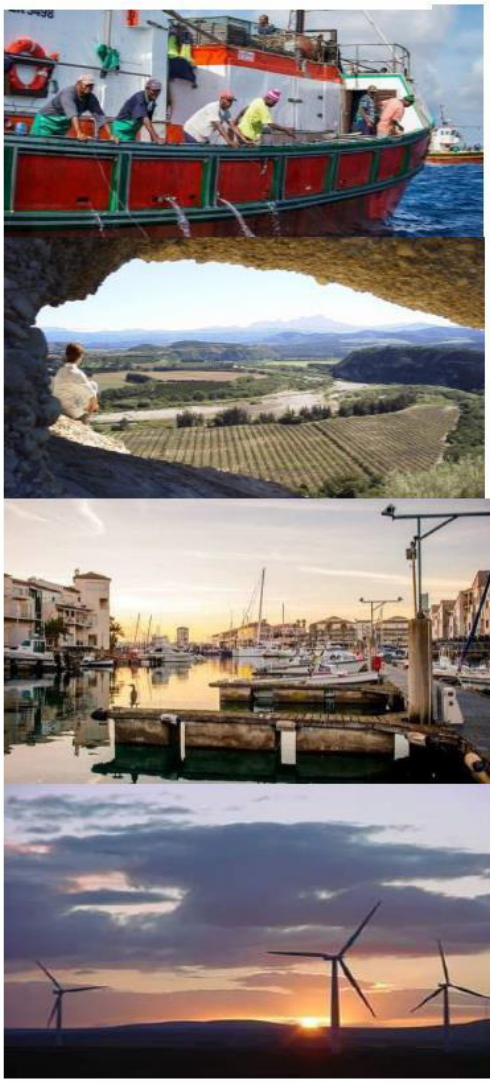
KOUGA
local municipality
Good Governance through Service Excellence





KOUGA LOCAL ECONOMIC DEVELOPMENT STRATEGY

2019

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List of Acronyms and Abbreviations

ASGISA	Accelerated and Shared Growth Initiative for South Africa
BFAP	Bureau for Food and Agriculture Policy
CA	Comparative Advantage
CBD	Central Business District
COGTA	Cooperative Governance Trading Affairs
CWP	Community Works Program
DAFF	Department of Agriculture, Forestry and Fisheries
DBSA	Development Bank of Southern Africa
DED	Department of Economic Development
DEDAT	Department of Economic Development and Tourism
DLG	Department of Local Government
DM	District Municipality
DMO	District Municipality Objectives
DPLG	Department of Provincial and Local Government (now COGTA)
DRDLR	Department of Rural Development and Land Reform
DSBD	Department of Small Business Development
DT	Department of Tourism
Dti	Department of Trade and Industry
E	Estimate
e.g.	Exempli gratia (for example)
EC	Eastern Cape
EPWP	Expanded Public Works Program
etc.	Et cetera
FET	Further Education and Training
FPL	Food Poverty Line
GDP	Gross Domestic Product
GDPR	Gross Domestic Product for a Region
GDS	Gross Domestic Savings
GFCF	Gross Fixed Capital Formation
GGP	Gross Geographic Product

GNI	Gross National Income
GNP	Gross National Product
GVA	Gross Value Added
HDI	Human Development Index
i.e.	Id Est (that is)
i.t.o.	In terms of
ICT	Information and Communication Technology
IDC	Industrial Development Corporation
IDP	Integrated Development Plan
ILO	International Labour Organisation
KLM	Kouga Local Municipality
KMSDF	Kouga Municipality Spatial Development Framework
KPA	Key Performance Area
LBPL	Lower Bound Poverty Line
LED	Local Economic Development
LM	Local Municipality
LQ	Location Quotient
LRC	Local Representative Committee
MERO	Municipal Economic Review and Outlook
MLL	Minimum Living Level
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MTB	Mountain Bike
n.e.c.	Not elsewhere classified
N/A	Not Applicable
NDP	National Development Plan
NDT	National Department of Tourism
NFLED	National Framework of Local Economic Development
NGP	New Growth Path
NKPA	National Key Performance Area
NOC	National Outcome

NRTS	National Rural Tourism Strategy
NSDP	National Spatial Development Perspective
NTSS	National Tourism Sector Strategy
NYDA	National Youth Development Agency
p.a.	Per annum
PERO	Provincial Economic Review and Outlook
PGDP	Provincial Growth and Development Plan
PPP	Private Public Partnership
PSO	Provincial Strategic Objective
Pty Ltd	Proprietary Limited
R	Rand
REIPPP	Renewable Energy Independent Power Producer Program
RLED	Regional Local Economic Development
RSA	Republic of South Africa
SA	South Africa
SAMPI	South African Multidimensional Poverty Index
SAT	South African Tourism
SBDM	Sarah Baartman District Municipality
SCM	Supply Chain Management
SCPDU	State Coastal Property Development Unit
SDG	Sustainable Development Goals
SEDA	Small Enterprise Development Agency
SEFA	Small Enterprise Funding Agency
SMME	Small, Medium and/or Micro Enterprise
SO	Strategic Objective
SOEs	State Owned Enterprises
Stats SA	Statistics South Africa
SWOT	Strengths, Weaknesses, Opportunities and Threats
UBPL	Upper Bound Poverty Line
UNEP	United Nations Environmental Programme
USP	Unique Selling Proposition

VFR	Value for money
VICs	Visitor Information Centres

Structure of the report

This report is structured to provide a practical and understandable review of the current status of the local economy and propose practical implementation steps that are rooted in solid theoretical and academic principles.

For ease of reference, the report is structured according to the following sections:

1. Introductory chapters
2. Economic profile of Kouga Local Municipality
3. Stakeholder input
4. Strategies for growth
5. Implementation of the LED strategy

The introductory chapters include the background, context and methodology employed to compile this report. This section also explains the objectives of Local Economic Development (LED) and clarifies the Municipality's mandate and obligations in respect to LED. The section was included to provide clarity and common understanding for readers regarding key concepts and principles underpinning LED.

The section on Kouga's economic profile includes analyses of statistical data pertaining to the economic drivers and socio-economic landscape of the Kouga local municipal area. Local Economic Development is a participatory and collaborative process, and therefore the input from stakeholders was gathered and integrated into this report. Primary data gathered from stakeholders is dealt with in the third section in this report, titled "Stakeholder Input". The next section describes the broad strategies that can be followed to enhance LED in Kouga. Finally, a section is devoted to the action items and action plans to implement LED in the Kouga local municipal area.

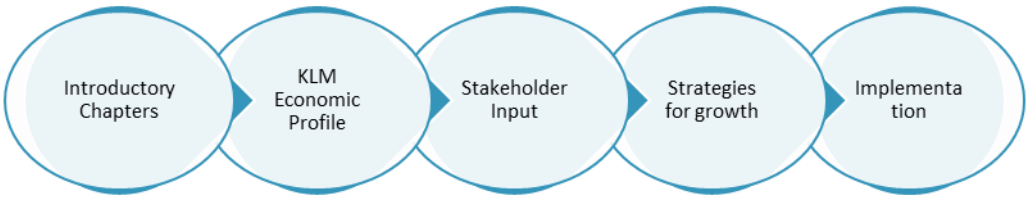


FIGURE 1: OVERVIEW OF SECTIONS IN THE REPORT

Introductory chapters

The purpose of the introductory chapters is to share information about the methodology employed to compile this report, the background, and some of the theory underpinning the report.

It also aims to describe the context and concepts of Local Economic Development.



FIGURE 2: JEFFREYS BAY IN KOUGA LOCAL MUNICIPALITY

1. Introduction

Local Economic Development (LED) is the process by which partners from public, business and non-governmental sectors work collectively to create an enabling environment and better conditions for sustainable economic growth and employment generation. The aim is to improve the quality of life for all.

Local Economic Development encompasses all economic activities by stakeholders within a defined geographical region, working together to advance economic development (Meyer, 2014). LED is an approach towards economic development that supports local collaborations, thereby achieving sustainable economic growth and development and bringing economic benefits for all residents in a local municipal area (COGTA, 2016; Swinburn et al, 2006). These local commercial activities lead to gains in job creation, business development and, ultimately, quality of life for citizens (Schoburg, 2014).

The key principles underlying LED, according to the Department of Local Government, are as follows:

- LED strategies must prioritise job creation and poverty alleviation.
- LED must target previously disadvantaged people, marginalised communities, black economic empowerment, SMMEs and enterprise development in order to ensure an inclusive economy where all can participate fully in the economic life of the area.
- LED should aim to promote tourism, develop local tourist sites and facilities, as well as improve security.
- LED should promote investment through marketing the area, its infrastructure and people to local and international businesses and investors.

Every area has unique local conditions that either help or hinder economic development. These conditions form the basis for designing and implementing a Local Economic Development strategy.

The challenge of LED is to find ways to maximise local resources and local knowledge to benefit all inhabitants within the municipal area. Local economic development must therefore strive to grow the local economy and create jobs in order to decrease poverty.

Effective LED strategies encompass the generation of informed local responses to local problems, aligned with broad overall development guidelines by provincial and national spheres.

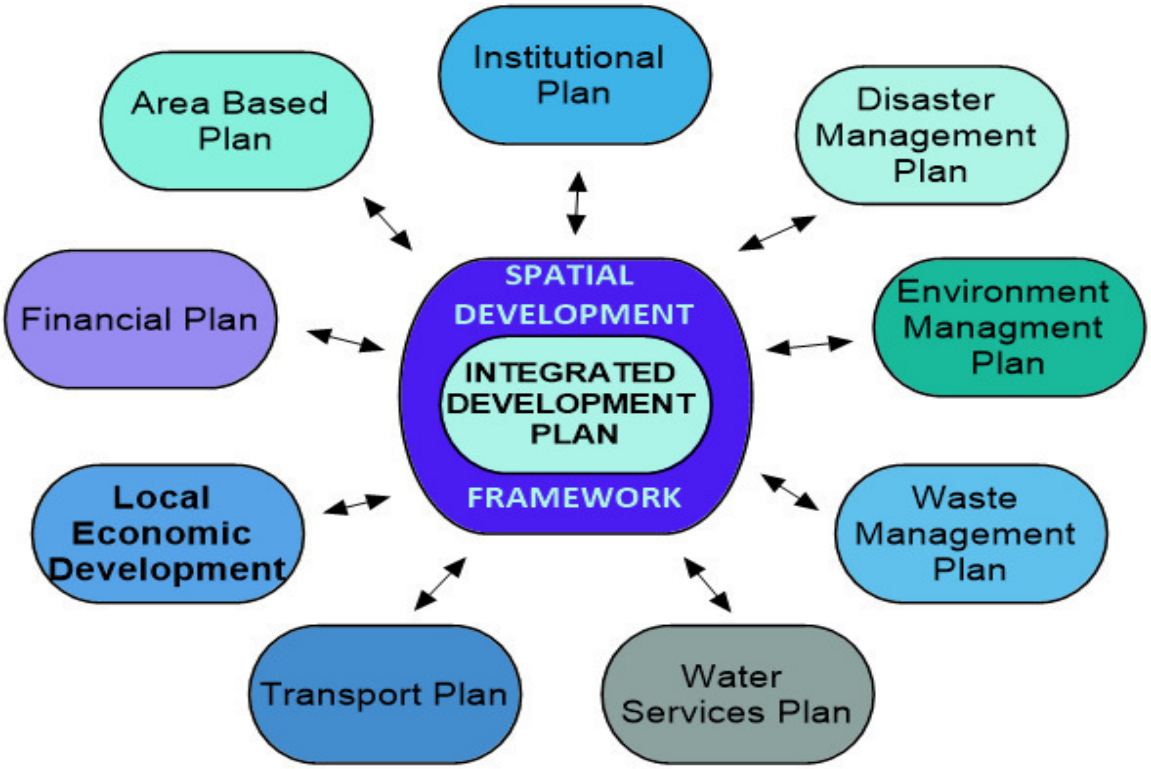


FIGURE 3: IDP, SDF & SECTOR PLANS

The local economic development plan is one of a number of the sector plans included in the development objectives and the development planning of Kouga Local Municipality. An appropriate LED Strategy should guide Kouga Local Municipality to harness local resources and strengths in a uniform and coherent manner to achieve its economic development aims and objectives.

2. Methodology

2.1. Approach

Each community differs in terms of strengths and capabilities, and each also faces unique challenges. An appropriate local economic development strategy should therefore find the optimal balance to capitalise on strengths and address development needs. A simple approach to understanding the complexity of strategic thinking involves finding the answers to three questions:

- Where are we now?
- Where do we want to go?
- How do we get there?

Developing a strategy involves an analysis of the current situation, a clear vision of the desired outcomes and then developing a roadmap to move from the status quo to the desired future state, considering macro-economic factors and unique internal strengths and weaknesses.

Strategy Development is about creating the optimal synergy between the internal strengths and weaknesses with the opportunities in the external or macro-economic environment. This is called achieving Strategic Fit, and is achieved by capitalising on strengths and opportunities and developing weaker areas.

In the development of this local economic strategy, such a process was followed.

2.2. Data collection

Both quantitative data and qualitative data were gathered to provide a firm foundation for the development of the LED strategy. Quantitative data ise information about quantities; that is, information that can be

measured and written down with numbers. Qualitative data is categorical measurements expressed by means of a natural language description.

Data was gathered from primary and secondary data sources. Primary data is information sourced directly from respondents and was not previously published. This allows for the experiences and perceptions of respondents to be captured directly. Secondary data refers to all sources of data that are already published, such as previous research reports, academic and journal articles, and published statistics. “Secondary” therefore means that the data were obtained from previously published research, and not that they are of lesser importance.

The study found that there was congruence between the results of the primary and secondary data, indicating that the experience of the community confirms the statistical data.

2.3. Secondary data

Secondary data comprised of a desktop study of published literature, official records, academic papers and peer-reviewed articles. Secondary data was sourced from Stats SA and other reputable and established sources. The Municipality also shared previous research studies and other internal documentation for background and context.

A literature search was conducted to source applicable theoretical information and relevant published documents, including peer-reviewed articles. The literature was reviewed in order to integrate available data and highlight important trends and themes.

Data was analysed, synthesised and integrated to identify focus areas. Policies and legislation were also reviewed and considered. The strategy was developed to serve both regional and broader economic growth plans and to be aligned to the applicable policy and legislative frameworks. After careful analysis of the data to determine the status quo of the local economy, development needs and pressing issues were identified as key focus areas. Current best practice models in local economic development, both nationally and internationally, were reviewed and considered.

Statistics South Africa is responsible for conducting a nation-wide statistical survey every ten (10) years. The previous census was in 2011 and in 2001 before then. The next census will be in 2021, and until then, the latest statistical data available are from 2011, and this data are used by all reputable institutions. There was a household survey in 2007 and again in 2016, and therefore some data could be updated in terms of household statistics.

2.4. Primary data

Primary data was gathered through stakeholder engagements with community members, interest groups and sector representatives. Stakeholder engagements were facilitated in the form of focus group discussions to ensure that rich, in-depth data were gathered. The facilitation was done through an accepted and recognised scientific methodology.

Participants were identified using the so-called snowball technique, whereby the first respondent would be identified and then asked about other stakeholders. Subsequent respondents were then contacted through referral from the previous respondent. First-line respondents were located through reviewing records, internet searches and consultation with the LED officers, tourism officials and organisations in each area.

The municipality invited stakeholders through municipal platforms and communication channels. This was supplemented by HS Business Solutions through creating awareness and extending invitations through the following media:

- Stakeholder engagements were advertised on social media and community pages
- E-mail invitations were sent to stakeholders

- WhatsApp groups were created for the various stakeholder groups and notifications sent out via WhatsApp.

Engagements were conducted with representatives of the following interest groups:

1. Community leaders (ward councillors and traditional leaders)
2. Community members from all regions (including women and youth)
3. Agricultural sector
4. Tourism sector
5. Private sector (formal business)
6. SMMEs and informal business sector
7. Ocean and Green Economy sectors
8. Transport sector
9. Construction sector
10. NPOs and organisations focussed on welfare, social development and community upliftment.

A total of three (3) regional meetings with community members, seven (7) sector meetings, and an additional two (2) meetings with community leaders and NPOs respectively, were conducted. The sample for community engagements was selected scientifically in order to ensure that it was balanced in terms of geography, gender and age, and that it would yield accurate, credible results.

2.5. Analysis of data

Economic strategy cannot be made haphazardly and has to be evidence-based. The success of development planning depends on the quality of analysis of all the elements contributing to development. Analysis is therefore a critical element of all planning processes (DBSA, 2001).

Economic trends provide important information that describes the health and vitality of the surrounding community and region. This information is useful for business operators and investors to make informed decisions regarding development in the community.

2.5.1. Analysis of primary data

Once all data was gathered and captured, the responses were coded for analysis and interpretation. Qualitative data wase quantified by assigning a numerical value to responses. This allowed for the use of statistical methods to do a quantitative analysis of the data.

2.5.2. Analysis of secondary data

The secondary data was analysed using accepted and recognised theoretical models and tools. Once appropriate dimensions/ measures were identified, suitable variables were selected, information was extracted from the data, trends were identified, performance comparisons were conducted, and the results were interpreted. The report frequently displays statistical data graphically in order to communicate results clearly and simply.

2.6. Formulation of the LED Strategy

After careful analysis of the data to determine the status quo of the local economy and identify development needs, pressing issues were identified as key focus areas, and unique capabilities and skills were considered.

Current best practice models in local economic development, both nationally and internationally, were reviewed and considered. The strategy was developed to create optimal “strategic fit” between the area’s unique needs and strengths and the opportunities in the macro-economic environment.

Implementation plans were developed to give practical effect to the theories, models and objectives included in the strategies.

2.7. Validity and reliability of research

In order to ensure optimal credibility of research, triangulation was employed to enhance reliability and validity. Denzin (1970) describes triangulation as using a combination of methodologies to study the same

phenomenon. He argues that the use of different methods should lead to greater validity and reliability than a 'single method' approach.

Easterby-Smith, Thorpe and Lowe (1991) identified four types of triangulation, which were all applied in the research methods:

Triangulation types	How it was applied in this research
Collecting data from different sources (data triangulation)	Data was gathered from various stakeholders involved in the process from various perspectives. Statistical data were sourced from different, independent sources to eliminate bias.
Investigator triangulation	The project was completed by a team of researchers.
Methodological triangulation, using both qualitative and quantitative data collection methods	Both qualitative and quantitative data were collected using different methods.
Triangulation of theories – using theory of one discipline to explain a phenomenon in another discipline	For this research, relevant theories from various disciplines were combined through the collaboration of a diverse and skilled research team.

TABLE 1: RESEARCH TRIANGULATION

3. Regulatory Framework

The regulatory and planning framework in which Local Economic Development (LED) occurs, provides a description of the context in which the LED strategy will be affected and also clarifies the municipality's mandate and duties in terms of LED.

The three spheres of government (local, provincial and national) in South Africa are distinctive, interrelated and interdependent. Legislation and policies at all three levels shape, guide and form a framework in which the Local Government must operate to implement and prioritise LED.

