

LESEDI LOCAL MUNICIPALITY

Local Economic Development (LED) Strategy 2014



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SECTION 1: INTRODUCTION

The Lesedi Local Municipality is committed to address poverty and unemployment by encouraging local economic growth and development. As a result, the municipality has appointed Urban-Econ: Development Economists to update its Local Economic Development (LED) Strategy. The strategic update is necessary in order to reflect new economic realities and opportunities in the region.

The LED strategy will serve as a framework for the promotion of economic growth and improved socio-economic outcomes in the Local Municipality (LM) over a five-year term. It will address the development of sector-based opportunities and the implementation of specific LED programmes and priority projects.

1.1. Defining 'Local Economic Development'

The term Local Economic Development (LED) refers to a process wherein government, business and civil society work collectively to create better conditions for economic growth and employment generation. These conditions can be established by way of the following:

1. Improvements to infrastructure and service delivery.
2. Better access to education, finance and business support.
3. Creation of an environment that enables and attracts investment.
4. Implementation of specific programmes and interventions aimed at catalysing growth.

The Lesedi LM is committed to addressing all these issues through the efficient execution of its municipal functions. This includes the formation and financing of a Municipal LED Unit that is specifically tasked with the fourth directive, namely *identifying, planning and implementing LED programmes and interventions*. To facilitate this process, the LED Unit has identified the need for a holistic LED Strategy that will serve as a blueprint for project implementation.

1.2. Purpose and Outputs of the LED Strategy

The purpose of the Local Economic Development Strategy is to investigate the various options and opportunities available to broaden the economic base of the Lesedi LM. This information is subsequently strategically packaged to foster an environment conducive to economic growth and investment, the facilitation of business development and the generation of sustainable job opportunities.

The desired outputs of the LED Strategy are summarised as follows:

1. Stimulate economic growth and diversification, especially in labour-intensive, high growth and sustainable industries.
2. Retain existing industries and small businesses, actively recruit new investment and encourage entrepreneurship within the local community.
3. Strengthen partnerships between established industry and new market entrants with the intention of enhancing local supply chains and encouraging skills transfer.
4. Reduce unemployment and poverty through the creation of sustainable job opportunities.
5. Encourage enhanced integration between Heidelberg and the region's townships and rural communities.
6. Coordinate LED with the wider development interventions occurring in the municipality.

1.3. Report Summary

The Lesedi LED Strategy is a comprehensive document providing a holistic view of the municipality and a framework for addressing the opportunities and challenges therein. The document is divided into six sections, each of which is summarised below:

Section 1: Introduction

The introduction provides background information for the strategy, including a definition of Local Economic Development (LED) and the role of a municipal LED Strategy in achieving LED objectives.

Section 2: Policy Review

The policy review is designed to ensure that recommendations put forth in the Lesedi LED Strategy are aligned to the existing policy framework. To achieve this, relevant policies and strategies at the national, provincial and municipal level are identified, summarised and assessed to determine their specific implications for LED.

Section 3: The Lesedi Local Municipality in 2014

The purpose of this section is to provide a clear picture of the Lesedi LM in 2014, in order to identify development needs, challenges and opportunities. The Municipal Profile addresses each of the following subjects:

1. Geographic context, including location, accessibility and proximity to large urban centres.
2. Municipal demarcation, addressing the upcoming merger with the Ekurhuleni Metro.
3. Demographics, including population size, composition, growth rate and migration.
4. Socio-economic issues, including housing, service delivery and education.
5. Economic analysis comprising production and employment profiles.
6. Poverty indicators, such as income levels and the proportion of indigent households.

Section 4: Opportunity Analysis

This section provides an overview of the numerous LED opportunities identified in the Lesedi LM. These opportunities are clustered into the following five development pillars:

1. Agriculture and Agro-Processing
2. Small Business and Retail
3. Urban and Township Revitalisation
4. Tourism Development
5. Transport and Logistics

Section 5: Local Economic Development Framework

The local economic development framework provides a blueprint for LED in the Lesedi LM. This framework unpacks the opportunities identified in the previous section, providing strategic guidelines and development interventions/projects for each.

Section 6: Implementation Plan

The purpose of this section is to assist with the implementation of LED interventions. The implementation plan includes a portfolio of all identified projects and prioritises them according to a strategic prioritisation model. Moreover, it provides information to assist with the implementation of these projects, including project details, identified partners and potential sources of funding.

SECTION 2: POLICY REVIEW

The policy review provides a summary of all strategic documents guiding development in the Lesedi LM, including policies and strategies from national, provincial, district and local government. The purpose of this review is to ensure that the Lesedi LED Strategy aligns with the existing policy framework and to identify any implications for development in the region.

2.1. National Development Strategies

The South African government is committed to addressing poverty and inequality by achieving accelerated and equitable economic growth. To this effect, the government has issued a range of policies and strategies, of which the following are relevant to LED in the Lesedi LM.

NATIONAL STRATEGIES

- 1) National Development Plan
- 2) The New Growth Path
- 3) Industrial Policy Action Plan (IPAP) V
- 4) Regional Industrial Development Strategy (RIDS)
- 5) Comprehensive Rural Development Programme

2.1.1. National Development Plan

The National Development Plan (NDP) was presented by the **National Planning Commission** in 2011 and addresses the Commission's mandate to *'take a broad, cross-cutting, independent and critical view of South Africa, to help define the South Africa we seek to achieve in 20 years' time and to map out a path to achieve those objectives'*. The NDP has since been adopted by government with the intention that its directives will inform strategic decision making throughout South Africa.

The strategic framework for the NDP is based on the following 12 development priorities:

1. Promote an inclusive and labour absorbing economy.
2. Increase capital spending, specifically on infrastructure.
3. Transition to a low-carbon economy.
4. Create an inclusive and integrated rural economy.
5. Reverse apartheid constraints through spatial planning.
6. Improve the quality of education, training, and innovation.
7. Invest in quality healthcare for all South Africans.
8. Develop a robust social security system.
9. Build safer communities and reduce crime.
10. Reform the public sector.
11. Fight corruption in government.
12. Transform society and unite the country.

Through the implementation of strategic guidelines and interventions outlined in the NDP, it is anticipated that South Africa will achieve the **goal of eliminating poverty and reducing inequality by 2030**.

IMPLICATIONS: The NDP guides decision making in all spheres of government. Thus, the directives provided in the NDP must be integrated into the Lesedi LM LED Strategy, including an emphasis on labour absorption, investment in infrastructure and green industry and the development of an inclusive rural economy.

2.1.2. The New Growth Path

The New Growth Path's focus is to create decent work opportunities, reduce inequality and end poverty in South Africa. Government aims to achieve this by restructuring the South African economy to achieve labour absorption and accelerated economic growth. Government is committed to achieving these objectives by:

IMPLICATIONS: The New Growth Path is predicated on the importance of resource prioritisation and stakeholder engagement. It is therefore important that these priorities inform recommendations and guidelines provided in the Lesedi LED Strategy.

1. Identifying areas where **employment creation** is possible on a large scale as a result of substantial changes in conditions in South Africa and globally.
2. Developing a policy package to facilitate employment creation in these areas, through:
 - a) A comprehensive drive to **enhance competitiveness** and social equity
 - b) Systemic changes to **mobilise domestic investment** around certain activities and
 - c) Strong social dialogue to encourage growth in employment-creating activities.

2.1.3. Industrial Policy Action Plan V (IPAP)

The IPAP is an annual series of industrial strategies aimed at promoting diversification beyond the current reliance on traditional commodities and non-tradable services. The purpose of the IPAP is to **expand value-added sectors, promote labour absorbing industries, increase economic participation by historically disadvantaged individuals, and expand into regional markets.**

The fifth iteration of IPAP was issued in April 2013 and addresses the challenges, opportunities and policy changes that have occurred in the previous year. The document is specifically concerned with promoting the following industries, identified as having long-term growth potential:

IMPLICATIONS: The Lesedi LM has a relatively strong manufacturing sector with identified potential for growth. This potential may be realised through the adoption and implementation of strategic directives presented in the IPAP V. Additionally, by aligning the Lesedi LED Strategy to the IPAP V the municipality will ensure coordinated development and enhance the prospect of attracting public finance and support.

1. Metal fabrication and beneficiation, and equipment manufacturing
2. Clothing, textiles, leather, footwear, and crafts
3. Advanced and technology based manufacturing
4. Green and energy saving industries
5. Agro-processing and biofuels
6. Plastics and pharmaceuticals
7. Automotive components and vehicles
8. Forestry, paper, pulp and furniture
9. Tourism related industries

It is envisioned that a collective commitment between Government, labour, business and civil society will enable the rejuvenation of these and other productive industries, providing meaningful employment, attracting investment and achieving accelerated economic growth.

2.1.4. Regional Industrial Development Strategy (RIDS) and Action Plan

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

The strategic intent of the RIDS is:

1. To **stimulate investment** that will promote sustained high growth in a local community.
2. To focus on a region's potential and identify what local stakeholders can do to ensure their local community reaches its potential.
3. To assess a region's **comparative advantages**, identify new or existing market opportunities for businesses and reduce obstacles to business expansion and creation.
4. To have an impact on the economic viability of districts.
5. To **create new jobs**, help communities **retain jobs** and help businesses access capital.
6. To contribute to a broader national framework with a spatial dimension, in order to increase each region's global competitiveness.

IMPLICATIONS: The RIDS addresses LED by encouraging rural and community development through the identification of latent economic potential, support for key industries, comparative advantages and strategic investment. These guidelines will be considered in the development of a spatially integrated LED Strategy for the Lesedi Local Municipality.

2.1.5. Comprehensive Rural Development Programme

The Comprehensive Rural Development Programme (CRDP) is based on the national priority to fight poverty, hunger, unemployment and lack of development in rural areas. The strategy is premised on three development phases:

1. **Phase One** - prioritises meeting the basic needs of rural residents.
2. **Phase Two** – development is driven by large-scale infrastructure development.
3. **Phase Three** - emergence of rural industrial and credit financial sectors driven by small, medium and macro-enterprises and village markets.

The common thread among the three phases of the CRDP is the **development of agriculture**. To this effect, Government has pledged over R2.6 billion in conditional grants to provinces over the medium term. This money will be applied to agricultural infrastructure, training, advisory services and marketing and for upgrading agricultural colleges.

Government similarly supports the provision of agricultural implements and inputs to support emerging farmers, including equipment, seeds and fertiliser. There is also a commitment to increase the accessibility of agriculture loans and to ensure quality extension services.

IMPLICATIONS: The CRDP provides recommendations and opportunities for LED in rural areas. This includes an emphasis on service delivery, farmer support, infrastructure investment and improved access to finance. These recommendations will be incorporated into the Lesedi LED Strategy, especially with regards to economic growth in rural areas.

2.2. Provincial Development Strategies

The Lesedi LM is situated in Gauteng and as such is expected to adhere to the policies and strategies set forth by the Gauteng Provincial Government. The following is a summary of the provincial strategies with relevance to economic, spatial and social development in the Lesedi LM. The guidelines and recommendations put forth in these documents will be integrated into the Lesedi LM LED Strategy in order to provide an aligned and implementable development framework.

PROVINCIAL STRATEGIES

- 1) Gauteng Employment Growth and Development Strategy
- 2) Gauteng 2055
- 3) Strategic Framework for LED in Gauteng
- 4) Gauteng Spatial Development Framework
- 5) Gauteng Comprehensive Rural Development Strategy
- 6) Gauteng SMME Strategy
- 7) Gauteng Industrial Policy Framework
- 8) Gauteng Tourism Development Strategy
- 9) Developmental Green Economy for Gauteng
- 10) Gauteng Youth Employment Strategy

2.2.1. Gauteng Employment Growth and Development Strategy

The 2009-2014 Gauteng Employment Growth and Development Strategy (GEGDS) focuses primarily on advancing the first priority of the Medium Term Strategic Framework (MTSF) namely **'creating decent work and building a growing, inclusive economy'**. The GEGDS is organised into the following five strategic pillars, designed to ensure convergence between the economic and social strategies of government:

1. Transforming the provincial economy through improved efficiency (economic dimension).
2. Sustainable employment creation (economic dimension).
3. Increasing economic equity and ownership (equality dimension).
4. Investing in people (social dimension).
5. Sustainable communities and social cohesion (social dimension).

For each of the five strategic pillars the GEGDS also identifies development drivers, which will guide decision making in the province. The following is a summary of the strategic drivers, with particular relevance to LED:

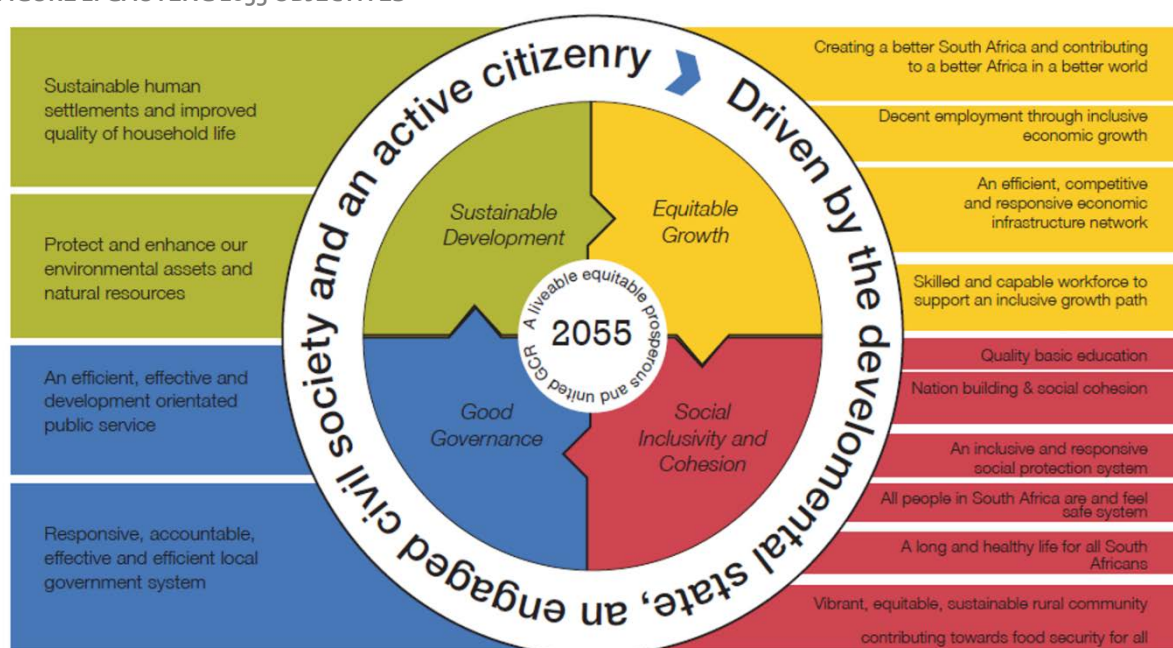
1. Encourage the creation of **green industries**, green jobs and sustainable resource use.
2. **Promote inclusivity** through investment in socio-economic and bulk infrastructure.
3. Foster **economic growth** from below through the promotion of community driven LED.
4. Enhance access to **tertiary education** and **skills development** programmes.
5. Promote **labour absorbing industries**, growth sectors and manufacturing clusters.
6. Encourage **sustainable employment** by supporting new ventures and industries in distress.
7. Support the **formal and informal sectors** with emphasis on the development of SMMEs and cooperatives.
8. **Improve rural livelihoods** through agriculture development and enhanced food security.

IMPLICATIONS: The Lesedi LED Strategy will also pursue the objective of accelerated and inclusive growth while prioritising green industry, job creation, skills development, rural poverty alleviation and small business development.

2.2.2. Gauteng 2055

Gauteng 2055 presents a long-term Vision for the province that collectively encompasses the ideals of **equitable growth, social inclusivity and cohesion, good governance, infrastructure investment and sustainable development**. The Vision aligns with both national and provincial development outcomes and introduces significant game changing development interventions that will thrust Gauteng on a new high-growth development trajectory. Figure 1 illustrates the main Gauteng 2055 long-term outcomes or objectives.

FIGURE 1: GAUTENG 2055 OBJECTIVES



Gauteng 2055 describes the Sedibeng region as representing “**some of the best economic development potential**” in Gauteng. The Vision introduces the establishment of long-term urban boundaries throughout the City-Region to encourage densification and halt urban-sprawl that is becoming increasingly unsustainable. Lesedi presents a logical focus for future development and expansion in Gauteng. The area has an abundance of available land for developed, well-developed municipal and transport infrastructure, as well as land which is generally better priced in comparison with the metro regions in Gauteng.

IMPLICATIONS: Gauteng 2055 identifies various ‘game changing’ interventions, of which the following hold specific implications for LED in the Lesedi Local Municipality:

- 1) Changing the architecture of the food supply chain** to produce and consume locally in order to lower food costs. Lesedi should thus aim to optimise its agriculture and agro-processing value-chains.
- 2) Delineation and implementation of long-term urban boundaries** that will contribute to Lesedi’s overall attractiveness as a logical growth point in Gauteng. Such boundaries will also highlight, protect and promote Lesedi’s most fertile agricultural land.
- 3) Smallholder farmer development** through technical, financial and infrastructure programmes aimed at agrarian reform in the province and particularly rural areas, such as the Lesedi LM.

2.2.3. Strategic Framework for LED in Gauteng

The main focus of the Strategic Framework for LED in Gauteng is to **strengthen LED systems and practices** which in turn will assist in creating stronger local economies. To achieve these objectives the Framework is based on the following six principles:

1. LED should focus on competitiveness improvements, business retention, expansion, investment and start-up.
2. Expand the scale and scope of LED initiatives and capacity by leveraging support from LED partners through facilitation and networking.
3. Improve the skills within LED units, including their understanding of business development, local economic growth and LED practices.
4. Enhance inter-governmental planning, budgeting and implementation systems.
5. Accelerate Public-Private Partnerships (PPP) to improve infrastructure delivery, operation and maintenance to meet the backlog in social and economic infrastructure.
6. Collect accurate, complete and recent information in order to facilitate effective planning and decision making concerning LED.

IMPLICATIONS: The Strategic Framework for LED provides principles which will guide the Lesedi LED Strategy. The Framework also targets the following five aspects of municipal LED systems:

1. Effective leadership and governance
2. Smart, simple and efficient initiatives, including catalytic projects and quick responses to issues and opportunities.
3. Leveraging the capacity to effect change
4. Improving the resources available to LED
5. Constant awareness and learning concerning that which does well in LED.

2.2.4. Gauteng Spatial Development Framework (SDF)

The Gauteng Spatial Development Framework (GSDF) is considered a fundamental element of the Gauteng Province's comprehensive development plan (G2055-2 programme). The GSDF provides the spatial context for the G2055-2 programme and offers guidelines for all municipalities in preparing their local SDFs.

The GSDF lays out the following objectives and recommendations for spatial development in the province:

1. Continue to **restrict unnecessary urban sprawl** by increasing housing densification within the existing urban footprint, while similarly protecting natural ecosystems and open spaces.
2. Re-direct public housing delivery and housing policies to comply with the principles underlying the GSDF.
3. Discourage further expansion of townships, particularly the development of low income public housing, and instead focus on mixed-use, economically driven initiatives.
4. Align road planning with the desired future state of the province as described in the GSDF.

IMPLICATIONS: The GSDF proposes a holistic approach to spatial development that encompasses the province's major urban centres, as well as secondary, tertiary and peripheral nodes (such as Heidelberg in the Lesedi LM). Recommendations for developing these peri-urban and rural areas include:

1. Prioritise development along key roads and corridors (N3 development axis).
2. Integrate the rural and urban economies.
3. Restrict the sprawl of urban low-density housing into the rural periphery.
4. Protect and advance the agriculture industry.

2.2.5. Gauteng Comprehensive Rural Development Strategy

The Gauteng Comprehensive Rural Development Strategy provides a strategic framework designed to facilitate the **co-ordinated implementation of sector policies and strategies** relating to rural development. The strategy focuses specifically on the implementation of poverty alleviation mechanisms and the creation of an enabling economic environment.

IMPLICATIONS: The Rural Development Strategy stresses that LED can assist farmers and other rural dwellers with improving competitiveness, diversification, flexibility and environmental responsibility, and by supporting rural enterprise development. The Lesedi LED Strategy will therefore assist the municipal LED unit in addressing these responsibilities.

The rural development strategy outlines the following seven development pillars:

1. Promotion of sustainable land reform in Gauteng.
2. Support for **infrastructure development**, access to services and sustainable livelihoods.
3. Improved food security for all.
4. **Job creation** linked to skills training and capacity building.
5. Sustainable use of natural resources and environmental protection.
6. Good governance.
7. Addressing risks and vulnerability.

2.2.6. Gauteng SMME Strategy

The Gauteng small, micro and medium enterprise (SMME) Strategy forms part of a targeted approach of promoting initiatives that will stimulate small business development and participation in the formal economy. The SMME Strategy is informed by the Gauteng SMME Policy Framework that provides the overarching framework for small business development in the province.

IMPLICATIONS: The development of SMMEs and cooperatives is a key pillar of LED in South Africa. It is therefore important that the Lesedi LED strategy addresses the challenges and opportunities available in the local SMME sector by contributing to an enabling business environment, identifying viable opportunities and improving the accessibility of support.

The aim of the Gauteng SMME Strategy is to provide a set of measurable and action-oriented interventions aimed at achieving the province's long-term vision for the SMME sector. Through the implementation of these interventions, the Strategy seeks to address the following five strategic objectives:

1. To ensure national, provincial, district and local actors from the public, private and community sectors work in a collaborative, integrated and coordinated manner.
2. To **provide SMME development services** that are accessible, sustainable, business-like, equitable and responsive to the demands of clearly defined target groups.
3. To improve the competitiveness of Gauteng's business environment, including its constituent local business environments.
4. To **promote entrepreneurship**, innovation and technology transfer in the SMME sector.
5. To ensure that the growth of the SMME sector and its contribution to provincial, local and national development goals is monitored and assessed against benchmarks and targets.

2.2.7. Gauteng Industrial Policy Framework

The Gauteng Industrial Policy Framework is designed to contribute to diversified industrial development and the creation of decent work opportunities in Gauteng. The Strategy identifies the following four strategic thrusts which should inform the development of programmes and action plans:

1. Expansion of **decent work opportunities**.
2. Development and expansion of medium-tech **labour intense manufacturers**.
3. Strengthening industry linkages through **supply chain development**.
4. Enhancing **value addition** and upgrading supply chains.
5. Creation of an **integrated and diversified industrial base** in Gauteng.

The Gauteng Industrial Policy Framework identifies six industries with the capacity for accelerated growth and development and provides an overview of their potential. These industries are:

1. Food and beverages
2. Furniture
3. Textiles and Clothing
4. Construction
5. Machinery and Equipment
6. Vehicles and Components

IMPLICATIONS: The Lesedi LED Strategy should focus on the promotion of key industries with the capacity for large-scale employment. This may be achieved by examining and strengthening local supply chains, as well as industrial linkages with urban centres in Gauteng.

2.2.8. Gauteng Tourism Development Strategy

The Gauteng Tourism Development Strategy aims to address the challenges faced in releasing the potential of tourism in Gauteng. The objective is to attract an increasing number of tourists to the province, encourage these visitors to stay longer, and thus increase total tourism spending.

IMPLICATIONS: The Gauteng Tourism Development Strategy identifies potential niche markets for rural tourism, such as adventure-, eco-, and cultural tourism. These opportunities will be further investigated and integrated into the Lesedi LED Strategy.

The Tourism Development Strategy identifies the following objectives:

1. Identify and monitor target markets and segments, their perceptions, preferences and travel behaviour to inform tourism planning.
2. Define and effectively communicate Gauteng's tourism brand.
3. Raise awareness regarding the experiences, destinations and icons in Gauteng.
4. **Improve product development, packaging and promotion.**
5. Strengthen gateways, product clusters and linkages between attractions and destination within Gauteng and between Gauteng and other provinces.
6. **Identify both 'quick-wins' and future 'flagship' projects.**
7. Facilitate improvement of product quality, standards and accreditation.
8. Support the national and provincial approach to transformation in tourism.
9. Provide clarity on tourism's institutional structure and define the roles and responsibilities of the public and private sectors and tourism authorities.

2.2.9. A Developmental Green Economy for Gauteng

The document titled 'a Developmental Green Economy for Gauteng' is designed to support the province's vision of achieving **sustainable growth and job creation based on building a low carbon, resource productive economy** that reduces environmental impacts. It advocates for the following programmes, designed to achieve the objective of environment and economic sustainability:

IMPLICATIONS: The Lesedi LED Strategy will integrate the principles of sustainability into all recommendations. This approach will reduce the environmental consequences of development, encourage growth in new industries, facilitate the creation of green jobs and enable greater investment attraction.

1. Enhance food security by reducing imports and vastly increasing local food production.
2. Promote energy security by reducing the dependence on oil and coal based sources of energy, increasing the supply of renewable energy and improving energy efficiency.
3. Promote water security by reducing total water consumption, improving efficiencies, introducing recycling, increasing education and reversing pollution.
4. Move towards a 'zero waste' economy by seeing all waste as potential productive inputs.
5. Promoting sustainable mobility by investing in public transport.

2.2.10. Gauteng Youth Employment Strategy

The Gauteng Youth Employment Strategy seeks to address the problem of youth unemployment in the province by creating decent work opportunities, promoting sustainable livelihoods and reducing income inequalities. Proposed interventions towards achieving these objectives include:

IMPLICATIONS: The Lesedi LED Strategy will place emphasis on youth employment by introducing projects and interventions aimed specifically at job creation within this population segment.

1. Provision of **business support and training** for youth-owned enterprises.
2. Adoption and promotion of youth **preferential procurement**.
3. Establishment and support of youth **entrepreneurial cooperatives**.
4. Increased youth participation in the **Expanded Public Works Programme**.
5. Development of an online **unemployment database**.
6. Increased access to **economic opportunities** for youth.
7. Improved access to and registration on supplier databases.

The Youth Employment Strategy is based on four key pillars, all of which aim to enhance youth participation in the mainstream economy. These four pillars are summarized as follows:

1. Increase the placement of recent graduates by working with labour organisations, business associations and SETA's to create more job opportunities for young people in Gauteng.
2. Encourage skills development that is focused on youth by addressing skills shortages, developing placement programmes and offering career guidance and other services.
3. Develop township hubs aimed at promoting formal and informal small businesses.
4. Promote entrepreneurial development by increasing the number of youth participating in skills and business development initiatives.

2.3. Municipal Development Strategies

The development of an effective and integrated LED Strategy requires a clear understanding of the development priorities and interventions of relevant municipal authorities. These directives are put forth in various development strategies which provide a framework for economic growth, spatial development and poverty alleviation.

The purpose of this sub-section is to summarise key development strategies in the District and Local Municipalities and identify implications for LED in the Lesedi LM. This information will be used in the identification of LED opportunities, projects and interventions.

MUNICIPAL STRATEGIES

- 1) Sedibeng Growth and Development Strategy 2
- 2) Sedibeng DM IDP (2013-2014)
- 3) Lesedi LM IDP (2013-2014)
- 4) Lesedi LED Strategy (2008)
- 5) Lesedi Spatial Development Framework (SDF)
- 6) Lesedi Nodal and Corridor Development Study

2.3.1. Sedibeng Growth and Development Strategy 2

The Sedibeng Growth and Development Strategy (GDS) is a holistic document designed to guide decision making on development, while also accommodating short and medium term adaptations. The Strategy was updated in 2011 to account for new challenges and incorporate emerging opportunities.

The ultimate objective of the Sedibeng Growth and Development Strategy 2 is to assist in transforming the region into a vibrant '*Metropolitan River City*' with a diversified economy and high standard of living for all residents.

The Sedibeng GDS outlines the following six focus areas designed to achieve sustainable growth and development:

IMPLICATIONS: The Sedibeng Growth and Development Strategy (SGDS 2) identifies numerous focus areas, many of which are applicable to LED in the Lesedi LM. This includes an emphasis on 'Reinventing the Economy' through the implementation of LED principles such as diversification, innovation and skills development.

The information and directives presented in the SGDS 2 will be utilised to assist in developing strategic pillars, integrated programmes and priority projects for the Lesedi LED Strategy.

1. **Township Renewal:** Attract businesses and skilled residents to the townships and develop new industries.
2. **Urban Renewal:** Revive decaying business districts through infrastructure investment and improved service delivery.
3. **Rural Development:** Enhance rural productivity, access to opportunities, job creation and resource management.
4. **Human Settlements:** Implement a diversified approach to housing that integrates mixed income, mixed-use and well-connected residential developments on well-located land.
5. **Clean Energy:** Attack climate change, reduce pollution and limit resource use through the implementation of green policies and interventions.
6. **ICT Connectivity:** Increase the availability of communication technology and increase social capital.

The updated Sedibeng Growth and Development Strategy reaffirms the 4R + 2 framework for action which includes the following seven focus areas:

1. **Reinventing our Economy.** Expanding economic output and employment:
 - **Diversification** away from the mining sector
 - Continuous **innovation** and technology development
 - Creation of **non-traditional tourism attractions** to increase the flow of visitors
 - Create **agglomeration advantages** through the development of spatial hubs
 - Undertake strategic **business retention** especially in the manufacturing sector
 - Create a **skilled labour force** that is prepared to meet market demand
2. **Renewing our Communities.** Transform all communities into vibrant economic centres:
 - Creation of stable and **viable neighbourhoods**
 - **Township development** focused on infrastructure, services, safety and transport
 - Changing the nature of **housing delivery** through mixed-use development, formalisation of townships and hostel upgrading
 - **Beautification** of Sedibeng through greening programmes, social cohesion, security improvements, economic development and improved infrastructure
 - Invest in **precincts and nodes** through CBD renewal, development of tourism and heritage sites and township renewal (including the **Heidelberg CBD**)
3. **Reviving the Environment.** Provide a healthy living and working environment:
 - Set the goal of becoming a '**green or eco-city**'
 - Develop **strong partnerships** to manage the environment
 - Undertake initiatives to create **clean air, water and land**
 - Explore large scale **recycling opportunities**
4. **Reintegration of the Region.** Reintegrate areas of Sedibeng with each other and reintegrate Sedibeng into the wider economy:
 - Improve intra-Sedibeng **transport links** by developing road and rail corridors and improving logistics support for industry
 - Enhance **ICT connectivity**
 - Undertake strategic **residential development**
5. **Release Human Potential.** Release human potential through education, skills, social and economic development:
 - Develop the region into a **skills centre for beneficiation**
 - Bring industry, educators and government together in **local partnerships**
 - Build social capital by working with communities and **civil society**
 - **Advance BEE** through local government procurement, training and support
6. **Good Governance and Deepening Democracy.** Increase **community involvement** in governance and enhance the **accountability of government**:
 - Improve service delivery, financial management and intergovernmental relations
 - Undertake meaningful communication and interaction with all stakeholders

2.3.2. Sedibeng District Municipality IDP (2013-2014)

The 2013-2014 Sedibeng DM IDP is the first annual review of the five year Integrated Development Plan adopted in 2012. The IDP is based on the Sedibeng Growth and Development Strategy and therefore advances the 4R + 2 framework (*Section 2.3.1.*) including the prioritisation of Local Economic Development (LED) with the following strategic objectives:

1. Create long term sustainable jobs and reduce unemployment, poverty and inequalities.
2. Promote a diverse economy within the Sedibeng region.

IMPLICATIONS: The Lesedi LED Strategy will advance the objectives of LED at the local government level. This includes the promotion of selected flagship projects and the design and implementation of strategically aligned interventions.

The 2013-2014 IDP also identifies ten flagship projects for the Sedibeng DM. These projects and their potential impact on the Lesedi LM are summarized in Table 1:

TABLE 1: TEN FLAGSHIP PROJECTS - SEDIBENG DM

FLAGSHIP PROJECT	PROJECT SUMMARY	IMPACT ON THE LESEDI LM
1) Sedibeng Development Agency	Municipal entity established to initiate, coordinate, manage and implement economic development projects	May accelerate private sector growth, investment and project implementation in the Lesedi LM
2) Vaal Freight and Logistics Hub	Facilitate freight and logistics by establishing a Special Economic Zone (SEZ) focused on transport	Limited impact on the Lesedi LM
3) Comprehensive Rural Development Project: Sedibeng Maize Triangle and Agricultural Cooperatives	Provide technical, infrastructure and logistics support to small, emerging and cooperative farmers, improve infrastructure and create job opportunities	Potential to create employment and improve food security in rural areas of the Lesedi LM through farmer and cooperative support
4) Establishment of a River City Metropolitan Municipality	Disestablish existing municipalities in the Sedibeng region and establish a single tier form of local government	Although not part of this initiative, there are plans to integrate the Lesedi LM into the Ekurhuleni Metropolitan Municipality, the impact of which will be highly significant
5) Fibre Optic Connectivity & Roll-Out	Roll-out fibre optics to all municipal offices, clinics and libraries	Improve connectivity and reduce the cost of doing business in the Lesedi LM
6) Heritage Commemorative Events	Preserve and promote heritage resources, in particular those that form part of the Sharpeville Heritage Precinct Legacy Project	Potential tourism development through investment in local heritage sites such as the Dutch Reformed Church and NZASM Railway Station in Heidelberg
7) Sedibeng Regional Sanitation Scheme	Address sanitation issues including sewage in the Vaal River, sanitation infrastructure and capacity of the Waste Water Treatment Works	May improve community health and quality of life however at this stage it is unknown whether the project will incorporate the Lesedi LM
8) Alternative Energy Generation	Installation of solar water geysers in households and exploring other 'green energy' alternatives	Roll-out of this project in the Lesedi LM will reduce household electricity consumption and lower households' long-term expenditure on utilities
9) Implementation of the Integrated Public Transport Model (BRT)	Determine the feasibility of integrating various modes of transport into a single public transport system	Very limited impact on the Lesedi LM

10) Vaal 21 Branding	Develop the Vaal riverfront to increase investment and tourism	No impact on the Lesedi LM
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2.3.3. Lesedi Local Municipality IDP (2013-2014)

The Lesedi LM IDP was compiled following consultation with stakeholders in government, civil society and the private sector. The document includes a situational analysis of the municipality that allows the identification of 'Key Performance Areas'. The second Key Performance Area identified in the Lesedi LM IDP concerns Local Economic Development (LED), including the projects and interventions summarised in Table 2:

IMPLICATIONS: The LED priorities and projects identified in the Lesedi LM IDP will be integrated into the Lesedi LED Strategy. This will ensure that projects receive the necessary support, in terms of budgeting processes and coordinated implementation.

TABLE 2: LED PROJECTS IN THE LESEDI IDP

LED PROJECT	PROJECT SUMMARY
1) The Zone of Opportunity	The 'zone of opportunity' is located north of Bergsig along the N3 corridor. This region is earmarked for concentrated investment. Additionally, two plots have been subdivided for housing/township development.
2) Proposed Heidelberg Extension 24	Heidelberg Extension 24 is earmarked for an industrial or commercial township. This township will be developed into approximately 47 industrial stands designed to catalyse manufacturing investment and job creation.
3) Transnet Bulk Liquid Terminal	Transnet has begun construction of a Bulk Liquid Terminal along the R42 Corridor which will serve as an inland storage point for fuel. This project forms part of the Multi Product Pipeline from Durban to Heidelberg
4) Southern Gateway Logistics Hub	The proposed logistics hub is located between the N3 and R103 Corridors. The hub will take bulk freight from the ports at Richards Bay and Durban and place it in warehousing units for inland redistribution. The IDC has conducted a socio-economic analysis and is funding a feasibility study.
5) Integrated Medical Facility	The 600 bed Integrated Medical Facility will be developed north of Bergsig including a university hospital offering alternative healing therapy. This project is also linked to the development of a Herbal Farm in Jameson Park.
6) Informal Trading	The development of an informal traders stall is underway in the Heidelberg CBD, with a similar initiative earmarked for Ratanda. This project will be informed by the informal trading policy currently under development.
7) Nodal and Corridor Development	The Lesedi LM Nodes and Corridor Development Strategy identifies 12 development nodes in the municipality. Development of these nodes will focus on agriculture and agri-processing, manufacturing, transport, residential development, social service provision and tourism.
8) Neighbourhood Development Partnership Grant: Lesedi Precincts	The Neighbourhood Partnership Grant Funded Project aims to provide development opportunities in disadvantaged areas of the Lesedi LM. The focus areas of the project are Heidelberg/Ratanda, Devon/Impumelelo and Jameson Park.

The 2013-14 IDP also provides the following specific guidelines for LED Strategy development:

1. **Reduce poverty and unemployment.**
2. Create **new jobs and businesses** in both the formal and informal sectors.
3. **Broaden the tax base** through business development and diversification.
4. Provide comprehensive **SMME support**.
5. **Attract tourists/visitors** to the area.
6. Attract increased **Government funding** and investment.

7. Grow **infrastructure investment** by the Local Authority.
8. Develop **skills training facilities**.

2.3.4. Lesedi LED Strategy (2008)

The Lesedi LM has a sound history of local economic development guided by regularly updated LED strategies. The current LED Strategy (2014) is in effect an update of the preceding Lesedi LM LED Strategy, compiled in 2008 and as such will align with the directives and priorities put forth in this document.

The 2008 LED Strategy focused on achieving economic diversification through development of the following five priority areas and objectives:

IMPLICATIONS: The updated Lesedi LM LED Strategy (2014) will align with LED directives already in effect within the municipality. More specifically, the updated strategy will place emphasis on the five priority areas identified in the 2008 LED Strategy.

The Lesedi LED Strategy will also incorporate existing LED interventions in order to ensure continuity, facilitate effective implementation and maximise the impact of each intervention.

1. **Agriculture, Land Reform and Agri-Processing.** To increase the market share of local farmers and agri-producers and strengthen the position of small-scale farmers:
 - Ensure that agriculture programmes are focused and well-coordinated.
 - Improve **BEE sustainability** and ensure small farmers benefit from BEE systems.
 - Identify **new and niche markets** and improve access by emerging farmers.
 - Accelerate land reform by lobbying government to buy farms.
 - Ensure that all farmers receive the necessary capacitation to comply with market standards.
2. **Manufacturing.** To increase the manufacturing sector in the municipality:
 - Establish a body to actively **support existing manufacturers**.
 - **Attract new manufacturing businesses** by providing appropriate incentives, securing the energy supply and developing a manufacturing cluster along the R42.
 - **Support emerging manufacturers** to sustainably access regional markets.
3. **Transport.** To position the Lesedi LM as a freight and public transport hub:
 - Develop a **dry port** with a fully integrated road and rail feeder system.
 - Establish a **redesigned public transport** system with intermodal facilities.
 - Develop a **freight hub** with services to support local business growth.
 - Compile an **integrated transport plan** that allows for freight and commuter needs.
4. **Residential.** To position the Lesedi region as a healthy residential destination:
 - Extend the **urban edge** in order to increase employment, tax base and local economic activity.
 - Unlock 300 hectares of agricultural land for **residential development** (west of Jordaan Park and between Blesbokspruit and R42, the R103, the R29 and N17)
5. **Tourism.** To brand the Lesedi LM as a tourism destination, increasing tourism by 20%:
 - Join the N3 meander to create an individual identity for the Lesedi LM.
 - Encourage the maintenance of the **cultural feeling of the town/area**.
 - Identify **unique tourism attractions** within the municipality.

2.3.5. Lesedi Local Municipality Spatial Development Framework (2010)

The Lesedi LM Spatial Development Framework (SDF) provides broad terms of reference for all government decision making pertaining to future development in the Lesedi LM. The SDF seeks to achieve the following seven development objectives:

IMPLICATIONS: The Lesedi LM LED Strategy will align to the strategic objectives put forth in the SDF. These objectives call for investment along identified corridors, concentrated and mixed use residential development and the promotion of rural LED, agriculture development and tourism.

1. **Optimise the development opportunities** emanating from Lesedi's strategic location as a gateway to Gauteng by prioritising areas in the N3 and (to a lesser extent) N17 corridors.
2. Promote a settlement pattern (compact urban structure) which will facilitate **cost-effective service delivery**.
3. Promote **integrated and equitable settlement and development patterns** through infill development, promotion of development corridors, land reform and LED in rural areas.
4. Cater for the expected development pressure identified in certain areas through **expenditure on bulk service infrastructure** especially along the N3 and R42 corridors.
5. Promote **local economic initiatives** within existing rural settlements.
6. Optimise the **food production capacity** of agricultural areas by linking disadvantaged communities to basic food supply, informal trade promotion and SMME development.
7. Optimise the **environmental and tourism potential** within the municipal area through environmental protection and sustainable tourism promotion.

2.3.6. Lesedi Nodal and Corridor Development Study (2009)

The Lesedi LM SDF identifies the strategic importance of nodal and corridor development in the municipality. The Lesedi Nodal and Corridor Study (2009) aims to 'unpack' the nodes and corridors within the Lesedi LM and provide parameters to guide the planning and development programmes in the area.

IMPLICATIONS: The Lesedi LED Strategy will focus on promoting identified nodes with the objective of corridor development. Projects and interventions will be spatially aligned to the nodes identified in the Lesedi Nodal and Corridor Study.

The study finds that the Lesedi LM should **focus on the development of strategically selected nodes** that display existing economic activity and high development potential, rather than on corridor development. The study identifies the following strategic nodes within the municipality:

1. The CBD in Heidelberg and Ratanda.
2. The Zone of Integration between Heidelberg and Ratanda Agricultural Holdings.
3. The area surrounding the intersection of the N3 and R23.
4. The Zone of Opportunity and the industrial/commercial areas to the south.
5. The area to the south of the Eendracht A.H. between the N3 and R102 roads.
6. Jameson Park.
7. Devon/Impumelelo.
8. Vischkuil Agricultural Holdings.
9. Two tourism corridors between the Suikerbosrand and Alice Glockner Nature Reserves along routes R42 (south towards Vereeniging) and R549 (towards the Vaal Dam).

SECTION 3: THE LESEDI LOCAL MUNICIPALITY IN 2014

The Lesedi LM is located in the predominantly urban province of Gauteng, Africa's economic powerhouse. In contrast to the province's urban areas, however, the municipality is largely rural, boasting strong agriculture and agro-processing industries and several small and mid-size settlements. These unique characteristics provide the municipality with an opportunity to integrate rural and urban planning to achieve accelerated and diversified growth.

The purpose of this section is to provide a detailed profile of the Lesedi LM in 2014. This profile offers an introduction into the geographic context of the region, including its location and accessibility, as well as information regarding the upcoming merger with Ekurhuleni Metro. The Lesedi LM profile also addresses a range of socio-economic indicators, including demographic trends, housing and service delivery, education and skills development, and economic output and employment. The information and analysis presented below will inform decision making concerning LED and assist with the identification of development programmes and interventions.

3.1. Geographic Context

The Lesedi LM is located in the south of the Gauteng Province (Figure 2), and at the time of drafting this strategy (2014), forms part of the Sedibeng District Municipality. The Lesedi LM is largely rural, with urban concentrations along the N3 highway and N17. The largest urban centre is Heidelberg/Ratanda, which is situated on the N3 at the intersection with Route R42, east of the Suikerbosrand Nature Reserve. The largest rural settlement in the Lesedi LM is Devon/Impumelelo, which is located on the N17 along the eastern edge of the municipality and relies heavily on the agriculture industry.

FIGURE 2: LESEDI LM IN GAUTENG

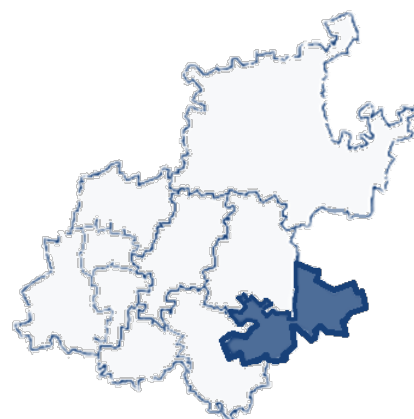


FIGURE 3: LESEDI LM IN THE SEDIBENG DM



Source: Sedibeng District Municipality (2014)

3.2. Municipal Demarcation

The Lesedi Local Municipality is currently a category B municipality, forming part of the larger Sedibeng District. In this context, it is important to take cognisance of the **second generation Sedibeng Growth and Development Strategy** that was discussed previously.

The Municipal Demarcation Board has proclaimed to integrate the Lesedi LM within the Ekurhuleni Metro as part of a wider border redetermination process in 2016, the outcome of which is illustrated in Figure 4. In preparation for 2016, Lesedi LM must still align with the new Sedibeng Growth and Development Strategy.

The redetermination of municipal boundaries will not impact the validity of economic opportunities identified in the Lesedi LED Strategy as these opportunities are aligned to local competitive and comparative advantages, not 'invisible' boundaries. The redetermination process may, however, have an effect on the priority placed on identified LED projects. From one standpoint, these projects will benefit, with the region receiving greater access to resources and institutional specialists as part of a metropolitan area. Conversely, local interventions will have to compete with projects throughout Ekurhuleni in order to secure these resources and expertise.

FIGURE 4: PROPOSED BORDER REDETERMINATION



The following is a list of recommended actions to embark on in the event that the border redetermination is approved. These actions are designed to ensure that the LED Strategy remains relevant and that local projects are prioritised by the new administration:

STAGE	RECOMMENDATIONS
1) Prior to approval of the new boundaries	i) Consult with community members and business owners, particularly the LED Forum to ensure that stakeholders are aware of the process and the anticipated implication.
	ii) Determine the likelihood of budget, personnel and other institutional changes and develop strategies for addressing each.
2) Following boundary approval, prior to merger	i) Align the LED Strategy with the Sedibeng Economic Transition Plan, which will be drafted once the merger is approved.
	ii) Collaborate with LED Official from Ekurhuleni to establish a common ground from which to launch implementation.
	iii) Integrate the Lesedi LED Strategy into the Ekurhuleni LED Strategy.
3) Once the merger of Lesedi and Ekurhuleni is complete	i) Champion priority projects in the Lesedi LM to ensure that they are not neglected following the merger. This is particularly important for rural interventions, which may be given less emphasis by a metropolitan administration.
	ii) Identify opportunities to leverage greater support for LED intervention, particularly for projects with an impact on both localities (i.e.: projects relating to the Tambo Springs Inland Port).

3.3. Demographic Profile

The demographics of a region affect economic, social and spatial development by dictating the demand for employment, infrastructure and services. This sub-section offers a demographic profile of the Lesedi LM compared to the wider region. This profile includes information on population growth, density, composition, migration and household trends.

3.3.1. Population Growth

According to South African Census data, the total population of the Lesedi LM was 73 691 people in 2001, increasing by 25 829 people to 99 520 in 2011. This translates into an average annual growth rate of 3.1%. **Assuming this rate of population growth has remained consistent since 2011, it is estimated that there are 108 908 people living in the Lesedi LM in 2014.**

TABLE 3: POPULATION GROWTH

Table 3 provides the population level for the Lesedi LM and wider study area in 2001 and 2011, as well as the average annual growth rate over this time period. It indicates that the average annual rate of population growth in the Lesedi LM was relatively high (3.1%), outpacing the district (1.4%) and the province (2.9%).

STUDY AREA	POPULATION SIZE			GROWTH RATE
	Census 2001	Census 2011	Estimate 2014	
Gauteng	9 178 544	12 272 263	13 429 934	2.9%
Sedibeng DM	796 754	916 484	1 002 937	1.4%
Emfuleni LM	658 420	721 663	789 738	0.9%
Midvaal LM	64 643	95 301	104 290	4.0%
Lesedi LM	73 691	99 520	108 908	3.1%

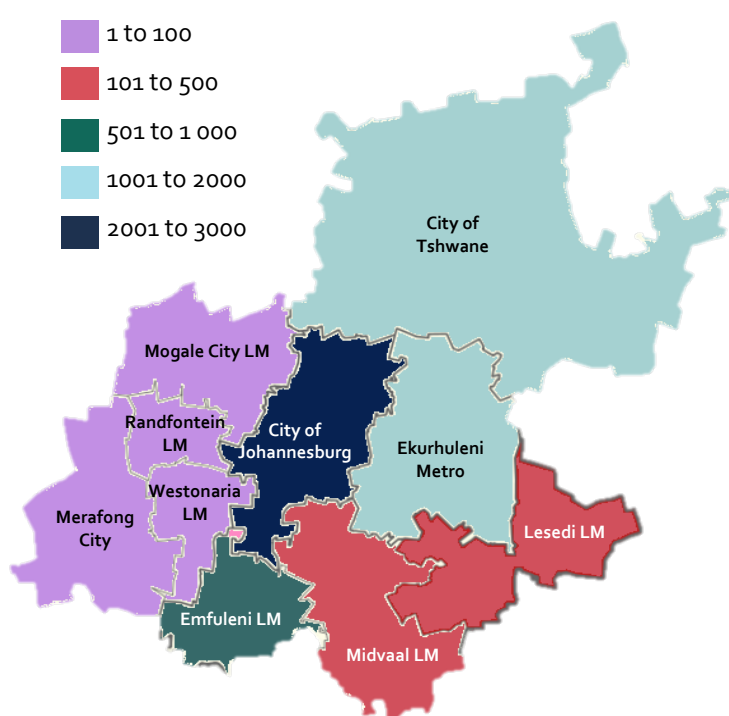
Source: Quantec (2014)

3.3.2. Population Density

The population density in the Lesedi LM, assuming the growth rate has remained consistent since the 2011 South African Census, is approximately 48 people per km² in 2014. This is comparable to the average population density for South Africa of 42 people per km², but significantly lower than the average density in the Sedibeng DM (213 people per km²) and Gauteng Province (736 people per km²).

