OVERBERG REGIONAL ECONOMIC DEVELOPMENT AND TOURISM STRATEGY (2018-2028) 2018

The Overberg Regional Economic Development and Tourism Strategy

Guides the long-term sustainable planning and development of the Overberg's regional economy to lead to inclusive growth for all within the Overberg through the years 2018-2028.

The Strategy assesses the current operating environment, outlines strategic goals for this ten-year period, then recommends a series of actions that achieves those goals by leveraging existing assets and strengths, overcoming existing weaknesses and threats and developing new assets and strengths.

The Strategy was produced after extensive community consultation, asset mapping, SWOT Analysis and data analysis throughout the Overberg.

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FOREWORD BY DISTRICT MAYOR

As Executive Mayor of the Overberg District Municipality, I am extremely honoured and proud to have been part of the journey in developing this Regional Economic Development and Tourism Strategy for the Overberg Region.

It has been a long and arduous journey, taking up many hours of work and consultations. The meticulous, dedicated and consistent work by our officials and partners has produced the result encapsulated in this strategy.

During 2017 the Overberg District Municipality has decided that a regional approach to Local Economic Development is the direction to go. The municipality approached SALGA to assist in drafting a Regional Economic Development and Tourism Strategy. The strategy objective is to positively impact the lives of all those who live, work, do business and visit the Overberg. Through the strategy the municipality aims to achieve its vision of being "the opportunity gateway to Africa".

The strategy aims to be the catalyst for sustainable regional economic growth, to positively impact all facets of life in our region and beyond our borders. As we are aware, tourism cannot be restricted to our boundaries and borders. This strategy aims to promote and enhance tourism, ensure tourism safety and improve the tourism experience/s in the region and beyond. It intends to foster and strengthen inter-municipal and municipality cooperation and relations.

It is of great importance that business owners find within the strategy opportunities for investment and job creation. During the consultation process a strong emphasis has been laid on community and stakeholder participation this we will continue.

This strategy is in no way cast in stone, as it is developed for a vibrant and growing region the need for adjustment and adaption has been very central to the development process of the product, thus during the review periods your further inputs and participation will be appreciated.

We envisioned that this strategy will assist the Overberg Region and all its partners to pursue an upward trajectory in the quest to improve the lives and wellbeing of all in this beautiful region.

I take the privilege to express my gratitude and appreciation to all that have so generously contributed to developing this strategy. I wish to thank SALGA, our officials and partners for their commitment and diligent work towards realising this strategy for the Overberg Region.

Ald. AE Franken

Executive Mayor

1. BACKGROUND

1.1 Overberg Regional Economic Development and Tourism Strategy

Traditional Local Economic Development[1] (LED) strategies have their origins in the high-income countries in developed countries. They emerged in the last 30-40 years as a response to the social and economic problems that resulted from the persistence of locality-specific development problems (Nel 2001, 1004) as cited in Rodríguez-Pose & Tijmstra (n.d). The disappointing results of this traditional top-down, supply-side sectoral development strategies in combating the resulting rise in unemployment and regional inequality has driven the search for alternative development strategies that would offer opportunities for growth to all areas (Roberts,1993). In order to achieve dynamic local development, all aspects of local communities such as the economy, social, welfare, environmental and political issues need to be addressed in an integrated and holistic manner (Meyer, 2014).

Regional development in SA is key but an underdeveloped space for action in the economy. It calls for a great deal of influencing for a collaborative approach to enable economic development. Whilst there should be a balance between pro-growth and pro-poor economic development, ultimately, economic development policy should focus on an increase in the number and variety of job opportunities and diversification of economic activities (Blakely & Bradshaw, 2002 as cited in Meyer, 2014).

To this end, the Overberg District Municipality (ODM) requested SALGA's support in the development of a Regional Economic Development (RED) and Tourism Strategy, which would enable collaboration amongst municipalities and private sector.

The Overberg District is known for its coastline and vast farmlands. The ODM is bordered by the Garden Route District, the Cape Winelands District and the City of Cape Town. The Overberg District is the second smallest economy in the Western Cape and made a 3.5% contribution to the Provincial GDPR in 2016. The four local municipal areas in the OBD include the Theewaterskloof, Overstrand, Cape Agulhas and Swellendam municipal areas.

Figure 1: Map illustrating the Overberg District Municipality

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[1] Within this strategy, tourism is considered an economic industry falling within tertiary sector. Therefore it is a force for regional development.

2. INTRODUCTION

At the heart of the Overberg Regional Economic Development and Tourism Strategy is collaboration and partnerships. The Strategy undertook a whole of government approach through the three spheres of government working together to in its development. This was in the form of collaboration between the Overberg District Municipality (together with Cape Agulhas, Swellendam, Overstrand and Theewaterkloof), SALGA, Western Cape Government (WESGRO, Department of Economic Development and Tourism, Western Cape Economic Development Partnership, Department of Transport and Public Works, Department of Environmental Affairs and Development Planning), and Department of Agriculture) and National Government (Department of Cooperative Governance and Traditional Affairs, Department of Economic Development, and Statistics South Africa).

Furthermore, the Strategy development process also included extensive stakeholder consultation with the private sector, civil society groups, and non-government organisations across the Overberg. The purpose of the consultations was to collectively develop the Overberg Regional Economic Development and Tourism Strategy to ensure the whole of society buy-in improving the lives of all.

The Overberg Regional Economic Development and Tourism Strategy begins with providing a clear rational for the Regional Approach. It explains that to ensure success in the implementation of this Strategy it is imported that is embedded in organisational, economic and social context. This includes analysis of the global, national, district and local context. Through the stakeholder consultation, a thorough SWOT analysis was developed to inform vision, strategic goals key interventions. Importance is also placed on the policy context as the Strategy needs to be aligned to both national and provincial policy prescripts.

It is through a widely shared vision for the future development of the Overberg can the goals of the strategy be achieved by all. Last the Strategy also places great importance on monitoring and evaluation, as a well functioning monitoring and evaluation system that is critical for project and programme management and accountability in the implementation of the Overberg Regional Economic Development Framework

3. THE NEED FOR THE REGIONAL APPROACH

Key Points

- Overview
- Advantages of adopting a Regional Approach

3.1 Overview

Embracing a regional approach entails multi stakeholder agreement on its parameters and utility. A regional approach must be embedded in local policies and processes. A favorable local policy context, which includes the National Spatial Development Framework (SDF), the Provincial SDF and the Overberg SDF are shown to be overtly supportive of a regional approach. Regional approaches vary in form. Typically they include an analysis of what is happening at regional level; the development of a vision and a set of long range goals for the region and the articulation of a plan of how public, private, civic, and other organisations will work together to help deliver the vision for the future of the region. Regional development strategies often set 10- 20 year time horizons.

The alternative to a regional approach is to manage all inputs as sectoral policies of national ministries and state enterprises as if there were no links between the services they provide and the impacts that they have. The costs of this approach are formidable and include global invisibility, the fiscal costs of silo infrastructure management and the inability to deal with issues that are inherently regional, especially spatial planning and ecological management. Rather than overburden an already loaded policy environment, working regionally can help achieve national development objectives of accelerated shared growth through the collaboration of multiple partners at the regional level.

A regional approach calls for the integrated management of space, economies and people. It further acknowledges that regional connectivity and economic value chains are the main conduits that enable economic development on a larger scale. By approaching development with a regional outlook, it is possible to attain optimal economic benefits through inclusive and equitable development. This new approach will culminate in a paradigm shift in the way economic regions are conceptualised - from administrative regions to economic and functional regions. Understanding the economic regions within which the municipalities are located presents a real opportunity for cross boundary municipal collaboration, cooperative spatial governance and joint planning for achieving shared economic futures. It also assists municipalities to make the necessary adjustment and investments towards diversifying their economies and subsequently reducing the risk inherent in global downturns and economic shocks.

An effective regional development strategy is embedded in its organisational, economic and social context. It establishes a widely-shared vision for the future development of the region and engages stakeholders in an open and productive manner during preparation of the strategy. Through this process it is prudent that clear mechanisms for delivery is identified; sequencing key investments and actions and establishes a simple but effective framework for monitoring.

Local leadership is therefore essential for regional economic development success. Government leaders are expected to take the lead in coordination and facilitation, but other leaders from the community and business must contribute. Under the term “local leadership”, two other terms are also listed namely “local champions” and “local drivers”. Local leaders and champions must work together as partners to maximise local resources and actions. Local leaders must make sure the local economy is driven and to create momentum. Local government must take quick and effective decisions to the benefit of the local community.

3.2 Advantages of adopting a Regional Approach

Regional development approaches are now being pursued implicitly or explicitly by many people because they make a positive contribution to development and facilitate collaboration between parties. A regional approach is effective because:

Key Points

- The geographical focus enables the cumulative effects of different policies to be more visible, the impacts of larger drivers to be recognised, and the gaps better understood.
- The emphasis on institutional collaboration provides for a more optimal use of resources and for other efficiencies such as shared use of intelligence and resolution of implied tensions between policy goals.
- Better between governmental and private sector organisations
- What it can contributes, what its goals and needs are, and how they can get involved.

4. POLICY CONTEXT

- National Development Plan
- Medium-Term Strategic Framework (MTSF)
- The Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) (SPLUMA)
- Land use planning principles
- Integrated Urban Development Framework
- Provincial Strategic Plan
- Western Cape Provincial Spatial Development Framework
- OneCape 2040
- Western Cape Tourism Development Framework (WCTD Framework)
- Western Cape Infrastructure Framework
- Western Cape Green Economy Strategy Framework
- District Integrated Development Plan
- Overberg Spatial Development Framework
- Overberg Integrated Transport Plan

4.1 National Development Plan 2030

It is a plan for a better future; a future in which no person lives in poverty, where no one goes hungry, where there is work for all, a nation united in the vision of our Constitution. The approach to tackling poverty and inequality is premised on faster and more inclusive economic growth, higher public and private investment, improving education and skills, greater use of technology, knowledge and innovation and better public services all leading to higher employment, rising incomes and falling inequality. Figure 2 below illustrates the focus areas of the NDP:

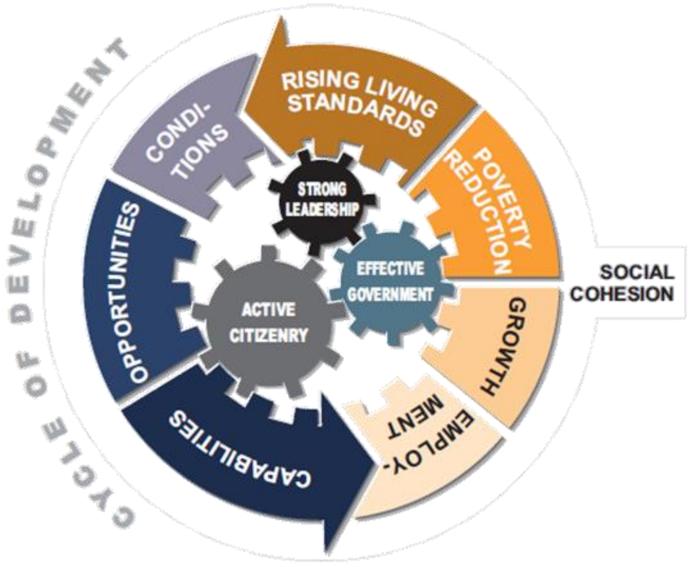

Figure 2: NDP (2030) Key Focus Areas

The National Planning Commission's approach is to address living standards inclusively for all South Africans. It recognises that government on its own cannot improve living standards. We require determined and measurable action by all social actors and partnerships across society to raise living standards.