The following legislation governs the mandate of a municipality in terms of LED:

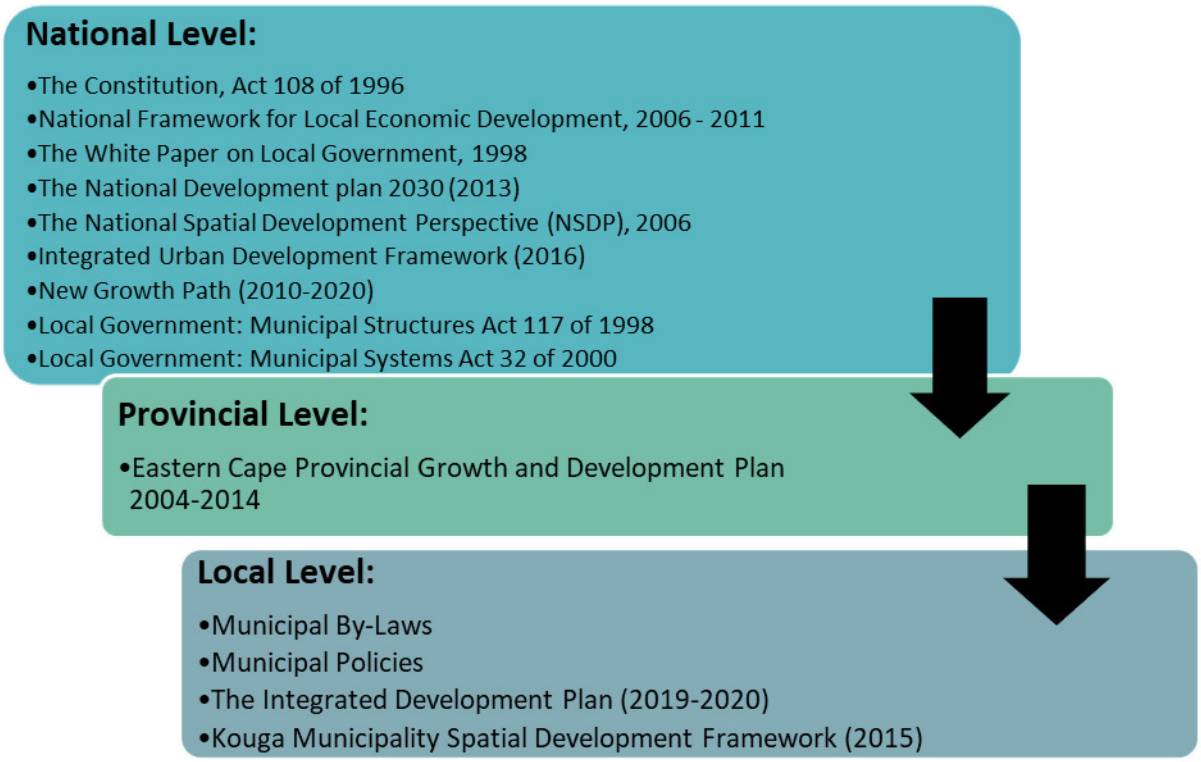


FIGURE 4: LEGISLATION AND POLICIES ON NATIONAL, PROVINCIAL AND LOCAL LEVEL

3.1. National Level

The Constitution, Act 108 of 1996

The Constitution is our country's most supreme law and any law or policy that contradicts the rights and obligations contained therein, is unlawful. When the Constitution of South Africa was promulgated, there was a significant shift in the roles and responsibilities of local government. Local Government was no longer only an administrative function, but the Constitution gave Local Government certain powers and functions.

Section 152 (1) (c) of the Constitution places a responsibility on local government in terms of its local economic development mandate. It states that one of the objectives of local government is "to promote social and economic development". Section 152 furthermore states that, "A municipality must strive, within its financial and administrative capacity, to achieve the objectives" set out in Section 152.

The Constitution also sets out the developmental duties of municipalities. Section 153 states that a municipality must:

(a) Structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and

(b) Participate in national and provincial development programs.

The White Paper on Local Government, 1998

The White Paper on Local Government provides examples of how a municipality can ensure sustainability and resilience in their local economies: "They have to play a key role in **creating a conducive environment for investment through the provision of infrastructure; economic development friendly policies; and quality services, rather than by developing projects and attempting to create jobs directly."**

The White Paper on Local Government refers to "Developmental Local Government". This means a "local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives". It further states that one of the characteristics of developmental local government is "maximising social development and

economic growth". The White Paper also states that "powers and functions of local government should be exercised in a way that has a maximum impact on the growth of the local economy".

According to the White Paper, a municipality, through its general functions such as service delivery, collection of rates and infrastructure development, exercises a great influence on the local economy. A municipality should therefore have a clear vision for the local economy and work in partnership with local business to maximise job creation and investment.

The White Paper also states that **"Local government is not directly responsible for creating jobs. Rather, it is responsible for taking active steps to ensure that the overall economic and social conditions of the locality are conducive to the creation of employment opportunities".**

The National Development Plan 2030 (2013)

"The NDP aims to eliminate poverty and reduce inequality by 2030. According to the plan, South Africa can realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society."

The National Framework of Local Economic Development, 2006-2011

One of the guiding principles of the National Framework of Local Economic Development (NFLED) is to ensure that the local conditions support the creation of employment opportunities. The framework states: "Creating an environment in which the overall economic and social conditions of the locality are conducive to the creation of employment opportunities, is the responsibility of Local Government."

The NFLED states that "municipalities have a key role in creating a conducive environment for investment through provision of infrastructure and quality services, rather than by developing programs and attempting to create jobs directly." This point is echoed in the White Paper. The NFLED does not prescribe what should happen in different municipalities, but focusses on what the state can do to support stakeholders to realise their own and their collective objectives (DLG, 2006).

The National Spatial Development Perspective (NSDP), 2006

Apartheid spatial planning resulted in many South Africans being located far from social and economic opportunities. The NSDP sets out principles that enable and promote Local Economic Development in order to address these past injustices and to restructure the space economy in using spatial development as a tool to do so.

The NSDP aims to assist in bringing investment and growth to an area. It also provides a common reference point for the spheres of government to analyse and debate the comparative development potential of localities in SA. It provides a set of principles and mechanisms for guiding infrastructure investment and development decisions.

One of the principles of the NSDP is that government spending on fixed investment should be focussed on localities of economic growth and/or economic potential in order to gear up private sector investment, stimulate sustainable economic activities and create long-term employment opportunities.

Integrated Urban Development Framework (IUDF) (2016)

"The IUDF is a policy framework on how the South African urban system can be reorganised, so 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."

The objective of this framework is to establish "liveable, safe, resource-efficient cities and towns that are socially integrated, economically inclusive and globally competitive, where residents actively participate in urban life."

New Growth Path (2010-2020)

The New Growth Path (NGP) is "aimed at enhancing growth, employment creation and equity". The policy's principal objective is to create five million jobs by 2020. The NGP reflects government's commitment to prioritising employment creation in all economic policies. It identifies strategies that will enable South Africa to grow in a more equitable and inclusive manner while attaining South Africa's developmental agenda (Patel, 2010).

Municipal Structures Act 117 of 1998

Section 83 of the Municipal Structures Act 117 of 1998 sets out the functions and duties of a municipality. Some of these functions and powers are divided between District Municipalities and Local Municipalities. Section 83 (1) states: "A municipality has the functions and powers assigned to it in terms of sections 156 and 229 of the Constitution".

The Constitution - Act 108 of 1996

The Constitution is clear on the objectives and responsibilities of local government in terms of LED. The relevant sections are extracted below:

Section 152 of the Constitution states that

(1) The objectives of local government are:

- To provide **democratic** and **accountable** government for local communities
- To ensure the **provision of services** to communities in a sustainable manner
- To **promote** social and economic development
- To **promote** a safe and healthy environment
- To **encourage the involvement** of communities and community organisations in the matters of local government

(2) A municipality must strive, within its financial and administrative capacity, to achieve the objectives set out in subsection (1).

Section 153 of the Constitution is very clear on the responsibility of local government in terms of social and economic development. It states that "A municipality must –

(a) Structure and manage its administration and budgeting and planning processes to give **priority to the basic needs** of the community, and to **promote** the social and economic **development** of the community; and

(b) Participate in national and provincial development programs."

Section 156 of the Constitution:

(1) A municipality has executive authority in respect of, and has the right to administer –

(a) The local government matters listed in Part B of Schedule 4 and Part B of Schedule 5; and

(b) Any other matter assigned to it by national or provincial legislation

(2) A municipality may make and administer by-laws for the effective administration of the matters it has the right to administer.

(5) A municipality has the right to exercise any power concerning a matter reasonably necessary for, or incidental to, the effective performance of its functions.

Local government matters listed in Parts B of Schedules 4 and 5 include, but are not limited to:

- Local tourism
- Municipal health services

- Municipal public transport
- Municipal public works
- Trading regulations
- Billboards and the display of advertisements in public places
- Cleansing
- Control of public nuisances
- Local amenities
- Local sport facilities
- Markets
- Municipal parks and recreation
- Municipal roads
- Public places
- Refuse removal, refuse dumps and solid waste disposal
- Street trading
- Traffic and parking

Municipal Systems Act 32 of 2000

The Municipal Systems Act makes it compulsory for a municipality to have an integrated development plan and imposes various important LED functions, roles and responsibilities. The Act lists the duties of a municipal council, within its financial and administrative capacity, in Section 4(2) as follows:

a) Exercise the municipality's executive and legislative authority and use the resources of the municipality in the best interests of the local community

b) Provide, without favour or prejudice, democratic and accountable government

c) Encourage the involvement of the local community

d) Strive to ensure that municipal services are provided to the local community in a financially and environmentally sustainable manner

e) Consult the local community about the level, quality, range and impact of municipal services provided by the municipality, either directly or through another service provider, and about the available options for service delivery

f) Give members of the local community equitable access to the municipal services to which they are entitled

g) Promote and undertake development in the municipality

h) Promote gender equity in the exercise of the municipality's executive and legislative authority

i) Promote a safe and healthy environment in the municipality

j) Contribute, together with other organs of state, to the progressive realisation of the fundamental rights contained in sections 24, 25, 26, 27 and 29 of the Constitution.

3.2. Provincial Level

Eastern Cape Provincial Growth and Development Plan 2004-2014

The Provincial Growth and Development Plan (PGDP) sets out a provincial vision, targets and programs aimed at economic growth, employment creation, poverty eradication and income redistribution. The objective of the PGDP is to achieve rapid improvement in the quality of life of the poorest people of the Province.

The plan identifies six (6) strategic focus areas, namely: poverty eradication; agrarian transformation; diversification of manufacturing and tourism; infrastructure development; human resource development; and public sector transformation.

It also states that programs should be designed for each of these areas to achieve the outcomes and objectives of the plan. Such programs should align the plans and budgets of municipalities, provincial and national departments, and state-owned enterprises operating in the Province, to enhance the strategic thrust of the PGDP. In addition, these programs should serve to align the municipal Integrated Development Plans (Nel, Raga, & Mbanga, 2014).

3.3. Local Level

Kouga Municipality Spatial Development Framework 2015 (KMSDF)

According to the Kouga Spatial Development framework, the municipality has focused its integrated development planning around the five (5) key performance areas set out in the Local Government Strategic Agenda. One of these key performance areas is the promotion and enhancement of Local Economic Development (KMSDF, 2015).

The framework states that in order to address key performance areas, the following should serve as departure point: "Economic development needs to be achieved without negatively impacting on the long-term sustainability of the natural resources. Focused infrastructure investment needs to be undertaken in areas of economic and social potential while also providing basic services to the rural and small settlements" (KMSDF, 2015).

One of the goals of local economic development according to the KMSDF is "To create and facilitate a conducive environment that builds inclusive local economies, sustainable decent employment and eradicates poverty".

Municipal Policies

Municipal policies are developed and implemented to achieve certain standards set by the Constitution. Local government has the legislative and executive power to develop and implement policies. Policy differs from By-Laws in that policy is wide-ranging and does not enforce specific rights and obligations, but rather states goals and desirable states.

Municipal By-Laws

The Constitution sets out certain powers and competencies for local government in Part B of Schedule 4 and Part B of Schedule 5. One of these powers is that a municipality can formulate By-Laws. By- Laws have to be passed by the municipal council to come into effect. They are created to regulate the affairs and the services the municipality provides in its area of jurisdiction. By-Laws regulate public order, public amenities or properties of the Municipality, and ensure that the municipal area is safe and orderly.

3.4. Other relevant legislation and policies

There are several other legislation and policies that support Local Economic Development.

- The 'Policy Guidelines for Implementing Local Economic Development in South Africa, 2005' *identifies economic growth and poverty eradication as the key overarching goals of LED.*
- *The role of municipalities in creating enabling environments by means of the provision of infrastructure and services, instead of attempting to create jobs independently, is highlighted in '*Stimulating and Developing Sustainable Local Economies, (DLG 2006)'.
- The focus of the 'Accelerated and Shared Growth Initiative for South Africa (ASGISA, 2006') *is on initiatives to enhance partnerships in the economic development of municipalities, and it also identifies municipalities as key role players in economic and social development*.
- The 'Eastern Cape Spatial Development Plan' *sets a broad framework for investment of public funding and management of development in the Eastern Cape towards achievement of a common vision and set of objectives. One of the objectives is to "provide opportunities for creating an environment within which communities and the private sector can operate more effectively to achieve sustainable economic growth in the Province".*

The legislation and policies discussed above are not the only regulations and law to consider, but it gives a general indication of policies and legislation linked to economic development.

4. The role of the Municipality in LED

It is important to understand the Municipality's duties and role in developing the local economy. One of local government's key contributions to economic development is providing basic services. **It is clear from the regulatory framework that it is mandatory for a municipality to create a conducive environment** by delivering quality **services that promote local economic development**.

The role of the Municipality is to facilitate an economic climate that supports growth, improvement of quality of life and tax base enhancement. Improving the economic climate should enable sustainable growth and job creation, which will increase per capita income and improve an acceptable distribution in income. This will, in turn, support improvements in quality of life and broadening the tax base.

Provision of public safety, cleansing services, maintenance or upgrading of the urban public environment and infrastructure, and social services that address social issues in the area, allow individual property owners to benefit from a **well-managed** and safe neighbourhood. A **supportive business environment** also **attracts investment** to the area.

Simple changes to existing procedures, such as affirmative procurement policies, linking municipal contracts to social responsibility, speeding up approval procedures or proactively identifying and releasing land for development, could have a significant impact with little or no additional cost. In addition, new policies and programs can be initiated, aimed specifically at alleviating poverty and enhancing job creation.

In addition to this, more investment and support can be expected from the private sector if they will receive uninterrupted basic service delivery from the Municipality, especially in terms of the maintenance of old infrastructure and the development of new infrastructure, safety, cleaning and greening of areas. Recycling offers a stellar opportunity for job creation which can be done in partnership with the private sector and community members. The effective management of traffic flow and parking spaces during holiday times can reduce the frustration for local inhabitants and also tourists.

5. Broader planning imperatives

Kouga Local Municipality's LED strategy should support broader planning imperatives and be aligned to broader strategic goals. Such alignment enhances inter-governmental co-operation and a coherent approach to achieving objectives. Consideration should therefore be given to the context of national, provincial and regional planning imperatives

The creation and support of intergovernmental platforms for discussion and planning purposes can lead to more effective Intergovernmental relations (IGR), which will in turn ensure the maximum access and utilisation of resources to promote economic development.

NATIONAL	
National Key Performance Area	**NKPA 4** Local Economic Development

National Outcome	**NOC 4** Decent employment through inclusive economic growth.	**NOC 5** A skilled and capable workforce to support an inclusive growth path.	**NOC 8** Sustainable human settlements and improved quality of household life.
Sustainable Development Goals	**SDG 4** Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	**SDG 11** Make cities and human settlements inclusive, safe, resilient and sustainable.	
National Development Plan	**NDP 1** Economy and Employment Create 11 Million new jobs.	**NDP 3** Environmental Sustainability and Resilience Economy using clean, renewable energy.	

PROVINCIAL		
Provincial Strategic Objectives	**PSO 1** Strengthened policy coordination and integrated planning in province.	**PSO 4** Improved cooperative governance.

DISTRICT	
Sarah Baartman District Municipality Objectives	**DMO 3 – LED** • Increase agricultural income to achieve a year-on-year growth in the agriculture and agro-processing sector. • Facilitate Investment in natural capital to contribute towards government's target of creating "green" and "blue" jobs by 2020. • Broaden economic participation and inclusion by increasing the number of small enterprises and support to small enterprises. • Developing skills and education base by increasing the number of semi-skilled and skilled people. • Regenerating at least one of the core towns as a service and economic hub. • Building local and regional networks and collaboration through the creation of partnerships with government, the private sector and education/ research. • To grow tourism sector's absolute contribution to the district Economy. • To position the District as a nationally recognised tourism brand.

LOCAL
KPA 2 – LED **Goal** **Create and facilitate a conducive environment that builds inclusive local economies, sustainable and decent employment.** **Objective** **To create an enabling environment for economic growth that attracts investors and tourists, encourages innovation and facilitates pro-poor initiatives.**

TABLE 2: PLANNING IMPERATIVE ALIGNMENT

6. LED goals and objectives in the IDP

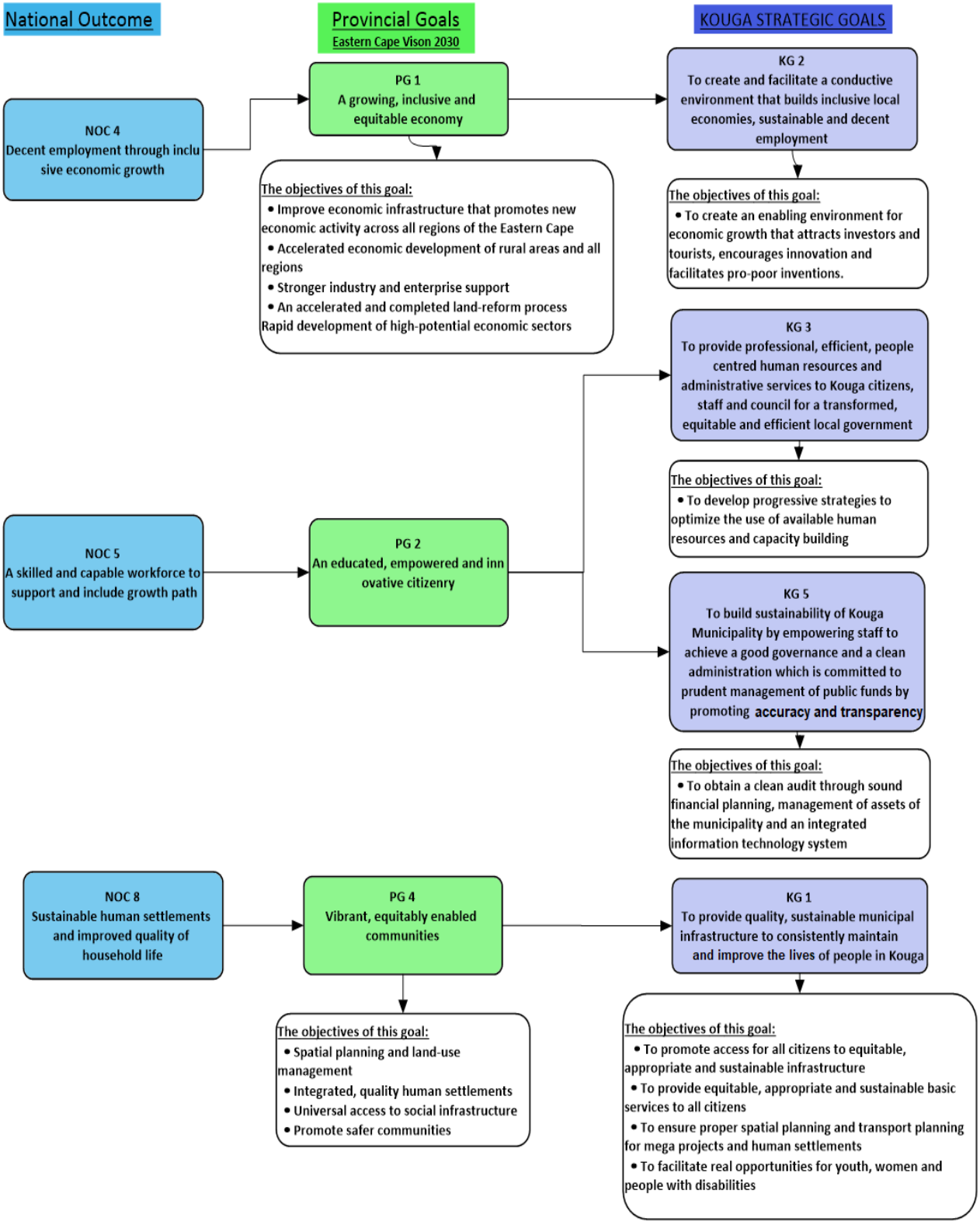


FIGURE 5: KOUGA STRATEGIC GOALS ALIGNMENT WITH NATIONAL OUTCOMES AND PROVINCIAL GOALS AS PER THE IDP

The draft Kouga 2030 Vision document speaks to local economic development in terms of growing the economy (GDPR and GVA) as well as creating employment and thereby reducing unemployment rates.

