



BOJANALA PLATINUM DISTRICT MUNICIPALITY

LED STRATEGY WORKSHOP

22 – 23 MARCH 2018

KGASWANE COUNTRY LODGE, RUSTENBURG

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LIST OF ACRONYMS & ABBREVIATIONS

| | |
|-------|---|
| BPDM | Bojanala Platinum District Municipality |
| DCoG | Department of Cooperative Governance |
| DBSA | Development Bank of South Africa |
| DMR | Department of Mineral Resources |
| DTA | Department of Traditional Affairs |
| DST | Department of Science and Technology |
| DTI | Department of Trade and Industry |
| DRDLR | Department of Rural Development and Land Reform |
| ED | Economic Development |
| FDI | Foreign Direct Investments |
| IGR | Inter-Governmental Relations |
| LED | Local Economic Development |
| M&E | Monitoring and Evaluation |
| MMC | Member of Mayoral Committee |
| MILE | Municipal Institute of Learning |
| MOU | Memorandum of Understanding |
| NDP | National Development Plan |
| PPP | Public-Private Partnerships |
| SALGA | South African Local Government Association |
| SLA | Service Level Agreement |
| SAMA | South African Music Awards |
| SAFTA | South African Film and Television Awards |
| SLP | Social Labour Plans |
| SMME | Small, Medium and Micro-sized Enterprises |
| SOE | State Owned Enterprises |
| STI | Science Technology and Innovation |
| TOR | Terms of Reference |

FIGURES

Figure 1: Proposed Quadruple approach to Inclusive Economic Growth

ANNEXES

Annex 1: Workshop Programme

Annex 2: Categorized broader key elements of the BPDM LED Strategy

Annex 3: Proposed draft of BPDM LED Framework

1. BACKGROUND AND INTRODUCTION

District Municipalities are mandated by the Constitution of the Republic of South Africa to promote economic development within its jurisdiction as sustainability of service provision relies on a productive local economy. In this regard, strategies are required to enable them to fulfil their role in ensuring LED is implemented. The importance of LED in a municipality is centred on the principle of identifying and utilising local resources, ideas and skills to stimulate economic growth and development. It aims to create employment opportunities for local residents, alleviate poverty, and redistribute resources and opportunities to the benefit of local residents.

Located in South Africa's North-West Province, BPDM is responsible for providing support to Kgetlengriver, Moretele, Moses Kotane, Madibeng and Rustenburg Local Municipalities. In 2009, Urban Econ: Development Economists was appointed by the DTI to provide technical support to selected district municipalities in the implementation of Project *Khulis'umnotho*. It emerged as a result of the feedback received from the Presidential Imbizo, and its purpose was to ensure the development of credible LED strategies for the seventeen district municipalities (including BPDM) within the set timeframes. However, the process of implementation came to a halt due to some challenges encountered

2. PURPOSE AND OBJECTIVES

The workshop was aimed at bringing together all relevant stakeholders representing all sectors in reviewing the existing LED Strategy. In addition, it was aimed at setting the tone for the development of a LED Strategy crafted to exclusively respond to the needs of BPDM to achieve:

- i. Stakeholder inclusivity and ownership;
- ii. Stakeholder accountability;
- iii. Develop a framework that will inform a clear and implementable LED Strategy.

3. STRUCTURE OF THE DOCUMENT

This document reflects key outcomes that were deliberated during the workshop, and serves as an internal resource to guide further work in positively contributing to the review of the BPDM 2009 – 2014 LED Strategy. It does not provide a verbatim of proceedings but however emphasises central themes that emerged from the discussion.

4. MUNICIPAL ROLE IN SUPPORTING LED IN A REGION

BPDM plays a significant role in promoting economic development within its boundaries extending to five local municipalities. In the consideration of LED, particularly in the BPDM context, it is crucial to differentiate it from Economic Development. Whilst the latter is a broader term, LED is specific to its context. As it is a cross-cutting factor that is incorporated in all priorities, LED should form part of all departments. Infrastructure development, creation of an enabling environment, local business development as well as rural development are some of the factors in which municipalities play a decisive role in promoting LED.