4.2 Medium-Term Strategic Framework (MTSF)

The MTSF 2014–2019 flows from the NDP, synthesises national government's strategic plans across all sectors and informs provincial policy development. The MTSF prioritises the following goals:

- Radical economic transformation, rapid economic growth and job creation.
- Rural development, land and agrarian reform and food security.
- Ensuring access to adequate human settlements and quality basic services.
- Improving the quality of and expanding access to education and training.
- Ensuring quality health care and social security for all citizens.
- Fighting corruption and crime.
- Contributing to a better Africa and a better world.
- Social cohesion and nation building.

These eight goals are elaborated in 14 outcomes with targets and activities for the five-year strategic period.

4.3 The Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) (SPLUMA)

SPLUMA introduced a three-sphere system of integrated planning at the national, provincial and municipal sphere and allows for the creation of Provincial Legislation and Municipal By-laws, to make provision for matters dealt with in the regulations in a manner that relates to the specific context in a province or municipality.

4.4 Land Use Planning Principles set out in SPLUMA and the Western Cape Land Use Planning Act, 2014 (Act 3 of 2014) (LUPA) apply to all organs of state responsible for the implementation of legislation regulating the utilisation and development of land and guide spatial development frameworks, zoning schemes or any policy concerning land use planning, any steps to ensure sustainable development and the consideration of applications that impacts on the utilisation and development of land.

4.5 Integrated Urban Development Framework (2016)

The Integrated Urban Development Framework (IUDF) is a policy framework of the country, which was approved by Cabinet in April 2016. It seeks to foster a shared understanding across government and society about how best to manage urbanisation and achieve the goals of economic development, job creation and improved living conditions for our people through ensuring that our cities and towns become more inclusive, resource efficient and good places to live, work, shop and play in, as per the vision outlined in the National Development Plan.

4.6 Provincial Strategic Plan (2009-2019)

The only sustainable way to reduce poverty is by creating opportunities for growth and jobs. This insight informed PSP 2009-2019, which sought to shift resources and energy into creating a context for growth and job opportunities without compromising the state's ability to deliver better outcomes in health, education and social development, and while refocusing efforts to promote social inclusion. The Western Cape Government has identified the five Provincial Strategic Goals (PSGs) to deliver on its vision and to help realise the objectives of the NDP over its five-year term. See Figure 3: The 5 PSGs:

Figure 3: The 5 Provincial Strategic Goals (2014-2019)

4.7 Western Cape Provincial Spatial Development Framework (2014)

In 2014 the Western Cape Government adopted the Provincial Spatial Development Framework (PSDF). Its purpose is to address the lingering spatial inequalities that persist as a result of apartheid's legacy – inequalities that contribute both to current challenges (lack of jobs and skills, education and poverty, and unsustainable settlement patterns and resource use) and to future challenges (climate change, municipal fiscal stress, food insecurity and water deficits). The PSDF provides a shared spatial development vision for both the public and private sectors and serves as the guide to all sectoral considerations with regard to space and place. The PSDF serves to guide the location and form of public investment and to influence other investment decisions by establishing a coherent and logical spatial investment frame work.

4.8 OneCape 2040

OneCape 2040 is a deliberate attempt to stimulate a transition towards a more inclusive and resilient economic future for the Western Cape region. It is a vision and strategy for society, rather than a plan of government, although all three spheres of government are essential for implementation. It does not replace any existing statutory plans required of either the province or municipalities. It is rather intended as a reference point and guide for all stakeholders to:

- Promote fresh thinking and critical engagement on the future.
- Provide a common agenda for private, public and civil society collaboration.
- Help align government actions and investment decisions.
- Facilitate the necessary changes that needs to be made to adapt to (rapidly) changing local and global contexts.
- Address development, sustainability, inclusion and competitiveness imperatives.

4.9 Western Cape Tourism Development Framework- WCTD Framework

The WCTD Framework provides for the destination vision and strategy for tourism in the Western Cape and is the high-level sector strategy for tourism. The WCTD Framework ensures joint planning, budgeting and implementation between the three spheres of government in the first instance and all of their social partners in the second instance. The WCTD Framework has defined targets and outcomes that need to be achieved over a ten-year timeframe. It is a living and dynamic document, with research constantly being added to the evidence base and analyses being adjusted as circumstances change. There will be a major review on a five-year basis.

4.10 Western Cape Infrastructure Framework (2013)

The Western Cape Infrastructure Framework aligns the planning, delivery and management of infrastructure provided by all stakeholders (national government, provincial government, local government, parastatals and the private sector).

4.11 Western Cape Green Economy Strategy Framework (2014)

The aim of the framework is to position the Western Cape as the lowest carbon province in South Africa and the leading green economic hub of the African continent.

4.12 Overberg IDP 2018-2022

Closely aligned to the provincial strategic plan, the following is identified as the key strategic goals for the District:

ODM SG1	To ensure the well-being of all in the Overberg through the provision of efficient basic services and infrastructure.
ODM SG2	To promote regional economic development by supporting initiatives in the District for the development of a sustainable district economy.
ODM SG3	To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the principles of employment equity and promote skills development.
ODM SG4	To attain and maintain financial viability and sustainability by executing accounting services in accordance with National policy and guidelines.
ODM SG5	: To ensure good governance practices by providing a democratic and pro-active accountable government and ensuring community participation through IGR structure

Table 1: Overberg Strategic Objectives (IDP 2017-2021)

4.13 Overberg Spatial Development Framework (2014)

The purpose of the Overberg Spatial Development Framework to optimise the rich and balanced mix of the Overberg's agriculture, tourism, heritage, conservation resources (including natural and scenic resources) and eco system. The main policy and principle informants for the SDF include the following:

- The area's unique agricultural, environmental and urban qualities must be maintained;

- Private conservation areas must continue to be promoted with careful consideration of appropriate development rights to mobilise the necessary resources for veld rehabilitation and management;
- Development and tourism efforts should take advantage of the district's close proximity to Cape Town as well as ensuring maximum benefits for local residents.

4.14 Overberg Integrated Transport Plan (2016)[2]

The Overberg District Municipality's potential growth and development opportunities have been identified as being in the fields of tourism and agro-processing. These industries require good access to transport goods and to service centres as well as to employment opportunities to ensure successful growth in the regional economy.

The local public transport service such as minibus taxis (MBT) in the district enable people to access destinations, which cannot be reached on foot or by other modes of non-motorised transport. Affordability impacts the use of public transport therefore creating a higher percentage of walking. MBT is the dominant mode for both commuter and long-distance public transport services. Population densities are relatively low and destinations far between in many towns. This reduces the cost effectiveness of public transport and particularly bus services. Currently there are no commuter rail services within the ODM.

The road network through district consists of 4000 km of national and provincial roads. The N2 is the major road-based link making up 4.5% of the road length. The movement of freight is fundamental since all economic activity, be it agricultural, infrastructure development, energy production or general industry.

ODM's road network is therefore significantly impacted by and subjected to the high tourism seasonal traffic particularly on R44, R43, R316 and R319. Peak periods occur during the end of year festive season, around Easter holidays, school holidays and the September-October whale season.

The Overberg District has a number of airstrips. The largest of which is the Test Flight and Development Centre Airforce base between Bredasdorp and Waenhuiskrans in the CALM. Upgrading of existing or construction of new airstrips can pave the way towards many economic opportunities for people in and around surrounding towns within the district.

[2] The Overberg's Integrated Transport Plan is currently being updated

5. METHODOLOGY

The preparation of the RED and Tourism Strategy followed a four-phase work program completed over 19 months between December 2017 and March 2019 as seen in the figure below.

Figure 4: Development of the Overberg Regional Economic Development and Tourism Strategy

The Overberg RED and Tourism Strategy has been compiled through primary and secondary data. The Economic Outlook Section through data from:

- Municipal Economic Outlook and Review;
- Provincial Economic Outlook and Review;
- Quantec; and
- Statistics South Africa

The primary data has been obtained through a combination of a series of engagement between officials from the Overberg, National & Provincial Government[3], SALGA; Swellendam, Theewaterskloof, Overstrand, and Cape Agulhas municipalities' local representatives from business, agriculture, NPOs and social development. This was done through a series of extensive consultations with stakeholders and representatives of community and business organisations in each of the above stated municipalities.

These engagements are outlined below:

- **11-13 June 2018;**
- **23 August 2018;**
- **03-05 September 2018; and**
- **25-26 October 2018.**

6. ECONOMIC ANALYSIS

This section describes the economic status quo of the economy of the Overberg District Municipality using the latest economic data available obtained from Municipal Economic Outlook and Review (WC Treasury, 2018), Quantec and Statistics South Africa. This creates an opportunity to examine the economy and the different economic sectors, which in turn identifies the sectors of the economy that have the largest contribution to the district.

- **Global Economic Outlook**
- **South African Growth Outlook**
- **Provincial Economy**
- **District Economic Outlook**

6.1 Global Economic Outlook

To put into context the complex nature of economic development, firstly it is important to take a look at the global and national economies as it has a great impact on provincial and local economies. The latest World Economic Outlook report (2018) projects that global growth will remain steady over 2018–19 at last year's rate of 3.7 percent. This growth exceeds that achieved in any of the years between 2012 and 2016.

Despite the encouraging headline growth figures, the global economy is facing the highest level of risk in recent years. Indeed, this favourable economic picture appears to come from a completely different world to the one where headlines are dominated by protectionist rhetoric, major territorial disputes, and financial market instability and rising geopolitical tensions (The Economist Intelligence Unit Limited, 2018). Considering the developments since April 2017, growth has plateaued at 3.7 percent down from the projected 3, 9 percent for 2018 and 2019. US growth forecast owing to the recently enacted tariffs on a wide range of imports from China and China's retaliation. Therefore, China's expected 2019 growth is also marked down (IMF, 2018).

Overall, compared with six months ago, projected 2018–19 growth in developed economies is 0.1 percentage point lower, including downgrades for the euro area, the United Kingdom, and Korea. The negative revisions for emerging market and developing economies are more severe, at -0.2 and -0.4 percentage point, respectively, for 2018 and 2019.

These revisions are also geographically diverse, encompassing important economies in Latin America (Argentina, Brazil, and Mexico), emerging Europe (Turkey), south Asia (India), East Asia (Indonesia and Malaysia), the Middle East (Iran), and Africa (South Africa)—although Nigeria, Kazakhstan, Russia, and Saudi Arabia are among the petroleum exporters that will benefit from higher oil prices. Broadly speaking, however, there are signs of lower investment and manufacturing, coupled with weaker trade growth.

6.2 South African Growth Outlook

Statistics South Africa has published its latest Gross Domestic Product (GDP) data, showing that South Africa's economy grew at 0.8% in 2018, slightly beating estimates. Following a technical recession in the second quarter of 2018, most forecasts were revised down to 0.6-0.7 from the 1.2%-1.5% range, as the economic realities set in despite upbeat talk around political change in the country. The International Monetary Fund has lowered South Africa's projected GDP growth rate for 2019 from 1.4% to 1.2% (April, 2019), putting the country among the worst performers in sub-Saharan Africa.

