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**COUNCIL ADOPTED LOCAL ECONOMIC DEVELOPMENT  
STRATEGY**

**2023-2027**

**PREPARED FOR:-**

**THE LOCAL ECONOMIC DEVELOPMENT UNIT**

**MBHASHE LOCAL MUNICIPALITY**

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## TABLE OF ABBREVIATIONS

#	Abbreviation	Description
1	<b>B2B</b>	Back to Basics
2	CBD	Central Business District
3	ADM	Amathole District Municipality
4	AFGRI	Agricultural Food Growth Retail and Investment
5	AgriSeta	Agricultural Sector Education and Training Authority
6	ARC	Agricultural Research Council
7	BBBEE	Broad-Based Black Economic Empowerment
8	BCEA	Basic Condition of Employment Act
9	BDS	Business Development Service
10	CoGTA	Corporative Governance and Traditional Affairs
11	CWP	Community Work Programme
12	DEDEAT	Department of Economic Development Environment and Tourism
13	DFI	Development Finance Intermediaries
14	DRDAR	Department of Rural Development and Agrarian Reform
15	DSBD	Department of Small Business Development
16	DTIC	Development of Trade Industry and Competition
17	ECDC	Eastern Cape Development Corporation
18	ECPTA	Eastern Cape Parks and Tourism Agency
19	ECRDA	Eastern Cape Rural Development Agency
20	ECSECC	Eastern Cape Socio-Economic Consultative Council
21	EPWP	Expanded Public Works Programme
22	FPSU	Farmer Production Support Unit
23	GDP	Gross Domestic Product
24	GFADA	Grain Farmer Development Association
25	GVA	Gross Value Added
26	HRA	Heritage Resources Agency
27	ICT	Information and Communications Technology
28	IDC	Industrial Development Corporation
29	IDP	Integrated Development Plan
30	<b>ISPM</b>	Integrated Strategic Planning Model
31	IUDF	Integrated urban Development Framework
32	LED	Local Economic Development
33	LM	Local Municipality
34	M&E	Monitoring and Evaluation

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35	MIG	Municipal Infrastructure Grant
36	MSA	Municipal Structures Act
37	MSCOA	Municipal Standards Chart of Accounts
38	NMMU	Nelson Mandela Metropolitan University
39	NSDF	National Spatial Development Framework
40	NWGA	National Wool Growers Association
41	PGDS	Provincial Growth Development Strategy
42	PPP	Private Public Partnership
43	PSDF	Provincial Spatial Development Framework
44	R & D	Research and Development
45	RFI	Retail Finance intermediary
46	SAMSA	South African Maritime Safety Authority
47	SAPS	South African Police Service
48	SEDA	Small Enterprise Development Agency
49	SEFA	Small Enterprise Finance Agency
50	SETA	Sector Education and Training Authority
51	SMME	Small Medium and Micro Enterprises
52	SWOT	Strength Weakness Opportunity Threat
53	TTA	Technology Transfer Assistance
54	UPS	Uninterrupted Power Supply
55	W&R	Wholesale and Retail
56	WSU	Walter Sisulu University
57	SEC	Socioeconomic Profile
58	SEZ	Special Economic Zone
59	MoU	Memorandum of Understanding
60	OEM	Original Equipment Manufacturer

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## 1. CHAPTER ONE: EXECUTIVE SUMMARY

Following the Local Government Elections which were held on the 1<sup>st</sup> of November 2021, Mbashe LM developed a 5 Year Integrated Development Plan for 2022-2027<sup>i</sup>, in compliance with Section 34 of the Local Government Municipal Systems Act 32 of 2000.

The IDP places Local Economic Development as Key Performance Area No. 3 in line with the 1998 White Paper on Local Government.

After the adoption of the IDP, the municipality commenced with the process of developing an LED Strategy for 2022-2027. It embarked on this process as obligated by Chapter 7, Section 152 of the Constitution of the Republic of South Africa Act No. 108 of 1996 to promote socio-economic development within its jurisdiction, and in concurrence with the White Paper on Local Government of 1998, which mandates the municipality to create a conducive and enabling environment for socio-economic development to take place.

The **LED Strategy** seeks to set out a strategic path and trajectory for local economic development over the next **5 years**. The strategy contained herein is based on an **Integrated Strategic Planning Model** and is an outcome of a rigorous socio-economic review and a robust stakeholder participatory process. This strategy builds from the previous LED Strategy which was adopted in 2015 and expired in 2021. The current 2022-2027 LED Strategy sets-out a **shared economic development and growth vision** for the municipality, its stakeholders and relevant sector departments both provincially and nationally.

The principal objective of the Mbashe LM's LED Strategy is to introduce a Strategic Plan as a road map that will create an enabling environment for enterprise development, job creation and poverty alleviation as well as a Strategic

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Implementation Plan to guide the implementation, monitoring and evaluation of the plan over the period of 5 years.

For the principal objective to be realised, the municipality must grow its economy by **1.5% - 2% year on year economic growth rate over the next five years (2022-2027).**<sup>ii</sup>

A fully aligned and integrated strategic planning model was used in developing this strategy and that model is alluded to in the ensuing chapters and paragraphs.

## 2. CHAPTER TWO: THE STRATEGY DEVELOPMENT APPROACH.

The Integrated Strategic Planning Model (“**ISPM**”) has been used in compiling the Mbhashe LM’s LED Strategy. The ISPM is summarized in the following graphic: -



Key phases as outlined in the ISPM were carried out and implemented through various integrated activities which solicited inputs from internal and external municipal stakeholders at different engagement and public participation platforms. Each of the activities and inputs resulted in various outputs that constituted critical components of the strategy as contained in the full text of this documents whilst others have been included as annexures to the Revised Strategy.

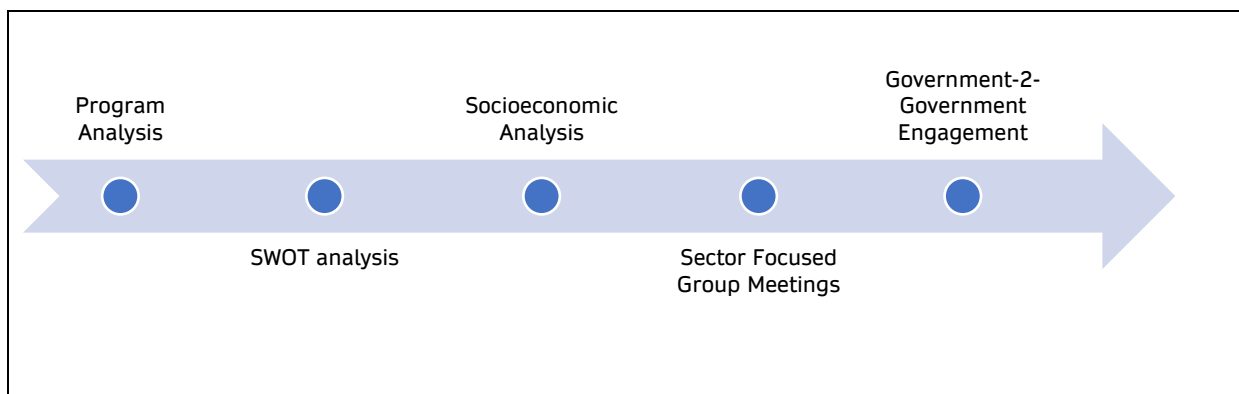
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At high level, the strategy development process as well as its outputs and outcomes are summarised in the following paragraphs: -

### 2.1. The Situational Analysis.

The situational analysis was undertaken through extensive and interrelated engagements with staff at the Mbashe LM LED Unit as well as through public participation from different stakeholders.

The following is a summary of key activities that took place: -



The outputs of the above processes are summarised in the Situational Analysis Report which is contained in Chapter 4 of this document.

### 2.2. Strategy Development.

The strategy development process builds from the outcomes of the Situational Analysis and was intended to produce the following outputs for local economic development: -



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The outputs of the above processes are summarised in different paragraphs and chapters which are contained in full text in this document.

### 2.3. The Departmental Business Planning Process.

This will be a post-strategy process which requires the different units within LED to develop programme specific business plans which will be the micro levels tools of implementation. The business plans must be fully aligned to the strategy.

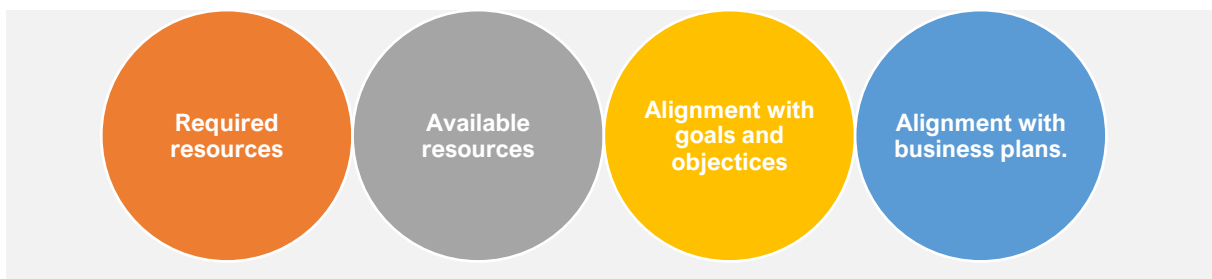
The outputs of this process are summarised as follows: -



Each unit will develop a program specific business plan which shall be presented to management and Council for approval and resource allocation.

### 2.4. The Departmental Budget Process.

This process will be undertaken by the LED Unit, after the development of program specific business plans and shall yield the following outputs: -



### 2.5. Performance Measurement.

This process shall be undertaken at intervals and using processes that are prescribed in the Mbhashe LM’s Performance Management System. Performance assessments shall take place on a quarterly basis, half yearly basis and shall be reported annually on the annual report.

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### **3. CHAPTER THREE: THE LED CONCEPT AND STRATEGIC ALIGNMENT.**

#### **3.1. THE CONCEPT OF LED AND ITS RELEVANCE TO MBHASHE LM**

The concept of Local Economic Development<sup>iii</sup> (“LED”) has gained prominence in development theory and practice over the last three decades since the dawn of democracy in South Africa. As a result, numerous concepts and definitions on LED have emerged, partially overlapping, partially complementary and partially contradictory”.

As a concept, LED has gone through phases as follows:

##### **3.1.1. Phase One: Focus on Place Marketing.**

This phase focused strongly on the marketing of locations to external investors, often linked with incentive systems such as:

- a) Tax breaks
- b) Reduced costs of public services
- c) Infrastructure development

##### **3.1.2. Phase Two: Focus on Economic Potential and Competitiveness.**

During Phase Two, focus changed to endogenous economic potentials, striving to support the competitiveness of existing firms, promoting entrepreneurship and business start-ups, usually done through:

- 1) Entrepreneurship development and training programmes
- 2) Business support and business linkage mechanisms
- 3) Providing access to finance
- 4) Skills and rural development
- 5) Sectoral development

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### **3.1.3. Phase Three: Focus on Sectoral Development and Business Support.**

Phase Three is a more holistic approach which focuses on enhancing the individual business support and sectoral development approaches.

Its aim is to ensure that the entire business and community environment is more conducive to economic development by;

- a) Providing a competitive local business environment
- b) Encouraging and supporting networking and collaboration between businesses and public/private and community partnership
- c) Facilitating workforce development and education
- d) Focusing inward investment to support cluster growth and
- e) supporting quality of life improvements

Therefore, the Mbashe LM LED Strategy is premised on phase three of the LED conceptual framework, without neglecting elements of phases one and two.

### **3.2. STRATEGIC ALIGNMENT OF THE LED STRATEGY**

This Strategy is fully aligned to the Mbashe LM's 2022-2027 IDP. It also considers several **regional, national, provincial economic legislative and policy imperatives** that are critical in ensuring higher levels of policy and programmatic integration and alignment.

This Strategy is informed by:

- a) District Development Model.
- b) Eastern Cape's Vision 2030.
- c) Mbashe LM's 2022-2027IDP.
- d) National Development Plan.
- e) The National Framework for Local Economic Development.
- f) The White Paper on Local Government.
- g) Municipal Structures Act, No. 117 of 1998
- h) Eastern Cape's Small Town Revitalization Program.

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### 3.3. ALIGNMENT TO MBHASHE LM'S 2022-2027IDP.

The IDP places Local Economic Development as Key Performance Area No. 3 in line with the 1998 White Paper on Local Government, with the following priorities for the next 5 years”

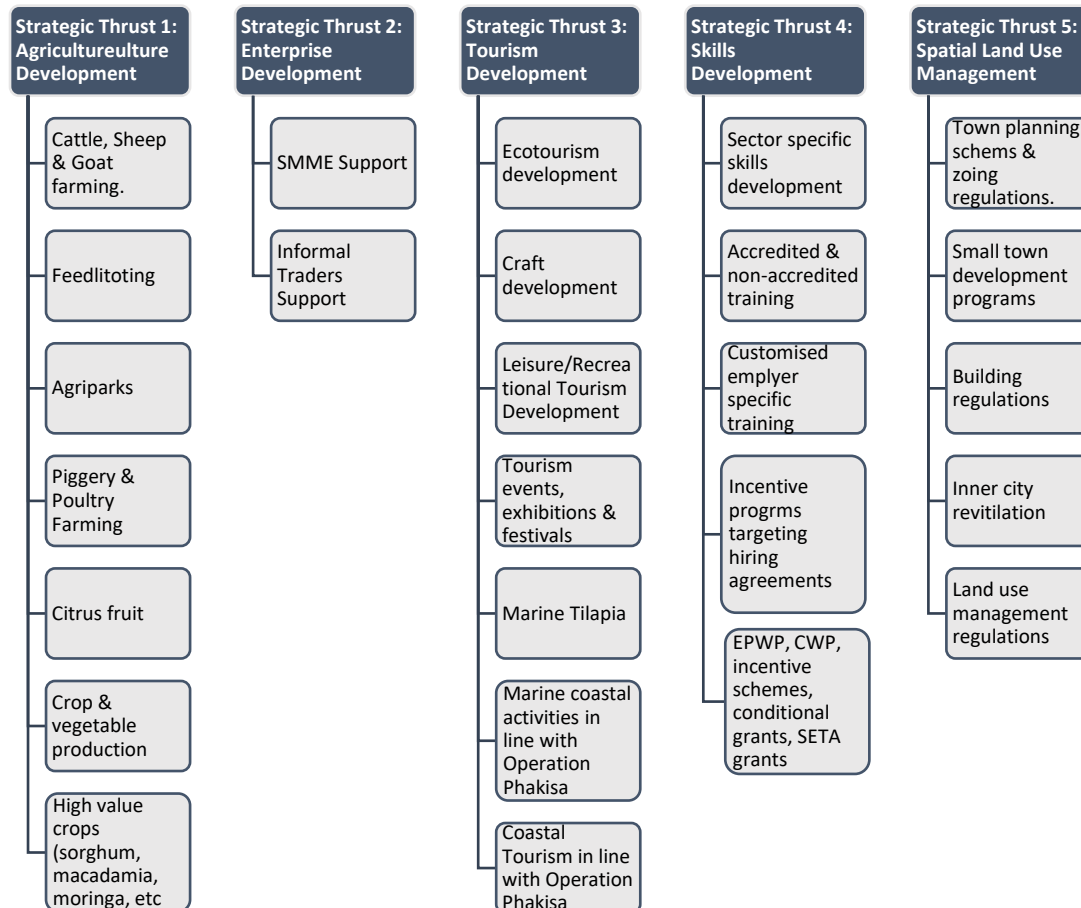
- 1) Crop/Maize production
- 2) Livestock improvement (Stock remedy)
- 3) Agriculture Information Days
- 4) Sorghum production
- 5) Review of the LED Strategy
- 6) Heritage Development Strategy
- 7) Investment brochure
- 8) Enterprise (SMME) Development Support
- 9) Informal Trader Support
- 10)Co-operatives development
- 11)SMME Capacity Building Support and development
- 12)Marine Economic initiatives support
- 13)Marine Tilapia incubator project
- 14)Wool Processing plant
- 15)Internal and External events
- 16)Craft development

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### 3.4. LED Strategic Thrusts

The strategic thrusts are high-level initiatives arising from the municipality’s strategic vision, and they serve to guide the action plans towards some over-arching LED goals.

The IDP identifies five (5) LED strategic thrusts as follows:



#### 3.4.1. Strategic Thrust One: Agriculture Development

The objective of this thrust is to build and support a very strong primary agricultural base through the provision of basic infrastructure, appropriate agricultural technology, skills development & extension services, working capital, training, and mentorship services. A strong primary production base will pave a way for a feasible secondary agricultural base which shall include agro-processing enterprises and non-farm industries.

The socioeconomic research and analysis undertaken by Executive Insights on behalf of Mbashe LM indicate that over 90% of the population reside in the rural areas and a considerable size has a very low to low skills base. Thus, the development of the

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sector through this thrust shall enable the creation of much needed jobs as agriculture as a sector has a high labour absorption potential irrespective of a skills set.

This sector, when properly developed and supported, has a potential to play a passive role in the Mbhashe economy. It will provide sufficient low-cost food and employment opportunities for the low skilled labour force.

It is estimated that the sector will make the following contributions to economic development in Mbhashe:

- a) Will produce primary inputs into the food value chain, the retail sector and agro-processing sector through a hub-and-spoke method.
- b) Will enable the local economy to generate revenue from the sector, which can be re-invested to capitalize the sector.
- c) It will enable rural areas to earn income, which will in turn create demand for consumer goods.
- d) It will create opportunities for sectorial diversification and shall have a massive contribution in sub-sectors such as livestock farming.

The primary sector agricultural activities taking place in Mbhashe Municipality are mainly focused on very low base crop production and livestock farming at subsistence level and the basic concern is survival. The sector is underdeveloped and not diversified and have a subdued contribution to both the GDP and the GVA.

Small-scale and subsistence farmers at Mbhashe are not producing at optimal levels, due to a number of constraining factors. It is, therefore, important that emerging farmers are supported in expanding their farming activities into viable and sustainable enterprises that will not only increase the income generated and jobs created by these activities but will also grow sufficiently to form the basis of further beneficiation opportunities.

Given the favourable humid climate owing to the coastal characteristics in certain areas of Mbhashe Municipality, the horticultural and particularly the vegetable production seasons are significantly longer than in other parts of the municipality, which provides considerable development potential for the expansion of production, as well as the diversification of agricultural production into other commodities.

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### 3.4.2. Strategic Thrust Two: Enterprise Development

Through this thrust, Mbhashe LM shall endeavour to provide project based as well as on-going support to small, medium, and micro enterprises as well as cooperatives through various packaged interventions. The municipality considers enterprise development as an essential component of growing its economy because it enables the creation, attraction of new businesses as well as retention of existing businesses in our urban and rural nodes respectively.

Considering the urban concentration of the Municipality's population around its economic centre or urban nodes, it is essential that the strengthening and expansion of businesses is supported in such nodes, seeking to fill the gaps in the provision of goods and services required by the local population. This will ensure that the Municipality's local communities do not have to travel to towns outside of the Municipality for shopping.

It is, therefore, important to identify the specific needs of local communities in respect of retail requirements. It is furthermore essential that the Municipality be marketed as an attractive investment destination for larger enterprises to establish manufacturing, wholesale, and storage enterprises in the area, particularly in view of its strategic location along the busy national road, as gateway to East London, Durban and/or Umtata. This in turn can create further job opportunities for local people and increase investment and economic growth in Mbhashe Municipality.

In ensuring the sustainability and growth of many small businesses in Mbhashe, it is essential that entrepreneurs are supported in not only developing new businesses, but also that businesses are supported in gaining access to markets outside of the municipal boundaries. Many local businesses experience constraining factors such as the lack of access to the support provided by existing government departments and business support agencies. It is therefore essential that the establishment of local offices of these support services through organised business structures such as business forums should therefore be encouraged and facilitated.

SMME's at Mbhashe Municipality are also inhibited by a lack of business and financial management skills. The Municipality should therefore facilitate the provision of support in the provision of skills training, as well as through mentorship programmes, whereby practical knowledge can be transferred from experienced business owners to entrepreneurs.

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### **3.4.3. Strategic Thrust Three: Tourism Development**

The development of the Tourism industry at Mbashe LM is based on giving people a reason to come, a reason to stop, a reason to stay and a reason to spend. This means that any destination should first comprise a unique and specific asset, that people should be made aware of this asset, in order to attract them to the destination, that they should be provided with a range of additional attractions and activities to ensure that they stay in the area for longer, which will then ensure that their money is spent at the location.

Thus, this Thrust is, therefore aimed at stimulating the development of the Tourism industry in Mbashe Municipality, by taking full advantage of the unique cultural, coastal, historical and natural assets found in the Municipality. The purpose of this Thrust is, furthermore, to ensure that these tourism attractions and activities are effectively developed and marketed, to establish Mbashe Municipality as a unique and worthwhile tourism destination.

The programmes and projects under this Thrust have been developed and identified respectively in line with Mbashe LM's Tourism Master Plan and have been aligned as such.

### **3.4.4. Strategic Thrust Four: Skills Development**

Skills development should be implemented as a cross-cutting theme across the other 4 Strategic Thrusts and across all sectors of the economy. The underlying objective here is to have a diverse and talented workforce.

### **3.4.5. Strategic Thrust Five: Spatial Planning and Land Use Management.**

Spatial planning and land use management should be implemented as a cross-cutting theme across the other 4 Strategic Thrusts and across all sectors of the economy.

The implementation of programmes and projects under this Thrust shall be guided by Mbashe LM's Spatial Development Framework, which is currently under review.

The Spatial Development Framework (SDF) Plan will provide a municipality and other development agencies with a tool to assist them in making development decisions,

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which ensures that **land use management and future land development within a municipality is based on the principle of sustainable development decisions and practices.**

Based on the **vision** and **objectives** contained in the IDP, a Spatial Development Framework should reflect what a municipal area will look like in the future.

Various nodes have been proposed for development through the SDF and when undertaken, will have a positive impact on local economic development.

The following proposals have been made, using various industry accepted criteria:

#### **A. Level Two Nodes: Dutywa & Willowvale.**

**Level 2 Node: Dutywa** is categorized as a Level 2 settlement in terms of the hierarchy of settlement classification in the PSDP. In addition to this the IDP Steering Committee recommended the **inclusion of Willowvale and Elliotdale** as Level 2 nodes. Dutywa is the most significant urban settlement within the Mhashe area and is prioritized for significant investment to build on its existing capacity. This would include upgrading of bulk infrastructure and provision of both basic services and higher order / non-essential services such as sports stadiums, libraries, etc.

Willowvale is a key service centre to passing tourism traffic enroute to Dwesa Cwebe Nature Reserve along the Wild Coast. It also lies at the junction of the road leading to Tafalofefe Hospital in the Mquma district. Inhabitants of Mhashe, particularly in the Willowvale area, use this hospital. Commuters traveling from the interior from the North would travel through Elliotdale to reach the Wild Coast (to the vicinity of the Haven Hotel in the Dwesa Cwebe Nature Reserve).

Both these centres require significant basic needs (level 1 investment), but in terms of their strategic position in Mhashe, these centres would benefit from and generate spin-offs from higher order levels of investment.

#### **B. Level One Nodes: Other Settlements Within Mhashe**

Specific reference is made to **Fort Malan**, which is recognized as a significant settlement node. Old military forts can be seen in this well-established settlement area, which lies adjacent a key link road between Dutywa and the Wild Coast to Dwesa.

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### C. Coastal Development Zones & Other Nodes.

The following areas have been identified as development nodes along the coast:

- a) Qhora Mouth (Kobb Inn) – limited tourism growth point
- b) The Haven Hotel / Mbhashe Point – limited to existing footprint.
- c) Breezy Point – limited to existing footprint.
- d) Collywobbles Cape Vulture Colony Conservation Project

The SDF has also identified various strategic linear zone corridors with strategic transportation routes considered of vital strategic importance for efficient spatial and economic development. These are summarised in the following paragraphs;

### D. The N2 – Kei Rail Corridor

The N2 linking Dutywa to major urban centres of East London and Mthatha with the adjacent lying railway line forms an important linear development zone of opportunity in terms of manufacturing and processing activities. In the light of the proposed refurbishment and possible realignment (upgrading) of the Mthatha – East London railway line, additional opportunities for linking development initiatives with the rail network will develop.

Other important strategic linear linkages or development corridors have also been identified and are as follows:

- a) The Main Road Linking Dutywa to Willowvale and to the Coast (Kobb Inn, Dweza)
- b) The Main Road linking Elliotdale to the Wild Coast (Haven Hotel – Cwebe Nature Reserve).
- c) The district road linking Dutywa to Lower Gwadu (via Fort Malan) and continuing to the coast (Nqabarha River Mouth).
- d) The Minor Road linking the N2 (North of Dutywa) to Collywobbles (vicinity of the Cape Vulture Colony).
- e) The Main Road linking Dutywa to Engcobo.
- f) The proposed Wild Coast Meander – upgrade of a prioritised route consisting of a network of District and Access roads near the coast to form the “**Wild Coast Meander**”.