In doing so, extensive inclusivity of stakeholders, PPPs and collaborations are crucial. Currently, BPDM adopts a strategic approach in the identification of bankable projects such as dry hub, fresh produce, irrigation infrastructure and others. Worthwhile opportunities are also presented in the form of low hanging fruits, whereby BPDM takes an incremental approach in ensuring longer term goals are realised.

5. INTEGRATING SCIENCE, TECHNOLOGY AND INNOVATION IN LED AND PLANNING

As the progression towards a new era is underway, the emergence of new sources of employment and economic growth is crucial. The mainstream sources are over-burdened and are heading towards being exhausting and eventually diminishing. In this regard, Science Technology and Innovation (STI) plays a pivotal role in the creation of a new source of economic growth and employment. In showcasing the applicability of STI, one of the central themes that emerged was the linkages that exist between science and traditional knowledge, thus creating an opportunity for Engineers to develop it into commercially viable technology.

However, this is compatible with an enabling environment, as contexts differ. In this light, economic growth and development is perceived according to context, and this is bridged by LED. The presentation also highlighted the importance of the various linkages of LED to subsistence economies, spatial areas, various levels of economic development, and infrastructure. The audience was taken through factors that frustrate agricultural development and explored the appropriate potential responses that will address them. The presentation highlighted technology as an employment creator, as labour would be reallocated to other productive sectors.

Agriculture features in economic development, and agricultural activity has significant potential to play a critical role in rural economic development. As a game-changer, the STI intervention can present the agricultural sector with new economic activities, comprising of industrial development. Agro-processing has massive potential to significantly improve employment in rural areas, as was demonstrated in Rwanda, whereby fibre was extracted from a banana stem, for instance.

One of the central themes emerging from the presentation was the distinction between *marginalized* and *poor* people. This perspective advocates for the use of the former, as the true reflection of the status quo of people, they are unable to utilise their knowledge to

participate in the productive economy. This view opposes the use of one indicator to measure poverty, and regards it as inaccurate.

6. DISCUSSIONS



Urban vs Rural Development

The presentation raised points on linking Technology to local areas through engineering. Distancing rural development from urbanisation is a plausible approach, as there is a stark difference. The Department of Rural Development and Land Reform is an integral facilitator of rural development as it takes one of its mandates from Chapter 6 of the NDP, which is premised on the Rural Economy. Rural development plans should not be about urbanising rural areas, but identify critical issues that are frustrating development. Thus, agricultural development extends beyond the cultivation and breeding of animals and plants, as it also advances towards opening up markets in creating linkages and infrastructure.

In the South African context, the challenge can be traced back to the time urbanisation was instituted without industrialisation, hence the lack of job opportunities. Therefore, contextually, the approaches to this complex type of urbanisation would not be traditional.

Knowledge Economy

It is a major concern that the gap between the industrial and the knowledge economy of the country is widening. As the knowledge economy is highly fixated on scientific knowledge, traditional knowledge is excluded with all the missed opportunities it presents. This can be averted by Ward Councillors undertaking a knowledge mapping exercise in their respective wards, and thereafter approach universities for partnerships to access knowledge and expertise.

The 4th Industrial Revolution

Currently, this element is prominently omitted in LED Strategies. As we are advancing towards this era, municipalities are to be mindful of this in planning processes. There is a need for increased competitiveness on City levels, on the exception of small emerging towns.

Therefore, responses to address the fourth industrial revolution will depend on the resources available in municipal wards. On the other hand, the analysis of mega-trends would be crucial in mapping the current situation to link with the Future of Work.