FIGURE 6: KOUGA VISION 2030: GOALS AND OBJECTIVES



7. Kouga Local Municipality's LED goals and objectives



FIGURE 7: LED GOALS AND OBJECTIVES

LED objectives revolve around a set of common issues of job creation, empowerment, the pursuit of economic growth, community development, the restoration of economic vitality and diversification in areas subject to recession (World Bank, 2001).

South Africa's Department of Trade and Industry links LED firmly to mainstream economic development and to small business promotion in particular (Rogerson, 2002). While LED must be focused on development and

growth, it also needs to be responsive to the needs of the poor. The official conception of LED in South Africa therefore accommodates elements of market-led and market-critical[1] approaches towards LED.

The World Bank (2001; 2002) suggests the following ten issues as representative of the most important and frequent sets of LED interventions:

- Ensuring that the local investment climate is functional for local enterprises
- Supporting Small and Medium-sized enterprises
- Encouraging new enterprises
- Attracting inward investment
- Investing in physical (hard) infrastructure by improving the built environment for businesses
- Investing in soft infrastructure including human resource development, institutional support, and regulatory issues
- Supporting the growth of business clusters
- Targeting particular geographical areas for regeneration of growth (i.e. spatial targeting)
- Supporting survivalist, primarily informal sector enterprise
- Targeting certain disadvantaged groups



FIGURE 8: KOUGA VISION, GOALS, OBJECTIVES AND STRATEGIC PILLARS

Kouga's LED is built on the pillars of Investment, Tourism, Human Capital, Oceans and Green Economy, Private Sector businesses and ICT. The strategic pillars are underpinned by a base of effective communication and sound private-public relationships.

[1] LED interventions range on a spectrum from market-led (pro-growth) on the one hand and market-critical (pro-poor) on the other hand.

Kouga Local Municipality Economic Profile

This section contains an analysis of the structure of the local economy and includes the factors that impact on the growth and trends of the local economy. The section also identifies the Economic Drivers of the Kouga Local Municipal area. **Economic growth[2] is a prerequisite for economic development[3],** and economic growth should therefore be of paramount importance. Economic growth is achieved through **increasing the total output** of the region, i.e. **growing existing businesses, increasing investment and establishing new businesses.**



8.

[2] Economic growth occurs by an increase in Gross Domestic Product (GDP) or Gross National Product (GNP).

[3] Economic development can be defined as economic growth plus improvement in human welfare, as well as social and structural transformation.

Kouga Socio-Economic Profile at glance

Population Analysis by Gender:

TABLE 3. POPULATION BY GENDER - KOUGA AND THE REST OF SARAH BAARTMAN DISTRICT MUNICIPALITY, 2016 [NUMBER].

	Male	Female	Total
Kouga	55,900	56,300	112,000
Dr Beyers Naude	41,200	43,000	84,200
Blue Crane Route	18,400	18,900	37,300
Makana	41,700	44,900	86,600
Ndlambe	32,100	34,800	66,800
Sundays River Valley	32,700	29,600	62,300
Kou-Kamma	22,300	22,000	44,300
Sarah Baartman	**244,000**	**249,000**	**494,000**

Source: IHS Markit Regional eXplorer version 1156

Kouga Local Municipality's male/female split in population was 99.4 males per 100 females in 2016. The Kouga Local Municipality appears to be a fairly stable population with the share of female population (50.16%) being very similar to the national average of (51.07%). In total there were 56 300 (50.16%) females and 55 900 (49.84%) males. This is different from Sarah Baartman District Municipality as a whole where the female population counted 250 000 which constitutes 50.52% of the total population of 494 000.



DEMOGRAPHICS (2016)

Community Survey 2016

Total Population

112 941

Average Age = 26

Population growth rate (2011 – 2016)

11.4%

Youth Proportion

(15 – 34 years)

34.62%



UNEMPLOYMENT RATE (2017)

14.59%

Quantec EasyData

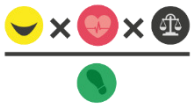


GDP GROWTH

(2016)

4.39%

IHS Markit



HDI

(2016)

0.65

IHS Markit



INFORMAL DWELLINGS (2016)

19.5%

Community Survey 2016



TRESS INDEX

(2017)

40.6 %

Quantec EasyData



EDUCATION



Completed Grade 9 or higher (2016)

67.9%

Community Survey 2016

Completed Matric or higher (2016)

34.9%

Community Survey 2016

Functional literacy rate in adults (2018)

70.69%

Quantec EasyData

INTENSITY OF POVERTY (2016)

46.8%

IHS Markit



CRIME RATE (2019)

Crime SA 2019



Contact Crimes (Crimes against the person)

5.7

Contact-Related Crimes

-2.0

Sexual Offences

12.4

Property-Related Crimes

-3.6

Other Serious Crimes

1.8

Crimes Detected as a result of Police Action

-18.5

ANNUAL HOUSEHOLD INCOME

R29 400

Census 2011



%

ACCESS TO BASIC SERVICES

Community Survey 2016



GINI COEFFICIENT (2014)

Quantec EasyData

Refuse = 88.1%

Water = 95.7%

Excluding Social Grants

Including Social Grants

Sanitation = 82.7%	**Electricity = 90.4%**	**0.77**	**0.67**

9. SWOT analysis of the Kouga Local Municipality

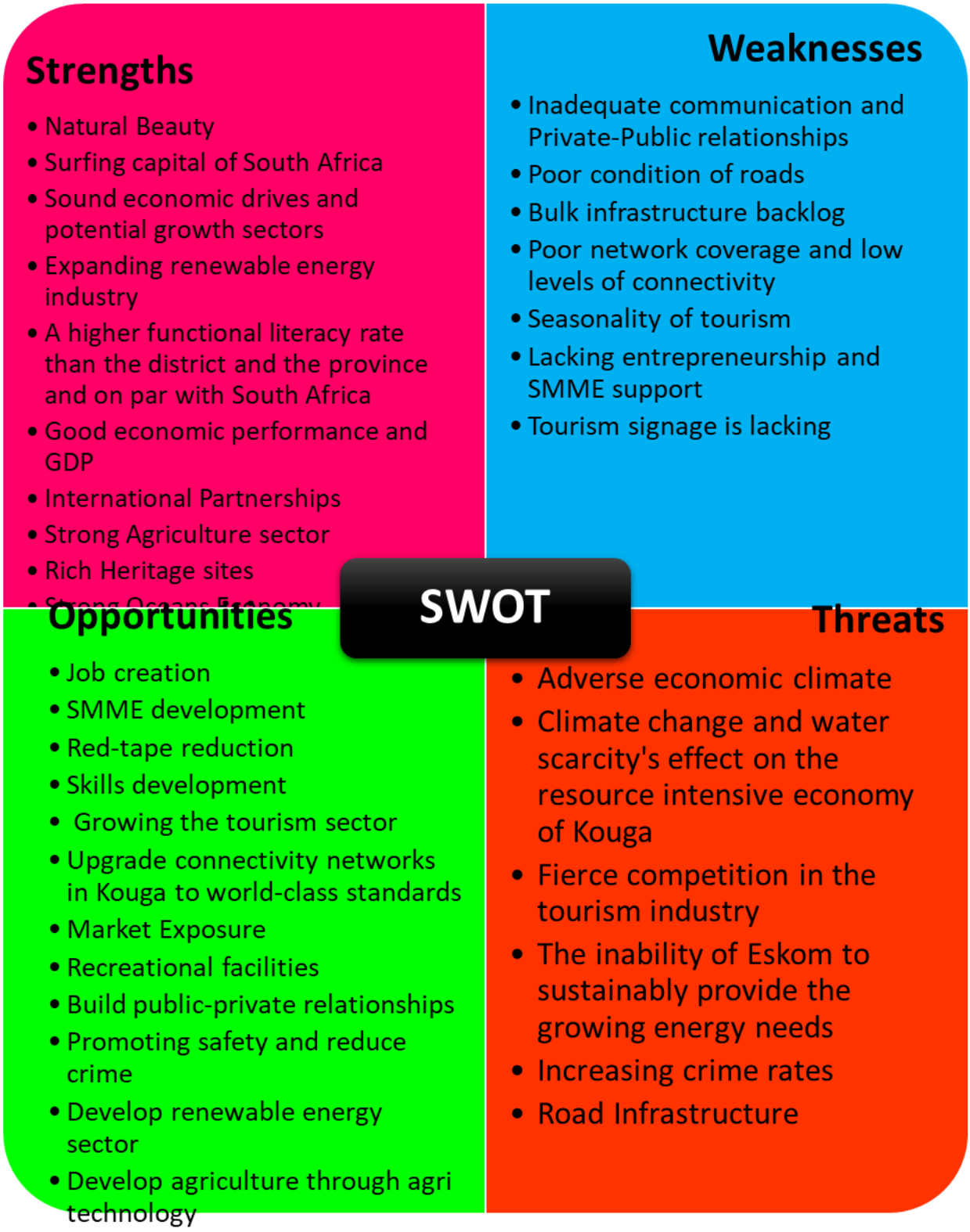


FIGURE 9: SWOT ANALYSIS

9.1. Strengths

- **Geography**
  - Kouga has a unique coastline, beaches and estuaries.
  - Kouga's natural beauty is a unique asset that cannot be easily replicated by other locations.
  - Kouga is a unique tourism destination due to its geography and favourable climate.
- **Tourism**
  - Kouga is the surfing capital of South Africa, and the unique attraction as a world-renowned surfing site makes Kouga internationally recognised and a preferred destination for surfers.
  - Super tubes in Jeffreys Bay is known as one of the best waves in the world and is also known as the finest right-hand point break in the world (surfing).
  - Vibrant market development in the informal trading industry.
- **Sound economic drivers and potential growth sectors**
  - KLM has a tourism sector with attractive sites including unique heritage sites.
  - KLM is one of the fastest growing regions in the Eastern Cape Province, and has a diverse economy including a strong agricultural and tourism sector. Kouga is amongst the top tourism contributors in the Sarah Baartman District.
  - The area boasts a strong agro-processing oceans economy.
  - Dairy and citrus are the bestselling agricultural products.
  - Strong agricultural growth and potential especially in Gamtoos and Humansdorp districts.
  - The fishing industry is traditionally one of the major industries in the Kouga area.
- **Green and Oceans Economy**
  - Kouga's renewable energy industry is expanding.
  - Kouga Wind Farm capitalises on the fresh onshore breezes that sweep the Eastern Cape coastline.
  - The oceans economy in KLM is also strong.
  - The establishment of Port St Francis can directly be attributed to the growth of the chokka or squid industry.
  - Kouga has a strong competitive advantage in the fishing industry according to its location quotient.
- **Relatively good economic performance and GDP (Growth Domestic Product) contribution**
  - Kouga's R10.5 Billion GDP in 2016 contributed 31.5% to the Sarah Baartman District, with Trade, Community Services and Finance as the top three economic pointers.
  - The Kouga local municipal area had the highest annual average local economic growth in trade in the district and province, averaging 4.39% between 2006 and 2016.
- The Functional Literacy rate of Kouga Municipality is higher than the district and the province and on par with South Africa
- **International Partnerships**
  - KLM is a partner on the BIGM programme with Canadian Municipality (Price Edward Country), which seeks to assist SA Municipalities to develop and implement an inclusive LED initiative and strategies with particular focus on women, youth and vulnerable groups.
  - KLM is a partner in a Climate Change programme with German Ilsfield Municipality as a way of implementing Climate Change mitigation plans (KLM, as a part of green initiatives, piloted the first eco-friendly road in Africa).

9.2. Weaknesses

- **Relatively small Local Economic Development (LED) administrative and budget allocation**
  - Small budget allocations to LED mandate
- **Infrastructure**
  - Poor conditions of the roads in Kouga Local Municipality.
  - Bulk infrastructure backlog including road infrastructure backlog.
- **Connectivity**
  - Poor network coverage and low levels of connectivity.

The internet is one of the most dominant forms of communication. Access to the internet is critical inorder to integrate the local society into the mainstream economy via technology and ICT. The rest of the world is on the brink of the Fourth Industrial Revolution, but Kouga Municipality is falling behind.

- Gross Fixed Capital Formation (GFCF) for communication is declining even though communication is one of the top fifteen contributors to GVA.

- **Entrepreneurship and SMME support**
  - There is a need for farming land for emerging farmers. There is no place for the emerging farmers to keep their cattle. This leads to cattle roaming around in the streets and being confiscated.
  - The infrastructure available for SMMEs and informal traders needs to be upgraded and maintained.
  - Training and skills development for existing SMMEs are lacking.

- **Tourism**
  - The tourism industry in Kouga is seasonal.
  - Disjointed marketing efforts between heritage and tourism stakeholders.
  - Tourism signage is lacking.
  - Tourism attractions need to be marketed more effectively.
  - There is a need for a strong, coherent marketing plan for the area.
- **Communication and private-public relationship**
  - Stakeholders indicated that communication from the municipality to the community is lacking.
  - Stakeholders feel that available platforms of communication are not used correctly and sufficiently.
  - The language in which information is communicated to various communities should be considered.
  - Stakeholders reported mistrust due to lack of communication and sharing of information.
  - Stakeholders also reported that they perceived there to be “lack of administrative will” from the side of the Municipality.

9.3. Opportunities

- **Mitigate the threat posed by the adverse economic climate:**
  - Harnessing intergovernmental relations to gain access to external funding opportunities, including state agencies (SEDA, NYDA, SEFA), national departments (DRDLR, DAFF, dti, DSBD, DED, DT, etc.), provincial departments (DEDEAT, COGTA, provincial treasury, etc.) and SOEs (IDC).
  - Establishing strong stakeholder communication and constantly improve relationships through engagements. Municipality should measure these engagements through a number of MOUs (Memorandums of Understanding) or MoAs (Memorandums of Agreement) per quarter, possibly as part of the performance measures in the SDBIP.
  - Supporting access to national and provincial resources without going through excessive bureaucratic processes that tend to slow processes.
- **Capitalise on the ability to implement Local Economic Development without administrative and regulatory barriers:**
  - Reducing red-tape to create an investor-friendly environment and identifying opportunities to boost private investment in the local economy (constructing helipads/ landing facilities, upgrading local harbours/ slipways, establishing agri-parks).
  - Catering for public-private partnerships to boost Kouga’s competitive edge in the export market by accommodating special economic/ industrial development zones.
  - Adopting innovative supply-chain practices whereby bids are also adjudicated according to bidders' social responsibility and willingness to invest in the community.
  - Create a platform where SMMEs can benefit from the public procurement and ensure accountability at all Supply Chain Management (SCM-LED) processes, and create a strong relationship between supply chain and LED.
  - There is an opportunity to include local SMMEs in the tender process and enhance local procurement by allowing the SMMEs to become subcontractors for bigger companies. This will also give the SMMEs the opportunity to develop skills and gain experience.

- **Excellence in the execution of development programs at a Local Level:**
  - The Expanded Public Works Programme (EPWP) counters the threat posed by the influx of people in search of means and employment. However, the implementation of the programme requires extra efforts and energy, good administration, ethical values and coordination inter-organisationally.
  - CWP (Community Works Programme) coordination also requires more support from the Municipality and Council, with the participation of Councillors, ward committee members and the Local Representative Committee (LRC) being critical to its success.
- **Create strategic alignment and create cohesion between social development, economic development, and tourism**
  - Planning should be strategically aligned to accommodate other departments.
  - Strategic alignment with other municipalities in the Sarah Baartman District Municipal area, and presenting the strategies through District Forums for LED initiatives.
  - Research as the key driver of continuously updated data for planning and best practice studies and observations, e.g. learning from the Eastern Cape municipalities (George, Mossel Bay, Knysna, and Overstrand Municipality would provide very good models for LED strategic implementation).
- The Kouga local municipal area's population increased at the fastest rate in the district and province with an average annual growth rate of 2.9%. The working-age population group increased at a higher rate relative to other age groups. This increase in human resources creates the opportunity to put human capital to productive use in the area.
- **Tourism**
  - Port St Francis has immense tourist appeal and could serve as a flagship attraction.
  - Leveraging of tourism and heritage assets of Kouga through support of the Kouga Heritage Council. Developing Kouga's heritage assets is an opportunity for Kouga to attract tourist and investors.
  - Develop heritage attractions in terms of being the Home of the First Nation. Opportunity to communicate Kouga's heritage through tourism branding.
  - Opportunity to develop a Kouga tourism route through all towns in Kouga.
  - Opportunity to develop eco and adventure tourism.
  - There is an opportunity to develop additional festivals and events in order to become the Events Capital of South Africa.
  - Opportunities in the tourism sector to develop the market for cultural events and conferences as well as spiritual tourism.
  - Opportunity to promote Kouga as a destination for gap year tourists.
  - Investigate opportunities to develop world class tourist accommodation.
  - Opportunities in tourism to build on the well-established surfing brand.
  - Potential to develop township tourism that also offers the opportunity for job creation.
- **Employment**
  - The agricultural and tourism sectors provide mostly seasonal jobs. Strong economic growth and favourable economic conditions could contribute to stimulating investment in production, thereby increasing output and creating more secure job opportunities in the Kouga Municipal area.
  - The high number of people employed by the construction industry presents an opportunity to further grow the sector.
  - The unemployment rate in Kouga is decreasing, albeit at a slower rate than the rest of South Africa, the Eastern Cape and the Sarah Baartman District. Kouga has the opportunity to decrease the unemployment rate further by creating conducive environment for creation of jobs.
- **Connectivity**
  - There is an opportunity to roll-out broadband connectivity (fibre optic) to the entire Kouga Municipal area in order to upgrade connectivity networks in Kouga to world-class standards.
  - Opportunity to develop a digital economy in order to attract investors.
  - Opportunity to make available free wi-fi hotspots for tourists and community members.
- **Green and Ocean economy**

- Kouga has the opportunity to grow a green economy through waste management projects, i.e. recycling.
- Kouga is the first municipality to build a plastic road, yet the plastic used to build the road was bought from outside Kouga. Therefore, there is an opportunity to source plastic locally and divert plastic from the landfill through a recycling program.
- Kouga has a competitive advantage in the fishing industry over the country, province and district providing the opportunity to grow the squid industry.
- Develop forward and backward linkages in the fishing industry. There is an opportunity to develop a fresh fish market in Kouga.
- Growing the dairy and citrus farming industry. Development of forward and backward linking industries in terms of the agricultural sector.
- Investing in the construction of a desalination plant for an additional water source is an opportunity for Kouga.
- There are more opportunities in the renewable energy industry to develop solar and wind energy generation and capacity. Alignment with the renewable energy industry.
- The agriculture potential can be developed through agri technology.

- **Informal trading**
  - Linking SMMEs with the Coega Development Corporation for small business development and training initiatives.
  - Retaining and growing existing business in the Kouga municipal area.
  - An opportunity to promote development through developing a cohesive and integrated marketing strategy for the area. There are opportunities to develop a brand for the region to attract tourist.
  - Opportunities to develop and capitalise on a growing informal trading industry.
- **Market Exposure**
  - There is an opportunity to develop a market for local SMMEs and local products.
- **Transport**
  - Port St Francis is the only privately-owned working harbour in SA.
  - Explore the viability of linking towns with railway passenger transport.
  - Investigate the viability of boatbuilding can lead to an opportunity to grow and develop the boat building industry.
- **Reducing poverty**
  - The percentage of people living in poverty in Kouga Municipality has decreased from 47.18% in 2006 to 46.83% in 2016.
  - Compared to the district, Kouga has the lowest poverty intensity ratio apart from Kou-Kamma.
  - Even though the Eastern Cape remained the poorest province in 2016, with 12,7% of its households classified as multi-dimensionally poor, Kouga Municipality's poverty rate is declining. Therefore, there is the opportunity to decrease poverty even further.
- **Crime, Safety and Security**
  - While the crime statistics of South Africa and the Eastern Cape have seen an increase between 2017/2018 and 2018/2019, Kouga's crime statistics overall have decreased by 1.9%.
  - A decrease in contact-related crimes, property-related crimes and crimes detected as a result of police action also saw a significant decrease between 2017/2018 and 2018/2019.
  - There is an opportunity to develop neighbourhood watches in all areas of Kouga to ensure safety and security for the tourists and residents. Safety and security are important to drive tourism and investment.
- **Animal welfare**
  - There is an opportunity to sign a service level agreement with local animal welfare organisations in order to manage stray and problem animals.
  - Support animal welfare organisations to control zoonosis and parasitic transmission in poorer areas.

