GROWTH AND DEVELOPMENT
STRATEGY

2004-2014

“Development is about people”
PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY (PGDS)

FOREWORD BY THE PREMIER

Limpopo province has over the past ten years of freedom and democracy laid a firm foundation for prosperity and development in all respects. We further developed and adopted this Provincial Growth and Development Strategy to provide a framework for programmes that advance the growth of the economy in a manner that attracts investment, create sustainable jobs and ultimately, improve the living conditions of the people of Limpopo.

The province is replete of the world’s largest reserve of the platinum group of metals, chrome and vanadium, as well as copper, nickel, iron ore and titanium. It is also one of South Africa’s richest agricultural regions, with vegetables being the most significant crop. Our natural environment is one of the world’s richest in terms of biodiversity, wildlife and archeological sites that continue to offer immense tourism opportunities.

Limpopo province is also strategically situated at the northern-most tip of South Africa. It is ideally positioned for easy access to African markets. Its proximity to Zimbabwe, Mozambique and Botswana provides the investor with a powerful platform from which to access the South African region and to contribute as well as benefit from the New Partnership for Africa’s Development.

The economy continues to grow at the rate that by far surpasses the national one. At an average of 4% gross domestic product per region, our contribution has had a profound impact in terms of the economic growth and development of the entire country.

In line with the PGDS objectives and proposed targets, our competitive edges of mining, agriculture and tourism have and continue to place our province on its rightful position. Limpopo has distinguished itself as an investment destination for many and we therefore invite others to explore and take full advantage of what Limpopo province has in store. It is an exercise worth undertaking.
FOREWORD BY THE DIRECTOR GENERAL

The PGDS that we have developed and adopted, is a culmination of intense discussions within government departments, with stakeholders in the province who expressed the need to put in place a development framework that should guide growth and development in Limpopo in the next ten years. With its strong emphasis on improving the Quality of life and sustainable development, the PGDS aim at creating a conductive environment for the people of the province to participate in the provincial economy.

The PGDS is meant to set the pace and tone for growth and development in the province. It is underpinned by the Reconstruction and Development Programme (RDP), the National Spatial Development Plan (NSDP), and all provincial documents that have a bearing on growth and development in Limpopo.

The President in 2003 has highlighted that our South African economy and society comprise a developed economy with sound macro-economic management, surrounded by a second underdeveloped economy. Limpopo Province is not an exception to this dualistic phenomenon. Our challenge is to integrate and develop the two economies, while meeting both their needs.

In our quest to achieve the above, the province shall invest in programs such as infrastructure development, adequate skills provision to implement and sustain the desired growth, as sustainable primary health care and stimulate entrepreneurial development.

The PGDS is framed by programs and targets set out in the State of the Nation address. In particular targets have been set for poverty alleviation, infrastructure delivery, skills development and intergovernmental relations improvements including improved alignment of planning frameworks and structures for improved government – civil society interactions.

In line with Batho Pele principles of transparency and accountability, we will keep our communities and other strategic partners informed of progress made and continue to probe inputs from them during our review processes.

I wish to thank all those people who participated in the compilation of this document – and wish to say to them, ‘it’s a journey worth taken’.
EXECUTIVE SUMMARY

The Limpopo Province adopted a Provincial Growth and Development Strategy (PGDS) at the stakeholder summit held on the 15th October 2004. The strategy is a culmination of various discussions with stakeholders from all sectors towards realising the dream of sustainable and integrated development that seeks to promote economic growth and development, improve the quality of life of its citizen, raise the institutional efficiency of government, attain regional integration and enhance innovation.

The PGDS is a further elaboration of the adopted policy framework at international, national and provincial levels to provide a clear vision for growth and development. The PGDS identify both development opportunities and challenges and how to tackle the same among communities in the province.

The PGDS is based on taking advantage of the province’s competitive factor conditions in Mining, Agriculture and Tourism to turn the economy of the province around. The industrial value chain becomes a catalyst towards building local economies in those competitive sectors. This approach forms the basis of ensuring that the resources of the province are focussed towards the greatest impact as well as the basis for meaningful local economic development and economic growth - towards bridging the divide between the first and second economy.

The PGDS asserts that smart partnerships are essential among stakeholders in development if Limpopo is to realize its vision of sustainable and integrated development. It is only through the collaboration of all stakeholders that the proposed development targets contained in the PGDS will be achieved and whereby the vast development potential of Limpopo and the region can be realised. The implementation of the PGDS is handled through seven industrial cluster committees, the PGDS Advisory Council, Cluster Committees and Policy Coordination Unit (PCU) in the Office of the Premier.

And finally, the PGDS makes provision to incorporate National Planning Framework and District/Municipal IDP’s with provincial development imperatives.
TABLE OF CONTENTS

FOREWORD BY THE PREMIER I

FOREWORD BY THE DIRECTOR GENERAL II

EXECUTIVE SUMMARY III

1 INTRODUCTION 1

1.1 Location 1

1.2 Background 2

1.3 Government’s role in promoting the Provincial Growth and Development Strategy 4

1.4 Purpose of the Provincial Growth and Development Strategy 6

2 BASIC PRINCIPLES OF THE PGDS 7

3 PROVINCIAL VISION, MISSION AND DEVELOPMENT OBJECTIVES 7

3.1 Vision and Mission of the province 7

3.2 Profile of the province 8

3.2.1 Demographic profile 8

3.2.2 Economic profile 12

3.2.3 Socio-Economic Challenges 17

3.3 Provincial Development Objectives 19

3.3.1 Improve the Quality of Life of the population of Limpopo 20

3.3.2 Growing the economy, sustainable jobs, innovation and competitiveness 21

3.3.3 Improve the Institutional Efficiency and Effectiveness of government 232

3.3.4 Address priorities that cut across the three objectives above such as BEE, HIV/AIDS etc. 23

3.3.5 Attain Regional Integration 23
4 PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY

4.1 Strategy and programme 24

4.2 Development clusters 27

4.2.1 Platinum and Chrome mining cluster on the Dilokong Corridor between Polokwane and Burgersfort (Sekhukhune district) and in the Waterberg district 27

4.2.2 Coal mining and Petrochemical cluster at Lephalale on the East-West Corridor (Waterberg district) 27

4.2.3 Fruit and Vegetable (horticulture) cluster in Vhembe, Mopani and Bohlabela 31

4.2.4 Logistics cluster in Polokwane (Capricorn district) 34

4.2.5 Red and White meat cluster on all the corridors (all districts) 35

4.2.6 Tourism cluster (all districts) 35

4.2.7 Forestry clusters in the Mopani and Vhembe districts 36

5 INSTITUTIONAL FRAMEWORK FOR MANAGING THE GROWTH AND DEVELOPMENT STRATEGY 41

5.1 Framework of Implementation 41

5.1.1 Intergovernmental, Sectoral And Departmental Relations 41

5.1.2 Monitoring And Evaluation 44

5.1.3 Development Information Database 44

5.1.4 Departmental Management Plans 44

5.2 Harmonisation and alignment of the National Spatial Development Framework (NSDF), Limpopo Growth and Development Strategy and the Integrated Development Plans (IDP’s) of municipalities 45

6 CONCLUSION 48

7 LIST OF SOURCES 49
ANNEXURE A

1. Objectives, Indicators, Proposed Targets and Associated Programmes for improving the Quality of life. 51

2. Objectives, Indicators, Proposed Targets and Associated Programmes for Growing the economy, Sustainable Jobs, Innovation and Competitiveness. 53

3. Objectives, Indicators, Proposed Targets and Associated Programmes to improve the Institutional efficiency and effectiveness of Government. 544

4. Objectives, Indicators, Proposed Targets and Associated Programmes For Attaining Regional Integration. 565

ANNEXURE B

1. PGDS Summit Resolutions And Cluster Implementation Methodology 57

MAPS (IN GIS FORMAT)

MAP 1   LIMPOPO PROVINCE AND ITS NEIGHBOURS 1

MAP 2   MINING CLUSTER MAP 28

MAP 3   OWRDP- WATER SUPPLY SCHEME 29

MAP 4   HORTICULTURE CLUSTER MAP 32

MAP 5   MAP SHOWING WATER SUPPLY SCHEME 33

MAP 6   LOGISTICS CLUSTER MAP 37

MAP 7   RED AND WHITE MEAT CLUSTER MAP 38

MAP 9   FORESTRY CLUSTER MAP 40
FIGURES

FIGURE 1  PGDS FORMULATION PROCESS  5

FIGURE 2  LINKING VISION AND STRATEGY  6

FIGURE 3  PERCENTAGE (%) OF POPULATION OF LIMPOPO BY AGE
GROUP AND GENDER:  9

FIGURE 4  PROVINCIAL CONTRIBUTION TO THE NATIONAL GDP: 2002  12

FIGURE 5  SECTORAL CONTRIBUTION TO PROVINCIAL GDP 2002  13

FIGURE 6  PROVINCIAL GDP IN 1995 AND 2002: R MILLIONS  13

FIGURE 7  LIMPOPO DEPENDENCY RATIO PER DISTRICT: 2001  15

FIGURE 8  COMBATING POVERTY, BIODIVERSITY LOSS, CLIMATE
CHANGE AND DESERTIFICATION  18

FIGURE 9  LINKING THE OBJECTIVES OF THE PGDS  20

FIGURE 10  GROWTH AND DEVELOPMENT STRATEGY: FRAMEWORK FOR
IMPLEMENTATION  41

TABLES

TABLE 1  DISTRIBUTION OF THE POPULATION OF LIMPOPO BY DISTRICT  8

TABLE 2  MAJOR CAUSES OF DEATH  10

TABLE 3  LABOUR SKILL INDEX: 2001  11

TABLE 4  SELECTION OF CRIME STATISTICS IN LIMPOPO  11

TABLE 6  LEVEL OF EMPLOYMENT BY DISTRICT: 2003  15

TABLE 7  NUMBER OF PEOPLE IN POVERTY: 1998 AND 2003\(^{a}\)  16

TABLE 8  HUMAN DEVELOPMENT INDEX FOR 1998 AND 2003\(^{a}\)  16

TABLE 9  GINI-COEFFICIENT: 1998 AND 2003\(^{a}\)  17
| TABLE 10 | OBJECTIVES AND INDICATORS FOR IMPROVING QUALITY OF LIFE | 20 |
| TABLE 11 | OBJECTIVES AND INDICATORS FOR GROWING THE ECONOMY | 22 |
| TABLE 12 | OBJECTIVES AND INDICATORS TO IMPROVE THE INSTITUTIONAL EFFICIENCY AND EFFECTIVENESS OF GOVERNMENT | 22 |
| TABLE 13 | OBJECTIVES AND INDICATORS FOR ATTAINING REGIONAL INTEGRATION | 23 |
1 INTRODUCTION

1.1 Location

The Limpopo province is the most northern province of South Africa. The province shares borders with the Gauteng province (the industrial centre of the country) in the south, Mozambique in the east through the Kruger National Park (a world conservation icon), Zimbabwe in the north and Botswana in the west (see Map 1). The proximity of the province to Gauteng, the Kruger National Park, Zimbabwe, Mozambique and Botswana puts the province in a strategic position as a gateway to Africa and its resources to unleash the economic potential of this great continent. The challenge to the province and its people is to maximise this gateway by acting as a catalyst for economic growth and developing the opportunities arising from NEPAD initiatives across the sub-continent. To do so necessitates a healthy provincial economy.

