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FOREWORD BY THE PREMIER OF LIMPOPO, CASSEL MATHALE

The province has just emerged from the Provincial Growth and Development Strategy Summit where delegates from various sectors met to develop means of building an economy which is informed by the electoral mandate bestowed on the ruling party the African National Congress (ANC). It is our objective to introduce to the people of our province an economy which is able to improve their quality of life through, amongst others, the creation of decent jobs and sustainable livelihoods, erection of reliable health care infrastructure; building of houses of an acceptable standard; provision of social development; comprehensive rural development, food security and land reform.

We have embarked on a process of aligning our growth and development direction to be in conformity with the objectives of the election manifesto of the ANC. The Limpopo Employment, Growth and Development Plan (LEGDP) is a fundamental document that must be used to make good the imbalances of the past.

The Summit was able to identify areas that have been able to sustain our economy and those that require immediate intervention. There will be consolidation and continuity on areas of strength; whilst on weak ends there will be an introduction of change.

The LEGDP ultimately provides a framework for the provincial government, municipalities, the private sector and all organs of civil society to make hard choices in pursuit of the strategic priorities as encapsulated in the Medium Term Strategic Framework.

Our growth and development must reflect in our ability to meet service delivery targets, which leads to the bettering of the living conditions of the people. We are convinced that long term development outcomes can only be achieved through collective action by all key stakeholders and role-players in the government, private sector and society based structures. This document provides a brief insight of the state of our growth and development; and it must be read and engaged with the hope of discovering the way-forward together. Acting together, we can do more!
EXECUTIVE SUMMARY: LIMPOPO EMPLOYMENT GROWTH AND DEVELOPMENT PLAN

The Province has excellent agricultural potential, mineral reserves, and tourism resources. The mining sector has grown in importance in the provincial economy. The growth in mining between 1995 and 2002 has been remarkable as compared to agriculture and manufacturing.

The Province has succeeded in increasing the number of youth that participate in the schooling system. The matric pass rate in the Province was 37.5% in 1999. This increased substantially to reach a peak of 70.6% in 2004. The pass rate came down to 55.7% in 2006 and increased to 58% in 2007. A similar pattern followed in specific subjects such as Economic Sciences, Physical Science, and in Mathematics. The decline in the matric performance in over the recent past academic years can be attributed to a number of factors, including curriculum change and the increased cognitive demand for the matric examination.

While the advance towards universal access has been remarkable, there has been less progress in providing these services at higher standards such as water inside a dwelling and flush toilets. While free basic services have provided relief to poor households, many complain that they are insufficient.

Overall, the quality of the country’s drinking water is of a high standard but slippages in terms of waste water services has prompted the Department of Water and Environmental Affairs to implement measures to improve effluent control and raw water treatment in those municipalities which may not meet all of the rigorous standards. Success in expanding access also exposes challenges of affordability. Affordability explains much of the gap between the use of electricity for lighting on the one hand and for cooking and heating on the other.

Health has been a government priority during the period under review, with spending increasing by 16.7 per cent annually between 2005/06 and 2008/09. By 2009/10, public health spending made up 9 per cent of non-interest spending and 3.7 per cent of GDP. This growth trend is sustained over the MTEF period. By 2011/12, public health spending would have more than doubled since 2005/06. On a real per capita basis, health spending is projected to increase by an average annual 4.8 per cent between 2005/06 and 2011/12.
Despite the rising allocations and progress made with the delivery of public health services, the health system continues to be hamstrung by specific challenges:

- The large burden of disease, especially from HIV and TB, not being adequately prevented.
- Slower than expected progress with Millennium Development Goals, especially in child and maternal mortality.
- Weakness in governance and accountability procedures.

Our strategic priorities have been articulated in broad terms in the Premier’s State of the Province Address on 11 June 2009; and they are:

**Ensuring more inclusive economic growth, decent work and sustainable livelihoods:** The main objective with regard to this priority is to respond appropriately, promptly and effectively so that growth in decent employment and improvements in income security are reinforced, and investment sustained to build up provincial economic capability and improve industrial competitiveness. This has to be conducted in an environment of a stable macro-economy which provides conditions for higher rates of investment and creation of decent jobs.

Building on the economic achievements of the last 15 years, the province will use various measures to build and accelerate a sustainable, equitable and inclusive economic growth path to address the strategic priorities as encapsulated in the MTSF. The province’s economic and social programmes will work together to ensure they support each other.

The developmental state will play a central and strategic role in the economy. The province will ensure a more effective government and improved coordination and planning to ensure faster change. A review of the structure of government will be undertaken, to ensure effective service delivery.

The most pressing problem facing Limpopo Province today is the absence of sustained economic growth and job creation, which are essential to reduce poverty and improve living conditions. The transition to a multi-racial democracy posed difficult political, social and economic challenges and South Africa’s noteworthy achievements in surmounting these challenges have been widely recognised. What lies ahead is the daunting task of ensuring that Limpopo Province rich natural and human resources are employed for the benefit of all, promoting sustainable livelihood, green economy, improving social conditions and alleviating poverty.

The policy perseverance exhibited over the last fifteen years has yielded tangible macro stabilization successes and enhanced policy legitimacy. However, the growth-and-employment challenges facing Limpopo Province is daunting one. In the past, investments were low, FDI inflows disappointing and the unfinished agenda of structural
reforms leaves the province at a disadvantage within an increasingly competitive global environment.

The legacy of apartheid is evident in the pervasive distortions in all factor markets: for labour, as evident in the scale and persistence of unemployment and inadequate investment in human capital; for capital, in the low savings/investments rates and limited FDI; and for land, where land reform and rural development efforts must reverse policies that over decades have virtually eliminated the small farming sector.

Given the country’s success in macro stabilization, the current Provincial Employment Growth and Development Plan confront the problem areas of growth, descent jobs and poverty reduction within a broad economic wide framework. This plan synthesizes findings from recent analysis of different sectors and features of the Limpopo political economy. While its focus is broad, it does not try to present all the components of a comprehensive growth plan – in some areas, it points instead to issues where further investigation is called for. The main objective of this plan is to contribute to the economic debate in the province and in the country by highlighting for policy imperatives that should be addressed to promote growth and employment in a complex international and domestic economic environment.
1.1. BACKGROUND

The birth of freedom and democracy in 1994 was a watershed moment, which opened sufficient avenues and possibilities for the assertion of people’s aspirations in almost all areas of human endeavour.

For the first time in history, all citizens of the country were able to determine a democratic government of their choice, whose principal mandate became the need to confront the terrible legacy of dispossession and disenfranchisement which prevailed for over three hundred years.

The democratic government led by the African National Congress created over a period of 15 years conditions suitable for sustainable growth and development in the context of the reconstruction and development programme.

Over the past 15 years, phenomenal strides were made in developing enabling policies and legislative framework aimed at fast tracking implementation of various programmes of government.

Today, the citizens of South Africa and Limpopo in particular, enjoy conditions of peace and stability and have started building a united nation, joining hands without regard to race, colour or gender. Each of our communities is free to express their linguistic and cultural identity, and to assume their equal place within our new nation. Inspired by the Freedom Charter, we can truly say: South Africa belongs to all who live in it.

Conditions have been created where the majority of our people who were the victims of apartheid now enjoy a better quality of life than was the case in the past. Women, workers, rural communities and people with disabilities are continuously receiving
focused attention through government programmes. Every South African enjoys the right to speak freely, to organize freely, and to criticize without fear of arrest, prosecution or torture, as guaranteed in the Constitution and the Bill of Rights.

Therefore, much was achieved over the last fifteen years of our democracy to promote growth and development of the economy. However,

- The economy's performance, especially in terms of job creation, the quality of jobs, and reduction of poverty and inequality, has fallen far short of our expectations and aspiration

- The provincial efforts have not sufficiently addressed severe structural imbalances and constraints that impede the economy from developing to its full potential and ensuring job creation.

As matter of fact the Provincial Employment, Development and Growth Plan should enable the current provincial administration to tackle the deep seated challenges facing the province in placing the economy on a new growth path capable of delivering decent work and sustainable livelihoods on a scale that will enable us to achieve the target of halving unemployment by 2014.

1.2. ECONOMIC OVERVIEW.

The Province has excellent agricultural potential, mineral reserves, and tourism resources. The mining sector has grown in importance in the provincial economy. The growth in mining between 1995 and 2002 has been remarkable as compared to agriculture and manufacturing.

Figure 1: The changing structure of the provincial economy
The potential growth sub-clusters within the mining include the platinum mining along the Dilokong Corridor in Sekhukhune and Mokopane together with coal mining, the flagship Medupi multibillion coal-fired power station and the planned Sasol Coal To Liquids petrochemicals industrial complex in the Waterberg District.

In 2007, Limpopo contributed 6.9% to the total Gross domestic Product (GDP) of South Africa when the growth rate of the economy was 4.4%. An analysis of the provincial economy shows that the provincial economy has been growing. The structure of the provincial economy is markedly different from that of the national economy. The contribution of mining and quarrying, agriculture, forestry and fisheries, as well as general government services contribute more to the provincial economy than the contribution of the same sectors in the national economy.

The relative contribution of the manufacturing sector, as well as the other tertiary sectors to the national economy, is comparatively more than the contribution of the same sectors within the provincial economy. Over the past fifteen years, the provincial economy grew well despite the challenges of the decline in other sectors and poor labour absorption capacity.

Figure 2, shows the real economic growth per region for 2007. The following comparisons are observed:

- Preliminary estimates indicated that the highest real economic growth rate per region – as measured by the gross domestic product per region (GDPR) at
market prices – for 2007 compared with 2006, was recorded in Gauteng and Western Cape with 5.7%, followed by KwaZulu-Natal with 5.2%, and Eastern Cape with 4.7%.

- Limpopo had the real economic growth rate of 4.4%.

Figure 2: Real annual economic growth rate per region for 2007

![Graph showing real annual economic growth rate per region for 2007](image)

Source: Statistics South Africa, Gross Domestic Product, Fourth quarter 2007

Limpopo Province’s contribution to the national GDP increased from 5.6% in 1996 to 6.8% in 2006 registering the highest percentage increase contribution over the period at 1.2%. This marked the Province as the fifth biggest contributor to the national GDP. Besides the Western Cape, it is the only province which has increased its contribution to the national economy. This trend, which needs to be accelerated, will surely boost Limpopo’s vision to be a major contributor to the national economy by 2030.

Figure 3, shows the contribution of GDPR by province (region) to the economy of South Africa.

- 2007, Gauteng contributed 33.5% to the economy of South Africa, followed by KwaZulu-Natal with 16.2 % and Western Cape with 14.5%.
- Northern Cape made the smallest contribution of 2.2% to the economy of South Africa in 2007.
- Limpopo contributed 6.9% to the economy of South Africa in 2007.
Since 1999 government investment expenditure has began to grow. The Fixed Capital Investment in Limpopo started to peak in 2001 and recently it skyrocketed to over R31 billion in 2007. This development is as a consequence of the Lephalale initiatives and is a tremendous boost to the provincial economy. The implementation of the above mentioned gigantic project requires considerable amounts of investment in road and other economic infrastructure.

Improving the quality of life for the people in Limpopo necessarily implies that the economy has to create jobs. Nationally between 1995 and 2002, the number of people employed in the country increased substantially. This phenomenon represents a large number of newly created jobs.
Source: Stats SA 2008
However, during the same period, the number of people without jobs escalated. A key point to note regarding the job market is that while many unskilled people are unemployed, there is a shortage of suitably skilled workers, which is a serious constraint on the expansion of the economy.

Figure 6: Unemployment rate by province, 2009
1.3. SOCIAL OVERVIEW.

The HIV prevalence levels in Limpopo have remained lower than the national average since 1990. Since 2005 the HIV prevalence rate has been declining. The Province has 54 accredited Comprehensive HIV and AIDS Care, Management and Treatment sites with a total of 32,079 patients enrolled by the end of the first quarter of 2008/09. Every municipality has at least one accredited Comprehensive Programme for HIV and AIDS Management (CCMT) Care and Treatment. Limpopo is the first province in the country to implement Anti-Retroviral treatment at Primary Health Care level. The Province’s first CCMT site has initiated more than a thousand patients on Highly Active Anti-Retroviral treatment.

The Constitution of the Republic of South Africa, affords all citizens the right to a basic education, including adult basic education, and further education, which the state, through reasonable measures, must make progressively available and accessible.

The Province has succeeded in increasing the number of youth that participate in the schooling system. The matric pass rate in the Province was 37.5% in 1999. This increased substantially to reach a peak of 70.6% in 2004. The pass rate came down to 55.7% in 2006 and increased to 58% in 2007. A similar pattern followed in specific subjects such as Economic Sciences, Physical Science, and in Mathematics. The decline in the matric performance in 2006 can be attributed to a number of factors, including curriculum change and the increased cognitive demand for the matric examination.

The Province has created 234,377 housing opportunities, which includes serviced sites, rural and urban housing, emergency houses, farm-worker houses, People’s Housing Process (PHP) and institutional / rental units. A further commitment is to ensure that access to these basic services is not solely determined by the ability to pay.
Consequently, government provides free basic services to poor households: 6 000 litres of water a month and electricity worth 50kwh per month.

**Figure 7: Housing opportunities provided in Limpopo**

Limpopo Province has had a comparatively successful programme of electrification despite being the least urbanized province in the country. The rate of rural connections rose from 38.8% in 1997 to 58.1% in 2001, while the rate of urban connections has risen from a fairly high level of 74.61% in 1997 to 87.5% in 2001.

**Figure 8: Percentage distribution of population with access to electricity**
1.3.1. Income poverty alleviation: Poverty Trends.

There are great differences in provincial levels of poverty as well as different rates of change between 1995 and 2005. Gauteng and KwaZulu-Natal experienced significant increases in both poverty headcount levels and the poverty gap, and there was a small increase in Limpopo.

All other provinces experienced a decline in poverty headcount rates. Although female-headed households experienced a decline in both poverty levels and poverty gap, poverty continues to be disproportionately female. In 2005, more than half of those considered poor by both poverty lines lived in female-headed households. In contrast, only 43% of the population lived in female-headed households.

1.3.2. Key drivers of decline in poverty.

The single most important driver of the decline in poverty is government’s social security assistance programme. From 2,5 million beneficiaries in 1999 to just over 12 million in 2007, the social grant system is the largest form of government support for the poor. Most by far is in the form of the Child Support Grant (CSG), which reached 7,8 million beneficiaries in 2007 compared to 34 000 in 1999.

The rapid expansion of the social security system lies at the heart of the growth in expenditure levels of the poor. By 2005, social grants contributed up to 90% of the income of individuals in the first two deciles and more than 50% in the fifth decile. Various studies have confirmed that this support is well targeted and contributes considerably to poverty reduction. Of social grants, 62% of the total went to the poorest 40% of households and 82% to the poorest 60%.
Provincial take-up rates for old-age pensions are uniformly close to the national average take-up rate, except in Gauteng, which is below average. However, provincial take-up rates for the CSG vary. For poor households in Limpopo, it reached 71.4%, compared to only half the households in the least poor provinces – Western Cape and Gauteng. The expansion of social grants has slowed down as most of those who are entitled are being reached. However, it will be sustained as new categories become eligible, with the threshold for men to receive pensions being lowered and the age for the CSG being progressively raised.

1.3.3. Income inequality.

Despite declining poverty levels and sustained growth reaching 5% in recent years, national income inequalities did not reduce over the period 1995-2005. Overall and in some sectors, the inequalities increased. National income inequality as measured by the Gini coefficient increased from 0.64 to 0.69 between 1995 and 2005, and continued to do so from 2006 to 2007.

It should be noted that this relates strictly to income inequality, and does not include the value of the social wage resulting from the substantial expenditure on social services, including the value of the social wage, which has been well targeted towards the poor, would improve the picture. While inequality between race groups decreased in the earlier years, it has tended to increase during the recent period of high economic growth.

This trend carries the message that growth and poverty reduction do not necessarily reduce inequality. It has the potential to foster social tension. Lasting and sustainable reduction of income inequality requires greater access of the poor to the labour market. The period under review has experienced trends that inhibit this access as much as enhancing it. Some, such as the economy’s sectoral shift, have been noted. What is required is therefore both a restructuring of the economy and improvement in the quality of education, especially in poorer areas. The fact that rising inequality is a global phenomenon to which a mere handful of countries are exceptions, underlines the scale of the challenge South Africa faces in seeking to reduce it.

