WATERBERG DISTRICT
MUNICIPALITY

MINING DEVELOPMENT STRATEGY

PHASE FOUR: IMPLEMENTATION PLAN

GLEN STEYN AND ASSOCIATES

18 AUGUST 2006
# TABLE OF CONTENTS

1. PURPOSE AND BACKGROUND  
1.1 Introduction 5  
1.2 Policy Assessment 5  
1.3 Geology 6  
1.4 Status-Quo Scenario 6  
1.5 Intervention Scenario 7  

2. VISION AND MISSION STATEMENTS 8  

3. GOALS AND OBJECTIVES 9  
3.1 Goal for Mining Development in WDM 9  
3.2 Objectives for Mining Development in WDM 9  

4. ACTION PLAN: OBJECTIVE ONE 13  
4.1 Strategy One: Infrastructure Provision 13  
4.2 Strategy Two: Skills Promotion 16  
4.3 Strategy Three: Small Scale Mining Development 17  
4.4 Strategy Four: Monitor Development Indicators 18  
4.5 Platform for Stakeholder Communication 19  

5. ACTION PLAN: OBJECTIVE TWO 21  
5.1 Strategy One: Identify Procurement Needs 21  
5.2 Strategy Two: Identify Local BEE Entrepreneurs 22  
5.3 Strategy Three: Business Development Support 23  
5.4 Strategy Four: Mining Supply Park Modelling 24  

6. ACTION PLAN: OBJECTIVE THREE 25  
6.1 Promote Spatial Development Capacity 25  
6.2 Promote LED Capacity 26  
6.3 Small Mining Community Co-operatives 28  

7. ORGANIZATION STRUCTURE 31  

8. POLICIES AND PROCEDURES 34  
8.1 Mining Regulations 34  
8.2 Infrastructure 34  
8.3 Local Business Development 34  
8.4 Sustainable Development 34  
8.5 Development Planning 35
9. BUDGET 36
10. SCHEDULE OF ACTIVITIES 38
11. MONITORING AND EVALUATION 43
12. EXECUTIVE SUMMARY 45

LIST OF FIGURES
Figure One: Public & Private Sector Roles in Development 10
Figure Two: Roles & Support Institutions in Development 11
Figure Three: Classification of the Supply Chain 21
Figure Four: Existing Organization Chart 26
Figure Five: Summary of Proposed Strategies 30
Figure Six: Proposed Organization Structure 33
Figure Seven: Schedule of Activities 41
**LIST OF ABBREVIATIONS**

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIDS</td>
<td>Acquired Immune Deficiency Syndrome</td>
</tr>
<tr>
<td>ASGISA</td>
<td>Accelerated and shared growth initiative for South Africa</td>
</tr>
<tr>
<td>BEE</td>
<td>Black Economic Empowerment</td>
</tr>
<tr>
<td>BEEE</td>
<td>Black Economic Empowered Entrepreneurs</td>
</tr>
<tr>
<td>DBSA</td>
<td>Development Bank of Southern Africa</td>
</tr>
<tr>
<td>DME</td>
<td>Department of Minerals and Energy</td>
</tr>
<tr>
<td>DWAF</td>
<td>Department Water Affairs and Forestry</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>GGP</td>
<td>Gross domestic product</td>
</tr>
<tr>
<td>HDSA</td>
<td>Historically disadvantaged South Africans</td>
</tr>
<tr>
<td>HIV</td>
<td>Human Immunodeficiency Virus</td>
</tr>
<tr>
<td>IDP</td>
<td>Integrated development plan</td>
</tr>
<tr>
<td>JDF</td>
<td>Joint Development Forum</td>
</tr>
<tr>
<td>LED</td>
<td>Local economic development</td>
</tr>
<tr>
<td>MIG</td>
<td>Municipal Infrastructure Grant</td>
</tr>
<tr>
<td>MQA</td>
<td>Mining Qualifications Authority</td>
</tr>
<tr>
<td>RAL</td>
<td>Road Agency Limpopo</td>
</tr>
<tr>
<td>SANRAL</td>
<td>South African National Roads Agency</td>
</tr>
<tr>
<td>SMME</td>
<td>Small medium micro enterprise</td>
</tr>
<tr>
<td>TIL</td>
<td>Trade &amp; Investment Limpopo</td>
</tr>
<tr>
<td>TTBPC</td>
<td>Tshabang Tlala Babirwa Pebble Co-operative</td>
</tr>
<tr>
<td>WDM</td>
<td>Waterberg District Municipality</td>
</tr>
</tbody>
</table>
1. PURPOSE AND BACKGROUND

1.1 Introduction

The purpose of this strategy formulation process is to provide WDM with a policy instrument by which leadership and strategic direction can be given to the mining industry for:

- Increased competitiveness on a sustainable basis,
- Increased investment as a basis for job creation and economic growth,
- Improvements in the quality of life of the district population, including priorities such as BEE, as well as reductions in HIV/AIDS and poverty,
- Regional integration.

This mining development strategy is part of a broader intervention that is aimed at accelerated economic development in Waterberg District, which includes sectoral development strategies for agriculture and tourism.

The mining development strategy was compiled in the following five distinct phases:

- Policy and Geology Assessment
- Current Situation Assessment and Scenario Analysis
- Project Development Opportunities,
- Implementation Plan, and
- Consolidation.

1.2 Policy Assessment

During the policy assessment it was found that the Mineral and Petroleum Resources Act gives WDM no direct jurisdiction in terms of mining, but it is obliged to facilitate the development process. It is therefore imperative that an effective working relationship should be established between WDM and the DME Regional Manager in Limpopo. The municipality is specifically obliged to facilitate the economic and mining development processes by building networks and promoting good working relationships between various institutions in the sector, such as private mining companies, parastatal development organizations and public infrastructure agencies. An interface with national strategies such as the small scale mining initiative, integrated manufacturing strategy, as well as the national research and development strategy, should be created.

WDM has an important role to play in promoting the stake of historically disadvantaged companies that are based in Waterberg District within the targets of the mining charter. The charter is not geographically prescriptive and any potential gains for the District in this regard will have to be internalized by way of a deliberate intervention strategy.
The relevant provincial growth and development strategy is to adopt the development cluster value-chain approach, firstly as a vehicle to raise the international competitiveness and investment rating of the Province. Secondly, the approach should be used to combine public and private sector contributions towards development and thirdly, to align the interventions of various public development institutions for greater impact. Two of the seven competitive clusters for Limpopo that were identified and approved in the Provincial Growth and Development Strategy fall within the mining sector of Waterberg District. These are the platinum and coal mining clusters with their associated value chains.

The Marketing and Investment Strategy for WDM also recommends the cluster value chain approach as the appropriate instrument for development planning purposes and the establishment of a District Investment Council with an operations manager is proposed to drive the implementation process.

LED project proposals include a programme to facilitate SMME participation in the mining industry, raising the wall of the Mogol dam, upgrading the road from Modimolle to Lephalale, skills development and the establishment of sectoral working groups.

1.3 Geology

The rocks covering the Waterberg District area are well endowed with a significant number of economically important minerals that include the platinum group metals, iron, coal, andalusite, tin and fluoride. Some of these minerals are currently exploited for their economic value while exploration is on-going in order to expand the lifespan of the existing mines and also to identify and develop new deposits.

1.4 Status Quo Scenario

The current sales value of mining production from WDM has increased beyond R14.6 billion, which implies a contribution to GGP of approximately R5 billion. Capital investment and employment in mining appeared to be decreasing, but has improved recently in conjunction with the commodity boom.

The total number of new jobs from January 2006 to December 2010 under the business-as-usual scenario is 2,200, or approximately 440 per year. In terms of the Provincial Growth and Development Strategy, the expectation is that 6,000 new jobs will be created in Waterberg District each year in order to halve unemployment by 2015. Mining is an area of primary competitive advantage in the Waterberg District and its share in achieving the job creation target should therefore be raised. The business-as-usual scenario therefore has to be augmented by way of a deliberate intervention.
Procurement from BEE companies for mines within Limpopo is improving, but the share of locally-based HDSA businesses in Waterberg District is negligible. The intervention referred to above should also be aimed at raising both the levels of job creation and the level of local business development.

1.5 **Intervention Scenario**

The best-case scenario assumes nine new mining developments in addition to the anticipated events that have already been captured in the business-as-usual scenario.

Under this scenario the total number of new jobs created until December 2010 is 7,850, or approximately 1,960 per year. This represents 33% of the job creation needs of the district.

The best case scenario also assumes that local business development can be considerably improved and that 20% of procurement can be done from suppliers that are based in the Waterberg District by 2010. This should create another 2,420 jobs by that time.

This report covers the implementation plan to achieve the best case scenario. It will be consolidated, together with the other four reports, into a final strategy document.
2. VISION AND MISSION STATEMENTS

The vision of WDM is to become a caring and responsive municipality with excellent service delivery, sustainable development and prospering people\(^1\). Its mission statement is that The Waterberg District Municipality will, through an inclusive and participatory process, establish the needs of its people and by rendering effective, efficient and sustainable services, ensure a better life for all.

Economic development is recorded as the third priority in terms of the needs analysis, after water & sanitation in first place; and roads and stormwater in second place. Within the IDP the mining sector is identified as a vehicle to promote economic development and a growth rate of 5% per year is set as the objective for the next five years. Awareness creation of mining opportunities, support programmes for mining co-operatives and the promotion of SMMEs in mining through the provision of incentives, are mentioned in the IDP as the strategies to achieve the objective of an annual 5% growth rate in the mining sector.

The economic overview section of the LED for WDM contains a description of the mining potential in each local municipality. It also contains a table on the mining projects that were identified as part of the spatial development initiative process in Limpopo. The table is reproduced below. There are no specific recommendations regarding mining development strategies, other than a general statement about SMME development in the mining sector. LED project proposals include a programme to facilitate SMME participation in the mining industry, raising the wall of the Mogol dam, upgrading the road from Modimolle to Lephalale, skills development and the establishment of sectoral working groups.

Since the publication of the IDP review for 2005/06, the ASGISA framework has been announced with its annual economic growth objective of 6%.