Given population growth, GDP per capita growth has been stagnant or low since 2014, leaving little room to reduce poverty. Commodity prices remain important for South Africa, a major exporter of raw materials. Strengthening investment, including foreign direct investment, will be critical to propel growth and create jobs.

South Africa remains a dual economy with one of the highest inequality rates in the world, perpetuating both inequality and exclusion. According to Statistics South Africa, the Gini coefficient measuring relative wealth reached 0.65 in 2014 based on expenditure data (excluding taxes), and 0.69 based on income data (including salaries, wages, and social grants). The poorest 20% of the South African population consume less than 3% of total expenditure, while the wealthiest 20% consume 65% (STATSSA, 2018).

Having said that, South Africa's growth had improved in 2017 to 1, 3% up from 0,6% in 2016. This recovery was underpinned by agriculture, mining & finance. South Africa is seen as the 'big emerging market story of 2018, however, risks remain including the unfolding land reform process; state-owned policy; mining charter (which is said to be concluded); and the impact on public debt. As a result, Statistics South Africa announced on Tuesday, 4 September 2018 that South Africa has officially entered a technical recession[4].

The country's real GDP had decreased by 0.7% in the second quarter of 2018. This follows a GDP contraction of 2.2% in the first quarter. South Africa has however made considerable strides toward improving the wellbeing of its citizens since its transition to democracy in the mid-1990s, but progress is slowing. Based on the poverty line of $1.90 per day at Purchasing Power Parity (PPP), poverty fell from 33.8% in 1996 to 16.9% by 2008. Factors driving this included social safety nets and free access to basic services, real income growth, as well as decelerating inflationary pressure on households, the expansion of credit, and growth in publicly-provided formal housing. Yet progress has slowed in recent years due to structural challenges and weak global growth since the global financial crisis of 2008. Poverty increased slightly, estimated at 19% in 2018. High unemployment remains a key challenge, standing at 27.2% in the second quarter of 2018. The unemployment rate is even higher among youths, at around 50%.

The largest negative contributors to GDP growth were the agriculture industry - which decreased by 29.2%, followed by the transport industry (-4.9%) and trade (-1.9%) (Statistics, 2018). The decrease in agriculture was largely driven by a decline in the production of field crops and horticultural products.

For the first time since Q1 2016, households also cut consumption expenditure, which decreased by 1.3% for the quarter 4 in 2018. The biggest cuts were recorded for spending on transport, food and drinks, according to Stats SA (Fin24, 2018). The implication of this would be significant for local economies since businesses in these sectors will not be financially sustainable and will experience job losses.

Government expenditure, meanwhile, grew by 0.7%. Total investment, also known as gross fixed capital formation, decreased by 0.5%. Net exports contributed positively to growth in GDP through expenditure. Exports were up 13.7% for the quarter due to increased trade in precious metals, mineral products and vegetable products. Imports increased by 3.1% and were driven by imports of mineral products, prepared foodstuffs, beverages and tobacco and vehicles and transport equipment, according to Stats SA. The total value of the South African economy was R1,24 trillion in Q2:2018 with finance (R222b) & government (R198b) industries remain the biggest.

[4] A technical recession is two consecutive quarters of negative growth (Fin24, 2018).

6.3 Provincial Economic Analysis

A sharp moderation in economic growth to 0.2 per cent is expected in the Western Cape in 2018. However, much of this is due to a contraction in output in the agriculture, forestry and fisheries sector because of the drought. Value added in the agriculture, forestry and fisheries sector might decline by close to 25 per cent in 2018. Related to this is the food and beverages manufacturing sector with a likely fall in output of 9.1 per cent in 2018. The poor performance of these sectors contributes greatly to the expectation of muted growth in 2018 (PERO, 2017).

The impact of the water crisis on the Western Cape economy is likely to be significant, both directly on businesses and through their supply chains (Meyer, 2017). The Western Cape agriculture including the rest of the value chain and agri-processing export sectors, as well as construction and tourism - are at risk due to the severe water crisis (Provincial Economic Review and Outlook, 2017). The Western Cape is currently experiencing the worst drought in recorded history. Of significance to have noticed that the agricultural & agri-processing sectors combined contribute more than 10% of Provincial GDP and employ an estimated 340,000 workers. The impact of the drought on the Western Cape economy resulted in loss of revenue and jobs. To date, between 30 000 and 40 000 jobs have been lost in the agricultural sector, however the value chain job losses have not been included in this figure.

The Western Cape agriculture sector recorded an estimated loss of R5.9 billion during 2017/18 as result of the drought and this translated into 30,000 job losses (Pienaar and Boonzaaier, 2018). Drought Policy Brief Western Cape Agriculture, Western Cape Provincial Government; Bureau for Food and Agricultural Policy).

The agriculture subsector recorded the fastest growth in employment of 4.9 per cent per year between 2011 and 2016 followed by the construction subsector at 3.7 per cent. In the Western Cape manufacturing employment declined from 248 006 in 2011 to 240 450 in 2016. The oil rig repair industry was negatively affected by a decline in oil prices at the end of 2014.

Ship repair and ship fabrication activities have taken up the slack in demand in the rig repair activity in 2015. Cape Town is currently the dominant ship repair location in South Africa. Tourism in the Western Cape has shown resilience in recent years. The Western Cape received the highest number of tourist bed nights and also had the highest average length of stay of any province in South Africa in 2016. A provincial initiative to promote Western Cape exports is the development of a halal-relevant food and agri-business subsector targeting the global halal food and product market.

The Western Cape is estimated to be the third most populous province in South Africa. Life expectancy, fertility rates and migration have an impact on the Province's demographic profile. Net in-migration is estimated at over 290 000 people between 2011 and 2016. In 2015, 55.5 per cent of the South African population were considered poor of which 7.5 per cent lived in this Province. The proportion of the Western Cape population below the upper bound poverty line increased from 33.7 per cent by 2011 to 37.1 per cent in 2015. The upper bound poverty line was R779 per person per month in 2011 and R992 per person per month in 2015.

Over 2018 to 2022, the long-term outlook for the Western Cape is expected to average 2.2 per cent per annum. Beyond the next two years, the Western Cape economy is likely to see a return to the growth trend of the past few years (PERO, 2018).

6.4 District Economic Outlook

6.4.1 Overview

The Overberg District Municipality is classified as a Category C municipality and is one of the five district municipalities in the Western Cape Province. It is the smallest district in the province making up about 9% of its geographical area. The District is comprised of the following four category B local municipalities; Theewaterskloof, Swellendam, Cape Agulhas and Overstrand. The Overberg is home to approximately 301 983 people with an unemployment rate of 12, 2%. In 2016, the economy of the region grew by 0, 56% to R13, 32 billion (WESGRO, 2018).

In 2016 the Overberg District contributed R18.4 billion to the economy of the Western Cape. The Theewaterskloof and Overstrand municipal areas are the primary contributors to the District economy, collectively contributing 72.2% towards the Overberg District GDPR in 2016 (MERO, 2018).
The table 2 below gives the key socio-economic profile of the Overberg

OVERBERG KEY INDICATORS	
Executive Mayor	Andries Franken
Population (2017)	301 983
GDP (2016)	ZAR R13,32 billion
GDP Growth (2016)	0,56%
Unemployment rate (2016)	12,16%
Ethnic groups	Black (24, 09%), Coloured (56, 33%), Indian & Asian (0, 04%), White (19, 54%)
Languages	Afrikaans (70, 3%), Xhosa (17, 9%), English (6, 8%), Sotho (2, 1%)
Literacy rate	81,1%
Gini Coefficient	0.60
Human Development Index (HDI)	0.70

Table 2 Socio-Economic profile: Overberg District, 2018 (Quantec, 2018)

The economy of both the District and the Province have struggled to grow at rates experienced prior to the global financial crisis, with economic growth declining sharply between 2014 and 2016. However, it is estimated that economic growth was boosted in 2017 with a growth rate of 2 per cent. Even though the growth rate improved, it is still lower than the long-term average growth rate (3.2 per cent). In 2017, economic growth improved in all the local municipal areas with the Theewaterskloof and Swellendam municipal areas recording the fastest growth rates in the OBD, with an estimated growth rate of 2.5 per cent in both municipal areas. Table 3 below indicates the average GDPR contribution and growth rates in the various municipal areas in the OBD.

Municipality	**R million value 2016**	**Contribution to GDPR (%) 2016**	**Trend**		**Real GDPR growth (%)**					
			2006 - 2016	**2013 - 2017e**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017e**
Theewaterskloof	7 537	40.9	3.6	2.5	3.7	3.8	4.4	1.6	0.3	2.5
Overstrand	5 755	31.2	2.5	1.8	2.5	2.6	2.5	1.4	0.9	1.4
Cape Agulhas	2 752	14.9	2.9	1.9	2.9	2.8	2.8	1.6	0.8	1.3

Swellendam	2 374	12.9	4.0	2.9	4.1	4.2	4.4	2.3	1.4	2.5
Total Overberg District	**18 418**	**100**	**3.2**	**2.2**	**3.3**	**3.3**	**3.5**	**1.6**	**0.7**	**2.0**
Western Cape Province	529 928	-	2.6	1.8	2.9	2.6	2.4	1.5	1.2	1.0

Table 3: Overberg District GDPR contribution and average growth rates per municipal area, 2012 - 2017 *Source: Quantec Research, 2018 (e denotes estimate)*

6.4.2 GDPR contribution per sector (2016)

The sectors that contributed the most to the OBD economy in 2016 include:

- Finance, insurance, real estate and business services sector (20.1 per cent);
- Wholesale and retail trade, catering and accommodation sector (19.1 per cent); and
- Manufacturing sector (13.5 per cent).

The improved estimated economic growth rate of 2 per cent in the OBD was mainly as a result of the strong growth in the agriculture, forestry and fishing sector (5.8 per cent), the transport, storage and communication sector (3 per cent) and the finance, insurance, real estate and business services sector (2.7 per cent).

Not all sectors in the OBD performed equally well in 2017. Despite the stronger growth in the transport, storage and communication sector and the finance, insurance, real estate and business services sector, growth in the tertiary sectors declined (to an average of 1.6 per cent). It is estimated that the wholesale and retail trade, catering and accommodation sector had a growth rate of 0.3 per cent, while the general government sector contracted by 0.4 per cent. Another sector that is estimated to have contracted in 2017 is the construction sector (0.1 per cent).

Activities in the Overberg region have a strong reliance on agriculture, aquaculture, mainly abalone farming, light industrial/manufacturing such as agro-processing, tourism (which leads to vibrant construction, financial and business services, retail, catering and accommodation sectors), property development including the retirement market, government services and social grants also contribute. New and emerging industries include agro-forestry, value adding horticulture, jewellery manufacturing as well as plastics and packaging. The Overberg district municipality is proactively identifying current and future economic opportunities that can supplement its rich agricultural, resource, and tourism based economy.

Tourism has been one of the effective means of macro-economic diversification from the traditional over-reliance on agriculture in many economies. The expansion of agriculture-tourism or "agri-tourism" linkages connotes the importance of local agricultural produce (food crops, livestock and fish products that are processed and consumed) which boosts economic growth (WESGRO, 2018).

Table 4 below gives the Overberg District GDPR contribution per sector (2016). Overall, the municipal areas' sectoral contributions to their respective economies are similar, except for the agriculture, forestry and fishing sector which accounts for 15.5 per cent of Theewaterskloof. This is proportionally higher than the other municipal areas.