Map 1 Limpopo province and its neighbours

In addition to its strategic location, the Limpopo province is blessed with a diversity of cultures, unsurpassed natural beauty and biological diversity together with a rich mineral endowment. The province boasts the widest diversity of agricultural resources, tourism destinations and mineral reserves in South Africa. Evidence of this is that a spectrum of more than 70 minerals, which includes precious metals and stones, industrial minerals and coal that has both energy and chemical properties, are to be found in the province. It is therefore not without reason that the province considers Agriculture, Mining, Tourism and related Manufacturing industries as its competitive advantage and the sectors of growth.

This Limpopo Growth and Development Strategy (PGDS) is therefore aimed at providing the province and all its stakeholders, namely private sector, non-governmental organisations, parastatals, the international community and the population at large, with both a vision and a pathway for development. Following the motto Development is about People it goes without saying that a development strategy of this nature involves all three spheres of government and all government departments. These include key departments such as Safety, Security and Liaison, Finance and Economic Development, Health and Welfare, Transport, Environment Affairs and Tourism, Education, Trade and Industry, Land Affairs, Agriculture, Minerals and Energy, Water Affairs and Forestry and all municipalities and their Integrated Development Plans (IDP’s). Being multi-faceted, this strategy is the result of a ten-year process following the country’s first democratic elections in 1994 and comprises the outcome of an inclusive and co-operative process during which time many people have been involved. As a result, significant milestones in the development path of the province have been reached and, given the extent thereof, a brief summary is warranted.

1.2 Background

In 1994 the dominant features of Limpopo were institutional fragmentation, enormous backlogs in basic service delivery, the lack of decentralised local government in rural areas and a marginalised economy. Institutional fragmentation was inherited from the manner in which the province was divided into the former homelands of Lebowa, Gazankulu, Venda and Kwa-Ndebele, surrounded by the Transvaal Provincial Administration. Several development corporations were created to serve these different structures. This situation concealed many capacity constraints and paved the way for corruption and inefficient service delivery. Ten
years later, the provincial government is fully integrated with all key positions having been filled. Development corporations have also been restructured and consolidated at provincial level.

The new democratic government brought a commitment to deal with the backlog in basic service delivery. These included the entire spectrum of economic, social and infrastructure services. The challenges of increased service delivery were compounded by lack of reliable data on the backlogs and by the institutional fragmentation of government structures in the province. These conditions led to high operational expenditure pressures on the provincial budget, with a consequent deterioration in capital expenditure.

The quality of planning interventions has improved considerably in recent years, with access to scientific databases in several areas of government service delivery. The capital expenditure proportion of the provincial budget is also increasing.

The Local Government demarcation process was completed during 2000, after which the transitional local council system graduated into a formal system of developmental local government at the district and municipal levels. Inter-governmental relations in implementing development programs, however, remain a challenge. Although the need towards integration at policy level and across all spheres of government has been emphasised, this has not yet manifested itself in consolidated interventions through program implementation. The capacity of the spheres of government to coordinate development programs remains a constraint to sustainable development. The improvement of the efficiency of government is therefore one of the key development objectives in this strategy.

In 1994, Limpopo was referred to as the smallest provincial economy in the country after the Northern Cape, and the poorest after the Eastern Cape. This, however, is no longer the case. The economic growth rate in Limpopo has accelerated considerably and Limpopo has become known as the fastest growing provincial economy in the country. Mining, Tourism and Agriculture have been identified as the main driving forces for economic development and prosperity together with their associated manufacturing industries. According to a discussion document released by Stats SA, the contribution from Limpopo to the national economy has been increasing steadily from 5.7% in 1995 to 6.5% in 2002 (Stats SA Discussion Paper, Nov
However, regarding job creation, diversification and poverty reduction, the situation still needs to be improved by taking advantage of opportunities on the ground.

1.3 Government’s role in promoting the Provincial Growth and Development Strategy

During the last ten years considerable progress has been made in the provision of infrastructure such as housing, electricity, water and sanitation, roads, telecommunications, health facilities and classroom buildings. The proportion of matriculates passed with university entrance has increased considerably as well, notably in mathematics and science. There is, however, no room for complacency and the roll-out of the development plan needs to be continued, strengthened and enforced.

Government’s role in development is derived from its constitutional mandate to promote the welfare of its citizen’s. In honouring this mandate, the participation of communities and associated structures in planning and implementation of policies is essential. During the course of developing the Provincial Growth and Development Strategy (PGDS) various structures, notably NGOs, private sector, municipalities and labour were consulted and participated in defining the growth and development priorities. Figure 1 is an account of the PGDS formulation process that took place in 2003/2004.

As a process-orientated approach, various sector summits were held, culminating into a Growth and Development Summit on the 15th October 2004 during which the PGDS was adopted. This interactive process is expected to continue for the foreseeable future and should facilitate close alignment between intergovernmental development planning and implementation processes over time. The PGDS is therefore an iterative combination of a top-down (broader provincial perspective cascading across districts) and a bottom-up (municipal projects and programmes through their IDP’s) planning process.
Figure 1   PGDS Formulation Process

PGDS FORMULATION PROCESS

1999 PGDS -Implementation -Evaluation and -Review

EXCO Memorandum towards the review of the PGDS

Invitation of comments from Sector departments

Final PGDS adopted in a development Summit on the 15th October 2004

Formulation of the Draft PGDS

Draft PGDS submitted to Exco/Lekgota in January 2004 for approval.

External Consultation: Collate inputs Districts Workshops With Private sector, Institutions, NGO’s, Academics, Sectoral Summits etc

Internal Consultation: Cluster committees Collate inputs Held workshops with departments (MEC’s, HOD’s And departmental planners) and District Municipalities
1.4 Purpose of the Provincial Growth and Development Strategy

It is the purpose of this strategy to share the dream of a prosperous province that, through the actions of both government and its collaborating stakeholders, will improve the quality of life of all its citizens. In doing this it is believed that these actions will change the economic profile of the province from one characterised by underdevelopment to one characterised by dynamic prosperity. To achieve this, five key economic development objectives are set and clearly spelt out here, supported by a development strategy that focuses on enhancing the competitive advantages of the province. This strategy has as its core the promotion of seven economic development clusters. To facilitate the process, a framework of implementation and institutional arrangement has been decided on.

The structure of this strategy is based on the reasoning discussed here and is illustrated diagrammatically adjacently.

Figure 2: Linking Vision and Strategy

- Vision of the province (Section 3.1)
- Profile of the province (Section 3.2)
- Provincial development objectives (Section 3.3)
- Development strategy of the province (Section 4)
- A framework for implementation (Section 5)
- Conclusion (Section 6)
2  BASIC PRINCIPLES OF THE PGDS

The following basic principles, linked together, make up the philosophy that underlies the whole PGDS.

- **An Integrated and Developmental approach** that brings together strategies and programmes of different spheres of government together towards achieving sustainable economic growth, poverty reduction, and unemployment,

- **Contributing to National and International commitments** e.g. Reconstruction and Development Programmes objectives, the outcome of the World Summit on Sustainable Development, United Millennium Development Goals etc.

- **Building of Relationships, sharing of information and a shared vision** between spheres of government, between municipalities and between departments.

- **Participatory Democracy and Good governance** to ensure transparency and accountability in shaping the future of the province.

3  PROVINCIAL VISION, MISSION AND DEVELOPMENT OBJECTIVES

3.1 Vision and Mission of the province

The vision of the government of the Limpopo province is

*A peaceful, prosperous, united, dynamic and transformed province.*

To enable this vision, government sees its mission as

*To stimulate, promote and sustain unity and an enabling environment conducive for economic development, social justice and improved quality of life for all of its people.*
One of the pillars towards the realisation of this vision and mission statement of the provincial government is economic development. This PGDS is therefore a key towards the realisation of the stated vision and mission. To achieve its objective, namely seeing the fulfilment of the vision, the provincial government has made a range of commitments to accelerate the delivery of priority services including infrastructure, the development of human resources, the establishment of strong inter-governmental relations and co-operative governance and to reduce the impact of HIV/AIDS.

The government will facilitate economic growth, advance broad-based black economic empowerment objectives and address poverty through job creation and extended public works programmes and the promotion of local economic development. These programmes, however, will not happen haphazardly, but will follow systematically and in a way consistent with the growth and development objectives and strategies discussed later. These departmental development programmes will therefore support the PGDS as discussed here and should not be seen in isolation. The government of the Limpopo province would also like to emphasise that it views the active economic participation of all stakeholders, notably the private sector, NGO’s and parastatals, as of paramount importance in striving towards reaching the stated growth and development objectives and development strategy.

3.2  Profile of the province
3.2.1  Demographic profile

The population of Limpopo increased from 4.9 in 1996 to 5.2 million (11% of the population of South Africa) in 2001. This implies an annual population growth rate of 1.3% (Table 1). During 2002 the Department of Finance and Economic Development of the Limpopo government made projections for the Development Information Database, namely that the population growth rate is expected to decline to 1.0% by 2008. This anticipated decline is based taking cognisance of the new district boundaries of Sekhukhune and Bohlabela after re-demarcation and the impact of HIV/AIDS.

<table>
<thead>
<tr>
<th>DISTRICT</th>
<th>1996</th>
<th>2001</th>
<th>Average annual growth rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bohlabela</td>
<td>632,859</td>
<td>595,203</td>
<td>-1.20</td>
</tr>
<tr>
<td>Capricorn</td>
<td>1,063,179</td>
<td>1,154,690</td>
<td>1.66</td>
</tr>
<tr>
<td>Mopani</td>
<td>872,179</td>
<td>964,230</td>
<td>2.03</td>
</tr>
</tbody>
</table>
The age distribution of the population in Limpopo resembles the typical broad-base pyramid of developing countries, with a large portion of the population in the younger age groups and a steadily decreasing proportion in the older age groups (Figure 3). The population of the Limpopo province is, however, younger than that of the country as a whole. This implies a unique educational, recreational and developmental interventions challenge, but also offers an opportunity for growth.

Another distinctive feature of the province is that Limpopo has the highest female/male ratio in the country. Females account for 54.6% of the population in the province while the national average is 52.2%. The PGDS and the implementation thereof take cognisance of these demographic features and attempt to use these attributes as an asset.