This implementation plan goes beyond the strategies that are set for the mining sector in the 2005/06 IDP review. It is based on the best-case intervention scenario that was formulated as part of the mining strategy preparation process and aims to achieve economic development targets of accelerated economic growth and job creation.

\(^1\) IDP 2005/06; p176
3. GOALS AND OBJECTIVES

3.1 Goal for Mining Development in WDM

The following formulation is proposed as the goal of the Waterberg District Mining Development Strategy. ‘WDM will provide leadership and interventions to increase the contribution from the mining sector to job creation and economic growth in the District by:

- Creating a conducive environment for mining expansions and new mine developments, specifically by facilitating the removal of constraints to such developments,
- Promoting the capacity of Black economic empowered companies from within Waterberg District to supply the procurement needs of mines according to the required quality standards,
- Augmenting the capacity of local municipalities, traditional leaders and communities to respond to and consolidate the benefits of mining developments within a cluster context’.

Each of the bullet points will become an objective and will be expanded upon in the section below.

3.2 Objectives for Mining Development in WDM

3.2.1 CREATE A CONDUCIVE ENVIRONMENT FOR MINING EXPANSIONS AND NEW MINE DEVELOPMENTS, SPECIFICALLY BY FACILITATING THE REMOVAL OF CONSTRAINTS TO SUCH DEVELOPMENTS

The specific strategies to achieve this objective are to improve infrastructure, to promote skills development, to encourage small scale mining development, to monitor mining development indicators and to create platforms for stakeholders to communicate. The fundamental point of departure is therefore that the different spheres of government take responsibility for appropriate infrastructure provision, skills development and development facilitation as incentives to encourage job creation and capital investment by private sector mining companies. This approach is illustrated in figure One below. Figure two reflects the same approach, but includes some of the institutions that are involved in the mining development process in WDM.

The proposed targets that these strategies should be aimed at are to achieve 6% growth in the mining sector per year from 2007-2010, to create 1,500 direct jobs in the mining sector every year over the same period; and to establish one sustainable new small scale mining operation in Waterberg District each year from 2007 onwards.

Action plans for these four strategies are discussed in some detail in chapter four below.
Figure One: Public and Private Sector Roles in the Mining Development Process

- **Government sector focus, including WDM**
  - Provide mining skills development and business development support services

- **Private sector focus**
  - Exploration
  - Mine development
  - Primary mining activities
  - Milling & concentrating
  - Smelting & refining
  - Product Development & manufacturing

- **Provide enabling infrastructure for mining development**

- **Government sector focus, including WDM**
Figure Two: Public and Private Sector Roles in the Mining Development Process, Reflecting Support Institutions

Private sector focus

Product Development & manufacturing

Milling & concentrating

Smelting & refining

Primary mining activities

Mine development

Exploration

Provide mining skills development and business development support services

Provide enabling infrastructure for mining development

Government sector focus, including WDM

Government sector focus, including WDM

Private sector focus

Government sector focus, including WDM

Government sector focus, including WDM

Private sector focus

Government sector focus, including WDM

Government sector focus, including WDM

Private sector focus

Government sector focus, including WDM

Government sector focus, including WDM

Private sector focus

Government sector focus, including WDM

Government sector focus, including WDM

Private sector focus

Government sector focus, including WDM

Government sector focus, including WDM

Private sector focus

Government sector focus, including WDM

Government sector focus, including WDM

Private sector focus

Government sector focus, including WDM

Government sector focus, including WDM

Private sector focus

Government sector focus, including WDM

Government sector focus, including WDM

Private sector focus

Government sector focus, including WDM

Government sector focus, including WDM

Private sector focus

Government sector focus, including WDM

Government sector focus, including WDM

Private sector focus

Government sector focus, including WDM

Government sector focus, including WDM
3.2.2 PROMOTE THE CAPACITY OF BLACK ECONOMIC EMPOWERED COMPANIES FROM WITHIN WATERBERG DISTRICT TO SUPPLY THE PROCUREMENT NEEDS OF MINES ACCORDING TO THE REQUIRED QUALITY STANDARDS

The specific strategies to achieve this objective are to collaborate with mining companies to identify supply requirements, to identify qualifying BEE entrepreneurs, to facilitate access to business support services for local emerging business people and to investigate the most appropriate mining supply park model for WDM.

The proposed target is to achieve 20% procurement from Waterberg-based BEE companies for all mines in the district by 2010 and to adjust the target progressively upwards after 2010.

Action plans for these strategies are discussed in chapter five below.

3.2.3 AUGMENTING THE CAPACITY OF LOCAL MUNICIPALITIES, TRADITIONAL LEADERS AND COMMUNITIES TO RESPOND TO AND CONSOLIDATE THE BENEFITS OF MINING DEVELOPMENTS WITHIN A CLUSTER CONTEXT

Strategies to achieve this objective are to improve spatial planning and land-use management systems at the local level; to improve local economic development planning and management capacity with specific reference to the mining sector; and to promote community co-operatives for mining development.

The proposed target is to make capacity immediately available for spatial planning, land-use management and LED (mining sector) within WDM and within the local municipalities of Lephalale, Mogalakwena and Thabazimbi. By July 2008 this capacity should be installed within the permanent organization structures of these four municipalities.

With regard to community mining co-operatives, the target should be to have one co-operative established in a functional and sustainable manner in Lephalale, Mogalakwena and Thabazimbi Local Municipalities by December 2007 and to increase the target progressively thereafter.

Action plans for these strategies are discussed in chapter six below.
4. ACTION PLANS FOR OBJECTIVE ONE: CREATING A CONDUCIVE ENVIRONMENT FOR MINING DEVELOPMENT

4.1. Strategy One: Infrastructure Provision

The fundamental strategic principle is that Waterberg District Municipality (WDM) can improve the district environment for investment in mining development through appropriate infrastructure provision. Infrastructure in this context refers specifically to water, roads, electricity and rail transport.

4.1.1 WATER

The principal strategic issue is the current and projected water deficit in Mogalakwena Municipality. Despite the interventions by the Department of Water Affairs to transfer water from Flag Boshielo Dam and ultimately from De Hoop Dam in Sekhukhune District, the projected water deficit in Mogalakwena Local Municipality is expected to grow considerably to almost 18 million cubic meters per year by 2025. This deficit is after provision has been made for mining companies to purchase effluent from Polokwane.

A feasibility study on the Olifants River Water Development Project, which includes the detailed water services development study in Mogalakwena, is currently underway and is of crucial importance for mining development in Waterberg District. These strategic water services planning processes should be supported by WDM. The requirements of all users and all the supply options, as well as demand management and conservation imperatives, should be considered.

Primary role players in the compilation of the water services planning study are the Department of Water Affairs and Forestry as the responsible agency for national water resource development, Mogalakwena Municipality as the Water Services Authority and the Mogalakwena Economic Sector Forum as representative of commercial water users.

Waterberg District Municipality is not a Water Services Authority and therefore has no direct control over the water services planning process. However, it is ultimately responsible for developmental local government within the Waterberg District in terms of the Municipal Systems Act and the Municipal Structures Act. The Municipal Systems Act, for example, places the responsibility on district municipalities to create a binding framework for integrated planning for the local municipalities in its area of jurisdiction. This is confirmed in the Municipal Structures Act, which also introduces the concept of support from the Province through the District to local municipalities.
The action plan should therefore be for WDM to facilitate the completion of the proposed strategic water services planning process for Mogalakwena. The Technical Service, as well as the Planning and Economic Development Departments of WDM should play an active oversight role in the strategic water services planning process through the Mogalakwena Joint Development Forum (JDF). The purpose of the JDF is to identify and address mutual needs and opportunities in the area with specific reference to water and sanitation, spatial development & transport planning. It comprises the Mogalakwena Local Municipality, the Waterberg District Municipality and the Mogalakwena Economic Sector Forum. However, since its establishment in 2003, WDM has not played an active role in or attended meetings of the JDF.

The specific role of WDM on the JDF should be to ensure that all options for water resource development and water demand management are explored, to align the Mogalakwena Water Services Development Plan with the District Mining Strategy and to augment capacity at local government level where constraints may occur. Fourthly, WDM should deal with issues that emerge from the water services planning process in a manner that promotes developmental local government effectively and decisively. The avenues that have been created in terms of the Intergovernmental Relations Act could be used to promote strategic alignment towards common development objectives among different organs of state in the various spheres of government.

With regard to the provision of water infrastructure in Lephalale and Thabazimbi local municipalities, the action plan should firstly be to collaborate with DWAF in implementing the plans for the raising of Mogol Dam and for the transfer of return flow from the Crocodile River. Secondly, technical capacity constraints that may occur at local government level should be alleviated by WDM.

It is proposed that the Technical Services Department of WDM should take responsibility for this action plan via the compilation and regular review of the Water Services Development Plan for the District. The Planning and Economic Development Department should execute its responsibility in this regard through the proposed platform for mining stakeholder communication that is recommended as part of strategy four in section 4.4 below.

4.1.2 ROADS

The principal strategic issues are, firstly, the slow progress in upgrading priority mining roads due to budget constraints at the Roads Agency Limpopo (RAL). Secondly, a discontinuity exists between RAL and the South African National Roads Agency (SANRAL) with regard to the transfer of priority roads such as the R33 between Lephalale and Modimolle, from the provincial to the national road networks. RAL believes that this road is too expensive for it to
construct and maintain. However, SANRAL is not convinced that this road fits the strategic profile to be incorporated into the national network, and has therefore made no budgetary provision for its reconstruction as yet.

With regard to upgrading, the busiest mining road in Mogalakwena Local Municipality, with an annual average daily traffic count of 1,723 vehicles, is the road from Gakgabudi through Mapela to Marken. This road is central to the improvement of logistics for expanded platinum mining on the Platreef. Due to budget constraints it will take five years from 2005/06 to 2009/10 to complete 75% of this road that is 86 km long in total at a cost of R132 million. Another R40 million is on budget for the remaining stretch of this road after 2010.

