OVERBERG DISTRICT MUNICIPALITY

LOCAL ECONOMIC DEVELOPMENT STRATEGY AND ACTION PLAN

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Commissioned by

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Economic Development and Tourism

Prepared by: J. D. Lawson

EXECUTIVE SUMMARY

Developed economies have learnt that bottom-up strategy development processes which effectively listen to businesses and other key stakeholders, result in more pragmatic economic development strategies. To assist municipalities to strengthen their abilities to develop bottom-up local economic development strategy, the Western Cape Department of Economic Development and Tourism provided support to selected municipalities to learn how to apply and facilitate PACA processes. The process aims to identify medium and short term catalytic projects or economic opportunities that will make a tangible contribution to economic growth, when implemented subsequently by motivated local stakeholders. Initiatives typically improve the business environment to stimulate and support competitiveness of organizations and individuals, which in turn contribute to improved sustainable business profitability, investment and job creation.

PACA processes were completed in all four local municipalities within Overberg District municipality. The subsequent district strategy is informed by desk research as well as these local participatory processes which engaged 250 business leaders and other LED stakeholders. The aim of this bottom-up integrated strategy approach was to identify opportunity for complimentary and additional value addition by the district.

The Overberg district economy is driven mainly by:

- Agriculture
- Aquaculture, mainly Abalone farming
- Light industrial / manufacturing such as Agro-processing, Clothing/Apparel
- Tourism (which leads to vibrant "construction, financial & business services, retail, catering & accommodation sectors")
- Property- development including the retirement market
- Government services and social grants also contribute

These sectors generate income from external markets. This increases local buying power which benefits local retail, services and small business. Ten priority initiatives were selected to stimulate these sectors and to compliment the local strategies and initiatives:

1. Promote increased investment into abalone production
2. Promote abattoir investment and further agro-processing
3. Emerging farmer incubator by Agri-Mega
4. Promote industrial/ manufacturing hub at Botrivier
5. Investment promotion at district with investment facilitation at local municipalities.
6. Partner with motorbike clubs to develop outstanding 3-4 day routes.
7. Position Overberg as number one destination for Country lifestyle and activities such as cycling and running
8. Partner with national government departments to develop Southern-most tip of Africa.
9. WESGRO to develop a destination marketing strategy
10. Find out where the tourism levy goes and gain control.

These initiatives will be implemented by identified champions.

CONTENTS

INTRODUCTION

German research on the most successful economic regions in world determined that:"The most successful economic regions turn out to be those in which groups of relevant stakeholders succeed in ….. organizing rapid and effective learning and decision-making processes ….. that actively shape locational and competitive advantages for their economy."

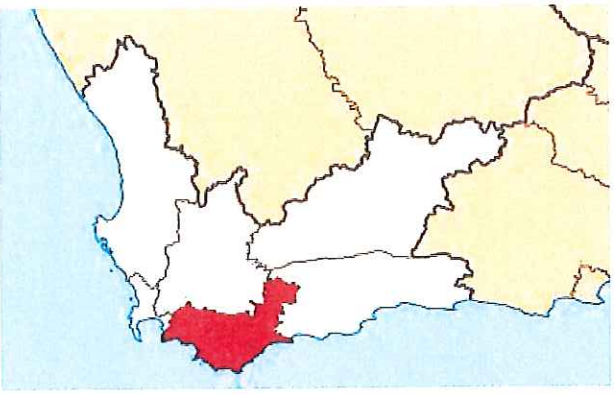
LED is an ongoing process by which key stakeholders and institutions from all spheres of society, the public and private sector as well as civil society, work jointly to create a unique advantage for the locality and its firms, tackle market failures, remove bureaucratic obstacles for local businesses and strengthen the competitiveness of local firms/SMEs. LRED is therefore a means of systematic identification, development and utilisation of economic opportunity, to benefit local businesses. As the private sector grows inclusively, poverty is reduced sustainably, and public sector income also increases.

Sustainable jobs are created in the private sector which makes money from markets. In contrast with the public sector that taxes these businesses and their employees to fund their own activities. In order to grow the economy, businesses therefore need to increase their revenues by competing better in markets, which are exposed to fierce global competition. The key to growth is therefore competitiveness, not just of individual firms but of complete value chains.

Firm performance therefore does not just depend on the factors inside the particular firm, but also on externalities such as market demand, market competition, supply conditions and local business environmental conditions. The eco-system or business environment within which the firms find themselves, to a large extent determines how is easy or how difficult it is for an entrepreneur/ firm to succeed. A healthy business environment is essential for growth and poverty reduction. Inappropriate regulation, excessive taxation, lack of fair competition, lack of voice and an unstable policy environment restrict investment and the development of markets, stifle entrepreneurship and force many businesses to operate in the informal economy.

Developed economies have learnt that bottom-up strategy development processes which effectively listen to businesses and other stakeholders key to economic development, result in more pragmatic economic development strategies. To assist municipalities to strengthen their abilities to develop bottom-up local economic development strategy, the Western Cape Department of Economic Development and Tourism provided support to selected municipalities to learn how to apply and facilitate PACA processes. PACA (Participatory Appraisal of Competitive Advantage) is a methodology to engage local stakeholders in LRED and to develop pragmatic strategies. The PACA process engages key stakeholder representatives to contribute their insights, know-how and resources towards improving the local economy. The process aims toidentify medium and short term catalytic projects or economic opportunities that will make a tangible contribution to economic growth, when implemented subsequently by motivated local stakeholders. Initiatives typically improve the business environment to stimulate and support competitiveness of organizations and individuals, which in turn contribute to improved sustainable business profitability, investment and job creation.

ECONOMIC PROFILE



The **Overberg District Municipality** is a district municipality that governs the Overberg region in the Western Cape province of South Africa. It is divided into four local municipalities and includes the major towns of Grabouw, Caledon, Hermanus, Bredasdorp and Swellendam. It borders on the City of Cape Town to the west, the Cape Winelands District Municipality to the north, and the Eden District Municipality to the east.

Name	Seat	Population (2011)	Area (km²)	Density (inhabitants/km²)
Cape Agulhas[7]	Bredasdorp	33,038	3,467	9.5
Overstrand[6]	Hermanus	80,432	1,708	47.1
Swellendam[8]	Swellendam	35,916	3,835	9.4
Theewaterskloof[5]	Caledon	108,790	3,232	33.7
Total		**258,176**	**12,241**	**21.1**

(Source: Wikipedia, Census 2011)

Area	
• **Total**	12,241 km² (4,726 sq mi)
Population (2011)[2]	
• **Total**	258,176
• **Density**	21/km² (55/sq mi)
Racial makeup (2011)[2]	
• Black African	25.6%
• Coloured	54.2%
• Indian/Asian	0.3%
• White	18.9%
First languages (2011)[3]	
• Afrikaans	70.3%
• Xhosa	17.9%
• English	6.8%
• Sotho	2.1%
• Other	2.9%
Time zone	SAST (UTC+2)
Municipal code	DC3

THE OVERBERG DISTRICT (OBD) ECONOMY *(SOURCE MERO 2013)*

The OBD economy contributing close to 3 per cent of the Western Cape GDPR, has been one of the fastest expanding regions growing at 5.2 per cent per annum, from 2000 to 2011. Agriculture and agro-processing play a key role in the region's economy; however, it's not been the source of growth. Light industry, construction and vibrant financial & business services and retail, catering & accommodation activities have been driving the growth in the region.

The finance, insurance, real estate & business services sector accounts for 27 per cent of GDPR and grew at double-digit rates over the 2000 to 2011 period, even during the recession period of 2008 - 2009. This is therefore the dominant sector in the region; however, a defining characteristic of the region's economy is the increasing contribution by the manufacturing sector, rising from 14.2 per cent in 2000 to 16.2 per cent in 2011; annual real GDPR growth averaged 6.7 per cent over this period. Agro-processing, petro-chemicals, furniture and metals & engineering are the dominant manufacturing industries. However, it has to be noted that these are small industries growing off a low base.

Table 3.1 shows the real GDPR growth rates of the OBD municipalities across the nine broad sectors. The fastest growing municipality was Overstrand (growing by 6.8 per cent per annum, 2000 - 2011), followed by Cape Agulhas (5.7 per cent), Swellendam (4.8 per cent) and Theewaterskloof (3.7 per cent). Theewaterskloof and Overstrand have the largest municipal economies and combined accounted for close to 70 per cent of the region-wide GDPR in 2011. In Theewaterskloof, slow-growing agriculture is more dominant, which explains the relatively lower overall growth rate. Two thirds of the OBD agriculture sector is located in Theewaterskloof and this sub-region accounted for more than 60 per cent of the job losses in the sector over the 2000 - 2011 period. The manufacturing and services sector are equivalent in relative size and also expanded strongly across all municipalities.