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### 3.5. Key Economic Sectors

The IDP also identifies the following six (6) key economic sectors in support of the strategic thrusts: -

- a) Agriculture and Rural Economic Development (Agri-development and Agro-processing)
- b) Enterprise Development (Business Attraction and Retention, Co-operatives Development)
- c) Tourism
- d) Heritage Development
- e) Ocean Economy
- f) Coastal Development and Research and Development.

### 3.6. Alignment to The White Paper on Local Government.

The White Paper on Local Government<sup>1</sup> (1998) introduces the concept of “**developmental local government**” which is defined as: “Local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs, and improve the quality of their lives.” However, the same document makes it clear that:

*“Local Government is not directly responsible for creating jobs. Rather, it is responsible for taking active steps to ensure that the overall economic and social conditions of the locality are conducive to the creation of employment opportunities.”*

Thus, local economic development is about creating a platform and environment to engage stakeholders in implementing strategies and programmes. The White Paper goes on to state that:

*“The powers and functions of local government should be exercised in a way that has a maximum impact on the social development of communities – in particular meeting the basic needs of the poor – and on the growth of the local economy”.*

Development goals therefore primarily focus on ensuring that the community members live a long and healthy life, have access to education and maintain a decent standard of living. While not primarily tasked with employment creation, local government is responsible for ensuring that economic conditions are favourable for economic growth which will lead to employment creation. The robust economic growth

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experienced in developing counties during the 1990s coincided with strong employment growth.

### **3.7. The National Framework for LED – The B2B Approach.**

The National Framework for Local Economic Development<sup>iv</sup> has been revised and aligned to CoGTA’s Back-to-Basics Approach (**“B2B”**).

#### **3.7.1. The Vision.**

The revised National LED Framework has created a new vision for LED which is the following:

**“Innovative, competitive, sustainable, inclusive local economies that maximize local opportunities, address local needs, and contribute to national development objectives”.**

#### **3.7.2. Defining LED.**

According to the revised framework, LED is defined as follows: -

“LED is the process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation with the objective of building up the economic capacity of a local area to improve its economic future and the quality of life for all”.

It involves identifying and using local resources, ideas and skills to stimulate **economic growth** and **development**. The aim of LED is to create employment opportunities to the best of all the local residents.

LED is premised on two fundamental concepts, namely:

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### Economic Growth

- Economic Growth is traditionally defined as the annual rate of increase in the total production or income in the economy.
- Economic growth requires an expansion of the production capacity of the local economy, as well as an expansion of the demand for goods and services produced in the economy. Both the supply and demand factors are necessary for sustained economic growth.

### Economic Development

- Economic Development refers to the improvement of the people's living conditions.
- It entails an improvement in the quality of life of the majority of the population as a result of economic growth, the reduction of inequality and the eradication of poverty.

In the context of Mbhashe Local Municipality, development would be deemed to have taken place when the following concrete indicators are dealt with in the growth context:

- 1) Poverty
- 2) Unemployment
- 3) Inequality
- 4) Life expectancy
- 5) Education
- 6) Material living conditions.

#### 3.7.3. LED Characteristics.

Key LED characteristics include the following:

- a) It is an on-going process rather than a single project or mere steps to follow.
- b) LED entails stakeholders in a locality involved in different activities aimed at addressing a variety of socio-economic needs of the community.
- c) LED is implemented based on local competitiveness but in the context of national and global economic, political, and social dynamics.
- d) The new LED paradigm entails the engagement of key stakeholders and the adoption of the **facilitation approach**.

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**Facilitation** is understood as a process of decision-making guided by a facilitator who ensures that all affected individuals and groups are involved in a meaningful way and that the decisions are based on their input and are made to achieve their mutual interests.

**Systemic thinking** is central in the new LED paradigm, in which the role of the facilitator is that of:

- a) Applying a step-by-step incremental philosophy
- b) Focusing on communication and interactions
- c) Motivating constant learning and reflection
- d) Raising internal awareness and understanding of the local context
- e) Supporting the development of endogenous solutions.

The White Paper on Local Government reinforces the LED role of municipalities through the concept of **developmental local government**.

**Developmental local government** is local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic, and material needs, and improve the quality of their lives.

However, the White Paper clearly states that job creation is not the role of municipalities, but that of creating an enabling business environment.

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### 3.7.4. LED Objectives According to the Framework.

The framework prescribes the following broad objectives for local economic development: -

#### Objective 1

To launch a more effective fight against poverty, inequality and unemployment through the development of innovative and inclusive local economies.

#### Objective 2

To support the potential of local economies to grow and develop the national economy.

#### Objective 3

To raise awareness on the significance of regions, metropolitan municipalities and localities as focal points in generating national prosperity.

#### Objective 4

To intensify the support for local economies in realizing and building their economic potential, their diversity, levels of employment and the creation of decent work for their communities.

#### Objective 5

To strengthen intergovernmental coordination of economic development planning and implementation and between government and non-governmental sectors.

### 3.8. Alignment with the Small-Town Revitalisation Framework.

#### 3.8.1. The Problem Statement.

Most small towns within the Eastern Cape Province were affected by disinvestment that emanated from the previous apartheid system. The disinvestment resulted in old, overloaded, and collapsing infrastructure, which is increasingly constrained by rising populations within these settlement areas.

Furthermore, they are characterised by skills deficit, low levels of economic development and inability to serve as catalysts for regional economic growth, which negatively affects the revenue base of municipalities.

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### 3.8.2. Background and Context

Guided by the challenges faced by the provincial Small Towns cited above, this framework seeks to provide strategic guidelines and direction towards the implementation of the Small-Town Development Programme through the incorporation of the Integrated Urban Development (IUDF), National Spatial Development (NSDF) and Provincial Spatial Development Frameworks (PSDF) priorities to achieve spatial transformation and economic development.

In this regard, the restructuring and reconfiguration of the Eastern Cape small town landscape should be guided by the vision of creating liveable, safe, resource -efficient towns that are socially integrated, economically inclusive, and nationally competitive, where residents actively participate in the small-town life as contemplated in the IUDF.

### 3.8.3. Selection Criteria and the Corridor Approach.

The NSDF identified the following potential growth areas for the Eastern Cape Province: -

National Network of Rural Service Centres: Create new service centres and transform existing settlements in dense rural settlement regions respectively Barkley East, Bizana, Port Alfred, Bathurst, Peddie, Kei Mouth, Centane, **Willowvale**, Nqamakwe, **Dutywa**, **Elliotdale**, Ngqeleni, Port St Johns, Libode, Mount Frere, Mount Ayliff, and Flagstaff.

### 3.9. Alignment with the Provincial Spatial Development Framework.

The PSDF proposes the development of the following potential growth areas: -

#### 3.9.1. Strategic Proposals for the Eastern Region

Creation of Metro regions through joint planning and allocation of resources: -

- Mbhashe LM (Dutywa), Mnquma LM (Butterworth), Ndabakazi and (Nqamakwe).

Linkage between metros and future metro regions through road, rail, air for movement of goods and services. Requiring metros to put plans in place to deal with new roads; access to service; access to opportunity; access to markets; wild coast meander impact and broadband connectivity.

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### **3.10. Alignment with the Provincial Growth and Development Strategy.**

At a broader context, the strategy is aligned with all the themes, goals and strategies as contained in the PGDS.

As a rural economy, Mbhashe aligns itself with the “Ilima Labantu” theme which is contained in the PGDS.

ILIMA LABANTU is a multifaceted, agriculture-led development to reconnect citizens of the Eastern Cape with the land and other natural resources essential for sustainable living and a future of dignity for all – a future of industry and prosperity, without hunger and want.

The initiative aims to grow widespread capabilities for increased participation in agricultural activity, production, and beneficiation across the value-chain, as well as across a range of scale – from households, to organised small-scale farmers, fishers and foresters, through to large-scale commercial enterprises.

The primary objective is to address the food security needs of the province, revive the rural economy and increase its value-add to the overall economy. While the emphasis is on the rural economy, the impact of the programme will be society-wide and will encourage the practice of agriculture even in urban spaces.

Strategies have been developed to align with the following thematic concepts as contained in the ILIMA LABANTU: -

- a) Land availability and utilization
- b) Research & development, knowledge, and innovation
- c) Infrastructure and material support
- d) Building internal capabilities.
- e) Facilitation of access to markets.
- f) Intelligent management and provision of information.
- g) Integrated and coordinated action.

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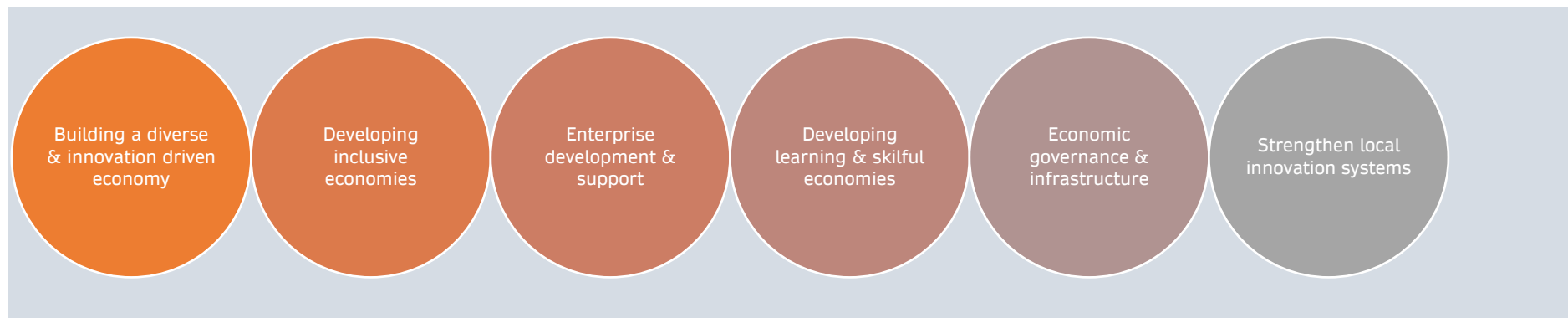
### 3.5. The LED Cross-Cutting Principles.

The framework puts across the following cross-cutting principles for local economic development:

- a) Collaborative Partnerships
- b) Integrated place development that recognises marginalised territories such as townships, informal settlements, peri-urban and rural settlements.
- c) Inclusive economy that prioritises those that are marginalised such as youth, women and informal sector.
- d) Sustainable development.
- e) Effective leadership and proper governance.
- f) State led, private sector driven, community-based development.
- g) Innovation driven economic development and growth.

### 3.6. The Revised Pillars of the LED Framework.

The framework contends that LED shall be anchored on the following pillars: -



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### 3.7. The LED Support Enablers.

To enable the ultimate implementation of local economic development, the following enablers shall be put in place: -



#### 3.7.1. Monitoring & Evaluation.

Monitoring and Evaluation (M&E) is a continuous management function to assess if progress is made in achieving expected results, to spot bottlenecks in implementation and to highlight whether there are any unintended effects (positive or negative) from an investment plan, programme, or project (“project/plan”)

#### 3.7.2. LED Funding.

Local Economic Development funding is concerned with growing the economy through the creation of more businesses, jobs, and improved skills. Funding is provided to drive growth and productivity through investment in infrastructure, business innovation, employability, and skills.

#### 3.7.3. Organizational and Institutional Support

Obtaining political buy-in and support on the implementation of LED and administrative support on providing financial and non-financial support for LED.

#### 3.7.4. Capacity Development

Training and capacity building of LED practitioners through a workplace skills plan.

#### 3.7.5. Planning, Research & Strategy.

Development of an LED Strategy as well as continuous research to update the LED Body of Knowledge.

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## **4. CHAPTER FOUR: SITUATIONAL ANALYSIS.**

### **4.1. Background to Mbhashe LM**

Mbhashe Local Municipality (EC 121) is a category B municipality which falls within the Amathole District Municipality (ADM). The municipality is strategically located in the South-eastern part of the Eastern Cape Province and is bound by the Qhora River in the south to Mncwasa River in the north along the Indian Ocean.

Mbhashe Local Municipality (MLM) occupies a strategic geographic position within the Amathole District municipality and covers approximately 3200 km<sup>2</sup> in extent (after the last national elections). There are three main urban centres, namely Dutywa, Gatyana and Xhora. Dutywa is the administrative head centre of the municipality. Mbhashe has earned the name from the beautiful river called Mbhashe which flows from the banks of Ngcobo flowing through Dutywa Gatyana and Xhorha. Mbhashe is comprised of the three towns, Dutywa, Gatyana and Xhora and numerous rural settlements. The area also boasts the head offices of the AmaXhosa Kingdom at Nqadu Great Place.<sup>v</sup>

### **4.2. Summary of the Socioeconomic Economic Profile & Trend Analysis.**

The analysis was carried out to identify and deal with key issues that will be used as a basis to develop the strategy and its implementation plan. It was carried out through a participatory process that involved broad consultation with internal stakeholders as well as external stakeholders, the outcome of which enable us to compile an Economic SWOT Analysis.

A Socioeconomic Profile and Trend Analysis was also carried out using data that was provided by Global Insights and extrapolated by ECSECC. The SEC Profile is summarised in this document as the full report is available at the LED Unit on request.

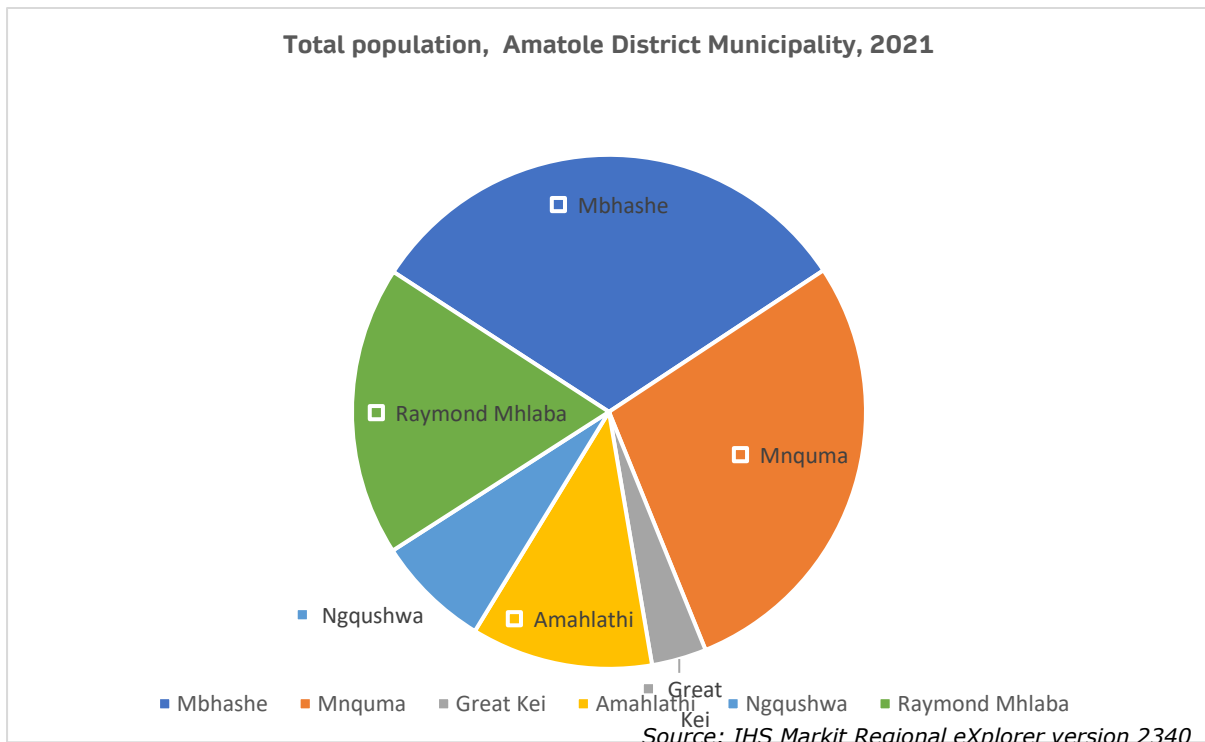
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Summarised as follows:

#### 4.2.1. Population.

With 279 000 people, the Mbashe Local Municipality housed 0.5% of South Africa's total population in 2021.

**CHART 1. Total Population - Mbashe and The Rest of Amatole, 2021 [Percentage]**



When compared to other LM's, the Mbashe Local Municipality accounts for a total population 31.6% of the total population in the ADM, which is the most populous region in the ADM for 2021. The ranking in terms of the size of Mbashe compared to the other regions remained the same between 2011 and 2021. In terms of its share the Mbashe Local Municipality was slightly larger in 2021 (31.6%) compared to what it was in 2011 (30.7%). When looking at the average annual growth rate, it is noted that Mbashe ranked second (relative to its peers in terms of growth) with an average annual growth rate of 0.5% between 2011 and 2021.

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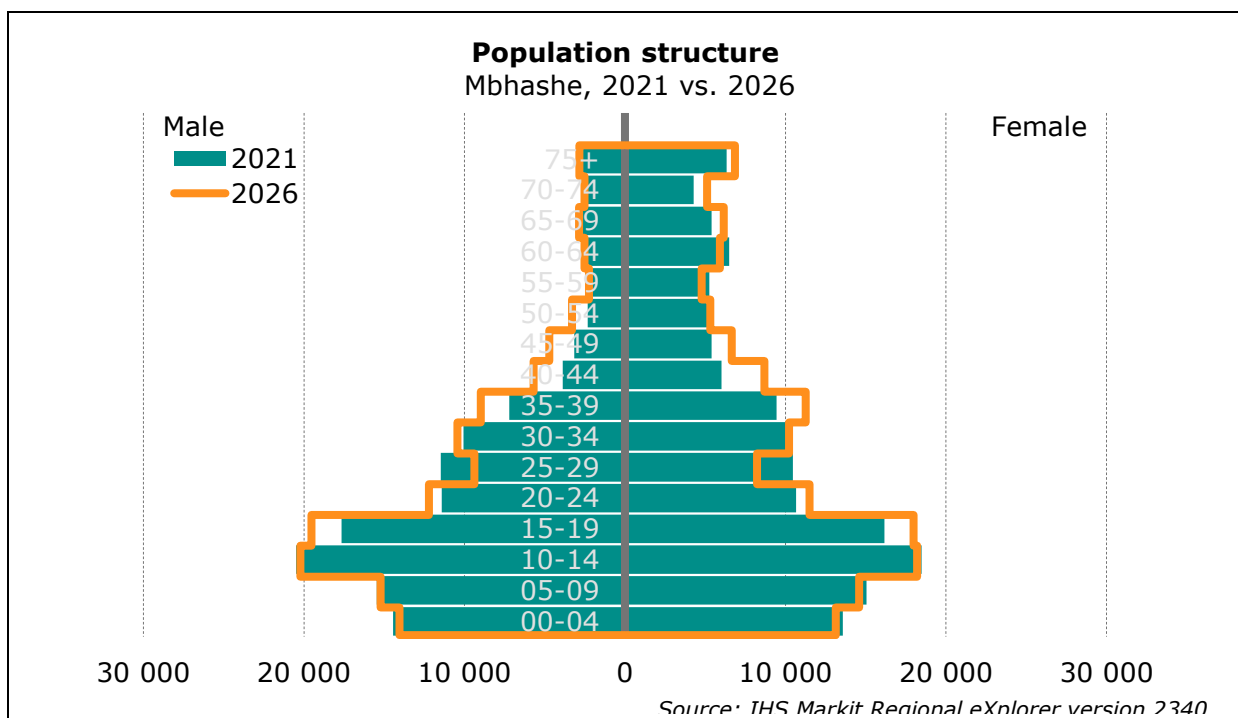
#### 4.2.2. Population Growth Projections.

Based on the present age-gender structure and the present fertility, mortality, and migration rates, Mbhashe's population is projected to grow at an average annual rate of 0.9% from 279 000 in 2021 to 291 000 in 2026.

#### 4.2.3. Population Structure

The population pyramid reflects a projected change in the structure of the population from 2021 and 2026.

CHART 2. POPULATION PYRAMID - MBHASHE LOCAL MUNICIPALITY, 2021 VS. 2026 [PERCENTAGE]



The differences can be explained as follows:

- a) In 2021, there was a significantly larger share of young working age people between 20 and 34 (23.0%), compared to what is estimated in 2026 (21.3%). This age category of young working age population will decrease over time.
- b) The fertility rate in 2026 is estimated to be slightly higher compared to that experienced in 2021.
- c) The share of children between the ages of 0 to 14 years is projected to be significant smaller (32.8%) in 2026 when compared to 2021 (34.9%).

#### 4.2.4. Population by Gender.

Mbhashe Local Municipality's male/female split in population was 87.8 males per 100 females in 2021. The Mbhashe Local Municipality has significantly more females (53.26%) than males, when compared to a typical stable population.

**TABLE 1. POPULATION BY GENDER - MBHASHE AND THE REST OF AMATOLE DISTRICT MUNICIPALITY, 2021 [NUMBER].**

	<b>Male</b>	<b>Female</b>	<b>Total</b>
Mbhashe	130,466	148,646	279,112
Mnquma	119,189	129,837	249,026
Great Kei	15,051	15,436	30,486
Amahlathi	48,481	52,578	101,060
Ngqushwa	29,724	33,834	63,558
Raymond Mhlaba	78,294	83,105	161,400
<b>Amatole</b>	<b>421,205</b>	<b>463,436</b>	<b>884,642</b>

*Source: IHS Markit Regional eXplorer version 2340*

This is most probably an area with high male out migration to look for work elsewhere. In total there were 149 000 (53.26%) females and 130 000 (46.74%)

#### 4.2.5. Economically Active Population.

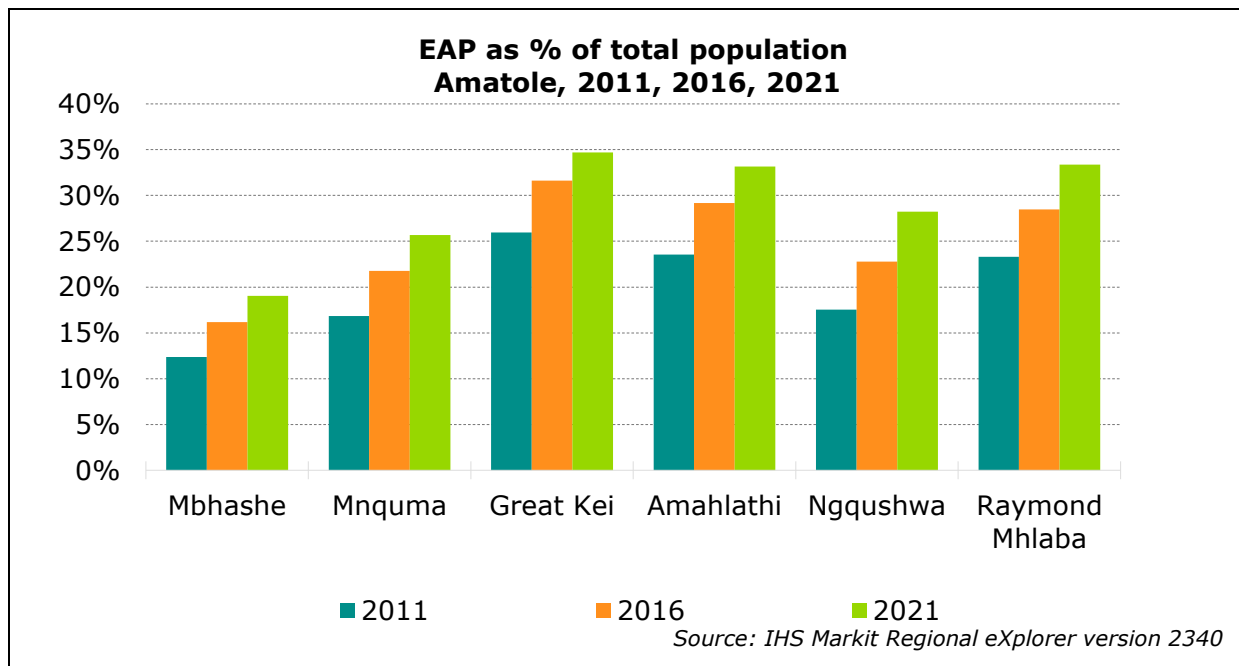
The economically active population (EAP) is a good indicator of how many of the total working age population are in reality participating in the labour market of a region. If a person is economically active, he or she forms part of the labour force.

**Definition:** The economically active population (EAP) is defined as the number of people (between the age of 15 and 65) who are able and willing to work, and who are actively looking for work. It includes both employed and unemployed people. People, who recently have not taken any active steps to find employment, are not included in the measure. These people may (or may not) consider themselves unemployed. Regardless, they are counted as discouraged work seekers, and thus form part of the non-economically active population.