Figure 5 illustrates the population density of all metropolitan and local municipalities in Gauteng in 2014. It indicates that population density in the Lesedi LM is far lower than the metropolitan areas of the province, owing to the rural nature of the region.

FIGURE 5: POPULATION DENSITY (people/km²)



3.3.3. Household Dynamics

The household dynamics within a study area is a key determinant of the demand for services and employment. According to the most recent South African census data, the Lesedi LM was home to 29 668 households in 2011, equating to approximately **32 466 households in 2014** using average annual growth rates. This translates into an **average household size of 3.67**, which is slightly higher than the average for Gauteng (3.4).

The average household size is indicative of the quality of life in a study area. This connection is based on the following principle: *In areas where average household size is higher the number of dependants is also expected to be greater and thus income per person will be lower.*

Table 4 indicates the average household size in the Lesedi LM compared to the wider study area, as well as the estimated values for 2014. It reveals that the Lesedi LM has a higher average household size than in the wider study area, due to a higher population growth.

TABLE 4: CHANGE IN HOUSEHOLD SIZE

STUDY AREA	HOUSEHOLD SIZE		
	Census 2001	Census 2011	Estimate 2014
Gauteng	3.2	3.1	3.43
Sedibeng DM	3.5	3.3	3.42
Emfuleni LM	3.5	3.3	3.37
Midvaal LM	3.1	3.2	3.57
Lesedi LM	3.7	3.4	3.67

Source: Quantec (2014)

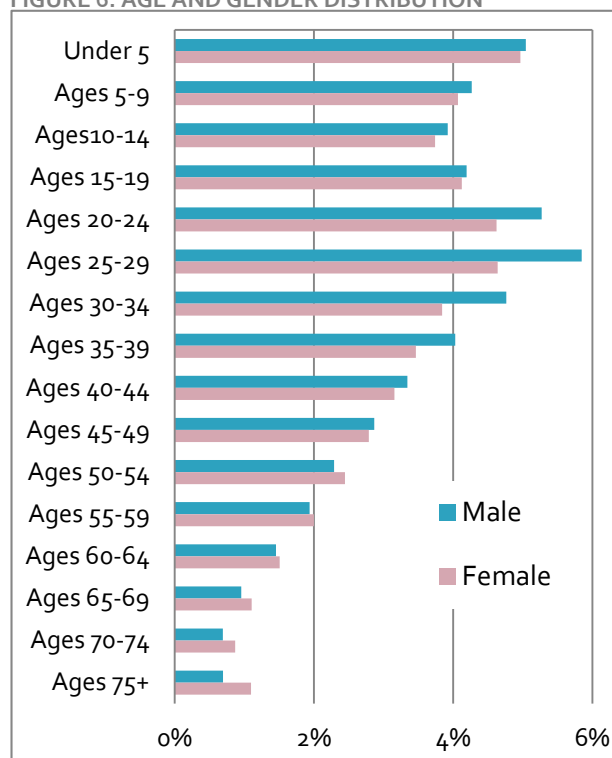
3.3.4. Age and Gender Composition

The age and gender composition of a population can have a considerable impact on socio-economic development in a study area. It is indicative of the size of the labour force, worker migration and the demands for health care and other social services.

A population pyramid for the Lesedi LM is illustrated in Figure 6. This pyramid demonstrates the age and gender composition by showing the proportions of males and females in each age group. The sum total of all the age-gender groups in the pyramid equals 100% of the population.

The Lesedi LM population has a relatively large working age group, with 68.6% of the population between the ages of 15 and 64. This age group also includes more men than women, indicating that the area receives migrant labour.

FIGURE 6: AGE AND GENDER DISTRIBUTION



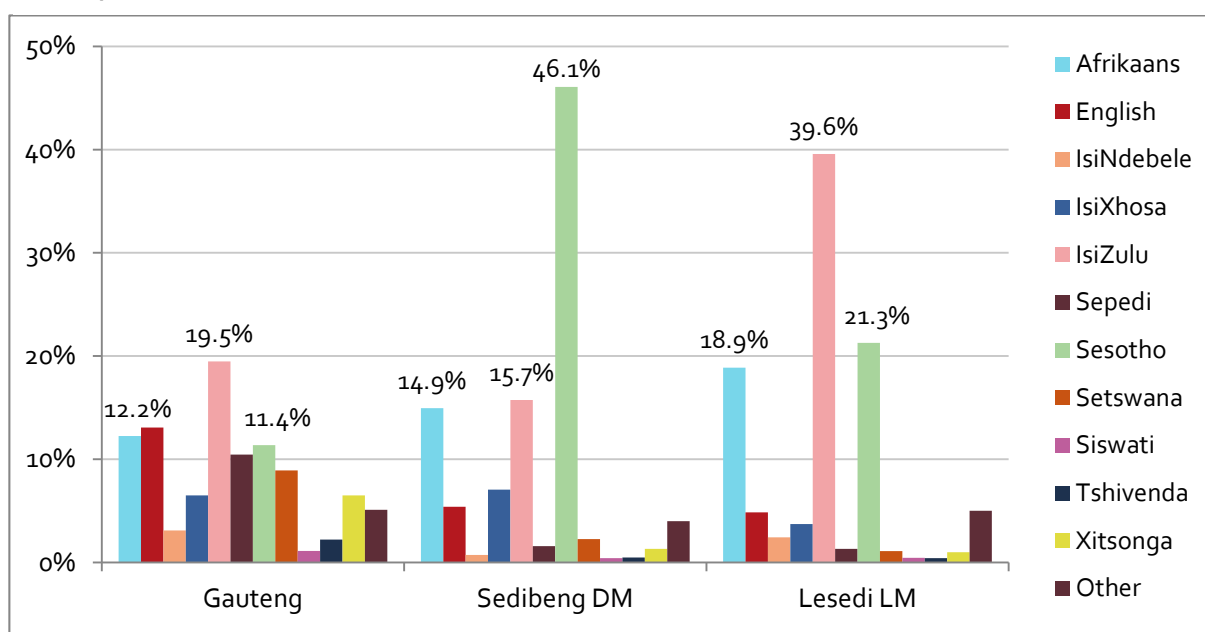
3.3.5. Language

The socio-economic character of a study area is also influenced by the different language groups that embody it. While each home language must be preserved and cherished, it is also important that the youth is competent in English. This will expose them to a range of opportunities and enhance the probability of the population improving its current social and economic situation.

The National Development Plan identifies language as an important influential factor, shaping our society through education and social cohesion.

Figure 7 illustrates the home language of households in the Lesedi LM compared to the Sedibeng DM and Gauteng Province. It illustrates that IsiZulu is the most widely spoken language in the Lesedi LM (39.6%), as well as the province. This is followed by Sesotho (21.3%) and Afrikaans (18.9%). Figure 7 also indicates that there is slightly less language diversity in the Lesedi LM than in the district and province, owing to its relatively rural population.

FIGURE 7: LANGUAGE DISTRIBUTION



Source: Quantec (2014)

3.3.6. Migration

The movement of people from one area to another across administrative borders is known as migration. In South Africa, the spatial, social and economic landscape has historically been shaped by migration. This includes the southward movement of Abantu speaking people into what later became South Africa, the 'great trek' of Afrikaans farmers north from the Cape region and the forced relocation of communities at the hands of the Apartheid administration.

In recent decades, migration is largely due to the over-supply of labour and lack of economic opportunities in much of the country and thus the movement of people in search of employment. This migration continues to shape South Africa and especially the economically vibrant province of Gauteng, which receives many of the country's job seekers.

The 2011 South African Census indicates that the Lesedi LM is a relatively large recipient of migrants, with approximately **23 668 people moving to the municipality** from 2001 to 2011. The place of origin of migrants to the Lesedi LM is indicated in Table 5. It shows that the majority of migrants to the Lesedi LM came from elsewhere in Gauteng (57.2%). Apart from the Gauteng Province, the Lesedi LM attracts a relatively significant number of migrants from Mpumalanga, the Free State and KwaZulu-Natal, owing to the rural nature of these regions and the geographic proximity to the Lesedi LM. Additionally, the Lesedi LM attracted 2 261 migrants from outside of South Africa.

TABLE 5: SOURCE OF MIGRANTS

PLACE OF ORIGIN	PEOPLE	% OF TOTAL MIGRANTS
Gauteng	13 536	57.2%
Western Cape	506	2.1%
Eastern Cape	513	2.2%
Northern Cape	143	0.6%
Free State	1447	6.1%
KwaZulu-Natal	1105	4.7%
North West	559	2.4%
Mpumalanga	2 882	12.2%
Limpopo	715	3.0%
Outside South Africa	2 261	9.6%

Source: Quantec (2014)

3.4. Housing and Basic Services

The status of housing and basic service delivery in a municipality or study area is a key indicator of socio-economic welfare. There is a strong correlation between inadequate housing and insufficient service delivery on the one hand and poverty, unemployment and inequality on the other. Additionally, lack of housing and basic services is related to poor governance, protest action and weak social cohesion.

The right to adequate housing is enshrined in Section 26 of the South African Constitution and supported by a range of housing related policy and legislation. Additionally, the Basic Services Policy, adopted in 2001, guarantees the right to a minimum level of free basic services including electricity, water, sanitation and refuse removal.

The purpose of this section is to determine to what extent the right to housing and basic service delivery is extended to residents of the Lesedi LM compared to the Sedibeng DM and the Gauteng Province. This is determined by analysing and comparing South African Census data from 2001 and 2011.

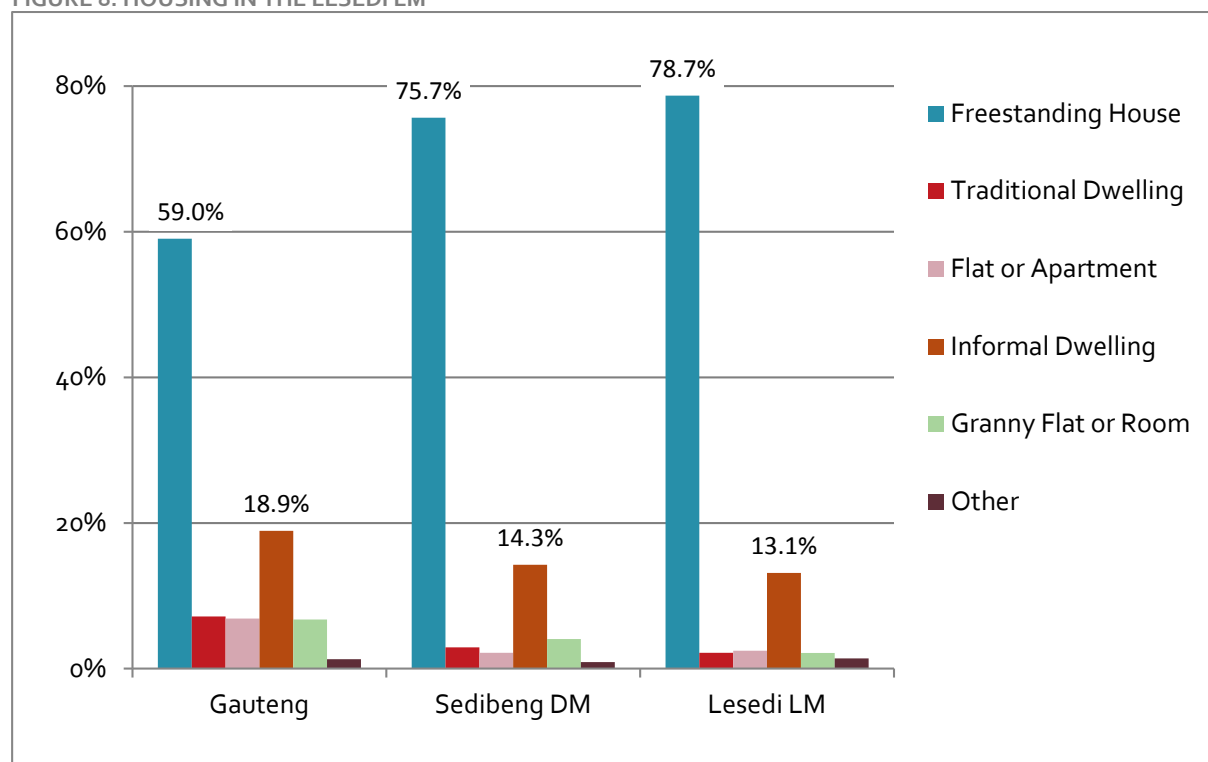
3.4.1. Types of Housing

The type of housing available in a study area is illustrative of the socio-economic conditions faced by a population. In areas where most households live in formal dwellings, either homes or apartments, the level of income and quality of life is assumed to be relatively high. Contrarily, a significant number of informal dwellings or 'shacks' is indicative of low income levels, lack of basic services and poor quality of life. Finally, areas with a significant number of traditional dwellings tend to be rural and often remote.

The type and proportion of housing available in the Lesedi LM, Sedibeng DM and Gauteng Province are illustrated in Figure 8. This figure shows that over three quarters (78.7%) of households in the Lesedi LM live in formal detached houses, implying a relatively high quality of housing and service delivery. Additionally, only 13.1% of households in the Lesedi LM live in informal dwellings or shacks and thus the proliferation of informal settlements is not a major concern thus far.

Figure 8 also indicates that access to formal housing in the Lesedi LM is marginally better than in the Sedibeng DM and much better than in Gauteng, where 18.9% of households live in informal dwellings or shacks. The **relatively high quality of housing in the Lesedi LM compared to the wider region** is indicative of lower levels of poverty and inequality, fewer townships and informal settlements and less demand for public housing investment.

FIGURE 8: HOUSING IN THE LESEDI LM



Source: Quantec (2014)

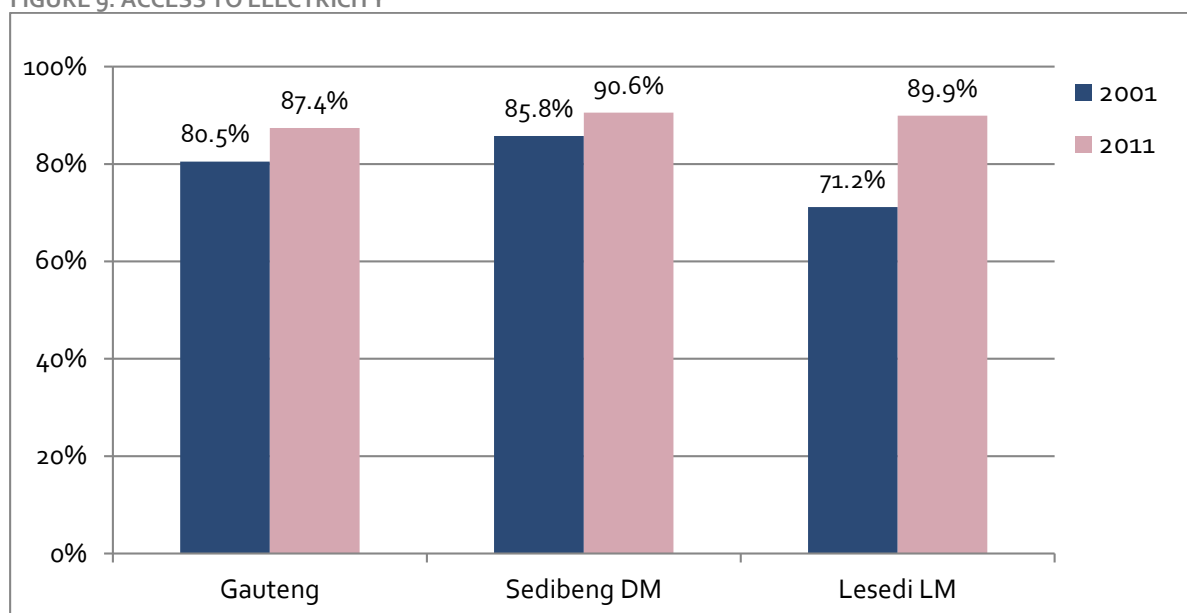
3.4.2. Access to Electricity

Household access to electricity is an important determinant of socio-economic welfare, with most non-electrified households typically living in poverty. Households with access to electricity are able to reallocate their time away from the collection of wood and other lighting materials, they are less likely to suffer health complications from smoke and chemical inhalation, access to media and other communication is greater resulting in a better informed population and students living in the home are better equipped to perform well in school.

The Basic Services Policy adopted by government in 2001 addresses the right of all households, particularly those living in poor areas, to access a minimum amount of free basic electricity. This implies that distribution networks must be extended to ensure that all households are able to access the electricity grid.

Figure 9 illustrates access to electricity in the Lesedi LM compared to the Sedibeng DM and Gauteng Province, as well as the improvement in electricity access from 2001 to 2011. For the purpose of this study, a household is considered as having access to electricity if it uses electricity as its primary energy source for lighting.

FIGURE 9: ACCESS TO ELECTRICITY



Source: Quantec (2014)

As illustrated in Figure 9 access to electricity in the Lesedi LM is comparable to that of the district and province. In 2011, approximately 9 out of every 10 households in the Lesedi LM (89.9%) had access to electricity for lighting their home. This implies that electricity provision is not a major constraint for socio-economic development in the study area.

Additionally, the Lesedi LM has made notable progress in terms of electricity access with approximately 12 654 more households connected to electricity in 2011 than in 2001, increasing access from 71.2% to 89.9%. This progress is much more rapid than at the district and provincial levels, indicating a significant amount of infrastructure investment and utilities coordination within the Lesedi LM.

3.4.3. Access to Running Water

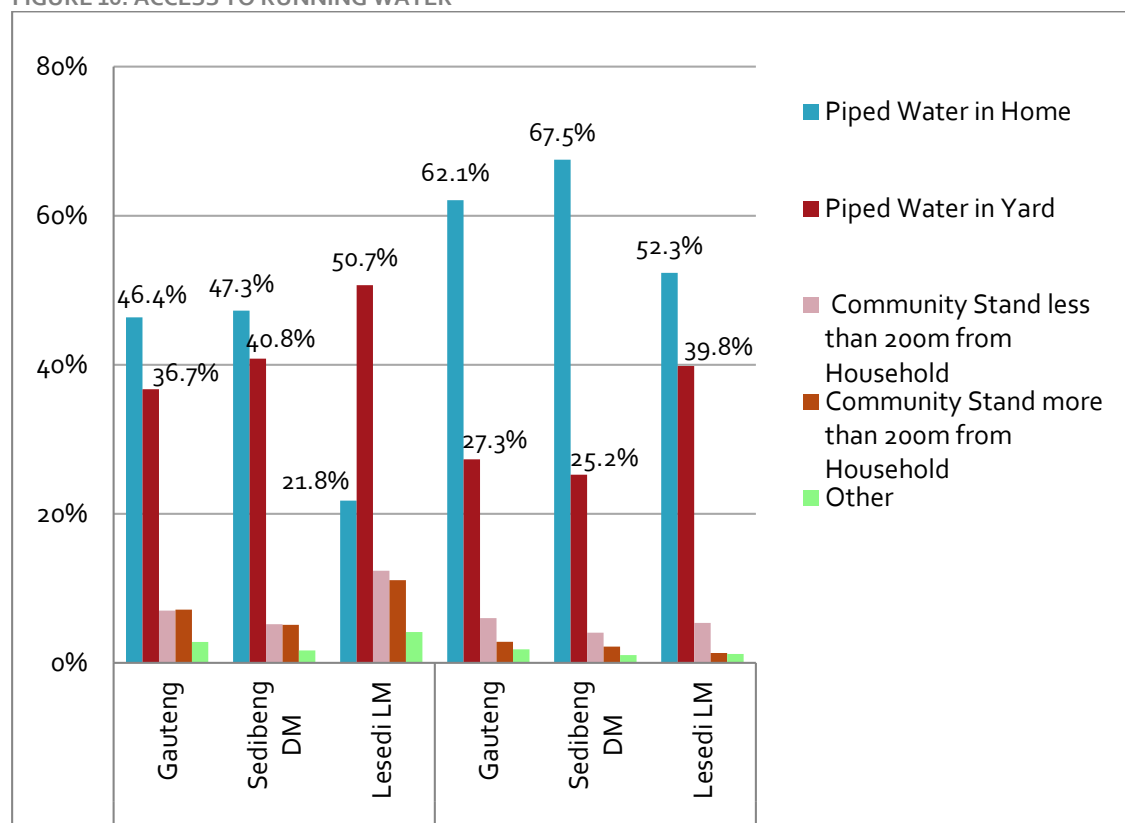
In South Africa, alongside the right to sufficient food, health care and social security, the Constitution guarantees access to 'sufficient water'. This guarantee is translated by the Department of Water Affairs and Forestry (DWAF) into specific water regulations that form part of the Basic Services Policy adopted in 2001. These regulations set a minimum standard of 25 potable litres of water per person per day available within 200 metres of every household.

The South African Census, conducted in 2001 and 2011, indicates whether residents of the Lesedi LM have been afforded the right to clean drinking water and to what extent water accessibility has improved over time. This information is provided in Figure 10 including comparisons with the district and province.

The figure below illustrates that residents of the Lesedi LM have less secure access to drinking water than in the Sedibeng DM and Gauteng Province. In 2011, only 52.3% of Lesedi LM households had a water tap in their home, compared to 67.5% of those in the Sedibeng DM and 62.1% of households in Gauteng.

Figure 10 also indicates, however, that **there has been a relatively rapid improvement in water access within the Lesedi LM over the previous decade**. Between 2001 and 2011, the number of households in the Lesedi LM with a water tap in their home or yard increased by approximately 13 071 (19.6%). This rate of increase is much more rapid than at the district and provincial levels, indicating that the Lesedi Municipality is committed to improving water services.

FIGURE 10: ACCESS TO RUNNING WATER



Source: Quantec (2014)

TABLE 6: MEETING WATER DELIVERY STANDARDS

Table 6 indicates the extent to which residents of the Lesedi LM are provided with the minimum level of access to water, defined as access to a community tap within 200m of every household. Approximately 97.4% of Lesedi LM households met this minimum standard in 2011, compared to 84.9% of households in 2001.

Notably, although fewer households have a tap in their home or yard, delivery of basic water services is better and has improved more rapidly in the Lesedi LM than in the Sedibeng DM and Gauteng Province.

STUDY AREA	ACCESS TO WATER (minimum standards)	
	2001	2011
Gauteng	90.1%	95.4%
Sedibeng DM	93.3%	96.7%
Lesedi LM	84.9%	97.4%

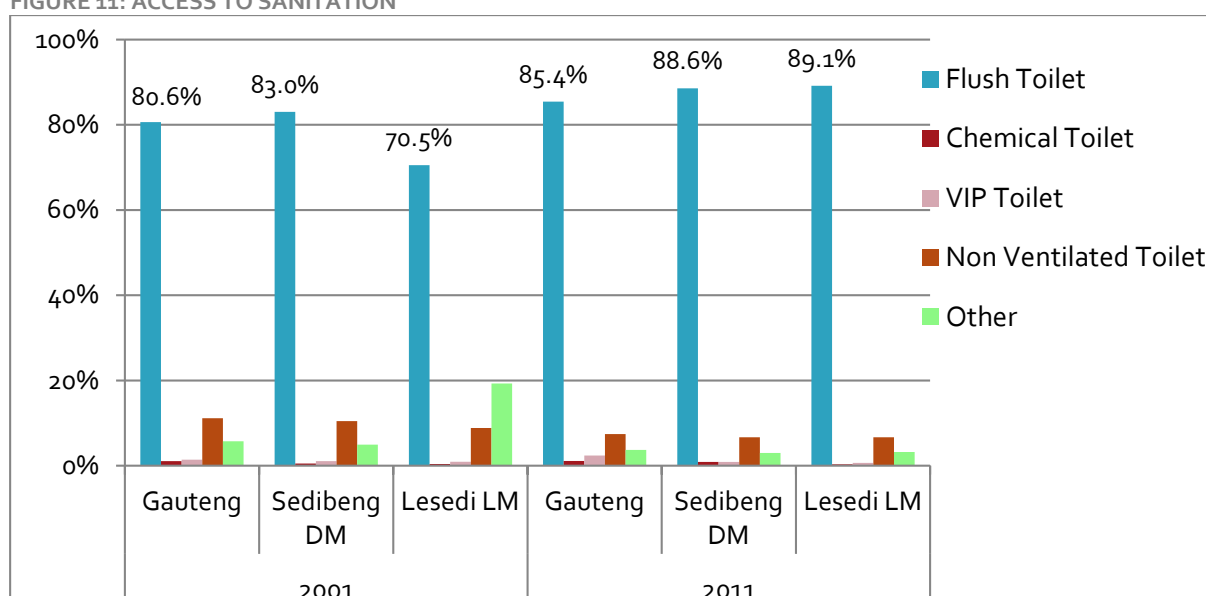
3.4.4. Access to Sanitation

The Basic Services Policy of 2001 also guarantees access to a minimum level of sanitation, defined as households having access to, at minimum, a ventilated pit latrine also known as a VIP toilet. This standard of service delivery is deemed necessary to ensure human dignity and prevent the spread of disease.

Figure 11 illustrates the level of access to sanitation in the Lesedi LM, compared to the Sedibeng DM and the Gauteng Province. It indicates that a larger proportion of households in the Lesedi LM has access to a flush toilet (89.1%) than in the Sedibeng DM (88.6%) and the Gauteng Province (85.4%).

This figure likewise reveals that **the proportion of households with a flush toilet has increased dramatically in the Lesedi LM** from 70.5% in 2001 to 89.1% in 2011, equating to approximately 12 545 more households with flush toilets. This rapid rate of increase is indicative of economic growth and the local government's commitment to providing housing, infrastructure and service delivery.

FIGURE 11: ACCESS TO SANITATION



Source: Quantec (2014)

TABLE 7: MEETING SANITATION STANDARDS

Table 7 indicates the extent to which residents of the Lesedi LM are provided with the minimum level of sanitation, defined as access to at least a VIP toilet. Approximately 71.8% of Lesedi LM households met this minimum standard in 2011, compared to 90.1% of households in 2001. This constitutes a significant improvement, with households in the Lesedi LM now having comparable access to sanitation services to those in the Sedibeng DM and Gauteng Province.

STUDY AREA	ACCESS TO SANITATION (minimum standards)	
	2001	2011
Gauteng	83.1%	88.9%
Sedibeng DM	84.6%	90.4%
Lesedi LM	71.8%	90.1%

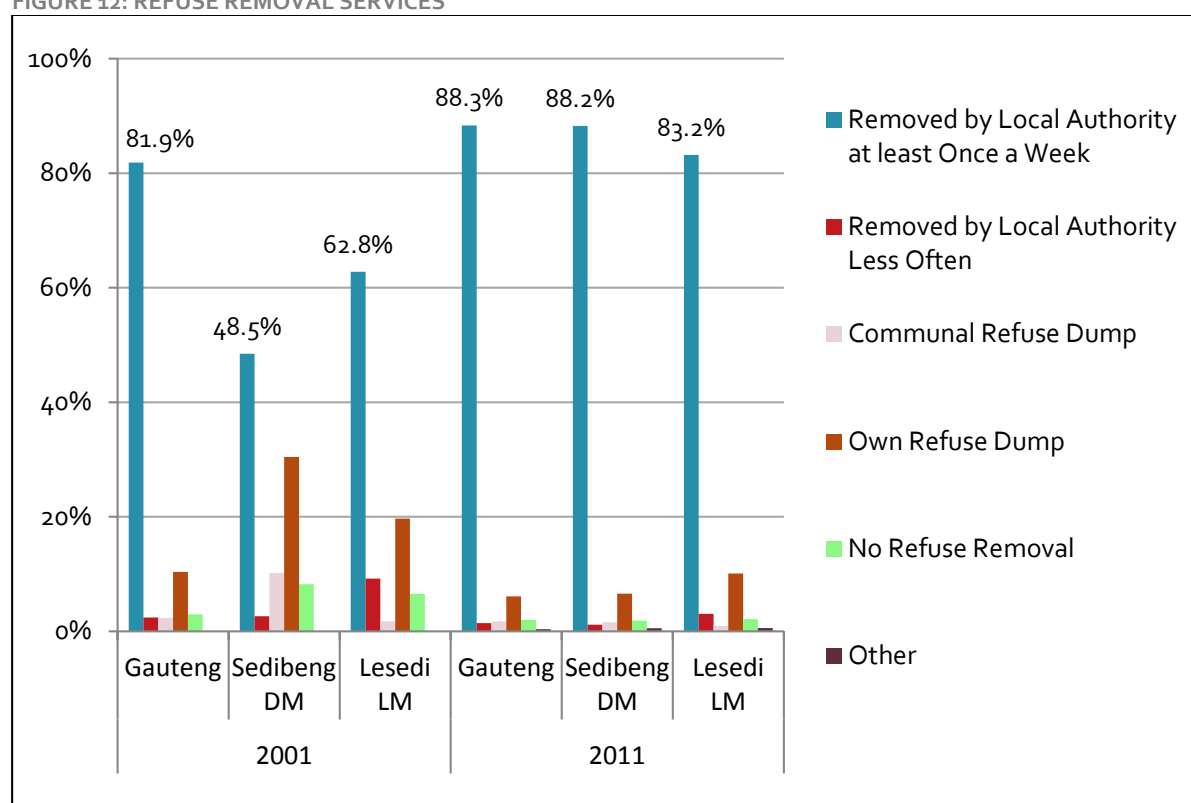
3.4.5. Refuse Removal

The final aspect of service delivery guaranteed in the Basic Services Policy of 2001 is the provision of refuse removal by a municipal authority or other entity. In the absence of regular refuse removal, communities are faced with severe sanitation challenges, resulting in poor living conditions and the increased probability of disease.

Figure 12 compares refuse removal services in the Lesedi LM to the Sedibeng DM and Gauteng Province in 2001 and 2011. It denotes that **the proportion of households in the Lesedi LM that receive refuse removal at least once a week increased substantially** from 62.8% of households in 2001 to 83.2% in 2011, equating to approximately 12 311 more households with removal services.

Figure 12 also shows that proportionally fewer households in the Lesedi LM receive refuse removal services (83.2%) than in the Sedibeng DM (88.2%) and Gauteng Province (88.3%). This is attributed to the rural nature of the municipality, given that households are often more dispersed making refuse removal less efficient. Rural households are also more likely to have access to their own refuse dump, evidenced by the data presented in Figure 12.

FIGURE 12: REFUSE REMOVAL SERVICES



Source: Quantec (2014)

The minimum standards for refuse removal are currently not legislated by government, however there are guidelines to assist municipalities with improving removal services and to ensure that refuse is dumped in a demarcated location with adequate facilities. Policies and guidelines have also been developed to reduce the amount of refuse that ends up in municipal dumps by introducing improved recycling facilities and programmes. It is important that the Lesedi LM adhere to these guidelines in an effort to ensure improved service delivery.

3.5. Education Achievements and Outcomes

The level of education achievement in a study area is an important indicator of standard of living, with educated individuals typically occupying higher paying and more dignified employment positions. The education and skills level within a study area also dictates the availability of skilled labour and thus influences economic growth, private sector investment and the degree of entrepreneurialism.

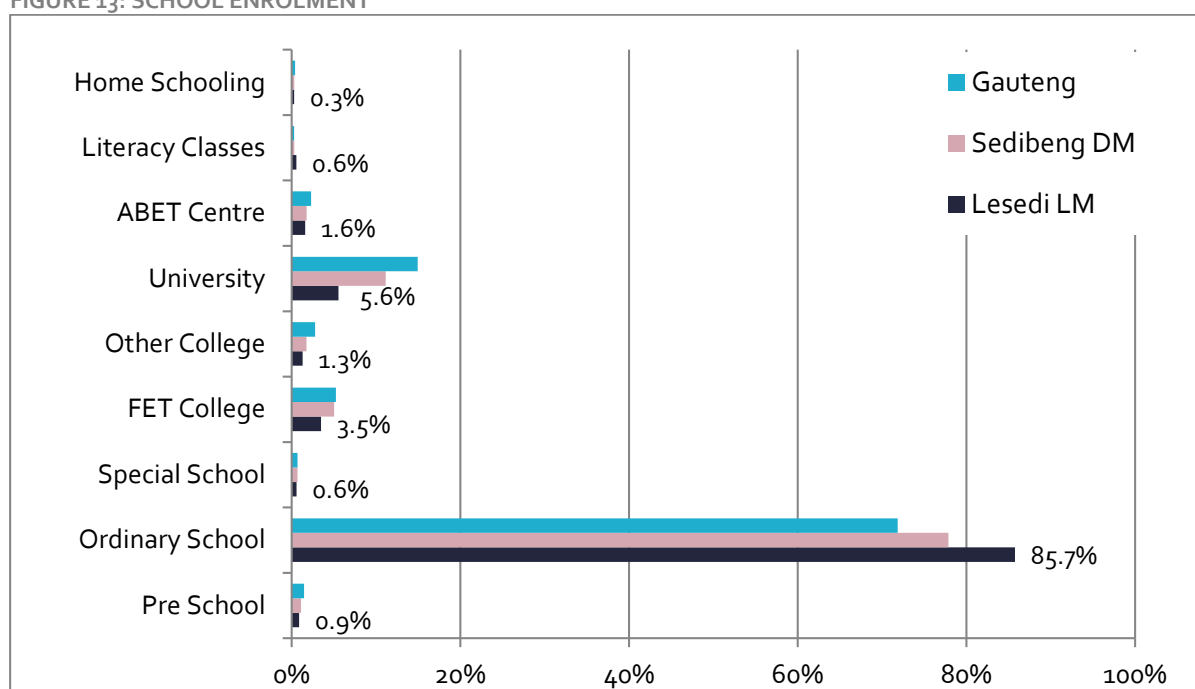
3.5.1. Student Population

The student population refers to all those within a study area that are currently studying, either full or part time, at a recognised education institution. In the Lesedi LM, according to 2011 South African Census data, the **student population comprised 24.3% of the total population**. This is slightly lower than in the Sedibeng DM and Gauteng Province, where the student population constitutes 24.7% and 25.2% of the total population respectively.

Figure 13 compares the student population in the Lesedi LM to the Sedibeng DM and Gauteng Province. It shows that a higher proportion of students were enrolled in ordinary school (grades R to 12) in the Lesedi LM than in the wider region. This is attributed to the proportionally higher number of children and youth in the Lesedi LM, as well as lower demand for higher education.

The lower rate of higher education enrolment in the Lesedi LM is not however entirely due to socio-economic factors, but is likely a result of the lack of tertiary education facilities in the municipality. Thus, the vast majority of local students enrolled in University or College will relocate to other areas of the province, or country in order to attend school and will be recorded by the South African Census as residents of those areas.

FIGURE 13: SCHOOL ENROLMENT



Source: Quantec (2014)

3.5.2. Matric Pass Rate

The quality of education in a study area can be determined in part by the matric pass rate among high school students. The matric pass rate for all schools in South Africa is provided by the Department of Basic Education in their annual *'School Performance Report (2012)*.

The Lesedi LM is home to six high schools, located in Heidelberg, Ratanda and Devon. In 2012, these schools achieved an **average matric pass rate of 78.4%**. This is lower than the average pass rate for Gauteng of 83.9% for the same year.

Table 8 indicates the number of learners who wrote the National Senior Certificate Exam and the proportion who passed the exam in 2011 and 2012 for all six high schools in the Lesedi LM. It shows that Sedaven High School and Hoër Volkskool Heidelberg both achieved very high pass rates of 91.7% and 97.9% respectively. Table 8 also indicates that the three schools in and around Ratanda achieved a lower pass rate than the municipal and provincial average. Finally, at Zikhethale Secondary School in Devon the matric pass rate was only 55.8%.

TABLE 8: MATRIC PASS RATES

SCHOOL	TOWN	2011			2012		
		WRITTEN	PASSED	% PASSED	WRITTEN	PASSED	% PASSED
1) Sedaven High School	South of the Suikerbosrand Reserve	41	37	90.2%	24	22	91.7%
2) Hoër Volkskool Heidelberg	Heidelberg	210	209	99.5%	188	184	97.9%
3) New Ratanda Secondary	Between Heidelberg and Ratanda	119	86	72.3%	121	88	72.7%
4) Ratanda Secondary	Ratanda	81	56	69.1%	84	63	75.0%
5) Khanya-Lesedi Secondary	Ratanda	173	90	52.0%	118	91	77.1%
6) Zikhethale Secondary School	Devon	103	41	39.8%	113	63	55.8%

Source: Report of the 2012 National Senior Certificate Examination; DOBE (2014)

The results presented hold several implications for development in the Lesedi LM. It may be assumed that the rate of unemployment and poverty will be higher among youth from the townships and rural areas. It is therefore necessary to intervene, where possible, in education and skills development within these areas, while correspondingly addressing the need for low skilled job creation.

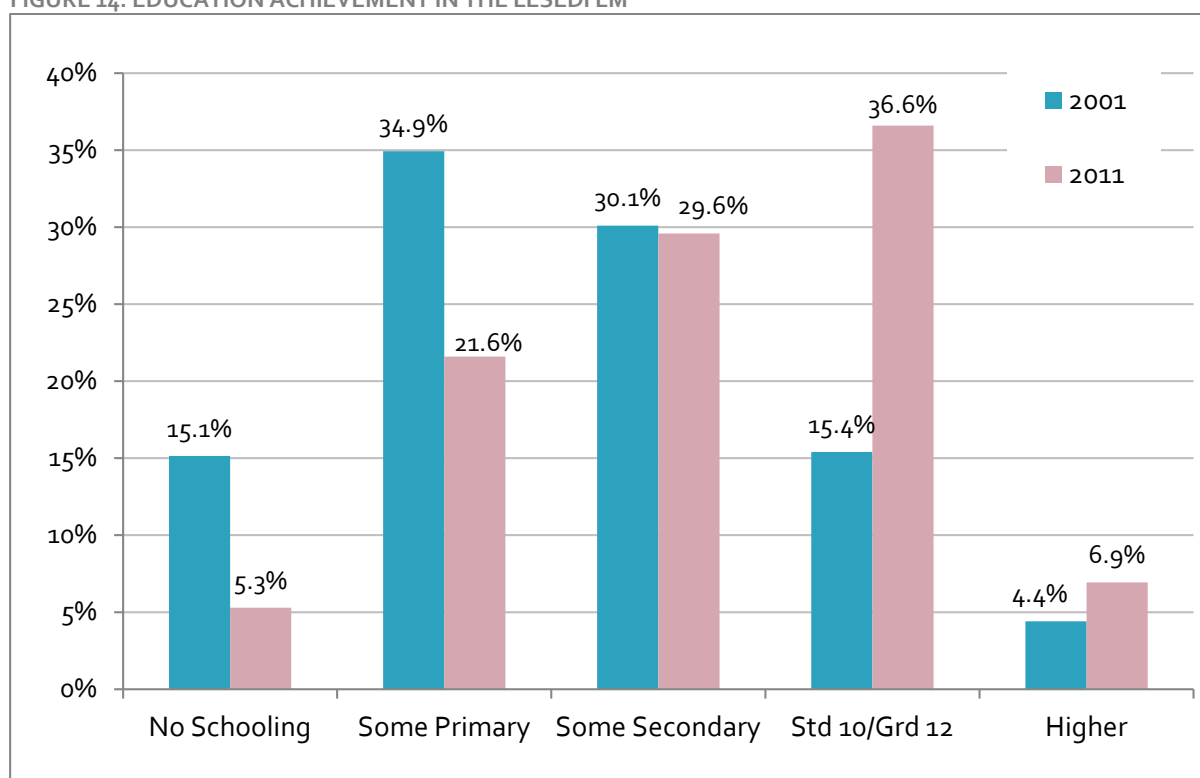
3.5.3. Highest Level of Education

The highest level of education achieved by residents of the Lesedi LM, compared to the Sedibeng DM and Gauteng Province, is illustrated in Figure 14. This Figure is based on South African Census Data from 2011 and includes all residents over the age of 5.

Figure 14 illustrates that the proportion of Lesedi LM residents with no schooling has declined significantly over the previous decade from 15.1% in 2001 to only 5.3% in 2011. This is attributed to improvements in legislation and education provision for black, rural South Africans. Furthermore, it is anticipated that this will continue to improve over time, as all South African children are now legally required to attend school.

Figure 14 also shows that the proportion of residents with higher education has improved slightly from only 4.4% in 2001 to 6.9% in 2011. This is attributed to a greater demand for tertiary education by employers, as well as increased access for black South Africans. Additionally, it is assumed that access to higher education is better in the Lesedi LM than in other rural areas, owing to the proximity of numerous tertiary education facilities and economic opportunities in Gauteng.

FIGURE 14: EDUCATION ACHIEVEMENT IN THE LESEDI LM



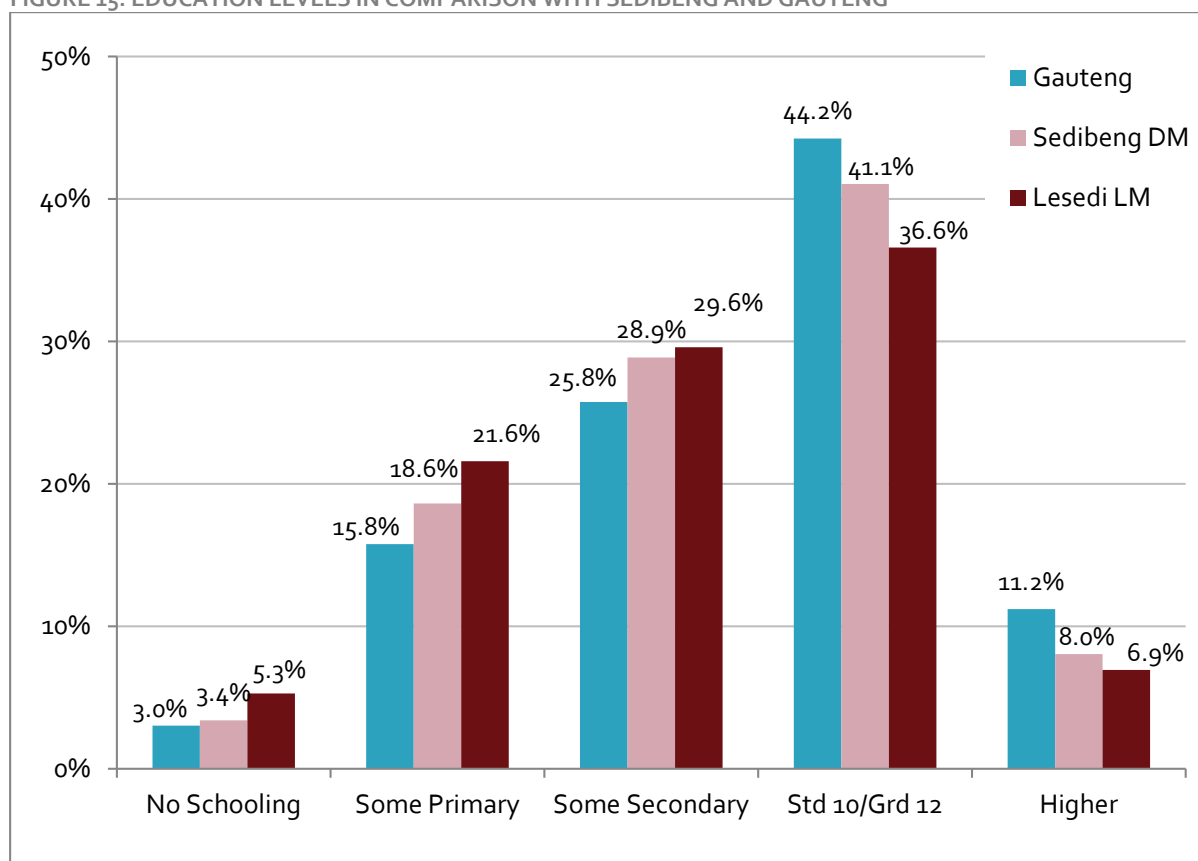
Source: Quantec (2014)

Figure 14 also indicates that the proportion of Lesedi LM residents with some primary and secondary education has decreased, while the number of residents with a matric diploma has increased significantly. This is attributed to greater investment in and accessibility to secondary education, as well as increased support for matriculants.

3.5.4. Education Relative to Other Areas

The skills level within a study area can be illustrated best when compared to the wider region, which competes for investment and skilled workers. Figure 15 compares the highest level of education of residents in the Lesedi LM to those in the Sedibeng DM and the Gauteng Province, according to 2011 South African Census data.

FIGURE 15: EDUCATION LEVELS IN COMPARISON WITH SEDIBENG AND GAUTENG



Source: Quantec (2014)

Figure 15 illustrates that education achievement in the Lesedi LM is, on average, lower than in the Sedibeng DM and the Gauteng Province, with more of Lesedi's residents' never attending school and fewer completing their matric or higher education.

In 2001, in the Lesedi LM, approximately 5.3% of residents over the age of five had never attended school compared to 3.4% in the Sedibeng DM and 3.0% in Gauteng. Additionally, while 55.4% of Gauteng residents and 49.1% of Sedibeng residents have completed their matric, only 43.5% of those in the Lesedi LM have a matric certificate. Finally, the proportion of residents with higher education in the Lesedi LM is also lower at 6.9%, compared to 8.0% in the Sedibeng DM and 11.2% in the province.

The lower level of education achievement in the Lesedi LM is attributed to the region's rural nature, and thus fewer economic opportunities. Additionally, the structure of the Lesedi economy is such that local employers are less likely to require higher educated employees than employers in urban areas of the province. It is, however, possible that the development of manufacturing and technical industries in the Lesedi LM will attract skilled workers to the region.

3.6. Economy and Employment

The primary objective of LED is to accelerate growth and generate employment opportunities. In order to achieve this, it is necessary for the economy to become more productive, competitive and diversified. This requires increased levels of investment in order to create an enabling economic environment and the provision of support for key industries.

The purpose of this section is to provide an overview of the Lesedi LM economy and employment situation. This overview will enable the identification of key industries and opportunities to be examined in further detail later in this report. The overview also provides a baseline to measure economic outcomes and improvements against.

3.6.1. Production Profile

The Lesedi LM economy produced approximately R2.8 billion in total output (GVA, 2005 constant prices) in 2011. Assuming an average annual growth rate of 3.4% over the previous three years, it is estimated that **the Lesedi LM economy produced R3.3 billion in total output in 2014.**

Gross Value Added (GVA) is the difference between output and consumption for a given sector or industry and therefore measures that sector's economic contribution.

The Lesedi LM is located within the massive Gauteng economy that is the key driver of economic production in South Africa. Production from the Lesedi LM economy is therefore relatively minimal in comparison to the wider economy. In 2014, the local economy accounted for only 10.5% of total output from the Sedibeng DM and 0.5% of output from the Gauteng provincial economy.

3.6.2. Economic Growth

Economic growth is one of the most important indicators of local livelihood, as it is the primary driver of business development, investment and employment creation. **The Lesedi LM experienced an economic growth rate of 4.8% from 2013 to 2014.**

The level of economic growth can also be equated as an average over time, to minimise the impression of short-term fluctuations. In the Lesedi LM, the average economic growth rate over the decade from 2004 to 2014 was 3.7% per annum. Table 9 illustrates economic growth in 2014 and the average rate from 2004 to 2014. It shows that the economic recovery in the Lesedi LM was more rapid in 2014 than in the wider region. It also indicates that average economic growth is higher in the Lesedi LM than in the Sedibeng DM, but notably lower than in the province.