Sector	Overberg District	Theewaterskloof	Overstrand	Cape Agulhas	Swellendam
Primary Sector	**10.9**	**15.6**	**6.7**	**7.1**	**11.0**
Agriculture, forestry and fishing	10.8	15.5	6.5	7.0	11.0
Mining and quarrying	0.1	0.1	0.2	0.2	0.1
Secondary Sector	**23.4**	**24.5**	**24.2**	**23.1**	**18.3**
Manufacturing	13.5	13.6	14.7	14.0	9.6
Electricity, gas and water	2.5	3.0	2.1	2.4	2.3
Construction	7.4	7.9	7.4	6.7	6.4
Tertiary Sector	**65.6**	**59.9**	**69.1**	**69.8**	**70.7**
Wholesale and retail trade, catering and accommodation	19.1	17.7	19.2	22.1	19.7
Transport, storage and communication	10.8	10.9	10.9	10.9	9.9
Finance, insurance, real estate and business services	20.1	16.3	24.3	19.9	22.4
General government	9.0	8.5	8.4	10.2	10.7
Community, social and personal services	6.6	6.6	6.2	6.6	8.0
Total	**100**	**100**	**100**	**100**	**100**

Table 4 Overberg District GDPR contribution per sector, 2016 (%) (*MERO, 2018)*

Overall, the municipal areas' sectoral contributions to their respective economies are similar, except for the agriculture, forestry and fishing sector which accounts for 15.5 per cent of Theewaterskloof. This is proportionally higher than the other municipal areas.

6.4.3 Employment

The sectors that contributed the most to employment in the OBD in 2016 include:

- Agriculture, forestry and fishing (22.7 per cent);
- Wholesale and retail trade, catering and accommodation (21.6 per cent); and
- Finance, insurance, real estate and business services (15.4 per cent).

Employment statistics reflect the importance of various sectors on their respective municipal areas. The wholesale and retail trade, catering and accommodation sector contributes significantly more to the coastal municipalities (the Overstrand and Cape Agulhas municipal areas) as tourism plays an important role in these economies, especially over peak holiday times. This essentially provides an indication of the key economic levers of the district are where attention should be geared towards and value chains be maximised. Table 5 indicates the sectoral contribution to employment in the municipal areas of the OBD.

Sector	Overberg District	Theewaterskloof	Overstrand	Cape Agulhas	Swellendam
Primary Sector	**22.7**	**30.9**	**12.6**	**14.3**	**22.5**
• Agriculture, forestry and fishing	22.7	30.9	12.6	14.2	22.5
• Mining and quarrying	0.0	0.0	0.0	0.0	0.0
Secondary Sector	**14.7**	**13.9**	**17.1**	**16.5**	**10.7**
• Manufacturing	7.6	7.0	9.2	9.3	5.1
• Electricity, gas and water	0.3	0.3	0.3	0.3	0.3
• Construction	6.7	6.5	7.6	6.9	5.3
Tertiary Sector	**62.6**	**55.2**	**70.3**	**69.2**	**66.8**
• Wholesale and retail trade, catering and accommodation	21.6	18.3	25.7	26.1	20.9
• Transport, storage and communication	3.8	3.4	4.3	4.6	3.4
• Finance, insurance, real estate and business services	15.4	13.6	17.2	15.9	17.3
• General government	8.2	7.2	8.4	10.0	9.7
• Community, social and personal services	13.6	12.7	14.7	12.6	15.5
Total	**100**	**100**	**100**	**100**	**100**

Table 5 Sectoral employment contribution per municipal area, 2016 by % (MERO, 2018)

The Theewaterskloof municipal area contributes the most to employment in the sectors of the OBD, followed by the Overstrand municipal area. The distribution of workers by locality is in line with the economic output of each municipal area. Due to these economies contributing the most to the economic sectors of the OBD in terms of employment, they tend to attract people from rural areas that are looking for work. The migration of people will increase the demand for basic services and infrastructure, especially housing.

6.4.4 Unemployment

Unemployment in the OBD (11.8 per cent) has remained lower than the provincial unemployment rate (18.2 per cent) over the past five years. In the District, Overstrand has experienced the highest unemployment rate over the past five years, while Swellendam has experienced the lowest unemployment rate. While there is an increase in employment opportunities in the District, the unemployment rate is indicative of an increase in job seekers relative to the rate of job creation. Below in Table 6 is a further breakdown on unemployment per municipality.

Municipality	2012	2013	2014	2015	2016	2017e
Theewaterskloof	9.1	8.8	9.4	8.5	9.7	10.3
Overstrand	13.2	13.2	14.0	13.7	15.6	16.6
Cape Agulhas	8.4	8.2	8.7	8.2	9.1	9.7
Swellendam	7.4	7.1	7.5	6.8	7.6	7.9
Overberg District	**10.0**	**9.8**	**10.5**	**9.8**	**11.1**	**11.8**
Western Cape Province	15.8	15.7	16.1	16.2	17.4	18.2

Table 6: Overberg District unemployment rate, 2012 - 2017 (%) (MERO, 2018)

6.4.5 SMMEs

SMMEs that play a vital role in the local economy sometimes require additional support in order to become sustainable and make a continuous contribution to the economy and employment creation. SEDA plays a vital role in providing support for SMMEs in the OBD. Table 7 outlines the number of SMMEs that are registered on the municipal databases based on the Provincial Treasury Municipal survey responses received.

Municipality	Number
Overstrand	702
Cape Agulhas	1 073 (of which 329 are local)
Swellendam	720

Table 7 SMMEs registered on municipal databases, 2018 (Provincial Treasury Municipal survey responses, 2018)

The municipalities of the OBD have a large number of SMMEs registered on their databases, particularly the Cape Agulhas Municipality (1 073 SMMEs), however, only 329 are local. This indicates that SMMEs are operating beyond municipal borders in the OBD in order to be successful. Figure 2 indicates the activities of the SMMEs that are supported by SEDA in the OBD.

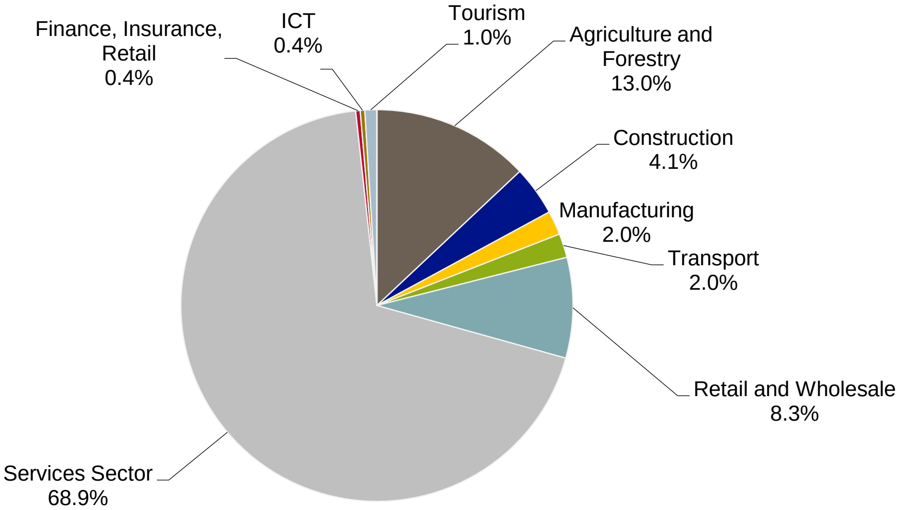

Figure 5: SMMEs supported by SEDA - business categories, 2018 (SEDA, 2018)

The majority of SMMEs in the OBD that are supported by SEDA are in the services sector (68.9 per cent), followed by the agriculture and forestry sector (13 per cent) and retail and wholesale (8.3 per cent). SMMEs in the OBD require the most support in the following areas (Provincial Treasury Municipal survey, 2018):

- Funding;
- Better access to markets and suppliers;
- Skills development in terms of bidding processes; and
- Business mentoring.

6.4.6 Informal Economy[5]

In the post apartheid period the informal sector has largely fallen through policy gaps. South Africa's informal sector, while markedly smaller than those of other middle income countries, still accounts for almost one out of five workers (18.3 per cent). Stats SA estimates that informal enterprises contribute 5.2% (Stats SA, 2015) to the South African economy. One of the main concerns regarding the informal sector is that jobs offered within this sector typically pay lower wages, thus affording fewer opportunities for individuals to break out of poverty cycles in which they may be trapped (Sulla & Zikhali, 2018). However, many people operate within the informal economy as a survivalist strategy.

In the Western Cape, the informal sector employed 303 000 individuals in the first quarter of 2018. This represents 10.1 per cent of employment in the informal sector nationally, and 12.0 per cent of total employment in the Western Cape. Within the Overberg 8.5% of people are employed informally (Stats SA, 2011).

6.4.7 Indigents

Although some municipalities have experienced an increase in indigent households, overall the district has seen a decline in indigent households. Between 2012 and 2017, the number of indigent households decreased by -8,695 which is an annual average decline of -4.2%. Therefore, the rise in unemployment has not resulted in an increase in indigent households.

6.4.8 Regional Economic Rationale

The base of all economic development is investment. When private investment fails to meet a community's particular needs, public investment or public/private partnerships may be necessary. Current realities and future challenges of economic development give rise to three foundational principles on which economic development investments should be based: exports, productivity and sustainability.

Exports, productivity, and sustainability are the three fundamental principles of economic development - the pillars that form the core support of the economic development edifice. With too much or too little investment in any one of the three, the structure becomes unstable.

Having said that, regional development requires measures to stimulate growth poles, which contain enterprises that generate spread effects through investments, leading to cumulative growth. Economic agglomeration occurs through both forward linkages (suppliers attracting buyers) and backward linkages (buyers attracting suppliers). If tourism is to be a successful development tool, it will be essential to strengthen linkages within the local economy (Telfer, 2002: 119).

In fact, two sets of linkages are important: relationships with the exterior economy (including goods, services, capital, information and foreign exchange earnings), and linkages between local economic actors.

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[5] Obtaining informal economy data for non-metropolitan areas is difficult given that Statistics South Africa Labour Force Survey is only calculated by the City of Cape Town and Non-Metro level. Therefore it is difficult to get updated data post the 2011 Census.

Regions have certain basic resources and characteristics that shape to a large extent their development trajectory and potential geographic location; proximity to markets; topography and climate; natural resource endowments; industrial heritage; and endowment of human, social and physical capital. The point of departure for policy makers should be the identification of possible development strategies per type of region (Pezzini, 2001: 139). To this end, the identified proposals in this strategy considered the above and is also based on the uniqueness of each of the municipal area.