Poverty vs Marginalization

Conventional literature always makes reference to the *poor* era and poverty alleviation strategies. An opposing view promotes poverty eradication and anti-poverty strategies, and regards *marginalization* as the most suitable term to coin this notion. Furthermore, the utilization of one indicator (money) to measure poverty is regarded as inaccurate as more indicators should be used. Marginalized people do not have the ability to participate in the economy due to their circumstances. Thus, traditional knowledge is a way out of marginalization, as it has the ability to improve economic performance. However, a contradicting view insists on reference being made to poverty in the traditional sense, as it is a reality experienced by numerous people, which raises the pertinent question, ***what is the role of economic development in this?***

Municipal role in Agriculture

The contribution of municipalities to this area is dependent on their ability to strengthen the performance of agriculture, and encourage productivity. They possess the ability to be socio-economic change agents and empower their respective communities. However, issues of this nature are to be addressed on a separate platform.

Indigenous/ Traditional Knowledge

The role of indigenous knowledge is widely overlooked and is crucial to unlocking all opportunities synonymous with innovation. Thus, this topic features prominently in the National Science and Technology Forum and explores numerous responses to address poverty. Communities stand to benefit from these engagements.

LED Forum

In advancing towards the development of an LED Strategy, various approaches of engaging people in local areas should be linked. In order to ensure maximum inclusivity, different organisations can assist in organising a LED forum in the development of a credible Strategy which would manifest within a set timeframe.

7. INPUT FROM THE REVISED NATIONAL LED FRAMEWORK

The presentation essentially highlighted the elements that informed the input on the revised LED Framework. In light of this task, various government departments and academic institutions partnered to make valuable contributions. It was acknowledged that further consultative processes with other relevant stakeholders such as mining houses, LED Agencies, and the public sector should be pursued.

The policy is premised on six-pillars that address the following;

- Building diverse & innovation-driven local economies;
- Developing inclusive economies;
- Developing learning and Skilful economies;
- Enterprise development & Support;
- Economic Governance & Infrastructure; and
- Strengthening local innovation systems.

However, according to the State of Local Government Diagnostic Report compiled by the National Planning Commission, various challenges that hamper local government in fulfilling its developmental role were identified. In the same regard, numerous LED opportunities were also explored by the report.

The LED Framework is territorial, stakeholder driven, procedural, multi-disciplinary and outcome-based strategy. Inputs were made insofar as local interventions are concerned, and there is room to strengthen the local response. As a way forward, in order to ensure inclusive economic growth, the opportunity to adopt the proposed quadruple approach is elevated. It is illustrated below:

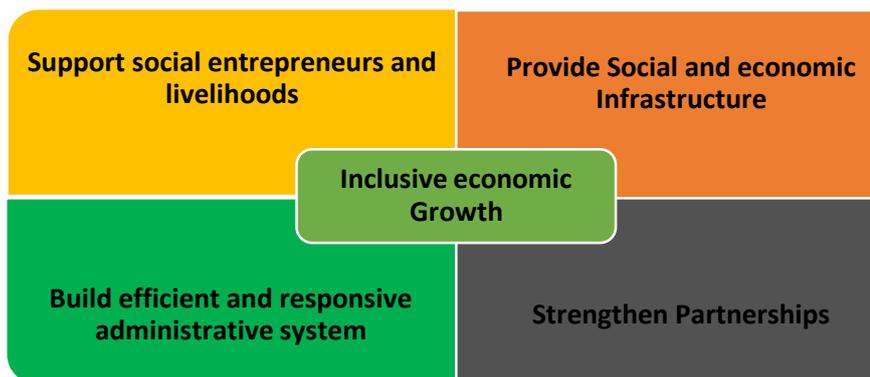


Figure 1: Proposed Quadruple approach to Inclusive Economic Growth

8. DISCUSSIONS



Lack of alignment

One of the challenges confronting communities is the lack of coordination and integration of the District and Local Municipalities. The contestation of roles creates confusion to communities. Thus, the opportunity for partnerships is elevated and community needs will be approached in an integrated manner. This approach should also extend to the other stakeholders so that a standard sentiment can be echoed.