TABLE 9: ECONOMIC GROWTH IN THE WIDER REGION

STUDY AREA	ECONOMIC GROWTH	
	2014	Average Per Annum
Gauteng	3.5%	3.7%
Sedibeng DM	2.8%	2.1%
Lesedi LM	4.8%	3.7%

Source: Quantec (2014)

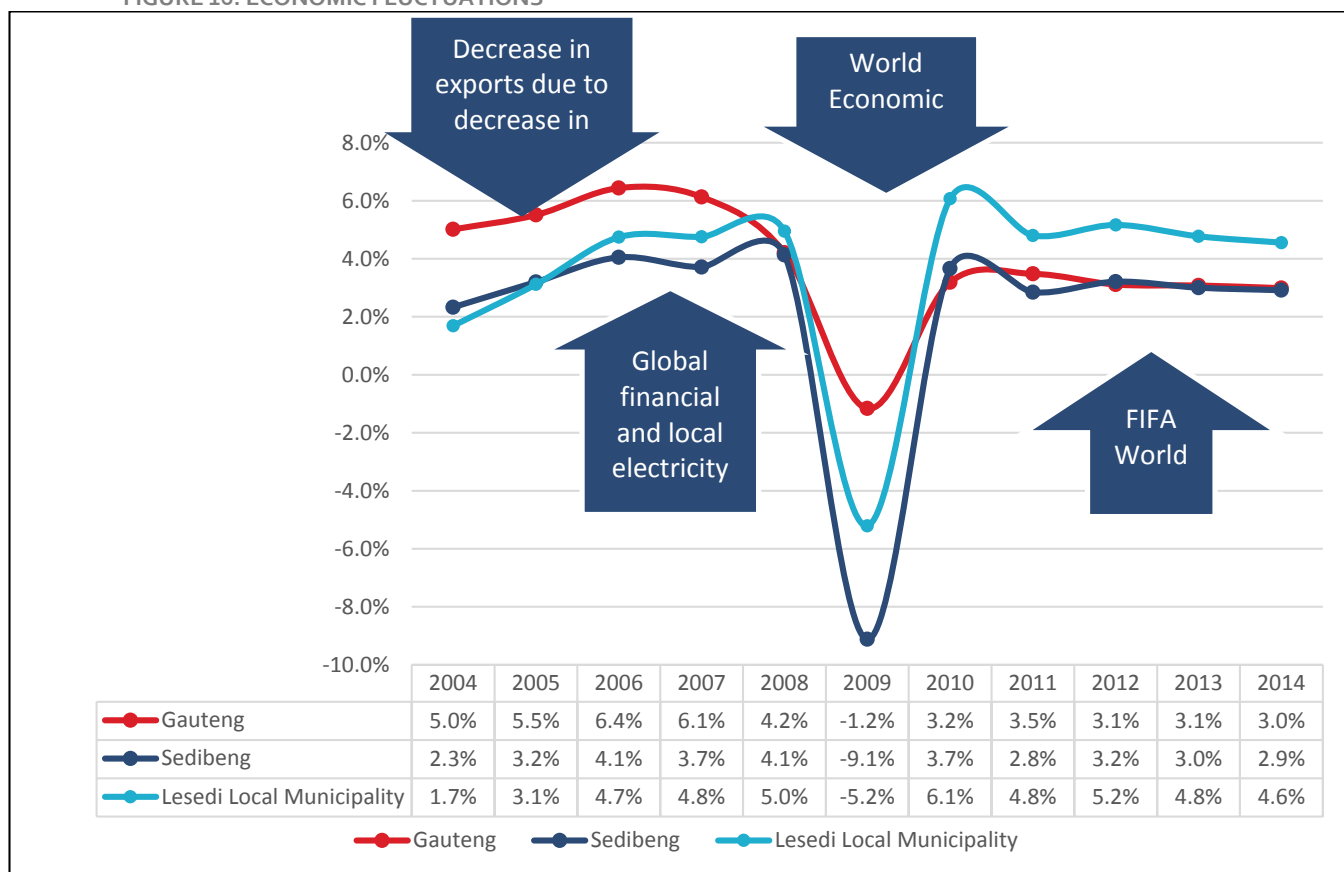
The rate of economic growth over time is likewise illustrated in Figure 16, with a comparison of the Lesedi LM, Sedibeng DM and Gauteng Province. This Figure shows that economic growth is relatively consistent across all three study areas owing to the domestic and international forces.

Figure 16 illustrates a drastic decline in economic production in all three economic regions, beginning in 2008. This is the result of the global economic downturn triggered by financial crises in the United States and Europe that began in 2007 and continues to plague growth prospects throughout the global economy.

The South African economy, including Gauteng and its municipal economies, recovered relatively well from the economic crisis, due in part to increased spending around the 2010 FIFA Soccer World Cup, as well as relative stability in the country's banking sector. The worldwide economic slump is, however, continuing to dampen economic growth in South Africa due to lower demand for South African exports and weaker foreign investment.

Figure 16 also indicates that economic fluctuations are much more severe in the Sedibeng DM than in the Lesedi LM. Additionally, economic fluctuations in the district are higher than those in the province. This is attributed to the relationship between growth consistency and the size of the economy, where fluctuations in a single industry will have much less impact on a larger more diversified economy than a smaller, concentrated economy.

FIGURE 16: ECONOMIC FLUCTUATIONS



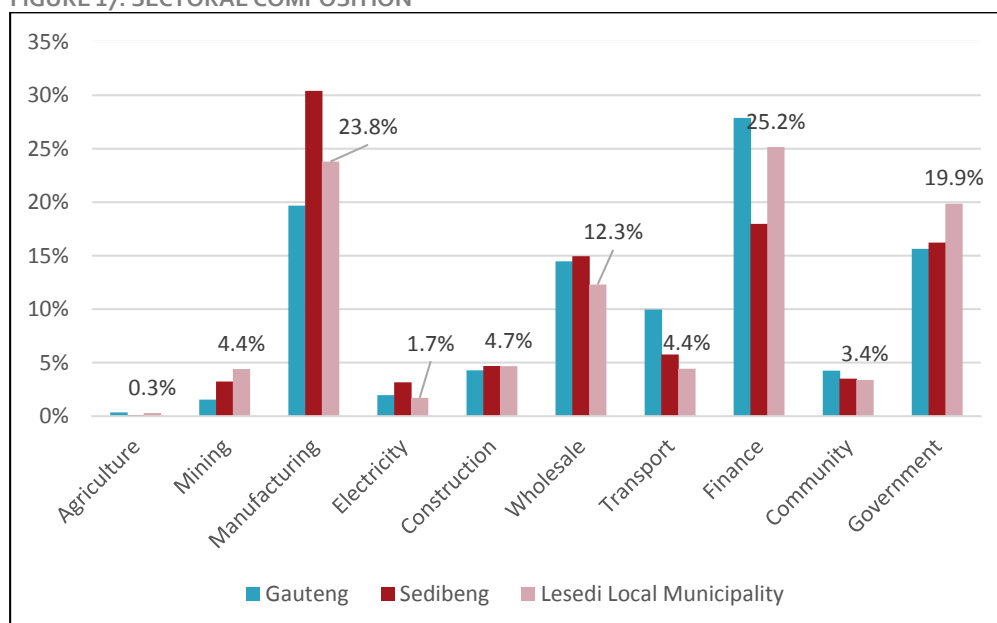
Source: Quantec (2014)

3.6.3. Composition of the Economy

The composition of an economy refers to the relative level of output from each of the ten economic sectors. Understanding economic composition in a study area is important for several reasons. Firstly, it allows for the identification of key industries, where economic growth and employment creation is likely to occur. Secondly, the economic composition of a region is a clear indication of the demand for diversification into new industries.

Figure 17 illustrates the composition of the Lesedi LM economy compared to the wider region according to 2014 data. It shows that **the Lesedi LM economy is relatively diversified, with three key production sectors, Finance (25.2%), Manufacturing (23.8%) and Government services (19.9%).** These sectors also support output in other industries, including construction (4.7%), trade (12.3%) and transport (4.4%). Interestingly, despite the rural nature of the region, the agriculture sector accounts for only 0.3 % of output.

FIGURE 17: SECTORAL COMPOSITION



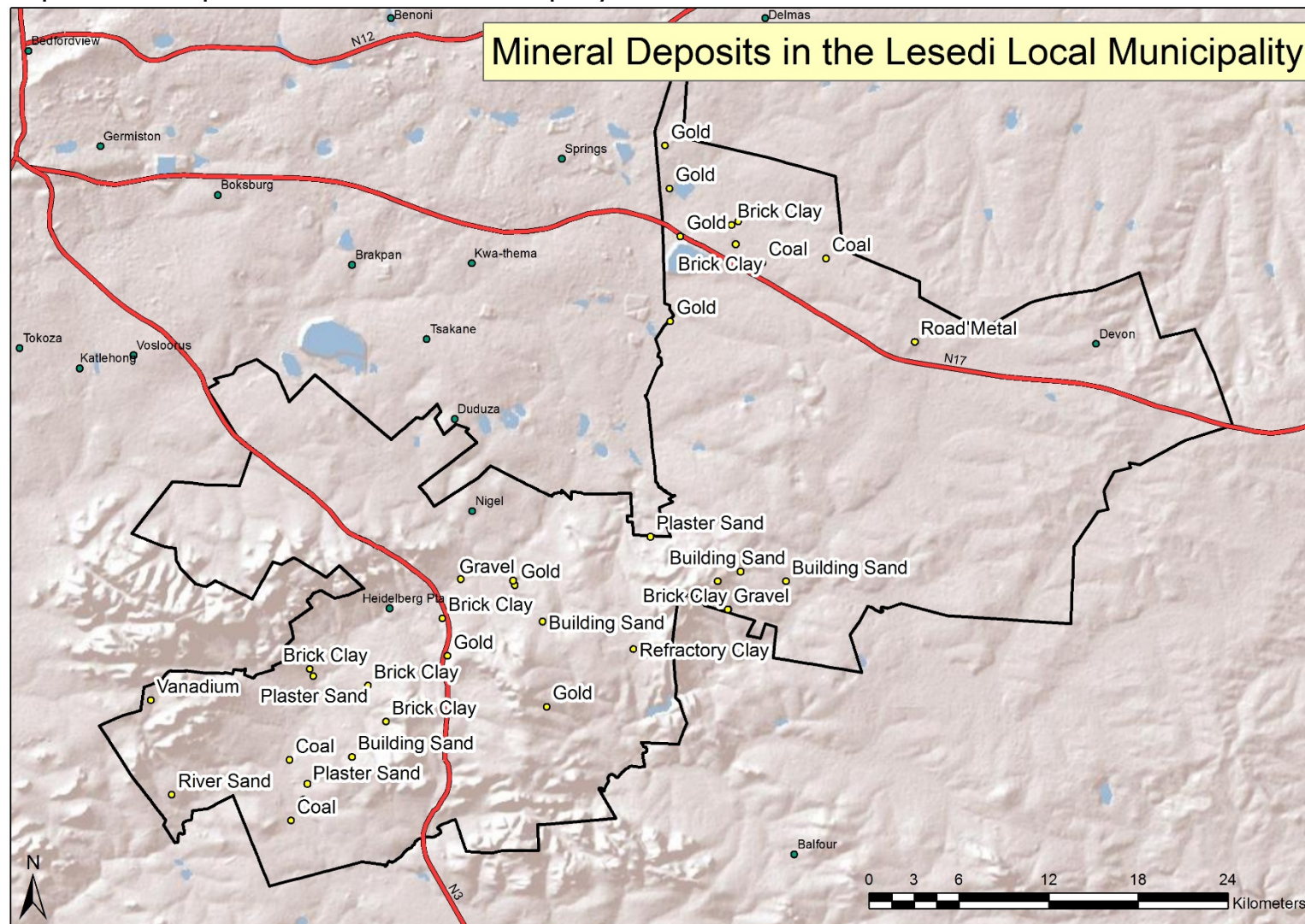
Source: Quantec (2014)

In comparison to the wider economic region, the Lesedi LM has strong production industries, including agriculture, mining and manufacturing. These industries are extremely important for driving economic growth and development in the entire economy. The Lesedi LM economy also has a relatively large finance sector, which is important for the facilitation of business development in all industries.

The municipal area is well endowed with various types of mineral deposits (Map 1). These deposits range from high-value precious metals such as gold to minerals used mainly in the construction industry (e.g. building sand and brick clay). According to the Council for Geoscience, several deposits of coal can also be found in Lesedi. It should however be noted that the deposits indicated by Map 1 may not necessarily be economically viable for mining operations.

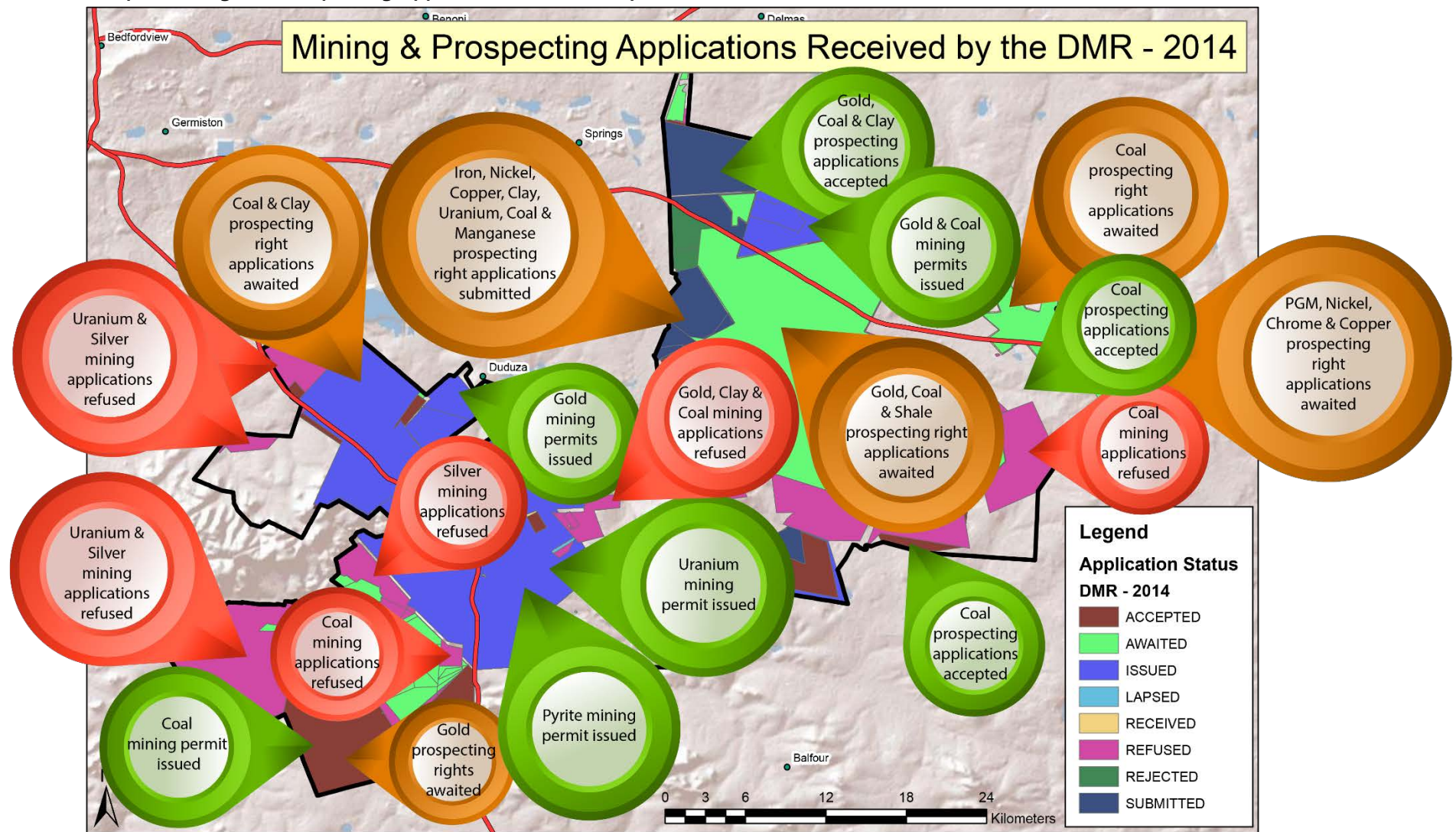
To determine if such mineral resources are economically viable, or profitable, mining companies first have to conduct mineral prospecting. To do so, a prospective mining company must first apply for Prospecting Rights from the Department of Mineral Resources (DMR). Map 2 depicts the applications for prospecting and mining rights in Lesedi as well as the status of these applications.

Map 1: Mineral Deposits in the Lesedi Local Municipality



Source: The Council for Geoscience (2014)

Map 2: Mining and Prospecting Applications Received by the DMR



Source: The Department of Mineral Resources (2014)

3.6.4. Employment Profile

The Lesedi LM had a labour force of approximately 30 884 people in 2014. Within this labour force, there are 21 141 employed individuals and 9 743 job seekers. This equates to an official **unemployment rate of 33.72%**.

Table 10 provides a comparative labour profile for the Lesedi LM relative to the wider economy. It shows that unemployment in the Lesedi LM is significantly lower than the average for the Sedibeng DM (45.8%) and is comparable to the unemployment rate in Gauteng (32.29%). This implies that although job creation is a top priority for the Lesedi LM, the unemployment situation is not as severe as in other rural areas of the province.

*The **Labour Force** includes those in the working age population (15 to 64 years old) who are employed or unemployed.*

*The **Unemployment Rate** is the percentage of the labour force that is unemployed.*

*The **Non-Economically Active** includes those in the working age population who are not employed or looking for employment.*

Table 10 also illustrates the number of non-economically active people in each economy. It shows that the Lesedi LM has approximately 21 211 non-economically active people including students, mothers, discouraged workers and others not currently looking for employment. This equates to 40.7% of the total working age population, which is comparable to the wider Sedibeng DM economy (40.4%), but much higher than the average for Gauteng (31.9%). This implies that the Lesedi LM has fewer workers relative to dependants than the provincial average.

TABLE 10: LABOUR PROFILE

INDICATORS	GAUTENG	SEDIBENG DM	LESEDI LM
Working age population	8 304 082	614 968	52 096
Non-economically active	2 652 126	248 176	21 211
Labour Force	5 651 954	366 793	30 884
Employed	3 995 695	211 749	21 141
Unemployed	1 656 259	155 044	9 743
Unemployment rate	32.29%	45.78%	33.72%
Labour force participation rate	69.73%	60.5%	59.9%

Source: Quantec (2014)

The change in employment and unemployment over time is also an important indicator of trends in a local economy. In the Lesedi LM, the unemployment rate has increased from 22.3 in 2001 to 26.0 in 2006 and finally to a high of 29.4% in 2011. This rise in unemployment is despite numerous efforts at the national, provincial and local level to increase job creation.

Rising unemployment in the Lesedi LM is not, however, unique to the local economy, with nearly all regions in South Africa suffering from steadily increasing unemployment levels. This reality underscores the importance of identifying viable projects and interventions that will create significant employment in the short term and medium term, while also providing opportunities for sustainable growth and development.

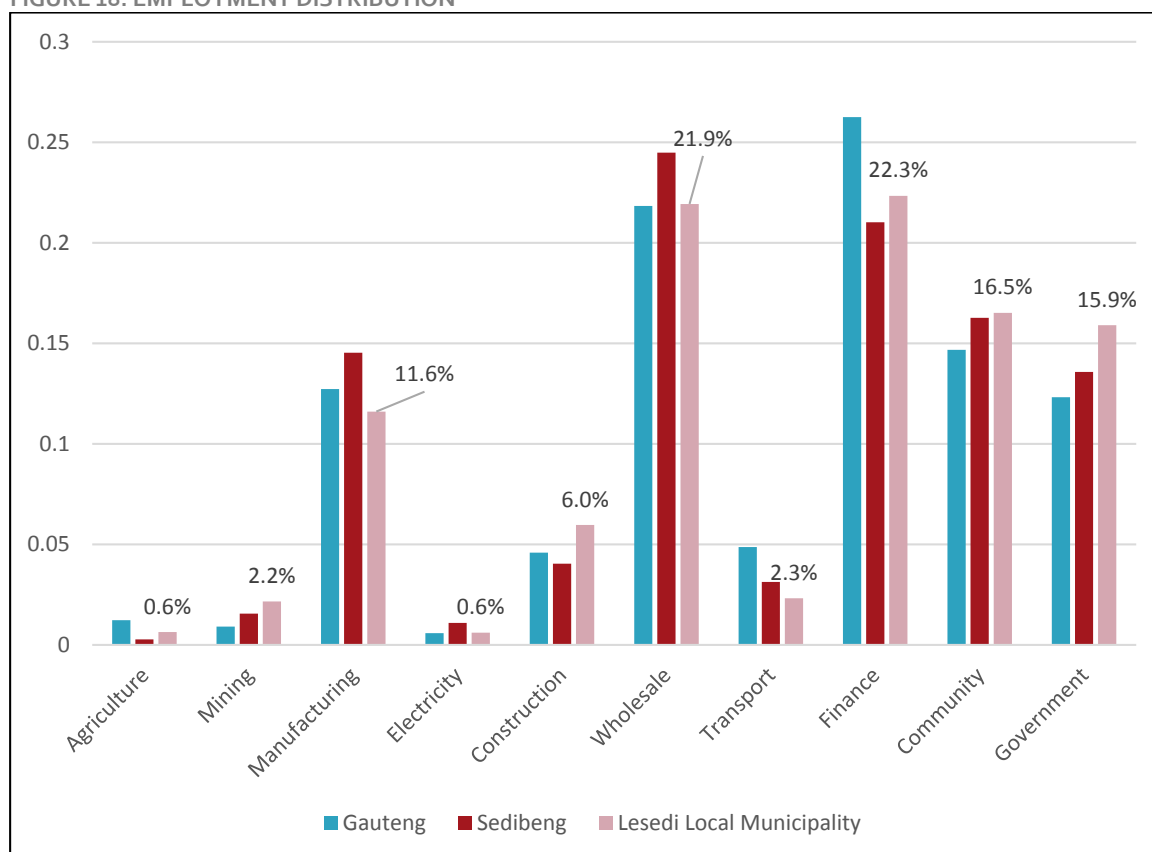
3.6.5. Employment Distribution

The employment distribution in an economy refers to the proportional level of employment in each economic sector. This information allows for the identification of key sectors and labour absorptive industries, as well as determining the need for employment diversification. Figure 18 illustrates the distribution of employment in the Lesedi LM compared to the Sedibeng DM and the Gauteng Province in 2014.

Employment in the Lesedi LM is relatively concentrated, compared to the distribution of output. The key employment industries in Lesedi are Finance (22.3%) and Wholesale (21.9%). The high level of employment in these two industries is consistent with other rural economies across South Africa. Another important employer is the Community sector (16.5%), which typically provides well-paying job opportunities and has a strong multiplier effect on employment throughout the economy. These industries are identified as having the potential to absorb local labour and thus will be emphasised throughout the Lesedi LED Strategy.

Figure 18 also illustrates that the distribution of employment among different industries is relatively consistent with the wider economy. In particular, employment distribution in the Lesedi LM is virtually parallel to that of the Gauteng province, with the exception of noticeably more workers in agriculture and mining and less in the finance sector.

FIGURE 18: EMPLOYMENT DISTRIBUTION



Source: Quantec (2014)

3.7. Income and Poverty

The level of household income in a study area is an important indicator of socio-economic wellbeing. It also illustrates the purchasing power within a local population and thus the viability of retail and other businesses. Finally, income levels are used to measure poverty and determine areas requiring significant social welfare investment.

The purpose of this sub-section is to provide an overview and comparison of income and poverty levels in the Lesedi LM. This information will be utilised to gauge the demand for and extent of local economic development necessary in the region. It may also assist the Lesedi LM in determining the expected number of indigent households, which qualify for free basic services from the municipality.

3.7.1. Household Income

Household income is the clearest indicator of socio-economic welfare in a study area. The total income for a household includes salaries and wages, social grants, revenue on investments, gifts and all other income sources. The following information is calculated utilizing income levels reported in the 2011 South African Census.

The average level of household income in a study area is determined by analysing the number of households in each income category and determining the median income level. In the Lesedi LM, the **average household income in 2011 was R8 137 per month**. This is compared to an average monthly household income of R7 715 in the Sedibeng DM and R12 241 in the province.

TABLE 11: AVERAGE HOUSEHOLD INCOME

Table 11 indicates the average household income level in the Lesedi LM compared to the wider region in 2011. It shows that the average monthly income of households in the Lesedi LM is 33.5% lower than the average household income in Gauteng. It also shows, however, that average household income in the Lesedi LM is higher than the Sedibeng DM by approximately 5.2%.

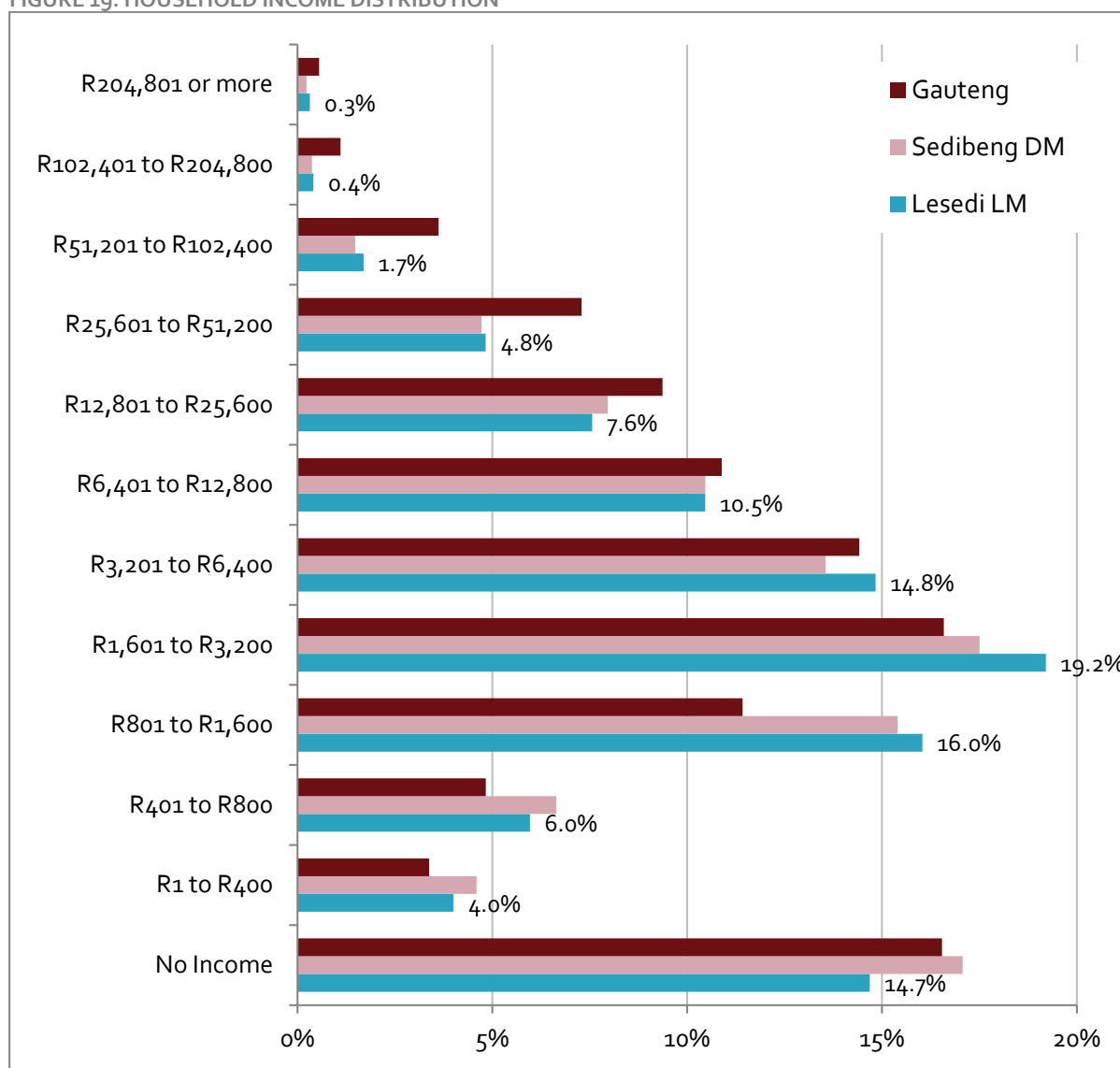
STUDY AREA	AVERAGE HOUSEHOLD INCOME	
	Monthly	Annual
Gauteng	R12 241	R146 887
Sedibeng DM	R7 715	R92 585
Lesedi LM	R8 137	R97 644

Source: Quantec (2014)

The lower level of household income in the Lesedi LM compared to the provincial level is attributable to several factors. Firstly, the Lesedi LM is largely rural and thus is expected to have lower income potential compared to the mostly urban population in the province. Secondly, Gauteng is the wealthiest province in South Africa with the highest average income level and by far the largest concentration of high and very high income earners. Thus, the discrepancy in income is not as problematic as it appears, given that residents of the Lesedi LM can attain a comparable quality of life to those in Gauteng's urban centres on a much lower income.

Household income in a study area can also be illustrated according to the proportion of households in each income bracket. This provides a more comprehensive view of income levels and allows for an understanding of local inequality and poverty. Figure 19 illustrates the percentage of households in each income bracket in the Lesedi LM, Sedibeng DM and Gauteng Province in 2011.

FIGURE 19: HOUSEHOLD INCOME DISTRIBUTION



Source: Quantec (2014)

Figure 19 illustrates that in 2011, approximately 14.7% of households in the Lesedi LM reported earning no income. Although this is highly problematic in terms of its impact on poverty levels, it is encouraging that the proportion of no income households is noticeably lower in the Lesedi LM than in the Sedibeng DM (17.1%) and Gauteng Province (16.5%). Additionally, research indicates that the number of households who report earning no income is often exaggerated. This is attributed to the fact that some Census respondents are not properly informed or do not adequately understand what constitutes income (i.e. they do not include social grants in their income portfolio).

Figure 19 also indicates that inequality in the Lesedi LM is much less pronounced than in the Sedibeng DM and in particular the Gauteng Province. This conclusion is based on the lower percentage of Lesedi LM households in the low and high income brackets and much larger proportion of households in the middle income brackets compared to the district and province. This holds significant socio-economic implications, with more equal regions typically having greater social cohesion, less crime and lower levels of poverty.

3.7.2. Indigent Households

The Department of Provincial and Local Government (DPLG) has produced a document entitled the *National Framework for Municipal Indigent Policies*. This framework defines the term 'indigent' as someone 'lacking the necessities of life'. This is interpreted by the South African Constitution as the necessities required for an individual to survive including:

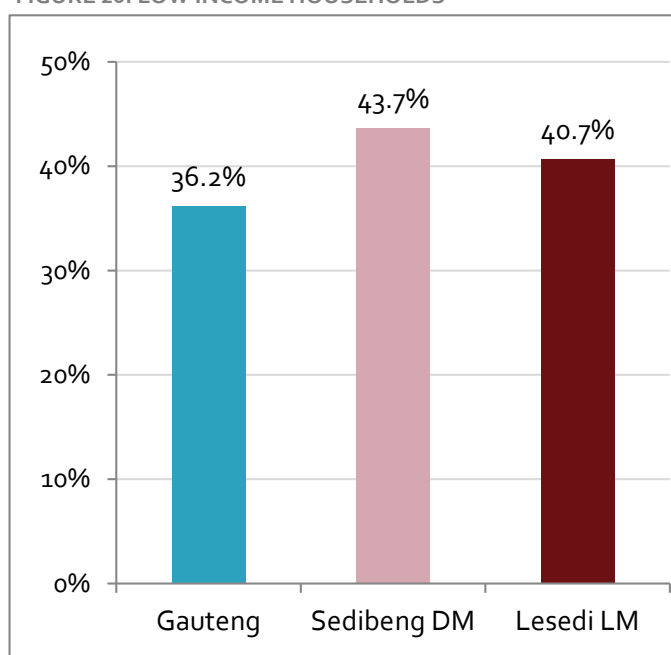
1. Sufficient water
2. Basic sanitation
3. Refuse removal in denser settlements
4. Environmental health
5. Basic energy
6. Health care
7. Housing
8. Food and clothing

The DPLG also assists with determining whether households should be categorised as 'indigent' and therefore qualify for free basic services (see section 3.3. for more information). According to the DPLG **indigent households are those earning less than R1 100 per month.**

The income data collected in the 2011 South African Census is organised into brackets, and therefore it is not possible to determine the exact number of households earning less than R1 100 per month.

Figure 20 indicates the number and proportion of households in the Lesedi LM that earn less than R1 600 per month, which is the closest income bracket to the indigent income level. It also compares the proportion of households in this bracket to the Sedibeng DM and Gauteng Province. As illustrated in Figure 20, 40.7% or 12 070 total households in the Lesedi LM earned less than R1 600 per month in 2011 compared to 43.7% in the Sedibeng DM and 36.2% in the entire province.

FIGURE 20: LOW INCOME HOUSEHOLDS



Source: Quantec (2014)

The South African Census also indicates that in the Lesedi LM, approximately 7 312 households earned less than R800 per month in 2011. It is therefore concluded that **there were between 7 312 and 12 070 indigent households in the Lesedi LM in 2011.** It is, however, very important that the municipality undertake its own research to determine the actual number of indigent households and to identify where these households are located within the municipality. This information is necessary to effectively plan and budget future service delivery.

SECTION 4: OPPORTUNITY ANALYSIS

The goal of local economic development is to identify and exploit opportunities in the local economy in order to support business development and employment creation. The purpose of this section is to identify areas with significant LED potential and analyse the development opportunities therein.

4.1. SWOT Analysis

SWOT analysis is a structured evaluation and assessment mechanism used in LED planning to identify key opportunities and challenges. The term **SWOT** stands for the **S**trengths, **W**eaknesses, **O**pportunities, and **T**hreats within a local environment and economy. The SWOT Analysis conducted for the Lesedi LM is illustrated in Figure 21:

FIGURE 21: SWOT ANALYSIS

<h2>Strengths</h2> <ul style="list-style-type: none"> • Good location and accessibility • Well protected natural environment • High quality agricultural land • Strong agro-processing industry • Historic Heidelberg CBD • Active business chamber • Good infrastructure & service delivery 	<h2>Weaknesses</h2> <ul style="list-style-type: none"> • High unemployment in rural areas and townships • Little economic potential in small rural communities • Poor spatial integration • Gradual decline in the Heidelberg CBD • Skills shortages
<h2>Opportunities</h2> <ul style="list-style-type: none"> • Underutilised land • Large neighbouring markets • Access to transport routes and facilities • Strong government support for agriculture and agro-processing • Big business support for LED 	<h2>Threats</h2> <ul style="list-style-type: none"> • Impact of global warming on the agriculture industry • Potential shortages of water and electricity • Slow recovery in traditional export markets (UK and the European Union) • Industrial action (strikes, protests)

The SWOT analysis reveals the following five focus areas for LED:

1. Agriculture and Agro-Processing
2. Small Business and Retail
3. Urban and Township Revitalisation
4. Tourism
5. Transportation and Logistics

The remainder of this section provides an assessment of these five focus areas and identifies the LED opportunities associated with each.

4.2. Agriculture and Agro-Processing

The agriculture industry encompasses all farming activities, as well as the production of fertiliser, while agro-processing refers to the manufacturing of food, beverages, chemicals and clothing from these agricultural outputs. Although the Standard Industrial Classification (SIC) system categorises these two industries under separate sectors, they are intrinsically linked and therefore are grouped into a single focus area.



The following is an overview of the current situation in the agriculture and agro-processing industries. This section also identifies key development opportunities in each industry, as well as the availability of support.

4.2.1. Current Reality

The Lesedi LM has very strong agriculture and agro-processing industries bolstered by high quality soil, access to major urban markets, water availability and a critical mass of local knowledge and skills. Agriculture production includes maize, sorghum, wheat, soya and dry beans, ground nuts, sunflower and vegetables, and animal products including milk, beef, pork, lamb, mutton, poultry and eggs. There are also several large agro-processing facilities that produce maize meal, beef and tobacco products.

*The **agriculture & agro-processing industries** are economic drivers. They provide significant value addition, employment for low, semi and high skilled workers and an opportunity to increase rural income, improve food security and reduce poverty.*

1) Economic Actors

The **agriculture and agro-processing industries** are well-diversified consisting of large scale commercial operations, small and medium scale family farms and emerging, informal and subsistence producers. The reality, however, is that the vast majority of agricultural output and agro-processing is generated by commercial farmers and large-scale producers. This is attributed to the historical structure of the agriculture and agro-processing industries and the significant challenges faced by new market entrants.

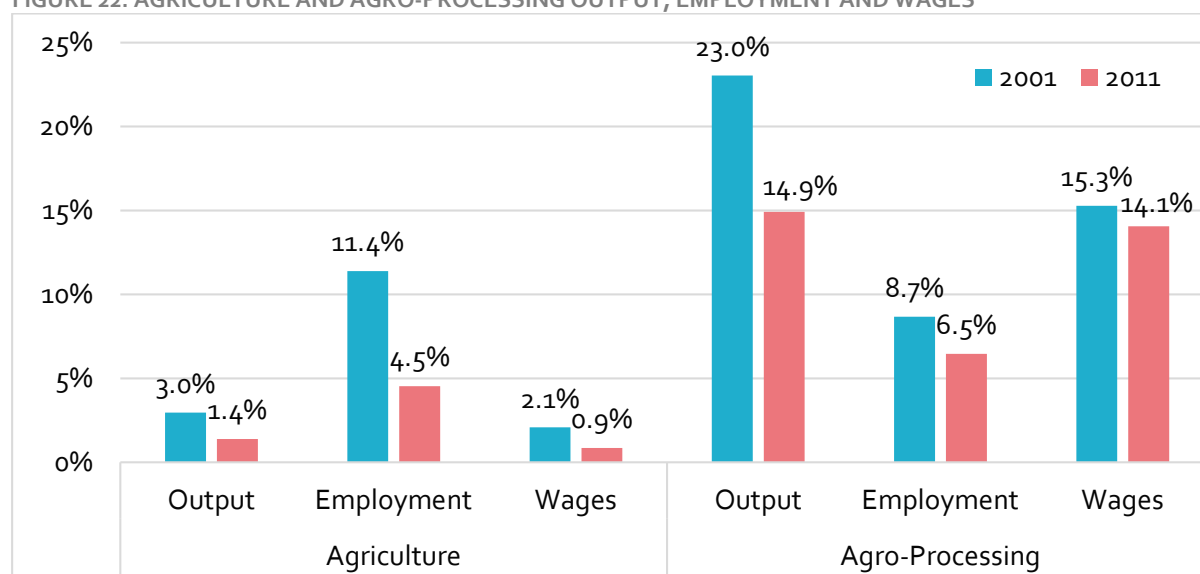
The Lesedi LM is home to several large agri-businesses, including Karan Beef, which operates the country's largest feedlot next to Ratanda, Eskort Meat Packaging, one the region's busiest butcheries and British American Tobacco (BAT), operating the Southern Hemisphere's largest cigarette factory near Heidelberg. Together, these businesses employ over 1,200 local staff, support numerous other small businesses, and provide BEE and training opportunities for community entrepreneurs.

2) Output, Employment and Wages

The impact of the agriculture and agro-processing industries on the Lesedi LM economy is illustrated in Figure 22. It shows that the agriculture industry contributes relatively little output, accounting for only 1.4% of total production in 2011. The **agriculture industry is however a significant source of employment**, although many jobs were shed over the previous decade. Finally, agriculture pays relatively low wages owing to limited skills among farm workers.

The opposite characteristics exist in the agro-processing industry, which accounts for much more output than the agriculture industry, but is less labour intensive. However, **although it is less labour intensive, the agro-processing industry continues to employ more workers than the agriculture industry**, accounting for 6.5% of all employment and 14.1% of wages in 2011. The relatively high wage bill in agro-processing is attributed to the requirements for semi and high skilled workers, a common characteristic among all manufacturing industries.

FIGURE 22: AGRICULTURE AND AGRO-PROCESSING OUTPUT, EMPLOYMENT AND WAGES



Source: Quantec (2014)

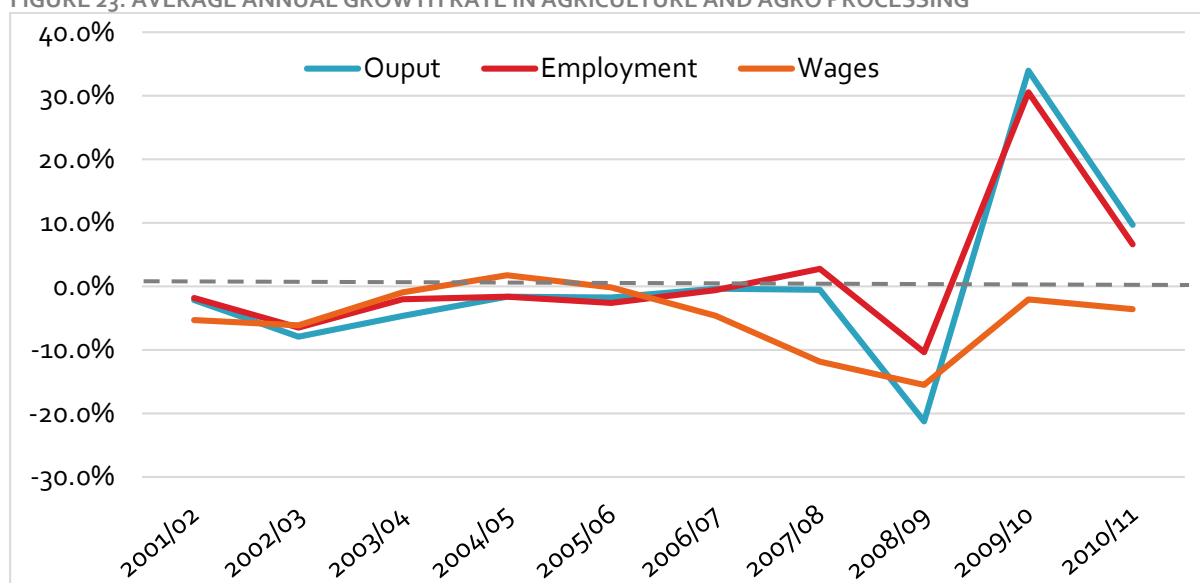
Figure 22 further illustrates that, although they remain important to the local economy, the agriculture and agro-processing industries play a less central role than they did ten years ago. More specifically, from 2001 to 2011, agriculture output declined from 3.0% of total production to 1.4%, while employment fell even more drastically from 11.4% to only 4.5%. This is, however, attributed more to the development of other industries rather than a significant decline in agricultural production.

In agro-processing, the decline in relative output was even more pronounced, with the industry generating 23.0% of total production in 2001 and only 14.9% in 2011, although again, this decline is due more to growth in the service industries. Notably, despite this decline, the agro-processing industry was able to retain most jobs and maintain a relatively stable wage bill unlike their counterparts in agriculture.

This decline in agriculture and agro-processing is further illustrated in Figure 23, which shows the combined growth rate of output, employment and wages in the agriculture and agro-processing industries from 2001 to 2011. As illustrated, the agriculture and agro-processing industries experienced limited or negative growth in output, employment and wages from 2001 to 2008, with the total wage bill falling drastically after 2005/06.

Figure 23 also illustrates that the agriculture and agro-processing industries in the Lesedi LM were not immune to the global economic shocks that began in 2007. These industries experienced a significant fall in output, employment and wages from 2007 to 2009. Although the level of output and employment recovered relatively quickly, the total wage bill has consistently declined, indicating that employment remains low-paid and temporary.

FIGURE 23: AVERAGE ANNUAL GROWTH RATE IN AGRICULTURE AND AGRO PROCESSING



Source: Quantec (2014)

In addition to the global economic recession, the overall decline in agriculture and agro-processing relative to other sectors is attributed to an expansion of the service industries, farm mechanisation, rising input costs and trade liberalisation, resulting in greater foreign competition. Finally, a key constraint on the agriculture and agro-processing industries is the lack of finance for emerging farmers and producers.

3) Rural Development Interventions

The Lesedi LM is a largely rural area characterised by large-scale commercial farms, agro-industry and a large number of emerging or subsistence farmers. Although the vast majority of output and employment is created by commercial farming and agro-industry, emerging farmers have an important role to play in poverty alleviation, rural development, household food security and BEE in the agriculture sector.

There are numerous rural development projects and interventions in the planning phase and under implementation in the Lesedi LM. The largest intervention is the **Comprehensive Rural Development Programme (CRDP)**, which began development of its first Gauteng site at Impumelelo in Devon in 2011. The objective of this programme is to uplift rural communities through the implementation of sustainable interventions aimed at agrarian reform and infrastructure development. To date, the project has resulted in the establishment of formal houses, installation of solar water geysers and road construction. There is, however, much work that needs to be done in order to facilitate agriculture reform, including the implementation of community gardens, financing for agricultural inputs, improved market access and support for cooperatives.

The Lesedi LM is also engaged in several other rural development interventions. These interventions include participation in the Eradication of Alien Vegetation Project, which aims to reduce water usage from alien plants, while also clearing land for other appropriate economic uses, creating employment, and alleviating poverty. Additionally, the municipality has conducted feasibility studies for the development of the Langzeekoegat Precinct, including an agri-village, intensive farming projects and socio-economic services, as well as the establishment of a Vegetable Tannery in Devon.

4.2.2. Development Opportunities

Agriculture and agro-processing in the Lesedi LM are established industries, however, there are numerous opportunities for growth and development. These **opportunities are derived from the increase in demand for food, improved research and technology, and government support.** Additionally, issues once viewed as constraints on the industry (*see Section 4.1.1*) are now a source of opportunity, including the competitiveness provided by mechanisation and the untapped potential of black-owned farms and the redistribution of underutilised land.

The development opportunities identified in the agriculture and agro-processing industries are grouped into the following four categories. These opportunities will form the basis for identifying programmes and projects in *Section 5* of the LED Strategy:

- 1) **Accelerate implementation of the Comprehensive Rural Development Programme** – The CRDP site in Impumelelo seeks to alleviate poverty through infrastructure and housing investment. To date, however, this programme has failed to achieve the additional mandate of agrarian reform and improved land utilisation. The opportunity is therefore identified for the Lesedi LED Unit, in collaboration with commercial farmers, to advance implementation of the CRDP through the provision of agriculture training and support, access to finance, and improved market accessibility.
- 2) **Strengthen the agriculture value-chain** - The agriculture and agro-processing value chain spans all participants in the production, manufacturing and retail of agricultural goods. In the Lesedi LM, this value-chain is often fragmented resulting in economic leakage and lost business opportunity. The opportunity is consequently identified for the municipality to strengthen the value-chain in collaboration with farmers, small business and agri-industry.
- 3) **Develop small scale farmers and producers** - Small-scale farmers and producers play an important role in food security, rural employment, income creation, and sustainability of the agriculture and agro-processing industries. This opportunity is especially relevant in the Lesedi LM owing to the strength of the agriculture and agro-processing sectors, availability of small parcels of quality land and proximity to large urban markets.
- 4) **Develop speciality and niche products** - Speciality and niche agriculture products are those not traditionally farmed or processed within a regional economy. They may be developed through the introduction of new grains, crops or produce; the raising of animals not typically farmed in the region; and the development of new ways to process and package existing goods. Production of these niche and speciality goods provides an important opportunity to promote diversification, enhance profits, increase employment and utilise un-used parcels of land.
- 5) **Export Promotion and Diversification** - Export promotion and diversification offers an important opportunity to earn foreign currency, create sustainable employment, increase the adoption of new production practices and advanced technologies, and enhance sector competitiveness. The opportunity for export promotion in the Lesedi LM is particularly high due to the proximity to large-scale processing, storage and transport facilities, accessibility of expanding markets in Southern Africa and a growing/harvesting season opposite to the Northern Hemisphere's.

4.2.3. Availability of Support

The agriculture and agro-processing industries are identified as key industries in the development of rural economies and job creation. Thus, these industries receive significant support from government designed to:

- 1) Increase output and beneficiation
- 2) Create rural employment opportunities
- 3) Accelerate and improve land reform
- 4) Assist emerging and small-scale farmers;
- 5) Improve food security and rural livelihoods
- 6) Promote sustainability in the sector

The agriculture and agro-processing industries are also well-entrenched industries, especially in areas such as the Lesedi LM, and therefore benefit from the establishment of cooperatives, unions and other special interest groups.

In the **agriculture sector** commercial farmers are supported by a network of organisations, unions and lobbyists, while government focuses on land reform, rural livelihoods and providing support for emerging farmers.

The **agro-processing industry** is identified by the Industrial Policy Action Plan (IPAP) and the National Development Plan (NDP) as a catalyst for growth and job creation due to its strong backward linkages to the agriculture industry.

1) Support Organisations and Programmes

Table 12 provides a summary of the organisations, agencies, programmes and industry actors that provide support to farmers and producers in South Africa, including those in the Lesedi LM.