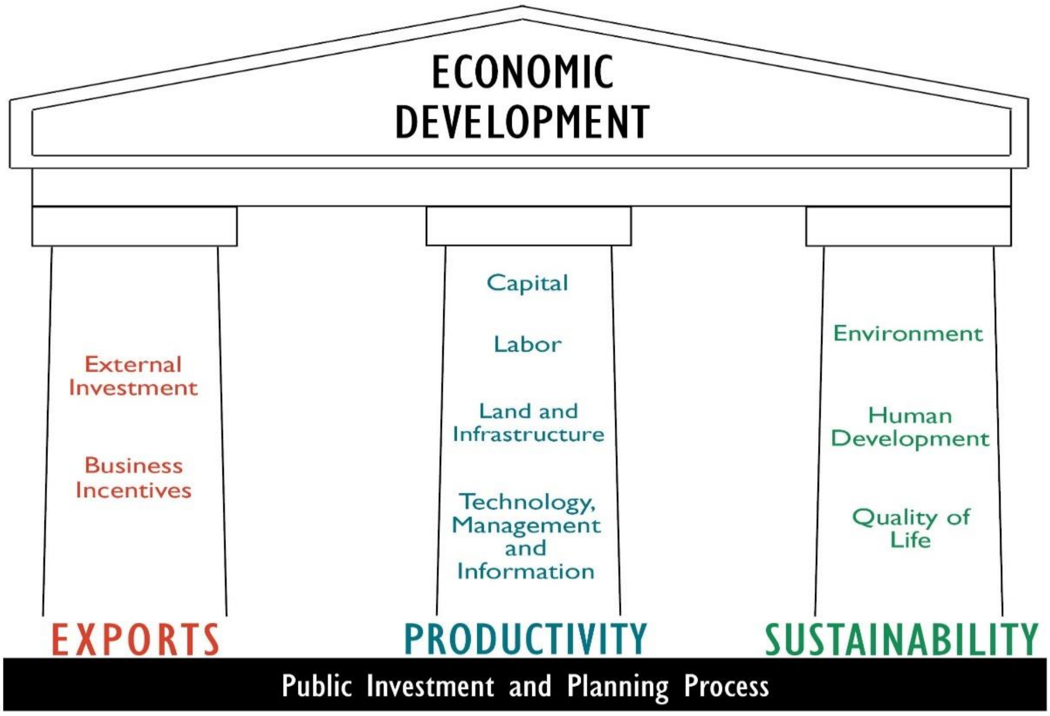

Figure 6: The Public Investment and Planning Process

7. SWOT ANALYSIS OF THE REGION

S	W	O	T
Strengths	Weaknesses	Opportunities	Threats

STRENGTHS

- Many nature reserves – Kogelberg Biosphere Reserve, Cape Nature Reserve and other
- Coastal region – coastal lifestyle for the family (Indi-Atlantic route)
- Heritage – including Khoisan
- Southern point/tip of Africa and Lighthouse
- Proximity to Cape Town, Stellenbosch
- Diversity in agriculture – wool, dairy, vegetables, fruit, canola, berries, grapes, livestock

WEAKNESSES

- People need to start working together. PACA process completed in 2014 but no implementation since then
- "Wish lists" of projects should be reduced and organized into a Strategic Plan with Goals that are SMART – Specific, Measurable, Actionable, Relevant and Time-bound?
- Lack of skills
- More should be done to address social ills (drugs, alcohol abuse, theft, crime, etc.)
- Address issues around the Agri-Parks Programme
- Lack of infrastructure at some beaches
- A lack of funding for NMT (Non-motorised transport) infrastructure and provision for safe crossing facilities.
- Lack of access to funding in general
- Tourism road signage
- Local, Provincial and National approval processes are slow, bureaucratic and not aligned to community and business needs
- Delay in the approval of land use planning applications
- Lack of research in agricultural development
- Limited operational rail system in place

OPPORTUNITIES

- Attracting the knowledge economy to the region
- Tourism potential - Diverse tourism (including agri-tourism and sport tourism) activities – however not well marketed
- The lack of housing needs to be addressed
- Need to address tourism seasonality
- Marketing the region on social media is necessary
- Need for marketing campaign to attract the foreign tourists
- Need for community markets
- The marketing process needs to be inclusive and take cognisance of the needs and views of all communities and stakeholders
- Investment in the youth through entrepreneurship
- Create opportunities for small businesses through municipal supply chain management processes
- Wide variety of products are produced locally
- Sport Tourism
- Promote filming opportunities
- Canola–develop processing facilities
- Fynbos products – food, cosmetics, clothes
- Potential for creative industries

THREATS

- laws, policies and by-laws that are not enabling economic development
- Lack of effective public transport systems
- Community protests - Tourism businesses are very pessimistic and have suffered substantial financial losses
- Abalone poaching
- Safety and crime impacting the tourism sector
- Lack of cooperation and collaboration across various stakeholders
- Red tape in approval processes – municipal processes are not business oriented
- Social instability in some towns due to community protests
- Limited clearly defined and signposted routes – hampering tourism
- Underdeveloped harbours with potential
- Tourism industry not well diversified
- Tourism offices are no longer funded
- Tourism sector does not effectively utilise digital platforms
- Township tourism not properly developed
- Challenges for growth – silo approach between towns, municipalities – spill over from events into other towns or regions - Lack of collaboration/partnering between tourism offices in region
- Service delivery protects negatively affect tourism and housing sales
- Processing of DTI, IDC, SEDA, SEFA funding applications for SMMEs takes a long time

8. SOME KEY SOCIO-ECONOMIC TRENDS, CHALLENGES AND KEY CONSIDERATIONS

The Western Cape is already suffering from the severe effects of climate change. The Drought Fact Sheet was developed by the Western Cape's Department of Agriculture, which details the facts behind the drought's conditions as well as its impact upon various aspects of the agriculture sector.

The recent community protect actions within the district has negatively affected tourism.

During droughts, increased competition for water resources from agricultural use and urban use increases the likelihood of reallocation of water away from farming. Highly intensive, labour absorbing, irrigation agriculture, generally with high export intensities, is affected in this case. The likely outcome is a loss of jobs in agricultural value chains, reduced local food security, increasing food prices, the consolidation of production to fewer producers, a decline in export earnings, and a greater dependency on food produce imported from other regions of South Africa and from other countries (WCDOA & WCDEA&DP, 2016). Farm-level and sector-wide estimates of economic and job losses have been conducted using various scenarios of water allocation away from irrigated agriculture. The situation is getting desperate for grazing and fodder availability is a major problem (Drought Fact Sheet, 2017).

Significant job losses (tens of thousands) and loss of potential wages and salaries are projected for the sector. So far, provisional estimates indicate job losses of around 33 000 since the drought began. Impacts on food security and social welfare, particularly within rural communities, will emerge as the situation unfolds and it is foreseeable that food producing households, poor and vulnerable households, and smallholder and emerging farmers with few resources will be strongly impacted. Families in rural communities affected by job losses will require substantial humanitarian support.

Winter cereal production in 2017 has shown decreases of 32% (wheat), 21% (barley) and 4% (canola). In 1996, the agriculture sector as the biggest employer was estimated to have employed 46,569 people. By 2017, the number of people employed were estimated to be 28,053. This means that the sector had recorded -17,699 job losses which is -25.2 percentage points over the period (Overberg District Profile, 2018). The sector has lost the most jobs compared to all the other sectors in the economy. The sector has also been adversely affected by the impact of climate change, which is likely to be long term in nature, as the province finds itself in a severe water crisis. The impact of the water crisis on the Western Cape economy is likely to be significant, both directly on businesses within the province and through their supply chains which will result in a ripple effect where other sectors of the economy will be affected.

The district municipality will need to effectively cope with the change in climate conditions. Extreme climatic conditions will have result in more intense and frequent storms and sea level rise in the district. Longer drought periods may have a negative impact on the agriculture in the district. Sustainable water resources will need to be protected. The data has already indicated earlier in this strategy, that the agricultural sector which used to be the biggest employer in the region has seen a decline in 2017 to reach a contribution of 21.6%. The packaging and promotion of agri-tourism could make a contribution in making the sector a bit more resilient. The district's ability to cope will be improved if it embraces the moves towards crops that is are less dependent on water; renewable energy generation, green building technologies, and improved water management.

The recent community protect actions within the district has negatively affected tourism, as it has deterred some tourists from going to the Overberg.

9. LOCAL MUNICIPAL ECONOMIC ANALYSIS

9.1 Swellendam Municipality

Figure 7: Swellendam

The beautiful town of Swellendam has been recognised as South Africa's top eco-friendly destination, according to the international Luxury Travel Guide. In the publication's annual awards list, Swellendam took top laurels in the Africa and Middle East Awards 2017 category.

The Swellendam municipal area has the smallest economy in the OBD. The Swellendam municipal area is well connected with the N2 and Route 62 traversing the area. The town of Swellendam is the main economic hub, however, there are also smaller towns and settlements that provide services to the local agricultural industry in the area.

The main economic sectors in the Swellendam municipal area are the finance, insurance, real estate and business services sector (22.4 per cent of GDPR) and the wholesale and retail trade, catering and accommodation sector (19.7 per cent of GDPR).

It is estimated that in 2017, the GDPR of the Swellendam municipal area increased to 2.5 per cent from 1.4 per cent in 2016. This improved growth is mainly a result of strong growth in the agriculture, forestry and fishing sector (4.8 per cent), the finance, insurance, real estate and business services sector (4.2 per cent) and the transport, storage and communication sector (2.7 per cent). The 6.6 per cent growth in the mining and quarrying sector had a marginal impact on the economy of the Swellendam municipal area due to its small GDPR contribution (0.1 per cent).

9.2 Cape Agulhas Municipality

Figure 8: Cape Agulhas Municipality

Cape Agulhas Municipality are regarded as the southernmost local municipality in Africa. Its coastline is surrounded by the Atlantic and Indian oceans which meet at the most southern town in Africa, named L'Agulhas. Cape Agulhas Municipality borders the municipalities of Swellendam, Theewaterskloof and Overstrand. This beautiful area can be reached from the City of Cape Town in the West via the N2 national road over the Sir Lowry's and Houw Hoek Passes and connecting with the R316 route from Caledon to Bredasdorp. The area can also be reached from the N2 on the eastern side via Swellendam connecting with the R319 route to Bredasdorp.

The Cape Agulhas municipal economy contributed R2.8 billion to the OBD economy in 2016. The sectors that contributed the most to the economy in 2016 include the wholesale and retail trade, catering and accommodation sector (22.1 per cent), the finance, insurance, real estate and business services sector (19.9 per cent) and the manufacturing sector (14 per cent).

Economic growth in the Cape Agulhas municipal area has declined steadily from 2.9 per cent in 2012 to 0.8 per cent in 2016. However, it is estimated that the local economy grew by 1.3 per cent in 2017. This boost in growth can be attributed to the strong growth in the agriculture, forestry and fishing sector (5.3 per cent), the transport, storage and communication sector (2.8 per cent) and the finance, insurance, real estate and business services sector (2.7 per cent). The strong growth estimated for the mining and quarrying sector (6.2 per cent) originates from a low base as this sector only contributed 0.2 per cent to the economy in 2016.

Growth prospects in the Cape Agulhas municipal area for 2017 were negatively influenced by the contraction of the construction sector, the wholesale and retail trade, catering and accommodation sector and the general government sector. These sectors contracted by 0.7 per cent, 0.4 per cent and 2.1 per cent, respectively.

9.3 Theewaterskloof Municipality

Figure 9: Theewaterskloof Municipality

Theewaterskloof is just outside of Cape Town along the transport corridor running east towards the Garden Route. The area is defined by the municipal boundary. The national N2 road connects many of the towns: namely Caledon, seat of the Municipality's headquarters; Grabouw; Botrivier and Riviersonderend. Other main urban areas are Villiersdorp, Greyton and Genadendal. The latter is the oldest mission station in South Africa.