Miscommunication

Communication between municipalities and mines is insufficient. This miscommunication fuels perceptions of both ends of the spectrum. For instance, some municipalities are of the view that mines do not benefit communities surrounding them. On the contrary, some mines perceive municipalities as not being serious enough, as they delegate junior staff to attend crucial engagements and are unable to make decisions. Therefore, this challenge needs immediate attention.

Supporting Social Entrepreneurs

Community assistance can come in the form of an LED-based programme encouraging young people to venture into Corporates and establishing Companies. There would be no boundaries in terms of the criteria of services offered by these Corporates and Companies, as there won't be a categorisation.

LED Agencies

BPDM was urged to develop LED Agencies as they offer numerous benefits for communities. Moses Kotane Municipality previously had one, however due to challenges with monitoring and evaluation, it halted operations. On the contrary, LED Agencies are problematic in that they duplicate the functions of LED Departments in municipalities. It is for this reason they are not encouraged.

9. LED PRIORITIES OF LOCAL MUNICIPALITIES

The presentations and submissions were made by Moretele, Madibeng, Kgetlengrivier, Rustenburg and Moses Kotane Local Municipalities on their current LED priorities in their respective municipalities. The District LED strategy is informed by the needs and priorities of the local municipalities...

10. DISCUSSIONS



MORETELE LOCAL MUNICIPALITY

Sand Mining

The Municipality is presented with low hanging fruit such as sand mining, which can assist in terms of economic development. However, the challenge with this aspect is the land ownership rights of tribal authorities. An MOU with them is currently in the development stages.

Lessons learnt from current LED Strategy

Moretele is constituted by vast amounts of land under the Traditional Council. Previously, there were no relations between the municipality and the Traditional Authorities, and this

hampered progress. However, some MOUs have been signed with them and the partnership is yielding benefits.

Cultural Tourism

The Municipality comprises of a cultural activity called *Trupa* and has the potential to be exported to international festivals. The *Trupa* outfit resembles a Scottish kilt and raises the opportunity for job creation as well. The success of this proposal lies in international bilateral agreements. As a way forward, the number of IGR MOUs must be established in order to revive culture exportation. Moreover, this reflects the notion that LED is not the responsibility for a particular department in a municipality, but it is cross-cutting. *Trupa* falls under the ambit of Community Development Services, but has a strong LED element attached to it.

Revival of Industries

Previously, renowned international brands had factories in the region but they have ceased to exist. Lessons are to be learnt from emerging industries such as Turkey, Malaysia and Thailand, as they are embarking on exports. They are also funding FDIs. Revising the IGR MOU and configuring its role in the context of the District LED Strategy.

Local Municipality LED Lekgotla

A proposal of convening this Lekgotla was raised. It will present the people with an opportunity to express the economies they wish to pursue.

MADIBENG LOCAL MUNICIPALITY

Crocodile and Samancor Mines

The Crocodile Mine was opened for a short period of time and halted operations thereafter. Moving forward, a rehabilitation project must be put in place if there is no production. Currently there is an Irrigation Board in this area comprising of emerging farmers. Water is sourced from Crocodile River and Hartebeesport dam for irrigation purposes by the beneficiaries of Land Reform Projects. In fact, they own water rights.

With regard to Samancor, small scale mining is underway. This area has a chrome to be mined, and has the potential to benefit the community.

Mining Forum

Madibeng Local Municipality convenes Mining Forums which are led by the Executive Mayor, and attended by MMCs, Mining Houses and DMR. Moreover, an annual report is compiled. Points raised for Bapong, Crocodile Mine, and Small Scale mining are noted for chrome beneficiation.

