 5 years should include among others, advancing the SMME agenda, reviving the fortunes of the township economy and leveraging the grower capability of the smallholder.
Strategic bias towards tourism and agriculture	Hoedspruit should fully capitalise on its geographical centrality and proximity to Kruger National Park to unleash its untapped logistics agricultural and tourism potential. As an elite member of SA's Mango, Litchi, Citrus and banana Growers' Club, agro-processing should form a bedrock of Maruleng economy. Establishing an agro-processing park should therefore be a top priority.
Undeveloped digital economy system	Maruleng's economy is nowhere near the "*age of mass consumption"* in that its financial sector is not as sophisticated as that of its counterparts (Tzaneen, Polokwane etc.). For an economy to slide into that bracket it must satisfy a number of pre-requisites (i.e. a strong digital culture a sophisticated financial system that is anchored in mass production vibrant e-commerce culture which is obviously backed by a strong digital skills base).

2.1.8   Sub-sector analysis

Sub-sector	Status quo analysis
Township economy	Prior to 1994, the vibrant township economy was one of the pivots of MLM's economy. However, due to failure by government to remodel or reinvent the sector, this once vibrant economy has been on a downward trajectory. Faced with this daunting challenge, the majority of failed retailers resorted to leasing their shops to foreign nationals (surrendering the township economy under total foreign control has been blamed for sparking protracted conflicts between foreign nationals and locals. This explains why the idea of revitalising the township economy should form the integral part of MLM's Economic Reconstruction & Recovery Plan. A township economy revitalisation strategy, will be formulated with the aim to rally key development partners behind a shared township economy renewal vision/strategy.
Rural development	The advent of urbanisation (itself a major driver of rural-urban migration) continue to scuttle on-going efforts by MLM to turn its rural areas into thriving centres of commerce and industry. To this end, the Comprehensive Rural Development Strategy (CRDS), itself a brainchild of the Department of Agriculture and Land Reform remains the rallying point of MLM's rural transformation vision. One-way MLM will accelerates its rural development journey is to build resilient economic infrastructure in key rural nodal points with the view to make rural areas preferred destinations of FDI.
ICT sector	ICT diffusion levels within MLM is as follows: Cell phone (21 368 households), landline (580 households), radio (10 533 households), TV (16 298 households, Satellite TV (3 182 households), computer (1 299 households), internet (519 households) mail to post (5 678). However, the use of social networks like Facebook, Instagram and Twitter is relatively high among the millennials and the working-class. Broadening access to free Wi-Fi in strategic places like schools, libraries and shopping malls although a plausible move is hampered by costly data tariffs.
Retail sector	The town of Hoedspruit is the epicentre of retail activity. The town has two busy shopping malls/centres (Spar and Pick& Pay). The recently commissioned Metz shopping centre (houses 26 shops and command an occupancy rate of 95%) give a new impetus to the sector. Concerted efforts by MLM to grow this sector is hampered by lack of investors and conflicts between prospective developers and local traditional authorities.

Manufacturing sector	Food processing itself a branch of manufacturing is dominated by firms such as Cape Fruit (a.k.a Limpopo Processors), Hoedspruit Processors, Unifruit and Mohlatsi dried fruit, Southampton Boerdery, Bavaria Fruit Estate, Landman Droe Produkte. For years, the manufacturing sector has been eclipsed by agricultural and tourism sectors and we expect the status quo to remain unchanged unless if MLM ramps up efforts to diversify its economy into non-tourism and agricultural sectors.
Mining sector	Unlike its neighbours (Phalaborwa, Tubatse, Lepelle-nkumpi) that possess vast mineral wealth, mining is not one of MLM's strengths save for small scale mica, sand and feldspar mining activity around Mica. Maruleng is one of the few municipalities with large mica and feldspar
	deposits. Pegmin Mine (Pty) LTD which employs 21 people is the only notable mining operation.
SMMEs and Cooperatives	A study by Seda (2019) estimates that 78% of SMMEs dies within the first 5 years of their formation. Some of the commonly cited reasons behind this high mortality rate are inter-alia; burdensome regulations (40%), lack of skills (38%), local economic conditions (37%) and the cost of labour (32%). The daunting challenge is for MLM to join hands with SMME development agencies like Seda, Leda, NDA, Sefa, IDC and NEF to drive initiatives that increase the survival rate of local SMMEs and Cooperatives. According to the IDP (2021/22) MLM is home to +41 registered cooperatives the majority of which has interests in the agricultural and retail sector. Itereleng Cooperative that has interests in horticulture and poultry farming is one of the fastest growing cooperatives that has earned the confidence local market.

Financial sector

Access to capital is one of the catalytic drivers of small enterprise growth. No economy can unleash its optimal growth potential without the backing of a pro-SMME financial system. DFIs are a vital cog in Maruleng's local economic development ecosystem. However, it sad that a study conducted by the World Bank in 2019 revealed that 39% of SMMEs in SA dies within the first 5 years of their formation due to the detrimental effects of financial exclusion. As long as SMMEs continue to be perceived as a high-risk portfolio by the traditional financial system, it will be difficult for them to access vital lines credit. This explains why in the future, an LED driven financial-linkage scheme should be highly prioritised. To this end, the table below shows some of the common challenges facing SMMEs within the local financial system:

Category	Visibility Level	Drivers of exclusion	Mitigation
Banks (ABSA, FNB, Capitec, Nedbank)	High visibility	• Set stringent conditions thereby perpetuating the financial exclusion of SMMEs and cooperatives, • Continued characterisation of starter-ups as high risky make it harder for them to access credit.	Build synergies with banks whilst simultaneously strengthening MLM's financial linkage capability
Insurance services (Old Mutual, Sanlam MetLife)	Modestly visible.	Most SMMEs are not insured against existential risks such as drought, fire, theft, disease outbreaks.	Intensify awareness campaigns whilst lobbying the industry to devise pro-SMMEs offerings.
DFIs (IDC, LEDA, SEFA, NEF	Low visibility	Inability by SMMEs to write bankable business plans.	Link SMMEs with SEDA
Microfinance firms and Stokvels	High visibility	High cost of capital and characterised by poor ethics	Discourage SMMEs from taking loans from unregistered microlenders

One of the key policy thrusts that anchor the recently launched Economic Reconstruction and Recovery Plan (ERRP) is to extend working capital loans at 0–2% interest to start-ups. The aim of this thrust is to place SMMEs at the centre of the local economy's key value chains. However, without a clear-cut awareness campaign, most SMMEs in the remote parts of MLM will not be able to fully capitalise on this game changing opportunity. Apart from awareness, SMMEs lack the knowhow to craft bankable business plans to unlock this this vital line of credit. All agree that the envisaged recovery must vigorously deepen South Africa's inclusive agenda. To this end, the ERRP re-commit government to an earlier goal of setting aside 40% of public procurement spending to female-owned businesses.

PART 4: ANALYSIS OF INVESTMENT CLIMATE

4.1. Overview

This chapter analyses MLM's investment climate. Of particular interest are global, national and local factors that continue to shape and influence the municipality's future development context. Further to this, the chapter identifies emerging opportunities and risks that may hinder MLM from fully optimising its LED potential.

4.2. Global investment climate

As a key member of the global community (UN, BRICS, WTO, AU, SADC, ACFTA) SA's economy in general and MLM's economy in particular is closely linked to that of the global economy thereby exposing it to globally-induced exposures and risks. The review process is coming at a time when the global economy is grappling with the ripple effect of the Covid-19 pandemic. Other risks that continue to derail global economic recovery efforts include among others; terrorism and geo-political conflicts especially in the Middle East and Africa, protectionism which is blamed for undermining global trade and protracted trade tensions between the USA and China.

4.3. Country risk analysis

Existential risks (located within the national economy sphere) likely to weaken MLM's investment climate in the next five years are summarized in the table below:

Country risk	"As is analysis"	Impact on MLM
Economic downgrades	Sub B investment grade	Increase cost of borrowing in offshore capital markets.
Low business confidence index	85.1 (lowest annual average since 1985)	Undermine efforts to attract FDI into MLM.
Fuel prices	All time high at R17.32.	High cost of living which may in turn spark a wage bill spiral
Prime lending rates	7% which is relatively higher 5than that of the USA (2%).	Increases debt burden of local companies.
Under-performing SOEs	Strategic SOEs are facing perpetual capacity crisis.	Worsen the fragility of local investment climate.
Load shedding	Stage 2	Increase fragility of MLM's investment climate.
Exchange rate	Currently at R14.17	Raise import bill for import depended industries.
Consumer price Index	2.9%	Reduce the buying power of local consumers.
Rising government debt	73% of the GDP	Tarnish SA's credit profile in the sight of restive capital markets.