- **Upgrade, maintain and develop infrastructural links between Kouga and other economic hubs for all modes of transport, i.e. road, air, sea and rail.**
- **Skills Development, Education and Training**
  - There is a need to engage stakeholders in order to address challenges with regard to education. This provides an opportunity for FET colleges, training centres and technical schools to offer appropriate training courses.
  - Although the agricultural sector plays a prominent role in Kouga's economy, training opportunities in agricultural skills are lacking. There is an opportunity to develop and enhance skills according the need and availability of jobs in the Kouga area.
- **Recreational facilities**
  - There is an opportunity to develop recreational facilities in the Kouga area.
  - The current recreational facilities have been vandalised and are not safe to use. There is an opportunity to upgrade and maintain the current recreational facilities.
  - Recreational facilities could also be utilised for skills development for the youth.
- There are opportunities to engage the private sector to invest in the area and to support social development through corporate social responsibility initiatives.
- There is an opportunity to develop paving stone and brick production.

9.4. Threats

- **Adverse economic conditions – locally and nationally**
  - Lack of funding for SMMEs resulting in challenges to start or expand small and emerging enterprises.
  - An influx of people in search of means to make a living, giving rise to heightened poverty and unemployment, crime, and an increase in dependency and inequality ratios.
  - Population growth increases pressure on municipal infrastructure and service delivery.
- **Unemployment and Literacy**
  - Kouga's unemployment rate is declining at a slower pace in comparison with South Africa, the Eastern Cape and the Sarah Baartman District.
  - The functional literacy rate for Kouga is increasing at a slightly slower pace than South Africa.
  - Unemployment is a threat to the area. The jobs that are available are often seasonal.
- **Climate Change**
  - The Eastern Cape Province is confronted by severe drought, posing a threat to the agricultural and Agro-processing sector.
  - Increasingly depressed agricultural sector both national and internationally.
  - The Kouga municipality includes a number of environmentally sensitive areas including the coastline, estuaries, rivers, valleys and mountain ranges/ catchment areas.
- **Crime**
  - Although property and contact crime has decreased between 2017/2018 and 2018/2019, serious crimes, sexual offences and contact crimes against the person are on the rise.
  - Kouga's overall crime statistic has decreased by 1.9% during 2017/2018 – 2018/2019, but looking at the police precincts, there has been a significant increase of 9.5% in crime statistics from Humansdorp.
  - Safety and security measures at the beaches after hours need to be improved.
  - Safety and security are issues that specifically impact on women and youth.
- Industrial Development
  - The Kouga Local Municipal area's dependence on the agricultural and fishing sectors for employment and GDPR contribution, puts the area at risk in the face of a globally declining agricultural sector and environmental threats such as climate change and pollution.
  - Kouga is a resource intensive economy (unsustainable).
  - Kouga's Tress Index over ten (10) industries in 2017 was 49.1%. This makes Kouga vulnerable to exogenous factors, such as adverse climatic conditions affecting the agriculture and ocean industry.
- **Infrastructure**
  - Several roads need to be upgraded in the area.

- The supply of electricity to the Kouga area is lacking.
- Infrastructural backlogs are a problem.

- **Linkage between Politics and Administration**
  - Kouga municipality's administration is not perceived by the community to be transparent and impartial.
  - Political issues and affiliations are perceived to be eroding trust and good governance.

9.5. Constraints

- LED initiatives can be constrained by a lack of available resources and a lack of private sector participation.
- Eskom's constrained electricity supply also hampers economic development.
- Scarce resources:
  - Depletion of natural resources and environmental assets
  - Water scarcity

10. Kouga Local Municipality Economic Drivers

The main Economic Sectors are Agriculture, tourism and hospitality.

10.1. Agriculture

The agricultural sector is greatly dependent on the availability of natural resources and is comprised of agriculture (growing crops and raising animals and includes citrus and dairy farming), fishing and forestry. The agriculture sector in Kouga has grown between 2013 – 2017, with the contribution of agriculture and fishing steadily growing. Kouga's climate makes the area conducive to various types of agricultural production. The wide fertile valleys of the Gamtoos River, including the agricultural towns of Hankey and Patensie contributes to Kouga's agricultural sector.

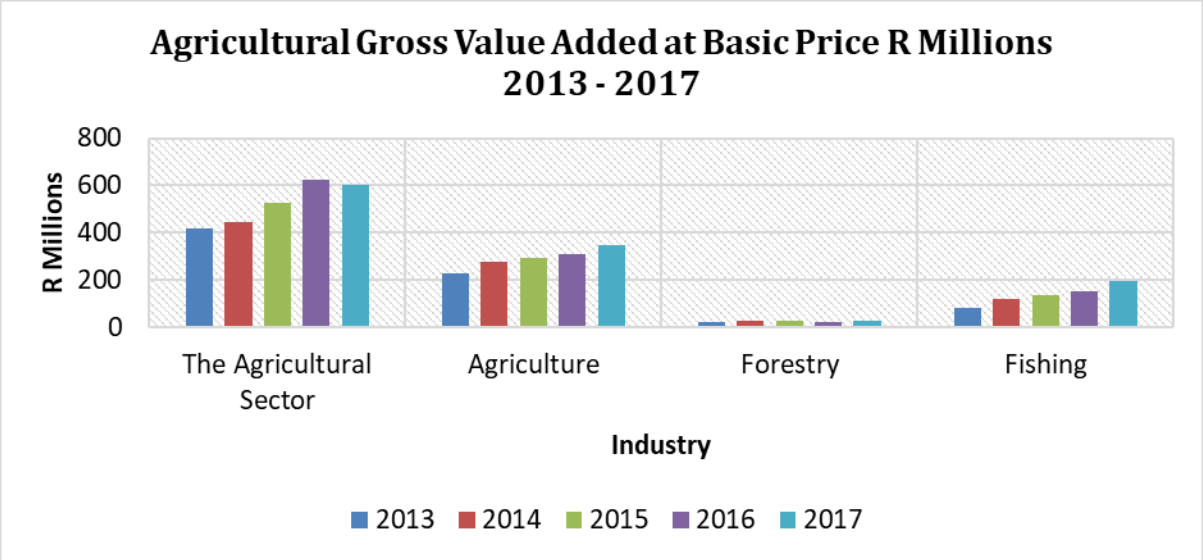


Figure 10: Agriculture Gross Value Added at Basic Price R Millions 2013 – 2017

10.2 TOURISM

Kouga Municipality has positioned itself as a Tourism Capital of South Africa and is intent on driving initiatives to realise the ideal over short – long term period. Tourism can be defined as the non-commercial organisation plus operation of vacations and visits to a place of interest. Whether you visit a relative or friend, travel for business purposes, go on holiday or on medical and religious trips - these are all included in tourism.

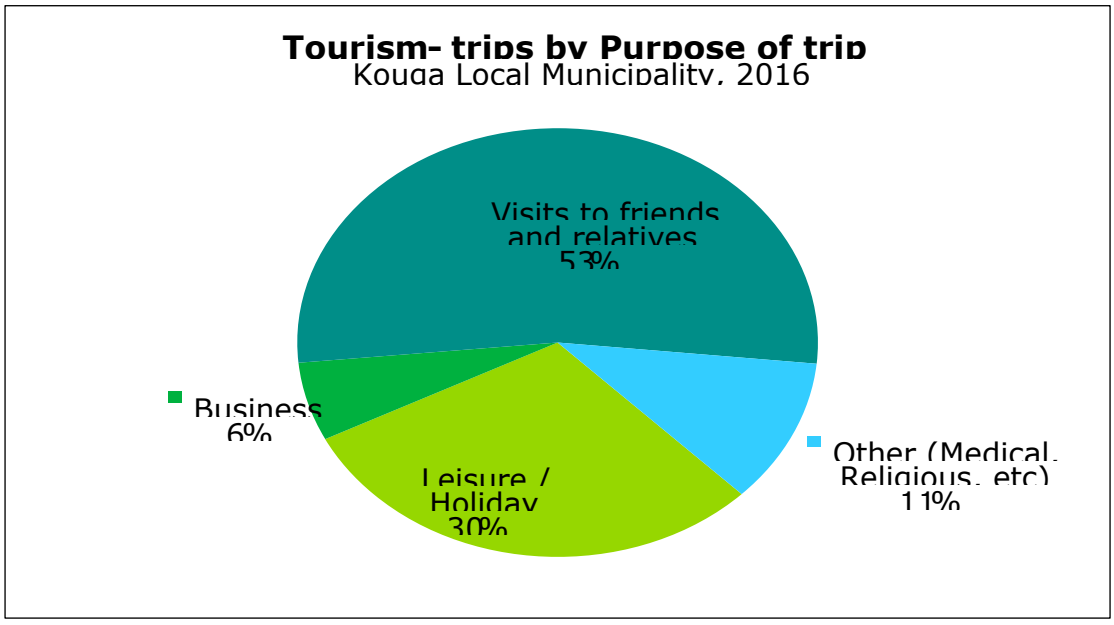
TABLE: NUMBER OF TRIPS BY PURPOSE OF TRIPS - KOUGA LOCAL MUNICIPALITY, 2006-2016 [NUMBER PERCENTAGE]

	Leisure / H+oliday	Business	Visits to friends and relatives	Other (Medical, Religious, etc)	Total
2006	33,600	7,140	70,300	11,100	122,000
2007	37,200	6,900	73,600	12,000	130,000
2008	38,900	6,690	73,100	13,900	133,000
2009	38,500	6,460	73,100	13,900	132,000
2010	40,100	6,770	73,000	13,700	134,000
2011	39,800	6,590	70,900	14,300	132,000
2012	38,500	6,800	68,300	13,900	127,000
2013	38,300	6,690	68,200	13,900	127,000
2014	34,500	6,160	62,200	12,500	115,000
2015	31,100	5,700	57,700	11,600	106,000
2016	29,300	5,800	51,800	10,700	97,600

Source : Socio-Economic Outlook Review 2016 – ECSECC report.

In Kouga Local Municipality, the Other (Medical, Religious, etc), relative to the other tourism, recorded the highest average annual growth rate from 2006 (11 100) to 2016 (10 700) at -0.37%. Visits to friends and relatives recorded the highest number of visits in 2016 at 51 800, with an average annual growth rate of -3.00%. The tourism type that recorded the lowest growth was Visits to friends and relatives tourism with an average annual growth rate of -3.00% from 2006 (70 300) to 2016 (51 800).

Chart: TRIPS BY PURPOSE OF TRIP - KOUGA LOCAL MUNICIPALITY, 2016 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1156

A drastic reduction in domestic arrivals over the past years has been observed. This applied to the Province generally and Kouga Municipality specifically (see table below).

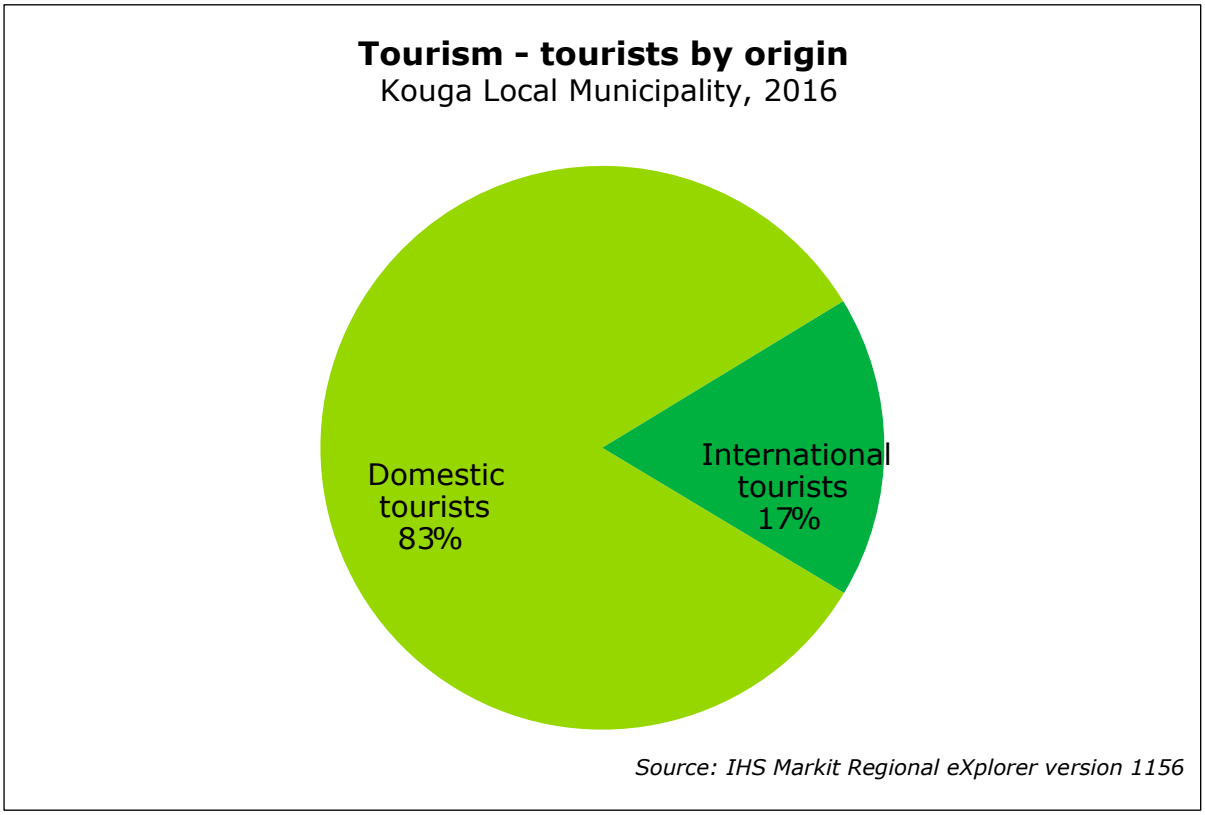
There has been less emphasis on marketing and promotion of domestic tourism, with fragmented marketing actions and different organisations promoting products in different

markets and communicating different messages. Domestic tourism is a vibrant and profitable part of the industry, and there is a need to increase this market to get the best value from it.

TOTAL NUMBER OF TRIPS BY ORIGIN TOURISTS - KOUGA LOCAL MUNICIPALITY, 2006-2016 [NUMBER]

	Domestic tourists	International tourists	Total tourists
2006	106,000	15,900	122,000
2007	113,000	16,300	130,000
2008	117,000	16,000	133,000
2009	117,000	15,300	132,000
2010	117,000	16,500	134,000
2011	115,000	16,200	132,000
2012	111,000	16,900	127,000
2013	110,000	17,000	127,000
2014	98,500	16,900	115,000
2015	90,800	15,300	106,000
Average Annual growth 2006-2016	***-2.70***%	***0.61***%	***-2.21***%

The number of trips by tourists visiting Kouga Local Municipality from other regions in South Africa has decreased at an average annual rate of -2.70% from 2006 (106 000) to 2016 (80 700). The tourists visiting from other countries decreased at an average annual growth rate of 0.61% (from 15 900 in 2006 to 16 900). International tourists constitute 17.31% of the total number of trips, with domestic tourism representing the balance of 82.69%. *(source: Kouga Socio-Economic Review Outlook 2017)*



Stakeholder input

This section provides insight into the important issues raised by stakeholders in the Kouga Local Municipal area. Sound LED is based on partnership, support and collaboration and those who work and live in Kouga are the most important actors in a successful LED strategy.



11. Introduction to Stakeholder Input

LED projects address the basic LED needs of any community as being both the input provider and end user. Due to the uniqueness of every community, each LED project/programme should operate from a set of measurable baseline LED indicators as a point of reference in order to make it possible to monitor its successes and failures with regard to the anticipated outcomes of the specific projects/programmes. In absence of such baseline information, the public debate regarding the impact of a LED project or the level of municipal service delivery could only focus on the shortcomings of services, simply because there is no relative historical reference point from which progress can be tracked.

It is for this reason that the P-Index methodology is particularly suitable to form part of the LED strategic planning process, as it provides the municipality with of a set of scientifically determined data of the real needs prevalent among the various communities and economic sectors in the Kouga municipal area.

The traditional Public participation process seems not to fully succeed to elevate the needs of the voiceless end users in communities to the level of decision makers in local authorities. The reality is that the community consultation process designed around a mass meeting of members of the community in a hall with members of the municipal administration on the podium, is clearly not conducive to constructive debate and proper input for decision-making purposes on a technical and managerial level. The abuse and often disruption of such meetings by opposing political parties and/or pressure groups speak to the inadequacy of such meetings for the purposes it was designed. This process is just as flawed as the use of only a clinical technical desktop study of which the results can seldom be translated or distributed to its fullest understanding and consequences to residents in local communities. Therefore, stakeholder input was gathered by means of focus group sessions and a discussion map was designed for all Kouga Municipality focus group discussions.

12. Associated group analysis (AGA)

The AGA technique was specifically developed to reflect the perceptual construct active in people's minds when they are confronted with a specific theme/concept by ordering the free associations that are foremost in people's minds (Diaz-Guerrero & Szalay, 1991:22). By using this tool, it is possible to reflect the respondents' active mental models to give a better understanding of their perceptual reality, which they use to make sense of, and understand their daily living environment, in this case, related to (i) Kouga Municipality and (ii) LED. In applying the AGA technique, the stimulus word becomes the unit of analysis, and also acts as the key unit in the perceptual construct that crystallizes from that. The results are presented in the form of two semantographs and reflects responses to the repeated questions: **Think about Kouga Municipality, what comes to mind?** and **Think about LED, what comes to mind?".** Focus group facilitators were instructed to give no examples, even when asked for during the AGA process.

12.1. AGA Findings

The focus group participants were asked what comes to their mind when they hear the words "**local economic development or LED**". This information reveals the active conceptual capacity and disposition of LED in the minds of the people in the Kouga municipal area at this particular point in time.

Figure 11 reflects the LED semantograph of the public in the Kouga municipal area.

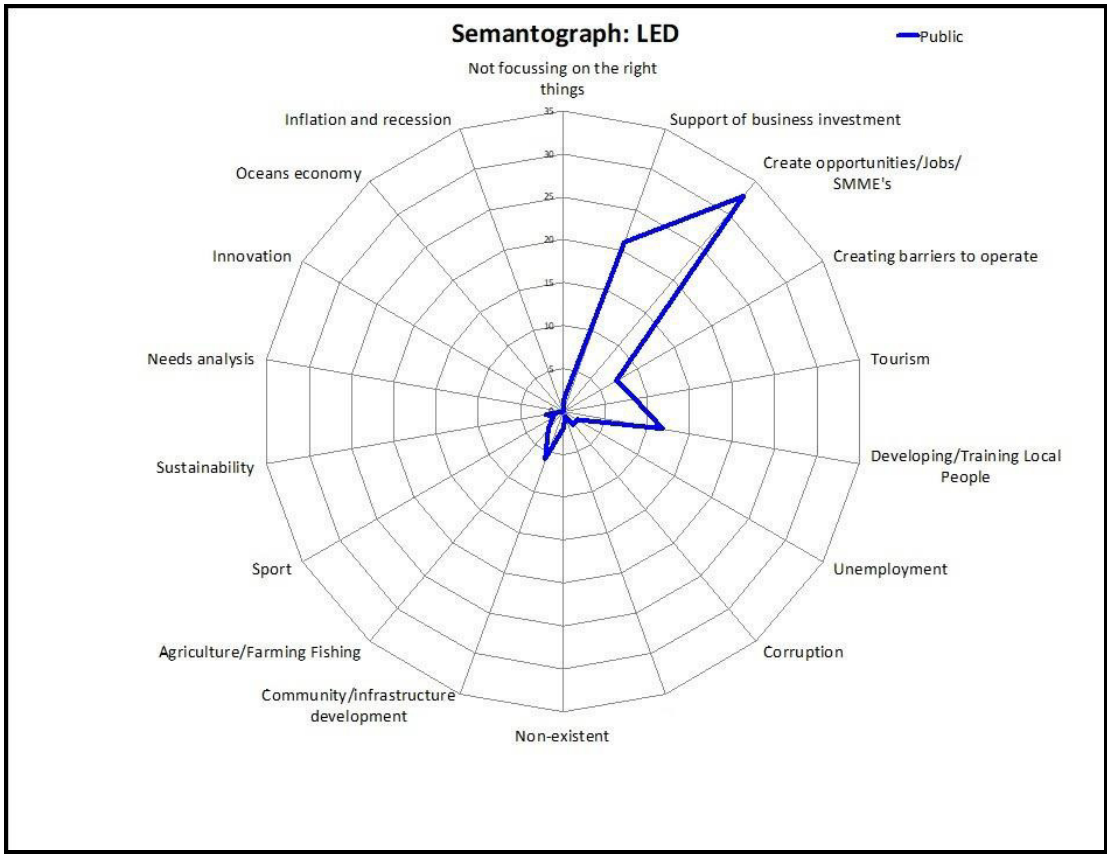


FIGURE 11: LED SEMANTOGRAPH OF THE PUBLIC

It is clear that the public mostly associates LED with the creation of opportunities/jobs and SMMEs, support; supporting business investment and development/training of local people. These associations are generally in line with the expected associations. However, a visible negative association with creating barriers to operate is also active among the public. This association is also reflected in the findings of the P-Index and will be discussed later. The data suggests that the sense of "creating barriers to operate" is shared with the councillors, but totally absent among the LED officials in the municipality (see semantographs). The P-Index should be consulted for the underlying detail of this negative association among the public with LED in the Kouga municipal area. The semantograph of associations with the Kouga Municipality also revealed an associative "lack of on-the-ground tourism support".