Table 3.1 Overberg District economy: Municipal growth across sectors: 2000 – 2011 (%)

Sector	Theewaterskloof	Overstrand	Cape Agulhas	Swellendam	Overberg
Agriculture, forestry and fishing	-0.4	-0.3	1.0	-3.3	-0.7
Mining and quarrying	-5.4	-7.2	7.1	-8.5	0.1
Manufacturing	5.1	7.5	6.9	9.8	6.7
Electricity, gas and water	-0.4	-4.3	2.6	6.1	1.1
Construction	9.8	8.1	10.0	9.2	9.0
Wholesale and retail trade, catering and accommodation	1.0	4.8	0.6	7.3	3.6
Transport, storage and communication	2.8	9.5	0.5	11.1	6.3
Finance, insurance, real estate and business services	13.0	10.8	10.6	4.5	11.0
Community, social and personal services	1.3	4.6	6.1	3.7	3.6
General government	0.0	4.3	6.2	3.2	3.3
Total	3.7	6.8	5.7	4.8	5.2

Source: Quantec Research

A notable feature is the relative size of the Overstrand and Swellendam retail, wholesale, catering & accommodation sectors (Table 3.2), suggesting that tourism plays a key role in these regional economies. There may be under-utilised potential here, however, this applies specifically to the Theewaterskloof and Cape Agulhas municipalities, considering the relatively small size and below average real value added growth rates in this sector in these localities (see Table 3.1).

Table 3.2 Overberg District economy: Sectoral composition by municipality: 2011 (%)

Sector	Theewaterskloof	Overstrand	Cape Agulhas	Swellendam	Overberg
Agriculture, forestry and fishing	21.3	3.9	7.0	11.3	13.6
Mining and quarrying	0.0	0.0	0.3	0.0	0.1
Manufacturing	15.4	16.4	17.0	17.1	16.0
Electricity, gas and water	1.4	0.3	1.5	2.8	1.4
Construction	6.0	9.4	9.6	5.3	7.4
Wholesale and retail trade, catering and accommodation	8.8	17.1	9.8	25.4	15.0
Transport, storage and communication	5.8	9.3	4.1	14.4	8.0
Finance, insurance, real estate and business services	30.1	30.5	26.0	11.0	23.6
Community, social and personal services	3.4	4.2	5.6	4.6	4.5
General government	7.7	9.0	19.1	8.1	10.4
Total	100.0	100.0	100.0	100.0	100.0

Source: Quantec Research

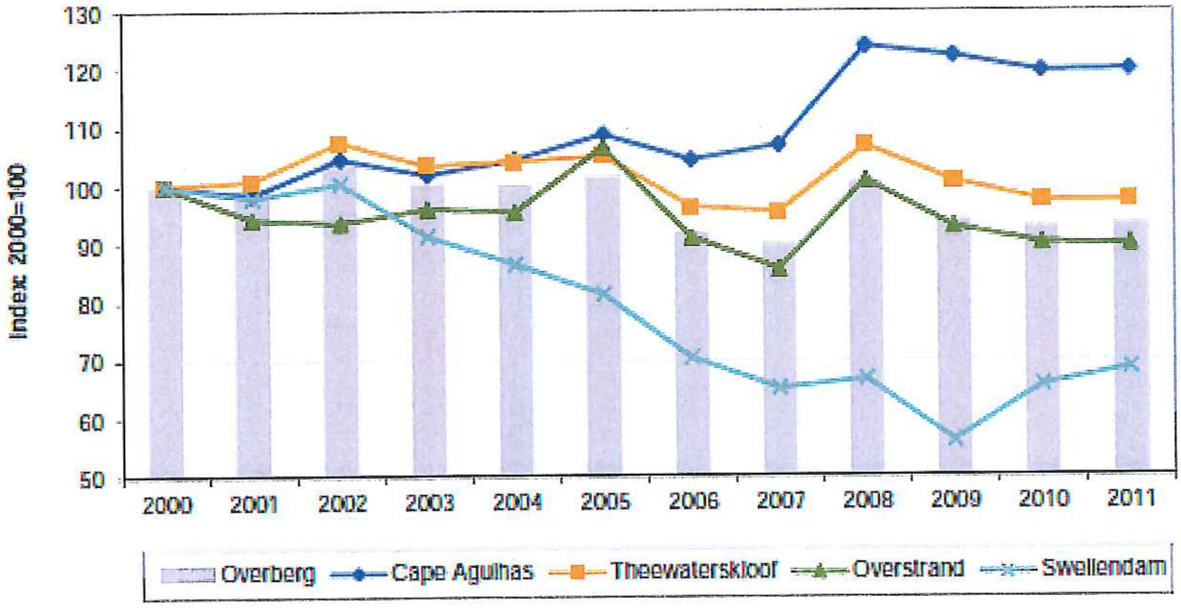
While the OBD economy is small this regional economy presents a very interesting case study of an economy that is bucking the trend of slow-growing secondary industry associated with steep labour retrenchment versus high-growing services industry associated with net job growth. The bulk of the net job losses in the region over the 2000 - 2011 period occurred in the agricultural sector. Including the adverse impact of the recession, the manufacturing sector generated jobs on balance, adding to the net job growth in the services sectors. In view of the manufacturing sector's potential to absorb displaced workers in agriculture, the key growing light industries in the OBD economy may warrant support (be it in the form of skills training, infrastructure provision, business red-tape reduction, etc.). In striving for inclusive economic growth, it is not only necessary to establish which sectors are growing fastest and creating the most jobs, in economics it is also an issue of supply. It is a well-known fact that the domestic supply of labour is predominantly semi- and unskilled, i.e. workers absorbed much easier in the primary and secondary sectors of the economy.

In the OBD, the agriculture, manufacturing & construction sectors contribute close to 37 per cent of economic output, for instance (see Table 3.2), and they tend to be semi- and unskilled labour intensive where the surplus labour supply resides. However, the agricultural sector is under pressure in terms of growth and employment creation. The agricultural potential of the region needs to be assessed – either the contraction of the sector continues and plans are made to accommodate the displaced workers in the more rapidly expanding manufacturing and services industries and at the same time furthering the developmental progression of the region and/or plans are made to arrest the contracting tendency in agriculture in support of the growth in the wider region.

On the basis of the current statistical evidence, the growth of a range of light manufacturing industries and some key services industries need to be supported as these are the most important employment generating sectors in the region.

Figure 3.3 shows the growth trends of the OBD agriculture, forestry & fishing sector by municipality. The Theewaterskloof Municipality is the largest contributor to the agricultural sector, accounting for close to two thirds of real value added in the sector. The growth of agricultural output peaked in 2008, however, the broader tendency in the Theewaterskloof Municipality has been sideways; in Overstrand it is slightly less positive and in the smaller coastal region of Cape Agulhas significantly more positive (presumable aided by the growth in the fishing and aquaculture industry). The sub-region where agricultural activity contracted the sharpest is Swellendam, with real value added in this sector contracting at a rate in excess of 3 per cent per annum over the period 2000 - 2011.

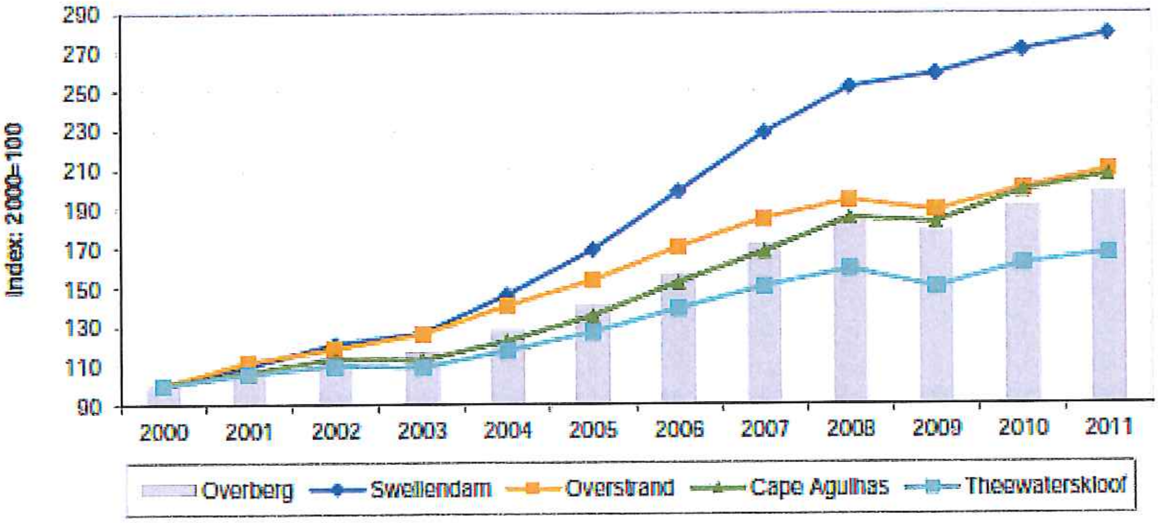
Figure 3.3 Overberg District: Growth in Agriculture, forestry & fishing by municipality: 2000 – 2011



Source: Quantec Research

The OBD manufacturing sector's overall growth performance over the period 2000 to 2011 (i.e. 6.7 per cent per annum) is a notable feature of the region's growth. From Figure 3.4 it is evident that all the municipal manufacturing industries contributed to this positive growth trend and – even more notable – is the relatively shallow recession impact in 2009. The strong-growing Swellendam manufacturing sector (expanding at close to double-digit rates over the 2000 - 2011 period) did not even contract in 2009, whilst manufacturing real value added only contracted mildly in the other OBD municipalities.