1.3.4. Universal access to basic services.

Government is committed to providing access to electricity, water and sanitation as basic services. A further commitment is to ensure that access to these basic services is not solely determined by the ability to pay.

Consequently, government provides free basic services to poor households: 6 000 litres of water a month and electricity worth 50kwh per month. Access to basic services has improved substantially. Although the December 2007 target for completely eradicating the bucket sanitation system in established settlements was missed, there was notable progress: between 1994 and 2007, households using the bucket system in all areas decreased from 609 675 to 113 085; and in established settlements to 14 812 by June 2008.
Figure 9: Percentage households by type of toilet facilities, Limpopo and South Africa, 2007

<table>
<thead>
<tr>
<th>Type of Toilet Facility</th>
<th>Limpopo</th>
<th>South Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flush toilet (connected to sewerage system)</td>
<td>17.8%</td>
<td>55.0%</td>
</tr>
<tr>
<td>Flush toilet (with septic tank)</td>
<td>1.8%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Dry toilet facility</td>
<td>3.4%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Pit toilet with ventilation (VIP)</td>
<td>10.1%</td>
<td>6.6%</td>
</tr>
<tr>
<td>Pit toilet without ventilation</td>
<td>54.4%</td>
<td>20.7%</td>
</tr>
<tr>
<td>Chemical toilet</td>
<td>0.1%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Bucket toilet system</td>
<td>0.1%</td>
<td>2.2%</td>
</tr>
<tr>
<td>None</td>
<td>12.4%</td>
<td>8.3%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Statistics South Africa, Community Survey 2007

The following is observed:

- **In Waterberg**, 42.1% of households had a flush toilet (connected to sewerage system), followed by 19.2% in Capricorn.
- **Pit toilets without ventilation** were used by 70.2% of households in Sekhukhune, followed by 57.6% in Vhembe.
- **Pit toilets with ventilation** were used by 14.0% of households in Capricorn followed by 10.8% in Mopani.
- 5.1% of households in Sekhukhune used dry toilet facility, followed by 4.7% and 4.3% in Vhembe and Waterberg respectively.
- **In Mopani**, 22.5% of households did not have any toilet facility, followed by 14.9% in Vhembe.

Programmes to expand access to basic services have been well-targeted towards the poor. Access to piped water increased by 187% in decile one and 31% in decile four; and access to electricity for lighting grew by a phenomenal 578% for those in decile one.
Table 1: Households by main source of water, Limpopo and South Africa, 2007

<table>
<thead>
<tr>
<th>Source of water</th>
<th>Limpopo</th>
<th>South Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%</td>
</tr>
<tr>
<td>Piped water inside the dwelling</td>
<td>219 367</td>
<td>18.0</td>
</tr>
<tr>
<td>Piped water inside the yard</td>
<td>310 655</td>
<td>25.5</td>
</tr>
<tr>
<td>Piped water from access point outside the yard</td>
<td>486 979</td>
<td>40.0</td>
</tr>
<tr>
<td>Borehole</td>
<td>80 509</td>
<td>6.6</td>
</tr>
<tr>
<td>Spring</td>
<td>14 383</td>
<td>1.2</td>
</tr>
<tr>
<td>Dam/pool</td>
<td>13 478</td>
<td>1.1</td>
</tr>
<tr>
<td>River/stream</td>
<td>53 391</td>
<td>4.4</td>
</tr>
<tr>
<td>Water vendor</td>
<td>25 607</td>
<td>2.1</td>
</tr>
<tr>
<td>Rain water tank</td>
<td>3 810</td>
<td>0.3</td>
</tr>
<tr>
<td>Other</td>
<td>7 755</td>
<td>0.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1 215 934</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Statistics South Africa, Community Survey 2007

Table 1: shows households by main source of water per district council.

- In Waterberg, 34.6% of the households had piped water inside the dwelling followed by Mopani with 19.5%.
- Capricorn and Vhembe had piped water inside the yard with (30.8% and 28.5% respectively), followed by Mopani with 27.4%.
- In Vhembe, 47.9% of households had piped water from access point outside the yard followed by Sekhukhune and Mopani with (42.0% and 41.2% respectively).
- 10.6% of households in Capricorn had borehole water followed by 9.0% in Waterberg.
- Water from a river or stream was used by 15.2% of households in Sekhukhune followed by 3.5% in Mopani.

While the advance towards universal access has been remarkable, there has been less progress in providing these services at higher standards such as water inside a dwelling and flush toilets. While free basic services have provided relief to poor households, many complain that they are insufficient.
Overall, the quality of the country’s drinking water is of a high standard but slippages in terms of waste water services has prompted the Department of Water and Environmental Affairs to implement measures to improve effluent control and raw water treatment in those municipalities which may not meet all of the rigorous standards. Success in expanding access also exposes challenges of affordability. Affordability explains much of the gap between the use of electricity for lighting on the one hand and for cooking and heating on the other.

1.3.5. Education - Educational attainment.

Table 2: look at the proportion of people aged 20 and above in Limpopo and South Africa by level of education category.

- In Limpopo, (22.1%) of people aged 20 and above had some primary compared to (31.9%) nationally.
- Of the people aged 20 and above in Limpopo (12.5%) had Std 10/Grade 12 which lower compared to (18.0%) nationally.
- 6.4% of the people aged 20 and above in Limpopo had tertiary compared to (8.8%) nationally.
- 19.4% of the people aged 20 and above in Limpopo had no schooling which is higher compared to 9.4% nationally.

Table 2: Persons aged 20+ of Limpopo and South Africa by level of education, 2007.

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Limpopo</th>
<th>South Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>%</td>
<td>N</td>
</tr>
<tr>
<td>%</td>
<td></td>
<td>%</td>
</tr>
</tbody>
</table>
Progress has been made in deracialising the funding for education and its prioritization in the national budget. Expenditure for education in 2005 constituted 5.59% of gross national product (GNP), within the norm of developed countries’ expenditure of between 5% and 6% of GNP. It grew from R30 billion to R101 billion between 1994/95 and 2007/08. A decline in real expenditure from the late 1990s to 2003/04 was followed by a recovery and by 2007/08, it was 20% higher in real terms than in 1996/97. However, with the exception of the Free State and Northern Cape, the proportion of provincial budgets expended on education has fallen. Expenditure on all education programmes has expanded rapidly, even if it has been off a low base for programmes such as Early Childhood Development, Adult Basic Education and Training (ABET) and Further Education and Training (FET).

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Some primary</td>
<td>582 579</td>
<td>6 230 263</td>
<td>31.9</td>
</tr>
<tr>
<td>Some secondary</td>
<td>820 233</td>
<td>9 041 543</td>
<td>22.0</td>
</tr>
<tr>
<td>Completed</td>
<td>155 967</td>
<td>1 996 139</td>
<td>7.0</td>
</tr>
<tr>
<td>primary</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Std 10/Grade 12</td>
<td>329 924</td>
<td>511 714</td>
<td>18.0</td>
</tr>
<tr>
<td>No schooling</td>
<td>511 714</td>
<td>5 117 071</td>
<td>9.4</td>
</tr>
<tr>
<td>Tertiary</td>
<td>168 645</td>
<td>2 672 549</td>
<td>8.8</td>
</tr>
<tr>
<td>Others</td>
<td>62 966</td>
<td>2 501 022</td>
<td>2.8</td>
</tr>
</tbody>
</table>

Source: Statistics South Africa Community Survey 2007
Public school has the largest share. As a result of measures to promote access, the education participation rate is high. It is particularly high at primary level and has increased at secondary level as shown by the figures for Gross Enrolment Rate. Participation in school education is virtually equal between males and females. There are more males in the primary phase, but the situation is reversed in secondary schooling. Enrolments at HE level grew rapidly over the past two decades.

The principal challenge is to improve the quality of education. South Africa participates in three cross-country comparative studies which all point to poor performance.
compared with several of our less well-resourced neighbours. This poor performance of
the schooling system affects in turn the secondary phase, HE results, and ultimately
people’s access to the labour market and the possibility for the marginalised to break
out of the cycle of reproduction of poverty and disadvantage.

The achievement gap between children in advantaged and disadvantaged schools
needs to be closed. This requires focus on improving quality and efficiency at all levels.
It implies attention to reducing the rate of repeaters and drop-outs. It requires
recognising that socio-economic constraints in our society put education in competition
with many priorities in poor households. The key challenge is to ensure that schools in
previously disadvantaged areas are improved to make them welcoming for young
people.

The increase in per capita health spend was 22% in real terms over the 10-year period
from 1996 to 2006, according to figures from National Treasury. The increases in real
expenditure are reflected in expanded infrastructure, upgrading of facilities and
broadening the available package of health services.

1.3.6. Asset poverty alleviation.

Two programmes lead government’s efforts to alleviate asset poverty: land and
housing. From 1994 to 2008, 3 132 769 housing subsidies were approved, and 2 358
667 units were completed as a result of expenditure of R48,5 billion. This brought
housing to 9,9 million citizens who could access state-subsidised housing opportunities.
Of the subsidies, 53% went to women-headed households. Given the increase in the
total number of households, this is a major achievement.

By 2006, however, the programme was barely keeping pace with the expanding number
of households. The programme is well-targeted – between 1993 and 2004, access to
formal housing grew by 42% and 34% for income deciles one and two respectively and
21% and 16% for deciles three and four. Difficulties in obtaining the release for housing
development of strategic land, often state-owned, that is well located in urban areas
constitutes a major challenge with significant implications. Municipal sale of land for
short-term financial gain has contributed to this problem.

Many new housing settlements are located far from work opportunities, perpetuating
urban sprawl and a mismatch between the location of accommodation and economic
activity. Insufficient spatial concentration in urban areas brings added costs, in terms of
infrastructure provision and labour, because of the expense of commuting to
workplaces. The combined effect of government and private-sector housing saw the
proportion of households in traditional dwellings decline from 18,2% to 11,7% between
1996 and 2007 and those in formal dwellings increase from 64,4% to 70,5%. By 2008,
the number of registered African home-owners exceeded that of white home-owners for
the first time. On the other hand, residential segregation in practice was still largely in
place.

1.3.7. Health - Public hospitals.

Limpopo Employment Growth and Development Plan (LEGDP 2009-2014 DOCUMENT (3), 2009 -
2014
Figure 12, shows the distribution of public hospitals in Limpopo.

The following is shown in this figure:

- Capricorn had 9 hospitals, followed by Mopani, Waterberg and Vhembe with 8 hospitals.
- Sekhukhune had 7 hospitals, which was the smallest number of hospitals in all the districts.
- Limpopo had a total number of 37 district hospitals and 3 specialized hospitals.

**Figure 12: Number of public hospitals by district council, Limpopo, 2009**

![Bar chart showing distribution of public hospitals](chart.png)

Source: Department of Health and Social Development, Limpopo

Table 14 below shows that:

- Vhembe had 1 607 hospital beds, followed by Capricorn with 1 715 beds.
- Waterberg had the least number of hospital beds (887) in the province.
- The province had a total of 6 526 beds in district hospitals and 1 100 beds in specialized hospitals

Apart from clinics built by provinces, around 1 600 clinics and healthcare centres were built between 1994 and 2000 under the national Clinic Upgrading and Building Programme. As a result of such programmes, 95% of South Africans live within a 5-km radius of a health facility.
From 1997 to 2006/07, access to primary healthcare, measured by visits, increased from 67 021 961 to 101 644 080. Utilisation rates by the public, represented as the average number of visits per person per year, increased from just over 1,5 to 2,2 between 2000 and 2006. South Africa now has the largest number of people enrolled on antiretroviral therapy (ART) in the world.

The percentage of children under one year who complete their primary course of immunisation has been increasing at an annualised rate of 5% per year. Coverage is now 88%, within reach of the 90% national target. Expanded health infrastructure, enhanced access and increased usage should translate into improved health outcomes for the population.

An area of improvement in health status is a decline in severe malnutrition among children under five years old, from 88 971 cases in 2001 to 28 165 in 2007. The Integrated Nutrition Programme has consistently reached over four million children for some years. Over the period 1997 to 2004, adult mortality rates between the ages 25 and 45 years increased markedly.

The infant mortality rate appears to have remained fairly constant. Department of Health figures for 1998 and 2003, based on SA Demographic Health Survey, show an improvement from 45 per 1 000 live births to 43. The mortality rate for children under five remained close to 60 to 70 deaths per 1 000 between 1998 and 2005/06 according to StatsSA and ASSA. Department of Health figures for 1998 and 2003 show an improvement from 61 deaths per 1 000 live births to 58.

Life expectancy has been declining – from about 56 years in 1996 to about 50 in 2007. Female life expectancy dropped from about 59 years in 2000 to 51,6 years in 2007 and for males from about 52 years to about 48,4 years. In dealing with the range of diseases affecting the South African population, there have been some big successes. Malaria cases, for example, declined from over 50 000 in the late 1990s to about 5 000 in 2007.

Figure 13: Malaria cases in South Africa 1999-2006

![Malaria Cases in South Africa 1999-2006](image-url)
A decline in smoking among men – from 42% in 1998 to 35% in 2003. Within the context of the whole range of diseases being tackled, including non-communicable diseases, tuberculosis (TB) and HIV stand out as particular challenges. Government has declared TB a top national health priority. Its reported incidence almost doubled from 1999 to 2006.

**Figure 14: HIV prevalence by Province 2004-2007**

Treatment success rates dropped between 1999 and 2000 and picked up thereafter, remaining relatively stable at around 70%. Average defaulter rates, however, improved from 10% in 2005/06 to 9% the following year. Co-infection with HIV compounds the severity of TB and makes its prophylactic and curative treatment more costly and problematic. This has been compounded by the emergence of multidrug resistant (MDR) and extreme drug resistant (XDR) strains, which are more costly to treat and have a longer duration. There is a particularly encouraging trend of a decline of prevalence among women younger than 20 years old: from 16% in 2004 to 13.5% in 2006. Prevalence levels vary considerably between provinces.

**Figure 15: HIV prevalence in Limpopo and National**
The vulnerability of young women is particularly disturbing. HIV prevalence increases dramatically among young females, peaking at 33.3% in the 25 to 29 age group. In males, prevalence peaks at a lower level (23.3%) in age groups 30 to 39, indicating that younger women are more vulnerable to HIV than their male counterparts.

The key concern is how to use health resources to achieve better health outcomes, taking into account the impact of the socio-economic environment both on health and on implementation. Greater efforts should be made to provide quality care with human dignity. This includes improving clinical management of care at all levels of the healthcare delivery system. Treatment of TB and implementation of the Comprehensive Plan for the Treatment, Management and Care of HIV and AIDS are among the major challenges, along with a range of non-communicable diseases, injuries and trauma.

Health has been a government priority during the period under review, with spending increasing by 16.7 per cent annually between 2005/06 and 2008/09. By 2009/10, public health spending made up 9 per cent of non-interest spending and 3.7 per cent of GDP. This growth trend is sustained over the MTEF period. By 2011/12, public health spending would have more than doubled since 2005/06. On a real per capita basis, health spending is projected to increase by an average annual 4.8 per cent between 2005/06 and 2011/12.

Despite the rising allocations and progress made with the delivery of public health services, the health system continues to be hamstrung by specific challenges:

- *The large burden of disease, especially from HIV and TB, not being adequately prevented.*
- *Slower than expected progress with Millennium Development Goals, especially in child and maternal mortality.*
- *Weakness in governance and accountability procedures.*

Over the past year, several important sectoral reviews have been conducted and a number of policy making processes have been initiated. These reviews potentially provide a useful road map for government to plan for the MTEF period. Some of the interventions proposed by the greater decentralisation of delivery to hospital and district level, together with the creation of a central health budget and stronger national norms and standards, the filling of critical position and focused attention to delivery on the relevant targets of the Millennium Development Goals.
South Africa's health financing system is dominated by the public sector and non-profit medical schemes in the private sector. Private sector financing continues to exceed public health funding levels. International comparative data on health spending is regularly released by the World Health Organisation and shows South Africa to be on par with similar middle income countries. Despite real increases in finance and the rising numbers of health personnel, several key health indicators are showing deterioration. Improvements are noted in the number of malaria cases and deaths, vaccine preventable disease such as measles are decreasing, and smoking prevalence is reducing, but other indicators provide cause for concern.