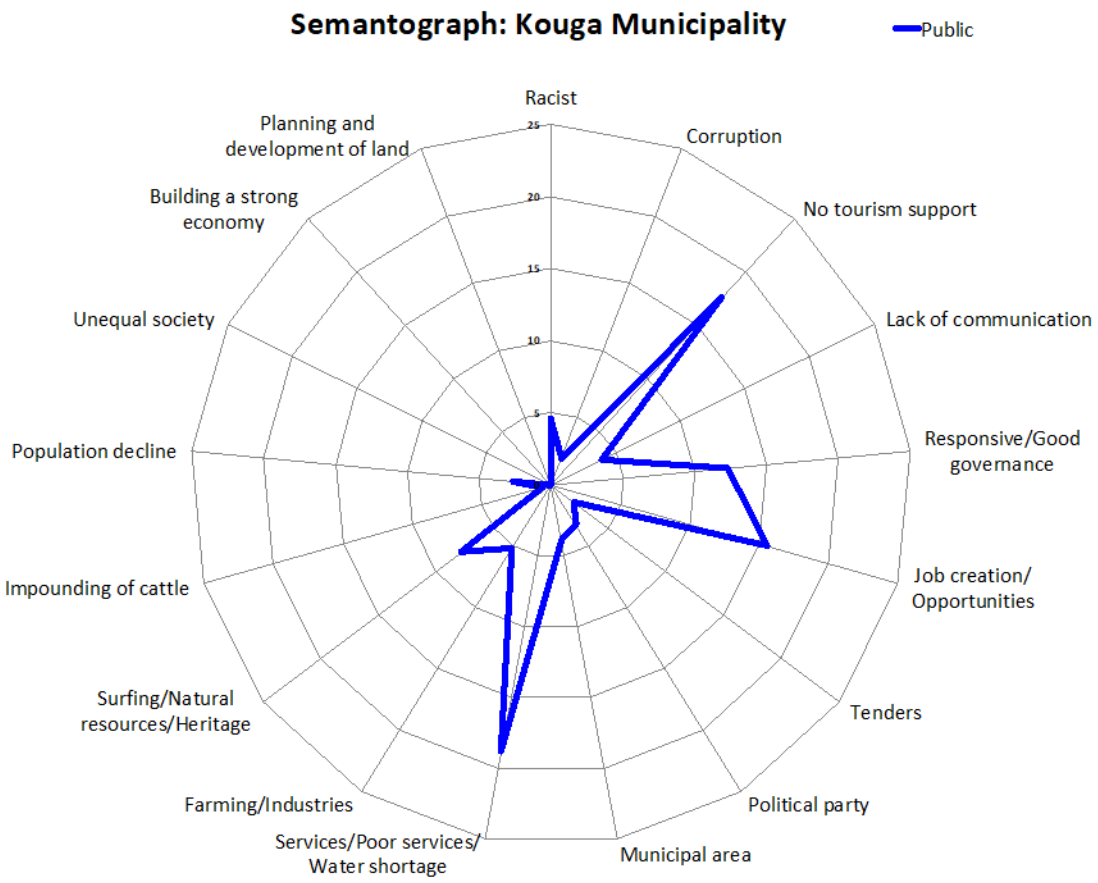


FIGURE 12: KOUGA MUNICIPALITY SEMANTOGRAPH OF THE PUBLIC

The absence of associations that reflect “support for local business investment” among the LED officials seems to be indicative of this incongruence among the LED officials and the public.

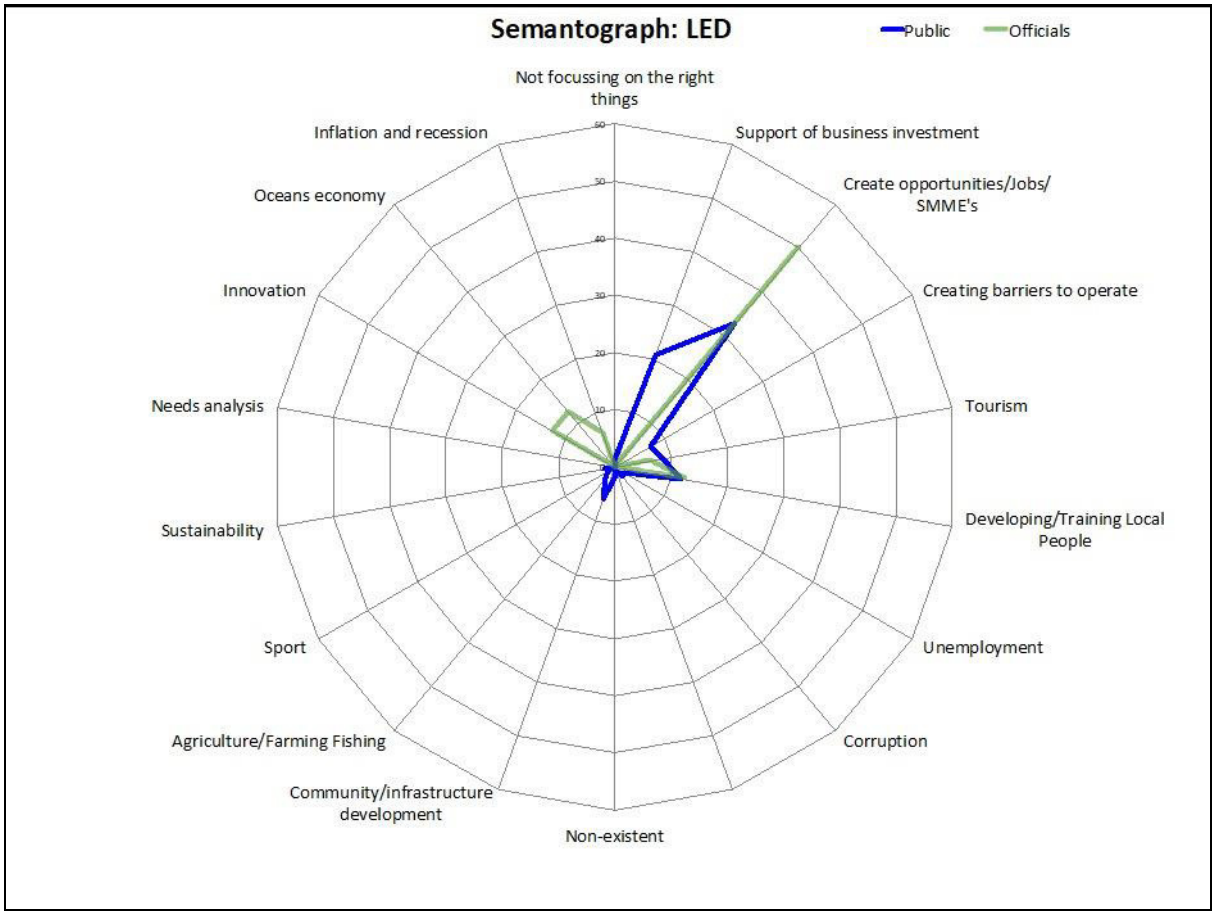


FIGURE 13: LED SEMANTOGRAPH OF THE PUBLIC AND LED OFFICIALS

Though the LED officials rightly associate LED with more holistic issues such as “innovation, oceans economy” and “inflation and recession”, it clearly does not form part of the LED concept among the public. These communicative issues need to be addressed as soon as possible and should form part of the plans for immediate action in the proposed LED strategic plan. Part of the LED strategic plan should be to bring all stakeholders on the same page regarding the scope of LED process.

Respondents were also asked what comes to mind when they hear the words” Kouga Municipality”. The purpose of this information is to reconstruct the positioning of the Kouga Municipality in the minds of the people. It is clear from Figure 14 that there are four outliers that the words Kouga Municipality bring to the fore, namely (i) service delivery, (ii) lack on-the-ground tourism support, (iii) job creation and (iv) responsive, efficient and helpful.

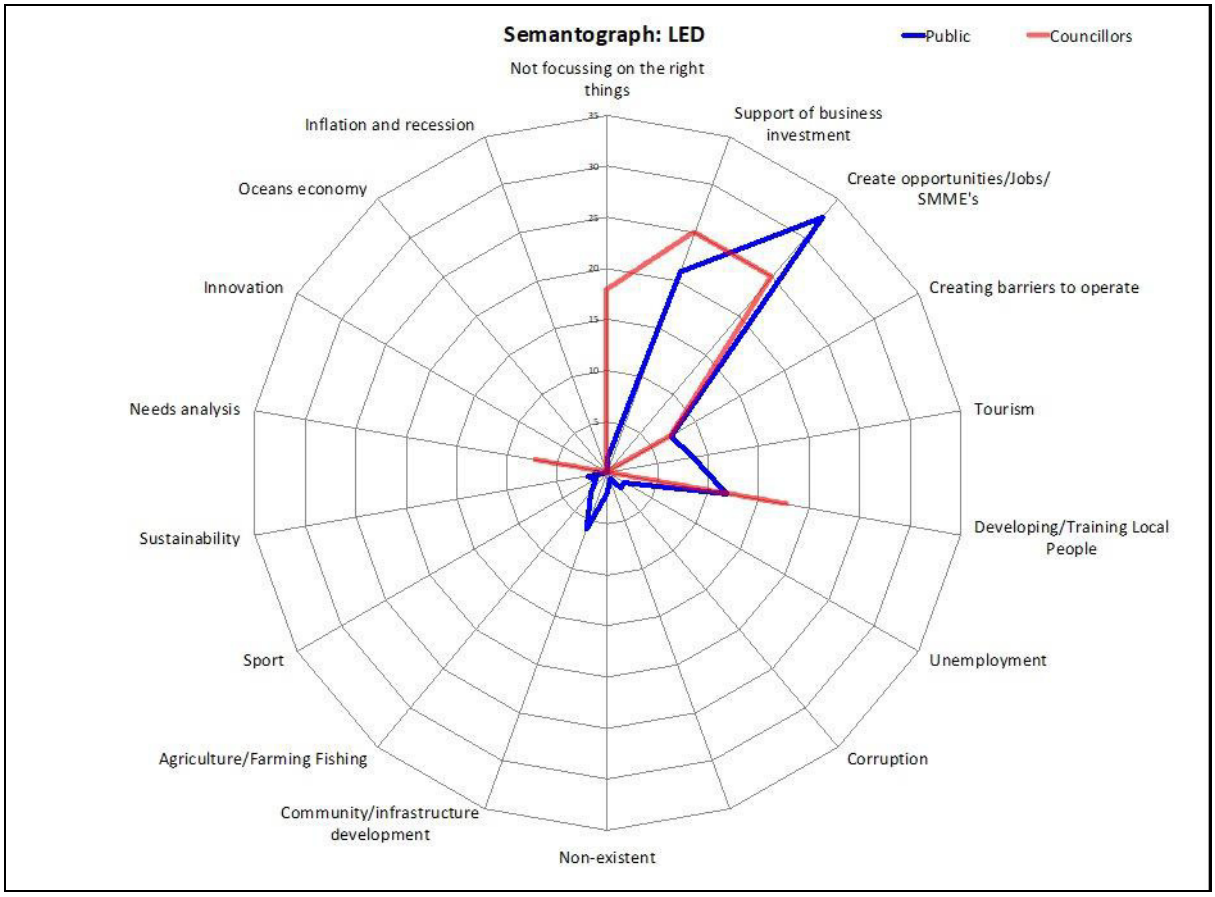


FIGURE 14: LED SEMANTOGRAPH OF THE PUBLIC AND COUNCILLORS

From this, it seems that the concept "Kouga Municipality" shows an overall positive association, as service delivery (18.8%) is to be the expected association with a municipality. However, the positive association of being "responsive, efficient and helpful" (12,3%) is indicative of an appreciation of the quality service delivery that the public receive. This is truly a positive sign that the Kouga Municipality is to a large extend doing the right thing and it is active in the minds of the public that were involved in this survey.

The negative association of a "lack of on-the-ground tourism support" (17,5%) seems to be a yearning among the public. This active negative perception in the minds of the public should be addressed a.s.a.p. with action and a good communication strategy from the side of the municipality regarding this issue. There seems to be some overlap with the association with "job creation" (15.6%) and the "lack of on-the-ground tourism support" (17.5%). However, the burden that municipalities in general carry as being "responsible for creating jobs", is clearly misplaced and the Kouga Municipality should correct this flawed notion by including this theme in a possible communication strategy to form part of the LED strategic planning document.

It is to be mentioned that the councillors do show some overlap with the semantograph of the public, but in an exaggerated sense.

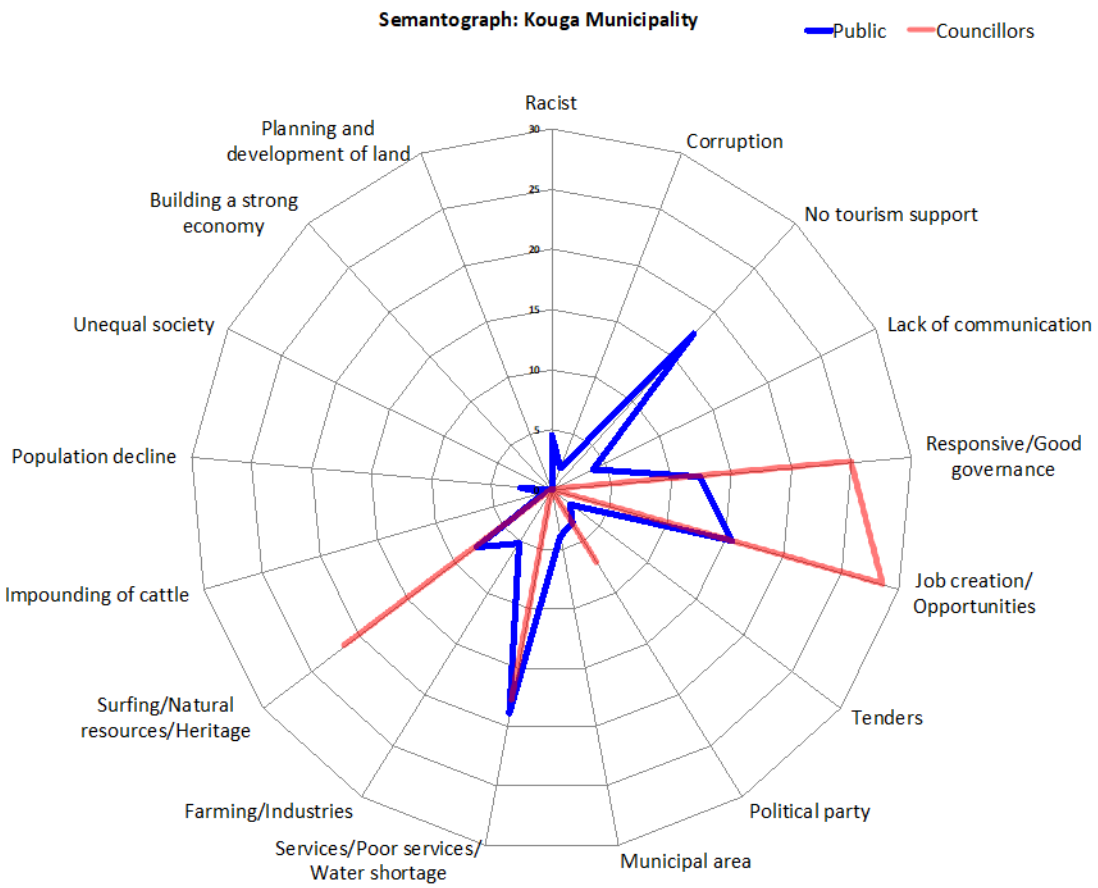


FIGURE 15: KOUGA MUNICIPALITY SEMANTOGRAPH OF THE PUBLIC AND COUNCILLORS

The semantograph of the LED officials (Figure 16) is indicative of an acute awareness of their professional role and function. It was also reflected in the previous semantograph (Figure 13). Their good work and LED focussed inclination seems not to be communicated well to both the public and councillors and seems to be overlooked.

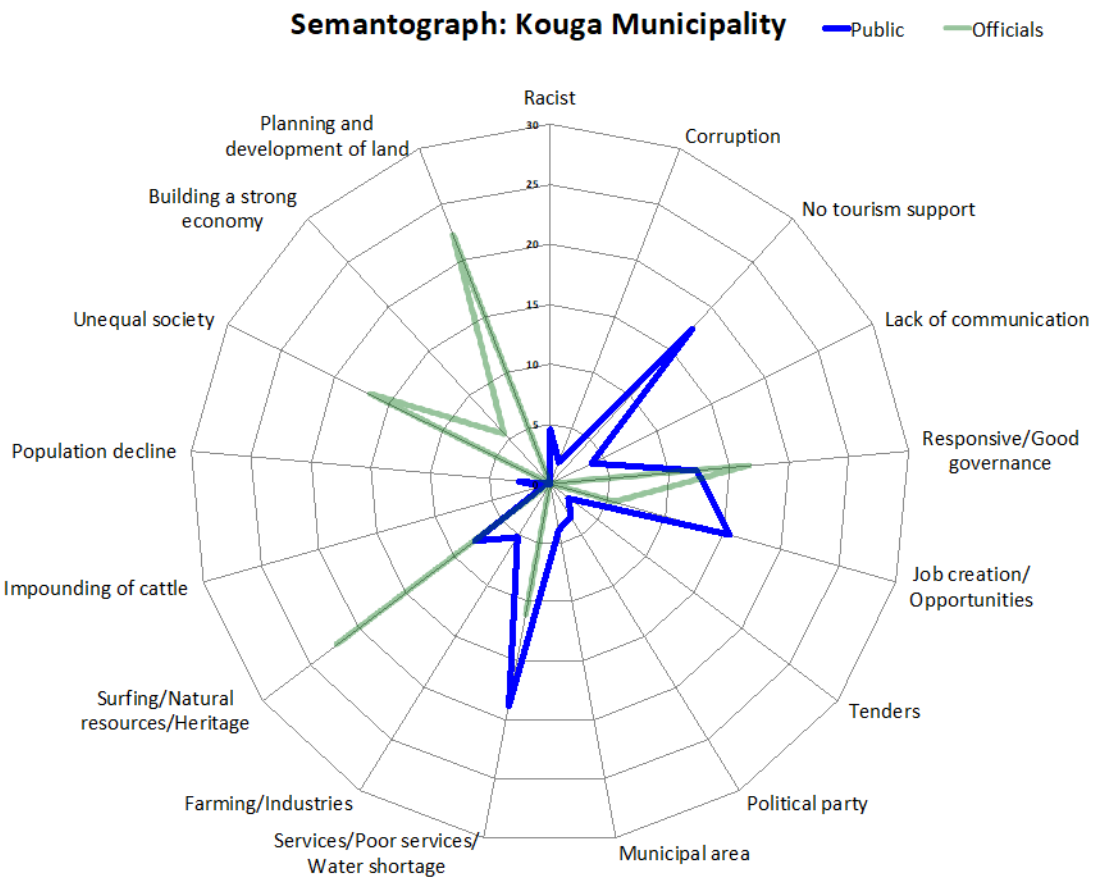


FIGURE 16: KOUGA MUNICIPALITY SEMANTOGRAPH OF THE PUBLIC AND LED OFFICIALS

Considering the results from the AGA information and its relevance to a possible LED strategic plan in support of a medium and long-term vision, it would pay best to put a clear public communication strategy in place. The AGA data in this report supports this notion and points to the need for a clear public communication strategy to be put in place upfront as an integral part of the LED strategic plan. Such a strategy should include the creation of an LED data hub within the municipal LED office to both initiate and host regular formal LED information dissemination sessions. Such a hub will ensure (i) access to clear communication from the LED office to the public and will (ii) counter the detected politicising of LED, the (iii) irresponsible shifting of the blame for stifling LED efforts and to (iv) stimulate creative indigenous LED initiatives.