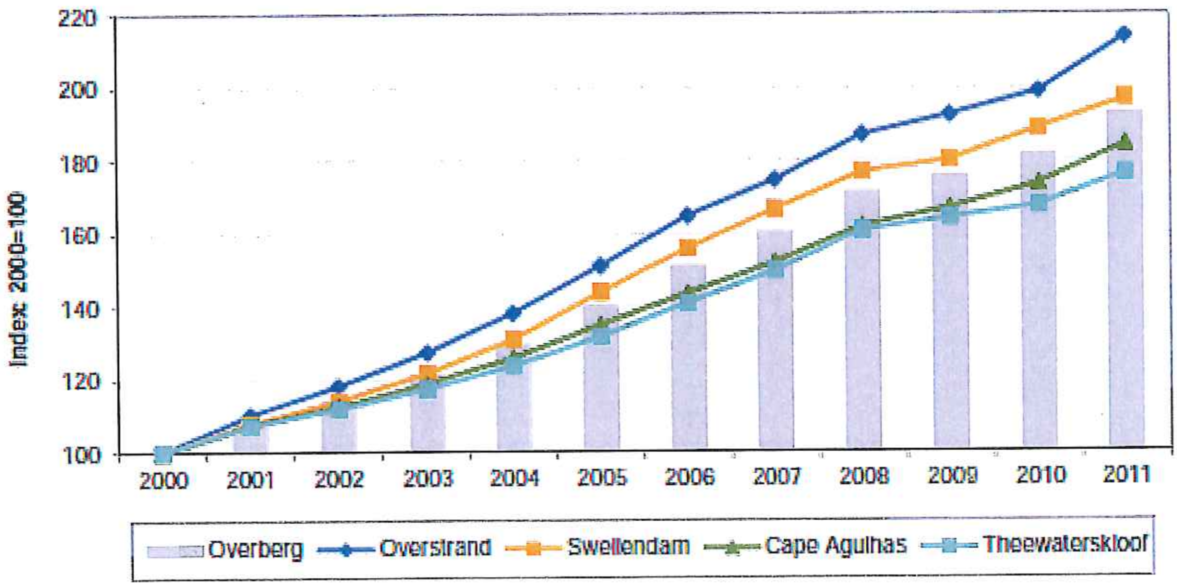
Figure 3.4 Overberg District: Growth in manufacturing by municipality: 2000 - 2011



Source: Quantec Research

Close to 70 per cent of manufacturing activity is located in the Theewaterskloof and Overstrand municipalities and the main industries are agro-processing (accounting for more than a third of manufacturing real value added), petro-chemicals, wood products & furniture, metals & machinery and automotive components. While the real value added contribution to region-wide GDPR (11 per cent) is bigger than the employment contribution (9 per cent), indicating a measure of high capital intensity in the sector in the region, its vibrant recession-defying growth bodes well considering prospects. The strongest employment creation occurred in the Overstrand and Swellendam manufacturing sectors.

Figure 3.5 Overberg District: Growth in the tertiary sector by municipality: 2000 - 2011

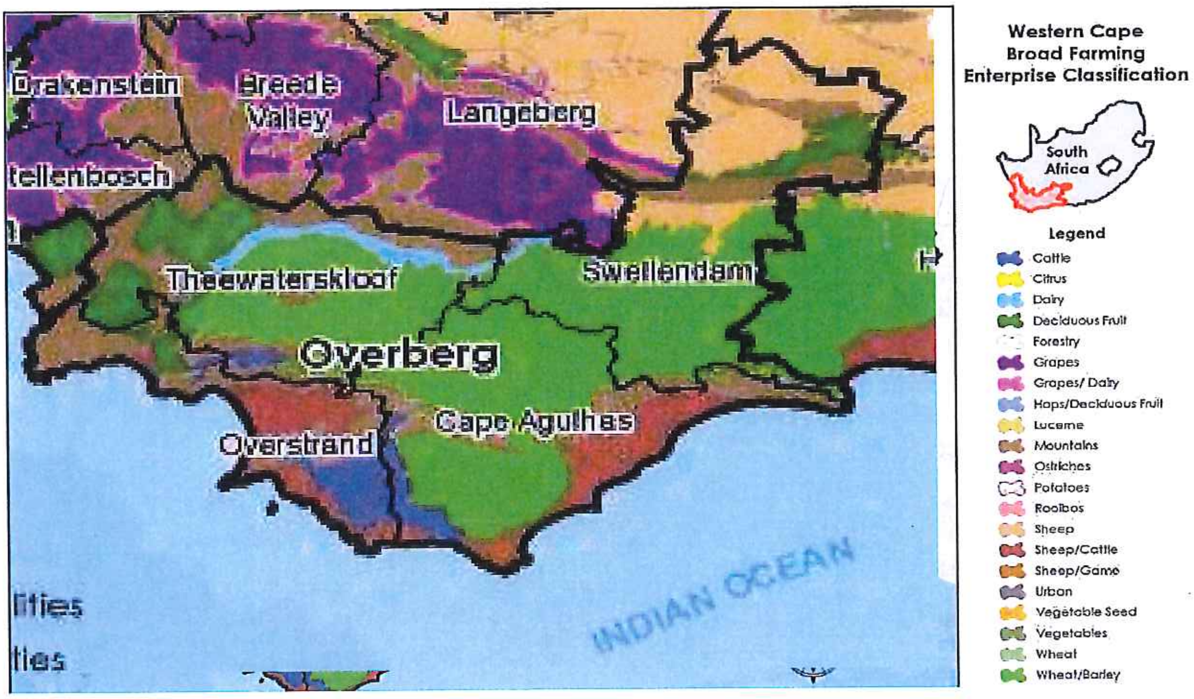


Source: Quantec Research

The OBD services sector (accounting for more than 60 per cent of real value added) expanded just as strong as the much smaller manufacturing sector and therefore continues to drive the growth and employment creation in the region. From Figure 3.5 it is evident that all the municipalities in the OBD share in this trend, with growth being strongest in the Overstrand. This Municipality accounts for 46 per cent of the employment creation in the OBD services sector over the 2000 - 2011 period. At a sub-sector level, financial & business services is the leading growth and job creating sector.

In all, the OBD economy is well diversified, possesses vibrant industries, navigated the 2008 - 2009 recession in good shape and the economic recovery in the region during 2010 - 2011 revealed a better mix of secondary and tertiary activities, with net retrenchments in the agricultural sector being stabilised. This characterisation of the regional economy is impressive and explains why it was one of the leading growth areas in the Western Cape Province over the 2000 - 2011 period. The OBD economy is relatively small, but well-diversified both from a geographical and sector perspective. Overstrand seems to be the most vibrant sub-regional economy, albeit only marginally so compared to the other municipalities. Only an oversized and marginally contracting agricultural sector in the large Theewaterskloof Municipality dampened growth there. In Swellendam a sharp contraction (and steep job losses) in agriculture is somewhat concerning; however, being counter-balanced by vibrant growth in manufacturing and services activities.

Map depicting main farming activities in the Overberg district(Source: WCG: DoA)



MAIN FINDINGS OF THE PACA PROCESS

The district strategy is informed by desk research and the local participatory processes. The local PACA processes which engaged +-250 business leaders and other LED stakeholders. Leaders from the local municipal PACA process met to define the Overberg's role in economic development over and above the Local municipal roles. The aim was to identify opportunity for additional value addition and to focus on the district priorities.