TABLE 12: SUPPORT FOR AGRICULTURE AND AGRO-PROCESSING

Programme/ Organisation	Summary of Key Objectives
Comprehensive Rural Development Programme (CRDP)	The objective of the CRDP is to facilitate integrated development and social cohesion through partnership with all sectors of society by promoting: <ol style="list-style-type: none"> 1) Accelerated land redistribution 2) Improved food security for the rural poor 3) Creation of business opportunities 4) Decongestion and rehabilitation of former homeland areas 5) Expanded opportunities for rural women, youth and elderly people.
Land Redistribution for Agriculture Development (LRAD) Programme	The LRAD programme is designed to provide black South Africans with access to land for agricultural production. The objectives of the programme include: <ol style="list-style-type: none"> 1) Assisting land recipients and emerging farmers with the skills needed to manage commercial farms 2) Broadening the opportunities available to rural youth 3) Stimulating agricultural production.
Comprehensive Agricultural Support Programme (CASP)	The CASP programme was developed as a compliment to the LRAD and provides post-settlement support to beneficiaries of land reform and other producers. The programme objectives are: <ol style="list-style-type: none"> 1) To facilitate community ownership and involvement 2) To support previously disadvantaged individuals 3) To enhance national and household food security.

Programme/ Organisation	Summary of Key Objectives
Land Care Programme	The Land Care Programme offers a community based approach to sustainable land and resource use. The programme's objectives are to: <ol style="list-style-type: none"> 1) Promote partnership between communities, private sector and government 2) Establish institutional arrangements to develop programmes that encourage skills development, business establishment and productivity.
IDC Agro-Industries Strategic Business Unit	The IDC's Agro-Industries Strategic Business Unit provides financial support for activities along the agriculture value-chain. This support is offered to new or existing businesses with a sound business plan, employment creation potential and support from a private sector partner.
IDC Agro-Processing Competitiveness Fund (APCF)	The objective of the APCF is to facilitate increased competitiveness, growth, job creation and development in the agro-processing and beverages sectors. It provides grant funding for academic and applied research projects on a sector-wide, sub-sector and/or company level.
Land Bank	The Land Bank provides financial services to the commercial farming sector and agri-industry with the following objectives: <ol style="list-style-type: none"> 1) To provide appropriate products for commercial and emerging clients 2) To develop techniques for financing high-risk agriculture and new industries 3) To leverage private sector investment in the agricultural sector 4) To contribute to rural development and transformation of the sector.
Agriculture Research Council (ARC)	The ARC is the principal agricultural research institution in South Africa tasked with conducting research, driving research and development, technology development and the transfer of information in agriculture and agro-processing. The ARC is specifically involved in the development of niche agricultural products and processes.

2) Local Support Networks

The agriculture and agro-processing industries are well-established in the Lesedi LM and as such have developed strong support networks. These networks can be divided into the following two categories:

- a) **Farmers' Unions, Cooperatives and Support Organisations** – these support organisations promote the interests of commercial farmers through involvement at policy level and the provision of marketing assistance, industry information and other targeted support.
- b) **Private Sector Stakeholders** - big business in the agriculture value-chain are increasingly providing support for small-scale farmers and occasionally other producers as part of their BEE or Corporate Social Investment (CSI) agenda. The different types of support provided include skills development, technical advice, financial services and local procurement. In the Lesedi LM, big business involved in such arrangements include British American Tobacco (BAF) and Karan Beef.

4.3. Small Business and Retail

The small business and retail sector facilitates trade between producers and consumers and is therefore a crucial component of the South African economy. Small businesses employ less than 50 people and operate in all economic sectors, while retail businesses sell goods directly to consumers and employ any number of staff. Development of the small business and retail sector is crucial for the creation of meaningful and sustainable jobs and is consequently an important function of local economic development.



4.3.1. Current Reality

The Lesedi LM has a relatively robust small business and retail sector driven by household consumption and a strong regional economy. Retail and small businesses are concentrated predominantly in the Heidelberg CBD. Major shopping nodes include Shoprite/Checkers in the centre of town and the Pick 'n Pay store on the northern fringe. There is also a relatively wide variety of shops and tertiary services in the CBD including restaurants, wholesalers, banks, financial services and attorneys. Additionally, a cluster of distinct motor-related businesses, hardware stores and light industrial enterprise are situated along Schoeman Street in southern Heidelberg.

The small business and retail sector also has a small foothold in the Ratanda and Devon/Impumelelo including spaza shops, takeaways and a petrol station. Although informal, these businesses provide important retail services and employment opportunities to the local community. The following is a detailed profile of small business and retail activity in the formal and informal economy and an assessment of new retail developments.

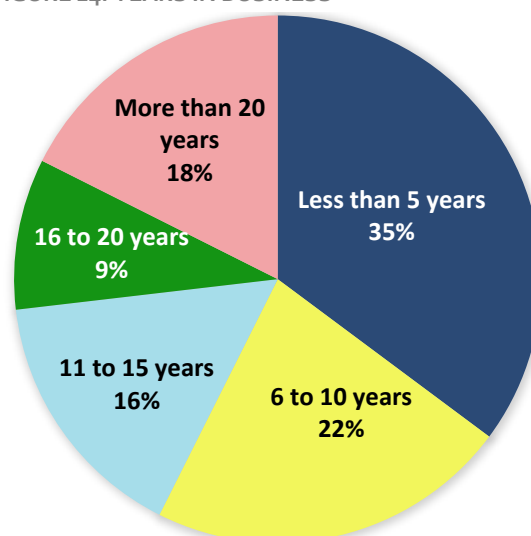
1) Formal Business Activity – Survey Findings

The small business and retail profile is based on survey data collected from the Lesedi LM in September 2013. The formal business survey addressed several key components, including business characteristics, location and challenges, market linkages, historic and future trends, and business confidence. In total, over 100 business owners participated in the survey from both Heidelberg and Ratanda.

The formal business survey included participants from all economic sectors, with the exception of utilities and government. The most widely represented sector was wholesale and retail, which constituted 76% of respondents and included grocers, restaurants, gift shop, pharmacies and those selling household wares. The small business survey also addressed respondents from a range of other industries including tourism, finance, communications, personal services and manufacturing. The vast majority of these businesses are owned by individuals or families, with approximately one-fifth operating as a franchise. This pattern of sector distribution and ownership is consistent with the small business and retail sector in towns across South Africa.

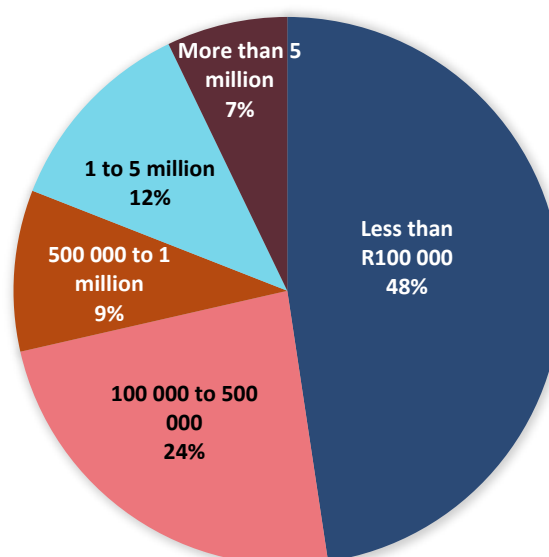
The formal business survey sought to determine the characteristics of small enterprise and retail businesses in Heidelberg and Ratanda. Firstly, the survey established how long businesses had operated in the region. The findings are illustrated in Figure 24, which shows that 35% of respondents had operated in the area for less than five years, 43% for more than 10 years and 18% for more than two decades. This implies that **the small business and retail sector has developed over time and is relatively well established**. Additionally, the fact that there are many new businesses illustrates a reasonably high level of confidence in the local economy.

FIGURE 24: YEARS IN BUSINESS



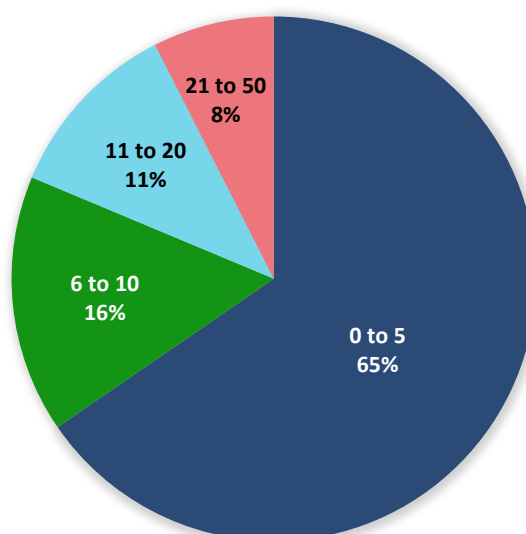
The formal business survey also assessed the size of small and retail enterprise according to turnover and employment. Figures 25 and 26 illustrate that a significant proportion of respondents operate micro or very small businesses. According to Figure 25, approximately half (48%) of respondents generate an annual turnover of less than R100 000, while nearly three-quarters (72%) generate a turnover of less than R500 000 annually. Figure 26 shows a similar trend with 65% of respondents employing fewer than 6 staff members. Notably, average business size was bigger in Heidelberg than in Ratanda owing to a higher level of business development and economic activity.

FIGURE 25: ANNUAL TURNOVER



However, the small business and retail sector is not only confined to micro and very small enterprise. According to Figure 25, 19% of respondents have an annual turnover larger than R1 million, while 7% has a turnover of more than R5 million. Additionally, Figure 26 shows that 19% of respondents employ more than 10 full-time staff members and 8% employ more than 20. These findings illustrate the **diversity and strength of the small business and retail sector**. They also highlight the importance of small and retail businesses in providing household income and employment.

FIGURE 26: NUMBER OF EMPLOYEES



The delivery of reliable and affordable services including water, electricity, sewage and refuse removal was also considered in the formal business survey. **Over 90% of respondents reported that these services were delivered reliably**, reiterating the service delivery achievements of the municipality. There was, however, greater concern over affordability. Approximately one-quarter of respondents reported that water, sewage and refuse removal are too expensive, while over half (54%) felt that electricity tariffs are too high.

The formal business survey assessed the influence of business chambers and support organisations in the Lesedi LM. It found that 24% of respondents held membership in some form of organisation, with 65% of these belonging to the Heidelberg Chamber of Business. The remaining 40% belonged largely to franchise-based organisations. This rate of membership is relatively high compared to other similar communities, especially in Heidelberg, and illustrates a high level of organisation among the business community.

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

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

The top five disadvantages to operating a business in the Lesedi LM, according to survey respondents, are:

- 1) Limited/slow economic growth
- 2) High unemployment
- 3) Crime and security
- 4) Insufficient supplies/raw materials
- 5) High cost of transporting goods

HEIDELBERG CHAMBER OF BUSINESS

The Heidelberg Chamber of Business was founded in 1984 and in 1990 was rebranded to reflect the industry's transformation. The Chamber's mission is to promote the interests of its members, create an investment friendly environment, to encourage excellence in public administration and to facilitate connections and collaboration between members.

In 2013, the Heidelberg Chamber of Business had 65 members representing all industries. In addition to supporting these members, the Chamber has launched the following two development projects:

- 1) **Marketing Project** – the marketing project aims to promote the town of Heidelberg as an investment and tourist destination. It also seeks to market individual businesses through its Profit Club and Growth Club.
- 2) **SMME Desk** - the Chamber has partnered with Sedibeng College and British American Tobacco in the establishment of an SMME Help Desk. The Help Desk will initially offer a nine month business plan development programme for emerging entrepreneurs. In the event that additional funding is secured this venture will become an on-going project.

The Heidelberg Chamber of Business has an important role to play in LED. Specific activities and support include:

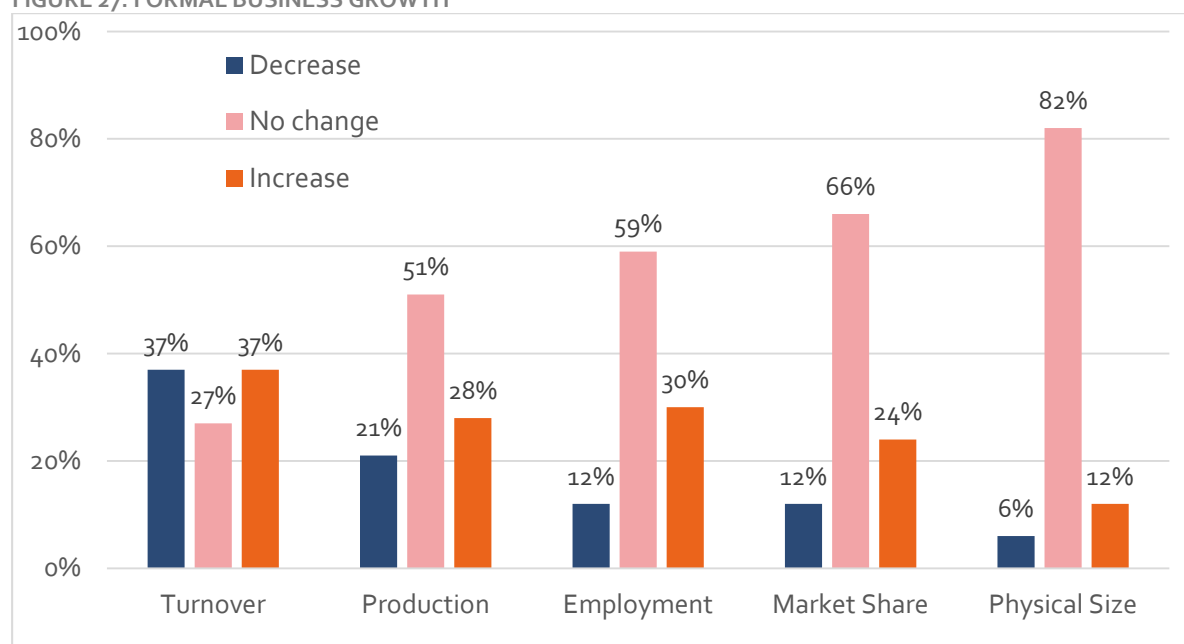
- 1) Identifying local business opportunities and LED projects
- 2) Bringing to the attention of the municipality the specific challenges and constraints on business development
- 3) Encouraging and enabling the municipality to increase their level of local procurement
- 4) Supporting specific business development and community projects (i.e. SMME Help Desk)

It is recommended that the Lesedi Local Municipality become an active member of the Heidelberg Chamber of Business, attending Chamber meetings, addressing identified issues and assisting with special projects.

The final set of questions in the Lesedi formal business survey addressed historical and projected trends among the local business community. The first question asked respondents to report on changes to their business over the previous three years according to five main indicators; turnover, production, employment, market share and physical size. Figure 27 presents the survey findings, illustrating the relatively high fluctuation in business turnover and production compared to other indicators.

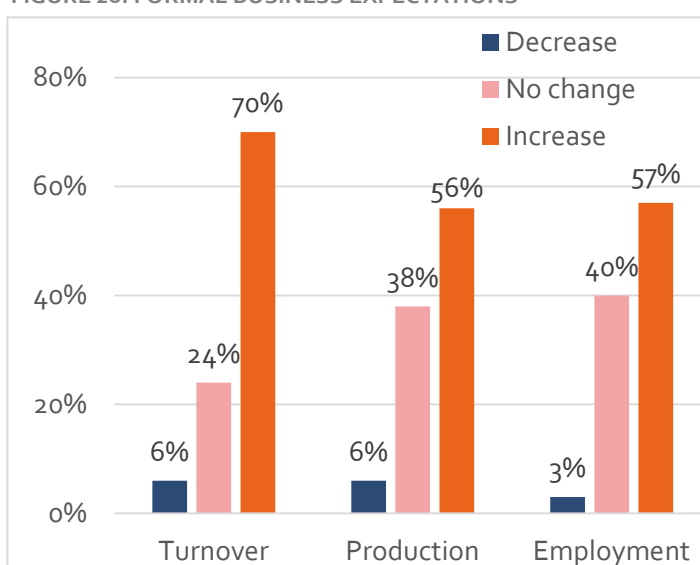
Over the previous three years, local businesses experienced the biggest fluctuation in turnover and production, although the distribution between growth and decline was largely even. Other indicators were, however, more positive, with twice as many business owners reporting an increase, rather than a decrease in employment, market share and physical size. These findings are indicative of a growing retail and small business sector and opportunity for further development.

FIGURE 27: FORMAL BUSINESS GROWTH



The small business and retail survey also asked respondents to comment on their expectations over the next twelve months for short-term indicators including production, turnover and employment. Figure 28 illustrates that the vast majority of responses were positive, with 70% anticipating an increase in turnover, 56% in production and 57% in employment. Additionally, in a separate and final question, 64% of survey respondents reported having good or excellent business confidence in the Heidelberg area.

FIGURE 28: FORMAL BUSINESS EXPECTATIONS



2) Informal Business Activity – Survey Findings

The informal business survey was conducted in the Lesedi LM in September 2013 and included 73 business owners and operators in Heidelberg, Ratanda and Devon/Impumelelo. The purpose of this research was to develop a profile of informal business activity in the municipality and to identify opportunities for formalisation and development.

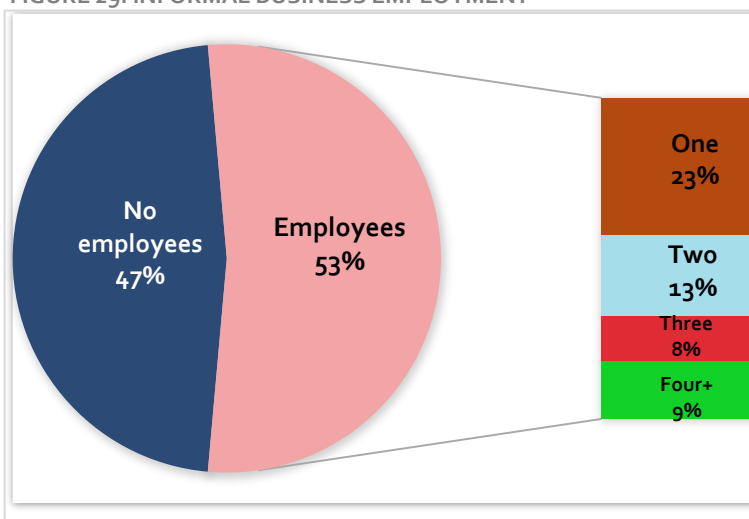
Informal business activity in the Lesedi LM is divided into two main categories. Firstly, informal operators include those operating businesses out of permanent structures, mainly in Ratanda, Devon/Impumelelo, Kwazenzele and Jameson Park. These businesses offer a range of goods and services including food and beverages, liquor, air time, household goods and haircuts. Secondly, informal business operators include the hawkers and street traders who are situated primarily within the Heidelberg CBD and have no permanent business premises. These business owners typically sell food, snacks, clothing, haircuts and other affordable goods.

Informal business owners in the Lesedi LM are predominantly black, with 70% reporting that they are residents of South Africa, of which 89% are from the Lesedi region. This implies that there are lower levels of internal migration in the municipality than in the urban areas of Gauteng. However, despite the prevalence of previously disadvantaged people, the level of education among informal business owners is higher than the local average, with 77% of informal business owners having completed their matric compared to only 44% in the wider population.

Profit and income are much lower in the informal business sector than among established businesses. According to survey respondents, the average profit in a favourable week is R1 900 and in an unfavourable week drops to R800. Additionally, although some informal businesses, such as shebeens and grocers earn up to R6000 a week, there are many business owners who often earn nothing. However, owing to the informal nature of these businesses, they are able to remain in operation despite inconsistent and relatively low profits.

The level of employment in the informal business sector is also much lower than among formal enterprise. Figure 29 illustrates that only 53% of survey respondents have paid employees. Of these, nearly half (43%) employ only one staff member and only one-third (32%) employ three or more staff. Informal staff are also typically low income earning, averaging R300 per week.

FIGURE 29: INFORMAL BUSINESS EMPLOYMENT



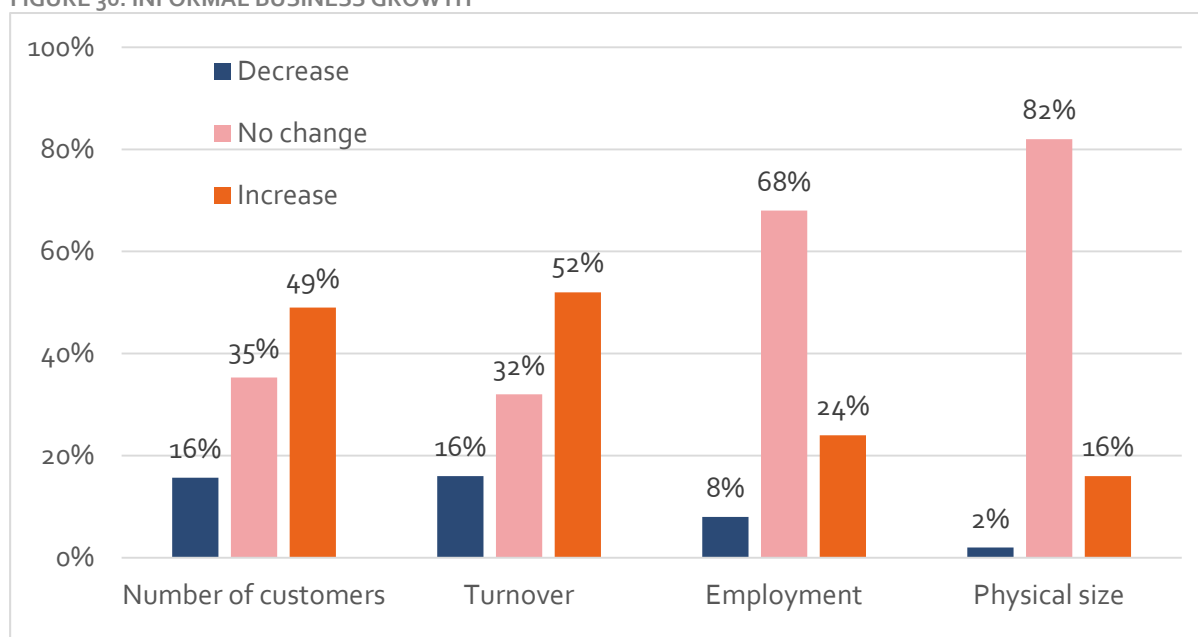
The relatively low level of employment and wages in the informal sector belays the potential for income generation, especially in townships and other highly populated areas. It is therefore important to support informal business owners and encourage formalisation in order to alleviate township unemployment and poverty.

The informal business survey also investigated the various challenges facing local business owners, including supply procurement, access to credit, storage costs, crime and insufficient business support. The following insights are derived from this analysis:

1. **Informal retailers in the Lesedi LM lack access to credit facilities**, with the majority of local business owners (66%) relying on friends and family as a source of finance. This limits the capacity of business owners to buy in bulk, establish permanent shops and expand.
2. Street trading and informal business organisations have a presence in the sector, representing 15% of those surveyed. There is, however, an **opportunity to further support these businesses through training, marketing and access to information**.
3. Storage is not a major issue for informal traders, with 77% storing their goods comfortably at home or in their shop. There is, though, a **demand for formal trading stalls**, especially among those trading in the Heidelberg CBD.
4. Informal traders suggest two 'ideal' locations for formal trading stalls, the Heidelberg CBD or next to the new Heidelberg Mall. However, given that these businesses target local consumers, it is suggested that the Heidelberg Mall location be prioritised, while preserving space in the CBD for pedestrians and tourism-oriented businesses.
5. The majority of informal business respondents interested in moving to a formal trading stall are willing to pay a small fee (86%). Nonetheless, this fee should be kept to a minimum and thus utilised more to signal commitment rather than for revenue purposes.
6. Overall, the majority (81%) of informal traders feel safe in their current location. As a result, although community and business safety must remain a priority, **crime is not viewed as a major deterrent to informal business**.

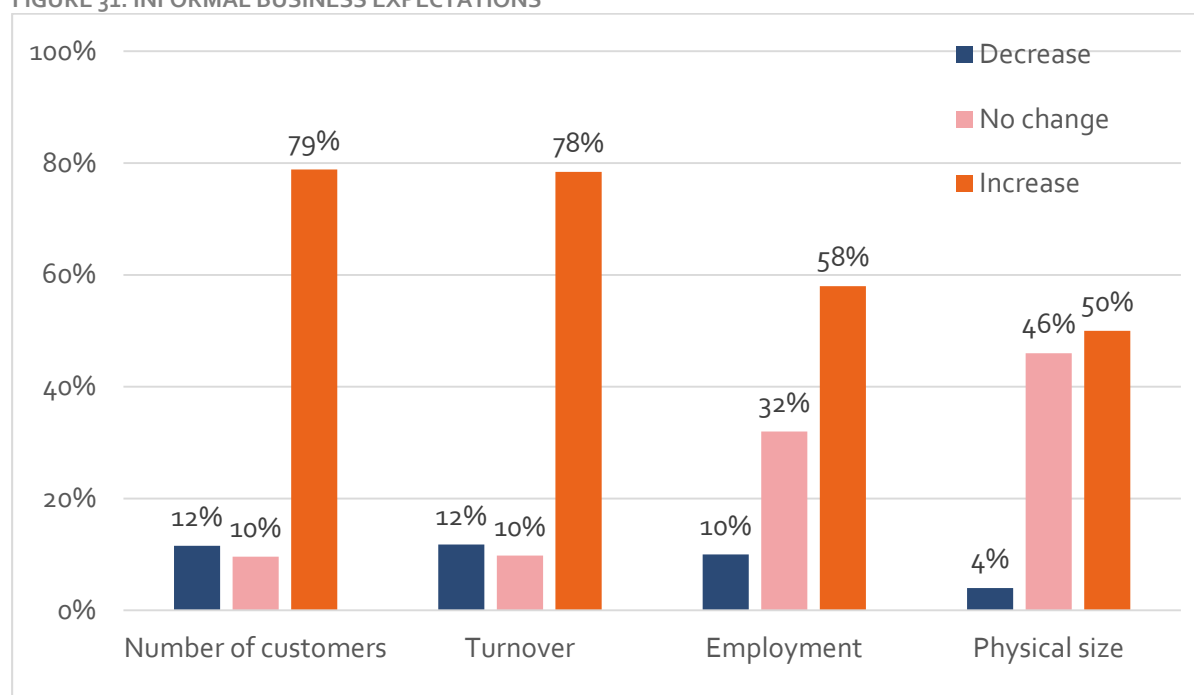
The final section of the survey asked business owners to consider their prior development and their expectations for growth. Figure 30 illustrates the reported change in business size over the previous three years. It shows that approximately half of the survey respondents experienced an increase in customers and turnover, while employment and physical size remained much more static. This indicates that although businesses are growing, they are largely unwilling to increase the number of people they employ and the space that they occupy.

FIGURE 30: INFORMAL BUSINESS GROWTH



Informal business owners were also asked to discuss their expectations over the next year according to the same four indicators. Figure 31 illustrates that 79% of respondents expect an increase in customers, 78% anticipate a bigger turnover, 58% expect to hire more staff and 50% anticipate moving to a larger business space. In summary, **the growth expectations of business owners far outweigh past performance, similar to the formal business sector.**

FIGURE 31: INFORMAL BUSINESS EXPECTATIONS



3) New Retail Developments

In July 2013, construction began on a new 35 000m² shopping centre in the Lesedi LM, known as the Heidelberg Mall. Situated in the south-west quadrant of the Jacobs Road interchange, the centre is easily accessible from Heidelberg and Nigel, which is located in the regional trade area. It also enjoys significant exposure to the N3 Toll Road, Groenkloof Road and Jacobs Street. The Heidelberg Mall is scheduled to open in October 2014, at which stage it will serve as a regional retail destination and a catalyst for economic growth.

*The **overall impact** of the new Heidelberg Mall on the local economy is expected to be positive. There is, however, some concern regarding the mall's potential negative impact on the Heidelberg CBD, as consumers and businesses relocate to the new centre. This issue is further addressed in Section 4.4.*

The Heidelberg Mall is the product of an innovative joint venture between the Lesedi Municipal Council and private developers. Involvement of the Lesedi Council has ensured that the developers adhere to several LED principles, including local employment and procurement. It is estimated that the mall will create 700 to 800 temporary construction jobs and between 800 and 1 200 permanent positions, the vast majority of which will be filled by local workers. Furthermore, the developers are committed to purchasing building materials, hiring sub-contractors and eventually procuring security, cleaning and maintenance services from the local business community wherever possible.

4.3.2. Development Opportunities

The Lesedi LM has a vibrant and diversified small business and retail sector driven by household consumption, business procurement and tourism. Although it has received significant investment through development of the new Heidelberg Mall, the small business and retail sector continues to provide many untapped opportunities. Through the exploitation of these opportunities, the Municipal LED Unit can promote existing enterprise, encourage new business development and facilitate job creation.

The development opportunities identified in the small business and retail sector are grouped into the following five categories. These opportunities are discussed further in the *Strategic Plan (Section 5)* and will be used to formulate LED projects for the municipality.

- 1) **Develop rural industries** - The rural economy in the Lesedi LM depends largely on income from commercial farming and farm labour, and social welfare grants. The sustainable development of rural communities, such as Impumelelo, therefore depends on the diversification of economic activity through infrastructure investment, enterprise support and training. The ultimate objective should be to deter rural to urban migration by providing economic opportunity and a higher quality of life in rural communities.
- 2) **Maximise the impact of the Heidelberg Mall** - The Lesedi LM is committed to ensuring that the Heidelberg Mall is a catalyst for economic development, while also providing income and job opportunities for the local community. It is important, however, that certain measures are taken to strengthen this commitment and ensure the collaboration of private sector partners and retailers. Additional opportunities also exist, which will maximise the impact of the Heidelberg Mall, while mitigating potential consequences for the CBD.
- 3) **Retain and attract businesses to the Heidelberg CBD** - The Heidelberg CBD possesses many of the ideal conditions for small business development, including good infrastructure and services, significant foot traffic and consumer activity, and a centralised and easily accessible location. However, despite these qualities, there is a real possibility that establishment of the Heidelberg Mall will result in the relocation or closure of many local businesses, which could reduce the area's appeal to local consumers and tourists. It is therefore important that a strategy is developed and implemented that will retain and attract businesses to the CBD.
- 4) **Encourage the development of entrepreneurs** - The small business and retail industry in Ratanda is relatively vibrant compared to similar townships. There is, however, an opportunity to strengthen existing businesses, attract new enterprise, increase tax revenue and encourage job creation by providing support and encouraging business registration. The ultimate goal is to develop a central business node in Ratanda supported by a network of neighbourhood shops and services.
- 5) **Promote the development of informal businesses** - Informal businesses are not formally registered and therefore do not pay business tax or qualify for incentives. These businesses do, however, provide an important source of income and employment among previously disadvantaged communities, while also offering goods and services in areas that lack formal business activity. The opportunity therefore exists to develop the small business and retail sector through the development of informal enterprise.

4.3.3. Availability of Support

In South Africa, all levels of government, civil society and the private sector recognise the important role of small business in the creation of decent work opportunities and overall success of the economy. There are, however, significant challenges faced by the small business sector, including inappropriate regulation, limited access to finance and technology and a shortage of skilled staff.

According to the **National Planning Commission** small, medium and micro businesses contribute more than 40 percent of South Africa's GDP and account for more than 60 percent of all employment. Thus, the NDP identifies the small business sector as crucial to achieving accelerated economic growth and lower unemployment.

1) Support Organisations and Programmes

The South African government provides a range of financial and non-financial support to small business, summarised in Table 13. This support is administered primarily through the Department of Trade and Industry (dti) and the Industrial Development Corporation (IDC), although other agencies are involved. There are also several private support initiatives undertaken as either a revenue generating activity or through Corporate Social Investment (CSI).

TABLE 13: SUPPORT FOR SMALL BUSINESS DEVELOPMENT

Programme/ Organisation	Summary of Key Objectives
Small Enterprise Development Agency (SEDA)	SEDA's mission is to develop, support and promote small enterprises throughout the country. The specific objectives of SEDA include: <ol style="list-style-type: none"> 1) Improve access to finance by providing businesses with information, assisting with business plans and offering direct incentives. 2) Reduce regulatory barriers by identifying bottlenecks and collaborating with government to address key issues. 3) Expand market opportunities by providing information, removing barriers to market entry and identifying areas with small business potential. 4) Provide information, training and advice through regional offices.
National Empowerment Fund (NEF)	The NEF is committed to promoting BEE by providing financial and non-financial support to black empowered businesses. Non-financial support provided by the NEF includes funding advice, application support and business plan development. The NEF also administers the following four development funds: <ol style="list-style-type: none"> 1) iMbewu Fund: Designed to support black entrepreneurs wishing to start new businesses and those in need of expansion capital. 2) uMnotho Fund: Designed to improve access to capital for black-owned and managed enterprises. 3) Rural and Community Development Fund: Funds rural enterprise through four key products: Project Finance, Business Acquisition, Expansion Capital and Start-up/Greenfields. 4) Strategic Projects Fund: Promotes black participation in opportunities at the outset of projects, as opposed to doing so during equity closure.
IDC - Grow-E Scheme	The IDC Grow-E Scheme offers R10 billion in financial support to start-up businesses, including funding for buildings, equipment and working capital. The Scheme also supports successful small businesses wishing to expand with the caveat that they will create sustainable employment opportunities.

Programme/ Organisation	Summary of Key Objectives
IDC - Transformation and Entrepreneurship Scheme	<p>The Transformation and Entrepreneurship Scheme aims to develop small and medium enterprises, and make the mainstream economy accessible to marginalised groups. The scheme offers business support, loans and grants through the following five development funds:</p> <ol style="list-style-type: none"> 1) Women Entrepreneurial Fund 2) People with Disabilities Fund 3) Equity Contribution Fund 4) Development Fund for Workers 5) Community Fund
dti - Black Business Supplier Development Programme (BBSDP)	<p>The BBSDP offers cost-sharing grant designed to support black-owned small business in achieving the following objectives:</p> <ol style="list-style-type: none"> 1) Encourage these businesses to become part of the mainstream economy 2) Increase their productivity and competitiveness 3) Enhance employment creation and sustainability
dti – Cooperatives Incentive Scheme	<p>The Co-operative Incentive Scheme (CIS) provides a cost-sharing grant to registered co-operatives. The main objectives of the CIS are to:</p> <ol style="list-style-type: none"> 1) Improve the viability and competitiveness of cooperative enterprise 2) Assist co-operatives with their start-up requirements 3) Build an asset base for cooperatives so they may leverage support 4) Support broad-based black economic empowerment
dti – Incubation Support Programme (ISP)	<p>The ISP is designed to develop incubators and create successful enterprise by assisting incubators in providing support for small business development. The ISP also encourages partnerships between big business and small business by assisting with skills transfer, enterprise development, supplier development and marketing opportunities.</p>
South African Institute for Entrepreneurship (SAIE)	<p>The SAIE is a non-profit organisation that provides support for entrepreneurs through established programmes and in partnership with NGOs and the Department of Education. SAIE products include innovative business skills materials for educators, trainers and community organisations to use in the education and development of local youth and entrepreneurs.</p>
Business Partners	<p>Business Partners is a private sector entity that provides specialist financing and mentorship for small and medium businesses in all major sectors. The businesses must be established, profitable and able to establish their viability in the South African urban and peri-urban economy (including Heidelberg/Ratanda).</p>
Gauteng Economic Propeller (GEP) Provincial Twenty Townships Programme	<p>The Provincial Twenty Townships Programme was launched by the GEP in 2009 with the objective of supporting small business development. The programme aims at providing a one-stop service to SMME's and thereby enabling faster economic growth and job creation, fighting poverty and building secure communities, developing skilled and productive people.</p>
SMME Help Desk	<p>The SMME Help Desk was established by the Heidelberg Business Chamber, British American Tobacco (BAT), Sedibeng College and Action Coach. The Help Desk utilises classrooms at Sedibeng College to provide a nine month small business seminar designed to assist with the development of bankable business plans and to link entrepreneurs to funding agencies and potential partners. Initially the course will be provided to 10 local entrepreneurs aged 16 to 30, with the potential to extend and expand this programme in the event that additional funding is secured.</p>
Industry Specific Support	<p>The small business sector is comprised of a range of industries such as retail, manufacturing, tourism and agro-processing. Therefore the various programmes and organisations which support these industries are also directly encouraging small business growth and development.</p>

4.4. Urban and Township Revitalisation

The revitalisation of small urban centres and townships is an important strategy in local economic development. Vibrant urban centres and townships provide social services, employment and business opportunities that improve residents' quality of life. These centres also act as a catalyst for the tourism industry, increasing the region's appeal to domestic and international visitors.



Urban and township revitalisation is also concerned with improving the connectivity between small towns and the township(s) neighbouring them. By removing the barriers between these communities, it is possible to accelerate economic development, facilitate job creation, promote social cohesion and reduce inequality. This is achieved through investment in public transportation, business linkages and informal business development, and programmes aimed at community and social integration.

The purpose of this sub-section is to investigate the opportunity for urban and township revitalisation in the Lesedi LM. Emphasis will be placed on the current situation in Heidelberg and Ratanda and the development opportunities therein. Support for urban and township renewal is also investigated by identifying support agencies and organisations and discussing the role of local development agents.

4.4.1. Current Reality

The Lesedi LM is home to the small town of Heidelberg, the main urban centre and hub of economic activity in the municipality. The municipal area also includes several townships, of which Ratanda has by far the largest population and is the most economically vibrant.

These main settlements possess many of the same challenges as other small towns and townships across South Africa, including high employment, limited integration and high demand for infrastructure and service delivery investment.

There are also several unique characteristics to Heidelberg, Ratanda and the wider region, which sets these settlements apart from other struggling localities. This includes a rich heritage and culture, an abundance of natural beauty and outdoor activities, relatively diversified local economy, close proximity to major urban centres (Johannesburg and Pretoria) and the accessibility of transportation networks. The following is a detailed profile of urban and township settlements in the Lesedi LM with a focus on Heidelberg and Ratanda.

STRATEGY DEVELOPMENT

The Lesedi LM has developed several township and urban regeneration strategies. These strategies were carefully considered during this assessment and should be integrated into all future development plans and interventions.

1) The Historic Town of Heidelberg

The town of Heidelberg is the primary formal settlement in the Lesedi LM, providing a hub of economic and social activity and a centre for administrative services. In 2011, Heidelberg had a population of approximately 35 566, according to South African Census data. Although the majority of the population are white, Afrikaans-speaking families, there is a gradual shift towards greater racial integration.

Heidelberg is located on the N3 highway, approximately 50 kilometres from the Johannesburg city centre and 60 kilometres from O.R. Tambo International Airport, making it highly accessible for business, tourists and commuters. It is the administrative centre in the Lesedi LM, hosting the municipal offices, as well as many provincial and national departments. Heidelberg also provides many high-order community facilities and services.

The **Heidelberg CBD is situated in the historic city centre of Heidelberg** between HF Verwoerd Street and the Blesbokspruit. This area provides a concentration of retail and services, significant employment opportunities and is visually appealing to residents and tourists. There are also challenges, including insufficient building maintenance and a proliferation of informal traders that must be addressed if the CBD is to achieve its development potential.

Table 14 provides a summary of the positive features and development challenges in the Heidelberg CBD. This information is designed to assist the Lesedi LED Unit and the Lesedi LED Forum in the development of LED programmes and projects for the area.

TABLE 14: ASSESSMENT OF THE HEIDELBERG CBD

POSITIVE FEATURES	DEVELOPMENT CHALLENGES
<ol style="list-style-type: none"> 1. The Historic nature of the Heidelberg CBD has largely been retained, particularly in the area immediately surrounding the Klipkerk (Stone church). 2. The CBD is host to a relatively diverse retail industry including restaurants, grocers, gift shops and clothing stores. Several services such as a post office and clinic are also provided. 3. There is a relatively large amount of green space including several small parks, open areas around the Blesbokspruit and access to the Suikerbosrand Nature Reserve. 4. Road and utilities infrastructure in the Heidelberg CBD and surrounding area is in good condition and the area is mostly clean and well maintained. 5. There is a diversity of attractions in the surrounding area, including the Suikerbosrand and Alice Glockner Nature Reserves, Transport Museum and the Klipkerk (Stone church). 6. Parking space is available without deterring from the area's visual appeal. 	<ol style="list-style-type: none"> 1. Several buildings in the CBD are dilapidated, particularly south of Strydom Street towards the Blesbokspruit. 2. There are numerous informal traders, including hawkers and hairdressers, operating on sidewalks and out of informal structures in the south-east of the CBD. 3. Neglected maintenance is increasingly problematic in the south-east of the CBD. 4. The CBD has an insufficient number of businesses targeting tourists, such as restaurants, sidewalk cafes, clothing shops and book stores. 5. There is a high probability that many businesses in the CBD will relocate to the new Heidelberg Mall, leaving behind vacant buildings and reducing the commercial and tax revenue from the area. 6. Although the Heidelberg CBD is relatively accessible, there are few signs directing tourists to the area. 7. Cultural and historic attractions in the CBD are not effectively marketed through signage and route development.

2) The Ratanda Township

Ratanda is situated 6 kilometres south-west of Heidelberg and is the most populated settlement in the Lesedi LM, with approximately 36 098 residents in 2011 (SA Population Census). The township comprises three stand-alone formal settlements including a northern settlement separated by vacant land, the central settlement located along the R549 and a southern settlement situated adjacent to the central settlement, but separated by vacant land. Ratanda also hosts an informal settlement located along the western boundary of the central settlement.



Economic activity in Ratanda is largely limited to retail outlets including grocers, spaza shops and liquor stores/shebeens. In the absence of a consolidated town centre or 'central business district', these shops are distributed at random throughout the township and are often operated out of people's homes. Although these businesses are an important source of employment, much of Ratanda's labour force travels to Heidelberg, neighbouring farms and local industries for work.

The Ratanda Township is identified as having the biggest potential for economic development in the Lesedi LM. One important aspect of this development is the revitalisation of Ratanda in order to improve standard of living and attract new business development. Table 15 provides an overview of the positive features and development challenges that will be considered when planning LED interventions in Ratanda.

TABLE 15: ASSESSMENT OF THE RATANDA TOWNSHIP

POSITIVE FEATURES	DEVELOPMENT CHALLENGES
<ol style="list-style-type: none"> 1. The township offers a variety of social and community facilities, including a soccer stadium, community centre, library and municipal centre and swimming pool. 2. Infrastructure and service delivery in the area is of a relatively high quality. 3. The primary road network in Ratanda is paved and in good condition. 4. Crime is not a significant concern for residents, with 83% indicating that they feel safe (Household Survey, 2011). 5. Ratanda has been earmarked by the Gauteng Economic Propeller as one of twenty townships in the province that will receive targeted small business support. 6. The municipality has prioritised the revitalisation of Ratanda, conducting several assessments and compiling an urban development framework for the area. 	<ol style="list-style-type: none"> 1. Many of the social and community facilities require maintenance and upgrades. 2. There is an overall lack of streetscape design, street lights, benches, green spaces and other amenities. 3. Ratanda lacks a consolidated town centre around which business, social and transport development can be built. 4. Tracks of underutilised land separate the various sections of Ratanda, with vacant land also available in outlying areas. 5. Litter, poor maintenance and limited grounds-keeping significantly reduce the area's visual appeal. 6. Approximately 14% of residents live in informal housing (Household Survey, 2011). 7. Poor transportation design and a lack of road signage increases congestion in certain areas and make it difficult to navigate.

3) Other Settlements

The Lesedi LM is home to several small settlements located in rural farming areas and on the Heidelberg periphery. The three most populated of these settlements are Devon/Impumelo with approximately 9 576 residents, KwaZenzele with 2 518 residents and Jameson Park, which houses an estimated 1 763 residents according to 2011 South African Census data.

Figure 32 provides an illustration of where these settlements are located in relation to Heidelberg, Ratanda and other important towns outside of the municipal borders. As illustrated, Jameson Park is located on the northeast periphery of Heidelberg and thus functions primarily as a commuter town. The other settlements, KwaZenzele and Devon/Impumelelo are located in rural areas and are characterised by lower population density, less business activity and higher unemployment.

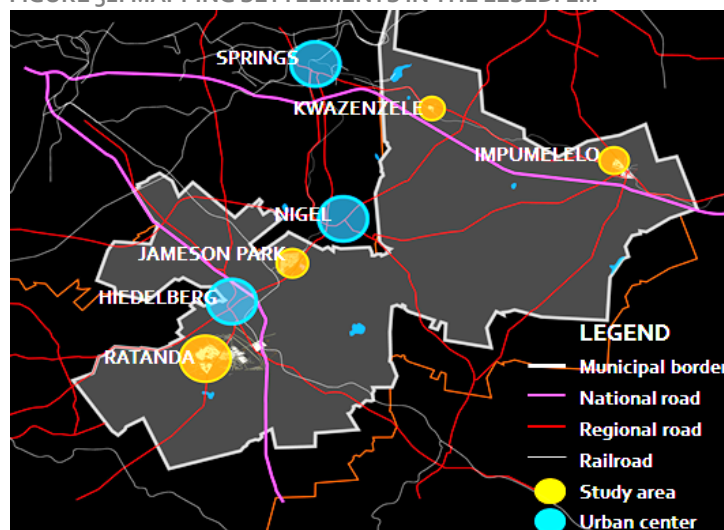
The settlements of Devon and Impumelelo comprise the second largest population cluster in the Lesedi LM after Heidelberg/Ratanda. Devon was once a functioning rural retail centre, however, has stagnated in recent decades and is now characterised by vacant stands and socio-economic decline. In contrast, the informal settlement of Impumelelo has experienced significant population growth, despite housing almost no economic activity. It therefore functions as a dormitory town to the larger economic centres in neighbouring provinces, while local unemployment is high.

Jameson Park is a small residential township situated between Heidelberg and Nigel on the R42. The area is characterised by large residential properties, with a few informal houses scattered in between. There is very limited economic activity in the township, with the exception of several taverns and small shops and thus the area is utilised primarily to house those employed in Heidelberg and Nigel.

The final settlement within the Lesedi LM is KwaZenzele, an informal rural settlement situated between Impumelelo and Springs on the N17. KwaZenzele is the poorest settlement in the Lesedi LM, with extremely high unemployment and an almost complete lack of services. The area has, however, been demarcated as an 'agri-village' and some basic services are in the process of being installed.

The settlements surveyed in this sub-section are utilised largely to house employees of other, more economically vibrant areas or, in the case of KwaZenzele, suffer from complete economic stagnation. **These areas therefore have limited opportunity for local economic development and should not be prioritised in the allocation of funding and projects. It is nonetheless important that residents in these areas are provided with basic services and poverty alleviation programmes.**

FIGURE 32: MAPPING SETTLEMENTS IN THE LESEDI LM



4.4.2. Development Opportunities

The town of Heidelberg and the neighbouring Ratanda Township host much of the Lesedi LM's population and economic activity. It is therefore important that these areas provide a high quality living and working environment capable of attracting and retaining businesses and consumers. This can be achieved in part through the revitalisation of Heidelberg and Ratanda by addressing the following four development opportunities. These identified opportunities will be expanded into LED programmes and interventions in *Section 5* of the LED Strategy.

- 1. Improve the integration of settlements** - The integration of Heidelberg and Ratanda into a regional economy is an important precursor for sustainable development with the potential to enhance economic activity and employment in both communities. Integration requires a reduction in the spatial, economic and social barriers that currently exist between the two communities. The process involves improved accessibility and transportation, the development of business linkages, and the facilitation of greater social and community interaction. It is envisioned that these interventions will promote economic growth, employment creation and social cohesion.
- 2. Invest in the development of business infrastructure** - The Lesedi LM has made great strides in the development of engineering infrastructure and service delivery, particularly in Ratanda. It is therefore proposed that infrastructure investment be redirected towards the creation of an enabling economic environment to support new business development and job creation in Ratanda, Heidelberg and other small communities, where viable. This investment should also incorporate the use of alternative and green energy and efforts to reduce overall energy consumption.
- 3. Upgrade the Heidelberg CBD** - The historic Heidelberg CBD retains much of its charm, yet is in need of upgrades including streetscape design, improved signage, building renovations and other beautification measures. These upgrades have the potential to attract new small enterprise, enhance tourism and offset the relocation of business to the Heidelberg Mall. Such upgrades cannot, however, be achieved by the municipality alone and require the collaboration of business owners and community leaders.
- 4. Consolidate a town centre in Ratanda** - The Ratanda township currently lacks a central 'core' that acts as a civic and commercial hub for the community. The opportunity therefore exists to establish a consolidated town centre in Ratanda, utilising existing open spaces and strengthening existing community facilities. By establishing a town centre the municipality can reinforce a sense of community and place, improve circulation, and enhance commercial development.