The main economic sectors in the Theewaterskloof municipal area include the wholesale and retail trade, catering and accommodation sector, the finance, insurance, real estate and business services sector, the agriculture, forestry and fishing sector and the manufacturing sector. Collectively these sectors contributed 63.1 per cent (R4.8 billion) to the economy of the Theewaterskloof municipal area in 2016.

The Theewaterskloof municipal area economy is dominated by the tertiary sector, however, the agriculture, forestry and fishing sector is the third largest contributor to the municipal area's economic activity (15.5 per cent). The subdued performance in the agriculture, forestry and fishing sector in 2015 and 2016 contributed to poor growth rates, and the strong estimated performance in 2017 in this sector has contributed to the estimated growth of 2.5 per cent for the municipal area.

The finance, insurance, real estate and business services sector, despite a slight decline in growth between 2015 and 2016, has continued to be the best performing sector in the last five years. The estimated decline in growth in the wholesale and retail trade, catering and accommodation sector in 2017 (0.7 per cent) and the stagnation of the general government sector, has also influenced the growth prospects of the economy in the Theewaterskloof municipal area.

The tertiary sector employs 55.2 per cent of workers in the municipal area, while the agriculture, forestry and fishing sector is the largest sector with 18 346 employees (30.9 per cent) of the contribution to employment. It is estimated that that in 2017, 1 211 new job opportunities were created in the Theewaterskloof municipal area, recovering the 247 jobs lost in 2016. The sectors that contributed the most to employment creation in 2017 were the wholesale and retail, catering and accommodation sector (756 jobs), the community, social and personal services sector (389 jobs) and the finance, insurance, real estate and business services sector (363 jobs).

9.4 Overstrand

Figure 10: Overstrand

The Overstrand municipal area has a 230-kilometre coastline and borders the Cape Metro area, the Cape Agulhas and Theewaterskloof municipal areas. The main commercial node in the Overstrand municipal area is Hermanus, however, there are a number of smaller towns and settlements along the coast. Other main towns include Gansbaai, Hawston, Kleinmond and Stanford (Overstrand Municipality, 2017). The Overstrand municipal area is a popular tourist destination. Hermanus and the smaller coastal settlements are popular areas for second homes.

As the second largest local economy in the District, the Overstrand municipal area accounts for 31.2 per cent of the OBD economy in terms of GDPR and 27.5 per cent of employment.

It is estimated that in 2017 the Overstrand municipal economy grew by 1.4 per cent. The economy was boosted by strong growth in the agriculture, forestry and fishing sector (10.9 per cent), the transport, storage and communication sector (3.5 per cent) and the finance, insurance, real estate and business services sector (0.8 per cent). The mining and quarrying sector, as well as the electricity, gas and water sector, grew at above-average rates of 7.2 per cent and 3.2 per cent in 2017, however, these sectors make a relatively small contribution to the Overstrand economy (0.2 per cent and 2.1 per cent respectively).

The main economic sectors which contributed the most to the economy of the Overstrand municipal area in 2016 are the finance, insurance, real estate and business services sector (24.3 per cent), the wholesale and retail trade, catering and accommodation sector (19.2 per cent) and the manufacturing sector (14.7 per cent). The main contributor to the manufacturing sector is the food, beverages and tobacco subsector, which contributed 35.3 per cent in 2016, indicating a high reliance on the agriculture, forestry and fishing sector.

Formally employed workers in the Overstrand municipal area are mostly semi-skilled (46.8 per cent). With such a large base of semi-skilled workers, Overstrand is better suited than other municipal areas in tapping into human capital to further diversify their economy. It is estimated that in the last five years formal employment has increased by 1.9 per cent per annum on average, while skilled and semi-skilled employment has increased by 2.1 per cent and 2 per cent per annum, respectively.

10. RED AND TOURISM STRATEGY AND IMPLEMENTATION PLAN

- **Strategic Vision**
- **Strategic Goals**

10.1 Strategic Vision

The purpose of having an agreed vision for the Overberg District Municipality's future economic development is a necessity to assist in clarifying what all relevant role-players should be doing to impact on a desired and sustainable future regional economic trajectory. It is important that all stakeholders buy into a single vision to ensure that all work towards a single future.

The vision below was informed by a series of thorough stakeholder engagements with the public and the private across the district:

COLLECTIVELY DEVELOPING AN INCLUSIVE ECONOMY THROUGH IMPROVING THE LIVES OF ALL

10.2 Strategic Goals

The following approaches and principles inform the strategic goals of the Overberg RED and Tourism Strategy:

- A balance must be achieved between "pro-poor" and "pro-growth" initiatives.
- The implementation of strategies must lead to improvement in quality of life for all, especially the poor.
- The strategy must alleviate poverty. This should be done by means of business development, SMME support and providing a safety net for the poor by means of a basic needs approach. Entrepreneurial development will eventually lead to the creation of jobs, which is the ultimate goal of the Regional Economic Development strategy.
- The strategy must focus on the economic, physical and social components of the local environment.
- The creation and improvement of diversity, stability, sustainability, clusters and partnerships are of key importance.
- The strategy needs to be implemented by means of projects and programmes, which in turn must be implementable, with clearly defined and measurable deliverables. The projects must be outcome-based.

- Projects and programmes must have short, medium and long term outcomes, but short term “quick wins” are of key importance to create interest, support and confidence in the process. Short term successes must be marketed.
- Regional economic development implementation success rests heavily on “local champions”. “Local champions” could include local politicians, local officials, local business people and local community members.
- Local competitive advantages must be optimised.

To capture the many opportunities identified, based on the feedback received, the following are directions the District needs to work towards:

1. **Support collaboration** by facilitating community dialogue.
2. **Foster entrepreneurship** to capitalise on the entrepreneurial and driven community giving due consideration for the development of local SMME’s
3. **Develop local leadership** to foster a strong and diverse team of local leaders.
4. **Foster market access** by developing initiatives that carefully balance agricultural, industrial, commercial and residential land uses with regional environmental sustainability.
5. **Leverage natural advantages** will be critical to developing new value-add opportunities
6. **Focus on impacts** to target and achieve a clear set of outcomes

The strategic goals are as follows:

10.2.1 Strategic Goal 1: Improve Partnerships and Collaboration

Economic activity has a strong spatial component that very seldom neatly coincides with the political and administrative borders of individual municipalities. A modern economy has a strong spatial component as a result of long value chains, specialisation and the optimisation of economies of scale. Therefore, there are very few self-contained truly “local” economies in the world.

In practice however, a local area or a municipality (or even part thereof) will contain some of the components of a value chain and/or the potential to be competitive in other components of a value chain whilst another municipality will then have other aspects of the value chain. Therefore, **the *traditional territorial limits on a local municipality are no longer in line with reality***. In this new world of increasing complexity, there is a growing need for greater collaboration across neighbouring municipalities to collectively address common problems such as the slowing economy.

In South Africa, municipalities very often they do not have sufficient size and resources to undertake all the functions they are required to carry out. There is no better way of strengthening the capacity of municipalities than through partnership and co-operation. Co-operation is essential for the welfare and development of any society and very common between public entities. In recent years there has been growing recognition of the need to plan across sub-national boundaries, at the functional region instead of at the statutory mandated local or district municipal level.

Furthermore, although there is a great necessary for inter-municipal co-operation, there is an equal need for municipalities to collaborate with the private and non-governmental sectors. Partnerships in economic development are not just about mobilising resources to address the problems; they are about juxtaposing different ideas and going beyond the normal consultation process in order to co-create and co-implement solutions. Partnerships in this area builds high levels of accountability and moves away from paternalistic models that want to keep government out and privatise the process. It goes beyond the binary thinking mode of either one or the other, whether that be public or private, public or civil society, private or civil society (WCEDP, 2019).

10.2.2 Strategic Goal 2: Diversification of the Economy

Some sectors may show greater potential for economic growth and development while certain sectors may show low contributions. These trends will assist in identifying sectors where further investments can contribute to further improvements and also highlight opportunities for development. The ultimate aim is to create a district economy that is not reliant on selected sectors for economic growth but is more diversified. This will contribute and further create a sustainable cycle of economic activity where businesses continually add to value chains.

Through engagement with residents, stakeholders, and industry representatives along with research into economic trends and forecasts, a number of strategic directions and principles were identified in the Strategy that the district could adopt to promote growth and diversification of its economy.

Though agriculture will remain critical drivers of the regional economy, emerging opportunities in value-added agriculture, bio-industry, tourism, and commercial and retail development will play an increasingly important role in the area's development.

10.2.3 Strategic Goal 3: Small Business Development Support

SMME Support

While a great deal of progress has been made in government efforts to promote small enterprises, some important challenges still remain to be resolved. Within the Overberg context there are a wide variety of small enterprises with varying needs that require appropriate support measures.

The following must be considered:

- Priority should be on special geographic areas (poverty areas and areas with high unemployment)
- There should be alignment and integration of approaches and of the various spheres of government
- A single location where entrepreneurs can receive business and financial advice and planning. Including consultation, advisory, and business planning service to SMMEs.

Informal Economy[6] Support

Entrepreneurial activity is not limited to the formal business activities, as increasing the informal economy is playing an important role in the generation of income and provision of jobs to many people with limited education. Although the informal economy estimated to small in comparison to the formal economy in the ODM, it plays a key role in improving the people's livelihood and contributes to food security. Therefore the provision of support to this sector is key in the following manner:

- Adoption of progressive informal economy bylaws to support the informal economy (including review where local municipalities already have bylaws)
- Provision of business support and financial support.

10.2.4 Strategic Goal 4: Tourism Development

In the last year, the tourism industry in the Western Cape has grown faster and created more jobs than any other industry in the whole economy (WESGRO, 2019). The tourism industry is not only a multifaceted industry that contributes to a variety of economic sectors, but also

[6] The informal economy is often conflated to informal trading, the informal economy generally includes a wide range of activities such a small manufacturing to services that usually relies on cash transactions

a labour-intensive industry with the capacity to create jobs. Therefore ODM has taken a decision to prioritise this sector.

Tourism is not just a means of economic injection within a locality; it's also a field through which operators and tourism businesses can help create positive social, economic, cultural and environmental interactions in the Overberg. Responsible tourism aims to meet these needs of tourists and the needs of the region. Many tourists nowadays are also looking for a more unique travel experience and intimate relationship with places they visit. They also want to leave knowing that their trip or travel did not have any negative impact or effects on the people or the environment they were in.

Partnerships and Collaboration in Tourism Development
Given that tourism knows no boundaries. Tourists to the region would want to have an integrated regional experience. This calls for greater levels of cooperation and partnerships with industry and the whole of government. The tourism industry cannot exist without partnerships and collaboration. Visitors are looking for a great experience, which can only be achieved if the various tourism partners work together. Sound partnerships form the basis of any successful tourism industry. These partnerships include the public sector, the private sector and communities.

Furthermore, Within the ODM many visitors stay for a short period of time, and the challenge is to entice them to stay longer and spend more through greater collaboration between stakeholders.

Despite some examples of strong partnerships within the Overberg, there is still room for improve in the communication and collaboration amongst different sub-sectors of the private sector; among the different spheres of government responsible for tourism, and between dedicated government tourism entities and the various government entities that have an impact on the tourism industry. In many cases, organisations are involved in similar activities within the tourism industry, but do not cooperate to strengthen the impact of their collective activities [e.g. tourism development agencies and non-governmental organisations (NGOs).