13. The Priority index (P-Index)

The P-Index was specifically designed to prioritise the needs within communities or other target groups such as economic sectors. It is aimed at (i) determining the *actual needs* of the community at a *given point in time*, (ii) ranking them in *order of importance*, (iii) without being *paternalistic*, (iv) in such a way as to reflect the *real differences in urgency* between the needs represented by the various items. Also, (v) illiterate, semi-literate, and highly educated individuals can all participate as respondents, and (vi) their opinions are all measured with equal validity. This is made possible by using a measuring instrument known as the Schutte Scale, which also allows for ranking items without weighing one item against another. Furthermore, it also enables collection of (vii) both quantitative and qualitative data.

Efforts to determine the needs of communities are often based merely on the order of preference of respondents in terms of the perceived importance of the need. In practice, results obtained in this way have

proved to cause more problems than they solve, particularly in lower level socio-economic communities. Such communities usually have a pressing need for whatever one may care to mention, so that ranking needs in order of importance is simply not meaningful. The P-Index surmounts this problem by conflating respondents' perception of the ***importance*** of a given facility with their current level of ***satisfaction*** vis-à-vis that facility. As a result of this technique, a facility which respondents regard as very important, while at the same time being quite satisfied with the current state of affairs, will occupy a lower position on the P-Index than one sharing the same level of importance while being regarded as highly unsatisfactory.



FIGURE 17: HIGH IMPORTANCE, LOW SATISFACTION: PRIORITY HIGH



FIGURE 18: HIGH IMPORTANCE; HIGH SATISFACTION: PRIORITY LOW

The P-Index information is presented as a graph that ranges from the highest to the lowest priority as discussed and measured in the various focus groups that participated in the public participation process. It is important that the reasons underlying the items (often presented as slogans among the public) reflected in the P-Index of LED needs **should never be divorced from the accompanying narrative that is** why the item was mentioned and prioritised in the various focus groups. For this reason, tables reflecting the narrative are annexed to this document.

The combined lists of needs discussed in the various focus groups are presented with the reasons underlying each item as discussed in the focus group sessions. In order not to lose the necessary detail, the information was not filtered and is presented verbatim in the tables annexed hereto. The reason for data to be preserved in an unfiltered format is to serve as a baseline information bank and to make it accessible to all stakeholders in the Kouga Municipal area for interpretation from their specific involvement and perspective.

The maximum possible score (highest need) is the result of the discrepancy between the important measurement and the satisfaction measurement with each issue raid in the focus group. Measured on a scale ranging from one (1) to 11, this allows for a maximum score of 10 (11-1=10), where the average importance measured at 11 and average satisfaction measured at one (1). If the P-Index runs into a negative score, it means that the average satisfaction with that particular issue measured higher than the importance measurement of the same issue.

As each focus group generated its own list of LED needs with underlying reasons and importance and satisfaction measurements, a P-Index of each of the 12 groups were calculated. The data of the councillors and LED officials were kept separate, whilst the needs of the 10 "stakeholder" focus groups (named as "public" in this report) were combined and clusters were generated to provide a single P-Index graph with the average P-Index calculated from the various groups in which the same need originated. Therefore, though the P-Index graph provides an overview of the public LED needs in the Kouga Municipal area, the full richness of the information could only be understood if the graph is interpreted in conjunction with the underlying reasons, that also reflects the (i) focus group composition and (ii) P-Index measurement in the group from which the need originated. It is also to be noted that the needs were clustered based upon the underlying reasons given

during each focus group discussion, and not the “label” of the need as expressed in the group. This allows the claim of this technique to bring the basic needs to the fore, and not merely the “slogans” which are sometimes derived from the real need as it came to the fore during the discussions thereof.

Public LED Priority Index of Kouga Municipality

Looking at the P-Index graph for the public, 13 out of the 23 LED needs are administration related of which the remedy mostly seems to originate within the Kouga municipal administration. This means that a high level of introspection related to the LED needs mentioned will go to great lengths to address the needs of the public and will need little, if any extra money budgeted for.

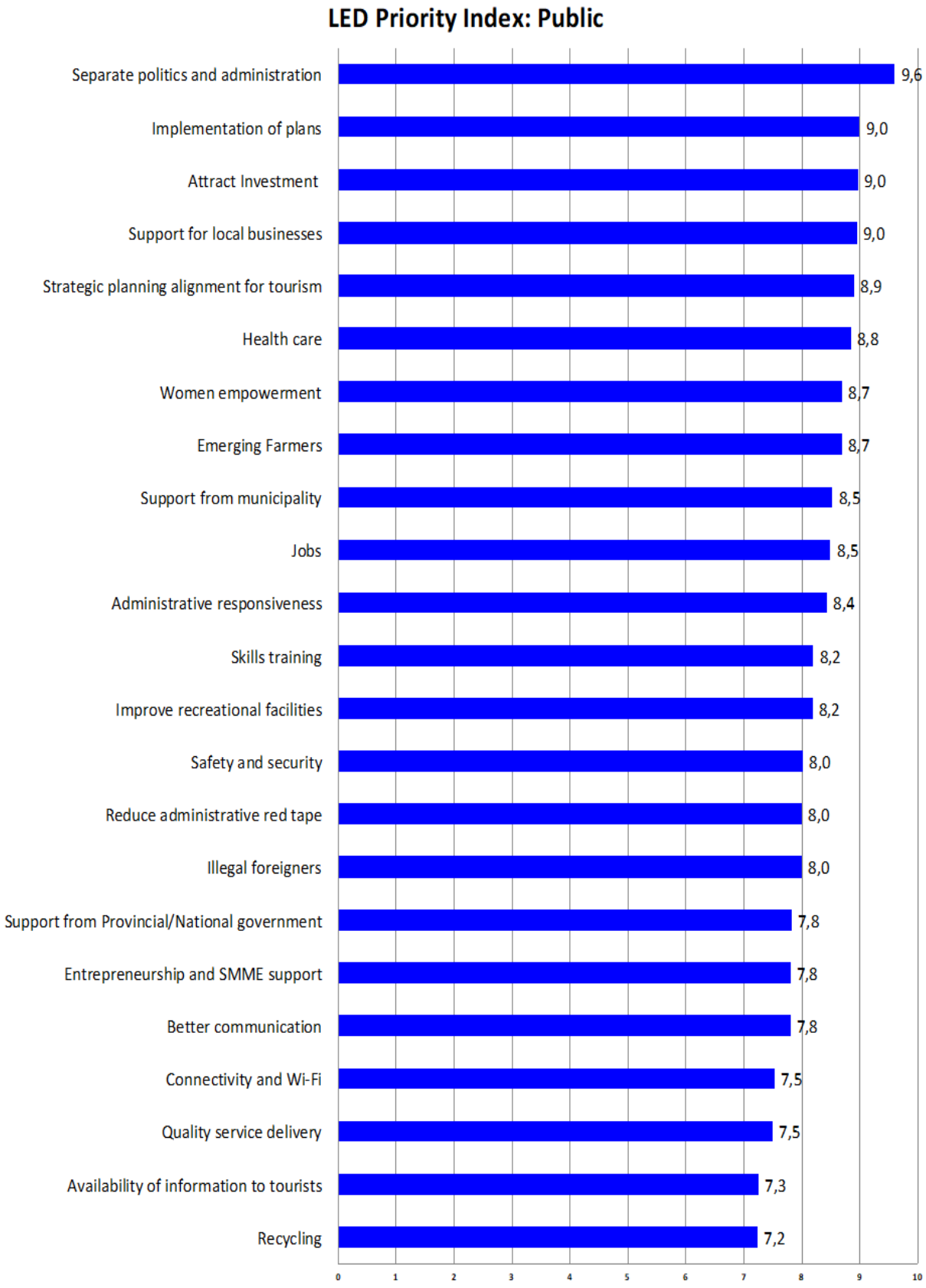


FIGURE 19: PUBLIC LED PRIORITY INDEX OF KOUGA MUNICIPALITY

The top LED priorities according to the public (sector representatives and community members) are depicted in Figure 19 and are as follow:

1. Separate politics and administration
2. Implementation of plans
3. Attract investment
4. Support for local business
5. Strategic planning alignment for tourism
6. Health care
7. Women empowerment
8. Emerging farmers
9. Support from municipality
10. Jobs

LED officials and councillors reported somewhat different priorities than the public.

Officials LED Priority Index of Kouga Municipality

As expected, the LED Officials provided a distinct different LED P-Index needs profile. They seem to have a good grasp of what is needed to get LED in the Kouga municipal area off the ground. From this it is clear that the LED office is well positioned to play a pivotal role in the proposed LED strategy and assisting them to remove the barriers to address their needs will go a long way to stimulate LED activities in the area. The competency of this office should be expanded to include access to good a good LED communication strategy in terms of human resources as well as budgetary needs.

The top LED priorities according to the LED officials are depicted in Figure **19** 20 below and are as follow:

1. Access to FinanceIndustrial Development
2. Entrepreneurship/SMME Support
3. Connectivitiy
4. Tourism Information centres
5. Skills Development, Training and Education
6. Municipal Infrastructure
7. Swimming Pool
8. Natural Resources
9. Renewable Energy

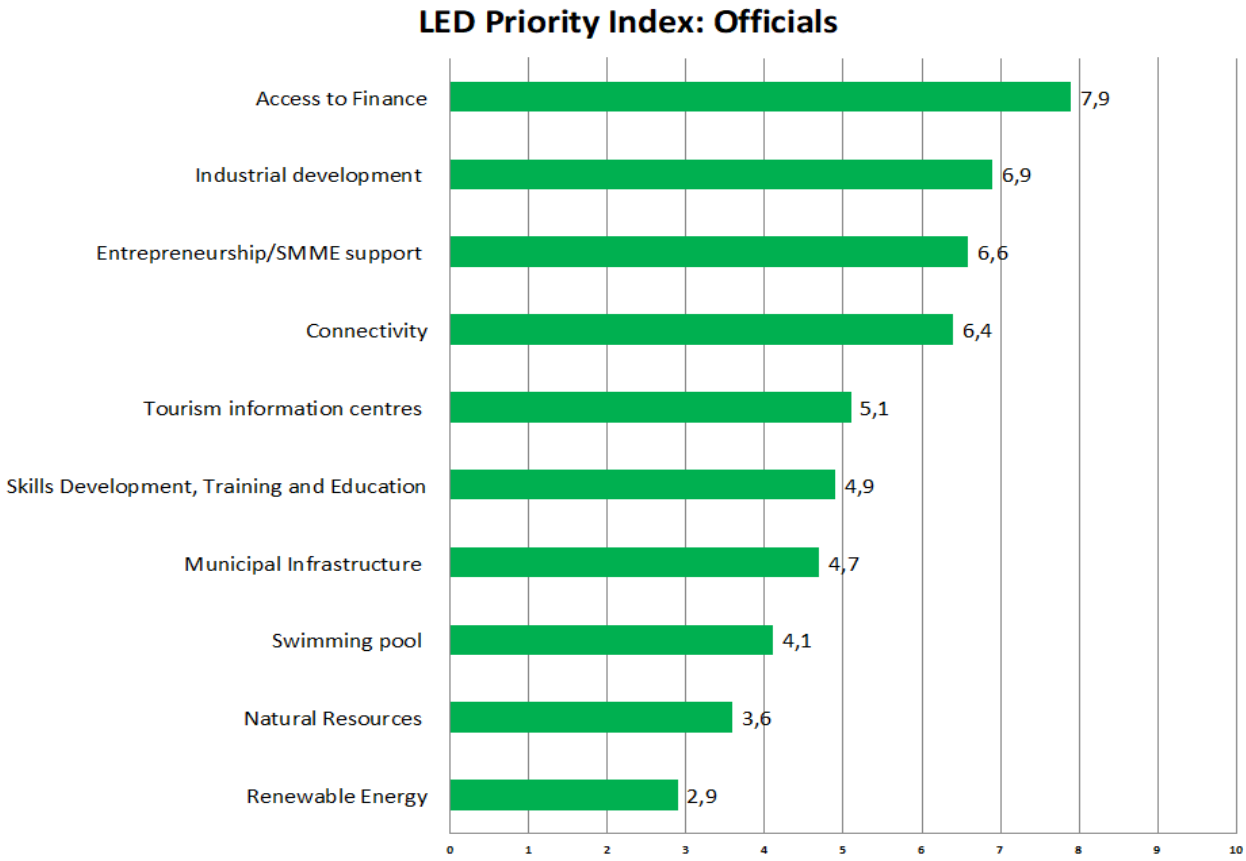


FIGURE 20: OFFICIALS LED PRIORITY INDEX OF KOUGA MUNICIPALITY

Councillors LED Priority Index of Kouga Municipality

The priority of needs of the councillors shows a disconnect between the municipal officials and the councillors. Elements of this "conflict" are reflected in the P-Index of the public as discussed earlier. However, the needs from the councillors do show some overlap with that of the public. However, they should be clearly informed of the needs as expressed in the P-Index of the public in order to fine-tune their activities when communicating with the public on LED needs.

Where the origin of the need is based upon poor communication, a proper designed communication strategy could solve the problem and would probably be a relatively cheap exercise and should be reserved for immediate and short-term strategic objectives. However, where the need is based on the reality (not only a perception) strategic planning measures should be taken to alleviate the barriers in order to trigger the development spiral in the Kouga Municipality.

An important feature of the three P-Indices (public, officials and councillors) is the lack of sufficient overlap to act and/or project an orchestrated approach to LED development in Kouga Municipality. The data reflects three different sets of needs and where there are overlaps in needs, the data reflects different reasons for the origin of the needs. Getting all parties on the proverbial "same page" should be a core element of the proposed LED strategic plan for Kouga municipality.

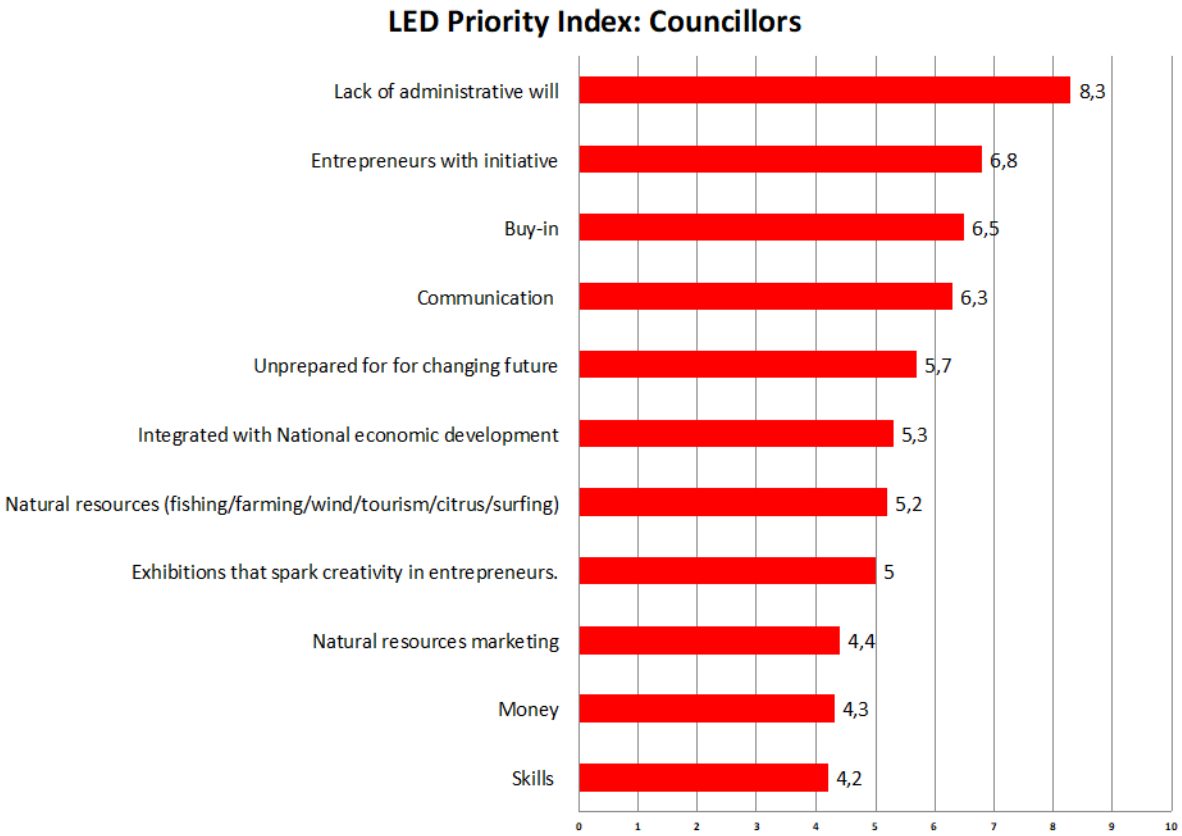


FIGURE 21: COUNCILLORS LED PRIORITY INDEX OF KOUGA MUNICIPALITY

The highest ranked priority need was the depoliticising of LED with an average P-Index of 9,6 out of a possible 10. With a priority of 9,9 among NPO's, the need to depoliticise LED in Kouga is disturbingly high. This perception is particularly active in the NPO and agricultural sectors. The successful implementation of any strategic LED plan, is dependent on clear (stringent) managerial procedures to address this need to depoliticise LED efforts in the Kouga Municipality.

The P-Index for the rest of the LED needs are all relatively high with little variation between priority indices of a P-Index of 9,0 to 7,2. Nearly all of the mentioned needs relate to administrative services that are to be provided to make it possible for people to trigger LED initiatives. Though supplying jobs (P=8,5) for the local people is in essence a driver behind the implementation of a LED strategy, it may also indicative of a sense of learned helplessness among the lower educated and unemployed poorer populace in the Kouga municipal area.

Notably the data indicates that the biggest stumbling block for LED in the Kouga municipal area is not a lack of entrepreneurial thinking, but to (i) depoliticise LED and (ii) to free the process of possible implementation of business initiatives from both self-inflicted and/or perceived, and real administrative barriers to the implementation of LED efforts. In order to do this, there should be a system in place where the LED office and the public (including the different business sectors) could operate within maximum overlap of ideas and needs. To create this space, the LED strategic plan should be designed to put mechanisms in place to create a space where the quest is not why business initiatives should not be granted approval, but rather what could be done to make LED initiatives possible.

This LED goodwill and trust is an immediate term need for any LED strategy to be successful. In doing s, it seems that an immediate term strategy would be to equip the LED office of the Kouga Municipality to communicate and merge the clearly existing advanced and holistic LED thinking that exist among the LED officials. The strategic aim of this communication should be to put LED into the public domain as both an

educational and communication instrument, aimed to create the maximum overlap between the public and municipality on LED theory, ideas and initiatives.

The LED strategy should also put mechanisms in place to enhance the sensitive balance between the (i) demand for jobs, (ii) training initiatives and (iii) employment opportunities. Any imbalance in this trilogy hosts the potential for public unrest, which will result in a decline in tourism as one of the biggest potential sources of income for SMMEs. Any harm done or negative experience of a tourist to this region could be seen as "LED sabotage". Therefore, the short- and medium-term LED strategic plan should include educational programmes aimed at making the Kouga municipal area a safe space for its citizens and tourists alike.