The development opportunities highlighted above refer primarily to Heidelberg and Ratanda. It is also important, though, that the small communities including KwaZenzele, Jameson Park and Devon/Impumelelo are not neglected in this process. This can be achieved through the prioritisation of these areas for agriculture and agro-processing investment and support, and by further integrating these communities into the wider region, both spatially and economically.

4.4.3. Availability of Support

The revitalisation of urban centres and townships is increasingly recognised as an important LED strategy by municipal government, business owners and community leaders. Although there is limited public funding for such ventures, support can be obtained from local business owners, tax revenue, community donations and civil society organisations. The purpose of this sub-section is to provide an overview of such support in order to reinforce the opportunity for urban revitalisation.

Active citizenship in the field of spatial development will be supported and incentivised through a range of interventions including properly funded, citizen-led neighbourhood vision and planning processes and the introduction of social compacts from neighbourhood to city level.

National Development Plan (2011)

1) Support Organisations

In South Africa and the Gauteng Province there are several organisations dedicated to the development of urban centres and townships. These include government sponsored groups, civil society organisations and NGOs as summarised in Table 16. The Lesedi Municipal LED Unit is encouraged to interrogate these groups and identify opportunities for partnership and support.

TABLE 16: SUPPORT FOR URBAN AND TOWNSHIP REVITALISATION

Programme/ Organisation	Summary of Key Objectives
South African Cities Network (SACN)	<p>The SACN is a network of South African cities and partners that encourages the exchange of information, experience and best practices on urban development. The activities of the SACN are designed:</p> <ol style="list-style-type: none"> 1) To update leaders on current and emerging changes and trends in urban policy across the world and in South Africa. 2) To promote innovation and strategic thinking between cities and other spheres of government. 3) To foster cooperation and exchange of best practice. 4) To mobilise the capacity of cities to support local government and national development. <p>The SACN may therefore provide important information, advice and assistance in the planning and development of urban revitalisation projects in the Lesedi LM.</p>
Neighbourhood Development Programme (NDP)	<p>The NDP was established in 2006 and is responsible for managing the Neighbourhood Development Partnership Grant (NDPG). The goal of the NDPG is to utilise public investment and funding to attract private and community investment and unlock the social and economic potential of townships. The purpose of the grant is to therefore support, facilitate and fund the planning and implementation of neighbourhood development programmes and projects that provide catalytic infrastructure to leverage investment for sustainable development.</p>
Gauteng Enterprise Propeller (GEP)	<p>The GEP is a provincial government agency that provides non-financial and financial support to small enterprise in Gauteng. The GEP is also tasked with managing the Provincial Twenty Priority Townships Programme, which provides intensive small enterprise support in twenty township communities, including Ratanda. This programme may strengthen the establishment of a consolidated town centre in Ratanda by facilitating local business development.</p>

2) Local Stakeholders

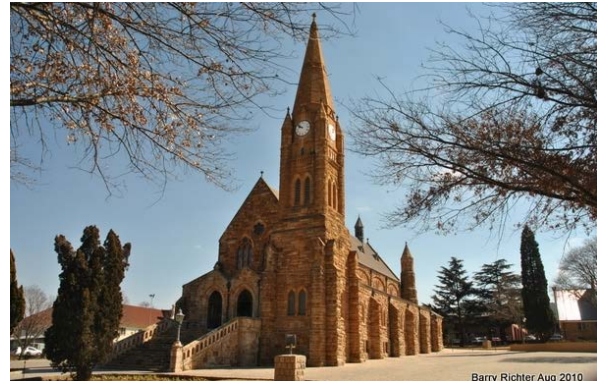
The revitalisation of urban centres can only be effectively achieved through the collaboration of local stakeholders. Table 17 provides a summary of key stakeholders in the Lesedi LM who should be involved in the design and implementation of such interventions.

TABLE 17: LOCAL STAKEHOLDERS IN URBAN AND TOWNSHIP REVITALISATION

Programme/ Organisation	Summary of Key Objectives
Lesedi Local Municipality LED Unit	The Lesedi LM LED Unit is committed to accelerating economic growth, promoting business retention and development and facilitating job creation. The Unit is also responsible for implementation of the Municipal LED Strategy. It is therefore understood that the LED Unit will take the lead in coordinating revitalisation efforts in Heidelberg and Ratanda. It may also be involved in assessing these communities, planning new projects and leveraging financial support.
Heidelberg Chamber of Business	The Heidelberg Chamber of Business represents the interests of industry and small enterprise in Heidelberg and the surrounding area. The Chamber of Business is committed to ensuring the long-term development of Heidelberg by fostering business and community development. Given the active role of this organisation in the community and their established relationship with business owners, the Chamber is identified as an important stakeholder in the design and implementation of the Heidelberg and Ratanda revitalisation projects.
Local Industry Leaders	The Lesedi LM is host to several large industries, including British American Tobacco (BAT), Karan Beef and Eskort. These industries have a vested interest in supporting the communities within which they operate from both a Corporate Social Investment and sustainability standpoint. It is therefore recommended that these and other big businesses are incorporated into the revitalisation strategy in order to gather advice and leverage financial support.
Heidelberg formal business community	Revitalisation of the Heidelberg CBD will have a significant impact on formal businesses operating in the area, as well as tourism enterprise throughout Heidelberg. These businesses are therefore expected to participate in the planning and development of the CBD revitalisation programme. They are also expected to assist where feasible with upgrading their shop-fronts, improving signage and contributing to overall beautification.
Heidelberg informal business community	The Heidelberg CBD revitalisation programme must also address informal businesses operating in the area, either through their relocation to the Heidelberg Mall, and/or the establishment of formal trading stalls. It is therefore important that informal business owners are engaged in this process.
Ratanda small business community	Development of a consolidated urban core in Ratanda will provide opportunities for new business development and the relocation of some existing enterprise. Therefore, the Ratanda business community should be consulted and informed about all programmes and interventions.
Local leaders and community groups	Community revitalisation requires creative thinking and commitment that often goes beyond the capacity of municipal and business leaders. It is consequently important to engage with community groups and local leaders (including retired and current business owners) to involve them in the development of both Heidelberg and Ratanda. These stakeholders should be organised into a development forum or similar entity and asked to volunteer their time, knowledge and organisation skills to the revitalisation effort.

4.5. Tourism Development

Promotion of the local tourism industry provides an important opportunity for small town and rural development. Tourists spend a significant amount of money on accommodation, food, clothing, souvenirs and many other goods and services. They support the development of new businesses, enable the creation of numerous job opportunities and provide an added incentive for community revitalisation.



The town of Heidelberg and surrounding area has an established tourism industry supporting many local businesses. The purpose of this section is to provide a detailed overview of this industry and to identify the opportunities for further development. Included in this analysis is the identification of different support organisations and funds, which enhance the viability of tourism development.

4.5.1. Current Reality

The Lesedi LM is host to a relatively robust tourism industry, bolstered by the area's natural beauty, rich history and accessibility. The industry caters primarily to weekend and day visitors from Johannesburg and Pretoria. However, there is also potential for increased international tourism, business-related visits, work retreats and stopovers by those travelling along the N3 and other accessible roads.

The following is a detailed overview of the Lesedi LM tourism industry in 2014. This overview focuses on the level of output and employment created by the tourism industry, as well as the availability of attractions, activities and tourism-related enterprise. The purpose of this overview is to determine the potential for further investment and promotion of the tourism industry with the objective of catalysing local economic development.

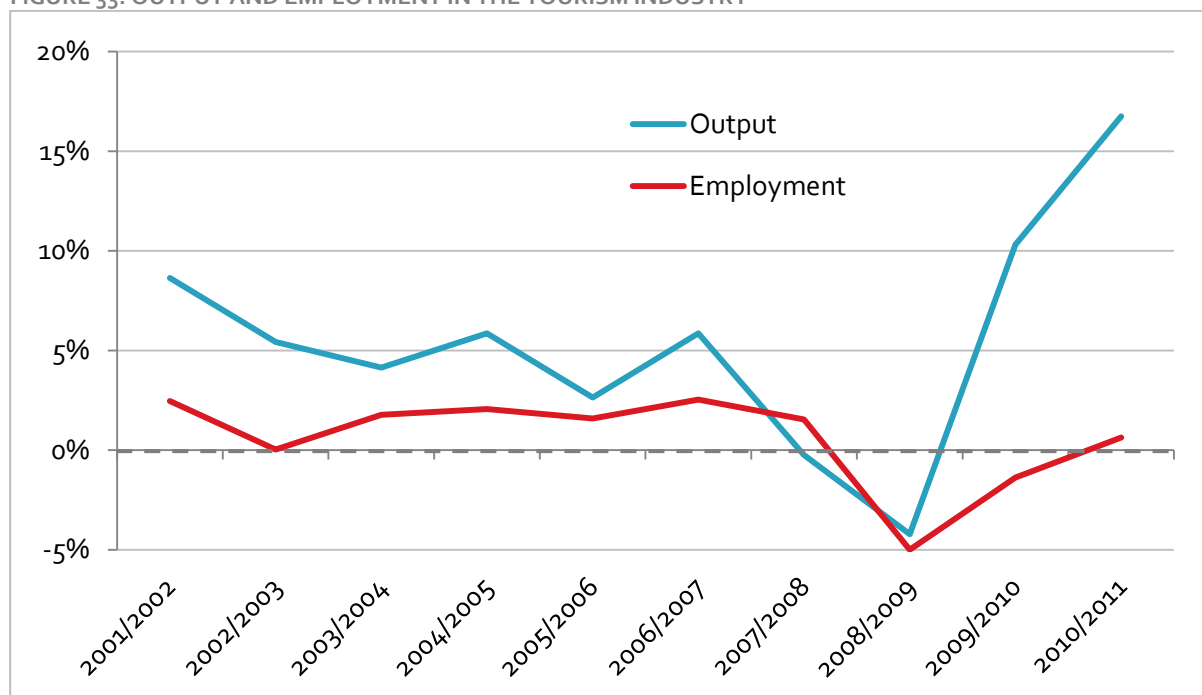
1) Output and Employment

The total impact of tourism on economic output and employment is difficult to define given that tourist expenditure spans a range of industries including accommodation, food consumption, retail, transport and personal services. In South Africa, the tourism industry is typically defined as including all economic activity associated with accommodation and restaurant expenditure (as defined by the Standard Industrial Classification SIC codes). This definition is, however, narrow and thus it is assumed that the actual impact on output and employment is significantly higher.

According to the accepted definition of tourism, the industry generated approximately R32.5 million in economic output for the Lesedi LM in 2011 compared to R7.2 million in 2001. Relative to other industries, this level of output is very low. Accommodation and restaurants/catering in the Lesedi LM accounted for only 0.5% of total production in 2011 compared to 0.7% in the Sedibeng DM and 1.1% in Gauteng.

Figure 33 illustrates the contribution of tourism to the overall economy in 2001 and 2011. For the purpose of this analysis, output is measured as Gross Value Added (GVA), which is the difference between output and consumption in an industry. Employment includes all those who work in formal tourism establishments including guest houses, lodges and restaurants.

FIGURE 33: OUTPUT AND EMPLOYMENT IN THE TOURISM INDUSTRY



Source: Quantec, 2013

The Lesedi LM has a strong tourism industry, which experiences relatively consistent growth. As illustrated in Figure 33, output and employment growth in the local tourism industry was positive between 2001 and 2007, ranging between 0.1% and 5.1% per year. The tourism industry also experienced less of a decline than other economic sectors during the global recession and has since returned to positive growth.

The economic impact of tourism on the municipal economy also extends well beyond output and employment in accommodation and restaurants. The following is a short summary of some of the additional direct and indirect impacts of tourism, which although difficult to quantify, are nevertheless important drivers of economic growth.

- 1) **Direct Economic Impacts:** In addition to accommodation and catering/restaurants, the tourism industry generates significant revenue and employment in local gift shops and antique stores. Additional tourism expenditure further extends to local grocers, petrol stations, chemists and clothing shops among others.
- 2) **Indirect Economic Impacts:** The tourism industry also provides indirect economic impacts, resulting in higher output and employment. The consumption of final goods and services by tourists stimulates higher demand from local primary producers including farmers, furniture manufacturers and those producing food and drinks. Since tourism boosts business development, it also increases local tax revenue. Finally, tourism activity enhances the total wage bill in the municipality, thereby driving greater consumption.

2) Attractions and Activities

The Lesedi LM is host to various attractions and activities, which encourage year-round tourism in the area. **Primary attractions include the Suikerbosrand Nature Reserve and the Heidelberg city centre.** The Suikerbosrand Nature Reserve is situated in the Suikerbosrand Hills, which contribute substantially to the area's natural beauty. This reserve is well-managed, the eco-system is fully protected, and there has been identified opportunity for eco-tourism development.

The second primary attraction in the Lesedi LM is the town of Heidelberg, particularly in the CBD, where many buildings date back to the period between 1890 and 1910. Historic and cultural attractions in Heidelberg also include the **Klipkerk (Stone church)**, which was built in 1890 and retains its historic architecture and cultural significance. The town is also host to several other historic and special interest attractions, including the Heidelberg Transport Museum, Concentration Camp Cemetery and the Old Jail.

There are also numerous secondary attractions in the Lesedi LM, which are currently underexploited but provide important tourism potential. The **Alice Glockner Nature Reserve** is located south of Heidelberg/Ratanda and is home to the Heidelberg Copper Butterfly, a protected species, as well as other interesting fauna and flora. Currently, however, infrastructure in the Nature Reserve is limited and accessibility is often difficult. The **AG Visser House**, which was home to renowned Afrikaans poet Dr AG Visser and now serves as an art museum is another significant secondary cultural attraction in the area.

Tourism activities in the Lesedi LM are primarily concentrated around these primary and secondary attractions. These activities include hiking and mountain biking within the nature reserves. There is also a vibrant hunting industry, which attracts primarily domestic hunters from Gauteng and neighbouring provinces. Other activities include antiquing and furniture shopping at the various local businesses and scenic drives along the region's tourism route.

3) Tourism Related Businesses

The local tourism industry is responsible for the development of numerous small and medium businesses in Heidelberg and the surrounding area. The most plentiful tourism businesses in the LM are those offering accommodation, the largest of which is the Heidelberg Kloof Lodge and Conference Centre. There are also numerous guest houses, bed and breakfasts and farm stays, which are typically family-owned and -operated and provide supplemental income.

Moreover, the tourism industry supports many restaurants, coffee shops and other eateries in Heidelberg. In some instances, these businesses cater primarily to local clientele but receive a revenue boost from tourists, while others, such as Ancient Days antique shop, depend largely on 'out-of-town' shoppers. Tourists also increase revenue for local manufacturers, such as those in the furniture and jewellery industries.

In addition to these established businesses, Heidelberg also hosts the SuCraiHe Market once a month at the Victorian House Restaurant. Customers of the market are drawn primarily from the local community, although tourists also provide an additional revenue source. It is envisioned that through expanded tourism development, this market, as well as the various tourism businesses operating in the municipality, will earn higher revenue and increase their levels of employment.

4.5.2. Development Opportunities

The Lesedi LM has a well-established tourism industry that supports many businesses and provides local employment and income. There are, however, numerous opportunities to develop this industry further to enhance economic growth. These opportunities are grouped into the following four categories, which will be unpacked into specific LED programmes and interventions in *Section 5* of the LED Strategy.

- 1. Market the Region as a Tourism Destination** - The local tourism industry could benefit significantly from improved tourism marketing, aimed at expanding the tourism market beyond weekend visitors and towards business and international tourists. Tourism marketing should be guided by the development of a tourism marketing strategy. It is important, however, that the Lesedi LM recognises its limited capacity to design, finance and implement a tourism strategy. Therefore, it is recommended that the municipality partner with local tourism operators, which may be facilitated by the Heidelberg Business Chamber. The municipality should also seek support and guidance from SA Tourism, Gauteng Tourism and the Sedibeng District Municipality.
- 2. Increase the tourism impact of nature reserves** – The Lesedi LM is home to the Suikerbosrand and the Alice Glockner Nature Reserves, both of which are situated near Heidelberg. Although the Suikerbosrand Nature Reserve is popular with hikers and cyclists, there is limited accessibility and poor linkages to the Heidelberg CBD, thus reducing the amount of tourism spending in Heidelberg. The Alice Glockner Nature Reserve also suffers from limited accessibility, weak linkages and poor quality infrastructure, which has made it largely 'invisible' in the regional tourism market. Therefore, the opportunity is identified to invest in these nature reserves with the objective of enhancing tourism in Heidelberg and the surrounding area.
- 3. Promote heritage based tourism** - The Lesedi LM has a rich heritage as evidenced by the Klipkerk (Stone church), Heidelberg Transport Museum, Concentration Camp Cemetery and the A G Visser House. Therefore, there is an identified opportunity to boost the tourism industry through the development of 'heritage offerings'. This can be achieved in part by aligning the Heidelberg CBD upgrade to tourism priorities, thus focusing on the renovation and identification of historic buildings, promotion of tourism based businesses, and the relocation of informal traders. There is also an opportunity to better market heritage offerings in the wider region, including the museum and cemetery. Finally, the local tourism industry may benefit from the establishment of a heritage route providing information on the historic buildings and attractions in the Heidelberg area.
- 4. Host an annual festival/event** – The Lesedi LM currently does not host a large annual event or festival. There is consequently an untapped opportunity to attract visitors from Gauteng and elsewhere in South Africa, as well as provide year-round marketing for the area. The establishment of a large-scale event or festival must, however, incorporate local tourism operators and business owners, both in the planning and hosting. The event should also draw on the existing advantages and attraction in the region, such as hiking, food, crafts, art and antiques.

4.5.3. Availability of Support

The tourism industry offers an important opportunity for small business development and job creation, especially in smaller urban centres and rural communities. To further exploit this opportunity, government has developed several agencies and organisations, which provide non-financial and financial support for tourism SMMEs. The purpose of this sub-section is to provide an overview of these entities with the intention of highlighting the significant opportunities available for tourism development.

Tourism is one of the five priority economic sectors that the government has chosen to focus on in its effort to support investment and facilitate growth.

1) Support Organisations and Funds

There are several organisations and departments that support tourism SMMEs and promote the interests of tourism in South Africa and Gauteng. These organisations and the support they provide are summarised in Table 18.

TABLE 18: SUPPORT FOR TOURISM DEVELOPMENT

Programme/ Organisation	Summary of Key Objectives
Tourism Enterprise Partnership (TEP)	The TEP is funded and supported by the national Department of Tourism. The programme facilitates growth, development and sustainability in small tourism businesses. This is achieved through a number of products and services that provide hands-on, step-by-step support and guidance, ultimately leading to improved product quality, operational efficiency and market reach. The primary services provided by TEP include: <ol style="list-style-type: none"> 1) Access to information through an online portal and workshops. 2) Support for business registration, development and funding. 3) Skills development including a leadership programme, mentorship, workshops and learning networks. 4) Improved access to tourism markets.
National Department of Tourism – Tourism Support Programme (TSP)	The TSP was launched by the dti in 2008/2009 to provide cash grants for the development of tourism SMMEs, black economic empowerment and the spread of tourism investment. In 2012, the dti closed the TSP and transferred it to the National Department of Tourism. A new incentive programme will be established in 2013/2014 with revised criteria and a focus on improving awareness and the acceptance of new applications.
Gauteng Tourism Authority (GAT)	The GAT is designed to be the official destination marketing organisation for the province. More specifically, the GAT works to promote and position Gauteng as the destination of choice for business tourism and to leverage the subsequent leisure tourism benefits. One of the biggest attributes of the GAT is its comprehensive website that provides extensive marketing for activities, events and tourism-related businesses in the region.
Sedibeng District Municipality	The Sedibeng DM provides exceptional marketing for the regional tourism industry on its district website. This includes the promotion of local activities and events, linkages to accommodation and tourism packages and information on regional routes. It is therefore important that all future tourism interventions in the Lesedi LM are also marketed on the Sedibeng DM website.

4.6. Transport and Logistics

The transport industry is responsible for moving goods, services and people, while logistics refers to the management of this resource flow. Sustained economic growth requires the development of a sophisticated and multi-modal transport and logistics industry.

In South Africa, the transport and logistics industry developed differently than in most industrialised countries, owing to the concentration of economic production in the country's core (Gauteng) rather than its coast. The outcome is a transport and logistics industry that emanates from Gauteng, linking the province to agriculture and mining regions, urban centres and ports.



The transport and logistics industries are therefore specifically relevant in the Lesedi LM, which is situated in south-east Gauteng. The next section is an overview of these industries and their role in the municipal economy. This is followed by a summary of key development opportunities and support mechanisms.

4.6.1. Current Reality

The Lesedi LM is situated in the south of Gauteng, along several major transport routes and in close proximity to transport hubs and urban centres. This has resulted in the development of a robust transportation and logistics industry. The current reality of this industry in 2014 is presented according to three main indicators: industry output and employment, routes and accessibility and transport facilities.

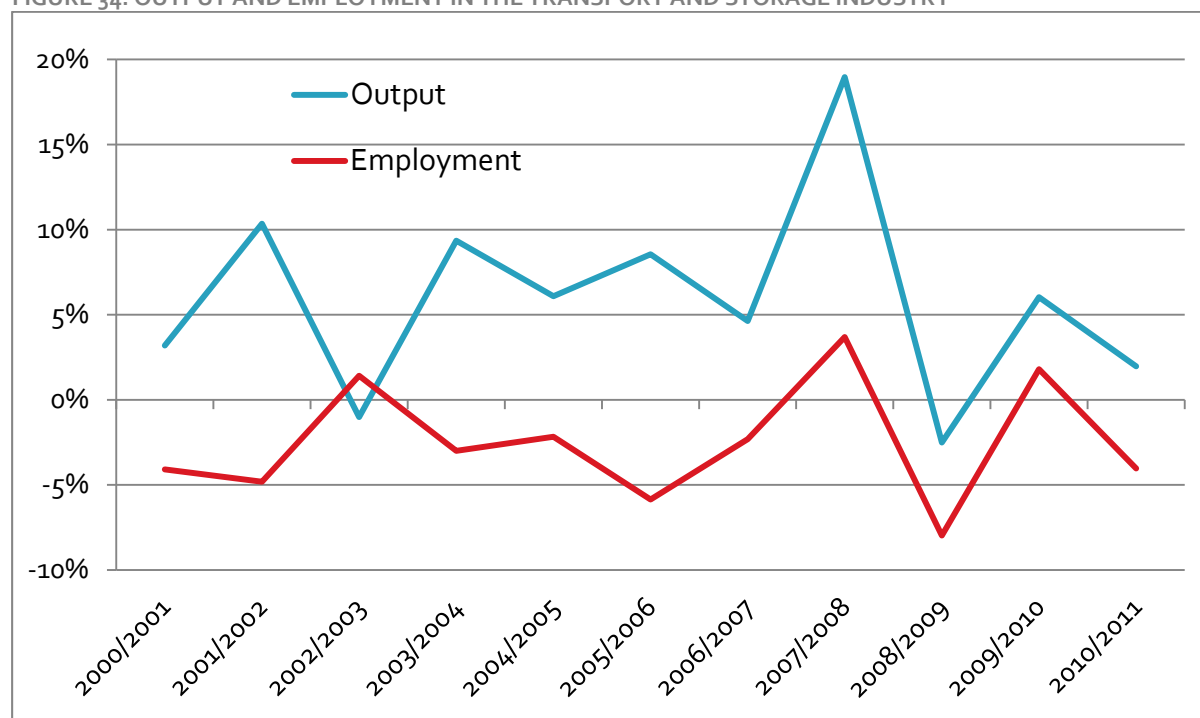
1) Output and Employment

The transport industry is defined under the Standard Industrial Classification (SIC) system as encompassing all activities relating to transportation and storage. According to this definition, the transport industry generated approximately R150 million in output (measured as GVA) and provided 582 jobs in the Lesedi LM in 2011. In addition, the manufacturing of transport equipment generated approximately R39.8 million in local output and provided 138 local employment opportunities that same year.

The relative contribution of the transport industry to the Lesedi LM economy has, however, declined over the past decade. In 2001, transportation accounted for 5.2% of total output and 4.0% of employment, compared to 3.3% of output and 2.9% of employment in 2011. This is attributed primarily to growth in tertiary sectors, specifically business, finance and other services. It may also, nonetheless, signal an increase in the outsourcing of transportation services to companies from other urban centres, rather than those situated within the Lesedi LM.

Figure 34 illustrates output and employment growth in the transport and storage industry between 2001 and 2011. It shows that output has experienced positive growth almost consistently throughout this decade, peaking at 19.0% in 2007/2008 and averaging 6.0% per year. However, despite this growth, the transport and storage industry has shed jobs nearly every year since 2001 with average annual growth of -2.5%. This amounts to a loss of 159 local jobs in the industry over the decade.

FIGURE 34: OUTPUT AND EMPLOYMENT IN THE TRANSPORT AND STORAGE INDUSTRY



Source: Quantec, 2013

The preceding output and employment analysis does not consider the logistics industry, due to the lack of industry-specific data. The logistics industry traverses several sectors, encompassing a range of activities, including information management, industrial engineering, inventory management and security. Although the logistics industry is situated primarily in Johannesburg and Pretoria, there are also local logistics businesses and personnel that deal with the transport of goods and services in and out of the Lesedi LM, with significant opportunity for further development.

2) Routes and Accessibility

The transport and logistics industry in the Lesedi LM benefits from the region's access to important transportation routes and urban centres. The two primary corridors traversing the municipality are the N3, which connects Gauteng and Durban/Ethekwini, and the N17, which is the main link between the City of Johannesburg and the Sasol-Secunda industrial node and Swaziland. There are also several secondary corridors running through the municipality, namely the R42, R23, R549, R103 and R550. These routes and corridors provide an opportunity for industry development and logistics services within the Lesedi LM.

The Lesedi LM is committed to enhancing the local economic impact of these corridors through strategic long-term interventions. To this effect, the municipality has engaged with engineering companies in the development of corridor enhancement strategies, including the Lesedi Nodal and Corridor Development Study (2009) and the Lesedi R549, R42 and R23 Corridor Precinct Plans (2013). It is recommended that the implementation of these strategies is coordinated with the Lesedi LED Strategy in order to ensure optimal outcomes.

The Lesedi LM is also host to several railway lines, which facilitate the transportation of bulk freight, with potential for added passenger services. The first railway line travels through Heidelberg, linking the East Rand with Balfour, Standerton and Volksrust. The second railway line runs parallel to the N17, linking the East Rand to the Secunda Industrial Area and into southern Mpumalanga and KwaZulu-Natal. These lines offer opportunity for the development of inter-modal transport and the export of agricultural goods out of the region.

The transport and logistics industry also benefits from the location of the Lesedi LM relative to large urban centres, namely Johannesburg, Pretoria and surrounding settlements. Proximity to these large markets provides greater demand for locally produced goods and thus enhances the demand for freight transport. This proximity also positions the Lesedi LM as an important region for the development of large-scale logistics facilities, which provide economic infrastructure, as well as local employment opportunities.

3) Transport Facilities and Infrastructure

The Lesedi LM and wider region are host to several large-scale transport facilities and hubs. The most relevant, in terms of LED opportunity, are the O.R. Tambo International Airport and the Tambo Springs Inland Port (under development) in the Ekurhuleni LM and the Transnet Bulk Terminal near Jameson Park. The O.R. Tambo Airport is situated approximately 40km from the Lesedi LM and enhances the region's potential as an export producer and an international and business tourism destination. The proximity of the airport has also resulted in the on-going development of storage and logistics facilities in the region. The transport, storage and logistics industry will also be supported by development of the Tambo Springs Inland Port, which will nearly double freight capacity in Gauteng.

The Transnet Bulk Terminal is a pipeline terminal under development in Jameson Park. The terminal will enable the transport of fuel along a new pipeline between Durban and Johannesburg, replacing out-dated infrastructure. It is anticipated that the terminal will be completed in 2014, at which point the pipeline will operate at full capacity. The Transnet Bulk Terminal offers several development opportunities for the Lesedi LM, including the potential for establishing a larger, multimodal facility in the region.

The Lesedi LM has also identified numerous opportunities for improved transport facilities and infrastructure. These opportunities relate to the strategic location of the municipality, as well as its industrial and agricultural capacity. They include interventions, such as the development of a dry port, passenger railroad services, truck stop facilities and the establishment of distribution centres, warehouses and other logistic services. These projects will be considered for their viability and potential development impact and if deemed feasible will be integrated into the Lesedi LED Strategy.

4.6.2. Development Opportunities

The Lesedi LM is strategically located in southern Gauteng along major transportation routes, providing significant opportunity for development of the transport and logistics industries. The following is an overview of the development opportunities identified in these industries. These opportunities will be unpacked into specific LED interventions in *Section 5* of the Lesedi LM LED Strategy.

1. **Maximise impact of the Transnet Bulk Liquid Terminal** - Transnet is developing a bulk liquid terminal in Jameson Park, which will serve as a storage point on the Multi Product Pipeline from Durban to Heidelberg. This project has significant potential to attract further investment, as evidenced by the proposed Vopak accumulation facility. The opportunity therefore exists to further leverage these projects through the development of an integrated industrial park, or township, which will provide the infrastructure and services required for large-scale investment and local business development.
2. **Exploit opportunities relating to the new inland port** – An inland, or dry, port is an intermodal facility that connects a sea port to inland markets via road or rail. The Gauteng Provincial Government and private sector partners are currently developing the Thabo Springs Inland Port on the border between the Ekurhuleni and Lesedi Municipalities. This dry port will operate as the largest inland hub in Africa, providing complete supply chain solutions. The port will also offer significant development opportunities for the industry and small business in the Lesedi LM by providing regional storage facilities, logistics support and export processing. Finally, the facility will create numerous employment opportunities in the regional economy.
3. **Address the Impact of Trucking** - The trucking industry has an important impact on the regions within which it operates. In the Lesedi LM, these impacts are largely negative and include road damage and increased congestion. There is, however, the potential to derive positive economic impacts from the trucking industry through the development of local facilities, such as truck stops and petrol stations.
4. **Facilitate tourism through transport interventions** - Through careful planning and strategic investment, it is possible to improve the visibility and accessibility of a region, which will in turn, increase the number of tourists visiting an area. It is therefore proposed that the Lesedi LM facilitate development of the tourism industry through the implementation of transport interventions. Possible interventions include the development of a formal bus stop in the Heidelberg area, investment in the identified tourism corridor, and improved signage directing traffic towards the Heidelberg CBD and other tourist attractions.

The local economy will also benefit from investments in transport infrastructure, including roads and rail, public transport services, such as buses and taxis and the development of transport corridors, presented in the Nodal and Corridor Development Strategy. These interventions are not, however, an LED mandate and therefore are not presented as opportunities within the LED Strategy. Their planning and implementation should rather be coordinated by the relevant departments, taking into account the related LED interventions.

4.6.3. The Availability of Support

The development of transportation and logistics is a costly endeavour, requiring the support of public and private stakeholders. The following is an overview of several stakeholders with the knowledge, skills, capacity and/or financial resources to assist the Lesedi LM in taking advantage of the transport and logistics opportunities available to them.

"Transport is the heartbeat of South Africa's economic growth and social development!"

**National Department of Transport
– Transport Month Slogan**

1) Public and Private Entities

South Africa is host to a range of government and private entities, which provide different forms of support for transportation and logistics development. Table 19 offers an overview of identified support entities with the capacity to assist project planning and implementation in the Lesedi LM.

TABLE 19: SUPPORT FOR TRANSPORT AND LOGISTICS DEVELOPMENT

Programme/ Organisation	Summary of Key Objectives
Transnet Pipelines	Transnet Pipelines is responsible for developing, managing and maintaining South Africa's strategic pipeline assets. Transnet is currently investing billions of rand in the Lesedi LM through the development of a Bulk Liquid Terminal near Heidelberg. The opportunity exists to partner with Transnet in maximising the local economic impact of this facility through local procurement, expanded infrastructure development and corporate social investment interventions.
Gauteng Department of Roads and Transport (DRT)	The Gauteng Department of Roads and Transport is responsible for policy formation, project planning and financial allocations relating to transportation development. The Department is hence an important partner in the development of large-scale transport infrastructure, as well as township transport development (through the 20 Priority Township Programme).
Gauteng Provincial Government – 20 Priority Township Programme (20PTP)	The 20PTP was launched by the Gauteng Provincial Government in 2006 and is focused in part on the tarring of township roads, including those in Ratanda. The opportunity therefore exists to leverage investment in road and transportation improvements from the Gauteng Provincial Government.
Council for Scientific and Industrial Research (CSIR)	<p>The CSIR is one of the leading scientific and technology research, development and implementation organisations in Africa. One component of the CSIR is the Transport Systems and Operations team which attends to the design and modelling of accessible, acceptable, available and affordable transport systems.</p> <p>The four core focus areas of the Transport Systems and Operations team are:</p> <ol style="list-style-type: none"> 1. Transport economics 2. Transport infrastructure management systems 3. Public transport systems design 4. Logistics system analysis and supply chain engineering
Private Sector	The development of transportation and infrastructure requires partnership with the private sector in order to access their expertise and financial resources. Potential partners include Vopak, which is currently investing in an accumulation facility adjacent to the Transnet Bulk Liquid Terminal. Other possible partners are those involved in the trucking, storage, logistics and public transportation industries.

SECTION 5: LOCAL ECONOMIC DEVELOPMENT FRAMEWORK

The purpose of this section is to formulate the strategic framework that will guide LED in the Lesedi LM. This framework seeks to advance the development pillars presented in the previous section. It is structured to provide a logical flow from the development pillars and opportunities to the projects and interventions, which will enable the realisation of LED.



5.1. Development Pillars, Opportunities and Objectives

The LED framework is summarised in Table 20, with emphasis on the five development pillars and the opportunities and objectives related to each.

TABLE 20: LOCAL ECONOMIC DEVELOPMENT FRAMEWORK

Development Pillar	Opportunities	Objectives
1) Agriculture & Agro-Processing	i) Accelerate implementation of the CRDP	<ul style="list-style-type: none"> • Business development and job creation • Household food security • Increased number of black farmers/producers • Fewer economic leakages • Beneficiation and product diversification • Increase market size and diversity
	ii) Strengthen the agriculture value-chain	
	iii) Develop small scale farmers and producers	
	iv) Develop specialty and niche products	
	v) Export promotion and diversification	
2) Small Business and Retail	i) Develop rural industries	<ul style="list-style-type: none"> • Diversify the rural economy • Create income and employment opportunities • Increase entrepreneurial activity • Formalise informal traders and businesses • Reduce barriers to entry • Support business growth
	ii) Maximise impact of the Heidelberg Mall	
	iii) Retain and attract businesses to the Heidelberg CBD	
	iv) Encourage the development of entrepreneurs	
	v) Promote the development of informal businesses	
3) Urban & Township Revitalisation	i) Improve the integration of settlements	<ul style="list-style-type: none"> • Attract bigger investment • Reduce the barriers between communities • Improve quality of life • Create an enabling business environment • Encourage tourism by improving business districts and tourism offerings
	ii) Invest in the development of business Infrastructure	
	iii) Upgrade the Heidelberg CBD	
	iv) Consolidate a town centre in Ratanda	
4) Tourism Development	i) Market the region as a tourism destination	<ul style="list-style-type: none"> • Promote the area as a tourism destination • Expand the target market • Improve the quality, visibility and accessibility of tourism offerings • Increase visitor numbers and spending
	ii) Increase the tourism impact of nature reserves	
	iii) Promote heritage based tourism	
	iv) Host an annual festival/event	
5) Transport & Logistics	i) Maximise impact of the Transnet Bulk Liquid Terminal	<ul style="list-style-type: none"> • Increase access to regional markets • Attract greater investment • Encourage local business development • Address the negative implications of transport • Improve the areas visibility and accessibility • Reduce the time and cost implications of personal transport
	ii) Exploit opportunities relating to the new inland port	
	iii) Address the impact of trucking	
	iv) Facilitate tourism through transport interventions	

5.2. PILLAR I: Agriculture and Agro-Processing

The following is a summary of the opportunities identified in the Agriculture and Agro-Processing industries. Each opportunity is accompanied by a list of potential projects and interventions designed to advance business development, job creation and transformation.

5.2.1. OPPORTUNITY 1: Accelerate Implementation of the CRDP Programme

In 2011, the CRDP established a programme site in Impumelelo (Devon) and has since undertaken various interventions, summarised in the previous section. There is, however, an opportunity to accelerate implementation of the CRDP and enhance the programme's impact on the rural agriculture economy.

The goal of the CRDP is to achieve socio-economic development by improving access to basic service, enterprise support and industrialisation. The CRDP consists of the following three broad phases:

1. Meeting people's basic needs through service delivery and enhanced food security
2. Rural enterprise development in agriculture and other industries
3. Establishment of village-based industries and improved access to credit facilities.

The success of CRDP relies heavily on the participation of other departments in all three tiers of government and the involvement of relevant stakeholders, not least the villagers themselves. This in turn will ensure that the vision of creating vibrant, equitable and sustainable rural communities is realised, and the bleak image that haunts rural areas will finally be eradicated.

South Africa LED Network

The following is an overview of several LED projects that may assist in accelerating implementation of the CRDP in Impumelelo.

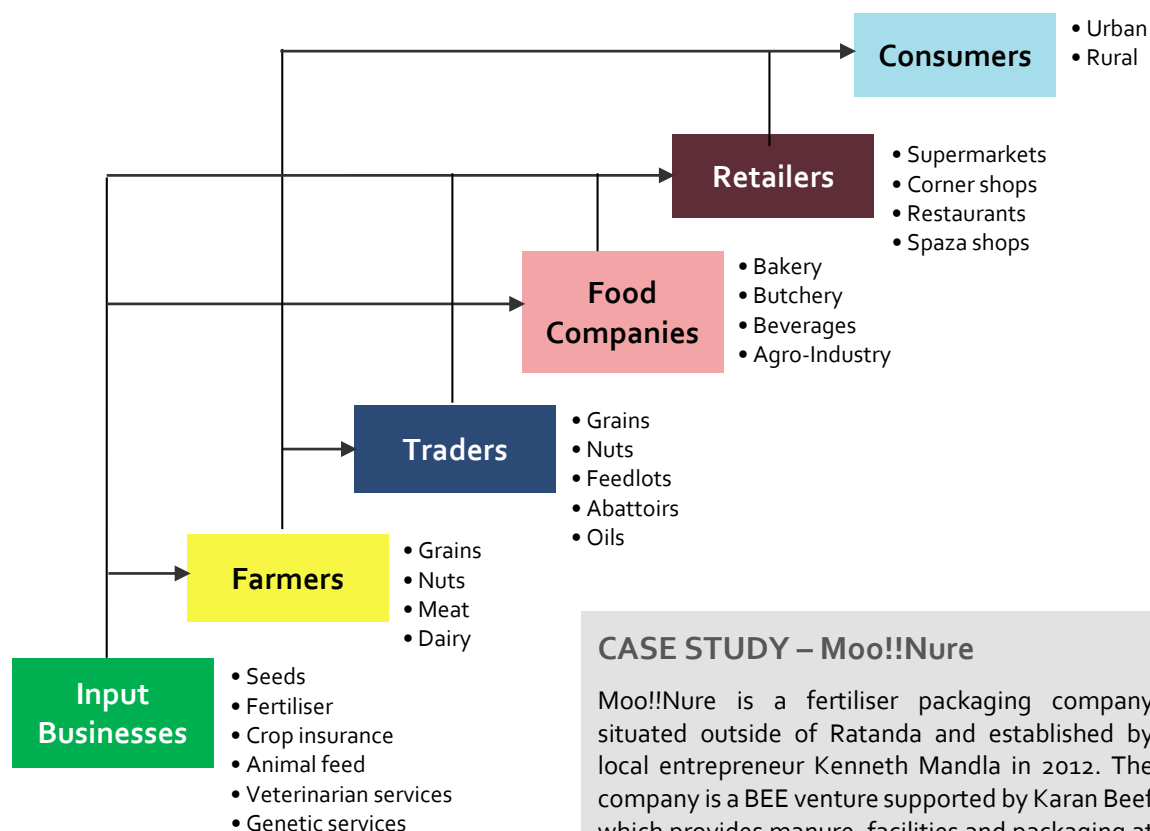
POTENTIAL PROJECTS

- 1) **Engage with the CRDP** coordinators and the Department of Rural Development and Land Reform (DLA) to assess the progress made thus far in implementing the Impumelelo CRDP project and develop a blueprint for moving forward with further implementation. This blueprint should identify specific interventions, partners and funding sources, while also seeking commitment from the CRDP and the DLA.
- 2) **Identify and demarcate land** in Impumelelo for community gardens and/or cooperative farming ventures. The beneficiaries of these interventions should also be linked to available support mechanisms.
- 3) **Introduce a voucher system** in collaboration with a microfinance institution or other relevant organisation for the purchase of agricultural inputs. This system could be linked to land beneficiaries, training programmes and other support mechanisms.
- 4) **Design training modules** for local small-scale farmers in collaboration with established organisations and training institutions. Potential partners include:
 - i. British American Tobacco (BAT), which has previously undertaken a similar and highly successful project in Uganda.
 - ii. Gauteng Department of Rural Development and Land Reform (DLA), which may assist with programme design and funding.
 - iii. Sedibeng College and their agriculture affiliates.
 - iv. Commercial farmers and agro-industry in the Lesedi LM.

5.2.2. OPPORTUNITY 2: Strengthen the Agriculture Value-Chain

The agriculture and agro-processing value chain spans all participants in the production, manufacturing and retail of agriculture goods, each of which must work to satisfy the increasingly diverse demands of consumers. A simplified version of the value chain is illustrated in Figure 34, highlighting the key participants at each stage in the process. In reality, however, this value-chain is much more complex encompassing significant diversity at each phase.

FIGURE 34: AGRICULTURE AND AGRO-PROCESSING VALUE CHAIN



The following value-chains are identified as having potential for further development in the Lesedi LM. This can be achieved through information dissemination, linking small-scale and established producers, improved access to markets, and the strengthening of agriculture support services:

1. Livestock value-chain
2. Maize value-chain
3. Poultry value-chain
4. Pork value-chain
5. Fresh produce value-chain

CASE STUDY – Moo!!Nure

Moo!!Nure is a fertiliser packaging company situated outside of Ratanda and established by local entrepreneur Kenneth Mandla in 2012. The company is a BEE venture supported by Karan Beef which provides manure, facilities and packaging at no cost. In 2013 Moo!!Nure employs three full-time staff and produces approximately 4 000 bags of fertiliser a month.

Small-scale producers such as Moo!!Nure provide important links in the agriculture value chain. These links can, however, be strengthened by encouraging big business to procure fertiliser and other inputs locally. In the case of Moo!!Nure such procurement contracts could triple their output and employment and allow for expansion to other feedlots in the region.

It is therefore recommended that the Lesedi LM work to strengthen these linkages by connecting emerging producers such as Mandla with commercial farmers and other large-scale consumers and assisting with the development of supply contracts.

Development of the agriculture value-chain is a multi-faceted process, which requires the strengthening of backward and forward linkages and the creation of an enabling environment. This process is summarised in Table 21:

TABLE 21: STRENGTHENING THE AGRICULTURE VALUE-CHAIN

Strengthening backward linkages	Strengthening forward linkages	Enabling environment
<ul style="list-style-type: none"> Facilitate supplier contracts between emerging farmers and: <ul style="list-style-type: none"> Commercial industry & processors Major retailers Public institutions Provide and maintain infrastructure <ul style="list-style-type: none"> Collection depots Fresh produce market Mentor emerging producers Implement quality assurance systems Establish emerging producer co-operatives and link them with commercial producer co-operatives Focused agricultural training programmes and extension services 	<ul style="list-style-type: none"> Identify and promote opportunities for value-addition Facilitate waste processing Improve logistics and distribution improvements Provide information on product pricing and marketing Develop and strengthen export markets Secure supplier contracts: <ul style="list-style-type: none"> Wholesalers and retailers Hospitality industry Government institutions 	<ul style="list-style-type: none"> Focused training programmes: <ul style="list-style-type: none"> Technical skills Business skills and entrepreneurship Simplify and streamline the regulatory environment Provide support for land reform Infrastructure provision and maintenance: <ul style="list-style-type: none"> Roads and transport

The actions recommended in Table 21 require a collective effort by all levels of government, the Land Bank and the private sector. There are, however, specific actions or projects which can be undertaken by the Lesedi LM to facilitate this process. These projects are summarised below:

POTENTIAL PROJECTS

- Assess the viability of an agro-processing facility** linked to the proposed Fresh Produce Market. This facility should act as an incubator for small-scale agro-processors, providing access to facilities, markets, affordable inputs and skills training.
- Identify value-chain and spin-off opportunities** through consultation with agriculture businesses, such as Karan Beef and British American Tobacco (BAT). Provide information on these opportunities to local co-operatives and entrepreneurs and link them to available support services.
- Encourage commercial farmers to procure inputs and services from emerging local suppliers** by emphasising the potential for lower costs and BEE benefits. This project could be tested with the Moo!!Nure Company, which is unable to secure the demand required for production and employment expansion.
- Conduct a feasibility study into the development of 'value-adding enterprise'** as part of the Langzeekoegat Precinct, in accordance with the Langzeekoegat Precinct Plan.
- Address the outcomes of the Vegetable Tannery Feasibility Study and Proposal** including:
 - Development of a detailed Business Plan for the proposed vegetable tannery on the site next to the Devon Sewerage Works on the R29.
 - Examine all possible sources of funding including government, private sector investors and the IDC.
 - Identify the potential for establishing a Leather Goods Incubator under the auspices of the National Footwear and Leather Cluster.

5.2.3. OPPORTUNITY 3: Develop Small-Scale Farmers and Producers

The Lesedi LM has a significant amount of underutilised land, an abundance of labour and access to large regional markets. It is therefore recommended that the municipality focus on the development of small-scale or emerging farmers and producers. It is envisioned that these efforts will assist in achieving the following objectives:

1. **Rural development**
2. **Improved food security**
3. **Increased value-addition**
4. **Transformation in the agriculture sector**

PARTNERING WITH AGRO-INDUSTRY

The agro-processing industry is dominated by large producers, including Karan Beef and British American Tobacco, which procure significant inputs from South African farmers. Agro-processors are therefore in a unique position to assist in developing small-scale farmers. They can provide extension support, ensure access to markets and act as a conduit to finance for small-scale farmers.

The mandate for rural development resides largely with national and provincial departments and the Land Bank. There is, however, a role for the Lesedi LM in the development of emerging farmers and producers. The following is a list of LED projects designed to advance these objectives:

POTENTIAL PROJECTS

- 1) **Develop a distribution network** to disseminate information on available support mechanisms to local farmers and agro-industries. This network might include the Heidelberg farmers' cooperative (located within AFGRI), the Heidelberg Chamber of Business and other representative groups in the agriculture industry.
- 2) **Facilitate partnership and collaboration** between small-scale farmers and producers and big businesses such as British American Tobacco, Karan Beef and Eskort. The objective is to encourage skills transfer, improve business management and provide market access.
- 3) **Facilitate the development of community gardens** in Ratanda and other townships. This involves setting aside underutilised land, appointing an experienced project manager, identifying beneficiaries and providing some form of financial support.
- 4) **Support development of the Langzeekoegat Precinct** according to the Langzeekoegat Precinct Plan. This includes undertaking feasibility studies and partnership formation around the following:
 - i. Development of an agro-village including agriculture activities, housing and services.
 - ii. Establishment of skills training and youth development facilities.
 - iii. Provision of project management and support services.
- 5) **Investigate the development of a Fresh Produce Market** and collection depot for agricultural output by undertaking a feasibility study. The proposed fresh produce market will, however, only be viable if developed in collaboration with existing commercial producers and emerging farmers.
- 6) **Facilitate effective land reform** by undertaking the following recommendations put forth in the White Paper on Land Policy:
 - i. Provide information and support to communities applying for settlement planning, settlement, or land acquisition grants.
 - ii. Acquire land to create a municipal commonage (a grant is available for this purpose).
 - iii. Link land reform applicants and recipients to the LRAD and CASP programmes.

5.2.4. OPPORTUNITY 4: Develop Specialty and Niche Products

Speciality and niche agriculture products are those not traditionally farmed or processed within a regional economy. They may be developed through the introduction of new grains, crops or produce, the raising of animals not typically farmed in the region and the development of new ways to process and package existing goods. Table 12 presents some of the opportunities for speciality product development in the Lesedi LM.