**Figure 3: Percentage (%) of population of Limpopo by Age Group and Gender:**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Female (%)</th>
<th>Male (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-4 yrs</td>
<td>6.7</td>
<td>6.9</td>
</tr>
<tr>
<td>5-9 yrs</td>
<td>6.8</td>
<td>5.7</td>
</tr>
<tr>
<td>10-14 yrs</td>
<td>6.3</td>
<td>6.9</td>
</tr>
<tr>
<td>15-19 yrs</td>
<td>6.3</td>
<td>6.9</td>
</tr>
<tr>
<td>20-24 yrs</td>
<td>4.1</td>
<td>5.7</td>
</tr>
<tr>
<td>25-29 yrs</td>
<td>4.1</td>
<td>5.7</td>
</tr>
<tr>
<td>30-34 yrs</td>
<td>0.6</td>
<td>0.3</td>
</tr>
<tr>
<td>35-39 yrs</td>
<td>0.6</td>
<td>0.3</td>
</tr>
<tr>
<td>40-44 yrs</td>
<td>0.1</td>
<td>0.3</td>
</tr>
<tr>
<td>45-49 yrs</td>
<td>0.3</td>
<td>1.2</td>
</tr>
<tr>
<td>50-54 yrs</td>
<td>1.2</td>
<td>1.0</td>
</tr>
<tr>
<td>55-59 yrs</td>
<td>1.2</td>
<td>1.0</td>
</tr>
<tr>
<td>60-64 yrs</td>
<td>2.2</td>
<td>1.5</td>
</tr>
<tr>
<td>65-69 yrs</td>
<td>3.3</td>
<td>2.1</td>
</tr>
<tr>
<td>70-74 yrs</td>
<td>3.2</td>
<td>2.3</td>
</tr>
<tr>
<td>75-79 yrs</td>
<td>3.3</td>
<td>2.3</td>
</tr>
<tr>
<td>80-84 yrs</td>
<td>0.1</td>
<td>0.3</td>
</tr>
<tr>
<td>85+</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

Source: Statistics South Africa: Census 2001
According to the Actuarial Society of South Africa, life expectancy in Limpopo declined from 58 years in 2000 to 52 years in 2003 and is anticipated to decline even further to 42 years by 2010 (quoted in SAIRR’s South African Survey 2003/2004). This decline is mainly the result of the impact of HIV/AIDS. Underdevelopment, malnutrition and chronic diseases, such as tuberculosis and respiratory diseases, aggravate the condition since they reduce the body’s resilience and increase the patients’ vulnerability to the affects of HIV/AIDS (Table 2). Age-specific variations in the causes of death illustrate the following pattern:

- Under 5’s die mainly from diarrhoeal diseases, nutritional deficiencies and respiratory infections;
- Those 5-14 years of age die mainly from trauma-related incidents such as road and domestic accidents;
- Young adults die from trauma-related incidents as well, but also from tuberculosis and lower respiratory infections, mainly due to exposure to indoor air pollution resulting from open wood and coal fires in small and enclosed areas;
- Those over the age of 45 die mainly from trauma-related incidents, cardiovascular diseases, tuberculosis and stroke.

<table>
<thead>
<tr>
<th>CAUSES OF DEATH</th>
<th>FREQUENCY %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ill-defined (All natural)</td>
<td>23.5</td>
</tr>
<tr>
<td>Undetermined injuries</td>
<td>9.1</td>
</tr>
<tr>
<td>Cardiovascular disease</td>
<td>7.4</td>
</tr>
<tr>
<td>Stroke</td>
<td>5.9</td>
</tr>
<tr>
<td>Tuberculosis</td>
<td>5.6</td>
</tr>
<tr>
<td>Lower respiratory infections</td>
<td>4.8</td>
</tr>
<tr>
<td>Diarrhoeal disease</td>
<td>3.9</td>
</tr>
<tr>
<td>Diabetic mellitus</td>
<td>3.1</td>
</tr>
<tr>
<td>Ischaemic heart disease</td>
<td>3.0</td>
</tr>
<tr>
<td>Road accidents</td>
<td>1.8</td>
</tr>
</tbody>
</table>

Source: Statistics South Africa: Census 2001

The population, age and gender profile of the province should also be seen within the context of the skills level within the province. Approximately 76% of its economically active population are only qualified to do unskilled and semi-skilled labour with only approximately 3.5% being highly-skilled (Table 3). Sekhukhune district has the least number of highly-skilled individuals, namely 2.5% of its economically active population. 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. Clearly this is an issue that needs to be addressed through a variety of initiatives to augment the skills level of the province on a permanent basis. This implies that the skills level of the population must be improved, but also that the province should attract highly skilled individuals to relocate to the province.

### Table 3  Labour skill index: 2001

<table>
<thead>
<tr>
<th>District</th>
<th>Unskilled</th>
<th>Semi-skilled</th>
<th>Skilled</th>
<th>Highly-skilled</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sekhukhune</td>
<td>26.81</td>
<td>52.71</td>
<td>18.07</td>
<td>2.41</td>
<td>100</td>
</tr>
<tr>
<td>Bohlabela</td>
<td>25.02</td>
<td>54.58</td>
<td>17.35</td>
<td>3.04</td>
<td>100</td>
</tr>
<tr>
<td>Mopani</td>
<td>25.59</td>
<td>52.43</td>
<td>18.4</td>
<td>3.58</td>
<td>100</td>
</tr>
<tr>
<td>Vhembe</td>
<td>21.07</td>
<td>54.81</td>
<td>20.14</td>
<td>3.98</td>
<td>100</td>
</tr>
<tr>
<td>Vhembe</td>
<td>18.40</td>
<td>53.60</td>
<td>23.35</td>
<td>4.66</td>
<td>100</td>
</tr>
<tr>
<td>Waterberg</td>
<td>20.39</td>
<td>54.08</td>
<td>21.75</td>
<td>3.77</td>
<td>100</td>
</tr>
<tr>
<td>Average</td>
<td>22.88</td>
<td>53.70</td>
<td>19.84</td>
<td>3.57</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Development Index Framework: Limpopo.

Below is an account of the selected crime statistics in Limpopo. Assault and grievously bodily harm, common assault, burglary on both businesses and residences and robbery with aggravating circumstances are the main forms of crime (Table 4). All these main forms of crime, with the exception of the latter, have seen a reduction in incidence between 2000 and 2003, though they are all still higher than the 1994 levels. The trend during the latter years is, however, encouraging. Murder and attempted murder are, however, exceptions. In both these cases the 2003 levels are lower than both the 2000 and 1994 levels. This is indeed encouraging, though every life lost in such a way remains a tragedy and warrants continuous action to reduce the numbers even further.

### Table 4  Selection of crime statistics in Limpopo

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Murder</td>
<td>1203</td>
<td>973</td>
<td>803</td>
<td>711</td>
</tr>
<tr>
<td>Attempted murder</td>
<td>2228</td>
<td>1649</td>
<td>1602</td>
<td>1292</td>
</tr>
<tr>
<td>Robbery with aggravated circumstances</td>
<td>3957</td>
<td>2412</td>
<td>3268</td>
<td>3349</td>
</tr>
<tr>
<td>Common robbery</td>
<td>1773</td>
<td>2657</td>
<td>4493</td>
<td>4544</td>
</tr>
<tr>
<td>Rape and attempted rape</td>
<td>2764</td>
<td>3674</td>
<td>4361</td>
<td>4158</td>
</tr>
<tr>
<td>Cruelty towards children</td>
<td>294</td>
<td>257</td>
<td>269</td>
<td>391</td>
</tr>
<tr>
<td>Assault and grievously bodily harm</td>
<td>17530</td>
<td>19869</td>
<td>24732</td>
<td>19625</td>
</tr>
<tr>
<td>Common assault</td>
<td>13650</td>
<td>15099</td>
<td>19599</td>
<td>17848</td>
</tr>
<tr>
<td>Burglary (residences)</td>
<td>9127</td>
<td>11693</td>
<td>16565</td>
<td>13952</td>
</tr>
<tr>
<td>Burglary (business)</td>
<td>5050</td>
<td>6530</td>
<td>6867</td>
<td>5386</td>
</tr>
</tbody>
</table>

3.2.2 Economic profile

The 1999 economic development strategy of the province highlights the fact that on the supply side of the economy, the province enjoys a competitive advantage in Mining, Agriculture, Tourism and Manufacturing along the value-chains of the first three sectors. On the demand side, the province is faced with key developmental challenges of unemployment, high dependency ratios, poverty, skewed distribution of resources, equity and illiteracy. Though meaningful progress has been made in some instances, this situation has not changed substantially over the period. The economy of the Limpopo province constituted 6.5% of the total economy of the country in 2002, compared to 5.7% in 1995 (see Figure 4). For the period 1996 to 2002 the economy of the province has been growing at an annual average rate of 4%, which is higher than that of all the other provinces.

**Figure 4: Provincial contribution to the national GDP: 2002**

![Pie chart showing provincial contributions to national GDP in 2002](image)

Source: Macro-Economic Indicators, Statistics South Africa: GDPR 2002

Figure 5 depicts the structure of the provincial economy in 2002, whereas Figure 6 shows the relative contribution of the various sectors in 1995 and 2002, where Mining and Quarrying, General Government Services, Finance, Real Estate and Business Services, have seen the highest growth rates. Despite this, the structure of the economy has remained the same in that the relative contribution of Agriculture, Manufacturing, and Construction has remained low.
From 1995-2002 the province has registered significant achievements regarding economic growth (Figure 6) in various sectors of the economy. The foundation of these achievements has been the significant number of policies and legislative framework aimed at deepening
democracy and ensuring economic transformation of the province that has been developed and adopted over the past ten years.

The emergence of a strong factor driven economy characterises this growth phenomenon that has been unable to create the much needed jobs in the province. The challenge therefore is to transform the economy which depended on the primary sector activity to the one driven by the services and manufacturing sector.

Despite this marked improvement in the economic growth rate of the province, the employment growth rate is generally low, especially in Bohlabela and Sekhukhune. These districts are economically the weakest, but have large populations. This gives rise to a very high dependency ratio in both these districts, namely 11 and 19 respectively (Figure 7). The implication thereof is that each individual employed, in addition to him/herself, has to support 11 or 19 other people depending on the district. Such a high dependency index stunts domestic investment and lowers the quality of life of the populace.

The Dependency Index measures the average number of persons that are dependent on one economically active person in an area (which includes the economically active unemployed person). The *most favourable dependency index* refers to the number of people in the area that will be dependent on one person in the economically active age group if all of the latter were employed. The *actual dependency index* refers to the number of people that are dependent on one person who is actually employed at the time. Table 5 provides such a differentiation.

**Table 5: Dependency Index**

<table>
<thead>
<tr>
<th></th>
<th>1996</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potential Dependency Index</td>
<td>2.39</td>
<td>2.31</td>
</tr>
<tr>
<td>Actual Dependency Index</td>
<td>9.44</td>
<td>9.39</td>
</tr>
</tbody>
</table>

Source: Development Index Framework: Limpopo.
The unemployment rate, according to the expanded definition, is also the highest in these two districts, namely 56.9 per cent in Bohlabela and 69.4 per cent in Sekhukhune during 2003 (Table 6). This compares very unfavourably with that of Waterberg, 31.2 per cent and Mopani, 41.8 per cent, which is very high in any case. The difference between the restricted and expanded definitions of unemployment is that the expanded definition includes the disillusioned or discouraged jobseekers, while the restricted (or official) definition excludes them, since they are considered voluntarily unemployed. Therefore, the growth rate in the expanded definition is considerably higher than that of the restricted definition.

It should therefore come as no surprise that the Sekhukhune and Bohlabela districts are the areas with the highest number of people in poverty, though the number of people in poverty in Capricorn is rising dramatically. This can be attributed to the fact that this district, which
houses the capital of the province, draws people from the rural areas in search of work (Table 7). Migrant labour and job expectations are therefore distorting the employment and poverty profile of the respective districts. The above illustration, however, confirms the relationships between poverty levels and unemployment as shown in Table 6. The overall level of poverty in the province has declined marginally from 62.4% to 60%. This is, however, alarmingly high and it has a significant bearing on the level of human development.