Rising HIV antenatal sero-prevalence and TB incidence, and increasing maternal mortality and number of deaths in young women. These poor health outcomes are substantially driven by the HIV epidemic, but also reflect weakness in performance such as TB cure rates, HIV prevention programmes and maternal and peri-natal care. Five provinces receive increases of more than 10 per cent in 2009/10: Northern Cape (27.1 per cent), Mpumalanga (21.9 per cent), and Free State (16.6 per cent), Western Cape (14.3 per cent) and Limpopo (13.3 per cent). In the case of Eastern Cape and Limpopo, 2008/09 expenditure includes large once-off amounts (R697 million and R367 million respectively) implying that the growth estimate would be larger when once-off items are excluded.

Overall, district health services remain the biggest spending programme.

Expenditure in the Administration programme has grown strongly over the past three years. Overall provinces spend 3.5 per cent of their budgets on this programme, which mainly covers the provincial administrative offices. Expenditure in the Emergency medical services programme increased at an average annual rate of 9.4 per cent.

The increase was part to prepare for the 2010 FIFA World Cup. Over the past years, health spending has increased. Despite this, the sector faces critical challenges, not least in governance and accountability. Large increases in expenditure are noted in several areas, such as personnel, but evidence of improved performance is limited. In the face of a serious burden of disease and slow progress on the Millennium Development Goals, resolute steps will need to be taken to improve both financial management and performance.

1.4. NEW MANDATE: KEY CONSIDERATIONS.

In order to give effect to the strategic objectives as spelled out in the electoral mandate of the ruling party [the African National Congress], the Provincial Government of Limpopo has contextualized ten priority areas as contained in the Medium Term Strategic Framework into key strategic priorities which will guide service delivery over the next five years.
These strategic priorities have been articulated in broad terms in the Premier’s State of the Province Address on 11 June 2009; and they are:

**Ensuring more inclusive economic growth, decent work and sustainable livelihoods:** The main objective with regard to this priority is to respond appropriately, promptly and effectively so that growth in decent employment and improvements in income security are reinforced, and investment sustained to build up provincial economic capability and improve industrial competitiveness. This has to be conducted in an environment of a stable macro-economy which provides conditions for higher rates of investment and creation of decent jobs.

**Economic and social infrastructure:** In the period ahead government will continue with the infrastructure investment programme aimed at expanding and improving social and economic infrastructure to increase access, quality and reliability of public services and to support economic activities while also considering environmental sustainability and pursuing maximum employment impact. The aim is to ensure sustained investment growth over the medium-term so as to achieve the target of a fixed investment ratio above 25% of GDP by 2014. Such projects will be spatially-referenced, planned for and implemented in an integrated manner. In addition, we will continue with programmes to provide and maintain health, education, library, sporting, recreation and other social infrastructure.

**Rural development, food security and land reform:** Approximately 40% of the households in Limpopo live in areas that are characterized by extreme poverty and underdevelopment. Recognizing the diversity of our rural areas, the overall objective is to develop and implement a comprehensive strategy of rural development that will be aimed at improving the quality of life of rural households, enhancing the country’s food security through a broader base of agricultural production, and exploiting the varied economic potential that each region of the country enjoys.

**Access to quality education:** Education has enjoyed the largest share of the national budget throughout the past 15 years. This significant investment in building human capital and capabilities has gradually improved the country’s human resource and skills base. However, progress has not been optimal and the achievements have not taken place at the required scale. The objective is to focus on skills and education system towards the delivery of quality outcomes. The focus will be on, amongst others, learner outcomes, early childhood development (ECD), improving schools management and M&E systems and supporting and developing a high quality teaching profession.

**Improved health care:** In the current MTSF period the aim is to transform the public health system so as to reduce inequalities in the health system, improve quality of care and public facilities, boost human resources and step up the fight against HIV and AIDS, TB and other communicable diseases as well as lifestyle and other causes of ill-health and mortality. The plan includes the phasing in of a National Health Insurance system over the next 5 years and increasing institutional capacities to deliver health-
system functions and initiate major structural reforms to improve the management of health services at all levels of healthcare delivery, including particularly hospitals.

**Fighting crime and corruption:** Government is determined to curb levels of crime and corruption. Contact crimes, crimes against women and children and organized crime remain a key focus, and so is the combating of corruption.

**Cohesive and sustainable communities:** Social cohesion is important if we are to achieve developmental success. However, inequalities of condition and opportunity and weaknesses with regard to a sense of being part of a common enterprise, is placing severe stress and strain on social cohesion. In this MTSF period, we aim to meet our target of halving poverty and unemployment by 2014 and, in conjunction with other priorities, to strengthen human capabilities, promote shared values and social solidarity and strive to reduce overall inequality.

**Creation of a better Africa and a better world:** Over the medium term, the main goal with respect to this priority is to ensure that our foreign relations contribute to the creation of an environment conducive to economic growth and development domestically, within Africa and in other developing countries. Implementing NEPAD, promoting SADC regional integration, strengthening South-South relations and pursuing a developmental and investment-orientated approach to engagements with the North, are key aspects related to this priority.

**Sustainable resource management and use:** Like the rest of the world, the provincial economy is vulnerable to the impacts of climate change, biodiversity loss and diminishing water resources. Interventions will include, amongst others, diversification of the energy mix in pursuit of renewable energy alternatives and the promotion of energy efficiency, enforcing a zero tolerance approach to illegal and unsustainable exploitation of resources, supporting local and sustainable food production, and promoting sustainable water use and preserving the quality of drinking water.

**A developmental state including improvement of public services:** In the previous mandate period, government committed itself to improving the capacity of the state for growth and development. This remains a priority. Whilst progress has been made, the province continues to face significant challenges in transforming the system of governance. Challenges include capacity gaps in local government; poor quality of public services; declining trust and confidence in public institutions and weak planning capacity across the three spheres of government. As the province strives to overcome these hurdles, the long term goal is to the build an effective and accountable state as well as fostering active citizenship.

The Premier announced the reconfiguration of the provincial Executive Council cluster committees to reflect the needs of our priorities in the next five years. The new clusters are: social cluster, economic cluster; security cluster; infrastructure cluster; and governance and administration cluster.
1.4.1. Electoral Mandate.

The government has identified five priority areas for the next five years:

- *Creation of decent work and sustainable livelihoods*
- *Education*
- *Health*
- *Rural development, food security and land reform*
- *The fight against crime and corruption.*

These priorities will be tackled with all our means at our disposal - the resources of government, the vision of the Freedom Charter and the energy and commitment of our people. The provincial priorities will specifically target the needs of the youth, women, workers, the rural poor, the elderly, and people with disabilities.

Building on the economic achievements of the last 15 years, the province will use various measures to build and accelerate a sustainable, equitable and inclusive economic growth path to address these five priorities. The province’s economic and social programmes will work together to ensure they support each other.

The developmental state will play a central and strategic role in the economy. The province will ensure a more effective government and improved coordination and planning to ensure faster change. A review of the structure of government will be undertaken, to ensure effective service delivery.

This means that the right and adequate numbers of personnel should be placed in the correct positions, and where this is not the case, government should have the capacity to implement corrective measures, either through training or redeployment where warranted. The province is committed to a service delivery culture that will put every elected official and public servant to work for our people, and ensure accountability to our people.

Decent work and sustainable livelihoods are the foundation of the fight against poverty and inequality and its promotion should be the cornerstone of all our efforts.
PART 2: GOVERNMENT ACTIONS TO ACCELERATE GROWTH AND DEVELOPMENT

2.1. EMPLOYMENT, GROWTH AND DEVELOPMENT PLAN.

2.1.1 Strategic Vision.

The Limpopo Employment, Growth and Development Plan [LEGDP] has specific programmes that are designed to achieve structural change in critical areas of the provincial economic. Accordingly, it is designed to pull together in an accessible manner the great variety of actions that constitute a successful delivery. For this reason, LEGDP is a provincial the three tiers of government, traditional leaders, women, youth, people living with disabilities, the private sector, labour federations, NGOs, and other stakeholders] tactical initiative even though the provincial government will have primary responsibilities in many areas.

In essence it assists the province to be able to make strategic choices in terms of prioritizing catalytic and high impact initiatives as a way of responding to the MTSF strategic thrusts.

2.1.2. Long Term Direction.

It must be understood that in the absence of a long term strategy for the province, the LEGDP is designed to form a solid base line such that it is constructed as an implementable plan which will culminate into a long term strategy. Therefore, the Plan will make every effort to move towards the development of the 2030 provincial growth and development strategy and The Limpopo Vision 2030. This long term strategy and
vision will be underpinned by clear catalytic and high impact initiatives and five-yearly plans responding to the electoral mandate.

To succeed in growth and development the focus must be on a long-term strategy, and as a result the plan is quite explicitly clear that it does not attempt to deal with all the activities and future tasks of province as it cannot on its own transform all social and economic conditions within the current term of government [2009 – 2014].

2.1.3. Key challenges over the next decade.

- Most of our economic regions are struggling to overcome abject poverty but also lack productive capacities to move out of the poverty trap of high unemployment and low levels of income, gross fixed capital formation, and growth. The fundamental challenge is to enable the rural regions to tap into the power of the new economy or be pushed onto a new economic frontier.
- Insufficient attention paid to a long term perspective of building sustainable, successful, competitive, and integrated economic regions in the provincial districts. The same can be said about the lack of attention to the potential development contribution of industry and, in particular, manufacturing.
- Lack consolidation of the economy and support the growth of a labour intensive industrialization path/based economy.
- Inadequate promotion of labour-absorbing industrial sectors, with an emphasis on tradable labour-absorbing goods and services and economic linkages that catalyze productive employment creation.
- Limited promotion of a broader based industrialization path that is characterized by greater levels of participation of historically disadvantaged people, and marginalized regions in the mainstream of the industrial economy.
- Insufficient productive capacities in the local economies – this is envisaged to have an adverse effect in shaping the new geography of industrial production and distribution.
- No targeted interventions to broaden and diversify the provincial industrial base.
- The role trade and investment in sustainable development.
- Marginalization of rural and women’s entrepreneurship, and enterprise development.

2.2. KEY ACTION PROGRAMMES:

2.2.1. INDUSTRIAL DEVELOPMENT PROGRAMME: PRIORITY GROWTH SECTORS.

The changing international environment, which places pressure on all regional economies to liberalize trade and investment regimes, calls for a more creative
industrial development plan to enhance the productive capability, capacity and efficiency of industrial sectors specifically the manufacturing sectors.

This phenomenon calls upon industries to:

- Diversify export products and markets;
- Create a conducive business environment;
- Invest in the necessary physical infrastructure; and
- Develop industrial technology at the firm level in order to raise the technical capabilities and global competitiveness of domestic industrial firms.

Above all, it should recognize that it is firms that compete on domestic and international markets, and therefore the provincial industrial plan needs to fortify the competitive capabilities of industries.

It is against this backdrop, that the provincial government should [in accelerating the fulfillment of the Provincial Five Year Plan and achieving the 2014 targets and as part of Integrated industrial development plan] develop an integrated Industrial development master plan that:

- enables industries to be competitive, innovative and diversified into value-added products;
- contributes significantly to the province GVA, balance of payments and can attract fixed direct investment;
- generates higher labour incomes and raises the living standards of the general population, thereby contributing significantly to eradicating poverty;
- produces goods encompassing increasingly higher value-added activities to complement its natural geographical advantages whilst balancing a more-labour absorption industrialization pathway;
- has an extensive linkage with the rest of the domestic economy.

The integrated master plan for industrial development will include number of high impact sectoral portfolios and initiatives. Those initiatives will also marshal the design of a strategic programmes and set of targets aiming at directing strategies and action plans for aligned and effective policy intervention. Fundamental is the notion of identifying challenges and overcoming the existing impediments to growth, ensuring that growth rates are sustainable, non-inflationary and effective in alleviating poverty and unemployment.

### 2.2.1.1. KEY STRATEGIC CHALLENGES.

Due to the current economic crisis, levels of economic growth and employment are inadequate to meet the province’s policy goals. It is therefore realized that industry alone could not stimulate the levels of investment and competitiveness needed to underwrite growth and development.
In addition, the industry particularly the manufacturing sector suffers from many long-standing weaknesses, including poor investment climate and business environment, inadequate physical infrastructure, underdeveloped industrial technology development system, low level of investment in Research and Development and low skills and education levels. These weaknesses continue to constrain manufacturing investment, but have not been adequately addressed in the past.

- In most cases challenges being faced by the province in its efforts of ramping up industrial development to a level which will ensure a sustainable and diversified industrial base are largely persisting at the microeconomic level. These microeconomic constraints to growth [exist in both the developed and underdeveloped aspects of the economy] are:
  - **Consolidate the restructuring of the economy and support the growth of a knowledge-based economy.**
  - **Translate economic growth into employment growth through the promotion of labour absorbing and value adding sectors.**
  - **Align our economic development strategies so that all sectors and areas contribute to growing a single economy.**
  - **Impediments to industrial and cost competitiveness.**
  - **Inefficiency of supply chains.**
  - **Lack of basic infrastructure, especially roads and communications.**
  - **Mismatch of labour demand and supply, the low levels of education and skills of the workforce, and the need for ongoing review of labour market regulation.**
  - **There is also technological under provision: per capita expenditure on ICT is low compared to South Africa's competitors, investment in research and development is low, public science and technology infrastructure is weak, and there are low levels of public science awareness.**
  - **Further, there are low levels of integration in the manufacturing process contributing to insufficient value addition, and there is inadequate investment in equipment and machine tools, knowledge and training.**

### 2.2.1.2. KEY STRATEGIC INTERVENTIONS.

The industrial development emphasis to be pursued by the province is to move onto an industrialization trajectory that is responsive to:

- **Intensification of Limpopo’s industrialization process and movement towards a knowledge economy.**
- Provision by domestic manufacturers of the capital goods that the growing economy needs and will continue to demand.
- Promotion of more labour-absorbing industrial sectors, with an emphasis on tradable labour-absorbing goods and services and economic linkages that catalyse employment creation.
- Promotion of a broader based industrialization path that is characterized by greater levels of participation of historically disadvantaged people, and marginalized regions in the mainstream of the industrial economy.

The province is to embark on a road mapping process of developing the Limpopo Industrial Sector Key Action Plan [LISKAP] with the primary aim of deepening and diversifying the provincial industrial base.

Limpopo Industrial Sector Key Action Plan’s main objective is to identify interventions that will enable the province to revitalize both the natural-resource based and advanced manufacturing growth in the province with a focus on integrating SMMEs at the 2nd, 3rd, 4th and lower tiers into the regional, national, continental and global value chains of the selected sectors. Similarly this initiative is aligned to the National Industrial Policy Framework. Sectors identified under Limpopo Industrial Sector Key Action Plan are:

2.2.2. MINING AND MINERALS BENEFICIATION INDUSTRIES.

The key objective is to transform the Limpopo mining and minerals industries from being just a resource-based to a knowledge-based industry by 2030 through the creation of a conducive and favourable environment for effective value addition.

2.2.2.1. KEY STRATEGIC CHALLENGES.

i) The Development of a Limpopo Mining and Minerals Beneficiation Initiative (LMMBI):

The LMMBI will, amongst others, develop a minerals beneficiation programme and implementation plan including actions to identify barriers in the value chain and seek targeted interventions which will create an enabling environment for the industry to attract investment and go forward quickly with beneficiation.

The initiative will be a launching point for further strategic effort to look at how the Limpopo government can facilitate and encourage manufacturing and beneficiation across the province. For the Limpopo province to succeed in executing this initiative, much emphasis will have to be placed on creation of the necessary skilled work force (specifically for the tooling and foundry industry) which is able to add value to metals.
and minerals. Also necessary is the establishment of the Industrial Development Zones with attractive tax incentives and low tariff regimes and possibly the relaxation of labour legislation to make the beneficiation industry more competitive.

**ii) Beneficiation Clusters and Cluster Value Proposition**

As mineral resources are unique a customized downstream beneficiation cluster approach should be adopted. This is necessary to maximize and map out a pipeline of beneficiation opportunities in the resource industry, including the energy and jeweler sectors. Linkages, in terms of downstream- value addition beneficiation, side-stream inputs, plant, machinery, equipment, and technological linkages must all be investigated.

The beneficiation cluster must also assist in attracting and retaining a greater share of foreign direct investment (FDI); boosting Limpopo export performance; developing a more diversified economy with more areas of excellence; foster high levels of enterprise formation and business growth as well as lobbying government for an enabling environment for fabricators to establish sustainable globally competitive industries within the province; The cluster approach will enable the critical mass needed for manufacturers (domestic and international) to consider Limpopo as an option for establishing or expanding their manufacturing operations.