The busiest mining road in Thabazimbi Municipality is from Koedoeskop to Northam and Dwaalboom. This road is crucial in terms of mining logistics, specifically for the new cement kiln that is currently under construction at Dwaalboom. Construction costs are partially provided for by RAL in 2007/08, but with no provision for the rest over the planning period. Road D1639 is not very busy, but is central to platinum mine expansion at Northam. Construction costs were partially provided for in 2005/06, but once again with no provision for the rest over the planning period.

The most important mining road for Lephalale is the link with Modimolle along the R33. This road has collapsed due to heavy traffic. This traffic will increase even further with the anticipated developments at Grootegeluk Coal Mine and Matimba Power Station from 2007 onwards. However, neither RAL, nor SANRAL have made any budgetary provision for it.

The proposed action plan is that:

- The Department of Planning and Economic Development at WDM should convene a meeting between SANRAL and RAL to resolve the impasse of the transfer of the R33 from RAL to SANRAL. The ultimate objective should be that one these institutions will take responsibility to budget for the reconstruction and maintenance of this road, and that
- The Department of Planning and Economic Development, in conjunction with the Technical Services Department at WDM, should prepare a Municipal Infrastructure Grant (MIG) application to augment RAL funds. These funds should be used to accelerate the reconstruction of the three priority mining roads in each of the three local municipalities mentioned above.

4.1.3 ELECTRICITY

The principal strategic issues are, firstly, to develop an understanding of how any expansion of the Matimba Power Station may impact on economic and spatial development in Waterberg district and then to prepare pro-active responses to maximise the positive impact in a sustainable manner.
Secondly, distribution to and substations for new mining developments could become critical path constraints. Thirdly, the implications for regional electricity distribution on local government in Waterberg District are not yet understood.

The proposed action plan is therefore that:

- The Department of Planning and Economic Development at WDM, in conjunction with Lephalale Local Municipality should convene a meeting with the management of Matimba Power Station to discuss the different development scenarios that are currently being considered by Eskom. This information should be used by WDM to formulate an appropriate pro-active response in terms of the implementation of the mining development strategy; and that
- The network services division of the Eskom Northern Region should have membership on the proposed platform for mining stakeholder communication that is recommended as part of strategy four in section 4.4 below. One of the sub-structures of this proposed platform should be to facilitate communication between Eskom and mining companies with regard to electricity requirements; and that
- The Department of Planning and Economic Development at WDM should obtain information from the Regional Electricity Distributor for the Northern Region regarding their implementation strategy and make this information available to local municipalities in the District.

4.1.4 RAIL TRANSPORT

The principal strategic issue is the railway line from Lephalale to Gauteng or an alternative line to a port on the east coast. The mooted railway line from the coal fields in Botswana to a port in Namibia is related to this issue.

The proposed action plan is that the Department of Planning and Economic Development at WDM should facilitate the compilation of a bankable feasibility study for rail logistics development from Lephalale. Key stakeholders in this process are Spoornet, Kumba Resources and DBSA.

4.2 Strategy Two: Skills Promotion

The key strategic issues are firstly, the low level of skills among unemployed persons. Secondly, the relationships between the Department of Labour, the MQA and the mining companies with regard to skills development for the mining sector, are not fully functional.

The proposed action plan is that the Department of Planning and Economic Development at WDM should create a sub-structure for skills development on the proposed platform for mining stakeholder communication that is recommended as part of strategy four in section 4.4 below. Important stakeholders on this substructure should be the Department of Labour Provincial Office, mining companies and the Mining Qualifications Authority.
The tasks of this sub-structure should be to:

- Reflect the needs of the mining sector in the training programmes for unemployed persons that are being managed by way of the three labour centers in the Waterberg District;
- Find a way to utilise the training and learnership grants more effectively towards promoting skills that are on the mining priority list;
- Thirdly, a career guidance service by the Department of Education should be motivated in order to introduce learners to the mining sector;
- Fourthly, collective issues with regard to the corporate social responsibility investments of mining companies in education and training, as reflected in the social and labour plans, should be coordinated for maximum impact and effectiveness in terms of skills development in Waterberg District;
- Finally, a representative from operating mines in the Waterberg District should be nominated to serve on the Limpopo Skills Development Forum, which advises the Department of Labour on policies and projects.

4.3 **Strategy Three: Small Scale Mining Development**

A distinction is drawn for the purpose of this implementation plan between private small mining companies and community mining co-operatives. Private small mining companies are discussed in this section and community co-operatives are discussed in section 6.3 below.

There are several opportunities for small scale mining in the Waterberg District, including granite mining, stone crushing, the reclamation of hematite-bearing ore and the reclamation of fly-ash for cement production.

The critical strategic issue in this regard is project management, across the entire spectrum from project planning to financing, production, marketing, safety and environmental conservation. National programmes have been established to make these project management services available to prospective small mining companies and Mintek has been assigned as the custodian of these programmes. Mintek has signed a memorandum of understanding with Trade and Investment Limpopo (TIL) to be their representative in the Province in this regard.

These actions must be aligned to the enterprise/business development support service and mining skills development focus of the Municipality, as outlined in objectives one and two. Leveraging of existing mechanisms of support offered by National and Provincial agencies, will need to be maximised to ensure market driven and sustainable small scale mining ventures in both primary mining as well as mining discard product activities.
The proposed action plan is that the Department of Planning and Economic Development at WDM should engage TIL to mobilise national project management resources for the promotion of small scale mining in the granite, iron ore and construction industries.

The target should be to establish one sustainable new small scale mining operation in Waterberg District each year from 2007 onwards.

4.4 **Strategy Four: Monitor Mining Development Indicators**

The key issue in this regard is that an intervention is required in terms of public sector infrastructure provision, skills development and seamless development facilitation so as to accelerate private sector investment and job creation in the Waterberg mining sector. The success of this intervention will depend to a very large extent on the way in which it is managed. Part of this management process is the continuous monitoring of critical indicators in order to have constant feedback on progress and to track the local value adding and supply gaps across the generic mining value chain. This feedback is essential to inform any corrective action that may be required for Waterberg District to remain on target in terms of its mining development goal and objectives over the duration of the intervention.

The proposed action plan is therefore that the Department of Planning and Economic Development at WDM should develop and maintain a simple econometric model with which to relate the mining sector to the district economy. The key variables that should be included in the model are capital investment, job creation, production and BEE procurement. The model should include every mining operation in the district by commodity and should distinguish between large scale and small scale mining operations. Parameters of the model should include actual performance in terms of each variable, as well as projections for each variable against the objectives and targets of the mining development strategy.

Results and projections from the model should be regularly reported to the LED Portfolio Committee of WDM and to the proposed platforms for mining stakeholder communication that is recommended as part of strategy five in section 4.5 below. These institutions should take corrective action on the basis of indicator results whenever it is required.

This strategic initiative supports all the other strategic initiatives and therefore provides the first step towards establishing a WDM specific knowledge base that can quantifiably inform future mining development decisions and further refinement of the strategy itself. This knowledge platform is a pivotal instrument to increase the resolution of what to focus on as a District Municipality and to provide the foundation for intensifying district wide mining cluster development initiatives.
4.5 **Strategy Five: Platforms for Stakeholder Communication**

The fundamental strategic issue in this regard is that joint contributions from the public and private sectors are required to achieve the goals and objectives of the WDM mining development strategy, but there are no structures to manage and co-ordinate these contributions. Within the public and private sectors respectively, there are also problems with regard to co-ordination.

As with strategy four, this initiative is essential to institutionalising a district specific mining development enabling capability as it underpins all of the other WDM strategies. It gives structure to the sharing of information and knowledge products of the district and in this way fosters a learning and sharing community culture, which is the bedrock of any successful cluster development drive.

The proposed action plan is therefore that the Department of Planning and Economic Development at WDM should create two platforms for mining stakeholder communication at the policy and at the operational levels respectively.

4.5.1 **MINING POLICY FORUM**

The purpose of this forum is to raise new and deal with existing policy issues at the national, corporate and provincial levels in support of accelerated mining development in Waterberg District. The forum should ideally meet once every three months and should be chaired by the Executive Mayor of WDM or her nominee. Agendas, submissions to and minutes of the forum meetings should be prepared by the Department of Planning and Economic Development at WDM.

Proposed members of the forum should include:
- Chairperson of the LED Portfolio Committee at WDM
- Senior Planning Manager in the Office of the Premier, Limpopo
- Municipal Managers of WDM, Lephalale, Mogalakwena and Thabazimbi,
- Senior Representative of the Department of Economic Development, Environment and Tourism in Limpopo
- DME Provincial Director in Limpopo
- DWAF Provincial Head in Limpopo
- Department of Labour Provincial Head in Limpopo
- Senior Representative of Anglo Platinum
- Senior Representative of Kumba Resources
- Senior Representative of Eskom
- Senior Representative of Spoornet
- Senior Representative of the Roads Agency Limpopo
- Senior Representative of DBSA for Limpopo.
4.5.2 MINING CLUSTER WORKING GROUP

The purpose of the Mining Cluster Working Group is to integrate operational issues among all stakeholders in support of accelerated mining development in Waterberg District. Policy issues that impact on operational effectiveness and efficiency should be presented as submissions to the Mining Policy Forum that is referred to in section 4.5.1 above. The Mining Cluster Working Group should ideally meet every two months and should be chaired by the Departmental Manager of Planning and Economic Development at WDM. This department should also provide secretariat services to the working group.

Proposed members of the forum should include:
- Departmental Manager for Technical Services at WDM,
- Economic Development and Planning managers of Lephalale, Mogalakwena and Thabazimbi municipalities
- Representative of the Planning Division in the Office of the Premier in Limpopo,
- Representative of the DME Provincial office in Limpopo,
- DWAF planning manager for Waterberg District,
- Department of Labour Employment and Skills Development Manager for Limpopo,
- Sustainable Development Managers of all platinum, coal, cement and iron ore mines in Waterberg District,
- Representative of Eskom,
- Representative of Spoornet,
- Representative of the Roads Agency Limpopo,
- Representative of DBSA for Waterberg District,
- Representative of Trade and Investment Limpopo for the mining sector, and
- Representatives of business development support and finance institutions in Limpopo.