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Mbhashe Local Municipality's EAP was 53 100 in 2021, which is 19.04% of its total population of 279 000, and roughly 22.80% of the total EAP of the Amatole District Municipality. From 2011 to 2021, the average annual increase in the EAP in the Mbhashe Local Municipality was 4.88%, which is 0.675 percentage points higher than the growth in the EAP of Amatole's for the same period.

**CHART 3. EAP AS % OF TOTAL POPULATION - MBHASHE AND THE REST OF AMATOLE, 2011, 2016, 2021 [PERCENTAGE]**



In 2011, 12.4% of the total population in Mbhashe Local Municipality were classified as economically active which increased to 19.0% in 2021. Compared to the other regions in Amatole District Municipality, Great Kei Local Municipality had the highest EAP as a percentage of the total population within its own region relative to the other regions. On the other hand, Mbhashe Local Municipality had the lowest EAP with 19.0% people classified as economically active population in 2021.

#### 4.2.6. Total Employment.

**Definition:** Total employment consists of two parts: employment in the formal sector, and employment in the informal sector.

In 2021, Mbashe employed 20 600 people which is 17.73% of the total employment in Amatole District Municipality (116 000), 1.58% of total employment in Eastern Cape Province (1.3 million), and 0.14% of the total employment of 14.8 million in South Africa. Employment within Mbashe increased annually at an average rate of 0.54% from 2011 to 2021.

**TABLE 2. TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR - MBHASHE AND THE REST OF AMATOLE, 2021 [NUMBERS]**

	Mbashe	Mnquma	Great Kei	Amahlathi	Ngqushwa	Raymond Mhlaba	Total Amatole
Agriculture	742	722	1,380	2,390	1,270	2,560	9,067
Mining	26	16	4	7	7	7	67
Manufacturing	556	1,010	780	1,350	970	865	5,530
Electricity	54	118	53	69	48	69	411
Construction	2,350	2,420	925	1,920	1,160	1,780	10,549
Trade	5,120	6,830	2,090	4,010	2,710	4,100	24,863
Transport	939	1,590	469	954	555	634	5,144
Finance	1,920	3,180	1,080	2,090	1,620	1,860	11,730
Community services	7,540	11,600	2,580	6,270	3,910	7,320	39,206
Households	1,310	2,090	1,060	1,850	1,130	1,920	9,365
<b>Total</b>	<b>20,600</b>	<b>29,600</b>	<b>10,400</b>	<b>20,900</b>	<b>13,400</b>	<b>21,100</b>	<b>115,931</b>

Source: IHS Markit Regional eXplorer version 2340

Mbashe Local Municipality employs a total number of 20 600 people within its local municipality. The local municipality that employs the highest number of people relative to the other regions within Amatole District Municipality is Mnquma local municipality with a total number of 29 600. The local municipality that employs the lowest number of people relative to the other regions within Amatole District Municipality is Great Kei local municipality with a total number of 10 400 employed people.

In Mbashe Local Municipality the economic sectors that recorded the largest number of employment in 2021 were the community services sector with a total of 7 540 employed people or 36.7% of total employment in the local municipality. The trade

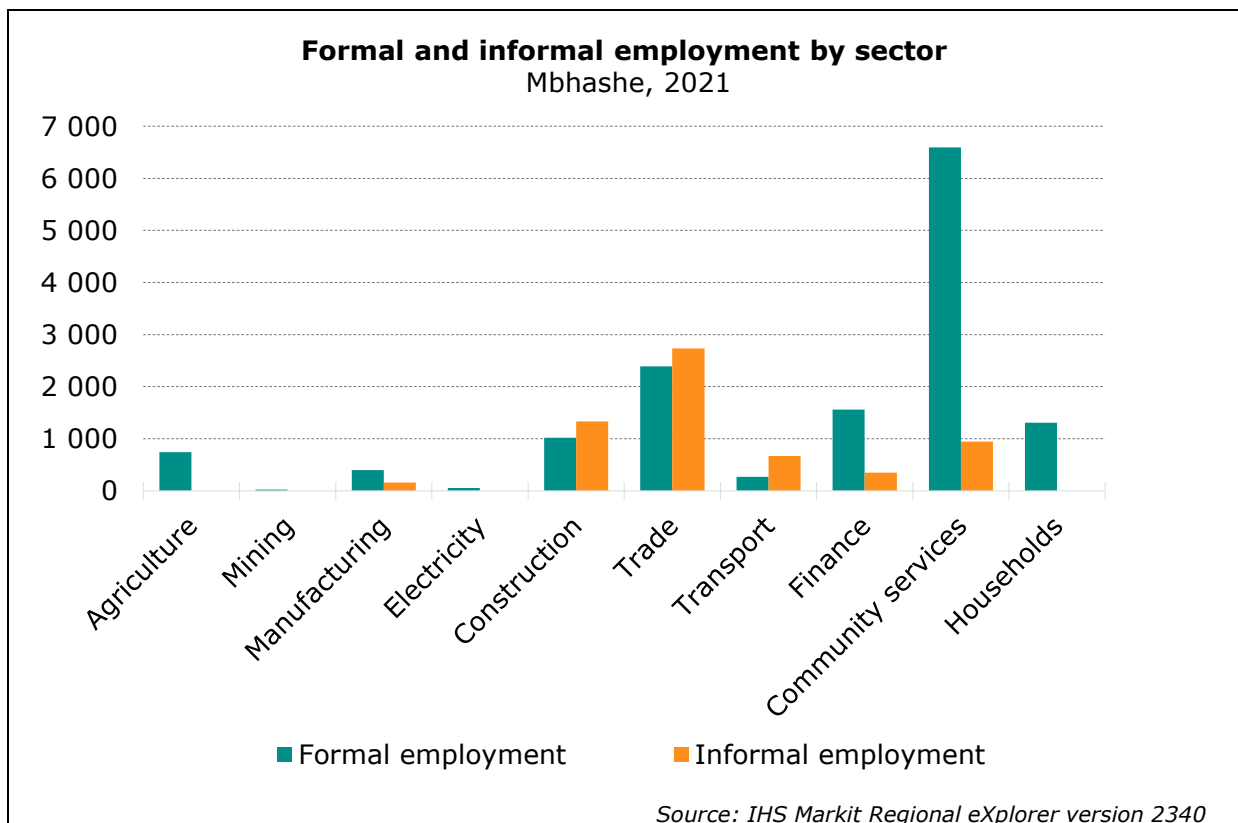
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sector with a total of 5 120 (24.9%) employs the second highest number of people relative to the rest of the sectors. The mining sector with 26 (0.1%) is the sector that employs the least number of people in Mbhashe Local Municipality, followed by the electricity sector with 53.7 (0.3%) people employed.

#### 4.2.7. Formal and Informal Employment.

The number of formally employed people in Mbhashe Local Municipality counted 14 400 in 2021, which is about 69.86% of total employment, while the number of people employed in the informal sector counted 6 200 or 30.14% of the total employment. Informal employment in Mbhashe increased from 5 570 in 2011 to an estimated 6 200 in 2021.

**CHART 4. FORMAL AND INFORMAL EMPLOYMENT BY BROAD ECONOMIC SECTOR - MBHASHE LOCAL MUNICIPALITY, 2021 [NUMBERS]**



In 2021 the Trade sector recorded the highest number of informally employed, with a total of 2 730 employees or 44.13% of the total informal employment. This can be expected as the barriers to enter the Trade sector in terms of capital and skills

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required is less than with most of the other sectors. The Manufacturing sector has the lowest informal employment with 160 and only contributes 2.58% to total informal employment.

#### 4.2.8. Unemployment.

In 2021, there were a total number of 29 300 people unemployed in Mbashe, which is an increase of 18 900 from 10 500 in 2011. The total number of unemployed people within Mbashe constitutes 22.56% of the total number of unemployed people in Amatole District Municipality. The Mbashe Local Municipality experienced an average annual increase of 10.85% in the number of unemployed people, which is worse than that of the Amatole District Municipality which had an average annual increase in unemployment of 9.73%.

**TABLE 3. UNEMPLOYMENT RATE (OFFICIAL DEFINITION) - MBHASHE, AMATOLE, EASTERN CAPE AND NATIONAL TOTAL, 2011-2021 [PERCENTAGE]**

	<b>Mbashe</b>	<b>Amatole</b>	<b>Eastern Cape</b>	<b>National Total</b>
2011	31.7%	33.3%	28.2%	25.1%
2012	32.9%	34.4%	28.9%	25.1%
2013	33.7%	35.3%	29.6%	25.2%
2014	33.5%	34.9%	29.4%	25.2%
2015	33.0%	34.5%	29.2%	25.5%
2016	34.7%	36.2%	30.5%	26.4%
2017	37.8%	39.6%	32.9%	27.2%
2018	40.6%	42.3%	35.0%	27.4%
2019	44.6%	46.1%	38.0%	28.4%
2020	49.9%	51.0%	41.5%	30.3%
2021	55.2%	55.8%	45.2%	33.6%

*Source: IHS Markit Regional eXplorer version 2340*

In 2021, the unemployment rate in Mbashe Local Municipality (based on the official definition of unemployment) was 55.21%, which is an increase of 23.5 percentage points. The unemployment rate in Mbashe Local Municipality is lower than that of Amatole. Comparing to the Eastern Cape Province it can be seen that the unemployment rate for Mbashe Local Municipality was higher than that of Eastern Cape which was 45.24%. The unemployment rate for South Africa was 33.58% in 2021, which is an increase of -8.51 percentage points from 25.08% in 2011.

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#### 4.2.9. Gross Domestic Product

With a GDP of R 5.95 billion in 2021 (up from R 3.27 billion in 2011), the Mbashe Local Municipality contributed 15.34% to the Amatole District Municipality GDP of R 38.8 billion in 2021 increasing in the share of the Amatole from 15.59% in 2011. The Mbashe Local Municipality contributes 1.26% to the GDP of Eastern Cape Province and 0.10% the GDP of South Africa which had a total GDP of R 6.19 trillion in 2021 (as measured in nominal or current prices).

**TABLE 4. GROSS DOMESTIC PRODUCT (GDP) - MBHASHE, AMATOLE, EASTERN CAPE AND NATIONAL TOTAL, 2011-2021 [ANNUAL PERCENTAGE CHANGE, CONSTANT 2010 PRICES]**

	<b>Mbashe</b>	<b>Amatole</b>	<b>Eastern Cape</b>	<b>National Total</b>
2011	3.0%	2.4%	3.3%	3.2%
2012	0.6%	1.1%	2.0%	2.4%
2013	0.3%	0.8%	1.4%	2.5%
2014	1.4%	1.0%	0.7%	1.4%
2015	2.0%	1.2%	1.0%	1.3%
2016	0.9%	0.9%	0.8%	0.7%
2017	0.7%	0.9%	0.5%	1.2%
2018	0.8%	1.1%	1.1%	1.5%
2019	0.1%	0.5%	0.1%	0.3%
2020	-7.0%	-5.9%	-6.5%	-6.3%
2021	3.2%	4.3%	5.6%	4.9%
<b>Average Annual growth 2011-2021</b>	<b>0.26%</b>	<b>0.56%</b>	<b>0.64%</b>	<b>0.95%</b>

*Source: IHS Markit Regional eXplorer version 2340*

Its contribution to the national economy stayed similar in importance from 2011 when it contributed 0.10% to South Africa, but it is lower than the peak of 0.10% in 2015.

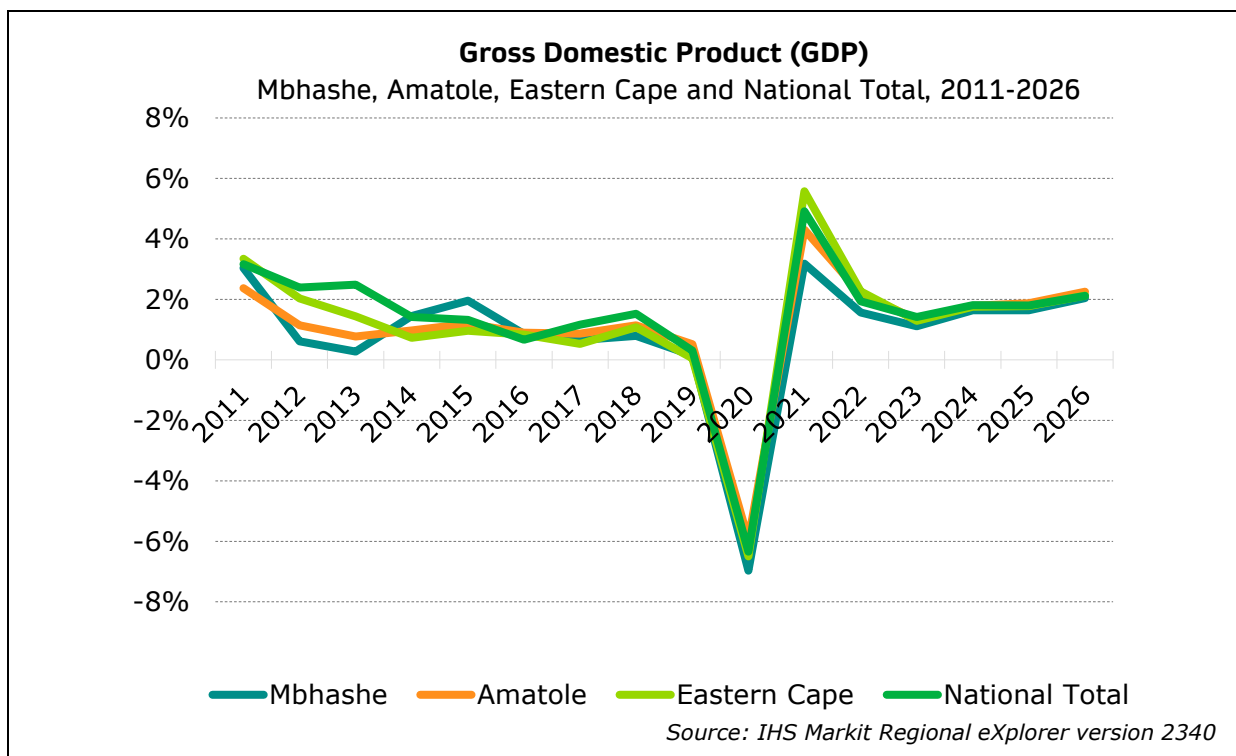
In 2021, the Mbashe Local Municipality achieved an annual growth rate of 3.18% which is a significant lower GDP growth than the Eastern Cape Province's 5.58%, but is lower than that of South Africa, where the 2021 GDP growth rate was 4.91%. Like the short-term growth rate of 2021, the longer-term average growth rate for Mbashe (0.26%) is also significantly lower than that of South Africa (0.95%).

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#### 4.2.10. Economic Growth Forecast.

It is expected that Mbhashe Local Municipality will grow at an average annual rate of 1.60% from 2021 to 2026. The average annual growth rate in the GDP of Amatole District Municipality and Eastern Cape Province is expected to be 1.89% and 1.84% respectively.

**TABLE 5. GROSS DOMESTIC PRODUCT (GDP) - MBHASHE, AMATOLE, EASTERN CAPE, AND NATIONAL TOTAL, 2011-2026 [AVERAGE ANNUAL GROWTH RATE, CONSTANT 2010 PRICES]**



In 2026, Mbhashe's forecasted GDP will be an estimated R 4.64 billion (constant 2010 prices) or 15.0% of the total GDP of Amatole District Municipality. The ranking in terms of size of the Mbhashe Local Municipality will remain the same between 2021 and 2026, with a contribution to the Amatole District Municipality GDP of 15.0% in 2026 compared to the 15.2% in 2021. At a 1.60% average annual GDP growth rate between 2021 and 2026, Mbhashe ranked the third compared to the other regional economies.

#### 4.2.11. Gross Value Add.

Mbhashe LM's economy is made up of various industries. The GVA-R variable provides a sector breakdown, where each sector is measured in terms of its *value added* produced in the local economy.

The summary table below puts the Gross Value Added (GVA) of all the regions in perspective to that of the Mbhashe Local Municipality.

**TABLE 6. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - MBHASHE LOCAL MUNICIPALITY, 2021 [R BILLIONS, CURRENT PRICES]**

	Mbhashe	Amatole	Eastern Cape	National Total	Mbhashe as % of district municipality	Mbhashe as % of province	Mbhashe as % of national
Agriculture	0.1	0.9	8.1	152.8	6.6%	0.74%	0.04%
Mining	0.0	0.0	0.6	474.9	47.8%	4.22%	0.00%
Manufacturing	0.2	2.8	55.2	729.8	6.0%	0.31%	0.02%
Electricity	0.2	1.0	9.1	171.7	16.0%	1.77%	0.09%
Construction	0.1	0.7	11.0	141.0	15.3%	1.01%	0.08%
Trade	1.4	6.6	75.5	751.3	21.9%	1.91%	0.19%
Transport	0.2	1.6	27.5	397.8	12.3%	0.70%	0.05%
Finance	0.7	6.9	93.0	1,320.5	10.4%	0.77%	0.05%
Community services	2.5	14.7	141.8	1,432.9	17.3%	1.78%	0.18%
Total	5.4	35.2	421.8	5,572.6	15.4%	1.28%	0.10%

Source: IHS Markit Regional eXplorer version 2340

The following is a breakdown of the Gross Value Added (GVA) by aggregated sector:

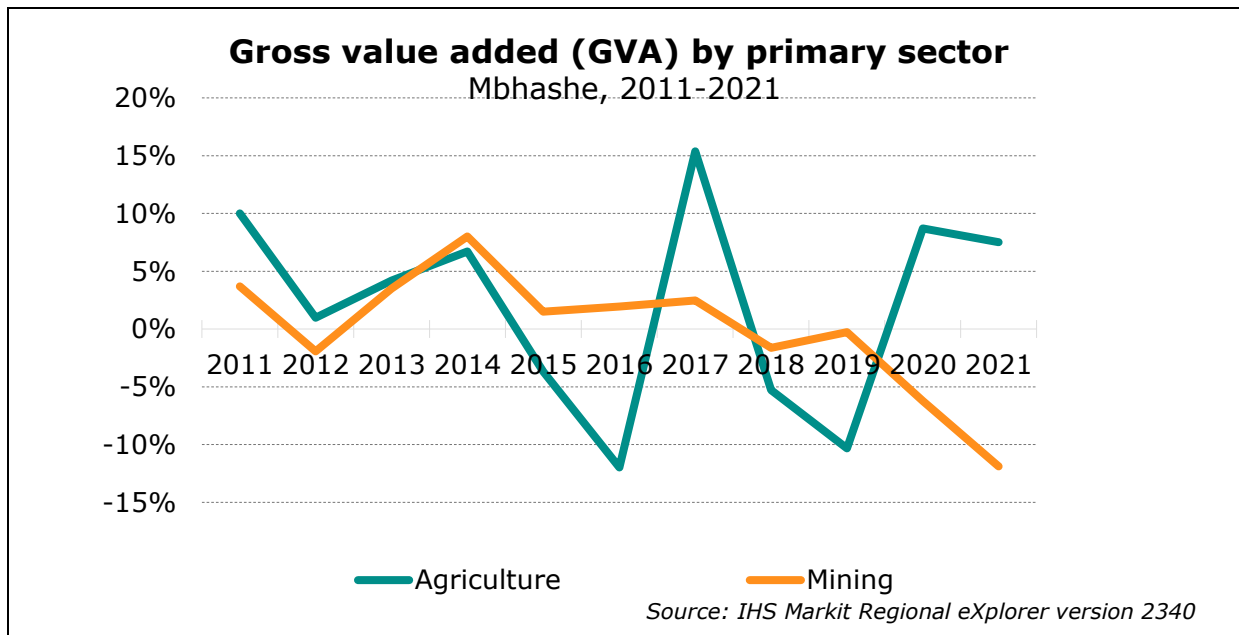
#### 4.2.12. The Primary Sector – Agriculture & Mining

The primary sector consists of two broad economic sectors namely the mining and the agricultural sector.

The following chart represents the average growth rate in the GVA for both sectors in Mbhashe Local Municipality from 2011 to 2021:

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**CHART 5. GROSS VALUE ADDED (GVA) BY PRIMARY SECTOR - MBHASHE, 2011-2021 [ANNUAL PERCENTAGE CHANGE]**



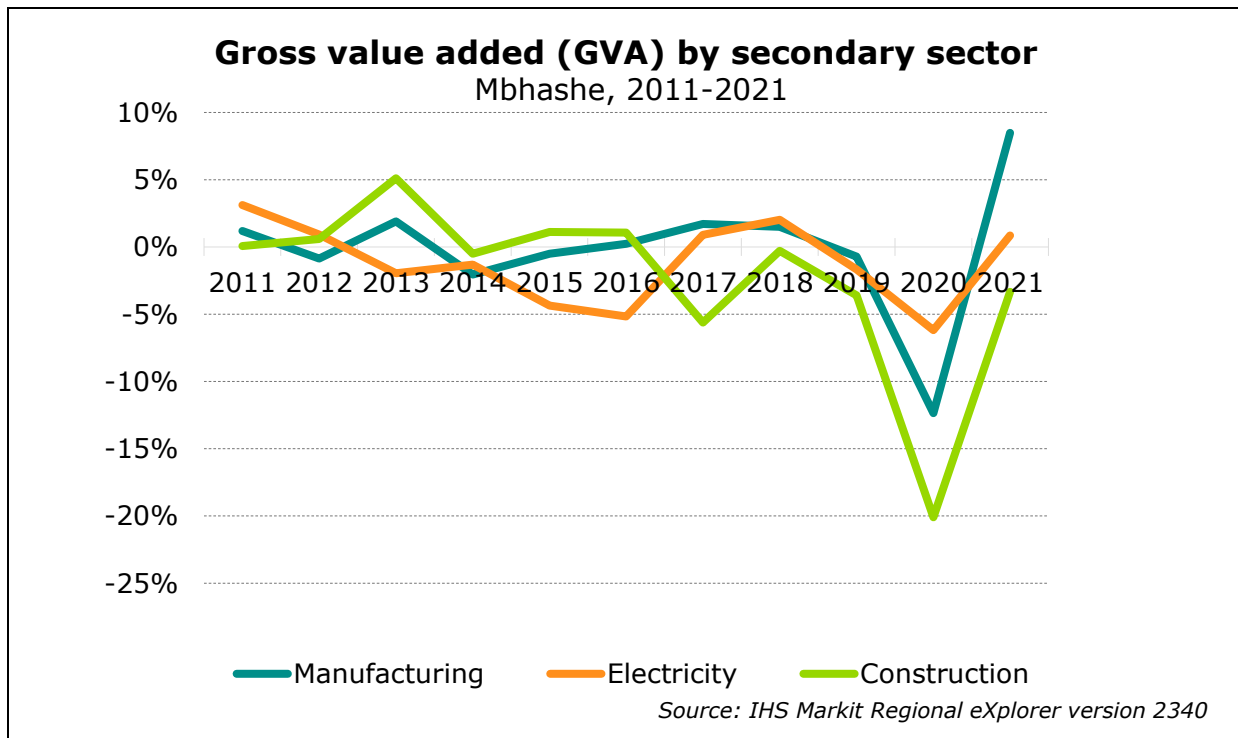
Between 2011 and 2021, the agriculture sector experienced the highest growth in 2017 with an average growth rate of 15.4%. The mining sector reached its highest point of growth of 8.0% in 2014. The agricultural sector experienced the lowest growth for the period during 2016 at -12.0%, while the mining sector reaching its lowest point of growth in 2021 at -11.9%. Both the agriculture and mining sectors are generally characterized by volatility in growth over the period.

#### 4.2.13. The Secondary Sector – Manufacturing, Electricity & Construction.

The secondary sector consists of three broad economic sectors namely the manufacturing, electricity, and the construction sector.

The following chart represents the average growth rates in the GVA for these sectors in Mbashe Local Municipality from 2011 to 2021:

**CHART 6. GROSS VALUE ADDED (GVA) BY SECONDARY SECTOR - MBHASHE, 2011-2021 [ANNUAL PERCENTAGE CHANGE]**



Between 2011 and 2021, the manufacturing sector experienced the highest growth in 2021 with a growth rate of 8.5%. The construction sector reached its highest growth in 2013 at 5.1%. The manufacturing sector experienced its lowest growth in 2020 of -12.4%, while construction sector also had the lowest growth rate in 2020 and it experiences a negative growth rate of -20.1% which is higher growth rate than that of the manufacturing sector. The electricity sector experienced the highest growth in 2011 at 3.1%, while it recorded the lowest growth of -6.2% in 2020.