In order to reduce risk of exposure, MLM will ensure that these risk trends are closely monitored, assessed, profiled and communicated to local companies on a constant basis.

4.3.1. Covid 19 effect

No sector of MLM's economy was spared from the ripple effect of Covid 19. Although the exact economic loss induced by Covid-19 is yet to be quantified, the unanimous view is that the hospitality and leisure and transportation and logistics sectors (sectors known to anchor MLM's economy) were the hardest hit. MLM remains optimistic that the current vaccination drive being spearheaded by the Department of Health will put the local economy on the path of a speed rebound. Prospects of recovery are also amplified by on-going initiatives to introduce an internationally-recognised vaccination passport.

4.4. Technological Climate

MLM and its tourism-driven economy is already experiencing the harsh realities of the 4th IR. Overall, the digital transformation journey of the municipality is yet to pick speed. In this age of Artificial Intelligence (AI), robotics and Internet of Things (IoTs), winners in tomorrow's world will be cities that run thriving digital economies. MLM is yet to fully integrate the notion of the Industry 4.0 into its overall service delivery model. It is estimated that by mainstreaming the 4th IR into its service delivery system, the municipality can solve at least 60 percent of its service delivery challenges. One of the ways MLM has raised the service delivery bar using smart technologies is by adopting the concept of smart water meters. Smart meters have been credited for delivering an efficient, real-time water billing experience. The popularisation of online payment of bills by rate payers is one such critical step MLM can take to strengthen its digital environment. The following is a summary of some of the effect of the 4th IR on the MLM and its economy.

Sector	Impact
Financial sector	The advent of crypto-currencies (Bitcoin and others) and their growth in popularity and appeal especially among the millennials is already causing havoc in traditional financial markets. MLM needs to intensify digital currency education in order to protect locals from bogus digital currency schemes. In the past many residents reportedly fell victim of unruly internet scammers targeting their hard-earned money.
Services sector	Although online shopping is not as popular in MLM as in metros, one cannot dismiss its appeal especially among young techno-serve shoppers. If the World Economic Forum's predictions are to go by, the next five years will witness a sudden boom in on-line hotel and airline bookings, tickets purchase and even on-line trading. If this prophecy is fulfilled, it will signal the sad end of shopping malls or any physical shopping activity.
Taxi sector	The arrival of Taxify, Ubber, Bolt etc continue to exert relentless pressure on the traditional taxi sector. In the next five years, taxis that fail to to reset, innovate and adapt will be rendered totally irrelevant.

Security sector	The use of electronic devices like CCTV cameras, antihijack, digital alarms and drones to protect economic assets and buildings is likely to take centre in the next five years.
Agriculture	Farm business automation and mechanisation at smallholder farming level is non-existent. Farmers relies on indigenous knowledge systems and lack appreciation of modern farming methods.
Digital literacy	At the core of MLM's efforts to leverage its digital readiness remains the intensification of digital literacy education especially in rural areas. Alternatively, MLM need to nurture a new breed of techno-serve entrepreneurs as part of on-going efforts to marshal its economy into the digital age.

4.5. Social climate

4.5.1. HIV, STI and TB Burden

The burden of HIV and AIDS continues to put MLM's human assets at risk of morbidity and mortality. The new infection rate increased from 8.4% in 2013/14 to 11.7% in 2014 (Department of Health, 2015). This increase was due to a combination of many factors, the common ones being inter-alia, steady rise in commercial sex activity, gender inequality and alcohol and substance abuse etc. However, owing to a sustained ARV treatment activity adopted in 2009, AIDS related deaths reduced significantly by 9.8% between the same period.

4.5.2. Effects of crime

Frequently recorded crimes within MLM in 2020 in terms of frequency of occurrence are: (1) Grievous Bodily Harm (91 cases) (2) burglary (residence) (62 cases); (3) Burglary (nonresidence (53) Common assault (48) and malicious damage to property (43) (IDP, 2021). Business crimes are more pronounced in areas such as The Oaks, Champion Chicken, Marula Park and Jonkmanspruit.
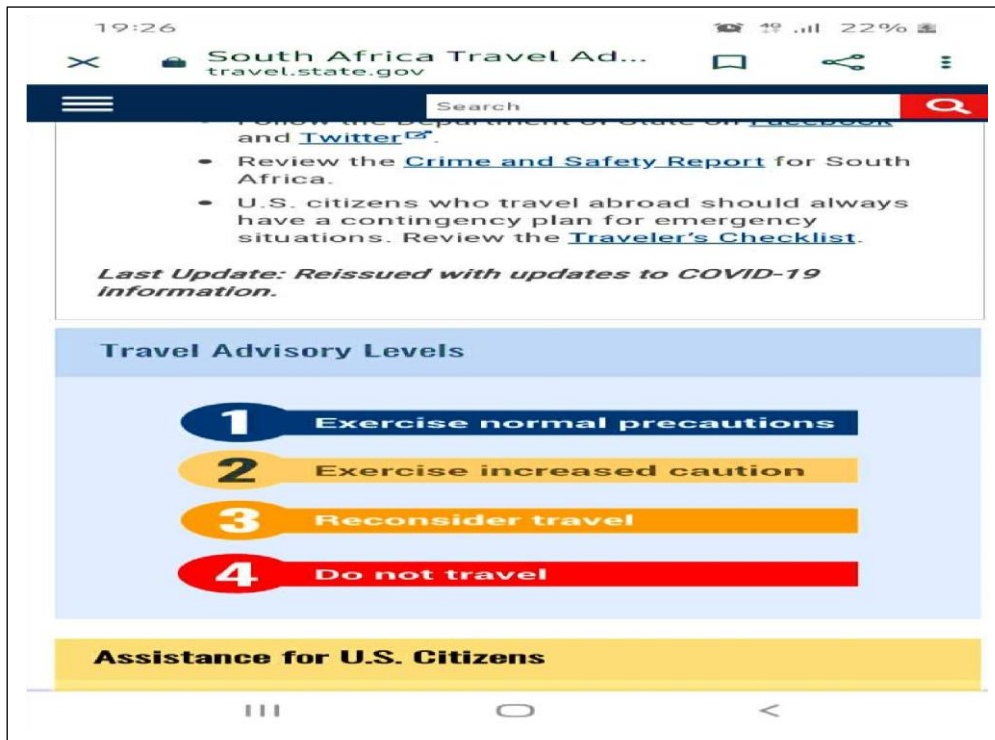
Apart from increasing insurance and security costs, a high crime record undermines efforts by the tourism sector lure tourists in Maruleng. The recent decision by USA to slap SA with an Alert Level 4 Travel Warning ("Do not travel") citing the country's high crime rate is likely to hurt MLM's image in the eyes of risk averse investors and tourists. As one of the top buyers of Maruleng's hunting services, the Travel Warning Alert will have a profound impact on the municipality's revenue base.

4.6. Environmental climate

The decline in water and air quality due to urban and industrial effluent discharge into river systems, burst sewer pipes, high carbon emissions, poorly maintained wastewater treatment works, salinity from irrigation return flows, acid mine drainage and inadequate facilities etc. continue to undermine on-going efforts to preserve the integrity of the local environment as set out in the Environmental Management Act of 1998 and other applicable regulations. Other notable risks include among others, land degradation, global warming (21 -25 Degrees Celsius), soil erosion, deforestation, overgrazing and veld fires. All these continue to complicate on-going efforts to protect or safeguard the integrity of existing ecosystems. MLM has a moral duty to ensure that present-day commercial practices do not compromise the livelihoods of future generations.

Variable	Status quo analysis
Waste management	Safer and innovative methods to dispose medical and hazardous waste need to be explored in the future. Waste recycling (itself a key value chain in the management of waste is not yet fully explored.