The Mining Cluster Working Group should have subcommittees for infrastructure, skills development, business development and spatial development. Subcommittees should be chaired by elected members of the Cluster Working Group but with the right to co-opt additional persons onto the subcommittee, even if they are not members of the Cluster Working Group. The mandates for these work teams will be directly governed by prevailing intervention priorities as they emerge.

Results from Mining Cluster Working Group meetings should ideally be used by the Office of the Premier to manage the implementation of the mining cluster proposals within the Provincial Growth and Development Strategy.
5. ACTION PLANS FOR OBJECTIVE TWO: PROMOTE THE CAPACITY OF LOCAL BEE COMPANIES TO SUPPLY THE PROCUREMENT NEEDS OF MINES

5.1 Strategy One: Identify Appropriate Procurement Needs

A critical strategic issue is the range of items and services that are being procured by mines. The provisioning of some of these items and services, such as cleaning, security and protective clothing, can be done with relatively low levels of establishment capital, as well as generally available technical and managerial expertise. Others, such as heavy mining equipment and their spare parts, have substantial barriers to entry in terms of financial capital and technical expertise. In some cases, such as fuel, which is a major procurement item especially on open cast mines, financial capital and technology required for distribution and storage is considerable and complex. There is also a range of items in between, such as steel, chemicals for the concentration plants and tyres for heavy equipment.

The South African Mining Preferential Procurement Forum uses the classification illustrated in the diagram below to distinguish between the complexity and impact of items in the procurement supply chain.

Figure Three; Classification of Commodities in the Mining Supply Chain

Source: South African Mining Preferential Procurement Forum
Social and labour plans of mines provide useful information on procurement in summarised format in terms of the mining charter requirements. Mining company websites also provide the names and contact details of procurement managers for different sections. However, lists of items and services required by type and quantity are not available.

The proposed action plan is therefore that the Department of Planning and Economic Development at WDM should request permission from mine managers for procurement lists to be compiled by type and quantity per mine and according to the classification of complexity and impact illustrated above. These lists should become the basis for a joint approach between mining companies and the LED units of WDM, Lephalale, Mogalakwena and Thabazimbi, to develop a five-year programme on local procurement. Specific items/services that match the capacity of local BEE entrepreneurs to deliver, should be identified from the lists. The items and services are initially likely to be in the low complexity categories. However, the programme could progressively be extended to include high-complexity items as the local capacity to supply at the required quality standards is improved.

5.2 **Strategy Two: Identify Local BEE Entrepreneurs**

Limpopo has a relatively low entrepreneurial density (entrepreneurs per 1000 persons), underdeveloped business organization structures and most of its emerging entrepreneurs are in survivalist or informal sector businesses. This situation also applies to Waterberg District to a very large extent and this complicates the identification of local BEE entrepreneurs who would meet the required quality standards in the mining supply chain.

The proposed plan of action is therefore that the Department of Planning and Economic Development at WDM should use the identified items and services from the procurement lists that are referred to in section 5.1 above, to focus the search for matching and suitable entrepreneurs. All business organizations should be mobilised to assist with the search, including business chambers, Limdev, Limac and Limpopo SMME Support Agency. The broadcasting and printed media could also assist with the search.

The final outcome of this action plan is that the LED units of WDM and the three local municipalities of Lephalale, Mogalakwena and Thabazimbi should screen the potential and aspiring BEE entrepreneurs who have been identified, for their capacity to meet mining supply chain requirements for specifically selected items and services. These entrepreneurs should be introduced to the mining procurement teams and should undergo an induction programme on mining procurement procedures.

Depending on their capacity, these persons can either be absorbed onto the supplier database immediately, or be linked with existing suppliers, or be nominated for a business development support programme. This programme is the topic of section 5.3 below.
### 5.3 Strategy Three: Facilitate Access to Business Development Support

The key strategic issue is that the wide array of business development support programmes that have been provided nationally and provincially, have technical capacity problems of their own, they are unco-ordinated; and their office locations make them difficult to access by emerging entrepreneurs. These programmes include national and provincial small business development initiatives, dedicated funds that are managed by development finance agencies such as DBSA and the Industrial Development Corporation, as well as donor-funded initiatives, such as the Limpopo-EU LED Fund. The national Department of Trade and Industry also has a Black Business Supplier Development Program aimed at improving core competencies and competitiveness; as well as upgrading managerial capabilities.

The proposed action plan is to determine the specific business development support requirements of the BEE entrepreneurs that are identified in terms of section 5.2 above and for the particular items and services as discussed in section 5.1. All the national and provincial development support programmes should then be evaluated to find the service that best matches the specific business development support requirements of the BEE entrepreneurs that have been selected for the mining supply chain in Waterberg District. Access to these chosen business development support services by the selected BEE entrepreneurs should then be facilitated by the Department of Planning and Economic Development at WDM.

These activities will both inform and govern the provision of an integrated suite of business development services at district level, through a district mandated and embedded one stop service centre model. This will require the deliberate design of the processes and structure (business architecture) of such a delivery model/s for the district that is aligned with and founded on the district specific market requirements of entrepreneurs, communities and mining houses.

This action plan should be a continuous process that should be reflected in the local economic development plans of WDM and the three relevant local municipalities. It should have its own monitoring and evaluation capability in order that progress and impact with regard to local BEE business development in the local mining supply chains can regularly be interpreted.
5.4 **Strategy Four: Investigate the need for a Mining Supply Park**

Trade and Investment Limpopo (TIL) called for proposals from service providers to investigate the need and viability of a mining supply park in Limpopo. The contract was never awarded.

A mining supply park model for WDM could form an important component of business support services for BEE entrepreneurs in the supply chain. The needs analysis for business development support that is referred to in section 5.3 above, should therefore include an assessment of the need for business infrastructure requirements among the selected BEE entrepreneurs. The outcome of this assessment will indicate whether TIL should be approached by the Department of Planning and Economic Development at WDM to reactivate the mining supply park project.
6. ACTION PLANS FOR OBJECTIVE THREE: AUGMENT THE CAPACITY OF LOCAL GOVERNMENT AND COMMUNITIES TO PROMOTE MINING DEVELOPMENT

6.1 Promote Spatial Development Capacity

The critical issues are firstly, the need for proactive spatial planning and development at mining development nodes, such as Lephalale, Northam, Mokopane and Mapela. This refers to the planning and development of housing, settlement infrastructure and social amenities. Secondly, traditional settlement patterns and land-use management systems in semi-rural areas such as Mapela are complex and in most cases not conducive to mining development.

The proposed action plan is therefore firstly, to commission the compilation of detailed spatial development frameworks for the Lephalale, Mapela and Northam nodes. These should ultimately be incorporated into the municipal spatial development frameworks. Detailed spatial development frameworks should include land-use budgets, indicating the need for and availability of land for different uses (applications), as well as zoning suggestions for the different land-uses. Buffer zones around high-potential mineral occurrences should be specifically demarcated and new settlement development should not be approved in such buffer zones. The proposed land use budget and zoning should also be linked to infrastructure and service provision with anticipated costs for different service levels. It should counter the misconception that settlements can be planned at random in any part of a population concentration point, with specific reference to Mapela.

It is estimated that the cost for the preparation of a detailed spatial development framework for the Mapela Population Concentration Point could amount to R200,000, R250,000 for the Ellisras, Onverwacht and Marapong node in Lephalale; and R150,000 for the Northam node. This includes the land-use budget, the zoning proposals and the planning links with infrastructure and service provision (with anticipated costs for different service levels).

The second part of the proposed action plan is to create dedicated spatial planning capacity within the three local municipalities of Lephalale, Mogalakwena and Thabazimbi. A key objective of this unit should be the implementation and management of the municipal as well as the nodal spatial development frameworks. Urgent spatial planning and development for the sake of accelerated mining sector expansion is obviously a priority in terms of the mining strategy. However, spatial planning capacity is essential to promote other sectors as well, such as tourism, commercial and industrial development.

This function may have to be outsourced initially in order to establish the necessary spatial planning systems and databases. This will require a budget.
for the procurement of professional services for a proposed contract period of two years. Municipal spatial planners should be appointed early on in this contract period in order to be trained on the job by the service provider. The outcome should be a functional and operational spatial planning unit within each of these three local municipalities at the end of the proposed two-year contract period.

6.2 Promote Local Economic Development Capacity

The critical issues are to have persons to interface between mining companies and the district as well as the three local municipalities concerned. These persons will need to mobilise public resources in support of mining development with specific reference to infrastructure and skills development. They will also need to facilitate the business development support process for local BEE entrepreneurs in terms of the mining charter. Thirdly, they will need to align their respective LED strategies with the WDM mining strategy and with the social and labour plans of their local mining operations.

Recommendations with regard to institutional options for the management of local economic development were presented to WDM by a service provider in May 2006. It was found that the Planning and Economic Development Department in WDM, which is illustrated in the organization chart below, is under-resourced in terms of the number of skilled staff and in terms of its capital and operational budget.

Figure Four: Organization Chart for the Existing Planning and Economic Development Department in WDM

Recommendations include seven options that range from expansion of the current LED unit (appointing dedicated managers for each priority sector), to the establishment of an economic development agency and further to public private partnerships. External service procurement is also included among
the options. The most appropriate solution for the promotion of local economic development in WDM in general is probably to be found in a combination of some of the options, such as internal expansion, public private partnerships and external service procurement.

However, recommendations in the context of LED promotion for the mining sector will have to be very specific. A compromise needs to be achieved between internal capacity building and urgent implementation of the action plans recommended in the Mining Sector Strategy.

It is therefore proposed that a senior official, with suitable project management skills and with an interest in understanding the complexity of the mining industry, should be offered or recruited to a level four position as LED Co-ordinator: Mining Sector (as recommended in the institutional options report).

At the same time a competent service provider should be contracted for a proposed period of two years. The terms of reference of the service provider should firstly be to take responsibility for the implementation of all the action plans recommended in the Mining Sector Strategy. Secondly, the service provider should transfer skills to the person employed as LED Co-ordinator: Mining Sector during the two-year contract period, in order that an internally-driven implementation process should continue after the expiry of the service contract.