Domestic Tourism
Not within standing the key role of international tourists, in most successful tourism destinations around the world, the domestic market forms the backbone of the tourism industry. This should become a strategic choice that is informed by the extent of this market's potential and the budgeted return on investment. In the In South Africa, many South Africans had not had an opportunity to undertake holiday travel within their own country. However, the domestic market dominated as the strongest share of visitors to the Overberg, but still strong demand from the overseas market (WESGRO, 2016). Therefore this presents a big comparative advantage of the Overberg and also presents a big opportunity for further growth.

Although general tourism awareness will assist in developing the domestic tourism market, in general, domestic tourism development requires attention to broader marketing, product development, distribution, information provision, and social tourism programmes. Marketing should be stepped up to improve awareness and access to information.

Support Niche Tourism
Niche tourism markets are comprised of identifiable groups of individuals with similar interests, needs and wants – specific products can then be tailored to meet the needs of particular market segments. The size of niche tourism markets can vary considerably – for instance in the case of the Overberg this includes special focus on the following:

- Eco-Tourism;
- Adventure Tourism;
- Sport Tourism; and

- Culture and Heritage Tourism

The concept of niche tourism emerged to counter what is commonly referred to as mass tourism. Problems associated with mass tourism often include:

- Economic – high leakage, low trickle down rates, spatial inequalities
- Environmental – damage to vegetation, pollution, over-crowding
- Socio-cultural – commodification of culture, loss of authenticity, damage to traditional cultures

Niche tourism appears to offer greater opportunities, tourism that is more sustainable, less damaging and more capable of delivering high-spending tourists and also has the potential to include more micro tourism suppliers. For tourists, niche tourism offers a more meaningful set of experiences in the knowledge that their needs and wants are being met.

The benefits of niche tourism includes (SALGA 2010):

- Helps to diversify the tourism economy by creating new markets;
- Greater growth potential than mainstream tourism;
- Usually leads to higher yields per visitor in terms of foreign exchange earnings and consumer spending, even though niche markets are often smaller in size than mainstream tourism markets;
- Often stimulates the creation of quality jobs that require specialized skills, as opposed to low or semi-skilled jobs generally associated with mainstream tourism;
- Activities undertaken as part of niche tourism are often community-based, located outside of traditional tourist areas, and thus encourage geographic distribution of tourism benefits;
- More local spending takes place, since niche tourism offerings attract independent travellers, as opposed to pre-paid package tourists.

10.2.5 Strategic Goal 5: Improve Municipal Regulatory and Processes Environment

Municipal bylaws, and/or bureaucratic procedures and processes that are excessively complex and which impose unnecessary delay(s), inaction and/or costs that exceed their benefits, and/or is no longer effective in achieving the purpose for which they were originally created. Red Tape results in undesirable economic, business and/or social impacts or outcomes. Red Tape involves excessive, or unevenly enforced, regulation or rigid conformity to formal rules that is considered redundant or bureaucratic and hinders or prevents effective action or decision-making.

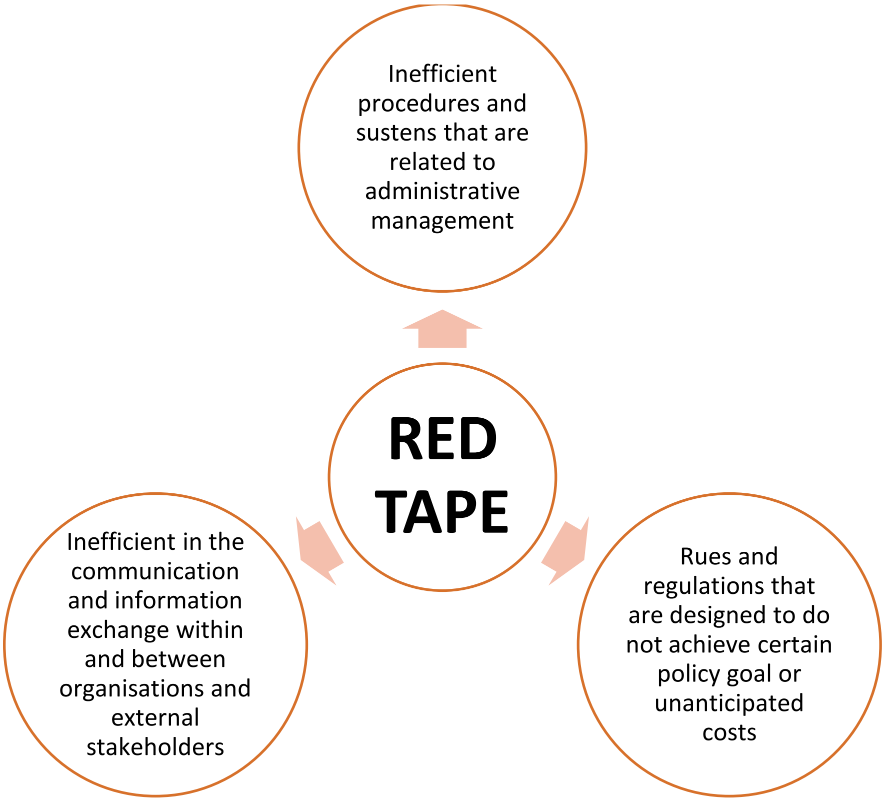

Figure 7: Types of Red Tape (DTI, 2013)

Red Tape often involves:

a. Overlap and duplication;
b. Insurmountable paperwork resulting in time delays on business;
c. Unnecessary or inflexible regulations;
d. Lengthy processes;
e. Inefficient systems including no, or outdated, use of information and communication technologies;
f. The lack of a level playing field for businesses (or unfair competition through unevenly enforced regulations) or overly burdensome obligations on small business.

To increase the attractiveness of the Overberg as a place to do business by ensuring efficient municipal property development and service delivery administrative procedures and regulations which do not unnecessarily impact on business establishment and operational costs, productivity and expansion. It is important for the municipality to create an enabling environment for business development through constantly improving refining programmes and policies to simplify procedures and accelerate decision-making processes through simplifying building approval, registration, and permitting procedures.

Furthermore, closer collaboration or partnership with provincial government (Department of Economic Development and Tourism) Unit is necessary. This will assist in bringing the District's attention to policies and bylaws that are causing unnecessary blockages in the system. Thereby simplifying and streamlining the regulatory regime.

10.2.6 Broaden Short-Term Job Opportunities

Although the Overberg's economic trajectory is moving towards secondary and tertiary sectors in line with provincial and national trends. However, many people within the District have limited skills with limited formal work experience. This group of people require assistance in low-skill employment through initiatives such as the Expanded Public Works Programme-EPWP (Department of Public Works) and also the Community Works

Programme (Department of Cooperative Governance and Traditional Affairs). These programmes provide short-term work opportunities for the unemployed low-skilled and semi-skilled people. This in turn enhances the employability of the beneficiaries by assisting people gain practical skills and work experience.

11. THE ROLES AND RESPONSIBILITIES IN ECONOMIC DEVELOPMENT PLANNING AND IMPLEMENTATION

There are various roles and responsibilities for varies parties as indicated below:

ROLE PLAYERS	ROLES AND RESPONSIBILITIES
The National and Provincial Government	National and Provincial Government have the following roles to play within the region regarding local economic development: • Provide strategic leadership; • Provide broad policy guidelines; • Create conducive and supportive environment for implementation; • Ensure multi-sectoral engagement; • Develop incentives; • Improve local skills and capacity; and • Monitor and evaluate performance.
District Municipality	The District Municipality has the following roles to play within the region regarding economic development**:** • The co-ordination of economic strategies and actions within the region. • Support local municipalities in terms of skills training and capacity building. • Facilitation of orderly development of the region in line within spatial planning and environmental principles. • Formulate policies and implementation plans to stimulate economic development. • Ongoing research and analysis of local economic conditions and providing local municipalities and local business with recent data for effective planning and adaption and amendment of plans. • Regional wide strategic planning in terms of institutions, services and investment planning. • Create an enabling environment for economic development. • Ensure a single vision with cohesion between all stakeholders, including the private sector.
Local municipalities	• Attract and stimulate: Investment, business and industry through marketing actions. • Lead: By means of local leadership, political stability, good governance and spatially grounded economic planning. • Build and enable: Through skills development, entrepreneurship, and participation and information provision. • Circulate: Local partnership formation, linkage of formal and informal business and "buy local" campaigns. • Facilitate and coordinate efforts between developmental stakeholders.
Business Community	• Commit to the implementation of strategies in partnership with government. • Participate in institutions and activities in implementation. • Provide project ideas.

Local Communities	• Participate in institutional structures. • Assist in the formulation and implementation of community projects.
Role of officials in Regional Economic Development	• Ensure regional economic and social development is prioritized in municipal plans such as the IDP, spatial development frameworks, zoning (land use) schemes and budgets. • Create awareness for the benefits of RED in the district • Conduct local economic research and regeneration studies including strategies. • Ensure interdepartmental collaboration and cooperation between municipal departments • Establish an Economic Development forum including all the partners of ED (business, government and local communities) in order to mobilize efforts and resources. • Build and maintain socio-economic database to inform decision-making, including an early warning system (for example businesses who plan to disinvest and relocate). • Identify and market new economic opportunities. • Create an enabling environment for businesses to prosper. • Improve the quality of life of all people, especially the poor through enhancing economic opportunities and providing for the basic needs of all. • Ensure strong partnerships between ED partners across the region • Ensure sectoral development and clustering of economic activities based on comparative advantages across the region • Manage implementation and monitoring of regional economic development and tourism programmes and projects.
Role of councillors in RED	• Understand the competitive and comparative advantages of the region and advocate for cross municipal collaboration • Monitor the functionality of the LED units ensuring collaboration across municipalities • Promote the benefits and principles of regional economic development to local communities. • Identify regional economic development programmes and projects. • Ensure all municipal activities are linked to the district RED approaches.

KEY DEVELOPMENTAL PARTNERS AND OFFICIALS (IMPLEMENTATION AGENTS)

Key Developmental Partners

The successful implementation of an RED plan is dependent on co-operation between all spheres of government, the private sector and communities. The following developmental partners are listed in no particular order:

- District and Local municipalities
- All municipal departments;
- Local business chambers;
- WESGRO
- Department of Trade and Industry (DTI);
- Industrial Development Corporation (IDC). The IDC focus on assistance and support in agro-industries, chemical products, green industries, health care, ICT, metal, transport, machinery, mining, logistics, textiles, clothing, tourism and venture capital;
- Independent Development Trust (IDT);
- SEDA;
- Afrikaanse Handels Instituut (AHI);

- NAFCOC;
- SAFCOC;
- SALGA;
- DBSA;
- NDA;
- Other large and small businesses;
- All applicable National and Provincial Departments;
- All others stakeholders not listed above.

12. IMPLEMENTATION PLAN

Implementation of proposals below are required to bring this strategy to life. The RED and Tourism Strategy first needs to go through internal consultation and approval by various officials from the ODM outside of the Economic Development Directorate as municipal wide buy-in is necessary. The RED and Tourism Strategy then needs to be presented Municipal Council for formal adoption. It is also important for the strategy to be presented at the local municipalities to ensure buy-in from the whole district.