Table 7 Number of people in poverty: 1998 and 2003

<table>
<thead>
<tr>
<th>District</th>
<th>1998</th>
<th>%</th>
<th>2003</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capricorn</td>
<td>588 345</td>
<td>60.9</td>
<td>680 216</td>
<td>65.3</td>
</tr>
<tr>
<td>Bohlabela</td>
<td>490 526</td>
<td>66.5</td>
<td>448 503</td>
<td>56.5</td>
</tr>
<tr>
<td>Mopani</td>
<td>554 706</td>
<td>61.4</td>
<td>537 757</td>
<td>55.5</td>
</tr>
<tr>
<td>Sekhukhune</td>
<td>534 206</td>
<td>70.4</td>
<td>545 362</td>
<td>67.2</td>
</tr>
<tr>
<td>Vhembe</td>
<td>720 434</td>
<td>60.9</td>
<td>786 842</td>
<td>62.0</td>
</tr>
<tr>
<td>Waterberg</td>
<td>380 348</td>
<td>55.4</td>
<td>373 800</td>
<td>50.8</td>
</tr>
<tr>
<td>Province</td>
<td>3 268 566</td>
<td>62.4</td>
<td>3 372 479</td>
<td>60.0</td>
</tr>
</tbody>
</table>

Source: Global Insight Southern Africa: 2004

The provincial Human Development Index (HDI), which is a composite, relative index that attempts to quantify the extent of human development, has improved slightly from 0.46 to 0.49 over the period 1998 to 2003 (Table 8). This improvement is mainly because of the high average annual economic growth rate of 4% over the period. Despite this growth and improvement the HDI is, however, still the lowest among all the provinces of the country. This is a clear indication towards the need to develop the economy of the province.

Table 8 Human development index for 1998 and 2003

<table>
<thead>
<tr>
<th>Province</th>
<th>1998</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Cape</td>
<td>0.66</td>
<td>0.67</td>
</tr>
<tr>
<td>Eastern Cape</td>
<td>0.50</td>
<td>0.51</td>
</tr>
<tr>
<td>Northern Cape</td>
<td>0.54</td>
<td>0.56</td>
</tr>
<tr>
<td>Free state</td>
<td>0.53</td>
<td>0.55</td>
</tr>
<tr>
<td>KwaZulu-Natal</td>
<td>0.53</td>
<td>0.56</td>
</tr>
<tr>
<td>North West</td>
<td>0.50</td>
<td>0.53</td>
</tr>
<tr>
<td>Gauteng</td>
<td>0.67</td>
<td>0.69</td>
</tr>
<tr>
<td>Mpumalanga</td>
<td>0.51</td>
<td>0.53</td>
</tr>
<tr>
<td>Limpopo</td>
<td>0.46</td>
<td>0.49</td>
</tr>
<tr>
<td>South Africa</td>
<td>0.56</td>
<td>0.59</td>
</tr>
</tbody>
</table>

Source: Global Insight Southern Africa: 2004

The Human Development Index (HDI) is based on measures of life expectancy, literacy and income. It is thus seen as a measure of people’s ability to live a long and healthy life, to communicate, to participate in the life of the community and to have sufficient resources to obtain a decent living. The HDI can assume a maximum level of 1, indicating a high level of human development, and a minimum value of 0.
The Gini-coefficient (Table 9), an indicator of income distribution, for the Limpopo province does not significantly differ from those of other provinces. Nevertheless, the distribution of income is still highly skewed and would require specific interventions that would contribute towards broad-based economic participation by all, that would strengthen the various development linkages in the economy.

Table 9  Gini-coefficient: 1998 and 2003

<table>
<thead>
<tr>
<th>Province</th>
<th>1998</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Cape</td>
<td>0.57</td>
<td>0.58</td>
</tr>
<tr>
<td>Eastern Cape</td>
<td>0.62</td>
<td>0.64</td>
</tr>
<tr>
<td>Northern Cape</td>
<td>0.59</td>
<td>0.61</td>
</tr>
<tr>
<td>Free State</td>
<td>0.60</td>
<td>0.63</td>
</tr>
<tr>
<td>Kwa zulu Natal</td>
<td>0.62</td>
<td>0.64</td>
</tr>
<tr>
<td>North West</td>
<td>0.56</td>
<td>0.59</td>
</tr>
<tr>
<td>Gauteng</td>
<td>0.60</td>
<td>0.60</td>
</tr>
<tr>
<td>Mpumalanga</td>
<td>0.61</td>
<td>0.63</td>
</tr>
<tr>
<td>Limpopo</td>
<td>0.60</td>
<td>0.63</td>
</tr>
<tr>
<td>South Africa</td>
<td>0.62</td>
<td>0.64</td>
</tr>
</tbody>
</table>

Source: Global Insight Southern Africa

a The Gini-coefficient is a summary statistic of income inequality, which varies from 0 (in the case of perfect equality where all households earn equal income) to 1 (in the case where one household earns all the income and other households earn nothing). In practice the coefficient is likely to vary from approximately 0.25 to 0.70.

From this brief overview it should be evident that, by and large, the majority of the people of the province are unemployed, unskilled or semi-skilled and still live in poverty. This poses significant socio-economic challenges.

3.2.3 Socio-Economic Challenges

The demographic and economic profile of the province suggests that urgent programmes of action against poverty are required. These include, first, redirecting the current poverty alleviation and eradication interventions to target income-generation and job-creation as primary objectives, within the context of linkages with other provincial development programmes; second, establishing a dedicated institutional structure for poverty eradication. This requires a suitable organisational structure with a longer-term identity and authority. Third, to identify, describe and concentrate on provincial poverty pockets for maximum impact. This implies that programmes such as broad-based black economic empowerment, land reform and SMME development are required to facilitate the economic participation by all. In this context one should take cognisance of the large number of women, the low level of skills and the high dependency ratio as well as the fact that the population of the province is relatively young and characterised by a declining life expectancy. Fourth, to work towards an
integrated land-use plan that takes cognisance of various environmental and development factors such as the severe and widespread land degradation in the province (also compared to that of the other provinces) and water availability and distribution. This would imply the need for a programme that focuses on the restoration of natural capital.

Restoring natural capital involves the repair or rehabilitation of degraded or transformed natural areas through the reintroduction of indigenous biomass. Such a restoration project would re-establish the environmental goods and services linked to a functioning ecosystem. These services include carbon sequestration (much needed to reduce the impact of global climate change), water provision and water purification (much needed in a water-poor country), and soil formation and land productivity (much needed to improve the agriculture potential of the land). Such a rehabilitation project could be self-financing, should a market for environmental goods and services, based on sound principles, exist. Such a rehabilitation initiative could also be labour-intensity, thereby addressing rural poverty, since the market for improved ecosystem goods and services actually exists where the people are (Figure 8). A good example of such a rehabilitation programme is the project in Kenya for which Wangari Maathai received the 2004 Nobel Peace Prize. This policy could stimulate other, secondary, activities, such as eco- and nature-based tourism. Henceforth, this policy could achieve much towards reversing the fortunes of rural communities who tend to be doubly poor: suffering from a lack of financial resources, while their natural resource base, which used to be the basis for their livelihoods, is degraded.

**Figure 8: Combating poverty, biodiversity loss, climate change and desertification**

Restoring natural capital involves the repair or rehabilitation of degraded landscapes.

Ecosystem goods and services include:
- Climate regulation
- Water regulation
- Biological regulation
- Nutrient regulation
- Habitat provision
- Cultural & aesthetic values
- Source of energy
- Absorption of waste

Source: Focus 54. Department of Economics, University of Pretoria.
These programmes and structures mentioned here, however, will not stand or work in 
isolation from the strategy discussed here; on the contrary. These programmes will be key 
elements within and through which the development strategy will be implemented. Before 
embarking on the discussion of the strategy itself, it is important to focus on the provincial 
development objectives that the province has set itself.

3.3 Provincial Development Objectives

Following the outcome of various international, national and provincial programmes and 
initiatives such as the World Summit on Sustainable Development, NEPAD, the National 
Spatial Development Program, the National Growth Summit, the Integrated Sustainable Rural 
Development Strategy, Land Reform and Land Restitution Programme, the National Skills 
Development Strategy, the National Housing Policy and the policy on free basic services and 
the National Crime Prevention Strategy, the province adopted five development objectives for 
itself whose performance indicators correspond to those of the Millennium Development 
Goals. These objectives (discussed in detail below) are:

- The need to improve the quality of life of the population of Limpopo,
- Growing the economy of the province, sustainable job creation, innovation and 
  competitiveness,
- Improve the institutional efficiency and effectiveness of Government,
- Address priorities that cut across the three objectives above, such as Black economic 
  Empowerment, HIV/AIDS-TB, poverty reduction, issues of Land and Environment 
  etc, and
- Attain regional integration.

These objectives are aimed towards facilitating economic growth and capital investment that 
will address the low absorption rate of the labour force into the economy as a matter of 
priority. This aim is founded within the president’s State of the Nation Address of 2004 in 
which he stressed the need to bridge the divide between the First and Second Economies. 
Additionally, the premier raised concern during his State of the Province Address that the 
economy of Limpopo has been growing at a rate double that of the national average, while 
joblessness and abject poverty persist. The objectives set for the growth and development 
strategy for the Limpopo should address this paradox. The essence of the PGDS is to achieve
improved quality of life by growing the economy, made possible by the institutional efficiency of government, as symbolized by the three legged pot in Figure 9:

**Figure 9: Linking the Objectives of the PGDS**

![Quality of life (job creation)]

```
The Vision of the Province will be archived by Growing the economy and Meeting peoples needs so that citizens can enjoy a High quality of life with equal opportunities, in a province they are truly proud of.
```

Growing the economy (mining, tourism and tourism), building on the Strength of the province and enhancing innovation and competitiveness

3.3.1 To improve the Quality of Life of the population of Limpopo

Improved quality of life is linked to the ability of people to acquire goods and services arising from such development. Improved quality of life means the elimination of poverty and unemployment, improved literacy levels, improved life expectancy, and improved access to basic services and a reduced dependency ratio in the context of a growing economy. The strategic objectives and ensuing performance indicators that underpin the improved quality of life objective are shown in Table 10.

**Table 10 Objectives and Indicators for improving quality of life**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Performance indicator</th>
</tr>
</thead>
</table>
| 1 Develop the human resource potential of the province | • Net enrolment ratio in primary education  
• Proportion of pupils starting grade 1 who reach grade 5  
• Literacy rate of 15- to 24-year olds |
| 2 Improve health and social status of the population | • Under-five mortality rate  
• Infant mortality rate  
• Proportion of one-year-old children immunized against measles  
• Maternal mortality ratio  
• Proportion of births attended by skilled health personnel  
• HIV prevalence among 15- to 24-year pregnant women  
• Number of children orphaned by HIV/AIDS a  
• Condom use rate of the of the contraceptive prevalence rate b |

---

(a) **a**
(b) **b**
• Prevalence and death rates associated with malaria
• Proportion of population in malaria-risk areas using effective malaria prevention and treatment measures\(^c\)
• Prevalence and death rates associated with tuberculosis
• Proportion of tuberculosis cases detected and cured under directly observed treatment short courses (DOTS)

3 Reduce crime and corruption
• Violent crime (murder, attempted murder, culpable homicide and rape) per 1000 of the population
• Robbery per 1000 of the population
• Number of child abuse cases per 1000 of the population
• Fraud per 1000 of the population

4 Meet the basic needs of the population
• Proportion of population with sustainable access to an improved water source, urban and rural
• Proportion of population with access to improved sanitation
• Proportion of households with access to secure tenure

5 Promote a safe and healthy environment
• Proportion of households using wood and paraffin as primary energy source
• Ratio of area protected to maintain biological diversity to surface area
• Proportion of highly degraded land surface area
• Proportion of land area covered by indigenous biomass

6 Meet the needs of specific communities, women, elderly, youth, disabled and the marginalized
• Proportion of population living in poverty
• Share of poorest quintile to provincial consumption
• Prevalence of underweight children (under five year old)
• Proportion of population below minimum level of dietary consumption
• Ratio of girls to boys in primary, secondary and tertiary
• Ratio of literate females to males among 15-24-year-olds
• Share of women in wage employment in the non-agricultural sector

\(^a\) The proportion of orphan to non-orphan 10- to 14-year-olds who are attending school.
\(^b\) Among contraceptive methods, only condoms are effective in reducing the spread of HIV/AIDS.
\(^c\) percentage of children under five sleeping under insecticide-treated bed nets (prevention) and appropriately treated.