The capacity and best practices thus developed could be captured in a district specific service delivery model. Such models can best be documented and institutionalized using business process management tools and resulting in a transparent, electronically accessible knowledge base on how these services are delivered within the District. It furthermore guarantees continuity in service delivery between different job incumbents whilst providing any staff member with an “electronic directory” of what is done where by whom and how, in pursuit of the LED goals wherever access to a computer exists. Such a concurrent intervention, will provide the WDM with both a strategic and practical capability that can then be leveraged and replicated throughout the other municipalities.

The process of capacity building at the district level should be repeated at the local level as well, particularly for the three mining municipalities of Lephalale, Mogalakwena and Thabazimbi. Lephalale has the most LED capacity of the three local municipalities at present. It has a strong directorate for planning and development, as well as an effective LED Forum and Unit. It has also established a Section 21 Lephalale Development Company that:

- Provides information to potential investors,
- Promotes the local supply of goods and services, and
- Manages social and infrastructure projects.

Internal spatial planning capacity is likely to be a constraint in Lephalale.
Mogalakwena Municipality has an organizational structure in place for local economic development, but critical staff positions are yet to be filled. An LED strategy is currently in the process of being compiled.

In Thabazimbi the IDP manager is also responsible for LED as an additional function. A previous attempt to compile an LED strategy was not successful. There is currently no capacity within the municipality to implement any LED recommendations.

The second action plan should therefore be to appoint dedicated LED officers for the mining sector, with appropriate experience, in each of the three local municipalities. The contracted service provider referred to above should also transfer skills to these persons during the proposed two-year contract period.

Thirdly, the final mining development strategy should be incorporated into a revised LED strategy for WDM and then incorporated into the revised IDP. Similarly, the final mining development strategy should be reflected in the LED strategies of Mogalakwena, Lephalale and Thabazimbi local municipalities and their IDPs.

Finally, LED strategies at the local municipality level and the social and labour plans of mines in each municipality, should be co-ordinated with each other.

**6.3 Small Mining Community Co-operatives**

A key strategic issue is firstly, that good intentions to promote and support small mining co-operatives are being hampered by educational and institutional capacity constraints within the co-operatives. There are challenges in terms of preparing a syllabus on complex issues such as mining safety and environmental conservation for illiterate or semi-illiterate people. There are also challenges in convincing the potential beneficiaries that this learning is essential.

Secondly, the preparation of business plans for mining co-operatives in the past have been rudimentary at best. Lessons that have been learnt from LED and poverty reduction projects in terms of the need for clear objectives, market and financial analysis, as well as best-case business and production models, are not reflected in these business plans.

Two action plans are therefore proposed in this regard and they can be implemented in parallel.

Firstly, the compilation of a syllabus for the training of small mining co-operative members in all the relevant technical, financial, marketing and administrative aspects is essential. Different options to finance the compilation of the syllabus and the subsequent training programmes should also be considered, including MQA, the EU-Limpopo LED Fund and LED
budgets from mining companies such as Thabazimbi Iron Ore Mine. Training of co-operative members in terms of the syllabus should then be discussed and arranged by municipal LED officers for the mining sector. Successful completion of the training programme should be a precondition for capital funding to a co-operative.

Secondly, a standard format for the compilation of feasibility studies and business plans for mining co-operatives should be prepared with reference to best-case international examples.

The Tshabang Tlala Babirwa Pebble Co-operative (TTBPC), as well as Rapadi and Senila, could be the first to have feasibility studies and business plans prepared according to the proposed format. These business plans, together with the training programme referred to above, should be preconditions for capital funding for mining co-operatives.
FIGURE FIVE: SUMMARY OF PROPOSED STRATEGIES

Create an enabling environment for mining development
- Provide infrastructure
- Facilitate skills development
- Promote/stimulate small scale mining
- Monitor and evaluate mining value chain development
- Create platforms to communicate/share information

Localize BBEE supply chain participation
- Identify products and services
- Identify local BEE entrepreneurs
- Facilitate business development services
- Determine the most feasible supply park model for the WDM

Build WDM capacity
- Spatial planning
- LED
- Mining co-operatives
7. ORGANIZATION STRUCTURE

Implementation of the goal, objectives, strategies and action plans for mining sector development that are contained in this proposal is beyond the current capacity of the Economic Development and Planning Department of WDM. The recommendations regarding organization structure that are made below are aimed at augmenting the current capacity in order that a realistic chance is provided for project implementation.

The first recommendation is that a senior official, with suitable project management skills and with an interest in understanding the complexity of the mining industry, should be offered or recruited to a level four position as LED Co-ordinator: Mining Sector (as recommended in the institutional options report).

Secondly, a permanent Mining Policy Forum should be established to raise new and deal with existing policy issues at the national, corporate and provincial levels in support of accelerated mining development in Waterberg District. The Forum should ideally meet once every three months and should be chaired by the Executive Mayor of WDM or her nominee. Agendas, submissions to and minutes of the forum meetings should be prepared by the proposed LED Co-ordinator: Mining Sector in the Department of Planning and Economic Development at WDM. The proposed members of the Mining Policy Forum are listed in section 4.5.1 above.

Thirdly, a permanent Mining Cluster Working Group should be established to integrate operational issues among all stakeholders in support of accelerated mining development in Waterberg District. Policy issues that impact on operational effectiveness and efficiency should be presented as submissions to the Mining Policy Forum that is referred to above. The Mining Cluster Working Group should ideally meet every two months and should be chaired by the Departmental Manager of Planning and Economic Development at WDM. The proposed LED Co-ordinator: Mining Sector should provide secretarial services to the working group. Proposed members of the Mining Cluster Working Group are listed in section 4.5.2 above.

The Mining Cluster Working Group should have subcommittees for infrastructure, skills development, business development and spatial development. Subcommittees should be chaired by elected members of the Cluster Working Group but with the right to co-opt additional persons onto the subcommittee, even if they are not members of the Cluster Working Group.

Results from Mining Cluster Working Group meetings should ideally be used by the Office of the Premier to manage the implementation of the mining cluster proposals within the Provincial Growth and Development Strategy.
Fourthly, it is recommended that a competent service provider should be contracted for a proposed period of two years. The terms of reference of the service provider should firstly be to take responsibility for the implementation of all the action plans recommended in the Mining Sector Strategy. Secondly, the service provider should transfer skills to the person employed as LED Manager: Mining Sector during the two-year contract period, in order that an internally-driven implementation process should continue after the expiry of the service contract.

Fifthly, dedicated LED officers for the mining sector, with appropriate experience, should be appointed in each of the three local municipalities of Lephalale, Mogalakwena and Thabazimbi. The contracted service provider referred to above should also transfer skills to these persons during the proposed two-year contract period.

Finally, it is recommended that the intergovernmental relations mechanisms should be used by the Executive Mayor to facilitate exploratory discussions with the two other platinum producing district municipalities in Limpopo with regard to the implications of a standardized approach towards institutional development, infrastructure promotion and business development support for the mining industry, as well as towards liaison with mining companies.

This mechanism should encourage a relationship-building process between Limpopo, North West and Mpumalanga provinces within the context of the platinum cluster. An area of common interest is the lobbying of national incentives to promote investment within the platinum cluster value chain.

Thirdly, the mechanism should be used to explore all the options for the export of coal from the District in consultation with Kumba Resources and Spoornet. Once consensus with regard to a development proposal is reached, the Intergovernmental Relations Forum could be used to communicate with the Botswana Government.

Technical issues that emanate from this political mechanism should be followed up by the Municipal Manager and by the Manager: Planning and Economic Development.

The proposed organization structure is illustrated in the diagram below.
FIGURE SIX: PROPOSED ORGANIZATION STRUCTURE FOR THE DEPARTMENT OF PLANNING AND ECONOMIC DEVELOPMENT AT WDM

- **Regional Integration**
  - **Executive Mayor**
  - **Municipal Manager**
    - Manager: Planning and Economic Development
      - Asst. Mgr: Spatial Planning
      - Asst. Mgr: LED
        - LED Co-ord: Agric
        - LED Co-ord: Tourism
        - LED Co-ord: Mining
  - **Mining Policy Forum**
  - **Mining Cluster Work Group**
  - Contract Service Provider
    - LED Lephalele
    - LED Mogalakwena
    - LED Thabazimbi

- **Municipal Manager**
  - **Manager: Planning and Economic Development**
    - Asst. Mgr: Spatial Planning
    - Asst. Mgr: LED
      - LED Co-ord: Agric
      - LED Co-ord: Tourism
      - LED Co-ord: Mining
  - **Mining Policy Forum**
  - **Mining Cluster Work Group**
  - Contract Service Provider
    - LED Lephalele
    - LED Mogalakwena
    - LED Thabazimbi
8. POLICIES AND PROCEDURES

Critical policy and procedural issues that are discussed below include:
- mining regulations
- infrastructure
- local business development
- sustainable development, and
- development planning.

8.1 Mining Regulations

Adequate capacity must be provided in all relevant government departments to avoid any unnecessary delays in the approval process for mining development.

8.2 Infrastructure

The different spheres of government will take responsibility for appropriate infrastructure provision, skills development and development facilitation as incentives to encourage job creation and capital investment by private sector mining companies.

All stakeholders in the mining sector must subscribe to the implementation of responsible water demand management and conservation programmes.

Mining companies will also be expected to subscribe to a declaration regarding responsible road freight payloads.

8.3 Local Business Development

In the context of this mining development strategy, local business development implies effective assistance to businesses that are located within the WDM and in which residents of WDM have significant ownership.

In the context of the Broad Based Black Economic Empowerment Bill, preference will be given to Black business persons who are resident in WDM, provided that the intended enterprise is feasible and sustainable.

8.4 Sustainable Development

WDM will promote sustainable development by balancing the imperatives of environmental conservation with opportunities for mining development. Mineral occurrences within the District will be clearly mapped in GIS format, indicating all environmentally sensitive areas in the vicinity of mineral occurrences. All developments will have to indicate how the anticipated impact on the sensitive environments will be mitigated.
8.5 Development Planning

8.5.1 SPATIAL PLANNING PROCEDURES

WDM and local municipalities will take responsibility for the preparation, approval and implementation of detailed spatial development frameworks for the human settlement areas where mining activity occurs and where the potential for mining development is high.