The introduction of speciality products is typically a risky endeavour for farmers, but one that can result in the following benefits for the farmer, manufacturer and industry:

1. **Agriculture diversification** reduces the reliance on traditional commodities that tend to have small profit margins.
2. **Land and resources not suited for traditional agriculture** can be utilised to produce speciality and niche goods.
3. Production of niche goods requires less land than traditional goods and therefore provides an **opportunity for small-scale and emerging farmers**.
4. **Profit margins are higher** for niche and specialty goods than for conventional products due to speciality marketing and demand in high-end markets.
5. Production of specialty/niche goods is **labour intensive** and therefore creates significant employment opportunities, especially for women and rural labourers.
6. Development of new packaging and processing methods can **increase the level of beneficiation** in a local economy.

The market for new and niche products has expanded in recent decades, particularly in urban and peri-urban areas, such as the Lesedi LM. This demand is driven in part by changing consumer preferences in international markets, with consumers increasingly seeking healthy, organic and unique foods. It is also bolstered by the growing South African middle class, which is consuming an increasingly wider range of products.

TABLE 22: NICHE OPPORTUNITIES IN AGRICULTURE

CATEGORY	TRADITIONAL PRODUCTS	NICHE PRODUCTS
Grain Crops <ul style="list-style-type: none"> • Maize • Sorghum • Wheat • Soya 	<ul style="list-style-type: none"> • Maize Meal • Animal Feed • Flour • Gluten • Soya Oil • Soya Milk 	<ul style="list-style-type: none"> • Organic Grains • Gluten Free Flour • Specialty Baked Goods • Specialty Beers • Health/Nutrition Supplements • Diet Shakes • Snack Bars • Bio-Fuels
Fruit And Vegetables <ul style="list-style-type: none"> • Salad Vegetables • Potatoes 	<ul style="list-style-type: none"> • Fresh Produce • Frozen Produce • Canned Vegetables 	<ul style="list-style-type: none"> • Organic Produce • Vegetable Juices • Unique Vegetables • Berries • Jams/Preserves
Dairy <ul style="list-style-type: none"> • Commercial Products 	<ul style="list-style-type: none"> • Milk • Butter • Cheese • Cream 	<ul style="list-style-type: none"> • Specialty Cheeses • Yoghurts • Goat's Milk/ Cheese • Halaal Products • Lactose-Free
Meat <ul style="list-style-type: none"> • Beef • Poultry • Mutton • Lamb 	<ul style="list-style-type: none"> • Pre-Packaged Meat Cuts • Mince • Sausages/ Boerewors • Pet Foods 	<ul style="list-style-type: none"> • Matured Vacuum Packed Cuts • Kebabs • Marinated Meats • Specialty Meats • Cooked/Packaged Delicatessen Meats • Halaal Products
Non-Food Products	<ul style="list-style-type: none"> • Tobacco • Plants And Flowers • Herbs • Animal Skins 	<ul style="list-style-type: none"> • Natural And Traditional Herbs • Live Game • Flower Bulbs • Essential Oils • Medicinal Plants • Vegetable Tanned Leather Goods

The Lesedi LM can encourage and support local producers, especially emerging farmers, in the production of niche and speciality products. The following is a list of potential projects and interventions designed to achieve this objective:

POTENTIAL PROJECTS

- 1) **Encourage small-scale farmers to engage in the production of niche products and/or the implementation of organic, halaal or kosher production practices.** This can be achieved by:
 - i. Disseminating information through the proposed distribution network.
 - ii. Linking these farmers to support mechanisms.
 - iii. Assisting with the establishment of supply contracts.
- 2) **Encourage the production of niche and specialty products in community gardens.** This involves the identification of viable products and introduction of these products to garden managers.
- 3) **Incorporate identified niche and speciality products and methods into the proposed Langzeekoegat Precinct agro-village.** This village is the ideal launching point for niche products due to its planned farmer support and training services.
- 4) **Focus on niche and speciality products when encouraging greater agricultural exports.** To achieve this it is necessary to provide information on overseas markets, quality control, export regulations and logistics. This information can be disseminated through the proposed distribution network.

5.2.5. OPPORTUNITY 5: Export Promotion and Diversification

The agriculture and agro-processing industries can be directly promoted through export diversification, including the expansion of new markets and introduction of high potential products. These exports accrue valuable foreign currency, create sustainable employment opportunities, increase the adaptation of new production practices and advanced technologies, and enhance sector competitiveness.

The **export potential in the Lesedi LM agriculture and agro-processing industries is relatively high** owing to several factors. This includes the established and sophisticated production methods in the agriculture and agro-processing industries, proximity to large-scale processing, storage and transport facilities, accessibility of expanding markets in Southern Africa, and a growing/harvesting season opposite to that in the Northern Hemisphere.

Although South Africa and the Gauteng Province have experienced significant growth in the export of agriculture and agro-processed goods over the previous decade, only a small proportion of total production is sold to international markets. Furthermore, the variety of goods that are exported is fairly narrow, with the top five products contributing more than half of the total agricultural exports.

TABLE 23: PRODUCTS IN DEMAND

Category	Product
Crops	• White Maize
Vegetables	• Vegetable Extracts • Seeds • Asparagus
Fruits	• Blueberries • Blackberries • Raspberries
Animals/ Meat	• Live Animals • Mutton/lamb
Oils	• Essential Oils • Sunflower Oil
Non-Food Products	• Medicinal Plants • Hides And Skins • Packaging Materials and Equipment • Tobacco Substitutes

South African exporters have diversified their markets, if not their products. In 2009, South African agriculture and agro-processed goods were exported to 180 countries. This includes traditional markets such as the United Kingdom, Netherlands, Belgium and Japan, as well as new markets in North America, the Middle East and South and East Africa. There is, therefore, an opportunity to exploit these new markets through the diversification of agriculture exports, including the promotion of agro-processed and specialty goods.

Tables 23 and 24 provide an overview of export diversification opportunities in Gauteng and specifically the Lesedi LM. Table 23 offers a list of the types and specific products that have potential for increased export from the Lesedi LM. Table 24 presents the identified export markets with the best potential for expansion. The information in these tables is derived from industry research, which assesses factors such as market demand, import tariffs and regulations, and the cost of transport and storage.

The information presented above is designed to provide the Lesedi LM, local farmers and agro-producers with a high level overview of export opportunities in order to encourage export diversification. Specific interventions that may be undertaken by the Lesedi LED Unit to support agriculture exports are summarised below:

TABLE 24: GROWING EXPORT MARKETS

Region	Country
Africa	Zimbabwe
	Mozambique
	Angola
	Zambia
	Malawi
North America	United States
	Canada
Europe	Belgium
	Italy
	Poland
	Austria
	Turkey
	Portugal
	Czech Republic
	Switzerland
	Denmark
	Germany
Middle East	Saudi Arabia
	United Arab Emirates
	Oman
Asia	Vietnam
	Singapore
	Thailand
	Hong Kong
	Malaysia
	China
	Indonesia
	Philippines

POTENTIAL PROJECTS

- 1) Develop a distribution network** to disseminate information on the incentives available to emerging and established exporters. These incentives are provided largely by the dti and the IDC and include:
 - Export Marketing and Investment Assistance (EMIA) scheme (dti)
 - Export Credit Insurance Corporation (ECIC) & Credit Guarantee Insurance Corporation (dti)
 - Customs and Excise duty refunds
 - VAT Export Incentive Scheme
- 2) Assist producers with meeting export/processing standards and regulations** by linking them to organisations which provide financial and technical assistance. This will help to ensure that local producers receive the certification and quality standards required by various export markets.
- 3) Link producers to the relevant export council** in order to facilitate information dissemination, export registration and market diversification. The Department of Trade and Industry (dti) provides a complete list of export councils in South Africa.
- 4) Link existing and potential exporters to the Global Export Passport Initiative**, which constitutes the training component of the dti's National Exporter Development Programme (NEDP). This initiative is designed to assist producers with entering new export markets. The initiative may be particularly relevant in ensuring the sustainability of the Langzeekoegat Precinct agro-village.

5.3. PILLAR II: Small Business and Retail

The following is an overview of the opportunities identified in the Small Business and Retail sector. These opportunities exist not only in Heidelberg and Ratanda, but also in rural communities and townships throughout the Lesedi LM. For each opportunity, a list of potential LED projects and interventions are identified.

5.3.1. OPPORTUNITY 1: Diversify the Rural Economy

The rural economy is dependent largely on incomes from commercial farming and social grants, with few other industrial and business activities. This has resulted in extremely high unemployment and a low standard of living. The policy framework for rural development in South Africa advises that rural communities, such as those in the Lesedi LM, address this situation in part through efforts to diversify their economies.

The accessibility of rural communities in the Lesedi LM, primarily Devon and Impumelelo, to large urban centres and transportation networks enhances their diversification potential. Table 25 provides a preliminary list of non-farming activities that may be viable in these communities.

TABLE 25: RURAL NON-FARMING OPPORTUNITIES

INDUSTRY	RURAL ACTIVITIES
Agro Industries	<ul style="list-style-type: none"> • Leather tannery in Devon • Small-scale maize milling and baking • Inland aquaculture (tilapia fish farming) • Vegetable drying, canning and packaging
Retail	<ul style="list-style-type: none"> • Small-scale grocers • Clothing retailers (South African) • Pharmacy/Chemist • Sale of agriculture inputs
Mining	<ul style="list-style-type: none"> • Various prospecting opportunities
Manufacturing	<ul style="list-style-type: none"> • Crafts and other cultural products • Agriculture inputs (fertiliser, seeds) and waste (biofuels)
Transport and Storage	<ul style="list-style-type: none"> • Storage of agriculture products • Transport of agriculture goods • Public transport for rural dwellers
Community & Government Services	<ul style="list-style-type: none"> • Training centre (i.e.: ABET Centre) • Business support services • Social grant pay point

The following is a summary of projects identified to facilitate diversification of the rural economy. These projects are complimented by interventions in agriculture, transport and other industries.

POTENTIAL PROJECTS

- 1) **Allocate specific areas for rural SMMEs to operate** and provide the necessary supporting infrastructure and services. This intervention is only viable if it incorporates local small business owners and entrepreneurs from the onset.
- 2) **Prepare rural business plans** in order to encourage small business and industrial development. These plans should identify valid economic opportunities, potential partners and investors, and possible spin-off opportunities.
- 3) **Design incentive packages to attract SMMEs** to the Devon/Impumelelo area and other rural communities. These incentives might include:
 - i. Discounts on municipal services
 - ii. Access to municipal owned land
 - iii. Training support for local staff
 - iv. Assistance with business planning, EIA applications and other legislative requirements.

5.3.2. OPPORTUNITY 2: The Zone of Opportunity adjacent to the N3 highway

The Zone of Opportunity is located next to the N3 highway and includes developments such as the R500 million Heidelberg Mall, the VW workshop and the new MULTIVAC packaging materials plant. The Heidelberg Mall is scheduled to open in October 2014 and is expected to be fully occupied. It is anticipated that the mall will deliver several socio-economic benefits, including lowering the cost of retail goods, employment and business opportunities and increased tax revenue. The mall is also strategically situated in order to attract consumers from the wider region. These benefits are ensured in part through the ongoing partnership between the Lesedi Council and the Heidelberg Mall developers.

The Lesedi Council, through its partnership with the mall developers, have an opportunity to further enhance the socio-economic impact of the Heidelberg Mall. This can be achieved through implementation of the following:

1. Strengthen the **commitment to local job creation and procurement** by developing a formal contract that provides specific targets for localisation. This contract should be signed by the private developers and their contractors, mall management and all major retailers.
2. Attract **high priority tenants** that will improve service delivery and socio-economic outcomes.
3. **Reinvest the tax revenue** generated by the Heidelberg Mall into local economic development initiatives. For instance, a specific portion of this revenue could be set aside for small business development programmes and/or urban and township revitalisation.

HIGH PRIORITY TENANTS

- 1) Commercial banks
- 2) Finance agencies
- 3) Social grant pay point
- 4) SEDA office
- 5) Optometrist
- 6) Dentist
- 7) Pharmacy
- 8) PostNet

Economic Impact Assessment

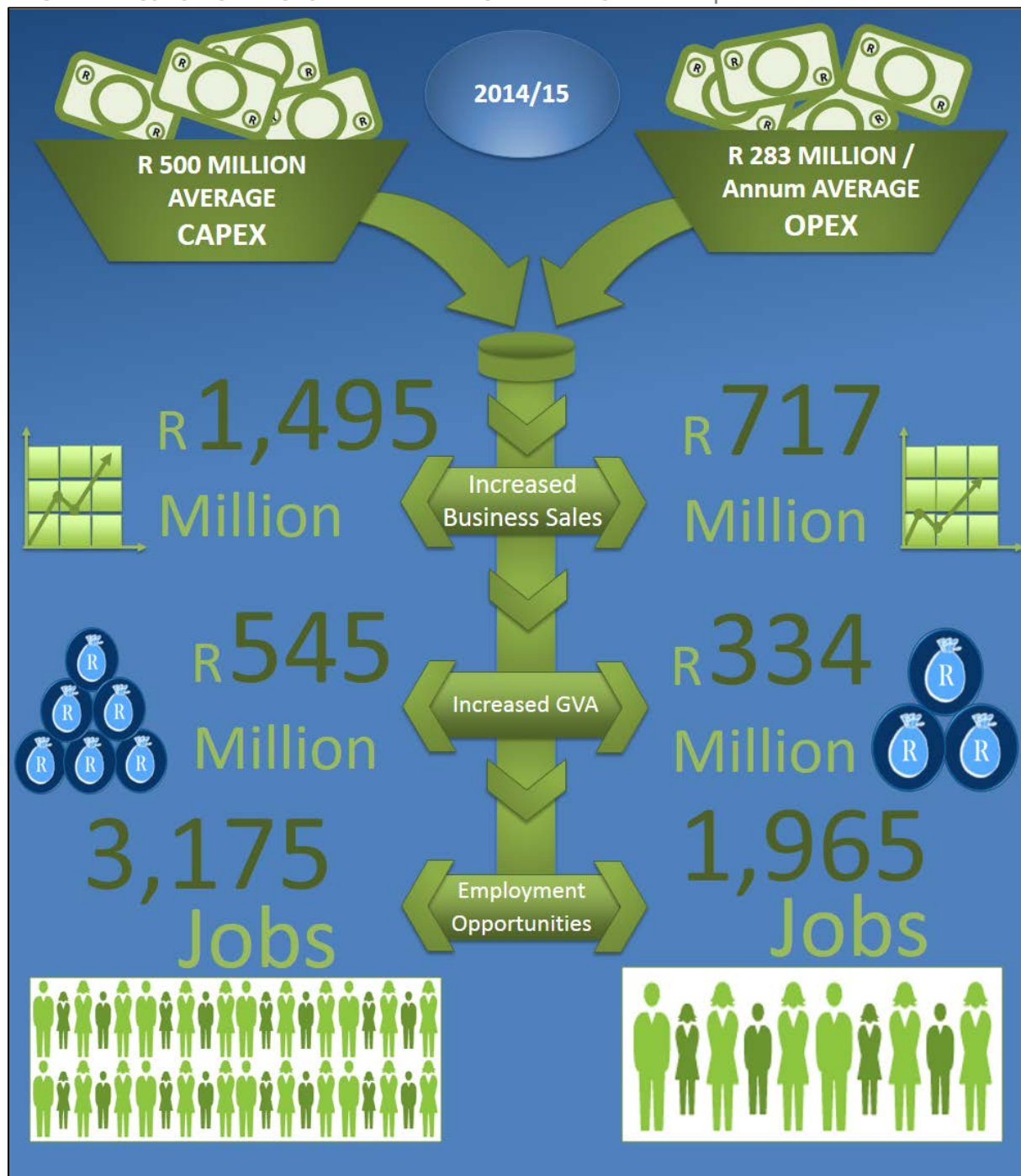
The rationale for an economic impact assessment is to ascertain the potential effect(s) of the Heidelberg Mall project on the existing local and regional economies of the area. This effect is measured in terms of economic growth and takes cognisance of factors such as GVA and employment. The capital investment associated with the implementation of the Heidelberg Mall initiative will not only have an effect on the local economy, but on the entire economy of Gauteng as well. The assessment will therefore consider The Lesedi LM region as the study area and will model the potential economic impact of the Heidelberg Mall investment relative to the most significant indicators, i.e. new business sales, economic production (GVA) and employment.

Analysis of the investment associated with this development is performed in terms of Capital Expenditure (CAPEX) and Operating Expenditure (OPEX). CAPEX refers to the expenses incurred by the project to either buy fixed assets or to add to the value of an existing fixed asset, therefore it is primarily associated with costs relating to the initial capital expenditure needed to purchase the land and construct the buildings required for the project. As CAPEX primarily relates to start-up expenditure, these costs may be regarded as short term. Conversely, OPEX refers to the operating costs associated with the continued running of the project across its full duration. These costs would typically involve day to day operational expenses to turn inventory into throughput and may include wages, telephone costs, stationary, travel and accommodation, guest speakers, etc. As such, OPEX is viewed as ongoing expenditure for operating the project and is therefore regarded to last for the lifetime of the project.

In the case of the Heidelberg Mall project, capital expenditure associated with the initiative is expected to amount to an initial R 500 million in 2014/15, while the operating expenditure is estimated

to total R 283 million per annum. This implies a positive monetary injection into the local and provincial economy, with resultant positive multiplier effects and a concomitant positive impact on aggregate output or GVA. This results in certain “spin-off” effects for the local economy, implying increased GVA, increased business sales and job opportunities. These effects are indicated in Diagram 1. It should be noted that the impact of direct construction expenditure (CAPEX) is temporary and only applicable during the initial establishment phase of the project.

DIAGRAM 1 - ECONOMIC IMPACT OF THE HEIDELBERG MALL IN LESEDI LM 2014



Source: Urban-Econ (2014)

Total business sales are expected to increase by an additional R 1.495 million in 2013/14 as a result of the capital expenditure on the Heidelberg Mall. Furthermore, total production in the economy (GVA) is anticipated to increase by R 545 million in 2014/15, with about 3175 temporary job opportunities created due to the CAPEX investment. Correspondingly, it is projected that the operational expenditure on the Heidelberg Mall initiative will also have positive multiplier effects on the local economy, similar to that of the capital expenditure. The operational expenditure (OPEX) is estimated to have the following spin-off effects in 2014/15:

- Business sales is projected to increase by a further R 717 million.
- GVA production is expected to increase by R 335 million.
- The resultant long term employment is expected to total about 1965 additional job opportunities.

In addition to the above interventions, there are several projects which may be undertaken by the Lesedi LED Unit to maximise the impact of the Heidelberg Mall. These projects are summarised as follows:

POTENTIAL PROJECTS

- 1) **Consult with existing Heidelberg and Ratanda retailers** to determine which businesses are planning to relocate to the Heidelberg Mall and identify those buildings that will be left vacant and are available for rent. This information should be utilised to:
 - i. Determine the need for business development and investment attraction
 - ii. Inform the strategy for revitalisation of the Heidelberg CBD
 - iii. Identify landlords with whom to negotiate the upgrading of buildings while vacant, in order to boost the local tourism industry.
- 2) **Provide support to existing retailers** in order to mitigate the potential negative impact of the Heidelberg Mall on established businesses. This can be achieved by:
 - i. Disseminating information on small business opportunities and support.
 - ii. Encouraging retailers to adopt longer business hours, provide credit facilities and specialise in certain products or markets (i.e.: tourism market).
- 3) **Develop formal trading stalls near the Heidelberg Mall** that will cater to informal retailers. This will improve the income capacity of informal retailers, while also enabling the CBD to focus on formal business establishment and tourism development.
- 4) **Collaborate with major retailers on their Corporate Social Investment (CSI) strategy** to ensure that they target local community projects and business development.

5.3.3. OPPORTUNITY 3: Retain and Attract Businesses to the Heidelberg CBD

The Heidelberg CBD possesses many of the ideal conditions for small business development including good infrastructure and services, significant foot traffic and consumer activity, and a centralised and easily accessible location. However, despite these qualities, there is a real possibility that establishment of the Heidelberg Mall will result in the relocation or closure of many local businesses which could reduce the area's appeal to local consumers and tourists.

LESSONS LEARNED

Efforts to preserve and improve main streets, high streets and CBDs have occurred through much of the developed world, as business activity continues to migrate towards the urban fringes. Although the results are mixed, these experiences provide important lessons which should be carefully interrogated by the Lesedi LM and their partners prior to embarking on the strategies and projects presented below.

To retain and attract business, it is recommended that the Lesedi LM and the Heidelberg business community implement the following strategies, derived from international best practices:

1. **Offer Incentives** - The following is an overview of incentives that the Lesedi LM and other stakeholders can offer businesses in order to attract and keep them in the Heidelberg CBD:
 - Property tax breaks and discounts on permits and fees
 - Technical assistance with feasibility assessments, business plan development, and adhering to governmental regulations
 - Assistance in negotiating leasing space
 - Assistance with local zoning and development procedures
 - Financing of building improvements, facades, displays and fixtures
 - Confer with banks and agencies and provide assistance with loan applications
 - Establish business incubator(s) to help new businesses and provide them with business space and services.
2. **Create an Appealing Environment** - The historic Heidelberg CBD offers many appealing features but also exhibits signs of decline. To retain and attract small business it is important that business owners and the Lesedi LM can work together to:
 - Provide an aesthetically pleasing commercial area
 - Ensure that the commercial centre is safe and secure
 - Offer conveniently located parking and transport services
 - Provide incentives for informal traders to relocate and/or disincentives for them to operate in the Heidelberg CBD
 - Improve standards for business operation to convey a quality image for the area.
3. **Overcome Barriers to Business Investment in the CBD** – There are certain barriers to business investment in the CBD, which might motivate small enterprise to relocate or establish themselves at the new Heidelberg Mall or another 'fringe' area. It is recommended therefore that the Lesedi LM, in collaboration with the Heidelberg Business Chamber, investigate and address the following potential barriers:
 - Unaffordable cost of land and high building rent
 - Complex and costly issuing of permits
 - Zoning that severely restricts certain business activities
 - Restrictive parking and a poor access via public transportation
 - Lack of a central management structure.

The above best practices offer an overarching strategy for retaining and attracting businesses to the Heidelberg CBD. To effectively implement these strategies, it is recommended that the Lesedi LM LED Unit undertake the following projects and interventions.

POTENTIAL PROJECTS

- 1) **Conduct an audit of the costs to business** and the barriers associated with business establishment. Identify viable business incentives and implement and market these incentives in collaboration with the Heidelberg Chamber of Business.
- 2) **Create an LED Forum** with the objective of business attraction and development and the design and implementation of improvements to the CBD. The forum should include at minimum the following members:
 - i. Representatives from the Lesedi LED Unit and other municipal departments as deemed relevant
 - ii. The Heidelberg Chamber of Business
 - iii. Individual business owners.
- 3) **Update and implement a CBD Development Plan** that will guide improvements and business attraction to the area over the next twenty to thirty years. This plan should provide:
 - i. A vision for the Heidelberg CBD
 - ii. Infrastructure and service delivery improvements plan
 - iii. Marketing strategy to promote the area and attract new businesses
 - iv. Profile of the 'Ideal Tenant Mix' in order to guide business attraction. This tenant mix should include targeted retail industries, tourism based businesses, cafes and restaurants, and banks and other financial services.

It is important to note that the above recommended projects will only be successful if they are implemented in collaboration with the local business community, including the Heidelberg Chamber of Business and individual business owners. These projects should also be coordinated with those aimed at 'Upgrading the Heidelberg CBD'.

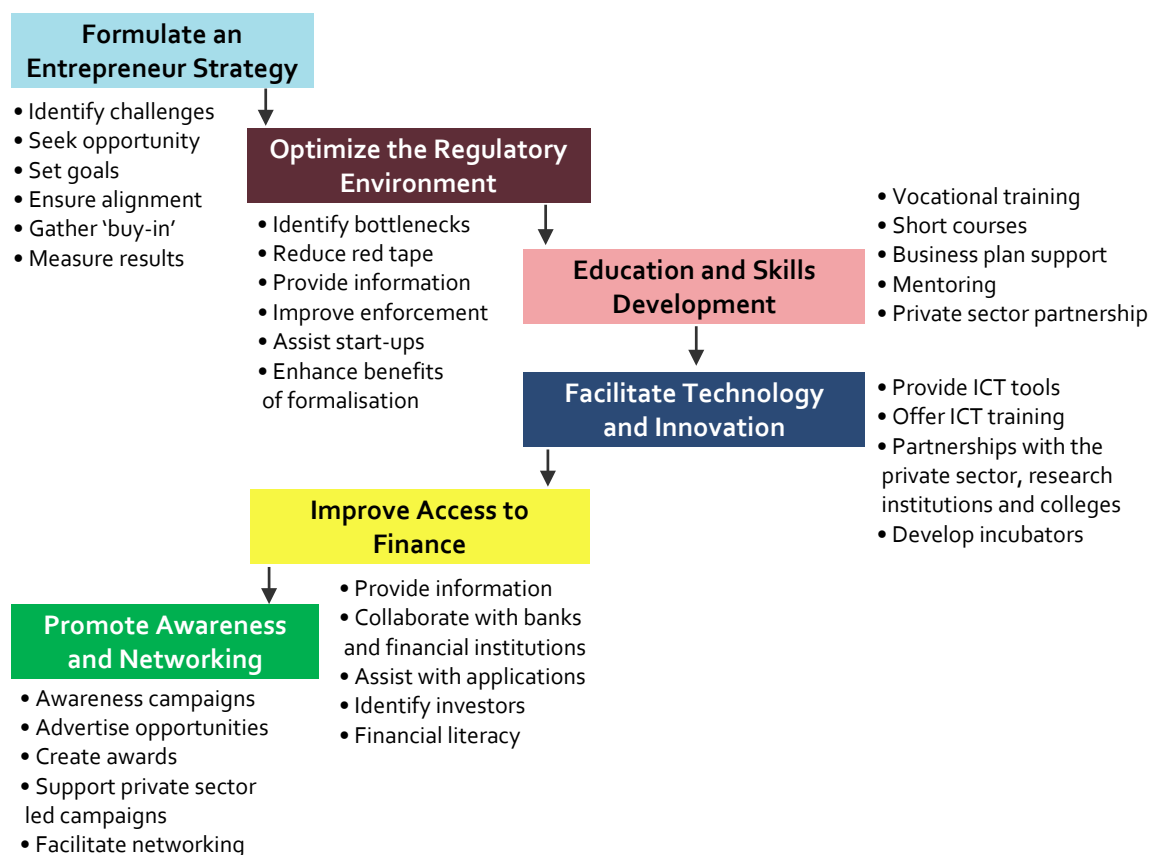
5.3.4. OPPORTUNITY 4: Encourage the Development of Entrepreneurs

The University of Johannesburg Centre for Small Business Development (CSBD) recently compiled a study of township enterprise in Gauteng. The study concluded that the overwhelming factor that determines whether or not small township businesses survive and prosper is the owner's level of entrepreneurial skills. Most importantly, the study found that successful township businesses are typically those which were established due to the identification of a lucrative business opportunity, rather than as a survivalist venture.

Opportunity-Driven Entrepreneurs are those who have identified a viable business opportunity. These entrepreneurs are committed to realising their business opportunity over the long-term, as opposed to survivalist entrepreneurs whose main motivation is instant profit.

The promotion of small business growth in Ratanda and other local townships can be realised through the development of these 'opportunity-driven entrepreneurs'. Guidelines for supporting these entrepreneurs are provided by the United Nations Conference on Trade and Development (UNCTAD) and summarised in Figure 35. These guidelines should inform interventions undertaken by the Lesedi LED Unit.

FIGURE 35: ENTREPRENEUR SUPPORT GUIDELINES



The following is a list of potential LED projects aligned to the above framework and designed to support entrepreneurship in the Lesedi LM:

POTENTIAL PROJECTS

- 1) **Formulate an Entrepreneurship Strategy** that identifies specific challenges and opportunities in the local economy. This strategy should be readily implementable and therefore include a detailed action plan, list of identified entrepreneurs and potential partners and funding sources.
- 2) **Develop a distribution network** to disseminate information on the different types of support available to entrepreneurs, including support from :
 - i. National and provincial departments and agencies (i.e.: dti, IDT and SEDA)
 - ii. Private sector (i.e.: Anglo-American, British American Tobacco, Karan Beef)
 - iii. Local programmes (i.e.: SMME Help Desk at Sedibeng College)
- 3) **Partner with local stakeholders**, including the private sector and Sedibeng College, in the delivery of entrepreneurial support. Initially, this should involve partnership in execution of the SMME Help Desk, with the municipality providing strategic and financial support.
- 4) **Identify micro-lending and micro-franchise organisations** whose objectives align to those of the Lesedi LM and encourage them to launch an initiative in Ratanda. Potential organisations include:
 - i. Micro-Finance South Africa (MFSa)
 - ii. Members of the Association of Pro-Poor Micro-Finance (AMFISA)
 - iii. African Social Entrepreneurs Network: Micro-franchise Accelerator
 - iv. The Township Project (micro-lending and micro-finance)

5.3.5. OPPORTUNITY 5: Promote the Development of Informal Business

The Lesedi LM accommodates a large informal economy, consisting of two main types of business: informal retail outlets, which facilitate the bulk of trade in Ratanda and other townships, and street vendors selling goods in the Heidelberg CBD. These informal businesses are important to the local economy, providing employment, income and skills development opportunities for a vulnerable sub-sector of society.

The informal business sector is also faced with certain challenges, due to its operation outside of the regulatory framework. Informal businesses may conduct illegal or unsafe activities, and often reduce the aesthetic appeal of an area, as with the Heidelberg CBD. There is, however, an opportunity for local government to address these challenges, while also promoting the economic contribution of the sector.

The following is a list of possible LED interventions designed to promote the development and formalisation of informal businesses. These interventions should be implemented in a strategic manner, taking into account the recommendations provided by the South African LED Network.

ROLE OF LOCAL GOVERNMENT

The South African LED Network provides the following seven recommendations for how **local government** can support the informal sector:

- 1. Understand the diversity** of the sector and develop strategies tailored to different business types.
- 2. Work together with the informal economy** by including representative bodies and business owners in the planning process.
- 3. Create a favourable policy environment** by addressing the informal economy in LED and IDP strategies.
- 4. Create a favourable regulatory environment** by developing by-laws that create an enabling trading environment rather than issuing punitive measures.
- 5. Provide flexible taxes and rates** so that informal businesses are charged different rates for different levels of service based on site size, location and the level of services provided.
- 6. Provide access to infrastructure and basic services** including a secure space, transparent lease contracts, electricity, water, toilets and waste removal.
- 7. Improve access to markets** by providing trading stalls, offering training, supporting cluster development and facilitating the creation of cooperatives.

POTENTIAL PROJECTS

- 1) Undertake a review of the policy and regulatory framework** and implement changes to streamline the process and improve the accessibility of informal traders. These changes should include:
 - i. Simpler registration and licensing procedures.
 - ii. Affordable and differentiated trade licensing fees and municipal rates.
 - iii. Utilisation of new technologies for registration including the internet and cell phones.
 - iv. Allow the collective registration of businesses through trade organisations/representatives.
 - v. Review and repeal outdated regulations and by-laws that constrain business.
- 2) Introduce a one-stop-shop** in Ratanda and create a mobile/temporary unit for other informal areas. This shop should offer all registration and trade licensing services and provide information about available support.
- 3) Improve access to credit and finance** by actively recruiting micro-lending agencies to Ratanda. The Lesedi LM can also provide these agencies with a low cost site, free basic services and other support.
- 4) Develop formal trading stalls** to house street traders currently operating in the Heidelberg CBD. These stalls should be developed at the Heidelberg Mall, thus drawing informal traders away from the CBD as part of the revitalisation project.

5.4. PILLAR III: Urban and Township Revitalisation

There is identified potential to boost business activity and attract investment through the revitalisation of urban and township areas including Heidelberg, Ratanda, KwaZenzele, Impumelelo and Jameson Park. The following is a presentation of the specific opportunities relating to this process.

5.4.1. OPPORTUNITY 1: Improve the Integration of Settlements

The spatial, cultural and historic separation of urban centres from rural villages and townships is evidenced within the Lesedi LM. This segregation reduces the potential for economic growth in all communities. It also limits the creation of a unified and racially integrated community. There are numerous benefits associated with improving integration between Heidelberg and Ratanda, as well as between Heidelberg and the municipality's rural communities, including:

1. **Reduced Social Barriers** - improved relations between community members will pave the way for a more integrated and peaceful society.
2. **Upliftment of the Township Economy** - partnership and interaction between the Heidelberg and township business communities has the potential to uplift businesses through skills transfer, increased procurement and improved awareness of economic opportunities.
3. **Lowered Cost of Living** – reducing spatial and economic barriers between the two communities can lower the cost of transportation, goods and services.

There are various projects and interventions that the Lesedi LED Unit can undertake to achieve greater integration between Heidelberg, Ratanda and other 'informal' settlements. These projects are summarised as follows:

POTENTIAL PROJECTS

- 1) **Improve transport accessibility and linkages** between Heidelberg and Ratanda, as well as between these communities and rural villages. This may involve investment in improving taxi ranks, establishment of a regular bus shuttle, and implementation of recommended road and corridor projects aimed at linking the two settlements.
- 2) **Create a forum for the establishment of business partnerships** between Heidelberg and township based businesses, particularly those in Ratanda and Devon/Impumelelo. These partnerships could be formed for procurement purposes and involve the establishment of long-term contracts. Formal business owners should be made aware that these partnerships may lead to greater BB-BEE points under the new scoring system.
- 3) **Encourage the Heidelberg Business Chamber of Business to increase their presence in the townships.** This can be achieved by hosting a Chamber meeting and/or information session in Ratanda. The Chamber should also be encouraged to offer discounted membership rates for township businesses in an effort to enhance 'transformation' of the Chamber.
- 4) **Facilitate infill development** between Heidelberg and Ratanda according to existing spatial and corridor development plans. This development should aim to provide employment opportunities between the two communities and might include the creation of agriculture projects, industrial parks and office space.

5.4.2. OPPORTUNITY 2: Invest in the Development of Business Infrastructure

The Lesedi LM has made great strides in the provision of engineering infrastructure and service delivery, with the vast majority of businesses receiving adequate access to both. It is therefore recommended that the LED Unit build on this accomplishment through investment in business infrastructure. This infrastructure includes the services, facilities and support required to facilitate accelerated business growth and development.

The World Bank stresses the development of business infrastructure as a key component of the LED process, as illustrated in Figure 36. This illustration also highlights in what manner business infrastructure development forms part of a more holistic and integrated LED approach.

FIGURE 36: WORLD BANK LED PROCESS



There are a wide range of projects and interventions that can facilitate the development of business infrastructure. These projects are summarised below:

POTENTIAL PROJECTS

- 1) **Develop a local business support centre** in Heidelberg and/or Ratanda. This centre would offer a range of information, support and services including the following:
 - i. Support with business registration, SARS registration and other legal issues
 - ii. Advice and support in business plan development
 - iii. Information on available support mechanisms and financial resource
 - iv. Assistance with funding and loan applications
 - v. Access to internet, printing and copying facilities.
- 2) **Partner with local stakeholders**, including the private sector and Sedibeng College, in the delivery of skills development programmes and entrepreneurial support. Initially, this should involve partnership in execution of the SMME Help Desk, with the municipality providing strategic and financial support. This project could also be linked to the proposed business support centre.
- 3) **Improve access to credit and finance** by actively recruiting micro-lending agencies and a bank branch to Ratanda and extending these services to Impumelelo. The Lesedi LM can also provide this agency and/or branch with incentives including a low cost site, free basic services and other support.
- 4) **Increase access to communications technology** such as computers and the internet. This technology could be provided at a low cost at the business support centre or other community facility. There is also an opportunity to provide computer skills courses and assistance with business related research.
- 5) **Provide logistics support** to facilitate the trade, export and transport of locally manufactured goods. This support could be provided in a variety of forms including:
 - i. Development of secure and low cost storage facilities in Heidelberg and Ratanda
 - ii. Facilitating the creation of a low cost transportation/shipping system utilising contributions from local business owners
 - iii. Providing information on shipping/transport methods, costs and customs regulations
 - iv. Assisting small business owners with shipping and delivery management as part of the proposed business support centre.

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

5.4.3. OPPORTUNITY 3: Upgrade the Heidelberg CBD

The Heidelberg CBD is aesthetically pleasing, owing to the numerous historic buildings, green spaces and the old stone church. It is host to a cluster of retail businesses, banks and restaurants. The CBD holds significant potential to attract small business investment and boost the local tourism industry. There are also, however, distinct challenges, with some areas of the CBD experiencing deterioration including poorly maintained buildings, unappealing facades, and a cluster of informal traders.

The development of downtown or CBD areas requires a coordinated effort by the local business community, represented by the Heidelberg Chamber of Business, and local authorities, namely the Lesedi LM. It is a process that requires careful planning, constant communication, ongoing implementation and collaborative funding schemes. Ideally, in the coming months this process will be facilitated by the proposed Lesedi LED Forum.

The Afrikaanse Handelsinstituut (AHI), one of South Africa's largest business associations, in partnership with the Department of Cooperative Governance (DCOG) offers a set of best practices to guide small town revitalisation. These best practices are derived from lessons learned during the Small Towns Development Initiative (STDI), which aims to encourage the revitalisation of South African towns through partnerships between business and local government. The best practices are summarised here to serve as recommendations for the Lesedi LED Unit in facilitating revitalisation of the Heidelberg CBD.

The following is a list of potential projects aligned to the Small Towns Development Initiative and recommended for implementation by the proposed Lesedi LED Forum.

BEST PRACTICES

The STDI offers the following best practices in the revitalisation of small town cores:

- 1. Link development within the national policy context** to ensure that sufficient support and funding is drawn from all spheres of government.
- 2. Strengthen the readiness and capacity of local government** to provide a united front to business, include business in the planning and development process and management of development projects.
- 3. Ensure that sufficient time is spent on rebuilding trust** and strengthening local interest around a common objective and mutually beneficial projects.
- 4. Allocate sufficient resources to the brokering of partnerships**, network facilitation and the management of processes between public and private stakeholders.
- 5. Regularly communicate** information on CBD development directly to the community.
- 6. Local government can act as a catalyst** in the management and implementation of collaborative action with the private sector and in facilitating LED in general.

POTENTIAL PROJECTS

- 1) Establish the Lesedi LED Forum** whose objectives include business attraction and development and the design and implementation of improvements to the CBD. The forum should include at minimum the following members:
 - i. Representatives from the Lesedi LED Unit and other departments as deemed relevant
 - ii. The Heidelberg Chamber of Business
 - iii. Individual business owners.
- 2) Review and implement the CBD Development Plan** that will guide revitalisation of the Heidelberg town centre. This plan should set out the following:
 - i. Streetscape design and improvements to building facades
 - ii. Profile and budget of investment needs
 - iii. Beautification projects (tree planting, benches, flower gardens, etc.).
- 3) Establish a revitalisation fund** to finance the CBD improvement project. Possible sources of funding include:
 - i. Percentage of tax revenue from the Heidelberg Mall
 - ii. Percentage of tax revenue from business owners in the CBD
 - iii. Grants from government, development agencies and international organisations
 - iv. Donations by community members to establish beautification elements in an individual's name, or their memory (i.e.: benches, artwork, gardens, street lights, etc.).
- 4) Establish the CBD as a cornerstone in the tourism industry** by including it in tourism development plans and marketing material.
- 5) Install signs/plaques identifying historical buildings and sites** and provide information on each. This project should be integrated with development of the proposed historic walking route.

5.4.4. OPPORTUNITY 4: Consolidate a Town Centre in Ratanda

The Lesedi LM recently commissioned WorleyParsons to prepare an Urban Design Framework (UDF), to guide the development of townships in the municipality. This framework identified several key challenges in the spatial development of Ratanda, including the 'weak township core'. It was therefore recommended that the municipality invest in the development of a town centre. It was envisioned that this centre would utilise existing open space to reinforce and create a civic and commercial centre.

The development of a town centre in Ratanda is also identified as an important LED intervention, as it has the capacity to catalyse economic growth in the township. More specifically, it is anticipated that the town centre will advance the following development objectives:

1. Stimulate small business and retail development
2. Create opportunities for employment and entrepreneurial activity
3. Strategically exploit underutilised land
4. Strengthen existing community facilities
5. Improve circulation in the township
6. Reinforce a sense of community and place in the township core.

The proposed location for the Ratanda town centre, as developed by WorleyParsons, is illustrated in Figure 37. This location is strategically situated near existing community and sports facilities, with underutilised land available for further commercial development. Development in this area will, however, require the relocation of informal houses currently occupying space in areas 17 and 13, and thus should be done in collaboration with the Department of Housing.

FIGURE 37: PROPOSED LOCATION FOR THE RATANDA TOWN CENTRE



Development of a town centre in Ratanda is a complex project, requiring the collaboration of several municipal and provincial departments and a partnership with private developers. There is a role for the LED Unit and the proposed Lesedi LED Forum in strategizing and facilitating projects associated with economic development in the area, including the projects presented below:

POTENTIAL PROJECTS

- 1) **Update and implement the Ratanda Town Centre Development Plan** and implementation strategy in collaboration with other municipal departments. This plan should address the following:
 - i. Expand on the recommendations presented by WorleyParsons
 - ii. Identify the ideal spatial layout and infrastructure needs
 - iii. Address issues of accessibility (i.e.: road upgrades, taxi rank development, etc.)
 - iv. Identify aesthetic requirements (i.e.: building facades, green space, stadium upgrades, etc.)
 - v. Determine the ideal tenant mix and identify potential tenants
 - vi. Develop a high-level costing for the proposed developments
 - vii. Identify possible partners and sources of funding
 - viii. Create a detailed implementation plan identifying specific milestones, timelines, roles and responsibilities.
- 2) **Develop an employment centre and/or business incubator** north of the sports stadium. This facility should provide some or all of the following services:
 - i. Portfolio of employment opportunities and assistance with compiling and printing CV's and submitting job applications
 - ii. Small business support including registration services, business plan development, mentorship and technical advice
 - iii. Business facilities including micro-factories and shared office space, with access to computers and internet facilities
 - iv. Information on available skills development and training courses
 - v. Information on potential business opportunities including identified market gaps, possible partnerships with established business, incentives and available funding.
- 3) **Establish a Skills Development Centre** offering Adult Basic Education and Training (ABET) and Further Education and Training (FET) courses and identified vocational short-courses. There is an opportunity to develop this facility in partnership with Sedibeng College.
- 4) **Establish a Retail Centre** on Heidelberg Road in the proposed town centre. This centre should include an extension of the existing commercial node to accommodate a neighbourhood supermarket, convenience stores, pharmacy, small clothing stores, restaurants and takeaways.
- 5) **Upgrade the taxi rank** on Heidelberg Road, providing safe and secure facilities, shaded seating and auto services. The taxi rank should be linked to the proposed commercial centre, but be organised in such a way that it does not impede business development in the area.
- 6) **Encourage the formalisation of businesses** in the town centre in order to improve safety and security and create a new source of tax revenue. This can be achieved by undertaking the following:
 - i. Ensure the delivery of quality infrastructure and reliable services
 - ii. Offer affordable and differentiated registration rates and fees for new business
 - iii. Streamline the registration process and provide information on the registration process at the proposed business incubator
 - iv. Provide disincentives for non-registration including restricted access to land and municipal services.

5.5. PILLAR IV: Tourism Development

The Lesedi LM has an established tourism industry fuelled by the region's natural beauty, historic architecture, antique shops and other tourism offerings. There is, however, identified potential to increase tourism in the area, both in terms of visitor numbers and spending, with the added benefit of creating business and employment opportunities. The following is an overview of identified tourism opportunities and related LED projects.

5.5.1. OPPORTUNITY 1: Market the Region as a Tourism Destination

The success of a local tourism industry depends on how effectively the area is marketed to target groups. At present, the Lesedi LM and town of Heidelberg engage in very limited marketing, with the vast majority of tourism derived from Gauteng weekend visitors. The opportunity is therefore identified for the Lesedi LM, in partnership with the proposed LED Forum, to invest in and facilitate tourism marketing.

WHAT IS IN A NAME?

Tourists are not generally aware of municipal names and boundaries, and thus marketing the 'Lesedi Municipal Area' is likely to be ineffective. It is therefore recommended that all marketing activities utilise the town name 'Heidelberg' or other recognisable term for the area.

The South African Local Government Association (SALGA) recommends that municipalities consider outsourcing tourism marketing and promotion to a provincial organisation or partner with various stakeholders. In the case of the Lesedi LM, it is recommended that the LED Unit engage in partnership with Gauteng Tourism, the Heidelberg Chamber of Business and local tourism operators in order to implement the projects presented below, as well as other interventions developed by the marketing team.

POTENTIAL PROJECTS

- 1) **Develop a Lesedi Tourism Marketing Strategy** including the following:
 - i. Identify a brand for the area and develop a plan for implementation
 - ii. Profile the tourism offerings and the current tourism market
 - iii. Develop strategies and interventions to improve tourism offerings and expand the tourism market
 - iv. Compile a partnership and funding model, and implementation strategy.
- 2) **Create a tourism website** and/or place more local information on the existing Gauteng and Sedibeng tourism website. Note, however, that tourists are typically unaware of municipal names and boundaries and therefore a tourism website should use the town name 'Heidelberg' while also offering information on tourism activities and attractions in the surrounding area.
- 3) **Improve the tourism information office** by continuing upgrades of the AG Visser House in line with recommendations put forth in the Lesedi IDP and the Sedibeng Tourism Strategy.
- 4) **Undertake a marketing/advertising campaign** targeting visitors from Gauteng urban areas and international visitors arriving at the O.R. Tambo International Airport.
- 5) **Develop signage along major routes** in Gauteng and leading to Heidelberg. This signage should highlight the area as a tourism destination, pointing visitors in the direction of Heidelberg and the Suikerbosrand Nature Reserve.

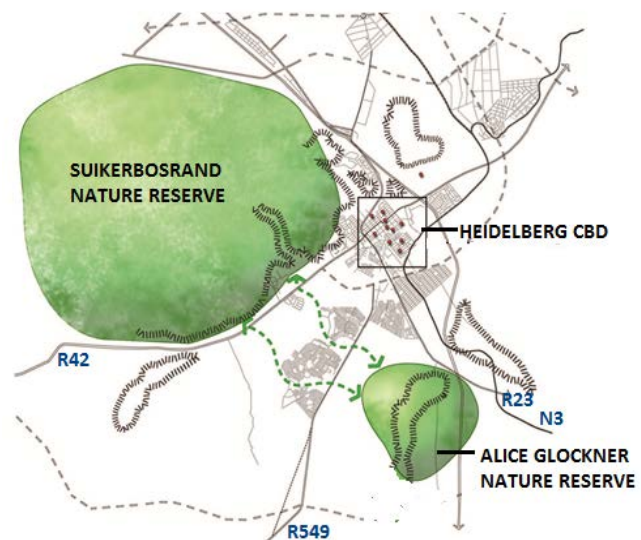
5.5.2. OPPORTUNITY 2: Increase the Tourism Impact of Nature Reserves

There are two nature reserves located in the Lesedi LM that offer substantial opportunity for tourism development. The Suikerbosrand Nature Reserve is by far the largest, covering 1 595 hectares, and situated next to Heidelberg between the N3 and the R42. The much smaller Alice Glockner Nature Reserve is home to the rare Heidelberg Copper Butterfly, and is located east of Ratanda between the N3 and the R549. These reserves, and their proximity to Heidelberg, Ratanda and the regional transportation routes are illustrated in Figure 38.

An opportunity has been identified to boost the tourism industry through improvements to the infrastructure, marketing and accessibility of these two nature reserves. The tourism impact will be derived not only from increasing the number of visitors, but also by drawing these visitors to the Heidelberg CBD and other tourism attractions in the area.

The following is a list of the projects and interventions designed to increase the tourism impact of the Suikerbosrand and Alice Glockner Nature Reserves. It is recommended that these projects be undertaken in partnership with the Gauteng Department of Department of Agriculture, Conservation, Environment and Land Affairs (responsible for park management), and conservation groups.