The local economy driven mainly by:

- Agriculture
- Aquaculture, mainly Abalone farming
- Light industrial / manufacturing such as Agro-processing, Clothing/Apparel
- Tourism
- Property- development including the retirement market
- Government services and social grants also contribute

These sectors generate money from external markets that then circulate in the local economy. This increased local buying power benefits local retail, services and small business. The competitive positions of the key sectors are described in the tables that follow.

MAIN STRENGTHS AND WEAKNESSES OF THE OVERBERG ECONOMY

GENERAL

Competitive Advantages	Competitive Disadvantages
• Beautiful town settings, nature reserves and diverse landscape incl. coastline, mountains, rivers with estuary and Karoo • A lifestyle which attracts some business people with their businesses • Attractive place for retirement • Many talented entrepreneurs live here • A number of develop mentally minded business leaders,- not fully utilised • Organise business functional & keen on development • N2 access to Cape Town & elsewhere • N2 and Route 62 with many tourist passing by. • A number of great events • Clean auditsat some municipalities • Government rural development nodes	• Far from cities, markets and specialised services • Infrastructural constraints in some towns • Municipal failure to cut public sector red tape • Limited youth activities lead to drugs and crime • Limited financing for entrepreneurs • Some fragmented societies, with perceived manipulation, mistrust and therefore limited cooperation. • Limited commitment to economic development as some municipalities. • Limited municipal institutional capacity

AGRICULTURE

Competitive Advantages	Competitive Disadvantages
• Diversity of agriculture including: livestock, diary, wool, canola, grain, vegetables, berries, fruit, grapesStrong, organisedagri sector • Agro-processing e.g. canola oil, cheese, good for their suppliers • More Agri-processing possible • Agri mega does amazing job in market development • Agricultural innovation/ learning and market linkages • Proper training for emerging farmers	• Increasing cost structures – being far from the market is becoming more expensive due to transport costs. • Under pressure due to wage increases.

AQUACULTURE

Competitive Advantages	Competitive Disadvantages
• Natural advantage for world best abalone • Strong market demand for this • Well-developed marketing channels • Technical experience and skills • Best location to become abalone producer for local and international market • Land available with government support • Investors know abalone is profitable • Relationships with DAFF for support	• Industry not diversified yet • Red tape in approval processes • Poaching - negative publicity • Industry controlled by a few • Capital intensive to operate • Research and development

MANUFACTURING / LIGHT INDUSTRIAL

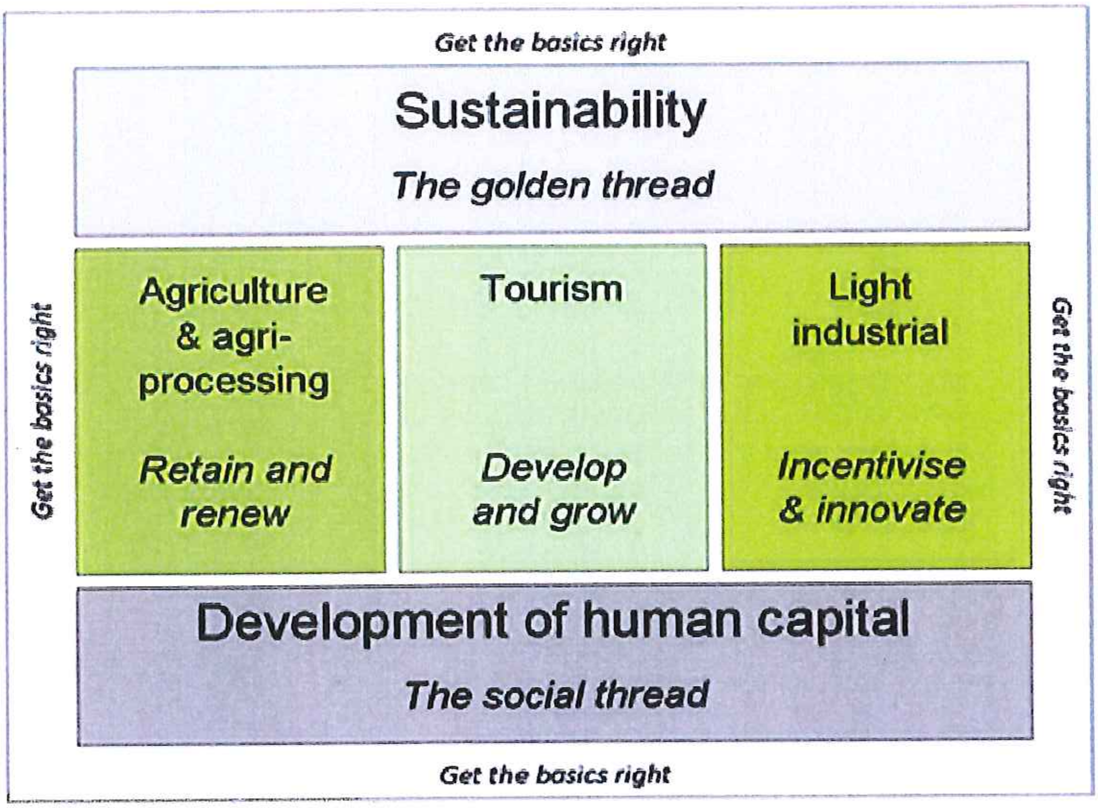
Competitive Advantages	Competitive Disadvantages
• Very attractive for expanding clothing sector. E.g. Prestige expanding further • Non metro wages - competitive advantage • Affordable land prices • Relatively low crime rate • Stable politically • Light industry e.g. RAIN, inflatable boats, other	• Limited supply of serviced land • Perception of social instability in some towns (linked to previous protests) • Limited supply of skilled labour •

TOURISM

Competitive Advantages	Competitive Disadvantages
• Proximity to Cape Town, Stellenbosch and Hermanus(Cape Town's back garden) • Opposite of city, tranquil, safe, country, coastal, simple lifestyle • Nature largely unspoilt. Conservation asset base including Kogelberg Biosphere Reserve, Cape Nature reserves and other conservancies • Coastal lifestyle for the whole family • Beautiful white beaches with clear blue waters • Unique marine life • Outstanding fishing and potential for boat activities, whale + sting ray • Lots of diverse tourism activities • Southern point/tip of Africa + Lighthouse • Heritage including Khoisan • Existing tourism sector & brand • Well defined market niches • Offers for high to lower income segments	• Tourism product (things to do) not well developed • Not enough packaged offerings • Limited collaboration between product owners • Poor signage on the N2 • Limited clearly defined and signposted routes • Market and locals uninformed about our amazing diversified strengths • Some brand messages not clear • Marketing can improve. • Southern-most tip disappoints many • Lack of infrastructure at some beaches • Under developed harbors with potential