A buffer zone of one kilometre on all sides of economically recoverable mineral deposits will be enforced, within which settlement will not be permitted.

In the event that communities have to be relocated for the purpose of mining development, the resettlement manual that was adopted by Mogalakwena Municipality should be considered for application throughout Waterberg District Municipality.

8.5.2 IDPS, LEDS AND SOCIAL & LABOUR PLANS

WDM will facilitate the co-ordination of LED strategies in the three municipalities of Lephala, Thabazimbi and Mogalakwena with the social and labour plans of mines in those areas so as to consolidate stakeholder support and resources for maximum impact and sustainability. Results of this co-ordination will be reflected in the revised LED strategy for WDM and in its revised IDP.
## 9. INDICATIVE BUDGET

Table 9.1: Indicative Budget Per Activity

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>INDICATIVE BUDGET R’</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Create conducive environment for mining development</strong></td>
<td></td>
</tr>
<tr>
<td><strong>1.1 Infrastructure provision</strong></td>
<td></td>
</tr>
<tr>
<td><strong>1.1.1 Water</strong></td>
<td></td>
</tr>
<tr>
<td>1.1.1.1 Assist Mogalakwena Local Municipality to fast-track the compilation of water services planning study</td>
<td>100,000</td>
</tr>
<tr>
<td>1.1.1.2 Collaborate with DWAF re raising of Mogol Dam</td>
<td>0</td>
</tr>
<tr>
<td>1.1.1.3 Collaborate with DWAF re Crocodile River return flow</td>
<td>0</td>
</tr>
<tr>
<td>1.1.1.4 Technical capacity building for local municipalities</td>
<td>1,500,000</td>
</tr>
<tr>
<td>1.1.1.5 Update WDM Water Services Development Plan</td>
<td>100,000</td>
</tr>
<tr>
<td><strong>1.1.2 Roads</strong></td>
<td></td>
</tr>
<tr>
<td>1.1.2.1 Resolve transfer of the R33 from RAL to SANRAL</td>
<td>20,000</td>
</tr>
<tr>
<td>1.1.2.2 Prepare MIG application to augment RAL funds</td>
<td>20,000</td>
</tr>
<tr>
<td><strong>1.1.3 Electricity</strong></td>
<td></td>
</tr>
<tr>
<td>1.1.3.1 Discuss Matimba options and factor into strategy</td>
<td>20,000</td>
</tr>
<tr>
<td><strong>1.1.4 Rail</strong></td>
<td></td>
</tr>
<tr>
<td>1.1.4.1 Facilitate feasibility study on rail logistics</td>
<td>50,000</td>
</tr>
<tr>
<td><strong>1.2 Skills Promotion</strong></td>
<td></td>
</tr>
<tr>
<td>1.2.1 Facilitate implementation of the four proposed actions</td>
<td>40,000</td>
</tr>
<tr>
<td><strong>1.3 Small Scale Mining (SSM) Promotion</strong></td>
<td></td>
</tr>
<tr>
<td>1.3.1 Mobilise resources for SSM development in granite, iron ore and granite industries in conjunction with TIL</td>
<td>100,000</td>
</tr>
<tr>
<td><strong>1.4 Monitoring and Evaluation</strong></td>
<td></td>
</tr>
<tr>
<td>1.4.1 Develop and maintain an econometric model for WDM</td>
<td>100,000</td>
</tr>
<tr>
<td><strong>1.5 Create Platforms for Stakeholder Communication</strong></td>
<td></td>
</tr>
<tr>
<td>1.5.1. Secretariat services for the Mining Policy Forum (2 years)</td>
<td>100,000</td>
</tr>
<tr>
<td>1.5.2 Secretariat services for the Mining Cluster Working Group</td>
<td>150,000</td>
</tr>
<tr>
<td><strong>2. Localise BEE mining supply chain participation</strong></td>
<td></td>
</tr>
<tr>
<td><strong>2.1 Identify Appropriate Procurement Needs</strong></td>
<td></td>
</tr>
<tr>
<td>2.1.1 Compile procurement lists per mine by category and quantity</td>
<td>25,000</td>
</tr>
<tr>
<td>2.1.2 Select suitable items from procurement lists for BEE promotion over five years</td>
<td>25,000</td>
</tr>
<tr>
<td><strong>2.2 Identify Local BEE Entrepreneurs</strong></td>
<td></td>
</tr>
<tr>
<td>2.2.1 Facilitate search via existing business support structures and media</td>
<td>50,000</td>
</tr>
<tr>
<td>2.2.2 Screen respondents for suitability</td>
<td>50,000</td>
</tr>
<tr>
<td>2.2.3 Link respondents with existing suppliers</td>
<td>50,000</td>
</tr>
<tr>
<td><strong>2.3 Facilitate Access to Business Development Support</strong></td>
<td></td>
</tr>
<tr>
<td>2.3.1 Conduct a needs analysis among screened, prospective</td>
<td>50,000</td>
</tr>
</tbody>
</table>

---

2 Assume R250,000 per municipality for each of the three local municipalities (Mogalakwena, Lephalale and Thabazimbi) for a period of two years.

3 Assume that assistance will be provided by the technical, spatial and LED service providers that are procured in terms of this indicative budget.
BEE entrepreneurs

2.3.2 Identify available business development support services that match the needs 20,000
2.3.3 Facilitate access to the available services 100,000
2.3.4 Determine the most feasible mining supply park model for WDM 100,000

3. Augment Capacity for Mining Development in WD

3.1 Promote Spatial Development Capacity

3.1.1 Detailed Spatial Development Framework for Mapela 200,000
3.1.2 Detailed Spatial Development Framework for Lephalale 250,000
3.1.3 Detailed Spatial Development Framework for Northam 150,000
3.1.4 Build spatial planning capacity in Mogalakwena, Lephalale and Thabazimbi for two years

3.2 Promote LED Capacity

3.2.1 Appoint LED Co-ordinator: Mining Sector 300,000
3.2.2 Appoint service provider for mining strategy implementation 120,000
3.2.3 Build LED capacity in Mogalakwena, Lephalale and Thabazimbi for two years
3.2.4 Incorporate mining strategy in LEDs, IDPs and social and labour plans of mines 50,000

3.3 Promote Small Scale Mining Community Co-operatives

3.3.1 Compile a syllabus for the training of co-operative members 50,000
3.3.2 Conduct training for co-operative members 50,000
3.3.3 Compile a standard format for mining co-operative feasibility studies and business plans 20,000
3.3.4 Prepare feasibility studies and business plans for the three registered mining co-operatives 100,000

Table 9.2: Summary of Indicative Budget per Objective

<table>
<thead>
<tr>
<th>STRATEGY</th>
<th>INDICATIVE BUDGET R’</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective One Subtotal</td>
<td>2,300,000</td>
</tr>
<tr>
<td>Objective Two Subtotal</td>
<td>470,000</td>
</tr>
<tr>
<td>Objective Three Subtotal</td>
<td>4,290,000</td>
</tr>
<tr>
<td>Total Indicative Budget excluding VAT</td>
<td>7,060,000</td>
</tr>
</tbody>
</table>

The indicative budget is for project management and operational expenses only. Various development funds, such as MIG project management funds, the EU-Limpopo LED programme and capacity building programmes, could be approached for contributions towards the indicative budget. It is assumed that capital costs, such as for water provision, will remain the responsibility of relevant implementing departments.

---

4 See footnote 2
5 Project management costs only, since time-related costs are reflected in the indicative budget for each specific activity.
6 See footnote 2
# 10. SCHEDULE OF ACTIVITIES