It is recommended that projects that are feasible and that require municipal budget allocations should then be incorporated in future revisions of the municipal IDP. Most importantly it is noted that some projects will not require municipal budget and can be facilitated through community and private sector partnership.

Each project is different but needs to be based on a logical business planning process, and if municipal support for its implementation is required it needs to be aligned to the IDP and developmental objectives of ODM. The figure 8 below illustrates a number of basic steps that are required prior to allocating resources to a project.

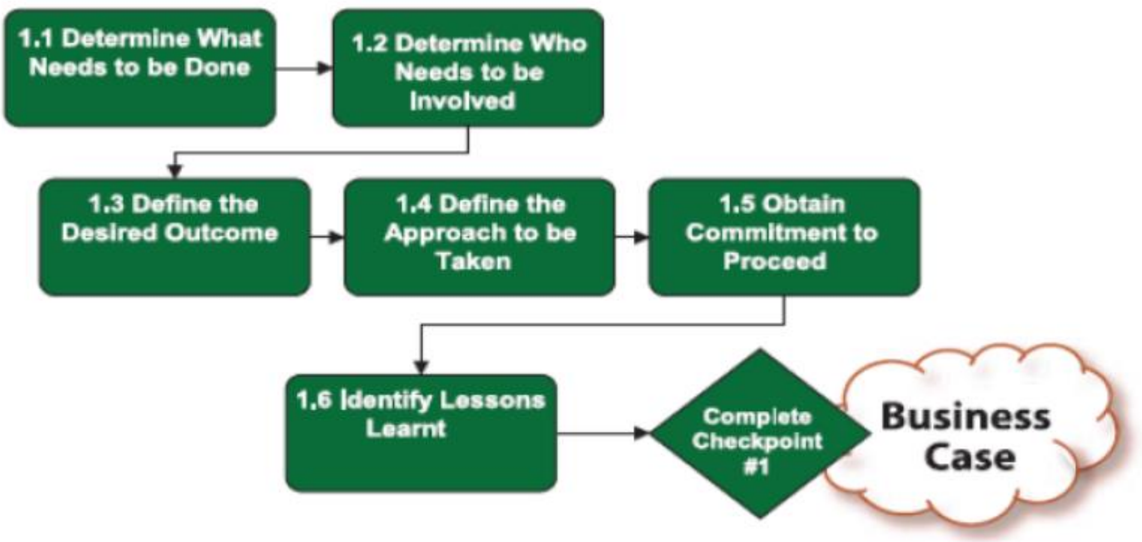

Figure 8: From business case development to joint implementation (GTAC, 2016)

The table below includes key interventions identified during the consultative process with local stakeholders. The proposals will not necessarily be implemented at the same time and some might be for the medium or longer term, however those that are relatively uncomplicated and require no or limited costs should be facilitated first.

Below is a list of proposals formulated through extensive stakeholder consultation with the private and the public sector.

STRATEGIC INTERVENTIONS	KEY INTERVENTIONS	WHO	ANTICIPATED IMPACT
IMPROVE MUNICIPAL REGULATORY AND BUSINESS PROCESS ENVIRONMENT	Review of Bylaws and municipal business processes	All municipalities	Progress towards the creation of an enabling environment for economic development
	Shared Service	Municipalities	Improved service delivery, which indirectly improves the business environment
DIVERSIFICATION OF THE ECONOMY	Investigate the opportunities for green energy specifically the expansion of wind power generation in the region	DEDAT Municipalities Green Cape WESGRO DTI IDC	Diversification of the economy
	Regional Commercial Airport	District Municipality Department of Transport Department of Deference Department of Trade and Industry	Development of industries Increase in employment Attract new businesses Improve access
PARTNERSHIPS	Engage large established businesses on partnerships within their Corporate Social Investments	Municipalities Businesses	Work together with business in improving the lives of people
	Improve relationship with large established businesses through hosting Quarterly or Bi-Annually Roundtable Discussions (Mayor and Municipal Manger) Discussions	Municipalities Business Chambers Businesses	Improve the regional economy
	Partnership with Kogelberg Biosphere Reserve Company (KBRC) to take advantage of natural resources in the region	Municipalities Cape Nature Koggelberg Biosphere Reserve Company	Improve tourism within the region
TOURISM DEVELOPMENT	Unified Branding and marketing campaign with industries and municipalities	All municipalities Local Tourism Organisations WESGRO	Single message to attract visitors and communicate a single clear message

STRATEGIC INTERVENTIONS	KEY INTERVENTIONS	WHO	ANTICIPATED IMPACT
	Tourism Small Business Support Programme (including niche tourism support) for business within the tourism industry. This also includes mentorships, training and information sessions)	All municipalities WESGRO	Develop small businesses
	Improve relationships with the local tourism bureaus in order to get visitor statistics through signing (Service Level Agreements)	WESGRO Municipalities LTO's Provincial Tourism National Tourism Broader Tourism Sector	Improve quality of the tourism data to better understand tourism within the Overberg
	Events and Festivals • Compile annual list of events and festivals within the district • Coordinating with local municipalities to attract (including bidding) to attract events	Municipalities	Increase in the number of events in the Overberg
	Outdoor sporting facilities that support eco-tourism, sport tourism, adventure tourism	Municipalities LTOs Sports Car Racing Association of Monterey Peninsula Municipalities WESGRO Department of Sport and Recreation	Development of niche tourism
SMALL BUSINESS SUPPORT	Undertake needs assessment of SMMEs	Municipalities SEDA Department of Economic Opportunities Department Small Business Development	Diversification of the economy Develop small formal businesses
	Small Business Support Hub for small businesses and informal businesses	SEDA Municipalities Department of Agriculture Department of Rural	

STRATEGIC INTERVENTIONS	KEY INTERVENTIONS	WHO	ANTICIPATED IMPACT
		Development and Land Reform	
	Self-sustaining Business Incubator (including mentoring of small businesses)	Municipalities Retired business people PUM False Bay College	
INFORMAL ECONOMY SUPPORT	Undertake needs assessment of informal enterprises	Municipalities SEDA Department of Economic Opportunities Department Small Business Development Informal businesses	Diversification of the economy Develop informal businesses Contribute towards socio-economic development of people
	Informal Economy Support Programme (including mentorship)		
BROADEN SHORT-TERM JOB OPPORTUNITIES	EPWP become the first port of call for municipal projects (including other spheres of government)	District Municipality Government	Increase employment Skills Transfer
	Enhance the future employability of beneficiaries by certifying skills gained		

Table 3: List of Proposals

13. FUNDING OPPORTUNITIES

Table 4 is a list of possible funders for the above listed proposals:

Department of Trade and Industry
To develop incubators and create successful enterprises with the potential to revitalise communities and strengthen local and national economies
Department of Environmental Affairs (DEA) with DBSA as implementing agent
The Green Fund is a unique, newly established national fund that seeks to support green initiatives
Canadian International Development Agency (CIDA)
Economic Development **Water Supply & Sanitation Infrastructure** **Agriculture** **Technical Assistance** **Capacity Building**
European Union - European Commission, European Programme for Reconstruction and Development in South Africa (EPRD)

Capacity Building & Training **Water & Sanitation Infrastructure** **Technical & Advisory Services**
Flanders International Cooperation Agency (FICA)
Land reform and land tenure; **Food security;** **Socio-economic rights and job creation;** **Small scale and subsistence farming;** **Climate change**
French Agency For Development
Infrastructure, water connection, sanitation
German Technical Cooperation (GTZ)
Rural development **Security, reconstruction and peace** **Social development** **Governance and democracy** **Environment and climate change** **Economic development and employment**
Turkish Embassy - Turkish International Cooperation and Development Agency (TIKA)
Development of Social Infrastructure **Development of Economic Infrastructure** **Development of Production Sectors** **Cultural Cooperation, Improvement of Communication and Contribution to Social Peace**

14. MONITORING AND EVALUATION

A well-functioning Monitoring and Evaluation (M&E) System is a critical part of good project management and accountability in the roll out of the Overberg RED and Tourism Strategy. Monitoring and evaluation is concerned with learning from what is currently being done and how it is done, and taking action to adjust the RED and Tourism Strategy accordingly. Regular monitoring and evaluation will help assessing how well the municipality is doing against the objectives and impact that have been set, and ensure that time and resources are effectively used.
Table 5: below summarises some key differences between monitoring and evaluation

	MONITORING	**EVALUATION**
TIMIING	Continuous throughout the project	Periodic review at significant point in project process
SCOPE	Day to day activities, outputs, indicators of progress	Assess overall delivery of outputs and progress towards objectives and impact
MAIN PARTICIPANTS	Project staff and partners, stakeholders	External evaluators/facilitators, project staff, donors, stakeholders
PROCESS	Regular meetings, interviews-monthly, quarterly reviews etc	Extraordinary meetings, additional data collection exercises etc.
WRITTEN OUTPUTS	Regular reports and updates to project management, partners and stakeholders and donors	Written report with recommendations for changes to project

The Overberg RED and Tourism Steering Committee and the Project Team (Overberg Economic Development Department) is therefore best placed to be responsible for monitoring and evaluation. The monitoring cycle should be a continuous process throughout implementation to ensure the best outcome. Figure 7 below gives a graphical representative of what is necessary from the RED and Tourism Steering Committee with respect

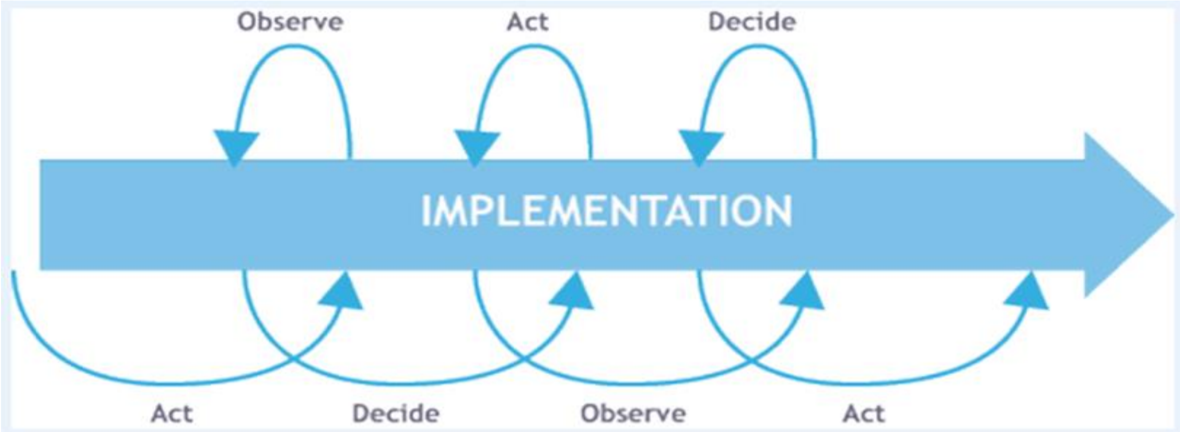

Figure 8: A graphical overview of the cycle of monitoring cycle (UNDP, 2019)

A possible monitoring and evaluation is set out below:

1. Efficiency- This could be input in terms of money, time, staff, equipment and so on, and should assess both quantity and quality.
2. Effectiveness- measure of the extent to which your advocacy activities and outputs are achieving your defined objectives
3. Impact on Overberg's economy and the lives of people

Overberg RED and Tourism Strategy Steering Committee will need in future to develop a Monitoring and Evaluation Plan.

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