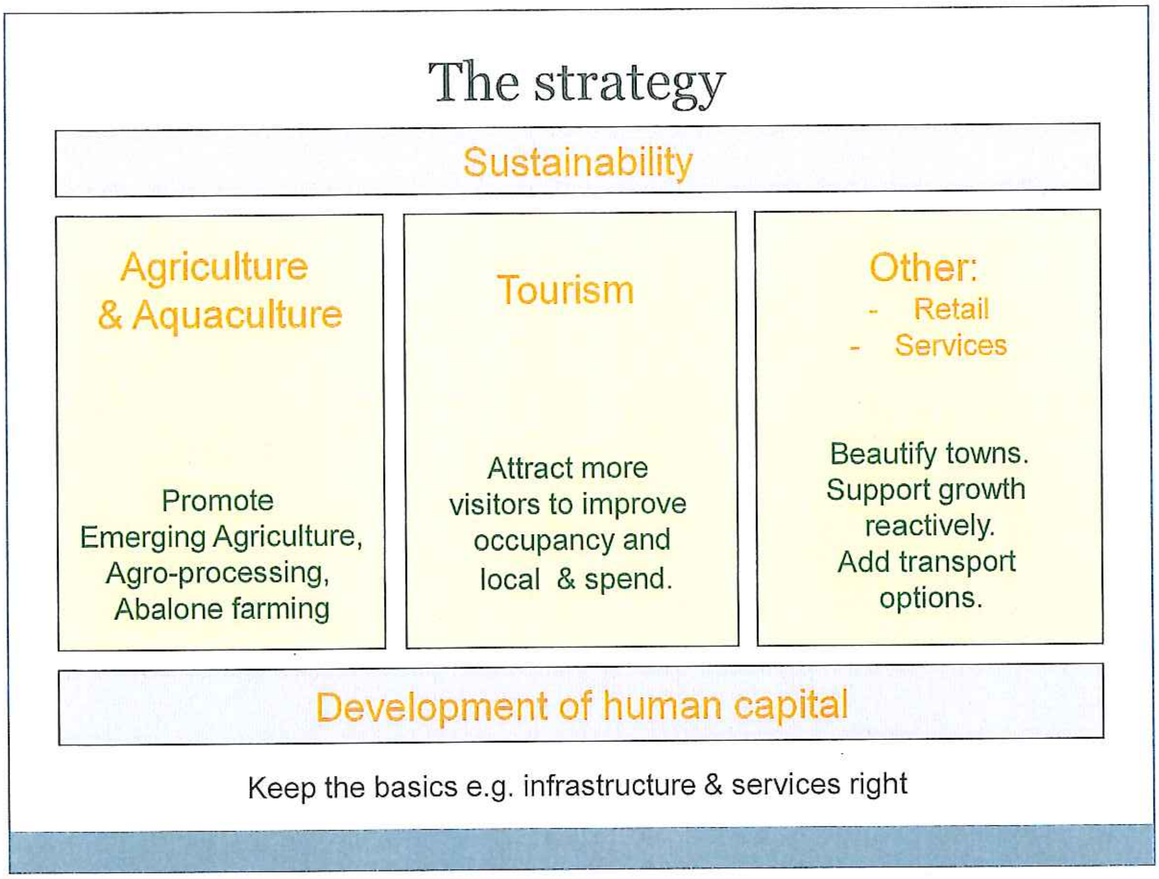
THEEWATERSKLOOF

The Strategy



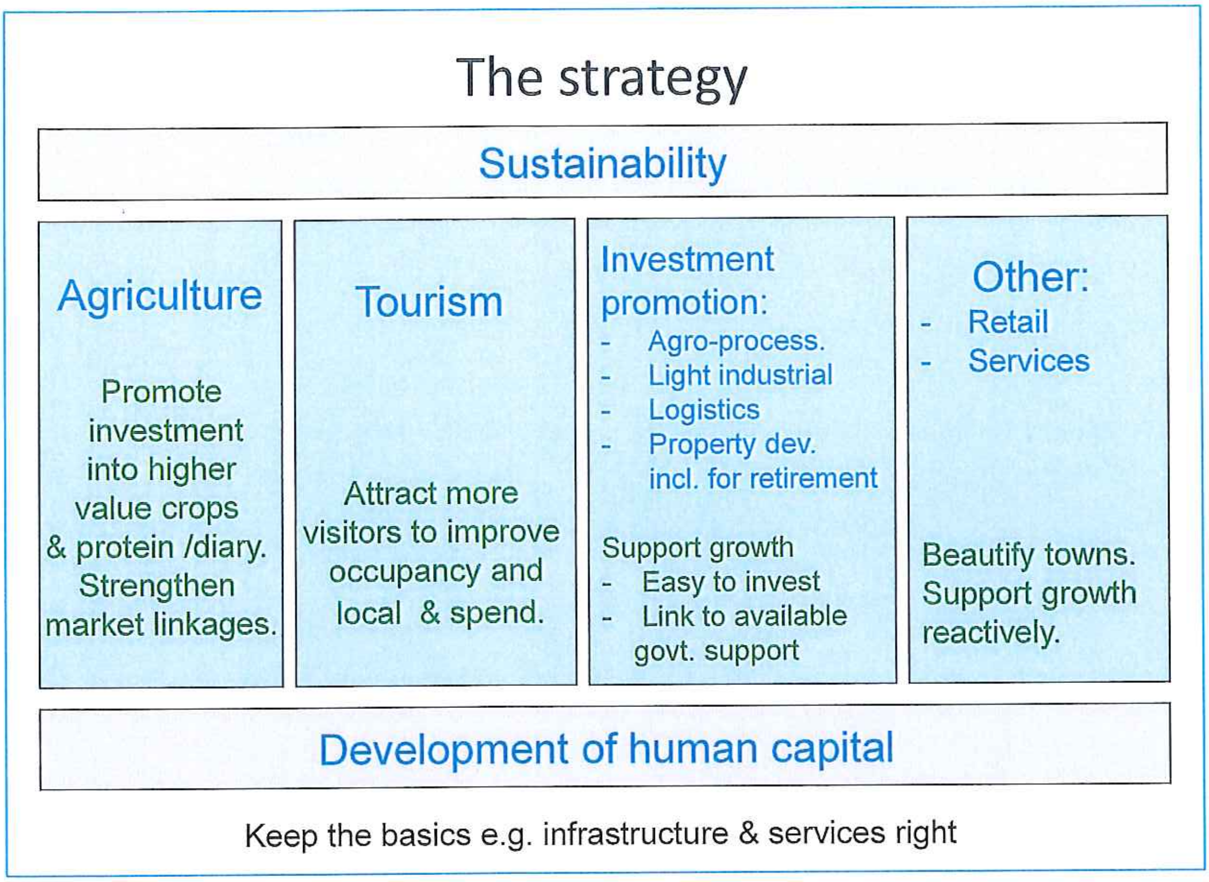
8 initiatives proposed as priorities for the next few years:

1. Package "things to do" for tourist market niches
2. Position TWK area as the leader in country life and food
3. Aggressively pursue clothing & agro-processing investment
4. Develop SOP for investment promotion
5. Social media partner to promote towns better
6. Sell municipal land for BEE Apple farm
7. Coordinating forum for NGOs
8. Enable youth to meet positive role models



Proposed priorities for the next few years:

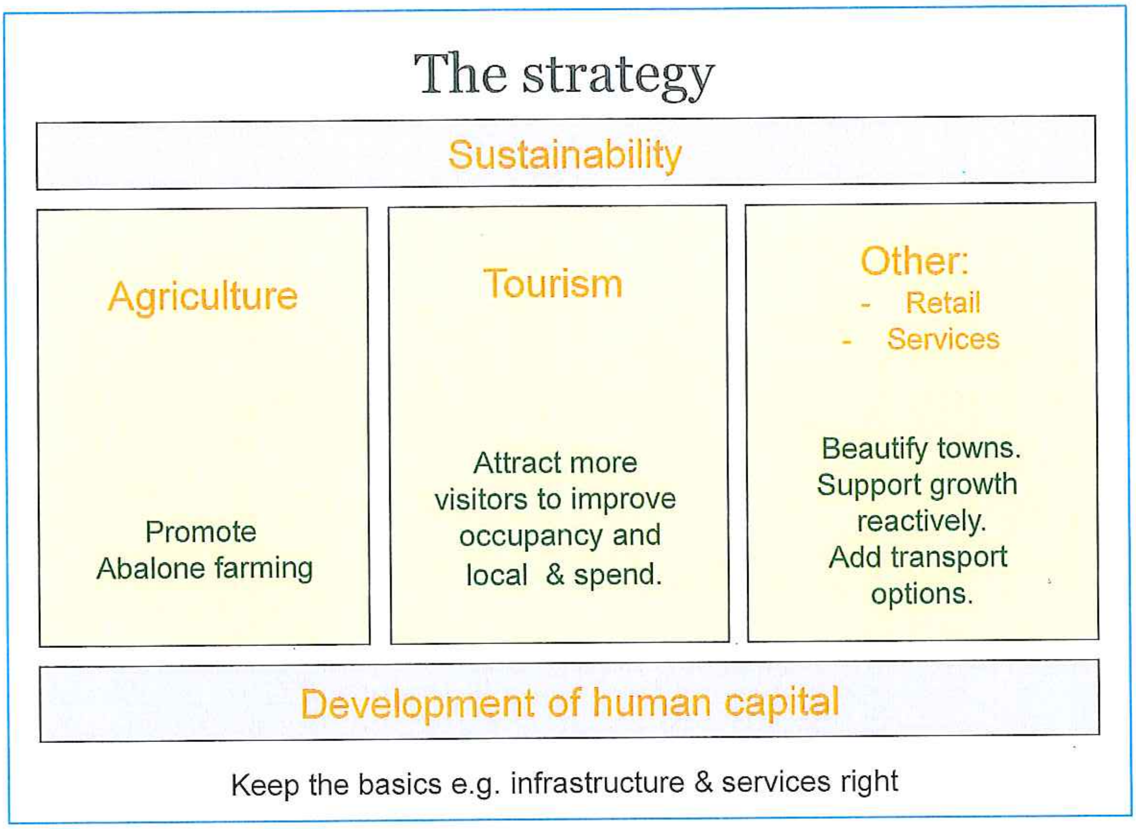
1. Establish an amazing Beach & Country Club as an anchor attraction for visitors
2. Grow eco-sea based tourism activities
3. Prioritise provision of infrastructure critical to economic development
4. New commercial tourism facility at the Southern Most Tip
5. Joint Steering Committee for events public and private sector
6. Public Private Partnership to improve appearance of towns
7. Improved/Revised marketing destination campaign
8. Seek Investor to process livestock sent to Cape Town
9. Agri-Mega, emerging farmer incubator and Department of Agriculture (DoA) training facility partnership
10. Complete feasibility study for the best abalone business model



9 initiatives proposed as priorities for the next few years:

1. Business development opportunities for small business
2. Information and referral service for small business
3. Investor friendly municipality
4. Unique biking/hiking tourism attractions
5. Adrenaline adventure activities at Tradouw Pass
6. Development Suurbrak Village Square
7. Partnership to beautify the main street of Swellendam
8. Promote retirement at Barrydale
9. Support to RAIN to access government funding
10. Link and organise small farmers to supply local SPAR

The PACA process focussed on the greater Gansbaai local economy. Hermanus and other areas still require PACA processes.