Table 10.1: Schedule of Activities for Objective One

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>DURATION</th>
<th>DATES</th>
<th>RESPONSIBILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Create conducive environment for mining development</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1 Infrastructure provision</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1.1 Water</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1.1.1 Assist MLM to fast-track the compilation of the water services planning study</td>
<td>8 Months</td>
<td>Sept 06- April 07</td>
<td>WDM Tech Serv &amp; WDM Plng</td>
</tr>
<tr>
<td>1.1.1.2 Collaborate with DWAF re raising of Mogol Dam</td>
<td>Continuous</td>
<td>Sept 06- Aug 08</td>
<td>WDM Tech Serv &amp; WDM Plng</td>
</tr>
<tr>
<td>1.1.1.3 Collaborate with DWAF re Crocodile River return flow</td>
<td>Continuous</td>
<td>Sept 06- Aug 08</td>
<td>WDM Tech Serv &amp; WDM Plng</td>
</tr>
<tr>
<td>1.1.1.4 Technical capacity building for local municipalities</td>
<td>Continuous</td>
<td>Sept 06- Aug 08</td>
<td>WDM Technical Services</td>
</tr>
<tr>
<td>1.1.1.5 Update WDM Water Services Development Plan</td>
<td>3 Months</td>
<td>April 07-June 07</td>
<td>WDM Tech Serv &amp; WDM Plng</td>
</tr>
<tr>
<td>1.1.2 Roads</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1.2.1 Resolve transfer of the R33 from RAL to SANRAL</td>
<td>2 Months</td>
<td>Sept 06 – Nov 06</td>
<td>WDM Tech Serv &amp; WDM Plng</td>
</tr>
<tr>
<td>1.1.2.2 Prepare MIG application to augment RAL funds</td>
<td>1 Month</td>
<td>Sept 06</td>
<td>WDM Tech Serv &amp; WDM Plng</td>
</tr>
<tr>
<td>1.1.3 Electricity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1.3.1 Discuss Matimba options and factor into strategy</td>
<td>1 Month</td>
<td>Sept 06</td>
<td>WDM Planning &amp; Econ Dev</td>
</tr>
<tr>
<td>1.1.4 Rail</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1.4.1 Facilitate feasibility study on rail logistics</td>
<td>2 Years</td>
<td>Sept 06- Aug 08</td>
<td>WDM Planning &amp; Econ Dev</td>
</tr>
<tr>
<td>1.2 Skills Promotion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.2.1 Facilitate implementation of the four proposed actions</td>
<td>2 Years</td>
<td>Sept 06- Aug 08</td>
<td>WDM Planning &amp; Econ Dev</td>
</tr>
<tr>
<td>1.3 Small Scale Mining (SSM) Promotion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.3.1 Mobilise resources for SSM development in granite, iron ore, granite industries and mining discard in conjunction with TIL</td>
<td>2 Years</td>
<td>Sept 06- Aug 08</td>
<td>WDM Planning &amp; Econ Dev</td>
</tr>
<tr>
<td>1.4 Monitoring and Evaluation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.4.1 Develop and maintain an econometric model for WDM</td>
<td>2 Years</td>
<td>Sept 06- Aug 08</td>
<td>WDM Planning &amp; Econ Dev</td>
</tr>
<tr>
<td>1.5 Create Platforms for Stakeholder Communication</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.5.1 Secretariat services for the Mining Policy Forum (2 years)</td>
<td>2 Years</td>
<td>Sept 06- Aug 08</td>
<td>WDM Planning &amp; Econ Dev</td>
</tr>
<tr>
<td>1.5.2 Secretariat services for the Mining Cluster Working Group</td>
<td>2 Years</td>
<td>Sept 06- Aug 08</td>
<td>WDM Planning &amp; Econ Dev</td>
</tr>
<tr>
<td>ACTIVITY</td>
<td>DURATION</td>
<td>DATES</td>
<td>RESPONSIBILITY</td>
</tr>
<tr>
<td>-----------------------------------------------------------</td>
<td>-----------</td>
<td>----------------------</td>
<td>----------------------------------------------------</td>
</tr>
<tr>
<td>2. Localise BEE mining supply chain participation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1 Identify Appropriate Procurement Needs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1.1 Compile procurement lists per mine by category and</td>
<td>2 Months</td>
<td>Sept 06 – Oct 06</td>
<td>WDM Planning &amp; Econ Dev with mines in WDM</td>
</tr>
<tr>
<td>quantity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1.2 Select suitable items from procurement lists for BEE</td>
<td>1 Month</td>
<td>Oct 06</td>
<td>WDM Planning &amp; Econ Dev with mines in WDM</td>
</tr>
<tr>
<td>promotion over five years</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.2 Identify Local BEE Entrepreneurs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.2.1 Facilitate search via existing business support</td>
<td>1 Month,</td>
<td>Nov 06</td>
<td>WDM Planning &amp; Econ Dev</td>
</tr>
<tr>
<td>structures and media</td>
<td>then ongoing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.2.2 Screen and register respondents for suitability</td>
<td>1 Month</td>
<td>Jan 07</td>
<td>WDM Planning &amp; Econ Dev</td>
</tr>
<tr>
<td>2.2.3 Link respondents with existing suppliers</td>
<td>1 Month,</td>
<td>Feb 07</td>
<td>WDM Planning &amp; Econ Dev</td>
</tr>
<tr>
<td></td>
<td>then ongoing</td>
<td></td>
<td>with mines in WDM</td>
</tr>
<tr>
<td>2.3 Facilitate Access to Business Development Support</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3.1 Conduct a needs analysis among screened, prospective</td>
<td>1 Month</td>
<td>Feb 07</td>
<td>WDM Planning &amp; Econ Dev</td>
</tr>
<tr>
<td>BEE entrepreneurs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3.2 Identify available business development support</td>
<td>1 Month</td>
<td>March 07</td>
<td>WDM Planning &amp; Econ Dev</td>
</tr>
<tr>
<td>services that match the needs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3.3 Facilitate access to the available services</td>
<td>16 Months,</td>
<td>April 07-Jul 08</td>
<td>WDM Planning &amp; Econ Dev</td>
</tr>
<tr>
<td></td>
<td>then ongoing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3.4 Determine the most feasible mining supply park model</td>
<td>2 Months</td>
<td>April – May 07</td>
<td>WDM Planning &amp; Econ Dev</td>
</tr>
<tr>
<td>for WDM</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ACTIVITY</td>
<td>DURATION</td>
<td>DATES</td>
<td>RESPONSIBILITY</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>----------</td>
<td>-----------------</td>
<td>-------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>3. Augment Capacity for Mining Development in WD</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>3.1 Promote Spatial Development Capacity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1.1 Detailed Spatial Development Framework for Mapela</td>
<td>3 Months</td>
<td>Sept 06-Nov 06</td>
<td>WDM Planning &amp; Econ Dev with local municipality</td>
</tr>
<tr>
<td>3.1.2 Detailed Spatial Development Framework for Lephalale</td>
<td>3 Months</td>
<td>Sept 06-Nov 06</td>
<td>WDM Planning &amp; Econ Dev with local municipality</td>
</tr>
<tr>
<td>3.1.3 Detailed Spatial Development Framework for Northam</td>
<td>3 Months</td>
<td>Sept 06-Nov 06</td>
<td>WDM Planning &amp; Econ Dev with local municipality</td>
</tr>
<tr>
<td>3.1.4 Build spatial planning capacity in Mogalakwena, Lephalale and Thabazimbi for two years</td>
<td>24 Months</td>
<td>Sept 06- Aug 08</td>
<td>WDM Planning &amp; Econ Dev with local municipalities</td>
</tr>
<tr>
<td><strong>3.2 Promote LED Capacity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.2.1 Appoint LED Co-ordinator: Mining Sector</td>
<td>2 Months</td>
<td>Sept - Oct 06</td>
<td>WDM Planning &amp; Econ Dev</td>
</tr>
<tr>
<td>3.2.2 Appoint service provider for mining strategy implementation</td>
<td>2 Months</td>
<td>Sept - Oct 06</td>
<td>WDM Planning &amp; Econ Dev</td>
</tr>
<tr>
<td>3.2.3 Build LED capacity in Mogalakwena, Lephalale and Thabazimbi for two years</td>
<td>24 Months</td>
<td>Sept 06- Aug 08</td>
<td>WDM Planning &amp; Econ Dev with local municipalities</td>
</tr>
<tr>
<td>3.2.4 Incorporate mining strategy in LEDs, IDPs and social and labour plans of mines</td>
<td>3 Months</td>
<td>Jan–March 07</td>
<td>WDM Planning &amp; Econ Dev with local municipalities</td>
</tr>
<tr>
<td><strong>3.3 Promote Small Scale Mining Community Co-operatives</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.3.1 Compile a syllabus for the training of co-operative members</td>
<td>2 Months</td>
<td>Sept-Oct 06</td>
<td>WDM Planning &amp; Econ Dev with MQA</td>
</tr>
<tr>
<td>3.3.2 Conduct training for co-operative members</td>
<td>1 Month</td>
<td>Nov 06</td>
<td>WDM Planning &amp; Econ Dev with accredited trainer</td>
</tr>
<tr>
<td>3.3.3 Compile a standard format for mining co-operative feasibility studies and business plans</td>
<td>1 Month</td>
<td>Sept 06</td>
<td>WDM Planning &amp; Econ Dev</td>
</tr>
<tr>
<td>3.3.4 Prepare feasibility studies and business plans for the three registered mining co-operatives</td>
<td>2 Months</td>
<td>Oct-Nov 06</td>
<td>WDM Planning &amp; Econ Dev</td>
</tr>
</tbody>
</table>
11. MONITORING AND EVALUATION

Monitoring and evaluation is an essential element of the strategic management process. It is intended to measure the impact of strategic interventions with two purposes in mind. Firstly, intervention results should be measured against the original goals, objectives and targets of the strategy. If targets are not being achieved, then adjustments are required in the implementation plan. In the event that any unintended consequences are emerging, then these have to be mitigated.

The second purpose of the monitoring and evaluation process is to assess the relevance of the original goals, objectives and targets of the strategy. If targets are impossible to achieve, or if unintended consequences persist, then adjustments should be made to the goals, objectives and targets of the strategy. In this manner the monitoring and evaluation process completes the strategic management cycle by linking the assessment of outputs back into the strategy formulation process.

Several very useful publications on monitoring and evaluation for development have recently been released, particularly by the World Bank. One such publication is ‘Ten steps to a results-based monitoring and evaluation system’ released in 2004. It reports that the field of M&E has evolved from traditional implementation-based approaches toward new results-based approaches. It emphasises the quality of the impact that is achieved by development interventions and how this impact relates to stakeholder expectations.

A second useful publication, jointly by the African Bank and the World Bank (1998), deals with the capacity for development evaluation in Africa. It found that the links between public expenditures and M&E approaches are intensifying. This is contributing toward more responsive, accountable and efficient government and more effective development strategies.

The Manager for Planning and Economic Development in WDM, with the support of the two assistant managers, should therefore establish a monitoring and evaluation process for the three objectives of the District Mining Development Strategy.

The simple econometric model that is recommended in section 4.4 above should facilitate effective monitoring and evaluation of the targets and results of objective one, which is to create a conducive environment for mining development in WDM. The key variables that should be included in the model are capital investment, job creation, production and BEE procurement. The model should include every mining operation in the district by commodity and should distinguish between large scale and small scale mining operations. Parameters of the model should include actual performance in terms of each variable, as well as projections for each variable against the objectives and targets of the mining development strategy.
Results and projections from the model should be regularly reported to the LED Portfolio Committee of WDM and to the proposed platforms for mining stakeholder communication that is recommended as part of strategy five in section 4.5 above. These institutions should take corrective action on the basis of indicator results whenever it is required.

Monitoring and evaluation of the second mining strategy objective will require several approaches. This objective is to localize Black economically empowered entrepreneurs (BEEE) in the mining supply chain within the district. The first approach should be to apply the procurement component of the mining charter and to measure results in terms of the value of business that is procured from BEEEs by local mines every year.

The second approach should be to measure the number of BEEEs that are established in WDM every year and the business support services that are provided to them. This should be done both on a quantitative and a qualitative basis. The University of Cape Town has developed useful assessment tools for their international SMME Monitor programme. This could guide the design of a BEEE monitoring and evaluation system for the mining supply chain in Waterberg District Municipality.

Finally, the monitoring and evaluation of the third objective of the mining strategy will also require both quantitative and qualitative approaches. This objective is to build capacity in support of mining development within government and among communities.