**2.2.2.2. KEY STRATEGIC INTERVENTIONS.**

**iii) Limpopo Mining Input Suppliers Parks Beneficiation Hubs and Supplier Development Programme**

The objective is to establish suppliers’ hubs/parks that would supply goods and services to the mining clusters while offering opportunities for local partnerships and industry transformation.

The rationale of the Limpopo Mining Suppliers Park in particular is to localize a huge portion of the procurement spend both capital expenditure and the operational expenditure within the province. Key and targeted action plans in the triple localization of goods and services in the municipalities, the districts and the Limpopo Province. Therefore, this is fundamental in ensuring that a strong linkage is created between the downstream value addition and the side-stream inputs and unlocking strong backward economic linkages.

In addition, the value proposition afforded to the beneficiation clusters by the Mining Suppliers Parks will enhance their efficiencies. The Mining Supply Parks/Hubs will function as a logistical, supplier-development manufacturing Innovation center.

**iv) Development of Specific Mining related Skills Programme**
Mining related skills are a huge challenge in the promotion of mining development and minerals downstream beneficiation. More crucial skills are now in regards to artisans and technicians which are not available at the required levels and this has become the most important element of FET’s education and curriculum. It is now clearer that the Province needs to encourage establishment of mining schools within the province. This will go a long way in the promotion of small-scale mining programme and in capacity building for the SMME sector within the province.

**v) Targeted Policy Measures to Support Downstream Mineral Beneficiation**

There is a dire need to focus on particular provinces that are richly endowed with certain strategic minerals to boost the economic growth of those particular provinces. In this instance, the Limpopo Province needs to craft specific industrial incentives that may only be unique to Limpopo. Such incentives would be customized to be appropriate to the Limpopo’s mining and minerals beneficiation initiatives.

A beneficiation value proposition including a marketing strategy (Investment Promotion) to attract global players would have to be prioritized.

- Coal, Energy, Petrochemicals and Downstream chemicals industries
- Capital Equipment and Metals Based Industries.
- Defense Sector and Related Industries.
- Creative [arts and culture] Industries
- Tourism Industries
- White and Durable Goods Industries
- Limpopo Tooling Initiative

**(vi) Mineral Resources mapping and usage of Geo-Spatial technology**

Limpopo has numerous mineral commodities. According to the mineral data provided by the Council for Geo-Science, Limpopo is one of the few areas in the country that still has vast unexploited deposits. This data reveals that out of the 1065 mineral records in Limpopo, only 92 (8.6%) is exploited. In addition, there are 609 (57%) of mineral occurrences and a further 119 (11%) of minerals never exploited. Only 4.6% (49) occurrences have mines that are continuously producing (Council for Geo Science, SA Mineral Database, 2002). These figures clearly illustrate that there is so much unrealized resources potential in the province and this can be attributed to poor or lack of usage of appropriate geo-spatial technology to understand the true extent and picture of the available resources in the province. This is similar to many other parts of the continent where the lack of proper systematic Geo-Surveys together with the minimal usage of spatial information have compromised the exploitation of the mineral resources for socio-economic development.
For Limpopo to change from this position, it is thus proposed that a GIS-Supported Industrialization Initiative be embarked upon. This initiative will be comprised of the following pillars:

(a) Establishing World-class GIS for the provincial government

Limpopo’s medium to long term economic potential lies in its ability to use geo-spatial technology/Geographic Information Systems (GIS) to change the course of mineral resources usage for economic development. It thus becomes important that the usage of Geo-spatial information/GIS be made a priority of government so as to take full advantage of the huge mineral potential available in the province. Establishing a world-class GIS in Limpopo will ensure that government has a competitive platform upon which the systematic and clear analysis of the available resources is undertaken for full utilisation and exploitation.

(b) Prioritization of key minerals deposits and reserves

Geo-Spatial technology/GIS must play a leading role in the understanding and prioritization of mineral deposits and reserves in the province. This will ensure that the strategic value and use of different minerals, through beneficiation, is clearly articulated for the benefit of the economy.

(c) Mineral deposit resources accounting

Of utmost importance in this process is the ability to take stock and account of the vast mineral resources available in the province. This process must clearly identify the different areas with minerals that can still be exploited and beneficiation maximised. The quantities, extent and footprint of the mineral reserves must be mapped accordingly to ensure that appropriate strategies for exploitation are designed.

Given the fact that Geo-spatial information can also be used in the analysis of data from other sectors, the multiplier benefits of investing in such technology will by far enhance the ability of the province to maximise a variety of investments that are key to socio-economic development.

2.2.3. ENTERPRISE DEVELOPMENT: SMMES AND COOPERATIVES DEVELOPMENT PROGRAMME.

The aim of the Enterprise Development Programme is to promote the development and transformation of the provincial economy by promoting the SMME sector, ensuring that SMMEs in the province are better able to contribute to and benefit from sustained economic growth by becoming more competitive, profitable, and able to create more and better employment opportunities.
Research studies and other benchmarking analysis show that to establish a more vibrant and dynamic SMME sector that contributes to the province’s growth and development, SMMEs located in the province need to be able to compete successfully in provincial as well as national and international markets and provide a diverse range of new and lasting decent employment opportunities for women and men.

The following principles inform the design and management of Enterprise Development Programme in the province:

- The Limpopo Provincial Government provides oversight and leadership in the development of the SMME sector in the province, liaising closely with key national government departments and agencies, as well as with all district and local municipalities;
- SMME development services enhance the potential for economic transformation in the province, removing the dualism that is currently found in the economy and practically supporting opportunities for broad-based black economic empowerment.
- All SMME development services are carefully targeted, demand oriented, responsive, and integrated.
- Wherever possible, all actors engaged in the SMME sector – public, private and community, as well as national, provincial and local agencies, and the SMME sector itself (as represented by business membership organisations) – work together to ensure their actions are complementary and coordinated.
- Provincial SMME development pays special attention to the constraints and challenges facing women, young people, people with disabilities, and enterprises operating in previously disadvantaged areas in the province
- New methods and instruments are developed to promote SMME development in the province, including the use of pilot and flagship projects, which test new approaches to SMME incubation, innovation and development.

2.2.3.1. KEY STRATEGIC CHALLENGES.

There are a number of critical challenges that influence the priorities and focus of Enterprise Development in the Province. These challenges are presented below as needs that should be addressed.

- The need for better information on the SMME sector – The formulation of targeted SMME interventions is hampered by lack of relevant and up-to-date data on the dynamics of the SMME sector
- The need for integration and transformation - As a legacy of South Africa’s history of exclusive development, Limpopo’s economy continues to display high
degrees of segmentation and duality. The largely white-owned formal economy, while smaller in number, generates more wealth and employment than the black-owned informal economy, which has many participants, but is considerably smaller in value terms. Thus, SMME development in the province should be pursued as a pivotal strategy for the transformation of the economy.

- **The need to improve access to SMME development services** - There is a wide range of national, provincial and local agencies providing financial and non-financial support to SMMEs in the Province. But many SMMEs in the province are either unaware of these services or unable to access them.

- **The need for better provincial and local business environments** - Governments across the province – provincial, district and local – are required to consider the ways they can improve the conditions in which SMMEs operate. This involves regularly assessing the affect local policies, laws and regulations have on the SMME sector and ensuring these do not unduly inhibit the competitiveness of the business environment.

- **The need for a more entrepreneurial society** - The key to a diverse and competitive SMME sector in the Limpopo province is the creation of a more entrepreneurial culture in which business owners and managers respond to new and emerging opportunities with innovation and creativity. Among the many legacies of apartheid is the systemic quashing of entrepreneurial talent and initiative, resulting in an SMME sector that operates in crowded markets and with low levels of innovation and creativity.

- **The need to improve the institutional framework for SMME development** - The current institutional framework for SMME development in Limpopo is hampered by fragmentation and a lack of coordination. National and provincial SMME agencies appear to work in competition with one another and there is a high degree of duplication. At the same time, district and local municipalities incorporate SMME development proposals in their local economic and integrated development plans with very little consideration of how this links with broader provincial and national programmes of support.

- **The need for better business representation and public-private dialogue** - Many SMMEs in the province are not part of any formal organization and are poorly represented in formal public-private dialogue processes. Indeed, there does not appear to be a formal structured process for regular dialogue between the SMME sector and the Limpopo Provincial Government.

- **The need for better facilities and infrastructure** - So-called “apartheid planning” has left its mark across the province. While significant changes have occurred since 1994 and greater attention has been given to improving the spatial plans of many settlements and urban centres found in the province, there are any SMMEs operating in locations that are far from markets and in
inadequate facilities. This includes SMMEs operating from houses, in informal markets and in historically disadvantaged communities.

2.2.3.2. **KEY STRATEGIC INTERVENTIONS.**

a) **Micro-Enterprise Development Initiative (MEDI).**

- The MEDI will encourage the development of micro-enterprise support groups made up of six to ten micro-enterprises from within the same location. These groups will provide mutual support to one another and will provide a mechanism for improving the outreach of support services to micro-enterprises in the province. Micro-enterprises can form their own groups or government can facilitate the formation of groups.

- The government through its Development Agencies will host bi-monthly meetings of micro-enterprise groups. These will be two-hour events that will focus on information sharing and updating participants on new events, programmes, services, resources and opportunities.

b) **Limpopo Accelerated Strategic Capital Expenditure and Localization Initiative (LASCELI):**

i) **Boosting Provincial SMME Procurement Opportunities through Competitive Supplier Development Programme (CSDP)**

- Over the next three years Limpopo provincial government investment in infrastructure projects will be around R14 billion. This amount excludes other infrastructure spend by DMs, DBSA, national departments such DoT, DWARF, etc.

- The provincial government intends to accelerate the roll out of social infrastructure such as schools, clinics, revitalization of hospitals, the establishment of mixed income settlements, sports and recreation facilities and Early Childhood Development (ECD) centres, etc.

- Therefore, LEDET should design a Competitive Supplier Development Programme (CSDP) to increase the capacity of the domestic supplier community to deliver key inputs. The CSDP must be premised on the notion that procurement planning and execution is a key transmission mechanism for translating government capital expenditure into sustainable investment. It is also regarded as the mechanism through which to build a foundation for industrialization and demonstrate local manufacturing strength to emerge as a globally competitive design and manufacturing champion as well as re-establishing industries that have ceased to exist.
The CSDP is a key feature in the number of national development frameworks including ASGISA, National Industrial Policy Framework (NIPF) and Industrial Policy Action Plan (IPAP), the 10 Year Innovation Plan, the National Spatial Development Perspective (NSDP) and the Joint Initiative on Priority Skills Acquisition (Jipsa). It is also complementary to other industry development support programmes such as Competency Centres and Foundry and Tooling initiatives initiated by the Department of Science and Technology (DST), Centres of Excellence initiated by the Department of Trade and Industry (DTI), the United Nations Industrial Development Organization (UNIDO) supplier benchmarking, an Advanced Manufacturing Technology Strategy (AMTS) and a range of other incentive programmes.

### ii) Limpopo Budget Optimization Initiative

- The R14 billion to be spent over the next three years is expected to be a major stimulus for economic growth and development and could partially mute the impact of the global economic and financial crisis in our economy.
- The provincial government must ensure that a large percentage of this infrastructure investment is geared towards Limpopo based suppliers. Against this background, the Infrastructure Development Cluster must create synergies with key infrastructure sector departments and other entities. The purpose of such synergies must be to encourage a coordinated and integrated infrastructure investment plans, and identify action plans that could be taken by the specific departments and agencies to support the infrastructure development. Moreover, Infrastructure Development Cluster the will serve as a platform to encourage collaborative initiatives among stakeholders in the infrastructure sector.
- The Infrastructure Development Cluster will utilize the planning, specification, procurement and strategic sourcing by provincial departments as instruments to encourage stronger backward linkages and upgrade domestic supply capabilities. The focus will be on fostering a culture in the provincial departments that focuses on long term supply network development and win-win partnerships with suppliers to achieve best value for money over the product life-cycle rather than lowest initial cost. The programme also aims to engage as many public and private sector procurement departments as possible in the province in order to provide suppliers with clear and concise information regarding all aspects of procurement.
- The main priority of budget optimization programme will be to continually build awareness and to provide information on province’s infrastructure plans and contract opportunities for suppliers. This would ideally prepare willing and potential suppliers to invest in the technology and capacity required tendering for public contracts whilst ensuring adherence to policies such as SMME development and BBBEE.

c) Sectoral SMME Growth Initiatives
The growth sectors mentioned under the Industrial Development Programme provide an opportunity for SMME development within Limpopo using an assessment of the sector value proposition found in each of these sectors. Thus, sector specific SMME development initiatives will be prepared based upon a detailed analysis of the backward and forward linkage opportunities available to SMMEs within the province along the relevant value chains.

Sectoral SMME Growth Initiatives will be established around each of the following strategic sectors:
- Agro-processing SMME Growth Initiative
- Mining and Minerals SMME Growth Initiative
- Infrastructure SMME Growth Initiative
- Coal and Energy SMME Growth Initiative
- ICT SMME Growth Initiative
- Tourism SMME Growth Initiative
- Defense and related Industries SMME Growth Initiative
- Freight and Logistics SMME Growth Initiative
- Creative Industry SMME Growth Initiative

d) Limpopo SMME Information Programme

The public awareness programme will involve a range of activities designed to help Limpopo-base SMMEs to become more aware of the support services and commercial opportunities available to them, as well as to encourage the general public to better understand the role SMMEs perform in the provincial economy. Three broad components comprise this programme:

- **District Roadshows** - organize and conduct an annual roadshow of SMME support agencies covering all districts in the province.
- **Limpopo SMME portal** - A single website for SMME promotion in Limpopo will be established describing the combined services on offer to SMMEs in the province
- **Limpopo SMME Week** - A public campaign conducted across the province to:
  - Raise the profile of SMMEs in the province among the public and the contribution SMMEs make to provincial investment and employment, and
  - Highlight the role of SMME development service providers and help SMMEs located in the province to better understand and have access to the services on offer.

e) Limpopo SMME Observatory

The current lack of information on the SMME sector is a major problem that Limpopo shares with all other provinces. Insufficient and inadequate information makes it extremely difficult to know what is happening within the SMME sector in the province: what needs and opportunities exist within the sector, the contribution the sector makes to employment and economic growth, the issues facing workers in the sector, the particular concerns of Black-owned, female-
owned, youth-owned, or other strategically important forms of SMMEs, or how the sector is changing over time.

- While this issue affects planning for development at the provincial level, it also affects district and local municipalities and other sub-provincial development agencies that require this information for effective planning.

- The Limpopo SMME Observatory will be established to maintain a constant watch on the provincial SMME sector within the province and to provide up-to-date and relevant information on the provincial SMME sector to all relevant provincial actors. While all sectors of SMME activity in the economy will be monitored, specific attention will be given to SMMEs in the growth sectors specified under Industry Development Programme.

### 2.2.4. REGIONAL ECONOMIC DEVELOPMENT AND INTEGRATION PROGRAMME.

The key questions to observe is - how can the marginalized regions in the province tap into or are pushed onto the power of the new economic frontier?

Therefore, Regional Economic Development and Integration [REDI] focuses fundamentally on addressing the key obstacles to the functioning of the economy, primarily through infrastructural interventions which will enable all regions better to access markets and resources and to attain the full economic potential of which they are capable.

By implication and as a response to the new mandate and 2014 policy objectives, the province’s regional economic development and integration initiative should be geared towards building a productive economic capacity of the local economies and promoting a more inclusive regional economic development.

The Regional Economic Development and Integration Programme seek to:

- Attempt, as far as possible to reduce economic disparities between regions, address the needs of both the first and the second economies, and narrow the gap between them;
- Pay particular attention to the needs of those regions which are largely bypassed by national and provincial developments;
- Enhance current regional strengths and lead sectors of the economy;
- Promote sustainable economic growth and employment in the DMs;
- Build regional competitive capabilities and firm-level support measures; and
- Enhance regional performance in attracting foreign direct investment.

### 2.2.4.1. KEY STRATEGIC CHALLENGES.
There are number of challenges confronting the so called “underdeveloped” municipalities in the Limpopo Province.

Provincial and national advances in economic development and overall progress made so far have largely bypassed those underdeveloped municipalities and most of these municipalities are struggling to overcome abject poverty as they lack productive capacities to move out of the poverty trap of low income, low investment and low growth. With few exceptions, there has been little or no progress over recent decades and many municipalities have been faced with industrial decline.