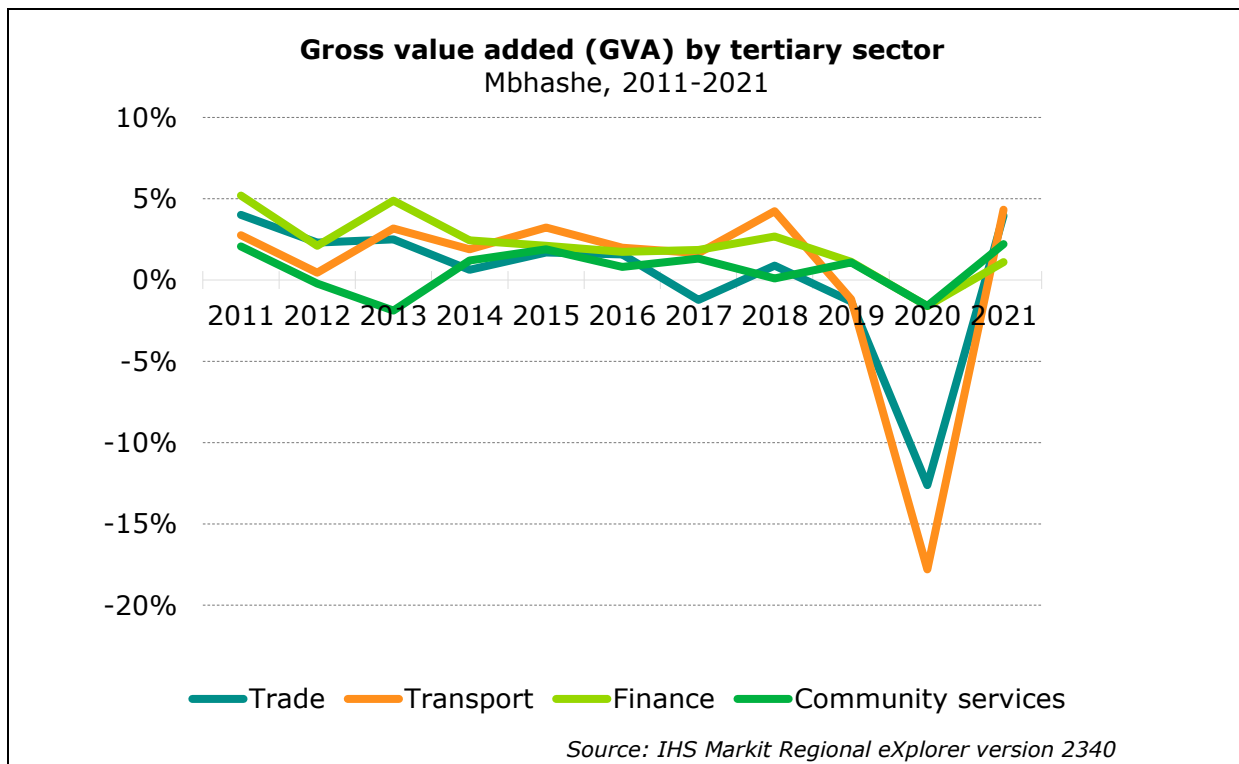
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#### 4.2.14. The Tertiary Sector (Trade, Transport, Finance & Community Services).

The tertiary sector consists of four broad economic sectors namely the trade, transport, finance, and the community services sector.

The following chart represents the average growth rates in the GVA for these sectors in Mbashe Local Municipality from 2011 to 2021:

**CHART 7. GROSS VALUE ADDED (GVA) BY TERTIARY SECTOR - MBHASHE, 2011-2021 [ANNUAL PERCENTAGE CHANGE]**



The trade sector experienced the highest growth in 2011 with a growth rate of 4.0%. The transport sector reached its highest point of growth in 2021 at 4.3%. The finance sector experienced the highest growth rate in 2011 when it grew by 5.2% and recorded the lowest growth rate in 2020 at -1.6%. The Trade sector also had the lowest growth rate in 2020 at -12.6%. The community services sector, which largely consists of government, experienced its highest growth in 2021 with 2.2% and the lowest growth rate in 2013 with -1.9%.

#### 4.2.15. The Sector Growth Forecast.

The GVA forecasts are based on forecasted growth rates derived from two sources: historical growth rate estimates and national level industry forecasts. The projections are therefore partly based on the notion that regions that have performed well in the recent past are likely to continue performing well (and vice versa) and partly on the notion that those regions that have prominent sectors that are forecast to grow rapidly in the national economy (e.g., finance and telecommunications) are likely to perform well (and vice versa). As the target year moves further from the base year (2010) so the emphasis moves from historical growth rates to national-level industry growth rates.

**TABLE 7. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - MBHASHE LOCAL MUNICIPALITY, 2021-2026 [R MILLIONS, CONSTANT 2010 PRICES]**

	2021	2022	2023	2024	2025	2026	Average Annual growth
Agriculture	38.8	37.9	38.6	39.3	40.1	41.0	<b>1.10%</b>
Mining	21.1	19.1	18.4	18.1	17.7	17.4	<b>-3.76%</b>
Manufacturing	122.3	122.4	124.1	126.0	127.6	129.6	<b>1.17%</b>
Electricity	67.5	68.6	69.1	69.5	70.7	72.0	<b>1.32%</b>
Construction	87.0	84.4	85.4	87.5	89.2	91.3	<b>0.95%</b>
Trade	986.7	998.6	1,015.9	1,037.2	1,055.1	1,075.6	<b>1.74%</b>
Transport	166.8	170.0	172.2	176.8	181.2	186.4	<b>2.25%</b>
Finance	544.3	558.3	571.3	587.6	602.2	618.7	<b>2.60%</b>
Community services	1,871.3	1,920.1	1,925.9	1,940.8	1,962.0	1,995.0	<b>1.29%</b>
Total Industries	3,905.8	3,979.4	4,021.1	4,082.9	4,145.8	4,227.0	<b>1.59%</b>

*Source: IHS Markit Regional eXplorer version 2340*

The finance sector is expected to grow fastest at an average of 2.60% annually from R 544 million in Mbhashe Local Municipality to R 619 million in 2026. The community services sector is estimated to be the largest sector within the Mbhashe Local Municipality in 2026, with a total share of 47.2% of the total GVA (as measured in current prices), growing at an average annual rate of 1.3%. The sector that is estimated to grow the slowest is the mining sector with an average annual growth rate of -3.76%.

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### 4.3. The SWOT Analysis.

In developing the LED Strategy, the SWOT (strengths, weaknesses, opportunities & threats) analysis is a general, qualitative starting point for strategy development & decision-making purposes. SWOT has been undertaken to provide a general characterisation of the current state of Mbashe economy, identify key issues and formulate strategies.

The SWOT analysis has been conducted, focusing on the economic sectors that have been prioritised on the IDP, being the following: -

- a) Agriculture & agroprocessing.
- b) Tourism & Heritage
- c) Manufacturing.
- d) Small scale fisheries
- e) Retail & trade.

#### 4.3.1. Agriculture & Agroprocessing SWOT Analysis.

Summarised as follows:

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>a) About 6360 ha of arable land available for various crops</li> <li>b) Good potential for cattle and sheep farming in Dutywa</li> <li>c) Wool production in about 44 shearing sheds in Dutywa</li> <li>d) Established fruit and vegetable buying value chains such Spar, Ngumbela, Boxer and Madyasi</li> <li>e) Smaller fruit and vegetable buying value chains such as shops run by foreign nationals.</li> <li>f) A high per capita consumption of agricultural products and dry goods</li> </ul>	<ul style="list-style-type: none"> <li>a) No fencing of arable &amp; grazing land</li> <li>b) No irrigation systems, dependence on rain fall.</li> <li>c) Poor road infrastructure hindering access.</li> <li>d) Lack of youth interest in agriculture</li> <li>e) No processing of agricultural products</li> <li>f) Monoculture</li> <li>g) Low livestock production, no breed management</li> <li>h) General lack of able management structures in the sector</li> <li>i) Poor quality of animal healthcare and breeding services</li> </ul>

<p>g) A high rate of agricultural land compared to its agricultural population.</p> <p>h) Dutywa town is centrally located with easy access to larger and potential regional markets &amp; other external markets</p>	
<p><b>OPPORTUNITIES</b></p>	<p><b>THREATS.</b></p>
<p>a) Mechanisation support provided by DRDAR.</p> <p>b) Agricultural inputs provided by DRDAR.</p> <p>c) Extension support provided by DRDAR.</p> <p>d) R &amp; D Support provided by ECRDA</p> <p>e) Training opportunities through AgriSeta</p> <p>f) Funding available through Land Bank, SEFA and DSDB</p> <p>g) Ramping up of wool production in areas such as Dutywa</p> <p>h) Development of vegetable markets to existing buying value chains</p> <p>i) opportunities is Willowvale &amp; Elliotdale</p> <p>j) Macadamia farming in Willowvale</p> <p>k) Potential to produce better livestock through modern breeding, medication and feed availability.</p> <p>l) Government interest and willingness to support agriculture &amp; agroprocessing.</p> <p>m) Build on consensus to develop and implement quality standards</p>	<p>a) Vegetation at Willowvale and Elliotdale not suitable for livestock farming</p> <p>b) Climate change marked by long dry seasons and heavy rain deposits.</p> <p>c) Land invasion by alien species</p> <p>d) Stock theft</p> <p>e) Poor access to markets</p> <p>f) Rising input costs</p> <p>g) Lack of crop management at macro level</p> <p>h) Non marketability of indigenous livestock breeds</p> <p>i) Non marketability of indigenous livestock breeds</p> <p>j) High dependence on government</p>

### 4.3.2. Tourism, Arts & Craft SWOT Analysis.

Summarised as follows:

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>a) Functional local tourism organisation based in Dutywa</li> <li>b) Political support</li> <li>c) Community tourist organisations</li> <li>d) Presence of Star Graded BnB's in Dutywa</li> <li>e) Hotels in Willowvale &amp; Elliotdale</li> <li>f) Natural attractions such as Collywobles Vultures, Esinqumeni Caves, Battle of Gwadana, Mbhashe Royal Village etc.</li> <li>g) Presence of beaches in Willowvale &amp; Elliotdale</li> <li>h) Dwesa Nature Reserve &amp; Mbhanyana Falls</li> <li>i) Hiking trails on heritage sites &amp; along the coast.</li> </ul>	<ul style="list-style-type: none"> <li>a. Poor road network to tourism facilities</li> <li>b. High crime rate affects the sector &amp; deters tourists.</li> <li>c. Poor telecommunication infrastructure</li> <li>d. Lack of signage on many tourism facilities</li> <li>e. Poor marketing of facilities and products</li> <li>f. Lack of funding for development of the sector</li> <li>g. Lack of technological infrastructure to support the sector.</li> <li>h. Lack of job security</li> </ul>
<b>OPPORTUNITIES</b>	<b>THREATS.</b>
<ul style="list-style-type: none"> <li>a. Industry support from entities such as ECPTA, National Dept of Tourism, SA Tourism, HRA, ADM, ECDC, DEDEAT, SEDA etc</li> <li>b. Utilisation of oceans for tourism &amp; economic development</li> <li>c. Utilisation of heritage sites for tourism</li> <li>d. Hosting of events</li> <li>e. Digital presence &amp; marketing of tourism products</li> <li>f. Operation Phakisa</li> <li>g. Social media marketing</li> </ul>	<ul style="list-style-type: none"> <li>a) Natural disasters</li> <li>b) Violent crimes and crimes in general</li> <li>c) Global travel being curtailed.</li> <li>d) Loadshedding.</li> <li>e) Prevalence of pandemics resulting in travel restrictions.</li> <li>f) Lack of funding for development of the sector</li> <li>g) Competition with nearby economies such as Butterworth &amp; Mthatha</li> </ul>

### 4.3.3. Manufacturing Sector SWOT Analysis.

Summarised as follows:

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>a) Presence of manufacturing inputs such as quarries &amp; water for manufacturing of concrete products</li> <li>b) Demand for manufactured products is ever-increasing.</li> <li>c) Retail &amp; trade sector that is dependent on manufacturing for finished goods.</li> <li>d) Presence of affordable labour</li> <li>e) High per capita consumption of manufactured goods.</li> </ul>	<ul style="list-style-type: none"> <li>a. Sector is not coordinated.</li> <li>b. Often confused with agroprocessing</li> <li>c. Lack of electricity as inputs</li> <li>d. Poor research &amp; development.</li> <li>e. Land tenure challenges</li> <li>f. Education &amp; training is not sector focused.</li> <li>g. Poor economies of scale</li> <li>h. Lack of certification and standardization</li> <li>i. No focus on subsectors with competitive advantage and niche markets</li> </ul>
<b>OPPORTUNITIES</b>	<b>THREATS.</b>
<ul style="list-style-type: none"> <li>1. Sector prioritised in the PGDS.</li> <li>2. Incentive programs available from government to support the sector.</li> <li>3. High demand for cement products in the construction sector</li> <li>4. High demand for finished products in the retail sector.</li> <li>5. Absorption of skilled &amp; unskilled labour</li> </ul>	<ul style="list-style-type: none"> <li>1) Technology imports</li> <li>2) Imports of finished goods</li> <li>3) Alternate products often imported from countries such as China, India, and others.</li> <li>4) Barriers to entry are quite high</li> </ul>

### 4.3.4. Retail & Trade Sector SWOT Analysis.

Summarised as follows:

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>a) Presence of multiple-franchise retail stores such as Spar and others.</li> <li>b) Sufficiently diversified sector with related sub-sectors</li> <li>c) High labour absorption rate</li> <li>d) 2<sup>nd</sup> highest GDP contribution next to community services.</li> <li>e) High per capita consumption of finished goods.</li> <li>f) Sustainable and profitable businesses</li> <li>g) Social wage benefiting the sector.</li> <li>h) Relatively organised informal sector &amp; support</li> </ul>	<ul style="list-style-type: none"> <li>a. Low wage sector.</li> <li>b. Limited career progression.</li> <li>c. No job security.</li> <li>d. Imports finished goods outside Mbashe.</li> <li>e. Selective application of bylaws for informal sector</li> <li>f. Shortage of trade facilities for informal sectors.</li> <li>g. Shortage of water &amp; sanitation infrastructure to support the sector</li> </ul>

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i) Policies & bylaws for regulation of informal sector	
j) Economic infrastructure for informal sector	
<b>OPPORTUNITIES</b>	<b>THREATS.</b>
1) Expansion of retail opportunities outside the urban edge (“ <b>Retail Park</b> ”).	1. Poor electricity supply (“ <b>loadshedding</b> ”).
2) Introduction of additional sub-sectors.	2. Poor water supply
3) Off-take agreements to buy locally produced goods.	3. Inconsistent application and enforcement of bylaws.
4) To contribute to local supplier development through.	4. Influx of unregulated foreign owned shops.
5) Job creation	

#### 4.3.5. SWOT Analysis.

Summarised as follows:

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>▪ Presence of beaches in Willowvale &amp; Elliotdale</li> <li>▪ Sectoral prioritisation on the IDP</li> <li>▪ Sector support through Operation Phakisa</li> </ul>	<ul style="list-style-type: none"> <li>▪ Fishing industry underdeveloped.</li> <li>▪ No shipping industry</li> <li>▪ No ports</li> <li>▪ No oceans infrastructure</li> <li>▪ No industry related training</li> </ul>
<b>OPPORTUNITIES</b>	<b>THREATS.</b>
<ul style="list-style-type: none"> <li>▪ Government’s Operation Phakisa &amp; its benefits to the sector (“Marine Tilapia”).</li> <li>▪ Business/private sector investment opportunities</li> <li>▪ Establishment of light industries</li> <li>▪ To diversify and linkages with tourism sector</li> <li>▪ Introduction of aquaculture subsectors</li> </ul>	<ul style="list-style-type: none"> <li>▪ Outside the main ocean pipeline</li> <li>▪ Bureaucracy associated with issuing of fishing permits.</li> <li>▪ Presence of invasive species in the coastlines</li> <li>▪ Sub-optimal environmental conditions prohibit farming of commercial species.</li> </ul>

## 5. CHAPTER FIVE: LED STRATEGIC PLAN.

### 5.1. Introduction.

This LED Strategic Plan is an articulation of the LED vision, objectives, programmes and projects for implementation by Mbashe LM and all key stakeholders during 2022-2027. The plan is premised on the results of the situational analysis which has been alluded to elsewhere in this document and is guided by the strategic imperatives as outlined in the Mbashe IDP (2022-2027) as well as other government plans alluded to in **Chapter Two** of this document.

It will establish an agenda to develop Mbashe LM's economic, physical, social, and environmental strengths and also address the challenges it faces.

The framework has been derived from the World Bank's Guide on Local Economic Development and is made up of the following building blocks: -

#### Vision Statement

- the vision describes the stakeholders' (community, private sector, municipality, nongovernmental organizations) agreement on the preferred economic future of the local space

#### Objectives

- are set performance standards and target activities for development. They act as key performance indicators and should be SMART

#### Strategies

- Are based on the overall vision and specify desired outcomes of the economic planning process upon achievement of the stated objectives

#### Programs

- are set out approaches to achieving realistic economic development goals.
- They are also commonly known as development thrusts or pillars for economic development

#### Projects and Action Plans

- projects implement specific programme components. They must be prioritized and all costs must be established. They are also known as development initiatives

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## 5.2. LED Vision

To create an environment for economic growth and development by leveraging natural resources, provide economic infrastructure and investment promotion by June 2027.

## 5.3. LED Strategic Objectives & Goals

The following are the strategic objectives as contained in the IDP and are aligned to the key focus areas: -

#	Key Focus Area	Strategic Objective
1	Agricultural development & food security	To increase food security in Mbashe by June 2027.
2	Agro processing	To incorporate manufacturers and producers to existing value chains by June 2027
3	Job creation	To reduce poverty and unemployment through viable and sustainable job creation strategies by June 2027
4	Enterprise support SMME and development	To facilitate development and capacity building for SMME's by June 2027
5	Ocean Economy and Fisheries Development	To unlock ocean and marine opportunities by June 2027
6	Tourism Growth and Development	To position and promote Mbashe as a tourist destination of choice by June 2027
7	Heritage management	To maintain heritage sites by June 2027

Source: 2022-2027 IDP

## 5.4. LED Approach

Due to limited funding for local economic development, Mbashe LM will implement a Strategic Sector Focused Approach to local economic development. The approach has the following features: -

- 1) Identifies and prioritises key sectors in line with the strategic thrusts which are contained in the IDP.
- 2) It's biased towards a value chain approach across the key sectors & subsectors.
- 3) It promotes incubation of enterprises for ease of management and support.
- 4) Make it easier to monitor & evaluate the performance of incubated enterprises.
- 5) Can be replicated if proven to be successful.

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## 5.5. The Strategic Sector Focused Approach.

### 5.5.1. The Strategic Thrusts.

The following are the LED Strategic Thrusts: -



## 5.6. Sectorial Classification.

For each strategic thrust, Mbashe LM will package and provide support to the following sectors: -

### 5.6.1. Mandatory Economic Sectors.

These sectors are referred to as mandatory sectors because government has developed policies that emphasize the economic significance of these sectors. These sectors have a high contribution to GDP, high labour absorption rate, are import substitutes, have high value add, etc.

The following are the mandatory economic sectors: -

#	Mandatory Sectors	Sub-sectors.
1	Trade & Retail Sector	<ul style="list-style-type: none"> <li>▪ Food retail.</li> <li>▪ Clothing &amp; textile.</li> <li>▪ Building &amp; trade hardware</li> <li>▪ Alcohol &amp; beverages.</li> <li>▪ Agricultural products</li> </ul>
2	Agriculture & Agribusiness	<ul style="list-style-type: none"> <li>▪ Maize production</li> <li>▪ Vegetables &amp; film growing</li> <li>▪ Livestock production (cattle, sheep &amp; goats).</li> <li>▪ Aggregators.</li> </ul>
3	Tourism, Heritage & Arts	<ul style="list-style-type: none"> <li>▪ Accommodation.</li> <li>▪ Adventure tourism &amp; recreation</li> <li>▪ Events &amp; conferences</li> <li>▪ Performing arts &amp; film making</li> <li>▪ Catering services</li> <li>▪ Fast food joints</li> </ul>

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		<ul style="list-style-type: none"> <li>▪ Restaurants</li> <li>▪ Take-away services.</li> </ul>
4	Agroprocessing & Manufacturing	<ul style="list-style-type: none"> <li>▪ Livestock feed (straight run, fowl mix, bran, creep feed etc).</li> <li>▪ Maize products (samp, mealie) for human consumption</li> <li>▪ Soup powder</li> <li>▪ Vegetable oil</li> <li>▪ Brick &amp; block making</li> <li>▪ Curbs and stormwater channels</li> </ul>
5	Professional Services	<ul style="list-style-type: none"> <li>▪ Accounting &amp; bookkeeping</li> <li>▪ Internet cafés (internet, printing &amp; binding)</li> <li>▪ Legal services</li> <li>▪ Health services</li> <li>▪ Shoe repairs</li> <li>▪ Carpentry &amp; joinery</li> <li>▪ Engineering (Civil &amp; Building Construction)</li> </ul>
6	Health & Beauty	<ul style="list-style-type: none"> <li>▪ Hair &amp; beauty salons</li> <li>▪ Manicures &amp; pedicures.</li> <li>▪ Somatology.</li> </ul>
7	Telecommunication.	<ul style="list-style-type: none"> <li>▪ Cell phone shops</li> <li>▪ Cell phone accessories &amp; repair shops.</li> </ul>
8	Automotive sector	<ul style="list-style-type: none"> <li>▪ Petroleum &amp; oils</li> <li>▪ Car spares &amp; Autobody shops</li> <li>▪ Towing services</li> <li>▪ Car wash services</li> </ul>
9	Marine & oceans	<ul style="list-style-type: none"> <li>▪ Fishing.</li> <li>▪ Aquaculture.</li> <li>▪ Marine tourism, etc</li> </ul>
10	Creative industry	<ul style="list-style-type: none"> <li>▪ Film &amp; video production</li> <li>▪ Crafts</li> <li>▪ Fashion design</li> <li>▪ Music</li> <li>▪ Performing arts</li> <li>▪ Television &amp; radio</li> </ul>

### 5.6.2. High Economic Impact Sectors.

From the list of mandatory sectors, the LED Strategy identifies sectors and subsectors with high economic impact on the municipality, which will be prioritised during 2022-

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2027. These are sectors that have highly competitive advantage, high impact on employment and income, high GDP & GVA contribution and are import substitutes.

The following is a list of high economic impact sectors:

#	High Economic Impact Sectors	Sub-sectors.
1	Trade & Retail Sector	<ul style="list-style-type: none"> <li>▪ Retailers of food and non-food items</li> <li>▪ Clothing &amp; textile.</li> <li>▪ Building &amp; trade hardware</li> <li>▪ Alcohol &amp; beverages.</li> <li>▪ Agricultural products</li> </ul>
2	Agriculture & Agribusiness	<ul style="list-style-type: none"> <li>▪ Maize production</li> <li>▪ Vegetables &amp; fruit growing</li> <li>▪ Livestock production (cattle, sheep &amp; goats).</li> <li>▪ Aggregators.</li> </ul>
3	Tourism & Heritage	<ul style="list-style-type: none"> <li>▪ Accommodation.</li> <li>▪ Adventure tourism &amp; recreation</li> <li>▪ Events &amp; conferences</li> </ul>
4	Agroprocessing & Manufacturing	<ul style="list-style-type: none"> <li>▪ Livestock feed (straight run, fowl mix, bran, creep feed etc).</li> <li>▪ Maize products (samp, mealie) for human consumption</li> <li>▪ Soup powder</li> <li>▪ Vegetable oil</li> <li>▪ Brick &amp; block making</li> <li>▪ Curbs and stormwater channels</li> </ul>
5	Automotive sector	<ul style="list-style-type: none"> <li>▪ Petroleum &amp; oils</li> <li>▪ Car spares</li> <li>▪ Autobody shops</li> <li>▪ Towing services</li> <li>▪ Car wash services</li> </ul>
6	Food & hospitality.	<ul style="list-style-type: none"> <li>▪ Catering services</li> <li>▪ Fast food joints</li> <li>▪ Restaurants</li> <li>▪ Take-away services.</li> </ul>

### 5.6.3. Sectors with Private Sector Appeal.

The strategy has also identified sectors that are of interest to the private sector (private investors, banks, and finance houses) or those that have a high likelihood of attracting private domestic direct investment.