Quantitative evaluation will indicate the extent to which targets, such as detailed spatial plans are completed, staff and service providers are appointed and small mining co-operatives are established. Qualitative evaluation should focus on the extent to which the results that are described above actually contribute towards accelerated development of and improved public participation in the mining sector.

Results of the monitoring and evaluation processes for all three objectives from the mining strategy should be regularly reported to the LED Portfolio Committee within WDM and to the Mining Policy Forum. It should also be used to revise the District Mining Strategy every second year.

The first revision of the WDM Mining Development Strategy should therefore be in September 2008, which is the end of the period that is reflected in the current implementation schedule.
12. EXECUTIVE SUMMARY

12.1. Purpose and Background

The purpose of this strategy formulation process is to provide WDM with a policy instrument by which leadership and strategic direction can be given to the mining industry for:

- Increased competitiveness on a sustainable basis,
- Increased investment as a basis for job creation and economic growth,
- Improvements in the quality of life of the district population, including priorities such as BEE, as well as reductions in HIV/AIDS and poverty,
- Regional integration.

This mining development strategy is part of a broader intervention that is aimed at accelerated economic development in Waterberg District, which includes sectoral development strategies for agriculture and tourism.

The mining development strategy was compiled in the following five distinct phases:

- Policy and Geology Assessment
- Current Situation Assessment and Scenario Analysis
- Project Development Opportunities,
- Implementation Plan, and
- Consolidation.

The current sales value of mining production from WDM has increased beyond R14.6 billion, which implies a contribution to GGP of approximately R5 billion. Capital investment and employment in mining appeared to be decreasing since 2002, but has improved recently in conjunction with the commodity boom.

The total number of new jobs from January 2006 to December 2010 under the business-as-usual scenario is 2,200, or approximately 440 per year. In terms of the Provincial Growth and Development Strategy, the expectation is that 6,000 new jobs will be created in Waterberg District each year in order to halve unemployment by 2015. Mining is an area of primary competitive advantage in the Waterberg District and its share in achieving the job creation target should therefore be raised. A deliberate intervention is therefore required to improve the rate of private sector investment and job creation in the mining sector of WDM.

Procurement from BEE companies for mines within Limpopo is improving, but the share of locally-based HDSA businesses in Waterberg District is negligible. The deliberate intervention should raise both the levels of job creation and the level of local business development.
The best-case scenario assumes nine new mining developments in addition to the anticipated events that have already been captured in the business-as-usual scenario.

Under this scenario the total number of new jobs created until December 2010 is 7,850, or approximately 1,960 per year. This represents 33% of the job creation needs of the district.

The best case scenario also assumes that local business development can be considerably improved and that 20% of procurement can be done from suppliers that are based in the Waterberg District by 2010. This should create another 2,420 jobs by that time.

12.2. Vision and Mission Statements

The vision of WDM is to become a caring and responsive municipality with excellent service delivery, sustainable development and prospering people. Its mission statement is that The Waterberg District Municipality will, through an inclusive and participatory process, establish the needs of its people and by rendering effective, efficient and sustainable services, ensure a better life for all.

Economic development is recorded as the third priority in terms of the needs analysis, after water & sanitation in first place; and roads and stormwater in second place. Within the IDP the mining sector is identified as a vehicle to promote economic development and a growth rate of 5% per year is set as the objective for the next five years. Awareness creation of mining opportunities, support programmes for mining co-operatives and the promotion of SMMEs in mining through the provision of incentives, are mentioned in the IDP as the strategies to achieve the objective of an annual 5% growth rate in the mining sector.

12.3. Goals and Objectives

The following formulation is proposed as the goal of the Waterberg District Mining Development Strategy. WDM will provide leadership and interventions to increase the contribution from the mining sector to job creation and economic growth in the District by:

- Creating a conducive environment for mining expansions and new mine developments, specifically by facilitating the removal of constraints to such developments,
- Promoting the capacity of Black economic empowered companies from within Waterberg District to supply the procurement needs of mines according to the required quality standards,

---

7 IDP 2005/06; p176
Augmenting the capacity of local municipalities, traditional leaders and communities to respond to and consolidate the benefits of mining developments within a cluster context.

Each of the bullet points is an objective and is expanded upon in the implementation plan.

**12.4. Strategies for Objective One**

The specific strategies to achieve this objective are to improve infrastructure, to promote skills development, to encourage small scale mining development, to monitor mining development indicators and to create platforms for stakeholders to communicate. The fundamental point of departure is therefore that the different spheres of government take responsibility for appropriate infrastructure provision, skills development and development facilitation as incentives to encourage job creation and capital investment by private sector mining companies.

The proposed targets that these strategies should be aimed at are to achieve 6% growth in the mining sector per year from 2007-2010, to create 1,500 direct jobs in the mining sector every year over the same period; and to establish one sustainable new small scale mining operation in Waterberg District each year from 2007 onwards.

**12.5. Strategies for Objective Two**

The specific strategies to achieve this objective are to collaborate with mining companies to identify supply requirements, to identify qualifying BEE entrepreneurs, to facilitate access to business support services for local emerging business people and to investigate the most appropriate mining supply park model for WDM.

The proposed target is to achieve 20% procurement from Waterberg-based BEE companies for all mines in the district by 2010 and to adjust the target progressively upwards after 2010.

**12.6. Strategies for Objective Three**

Strategies to achieve this objective are to improve spatial planning and land-use management systems at the local level; to improve local economic development planning and management capacity with specific reference to the mining sector; and to promote community co-operatives for mining development.

The proposed target is to make capacity immediately available for spatial planning, land-use management and LED (mining sector) within WDM and within the local municipalities of Lephalale, Mogalakwena and Thabazimbi.
By July 2008 this capacity should be installed within the permanent organization structures of these four municipalities.

With regard to community mining co-operatives, the target should be to have one co-operative established in a functional and sustainable manner in Lephalale, Mogalakwena and Thabazimbi Local Municipalities by December 2007 and to increase the target progressively thereafter.

**12.7. Organization Structure**

It is recommended that an LED Co-ordinator for the Mining Sector should be appointed and that a competent service provider should be contracted for a proposed period of two years to take responsibility for the implementation of all the action plans recommended in the Mining Sector Strategy.

The establishment of a Mining Policy Forum and of a Mining Cluster Working Group is also recommended. Dedicated LED officers for the mining sector, should be appointed in each of the three local municipalities of Lephalale, Mogalakwena and Thabazimbi. Finally, it is recommended that the intergovernmental relations mechanisms should be used by the Executive Mayor to facilitate exploratory discussions with the two other platinum producing district municipalities in Limpopo, with other platinum-producing provinces in South Africa, and with Botswana, which has an extensive coal-field adjacent to the Waterberg Coalfield.

**12.8. Policies and Procedures**

Critical policy and procedural issues that are discussed include:
- mining regulations
- infrastructure
- local business development
- sustainable development, and
- development planning.

**12.9. Budget**

Summary of Indicative Budget per Objective

<table>
<thead>
<tr>
<th>STRATEGY</th>
<th>INDICATIVE BUDGET R’</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective One Subtotal</td>
<td>2,300,000</td>
</tr>
<tr>
<td>Objective Two Subtotal</td>
<td>470,000</td>
</tr>
<tr>
<td>Objective Three Subtotal</td>
<td>4,290,000</td>
</tr>
<tr>
<td>Total Indicative Budget</td>
<td>7,060,000</td>
</tr>
</tbody>
</table>

The indicative budget is for project management and operational expenses only. Various development funds, such as MIG project management funds, the EU-Limpopo LED programme and capacity building programmes, could be approached for contributions towards the indicative budget. It is assumed
that capital costs, such as for water provision, will remain the responsibility of relevant implementing departments.

12.10. Schedule of Activities

Separate schedules of activities are provided for each of the three primary objectives, indicating the duration of activities, the months in which they are scheduled and the responsible agent for each activity.

The schedules cover a two-year implementation horizon, from 1 September 2006 to 31 August 2008. It is recommended that the entire mining development strategy and its implementation results should be reviewed in September 2008.

12.11. Monitoring and Evaluation

Monitoring and evaluation is an essential element of the strategic management process. It is intended to measure the impact of strategic interventions with two purposes in mind. Firstly, intervention results should be measured against the original goals, objectives and targets of the strategy. If targets are not being achieved, then adjustments are required in the implementation plan. In the event that any unintended consequences are emerging, then these have to be mitigated.

The second purpose of the monitoring and evaluation process is to assess the relevance of the original goals, objectives and targets of the strategy. If targets are impossible to achieve, or if unintended consequences persist, then adjustments should be made to the goals, objectives and targets of the strategy. In this manner the monitoring and evaluation process completes the strategic management cycle by linking the assessment of outputs back into the strategy formulation process.

The simple econometric model that is recommended in section 4.4 above should facilitate effective monitoring and evaluation of the targets and results of objective one, which is to create a conducive environment for mining development in WDM.

Monitoring and evaluation of the second mining strategy objective will require several approaches. This objective is to localize Black economically empowered entrepreneurs (BEEE) in the mining supply chain within the district. The first approach should be to apply the procurement component of the mining charter and to measure results in terms of the value of business that is procured from BEEEs by local mines every year. The second approach should be to measure the number of BEEEs that are established in WDM every year and the business support services that are provided to them.
Finally, the monitoring and evaluation of the third objective of the mining strategy will also require both quantitative and qualitative approaches. This objective is to build capacity in support of mining development within government and among communities.

Quantitative evaluation will indicate the extent to which targets, such as detailed spatial plans are completed, staff and service providers are appointed and small mining co-operatives are established. Qualitative evaluation should focus on the extent to which the results that are described above actually contribute towards accelerated development of and improved public participation in the mining sector.

Results of the monitoring and evaluation processes for all three objectives from the mining strategy should be regularly reported to the LED Portfolio Committee within WDM and to the Mining Policy Forum. It should also be used to revise the District Mining Strategy every second year.

The first revision of the WDM Mining Development Strategy should therefore be in September 2008, which is the end of the period that is reflected in the current implementation schedule.

This report covers the implementation plan to achieve the best case scenario. It will be consolidated, together with the other four reports, into a final strategy document.