	Opportunities exist for the private sector to explore this enterprising opportunity.
Landfills	Only one landfill at Worcester is licensed.
Green economy	MLM needs to put the green economy concept at the apex of its LED agenda. One-way MLM can fulfil its green-economy vision is to stimulate private sector activity in renewable energy and waste recycling sub-sectors.
Greenhouse technologies	The diffusion of greenhouse technologies (itself a critical enabler of the green economy) is not as fast as one would expect due to the high cost of setting up a greenhouse facility.
Reduction in carbon emissions	Owing to low manufacturing activity, the risk of high carbon emissions in Hoedspruit is not as pronounced as in cities like Johannesburg, Pretoria and Cape Town.

4.7. Legal climate

4.7.1. Ease of doing business analysis

According to the World Bank Group, out of 190 economies, SA (of which MLM is a key subset) slipped to No 84 in 2019 from No 82 in 2018 in its ease of doing business index. Ironically, the country is ranked 139 on the ease-of-starting a new business in SA. This picture shows that the country's stringent business regulatory climate renders it unattractive to FDI compared to other economies. New companies eyeing to invest in MLM have to grapple with the country's often cumbersome registration process which include the following sequential steps:
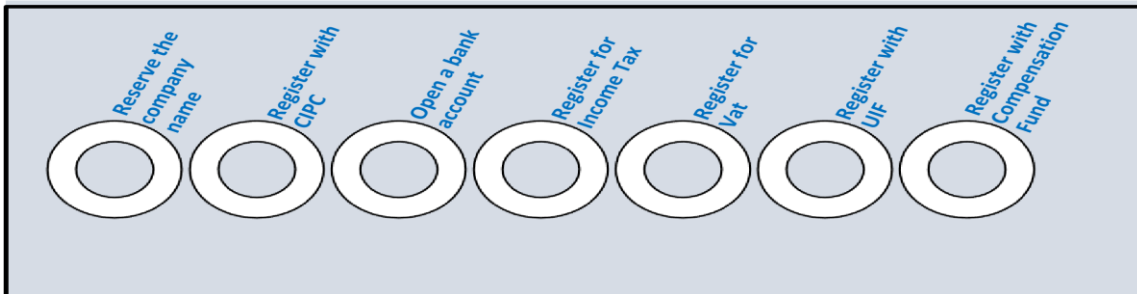
Adopted from the World bank Group, 2020.

Given the context highlighted above, an analysis of MLM's ease of doing business was conducted using parameters such as processing of development applications, business registration, and vehicle licensing, billing of rates, processing of hawkers' permits etc. this analysis is reflected in the table below:

Parameter	Status quo analysis
Processing of new development applications.	90 days if all necessary papers are furnished

Processing of hawker's permits.	A new indicator
Registering the property.	90 days if all necessary papers are furnished.
Vehicle licensing.	8 hours if all required papers are furnished.
Learner's license.	3 hours if all requirements are met
Driver's license.	8 hours if all requirements are met
Global Positioning System (GPS)	Serve for new settlements, all streets and addresses are in the local GPS system.
Business registration	Recently signed a new pact with a strategic partner to expedite the process.
Processing of water permits.	Plans are at an advanced stage to obtain a water service authority license from Mopani DM.
Billing system.	The automated billing system is one the pivots of the revenue enhancement strategy
Refuse collection.	Systematic collection of refuse is more pronounced in urban clusters whilst community-based waste collectors collect in rural clusters as part of the Expanded Public Works Programme.
Price of land.	The price of land in the Hoedspruit (the commercial hub of Maruleng) is beyond the reach of small businesses.
Well-located land	Lack of well-located land for social housing projects continue to hamper efforts to clear the worsening housing backlog.
Law enforcement	The idea of delivering a crime-free tourist experience and murder free farming communities is at the apex of MLM's business risk agenda. Apart from building MLM's by-law enforcement capability, synergies with SAPS and Home Affairs will be intensified.

By streamlining its by-laws, reforming its town planning regime, and automating its licensing processes, MLM will certainly claim its place among the top ranked FDI destinations in the country.

4.7.2. Unlicensed business activity

MLM continue to grapple with the influx of unregulated and unlicensed business activities especially around busy hawking sites in Hoedspruit. The town's streets are full of unlicensed traders who are not remitting any revenue to the municipality. The severity of the challenge presents an opportunity for MLM to reimagine its by-law enforcement strategy.

4.7.3. Land availability

As one of the core factors of production, the unavailability of land can stall a municipality's economic progress. Since MLM is largely rural, tribal authorities hold a significant sway in the way agricultural land is allocated and distribution. Whilst this is welcome, the major challenge

arises when the ownership of such land is contested or disputed. Secondly, the lack of security of tenure (under the Permission to Occupy system) makes it difficult for smallholder farmers to use the land as collateral security when borrowing funds. To this end, MLM has set aside R36 million for the next 5 years to procure well-located land to expedite its social housing projects.

4.7.4. Land invasions

During the past five years, incidences of illegal land uses have been on the increase especially around the Hoedspruit area. Land invasions by their nature infringe the property rights of lawful owners of the land. Commonly targeted land parcels include among others; Erf 205 Transnet, Portion 4 of Erf 52 Hoedspruit Transnet, Portion 26 Berlin 209 KT Transnet, Portion 1of Berlin 209 KT Private, Erf 206 Hoedspruit Transnet and Portion 9 Berlin 209 KT Transnet. Illegal settlements are slowly becoming fertile grounds for all sort of criminal activities. Unfortunately, MLM's over-reliance on the Prevention of illegal Eviction and Unlawful Occupation of Land Act of 1998 (PIE) alone to mitigate this risk has failed to yield the desired impact. A multi-pronged approach that is grounded on human rights remains the best way to combat this persistent challenge.

4.7.5. Land claims

MLM has a pronounced number of unresolved land claims. There are four major land claims for restitution in Maruleng, namely, Moletele CPA, Makhutswe CPA, Mpuru-Letebele and Labohem. Worse still, the majority of unresolved claims are in areas where straregic l farming activities is highly concentrated (Moletele, Mpuru- Letebele and Makhutshwe CPA). To date only 6 portions of land claims within the Moletele CPA area (Liverpool portion 1, 2 portions at JongmanSpruit and 2 portions at Gurnsey) have been resolved. Unresolved land claims render the land under dispute a dead asset, making it of no developmental value until the day such a claim is finalized. The inability by relevant organs of the state to fast-track the processing of claims has the risk of stalling earmarked development projects. We expect the swift resolution of the protracted Moletele Claim will bring the much-needed relief and stability on the agricultural sector. Equally critical, post-settlement support need to be expedited to ensure claimed land is immediately put to good use

4.7.6. Corruption index

Judging by SA's latest standing on the global corruption index, (ranked 69), it is clear that the country (in which MLM is a subset) has a poor anti-corruption record. As part of its contribution towards building a transparent and accountable administration, MLM will ensure its anti-corruption and fraud policy is implemented to the letter.

4.8. Analysis of infrastructural climate

A modern economic infrastructure lays the foundation on which Maruleng's economic development potential is unleashed. Unfortunately, the infrastructure climate of MLM is fraught with many challenges. Chief among them include; lack of adequate funding, ageing facilities, dilapidated buildings and vandalism especially during community protests etc.

Sector	Status quo analysis
Agro-processing infrastructure	Agro-processing infrastructure is one of the integral components of Maruleng's agricultural value chain. Out of a combined total of 36 packhouses in Limpopo, Greater Letaba has the highest concentration of packhouses (15), followed by Greater Tzaneen (10) and Maruleng (7). From the processing side, Greater Tzaneen has the highest number of processors (12), followed by Makhado, (9), Maruleng (4) and Ba-Phalaborwa.
Industrial infrastructure	Maruleng lacks industrial parks, factory shells, industrial development master plan, zoned industrial land due to years of under-investment in the sector. This explains why its manufacturing capability is relatively low.
Road infrastructure	MLM's road asset account is credited with a 188.7 km network. Of this 48.84 km (26%) is tarred whilst the rest 139.86 km (74%) is not paved. Plans are afoot in the next 5 years to pave 18 Km, blade 188 Km and maintain 288 Km (IDP, 2021/22). This will bring the total paved network to 66.84 Km. The paving of the network will give a new impetus to on-going efforts by MLM to modernise its road assets.
Public transport	A safe, reliable and modern public transport system is the cornerstone of village to village or town-to-town connectivity, mobility and trade. The majority of residents rely on taxis and Great North buses for transport. Taxis are serviced by three taxi holding areas (Hoedspruit taxi rank, The Ox taxi rank and the Metz taxi rank). Law enforcement should be commended for delivering a public transport system that is free of taxi violence.
Network coverage in rural areas	The recent move by mobile network firms (Vodacom, MTN, Telkom) to ramp up network infrastructure in remote rural areas with the aim to improve quality of network coverage to villages known to experience persistent network challenges is a plausible one. However, this initiative is being undermined by exorbitant data tariffs which in most cases are beyond the reach of many rural dwellers.
Rail infrastructure	A railway network that serves nearby commercial farms and connects Hoedspruit with Nelspruit to the east, Phalaborwa to the North and Tzaneen to the West is in bad state and in need of urgent repair. MLM
	has since lobbied Transnet to modernise it. Plans are also afoot to introduce a passenger rail service in order to service tourists.
Airport infrastructure	Plans are at an advanced stage for MLM to secure the operating licence of East Gate International Airport. The move will pave way for the modernisation and expansion of one of MLM's gateway to overseas tourist markets.