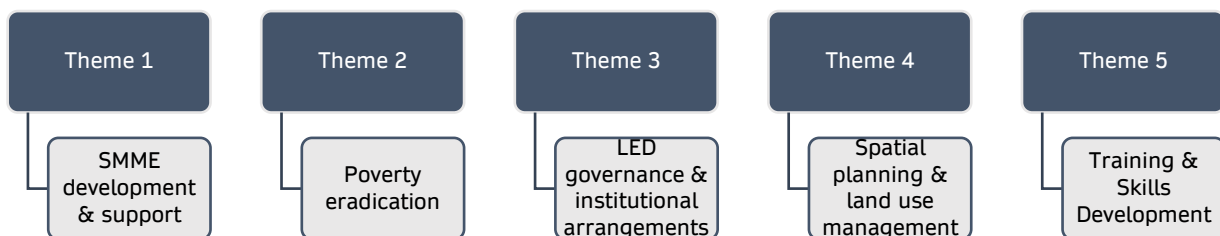
The following is a list of sectors with private sector appeal: -

#	Sectors with private sector appeal	Sub-sectors.
1	Trade & Retail Sector	<ul style="list-style-type: none"> <li>▪ Food.</li> <li>▪ Clothing &amp; textile.</li> <li>▪ Building &amp; trade hardware</li> <li>▪ Alcohol &amp; beverages.</li> <li>▪ Agricultural products</li> </ul>
2	Automotive sector	<ul style="list-style-type: none"> <li>▪ Petroleum &amp; oils</li> <li>▪ Car spares</li> <li>▪ Autobody shops</li> <li>▪ Towing services</li> </ul>
3	Food & hospitality.	<ul style="list-style-type: none"> <li>▪ Fast food joints</li> <li>▪ Restaurants</li> <li>▪ Take-away services.</li> </ul>
4	Telecommunication.	<ul style="list-style-type: none"> <li>▪ Cell phone shops</li> <li>▪ Cell phone accessories &amp; repair shops.</li> </ul>

### 5.6.4. Cross-Cutting Themes.

To supplement the sectors identified above, the strategy has also identified themes that cut across and are common to all the sectors.

The cross-cutting themes are the following: -



## 5.7. The Incubation & Value Chain Approach

The strategy proposes the development of incubator programs, which shall be vehicles to providing packaged support and distributing resources to a small group of entrepreneurs per year per sector.

This is done to ensure maximum outputs and outcomes for invested resources. Businesses will be incubated at different stages of development, focusing on sectors and sub-sectors already prioritised in the 2022-2027 IDP.

The entrepreneurs or businesses that have graduated from incubation will be incorporated into existing value chains and exited from the program.

## 5.8. Sector Focused Strategies.

The outcome of the situational analysis, which was undertaken using SWOT analysis as a strategic planning tool, necessitated the development of an integrated set of strategic choices on how to sustain the economic strengths and how to convert the identified weaknesses into strengths over time. It also came up with proposals on needs to be done to take advantage of available LED opportunities whilst at the same time look at strategies to mitigate the threats which are posed by factors that are beyond the control of the municipality.

Such strategies are contained in the following tables: -

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### 5.8.1. Agriculture & Agroprocessing Sector Development Strategies.

The strategies have been developed based on the outcomes of the SWOT analysis and are summarised as follows:

STRENGTHS	STRATEGIES TO SUSTAIN STRENGTHS
a) About 6 360 ha of arable land available for various crops	<ul style="list-style-type: none"> <li>▪ Develop an Agriculture Sector Plan</li> <li>▪ Sustainable land use and conservation of the land resource to improve fertility and avoiding land degradation.</li> <li>▪ Modern agricultural practices for maximum land utilization &amp; food production</li> </ul>
b) Good potential for cattle and sheep farming in Dutywa	<ul style="list-style-type: none"> <li>▪ Livestock improvement, improved genetics, research, and development</li> <li>▪ Livestock marketing</li> </ul>
c) Wool production in about 44 shearing sheds in Dutywa	<ul style="list-style-type: none"> <li>▪ Partnering with industry partners and mobilise resources for the establishment of the Wool Improvement Program, linked with the Livestock Improvement Program</li> </ul>
d) Established fruit and vegetable buying value chains such as Spar, Ngumbela, Boxer and Madyasi, etc	<ul style="list-style-type: none"> <li>▪ Investment mobilisation in infrastructure and industrial development support through strategic partnerships and value chain enhancement</li> <li>▪ Forward linkages with identified retail stores to conclude off-take agreements.</li> </ul>
e) Smaller fruit and vegetable buying value chains such as shops run by foreign nationals.	<ul style="list-style-type: none"> <li>▪ Encouraging and enforcing regulatory environment and enforcement of the by-laws</li> </ul>

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	<ul style="list-style-type: none"> <li>Forward linkages with identified retail stores to conclude off-take agreements.</li> </ul>
f) A high per capita consumption of agricultural products and dry goods	<ul style="list-style-type: none"> <li>Access to finance, support and access to land for food sovereignty- Mbhashe becoming a food basket for the region and beyond.</li> <li>Food production programs to ensure sufficient supply of dry goods and exporting of excess stock.</li> </ul>
g) A high rate of agricultural land compared to its agricultural population.	<ul style="list-style-type: none"> <li>Awareness and advocacy, establishing incubator programmes and farmer training with special focus on youth and potential entrepreneurs</li> </ul>
h) Dutywa town is centrally located with easy access to larger and potential regional markets & other external markets	<ul style="list-style-type: none"> <li>Strategic N2 corridor development linked with the Wild Coast SEZ to create opportunities</li> </ul>
<b>WEAKNESSES</b>	<b>STRATEGIES TO CONVERT WEAKNESSES INTO STRENGTHS</b>
a) No fencing of arable & grazing land	<ul style="list-style-type: none"> <li>Public and private sector investment in fencing to safeguard crop and livestock thereby improving land utilisation.</li> <li>Utilize existing DRDAR Programs for fencing of arable land.</li> </ul>
b) No irrigation systems, dependence on rainfall	<ul style="list-style-type: none"> <li>Acceleration of investments in irrigation infrastructure in line with industry norms and standards. Right time, right crop, right methods, right people-sustainable farming.</li> <li>Focus on high yield per ha dryland crops.</li> <li>Timing of planting season in line with seasonal rainfall.</li> </ul>

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c) Poor road infrastructure hindering access.	<ul style="list-style-type: none"> <li>▪ Utilize MIG to build strategic agricultural infrastructure.</li> <li>▪ Utilize DTIC incentive programs for economic infrastructure development.</li> </ul>
d) Lack of youth interest in agriculture	<ul style="list-style-type: none"> <li>▪ Smart agriculture through use of ICT infrastructure, training as mechanics &amp; operators, investment in stud breeding, genetics, value additions and grading knowledge</li> <li>▪ Youth involvement in agroprocessing, branding and product marketing.</li> </ul>
e) No processing of agricultural products	<ul style="list-style-type: none"> <li>▪ Establishment of high-tech mini-industries for value addition within the Mbashe to lock the rand</li> </ul>
f) Monoculture	<ul style="list-style-type: none"> <li>▪ Crop rotation with crops that improve soil fertility and structure such as legumes, etc</li> </ul>
g) Low livestock production, no breed management	<ul style="list-style-type: none"> <li>▪ Livestock production in line with norms and standards and selection of breeds for commercial purposes</li> </ul>
h) General lack of able management structures in the sector	<ul style="list-style-type: none"> <li>▪ Establishment of the LED stakeholder forums and technical teams to deal with agro-economic development challenges</li> </ul>
i) Poor quality of animal healthcare and breeding services	<ul style="list-style-type: none"> <li>▪ Improved extension support and available veterinary services and utilisation of WhatsApp/SMS lines and mobile veterinary clinics for immediate intervention.</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Training of local youth on breeding functions and strategic partnerships with Research and Academic &amp; Agribusinesses</li> </ul>
<b>OPPORTUNITIES</b>	<b>STRATEGIES TO LEVERAGE ON OPPORTUNITIES</b>
a) Mechanisation support provided by DRDAR	<ul style="list-style-type: none"> <li>▪ Mechanisation Centre to be established for Mbashe to accommodate the areas that are outside the Farmer Production Support Unit parameters and rules (FPSU)</li> </ul>
b) Agricultural inputs provided by DRDAR.	<ul style="list-style-type: none"> <li>▪ Local SMMEs to participate in the tender process to create business and exploring opportunities for input production facility within the area.</li> <li>▪ Establish input buyer value chains for bulk buying to offset costs</li> </ul>
c) Extension support provided by DRDAR.	<ul style="list-style-type: none"> <li>▪ Increase the work force and create mentorship programme through partnerships with the private sector and the communities</li> </ul>
d) R & D Support provided by ECRDA	<ul style="list-style-type: none"> <li>▪ Mobilisation of support linkages with other entities such as ARC, Grain SA, GFADA, AFGRI, Karan Beef etc</li> </ul>
e) Training opportunities through AgriSeta	<ul style="list-style-type: none"> <li>▪ Leverage on partnerships with AgriSeta and other bodies through MoUs or any other forms of contracting</li> </ul>
f) Funding available through Land Bank, SEFA and DSDB	<ul style="list-style-type: none"> <li>▪ Identify investment opportunities linked with available funding.</li> <li>▪ Access BDS to develop business plans to access funding.</li> <li>▪ Utilize funding windows when open.</li> </ul>

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g) Ramping up of wool production in areas such as Dutywa	<ul style="list-style-type: none"> <li>▪ Wool Improvement Program with industry partners such as National and Provincial Government, Municipality (Local and District and Agency-ASPIRE), NWGA, BKB, Wool &amp; Mohair SA, IDC, ARC, Universities etc.</li> </ul>
h) Development of vegetable markets to existing buying value chains	<ul style="list-style-type: none"> <li>▪ Strengthening primary production and creating entrepreneurs through access to finance and off take agreements.</li> <li>▪ Utilize existing retail stores as markets for vegetables</li> </ul>
i) opportunities in Willowvale & Elliotdale	<ul style="list-style-type: none"> <li>▪ Partnerships with industry partners and public sector and implementation of available plans to turn the tide at Mbashe</li> </ul>
j) Macadamia farming in Willowvale	<ul style="list-style-type: none"> <li>▪ Access to land for expansion and ramping up macadamia production within the area</li> </ul>
k) Potential to produce better livestock through modern breeding, medication, and feed availability.	<ul style="list-style-type: none"> <li>▪ Partnerships with the research institutes, academic institutions, public and private sector, traditional councils and communities.</li> <li>▪ Establishment of local and community incubation programmes to train the youth in technical aspects</li> </ul>
l) Government interest and willingness to support agriculture & agroprocessing.	<ul style="list-style-type: none"> <li>▪ Mobilisation and advocacy for more funding and private sector participation. Establish of local agricultural steering committee to drive agricultural development with the municipality playing a facilitation role</li> </ul>

m) Build on consensus to develop and implement quality standards	<ul style="list-style-type: none"> <li>▪ Establishment of quality assurance team to deal with the quality standards and regulatory framework.</li> <li>▪ Utilize existing assurance models and standards.</li> </ul>
<b>THREATS</b>	<b>STRATEGIES TO MITIGATE THREATS</b>
a. Vegetation at Willowvale and Elliotdale not suitable for livestock farming	<ul style="list-style-type: none"> <li>▪ Intensive livestock production through custom feedlots</li> </ul>
b. Climate change marked by long dry seasons and heavy rain deposits.	<ul style="list-style-type: none"> <li>▪ Increase awareness and sustainable use of natural resources and activities that are sensitive to climate change</li> </ul>
c. Land invasion by alien species	<ul style="list-style-type: none"> <li>▪ Sustainable control of alien species</li> </ul>
d. Stock theft	<ul style="list-style-type: none"> <li>▪ Social mobilisation and linkages with traditional councils and enforcement agencies</li> <li>▪ Utilize existing technology to mitigate the risks.</li> </ul>
e. Poor access to markets	<ul style="list-style-type: none"> <li>▪ Negotiations and concluded off take agreements and development of capacity.</li> <li>▪ Utilize existing retail stores as markets</li> </ul>
f. Rising input costs	<ul style="list-style-type: none"> <li>▪ Bulk buying and own production of inputs</li> </ul>
g. Lack of crop management at macro level	<ul style="list-style-type: none"> <li>▪ Strategic sector working groups to be established</li> </ul>
h. Non marketability of indigenous livestock breeds	<ul style="list-style-type: none"> <li>▪ Value addition and breeding programmes at the local levels</li> </ul>
i. High dependence on government	<ul style="list-style-type: none"> <li>▪ Creating entrepreneurial spirit and commercialisation mind and proper selection of potential beneficiaries and businesspeople</li> </ul>

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### 5.8.2. Tourism & Heritage Sector Development Strategies.

The strategies have been developed based on the outcomes of the SWOT analysis and are summarised as follows:

Strengths	Strategies To Sustain Strengths
1) Functional local tourism organisation based in Dutywa	<ul style="list-style-type: none"> <li>▪ Capacity building through training &amp; development</li> <li>▪ Financial and non-financial support</li> </ul>
2) Community tourist organisations	<ul style="list-style-type: none"> <li>▪ Capacity building through training &amp; development</li> <li>▪ Financial and non-financial support</li> </ul>
3) Presence of Star Graded BnB's in Dutywa	<ul style="list-style-type: none"> <li>▪ Product specific support such as continuous improvement to sustain the grading and improve to higher grading.</li> <li>▪ Link with available government funding &amp; incentive programs</li> </ul>
4) Hotels in Willowvale & Elliotdale	<ul style="list-style-type: none"> <li>▪ Product specific support such as continuous improvement to sustain the grading and improve to higher grading.</li> <li>▪ Link with available government funding &amp; incentive programs</li> </ul>
5) Natural attractions such as Collywobles Vultures, Esinqumeni Caves, Battle of Gwadana, Mbhashe Royal Village etc.	<ul style="list-style-type: none"> <li>▪ Profiling of the attractions for destination marketing purpose.</li> <li>▪ Build social and electronic media presence</li> </ul>
6) Presence of beaches in Willowvale & Elliotdale	<ul style="list-style-type: none"> <li>▪ Profiling of the beaches &amp; available facilities for destination marketing purpose.</li> <li>▪ Build social and electronic media presence.</li> <li>▪ Management &amp; maintenance of beaches in line with relevant statutes</li> </ul>

7) Dwesa Nature Reserve & Mbhanyana Falls	<ul style="list-style-type: none"> <li>▪ Engage ECPTA on available options for maximum commercial utilization of Dwesa Nature Reserve.</li> <li>▪ Build social and electronic media presence for Mbhanyana Falls</li> </ul>
8) Hiking trails on heritage sites & along the coast.	<ul style="list-style-type: none"> <li>▪ Profiling of the attractions for destination marketing purpose.</li> <li>▪ Build social and electronic media presence</li> </ul>
<b>Weaknesses</b>	<b>Strategies To Convert Weaknesses into Strengths</b>
1) Poor road network to tourism facilities	<ul style="list-style-type: none"> <li>▪ Utilize 5% of MIG to develop roads &amp; related tourism infrastructure</li> </ul>
2) High crime rate affects the sector & deters tourists.	<ul style="list-style-type: none"> <li>▪ Engage SAPS to develop sector focused crime prevention &amp; mitigation strategies</li> </ul>
3) Poor telecommunication infrastructure	<ul style="list-style-type: none"> <li>▪ Engage telecom companies for installation cell phone towers in strategic areas.</li> <li>▪ Installation of optic fibre network</li> </ul>
4) Lack of signage on many tourism facilities	<ul style="list-style-type: none"> <li>▪ Engage Dept of Tourism, DSBD, SEDA &amp; ECPTA to fund signage of tourism facilities.</li> </ul>
5) Poor marketing of facilities and products	<ul style="list-style-type: none"> <li>▪ Engage Dept of Tourism, DSBD, SEDA &amp; ECPTA to fund Destination Marketing Strategy for Mhashe</li> </ul>
6) Lack of funding for development of the sector	<ul style="list-style-type: none"> <li>▪ Facilitate access to funding with available funding options at ECPTA, SEDA, DEDEAT, DSBD, etc.</li> </ul>
7) Lack of technological infrastructure to support the sector	<ul style="list-style-type: none"> <li>▪ Facilitate access to technology transfer programs like SEDA TTA etc</li> </ul>

1) Lack of job security	<ul style="list-style-type: none"> <li>▪ Seta accredited training &amp; development programs to prepare employees for upward mobility</li> </ul>
<b>Opportunities</b>	<b>Strategies To Leverage on Opportunities</b>
1) Industry support from entities such as ECPTA, National Dept of Tourism, SA Tourism, HRA, ADM, ECDC, DEDEAT, SEDA etc	<ul style="list-style-type: none"> <li>▪ Support product owners with appropriate tools such as Business Plans &amp; other compliance requirements to access available support</li> </ul>
2) Utilisation of oceans for tourism & economic development	<ul style="list-style-type: none"> <li>▪ Profiling of oceans economic opportunities &amp; incorporate to the Mbashe Tourism Sector Plan.</li> <li>▪ PPP's &amp; Concessions to develop and operate ocean-based tourism enterprises</li> </ul>
3) Utilisation of heritage sites for tourism	<ul style="list-style-type: none"> <li>▪ Profiling of heritage sites &amp; incorporate to the Mbashe Tourism Sector Plan</li> </ul>
4) Hosting of events	<ul style="list-style-type: none"> <li>▪ Develop an annual event calendar.</li> <li>▪ Outsource to established events management companies to host annual events</li> </ul>
5) Digital presence & marketing of tourism products	<ul style="list-style-type: none"> <li>▪ Digital marketing concepts to be included in the Mbashe Tourism Sector Plan</li> </ul>
6) Operation Phakisa	<ul style="list-style-type: none"> <li>▪ Engage ECSECC and relevant implementing agents to leverage available opportunities presented by Operation Phakisa.</li> </ul>
7) Social media marketing	<ul style="list-style-type: none"> <li>▪ Social media marketing options to be included in the Mbashe Tourism Sector Plan</li> </ul>

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<b>Threats.</b>	<b>Strategies To Mitigate Threats</b>
1) Natural disasters	<ul style="list-style-type: none"> <li>▪ Implement Mbhashe LM Disaster Management Plan</li> </ul>
2) Violent crimes and crimes in general	<ul style="list-style-type: none"> <li>▪ Engage SAPS to develop sector focused crime prevention &amp; mitigation strategies</li> </ul>
3) Global travel being curtailed.	<ul style="list-style-type: none"> <li>▪ Focus on domestic tourists and holiday makers.</li> </ul>
4) Loadshedding.	<ul style="list-style-type: none"> <li>▪ Invest in energy efficient devises (generators, UPS, energy saving lights, etc)</li> <li>▪ Procure solar geysers using the National Treasury Rebate Scheme</li> <li>▪ Align operations with loadshedding schedule</li> </ul>
5) Prevalence of pandemics resulting in travel restrictions.	<ul style="list-style-type: none"> <li>▪ Utilize Dept of Health Policy &amp; Guidelines on pandemic management.</li> <li>▪ Focus on domestic tourists and holiday makers.</li> </ul>
6) Lack of funding for development of the sector	<ul style="list-style-type: none"> <li>▪ Support product owners with appropriate tools such as Business Plans &amp; other compliance requirements to access available funding support</li> </ul>
7) Competition with nearby economies such as Butterworth & Mthatha	<ul style="list-style-type: none"> <li>▪ Build internal competencies to ensure product owners are competitive.</li> </ul>

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### 5.8.3. Manufacturing Sector Development Strategies.

The strategies have been developed based on the outcomes of the SWOT analysis and are summarised as follows:

Strengths		Strategies To Sustain Strengths
1) Presence of manufacturing inputs such as quarries & water for manufacturing of concrete products		<ul style="list-style-type: none"> <li>▪ Prioritise subsectors that can utilize the available inputs for commercial purposes</li> </ul>
2) Demand for manufactured products is ever-increasing.		<ul style="list-style-type: none"> <li>▪ Conduct supply &amp; demand analysis for manufactured products.</li> <li>▪ Focus on manufacturing products on high demand.</li> </ul>
3) Retail & trade sector that is dependent on manufacturing for finished goods.		<ul style="list-style-type: none"> <li>▪ Facilitate off-take agreements with the retail sector</li> </ul>
4) Presence of affordable labour		<ul style="list-style-type: none"> <li>▪ Facilitate accredited training to improve opportunities for placement</li> </ul>
5) High per capita consumption of manufactured goods.		<ul style="list-style-type: none"> <li>▪ Conduct supply &amp; demand analysis for manufactured products.</li> <li>▪ Focus on manufacturing products on high demand.</li> <li>▪ Facilitate off-take agreements with the retail sector</li> </ul>
Weaknesses		Strategies to Convert Weaknesses into Strengths
1) Sector is not coordinated.		<ul style="list-style-type: none"> <li>▪ Facilitate establishment of a sector focused group for coordination &amp; information sharing</li> </ul>
2) Often confused with agroprocessing		<ul style="list-style-type: none"> <li>▪ Identify niche products that can be locally manufactured.</li> </ul>
3) Lack of electricity as inputs		<ul style="list-style-type: none"> <li>▪ Invest in energy efficient devises (generators, UPS, energy saving lights, etc)</li> <li>▪ Procure solar geysers using the National Treasury Rebate Scheme</li> <li>▪ Align operations with loadshedding schedule</li> </ul>
4) Poor R & D.		<ul style="list-style-type: none"> <li>▪ Engage institutions such as ASPIRE, WSU, ARC etc, for sector specific R &amp; D.</li> </ul>
5) Land tenure challenges		<ul style="list-style-type: none"> <li>▪ Engage Dept of Rural Development &amp; Land Reform and Traditional Leaders to address land tenure challenges</li> </ul>

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6) Education & training is not sector focused.	<ul style="list-style-type: none"> <li>Facilitate training that W&amp;R Seta accredited.</li> </ul>
7) Poor economies of scale	<ul style="list-style-type: none"> <li>Develop internal competencies to improve economies of scale</li> </ul>
8) Lack of certification and standardization	<ul style="list-style-type: none"> <li>Engage ECDC &amp; SEDA for development of quality management systems as requirements for certification.</li> </ul>
9) No focus	<ul style="list-style-type: none"> <li>Identify niche products that can be locally manufactured and focus on those.</li> </ul>
<b>Opportunities</b>	<b>Strategies To Leverage on Opportunities</b>
1) Sector prioritised in the PGDS.	<ul style="list-style-type: none"> <li>Package investment opportunities that are prioritised in the PGDS</li> </ul>
2) Incentive programs available from government to support the sector	<ul style="list-style-type: none"> <li>Package investment opportunities and applications to benefit from available incentive programs.</li> </ul>
3) High demand for cement products in the construction sector	<ul style="list-style-type: none"> <li>Prioritise concrete/cement products as a subsector.</li> </ul>
4) High demand for finished products in the retail sector	<ul style="list-style-type: none"> <li>Conduct supply &amp; demand analysis for manufactured products.</li> <li>Focus on manufacturing products on high demand.</li> <li>Facilitate off-take agreements with the retail sector</li> </ul>
5) Absorption of skilled & unskilled labour	<ul style="list-style-type: none"> <li>Facilitate training that W&amp;R Seta accredited.</li> </ul>
<b>Threats.</b>	<b>Strategies To Mitigate Threats</b>
1) Technology imports	<ul style="list-style-type: none"> <li>OEMs to customise technology to suit local conditions</li> </ul>
2) Imports of finished goods	<ul style="list-style-type: none"> <li>Build local manufacturing capacity to minimise imports.</li> </ul>
3) Alternate products	<ul style="list-style-type: none"> <li>Introduce trade regulations and bylaws to deal with alternate products</li> </ul>
4) Barriers to entry are quite high	<ul style="list-style-type: none"> <li>Focus on products that require the least means of production.</li> <li>Introduce SMME friendly regulatory framework.</li> <li>Facilitate access to funding and technology transfer.</li> </ul>

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#### 5.8.4. Trade & Retail Sector Development Strategies.