Proposed priorities for the greater Gansbaai economy for the next few years:

1. Destination marketing campaign
2. Better utilisation of festivals for marketing
3. Penguin & Sea bird sanctuary
4. Gansbaai version of a Township tour
5. Service Excellence and associated training program
6. Develop a shared vision of future town look and feel
7. Small scale abalone production & skills development
8. Support to safety & security to reduce crime
9. Youth entrepreneurship development
10. Establish a local shuttle service

OVERBERG LOCAL ECONOMIC DEVELOPMENT STRATEGY & ACTION PLANS

The strategy aims to change the economic trajectory by implementing economic development initiatives with the following objectives:

1. Increase the overall size of the economy (GGP) to increase the money circulating in the local economy.
2. Grow employment.
3. Make it easier for small enterprises to succeed in competitive markets.
4. Grow citizen net worth by making markets work better to increase property values.
5. Build a public sector that values and supports its citizens who convert economic opportunity into reality, creating jobs, wealth and increase municipal revenue.

Towards this strategic intent a portfolio of improvement initiatives were identified through a Participatory Appraisal of Competitive Advantage (PACA) process in support of the following key sectors:

- Agriculture
- Aquaculture, mainly Abalone farming
- Light industrial / manufacturing such as Agro-processing, Clothing/Apparel
- Tourism
- Property- development including the retirement market

The strategy

Sustainability

Agriculture / Mari culture

Promote investment into higher value crops & protein /diary. Strengthen market linkages. Abalone

Tourism

Attract more visitors to improve occupancy and local & spend.

Investment promotion:

- Agro-process.
- Light industrial
- Logistics
- Property dev. incl. for retirement

Support growth

- Easy to invest
- Link to available govt. support

Other:

- Retail
- Services

Beautify towns. Support growth reactively.

Development of human capital

Keep the basics e.g. infrastructure & services right

Proposed priorities for the next few years:

Initiatives	Short term	Medium term
Agriculture, Aquaculture & Agro-processing		
1. Promote increased investment into abalone production	Identify sites and select most promising business models. Pilot operation.	Scale up production with multiple operators.
2. Promote abattoir investment and further agro-processing	Secure and establish abattoir.	Secure more investors that process abattoir output.
3. Emerging farmer incubator by Agri-Mega	Establish strategic partnerships. Develop incubator business model. Secure funds.	Increase throughput of emerging farmers.
Manufacturing / Light Industrial		
4. Promote industrial/ manufacturing hub at Botrivier	Secure initial investors.	Increase supply of serviced land.
5. Investment promotion at district with investment facilitation at local municipalities.	Establish Overberg investment promotion team. Proactively identify potential investors and lure them to invest.	Cluster development facilitation. Scale up investment promotion activity .
Tourism		
6. Partner with motorbike clubs to develop outstanding 3-4 day routes.	Identify as National Tourism priority project and obtain assistance with technical assistance on route development Establish partnerships. Develop routes. Promote routes.	Route/cluster development to improve customer experience. And to increase marketing budget.
7. Position Overberg as number one destination for Country lifestyle and activities. Also as coastal lifestyle and activities.	Develop the value proposition and marketing messages for country and coastal lifestyle and activities.	
8. WESGRO to develop a destination marketing strategy	Develop corresponding destination marketing campaigns and execute.	
9. Find out where the tourism levy goes and gain control.	Redirect funding to ensure full value addition.	
10. Partner with national government departments to develop Southern-most tip of Africa.	Gain consensus on development conceptual design. Detailed planning, contracting .	Build and operate.

Longer term initiatives still to be confirmed:

- Partner with SANDF to establish a freight airport (near De Hoop)
- Ensure infrastructure investment is informed by and supportive of economic development strategy
- Harbour developments
- Nuclear power station (near Pearly Beach)

1. PROMOTE INCREASED INVESTMENT INTO ABALONE PRODUCTION

	Initiative Description
What exactly is being proposed? (activity & output)	Support growth in Abalone production by promoting new investment, into Coastal areas prioritized such as Overstrand and Cape Agulhas. Reduce red-tape in applications, and support new entrants to access development finance. Assist with facilitation of support from other spheres of government.
How will this improve the business environment?	Make it easier for entrepreneurs to establish new production facilities or to expand existing facilities.
How will this benefit business?	Increased sales. Successful new entrants to abalone market.
What value will be added to society as a consequence?	Increased jobs. Increased GGP. More money circulating in economy. BEE opportunities. Increased local municipal income.
Who will champion and support implementation	Cape Agulhas and Overstrand Municipality supported by the ODM
Sources of funding	DTI, DAFF

2. PROMOTE ABATOIR INVESTMENT AND FURTHER AGRO-PROCESSING

	Initiative Description
What exactly is being proposed? (activity & output)	Promote abattoir investment and further agro-processing and associated clustering in Caledon and/or Bredasdorp. Utilise lower than metro wages competitive advantage. Provide investor certainty and work with local municipalities to follow through investment facilitation.
How will this improve the business environment?	Local abattoir expansion saves local farmers the cost of transporting to CT metro or even JHB. Abattoir enjoys lower wage rate than in metro. Hundreds of thousands of carcasses processed locally open up upstream and downstream opportunities for suppliers and for further processing.
How will this benefit business?	Increased margins for farmers and abattoir. Increased sales for service providers to abattoir.
What value will be added to society as a consequence?	Increased employment. Increased GGP – more money circulating in local economy. Increased local municipal revenue.
Who will champion and support implementation	ODM supported by local municipalities
Sources of funding	WESGRO; DTI

3. EMERGING FARMERS INCUBATOR BY AGRI-MEGA

	Initiative Description
What exactly is being proposed? (activity & output)	Support Cape Agulhas and Agri-Mega to grow emerging farmer support - qualifying emerging farmers to become commercial farmers. First gain qualification,then qualify for incubation opportunity. In partnership with Department of Agriculture (DoA) and municipality. Possible utilisation of Elsenburg facility
How will this improve the business environment?	Easier for emerging farmers to become commercial farmers Education of agricultural students. Increased supply of qualified technicians
How will this benefit business?	Increased supply of agri-skills. More commercial BEE successes.
What value will be added to society as a consequence?	Opportunities to gain higher educational qualifications, better income and eventually entrance to commercial farming.
Who will champion and support implementation	Agri-Mega, DoA, local Overberg Municipalities, Landbou Vereenigingand supported by ODM.
Sources of funding	Local Municipal assets (land) and DoA

4. PROMOTE INDUSTRIAL/ MANUFACTURING HUB AT BOTRIVIER

	Initiative Description
What exactly is being proposed? (activity & output)	Support Theewaterskloof and actively promote agro-processing and clothing investment at Botrivier. Commit appropriate resources to aggressively pursue clothing and agro-processing investment • partner with Foschini too speed up further investment • Develop fantastic investor friendly website • Develop competitive, marketable product portfolio • Identify towns / areas ready for investment • Partner with Botrivier land owners to attract clothing and other investors • Facilitate partnerships to reduce barriers to investment • Investment promotion and facilitation
How will this improve the business environment?	Information, certainty = reduced risk Speed of approvals, speed of establishment
How will this benefit business?	Reduced risk. Improved investor confidence in achieving ROI
What value will be added to society as a consequence?	Increases municipal financial sustainability. Sustainable jobs. More money circulating in local economy. Increased opportunity smaller businesses and suppliers
Who will champion and support implementation	TWK, supported by the ODM and promoted by other local municipalities
Sources of funding	WESGRO, DTI

5. INVESTMENT PROMOTION AT DISTRICT WITH INVESTMENT FACILITATION AT LOCAL MUNICIPALITIES.

	Initiative Description
What exactly is being proposed? (activity & output)	Support local municipalities to lure investors by realising economy of scale with investment promotion. Possibly centralise investment promotion and decentralise investment facilitation in supporting key sectors like Tourism, Agriculture and Agri-processing
How will this improve the business environment?	Reduced costs of investment promotion by local municipalities. Increase number of investor inquiries.
How will this benefit business?	Growing the local economy means more local customers and buying power. This leads to increased sales for retail, services and various other sectors.
What value will be added to society as a consequence?	Increased jobs. More money circulating in the economy.
Who will champion and support implementation	ODM and Local Municipalities through planned DMO
Sources of funding	WESGRO, ODM and Local Municipalities