Energy infrastructure	Whilst 22 167 (90,5%) households are connected to the grid, the rest 2303 (9.5%) are still on the waiting list. Efforts are underway to electrify 989 households. Alternative sources of energy in descending order are (Gas 62 households), Candles (113 households) Solar (1 960 households), None (76). Although great strides have been made in this regard, persistent load shedding remains a setback.
Water and sanitation infrastructure	MLM is a water-scarce municipality making water rationing a real threat to its developmental agenda. Ageing infrastructure, rapid urbanization, and a steady increase in population growth continue to exert pressure on existing water facilities. Main sources of water in descending order are regional/local water scheme (8209 households), borehole (4427 households), Spring (223 households) Rain water tank (211 households), Dam/pool/stagnant water (2 777 households) River/stream (6 924 households) and Water vendor (881 households). At least 7808 households (32%) do not have access to clean water whilst 1487 (6.1%) households do not have access to proper sanitation facilities. The construction of the Regional Wastewater Plant that will ease MLM's persistent water woos once it is commissioned next year. Shortage of water has been blamed for stalling various development projects.
Skills development infrastructure	The absence of an institution of higher learning within MLM undermine its efforts to drive the skill development agenda forward. Currently proposals to set up an FET that focuses on agricultural and tourism qualifications are on the table.

4.9. Results of 2014-19 Led Review

The 2014/19 strategy was self-evaluated by two Senior LED officials. The aim of the exercise was to audit the progress made over the past 5 years in translating the strategy into concrete actions and results. A standard evaluation tool that was directly linked to the 2014/19 implementation plan was employed. Approximately 9 Key Performance Areas (KPAs) and 19 Key performance Indicators (KPIs) underpinned the appraisal or review process. The officials rated the performance status of each target using a rating scale of (0-100 scores). In case where little or no progress was made, officials were requested to provide main reasons behind such. In order to make sense of the scores, the average performance score was computed by adding the total scores and divide them by 19 targets. This gave an average aggregate score of 54%. details of the results are shown on Table 5 below:

KPA	KPI	Targets (if any)	Achieved /or not Achieved	Challenges and constraints faced
Introduce Tourism & Agriculture Bursaries to support municipal vision	Number of bursary funded graduates in agriculture	5	100% Achieved	Limited funding hindered plans to assist more students
	Number of bursary-funded garduates in Tourism	5	100 % Achieved	
Provision of Private Hospital in Hoedspruit	Private Hospital commissioned	Project documentation is complete.	Partially achieved (40%)	Application for from ABSA pending
Support local Businesses through quality Infrastructure development	Number of existing access road upgraded and paved	111 Km	100% achieved	Budgetary constraints
	Additional metric litres of water added to the grip	Construction of a Regional Wastewater plant underway	90% achieved	No material challenges faced.
		Application for water services authority license from Mopani district pending	70% achieved	Delays in procession of application
	Status of Hoedspruit Eastgate Airport's application for an international customs point license.	Application for the license has been submitted	60% achieved	Delays the processing of documents.
Increase capacity of the SPED Unit	Local Economic Development	1 Tourism Officer appointed	100% achieved	The turnaround time of filling vacancies was considerably long
		1 Agricultural Officer appointed	100% achieved	
	Building Inspectorate	1 Building Inspector retired (2 Vacant positions unfilled)	0% Not achieved	Costly delays in HR processes
Immigrants inflow control in Hoedspruit	Number of illegal immigrants deported	Absence of a By-law Enforcement Officer to provide	0% Not achieved	Not a legislative authority to execute the

		vital liaison support			task, only Home Affairs can do that.
	Number of immigrants granted critical skills Visa	Not a competent authority to execute the task	0% Not achieved		
Biodiversity management	Status of K2C project	Project sustainable and viable	100% achieved	Covid 19	
	IDC's Sugarcane Bioethanol plant	The project was shelved off due to water scarcity	0% Not achieved	Perennial water scarcity not yet resolved	
Construction of a Taxi Rank in Hoedspruit	Taxi rank Commissioned	Taxi rank commissioned	100% achieved	Stiff resistance from Taxi associations	
Construction of the reservoir in Hoedspruit	Reservoir Commissioned	7 boreholes commissioned	100% achieved	Owing to low water table, it takes 7 days to fill the reservoir	
Nodal development	New shopping complexes/centres commissioned	Metz village mall **with** 26 shops and 95% occupancy rate	100 % achieved	Malls an existential threat to township economy	
	Status of the Oaks shopping centre,	Project documentation is complete	60% achieved	Ministerial approval process pending	
	Status of Lorraine shopping centre	Still at ideation phase	0% Not achieved	Conflict between the developer and the CPA derailing the project	
	Status of Trichardtsdal shopping centre	Still at ideation phase	0% Not achieved	Inability to secure an investor.	
	Turnaround time in processing new development applications.	90 working days (turnaround time)	100% achieved	Failure by applicants to submit required documents	

SWOT Analysis

The status quo analysis was also informed by the following SWOT analysis:

Components	Strengths	Weaknesses	Opportunities	Threats
Personnel	Seasoned and qualified staff Pass rate of matric steadily improving	1. High vacancy rate, 2. Lack of digital skills, 3. Inadequately funded staff development program, 4. High Illiteracy rates, 5. Lack of university/college	1. Opportunities to tap into young university graduates 2. Agricultural and Tourism Bursary/scholarship opportunities, 3. Mentorship or work-integrated learning opportunities from private sector	1. Stiff competition for critical skills and talent in the labour market, 2. High infection rates of HIV and AIDS, TB and Covid-19 among EAP.
Finance	1. Existence of revenue enhancement strategy 2. Equitable share and 3. Grant support to bankable economic projects	1. Over-reliance on Grants is not sustainable. 2. Stringent borrowing conditions imposed by DFIs perpetuate financial exclusion	1. Co-funding opportunities through Private-Public Partnerships	1. Covid 19 had a ripple effect on revenue generation 2. SMMEs hardest hit with Financial exclusion.
Infrastructure	1. Modest road, rail, mobile network and airport infrastructure, 2. World-class tourism and commercial agriculture infrastructure, 3. Modern agro-processing infrastructure	1. Unpaved and poorly maintained economic infrastructure, 2. Lack of industrial or manufacturing infrastructure, 3. Overloading trucks harm the lifespan of existing road infrastructure	1. Opportunities to unlock multi-sectoral partnerships and improved intergovernmental relations, 2. Launch of an infrastructure-led Covid-19 recovery plan by President Ramaphosa	1. Weather variability a threat to road longevity and resilience, 2. Steady decline in infrastructure investment over the past two decades, 3. Community protests
Leadership	1. Stable Council and Management with a better understanding of MLM's economic development trajectory	1. Executive development scheme not sufficiently funded	1. Opportunities for Executive Development partnerships with local university sector	1. Bad publicity undermines efforts to attractive seasoned leaders
Management	1. Qualified and skilled management	2. Critical positions remain vacant for prolonged periods	2. Opportunity to build a talent pool of techno serve managers	1. Brain drain