The strategies have been developed based on the outcomes of the SWOT analysis and are summarised as follows:

<b>Strengths</b>			<b>Strategies to Sustain Strengths</b>
1) Presence of multiple-franchise retail stores such as Spar and others.			<ul style="list-style-type: none"> <li>▪ Utilize their buying power to support local producers and create employment opportunities.</li> </ul>
2) Sufficiently diversified sector with related sub-sectors			<ul style="list-style-type: none"> <li>▪ Facilitate development of new enterprises to focus on the related sub-sectors.</li> </ul>
3) High labour absorption rate			<ul style="list-style-type: none"> <li>▪ Facilitate W&amp;R Seta accredited training to improve upward mobility and improve opportunities of alternative employment.</li> </ul>
4) 2 <sup>nd</sup> highest GDP contribution next to community services.			<ul style="list-style-type: none"> <li>▪ Provide infrastructure and regulatory support to the sector</li> </ul>
5) High per capita consumption of finished goods.			<ul style="list-style-type: none"> <li>▪ Arrangements to be put in place for procurement of locally produced goods</li> </ul>
6) Sustainable and profitable businesses			<ul style="list-style-type: none"> <li>▪ Create enabling environment for new players to come into the sector</li> </ul>
7) Social wage benefiting the sector			<ul style="list-style-type: none"> <li>▪ Focus on products that are affordable to this market segment</li> </ul>
8) Relatively organised informal sector & support			<ul style="list-style-type: none"> <li>▪ Strengthen regulatory framework for continuous support of the sector</li> </ul>
9) Policies & bylaws for regulation of informal sector			<ul style="list-style-type: none"> <li>▪ Reconfiguration of informal trade bylaws to ensure fair application.</li> <li>▪ Classification of the sector to deal with hawkers differently from informal traders.</li> </ul>
10) Economic infrastructure for informal sector			<ul style="list-style-type: none"> <li>▪ Provide additional hawker stalls, water points and public toilets</li> </ul>
<b>Weaknesses</b>			<b>Strategies to convert weaknesses int strengths</b>
1) Low wage sector.			<ul style="list-style-type: none"> <li>▪ Facilitate W&amp;R Seta accredited training to improve upward mobility and improve opportunities of alternative employment.</li> <li>▪ Salary structures to be aligned with sectorial determination.</li> </ul>
2) Limited career progression.			<ul style="list-style-type: none"> <li>▪ Facilitate W&amp;R Seta accredited training to improve upward mobility and improve opportunities of alternative employment.</li> </ul>
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3) No job security.	<ul style="list-style-type: none"> <li>Application of labour laws such as BCEA, etc.</li> </ul>
4) Imports finished goods outside Mphashe	<ul style="list-style-type: none"> <li>20% of finished products to be procured locally where possible.</li> </ul>
5) Selective application of bylaws for informal sector	<ul style="list-style-type: none"> <li>Reconfiguration of informal trade bylaws to ensure fair application.</li> <li>Classification of the sector to deal with hawkers differently from informal traders.</li> </ul>
6) Shortage of trade facilities for informal sectors.	<ul style="list-style-type: none"> <li>Construction pay-per-user public toilets in new establishments and in public open spaces</li> </ul>
7) Shortage of water & sanitation infrastructure to support the sector	<ul style="list-style-type: none"> <li>Rainwater harvesting to supplement municipal supplied water.</li> <li>Construction pay-per-user public toilets in new establishments and in public open spaces</li> </ul>
<b>Opportunities</b>	<b>Strategies To Leverage on Opportunities</b>
1) Expansion of retail opportunities outside the urban edge (“ <i>Retail Park</i> ”).	<ul style="list-style-type: none"> <li>Expansion of Dutywa Urban Edge to create additional trading spaces.</li> <li>Utilise neglected and disused buildings in the CBD.</li> </ul>
2) Introduction of additional sub-sectors.	<ul style="list-style-type: none"> <li>Focus on sectors with high GDP contribution.</li> </ul>
3) Off-take agreements to buy locally produced goods.	<ul style="list-style-type: none"> <li>20% of finished products to be procured locally where possible.</li> </ul>
4) To contribute to local supplier development through supplier development programs.	<ul style="list-style-type: none"> <li>Engage retail stores to introduce or participate in supplier development programs in line with their BBBEE Scorecards</li> </ul>
5) Job creation	<ul style="list-style-type: none"> <li>Sector to utilize existing employment facilitation schemes such as internships and Jobs Fund, etc.</li> </ul>
<b>Threats.</b>	<b>Strategies to Mitigate Threats</b>
1) Poor electricity supply (“ <i>loadshedding</i> ”).	<ul style="list-style-type: none"> <li>Invest in energy efficient devises (generators, UPS, energy saving lights, etc)</li> <li>Procure solar geysers using the National Treasury Rebate Scheme</li> <li>Align operations with loadshedding schedule</li> </ul>
2) Poor water supply	<ul style="list-style-type: none"> <li>Rainwater harvesting to supplement municipal supplied water.</li> </ul>

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	<ul style="list-style-type: none"> <li>Construction pay-per-user public toilets in new establishments and in public open spaces</li> </ul>
3) Inconsistent application and enforcement of bylaws.	<ul style="list-style-type: none"> <li>Reconfiguration of informal trade bylaws to ensure fair application.</li> <li>Classification of the sector to deal with hawkers differently from informal traders.</li> </ul>
6) Influx of unregulated foreign owned shops.	<ul style="list-style-type: none"> <li>Trade permits to be issued to properly registered foreign nationals.</li> </ul>

### 5.8.5. Small Scale Fisheries Development Strategies.

<b>Strengths</b>	<b>Strategies to sustain Strengths</b>
1) Presence of beaches in Willowvale & Elliotdale	<ul style="list-style-type: none"> <li>Optimal utilization of beaches for economic development</li> </ul>
2) Sectoral prioritisation on the IDP	<ul style="list-style-type: none"> <li>Profiling of oceans economic opportunities &amp; incorporate to the Mbashe Tourism Sector Plan.</li> <li>PPP's &amp; Concessions to develop and operate ocean-based tourism &amp; hospitality enterprises</li> </ul>
3) Sector support through Operation Phakisa	<ul style="list-style-type: none"> <li>Tourism Sector Plan to identify and prioritise programs aligned with Operation Phakisa</li> </ul>
<b>Weaknesses</b>	<b>Strategies to convert weaknesses into strengths</b>
1) Fishing industry underdeveloped.	<ul style="list-style-type: none"> <li>Develop small scale fisheries plan, informed by existing legislation.</li> </ul>
2) No shipping industry	<ul style="list-style-type: none"> <li>Explore options for alternative utilization of the seaboard in consultation with SAMSA and others.</li> </ul>
3) No ports	<ul style="list-style-type: none"> <li>Explore options for alternative utilization of the seaboard in consultation with SAMSA and others.</li> </ul>
4) No oceans infrastructure	<ul style="list-style-type: none"> <li>Explore options for alternative utilization of the seaboard in consultation with SAMSA and others.</li> </ul>

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5) No industry related training	<ul style="list-style-type: none"> <li>Collaborate with NMMU and similar institutions to provide training in line with Operation Phakisa</li> </ul>
<b>Opportunities</b>	<b>Strategies To Leverage on Opportunities</b>
1) Government's Operation Phakisa & its benefits to the sector ("Marine Tilapia").	<ul style="list-style-type: none"> <li>Tourism Sector Plan to identify and prioritise programs aligned with Operation Phakisa</li> </ul>
2) Business/private sector investment opportunities	<ul style="list-style-type: none"> <li>PPP's &amp; Concessions to develop and operate ocean-based tourism &amp; hospitality enterprises</li> </ul>
3) Establishment of light industries	<ul style="list-style-type: none"> <li>Conduct feasibility studies on possible industries</li> </ul>
4) Introduction of aquaculture subsectors	<ul style="list-style-type: none"> <li>Conduct feasibility studies on possible subsectors</li> </ul>
5) To diversify and linkages with tourism sector	<ul style="list-style-type: none"> <li>Packaging tourism with ocean-based activities</li> </ul>
<b>Threats.</b>	<b>Strategies To Mitigate Threats</b>
1) Outside the main ocean pipeline	<ul style="list-style-type: none"> <li>Utilise beaches for marine and coastal tourism.</li> <li>Utilize beaches for commercial fishing to aid in food production</li> </ul>
2) Bureaucracy associated with issuing of fishing permits.	<ul style="list-style-type: none"> <li>Engaging Dept of Forestry &amp; Fisheries on procedures to apply for fishing licences for small scale fisheries.</li> <li>Reducing barriers to entry</li> </ul>
3) Presence of invasive species in the coastlines	<ul style="list-style-type: none"> <li>Engage Dept of Forestry &amp; Fisheries on the implementation of the Coastal Management Regulations</li> </ul>
4) Sub-optimal environmental conditions prohibit farming of commercial species	<ul style="list-style-type: none"> <li>Explore alternative fish farming options utilizing relevant legislation and regulations.</li> </ul>

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## 6. CHAPTER SIX: LED HIGH IMPACT PROGRAMS AND PROJECTS.

The World Bank states that “programmes and projects are derived from the LED vision and objectives. Collectively, they are the set of strategic thrusts that are implemented to achieve the objectives and realize the vision”.

The key programs that will be implemented by Mbhashe LM during 2022-2027 have been derived from the strategic thrusts which are contained in the IDP 2022-2027. In addition, during the situational analysis, additional sectorial interventions that are not aligned to the IDP were identified for implementation by the LED Unit during the same period. These sectorial interventions will be incorporated into the IDP during the 2023-2024 IDP Review.

The following are the programs that will be implemented during 2022-2027: -

#	Program ID	Program Description
1	Program 1	Agriculture & Agribusiness Support Program
2	Program 2	Agroprocessing & Manufacturing Support Program
3	Program 3	Trade & Retail Support Program
4	Program 4	Tourism & Heritage Sector Support Program
5	Program 5	Automotive Sector Support Program
6	Program 6	Food & Hospitality Support Program
7	Program 7	Telecommunications Support Program
8	Program 8	Oceans Economy

## 6.1. LED Programs for 2022/2027.

The LED Programs are summarised as follows:

### 6.1.1. Program One: Agriculture & Agribusiness Support Program.

**Strategic Objective:** To increase food security in Mbashe by June 2027.

#	Projects to be implemented by the municipality	Targeted Areas
1	Provide mechanisation, inputs, and technical support for production of grains (maize, sorghum, beans, etc)	Dutywa, Willowvale & Elliotdale
2	Provide mechanisation, inputs, and technical support for production of seasonal vegetables	Dutywa, Willowvale & Elliotdale
3	Provide infrastructure, feed, medication, and technical support for livestock production (cattle, sheep, poultry and goats).	Dutywa, Willowvale & Elliotdale
4	Facilitate market access & business linkages for agricultural products.	Dutywa, Willowvale & Elliotdale
5	Provide critical sector specific infrastructure	Dutywa, Willowvale & Elliotdale

### 6.1.2. Program Two: Agroprocessing & Manufacturing Support Program

**Strategic Objective:** To incorporate manufacturers and producers to existing value chains by June 2027.

#	Projects to be implemented by the municipality	Targeted Areas
1	Small feed mill for production livestock feed and maize value addition	Dutywa, Willowvale & Elliotdale
2	Access to development finance to procure equipment and machinery for vegetable processing (packaged vegetables, soup powder production, etc).	Dutywa, Willowvale & Elliotdale
3	Assist enterprises to access inputs, machinery & certification for manufacturing of concrete products (bricks, blocks, pavers, lintols, curbs, etc)	Dutywa, Willowvale & Elliotdale
4	Provide critical sector specific infrastructure	Dutywa, Willowvale & Elliotdale

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### 6.1.3. Program Three: Trade & Retail Sector Support Program

**Strategic Objective:** Ensure sustainability of the retail sector by June 2027.

#	Projects to be implemented by the municipality	Targeted Areas
1	Develop a Trade & Retail Sector Support Plan	Dutywa, Willowvale & Elliotdale
2	Expand the Dutywa Urban Edge to unlock land for retail development.	Dutywa
3	Expropriate unused and neglected building in the CBD for retail purposes	Dutywa, Willowvale & Elliotdale
4	Develop incentives to facilitate new investments in retail	Dutywa, Willowvale & Elliotdale
5	Create an enabling policy environment (bylaws, etc) to legislate business development	Dutywa, Willowvale & Elliotdale
6	Provide critical sector specific infrastructure	Dutywa, Willowvale & Elliotdale

### 6.1.4. Program Four: Tourism & Heritage Sector Support Program

**Strategic Objective:** Facilitate the establishment of and support of the tourism & heritage sector by June 2027.

#	Projects to be implemented by the municipality	Targeted Areas
1	Develop a Tourism Sector Plan (“incorporating ”)	Dutywa, Willowvale & Elliotdale
2	Branding of tourism products	Dutywa, Willowvale & Elliotdale
3	Grading of accommodation facilities	Dutywa, Willowvale & Elliotdale
4	Provide critical sector specific infrastructure	Dutywa, Willowvale & Elliotdale

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### 6.1.5. Program Five: Automotive Sector Support Program

**Strategic Objective:** Facilitate the establishment of automotive sector related enterprises by June 2027.

#	Projects to be implemented by the municipality	Targeted Areas
1	Develop Auto-Sector Support Plan	Dutywa, Willowvale & Elliotdale
2	Expropriate unused and neglected building in the CBD for the sector	Dutywa
3	Develop incentives to facilitate new investments in the sector	Dutywa, Willowvale & Elliotdale
4	Create and enabling policy environment (bylaws, etc) to legislate business development	Dutywa, Willowvale & Elliotdale
5	Provide critical sector specific infrastructure	Dutywa, Willowvale & Elliotdale

### 6.1.6. Program Six: Food & Hospitality Sector Support Program.

**Strategic Objective:** Facilitate the establishment of food & hospitality enterprises by June 2027.

#	Projects to be implemented by the municipality	Targeted Areas
1	Expropriate unused and neglected building in the CBD for the sector	Dutywa, Willowvale & Elliotdale
2	Develop incentives to facilitate new investments in the sector	Dutywa, Willowvale & Elliotdale
3	Create and enabling policy environment (bylaws, etc) to legislate business development	Dutywa, Willowvale & Elliotdale

### 6.1.7. Program Seven: Telecommunications Sector Support

**Strategic Objective:** Facilitate the establishment of telecommunication enterprises by June 2027.

#	Projects to be implemented by the municipality	Targeted Areas
1	Training of unemployed youth in cell phone repairs etc	Dutywa, Willowvale & Elliotdale
2	Access to BDS services for telecom enterprises	Dutywa, Willowvale & Elliotdale
3	Provide critical sector specific infrastructure	Dutywa, Willowvale & Elliotdale

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### 6.1.8. Program Eight: Support to the Oceans Economy.

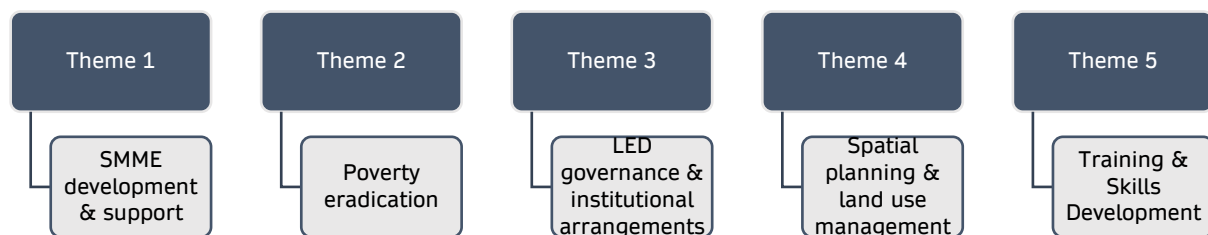
**Strategic Objective:** Facilitate growth of the ocean’s economy in line with Operation Phakisa by June 2027.

#	Projects to be implemented by the municipality	Targeted Areas
1	Identify suitable area for establishment of Marine Tilapia Incubator	Willowvale & Elliotdale
2	Submit application for establishment of Marine Tilapia Incubator	Willowvale & Elliotdale
3	Procure requisite feedstock for Marine Tilapia	Willowvale & Elliotdale
4	Link the Marine Tilapia Project with an establish an SEZ based processing facility	Willowvale & Elliotdale
5	Assist small scale fisheries with applications for fishing licences	Willowvale & Elliotdale
6	Facilitate access to fishing equipment	Willowvale & Elliotdale
7	Facilitate upgrading of beaches to promote maritime tourism	Willowvale & Elliotdale

### 6.2. LED Cross-Cutting Themes.

These are programs that intersect with the high impact economic programs at various levels and be integrated into the projects without losing focus of the main goal.

The following programs are cross-cutting themes which will be aligned with and designed to support all the above LED High Impact Programs are the programs that will be implemented during 2022-2027: -



### 6.2.1. SMME Development & Support.

Strategic Objective: To facilitate development and capacity building for SMME's by June 2027

#	Projects to be implemented by the municipality	Targeted Areas
1	Business development services	Dutywa, Willowvale & Elliotdale
2	Access to business finance (loans, grants & blended)	Dutywa, Willowvale & Elliotdale
3	Market access and business linkages	Dutywa, Willowvale & Elliotdale
4	Develop SMME-friendly bylaws	Dutywa, Willowvale & Elliotdale
5	Red Tape Reduction & Ease of Doing Business	Dutywa, Willowvale & Elliotdale
6	Provide basic infrastructure support	Dutywa, Willowvale & Elliotdale

### 6.2.2. Poverty Eradication

Strategic objective: To reduce poverty and unemployment through viable and sustainable job creation strategies by June 2027.

#	Projects to be implemented by the municipality	Targeted Areas
1	Implement government's poverty eradication programs	Dutywa, Willowvale & Elliotdale
2	Implement municipal imitated poverty eradication programs	Dutywa, Willowvale & Elliotdale

### 6.2.3. LED Governance & Institutional Arrangement

Will be dealt with under the implementation plan.

### 6.2.4. Spatial Planning & Land Use Management

#	Projects to be implemented by the municipality	Targeted Areas
1	Review Spatial Development Framework	Dutywa, Willowvale & Elliotdale
2	Identify land parcels for economic development	Dutywa, Willowvale & Elliotdale
3	Development of land use management schemes	Dutywa, Willowvale & Elliotdale
4	Address land tenure related to business development	Dutywa, Willowvale & Elliotdale

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### 6.2.5. Training & Skills Development

#	Projects to be implemented by the municipality	Targeted Areas
1	Identify skills development opportunities for youth & unemployed people	Dutywa, Willowvale & Elliotdale
2	Link youth & unemployed people with skills development opportunities	Dutywa, Willowvale & Elliotdale

### 6.3. LED Projects for 2023/2024.

The following projects will be implemented during 2023/2024 financial year: -

Focus Area	Strategy	Project	KPI	Ward/Area	Budget
Agricultural development and food security	By conducting continuous engagements with DRDAR and other relevant stakeholders	LED Infrastructure	Number of LED Infrastructure projects (Dipping tanks & shearing sheds) maintained at	24,25,26,27,28,29,30,31 & 32 as per assessment report	R600 000.00
Agricultural development and food security	By assisting emerging farmers in primary production	Crop Production	Number of programs implemented to assist emerging farmers (Crop production inputs and livestock improvement- stock remedy) at	Ward 1 - 32	R3 800 000.00
Agricultural development and food security	By capacitating farmers to meet quality and safety	Agricultural Roadshows	Number of agricultural roadshows held for farmers in each unit	All wards	R230 000.00
Agroprocessing	By encouraging value chain and value addition through support given to emerging enterprises and high value crops	Agroprocessing Support	Number of High Value Crop enterprises supported with agricultural inputs and tools of trade as per approved business plan (Sorghum production)	Ward 8 & 12	R900 000.00
Job creation	By facilitating short term employment through EPWP projects implementation	EPWP/CWP	627 participants on short-term employment opportunities (EPWP and CWP)	All wards	Equitable share
Enterprise support &	By supporting local SMMEs through targeted procurement	Targeted Procurement	30% of the Mbashe budget allocated to SMMEs	All wards	Equitable share & MIG

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SMME development					
Enterprise support & SMME development	By conducting and hosting SMME's roadshows	SMME Roadshows	Number of roadshows conducted for SMMEs as per approved concept plan	Dutywa, Xhorha & Gatyana	R400 000.00
Ocean economy & fisheries development	By supporting marine economic activities	support	Number of marine economic initiatives conducted for SMME's or Cooperatives as per approved concept plan	Wards 19, 22 and 29.	R200 000.00
Enterprise support & SMME development	By Capacitating and supporting local SMMEs	SMME Support	Number of local SMMEs capacitated and supported with tools of trade/trainings as per approved concept plan	Dutywa, Gatyana & Xhorha	R4 000 000.00
Tourism Growth and Development	By using different marketing tools to market Mbashe as a tourism destination	Tourism Events	Number of events hosted and participated on- Coastal Beach Festival, Hiking and Horse Racing		R1 370 000.00
Tourism Growth and Development	By supporting tourism programmes	Tourism Operator Support	Number of tourism operators supported with trainings and funding (financial and non-financial) at	Dutywa, Gatyana and Xhorha	Equitable share
Tourism Growth and Development	By maintaining and engaging relevant stakeholders on declaration of heritage sites	Maintenance of heritage sites	Number of heritage sites maintained and coordinated at	King Hintsa, Sarhili and Fort Malan Memorial.	Equitable share
<b>TOTAL</b>					<b>R7 900 000</b>

Source: 2022-2027 IDP

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## 7. CHAPTER SEVEN: LED STRATEGY IMPLEMENTATION PLAN.

The LED Strategy Implementation Plan has been developed to guide the implementation of the identified programs and projects. It is intended to do so by developing project-based actions plans, identify inputs and resources required to implement projects as well as an appropriate institutional framework for implementation and monitoring.

### 7.1. Pre-Conditions for LED Implementation.

Implementation of the LED programmes and projects can only be effectively executed once certain basic conditions are met. These pre-conditions range from institutional arrangements, capacity development and political leadership requirements that would provide the necessary energies for successful LED implementation.

The following is an outline of some of the critical preconditions for LED implementation: -

#### 7.1.1. LED Institutional Arrangements.

Mbhashe LM will need to allocate financial and human resources to the implementation of this LED Strategy through a structured mechanism to ensure that the objectives of the strategy are met.

This mechanism may be either *internal* to the municipality, such as a LED Unit, or *external* to the municipality in the form of a municipal entity (e.g., ASPIRE Amathole). Both options are briefly described below, before recommendations on institutional arrangements for Mbhashe LM are made.

#### 7.1.2. Internal LED Implementation Mechanisms.

The Municipal Systems Act (MSA) has a clear bias towards the use of internal mechanisms, in that municipalities must consider this option first (s 78(1)). Only once the internal options have been assessed can the municipality decide (s 78(2)) to explore the use of external options (s 78(3)).

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Internal mechanisms include:

- a) A department or other administrative unit within Mhashe LM under the Office of the Senior Manager for Planning & Economic Development.
- b) Any business unit devised by the municipality, provided it operates within the municipality's administration and under the control of the council in accordance with operational and performance criteria determined by the council; or
- c) Any other component of its administration.

<b>Advantages of internal mechanisms</b>	<b>disadvantages of internal mechanisms</b>
No significant duplication of set up costs	Decisions must go through official procedures, which can take time
The functions that would be given out to a municipal entity would need to be given to Mhashe LM staff, therefore internal control	Little capacity to carry out additional functions
Can apply for donor funding	Potential lack of momentum when driven Internally
No legal implications and procedures in terms of setting up a municipal entity.	

### **7.1.3. External LED Implementation Mechanisms.**

If the municipality chooses an external mechanism, then it must follow the process laid out in the MSA. The Municipal Systems Amendment Act, 2003 outlines three options for a municipal entity, namely:

#### **7.1.3.1. A Private Company.**

A municipality may establish a private company or hold an interest in a private company. It can have full ownership of the company or hold a lesser interest under certain conditions. Lesser interest can only be held if all other interests are held by: -

- ✓ Another municipality or municipalities
- ✓ A national or provincial organ(s) of state
- ✓ Any combination of the above.

Municipalities can become involved in companies where other investors (as stated above) are involved, but only if control in the private company (i.e., majority) is held by:

- a) that municipality
- b) another municipality

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c) more than one municipality.

This means that a private company can only be referred to as a municipal entity if one or more municipalities have effective control over the company. If the private company is a municipal entity, it has to restrict itself to the functions and powers of its parent municipality.

### **7.1.3.2. A Public Private Partnership (“PPP”).**

As service delivery mechanisms, PPP’s have entered the service delivery lexicon in South Africa and have since been regulated by National Treasury, utilized predominantly on long term projects that require a considerable capital outlay and risk taking. PPP’s shall be considered as one of the mechanisms to implement LED as shared commitments to pursue common economic objectives jointly determined by public, private and community sectors and instituted as joint projects. All PPP’s shall be considered in line with National Treasury Guidelines.

### **7.1.3.3. A Panel of LED Experts.**

The municipality shall establish a panel of LED Experts who will assist in the implementation of selected LED Projects. Municipal Supply Chain Management Policy and Processes shall be implemented in establishing this panel and it shall be engaged on either cost and benefit sharing model or on risk basis.

## **7.2. Establishment of the LED Forum.**

Mbhashe LM will establish an LED Forum to oversee the implementation of programs and projects as identified under the prioritised sectors.

Ideally the forum should not be driven by Mbhashe LM, but by other stakeholders. The forum should liaise with existing Business Forums and Chambers of Business on a regular basis.

It is recommended that the establishment of the LED Forum be prioritised to maintain the momentum created during the development of the LED Strategy. It is envisaged that the LED Forum should monitor the implementation of the LED Strategy and all implementing partners should report to the LED Forum. It is recommended that LED Forum meetings be held every quarter.

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### **7.3. LED Roles & Responsibilities.**

Mbhashe LM should primarily focus on local economic governance, development and creating an enabling local economic environment. In this respect Mbhashe LM has four key roles to play in LED.

#### **7.3.1. Implement Projects Through The IDP.**

Mbhashe LM LED Strategy is a Sector Plan of the IDP and must be aligned to the IDP which is the Strategic Plan of the municipality. All projects and programmes identified in this strategy should be reflected in the IDP to ensure that funding can be obtained and that projects can be implemented and to ensure MSCOA compliance.