The decline in those municipalities is linked to insufficient attention paid to the potential development contribution of industries especially manufacturing sector and economic impact of the public infrastructure investment expenditure. International best practice has shown that without enhancing the role of industry and maximizing the effects of the infrastructure investment, a sustainable path of economic development in those regions will not be achieved.

2.2.4.1. KEY STRATEGIC INTERVENTIONS.

a) Regional Industrial Development Action Plan.

- Regional Industrial Development Action Plan for DMs - within the framework of cooperation and coordination among the DMs and will require effective coordination, complementarities, and integration of common policies among the DMS and their local economies. The plan will assist to accelerate industrial development in the under-developed municipalities through the establishment of:
  - Regional and Local Economic Corridors
  - Special Economic Zones or Economic Development Nodes/Hubs
  - Export Processing Zones
  - Industrial Development Zones

b) The Regional Industrial Development Fund

- The Fund will target support to those regions and areas of the country where well below-average scores of economic development and employment exist.

- Learning from the European Union, the Fund will prioritize the provision of infrastructure and services that would:
  - Ensure productive investment leading to the creation or maintenance of jobs;
  - Improve regional competitiveness
  - Increase and improve employment
  - Balance development in urban and rural areas
  - Increase accessibility to the targeted area
o Enhance the local skills base, and
o Support small-firm development and BEE.

- Such economic infrastructural investment will address transport and logistical backlogs and blockages, supply requisite bulk services infrastructure, and provide enhanced telecommunications and ICT capacity compatible with the requirements of the economy. In providing such infrastructure, the productive economic capacity of the regions will be enhanced.

- Where there are cases of significant market failure and a lack of institutions supporting private sector and business infrastructure, the Fund will consider the possibility of incorporating some more micro-oriented aspects. These will include:
  o The erection or regeneration of underutilized factory buildings according to the specification of individual firms and the provision of the necessary auxiliary services in the respective nodes
  o The construction of a general purpose factory building in advance of requirements, and the provision of the necessary facilities such as roads and rail sidings in areas within priority nodes.

### c) Building Regional Productive Economic Capacity

- Building productive economic capacity of the provincial local economies is absolutely profound and fundamental particularly from the perspective of shaping the new geography of industrial production and achieving integration of industrial development in the regions/district municipalities that face a challenge of competitiveness.

- This initiative must:
  o Ensure that there is a permanent collaboration with and by District Municipalities in developing their long term strategic plan on industrial development
  o Interrogate and identify a series of challenges that confront DMs as they strive to integrate into the global economy.
  o Identify the potential contribution of industries to poverty alleviation in the light of the performance and structure of the municipalities.
  o Analyze the scope for enhancing exports and domestic demand oriented production in key industries.
  o Evaluate policies and strategies that can lead to regional industrial growth and development.
  o Build productive industrial and trade capabilities within the provincial regions.
  o Achieve integration of industrial development in the DMs Promote both public and private sector investment in the DMs.
  o Encourage all regions to attain their full economic and development potential based on their competitive advantages and strengths, and
o Encourage the enhanced growth and development of already successful regions because of the significant benefits which will occur both nationally and regionally as a result of their continued growth and expansion.

o District Municipalities Economic Cooperation Council (DMECC) to review sub regional uniform Development Industrial Strategy that calls for accelerating industrial development on the basis of cooperation and coordination among municipalities.

d) Collaboration with Functionally Connected Economies Outside the Boundaries of Limpopo

- Complementarities and inter-linkages between the industrial sectors and other sectors at the regional and sub regional levels with special emphasis on industrial development.
- Competitive regionalism - There are a number of peripheral areas in the province and connected regions in which structural problems deter investors and inhibit growth of new economic activities and have most damaging effect on competitiveness and growth potential of the provincial regions.
- Competitive strengths and weaknesses for each region and priorities i.t.o investments and growth paths that the regions are intending to follow over the long run
- Identify and mainstream key initiatives from the neighboring economies and identify key programmes for the development of regional spatial development corridors to ensure competitive access to global and targeted markets.

2.2.5. PUBLIC INFRASTRUCTURE INVESTMENT PROGRAMME

The government has a pressing need to accelerate sustainable socio-economic development by, amongst other things, rolling out on a mass scale physical, social and economic infrastructure.

The core aspects of the socio-economic infrastructure are:

- Bulk infrastructure [Sewer, Water and Sanitation, Electricity, and Communication]
- Social Infrastructure such as housing, school and hospitals
- Economic Infrastructure such as freight and logistics

2.2.5.1. KEY STRATEGIC CHALLENGES.

<table>
<thead>
<tr>
<th>Constraints</th>
<th>Policy Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of or no Budgets to implement programmes</td>
<td>Government alone may not be able to fund all developmental projects and private sector should be mobilized to</td>
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</tbody>
</table>
Lack of Coordination of government departments undermines efforts and results in white elephants due to lack of support from other departments. Clearing house is proposed to scrutinize major strategic projects to ensure that all stakeholders participate in projects initiation, planning and implementation.

Poor asset register

Government property and land audit should be carried out so that government is better advised on the land that can be utilized.

Skills and Capacity - Technical skills are scarce in the province and negatively impact on projects implementation. Partnership with tertiary education institution on technical skills is imperatives and revival of some of the former education may be used as centre of innovation for skills in mining, construction, electrification etc.

Transport Infrastructure

- Lack of good roads with only 7,345 tarred of the 21,971 kilometres of road networks. Rural transport remains inadequate, especially in the former homeland areas. Many local roads in the former homeland areas remain unpaved, and many need maintenance.
- Under-utilization of the airport infrastructure;
- Un-sustainability of the market share split for goods transported by road and rail which is 87% and 13% respectively;
- Lack of extensive rail infrastructure which limits exploitation of untapped mineral reserves;
- Poor maintenance of rail and road infrastructure;
- Lack of public transport facilities; and
- Lack of mobility to access services and activities, e.g medical, welfare, schools, etc.

2.2.5.2. KEY STRATEGIC INTERVENTIONS.

a) Social infrastructure

Housing, electrification and water utilities take priority due to immense mining and energy investments that have flown into the province. This results in pressing demand
for infrastructure development especially in areas where these developments are taking place. It is also crucial to note that shortages of water and electricity in some rural pockets of the province have reached alarming levels. Health and education facilities are also critical for human development of the people of Limpopo so that they are able to make a meaningful contribution to the economy of the province.

<table>
<thead>
<tr>
<th>HIGH IMPACT INITIATIVE(S)</th>
<th>HIGH IMPACT PROJECT(S)</th>
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<tbody>
<tr>
<td>Housing the poor in the province</td>
<td>Low cost human settlement in Lephalale Electrification of houses</td>
</tr>
<tr>
<td>Provision of shelter for children at early childhood learning and primary and secondary level</td>
<td>School building as per priorities of education sector</td>
</tr>
<tr>
<td>Building of hospitals at areas of high need as per SDF</td>
<td>Building hospital in Mutale Construction of Academic hospital and medical School</td>
</tr>
<tr>
<td>Meeting water demands for mining, agriculture and consumption</td>
<td>Construction of Nwamitwa Dam. Import water from Hartebeesdam to Lephalale Refurbish boreholes</td>
</tr>
<tr>
<td>Respond to government departments that lack office space and utilization of unused government structures</td>
<td>Upgrade and construction of government structures i.e Airport, offices, academic institutions, legislature</td>
</tr>
<tr>
<td>Housing the poor in the province</td>
<td>Low cost housing Electrification of houses</td>
</tr>
<tr>
<td>Provision of shelter for children at early childhood learning and primary and secondary level</td>
<td>Building of schools in areas of high need</td>
</tr>
<tr>
<td>Building of hospitals at areas of high need as per SDF</td>
<td>Building academic hospital and medical school</td>
</tr>
<tr>
<td>Meeting water demands for mining, agriculture and consumption</td>
<td>Continued construction of Dams</td>
</tr>
<tr>
<td>Maintenance of infrastructure</td>
<td>Replacements of old water pipes maintenance of existing stadiums Upgrade government owned buildings Upgrade and rehabilitate existing sewerage plants</td>
</tr>
<tr>
<td>Construction of new public service related infrastructure</td>
<td>Construction of sewerage plants in growth points - Jane Furse Laying of water pipes to non-serviced areas</td>
</tr>
<tr>
<td>Respond to government departments that lack office space and utilization of unused government structures</td>
<td>Upgrade on airport into cargo airport.</td>
</tr>
</tbody>
</table>
b) Transport and logistics

Road infrastructure is important for accessibility and mobility of goods and people. Roads construction and maintenance can also create large numbers of local jobs. Roads should be constructed not for the private car use but as economic corridors and for public transport.

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<thead>
<tr>
<th>HIGH IMPACT INITIATIVE(S)</th>
<th>HIGH IMPACT PROJECT(S)</th>
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<tbody>
<tr>
<td>Provincial Road Master Plan</td>
<td>Develop a priority list over a period of years on road infrastructure development. Re-define implementation backlog in-terms of hierarchy of roads, that is, determine which roads are provincial, districts, collectors and what purpose do the roads serve.</td>
</tr>
<tr>
<td>Roads construction to support economic corridors and for public transport.</td>
<td>Finalise the reconstruction of the R37</td>
</tr>
<tr>
<td></td>
<td>Construction of the R33 between N1 intersection through Modimolle to Lephalale to improve development of East-West corridor</td>
</tr>
<tr>
<td></td>
<td>Construction of the N11 between Middelburg and Mokopane</td>
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<td></td>
<td>Develop and maintain the road network serving Waterberg Biosphere and other areas to unlock tourism potential</td>
</tr>
<tr>
<td>Road Maintenance and Management</td>
<td>Upgrade and build weigh bridges to deal strict with overload control at strategic routes, so as to preserve the road infrastructure.</td>
</tr>
<tr>
<td>Category</td>
<td>Initiative</td>
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<td>---------------------------------------------------</td>
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<tr>
<td>Storm-water Management</td>
<td>Develop a Provincial Storm-water Infrastructure Master Plan</td>
</tr>
<tr>
<td>Limpopo Rail Development Plan</td>
<td>Develop a Provincial plan with the intention to extend current local rail network</td>
</tr>
<tr>
<td>Improvement or modernisation of Train Control Systems</td>
<td>The train control systems and rolling stock in use require refurbishment or modernisation. Transnet Freight Rail will be engaged to enhance its core network by upgrading and expanding its core rail infrastructure</td>
</tr>
<tr>
<td>Introduction of Services on Existing Rail Lines</td>
<td>Musina-Gauteng Corridor Branch Lines</td>
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<td></td>
<td>Polokwane- Kaapmuiden (Nelspruit) Corridor</td>
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<tr>
<td></td>
<td>Lephalale- Rustenburg: Gauteng Corridor</td>
</tr>
<tr>
<td>Development of New Rail Lines</td>
<td>Makhado- Thohoyandou- Link Thohoyandou to mainline at Makhado</td>
</tr>
<tr>
<td></td>
<td>Makhado- Lephalale- provide new line along the northwest corridor</td>
</tr>
<tr>
<td>Public/Private Partnerships</td>
<td>The province should in partnership with the private sector and in particular the agricultural and tourism sectors develop joint programmes to make full use of the airport in terms of cargo export operations to the rest of the world and air scheduled transport operations.</td>
</tr>
<tr>
<td>Reposition of Gateway Airport</td>
<td>Branding of Gateway Airport to initiate economic activity and increase passenger numbers</td>
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<tr>
<td>Property Development</td>
<td>Construction of Inter-modal Cargo Hub</td>
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<tr>
<th>Property Development (aero-city concept)</th>
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<tr>
<td>Construction of ICC</td>
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<tr>
<td>Construction of Lephalale Airport</td>
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2.2.6. WATER RESOURCE DEVELOPMENT AND DEMAND MANAGEMENT

2.2.6.1. KEY STRATEGIC CHALLENGES.

Limpopo appears to be in the grip of a water crisis with alarms emanating from water specialists that all point towards a water stressed province – rivers are dying and major water storage dams are highly contaminated. Access to clean water is a basic human right, unfortunately in many parts of the country and in Limpopo currently, we cannot take it for granted that this right is being met.

Limpopo is failing to produce enough engineers to plug the skills gap and lack of investment in water research means the province is now flying blind. The dire shortage of technical skills in municipalities, which are critical to the delivery of healthy water to millions of consumers, especially in poorer areas, has also been acknowledged by the Department of Water and Environmental Affair. Engineers and technicians are instrumental in the construction, maintenance and repair of water infrastructure, as well as the treatment of water.

According to H2O International 43 percent of dams managed by the department of water affairs and forestry (DWEA) have safety problems and require urgent repair. In the past decade most municipalities have focused what budgets they have had on providing these basic services to communities who didn't have access to them before. And as a province we can be proud of those achievements. But the downside is that we have neglected maintenance of our water service delivery assets while addressing some of the water service delivery backlogs.

It is estimated that there are currently over 50 settlements without any form of infrastructure for the provision of water services in Limpopo. However, the immediate challenges are settlements wherein water sources, bulk distribution and internal reticulation network have been delivered but people are still without potable drinking water. For example, some of the recent cholera outbreak incidents were reported from settlements which have been provided with water services infrastructure. Additionally, a substantial number of households residing adjacent to our mega dams such as Flag Boshielo and Nandoni are also without access to potable drinking water due lack of bulk distribution and internal reticulation networks.

Local water resources are already in short supply in most of the identified municipal and industrial growth points and need to be augmented by transfers from other sources.
Almost all the water resources in Limpopo are nearly fully developed with all available water being already allocated and there are limited options for further resource development. These conditions are attributable to the arid climate, unfavourable topography, sandy rivers as well as limited potential for increased groundwater abstraction.

Large proportion of the rural domestic water supply is sourced from ground water, however, due to potential over-exploitation of the underground water sources, its abstraction may not guarantee long-term sustainability.

Many water schemes suffer huge water losses due to lack of technical capacity, decaying infrastructure and lack of proper operation and maintenance capacities. Lack of dam management, neglected dam run-off’s, huge pipe leaks and vandalism are serious problems which impact on reliable, consistent and sustainable water service delivery.

**2.2.6.2. KEY STRATEGIC INTERVENTIONS.**

First and foremost, all water service authorities in Limpopo with the technical support from the Department of Water and Environmental Affairs must ensure that the province has sound demand and conservation management, waste water reuse, optimization of local sources including ground water, infrastructure asset management as well as management of water resources and associated infrastructure.

The following key strategic initiatives are currently at different stages of planning and implementation.

**Olifants River Water Resources Development Project (De Hoop Dam)** - The De Hoop dam construction (Phase 2A) is ongoing. The first impoundment of water is due in October 2010. Realignment of road R555 of 25 kilometers has been completed and opened for traffic in June 2009. The consultation with four affected municipalities (Mogalakwena, Greater Sekhukhune, Polokwane, and Capricorn) and mines on the signing of water supply agreements (off-take agreements) and water allocations have been completed. Once completed, De Hoop dam will supply both domestic and industrial water to the Greater Sekhukhune, Capricorn and Waterberg District Municipalities.

**Nwamitwa Dam (Great Letaba Water Scheme)** - The feasibility study on the dam with costing and planning for implementation has commenced during the 2009-2010 fiscal year. The phased implementation of primary water supply will start with the appointment of PSPs to design and supervise construction. This project will start with raw water abstraction from run-off river, upgrading of the water purification works, pump mains and reservoirs.

**Nandoni Dam**

The implementation of the bulk distribution networks for the Vhembe District Municipality including the Makhade Airforce Base has commenced during the 2009-Limpopo Employment Growth and Development Plan (LEGDP 2009-2014 DOCUMENT (3), 2009 - 2014
2010 financial year. A review of supply to the Malamulele and Giyani (previously supplied by Middle Letaba) as well as Botlokwa (through the Vleifontein pipeline) in the Capricorn District has been undertaken. The feasibility to raise the Mutshedzi dam is also being investigated to augment water supply to the Nzhelele area via Vhondo

Mokolo and Crocodile (West) River Water Augmentation Project - The feasibility study to investigate and ultimately plan, design and construct the infrastructure for the water supply to the current identified users such as the Medupi and existing Matimba power stations and Grootegeluk Mine, as well as possible further developments such as petro-chemical plant and power stations has begun in earnest during the 2009-2010 financial year

The project is destined to support a number of planned and anticipated consequential developments in the Lephalale which is area associated with the rich coal reserves in the Waterberg coal field for which additional water will be required. These developments include:

Construction of the Medupi Power Station, (in progress);

- Development of further power stations;
- Extension of the Grootegeluk mining operations and possible further coal mines;
- Possible petrochemical industries (Coal to liquid fuel) to be developed around the coal fields near and to the west of Lephalale;
- Possible exploitation of underground gas resources and;
- Associated secondary and tertiary development.