6. DEVELOP OUTSTANDING 3-4 DAY BIKER ROUTES

	Initiative Description
What exactly is being proposed? (activity & output)	Partner with motorbike clubs (e.g. Harley Davidson) to develop outstanding 3-4 day routes. Partner with biker documentary programs to promote this.E.gFranschoek, Robertson, Barrydale, Swellendam, Witsand, Pond to Infanta, De Hoop, Arniston, Elim, Pearly Beach, De Kelders, Hermanus, Bettys bay back to CT via Rooiels.
How will this improve the business environment?	More visitors stay and spend money in Overberg.
How will this benefit business?	Increased sales for accommodation, restaurants, retail and garages.
What value will be added to society as a consequence?	Increased jobs. More money circulating in the local economy.
Who will champion and support implementation	ODM, Local Municipalities planned DMO, DEDAT (Tourism)
Sources of funding	National Tourism

7. POSITION OVERBERG AS NUMBER ONE DESTINATION FOR COUNTRY AND COASTAL LIFESTYLE ACTIVITIES

	Initiative Description
What exactly is being proposed? (activity & output)	Position Overberg as number 1 destination for: • Country and coastal lifestyle activities • Health activities such as cycling and running Support initiatives that strengthen and promote this position: • Tourism product development • Events • Destination marketing strategies • Websites
How will this improve the business environment?	More visitors stay and spend money in Overberg.
How will this benefit business?	Increased sales for accommodation, restaurants, retail and garages.
What value will be added to society as a consequence?	Increased jobs. More money circulating in the local economy.
Who will champion and support implementation	OVERBERG DESTINATION MARKETING ORGANISATION, OVERBERG DM
Sources of funding	WESGRO, National Department of Tourism, Overberg LMs and DM

8. OVERBERG REGION TO DEVELOP A DESTINATION MARKETING STRATEGY SUPPORTED BY WESGRO

	Initiative Description
What exactly is being proposed? (activity & output)	Wesgro to develop a destination marketing strategy for the Overberg. Include the positioning of Overberg as number one destination for: • Country-Coastal lifestyle activities • Health activities such as cycling and running • Bikers
How will this improve the business environment?	More visitors stay and spend money in Overberg.
How will this benefit business?	Increased sales for accommodation, restaurants, retail and garages.
What value will be added to society as a consequence?	Increased jobs. More money circulating in the local economy.
Who will champion and support implementation	OVERBERG DM, LOCAL MUNICIPALITIES
Sources of funding	WESGRO

9. FIND OUT WHERE THE TOURISM LEVY GOES AND GAIN CONTROL

	Initiative Description
What exactly is being proposed? (activity & output)	Cape Town Routes Unlimited (CTRU)is the beneficiary of a tourism levy paid by tourism businesses. The benefits of this levy are limited and are meant to benefit the tourism sector. District stakeholders to determine from CTRU and its parent Department of Economic Development and Tourism, why all or some of these levies cannot be re-directed to each district.
How will this improve the business environment?	District stakeholders will have self-determination on how to invest this money towards tourism development.
How will this benefit business?	Increased visitors and spend lead to increased sales for accommodation, restaurants, retail and garages.
What value will be added to society as a consequence?	Increased jobs. More money circulating in the local economy.
Who will champion and support implementation	ODM collaboratively with other District Municipalities
Sources of funding	Existing tourism levies

10. PARTNER WITH NATIONAL GOVERNMENT DEPARTMENTS TO DEVELOP SOUTHERN MOST TIP OF AFRICA

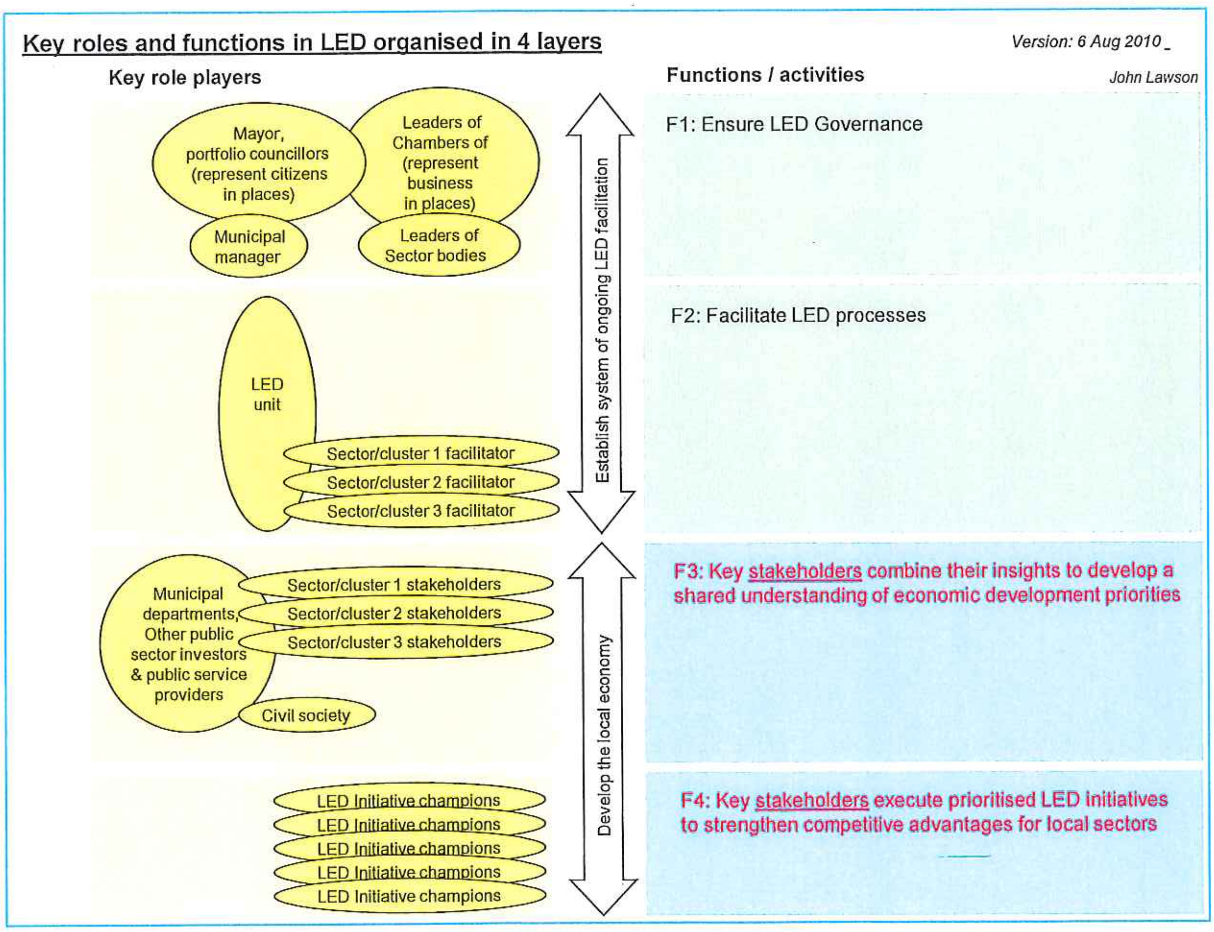
	Initiative Description
What exactly is being proposed? (activity & output)	Public sector to develop a new commercial tourism facility **in character and complementary to the unspoilt and natural character** of the lighthouse on the Southern Most Tip. Strengthening the Southern Most tip as a regional icon in lieu of making it a "must see" experience for tourists
How will this improve the business environment?	Better customer experience. Trading spaces.
How will this benefit business?	More customers. Increased spend in local economy.
What value will be added to society as a consequence?	Growing businesses. More employment. More money circulating in the economy
Who will champion and support implementation	SANPARKS and Cape Nature, Portnet, and National Department of Tourism, Cape Agulhas LED and the Overberg DM
Sources of funding	SANPARKS and Cape Nature, PORTNET, and National Department of Tourism

CONTRIBUTION OF INITIATIVES TO STRATEGIC GOALS

Sector	Economic development initiatives	1. Grow income for local economy	2. Grow employ-ment	3. Broaden partici-pation	4. Grow citizen nett worth
Agriculture, Aquaculture & Agro-processing	1. Promote increased investment into abalone production	xxx	xxx	xx	
	2. Promote abattoir investment and further agro-processing	xxx	x	x	
	3. Emerging farmer incubator by Agri-Mega			xx	x
Manufacturing / Light Industrial	4. Promote industrial/ manufacturing hub at Botrivier	xx	xxx	x	x
	5. Investment promotion at district with investment facilitation at local municipalities.	xx	xxx	x	x
Tourism	6. Partner with motorbike clubs to develop outstanding 3-4 day routes.	x	x		
	7. Position Overberg as number one destination for Country lifestyle and activities such as cycling and running	xx	xx	x	xx
	8. Overberg Region to develop a destination marketing strategy supported by WESGRO	x	x	x	
	9. Find out where the tourism levy goes and gain control	x	x		
	10. Partner with national government departments to develop Southern-most tip of Africa.	xx	xx	x	

INSTITUTIONAL CAPACITY FOR ECONOMIC DEVELOPMENT

LED is a complex process which needs the active involvement of a wide variety of stakeholders. Success depends on bringing the right stakeholders together in the right pattern of roles. The four functions of LED (see figure below) all require different capacity to execute, which has to be found to serve the local economy. Stakeholders with the right skills and commitment need to be linked to the specific functions which define their roles in LED. Without the capacity to execute the main functions required, LED attempts will fail repeatedly.