Systems	1. Municipal Website 2. Majority of Tourism Operators have websites and internationally graded tourism assets	1. Digital transformation journey is at a slow pace. 2. ICT diffusion at SMME level is very low 3. High levels of ICT illiteracy, 4. No CCTV cameras in crime hotspots 5. Low by-law compliance enforcement capability	1. Covid-19 presents an opportunity to ramp up the digital transformation journey	1. Disruptive nature of 4th IR
Stakeholder management	1. Availability of stakeholder management function	1. Communicating of conflicting messages to communities	1. Reorganising the stakeholder management and communication functions to avoid conflicting messages to stakeholders.	1. Silo mentality among development agencies and partners
Natural resources	1. Endowed with vast agricultural and eco-tourism resources, 2. Bio-diversity hub 3. Untapped mica and feldspar wealth, 4. Popular with overseas tourists 5. Eastgate Airport connects tourists with OR Tambo and Cape Town, 6. Proximity to Kruger National Park 7. Part of the Mango and Citrus Growers Elite club 8. Geographical centrality	1. Ownership, access and control of natural resources in the hands of the elite few, 2. Agro-processing potential not maximised, 3. High crime rate tarnishes MLM's global image, 4. Undeveloped township and rural economy, 5. Lack of critical skills, 6. Low manufacturing capability, 7. Economic transformation is slow, 8. Green and digital economy still emerging, 9. Disruptive effect of unresolved land claims.	1. Opportunities to diversify into non-agricultural and tourism sectors, 2. Opportunities to consolidates gains made in agricultural and tourism sectors, 3. Opportunity to modernise existing economic infrastructure, 4. Opportunity to turn Hoedspruit into a full-fledged city	1. Prone to veld fires, land degradation, soil erosion and overgrazing 2. Water rights application process fraught with delays, 3. Illegal sand mining activity, 4. Climate change, 5. Level 4 Travel Warning Alert from the USA, 6. Low flows of FDIs, 7. outbreak of foot and mouth and anthrax, 8. Rise in protectionism a threat to international trade

PART 5: REIMAGINING THE STRATEGY

5.1. Overview

Part 5 presents a reimagined LED strategy for Maruleng Local Municipality. The strategy seeks to put MLM's ailing economy on the path of a rebound. The ultimate is to deliver an economy that is not only resilient but also inclusive and highly transformed.

5.2. Substantive issues

The reimagined strategy is informed by 5 substantive issues illustrated in the diagram below:

Fragile investment climate

Undiversified and highly centralised economy

Untransformed economy

Uncompetitive township economy

Silo mentality among key partners
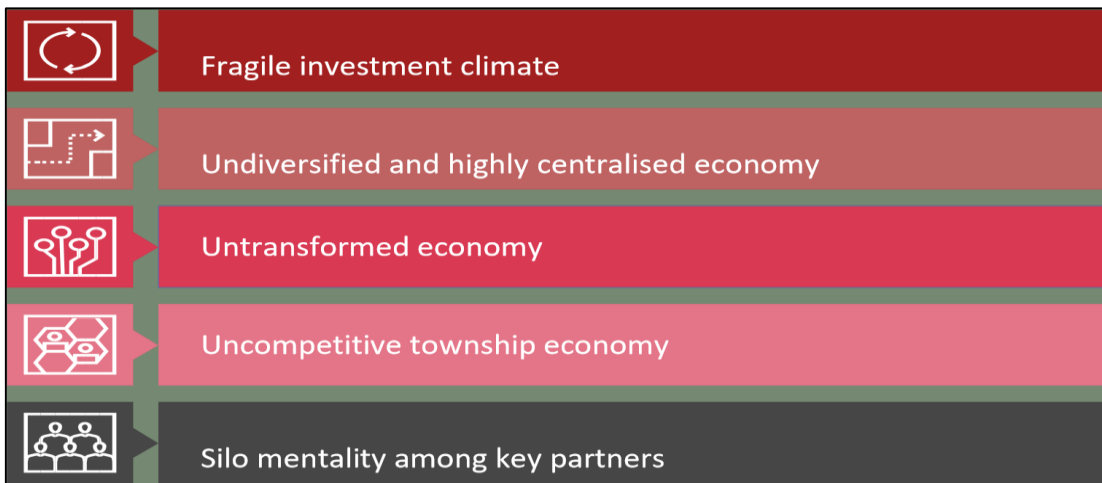
5.2.1. Fragile Investment climate

MLM's fragile investment climate is exemplified in Figure 5 below.
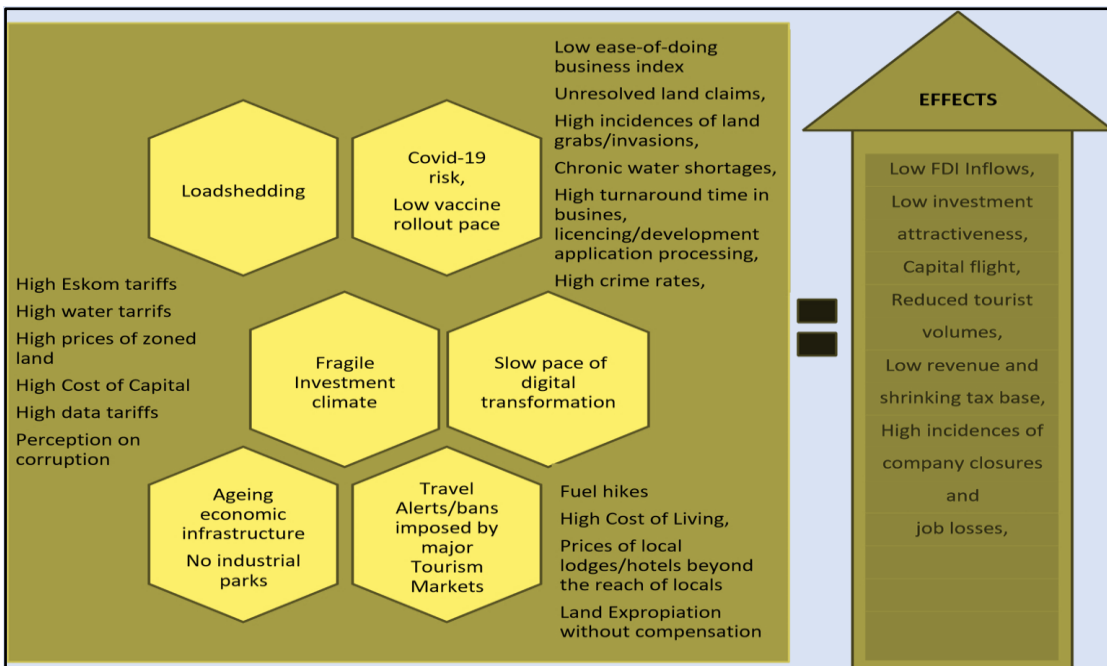
As things stands, the investment climate which is characterised by rising cases of unresolved land claims, high incidences of land grabs, Covid-19 risks, chronic water shortages, high crime