Notwithstanding the good run-offs in the country, Limpopo’s current water storage level is at 70% against the national average of 81% and Middle Letaba is the lowest water storage facility which at less than 7% and poses a threat to future domestic supply to Greater Giyani and the surrounding areas.

2.2.7. AGRICULTURE AND RURAL DEVELOPMENT PROGRAMME.

2.2.7.1. KEY STRATEGIC CHALLENGES.

a) Extension Services

- The Extension Services is indispensable for the success of the Limpopo Agricultural Performance Revival and Bio-diversity Sectors Development Strategy.

- Extension services have a key role to play in the LDA achieving its mandate among the four target clients. Amongst other roles, the extension services should provide farmers with technical advice, assist them to plan, co-operate and gain access to the resources they need. During this information era, these services
have become dynamic and complex, and in most cases, with the extension services not being up-to-date with the changes in the

b) Infrastructure.

- Priority should be given to the projects that fall within the poverty nodes in the Province as defined in the Integrated Sustainable Rural Development Programme (ISRDP). However, it is strongly recommended that priority also be given to those areas of extremely high poverty in the Province, which fall outside the defined nodes.

- Currently, this plan identifies four categories of support that should qualify for support from the LDA, more especially for farmers in the lower hierarchy of the four groups:
  
  i. Off-farm infrastructure: Grant funding will enable individuals or groups to develop and/or improve production efficiency. The off-farm infrastructure include pumping stations, main water canals/pipes, access roads, market infrastructure and soil conservation structures.

  ii. On-farm infrastructure: On-farm infrastructure includes irrigation mainlines, night dams, minimum stock watering facilities, essential productive assets, certain boundary fencing and dipping infrastructure.

  iii. Capacity building infrastructure: The capacity building infrastructure should include the costs of administering the project, training and aftercare programs in order to enhance the capacity of local decision-making, management and administration.

  iv. Input costs: The input costs support would enable farmers, more especially in the lower hierarchy, to acquire medium- and long-term financing production inputs, for drought tolerant crops, where external funding is not possible.

c) Use of limited resources

- Most of the Natural Resources such as rivers and the associated wetlands are facing the state of deterioration. Some catchments areas are in state of degradation due to over-cultivation, soil erosion, overgrazing, over-harvesting of medicinal plants and firewood. In other cases, dangerous agricultural chemicals are used in agricultural fields which are situated in catchments areas. The province should respect Land Use Planning and Zoning, Natural Resource Conservation and National Environmental Act, such that land zoned for various uses should stay as such until there is resolution/record of Decision to change land use. Departments of Agriculture, Economic Development and Government and Housing should manage and enforce these laws.

- In the Province, there are still farmers who are not using water-wasting technology systems of irrigation, while water scarcity is increasing. The province must support and promote water-saving technology for irrigation by all farmers.
- Sand mining and mineral prospecting that result in borrow-pits should be highly administered and enforce rehabilitation of land disturbed. Departments of Mining, Local Government and Economic Development should enforce management of the interventions proposed. Mining sand from rivers should be banned and heavy fines should be imposed. Green Scorpions should be appointed and must enforce these proposals.

d) Climate Change
- The effects of climate change are being felt worldwide. These effects include extremes in climate. Most exotic crops and animals which in the Province are not tolerant to extreme temperatures. Consequently, most exotic crops will become extinct under extremes in climate. The province must support research and university experiments to keep abreast of this subject. The province must plant more trees per household and many provincial roads must be turned into avenues.

e) Collapsing of land reform projects
- The collapse of land reform projects contributes to the reduced effect of agriculture on the GDP. Various factors, inter alia; lack of post settlement support, lack of production inputs; lack of working tools; financing and limited skills in best-practices on agricultural production among the beneficiaries, do play a role in the diminishing agricultural contribution.
- The state must provide full support to land reform clients and minimize group farming approaches that compel potential farmers to exit project. Furthermore, the state and/or struggling land-owners must lease/rent the land to capable entrepreneurs to remove the mortgage burden.

f) Legislation and policies
- Policies and Legislation should promote equity and ensure entrepreneurs are competitive and incentivized. The state must support champions that would create jobs and pay taxes.

g) Land claims
- The land reform process has proceeded slowly in Limpopo. By 2008 the Department of Land Affairs (DLA) had transferred only 3% of the land area to land reform beneficiaries. The gradual pace of land reform has negatively impacted on the agricultural sector as delays have given rise to uncertainty, thus undermining long term investment. There is a need to identify young/motivated agricultural entrepreneurs to manage the productive farms with government, Land Bank, the IDC and development corporations assisting with financing of the programmes.]

h) Access to National Markets
- The Province is a production area for more than 65% of horticultural crops in RSA. The province should also create its own Fresh Produce Market and processing/value-adding facilities.
- Transformation of the agricultural industries 90:10 conundrum to ensure that small scale farming plays a significant role in food security and food production.

2.2.7.1. KEY STRATEGIC INTERVENTIONS.

a) Basic unit of the target clients
- The Target Clients (voting masses) in Agricultural Sector, which must be the target of the LDA are farmers, who have distinct four classifications: (1) Food insecure households, (2) Subsistence and emerging farming, profitable commercial small-scale farming and (4) profitable large-scale farming.
- The province must consider recruiting well trained black agricultural entrepreneurs to farming.

b) Food insecure households
- Appropriate interventions in this “sector” should be aligned to the specific objective of the “sector”, namely: food security. Therefore, agricultural interventions must focus on:
  i. Mobilization of the poor to engage in agricultural production, through a facilitated process of self-reflection.
  ii. Low-risk, low-cost vegetable and fruit production in the homestead yard, and food processing and storage techniques (mainly indigenous).
  iii. Explore wild fruit and vegetable to venture into new agric products (just like what happened with Marula)
  iv. Homestead rainwater harvesting and re-use of grey water.
  v. Basic training in modern commodity production techniques, mainly in dry-land fields (typically 1-2 hectare).
  vi. Mobilization of commodity-based extension services, recognition and support of households’ efforts.

c) Subsistence and emerging farming
- The Specific objectives of the subsistence and emerging farmers are (i) income generation and (ii) self-development. In this context, the LDA intervention strategies must focus on:
  i. Integrating modern and indigenous production techniques.
  ii. Integrating modern and indigenous storage techniques.
d) Profitable small-scale commercial farming
- The profitable small-scale commercial farming revolves around profit making, understanding of various components of managing the entity and seeking opportunities for increasing profits.

- The specific objectives of Profitable Small-scale farmers include: (i) improved profit, (ii) simplified management and (iii) economic growth.

- In this context, the agricultural intervention strategies should focus on support in:
  i. Technical issues.
  ii. Institutional issues.
  iii. Communication and network issues.
  iv. Marketing issues.
  v. Logistic and productive infrastructural support

e) Large-Scale commercial farmers
- In broad terms, the specific objectives of large-scale commercial farmers revolve around (i) profit maximisation, (ii) simplification of sustainable management to free up available time and (iii) seeking opportunities for economic growth and (iv) diversification of production. The strategic intervention roles of the LDA would mainly be facilitation instead of support. For instance, in land reform farms, large scale commercial production can be achieved through joint ventures.

f) Typical farming systems in Limpopo Province
- Limpopo Province has 23 farming systems with unique macro opportunities. The strategic interventions from the LDA would be to ensure that the right macro opportunities are aligned with the appropriate farming systems. Also, to provide appropriate win-win support within the farming systems, along with ensuring that the natural resources within the farming systems are used in a sustainable manner.

2.2.7 EDUCATION AND SKILLS DEVELOPMENT PROGRAMME

2.2.7.1 KEY STRATEGIC CHALLENGES

Apart from formal education, the achievement of growth and development objectives in Limpopo, as well as in South Africa, is constrained by a shortage of skills and simultaneously by very high levels of unemployment. This particular objective is therefore to design and implement a targeted skills development strategy aimed at job Limpopo Employment Growth and Development Plan (LEGDP 2009-2014 DOCUMENT (3), 2009 - 2014
creation by way of competitive industrial cluster promotion and at raising the quality of life of citizens through improved service delivery.

The skills development target is to increase the number of persons who successfully complete NQF accredited training courses that are relevant to the LEGDP by 10% per year from 2009 to 2014. Indicators are the number of graduates, the nature and level of the training course and the year of successful completion, with 2008 information forming the baseline. SETA’s, colleges and the Department of Labour should compile this information and present it to the Provincial Development Planning Forum for consolidation by the secretariat. The Development Planning Unit in the Office of the Premier should report this information to the Executive Council on a quarterly basis and take corrective action as and when required.

2.2.7.2. KEY STRATEGIC INTERVENTIONS.

Sector Education and Training Agencies (SETA’s), together with their accredited service providers, represent an important platform from which skills training programmes will be supplied. SETA’s are funded by skills development levies, which as yet exceed the rate of disbursement. The seven FET colleges, two agricultural colleges, the mining colleges of Anglo Platinum and Exxaro, the teacher and nursing training colleges, as well as the social development funding window of the Department of Labour in Limpopo also form a crucial part of the platform for the supply of skills development courses.

The Universities of Limpopo and Venda as well as all other Universities are national assets and cannot be set to train for Limpopo province. However the development of the new health sciences faculty (particularly the medical school) will attract lecturers, professors and other super specialized experts who in the process of training will be adding value to both the quality of care and guidance to our available human resources. In line with the Medium Term Strategic Framework for the 2009 – 2014 electoral mandate on strengthening our skills and human resource base high levels skills such as specialist medical personnel should be recruited from the international markets.

Mining related skills are a huge challenge in the promotion of mining development and minerals downstream beneficiation. More crucial skills are now in regards to artisans and technicians which are not available at the required levels and this has become the most important element of FET’s education and curriculum. It now more clearer that Limpopo Province needs to encourage establishment of mining schools within the province. This will go a long way in the promotion of small-scale mining programme and in capacity building for the SMME sector within the province.

In addition to the skills development initiatives and the community training interventions described above, the following four flagship projects have been adopted to facilitate the Limpopo Employment Growth and Development Plan (LEGDP 2009-2014 DOCUMENT (3), 2009 - 2014
realization of provincial skills development intentions and mainstream innovation in the skills development process:

**a) Conducting a Limpopo Multi-Sector Skills Audit**

The gap between the demand for and the supply of skills in the Limpopo labour market should be described and must be the platform from where skills development initiatives are driven.

**b) Developing an Integrated Talent and Skills for The Economy Pipeline**

The Limpopo Learning Academy will analyze and monitor the human resource landscape in Limpopo (public and private sector) as the basis for the design and implementation of a provincial human resource development plan. It will become the driver of the provincial HRD strategy.

**c) Educator Capacity Building.**

Educator capacity building programmes will be implemented with emphasis on personal growth and continuous learning. It will incorporate issues of educator wellness, conflict management, financial management and time management.

### 2.2.8. HEALTH CARE DEVELOPMENT PROGRAMME.

#### 2.2.8.1. KEY STRATEGIC CHALLENGES.

The department has many challenges impacting on service delivery, of which the top six are:

- Shortage of skills in health informatics including ICT infrastructure
- Improving quality of care, particularly reducing patient waiting times
- Devolutions of municipal health services to district municipalities in the next MTEF period.
- Burden of diseases resulting from TB, malaria, HIV and AIDS, mental health and chronic diseases.
- Tuberculosis cure rate of 56.9% with 82% of TB patients on DOT support programme.
- Improving outcomes of child, mental and women’s health programmes
- Bed occupancy at district hospitals in Limpopo is dropping which is below the national target of 72%.
- The vacancy rates for medical specialists, medical officers and professional nurses have to be reduced. The critical constraint at the district and provincial levels is the shortage of health professionals rather than hospital buildings and beds.
The greatest demand for health infrastructure at present is for staff accommodation at district hospitals and for clinics and at community health centres. These limitations partly affect the quality of health care provided to the citizens.

2.2.8.2. KEY STRATEGIC INTERVENTIONS.

a) Infrastructure Development

- Limpopo to date has 416 clinics, 40 hospitals. The Department of Health and Social Development has 3,896 health posts.
- The above data indicates that more people have access to health care services. Noting the increase in access to health care facilities, this is one of the major achievements of the ANC led government.
- Noting that the development of infrastructure in the province continues to mark the transformation agenda, hospitals revitalization programme of District hospitals should be completed by 2015. It is however, essential that the hospitals meet international standards in terms of facilities and Batho pele principles.
- The revitalization of facilities is at an advance stage and has already created jobs and empowered the people.
- The introduction and expansion of telemedicine in Limpopo province and expansion of the service to the clinics will contribute strongly to bringing expertise to the poor people of the province by remote control. This is dependent on the ICT infrastructure being developed to easy connectivity between our facilities. Currently the province is training coordinators for different health facilities in China. The discussion is under way with Chinese authorities to develop a telemedicine training institute in the province.
- In line with State of the Province address that Limpopo is moving into Information Society, therefore clinics should have phone and faxlines and this aspect will create number of job opportunities in ICT infrastructure.

b) Provision of Quality Health Care Services

Access to free health care is provided through a 24 hours service at 324 of 416 clinics. There is however slow services at other clinics progress regarding providing 24 hour services. The main challenge is the lack of health professional and unavailability of residences for the nurses who would be providing the service at night. As part of part of integrated community development, the province has built staff residences; however more still needs to be done.

c) Provision of HIV/ AIDS Care, Management and Treatment
- Strengthen home based care centers by providing training and increasing monthly stipends.
- Employ more home based care givers for them to collect medication (ARV’S) on behalf of patients at District hospitals. Patients presently have to travel to the district hospitals themselves to collect medication.
- Based on the importance and seriousness which the ANC Conference has resolved, the above should be fully implemented by 2015.

**d) Human Resources Development**

Professional development and capacity building should remain a key priority for the training institutions and Limpopo provincial government for the next 20 years. University of Limpopo & other Universities are national assets and should be set to train for Limpopo province. The new health sciences faculty (particularly the medical school) will attract specialized experts who in the process of training will be adding value to both the quality of care and guidance to our available human resources. More nurses and doctors should be trained.

**e) Research, Development and Innovation**

The University of Limpopo is reasserting on medicinal plants for medicinal use. Musina is producing spirulina which is a potent food and nutrient, anti oxidant, immune booster. The production of this spiruina has to be researched and production be expanded. The production and expansion will require skilled people thus providing job creation and empowerment of the historically disadvantaged people.

**f) Health Tourism**

There is a need to link tourism together with the lodge owners in the national parks. The geographical position of Limpopo offers the province a huge sea of opportunities. Health Annals (2008) shows Limpopo has the lowest number of private hospital beds (303) in South Africa, followed by Northern Cape (309) and the highest is Gauteng (13 055). The above figures indicate that Limpopo should improve on the number of private beds. This aspect will provide jobs to the recuperating health tourist would be accessed by health workers on site in the lodges, thus creating further jobs.

**g) Indigenous Knowledge Systems and Health Production**

The indigenous medicinal products (homeopathic Pharmaceutical products) production should be encouraged and accelerated. Health Technologies Production may be necessitated by the need to produce and process the medicinal plan.

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**2.2.9. SAFETY AND SECURITY.**

**2.2.9.1. KEY STRATEGIC CHALLENGES.**
The lack of national directives, policy or guidelines on the establishment and functions of Community Safety Forums and Street Committees.

Lack of synergy between the Departmental programs and programs of municipalities. Integrated Development Plans of municipalities does not include costed community safety plans.

Lack of budgeted plans sector specific safety and security plans by provincial departments.

Lack of synergy between Departmental programs and those of National departments with the Justice Crime Prevention and Security Cluster.

Most Community Police Forums do not have the capacity to carry-out their functions. Further on, the fact that CPFs are most often reliant on the Police for logistics defeats the aim of their function of playing an oversight role at a local level.

2.2.10.2. KEY STRATEGIC INTERVENTIONS.

a) COMMUNITY SAFETY FORUMS AND STREET COMMITTEES.

For the next 05 years the cluster will ensure the establishment of functional Community Safety Forums. The Community Safety Forums will be located within the Limpopo Department of Safety, Security and Liaison. The role of municipalities regarding the integration of the projects of CSFs is crucial. The function of the Community Safety Forums will be to monitor and coordinate the functioning of the Criminal Justice System at the local / municipal level. At a provincial level the Justice, Crime Prevention and Security Cluster is already functional. The implementation of programmes such as School Safety, Rural Safety and Tourism Safety will be located within the Community Safety Forums. At a street or block level, street/ block committees will be formed to further strengthen civilian oversight on the Criminal Justice System at grassroots level.