Agro-processing

Madibeng is home to Wagpos High School which is renowned for its outstanding agricultural curriculum and advanced agro-processing. This school has the full potential of being a hub of the district and replicated to rural areas. However, the unfortunate part is the scarcity of agricultural curricula in schools, and people are unaware of this model. As a way forward, Wagpos High School can be used as an exhibition and a tool for raising awareness. Essentially, the Department of Education can play an integral role in amending curricula to accommodate agricultural production at the basic education level to spark interest.

Supply for Mines

The supply of lubricants (i.e oil, diesels, petrol etc.) to mines need to be examined with the objective of opening access to the community. In this regard, there is a need for the establishment of enterprises in supply and development. Yellow metal equipment present immense opportunities for communities to be trained by prominent manufacturers.

Hartebeesport Dam

The Dam has a strategic advantage and is used for tourism attraction. Accordingly, there is a project in place that addresses this referred to *Metsi A Me*.

MOSES KOTANE LOCAL MUNICIPALITY

IGR

Previously, the municipality had relations with the German Government, and there has been lack of activity due to vague agreement details. However, this would be revived following the conclusion of MOUs with other countries. This process is still underway.

Agro-processing

Previously, the municipality was identified as a hub for this purpose. However, due to challenges encountered, this is no longer the case and good infrastructure is under-utilised. Nonetheless, an investment company has established a plant and are inviting other investors to offer relief to the challenges. Moving forward on this issue, further engagements on securing larger markets must be undertaken.

Collaborative approach

During discussions, issues surrounding mines and non-compliance were raised with emphasis and were noted. Going forward, a collaborative approach to facing challenges between mines and municipalities is required. Operating in silos would further worsen if municipal strategies and mine SLPs continue to be misaligned.

Tourism products

Despite Moses Kotane hosting prestigious signature events such as the SAMAs and the SAFTAs, economic growth of the District has not significantly improved and benefitted communities. This can be attributed to the municipality's omission of promoting recreation and leisure attractions. However, prior to embarking on that process, existing establishments must be formalised in order to make them marketable. Communities should also benefit from these undertakings.

Rustenburg and Kgetlengrivier Local Municipalities submitted their priority projects for consideration.

11. BROADER KEY ELEMENTS OF A LED STRATEGY

It is worth acknowledging that a Strategy is a well-defined organisational roadmap characterised by goals to be achieved by resources. A holistic and well-rounded LED Strategy comprises of a number of crucial components such as:

- A Common Vision;
- Goals and Objectives;
- Programmes & Projects;
- Action Plans;
- Adequate Resource Mobilisation;
- Stakeholders have been included;
- Communication Strategy;
- It builds on opportunities, competitive and comparable advantages;
- Leverages private investment for public good;
- Understands markets – linking value chain between sectors;
- Attracts compatible new business; and
- Effective Monitoring & Evaluation

In this regard, participants explored key elements of an effective LED Strategy through thought-provoking brainstorming activities. Working in groups, this activity was undertaken and prioritized elements were noted on key cards.

The table representing the categorised broader key elements of the BPDM LED Strategy is attached as *Annex 2*.

12. STRATEGY DEVELOPMENT

Working in groups, participants identified key strategic priority areas and programmes required for the successful Implementation of the Bojanala Regional LED Strategy. Key strategic priority and programmes were transferred to colour cards. This led to the development of a proposed draft BPDM LED Framework to inform the final Strategy (*refer to Annex 3*).

13. WRAP UP AND WAY FORWARD

In concluding the session, the following commitments were made as a way forward:

1. MILE will submit the Draft Learning note for comments on 16 April 2018.
2. Comments will be reverted for a final learning note by the 20th of April 2018.
3. TORs development by COGTA, SALGA and BPDM.
4. Distribution of TORs to all stakeholders (including Traditional Authorities and Mining sector) for inputs and timelines.
5. Convene LED Forum – Traditional Authorities and Mining sector can make presentations at this platform.