rates, load shedding, spikes in energy, water and data tariffs, high cost of capital, ageing economic infrastructure, widening spatial disparities does not inspire investor confidence. This fragility is exacerbated by the recent Travel alert level 4 imposed by the USA citing SA's high crime rates. We expect the travel ban to have a marked impact on Maruleng's tourism-led economy. The land expropriation without compensation is also likely to plunge the agricultural sector into uncertainty.
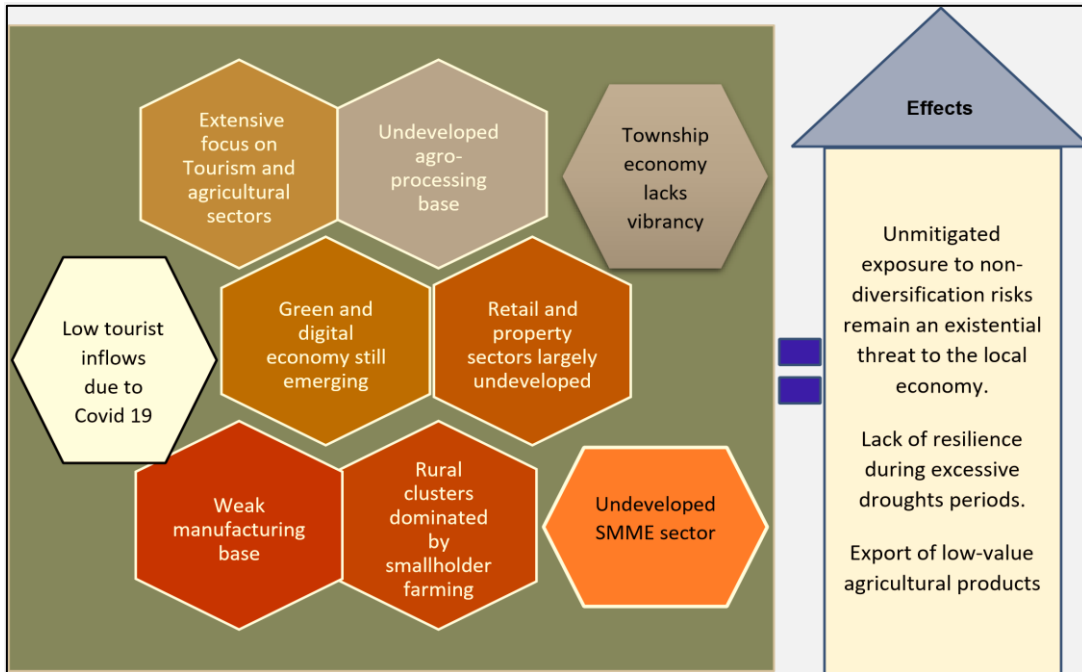
5.2.2. Untransformed economy
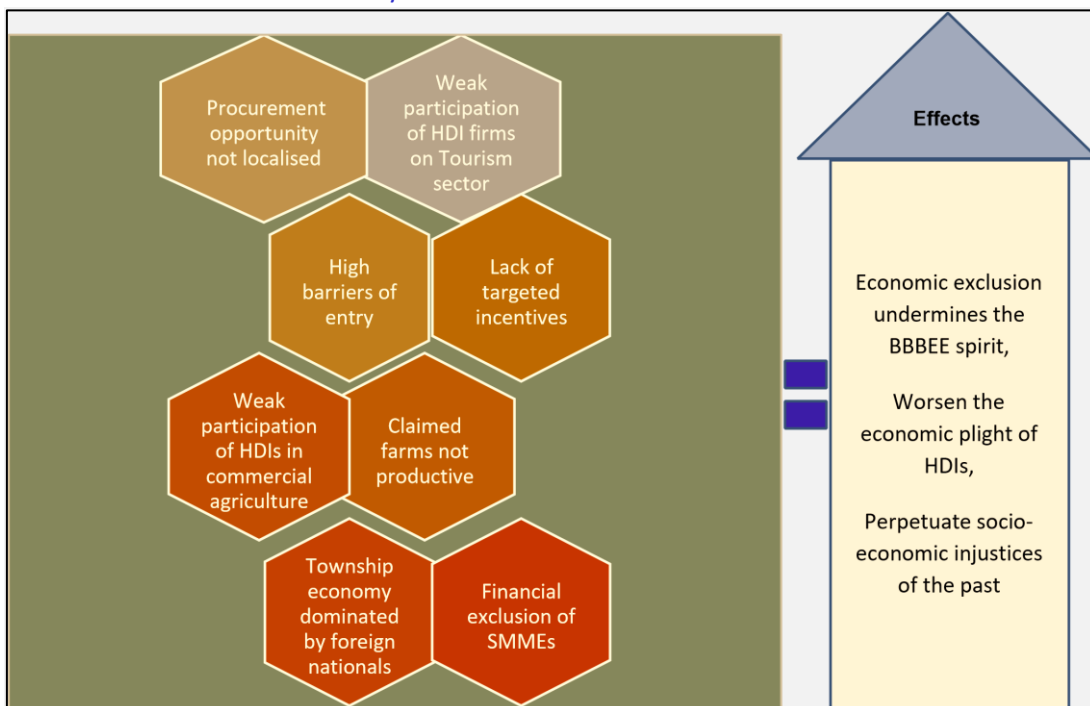
5.2.3. Uncompetitive township economy

Interventions aimed at reviving the fortunes of the ailing township economy will also take centre stage. However, these interventions will be informed with the following substantive issues.
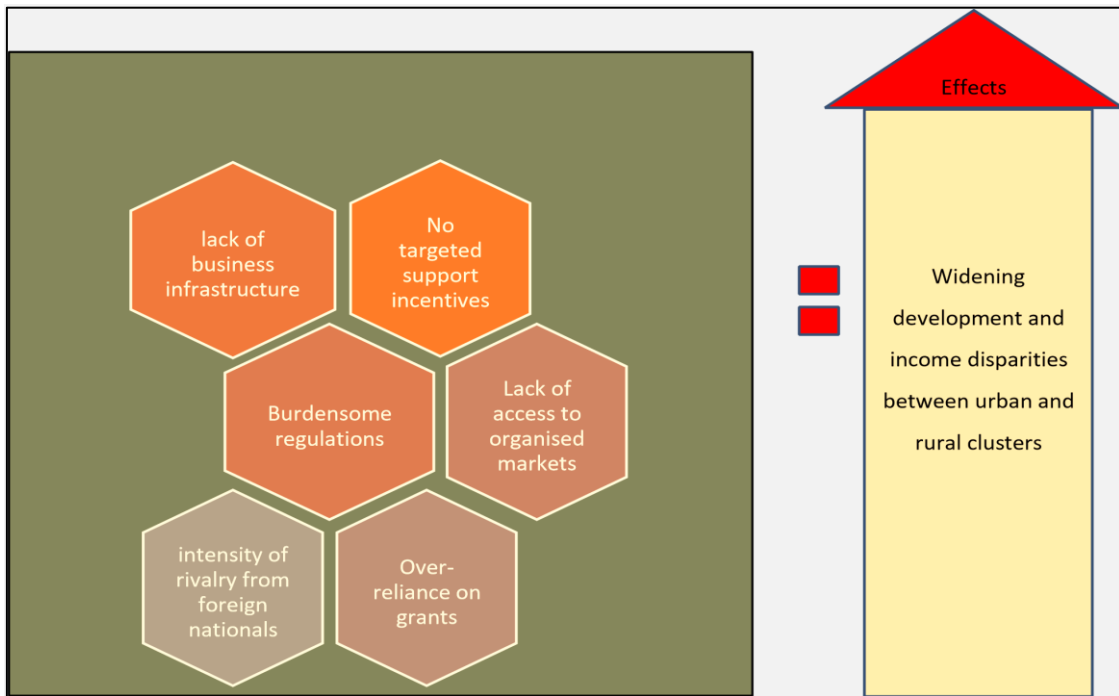
5.2.4. Silo mentality among key partners
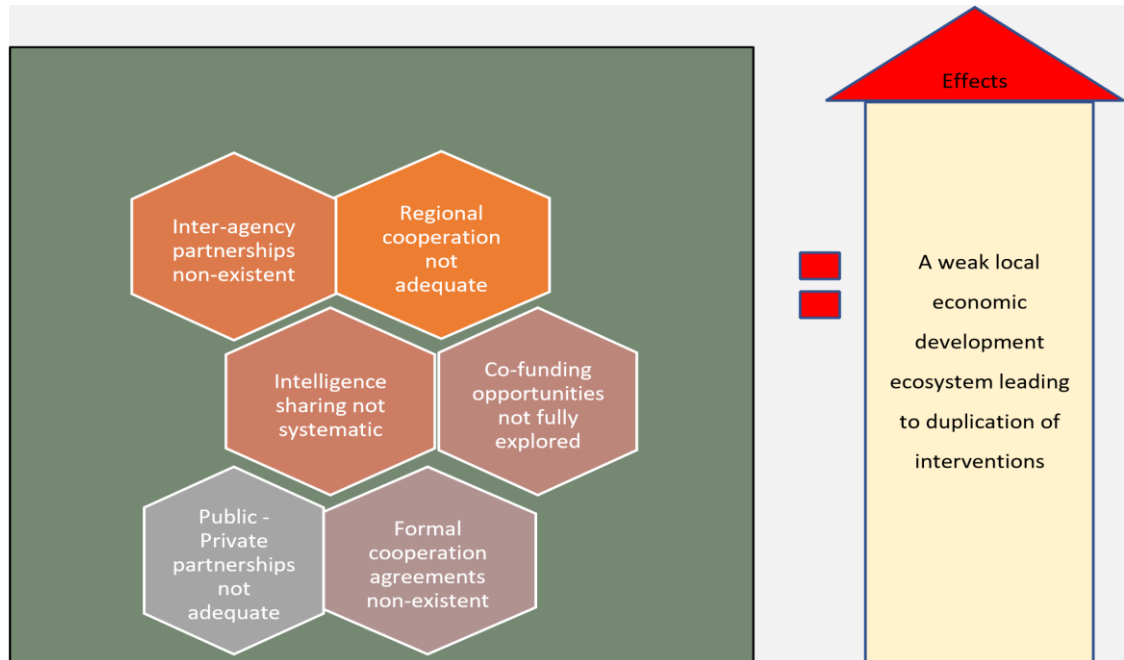
For greater impact, it is imperative that MLM team up with local development agencies and the local private sector to build a formidable coalition for economic transformation and reconstruction.