The primary responsibility of municipal leaders and of organised business is to provide *F1: ensure LED leadership and governance*and *F2: LED process facilitation.* If these two functions are done well, stakeholders receive the guidance to participate and contribute to LED.

IMPLEMENTATION PLAN AND TIMESCALES

Implementation is led by champions identified for each initiative. The implementation timescales are currently being determined. As soon as these are ready this document will be updated accordingly.

Economic development initiatives	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016
1. Promote increased investment into abalone production								
2. Promote Abatoir investment and further agro-processing								
3. Emerging farmer incubator by Agri-Mega								
4. Promote industrial/ manufacturing hub at Botrivier								
5. Investment promotion at district with investment facilitation at local municipalities.								
6. Partner with motorbike clubs to develop outstanding 3-4 day routes.								
7. Position Overberg as number one destination for Country lifestyle and activities such as cycling and running								
8. Overberg Region to develop a destination marketing strategy supported by WESGRO								
9. Find out where the tourism levy goes and gain control								
10. Partner with national government departments to develop Southern-most tip of Africa.								

MONITORING AND EVALUATION

Implementation progress of each initiative will be monitored for progress and reported on a monthly basis. Monthly progress reports (one page per initiative) will be provided by the LED unit to the governance leaders, who will then report progress to broader stakeholders through various channels.

The governance team will meet quarterly to reflect on progress and to provide support to the technical facilitation team, to use their influence to remove blockages to cooperation. The governance team meetings will be scheduled a year in advance to ensure availability of key leaders. Each governance meeting will be informed 1 week in advance by a "board pack" which includes the complete status report on the current state of LED. Performance dashboards and intelligent reporting will allow quick drill down to required facts.

Once a year a stakeholder groups in each key sector will reflect on progress over the past year, to assess success and failure. Whereas the main objective is to learn, it is important to also utilise the opportunity to recognise the champions of success stories.

The value added by LED will be measuredbased on the LED performance framework on the next page. After detail planning, each initiative should be described according to the parameters described in the table on the next page. The combined value addition can then be mapped for stakeholder benefit in LED performance dashboards.

Results measurement framework for Monitoring and Evaluation of Local/Regional Economic Development

Generic LRED results chain	Govern economic development	Facilitate Econ. Dev. cooperation & Prog Man.	Mobilise stake-holder input, commitment & investment	Improvement initiatives	Improved competitiveness of the business environment	Improved competitivenes s of sector/s & market efficacy	Value added by economic performance	Impact on society

	Activities & Input				Outcomes attributable		Impact attributable					
What? - result area	Leadership & Governance	Facilitation	Stakeholders contribute (Input)	Stakeholder LED Initiative/ Activity / project	Improved business environment / markets	Businesses benefitting	Revenue / GGP contribution	Direct Jobs (secured)	Indirect jobs (secured)	BBBEE	Municipal income secured	Household impact
Who is responsible or benefits	Initiative / project sponsor	LED process Facilitator	Initiative investor/s	Initiative champion/s	Service provider org/s?	Sector/s	Town /place (society)	Types of jobs (no temporary jobs)	Types of jobs (no temporary jobs)	Types of beneficiaries	Name of municipality	Which towns's citizens benefit
Description - of result required	Initiative approval: Poject ID no. + Name of initiative	Opportunity found: Origin of init. - facilitated process or ad-hoc	Commitment: Investor motive / Primary objective / (ROI)	Activity / project description	Improvement in competitiveness of the business environment?	Competitive advantage gained?	Hypothesis (calculation rationale) of attributed additional GGP contribution	Hypothesis (calculation rationale) of attributed change in target sector job trends	Hypothesis (calculation rationale) of attributed job spin-off change in other sectors	Nature of sustained empowerment	Hypothesis (calculation rationale) of attributed additional municipal revenue	Household members benefit from higher household income. Where do new job employees live?
KPIs	Municipal investment (money even if just PR)	Facilitation Person days (Investment)	Leveraged investment	% completeness of implementation	Participating business verify improved bus.env.	No. firms benefitting?	Attributed additional GGP contribution	Attributed no. of jobs in target sector	Attributed no. of jobs in other sectors	No. benefitting?	Increase in municipal income	No. of Citizens with improved household income
Source of verification	Municipal financial records	Monthly LED programme management reports	Monthly LED programme management reports	Monthly LED programme management reports	Particpating firm annual survey	Particpating firm annual survey	Particpating firm annual survey	Particpating firm annual survey	Calculate: Assume 25% of GGP is wages	Particpating firm annual survey	Municipal accounts	Particpating firm annual survey (where do the new employees live?)

EXTRACT FROM THE COUNCIL MINUTES HELD ON 30 JUNE 2017

Item A120. 30.06.2017

DISTRICT LOCAL ECONOMIC DEVELOPMENT STRATEGY AND ACTION PLAN

V Zeeman: Head: IDP and Communication **(Ref.: 11/3/B)**

PURPOSE

To present to Council the Local Economic Development (LED) Strategy and Action Plan, adopted by the District LED/Tourism Forum on 4 December 2015.

BACKGROUND

The need for a District LED/Tourism Strategy was identified at a District LED/Tourism Forum Meeting in 2014. As the Regional LED/Tourism coordinating body for the Overberg, the Overberg District Municipality included such need in the District's 2014/15 IDP Review.

Subsequent to Council's adoption of the 2014/15 IDP Review, Provincial Government responded in 2014 by including the need for the development of a District LED/Tourism Strategy in the Joint Planning Initiatives (JPIs) process for the Overberg District, nominating the Provincial Department of Economic Development and Tourism (DEDAT) as the Lead Department.

PROGRESS

In 2014 DEDAT procured the services of a Service Provider to introduce and roll out the Participatory Appraisal of Competitive Advantage (PACA) process across the entire Overberg. The purpose of the PACA process would be to gather all inputs received by stakeholders in order to inform the development of a District LED/Tourism Strategy.

PACA engagements took place in all four local municipal areas and included all LED and Tourism stakeholders, Municipal Officials, Councillors and the private sector. Upon conclusion, DEDAT in collaboration with the appointed Service Provider consolidated all PACA inputs and provided the Overberg Region with a Draft District LED Strategy and Action Plan.

Following a stakeholder workshop, the District LED Strategy and Action Plan was adopted at a District LED/Tourism Forum Meeting on 4 December 2015.

WAY FORWARD

As the District LED Strategy and Action Plan is purely informed by the PACA process, it is proposed that the current Strategy be revisited and the development a new Regional Economic Development (RED) and Tourism Strategy with a more strategic intent and collaborative partnering approach, be considered.

It is confirmed that Strategies of the Local Municipalities in the Overberg were developed by a Service Provider. It is therefore recommended that Overberg District Municipality also consider the procurement of a Specialist Service Provider to in the future develop a new and regionally informed District RED/Tourism Strategy.

LEGISLATIVE AND POLICY FRAMEWORK

- Section 84(m), Local Government: Municipal Structures Act, 1998 (Act 117 of 1998)

FINANCIAL IMPLICATIONS

None

ATTACHMENT

- District Local Economic Development (LED) Strategy and Action Plan

UNANIMOUSLY RESOLVED

a) That Council note the District Local Economic Development (LED) Strategy and Action Plan as adopted by the District LED/Tourism Forum on 4 December 2015.

b) That the proposal for the procurement of a Specialist Service Provider to in the future develop a new and regionally informed District Regional Economic Development (RED) and Tourism Strategy with a more strategic intent and collaborative partnering approach, is approved.