The mobilization of communities to participate in combating crime through structures like community safety forums, street committees, traditional leaders, Faith Based Organizations, School Governing Bodies and community courts forms the pillar of the community policing philosophy. In this regard municipalities must ensure that they Integrated Development Plans include community safety plans and projects informed by the needs of respective communities.

b) RURAL SAFETY

Limpopo is predominantly a rural province. Subsequent to the Provincial Rural Safety Summit a Rural Safety Plan has been drafted and send to relevant stakeholders for final inputs. The plan will be implemented and made visible in the rural areas of the province over the next five years.

c) JUDICIARY

Some strides have been made in transforming the judiciary but more still needs to be done. The acceleration of the transformation of the entire court system will assist in improving the confidence of the people of Limpopo in our criminal justice system. Further on it is also imperative to strengthen the relationship between the Prosecutors and investigation.

d) VIOLENCE AND CRIMES AGAINST WOMEN AND CHILDREN.
A five year plan to combat violence and crimes against women and children will be finalized and implemented over the next 05 years. The plan will include awareness sessions, strengthening of the Criminal Justice System in handling such crimes.

e) CAPACITATION OF THE CPFS
The Department in collaboration with the South African Police services has planned to capacitate the CPFs in the processes of developing Community Safety Plans and to ensure that these plans are area specific and included as costed plans in the Integrated Development Plans of all municipalities. CPFs will further be capacitated and assisted in managing community mobilization projects and to play their oversight role on the police at a local level.

f) THE STRENGTHENING OF DISTRICT COORDINATION BY THE DEPARTMENT OF SAFETY, SECURITY AND LIAISON
The Department plans to strengthen its Districts in order to ensure proper coordination and implementation of projects that will improve the safety and security of all community members.

g) BORDER MANAGEMENT
Through the implementation of an integrated and responsive border management system, the coordination of government departments at the ports of entry will enhance facilitation of trade and travelers while managing risks in order to:

- Sustain economic growth for the province
- Protect South Africa from organized crime, harmful diseases, pests and substances
- Protect Limpopo from undesirable people and harmful goods and services
- Protect and enhance South Africa’s sovereign interests and international reputation
- Protect and enhance the environment of Limpopo and South at large.

2.2.10. ENVIRONMENTAL AND NATURAL RESOURCES DEVELOPMENT PROGRAMME

2.2.10.1. KEY STRATEGIC CHALLENGES
Lack of instruments such as the Conservation Plan, Environmental Management Frameworks and Geographical Information Systems and Geological Surveys to map the Limpopo natural resources endowment which should inform Spatial Development Planning in Municipalities.

Lack of integration between land reform and infrastructural development activities to ensure sustainable land uses.

Lack of integrated planning between Municipalities and Provincial government.

Lack of resources in municipalities to effectively perform legislative mandates regarding waste and air quality management.

Lack or resources in the department to monitor the degradation/rehabilitation caused by natural and anthropological activities.

### 2.2.10.2. KEY STRATEGIC INTERVENTIONS

- Climate change strategy development and implementation.
- Public Private Partnerships on the transformation of the wildlife industry.
- Training of Environmental Management Inspectors (Green Scorpion) to ensure compliance to environmental legislation and enforcement thereof.
- Contribution towards green job creation through recycling of waste.

### 2.2.10.3. HIGH-IMPACT ACTIVITIES

- Issue of environmental authorizations for infrastructural developments to attract investments into the province.
- Issue of wildlife permits for trophy hunting, possession, movement and trade of critically endangered and endangered species.

### 2.2.12. THE GREEN ECONOMY AND CREATION OF GREEN JOBS.

#### 2.2.12.1. Introduction

In terms of this programme, PEGDP looks at green economy within the context of “agriculture, manufacturing, construction, installation, and maintenance, as well as scientific and technical, administrative, and service-related activities that contribute substantially to preserving or restoring environmental quality. Specifically, but not exclusively, this includes activities that help to protect and restore ecosystems and biodiversity; reduce energy, materials, and water consumption through high-efficiency and avoidance strategies; de-carbonize the economy; and minimize or altogether avoid generation of all forms of waste and pollution”.
The phenomenon of “low carbon” world marks the emergence of a “green economy” and its impact on the world of work in the 21st Century. Until now, there has been much evidence indicating that the pattern of employment is indeed changing—and that new jobs are beginning to emerge in favor of greener, cleaner and more sustainable occupations. This has led to changing patterns of investment flows—flows into areas from renewable energy generation up to energy efficiency projects at the household and industrial level.

A global transition to a low-carbon and sustainable economy can create large numbers of green jobs across many sectors of the economy, and indeed can become an engine of development for the province.

In light of the need to dramatically reduce humanity’s environmental footprint, the Limpopo Province needs to prepare itself for this new phenomenon. The province will need to adopt and replicate best available technology and best practices internationally as much as possible. For example, So far, a small group of countries accounts for the bulk of renewable energy investments, R&D, and production. Germany, Japan, China, Brazil, and the United States play particularly prominent roles in renewable technology development, and they have so far garnered the bulk of renewable jobs worldwide.

As a matter fact South Africa signed the register of International Renewable Energy Agency (IRENA) statutes and this has enabled South Africa to become a full member of IRENA. This great milestone in the multilateral agreement and the framework which is set for the Limpopo province to prioritize the green economy with specific reference to green jobs; carbon capture and sequestration –CCS and other technologies; renewable energy [solar energy, bio-fuel, waste to energy sources and refused derived fuels ]; energy efficiency [green buildings, lightning]; green transport; forestry; and retrofitting. This will also include the cultivation of environmentally responsible social culture.

2.2.12.2. KEY STRATEGIC CHALLENGES.

The future trajectory of the Limpopo Green Jobs Initiative will therefore depend on a wide range of factors and actors. Governments, as well as the private sector will play a key role. Changes in the decisions, practices and behaviors of millions of managers, workers and consumers will be needed.

A transition to a green economy will create demand for workers, many of them in skilled trades or professions, and filling these positions will require adequate training programs. At the cutting edge of technology development for solar PV design, for instance, specialization has progressed to the point where universities need to consider offering entirely new study fields and majors. Several countries have reported that a “skills gap” already exists between available workers and the needs of green industries.
The pursuit of green jobs will likely be a key driver as the world sets out into the uncharted territory of building a low-carbon economy. Climate-proofing the economy will involve **large-scale investment in new technologies, equipment, buildings, and infrastructure**, representing a major stimulus for much-needed new employment as well as an opportunity for retaining and transforming existing jobs.

The Limpopo province will have to prioritize the following key challenges:

- Authoritative voice for renewable energies across the province;
- Regulatory and capacity support in facilitating the use of renewable energy;
- High expertise in the use of all forms of renewable energy and integration into energy systems covering technological, economical and institutional, cultural, social and environmental aspects;
- Network base with research and government institutions worldwide;
- Relevant information including reliable data on the potential of renewable energy, best practices, effective financial mechanisms and state-of-the-art technological expertise.

**2.2.12.3. KEY STRATEGIC INTERVENTIONS.**

The pursuit of green jobs will likely be a key driver as the world sets out into the uncharted territory of building a low-carbon economy.

**a) Investment in Renewable Energy**

Growing awareness of the threat of climate change, rising prices for fossil fuels and growing concerns over energy supply security are among the driving factors of increased interest in renewable energy sources.

A variety of analysts project a continued surge in investments and sales in the coming decades. Based on a scenario developed by the European Renewable Energy Council (EREC), the German environment ministry projects that global capacities for electricity production from renewables will expand from 900 gigawatts (GW) in 2004 to 2,160 GW by 2020 and 4,070 GW by 2030, implying a rise in investments to $343 billion (€250 billion) in 2020 and $630 billion (€460 billion) in 2030. Clean Edge, a U.S.-based research and advocacy group, believes that global investment in renewables will reach more than $210 billion by 2016. Clean Edge and others forecast substantial further growth:

- Spending on wind power installations is expected to expand from $17.9 billion in 2006 to $60.8 billion in 2016.
- Markets for the manufacturing and installation of solar PV modules and components will likely grow from $15.6 billion in 2006 to $69.3 billion by 2016.
The biofuels market reached $20.5 billion in 2006 and is projected to grow to more than $80 billion by 2016.

The markets for fuel cells and distributed hydrogen might grow from $1.4 billion in 2006 to $15.6 billion over the next decade, according to Clean Edge; Roland Berger Strategy Consultants project $103 billion (€75 billion) market for fuel cells by 2020.

Geothermal power might become a $35 billion industry by 2020.

The huge potential of renewable energy and subsequent investment present similar and greater opportunities for Limpopo based on our energy challenges and accessibility potential.

b) Fast-tracking Industrial Skills for the Green Economy.

A transition to a green economy will create demand for workers, many of them in skilled trades or professions, and filling these positions will require adequate training programs. At the cutting edge of technology development for solar PV design, for instance, specialization has progressed to the point where institutions of higher learning need to consider offering entirely new study fields and majors.

Research has shown that:

- Companies in renewable energy industry are suffering from a shortage of qualified employees, and especially those needed in knowledge-intensive positions;
- Sectors going green are struggling to find technical specialists, designers, engineers, and electricians.

Types of jobs that are created in green building and the retrofitting process include green designers, architects, auditors, engineers, estimators, project managers, and various jobs in the construction trades, such as pipe fitters, sheet metal workers, and general construction workers, among others.

These jobs are created during the initial construction or investment periods and are likely to be local jobs, which is especially beneficial for developing regions and areas of high unemployment. The increase in demand for green building components and energy-efficient equipment will stimulate green manufacturing jobs. Energy-efficient equipment often requires more skilled labor than their inefficient counterparts, thus leading to not only a larger number of jobs, but also higher-skilled, higher-paying employment.

Climate-proofing the economy will involve large-scale investment in new technologies, equipment, buildings, and infrastructure, representing a major stimulus for much-needed new employment as well as an opportunity for retaining and transforming existing jobs.
c) Targeted Programmes for Renewable Energy Partnership.

The positive partnership of South Africa in the ratification and belonging to the IRENA fraternity and community can culminate in the sustainable development of the Limpopo Green Economy Initiative.

The strategic building is quite important towards the development of the provincial green economy based on the following issues:

i. Institutionalization of the developmental imperatives of the green economy in the three spheres of government with a clear programme to champion an integrated approaches to promoting renewable energy through the establishment of a Special Purpose Vehicle:
   - Comprehensive advise on selecting and adapting energy sources, technology and system configurations and organizations and regulatory framework
   - Promote experience and exchange between countries
   - Helping countries to make use of available funding

ii. Integrating renewable energy into the urban environment
   - Promote structured experience exchange between countries and cities
   - Contribute to capacity building
   - Support the development of appropriate local policies

iii. Strengthening strategic cooperation in rural areas
   - Develop integrated approaches for the use of renewable energy in rural areas, while in close cooperation with development organizations
   - Develop a toolbox of technical, organizational, cultural and political innovations for rural electrification and rural thermal energy supply

iv. Increasing the proportion of renewable energy used in existing energy systems
   - Identify and promote new technical and managerial approaches to the design and management of energy systems and grids appropriate to renewable energies

v. Promoting technology and innovation cooperation.
   - Organize a conference on possible funding mechanisms and strategies for technology transfer
   - Evaluate specific technology transfer projects in different countries.

vi. Raising the profile of renewable energy in the energy and climate debate
   - Promote the role of renewable energy in reducing greenhouse gas emissions, combating climate change and guaranteeing the security of energy supply
   - Develop scenarios on the use of renewable energy.
   - Development of a sustainable green economy community in Limpopo which will be based on international best practices and livable future community.
There are also several projects at bankable feasibility stage which in the future need global partnership in technology and funding to ensure commercialization and creation of green jobs in several areas including Musina. The portfolio of these projects range from solar projects and carbohydrate economy. These projects will auger well in supporting the drive towards lessening dependence on fossil fuels and moving towards the diversification into renewable energy.

The projects that have been identified which are at pre-feasibility and feasibility stage have been hindered by lack of partnership and access to technology including intellectual property. The IRENA partnership can see further developmental work in progressing with these projects towards bankable feasibility and commercialization. This is an additional wave of green jobs in Limpopo and South Africa.

2.2.13. CORPORATE GOVERNANCE.

2.2.13.1. KEY STRATEGIC CHALLENGES.

Corporate governance is an integral part of the Limpopo Government's operations. Accordingly the Limpopo Government is fully committed to the Code of Governance Principles. In supporting the code the Limpopo Government recognises the need to conduct its business with integrity. Business and governance structures are in place to ensure a coherent and consistent governance approach, however the Limpopo Government entities are faced with the following key governance challenges:

- **Risk management**
  - Lack of adequate skills and capacity to ensure there is effective and uniform risk management.
  - Risk management committees which do not effectively monitor the implementation of the risk mitigation plans for the identified risks.
  - Fraud prevention strategies and plans which have not been effectively implemented.
  - Lack of adequate and requisite integrity management capabilities.

- **Audit committees**
  - Audit Committees which are not functionally effective.
  - Audit Committees which do not have a suitable working knowledge of integrated reporting, internal financial controls, internal and external audit processes, corporate law, risk management, IT governance and other governance processes.

- **Internal audit**
  - Lack of suitably qualified and experienced internal auditors and the inability to retain internal audit staff.
  - Internal audit units which are not functionally effective and do not add sufficient value to the governance processes.
The use of manual systems to record internal audit procedures and findings

**Internal financial controls and financial management capabilities**
- Inappropriately appointed Chief Financial Officers and financial managers
- Inadequate financial support staff
- Records management inefficiencies
- Financial systems that are not integrated and inadequate to ensure compliance with the increasingly complex financial reporting requirements

**Conflicts of interest**
- Incomplete and or non disclosure by public sector employees that have private sector business interests

### 2.2.13.2. KEY STRATEGIC INTERVENTIONS.

In order to apply the principles contained in the King III Report (KING REPORT) on corporate governance and achieve the objectives and targets set for “CLEAN AUDIT 2014” the following strategic interventions will need to be considered and implemented.

**a) Integrated sustainability report**

Good governance is essentially about effective leadership which includes defining strategy, providing direction and establishing the ethics and values that will influence and guide practices and behaviour with regard to sustainability performance.

The King Report that was issued in September 2009 has placed a huge responsibility on the Governance framework for the Limpopo Government. The King Report follows an “apply or explain” approach, which implies that the Limpopo Government must inform its stakeholders that it has complied with the King Report and in situations that those charged with governance decide not to apply a specific principle and/or recommendation, this should be explained fully to the stakeholders.

The King Report requires the Limpopo Government to annually prepare an integrated sustainability report which should have sufficient information to record how the Limpopo Government has positively and negatively affected the economic life of the community in which it operated. The report should also contain forward-looking information on how the Limpopo Government believes it can enhance the positive aspects and negate the negative aspects that affect the economic life of the community.

In order to comply with this requirement a formal process of assurance with regard to the sustainability reporting should be established. As the Executing Authority is responsible for the integrity of the integrated report, it is proposed that the Audit Committees be assigned to assist in reviewing the report by ensuring that the information is reliable and that no conflicts or differences arise when compared to the financial results.

**b) Combined assurance model**

The King Report requires that a combined assurance model be developed to effectively co-ordinate the efforts of management, internal audit and the Auditor General. Management, internal assurance providers (Internal Audit) and external assurance providers (Auditor General) are key role players in providing assurance over the risks in the Limpopo Government.

In order to have a shared and more holistic view of the Limpopo Government’s risk profile it is recommended that a combined assurance model be developed to effectively co-ordinate the efforts of management, internal audit and the Auditor General. The responsibility of monitoring the appropriateness of the combined assurance model and ensuring that significant risks facing the Limpopo Government are adequately addressed should rest with the Audit Committees.

c) Audit committees

The King Report further requires the Audit Committees to conclude and report annually to the stakeholders on the effectiveness of the internal controls and this report should be supported by a formally documented annual review of internal financial controls performed by internal audit.

The executing authorities and management structures of the Limpopo Government should be fully committed to the goal of supporting and maintaining effective Audit Committees. In order to ensure the Audit Committees are in a position to prepare the required Internal Control Effectiveness report and give assurance that the Integrated report is reliable and that no conflicts or differences arise when compared to the financial results, it must be encouraged that the executing authority and management of the Limpopo Government entities should be fully committed to the goal of supporting and maintaining effective Audit Committees by appointing and maintaining suitably independent, qualified and experienced members of Audit Committees.