#### **7.3.2. Create Investment Friendly Environment.**

Mbhashe LM is responsible for creating an environment conducive to investment in the local area; this has been identified as a cross cutting issue that is critical for economic growth and development in Mbhashe LM. This relates to many things including the provision of hard and soft infrastructure, ensuring that development approvals are provided timeously, ensuring that relevant information is available to the private sector, communicating with development stakeholders, ensuring that service delivery is efficient, conducting forward planning to account for future development and providing an aesthetically pleasing environment in which to do business.

#### **7.3.3. Allocate Resources to LED.**

Mbhashe LM must allocate sufficient financial and human resources to implementing the projects that it is responsible for. The municipality shall endeavour to raise funds from external sources through various implementation mechanisms. An equivalent of 5% of MIG grant shall be allocated for development and maintenance of critical LED infrastructure.

#### **7.3.4. Collaborate with other LED Stakeholders.**

Stakeholder relationships have been identified as another critical success factor for LED. The relationship between Mbhashe LM and other LED stakeholders is not effective, and in many cases, should be improved. Local stakeholders particularly point out the challenges in the relationship between Mbhashe LM and the private sector.

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### **7.3.5. Champion the Implementation of LED Projects.**

The role of Mbhashe LM in implementing the LED projects identified in Chapter Five will differ from project to project as some of the projects will be implemented directly by Mbhashe LM and others will be facilitated by Mbhashe LM but implemented by the private sector or other role players.

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To clarify this role, three types of projects have been identified:

<b>Types of LED Projects</b>	
<b>Project type</b>	<b>Description.</b>
<b>Implementation Projects</b>	Implementation projects are those projects that Mhashe LM will initiate, fund (through its own budget or government allocations), design and project manage. The actual implementation of the project may be done by Mhashe LM or be outsourced to a service provider. These projects will generally be related to the strategy/policy framework in which LED is implemented, provision of infrastructure or to creating a more conducive environment for investment.
<b>Facilitation Projects</b>	These projects are projects that are not primarily funded by Mhashe LM or implemented by Mhashe LM. They are projects that planned, funded, designed, implemented and project managed by other LED partners. The role of the Mhashe LM in these projects will be to assist in obtaining funding for these projects, illustrate and facilitate the opportunities in the region and assist in removing restrictions, providing infrastructure, and facilitating the project as effectively as possible.
<b>Oversight Projects</b>	Oversight projects are those projects that fall outside the mandate of Mhashe LM but will impact on the promotion of LED in Mhashe. The role of Mhashe LM in these projects is related to motivating for funding for the project, monitoring the project, integrating the project with other ongoing initiatives and liaising with the relevant departments/organizations implementing the projects to understand potential spin-offs and linkages with other projects.

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## 7.4. LED Strategy Action Plans.

After program and project selection and prioritization has been completed, it is necessary to detail the actions that need to be undertaken to implement each project. This should provide the Action Plan for operationalising each project.

A sectoral approach to the development of the actions plans has been adopted and the action plans are summarised in the following sections:

### 7.4.1. Action Planning for Agriculture & Agribusiness Development.

The strategic goals and action plan are summarised in the following paragraphs: -

#### 7.4.1.1. Strategic Goals for Agriculture & Agribusiness Development.

The strategic goals for agricultural development are specific financial and non-financial goals that Mbhashe LM aims to achieve over the next five years. They have been developed in line with the Balanced Scorecard Approach and are summarised as follows:

BSC Perspective	Strategic Goal 1	Strategic Goal 2	Strategic Goal 3	Strategic Goal 4	Strategic Goal 5
Customer Perspective	Ensure that a minimum of 10 agricultural enterprises penetrate the market and capture market share by 2027	Ensure that a minimum of 10 agricultural enterprises generate revenue of no less than R500k per annum by 2027	Ensure that a minimum of 10 agricultural enterprises attract & retain no less than 10 customers per annum by 2027	Facilitate assessment of customer satisfaction levels for along specific performance criteria for no less than 5 customers per SMME per annum by 2027	Ensure that a minimum of 10 Agricultural enterprises are profitable and exit the system by 2027
Finance Perspective	Facilitate development of business plans with financial management plans for 10 Agricultural enterprises by 2027	Facilitate access to funding ("blended or interest bearing") for 5 Agricultural enterprises pa until 2027	Ensure that 5% of MIG is spent on economic infrastructure, annually until 2027	Facilitate financial management training of 10 Agricultural enterprises by 2027	Facilitate development of financial management systems & controls for 10 Agricultural enterprises by 2027
Internal Business Process Perspective	Ensure that 10 Agricultural enterprises	Ensure that operations processes are built into	Ensure that aftersales service processes are		
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	develop business innovation processes by 2027	business plans for 10 Agricultural enterprises by 2027	built into business plans for 10 Agricultural enterprises by 2027
Learning & Growth Perspective	Ensure that all LED employees are adequately trained and capacitated by 2027	Build an appropriate information systems architecture within the LED Unit by 2027	

#### 7.4.1.2. Action Plan for Agriculture & Agribusiness Development.

Strategic Goals	Critical activities	Required resources	Responsible Person	Accountable Person	Person to Inform	Person to Support	Timeframe for Implementation
Ensure that a minimum of 10 Agricultural enterprises penetrate the market and capture market share by 2027	<ul style="list-style-type: none"> <li>Identify 10 Agricultural enterprises for incubation/support.</li> <li>Facilitate B/Plan development.</li> <li>Facilitate access to funding.</li> <li>Facilitate off-take agreements with buyer value chains</li> </ul>	Human resources	Agriculture Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	1ST QUARTER of 2023/2024
Ensure that a minimum of 10 Agricultural enterprises generate revenue of no less than R500k per annum by 2027	<ul style="list-style-type: none"> <li>Link Agricultural enterprises with buyer value chains.</li> <li>Facilitate off-take agreements for commodities</li> </ul>	Human resources	Agriculture Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	Annually
Ensure that a minimum of 20 customers attract & retain no less than 10 customers per annum by 2027	<ul style="list-style-type: none"> <li>Facilitate off-take agreements with buyer value chains.</li> <li>Link Agricultural enterprises with buyer value chains.</li> </ul>	Human resources	Agriculture Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	Annually

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Facilitate assessment of customer satisfaction levels for along specific performance criteria for no less than 5 customers per SMME per annum by 2027	<ul style="list-style-type: none"> <li>Conduct snapshot surveys on customer satisfaction</li> </ul>	Human resources	Agriculture Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	Annually
Ensure that a minimum of 10 Agricultural enterprises are profitable and exit the system by 2027	<ul style="list-style-type: none"> <li>Agricultural enterprises to prepare &amp; submit management accounts &amp; annual financial statements</li> </ul>	Human resources	Agriculture Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	Annually
Facilitate development of business plans with financial management plans for 10 Agricultural enterprises by 2027	<ul style="list-style-type: none"> <li>Engage SEDA &amp; refer Agricultural enterprises for business plan development.</li> </ul>	Human resources	Agriculture Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	2ND QUARTER of 2023/2024
Facilitate access to funding ("blended or interest bearing") for 5 Agricultural enterprises p/a until 2027	<ul style="list-style-type: none"> <li>Identify sources of funding</li> <li>Assist Agricultural enterprises to apply for funding when funding windows are open.</li> <li>Refer Agricultural enterprises to DFI's or RFI's</li> </ul>	Human resources	Agriculture Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	3RD QUARTER of 2023/2024
Ensure that 5% of MIG is spent on economic infrastructure, annually until 2027	<ul style="list-style-type: none"> <li>Submit a motion to Council.</li> <li>Obtain a Council Resolution to allocate 5% of MIG for LED infrastructure</li> </ul>	Human resources	Portfolio Head	Portfolio Head	Senior Manager Development Planning	Senior Manager Development Planning	1ST QUARTER of 2023/2024
Facilitate financial management training of 10 Agricultural enterprises by 2027	<ul style="list-style-type: none"> <li>Engage SEDA to provide training to 20 Agricultural enterprises.</li> </ul>	Human resources	Agriculture Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	3RD QUARTER of 2023/2024

Facilitate development of financial management systems & controls for 10 Agricultural enterprises by 2027	<ul style="list-style-type: none"> <li>Engage SEDA to develop financial management systems &amp; controls to 20 Agricultural enterprises.</li> </ul>	Human resources	Agriculture Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	4TH QUARTER of 2023/2024
Ensure that operations processes are built into business plans for 10 Agricultural enterprises by 2027	<ul style="list-style-type: none"> <li>Engage SEDA to develop business plans with built-in operations processes</li> </ul>	Human resources	Agriculture Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	1ST QUARTER of 2023/2024
Ensure that aftersales service processes are built into business plans for 10 Agricultural enterprises by 2027	<ul style="list-style-type: none"> <li>Engage SEDA to develop business plans with built-in aftersales services processes</li> </ul>	Human resources	Agriculture Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	1ST QUARTER of 2023/2024
Ensure that all LED employees are adequately trained and capacitated by 2027	<ul style="list-style-type: none"> <li>Personal Development Plans to include LED/SMME related training</li> </ul>	Human resources	Agriculture Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	Annually.

## 7.4.2. Action Planning for Agroprocessing & Manufacturing Development.

The strategic goals and action plan are summarised in the following paragraphs: -

### 7.4.2.1. Strategic Goals for Agroprocessing & Manufacturing Development.

The strategic goals for this sector are specific financial and non-financial goals that Mbhashe LM aims to achieve over the next five years. They have been developed in line with the Balanced Scorecard Approach and are summarised as follows:

BSC Perspective	Strategic Goal 1	Strategic Goal 2	Strategic Goal 3	Strategic Goal 4	Strategic Goal 5
Customer Perspective	Ensure that a minimum of 10 Manufacturing enterprises penetrate the market and capture market share by 2027	Ensure that a minimum of 10 Manufacturing enterprises generate revenue of no less than R500k per annum by 2027	Ensure that a minimum of 10 Manufacturing enterprises attract & retain no less than 10 customers per annum by 2027	Facilitate assessment of customer satisfaction levels for along specific performance criteria for no less than 5 customers per SMME per annum by 2027	Ensure that a minimum of 10 Manufacturing enterprises are profitable and exit the system by 2027
Finance Perspective	Facilitate development of business plans with financial management plans for 10 Manufacturing enterprises by 2027	Facilitate access to funding ("blended or interest bearing") for 5 Manufacturing enterprises pa until 2027	Facilitate financial management training of 10 Manufacturing enterprises by 2027	Facilitate development of financial management systems & controls for 10 Manufacturing enterprises by 2027	
Internal Business Process Perspective	Ensure that 10 Manufacturing enterprises develop business innovation processes by 2027	Ensure that operations processes are built into business plans for 10 Manufacturing enterprises by 2027	Ensure that aftersales service processes are built into business plans for 10 Manufacturing enterprises by 2027		
Learning & Growth Perspective	Ensure that all LED employees are adequately trained and capacitated by 2027				

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### 7.4.2.2. Action Plan for Agroprocessing & Manufacturing Development.

Strategic Goals	Critical activities	Required resources	Responsible Person	Accountable Person	Person to Inform	Person to Support	Timeframe for Implementation
Ensure that a minimum of 10 SMME's penetrate the market and capture market share by 2027	<ul style="list-style-type: none"> <li>▪ Identify 10 Manufacturing enterprises for incubation/support.</li> <li>▪ Facilitate B/Plan development.</li> <li>▪ Facilitate access to funding.</li> <li>▪ Facilitate off-take agreements with buyer value chains</li> </ul>	Human resources	SMME Development Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	1ST QUARTER of 2023/2024
Ensure that a minimum of 10 Manufacturing enterprises generate revenue of no less than R500k per annum by 2027	<ul style="list-style-type: none"> <li>▪ Link Manufacturing enterprises with buyer value chains</li> <li>▪ Facilitate off-take agreements for commodities</li> </ul>	Human resources	SMME Development Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	Annually
Ensure that a minimum of 20 customers attract & retain no less than 10 customers per annum by 2027	<ul style="list-style-type: none"> <li>▪ Facilitate off-take agreements with buyer value chains.</li> <li>▪ Link Manufacturing enterprises with buyer value chains</li> </ul>	Human resources	SMME Development Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	Annually
Facilitate assessment of customer satisfaction levels for along specific performance criteria for no less than 5 customers per SMME per annum by 2027	<ul style="list-style-type: none"> <li>▪ Conduct snapshot surveys on customer satisfaction</li> </ul>	Human resources	SMME Development Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	Annually

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Ensure that a minimum of 10 Manufacturing enterprises are profitable and exit the system by 2027	<ul style="list-style-type: none"> <li>Manufacturing enterprises to prepare &amp; submit management accounts &amp; annual financial statements</li> </ul>	Human resources	SMME Development Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	Annually
Facilitate development of business plans with financial management plans for 10 Manufacturing enterprises by 2027	<ul style="list-style-type: none"> <li>Engage SEDA &amp; refer Manufacturing enterprises for business plan development.</li> </ul>	Human resources	SMME Development Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	2ND QUARTER of 2023/2024
Facilitate access to funding ("blended or interest bearing") for 5 Manufacturing enterprises p/a until 2027	<ul style="list-style-type: none"> <li>Identify sources of funding</li> <li>Assist Manufacturing enterprises to apply for funding when funding windows are open.</li> <li>Refer Manufacturing enterprises to DFI's or RFI's</li> </ul>	Human resources	SMME Development Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	3RD QUARTER of 2023/2024
Facilitate financial management training of 10 Manufacturing enterprises by 2027	<ul style="list-style-type: none"> <li>Engage SEDA to provide training to 10 Manufacturing enterprises.</li> </ul>	Human resources	SMME Development Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	3RD QUARTER of 2023/2024
Facilitate development of financial management systems & controls for 10 Manufacturing enterprises by 2027	<ul style="list-style-type: none"> <li>Engage SEDA to develop financial management systems &amp; controls to 10 Manufacturing enterprises.</li> </ul>	Human resources	SMME Development Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	4TH QUARTER of 2023/2024
Ensure that operations processes are built into business plans for 10 Manufacturing enterprises by 2027	<ul style="list-style-type: none"> <li>Engage SEDA to develop business plans with built-in operations processes</li> </ul>	Human resources	SMME Development Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	1ST QUARTER of 2023/2024

Ensure that aftersales service processes are built into business plans for 10 Manufacturing enterprises by 2027	<ul style="list-style-type: none"> <li>Engage SEDA to develop business plans with built-in aftersales services processes</li> </ul>	Human resources	SMME Development Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	1ST QUARTER of 2023/2024
Ensure that all LED employees are adequately trained and capacitated by 2027	<ul style="list-style-type: none"> <li>Personal Development Plans to include LED/SMME related training</li> </ul>	Human resources	SMME Development Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	Annually.

### 7.4.3. Action Planning for Wholesale & Retail Sector Development.

The strategic goals and action plan are summarised in the following paragraphs: -

#### 7.4.3.1. Strategic Goals for Wholesale & Retail Sector Development.

The strategic goals for this sector are specific financial and non-financial goals that Mbhashe LM aims to achieve over the next five years. They have been developed in line with the Balanced Scorecard Approach and are summarised as follows:

BSC Perspective	Strategic Goal 1	Strategic Goal 2	Strategic Goal 3
Customer Perspective	Develop & review sector specific bylaws & regulations by 2027	Provide appropriate trading infrastructure by 2027	Ensure provision of municipal services to the sector by 2027
Finance Perspective	Facilitate development of business plans with financial management plans for 10 retail enterprises by 2027	Facilitate access to funding ("blended or interest bearing") for 10 retail enterprises pa until 2027	Facilitate development of financial management systems & controls for 10 retail enterprises by 2027
Internal Business Process Perspective	Ensure that 10 retail enterprises develop business innovation processes by 2027		
Learning & Growth Perspective	Facilitate access to sector specific training by 2027		

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### 7.4.3.2. Action Plan for Wholesale & Retail Sector Development.

Strategic Goals	Critical activities	Required resources	Responsible Person	Accountable Person	Person to Inform	Person to Support	Timeframe for Implementation
Develop & review sector specific bylaws & regulations by 2027	<ul style="list-style-type: none"> <li>▪ Develop retail sector strategy.</li> <li>▪ Develop &amp; gazette bylaws to regulate sector.</li> <li>▪ Develop trade/licensing regulations focusing on both formal &amp; informal traders.</li> <li>▪ Enforce bylaws &amp; regulations appropriately across the sector</li> </ul>	Human resources	SMME Development Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	1ST QUARTER of 2023/2024
Provide appropriate trading infrastructure by 2027	<ul style="list-style-type: none"> <li>▪ Facilitate provision of trading stalls, gazebo's and/or umbrellas for informal traders and hawkers</li> </ul>	Finance.	SMME Development Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	Annually
Ensure provision of municipal services to the sector by 2027	<ul style="list-style-type: none"> <li>▪ Facilitate provision of public toilets and water supply points for informal traders &amp; hawkers</li> </ul>	Human resources	SMME Development Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	Annually
Facilitate development of business plans with financial management plans for 10 retail enterprises by 2027	<ul style="list-style-type: none"> <li>▪ Engage SEDA &amp; ECDC for development of enterprises business plans.</li> </ul>	Human resources	SMME Development Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	Annually
Facilitate development of financial management systems & controls for 10 retail enterprises by 2027	<ul style="list-style-type: none"> <li>▪ Engage SEDA &amp; ECDC for development of enterprise financial management systems.</li> </ul>	Human resources	SMME Development Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	Annually

Facilitate access to funding ("blended or interest bearing") for 10 retail enterprises pa until 2027	<ul style="list-style-type: none"> <li>Identify sources of funding</li> <li>Assist Manufacturing enterprises to apply for funding when funding windows are open.</li> <li>Refer retail enterprises to DFI's or RFI's</li> </ul>	Human resources	SMME Development Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	2ND QUARTER of 2023/2024
Facilitate access to sector specific training by 2027	<ul style="list-style-type: none"> <li>Engage Wholesale &amp; Retail Seta, SEDA, etc for provision of retail specific training.</li> </ul>	Human resources	SMME Development Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	3RD QUARTER of 2023/2024

#### 7.4.4. Action Planning for Tourism, Arts & Heritage Development.

The strategic goals and action plan are summarised in the following paragraphs: -

##### 7.4.4.1. Strategic Goals for Tourism, Arts & Heritage Development.

The strategic goals for tourism, arts & heritage development are specific financial and non-financial goals that Mbhashe LM aims to achieve over the next five years. They have been developed in line with the Balanced Scorecard Approach and are summarised as follows:

BSC Perspective	Strategic Goal 1	Strategic Goal 2	Strategic Goal 3	Strategic Goal 4	Strategic Goal 5
Finance	Facilitate development of business plans with financial management plans for 10 Tourism enterprises by 2027	Facilitate access to funding ("blended or interest bearing") for 5 Tourism enterprises pa until 2027	Ensure that 5% of MIG is spent on economic infrastructure, annually until 2027	Facilitate financial management training of 10 Tourism enterprises by 2027	Facilitate development of financial management systems & controls for 10 Tourism enterprises by 2027
Customer	Ensure that a minimum of 10 Tourism enterprises penetrate the market and capture market share by 2027	Ensure that a minimum of 10 Tourism enterprises generate revenue of no less than R500k per annum by 2027	Facilitate assessment of customer satisfaction levels for along specific performance criteria for no less than 5 customers per SMME per annum by 2027	Ensure that a minimum of 10 Tourism enterprises are profitable and exit the system by 2027	
Internal Business Process	Ensure that aftersales service processes are built into business plans for 10 Tourism enterprises by 2027				
Learning & Growth	Ensure that all tourism practitioners are adequately trained and capacitated by 2027				

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#### 7.4.4.2. Action Plan for Tourism, Arts & Heritage Development.

Strategic Goals	Critical activities	Required resources	Responsible Person	Accountable Person	Person to Inform	Person to Support	Timeframe for Implementation
Ensure that a minimum of 10 tourism enterprises penetrate the market and capture market share by 2027	<ul style="list-style-type: none"> <li>Identify 10 Tourism enterprises for incubation/support.</li> <li>Facilitate B/Plan development.</li> <li>Facilitate access to funding.</li> </ul>	Human resources	Tourism Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	1ST QUARTER of 2023/2024
Ensure that a minimum of 10 Tourism enterprises generate revenue of no less than R500k per annum by 2027	<ul style="list-style-type: none"> <li>Facilitate listing of product owners to government platforms</li> <li>Facilitate listing of product owners to online platforms</li> </ul>	Human resources	Tourism Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	Annually
Facilitate assessment of customer satisfaction levels for along specific performance criteria for no less than 5 customers per tourism enterprises per annum by 2027	<ul style="list-style-type: none"> <li>Conduct snapshot surveys on customer satisfaction</li> </ul>	Human resources	Tourism Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	Annually
Ensure that a minimum of 10 Tourism enterprises are profitable and exit the system by 2027	<ul style="list-style-type: none"> <li>Tourism enterprises to prepare &amp; submit management accounts &amp; annual financial statements</li> </ul>	Human resources	Tourism Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	Annually
Facilitate development of business plans with financial management plans for 10 Tourism enterprises by 2027	<ul style="list-style-type: none"> <li>Engage SEDA &amp; refer Tourism enterprises for business plan development.</li> </ul>	Human resources	Tourism Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	2ND QUARTER of 2023/2024

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Facilitate access to funding ("blended or interest bearing") for 5 Tourism enterprises p/a until 2027	<ul style="list-style-type: none"> <li>Identify sources of funding</li> <li>Assist Tourism enterprises to apply for funding when funding windows are open.</li> <li>Refer Tourism enterprises to DFI's or RFI's</li> </ul>	Human resources	Tourism Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	3RD QUARTER of 2023/2024
Ensure that 5% of MIG is spent on economic infrastructure, annually until 2027	<ul style="list-style-type: none"> <li>Submit a motion to Council.</li> <li>Obtain a Council Resolution to allocate 5% of MIG for LED infrastructure</li> </ul>	Human resources	Portfolio Head	Portfolio Head	Senior Manager Development Planning	Senior Manager Development Planning	1ST QUARTER of 2023/2024
Facilitate financial management training of 10 Tourism enterprises by 2027	<ul style="list-style-type: none"> <li>Engage SEDA to provide training to 20 Tourism enterprises.</li> </ul>	Human resources	Tourism Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	3RD QUARTER of 2023/2024
Facilitate development of financial management systems & controls for 10 Tourism enterprises by 2027	<ul style="list-style-type: none"> <li>Engage SEDA to develop financial management systems &amp; controls to 20 Tourism enterprises.</li> </ul>	Human resources	Tourism Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	4TH QUARTER of 2023/2024
Ensure that operations processes are built into business plans for 10 Tourism enterprises by 2027	<ul style="list-style-type: none"> <li>Engage SEDA to develop business plans with built-in operations processes</li> </ul>	Human resources	Tourism Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	1ST QUARTER of 2023/2024
Ensure that aftersales service processes are built into business plans for 10 Tourism enterprises by 2027	<ul style="list-style-type: none"> <li>Engage SEDA to develop business plans with built-in aftersales services processes</li> </ul>	Human resources	Tourism Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	1ST QUARTER of 2023/2024
Ensure that all Tourism, Heritage & Arts employees are adequately trained and capacitated by 2027	<ul style="list-style-type: none"> <li>Personal Development Plans to include Tourism, Heritage &amp; Arts related training</li> </ul>	Human resources	Tourism Officer	LED Manager	Senior Manager Development Planning	Portfolio Head	Annually.

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#### 7.4.5. Action Planning for Automotive Sector Development.