3.3.2 Growing the economy towards sustainable job creation, sustainable job creation, innovation and competitiveness

Growing the economy to create jobs and wealth is a necessary condition towards the sustainable development in Limpopo. The importance of creating jobs and wealth is derived from the fact that it impacts directly on the quality of life, self-reliance, the distribution of resources and empowerment. Improved access to technology and knowledge-based activities is a necessary condition towards an information society. The platform for increased economic growth is based on the ability of the society to compete globally. The provincial government shall enhance traditional constituency of manufacturing activities by creating incentives for these activities. It is therefore essential to unlock the knowledge in tertiary institutions within the province and establish centres of excellence; an important intervention in the form of policies to address issues related to intellectual property and indigenous knowledge systems. The Province will also devise in the short term, a strategy as part of a national initiative that responds to the World Summit on Information Society resolutions to bridge the digital divide.
and thus build an information society in support of the provincial objectives in order to ensure sustainable socio-economic development in a global economy that is increasingly characterised by information and knowledge as the major factors of production. The strategic objectives and ensuing performance indicators associated with this objective are listed in Table 11.

Table 11   Objectives and Indicators for growing the economy, sustainable job creation, innovation and competitiveness

<table>
<thead>
<tr>
<th>Objective</th>
<th>Performance indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Poverty reduction</td>
<td>• These indicators overlap with those under improving the quality of life of specific communities listed under item 6 of the previous objective</td>
</tr>
</tbody>
</table>
| 2 Job creation | • Level of unemployment  
| | • Dependency ratio |
| 3 Increase investment | • Provinical portion of the Foreign Direct Investment in the country |
| 4 Develop and improve economic infrastructure | • Fixed capital expenditure or investment as percentage of current expenditure |
| 5 Equitable redistribution of opportunities and productive resources | • Income distribution as measured through the Gini-coefficient |
| 6 Above average growth rate | • Economic growth rate |
| 7 Undertake research and development | • Number of researches undertaken |
| 8 Improve capacity in knowledge base manufacturing | • Number of training undertaken |
| 9 Bridge the Digital Divide and build the Information Society in Limpopo | • The extent to which the plan to bridge the digital divide and build the information society has been implemented |

3.3.3 To Improve the Institutional Efficiency and Effectiveness of government

Priority attention to be given to service delivery improvement, addressing the needs of the citizens and improved accountability for results and output within the public service, meeting the targets set in the plans within the planned period and allocated budgets. The strategic objectives and ensuing performance indicators associated with this objective are listed in Table 12.

Table 12   Objectives and Indicators to improve the institutional efficiency and effectiveness of government

<table>
<thead>
<tr>
<th>Objective</th>
<th>Performance indicator</th>
</tr>
</thead>
</table>
| 1 Improve capacity of the provincial administration to deliver public services | • PGDS/IP alignment  
| | • Structure supporting strategic plans  
| | • Improved planning and implementation capacity  
| | • Improved monitoring and evaluation  
| | • Efficient and Effective Systems  
| | • Efficient and Effective State Agencies  
| | • Proportion of Provincial development objectives achieves  
| | • Service delivery rating |
Improved performance of local government (Municipalities)

- Strengthen monitoring capacity of department of Local Government and Housing
- Integrated service delivery in municipalities
- Implement the National Intergovernmental Relations Framework.

Transformation and institution building

- Public utilization rate
- Efficient and effective Financial management Provincial Government and Municipalities
- Implementation of the anti-corruption strategy in Provincial Government and Municipalities
- Effective and efficient utilisation and management of Human Resource
- Implementation of provincial e-government and communication strategies
- Management of special programmes (women, disabled/ youth)

Skills development

- Implementation of the Provincial Human Resource Development Strategy

Details of programmes and the proposed targets in pursuit of the above objectives are listed as Annexure A.

3.3.4 Unique priorities such as Black Economic Empowerment, HIV/AIDS, Poverty Reduction, Issues of Land and Environment

The goals and priorities of this objective are included in the above three objectives of the PGDS.

3.3.5 Attain Regional Integration

Harnessing Limpopo’s strategic location as gateway to Africa towards achieving the objectives of NEPAD. The strategic objectives and ensuing performance indicators associated with this objective are listed in Table 3.

Table 13 Objectives and Indicators for attaining regional integration

<table>
<thead>
<tr>
<th>Objective</th>
<th>Performance indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Establish collaboration and partnerships with neighbouring states on areas of mutual benefit</td>
</tr>
</tbody>
</table>
4 PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY

4.1 Strategy and programme

The provincial government’s constitutional mandate is to alleviate poverty through, among others, the provision of pensions and grants, child support grants, support to HIV/AIDS victims, free basic health care and the provision of free basic services such as water and electricity. The province shall continue to provide services in this context.

The provincial government has also embarked on a programme focusing on individual households food security through which 50 000 vulnerable households who receive food parcels are assisted to become economically active and generate their own income from agriculture produce.

The government has also committed itself to the general growth and development of the province. This commitment is based on a strategy of seven development industrial clusters following the value-chain approach adopted in a development summit, as a vehicle to create employment opportunities, to raise the international competitiveness and investment rating of the province, to combine public and private sector contributions to development and to align the interventions of various public development institutions for greater impact. This provides ample room for co-operative governance since the success of these clusters will mainly depend on the ability to integrate the different governmental services, such as safety and security, health, education, public works and infrastructure provision and environmental and water resource management to support the development of these clusters. Additionally, the success of the cluster development will further require the support of national government departments, such the Department of Trade and Industry, the Department of Science and Technology, the Department of Environmental Affairs and Tourism, the Department of Water Affairs and Forestry and the Department of Minerals and Energy. Lastly, the cluster development strategy will also have to be supported by the respective municipalities’ Integrated Development Plans. From these it should be evident that development, and the strategy proposed here to facilitate this process, is multi-faceted and requires all spheres and
government and all departments to co-operate in pursuit of the provincial vision stated in Section 2.1.

These seven clusters, listed below, were carefully selected based on the premise that Agriculture, Mining, Tourism and Manufacturing are the main drivers of the Limpopo province economy. It should be noted, however, that all these clusters are faced with one major development constraint, namely water. Water is a scarce resource in South Africa and more so in the Limpopo province. This is why the province is considering augmenting its water supply options through the development of various dams. The formation and promotion of the cluster development, however, has to go hand in hand with a water resource and management strategy to ensure optimal use. All effort should be made to use the existing water in the best possible way. This includes implementing water demand-side and conservation strategies. Continuous research to improve water use efficiency is therefore of the utmost importance. The seven development clusters (which were adopted at a summit, see Annexure B) are:

- Platinum mining cluster on the Dilokong Corridor between Polokwane and Burgersfort (Sekhukhune district) and also in the Waterberg district
- Coal mining and petrochemical cluster at Lephalale on the East-West Corridor (Waterberg district)
- Fruit and Vegetable (horticulture) cluster in Vhembe, Mopani and Bohlabela
- Logistics cluster in Polokwane (Capricorn district)
- Red and White meat cluster on all the corridors (all districts)
- Eight tourism sub-clusters at a number of high-potential destinations
- Forestry cluster in the Mopani and Vhembe districts.

Development clusters are critical masses, spatially concentrated and of unusual competitive success in a particular field. They encompass an array of linked industries, from suppliers and providers of infrastructure to down-stream activities and service organisations. They also include training, research and governmental institutions. Competitive advantage within these clusters is driven not so much by the source and cost of inputs as by the productive use of inputs, which requires continuous innovation.
Middle and low-income countries have traditionally competed in the world market with cheap labour and natural resources. To move beyond this stage, the development of well-functioning clusters is essential. Promoting cluster formation will require policies to be refined to focus on:

- Improving education and skills,
- Providing essential infrastructure,
- Building capacity in technology,
- Opening access to capital markets, and
- Improving institutions and institutional efficiency.

Once a cluster begins to form, a self-reinforcing cycle promotes its growth. Clusters improve competitiveness by increasing productivity, by driving the direction and pace of innovation and by stimulating the formation of new businesses. They therefore provide a good context within which to develop a strategy to promote economic growth, to create sustainable opportunities for local economic development and SMMEs, broad-based black economic empowerment, gender equity and to acceptable returns for investments in development.

In practical terms, it means that the value-chains of the emerging development clusters have to be analysed and their location on the respective Spatial Development Initiative has to be described. It should be noted that these are by no means the only potential clusters within the various districts. Other development clusters should also be identified and promoted over time, but it is important to start with a manageable number to achieve the momentum required to extend the value-chains of each cluster. These selected clusters will be discussed in more detail now. Cognisance should be taken of the fact that the comprehensive design of the clusters and an analysis of what is needed for the implementation of these clusters are part of the implementation plan of the respective departments in consultation with all relevant stakeholders and affected parties, co-ordinated by the Office of the Premier.
4.2 Development clusters

4.2.1 Platinum and Chrome mining cluster on the Dilokong Corridor between Polokwane and Burgersfort (Sekhukhune district) and in the Waterberg district

Anchor projects for this cluster will be the new platinum mines and smelter as well as the chrome mines and all ensuing up-stream developments (input suppliers) that emerge from these developments (see Map 2). Down-stream activities refer to the smelter that has already been constructed with the potential for expansion, as well as a refinery that is envisaged in the future and other high value uses like in the autocatalytic, glass, dentistry, fuel cells industries, etc.

Public sector interventions to improve the competitiveness of these platinum clusters include the upgrading of the road between Burgersfort and Polokwane, water source development (Map 3), education and skills development with specific reference to the mining sector and improved service delivery for residential development around the mines.

4.2.2 Coal mining and Petrochemical cluster at Lephale on the East-West Corridor (Waterberg district)

Proposals have been developed to expand the existing Grootgeluk Coal Mine (Map 2) and the power station and also to build an aromatics extraction factory, which form the core of this cluster. The factory will be fed with chemical grade coal from Grootgeluk Mine. A wide range of down-stream opportunities exists in the styrofoam, plastic, nylon, rubber product, non-recovery coking, reductant and char industries. A memorandum of understanding for the compilation of a feasibility study has been signed between Kumba Resources (Grootgeluk Mine) and the Limpopo province.