FIGURE 38: NATURE RESERVES



Source: Izwelisha Town Planners

POTENTIAL PROJECTS

- 1) **Develop a new entrance into the Suikerbosrand Nature Reserve** along the R42 in order to increase accessibility to the park and to improve linkages between the park and the Heidelberg CBD.
- 2) **Improve signage** directing tourists to both nature reserves, as well as from the nature reserves into the Heidelberg CBD.
- 3) **Invest in uplifting the nature reserves** through investment in signage, infrastructure and the trail system. The division of resources must take into account the much larger size and tourism impact of the Suikerbosrand Nature Reserve, as well as the greater need of the Alice Glockner Nature Reserve.
- 4) **Engage with organisations to host an outdoor race** in the Suikerbosrand Nature Reserve. Possible activities include trail running, mountain biking, orienteering or a combination of the three. Such an event will attract visitors to the area, encourage spending in Heidelberg and increase the visibility of the nature reserve.
- 5) **Market the nature reserves** at the proposed tourism information office and provide information on other activities/attractions in the region at facilities within the reserves.

5.5.3. OPPORTUNITY 3: Promote Heritage and Township Based Tourism

There are numerous **historic and cultural** sites in the Lesedi LM, primarily in the Heidelberg CBD and surrounding area. These sites include the old stone church (Klipkerk), the AG Visser House, Concentration Camp Cemetery and the Old Jail. The opportunity is therefore identified to promote 'heritage tourism' through facility upgrades and marketing.

The development of heritage-based tourism is aligned to strategic directives issued by the Department of Tourism in the *Culture and Heritage Tourism Strategy*. This strategy identifies many economic, social and cultural benefits derived from heritage tourism, as summarised. It is envisioned that, through the implementation of projects identified below, the Lesedi LED Unit can derive some of these benefits for the local economy.

BENEFITS OF HERITAGE TOURISM

The Department Of Tourism has identified the following primary and secondary benefits associated with heritage tourism:

1. *Leads to the creation of long term economic value.*
2. *Heritage tourism is the **most profitable** tourist market segment in South Africa.*
3. *Generates investment for the development and **preservation of heritage sites** and tourism offerings.*
4. *Complements and **engages other tourism products**.*
5. ***Addresses values** that defined the community.*
6. *Recognises **multicultural legacies**.*
7. *Encourages **education** in culture and heritage.*
8. *Can be implemented with **limited ecological impact**.*

Township tourism is a specialised, fairly recent form of tourism, involving the experience of the lifestyle and living conditions of people living in areas that were previously legally demarcated for black South Africans. Townships are, for some, fascinating remnants of the South Africa's infamous apartheid government, and for others, an exciting experience of urban cultural vibrancy. Favourite activities include visiting shebeens, sangomas, buying 'muti' or cures for every ailment, visiting heritage, museums and relaxing at a Shisanyama.

It has been noted that organised township tourism in South Africa has experienced a significant growth in popularity. Notably however, the most prominent of South Africa's township tourism hotspots are Gauteng and Cape Town. Although a domestic tourism destination in Gauteng, Lesedi's townships do not feature significantly- if at all- in organised and prominent township tourism marketing.

Large numbers of international tourists are booking their spots on tours around townships in Johannesburg, Cape Town and even Port Elizabeth. Most tours last a day and take in a host of township experiences, giving visitors a close look at the unique atmosphere and lifestyle..."¹ This is not purely a demand issue. Very noticeably, Lesedi's townships are not marketed prominently as tourism destinations. In addition, in comparison to Cape Town Metro and Soweto's organised and strategic township tourism capital investment, opportunity exists for Lesedi to increase its investment into this area. It is important to note that this is typically driven by SMMEs in the private sector, who largely do not have an organised voice or strategic stance.



¹ www.southafricainfo.com

POTENTIAL PROJECTS

- 1) **Compile a portfolio of heritage and township sites** and identify the development needs associated with each. This portfolio should then be utilised to attract funding from culture and heritage departments and organisations to finance renovations and upgrades.
- 2) **Establish a heritage tourism walking route**, linking the historic buildings in and around the Heidelberg CBD. The route should be clearly demarcated (i.e.: permanent 'footsteps' on the sidewalk along the route). Each heritage site should be identified by a placard/sign describing the significance of the building.
- 3) **Integrate heritage tourism into the Heidelberg CBD upgrade** by identifying and uplifting architecturally and historically significant sites. Linking these two projects may also leverage greater funding attraction from culture and heritage groups.
- 4) **Revitalise the Transport Museum** to become one of the cornerstones of the Heidelberg tourism industry. This involves partnering with the museum owner, provision of financial support and other incentives for operations, and marketing at the information centre and on the proposed website.

5.5.4. OPPORTUNITY 4: Host an Annual Event or Festival

The South African tourism industry has experienced a proliferation of events and festivals in recent years, particularly within small towns. These festivals and events are typically organised by local tourism associations, cultural groups and business owners, often with the support of local government. They are designed to attract a large number of tourists to an area, generate demand for local products, accommodation and tourism offerings, and increase the visibility of the town as a travel destination, as well as provide additional benefits for the local economy and community.

The development of a local festival or event should be spearheaded by the proposed LED Forum, with the support of the Lesedi LED Unit. This process does, however, require a significant amount of collaboration, organisation and planning. Figure 39 provides a visualisation of the development process, and is meant to act as a guide for the Lesedi LED Unit and other local stakeholders.

IMPACT OF EVENTS AND FESTIVALS

1. *Attract tourists and tourism spending*
2. *Create employment and income opportunities*
3. *Increase the area's visibility as a tourism destination*
4. *Expand the business and tax revenue base*
5. *Stimulate a culture of volunteering and collaboration*
6. *Develop planning and organisational skills within the community and local government*
7. *Leverage funding for CBD/main street revitalisation*

FIGURE 39: EXECUTING AN EVENT/FESTIVAL



The hosting of a festival or event is not only an opportunity, but also an LED project as summarised below:

POTENTIAL PROJECT

- 1) **Develop an annual festival or event**, designed to attract a larger number of visitors to Heidelberg and to increase the region's visibility and reputation as a tourism destination. The festival/event should be planned and implemented by the proposed Lesedi LED Forum, in collaboration with local business owners and tourism operators and the Gauteng Tourism Authority. The festival or event should highlight some of the offerings available in the local community such as:
 - i. Antiques, collectibles, crafts and art
 - ii. Food, meat and preserves
 - iii. Agriculture products.

5.5.5. OPPORTUNITY 5: Other Tourism Opportunities

Other tourism opportunities include those identified by the Gauteng Tourism Infrastructure review conducted during 2011/12. Tourism opportunities reflected for Lesedi include the following:

- Establishment of a local Tourism Association.
- Identifying and compiling a comprehensive list of tourism offerings in the area.
- Conducting an audit of available accommodation and assisting providers with the grading of their facilities where possible.
- Developing new tourism routes aligned with Heritage Sites.
- Establishment of the Kudung Lodge.
- Establishment of a tourist information office at the AG Visser House.
- Development of a new road linking the R42 to the Suikerbosrand Nature Reserve.
- The establishment of an Information Centre in Heidelberg with satellite centres in Ratanda, Jameson Park, Vischkuil and Devon.
- The establishment of memorial structures/stones in Ratanda, with the focus on recognition of local struggle heroes.
- Revival of the Ratanda Pleasure Resort.
- Development of the Alice Glockner Nature Reserve and providing a road link with the Suikerbosrand Nature Reserve.
- Development of a golf driving range in Ratanda located between Ratanda Extension 7 and Ratanda proper.
- Greening and maintaining of parks through an Open Space Plan.
- Beautification of town entrances.
- Development of the Shalimar Ridge birding and fishing area.
- Publication of a heritage brochure reflecting national monuments and military installations in the area.
- Development of a conservation corridor along the R42 towards Jameson Park.
- Demarcation of a tourism War Route from Heidelberg to Aston Lake where war cemeteries from the South African War are located.
- Development of hiking trails, airspace games, water games, off-road cycling paths.
- Development of a multi-purpose sports, arts and culture facility.
- Development of mining tourism in Jameson Park, Nigel and Heidelberg.
- Cultural tourism in rural areas.
- Recreational facilities in rural areas.
- Development of bird hides, picnic facilities, walkways, signage, etc.

It was also suggested by the Lesedi LM that Round 14 at the local golf resort should be revived.

5.6. PILLAR V: Transport and Logistics

The Lesedi LM is readily accessible from Johannesburg, Pretoria, O.R. Tambo International Airport and the N3 Highway. It is therefore situated in a region with vast potential in the transport and logistics industries. The following is a summary of transport and logistics opportunities and related LED projects recommended for implementation in the Lesedi LM.

5.6.1. OPPORTUNITY 1: Maximise Impact of the Transnet Bulk Liquid Terminal

Transnet has developed a bulk liquid terminal in Jameson Park and is currently establishing a second terminal in Heidelberg. These facilities are situated along the R42 and as such form an important activity along the R42 Development Corridor. Once completed, they will serve as a storage point on the Multi Product Pipeline from Durban to Heidelberg, which carries four liquid fuel products. Although the storage facility has experienced set-backs in terms of construction, it is expected to become fully operational in 2014.

The Transnet Bulk Liquid Terminal will serve as a hub for liquid storage and logistics and is expected to attract substantial private sector investment to the area. This includes the development of a Royal Vopak bulk storage facility, adjacent to the Transnet Bulk Liquid Terminal. This facility, known as the VSAD Terminal Lesedi, will have a total combined storage capacity of 300 000 m³. The facility is scheduled for completion in 2016, at which point it is expected to create business opportunities, including the development of strategic storage facilities, and a significant number of permanent jobs.

Investment in the Transnet Bulk Liquid Terminal and other facilities has created an opportunity to establish Jameson Park as a transport and logistics hub. The following is a summary of projects and interventions with the capacity to attract further investment and enhance economic outcomes:

POTENTIAL PROJECTS

- 1) **Encourage increased transport, storage and logistics investment** in Jameson Park through the further development of enabling infrastructure and services. This development could lead to the establishment of a fully integrated liquid transport and storage hub.
- 2) **Investigate the potential for establishing a Special Economic Zone (SEZ)** in the Jameson Park area. By demarcating the area as an SEZ, the Lesedi LM will be able to attract significant infrastructure investment, incentives and support from Treasury, and private sector investment from key transport, logistics and storage companies.
- 3) **Identify business opportunities** relating to the Transnet Bulk Liquid Terminal and the Vopak facility (i.e.: strategic storage facilities) and determine which opportunities will have the biggest impact in terms of local economic development. Although it is recommended that such opportunities are driven and financed by the private sector, the Lesedi LM may play an important role as project facilitators.
- 4) **Attract Corporate Social Investment (CSI)** from Transnet Pipelines. This investment would be linked to their operations at Jameson Park and may be used to fund LED and social development projects in the Lesedi LM. There may also be an opportunity for the Lesedi LM to leverage greater investment through the development of project partnerships.

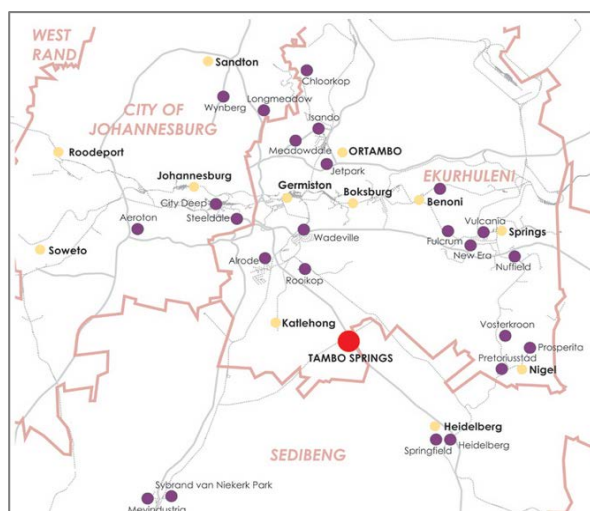
5.6.2. OPPORTUNITY 2: Exploit Opportunities Relating to the New Inland Port

The regional logistics, storage and transport industries will receive a major boost with the development of Africa's largest inland port, the Tambo Springs Inland Port and Logistics Gateway. The port will be situated on the N3 Highway, 21 km from Heidelberg in the Ekurhuleni Metropolitan Municipality, on the border with the Lesedi LM (see Figure 40). Therefore, although it is not located in the Lesedi Municipal area, it will have an important economic impact in terms of increased freight transport, business development and employment creation.

The Tambo Springs Inland Port and Logistics Gateway will be developed on a 1 037 hectare site, with construction to commence in 2014. The facilities are scheduled to come on-line in 2017, just as the existing port in City Deep (Johannesburg) reaches capacity. Once completed, the Tambo Springs Inland Port is expected to nearly double current freight logistics capacity in and out of Gauteng.

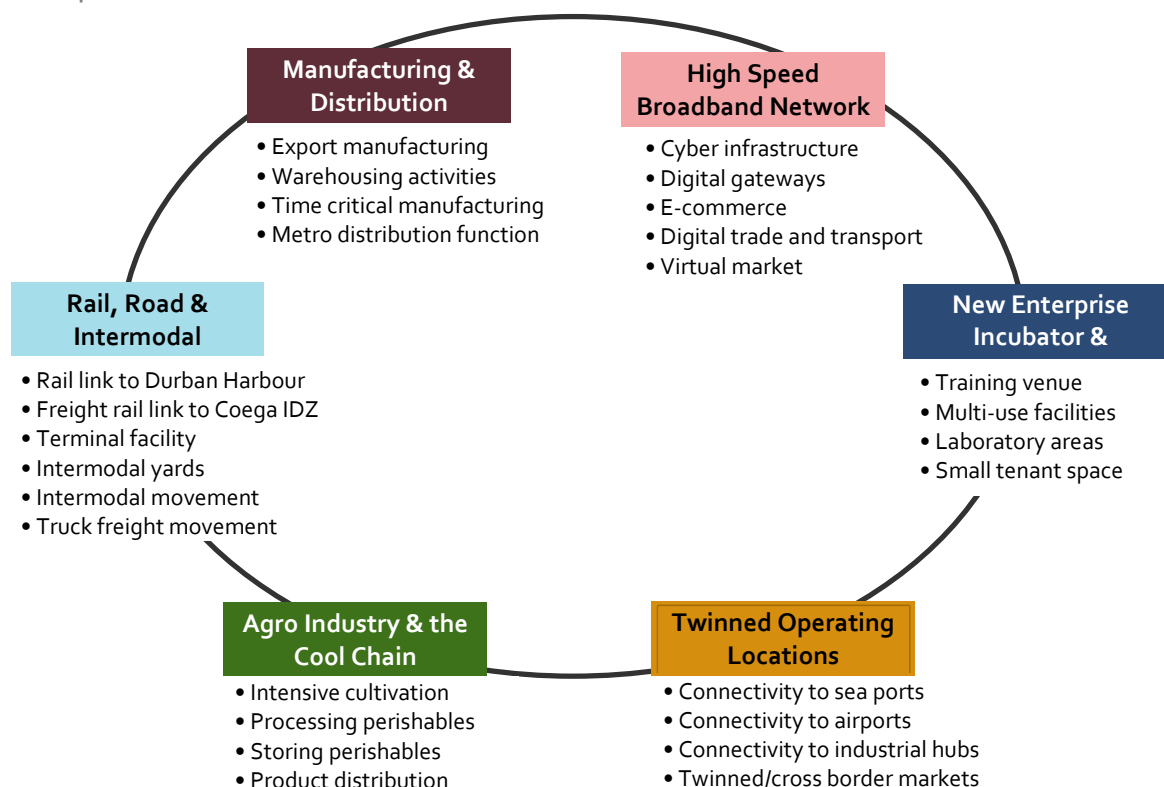
Developers of the Tambo Springs Inland Port describe it as a '*complete supply chain solution*', bringing together all aspects of warehousing, distribution, manufacturing and shipping. These industries are housed in six interconnected hubs, illustrated in Figure 41:

FIGURE 40: TAMBO SPRINGS MAP



Source: Tambo Springs Development Company

FIGURE 41: TAMBO SPRINGS HUBS



The Tambo Springs Inland Port has the capacity to catalyse LED in the Lesedi LM through the provision of transport, storage and distribution services. The following is a list of potential projects and interventions, which will enable local businesses and farmers to take advantage of these opportunities.

POTENTIAL PROJECTS

- 1) **Develop a distribution network** to disseminate information on the opportunities created by the Tambo Springs Inland Port. These opportunities include:
 - i. Facilities and incentives for small-scale manufacturers
 - ii. Training programmes
 - iii. Employment opportunities
 - iv. Demand for services (i.e.: transport, construction, maintenance, etc.)
- 2) **Conduct an assessment of export opportunities**, especially in the agriculture and agro-processing industries. These opportunities should subsequently be communicated to commercial and emerging farmers, with producers given information on port operations, customs requirements, support mechanisms and export incentives.
- 3) **Identify and facilitate development opportunities in areas adjacent to the Tabo Springs Inland Port**, particularly south of the port within the Lesedi LM. These opportunities may include the following:
 - i. Development of an industrial park by providing infrastructure, facilities and services
 - ii. Establishment of strategic storage facilities to compliment planned structures
 - iii. Creation of just-in-time manufacturing facilities
 - iv. Support for the production of niche and specialty agriculture products.

5.6.3. OPPORTUNITY 3: Address the Impact of Trucking

Heidelberg is situated on several major transportation routes, including the N3 Highway, R42, R23 and R549, and is therefore an important node in the trucking industry. The trucking industry provides important economic benefits including employment creation, infrastructure development and investment in the community. However, the trucking industry also has a negative impact on the road network, resulting in increased infrastructure costs.

The opportunity is identified to address the impact of trucking and enhance the positive benefits created by the industry. The following is an overview of possible LED projects designed to achieve this objective:

POTENTIAL PROJECTS

- 1) **Undertake feasibility assessments of the following interventions** identified for their potential to boost LED:
 - i. Serviced truck-stop with restaurants, showers and other facilities
 - ii. Petrol station and related retail and services
 - iii. Freight facilities connecting to the Tambo Springs Inland Port (possibly at Jameson Park).
- 2) **Assess the impact of trucking on the regional road network** and identify potential mechanisms for reducing road damage. This study should be conducted in collaboration with the Gauteng Department of Roads and Transport.

5.6.4. OPPORTUNITY 4: Facilitate Tourism through Transport Interventions

The tourism industry is identified as a catalyst for economic growth and job creation in the Lesedi LM. The development of this industry requires that the region improves its accessibility through direct and indirect transport interventions. These interventions should aim at achieving the following identified objectives:

1. **Increase the accessibility** of the Heidelberg CBD and other tourism attractions from the regional road network.
2. **Improve the visibility** of the Heidelberg region from the regional road network.
3. **Reduce the transport costs** associated with tourism in the Lesedi LM.
4. **Facilitate easier movement** for international tourists between O.R. Tambo International Airport, Heidelberg and other destinations in the region.
5. **Enhance the local economic impact** of the bussing industry.

R42 TOURISM CORRIDOR

The R42 Corridor will be well-known throughout Gauteng as a tourism and recreation destination where a wide range of experiences are catered for, from historical and cultural tourism to outdoor adventure activities and eco-tourism. The urban component of the corridor will be of high quality and will be seamlessly integrated with the surrounding natural environment. Areas of high biodiversity will be conserved and green links will be created through the corridor between the Suikerbosrand, the Blesbokspruit valley floor and the Alice Glockner Ridges.

Lesedi Corridor Precinct Plans

There are several LED projects and interventions, which the Lesedi LM can undertake to improve transportation, with the objective of boosting the tourism industry. These projects are summarised below and should be undertaken in collaboration with the appropriate transport departments and tourism operators.

POTENTIAL PROJECTS

- 1) **Develop the R42 Tourism Corridor** through the implementation of recommendations made in the Lesedi Corridor Precinct Plan. These recommendations include:
 - i. Preserve and enhance the unique ambience and historical character of Heidelberg CBD
 - ii. Develop the zone of opportunity east of the CBD as a gateway into the corridor
 - iii. Accommodate medium intensity development along R42
 - iv. Invest in infrastructure upgrading
 - v. Develop new entrance into the Suikerbosrand Nature Reserve from the R42.
- 2) **Conduct a feasibility study for the relocation of the Heidelberg Bus Depot** into the Heidelberg economic area. This relocation should be accompanied by the development of retail and other related services.
- 3) **Improve road signage** along the N3, R42, R23 and the R549 directing tourists to the Heidelberg CBD and the Suikerbosrand Nature Reserve.
- 4) **Investigate the opportunity to develop transport shuttles** between the O.R. Tambo International Airport and the Heidelberg CBD. These shuttles should be developed in collaboration with local tourism operators. They should also be offered in conjunction with one-day and two-day tourism packages involving local attractions, township tourism and the proposed Heidelberg CBD historic walking route.

5.6.5. OPPORTUNITY 5: Public Transport Interventions

Transport forms a critical part of LED, as the sector is a facilitator of economic growth and employment. An effective transport system is vital for the economic growth and social development of Lesedi and, with goods and passengers moving more efficiently, it is a contributing factor for positioning the area as an attractive destination for investment.

The NDP proposes a number of strategic focus areas in transport infrastructure, which have to be addressed to achieve the ideals outlined for 2030. These areas involve:

- Prioritising transport solutions that are safe, affordable and effective options.
- Focusing on transport as an entire network as opposed to individual transportation modes.
- Finding ways to become less dependent on transportation by improving spatial planning in cities so that people can live closer to areas of employment.
- Convincing South Africans to increase the use of public transport, thereby lowering carbon-intensive transportation mode usage, which will reduce the environmental, social and economic costs associated with transport.

Lesedi is strategically located in the Gauteng space-economy and plays an important role locally, regionally and nationally. Lesedi thus requires a safe and sustainable transport system that promotes economic development, whilst catering for both people and goods. This requires appropriate planning and management of the local transport system in line with the economic and social development objectives of the area.

From an LED perspective the purpose of transport is to bring people, goods and services together when and where needed. The local economy would not be sustainable without an adequate transport system that connects businesses, and people with employment opportunities. Transport planning should therefore occur hand-in-hand with economic and physical planning to manage and facilitate growth in Lesedi. Transport is a key factor in managing economic and population growth by acting as a link between communities and areas of economic concentration. As such, transport needs to be considered in terms of land use development, necessitating alignment between plans for different transport modes, as well as between transport, land use and LED programmes.

The Road Network

Lesedi has a well-developed road network that has a strong focus on Heidelberg and to a lesser extent, Devon.

The two main freeways, the N3 and N17 link both Heidelberg and Devon to Johannesburg and the rest of Gauteng. The N3 highway is a major economic spine in South Africa, which connects Gauteng with the Free State and KwaZulu-Natal, where the Durban harbour serves as the country's main import and export logistics facility. Major provincial roads that straddle Lesedi include the R42, R23, R51, R550 and the R548.

The Rail Network

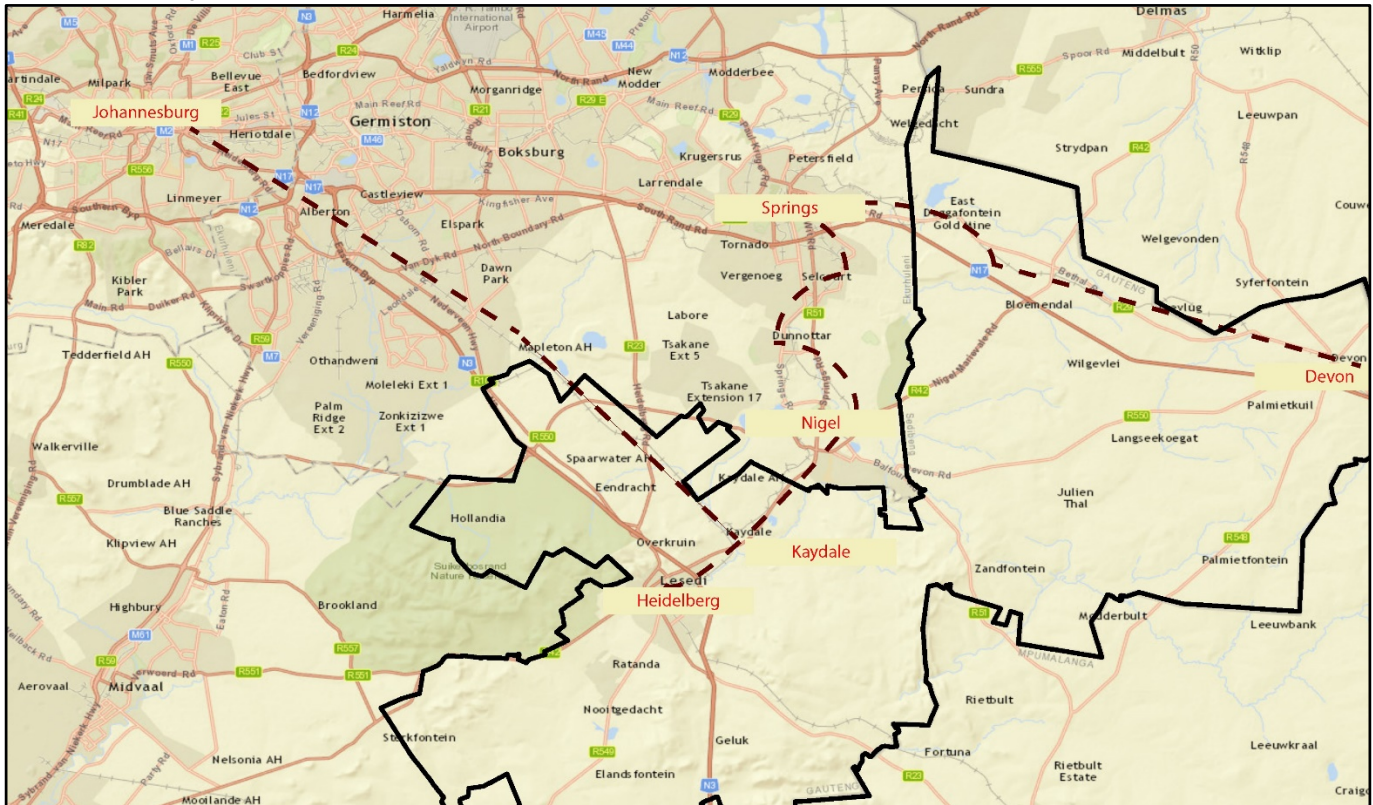
The commuter and cargo rail network forms an integral part of the greater transportation network linking Lesedi to the rest of Gauteng and South Africa. While passenger rail transport is not as popular today as it once was, it stills plays a key role in most metropolitan regions and is regarded as a central component of integrated transport development across the Gauteng City-Region.

For the Lesedi local economy, rail infrastructure include the movement of people and goods. People movement includes trips between residential areas and work, educational trips, business trips, as well as recreational trips for social activities.

It is thus of key importance that the rail infrastructure between Lesedi and the rest of Gauteng be rehabilitated by PRASA and Transnet in the interest of economic and social development. Specific reference can be made to the railway lines between (see Figure 42 below):

- Devon and Springs
- Heidelberg and Johannesburg

FIGURE 42: PROPOSED PRIORITY RAILWAY INFRASTRUCTURE TO BE REHABILITATED



Coupled with land use planning in an intricate dynamic relationship, the transportation network influences and is influenced by the structure of the major urban areas of Gauteng.

POTENTIAL PROJECTS

- 1) Development of an Integrated Transport Plan to guide the planning and implementation of transport infrastructure (including commuter rail) over the long term in Lesedi to facilitate economic growth and connect communities with employment opportunities.
- 2) Rehabilitation of the railway infrastructure by PRASA and Transnet between:
 - i. Devon and Springs
 - ii. Heidelberg and Johannesburg
 - iii. Kaydale and Nigel

SECTION 6: IMPLEMENTATION PLAN

The Implementation Plan is a key component of the LED Strategy. It ensures that the programmes, projects and recommendations made in the strategy are effectively planned and implemented according to defined budgets and timeframes, while maximising the local economic impact of these interventions.

"We know that what we do, and how we do it, is as important as what we want to achieve."

The National Development Plan (2011)

The Implementation Plan for the Lesedi LED Strategy is divided into two key components:

1. **Identifying key interventions and priority projects** by identifying efforts required to facilitate LED and assessing the entire project portfolio.
2. **Facilitating implementation** through an implementation framework, project information and guidelines.

6.1. Key Interventions

The effective execution of LED projects requires implementation of several key interventions that lay the framework for development. These interventions are designed to achieve the following:

1. Effective communication of LED opportunities, support services and other information.
2. Collaboration between key stakeholders in government and the private sector.
3. Access to funding and other resources necessary for project development.
4. Effective skills transfer and local procurement.

The interventions summarized in this sub-section are based on widely accepted LED practices, require little or no funding, and are necessary for project implementation. It is therefore recommended that these interventions be implemented as early as possible.

6.1.1. Create a Network for Disseminating Information

The Lesedi LED Strategy offers a range of recommendations for boosting local businesses, supporting entrepreneurs and facilitating economic growth. These interventions are only viable, however, if the intended beneficiaries are made aware of them. It is therefore crucial that the Lesedi LM establish a network for disseminating information on LED.

The information network should inform relevant stakeholders concerning the following:

1. General LED opportunities and identified growth industries.
2. Specific LED projects and interventions, and their implementation timeframe.
3. Opportunities for LED participation and engagement.
4. Support mechanisms for training and business development.
5. Incentives for industrial investment and business establishment.
6. Potential partnership opportunities with established industry.
7. Contact details for relevant LED officials and agents.
8. Contact details for other stakeholders in the LED process.

The effectiveness of the proposed LED information network depends on the regularity and accuracy of information provided. It also depends on the channels used to disseminate information, which may include the following:

1. Meetings of the proposed Lesedi LED Forum
2. Lesedi Local Municipality and Sedibeng District Municipality websites
3. Heidelberg Chamber of Business and Ratanda Business Chamber
4. Community halls and facilities (Ratanda)
5. Local newspapers and other media
6. Monthly newsletter distributed to local businesses
7. Lesedi LED Facebook page, twitter account or other social media
8. Farmers' cooperative (information on agriculture projects)

6.1.2. Establish the Lesedi LED Forum

The creation of an LED Forum is crucial for the effective planning, design and implementation of projects and interventions. An LED Forum is a **platform for private sector, local residents and government to share information, pool resources and solve problems relating to the implementation of LED projects**. The forum should seek to encourage dialogue among LED stakeholders, particularly between local government and the private sector. Moreover, the forum contributes to finding solutions to particular development challenges.

The Lesedi LED Forum will be tasked with achieving the following objectives:

1. Ensure the integration of LED initiatives into the Lesedi Integrated Development Plan (IDP).
2. Assist with disseminating information on LED interventions and available support.
3. Provide inputs into the design and implementation of identified LED projects.
4. Relay specific challenges to the municipality as they arise and seek to address these challenges through a collaborative process.
5. Leverage access to funding for LED implementation from government and the private sector.
6. Enhance local awareness and support for LED interventions.
7. Facilitate partnership development between the public and private sector and between established and emerging businesses within the private sector.

It is recommended that the Lesedi LED Forum be established immediately (2014) in order to address key challenges and take advantage of current opportunities in the local economy. Establishment of the Forum can be facilitated by calling a community meeting to determine the core members and develop a specific mandate. It is recommended that subsequent meetings are held monthly or bi-monthly to discuss key interventions, while smaller units within the forum will meet more regularly to facilitate the implementation of specific interventions.

The Lesedi LED Forum also has an important role to play in engendering greater collaboration between different groups in society. This includes collaboration between big industry and small business, between stakeholders in Heidelberg and Ratanda and between local government and the business community. This collaboration will not only have an important impact on future economic development in the region, it may also facilitate greater social cohesion, which in turn will advance socio-economic outcomes.

The LED forum will include representatives from government, civil society and the private sector including:

1. The Lesedi LM LED Unit
2. Ekurhuleni LED Unit and sector departments
3. Government sector departments
4. South African Local Government Association (SALGA)
5. Heidelberg Chamber of Business and the Ratanda Business Chamber
6. Local industry (Karan Beef, BAT and other big business)
7. Small business owners
8. Tourism operators
9. Sedibeng College and other training providers
10. Farmer's cooperative (AFGRI)
11. Community based organisations and NGOs

6.1.3. Lobby for LED Resources

The Lesedi LED Strategy recommends implementation of a range of projects, including large-scale multi-million rand ventures and other smaller cost-effective interventions. However, despite this diversity, there is a common need for resources, both in terms of finance and institutional capacity. It is therefore imperative that the Lesedi LED Unit lobby for resources from local, district and provincial government as well as the private sector.

The most important mechanism for achieving municipal support is to ensure that priority LED projects are included in the IDP and allocated a sufficient implementation budget. The Lesedi LM can also leverage support through the following two transformations, which are expected to enhance the resources available for LED:

1. **Current municipal restructuring** – The Lesedi LM is currently undergoing a municipal restructuring process, which is expected to open up greater resources for local development interventions. It is therefore important that the Lesedi LED Unit understand these changes and the resulting requirements for funding, so that implementation may be planned in a manner that attracts municipal support.
2. **Proposed absorption of Lesedi into the Ekurhuleni Metro** – The Municipal Demarcation Board has announced it plans to forge ahead with the integration of the Lesedi LM into the Ekurhuleni Metro. This transformation will provide officials with greater access to resources and institutional specialists. It is, however, important that the Lesedi LM undertakes proactive measures to ensure that projects within the current Lesedi LM boundaries are not marginalised following the border redetermination process.

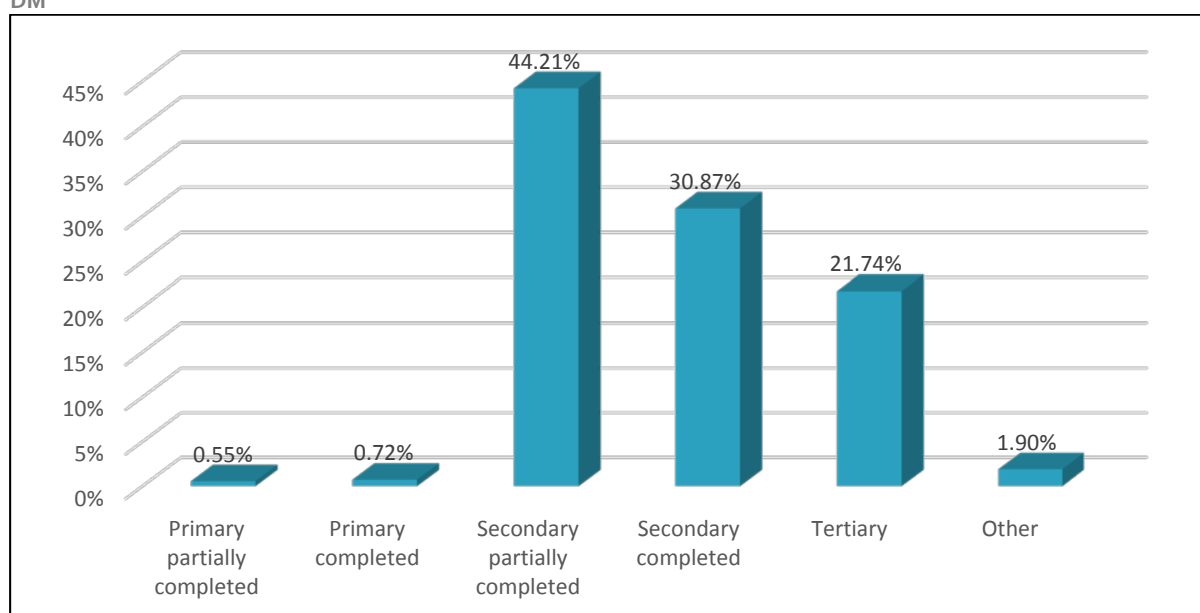
The Lesedi LED Unit also has an opportunity to leverage resources from provincial government, state grants and the private sector. These resources are, however, typically linked to specific objectives and thus may only be available for certain interventions. It is therefore recommended that the Lesedi LED Unit, in collaboration with the LED Forum, identify potential funding opportunities and package LED projects in a manner that increases their likelihood of securing funding and support.

6.1.4. Emerging Skills Demand Emanating from Catalytic Development Projects in Lesedi LM

The current context of skills development in the Lesedi LM is characterized by widening inequalities, growing youth unemployment, rising vulnerable employment and the increasing concentration of poverty, all of which are exacerbating social exclusion and undermining social cohesion. Furthermore, the diversification in manufacturing, the continued acceleration in the production of and circulation of highly needed products, combined with the prospects of multiple industrial projects developing in the area explain the emergence of new demand for skills in society.

While progress continues to be made in reducing illiteracy and in narrowing gender gaps in access to basic literacy and numeracy skills, particularly among youth - essentially as a result of the expansion of access to formal education systems - there are very limited facilities for further education in the Lesedi LM area, with only one public FET (Sedibeng FET College) institution. Not only does illiteracy and specialised skills continue to represent a persistent challenge, but notions of what constitutes a minimum threshold of functional literacy are changing as a result of progress in science and technology and the development of the knowledge society. Skills associated with manufacturing and the use of better technology are evolving and becoming more complex. Beyond minimalistic definitions of literacy and numeracy skills, educational development in Lesedi LM must address the issue of adequate literacy, information and the technical skills required in the current age and appropriate means of assessing these skills levels.

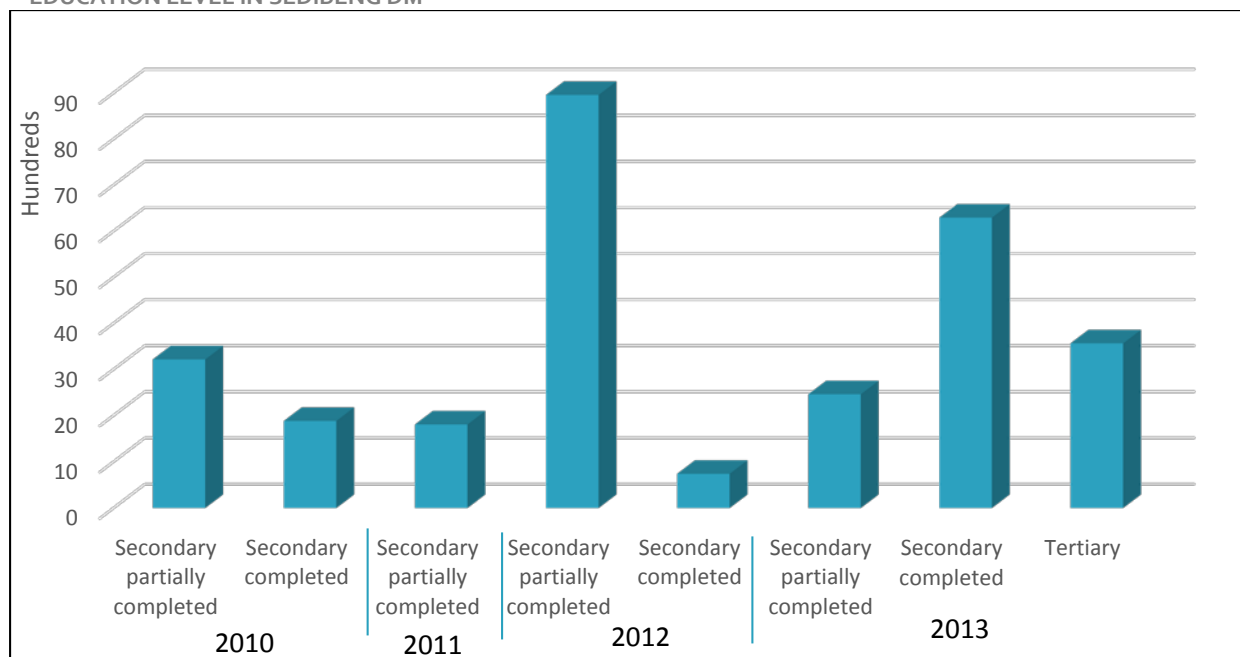
FIGURE 43: NUMBER OF MANUFACTURING WORKERS EMPLOYED IN 2013 PER EDUCATION LEVEL IN SEDIBENG DM



Source: Quantec Research, Labour Force Survey (2013)

Figure 43 shows the number of employed workers of the Sedibeng manufacturing sector grouped within their educational levels. In 2013, 44.2% had only partially completed secondary education and about 1.3% had primary education. The demand from the new Catalytic Manufacturing programmes will place demand pressure on the distribution of education in the area and require workers in the manufacturing sector to have more secondary and tertiary education. This pressure can be seen in the increasing trend of educated workers being employed in the manufacturing sector in Figure 43. The figure shows that in recent years, not only has the number of workers in the manufacturing sector increased, but the distribution of those being employed has shifted towards more educated individuals, with secondary and Tertiary education, as can be seen by the year 2013 compared to 2010.

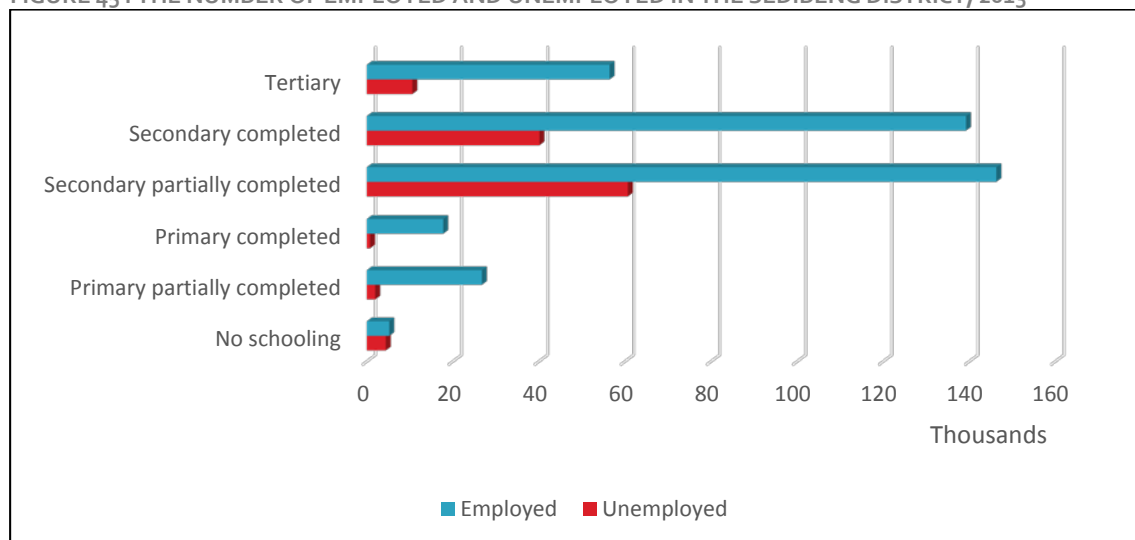
FIGURE 44: NUMBER OF MANUFACTURING WORKERS EMPLOYED EACH YEAR FROM 2008 TO 2013 PER EDUCATION LEVEL IN SEDIBENG DM



Source: Quantec Research, Labour Force Survey (2013)

The distribution of education among adults in Sedibeng can be seen in Figure 44, which is grouped with employment and unemployment data of the 2013 adult population. The largest proportion of workers that have employment in the Sedibeng consists of those individuals that only partially and fully completed secondary school in the District. The portion of the total number of unemployed workers in the province is about 29% of all the manufacturing workers in the Sedibeng DM.

FIGURE 45 : THE NUMBER OF EMPLOYED AND UNEMPLOYED IN THE SEDIBENG DISTRICT, 2013

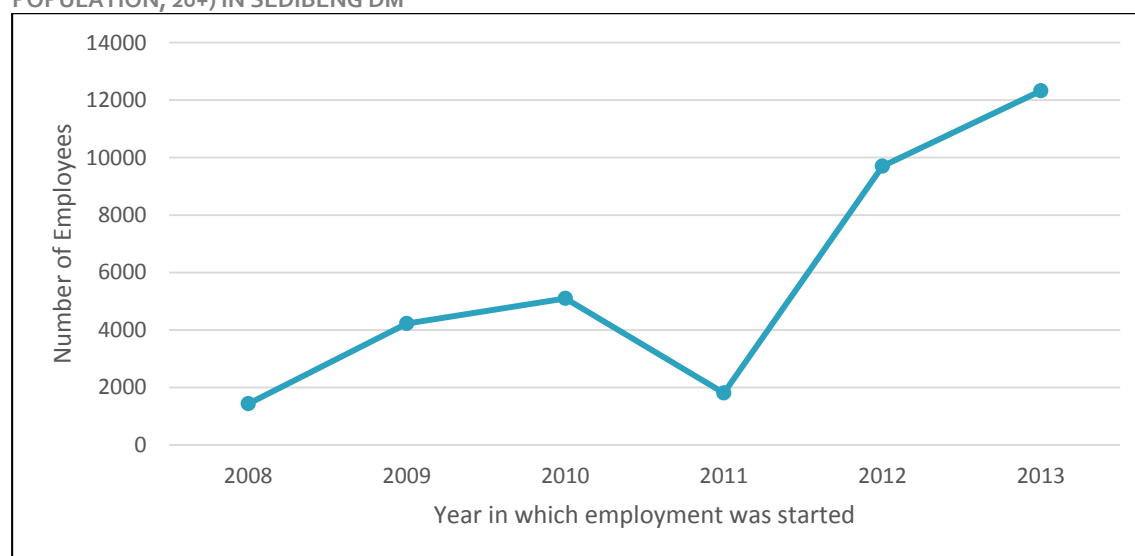


Source: Quantec Research, Labour Force Survey (2013)

The main concern for the future development of the manufacturing sector in Sedibeng, and in particular Lesedi, is the rate at which current unemployed workers with sufficient skills are absorbed in the sector and continuing efforts to generate and develop the exact number of skilled workers to maintain the market demand with efficient, capable and innovative supply of skills.

Figure 46 illustrates the number of employed manufacturing workers in Sedibeng (in 2013) who started their employment within the past few years. Out of the 366,000 employed workers in the district, approximately 60,000 were identified as working in the manufacturing sector. Some 22,018 of these individuals changed from being unemployed to being employed in the past 12 months. In 2012, roughly 9,697 workers commenced working in the manufacturing sector and 1,805 started working in 2011. This illustrates a positive trend from 2008 to 2011 that indicate the rate at which unemployed and newly trained individuals are absorbed in the manufacturing workforce in the district. From this data, it can be expected that in 2014, even more skills will be required to sustain the sector's growth potential.

FIGURE 46: MANUFACTURING WORKERS WHO STARTED WORKING IN EACH OF THE FOLLOWING YEARS (ADULT POPULATION, 20+) IN SEDIBENG DM



Source: Quantec Research, Labour Force Survey (2013)

Assessment of Skills Programmes in Sedibeng DM and Lesedi LM

In relation to identified manufacturing opportunities, provisions need to be introduced to eradicate these skills deficiencies by ensuring the right skills development programmes are in place. To do so will require an examination of available programmes for the development of these skills with accompanying recommendations for additional or upgraded programmes. Based on the available programmes by FET institutions in the study area, recommendations will be provided to guide the overall development agenda of the LM, which is strongly focused on aligning post-school education and training systems with various development strategies, such as the National Development Plan 2030, the National Skills Development Strategy III (2010/15), the National Skills Accord and the Industrial Policy Action Plan 2014/15 and in particular the National Skills Accord, that will be discussed in the next sub-section.

There is only one FET College in the study area, namely the Sedibeng FET College, which provides the following relevant Skills Development Programmes:

- Engineering & Technology
 - Civil Engineering & Building Construction
 - Electrical Infrastructure Construction
 - Engineering & Related Design
 - IT & Computer Science
 - Mechatronics

In the Sedibeng District, there are a number of private FET colleges that offer vocational and occupational qualifications, mainly to young people (16 to 24 years old), and are the primary sites for vocational skills development for artisans and other occupations at a similar level in areas such as engineering, construction, tourism & hospitality, business administration and early childhood education. These institutions offer two types of qualifications:

- General National Vocational Certificate (the NVC)
- More detailed programmes, which are occupation-specific, consisting of theory and practical training.

The information in Table 26 contains the names of the different qualifications offered, the area within the district where the facilities are located, and their National Qualifications Framework (NQF) level.