The detailed arguments of the needs expressed during the public participation engagements are annexed to this report and should be invaluable for further detail why the various needs manifested.

14. Community Index (C-Index)

Whereas the P-Index reflects the current, sometimes less obvious basic needs in a community, the Community Index (C-Index**)** was specifically developed as a baseline graphical depiction of the current **"state of satisfaction"** with the most basic building blocks that make any community. It also serves as the point of departure from which success or failure of service delivery and LED projects can be monitored in a specific community. Without the C-Index as a baseline, progress or improvement of the quality of life in the Kouga municipal area would have no relative point of departure and will always be hard to prove. The C-Index is **robust** enough not to be affected by irrelevant or lesser issues (odd outliers or spikes), but at the same time, **sensitive** enough to give a measured satisfaction perception of the reality on the ground regarding service delivery as perceived by the residents in the Kouga municipal area. By using the Schutte scale, quali-quantive measurements were done with respect to all 16 basic building blocks needed in any community to function as a community, on a 10-point scale ranging from 1 (dissatisfied) to 11 (very satisfied). It is important to note that these 16 building blocks cannot be prioritised, as it is regarded as the "bare minimum" for any functional human (physical survival) and communal (social interaction) existence. Whereas the first seven (7) elements reflect on the physical survival of the human, the last nine (9) reflect on the communal/interaction aspect of human survival. The purpose of the C-Index radar graph is to reflect the point of departure for any future positive or negative effect of any service delivery and/or development projects/programmes executed in Kouga. This can also be used to measure the impact of projects implemented over time.

The results obtained by conducting the **C-Index**, is presented in the form of a circular radar graph, or community profile. To interpret the results on the community profile, one needs to take note that the scoring starts on the circumference (1) and ends in the centre (11). This means that the closer the element scores to the centre, the better the situation with respect to the specific item and the further away from the centre, the bigger the problem.

The information reflected in the C-Index is vital for any sustainable development programme, as it serves as the monitoring tool with a baseline from which change in the target community could be monitored with future measurements as a result of any LED or municipal or public participation intervention programmes.

In using the C-Index as a values free perceptual baseline measurement of the 16 identified values free basic building blocks of any community to exist as a community throughout all ages and in future, it is to be expected that any successful sustainable LED development project would be reflected in a movement in the satisfaction readings of at least one or more of the 16 measured basic elements as reflected in the C-Index profiles below

C-Indext profiles of the public, councillors and the LED Officials

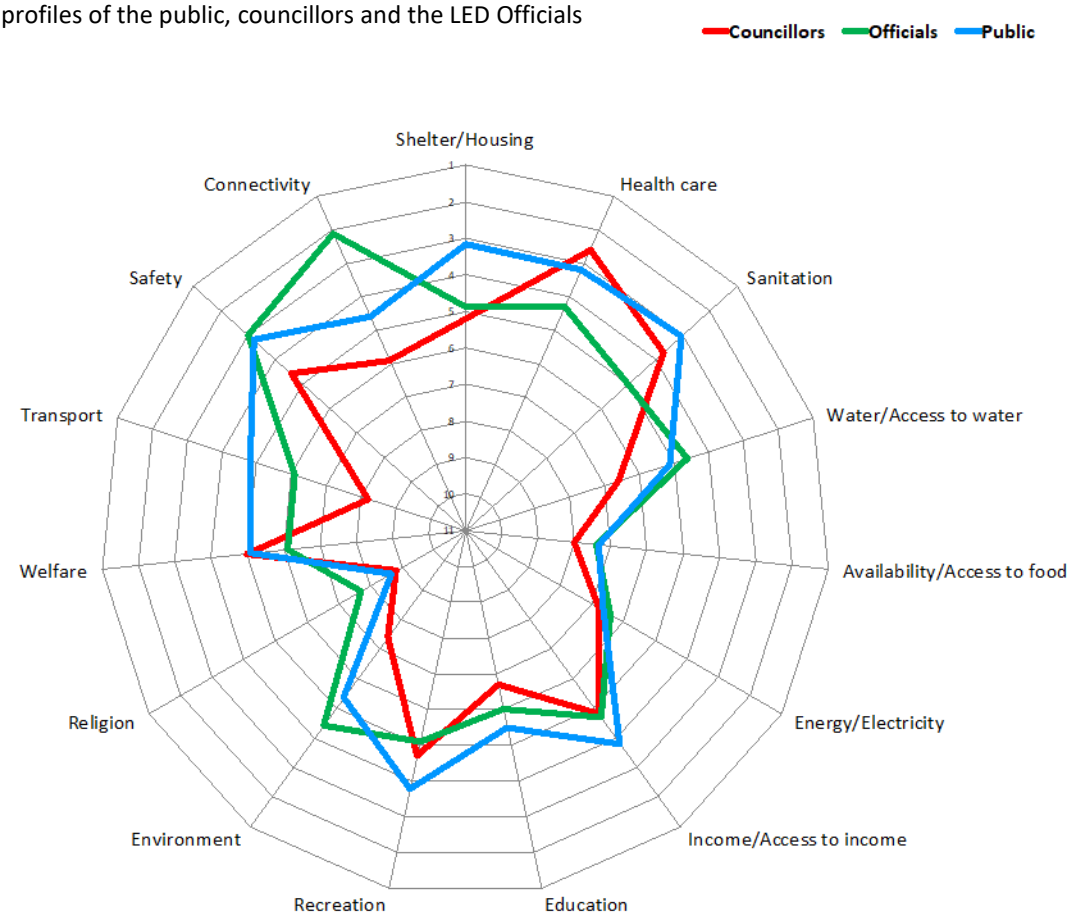


FIGURE 22: KOUGA MUNICIPALITY C-INDEX PROFILES OF THE PUBLIC, COUNCILLORS AND THE LED OFFICIALS

There seems to be much overlap in the 15 C-Index satisfaction measurements of the officials, public and councillors. However, the councillors seem to show a distinct less negative evaluation with respect to (i) transport, (ii) safety and (iii) connectivity. This slight disjuncture is also supported by the P-Index information and it is important the councillors be informed and sensitised about the reality of the experience of the quality of life in the respective communities as perceived by the public (and officials). Where the public's satisfaction with transport, safety and connectivity is worse than the councillors think, the public's satisfaction with health care seems to be less negative the councillors think it is.

Where there is less or little congruence in any one of the 15 basic building blocks of any community to exist as a community, it creates fertile ground for miscommunication and distrust that need to be addressed before any LED strategy is executed and it could start with a proper information dissemination session of the findings in this report to bring everybody on the "the same page" pertaining their experience of life in a typical community in the Kouga municipal area.

Community Index: Public

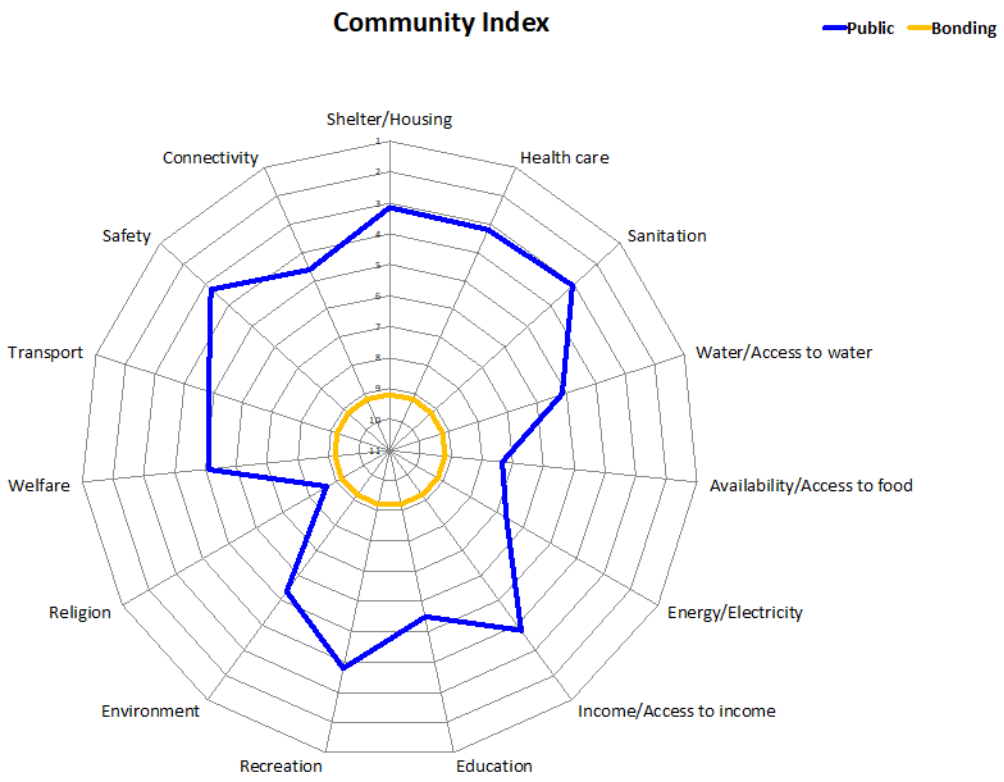


FIGURE 23: COMMUNITY INDEX – PUBLIC

The public is most satisfied with religion and availability/access to food in Kouga municipality. The public is least satisfied with safety, shelter/housing, healthcare and sanitation. The Kouga community (public) is quite bonded ("close") and if correctly executed and thoroughly communicated, LED initiatives should therefore be well-received.

Community Index: Councillors

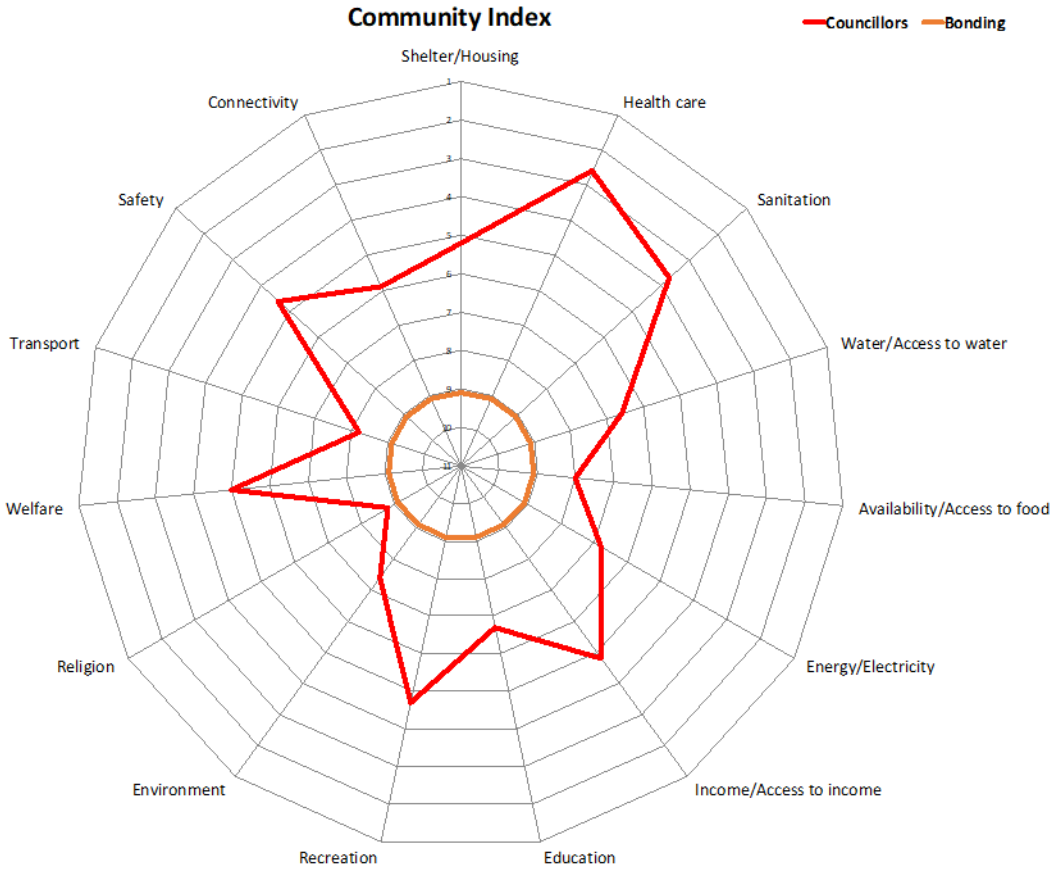


FIGURE 24: COMMUNITY INDEX – COUNCILLORS

The councillors are most satisfied with transport, religion and availability/access to food in Kouga municipality. The councillors are least satisfied with healthcare and sanitation.

Community Index: LED Officials

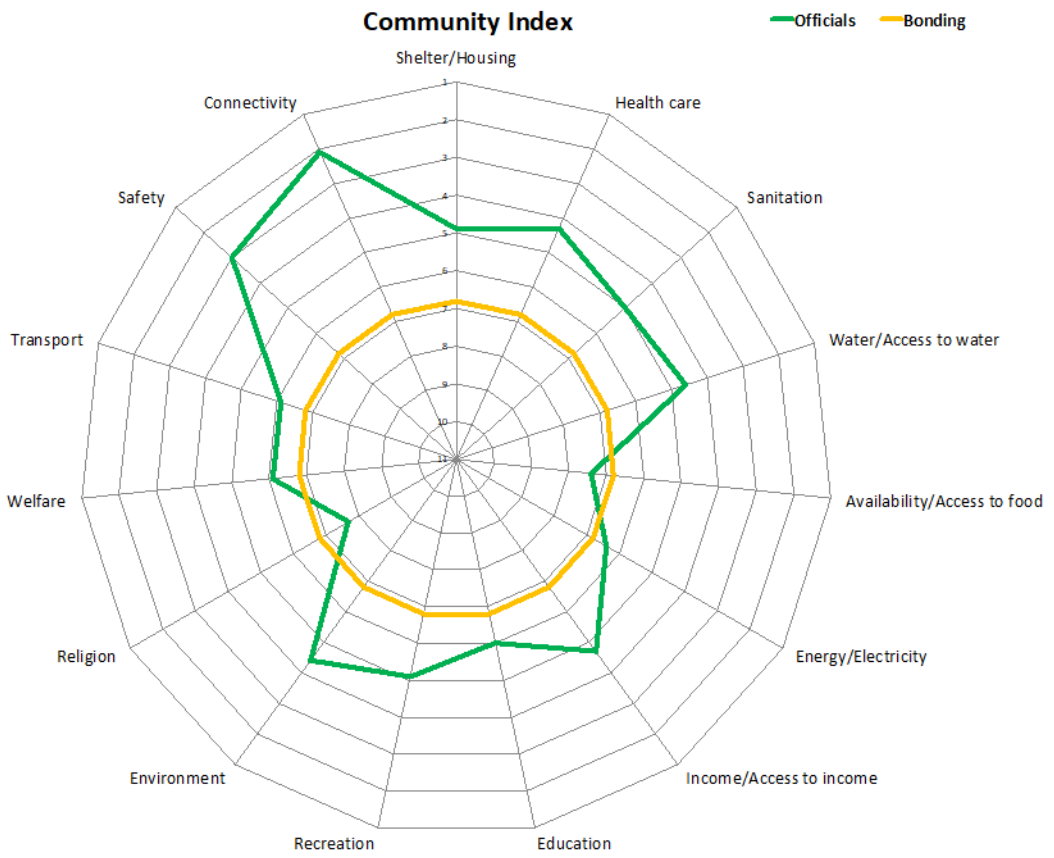


FIGURE 25: COMMUNITY INDEX - LED OFFICIALS

The LED Officials are most satisfied with religion, education and availability/access to food in Kouga municipality. The LED Officials are least satisfied with safety and connectivity in Kouga. It is notable that the level of "bonding" reported by LED officials is much lower than that reported by the public and councillors.

As only the satisfaction of these basic 16 elements (Bonding included) is measured (without generating any discussion regarding the reasons for the respective measurements) the 16 elements should be treated as clusters that comprises of the needs and reasons as expressed in the P-Index. The reader is to be reminded that the closer to the centre of the radar graph, the higher the satisfaction with the element with 11 as the best possible situation. A measurement of six (6) is the balance point satisfied and dissatisfied, and where a measurement of five (5) and less is associated with levels of dissatisfaction with a measurement of one (1) on the periphery as extremely dissatisfied.

14.1. Bonding

For any successful community driven development action to take place, involvement of the members of the community is vital. However, community involvement can only occur where there is a true awareness of "being a community". This only happens once sufficient bonding (values fusion with the individual and his/her surrounding), has developed in the target community. Before any development projects could be launched, it is vital to first unite the people in a society, group, or association, to foster a "sense of belonging" through common interests. If community LED development projects were to be executed **before** sufficient community bonding has occurred, they would probably fail. For this reason, the extent of bonding in the Kouga municipal area was measured to inform the LED strategic plan as to the level of community participation that can be expected when executing LED projects. If a large proportion of the community has not yet "bonded", it would be advised to first design programmes aimed at fostering unity and bonding among the members of the target community. Bonding in the community involves three elements, namely the extent to which (i) social support

services are available for those that need help in the community, (ii) socialisation (friendship circles) exist within the community and (iii) a sense of belonging (pride to belong) to the community exist among the target community. Therefore, the bonding is reflected as the average measurement on the following three questions, also measured on the Schutte scale:

- To what extent do you consider this community to be your home? (Pride to belong to)
- How close do you feel to your friends in the community? (Friendship circle)
- To what extent can you rely on the rest of the community to come to your aid if you would have a problem? (Social support system)

The amount of bonding is reflected in the size of the circle on the C-Index community profile. The smaller the circle, the better the bonding, and the bigger the circle, the poorer it is. On the Schutte scale ranging from 1-11, six is the divider between a positive and negative bonding in the community.

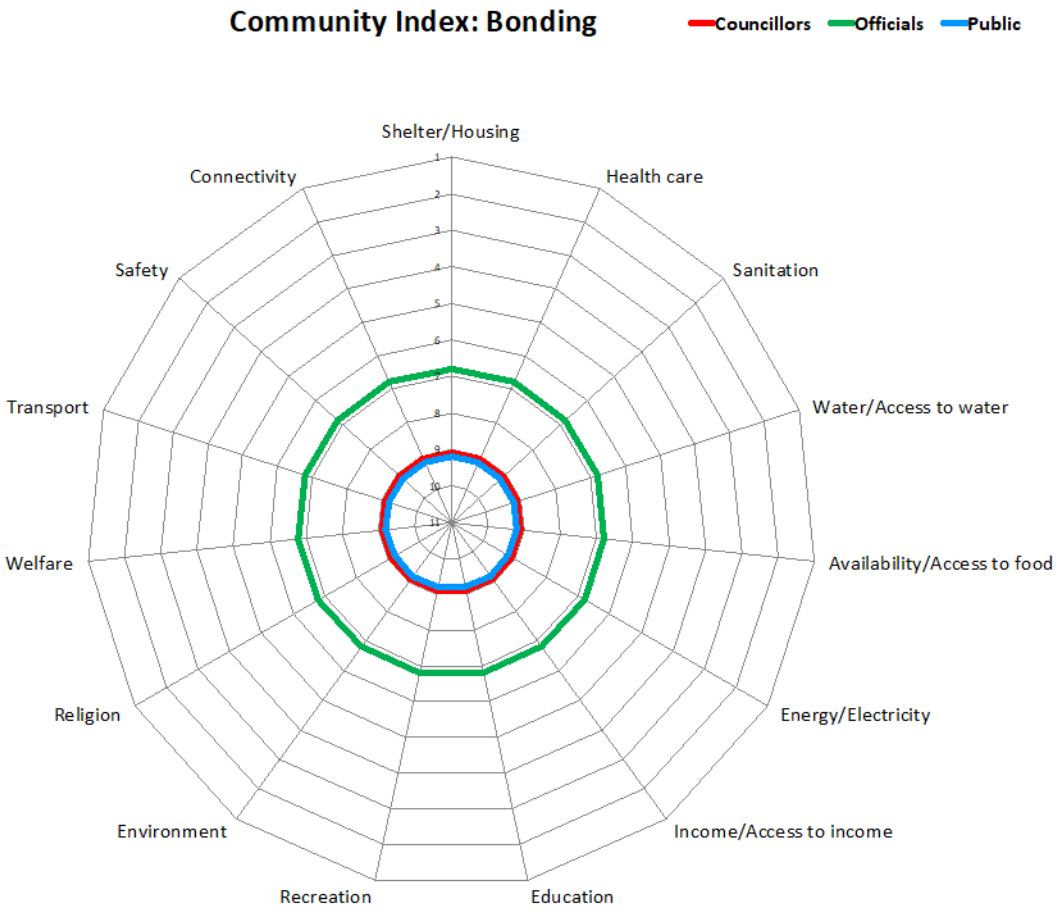


FIGURE 26: KOUGA MUNICIPALITY BONDING PROFILES OF THE PUBLIC, COUNCILLORS AND LED OFFICIALS

The residents in the Kouga Municipal area reflect a high level of bonding which is a vital ingredient for the activation of any LED development. In general, the residents have a positive association with the communities they live in and this information predicts that they will get on board when any initiatives are taken to improve their quality of life. This closeness is also reflected in the level of bonding measurement of the councillors who shares this feeling of the respective communities in the Kouga municipal area to be their "home". However, the LED officials seem not to share the same perception and they experience a very low level of bonding. This perception might be the result of their position as operating in the "crossfire" between the public and politicians and being continuously exposed to conflicts within the Kouga communities. They should as a point

of departure be informed that the reality is that the Kouga residents in general are well bonded and in pressing the right buttons, will rise to the proverbial occasion.