Public sector interventions include approval for the expansion of the power station, water source development, education and skills development with specific reference to the chemical industry, and a rail link to Richards Bay in the long term.
Map 2 Mining cluster map

LEPOPO GROWTH AND DEVELOPMENT STRATEGY
MINING CLUSTER MAP
October 2004

Petrochemical Cluster

Map

LEGENDS:

- Industrial Cluster
- Residential
- Agricultural
- Transportation
- Water Supply
- Rural
- Agricultural
- Industrial
- Residential
- Transportation
- Water Supply

Key:

- Main Roads
- Secondary Roads
- Urban Areas
- Rural Areas
- Industrial Areas
- Residential Areas
- Agricultural Areas
- Transportation Areas
- Water Supply Areas

Note:

- The map provides an overview of the mining cluster in the Leopoopo region, highlighting the key industrial and residential areas, transportation routes, and water supply infrastructure.

- The map includes legends and key symbols to identify different types of zones and infrastructure within the mining cluster area.

- Specific regions and locations within the mining cluster, such as the Petrochemical Cluster, are highlighted for easier identification.

- The map is dated October 2004, indicating the time of its creation or last update.
Map 3 OWRDP- Water supply scheme
4.2.3 Fruit and Vegetable (horticulture) cluster in Vhembe, Mopani and Bohlabela

During the investor conference held in August 2003 it was decided that the development of the fruit and vegetable potential of the Vhembe, Mopani and Bohlabela districts should enjoy high priority. This includes the development of a fruit and vegetable processing facility that should form the anchor project for this cluster (Map 4). The cluster value-chain should be extended up-stream to include the local production of inputs for the growing of selected fruit and vegetable commodities, such as plant material production, nurseries, pesticides and fertilisers (including organic fertilizers). The value-chain down-stream includes processing, packaging and exporting industries. Additionally, the province has a very advantageous climate and land for the development of high-value organic food products. This could compliment the activities of the Tourism cluster.

Public sector interventions include the commercialisation of state farms, water resource development (Map 5), rehabilitation of community irrigation schemes, skills development among emerging farmers and the encouragement of public-private partnerships with established commercial farmers. Improvements to logistical capacity and investment in plant biotechnology will also contribute significantly to increased competitiveness of this cluster.

Of special importance with regard to the development of this cluster is the various ongoing land reform processes. These include the Land Restitution process that needs to be finalised by 31 December 2005 (90% of the commercial farm land in the province is currently subject to land claims), the Land Redistribution process under which land that has not been transferred under the Land Restitution process be made available to emerging black farmers, and the Tenure Reform Programme which involves the process of transferring full ownership of the communal land areas to traditional authorities.
Map 4: Horticulture cluster map
Map 5 Map showing water supply scheme
4.2.4 Logistics cluster in Polokwane (Capricorn district)

This proposed cluster should promote Polokwane as a destination of choice for people and cargo whereby the city can act as gateway to southern Africa. Polokwane can constitute a nerve centre for regional economic integration, towards achieving the ideals of NEPAD (Map 6).

The logistics cluster should therefore be centred on providing inter-modal transportation that incorporates Polokwane International Airport, the rail station and the proposed truck inn. Additional demand for air traffic will have to be induced, for example, by tendering to become a United Nations Logistics Depot for Sub-Saharan Africa. This will create opportunities up-stream for food production and down-stream for manufactured products, such as tarpaulins, water cans, basic medical supplies and packaging material. Manufacturing activities in the industrial parks adjacent to the airport should therefore become part of this cluster concept.

An International Convention Centre, as reaffirmed at the Sector Summit in August 2004, could form another part of this cluster. NEPAD and SADC conferences are envisaged as niche markets for the International Convention Centre. Facilities for international and national sporting events should ideally be combined with the proposed convention centre, since this is an effective strategy to attract additional purchasing power into the province.

The proposed cluster should also include a procurement component, such as a regional shopping centre with convenient customs clearing facilities; as well as a research and development component to promote product development and competitiveness in all clusters through science and technology.

Immediate public sector interventions should include negotiations with the United Nations regarding the utilisation of the airport as a logistics depot for Southern Africa. Further interventions will have to include feasibility studies for all the proposed cluster projects, such as the Convention Centre, the expansion of existing sporting facilities and the Industrial Development Park around the airport.
4.2.5 Red and White meat cluster on all the corridors (all districts)

This cluster should build on current and emergent cattle and poultry production, as well as animal-feed production, and should be expanded to incorporate under-utilised facilities such as state farms across the province (Map 7). Up-stream development opportunities include sorghum production by emergent farmers (a major substitute for maize), as a strategy to raise the competitiveness of animal-feed and meat production in Limpopo.

Down-stream activities should include improved efficiencies at abattoirs, as well as the packaging and distribution supply chain. The growing trend towards game farming in the province could lead to the lucrative venison market being incorporated into this proposed cluster. Business plans that have recently been compiled for increased goat production in Limpopo also form part of this cluster.

Public sector interventions should include the commercialisation of state farms, skills development among emerging livestock farmers and the encouragement of Public-Private-Partnerships with established commercial farmers.

4.2.6 Tourism cluster (all districts)

Tourism has been identified as one of the sectors in which the province enjoys a competitive advantage. Since the whole province offers unique tourism attractions, eight sub-clusters have been identified (Map 8) and are listed here as:

- Special interest activities, such as Mapungubwe and Nylsvlei Birding;
- The game industry value-chain;
- Golf and game tours;
- Biospheres, such as Waterberg, Soutpansberg and Lowveld;
- Family entertainment (including resorts, sport and picnic places);
- Polokwane business tourism (Anchor projects would be the International Convention Centre, sporting complex and the airport);
- Mountain adventure on escarpments, and
- Transfrontier Parks.
Up-stream potential along the value-chain refers to the increased inputs required by tourist operators and facilities and down-stream potential, relates to the anticipated increase in spending by tourists on local goods and services, such as arts and crafts.

Public sector interventions should include the commercialisation of provincial game reserves, the rehabilitation of degraded landscapes, education and skills development with specific reference to the tourism sector, the improvement of access roads and collective marketing. Routes will also have to be improved between the various destinations. Active participation by Limpopo in the Transfrontier Park development process could facilitate the provincial tourism cluster’s development process.

4.2.7 Forestry clusters in the Mopani and Vhembe districts

Existing plantations are at the centre of this cluster. Up-stream activities include nurseries and plant material production, whereas down-stream activities refer to sawmills and other timber processing facilities.

The Forestry Enterprise Development Programme of the Department of Water Affairs and Forestry provides a major impetus for the development of the proposed Forestry Cluster in Limpopo. Urgent attention will have to be given to the risks and constraints associated with log production. The anticipated future decline in log production from Limpopo could threaten the extensive down-stream processing industry that has already developed in timber-producing areas. A further concern that will have to be managed carefully is that of the impact of plantation forestry on already stressed watercourses. This additional stress, if not managed properly, could hamper the development of the tourism, horticulture, meat and mining clusters. Also, the potential exists that these exotic plantation species could spread into the Kruger National Park.
Map 7 Red and white meat cluster map
Map 8 Tourism cluster map
5 INSTITUTIONAL FRAMEWORK FOR MANAGING THE GROWTH AND DEVELOPMENT STRATEGY

5.1 Framework of Implementation

5.1.1 Intergovernmental, Sectoral and Departmental relations

Ensuring an effective and efficient institutional arrangement for coordinating government programmes towards an improved quality of life, increased economic growth and raising the level and quality of government’s service delivery is key towards the realization of the goals and objectives of this Limpopo Growth and Development Strategy (PGDS). To achieve these goals and the proposed targets, the governance architecture needs to be strengthened at national, provincial and local levels, as these are inextricably linked and mutually interdependent. A proposed model for monitoring the implementation of the PGDS is outlined in Figure 10.

Figure 10: Growth and Development Strategy: Framework for implementation
The Premier and the Executive Council Members (MECs) meet regularly to ensure that provincial development is aligned to the manifesto of the ruling party that is in government.

PGDS Advisory Council shall be established to play the role of overseer on the implementation of the PGDS. This entails providing the necessary advice to the EXCO, mobilise multi-sectoral initiatives in support of the broad provincial development objectives, and co-ordinate efforts of various stakeholders to ensure that activities and programmes are in line with the provincial consensus. This council will create a platform for regular contact between government and the stakeholders to plan and coordinate projects and programmes together. It will also afford key players opportunities to deal with bottlenecks and other constraints facing the implementation of the PGDS.

The progress made concerning the achievement of the objectives and targets set for the respective development clusters shall remain standing items of the agenda of this council. The progress made, challenges of and ensuing plans towards the implementation of the clusters shall be agreed upon within the council. The policy coordination unit in the Office of the Premier shall act as secretariat support to the council.

At a provincial level, departments are arranged according to clusters of the EXCO. Each of these EXCO-clusters has been set targets for each for their respective objectives. These targets should be reflected in departmental management plans and in the IDP’s, both at the District and the Municipal level. The respective EXCO-clusters and their objectives are:

- **Economic Cluster**, of which the collaborating department focuses on accelerating
  - Capital formation and economic infrastructure development,
  - Economic growth,
  - Job-creation,
  - Structural diversification of the provincial economy, including sport, arts and culture,
  - Spatial distribution of economic activity, and
  - Poverty reduction.

- **Social Cluster**, of which the collaborating department focuses on improving the quality of life of the province’s citizens by:
o Reducing crime and corruption,

o Poverty reduction,

o Providing adequate shelter through appropriate housing provision, but within integrated residential environments (i.e. with access to schools, clinics, security, municipal services and places of employment),

o Providing appropriate housing services for the increasing number of people who are seeking residence near places of work in areas of economic growth,

o Human resource development (skill development), and

o Improving the health status of the population.

• **Governance and Administration Cluster** whose purpose is to ensure good governance and institutional efficiency by promoting:

  o Intergovernmental coordination,
  o Macro-organisation of the state,
  o Transformation and Institution building,
  o Service delivery improvement,
  o Responsive management, and
  o Monitoring and evaluation.

These EXCO-cluster committees are supported by a dedicated secretariat from the Policy Coordination Unit. The secretariat consists of officials at a senior level who provide guidance on strategic issues, record and report on progress made and challenges, across departments and between spheres of government. This implies that the secretariat will have to ensure both vertical and horizontal alignment of policies and actions to achieve the objectives and strategies discussed here. The Policy Coordination Unit will also coordinate the activities of the Development clusters identified here by the PGDS. This implies that information on progress and challenges encountered shall feed into cluster committees for guidance, advice and support. This implies that there is a need to communicate the PGDS and progress made in respect of it to all people. This should be communicated via the formal communication systems of government. EXCO needs to meet the people, the sector clusters, departments and municipalities and all other stakeholders and citizens in Limpopo. Feedback received from this communication process should be incorporated into the activities of the PGDS. In this
manner the strategy should become a collaborative effort, not of government alone but of labour, business and community stakeholders alike. It is only through the collaboration of all stakeholders that the ambitious development targets contained in this PGDS will be achieved and whereby the vast development potential of Limpopo and the region can be realised.

5.1.2 Monitoring and Evaluation

In line with the Draft Guidelines for the Formulation of the PGDS from the Presidency, the PGDS shall not be reviewed or changed annually. Rather, an assessment of progress, as informed by the IDP of municipalities and departmental strategic plans, will guide the development of the strategy. The consolidated assessment should inform the annual plans of departments and municipalities. Periodic monitoring and evaluation on the impact, process and management should therefore be undertaken.