Due to the new requirements contained in the King Report it may be necessary to review the sufficiency and appropriateness of the skills set of the audit committee members and there is a need to strengthen the Audit Committees. It will also be necessary for Audit Committees to meet regularly and have mechanisms in place to ensure the requisite officials in management positions attend the audit committee meetings. The attendance will improve accountability and enable the committee members to adequately discharge their responsibilities.

It will also be necessary to develop a formal reporting protocol between the Audit Committees members and the Executing Authorities to enable the Executing Authorities to review the Audit Committees effectiveness and for the Audit Committees to report on:

- the committees compliance with their statutory duties,
- their view on the financial statements and accounting practices,
- whether internal financial controls are effective,
- the entities compliance to laws and regulations,
- IT governance,
the Integrated Report recommendation
the effectiveness of the functions of internal audit and risk management, and
any other operational activities of the Audit Committees.

d) Risk management

- The Executing Authorities are responsible for the governance of risk and should understand the risk levels and risk appetites of the respective Limpopo Government entities. It will be essential to ensure that suitably qualified and experienced personnel are allocated with the responsibility of managing risks by:
  - developing risk frameworks and methodologies that are implemented to increase the probability of anticipating unpredictable risks,
  - ensuring risk assessments are performed on a continual basis,
  - designing, implementing and monitoring the risk management plan, and
  - ensuring there are processes in place to enable complete, timely, relevant, accurate and accessible risk disclosure to stakeholders.

It will also be critical to incorporate risk considerations into the decision making frameworks of all Limpopo Government entities.

e) Internal audit capacity and capability

Governance requires an acceptance of accountability and responsibility for action and consequently internal audit is required to provide an annual assessment of an organisations control environment.

It is now essential that internal audit embraces the risk based auditing approach which directs that internal audit addresses strategic, operational, financial and sustainability issues in its quest to deliver value to the Limpopo Government.

Each Limpopo Government entity must establish an internal audit function that is strategically positioned to achieve its objectives. The Internal Audit functions must provide an assessment of the effectiveness of the system of internal controls and risk management in the Limpopo Government entities and the internal audit functions must be overseen by the Audit Committees.

One of the biggest challenges faced by the internal audit units in the Limpopo Government is the ability to attract and retain suitably qualified and experienced internal audit practitioners and the discrepancies in remuneration packages offered in Limpopo and the rest of the country. In order to address these issues it may be necessary to review the qualifications, experience and remuneration packages of internal practitioners.

In general there is a urgent need to capacitate all internal audit units. It is also imperative that all internal audit units undergo a Quality Assessment Review as prescribed by the International Internal Audit Standards. This assessment will determine whether the respective internal audit units conduct the audits in compliance with the
internal audit standards and identify areas where effectiveness and efficiency can be improved. A further quality improvement requirement is to develop and implement an internal audit quality assurance and improvement programme.

It must be noted that the maturity of other functions such as ethics and risk management with which internal audit is expected to interact may be a cause for some concern as immature functions that form part of the combined assurance are likely to complicate assessments of the control environments.

**f) Information technology governance**

Due to the critical nature of IT in the enabling business processes, and the intellectual property and other information resources that are exposed through technology channels, IT governance has now become an essential component of ensuring the efficient and secure operation of an entity.

Information technology governance being a new governance requirement the Limpopo Government should ensure that prudent and reasonable steps are taken to implement IT governance. It is recommended that a current state assessment be performed against the King Report IT governance principles to identify areas for improvement, which should then be developed into an IT governance improvement programme that is monitored by the Audit Committees.

IT governance should focus on:

- the strategic alignment with performance and sustainability objectives of the Limpopo Government,
- development and implementation of an IT governance framework,
- optimising expenditure and proving the value of IT,
- safeguarding of IT assets, disaster recovery and continuity of operations, and
- the protection of management information

**g) Internal financial controls and financial management capabilities**

Meeting the internal financial control requirements will require a number of practical interventions such as:

- Using a risk based approach to identify areas or sources of potential material errors in the financial statements and disclosures.
- Documenting and implementing a control framework incorporating internal financial controls to mitigate the identified risks that may have an impact on the fair presentation of the financial statements and disclosures in accordance with generally accepted accounting principles.
- Having internal audit conduct a review of the design adequacy and operating effectiveness of internal financial controls taking into account any changes to the internal and external factors that may impact the entity.
In order to improve the internal financial controls and achieve the objectives and targets set for “CLEAN AUDIT 2014” in the Limpopo Government there is a need to ensure that:

- appropriately skilled and experienced Chief Financial Officers and financial managers are appointed in all entities
- adequate and appropriate financial support staff are appointed
- records management systems are improved, and
- financial systems are integrated and comprehensive to ensure compliance with the increasingly complex financial reporting requirements.

**h) Conflicts of interest**

There is a need to review the Limpopo Government’s conflict of interest policy in order to improve the prescripts that Limpopo state employees will need to comply with when they have business interest in private entities which may have an impact on their duties as employees of the state.

It must be noted that the disclosure of a conflict of interest is an ethical matter that each state employee needs to consider.

**2.2.14. ICT AND INNOVATION ENABLED INDUSTRIES**

**2.2.14.1. KEY STRATEGIC CHALLENGES**

a) Experience and best practices in many countries has shown that political leadership is an important ingredient for local economic development. At the present time there is no identifiable institutional champion for ICT in the Limpopo Province; no research centre or other institution that is championing the ICT sector. This continues to be a weakness of the Limpopo Province and inevitably has a bearing on prospects for collaboration within the region.

b) Industry associations play a critical role in improving collaboration among their members, and with other ICT industry associations and stakeholders. Until now there is no institutional organization management framework that has the mandate (or desire) to take the lead in bringing various industry and professional associations together with government, civil society and academic stakeholders to identify and act on issues of mutual concern. In addition, a few ICT industry formations operating in the Limpopo are struggling to keep their heads above water financially, and are necessarily focused more on survival than on outreach.

c) Multinational enterprises (MNEs) are important to the growth and development of any industry sector, no less ICT. Limpopo does not have ICT MNEs located in the province. These firms tend to operate on a world stage and have a good appreciation of the strengths and weaknesses of the ICT industry in different parts of the world. They draw
in and help to develop a local supplier community. They tend to have well developed relations with academic and research organizations. They have a long-term outlook. MNEs tend to be leading members of key industry associations and take an active role in promoting the industry as a whole.

d) There is no public sector ICT research institution of any significant operations in Limpopo province. Around the world, public sector research institutions lie at the heart of technology clusters. The fact that there is no such institution in Limpopo is an important barrier to the growth of the sector. As evidenced by the fragmented nature of the ICT scene in the Limpopo Province, there is a need to develop a regional mechanism to bring disparate elements of the sector together to create a whole that is larger than the sum of its parts.

e) Educational and research institutions lie at the heart of the knowledge economy while information and communication are at the heart of the innovation process, and ICT has become a tool for amplifying brainpower and innovation.

The challenge is to build capabilities within the current provincial institutions and advocate for one or more leading edge provincial ICT research and commercialization institutes in the province to anchor the ICT sector while supporting existing regional research organizations.

Another challenge is to broaden and deepen the relations among companies, academic and government research organizations. This process would improve innovation, service development and facilitate access to publicly funded research facilities that will result from the established collaborative partnerships with local rural marginalized women, small farmers, rural entrepreneurs and residents.

f) Lack of access to communication facilities or to affordable communication facilities by rural communities and the resultant lack of access to information coupled with the inability to share information constitute information deprivation and thus poverty of information and this in turn constitutes a basic human right violation.

g) One of the major challenges within the province is to obtain the necessary radio frequency spectrum, electronic communications service (ECS) and electronic communications network service (ECNS) licenses for the implementation of a broadband network within the province. A policy directive from the Ministry of Communications to ICASA will be necessary for the province to acquire the aforementioned licenses.

h) The lack of funding on telecommunications infrastructure is a major impediment. The province should explore and exploit new innovative ways of funding this infrastructure, for example, design, finance, build, operate and transfer (DFBOT) in a form of anchor tenant model.

i) Lack of consensus between the Limpopo Provincial Administration and SITA on the deployment of a provincial open access broadband infrastructure as a socio-economic
imperative and one that is accessible to the majority of the population of Limpopo Province is an obstacle that needs political or legislative intervention.

j) The lack of people with the technical and managerial skills to use and apply ICTs is a severe constraint limiting ICT deployment in the province. A severe shortage of skilled ICT labour exists, there is a huge ICT skills gap in the province mainly because of a limited ICT sector.

k) Approximately 77% of Limpopo economically active population is only qualified to do unskilled and semi-skilled labour, with only approximately 3% being highly-skilled. The fact that the province has an extremely low skills base reduces its ability to innovate, to be economically productive and to implement productive ventures. In building ICT skills, the strategic place to start is in early childhood classroom. **ICT skills are life skills.** In order to deploy ICT for development, it is important for the province to develop a critical mass of knowledge workers, technology users, and motivated entrepreneurs.

l) Another constraint is the integration of the ICT function of provincial departments into the State Information Technology Agency (SITA). As a consequence, the ICT sector diminished two years after the integration process was carried out. All SMMEs which were contracting directly with government collapsed and most of the skilled personnel migrated to other provinces where the ICT sector is more matured resulting in a brain drain.

m) The training programmes provided by the majority of the institutions are not relevant to the job market; there is a huge mismatch between the skills required by the business and the labour markets on one hand, and the one produced by the institutions on the other hand.

n) Most well-trained graduates do not find jobs within the province as a result of integration of the ICT function of provincial departments into SITA. SITA does not have the capacity to absorb the graduates.

o) The ICT sector as an economic sector in Limpopo Province is fairly limited. The number of companies operating in the field of ICT in the Province is small. Most ICT companies are product related, the software and ICT service companies are almost non-existent.

p) The total entrepreneurial activities (TEA) index of Limpopo Province is the lowest (3) in the country compared to Gauteng Province (9) and Western Cape Province (8). There are a few rural entrepreneurial support programmes that could develop community-based models needed to address the key limiting factors associated with the rural poor.

q) The provincial capacity to develop local content applications is limited both in scarce skills and monetary resources. Indigenous knowledge and heritage are not seen as priorities. Lack of preservation and documentation of local heritage and indigenous knowledge may be lost forever.
r) There is a misnomer that IT cannot play a role in rural development and poverty eradication programmes hence the use of ICT as a means and right to ensure that our people have access and hence are not left in the fringes as the sound IT initiatives can address and pull our people out of poverty and increase access to some basin services such as banking, healthcare, education and access to social services.

2.2.14.2. KEY STRATEGIC INTERVENTIONS.

The strategy focuses its ICT interventions towards the achievement of broad-based development goals in diverse communities in key areas including health, education, economic opportunity, empowerment, participation and environment. It adopts a holistic and multi-dimensional approach to strengthen synergies between the components of the development dynamic, leverage spillover effects, and directly address rural development imperatives by aligning interventions in a number of strategic areas. As such the ICT strategy will address 5 specific goals. These goals (development dynamic) are as depicted in figure below:

2.2.14.3. HIGH-IMPACT ACTIVITIES

The strategy focuses its ICT interventions towards the achievement of broad-based development goals in diverse communities in key areas including health, education, economic opportunity, empowerment, participation and environment.
<table>
<thead>
<tr>
<th>HIGH IMPACT INITIATIVE(S)</th>
<th>HIGH IMPACT ACTIVITIES</th>
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<tbody>
<tr>
<td><strong>GDP could grow by an additional 3 - 5.5% annually</strong></td>
<td>Deployment Open Access Broadband WAN core network at 100Gbps and access network at 2-10Mbps</td>
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<td>Provide connectivity to the Thusong service centres, schools, healthcare, agriculture and; transport and traffic facilities including the rollout of CPEs</td>
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<td>Server farm consolidation and virtualisation</td>
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<tr>
<td><strong>To implement an inclusive Provincial Information Society Programme in the Republic (INSPIRE) and bridging the digital divide</strong></td>
<td>e-Government, e-Education, e-Health and e-Heritage projects</td>
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<tr>
<td><strong>5% of the population (5.7 million) will be able to participate in the information and knowledge economy</strong></td>
<td>INSPIRE Monitoring, Evaluation and Predictive Modelling project</td>
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<td><strong>To promote and develop ICT and innovation entrepreneurs through a Business Incubation and Entrepreneurship Programme</strong></td>
<td>ICT Business Incubation and entrepreneurship development projects</td>
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<tr>
<td><strong>To improve TEA index of the province from 3 to 6</strong></td>
<td>Skills Audit of existing relevant educational and training projects, future needs of companies/organizations and community projects</td>
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<tr>
<td><strong>To develop demand-led and job-ready ICT skills required by the provincial strategic economic sector through Limpopo ICT Institute Programme</strong></td>
<td>Working life ICT skills and Advanced professional ICT skills projects</td>
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<tr>
<td>Objectives</td>
<td>Activities</td>
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<tr>
<td>To empower community members (youth, women, residents, unemployed and the</td>
<td>Basic ICT skills, ABET computer literacy, assistive computer training for disabled people and sustainable community livelihood projects through the I-community Programme.</td>
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<td>marginalised) in rural areas with various knowledge/skills to enable them</td>
<td>Fabrication Laboratories and Tooling initiatives projects</td>
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<td>to participate in an inclusive information society</td>
<td>Business process outsourcing and off-shoring (BPO &amp; O) projects</td>
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<tr>
<td>**5% of the population (5.7 million) will be able to participate in the</td>
<td>Rollout connectivity to schools, community libraries, and primary health care facilities as the backbone of building the information society and knowledge economy</td>
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<td>ICT Skills Development Initiatives</td>
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<td>Conduct negotiations with ICASA and Department of Communications for the conversion of existing PTN licenses held by the Limpopo Provincial Administration, Polokwane and Greater Tzaneen Municipalities granted to these entities in terms of the Telecommunications Act into electronic communications network and/or electronic communications network services licences to be issued in terms of the Electronic Communications Act, and also negotiate for the granting of a radio frequency spectrum licence.</td>
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<tr>
<td>Develop appropriate business plans to facilitate donor/investment agencies to fund/invest in the provincial ICT infrastructure</td>
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<td>Engage DBSA and other development funding institutions to fund the ICT infrastructure.</td>
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<td>Explore at least 10% of the Municipal Infrastructure Grant should be ring fenced to fund ICT infrastructure in rural areas.</td>
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<td>Identify and prioritize scarce and critical ICT skills in the province in line with strategic economic sectors</td>
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<tr>
<td>Initiate a study that will identify scarce and critical ICT skills in the province in line with strategic economic sectors.</td>
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<td>Develop ICT graduates portal to access the graduates that can serve as mentors and offer assistance on-line and or off-line.</td>
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<tr>
<td>Develop Skills and Knowledge.</td>
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<tr>
<td>Promote the Limpopo ICT Institute, a facility devoted to the development of demand-led ICT skills through industry sponsorship and training institutions.</td>
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<td>Information Society Programme</td>
<td>Facilitate the train-the-trainer programme with local agent to train the local population in information society skills in order to participate in the mainstream of the economy</td>
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<tr>
<td><strong>Develop an ICT labour force development plan for the Limpopo Province. This initiative to be spearheaded by ICT Institute building on the Provincial Human Capital Development Strategy of Limpopo province</strong></td>
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<tr>
<td><strong>Establish incubation programmes to develop ICT and innovation entrepreneurship support services across the Limpopo province</strong></td>
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<tr>
<td><strong>Facilitate and improve access to financial capital, access to global and local markets for the development of rural women, farm-dwellers, household producers, small businesses and rural entrepreneurs and residents</strong></td>
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### Content and Applications

<table>
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<tr>
<th><strong>Review of the implementation of SITA Act</strong></th>
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<tbody>
<tr>
<td><strong>Build capacity and skills required to develop local content applications.</strong></td>
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<tr>
<td><strong>The provincial capacity to develop local content applications is limited in both skills and monetary resources.</strong></td>
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<tr>
<td><strong>Develop local content capacity and skills for farm-dwellers, farmers, household producers, small businesses, rural entrepreneurs and residents, particularly in rural communities to provide innovative solutions for an environmentally and financially self-sustaining enterprise</strong></td>
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<tr>
<td><strong>Promote the use of local languages to develop content and applications to facilitate greater access to local communities and entrepreneurs</strong></td>
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