The strategic goals and action plan are summarised in the following paragraphs: -

##### 7.4.5.1. Strategic Goals for Automotive Sector Development.

The strategic goals for the automotive sector development are specific financial and non-financial goals that Mbhashe LM aims to achieve over the next five years. They have been developed in line with the Balanced Scorecard Approach and are summarised as follows:

BSC Perspective	Strategic Goal 1	Strategic Goal 2	Strategic Goal 3	Strategic Goal 4
Finance Perspective	Facilitate development of business plans with financial management plans for 10 auto-enterprises by 2027	Facilitate access to funding ("blended or interest bearing") for 10 auto-enterprises by 2027	Facilitate financial management training of 10 auto-enterprises by 2027	Facilitate development of financial management systems & controls for 10 auto-enterprises by 2027
Customer Perspective	Facilitate linkages to automotive sector value chains a minimum of 10 auto-enterprises by 2027	Facilitate access to appropriate infrastructure for 10 auto-enterprises by 2027	Facilitate access to technology transfer opportunities for 10 auto-enterprises by 2027	
Internal Business Process Perspective	Ensure that aftersales service processes are built into business plans for 10 auto-enterprises by 2027			
Learning & Growth Perspective	Facilitate access to training for 10 auto-enterprises by 2027			

### 7.4.5.2. Action Plan for Automotive Sector Development.

Strategic Goals	Critical activities	Required resources	Responsible Person	Accountable Person	Person to Inform	Person to Support	Timeframe for Implementation
Facilitate development of business plans with financial management plans for 10 auto-enterprises by 2027	<ul style="list-style-type: none"> <li>Identify 10 auto-enterprises for incubation/support.</li> <li>Facilitate B/Plan development.</li> </ul>	Human resources	SMME Officer	LED Manager	Senior Manager Development Planning	Municipal Manager	1ST QUARTER of 2023/2024
Facilitate access to funding ("blended or interest bearing") for 10 auto-enterprises by 2027	<ul style="list-style-type: none"> <li>Facilitate submission of applications to DSDB's TREP Funding &amp; others.</li> </ul>	Human resources	SMME Officer	LED Manager	Senior Manager Development Planning	Municipal Manager	Annually
Facilitate financial management training of 10 auto-enterprises by 2027	<ul style="list-style-type: none"> <li>Engage SEDA to obtain training vouchers/funding for auto-enterprises</li> </ul>	Human resources	SMME Officer	LED Manager	Senior Manager Development Planning	Municipal Manager	Annually
Facilitate development of financial management systems & controls for 10 auto-enterprises by 2027	<ul style="list-style-type: none"> <li>Engage SEDA &amp; ECDC BDS for financial management training</li> </ul>	Human resources	SMME Officer	LED Manager	Senior Manager Development Planning	Municipal Manager	Annually
Facilitate linkages to automotive sector value chains a minimum of 10 auto-enterprises by 2027	<ul style="list-style-type: none"> <li>Facilitate CSD listing of auto-enterprises to access procurement opportunities</li> </ul>	Human resources	SMME Officer	LED Manager	Senior Manager Development Planning	Municipal Manager	2ND QUARTER of 2023/2024
Facilitate access to appropriate infrastructure for 10 auto-enterprises by 2027	<ul style="list-style-type: none"> <li>Identify workshop spaces for auto-enterprises</li> </ul>	Human resources	SMME Officer	LED Manager	Senior Manager Development Planning	Municipal Manager	3RD QUARTER of 2023/2024
Facilitate access to technology transfer opportunities for 10 auto-enterprises by 2027	<ul style="list-style-type: none"> <li>Facilitate to SEDA TTA and similar technology transfer programs</li> </ul>	Human resources	SMME Officer	Portfolio Head	Senior Manager Development Planning	Municipal Manager	1ST QUARTER of 2023/2024

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### 7.4.6. Action Planning for Food & Hospitality Sector Development.

The strategic goals and action plan are summarised in the following paragraphs: -

#### 7.4.6.1. Strategic Goals for Food & Hospitality Sector Development.

The strategic goals for the food & hospitality sector development are specific financial and non-financial goals that Mbhashe LM aims to achieve over the next five years. They have been developed in line with the Balanced Scorecard Approach and are summarised as follows:

BSC Perspective	Strategic Goal 1	Strategic Goal 2	Strategic Goal 3	Strategic Goal 4
Finance Perspective	Facilitate development of business plans with financial management plans for 10 food & hospitality enterprises by 2027	Facilitate access to funding ("blended or interest bearing") for 10 food & hospitality enterprises by 2027	Facilitate financial management training of 10 food & hospitality enterprises by 2027	Facilitate development of financial management systems & controls for 10 food & hospitality enterprises by 2027
Customer Perspective	Facilitate linkages to automotive sector value chains a minimum of 10 food & hospitality enterprises by 2027	Facilitate access to appropriate infrastructure for 10 food & hospitality enterprises by 2027	Facilitate access to technology transfer opportunities for 10 food & hospitality enterprises by 2027	
Internal Business Process Perspective	Ensure that aftersales service processes are built into business plans for 10 food & hospitality enterprises by 2027			
Learning & Growth Perspective	Facilitate access to training for 10 food & hospitality enterprises by 2027			

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#### 7.4.6.2. Action Plan for Food & Hospitality Sector Development.

Strategic Goals	Critical activities	Required resources	Responsible Person	Accountable Person	Person to Inform	Person to Support	Timeframe for Implementation
Facilitate development of business plans with financial management plans for 10 food & hospitality enterprises by 2027	<ul style="list-style-type: none"> <li>Identify 10 food &amp; hospitality enterprises for incubation/support.</li> <li>Facilitate B/Plan development.</li> </ul>	Human resources	SMME Officer	LED Manager	Senior Manager Development Planning	Municipal Manager	1ST QUARTER of 2023/2024
Facilitate access to funding ("blended or interest bearing") for 10 food & hospitality enterprises by 2027	<ul style="list-style-type: none"> <li>Facilitate submission of applications to DSDB's TREP Funding &amp; others.</li> </ul>	Human resources	SMME Officer	LED Manager	Senior Manager Development Planning	Municipal Manager	Annually
Facilitate financial management training of 10 food & hospitality enterprises by 2027	<ul style="list-style-type: none"> <li>Engage SEDA to obtain training vouchers/funding for food &amp; hospitality enterprises</li> </ul>	Human resources	SMME Officer	LED Manager	Senior Manager Development Planning	Municipal Manager	Annually
Facilitate development of financial management systems & controls for 10 food & hospitality enterprises by 2027	<ul style="list-style-type: none"> <li>Engage SEDA &amp; ECDC BDS for financial management training</li> </ul>	Human resources	SMME Officer	LED Manager	Senior Manager Development Planning	Municipal Manager	Annually
Facilitate linkages to automotive sector value chains a minimum of 10 food & hospitality enterprises by 2027	<ul style="list-style-type: none"> <li>Facilitate CSD listing of food &amp; hospitality enterprises to access procurement opportunities</li> </ul>	Human resources	SMME Officer	LED Manager	Senior Manager Development Planning	Municipal Manager	2ND QUARTER of 2023/2024
Facilitate access to technology transfer opportunities for 10 food & hospitality enterprises by 2027	<ul style="list-style-type: none"> <li>Facilitate to SEDA TTA and similar technology transfer programs</li> </ul>	Human resources	SMME Officer	Portfolio Head	Senior Manager Development Planning	Municipal Manager	1ST QUARTER of 2023/2024

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### 7.4.7. Action Planning for Telecommunication Sector Development.

The strategic goals for this sector have been developed in line with the balanced scorecard approach and are contained in the ensuing paragraph together with the action plan.

#### 7.4.7.1. Strategic Goals for Telecommunication Sector Development.

The strategic goals for the sector development are specific financial and non-financial goals that Mbashe LM aims to achieve over the next five years. They have been developed in line with the Balanced Scorecard Approach and are summarised as follows:

BSC Perspective	Strategic Goal 1	Strategic Goal 2	Strategic Goal 3	Strategic Goal 4
Finance Perspective	Facilitate development of business plans with financial management plans for 10 telecommunication enterprises by 2027	Facilitate access to funding ("blended or interest bearing") for 10 telecommunication enterprises by 2027	Facilitate financial management training of 10 telecommunication enterprises by 2027	Facilitate development of financial management systems & controls for 10 telecommunication enterprises by 2027
Customer Perspective	Facilitate linkages to automotive sector value chains a minimum of 10 telecommunication enterprises by 2027	Facilitate access to appropriate infrastructure for 10 telecommunication enterprises by 2027	Facilitate access to technology transfer opportunities for 10 telecommunication enterprises by 2027	
Internal Business Process Perspective	Ensure that aftersales service processes are built into business plans for 10 telecommunication enterprises by 2027			
Learning & Growth Perspective	Facilitate access to training for 10 telecommunication enterprises by 2027			

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### 7.4.7.2. Action Plan for Telecommunication Sector Development.

Strategic Goals	Critical activities	Required resources	Responsible Person	Accountable Person	Person to Inform	Person to Support	Timeframe for Implementation
Facilitate development of business plans with financial management plans for 10 telecom enterprises by 2027	<ul style="list-style-type: none"> <li>Identify 10 telecom enterprises for incubation/support.</li> <li>Facilitate B/Plan development.</li> </ul>	Human resources	SMME Officer	LED Manager	Senior Manager Development Planning	Municipal Manager	1ST QUARTER of 2023/2024
Facilitate access to funding ("blended or interest bearing") for 10 telecom enterprises by 2027	<ul style="list-style-type: none"> <li>Facilitate submission of applications to DSDB's TREP Funding &amp; others.</li> </ul>	Human resources	SMME Officer	LED Manager	Senior Manager Development Planning	Municipal Manager	Annually
Facilitate financial management training of 10 telecom enterprises by 2027	<ul style="list-style-type: none"> <li>Engage SEDA to obtain training vouchers/funding for auto-enterprises</li> </ul>	Human resources	SMME Officer	LED Manager	Senior Manager Development Planning	Municipal Manager	Annually
Facilitate development of financial management systems & controls for 10 telecom enterprises by 2027	<ul style="list-style-type: none"> <li>Engage SEDA &amp; ECDC BDS for financial management training</li> </ul>	Human resources	SMME Officer	LED Manager	Senior Manager Development Planning	Municipal Manager	Annually
Facilitate linkages to automotive sector value chains a minimum of 10 telecom enterprises by 2027	<ul style="list-style-type: none"> <li>Facilitate CSD listing of auto-enterprises to access procurement opportunities</li> </ul>	Human resources	SMME Officer	LED Manager	Senior Manager Development Planning	Municipal Manager	2ND QUARTER of 2023/2024

#### 7.4.8. Action Planning for Oceans Economy.

The action plan for the Oceans Economy at Mbashe shall be linked to the Eastern Cape's Oceans Economy Strategic Roadmap and Strategic Implementation Plan.

The LED Strategy has prioritised three focus areas from the Roadmap, being the support to small scale fisheries, establishment of a Marine Tilapia Incubator at Willowvale or Elliotdale as well as Marine Tourism. The following is a list of critical activities that must be undertaken in the short-medium term:-

Critical activities	Required resources	Responsible Person	Accountable Person	Person to Inform	Person to Support	Timeframe for Implementation
<ul style="list-style-type: none"> <li>Undertake feasibility study for establishment of a Marine Telapia Incubator</li> </ul>	Financial resources	Tourism Officer	LED Manager	Senior Manager Development Planning	Municipal Manager	1ST QUARTER of 2023/2024
<ul style="list-style-type: none"> <li>Facilitate business plan development for Marine Telapia Incubator</li> </ul>	Financial resources	Tourism Officer	LED Manager	Senior Manager Development Planning	Municipal Manager	2 <sup>nd</sup> QUARTER of 2023/2024
<ul style="list-style-type: none"> <li>Facilitate development of beach fronts to aid marine tourism</li> </ul>	Financial resources	Tourism Officer	LED Manager	Senior Manager Development Planning	Municipal Manager	Annually
<ul style="list-style-type: none"> <li>Assist small scale fisheries with applications for fishing lincences</li> </ul>	Financial resources	Tourism Officer	LED Manager	Senior Manager Development Planning	Municipal Manager	3 <sup>rd</sup> QUARTER of 2023/2024
<ul style="list-style-type: none"> <li>Facilitate access to training through SAMSA and similar organisations</li> </ul>	Financial resources	Tourism Officer	LED Manager	Senior Manager Development Planning	Municipal Manager	4 <sup>th</sup> QUARTER of 2023/2024

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## **8. CHAPTER EIGHT: LED STRATEGY MONITORING & EVALUATION PLAN.**

### **8.1. Introduction to the Monitoring and Evaluation Plan**

The monitoring & evaluation plan for this strategy has been developed using the Logical Framework Approach (LFA). The LFA outlines the specific inputs needed to carry out the activities/processes to produce specific outputs which will result in specific outcomes and impacts. This approach has also been utilized in the development of actions plans which are contained in Chapter Five of this document.

The Logical Framework Approach is a systematic and analytical planning process used for the results-based planning of a project (or programme) and for the associated monitoring and evaluation system.

The M & E Plan is required so Mbashe LM can monitor, evaluate & report on how it has implemented the strategy and how well the economy has performed against established baselines and benchmarks.

A set of indicators to measure the economic impact of each of the programmes as well as LED in general have been designed. These indicators are compiled into a development index for Mbashe Local Municipality. Indicators should be based on readily available and reliable data, which allows for annual measurements.

Indicators can help describe changes over time with a common base value, identify benchmarks and progress in relation to goals as well as reflect the status. Indicators are measurements that give us information about the changes in the condition of something over time. Indicators help us define the nature and size of environmental problems, set goals for their solution, and track progress towards those goals. They are useful because they help to express a large quantity of data or complex information in a simple way.

Economic indicators are usually reports which contain specific information, e.g., on population growth, GDP growth, etc. The indicators were selected on the basis that they would be reflective of the objective that they were designed to measure. They were also designed to be able to be measured on an annual basis and be based on reliable data.

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## 8.2. The M & E Approach.

The approach used in this strategy considers the sectorial based approach that has been used to develop programs and projects for the strategy.

Using the LFA, the M & E plan has been developed with the following key components as its building blocks:-

- a) **Input-Process-Output model** (“focus being on inputs/resources required to undertake and implement programs and process being the critical activities for each program”).
- b) Development of key performance indicators.
- c) **LED Implementation Index** as a tool that enables Mphashe LM to directly measure its performance and successes in the implementation of the strategy across all the prioritised sectors.
- d) The **SMME Development Index**: The strategy has identified SMME Development as a cross-cutting theme rather than a sector, thus certain indicators of performance have been developed in the strategy to measure performance under this theme.
- e) **Economic Sector Development Index**: Which is a tool that will enable Mphashe to measure and report performance on each prioritised sector of its economy.
- f) **Poverty Eradication Index**: The strategy has identified Poverty Eradication as a cross-cutting theme rather than a sector, thus certain indicators of performance have been developed in the strategy to measure performance under this theme.

### 8.2.1. The LED Development Index.

The index will measure performance on the following aspects: -

- a) Number of LED projects successfully implemented,
- b) Number of LED actions per programme successfully facilitated as per the proposed implementation plan,
- c) Number of direct permanent employment, and a number of direct temporary employment generated per year, which gives an indication of how effective the Mphashe LED Unit is in the implementation of this LED Strategy.

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This Index thus seeks to measure the effectiveness of the LED Unit in implementing the projects and programmes set out by this LED Strategy.

Through this index, the LED Unit can measure its performance in implementing this strategy and its effect on the local economy.

The indicators utilised as performance proxy for the LED unit are:

- a) The number of LED projects successfully implemented.
- b) The number of LED actions per programme successfully facilitated.
- c) The number of direct permanent employment opportunities created.
- d) The number of direct temporary employment opportunities created.

### **8.2.2. The SMME Development Index.**

The objective of this theme/program is to diversify and expand existing small businesses in Mbhashe Local Municipality through business support and networking and to stimulate the development of new businesses. It is aimed at providing local business owners and entrepreneurs with the necessary skills and knowledge to effectively manage their businesses, as well as providing financial and non-financial support. Successful implementation of this program could be measured by noting changes in overall employment which accounts for not only direct employment created but also the generation of indirect job opportunities and further spin-off effects in the local economy. Growth in GDP is another measure of determining success in this programme as well as the tress index.

The indicators utilised as performance proxy for the LED unit are:

- a) Number of SMMES' registered with CIPC.
- b) Number of co-operatives registered with CIPC.
- c) Overall GDP as per socio-economic profile.
- d) Overall Employment, both formal and informal.

### **8.3. The Economic Sector Development Index.**

This is a broad index that deals with all the economic sectors that have been prioritised for implementation and support during 2022-2027 and are dealt with in the following paragraphs: -

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### 8.3.1. Agriculture & Agribusiness Sector Development Index.

**The strategic objective is to increase food security in Mbhashe by June 2027.**

The number of emerging and commercial farmers as well as successfully run farmer co-operatives will be used as main indicators on this sector.

The following are the key performance indicators which will be used to measure performance for this sector:

#	Critical activities	KPI's
1	Identify 10 Agricultural enterprises for incubation/support.	Number of enterprises registered on the incubator
2	Facilitate B/Plan development.	Number of business plans developed
3	Facilitate access to funding.	Number of funding applications submitted
4	Facilitate off-take agreements with buyer value chains	Number of off-take agreements concluded
5	Link Agricultural enterprises with buyer value chains	Number of off-take agreements concluded
6	Facilitate off-take agreements for commodities	Number of off-take agreements concluded
7	Conduct snapshot surveys on customer satisfaction	CSS Reports
8	Agricultural enterprises to prepare & submit management accounts & annual financial statements	Quarterly management accounts & annual financial statements
9	Engage SEDA & refer Agricultural enterprises for business plan development.	Number of Business plan vouchers approved
10	Identify sources of funding	Database of funding sources
11	Assist Agricultural enterprises to apply for funding when funding windows are open.	Number of funding applications submitted
12	Refer Agricultural enterprises to DFI's or RFI's	Number of funding applications submitted
13	Obtain a Council Resolution to allocate 5% of MIG for LED infrastructure	Council Resolution allocating 5% MIG to LED
14	Engage SEDA to provide training to 20 Agricultural enterprises.	Number of enterprises trained
15	Engage SEDA to develop financial management systems & controls to 20 Agricultural enterprises.	Copies of/proof of financial management systems
16	Engage SEDA to develop business plans with built-in operations processes	Number of business plans completed

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17	Engage SEDA to develop business plans with built-in aftersales services processes	Number of business plans completed
18	Personal Development Plans to include LED/SMME related training	Approved PDP's

### 8.3.2. Agroprocessing & Manufacturing Sector Development Index.

**The strategic objective is to incorporate manufacturers and producers to existing value chains by June 2027.**

The following are the key performance indicators which will be used to measure performance for this sector:

#	Critical activities	KPI's
1	Identify 10 Manufacturing enterprises for incubation/support.	Number of enterprises registered on the incubator
2	Facilitate B/Plan development.	Number of business plans developed
3	Facilitate access to funding.	Number of funding applications submitted
4	Facilitate off-take agreements with buyer value chains	Number of off-take agreements concluded
5	Link Manufacturing enterprises with buyer value chains	Number of off-take agreements concluded
6	Facilitate off-take agreements for commodities	Number of off-take agreements concluded
7	Facilitate off-take agreements with buyer value chains.	Number of off-take agreements concluded
8	Link Manufacturing enterprises with buyer value chains	Number of off-take agreements concluded
9	Conduct snapshot surveys on customer satisfaction	CSS Reports
10	Manufacturing enterprises to prepare & submit management accounts & annual financial statements	Quarterly management accounts & annual financial statements
11	Engage SEDA & refer Manufacturing enterprises for business plan development.	Number of Business plan vouchers approved

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12	Identify sources of funding	Database of funding sources
13	Assist Manufacturing enterprises to apply for funding when funding windows are open.	Number of funding applications submitted
14	Refer Manufacturing enterprises to DFI's or RFI's	Number of funding applications submitted
15	Engage SEDA to provide training to 10 Manufacturing enterprises.	Number of enterprises trained
16	Engage SEDA to develop financial management systems & controls to 10 Manufacturing enterprises.	Copies of/proof of financial management systems
17	Engage SEDA to develop business plans with built-in operations processes	Number of business plans completed
18	Engage SEDA to develop business plans with built-in aftersales services processes	Number of business plans completed
19	Personal Development Plans to include LED/SMME related training	Approved PDP's

### 8.3.3. Trade & Retail Sector Development Index

The strategic objective is to ensure sustainability of the retail sector by June 2027.

#	Critical activities	KPI's
1	Develop retail sector strategy.	Council approved Retail Sector Strategy
2	Develop & gazette bylaws to regulate sector.	COGTA gazetted bylaws
3	Develop trade/licensing regulations focusing on both formal & informal traders.	Council adopted trade regulations
4	Enforce bylaws & regulations appropriately across the sector	Records of compliance with bylaws & regulations
5	Facilitate provision of trading stalls, gazebo's and/or umbrellas for informal traders and hawkers	Hand-over certificates

6	Facilitate provision of public toilets and water supply points for informal traders & hawkers	Engineering certificates
7	Engage SEDA & ECDC for development of enterprises business plans.	Approval letters/approved vouchers for business plan development
8	Engage SEDA & ECDC for development of enterprise financial management systems.	Copies/records of financial management systems
9	Identify sources of funding	Register/Directory of Funding Sources
10	Refer retail enterprises to DFI's or RFI's	Funding applications submitted to DFI's or RFI's
11	Assist retail enterprises to apply for funding when funding windows are open.	Funding applications submitted before closing dates
12	Engage Wholesale & Retail Seta, SEDA, etc for provision of retail specific training.	Records of engagement with W&R, SEDA, etc

### 8.3.4. Tourism & Heritage Sector Development Index

The strategic objective is to facilitate the establishment of and support of the tourism & heritage sector by June 2027.

#	Critical activities	KPI's
1	Identify 10 Tourism enterprises for incubation/support.	Number of enterprises registered on the incubator/support program
2	Facilitate B/Plan development.	Number of business plans developed
3	Facilitate access to funding.	Number of submitted funding applications
4	Facilitate listing of product owners to government platforms	Registration confirmation letters
5	Facilitate listing of product owners to online platforms	Registration confirmation letters
6	Conduct snapshot surveys on customer satisfaction	CSS reports
7	Tourism enterprises to prepare & submit management accounts & annual financial statements	Quarterly management reports & annual financial statements submitted.
8	Engage SEDA to provide training to 20 Tourism enterprises.	Number of approved training vouchers
9	Engage SEDA to develop financial management systems & controls to 20 Tourism enterprises.	Copies of financial management systems
10	Personal Development Plans to include Tourism, Heritage & Arts related training	Approved PDP's

### 8.3.5. Automotive Sector Development Index

#	Critical activities	KPI
1	Identify 10 auto-enterprises for incubation/support.	Number of auto enterprises registered in the incubator/support program
2	Facilitate access to funding.	Number of funding applications submitted
3	Facilitate B/Plan development	Number of business plans developed
4	Facilitate submission of applications to DSDB's TREP Funding & others.	Number of funding applications submitted.
5	<ul style="list-style-type: none"> <li>▪ Engage SEDA to obtain training vouchers/funding for auto-enterprises</li> </ul>	Number of vouchers approved.
6	<ul style="list-style-type: none"> <li>▪ Engage SEDA &amp; ECDC BDS for financial management training</li> </ul>	Number of auto-enterprises trained.
7	<ul style="list-style-type: none"> <li>▪ Facilitate CSD listing of auto-enterprises to access procurement opportunities</li> </ul>	CSD Reports
8	<ul style="list-style-type: none"> <li>▪ Identify workshop spaces for auto-enterprises</li> </ul>	Lease agreements
9	<ul style="list-style-type: none"> <li>▪ Facilitate access to SEDA TTA and similar technology transfer programs</li> </ul>	Number of applications submitted.

### 8.3.6. Food & Hospitality Sector Development Index

#	Critical activities	KPI's
1	Identify 10 food & hospitality enterprises for incubation/support.	Number of auto enterprises registered in the incubator/support program
2	Facilitate B/Plan development.	Number of funding applications submitted
3	Facilitate access to funding.	Number of business plans developed
4	Facilitate submission of applications to DSDB's TREP Funding & others.	Number of funding applications submitted.
5	Engage SEDA to obtain training vouchers/funding for food & hospitality enterprises	Number of vouchers approved.
6	Engage SEDA & ECDC BDS for financial management training	Number of auto-enterprises trained.
7	Facilitate CSD listing of food & hospitality enterprises to access procurement opportunities	CSD Reports

### 8.3.7. Telecommunication Sector Development Index

#	Critical activities	KPI'S
1	Identify 10 telecom enterprises for incubation/support.	Number of telecom enterprises registered on the incubator/support program
2	Facilitate B/Plan development.	Number of completed business plans
4	Facilitate submission of applications to DSDB's TREP Funding & others.	Funding applications submitted
5	Engage SEDA to obtain training vouchers/funding for auto-enterprises	Number of training vouchers approved
6	Engage SEDA & ECDC BDS for financial management training	Number of telecom enterprises trained
7	Facilitate CSD listing of auto-enterprises to access procurement opportunities	CSD Reports

## 9. CHAPTER NINE: LED STRATEGY REVIEW.

Summarised as follows:-

### 9.1. Implementation Period.

This LED Strategy shall be implemented concurrent with the Council Adopted 2022-2027 IDP.

### 9.2. Annual Reviews.

Where necessary, Mhashe LM shall carry out annual reviews to keep up with changing political and socioeconomic circumstances.

### 9.3. Review of the Implementation Plan.

Mhashe LM shall review the implementation plan annually to align it with resources at its disposal and to align with performance management requirements and SMART principles.

### 9.4. Development of a New LED Strategy.

At the expiry of the term of Council in 2026/2027, a new 5 Year LED Strategy shall be developed and aligned with 2027-2032 IDP.

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## 10. REFERENCES.

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- <sup>i</sup> Mbhashe LM's Integrated Development Plan: 2022-2027
  - <sup>ii</sup> World Bank's Economic Growth Projections on South Africa: Focused to growth between 1.4% - 1.8% from January 2023 to 2024
  - <sup>iii</sup> World Bank Guide on Local Economic Development Planning
  - <sup>iv</sup> COGTA's National Framework on Local Economic Development
  - <sup>v</sup> [www.mbhashelm.gov.za](http://www.mbhashelm.gov.za)

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