5.1.3 Development Information Database

A provincial database on development information is required to improve the planning performance of government. The database should cover economic, social and infrastructure dimensions of development, as well as crosscutting issues such as poverty reduction. It should be continuously updated for information to remain current. It should also have a geographic information system capability and should reflect qualitative impact in addition to quantitative impact. Outstanding development indicators should be compiled to measure trends and progress. Departmental and municipal users should have online access to the database and specialist databases in departments and municipalities should be linked to it. The provincial development information database could also be linked with the IDP nerve centre at the national government level. The GIS and Research Unit of the Policy Coordination Unit in the Office of the Premier should ensure that information management priorities pertaining to an integrated development information database across departments and municipalities are met.

5.1.4 Departmental Management Plans

Every year the Limpopo Provincial Administration compile their management plans in line with the provision of the Public Finance Management Act, Public Service Regulations framework and Limpopo Growth and Development Strategy for the Medium Term Expenditure Framework. The management plans summarise the detailed operational plans of
the departments and describe what individual budget holders are planning to do to further the departments strategic objectives and targets set to measure progress. The management plans therefore form the basis for the internal monitoring and progress and can also be used to identify the implications of the alternative cause of action. It is therefore essential for departments to incorporate and align their targets and objectives with that of the PGDS to improve on the harmonisation and integration towards the implementation of government programmes.

5.2 Harmonisation and alignment of the National Spatial Development Framework (NSDF), Limpopo Growth and Development Strategy and the Integrated Development Plans (IDP’s) of municipalities

The Presidency analysed the spatial impact of infrastructure and development programmes and recommended mechanisms to improve their alignment at the request of the national Cabinet. The results are contained in the National Spatial Development Perspective (NSDP) that was released in April 2003.

The NSDP distinguishes between social development interventions that are need-based and economic development interventions based on some form of commercial potential (growth points). Government interventions, including infrastructure investment, should reflect this distinction. The allocation of government resources, at all levels, should be balanced between pressing social needs and developing economic potential (promoting economic growth), which is likely to reduce social needs and improve living standards in the future.

Although all citizens are entitled to a basic level of services, the greatest impact in terms of social investment will be achieved within large clusters of settlements that are densely populated. Investment in development potential should be informed by the competitiveness of the opportunity.

The NSDP identified the areas of deprivation and the areas with economic development potential on a very broad national scale. It recommends that a similar approach be adopted during the revision of the PGDS, which, in turn, should inform the revision of IDP’s. In this manner, the distinction between the allocation of resources to social needs and economic
growth can be refined at the provincial and local levels and fed back to the NSDP within the context of a continuous planning cycle.

The PGDS provides a vision for development that reflects the development priorities in terms of social needs and competitive economic growth potential of the province, but also consistent with national development imperatives.

The PGDS is informed by existing policy at the national, provincial and local levels, which should also be the point of reference for future development policy and integrated development plans. This implies that the PGDS has to be continuously updated within the context of a medium-term planning and budgeting cycle that incorporates planning formulation, budgeting, development implementation and evaluation at all levels of government.

The IDP is a five year development plan that guides and informs all planning, management, investment, development and implementation decisions and actions in the local area and supersedes all other plans that guide local development.

The methodological issues of the sequence in the development planning process, deals with the question as to whether integrated development plans from municipalities should inform the PGDS or vice versa. The practical reality is that they should both inform each other.

Conceptualisation of the planning process at a provincial and local level should take into account the following perspective:

- The planning process that takes place at the Provincial level in April to June is based on:
  - Medium Term Strategic Framework (MTSF) directives formulated by the Cabinet and President;
  - Medium Term Expenditure Framework directives received from National Treasury; and
  - The outcome from revised Municipality Integrated Development Plans resulting from the local government planning and budgeting cycle.

- From the local government perspective, is important to observe that:
The State of the Nation Address of the President, the State of the Province Address of the Premier and the provincial budget during February and March inform the final alignment of the municipal IDPs during April to June;

The approved/reviewed municipal IDPs in April to June and budget in June inform the new cycle of the province which starts with planning in April to June.

An interface between NSDF, PGDS and the IDPs revealed the following principles:

- The need to move away from an inward focus towards incorporating provincial and national trends;
- The need to strike a balance between needs and potential/growth i.e. the need to move away from a dependency approach, which further entrenches the contradictions of the past;
- The development process requires more attention to implementation. (Planning is to reflect the doing – most plans do not relate to the doing and thus do not materialise);
- Indicators of progress and integrated monitoring systems are essential to accelerate delivery. There is a need for improved monitoring and evaluation, impact analysis and proactive interventions.

A need arises therefore to channel resources, from national, provincial and local government and between departments, municipalities and private sector towards achieving the greatest impact. It becomes clear that issues of integration are paramount if Limpopo is to harness its human and natural resources towards the betterment of the quality of life of its people, especially within the rural areas. Integration is essentially an issue of leadership on all levels, i.e. the need for improved information sharing, the need to build relationships and the need for a shared vision. For development, after all, is about people.
6 CONCLUSION

The PGDS lays the foundation for growth and development towards the achievement of the provincial vision for development. As a result a need arise for respective departments to develop clear strategic programmes and targets to ensure that the provincial vision is realized. However, the road to success in not plain sailing. Certain challenges manifest themselves, and if they are not dealt with, the provincial dream will not be realized.

Intergovernmental relations in implementing development programmes remain a challenge although the need towards integration at policy level and across all spheres of government has been emphasized, this has not yet manifested in consolidated interventions at the level programme implementation. The capacity of various spheres of government to co-ordinate development programmes therefore remains a challenge that holds the key to sustainable development

While the province has been able to build a strong factor driven economy in the past ten years, the implementation of the sector strategies to promote and develop secondary activities still remains a challenge. The recent sectoral summits came with specific recommendations to address these challenges.

A need for a well-developed social infrastructure to support growth and development and address basic needs cannot be emphasized. An adequate skills base, to implement and sustain the desired growth, should be ensured through a balanced package of human resource development policies and strategies. A sustainable primary health care system focussed on preventative, rather than a curative approach is a key health challenge.

Peace within the youthful society, which currently exists cannot be guaranteed and sustained in the long run without adequate labour absorption capacity of the economy

Integration is essentially an issue of leadership i.e. the need for improved information sharing, the need to build relation and the need for shared vision. For development, after all, is about people.
7 LIST OF SOURCES

7.1 Provincial Growth and Development Strategy, 1999, Office of the Premier, Northern Province,
7.2 Consolidated Provincial Ten Year Review, 1994-2004, Office of the Premier, Limpopo Provincial Government,
7.3 Medium Term Strategic Framework, 2003-2006, Department of Trade and Industry, South Africa,
7.5 Reconstruction and Development Programme, A Policy Framework, 1994, South African Government,
7.6 New Millennium Development Goals, 2000, United Nations,
7.7 A Draft Provincial Mining Strategy, 2002, Department of Finance and Economic Development, Limpopo Province,
7.8 Agriculture as a Cornerstone, 2000, Department of Agriculture, Limpopo province,
7.9 Tourism Development Strategy, 2002, Department of Finance and Economic Development, Limpopo Province,
7.10 Development Index Framework, 2003, Department of Finance and Economic Development, Limpopo Province,
7.11 Transport Strategy, 2003, Department of Transport, Limpopo Province,
7.11 National Skill Development Strategy, 2001, Department of Labour, South Africa,
7.12 Human Resource Development Strategy, 2003, Department of Education, Limpopo Province,
7.13 Industrial Development Strategy, 2001, Department of Finance and Economic Development, Limpopo Province,
**ANNEXURE A**

1. Objectives, Indicators, Proposed Targets and Associated Programmes for improving the Quality of life.

<table>
<thead>
<tr>
<th>Objective</th>
<th>Performance indicator</th>
<th>Proposed Target</th>
<th>Programmes</th>
</tr>
</thead>
</table>
| 1 Develop the human resource potential of the province | • Net enrolment ratio in primary education  
• Proportion of pupils starting grade 1 who reach grade 5  
• Literacy rate of 15- to 24-year olds | • Reduce the level of illiteracy from 25% to 10% by 2009,  
• 85% of children should have access to Early Childhood Development by 2009,  
• Increase the matric pass rate in the Information Communications Technologies, Mathematical, Natural, and Economic Sciences from 10% to 50% by 2009,  
• Achieve 100% coverage for learnerships according to nationally set targets from 2005 onwards,  
• At least 90% of all private sector businesses in Limpopo not falling within the SMME Sector should be partners in the development of specialised skills relevant to their businesses. | • Human resource development strategy,  
• Early childhood programmes,  
• Learners support materials, |
| 2 Improve health and social status of the population | • Under-five mortality rate  
• Infant mortality rate  
• Proportion of one-year-old children immunized against measles  
• Maternal mortality ratio  
• Proportion of births attended by skilled health personnel  
• HIV prevalence among 15- to 24-year pregnant women  
• Number of children orphaned by HIV/AIDS  
• Condom use rate of the of the contraceptive prevalence rate  
• Prevalence and death rates associated with malaria  
• Proportion of population in malaria-risk areas using effective malaria prevention and treatment | • Reduction in morbidity and mortality rates by 2009 which includes:  
• 50% reduction in child mortality by 2009,  
• 100% access to primary health care within walking distance by 2009,  
• All hospitals to be revitalized by 2009,  
• 100% availability of medicine at all health facilities by 2009,  
• 100% immunization coverage by 2009,  
• Implement the comprehensive program on HIV/AIDS in all Health facilities by 2009,  
• Build 50 clinics by 2009,  
• Achieve Emergency Medical Services (EMS) response times by 20 minutes in urban and 40 minutes in rural area by 2009. | • Primary health care,  
• Primary school nutrition,  
• Revitalization of hospitals,  
• Clinics building,  
• Immunization programmes,  
• HIV/AIDS programmes,  
• Child support programmes,  
• Social welfare programmes |
### 3 Reduce crime and corruption
- Measures and targets associated with the reduction of crime and corruption:
  - Prevalence and death rates associated with tuberculosis
    - Proportion of tuberculosis cases detected and cured under directly observed treatment short courses (DOTS)
  - 100% implementation of the Child Justice legislation by 2009
  - 100% access to integrated social welfare services by 2009

### 4 Meet the basic needs of the population
- Measures and targets associated with meeting the basic needs of the population:
  - Proportion of population with sustainable access to an improved water source, urban and rural
  - Proportion of population with access to improved sanitation
  - Proportion of households with access to secure tenure
  - Each household should be electrified by 2013
  - Each household should have access to basic, clean running water by 2009
  - Reduce backlog of households without basic sanitation to 10% by 2009
  - Reduce the number of accidents on the road by half by 2009

### 5 Promote a safe and healthy environment
- Measures and targets associated with promoting a safe and healthy environment:
  - Proportion of households using wood, paraffin and/or LPG as primary energy source
  - Ratio of area protected to maintain biological diversity to land area
  - Proportion of highly degraded land surface area
  - Number of accidents on the road

### 6 Meet the needs of specific communities
- Measures and targets associated with meeting the needs of specific communities:
  - Proportion of population living in poverty
  - Prevalence of underweight children (under five)

Most targets are captured in objective 1 and 2 above.
women, elderly, youth, disabled, pensions and the marginalized year old) • Proportion of population below minimum level of dietary consumption • Ratio of girls to boys in primary, secondary and tertiary • Ratio of literate females to males among 15-24-year-olds • Share of women in wage employment in the non-agricultural sector

Programme on Immunization (EPI); Child Care; Child Support Grant Services; Hospital Services; EMS; Malaria Programme; District Health Information Systems; Integrated Nutrition
Early childhood development Learners support programmes

2. Objectives, Indicators, Proposed Targets and Associated Programmes for Growing the economy, Sustainable Jobs, Innovation and Competitiveness.