3R Model

5.3. 3R economic recovery model.
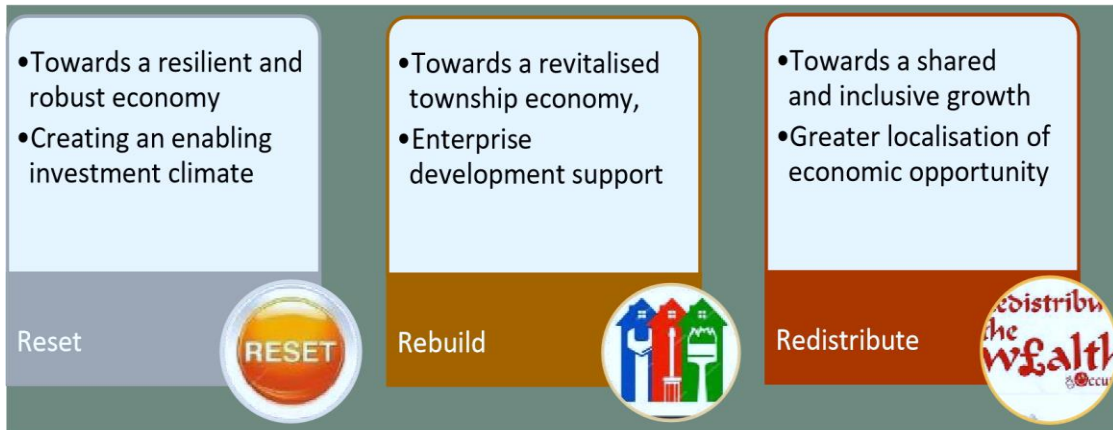
At the centre of the 3-point ERRP plan is the 3R model. In essence, the 3R model is made up of three vitals, namely; "*Reset, Rebuild and Redistribute*", whereas the "Reset Vital" seeks to strengthen the local economy's resilience, the "Rebuild Vital" seeks to turnaround the township economy whilst the "Redistribute Vital" seeks to speed-up the local economy's transformation journey. The 3R Model is further elaborated on figure 3 below:

Reset	Rebuild	Redistribute
1. Deliver an enabling investment climate,	1. Rebuild and reignite demand in the tourism sector,	1. Address economic injustices and development disparities of the past,
2 Craft an investment promotion and marketing strategy,	2. Widen the global appeal of local tourism products,	2. Focus on projects with high job absorption capacity,
3. Improve MLM's ease-of-doing business leverage,	3. Reposition agricultural sector for post-Covid-19 recovery,	3. Ensure greater localisation of economic opportunity,
4. Build a resilient economic infrastructure,	4. Unlock MLM's agro-processing potential,	4. Craft a comprehensive township economy revitalisation strategy,
5. Mitigate impact of Covid on the local economy,	5. Unlock the industrial/manufacuring capability of MLM,	5. Unleash the growth potential of SMMEs
6. Enhance the security and safety of businesses and tourists	6. Advance green economy agenda,	
7. Make MLM water secure	Grow the retail and property leasing sector,	
8. Institute sweeping spatial reforms	7. Grow the digital economy,	
	8. Usher the local economy on a high growth trajectory	

5.4. Measuring Our Impact

Impact statement:	A fast growing, globally competitive, transformed and job absorbing local economy

5.4.1. Key Impact Area 1: Reset local investment climate

Strategic Objective: To hedge the local economy against emerging economic threats									
Substantive Issue	KPA	Strategic Initiatives/Projects	KPI	Baseline (2020)	Annual Targets				Accountable parties
					2021/22	2022/23	2023/24	2024/25	
Fragile investment climate	Reposition MLM as a choicest investment destination	Develop an investment promotion and marketing strategy	% increased investment in the municipality	4%	1.5%	1.5%	1.5%	1.5%	LED, LEDET, LEDA
	Mitigate the impact of Covid-19 risks on the local economy	Mobilise and enrol locals into the national vaccination drive.	% of the population vaccinated.	New Indicator	20%	20%	20%	20%	DoH, LED, CSS
		Facilitate the issuing of vaccination passports at local level.	% of the population with vaccination passports.	New Indicator	0%	20%	20%	20%	DoH, LED, CSS
		Facilitate access by local Tourist Operators to Covid-19 Relief Funds.	Number of tourist operators accessing the R1.2 billion Covid-19 relief fund.	New Indicator	2	2	2	4	Dept of Tourism, LED
		Facilitate access by smallholder farmers to Covid-19 Relief Funds.	Number of smallholder farmers accessing Covid-19 relief fund.	New Indicator	100	150	150	150	DALR, LED
	Improve ease-of-doing business leverage	Provide accessible business registration support via the LIBRA partnership.	Number of new companies registered.	New Indicator	20	100	200	200	LED, LIBRA
		Speed-up processing of building plan applications.	Turnaround times in days	90	90	80	70	60	LED
		Speed-up processing of land use applications.	Turnaround times in days	30	30	25	25	25	25

		Speed-up processing of hawkers' permits.	Turnaround times in days	30	30	15	5	5	LED
		Reduce turnaround time in vehicle licensing and disc renewal.	Turnaround times in hours	8	3	3	3	3	LED
		Recruitment of Building Inspectors	Number of Building Inspectors appointed	1	1	0	0	0	HR
		Automation of vehicle licensing processes	% of vehicle licensing done on-line	10%	30%	50%	80%	100%	
		Make communities, businesses and tourists safer and secure	Number of by-Law Enforcement Officers recruited	1	2	2	2	2	HR, LED
			Number of additional street lights installed in hotspots	1	2	2	2	2	CSS
			Number of existing street lights maintained	148	150	150	150	150	
			% reduction in unlicensed and illegal business activity in the local spaza economy.	New Indicator	100%	100%	100%	100%	CSS, SAPS, Policing Forums
		Institute by-law reforms	Number of by-laws reformed.	2	1	2	1	1	Municipal Manager
	Build a modern and resilient economic infrastructure.	Bulk water supply from Blyde Dam connected to main grid	Number of households with access to basic water.	16 662	1 562	1 562	1 562	1 562	Technical Services
		Kampersrus Water reticulation pipeline commissioned							
		Ametja/Skororo Scheme Internal Reticulation Pipeline commissioned							
		Deliver a modern, safe, reliable and integrated road network	Number of Kms of road network tarred	111	3,6	3,6	3,6	3,6	Technical Services
			Number of Kms bladed	188	37.6	37.6	37.6	37.6	Technical Services
		Liaise with MDM to fast-track the construction of sanitation	Number of households with access to basic sanitation	22 983	1487	298			Technical Services

		infrastructure and replace the ageing infrastructure							
		Develop strategies and liaise with ESKOM on how electricity will be provided to all households, provision of cost effective, sustainability, and also on maintaining municipality electricity assets.	Number of households with access to basic electricity	23 065	281	281	281	281	Technical Services
		Completion of the Hoedspruit Hospital	% completion of the project	5%	30%	30%	30%	5%	Technical Services
	Institute progressive spatial reforms	Streamline land application regime with the view to eliminate existing inefficiencies and costly delays	% of all land applications are approved	Approved SDF	100%	100%	100%	100%	**Town planning services**
		Conduct a municipal-wide land use audit and update GIS system thereafter.	Number of settlements/villages audited.	New indicator	2.5	2.5	2.5	2.5	**Town planning**
		Demarcate of sites as part of a township establishment programme.	Number of sites demarcated	2000	500	500	500	500	**Town planning**
		Rationalise and formalise new township sites in line with LUMS, SDF and SPLUMA.	Number of sites formalized	3300	480	480	480	480	**Town planning**
		To acquire well-located land for integrated human Settlement.	Amount budgeted for land acquisition in millions	R18m	R3m	R8.25m	R8.25m	R8.25m	**Town planning**