TABLE 26: SKILLS DEVELOPMENT PROGRAMMES OFFERED NEAR LESEDI LM BY PUBLIC FETS

Name of College	Site	Qualifications
Brooklyn City College (Pty) Ltd	Cnr Kruger Ave & Voortrekker Street, opposite Wimpy, 2nd Floor, Vereeniging, 1930 (Exam Centre 899998833)	National Certificate Vocational: Management (Level 2) National Certificate Vocational: Marketing (Level 2) National Certificate Vocational: IT Computer Science (Level 2) National Certificate Vocational: Finance, Economics and Accounting (Level 2) National Certificate Vocational: Office Administration (Level 2) National Certificate Vocational: Safety in Society (Level 2) National Certificate: Bookkeeping (Level 4) National Certificate: Small Business Financial Management (Level 4) National Certificate: Business Management (N4, N5 & N6) National Certificate: Public Management (N4, N5 & N6) National Certificate: Tourism (N4, N5 & N6) National Certificate: Human Resources (N4, N5 & N6) National Certificate: Marketing Management (N4, N5 & N6) National Certificate: Legal Secretary (N4, N5 & N6) National Certificate: Medical Secretary (N4, N5 & N6) National Certificate: Financial Management (N4, N5 & N6) National Certificate: Management Assistant (N4, N5 & N6) National Certificate: Public Relations (N4, N5 & N6) National Certificate: Hospitality and Catering (N4, N5 & N6)

Name of College	Site	Qualifications
		National Certificate: Engineering Studies (Level N4, N5 & N6) National Certificate: IT: End- User Computing (Level 3)
College of Production Technology (Pty) Ltd	14 Eighth Avenue, Northmead, Benoni, 1501	National Certificate: Production Technology (Level 2 & 3) National Certificate: Automotive Component Manufacturing and Assembly (Level 2, 3 & 4) National Certificate: Plastic Manufacturing (Level 2) National Certificate: Wholesale & Retail Operations Supervision (Level 4) National Certificate: Power and Telecommunication Cable Manufacturing (Level 2, 3 & 4) National Certificate: Metal and Engineering Manufacturing Processes (Level 2, 3 & 4) National Certificate: Automotive Component Manufacturing and Assembly (Level 2, 3 & 4) FET Certificate: Manufacturing and Assembly Operations Supervision (Level 4) FET Certificate: Manufacturing and Assembly Logistics (Level 4) FET Certificate: Production Technology (Level 4)
Dragon Precision Engineering (Pty) Ltd	217 Loakop Road, Estcourt, 3310	National Certificate: Welding Application and Practice (Level 2 & 3) National Certificate: Mechanical Engineering (Fitting) (Level 2, 3 & 4) National Certificate: Mechanical Engineering (Fitting and Mechanical) (Level 2, 3 & 4) National Certificate: Engineering Fabrication (Level 2 & 3) National Certificate: Engineering Fabrication (Light & Heavy)(Level 4) National Certificate: Electrical Engineering(Level 2, 3 & 4)
Xtensive ICT Academy (Pty) Ltd	First Floor 101, NBS Building Merrimen Avenue 1930, Vereeniging (Vaal Campus)	National Certificate: IT: End-User Computing (Level 3) FET Certificate: IT: Technical Support (Level 4) FET Certificate: IT: System Development (Level 4)
GijimaAst Holdings (Pty) Ltd	Asindo HR Middelburg, Off Hendrina Road, Middelburg, 1055	National Certificate: IT: Technical Support (Level 4) National Certificate: IT: System Development (Level 4) National Certificate: IT :End-User Computing (Level 3)

Name of College	Site	Qualifications
		National Certificate: Metals Production (Level 2) National Certificate: Mechanical Engineering: Machining (Level 2) National Certificate: Mechanical Engineering: Fitting (Level 2) National Certificate: Mechanical Engineering: Machining and Fitting (Level 2) National Certificate: Engineering Fabrication (Level 2) National Certificate: : Mechanical Engineering: Machining (Level 3) National Certificate: Mechanical Engineering: Fitting (Level 3) National Certificate: Mechanical Engineering: Machining and Fitting (Level 3) National Certificate: Engineering fabrication Light or Heavy (Level 3) National Certificate: : Mechanical Engineering: Machining (Level 4) National Certificate: Mechanical Engineering: Fitting (Level 4) National Certificate: Mechanical

Source: Department of Higher Education and Training (2014)

The conclusion can be made that the vocational education system is not adequately represented in Lesedi LM and only some programmes are available in the rest of the district at specific locations. This can be translated into a need for diversification between programme locations.

Based on the presiding assessment, the following recommendations are derived. It is suggested that for where students who wish to access a particular programme that is not available in Lesedi, the possibility for a supplementary program or bursary should exist, which allows for the costs associated with relocating students to institutions offering the relevant programme. This will benefit the vocational education system, because as a result, individual colleges may develop areas of special programmatic expertise, due to the high concentration of demand for the programme. The supply of skills development resources and knowledge can be improved significantly due to economies of scale. Due to the lack of facilities in Lesedi LM, the feasibility of a common Skills Development Residency Centre should be investigated to ensure a higher density of skills development in one location with a higher number of students. The Skills Development Residency Centre can be understood as a government-funded residence for FET College students. Accommodation can be made available for students on a bursary or loan basis, with an added discount structure connected to course-related performance.

Skills transfer and Local Procurement

Since LED constitutes a collaborative effort between local government and the private sector, **skills transfer** must be facilitated in accordance with the National Skills Accord. This Accord was signed by representatives from business, organised labour and civil society. The commitments made through the Skills Accord apply to all LED projects and include the following:

1. Expand the level of training during project implementation by using existing local facilities more fully.
2. Make internship and placement opportunities available during LED project implementation.
3. Set guidelines for training ratios, particularly artisans and other technical vocations.
4. Increase funding levels for LED projects and the use of funds for training.
5. Set annual targets for training in LED programmes where local government plays a key role.
6. Improve SETA governance and financial management as well as stakeholder involvement throughout the LED implementation process.
7. Align training to the New Growth Path and improve Sector Skills Plans.
8. Improve the role and performance of Further Education and Training (FET) Colleges in LED projects.

The National Skills Accord emphasises the need for enhanced workplace training, technical skills development and greater collaboration between government, industry and labour. Local government should uphold these objective throughout the LED implementation process.

All government institutions are required to provide tenders according to the Preferential Procurement Act. In the context of a local economy highly based on manufacturing, trade (especially SMMEs) and tourism, LED must be promoted by linking economic development to **public sector procurement systems**. Lesedi, Sedibeng and Ekurhuleni must become more sensitive to the need for local procurement. The development of a local procurement policy is highly recommended, which contains detailed delineations of the previously disadvantaged status of local businesses and the preferential procurement points that such status would earn. As far as possible, LED projects must encourage the use of local labour and effective local procurement. This is especially so with regards to large catalytic projects such as the National Multi-Product Pipeline.

6.1.5. The ease of doing business in Lesedi

According to the World Economic Forum's (WEF) Global Competitiveness Index, South Africa's overall competitiveness ranking declined from 50 in 2011 to 53 by 2013/14. South Africa does well on measures of the quality of its institutions (41st), including intellectual property protection (18th), property rights (20th), and in the efficiency of the legal framework in challenging and settling disputes (13th and 12th, respectively). The high accountability of its private institutions (2nd) further supports the institutional framework (WEF, 2013/2014).

Closely related to Global Competitiveness is the **ease of doing business**. The World Bank ranked South Africa 41st out of 189 countries during 2013, which also experienced a declining trend. The biggest contributors to the downgrade include the difficulties associated with trading across borders, registering property, enforcing contracts and starting a business. This coincides with a recent survey published by Grant Thornton, which highlights "overregulation and red tape" as currently the biggest constraint to business expansion in South Africa. This is especially relevant to small business.

While many factors that contribute to these trends fall outside the mandate of the Lesedi Local Municipality, it is pertinent that the municipality:

- Develops an Investment Incentive Strategy to encourage new investment and expansion in Lesedi.
- Provides a professional and efficient service in terms of land-use applications, the administration of rates and taxes, engagement with the LED forum on a regular basis and the strategic provision of municipal infrastructure.
- Keeps an up-to-date SMME database for matchmaking purposes (with LED projects and larger companies in Lesedi).
- Invests and develops strategic development areas such as Industrial Development Zones (e.g. for Agro-Processing firms) that can significantly contribute to the ease of establishing and operating a business in Lesedi.
- Identifies and reduces business bottle-neck issues in the form of by-laws and other regulations.
- Aligns the Spatial Development Framework with the LED Strategy and thereby ensures that serviced business and industrial stands are available to potential investors.
- Increases the budget and institutional support for the LED Department to implement and monitor projects.

6.2. Project Portfolio

The LED Framework (Section 5) presented potential projects and interventions for each identified economic opportunity in the Lesedi LM. The project portfolio reconciles these interventions, in order to enable the identification of priority projects.

TABLE 27: PROJECT PORTFOLIO

	#	Project Name	Project Description
AGRICULTURE AND AGRO-PROCESSING	1	<i>Fresh Produce Market</i>	Investigate development of a Fresh Produce Market and collection depot for agricultural outputs through the compilation of a feasibility study.
	2	<i>Agro-Processing Facility</i>	Assess the viability of developing an agro-processing facility linked to the proposed fresh produce market. This facility should act as an incubator for small-scale agro-processors, providing access to facilities, markets, inputs and skills training.
	3	<i>Partnership with Big Business: Spin-Off Opportunities</i>	Identify value-chain and spin-off opportunities through consultation with agriculture businesses, such as Karan Beef and British American Tobacco (BAT). Provide information on these opportunities to local co-operatives and entrepreneurs and link them to available support services. This project should also encourage skills transfer, improve business management and provide market access.
	4	<i>Local Procurement</i>	Encourage commercial farmers to procure inputs and services from emerging local suppliers by emphasising the potential for lower costs and BEE benefits. This project could be tested with the Moo!!Nure Company, which is unable to secure the demand required for production and employment expansion.
	5	<i>Implement the Langzeekoegat Precinct Plan</i>	Conduct the necessary feasibility studies and attract funding and support for implementation of the Langzeekoegat Precinct Plan. This includes the development of an agri-village, establishment of skills training and youth development facilities and the provision of project management and support.
	6	<i>Move Forward with the Vegetable Tannery</i>	Address the outcomes of the Vegetable Tannery Feasibility Study and Proposal including the development of a detailed Business Plan, identification of funding sources and assessing the potential for a leather goods incubator.
	7	<i>Develop Community Gardens and Cooperative Farms</i>	Develop community gardens and cooperative farms in Ratanda, Impumelelo, KwaZenzele and other areas. This involves setting aside underutilised land, appointing an experienced project manager, identifying beneficiaries and providing some form of financial support.
	8	<i>Facilitate Land Reform</i>	Facilitate effective land reform by provide information and support to applicants; acquiring land to create a municipal commonage; and linking land reform applicants and recipients to the LRAD and CASP programmes.
	9	<i>Small-Scale Farmers: Niche Agriculture Production (small-scale farmers)</i>	Encourage small-scale farmers to engage in the production of niche products and/or production practices. This can be achieved by disseminating information through the proposed distribution network; linking farmers to support mechanisms and assisting with establishing supply contracts.
	10	<i>Export Support</i>	Assist producers with meeting export/processing standards and regulations by linking them to export advice organisations and the relevant export council.
	11	<i>Export Training</i>	Link existing and potential exporters to the Global Export Passport Initiative, which constitutes the training component of the dti National Exporter Development Programme (NEDP). This initiative is designed to assist producers with entering new export markets. The initiative may be particularly relevant in ensuring the sustainability of the Langzeekoegat Precinct agri-village.
	12	<i>Facilitate Implementation of the CRDP in Impumelelo</i>	Engage with CRDP coordinators and the Department of Rural Development and Land Reform (DLA) to assess the progress made thus far in the Impumelelo CRDP project and develop a blueprint for moving forward with further implementation. This blueprint should identify specific interventions, partners and funding sources, while also seeking commitment from the CRDP and the DLA.
	13	<i>Vouchers for the Purchase of Agricultural Inputs</i>	Introduce a voucher system in collaboration with a microfinance institution or other relevant organisation for the purchase of agricultural inputs. This system could be linked to land beneficiaries, training programmes and other support mechanisms.
	14	<i>Farmer Training</i>	Design training modules for local small-scale farmers in collaboration with established organisations and training institutions. Potential partners include:

	#	Project Name	Project Description
SMALL BUSINESS AND RETAIL	15	<i>Allocate Areas for Rural SMMEs</i>	Allocate specific areas for rural SMMEs to operate and provide the necessary supporting infrastructure and services. This intervention is only viable however if it incorporates local small business owners and entrepreneurs from the onset.
	16	<i>Develop Rural Business Plans</i>	Prepare rural business plans in order to encourage business and industrial development. These plans should identify valid economic opportunities, potential partners and investors, and potential spin-off opportunities.
	17	<i>Provide Rural Investment Incentives</i>	Design incentive packages to attract SMMEs to the Devon/Impumelelo area and other rural communities. These incentives might include discounts on municipal services, access to municipal owned land, training support for local staff and assistance with business planning, EIA applications and other legislative requirements.
	18	<i>Support Existing Retailers</i>	Provide support to existing retailers in order to mitigate the potential negative impact of the Heidelberg Mall on established businesses. This can be achieved by disseminating information on small business opportunities and support and encouraging retailers to adopt customer friendly practices such as longer business hours, provision of credit facilities and specialisation in certain products or markets.
	19	<i>Develop Formal Trading Stalls</i>	Develop formal trading stalls near the Heidelberg Mall that will cater to informal retailers. This will improve the income capacity of informal retailers while also enabling a focus on formal and tourism business development in the Heidelberg CBD.
	20	<i>Attract Corporate Social Investment</i>	Collaborate with major retailers on their Corporate Social Investment (CSI) strategy to ensure that they target local community and business development. This is especially relevant for new retailers entering the Heidelberg Mall.
	21	<i>Audit the Cost of Doing Business</i>	Conduct an audit of the costs to business and the barriers associated with business establishment, and undertake interventions including simplifying registration and licensing procedures; offering affordable and differentiated trade licensing fees and municipal rates; use of new technologies; collective registration of business; and reviewing and repealing outdated legislation.
	22	<i>Identify Potential Storefront Vacancies</i>	Consult with existing Heidelberg and Ratanda retailers to determine which are planning to relocate to the Heidelberg Mall and identify those buildings will be left vacant and are available for rent. This information should be utilised to determine the need for business development, inform the Heidelberg revitalisation strategy, and collaborate with landlords regarding revitalisation of vacant buildings.
	23	<i>Update and Implement the CBD Development Plan</i>	Update and implement a CBD Development Plan that will guide improvements and business attraction to the area over the next twenty to thirty years. This Plan should provide a vision for the Heidelberg CBD; infrastructure and service delivery improvements plan; marketing strategy; develop a profile of the 'ideal tenant mix'; and identify beautification and other aesthetic interventions.
	24	<i>Formulate an Entrepreneurship Strategy</i>	Formulate an Entrepreneurship Strategy that identifies specific challenges and opportunities in the local economy. This Strategy should be readily implementable and therefore include a detailed action plan, list of identified entrepreneurs and potential partners and funding sources.
	25	<i>Partner in Entrepreneur Support</i>	Partner with local stakeholders including the private sector and Sedibeng College in the delivery of entrepreneurial support. Initially this should involve partnership in execution of the SMME Help Desk, with the municipality providing strategic and financial support.
	26	<i>Attract Micro-Lending, Micro-Franchise and Finance Agencies</i>	Identify micro-lending and micro-franchise organisations whose objectives align to those of the Lesedi LM and encourage them to launch an initiative in Ratanda. Potential organisations include Micro-Finance South Africa (MFSA), Members of the Association of Pro-Poor Micro-Finance (AMFISA), African Social Entrepreneurs Network: Micro-franchise Accelerator, and The Township Project. The Lesedi LM can also provide these agencies/banks with a low cost site, free basic services and other support.
	27	<i>One-Stop Shop</i>	Introduce a one-stop-shop in Ratanda and create a mobile/temporary unit for other informal areas. This shop should offer all registration and trade licensing services and provide information about available support (including funding support).

	#	Project Name	Project Description
URBAN AND TOWNSHIP REVITALISATION	28	<i>Improve Community Linkages</i>	Improve transport accessibility and linkages between Heidelberg and Ratanda, and between Heidelberg and rural communities. This may involve investment in improving taxi ranks, establishment of a regular bus shuttle, and implementation of recommended road and corridor projects aimed at linking the two settlements.
	29	<i>Encourage Increased Chamber Presence</i>	Encourage the Heidelberg Business Chamber of Business to increase its presence in Ratanda. This can be achieved by hosting a Chamber meeting and/or information session in Ratanda and through partnership with the Ratanda Business Chamber and other organisations. The Chamber should also be encouraged to offer discounted membership rates for township businesses in an effort to enhance 'transformation' of the Chamber.
	30	<i>Infill Development</i>	Facilitate infill development between Heidelberg and Ratanda according to existing spatial and corridor development plans. This development should aim to provide employment opportunities between the two communities and might include the creation of agriculture projects, industrial parks and office space. It is also necessary to understand current development patterns and plans in this area.
	31	<i>Business Support Centre</i>	Develop a local business support centre in Heidelberg and/or Ratanda. This centre should offer a range of information, support and services including business registration, tax advice, business plan development, finance information and access to internet, computer and printing facilities. Although similar to the proposed one-stop shop this business centre will be more comprehensive in its services, with less focus on business registration.
	32	<i>Access to Communications</i>	Increase access to communications technology such as computers and the internet. This technology could be provided at a low cost at the business support centre or other community facility. There is also an opportunity to provide computer skills courses and assistance with business related research.
	33	<i>Establish a Revitalisation Fund</i>	Establish a revitalisation fund to finance the CBD improvement project. Possible sources of funding include tax revenue from the Heidelberg Mall and business owners, government grants and donations from businesses and community members.
	34	<i>Update and Implement the Ratanda Town Centre Development Plan</i>	Update and implement the Ratanda Town Centre Development Plan and implementation strategy in collaboration with other municipal departments, Ratanda business owners and community members. This plan should expand on the recommendations presented by WorleyParsons and address other development requirements.
	35	<i>Employment Centre and/or Business Incubator</i>	Develop an employment centre and/or business incubator north of the Ratanda sports stadium to provide information on employment opportunities and facilitate the establishment and development of new business.
	36	<i>Skills Development Centre</i>	Establish a Skills Development Centre offering Adult Basic Education and Training (ABET), Further Education and Training (FET) courses and identified vocational short-courses in order to address youth unemployment and skills shortages in the local economy. There is an opportunity to develop this facility in partnership with Sedibeng College.
	37	<i>Establish a Retail Centre in Ratanda</i>	Establish a Retail Centre on Heidelberg Road in the proposed Ratanda town centre. This centre should include an extension of the existing commercial node to accommodate a neighbourhood supermarket, convenience stores, pharmacy, small clothing stores, restaurants and take-aways. This process will encourage business development in Ratanda, reduce economic leakages and improve the flow of consumers throughout the township.
	38	<i>Upgrade the Taxi Rank in Ratanda</i>	Upgrade the taxi rank on Heidelberg Road, providing safe and secure facilities, shaded seating and auto services. The taxi rank should be linked to the proposed commercial centre, but be organised in such a way that it does not impede business development in the area.
	39	<i>Business Formalisation in the Ratanda Town Centre</i>	Encourage the formalisation of new business in the town centre in order to improve safety and security and create a new source of tax revenue. This can be achieved by delivering infrastructure and services; offering affordable registration rates, streamlining the process and providing disincentives for non-registration.

	#	Project Name	Project Description
TOURISM DEVELOPMENT	40	<i>Tourism Marketing Strategy</i>	Develop a Lesedi Tourism Marketing Strategy including a regional brand, profile of tourism offerings and markets, development strategies and a partnership, funding and implementation model.
	41	<i>Tourism Website</i>	Create a tourism website highlighting offerings in the Lesedi LM and/or place more local information on the existing Gauteng and Sedibeng tourism website. Note however that this information should be packaged as 'Heidelberg and region', as most tourists are unaware of municipal names and demarcations.
	42	<i>Improve the Information Office</i>	Improve the tourism information office by continuing upgrades of the A.G. Visser House, including improvements to the art gallery. The tourism information office should provide information on all local attractions and maps of the area.
	43	<i>Marketing Campaign</i>	Undertake a marketing/advertising campaign targeting visitors from Gauteng urban areas and international visitors arriving at the O.R. Tambo International Airport.
	44	<i>Road Signage</i>	Develop signage along major routes in Gauteng and along the roads leading to Heidelberg. This signage should highlight the area as a tourism destination, pointing visitors in the direction of the Heidelberg CBD and the Suikerbosrand Nature Reserve.
	45	<i>New Entrance to Suikerbosrand</i>	Develop a new entrance into the Suikerbosrand Nature Reserve along the R42 in order to increase accessibility to the park and to improve linkages between the park and the Heidelberg CBD.
	46	<i>Market the Nature Reserves</i>	Market the nature reserves at the upgraded information office. Additionally, other tourism activities and attractions in the region can be promoted by marketing them at accommodation and other facilities within the reserves.
	47	<i>Uplift the Nature Reserves</i>	Uplift the nature reserves through investment in signage, infrastructure and the trail system. The division of resources between the reserves must take into account the much larger size and tourism impact of the Suikerbosrand Nature Reserve, as well as the greater need of the Alice Glockner Nature Reserve.
	48	<i>Expand the Alice Glockner Reserve</i>	Engage with land owners surrounding the Alice Glockner Nature Reserve in order to negotiate for the creation of a protected biosphere. This will enhance the viability of the reserve as a tourism destination while also offering greater environmental protection.
	49	<i>Host an Adventure Race</i>	Engage with athletics organisations to host an adventure race in the Suikerbosrand Nature Reserve. Possible activities include trail running, mountain biking, orienteering or a combination of the three. This race should be designed to attract competitors and their families to the reserve as well as to the Heidelberg CBD and other attractions.
	50	<i>Portfolio of Heritage and Township Tourism Sites</i>	Compile a portfolio of heritage and township tourism sites and identify the development needs associated with each. This portfolio should then be utilised to attract funding from culture and heritage departments and groups to finance renovations and upgrades.
	51	<i>Heritage Walking Route</i>	Establish a heritage tourism walking route linking the historic buildings in and around the Heidelberg CBD. The route should be clearly demarcated (i.e.: permanent 'footsteps' on the sidewalk along the route). Each heritage site should be identified by a placard/sign describing the significance of the building.
	52	<i>Integrate Heritage Tourism with the CBD Upgrade</i>	Integrate heritage tourism into the Heidelberg CBD upgrade by identifying and uplifting architecturally and historically significant sites. Linking these two projects may also enable greater funding attraction from culture and heritage groups.
	53	<i>Revitalise the Transport Museum</i>	Revitalise the Transport Museum become one of the cornerstones of the Heidelberg tourism industry. This involves partnering with the museum owner, provision of financial support and other incentives for operations, and marketing at the information centre and on the proposed website.
	54	<i>Host an Annual Event or Festival</i>	Develop an annual festival or event, designed to attract a greater number of visitors to Heidelberg and to increase the regions visibility as a tourism destination.
	55	<i>Develop the R42 Tourism Corridor</i>	Develop the R42 Tourism Corridor through the implementation of recommendations made in the Lesedi Corridor Precinct Plan.
	56	<i>Tourism Packages</i>	Develop tourism packages as a means of broadening the tourism market. These packages will group well known and lesser known attractions. They should be developed in collaboration with local tourism operators and accommodation owners, marketed on the proposed website and at the information office and targeted towards the domestic and international tourism markets.

	#	Project Name	Project Description
TRANSPORT AND LOGISTICS	57	<i>Investment in Jameson Park</i>	Encourage increased transport, storage and logistics investment in Jameson Park through the further development of enabling infrastructure and services. This development could lead to the establishment of a fully an integrated liquid transport and storage hub.
	58	<i>Advocate for Establishment of an SEZ</i>	Investigate the potential for establishing a Special Economic Zone (SEZ) in the Jameson Park area, or in the region around the proposed Tambo Springs Inland Port. By demarcating the area as an SEZ, the Lesedi LM will be able to attract significant infrastructure investment and support from Treasury, and private sector investment from key transport, logistics and storage companies.
	59	<i>Identify Transnet Related Business Opportunities</i>	Identify business opportunities relating to the Transnet Bulk Liquid Terminal and the Vopak facility (i.e.: strategic storage facilities) and determine which opportunities will have the greatest impact in terms of local economic development. Although it is recommended that such opportunities are driven and financed by the private sector, the Lesedi LM may play an important role as project facilitators.
	60	<i>Attract Corporate Social Investment from Transnet</i>	Attract Corporate Social Investment (CSI) from Transnet Pipelines. This investment would be linked to their operations at Jameson Park and may be used to fund LED and social development projects in the Lesedi LM. There may also be an opportunity for the Lesedi LM to leverage greater investment through the development of project partnerships.
	61	<i>Provide Logistics Support</i>	Provide logistics support to facilitate the trade, export and transport of locally manufactured goods. This support could be delivered in a variety of forms including the development of storage facilities, creation of a low-cost shipping system, providing information on transport/shipping methods and assisting business owners with transport management.
	62	<i>Identify Opportunities near the Inland Port</i>	Identify and facilitate development opportunities in areas adjacent to the Tambo Springs Inland Port, particularly south of the port within the Lesedi LM. These opportunities may include the development of an industrial park, by providing infrastructure, facilities and services, establishment of strategic storage facilities, the creation of just-in-time manufacturing facilities and support for the production of niche and specialty agriculture products.
	63	<i>Assess Trucking Related Projects</i>	Undertake feasibility assessments for projects designed to increase the benefits from trucking including a serviced truck stop, petrol station and/or road freight facilities.
	64	<i>Address the Impact of Trucking on Roads</i>	Conduct an assessment of the impact of trucking on the regional road network and identify potential mechanisms for reducing road damage. This study should be conducted in collaboration with the Gauteng Department of Roads and Transport.
	65	<i>Transport Corridors</i>	Develop identified transport corridors by implementing recommendations made in the Corridor Precinct Plan. These recommendations include preserving the Heidelberg CBD, developing the 'zone of opportunity', accommodating medium intensity developments, investing in infrastructure and creating a new entrance to the Suikerbosrand Nature Reserve.
	66	<i>Relocate the Heidelberg Bus Depot</i>	Conduct a feasibility study for the relocation of the Heidelberg Bus Depot into the Heidelberg economic area. This relocation should be accompanied by the development of retail and other related services.
	67	<i>Transport Shuttles</i>	Investigate the opportunity to develop transport shuttles between the O.R. Tambo International Airport and the Heidelberg CBD. These shuttles should be developed in collaboration with local tourism operators. They should also be offered in conjunction with one-day and two-day tourism packages involving local attractions, township tourism and the proposed Heidelberg CBD historic walking route.

6.3. Prioritisation Model

Projects identified in the LED Strategic Framework are evaluated using a prioritisation model (Table 28). The model evaluates the projects' potential according to the following three primary indicators:

1. Promotion of local economic growth and development.
2. Impact on local livelihoods.
3. Feasibility and urgency of the project.

The prioritisation model was developed specifically for the Lesedi LED Strategy. Therefore, each indicator in the model and its weighted importance reflects the objectives of the strategy and the specific needs and priorities of the region.

TABLE 28: PROJECT PRIORITISATION MODEL

Assessment Criteria	Overall Rating	Indicator	Rating
1. Promotion of Economic Growth and Development	30%	i. To what extent will the project encourage economic diversification through value-addition and the development of new industries?	35%
		ii. To what extent will the project either directly or indirectly promote the development of local small businesses?	35%
		iii. To what extent will the project catalyse investment in infrastructure and the local economy?	30%
2. Impact on Local Livelihoods	30%	i. What is the potential for meaningful job creation as a result of the project's implementation and/or operations?	45%
		ii. Does the project support the objectives of black economic empowerment, transformation and/or rural development?	25%
		iii. Will the project provide or encourage education and/or skills development?	20%
		iv. Does the project facilitate greater social cohesion within and between local communities?	10%
3. Feasibility of the Project	40%	i. What is the overall cost-effectiveness of the project?	35%
		ii. To what extent is it possible to attract funding for the project either from public or private sources?	30%
		iii. What is the urgency of the project in terms of the need to address pressing challenges or take advantage of potentially fleeting opportunities?	
		iv. Can the project be managed locally, either by the local government, business owners or the community?	35%

The 67 projects presented in the project portfolio were evaluated using the prioritisation model. Each project was given a score from 1 to 5 for every indicator, with 1 implying that the project will in no way

achieve or address the stated objective/indicator and 5 indicating that the project has the potential to fully satisfy the objective/indicator. The outcome of this exercise allowed for the ranking of LED projects.

6.4. Priority Projects

The evaluation of identified LED projects according to the prioritisation model allowed for the identification of 15 priority projects, ranked according to their total score (Table 29). It is recommended that the Lesedi LM places emphasis on the implementation of these 15 projects in collaboration with the Lesedi LED Unit.

The Lesedi LED Unit is also advised, however, to review the projects not prioritised for implementation and identify any interventions, which may be closely aligned to municipal priorities. Moreover, as new projects and interventions are identified, they may be subjected to the prioritisation model and integrated into the development plan as required.

TABLE 29: PRIORITY LED PROJECTS

Rank	Project Number	Project Overview
1	23	Update and implement the Heidelberg CBD Development Plan in order to promote business development, boost tourism and address the potentially adverse impact of the Heidelberg Mall.
2	34	Update and implement the Ratanda Town Centre Development Plan , which includes the establishment of a shopping centre, community facilities and transport interventions for the purpose of facilitating economic growth.
3	5	Implement the Langzeekoegat Precinct Plan , including the agri-village, skills training and youth development facilities and the provision of project management and support.
4	57	Invest in developing Jameson Park into a fully integrated liquid transport and storage hub through a feasibility study and infrastructure investment.
5	45	Establish a new entrance to the Suikerbosrand Nature Reserve along the R42 in order to link the reserve to the Heidelberg tourism industry.
6	35	Develop an employment centre and/or business incubator in the Ratanda Town Centre to support local entrepreneurs and business formalisation (including SMME funding support).
7	30	Facilitate infill development between Heidelberg and Ratanda in an economically effective and sustainable manner through infrastructure investment and collaboration with property developers and industry.
8	25	Partner with the Heidelberg Business Chamber, Sedibeng College, Karan Beef, British American Tobacco and others in the expansion of their entrepreneurial support programmes .
9	62	Identify and address economic opportunities relating to the Tambo Springs Inland Port through feasibility assessments, infrastructure development and investment attraction.
10	64	Implement the R42 Tourism Corridor by undertaking interventions identified in the Lesedi Corridor Precinct Plan.
11	41	Create a tourism website to market the area and increase the visibility of local attractions and sites on existing tourism websites.
12	12	Facilitate further implementation of the CRDP in Impumelelo through interventions targeted as business development, cooperative support and access to finance.
13	54	Plan and host an annual event or festival in Heidelberg.
14	19	Develop formal trading stalls near the Heidelberg Mall in order to support informal traders and advance the revitalisation of the Heidelberg CBD.
15	7	Develop community gardens in Heidelberg and Ratanda and cooperative farms in Devon, Impumelelo and Kwazenzele.

6.5. Estimated Budget Allocation

The estimated budget for a project is provided to assist in determining what projects to implement and when. The budgets will also aid in the allocation of resources across the region. Development of more accurate budgets will occur during the project planning and feasibility study phase.

The budget allocations for each priority project is presented in Table 30 and is based on the estimated cost of the key actions and activities required for implementation. Budget estimates are provided in a range to reflect anticipated cost variance as a result of the project design, size & scope, and procurement choices.

TABLE 30: ALLOCATED BUDGET

Project	Budget Items	Range		Total
		Low	High	
1. Update and implement the Heidelberg CBD Development Plan	i) Update Heidelberg CBD Development Strategy	R200 000	R550 000	R120.5 million – R170.9 million
	ii) Heidelberg CBD Development feasibility study	R130 000	R180 000	
	iii) Community engagement	R120 000	R150 000	
	iv) Infrastructure upgrades	R100 million	R140 million	
	v) Upgrading existing facilities	R20 million	R30 million	
2. Update and implement the Ratanda Town Centre Development Plan	i) Update Ratanda Town Development Strategy	R280 000	R620 000	R100.5 million – R126.9 million
	ii) Ratanda Town Development feasibility study	R150 000	R200 000	
	iii) Community engagement	R145 000	R180 000	
	iv) Infrastructure upgrades	R65 million	R85 million	
	v) Upgrading existing facilities	R35 million	R40 million	
3. Implement the Langzeekoegat Precinct Plan	i) Langzeekoegat feasibility study	R110 000	140 000	R 350 000 – R430 000 (Plan & facilitate)
	ii) Supply assessment and producer engagement	R80 000	R100 000	
	iii) Agri-village supply chain development	R60 000	R70 000	
	iv) Marketing and investor attraction	R100 000	R120 000	
	v) Village construction (open air)	R1.6 million	R3 million	R2.2 million – R3.8 million
	vi) Construction of ablution blocks	R180 000	R230 000	

Project	Budget Items	Range		Total
		Low	High	
	vii) Skills/training development	R250 000	R320 000	(Implement)
	viii) Maintenance & upkeep (annual)	R220 000	R280 000	
4. Invest in developing Jameson Park (fully integrated transport and storage hub)	i) Compile a Jameson Park development strategy	R450 000	R 580 000	R 840 000 – R 1.4 million
	ii) Conduct transport & storage hub feasibility study	R125 000	R200 000	
	iii) Transport, storage & logistics investment attraction	R95 000	R145 000	
	iv) Develop local implementation plan	R170 000	R230 000	
5. Establish a new entrance to the Suikerbosrand Nature Reserve	i) Suikerbosrand Nature Reserve Entrance feasibility study	R65 000	R95 000	R1.5 million – R2.2 million
	ii) Community engagement	R90 000	R110 000	
	iii) Entrance construction	R1.3 million	R2 million	
	iv) Maintenance (annual)	R50 000	R75 000	
6. Develop an employment centre and/or business incubator	i) Employment Centre & Business Incubator feasibility study	R 345 000	R450 000	R 4.2 million – R6.3 million
	ii) Identify ideal location/sites	R20 000	R30 000	
	iii) Marketing and investor attraction	R100 000	R135 000	
	iv) Centre construction	R3.2 million	R 4.8 million	
	v) Skills/training support	R325 000	R420 000	
	vi) Maintenance & upkeep (annual)	R275 000	R500 000	
7. Facilitate infill development between Heidelberg and Ratanda	i) Conduct Heidelberg/Ratanda infill development study	R250 000	R300 000	R685 000 – R790 000
	ii) Conduct development plan & implementation plan	R 350 000	R380 000	
	iii) Marketing and investor attraction	R85 000	R110 000	
8. Partner to expand existing entrepreneur	i) Compile Entrepreneur development strategy	R60 000	R 100 000	R380 000 – R510 000
	ii) Marketing and investor attraction	R50 000	R80 000	

Project	Budget Items	Range		Total
		Low	High	
development programmes	iii) Conduct catalytic programme study	R120 000	R130 000	
	iv) Skills/training support	R 150 000	R200 000	
9. Identify and address economic opportunities around the Tambo Springs Inland Port	i) Conduct Tambo Springs feasibility study	R45 000	R80 000	R420 000 – R535 000
	ii) Tambo Springs economic and potential assessment	R135 000	R180 00	
	iii) Identify ideal location/sites	R20 000	R25 000	
	iv) Compile intervention strategy & implementation plan	R 220 000	R250 000	
10. Implement the R42 Tourism Corridor	i) R42 Tourism Corridor feasibility study	R450 000	R680 000	R201 million – R 331 million
	ii) Conduct impact assessment	R150 000	R200 000	
	iii) Develop a Tourism Corridor Strategy Plan	R280 000	R270 000	
	iv) Marketing and investor attraction	R200 000	R220 000	
	vi) Infrastructure Construction	R200 million	R330 million	
11. Create a tourism website	i) Tourism website feasibility study	R110 000	R125 000	R440 000 – R530 000
	ii) Develop Local Tourism Plan	R80 000	R105 000	
	iii) ICT equipment upgrades	R200 000	R220 000	
	iv) Continuous Online Tourism Marketing and system maintenance (annual)	R50 000	R80 000	
12. Facilitate implementation of the CRDP in Impumelelo	i) Conduct CRDP in Impumelelo development study	R250 000	R300 000	R610 000 – R750 000
	ii) Conduct development blueprint	R 275 000	R340 000	
	iii) Marketing and investor attraction	R85 000	R110 000	
13. Host an annual event or festival in Heidelberg	i) Determine visitor numbers to the event	R40 000	R60 000	R440 000 – R 1.1 million
	ii) Entertainment planning	R60 000	R80 000	
	iii) Booking costs (depends on the duration of the event)	R320 000	R960 000	
14. Develop formal trading stalls at the Heidelberg Mall	i) Trading Stalls in Heidelberg feasibility study	R180 000	R190 000	R7.4 million – R 15.5 million
	ii) Supply assessment and producer engagement	R80 000	R100 000	
	iii) Develop supply chains	R60 000	R70 000	
	iv) Identify ideal location/site	R20 000	R30 000	
	v) Marketing and investor attraction	R100 000	R120 000	

Project	Budget Items	Range		Total
		Low	High	
	vi) Trading Centre construction	R7 million	R15 million	
15. Establish community gardens and cooperative farms	i) Community gardens and cooperative farms feasibility study	R100 000	R135 000	R3.3 million – R 5 million
	ii) Supply assessment and producer engagement	R60 000	R115 000	
	iii) Develop supply chains	R60 000	R70 000	
	iv) Identify ideal location/site	R20 000	R30 000	
	v) Marketing and investor attraction	R100 000	R120 000	
	vi) Gardens & farms construction (open-air)	R3 million	R4.6 million	

6.6. Potential Partners and Funding Sources

The implementation of LED projects is most effectively undertaken by a well-resourced team of partners, committed to achieving a common goal. Table 31 provides a preliminary list of project partners and potential funding sources, which may facilitate the implementation of the 15 priority projects put forth in this strategy. Note however that this list is not exhaustive and should be expanded in the project scoping phase.

TABLE 31: POTENTIAL PARTNERS AND FUNDING SOURCES

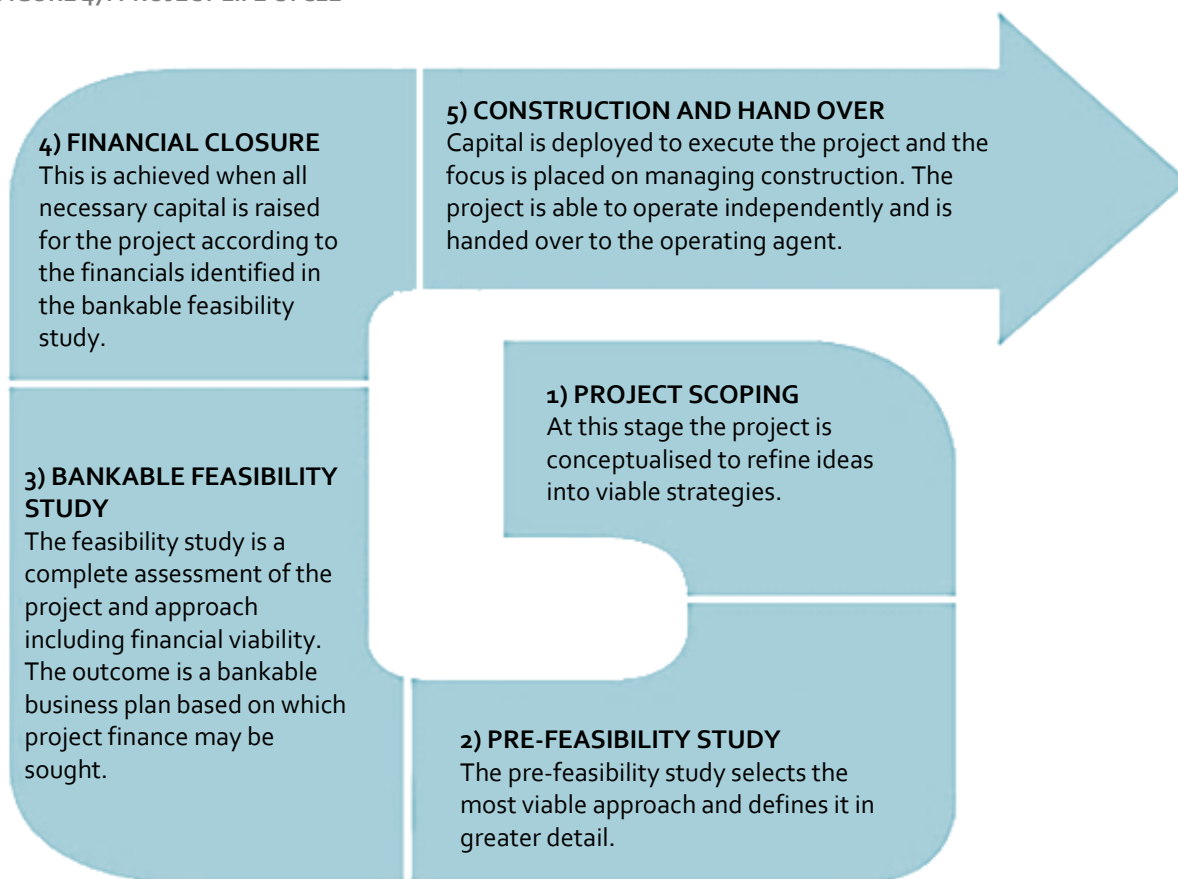
Project	Partners	Funding Sources
1. Update and implement the Heidelberg CBD Development Plan	<ul style="list-style-type: none"> • Lesedi LED Forum • Lesedi Local Municipality • Real estate and business owners • Heidelberg Chamber of Business • South African Cities Network • Urban Landmark • South African National Heritage Council • Provincial Departments 	<ul style="list-style-type: none"> • Municipal Infrastructure Grant • Lesedi Local Municipality • National Heritage Council • South African National Heritage Trust • National Lottery Fund • Real estate and business owners • Community donations
2. Update and implement the Ratanda Town Centre Development Plan	<ul style="list-style-type: none"> • Lesedi LED Forum • Lesedi Local Municipality • Real estate and business owners • Ratanda Business Chamber • Gauteng Enterprise Propeller • South African Cities Network • Urban Landmark • Provincial Departments 	<ul style="list-style-type: none"> • Lesedi Local Municipality • Municipal Infrastructure Grant • Lesedi Local Municipality • Private developers • PIC African Infrastructure Fund • Provincial Departments
3. Implement the Langzeekoegat Precinct Plan	<ul style="list-style-type: none"> • Lesedi LED Forum • Lesedi Local Municipality • Community members • Isimakhathhe Women's Group • Local Agri Industry (Karan Beef, Eskort, British American Tobacco) • Local commercial farmers • National and Provincial Departments 	<ul style="list-style-type: none"> • Lesedi Local Municipality • Comprehensive Agriculture Support Programme • Agri SA • Local Agri Industry (Karan Beef, Eskort, British American Tobacco) • Pick n Pay Foundation • Thuso Fund • National and Provincial Departments
4. Invest in developing Jameson Park (fully integrated transport and storage hub)	<ul style="list-style-type: none"> • Lesedi LED Forum • Lesedi Local Municipality • Transnet Pipelines • Vopak • Private industry • Provincial Departments 	<ul style="list-style-type: none"> • Lesedi Local Municipality • Municipal Infrastructure Fund • Transnet Pipelines • Vopak • Industrial Development Corporation (IDC) • Department of Trade and Industry (dti) • Private industry/investors • Provincial Departments
5. Establish a new entrance to the Suikerbosrand Nature Reserve	<ul style="list-style-type: none"> • Lesedi LED Forum • Lesedi Local Municipality • Provincial Departments (GDAR) 	<ul style="list-style-type: none"> • Lesedi Local Municipality • Provincial Departments (GDAR)
6. Develop an employment centre and/or business incubator	<ul style="list-style-type: none"> • Lesedi LED Forum • Lesedi Local Municipality • Sedibeng College • Heidelberg Chamber of Business • Ratanda Business Chamber • Raizcorp • Local industry • Training and support institutions • Provincial Departments 	<ul style="list-style-type: none"> • Lesedi Local Municipality • Local industry • Incubation Support Programme (dti) • Pick n Pay Foundation • Other corporate sponsors • Department of Labour • Provincial Departments

Project	Partners	Funding Sources
7. Facilitate infill development between Heidelberg and Ratanda	<ul style="list-style-type: none"> • Lesedi LED Forum • Lesedi Local Municipality • Property developers/investors • Existing industry/business owners • Provincial Departments 	<ul style="list-style-type: none"> • Lesedi Local Municipality • Municipal Infrastructure Grant • Industrial Development Corporation (IDC) • Department of Trade and Industry (dti) • Property developers/investors • Provincial departments
8. Partner to expand existing entrepreneur development programmes	<ul style="list-style-type: none"> • Lesedi LED Forum • Lesedi Local Municipality • Sedibeng College • British American Tobacco • Heidelberg Chamber of Business • Training & business support institutions • Provincial Departments 	<ul style="list-style-type: none"> • Lesedi Local Municipality • British American Tobacco • Gauteng Enterprise Propeller • Pick n Pay Foundation • Other corporate sponsors • Provincial Departments
9. Identify and address economic opportunities around the Tambo Springs Inland Port	<ul style="list-style-type: none"> • Lesedi LED Forum • Lesedi Local Municipality • Ekurhuleni Metro • Tambo Springs Development Company • Private developers/investors • Local/regional industry • National and Provincial Departments 	<ul style="list-style-type: none"> • Lesedi Local Municipality • Municipal Infrastructure Grant • Private developers/investors • Industrial Development Corporation (IDC) • Department of Trade and Industry (dti) • Provincial Departments
10. Implement the R42 Tourism Corridor	<ul style="list-style-type: none"> • Lesedi LED Forum • Lesedi Local Municipality • Heidelberg Chamber of Business • WorleyParsons • Gauteng Tourism Authority • Local business owners • Provincial Departments 	<ul style="list-style-type: none"> • Lesedi Local Municipality • Municipal Infrastructure Grant • Private developers/investors • Industrial Development Corporation (IDC) • Department of Trade and Industry (dti) • Provincial Departments
11. Create a tourism website	<ul style="list-style-type: none"> • Lesedi LED Forum • Lesedi Local Municipality • Sedibeng District Government • Gauteng Tourism Authority • Tourism operators and business owners 	<ul style="list-style-type: none"> • Lesedi Local Municipality • Local tourism operators and business owners • Provincial Departments
12. Facilitate implementation of the CRDP in Impumelelo	<ul style="list-style-type: none"> • Lesedi LED Forum • Lesedi Local Municipality • Local business owners • Community members • Local Agri Industry • Local commercial farmers • National and Provincial Departments 	<ul style="list-style-type: none"> • Lesedi Local Municipality • Comp. Agriculture Support Programme • Agri SA • Local Agri Industry • Pick n Pay Foundation • Thuso Fund • National and Provincial Departments
13. Host an annual event or festival in Heidelberg	<ul style="list-style-type: none"> • Lesedi LED Forum • Lesedi Local Municipality • Tourism operators and business owners 	<ul style="list-style-type: none"> • Lesedi Local Municipality • Tourism operators and business owners • National Lottery Fund
14. Develop formal trading stalls at the Heidelberg Mall	<ul style="list-style-type: none"> • Lesedi LED Forum • Lesedi Local Municipality • South African Informal Traders Forum • Heidelberg Mall developers • Provincial Departments 	<ul style="list-style-type: none"> • Lesedi Local Municipality • Heidelberg Mall developers • Support from established Heidelberg CBD businesses • Provincial Departments
15. Establish community gardens and cooperative farms	<ul style="list-style-type: none"> • Lesedi LED Forum • Lesedi Local Municipality • Community members • Local Agri Industry (Karan Beef, Eskort, British American Tobacco) • Local commercial farmers • Provincial Departments 	<ul style="list-style-type: none"> • Lesedi Local Municipality • Comp. Agriculture Support Programme • Agri SA • Local Agri Industry (Karan Beef, Eskort, British American Tobacco) • Pick n Pay Foundation • Other corporate sponsors • Provincial Departments

6.7. Project Life-Cycle

The project life-cycle refers to the five stages that a project should ideally pass through in order to ensure effective implementation. It is derived from the National Empowerment Fund (NEF) Annual Report (2012) and adapted to align with the current strategy (Figure 47).

FIGURE 47: PROJECT LIFE CYCLE



Phase 1- Project Scoping: Investment is made in the development of project ideas and options are identified for making the project economically and technically feasible.

Phase 2- Pre-Feasibility Study: The pre-feasibility study assesses the approaches identified in the scoping phase, identifying fatal flaws and reducing the project to a single concept. This concept is then developed in more detail to verify and qualify assumptions, ascertain viability and define key risks and possible mitigating factors.

Phase 3 – Bankable Feasibility Study: The primary objective of the bankable feasibility study is to assess the projects financial needs and feasibility and develop a business plan. This business plan will then be used to source project funding.

Phase 4 – Financial Closure: All necessary capital is raised for the project as determined by the bankable feasibility study. Depending on the nature of the project, this capital may come from public or private sources. Once capital is raised the project has reached ‘financial close’.

Phase 5 – Construction and Handover: At this stage, the project manager/team must manage the construction of the project to ensure that it is executed according to plan and budget. Once finalised and tested the project is handed over to the operating agent.