<table>
<thead>
<tr>
<th>Objective</th>
<th>Performance indicator</th>
<th>Proposed Target</th>
<th>Programmes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Poverty reduction</td>
<td>• These indicators overlap with those under improving the quality of life of specific communities listed under item 6 of the previous objective</td>
<td>• At least 50% of the unemployed should be absorbed into the Expanded Public Works Programme by 2009, • All people in distress have access to support.</td>
<td>• Co-operatives programmes, • Food security programmes, • Local economic development programmes,</td>
</tr>
<tr>
<td>2 Job creation</td>
<td>• Level of unemployment • Dependency ratio</td>
<td>• Reduce poverty level by half by 2014, • Reduce dependency ratio from 9.39 to 4.6 by 2009</td>
<td>• Extended public works programmes, • Co-operative programmes, • Local economic development programmes, • Irrigation development programmes, • SMME development programmes,</td>
</tr>
<tr>
<td>3 Increase investment</td>
<td>• Provincial portion of the Foreign Direct Investment in the country</td>
<td>• Achieve investment of R8.6 billion per annum</td>
<td>• Investment promotion, • Restructuring of state assets,</td>
</tr>
<tr>
<td>4 Develop and improve economic infrastructure</td>
<td>• Fixed capital expenditure or investment as percentage of current expenditure</td>
<td>• Invest in excess of R20 billion in cluster support infrastructure by 2014</td>
<td>• Water resources development, • Transport development (Rail, roads, airport), • Energy (electrification), • Skill development, • Provision of social services, • Research and development</td>
</tr>
<tr>
<td>5 Equitable redistribution of</td>
<td>• Income distribution as measured through</td>
<td>• Achieve score card</td>
<td>• Black economic</td>
</tr>
</tbody>
</table>

53
opportunities and productive resources  | the Gini-coefficient  | empowerment,  
|  |  | • Land Reform programmes,  
6  | Above average growth rate  | • Economic growth rate  | • Triple the size of agriculture, tourism, construction and the manufacturing sectors (diversified economy) in Limpopo by 2015,  
|  |  |  | • Increase the value of agriculture twofold through enterprise diversification, investing in water-saving technologies for production and value-addition within the agro-value chain.  
|  | • See 1-5 above  
7  | Undertake research and development  | • Number of researches undertaken  | • Establish R&D framework for the encouragement of innovation.  
|  |  |  | • Research and development programmes  
8  | Improve capacity in knowledge base manufacturing  | • Number of training undertaken  | • The framework should develop research agenda for the province and protect intellectual property rights for, especially, rural and indigenous knowledge systems and resources. This should be achieved within one year.  
|  |  |  | • Capacity Building programmes  
9  | Bridge the Digital Divide and build the Information Society in Limpopo  | • The extent to which the plan to bridge the digital divide and build the information society has been implemented  | • Achieve 100% of of the Provincial Plan for bridging the the Digital Divide within the tolerance levels of less than 5% by 2009  
|  |  |  | • Building the Information Society (Office of Premier/PGITO)  


<table>
<thead>
<tr>
<th>Objective</th>
<th>Performance indicator</th>
<th>Proposed Target</th>
<th>Programmes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Improve capacity of the provincial administration to deliver public services</td>
<td>PGDS/IDP alignment, Structure supporting strategic plans, Improved planning and implementation capacity, Improved monitoring and evaluation, Efficient and Effective Systems, Efficient and Effective State Agencies, Proportion of Provincial development objectives achieves</td>
<td>Improve service delivery rating from 34% to 80% by 2009, To achieve 100% of the PGDS five year targets within the tolerance level of less than 5%.</td>
</tr>
</tbody>
</table>
| 2 | Improved performance of local government (Municipalities) | • Service delivery rating  
• Strengthen monitoring capacity of department of Local Government and Housing  
• Integrated service delivery in municipalities  
• Implement the National Intergovernmental Relations Framework. | • All municipalities achieve 100% of their IDP’s within the tolerance levels of less than 5% by 2009  
• Achieve Municipal Performance Assessment | • Provincial Integrated Capacity building programmes,  
• Attainment of programmes listed in the IDP’s  
• Project consolidate |
| --- | --- | --- | --- | --- |
| 3 | Transformation and institution building | • Efficient and effective Financial management in the Provincial Government and Municipalities  
• Implementation of the anti-corruption strategy in the Provincial Government and Municipalities  
• Effective and efficient utilisation and management of Human Resource  
• Implementation of provincial e-government and communication strategies  
• Management of special programmes (women, disabled/ youth) Public utilization rate | • Achieve 100% of e-government strategy by 2009  
• Achieve activity based budgeting  
• Quarterly assessment of the implementation of the PFMA and MFMA  
• Achieve 100% of anti-corruption strategy by 2009  
• Development of cross agency and cross government information systems  
• Establishment of consolidated shared server farms at strategic locations within the province  
• Financial Skill Audit programmes  
• Disclosure programmes  
• Integrity management programmes aimed at promoting work ethics  
• Affirmative action programmes  
• Employee assistance programmes  
• Monitor compliance with programmes of Oversight institutions such as Human Right commission and Commission of Gender Equality | |
| 4 | Skills development | • Implementation of the Provincial Human Resource Development Strategy | • Increased skill utilization rate in areas of project management, financial management, contractual management, and policy development, implementation and advocacy | • Skill development programmes  
• Learnerships programmes |
4. Objectives, Indicators, Proposed Targets and Associated Programmes for Attaining Regional integration.

<table>
<thead>
<tr>
<th>Objective</th>
<th>Performance indicator</th>
<th>Proposed Target</th>
<th>Programmes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Establish collaboration and partnerships with neighbouring states on areas of mutual benefit</td>
<td>• Number of agreements signed</td>
<td>• Implement all agreements by 2009.</td>
<td>• Trans-Limpopo SDL, Bi-lateral program (exchange programmes, safety programmes)</td>
</tr>
</tbody>
</table>
ANNEXURE B

1. LGDS SUMMIT RESOLUTIONS AND CLUSTER IMPLEMENTATION METHODOLOGY

Cluster Implementation

- Illustrate the cluster value-chain graphically with the main production activity in the centre. Quantify the economic value and impact of the current main activity. Illustrate and quantify the existing links up-stream, in terms of inputs and services to the main production activity, and down-stream, in terms of value-adding activities.
- Identify opportunities for new production, expansion of existing production and for efficiency improvements along the value-chain. Illustrate links with neighbouring provinces and countries.
- Ring fence opportunities for SMME and for poverty reduction within the cluster development opportunities identified in step two above.

- Identify infrastructure and logistical improvements that could increase the competitiveness of the cluster value-chain.

- Identify skills development and institutional improvements that could increase the competitiveness of the cluster value-chain.
- Illustrate the entire cluster value-chain in GIS format.
- Incorporate the cluster value-chain and its development opportunities (investment, SMME, poverty reduction, infrastructure, as well as skills and institutional development) in the district and municipal IDPs.
- Reflect the role of national and provincial departments regarding each cluster value-chain in the departmental strategic plans and budgets.
- Prepare and implement business plans for each opportunity as part of the district and municipal LED processes.
- Establish a mechanism to monitor the progress and development impact of each cluster value-chain.

(A process of integrated planning involving planners from local, provincial and national government, as well as outside stakeholders, was applied in developing the various cluster value-chains).
**Summit Resolutions**

**General Resolutions**

- A cluster development, implementation and management mechanism has to be established;
- Working groups comprising government, labour and business should be established for each of the proposed cluster value-chains, in order to accelerate the cluster development process. Relevant districts and municipalities should be represented on the cluster working groups. These cluster working groups should have access to project management capacity and should be co-ordinated by an executive provincial cluster working group;
- Infrastructure, including water, transport, electricity and ICT should be upgraded to improve integration, productivity and competitiveness within and across each cluster;
- Education and training institutions should provide skills development programmes that contribute to improved productivity and competitiveness within each cluster;
- Research and development should be increased to promote new product (opportunity) development and to improve competitiveness of the proposed clusters;
- Investment promotion, LED project identification and provincial marketing should reflect the cluster priorities;
- Business plans are required for each new development opportunity within every cluster and these business plans should reflect the issues raised above, as well as the proposed project contribution to job-creation, to SMME promotion, to gender issues and to Black Economic Empowerment;
- These business plans should be incorporated into departmental strategic plans and IDP’s at the district and municipal levels, and
- In anticipation of the financing strategies that will have to be part of the business plans, a workshop is required to identify and deal with the issues that constrain access to finance in all sectors and across the entire spectrum of business activity from SMME to major corporate projects. The entire spectrum of financing institutions would therefore, need to participate in the workshop and in its resolutions.
**Sector Summit Resolutions**

<table>
<thead>
<tr>
<th>Mining</th>
<th>Tourism</th>
<th>Agriculture</th>
</tr>
</thead>
<tbody>
<tr>
<td>See the generic resolutions above; The National Mining Charter and its seven major elements will provide the policy framework for mining development. These elements are: Ownership equity targets; Employment equity targets; Local procurement; Human Resource Development (100% literacy by 2009); Community development, and Transformation of accommodation from hostels to homes. A premium will be placed on exploration to discover new mineral reserves and to identify new mining opportunities.</td>
<td>See the generic resolutions above; The profile of domestic tourism should be raised within the tourism strategic planning process and the annual ZCC pilgrimage should be given the prominence that it deserves; Increased co-operation between national and provincial government with regard to transfrontier parks is essential; A bid should be prepared for the African Union Parliament to be established in Limpopo, since this province is the gateway to Africa. The proposed convention centre should include SADC and Africa Union conferences as niche markets, Provincial tourism marketing should be cluster-specific with a focus on the local, regional and international markets; The industry should be encouraged to organize itself into formal structures for liaison and</td>
<td>See the generic resolutions above; The emotive dimension of land claims should be balanced with the need to retain and even improve productivity in agriculture. Models that provide win-win solutions for all stakeholders at the farm claim level should therefore, be considered; The issue of food security should be incorporated into the agriculture cluster value chains, and Rural feeder roads should also receive priority within a cluster context in order to facilitate access to markets. Black emerging Agribusiness entrepreneurs must be involved in off farm value adding activities to realize higher returns on their investment. Enterprise development and market access must be addressed through the Provincial</td>
</tr>
</tbody>
</table>
communication purposes, and
The proposed tourism cluster working-group will need to have technical teams for each of the tourism sub-clusters that have been identified. The urgent short-term priorities are therefore, to establish the cluster implementation and management mechanism and to fast track the new project identification and business planning processes. Several cluster projects have already been identified during the past number of years and many of them are at various stages in the business planning process. It is essential that this process should be formalised in order for it to be effectively managed

supply chain management with state purchasing the bulk of the goods.