5.4.2. Impact Area 2: Rebuild the local economy

Strategic objective: To usher the local economy on a rebound path									
Substantive Issue	KPA	Strategic Initiatives/Projects	KPI	Baseline (2020)	Annual Targets				Accountable parties
					2021/22	2022/23	2023/24	2024/25	
Undiversified local economy	Rebuild and reignite the local Tourism Sector	Forge synergies and cement mutually beneficial partnerships with the local tourism industry	Number of Tourism Forum Meetings	New Indicator	4	4	4	4	TO, HBC, SEDA, LTA
			Number of Meetings with Limpopo Tourism Agency teams.	New indicator	2	2	2	2	TO, HBC, SEDA, LTA
		Facilitate integrated enterprise development linkages to emerging tourism operators	Number of emerging Tourism Operators accessing financial support.	New Indicator	5	7	9	11	TO, HBC, SEDA, LTA
			Number of skill transfer and knowledge linkage schemes organised	New Indicator	2	2	2	2	TO, HBC, SEDA, LTA
			Number of emerging Tourism Operators accessing LTA & SEDA's market support programmes	New indicator	2	2	2	3	TO, HBC, SEDA, LTA
			Number of new entrants assisted to grade their accommodation facilities	New indicator	2	2	2	3	TO, HBC, SEDA, LTA
			Number of Tourism Operators contracting smallholder farmers to supply fresh vegetables and fruits	New indicator	2	2	3	5	TO, HBC, SEDA, LTA
			Number of village and cultural tourism tours facilitated in conjunction with LTA and Local Tourist Operators	New indicator	20	22	25	30	TO, HBC, SEDA, LTA
			Number of emerging Operators employing advanced on-line booking facilities.	New indicator	1	3	3	3	TO, HBC, SEDA, LTA

		Widen the appeal of the MLM brand	Number of times MLM's website is updated and reimaged	New indicator	1	1	1	1	TO, HBC, SEDA, LTA
			Number of documentaries highlighting MLM's key tourism routes	New indicator	0	1	0	1	TO, HBC, SEDA, LTA
			Number of top celebrities and social influencers appointed as local Tourism Ambassadors	New indicator	1	1	1	1	TO, HBC, SEDA, LTA
			Secure the international Custom License for Eastgate Airport	Application submitted	Licenced secured	-	-	-	Municipal Manager
			% of Tourism Operators and Suppliers, Enterprise Development Agencies registered on the MLM's Tourism digital platform.	New Indicator	20%	20%	20%	20%	TO, HBC, SEDA, LTA, LC
	Reposition the agricultural sector for post-Covid-19 recovery	Render integrated support to smallholder farmers and beneficiaries of the Land Restitution Program	Number of Land Restitution Programme beneficiaries assigned a credible and seasoned strategic partner.	New indicator	2	3	1	1	Municipal Manager
			Number of Land Restitution Program beneficiaries assisted to access organised institutional markets	New Indicator	1	3	3	3	LED, LDALR
			Number of Land Restitution Program beneficiaries assisted to access farming inputs and farm machinery	New indicator	1	3	3	3	LED, LDALR
			Number of Land Restitution Program beneficiaries assisted to craft turnaround plans	New indicator	1	3	3	3	LED, LDALR
			Number of restituted farms trained in Farm Business Management	New indicator	1	3	3	3	LED, LDALR
		Unlock MLM's Agro-Processing potential	Numbers of Leather tanning projects set-up in Hoedspruit	New indicator	0	1	0	1	LED, LDALR, GMs

				New indicators	0	1	0	1	
			Numbers of taxidermy projects established in Hoedspruit	New indicators	0	1	0	1	LED, LDALR,
			Number of emerging enterprises opening agro-processing ventures	New indicator	0	1	0	1	LED, SEDA, LEDA. LDALR
			Number of new game meat selling and biltong processing projects established in Hoedspruit	New indicator	0	1	0	1	LED, LDALR, Game Reserves
	Unlock MLM's industrial capability and potential	Build light industrial infrastructure in Hoedspruit for emerging manufacturers/industrialists	Number of light industrial parks established	New indicator	0	0	1	0	IDC, SEDA, LEDA
			An Industrial Development Master Plan crafted and approved	New indicator	-	1	-	-	IDC, SEDA, LEDA
			Number of black industrialists benefiting from the Black Industrialist Funding Program	New indicator	1	0	1	0	IDC, SEDA, LEDA
	Advance the green economy agenda	Establish a waste recycling social enterprise of which, 20% is owned by the private sector and 80% is owned by a trust, directed by the waste pickers currently working from the landfill site	Number of waste-economy social enterprises formed	New indicator	0	0	1	0	K2C, LEDA
	Grow the retail and property sector	Establishment of Malls at Oaks (O mall), Lorraine (LoR mall) and Trichardtsdal shopping centre (TR Mall)	Malls built and commissioned	New indicator	Oak mall	0	LoR Mall	TR mall	PDs, Investors, CPA, LED
	Grow the digital economy	Facilitate the roll-out of the digital literacy program	Number of 4th IR awareness campaigns targeting emerging enterprises	New indicator	1	1	1	1	
	Usher the local economy on a high growth trajectory	Increase MLM's GVA	% increase in GVA	-0.4%	0.4%	1.2%	2%	2.8%	LED, MM

5.4.3. Impact area 3: Redistribute economic opportunity

Strategic Objective: To accelerate the transformation journey of MLM									
Substantive Issue	**KPA**	**Strategic Initiatives/Projects**	**KPI**	**Baseline (2020)**	**Annual Targets**				**Accountable parties**
					2021/22	2022/23	2023/24	2024/25	
Untransformed local economy	Address economic injustices and development disparities of the past.	Focus on projects with high job absorption capability	Number of jobs created through EPWP and other initiatives.	2924	1000	500	500	1000	Ward Councillors LED
			Number of jobs created through tourism initiatives	50	120	120	130	80	Ward Councillors
			Number of jobs created through agricultural initiatives	100	200	250	200	140	LED
		Ensure the greater localisation of economic opportunity	Number of SMMEs accessing financial and non-financial support	100	110	310	200	80	Ward Councillors
			% of procurement budget reserved for local SMMEs	30%	30%	40%	40%	40%	Municipal Manager, SCM
			Sectors ringfenced exclusively for local SMMEs (catering (CA), Basic Maintenance and Repairs (BMR), Security Services (SS), Gardening Services (GS), Basic Construction Services (BCS), Website Design (WD),	New Indicator	CA, BMR, SS,	CA, BMR, SS, GS, BCS, WD	CA, BMR, SS, GS, BCS, WD	CA, BMR, SS, GS, BCS, WD	Municipal Manager, SCM
Uncompetitive township economy	Revitalise the township economy	Craft a comprehensive township economy revitalisation strategy	Number of strategies crafted	New indicator	1	0	0	0	LED

5.5. Critical enablers

This success of this strategy is clearly depended on the ability of MLM to manipulate the following performance drivers:

The combined competencies, skills, commitment and strategy implementation capabilities of LED employees is a key underwriter of this strategy's success

Continuous interactions with our stakeholders will be an integral and natural part of our operations

Focus on projects with high job absorption capacity

Exceptional Project Documentation Capability

A pro-SMME SCM practice and attitude remain a key driver of MLM's ability to drive its opportunity localisation campaign

Political will at the top and the ability to rally all strategic partners behind a common LED vision and strategy.

Economic research and intelligence gathering capability

5.6. Risk Management

The following risks and measures to mitigate them are outlined in Table 5 below:

Impact Area	Impact area	Risks	Risk Mitigation
Impact Area 1:	Reset the investment climate	Covid-19 and its many variants	Strict observance and enforcement of Covid-19 health protocols. Vaccination Programme Vaccination Passports.
		Load shedding	Explore other alternative sources of energy.
		Acute shortage of water	Ramp -up the Blyde dam water purification drive
Impact Area 2	Rebuild the local economy	Lack of sufficient support from Development Financial Institutions	Partner a consulting firm to craft bankable business plans for projects with game-changing effect on the economy.
Impact Area 3	Redistribute economic opportunity	Lack of seasoned LED champions within MLM	Enrol existing LED staff on an advanced project management course.
		Resistance from established firms and lack of capacity on the part of SMMEs to satisfy stringent quality specifications of institutional buyers.	Strengthen the Public-Private Partnership environment.