Strategies for growth

This section of the report deals with the strategic pillars, lucrative programmes and the broad strategies to achieve Kouga Local Municipality's LED objectives.



15. Ocean Economy

The Ocean Economy has been identified by national government as a key sector to capitalise on the rich potential of ocean industries. Kouga Municipality forms part of South Africa's and the Eastern Cape coastal economies, with a geographical location not far from the Algoa, Ngura and East London Ports. Kouga also boasts a privately managed port. Kouga Municipality is a recognised historically fishing community with active fishing and aquaculture activities as providers of major work opportunities, small harbour development, and small-town revitalization. Kouga is perfectly positioned to take advantage of the growing interest in developing a maritime economy. Such initiatives could include agriculture, fishing and boat building.

15.1. Operation Phakisa

- Operation Phakisa is an initiative of the South African government that was designed to fast track the implementation of solutions on critical development issues. This is a unique initiative to address issues highlighted in the National Development Plan (NDP) 2030 such as poverty, unemployment and inequality. This programme includes, among others, the following focus areas:
    - Ship/boat building
    - Aquaculture
    - Small harbour development
    - Marine protection
- **Small Harbour Development** - Small harbours can play a big role in driving new economic activity and to stimulate the local economy. Activities to promote primary maritime activity in the KLM area could include:
    - Infrastructure to support fishers: processing, ice production, cold storage
    - Infrastructure for boatbuilding and repair, additional berthing and launching facilities, new recreational fishing points and access to better amenities for fishers
- Taking advantage of **the State Coastal Property Development unit (SCPDU)** – The Ocean economy has been chosen as one of the key sectors for Operation Phakisa due to the massive opportunity to create value that resides onshore and offshore. Kouga Municipality's opportunity lies with working closely with the SCPDU to achieve these four major sectors:
    - Aquaculture (such as fish farming)
    - marine protection and governance (boat building)
    - marine transport and manufacturing
    - Small Harbours and State Coastal Property
- **Boat Building -** The manufacture of transport equipment includes the manufacture of boats and ships. The transport equipment manufacturing sector is central to economic development as it provides the means for transporting both individuals and goods. Demand for transport equipment has risen as the volume of goods transported and the distance travelled by passengers have expanded. Kouga has the potential to grow its existing boat building industry.
- **Marine protection.** Kouga's rich endowment of natural resources, coupled with the ecological fragility of the area, places a great responsibility on the Municipality and other role players to conserve and protect natural resources. This responsibility ties in with Kouga's commitment to developing a green economy.

Examples of businesses that could drive the SMME economy positively include desalination, yacht mole facilities, water taxis and a variety of tourism ventures. It is extremely important to ensure the participation of SMMEs in the process to meet the country's transformation targets in the Ocean economy.

16. Business Support (Private Sector)

Economic growth is a pre-requisite for economic development. Economic growth means increasing the total output, i.e. all goods and services produced in a region. A region's economy can therefore be grown by increasing the production levels of local businesses and establishing additional (new) businesses. To do this, the inputs required for businesses must be increased and businesses must operate at optimal production levels. Optimal production levels can be achieved through the necessary skills as well as creating an enabling environment for businesses to flourish.

The private sector, made up of businesses, is both a beneficiary and driving force for economic growth. Strong economic growth allows businesses to expand and grow, thereby increasing their economic contribution and facilitating economic growth, creating a virtuous cycle. Efforts to promote economic growth therefore create an enabling environment for existing businesses to grow and prosper and a conducive environment for new venture creation.

In addition to creating employment and capital formation, local businesses also contribute toward government income. The value of the private business sector therefore mostly lies in creating employment, thus enabling households to improve their standard of living and pay taxes, as well as contribute to the local economy. Households, or citizens, are therefore the end-beneficiaries of business prosperity, and government is in turn a beneficiary of citizens' prosperity.

A growing economy also enhances the chances of new businesses succeeding. The market for the goods and services produced by businesses can be enhanced by increasing the buying power of the local economy as well as exporting goods and services to other areas.

The more people participate in the economy, the faster it can grow. Economic participation means that people earn an income which will enable them to buy more of the goods and services, which in turn will increase the production. Creating employment is therefore key to economic growth, and creating employment is facilitated through growing businesses to employ the people and establishing new businesses for people to employ themselves. The private sector can be developed and supported through:

- Supporting SMME development
- Creating an enabling environment for businesses
- Reducing unnecessary administrative burdens (red tape)
- Excellent basic service delivery
- Suitable road- and transport infrastructure
- Safe and secure environment

16.1. SMME Development

Entrepreneurship is very important for putting labour, natural resources and capital to productive use. Entrepreneurship is recognised as a key driver of economic growth, job creation, and poverty reduction (World Bank, 2013). Nations with higher levels of entrepreneurship are most competitive and, according to the World Bank, a robust SMME sector has the capacity to be a transformational economic force in terms of enhanced competition, job creation, innovation, economic growth and poverty reduction. Private enterprises, however, depend on favourable local business conditions in order to achieve prosperity. Local government has an essential role in creating a favourable environment for business success and job creation. Partnerships and mutual support are essential to achieve this synergy.

The informal sector contributes to poverty alleviation by creating a livelihood for the poor, creating employment and producing goods and services for the local community. In South Africa, the informal sector is not confined to any particular sector of the population (Roux, 2014). Flea markets, street vendors, housewives who work from home, hawkers, sewing and backyard mechanics are but some examples of informal businesses.

In view of the contribution of the informal sector to job creation and economic activity, it should not be regarded as a nuisance, but rather as an additional source of economic growth that can be developed. Initiatives focussed on the informal sector should be aimed at providing support to develop enterprises and empower them to grow and create employment.

16.2. Enabling Environment

KLM should aim to create an enabling environment that attracts diversified private sector investment and fosters growth and development of existing and new businesses.

The business environment of the area is dependent on the following:

- Economic growth in the area
- The availability of human capital and the required inputs to their respective production processes
- Access to markets
- Basic service delivery and maintenance of infrastructure

Private sector development must be supported by transport and road infrastructure as well as basic services such as water and electricity and factors such as housing which is manly dealt with in the IDP. A safe and secure environment form the basis of growing the private sector.

16.3. Red-Tape Reduction

One of the most crucial economic development activities a municipality could undertake, is to improve the processes and procedures that local businesses are subjected to by the local authority itself. By reducing the number of complex, expensive and unnecessary business regulations, an area can quickly start to improve its investment climate and become known as a business-friendly locality.

16.4. Excellent Basic Service Delivery

Businesses are known to move away from areas where poor service delivery disrupts production processes, or to avoid crime-ridden areas where instances of crime and a lack of security result in financial losses. Attracting a strong private sector is built upon basic service delivery, safety and security.

Excellent basic service delivery is key to creating a supportive business environment, and the Municipality should provide and facilitate the following:

- Uninterrupted basic service delivery;
- Reducing crime and therefore losses due to criminal behaviour;
- Refuse removal and cleanliness;
- Lighting & marking of streets and pavements;
- Maintenance of the public environment
- Healthy social environment;
- Creating a safe and clean public environment by addressing issues of maintenance and cleaning of streets, pavements and public spaces;
- Manage existing and new public infrastructure for the future benefit of all the users of the area;
- Protect property values;
- Support the promotion of the area as a safe and clean environment by promoting greening, energy efficiency and recycling;
- Support and promote social responsibility in the area;
- Effective management of traffic flow and parking spaces.

16.5. Road- and Transport Infrastructure

Road- and transport infrastructure is required to link businesses to markets as well as ensure access to the necessary inputs and labour required for production. Excellent road and transport infrastructure are necessary for businesses across all sectors, including the tourism sector. It is recommended that KLM access the

applicable infrastructure grants to ensure that road and transport infrastructure support business- and tourism growth.

In addition, the building of roads using plastic, opens new possibilities for Kouga, not only to establish itself as a green economy hub, but also to solve its road maintenance problems locally. The plastic used to construct the intersection in Kouga was brought in from outside of the region. By implementing an effective and efficient recycling program, it would be possible for Kouga to locally source the plastic required to improve roads and fix potholes while saving the environment. If Kouga successfully established itself as a green economic hub and put in place the required manufacturing capacity to build plastic roads, it could provide a market for recyclable plastics for the entire region. (See section 20.1)

16.6. Safety and Security

Safety and security are extremely important for boosting tourism and also for protecting businesses across all industries against losses and damages. Effective policing and involvement with the local Community Policing Form (CPF) as well as neighbourhood watch initiatives and effective municipal policing should support reducing crime and enhancing safety and security in the Kouga Local Municipal are.

17. Tourism

The tourism industry refers to all receipts of direct spend incurred by tourists which may include pre-trip expenditure on travel and booking, travel and en-route expenditure and all expenditure at the destination (White paper on the development and promotion of tourism in South Africa, 1996). The subsectors under the tourism sector include adventure tourism, spiritual tourism, medical tourism etc. Forward- and backward linkages to the tourism industry include accommodation, catering, arts and crafts, transport and guiding.

Tourism is a partnership between the public and private sectors and is highly dependent on the co-operation of stakeholders. The White Paper on the Development and Promotion of Tourism (1996) defines tourism as "government led, private sector driven and community based."

Tourism enterprises are almost always privately owned, and tourism is therefore private sector driven. The role of the municipality is to create an enabling environment (the same as for any other business initiative) and provide support to the tourism sector through effective marketing and enhancing the tourism appeal of the municipal area.

The tourism industry has the potential to attract revenue and stimulate private- and public-sector investment in a region (NTSS, 2017). The tourism sector is highly labour-intensive, supports SMME development and has the potential to attract foreign direct investment (NTSS, 2017). Tourism also has multiple linkages to other sectors. Tourism supports LED in that it expands the local economy by attracting revenue from outside the local area. In addition, it stimulates capital investment and fosters job creation.

17.1. Promoting Tourism

Promoting tourism involves developing local tourist sites and facilities as well as improving security and ensuring that all residents are welcoming of tourists.

Tourism is a multi-faceted industry with various links to the manufacturing and retail sector. In order to effectively develop the sector, it is important to understand both the demand factors and the supply factors of the industry:

- Demand side: who are the people visiting the area and what are their needs and expectations?
- Supply side: what is the unique selling proposition (USP) of the area, and how can customer needs and expectations best be satisfied.

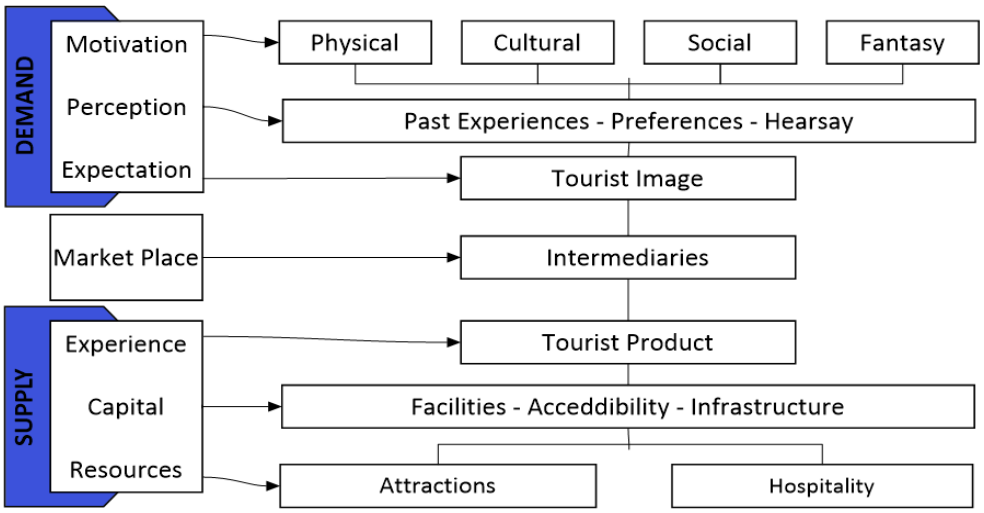


FIGURE 27: SUPPLY AND DEMAND FACTORS FOR TOURISM (SOURCE: MURPHY, 1985)

Effective tourism management entails a three-tiered approach:

1. Attracting visitors to the area through an appropriate marketing strategy
2. Ensuring that visitors enjoy a positive experience in the area to facilitate repeat visits and build a reputation as a successful tourist destination.
3. Maximising benefits to the local area in terms of the community, the economy and the environment.

Thus, managing tourism entails getting tourists to visit the area and then ensuring that the visit is a pleasant experience for the visitors, i.e. that the destination delivers on all it promises to, whilst benefitting the local area.

A down-side of tourism is that it is often seasonal, and employment opportunities and revenue may therefore be concentrated in a few months of the year. In addition, rural tourism entrepreneurs are often challenged by difficulties in obtaining capital and effectively capturing business from their local tourism industry.

17.2. Growing Tourism in Kouga

Jeffreys Bay is known as the surfing capital of the world and also hosts the Jeffery's Bay Open surfing competition as well as the Jeffery's Bay Winter festival. The Jeffery's Bay Winterfest boasts various activities such as surfing, a trail run and moto-X. Kouga municipality plans to establish Kouga as the Events Capital of South Africa. In addition, the objective is to establish Kouga as a preferred holiday destination for the whole family.

Growing the tourism sector in Kouga Local Municipal area could be achieved through all stakeholders working together and communicating effectively to achieve the following:

- Develop an effective and coherent brand for the Kouga Local Municipal area.
- Developing and effective marketing plan which includes identifying the target market and developing an appropriate marketing message to market the area.
- Identify flagship attractions in each of the areas and building the tourism brand around that.
- Assisting the tourism sector (privately owned businesses) to attract more visitors and develop additional attractions through support as and when needed and as appropriate.

17.3. Key objectives

- The tourism sector has to explore new and innovative ways to expand consumer options and experiences. New and innovative product offerings should be based on creative and unique experiences in the area.
- Tourism enterprises should increase their electronic footprint in order to expand their market reach.
- Green tourism options should be explored to meet the market need for more responsible, environmentally conscious, ethical and sustainable tourism.

- Developing a brand that is unique and speaks to the area's unique heritage of the region is essential.
- Increase market share and capitalise on previously unexplored markets through value-for-money (VFM) and affordable product offerings.
- Ensure ease of access in terms of travel to and within the region.
- Create a nurturing environment for emerging businesses in the tourism sector.
- Initiatives to enhance the attractiveness, safety and cleanliness of tourist infrastructure should be launched.
- Prevent incidents of crime against tourists through enhanced safety and security.
- Developing infrastructure that supports new and innovative travel experiences to serve the growing tourist market segments.
- Develop high speed Wi-Fi access at tourism hotspots.
- Clear and informative tourism signage to enhance ease of travel within the tourist destination.
- Ensuring the safety and security of tourists through tourism safety programs.
- Service delivery can be improved through skills training.
- Investigating options to include poor communities in tourism.
- Enhance market access for emerging tourism businesses.
- Provide a platform for emerging businesses to capture a larger share of the market and reach customers with sufficient income to procure their product offering.

18. The Green Economy

The definition for the green economy, as proposed by the United Nations Environmental Programme (UNEP), is "an economy that results in improved human well-being and reduced inequalities over the long term, while not exposing future generations to significant environmental risks and ecological scarcities". This is an economy in which waste is recycled and used as an input in the same or a different process. The principle of green economy is, therefore, to create a low carbon economy and dissociate resource depletion and waste generation from economic growth; in short, economic growth without depleting natural resources and generating excessive waste. The need to grow and develop green economic potential and unlock social, economic and environmental opportunities provided by recycling is essential as South Africa finds itself on the brink of a Circular Economy.

18.1. Development of Green Economy

Municipalities are the sphere of government that is best placed to positively influence Green Economy as they are the closest to local businesses, job seekers, and the disadvantaged communities. The following forms of a municipality's mandate in shifting their economy to a greener economy:

- Energy and water efficiency;
- Appropriate waste management;
- Sustainable development that leads to poverty eradication.

Job creation indirectly forms part of all of these mandates. South Africa's Green Economy Strategy describes green jobs as work in the following sectors:

- agriculture
- manufacturing
- research and development
- administrative, and
- Service activities that contribute substantially to preserving or restoring environmental quality."

It further also includes jobs that help to protect ecosystems and biodiversity; reduce energy, materials, and water consumption through high-efficiency strategies; decarbonize the economy and minimize or altogether avoid generation of all forms of waste and pollution.

Local Government has a dual role in the green economy as a partaker as well as an overseer thereof. Municipalities are partakers in that they must employ green technologies in their operations including wastewater, water, and energy management. They are the overseers in that they must ensure and regulate what business and the private sector discharge into the environment.

One of the ways Local Government can regulate, is by way of developing policies. Policy initiatives include green buildings policies, green transport policies and green procurement policies. Or to at least include some green requirements in policies.

The focus in South Africa is currently on the following green economy areas:

- Management and conservation of resources
- Waste sustainable management practices
- Water resource management
- Environmental sustainability v. Green buildings
- Sustainable transport
- Efficient and clean energy
- Agriculture and forestry
- Sustainable production and consumption

Achieving a green economy is thus seated in encouraging investment in ways that reduce carbon emissions, reduce the generation of waste, optimize resource use and prevent loss of biodiversity and ecosystems. Renewable energy, water management, waste management, and land management all contribute towards a green economy. A green economy, therefore, plays an essential role in sustainable development and encompasses environmental sustainability, social sustainability, and economic sustainability.

South Africa's Green Economy Strategy states that there are two developmental outcomes for the green economy that is interlinked with each other:

- Growing economic activity, that will lead to investment, jobs, and competitiveness, in the green industry sector;
- And shifting the economy as a whole towards cleaner industries and sectors with a low environmental impact compared to its socio-economic impact.

Furthermore, to achieve these outcomes, green jobs need to be created and economic growth needs to be decoupled from resource consumption.

18.2. Circular Economy

Municipalities are faced with the challenge of balancing industrial development, environmental and resource resilience, human health and economic growth with waste management. The application of a circular economy finds a solution to this conundrum through the principal of the evaluation of Materials within a closed-looped system with the aim to allow for natural resource use while reducing pollution avoiding resource constraints and economic growth (Winans, Kendall, & Deng, 2017). The principles of circular economy enable countries to bridge the natural resource constrains and depletion of natural resources while addressing pollution and the need for economic growth (Yuan, Bi and Moriguichi, 2006). Circular economy provides the answer to alleviate the contradiction between economic growth and the shortage of natural resources.

18.2.1. Renewable Energy

The municipality must create awareness programs regarding water and energy savings. The following renewable energy projects are in operation or under construction in Kouga:

- Jeffreys Bay Windfarm between Humansdorp and Jeffreys Bay
- Kouga Windfarm north-east of Oyster Bay
- Gibson Bay Windfarm west of Oyster Bay

Kouga Wind Farm is a renewable energy project which makes the most of the fresh onshore breezes that sweep the Eastern Cape coastline of South Africa. The wind farm delivers 80 megawatts of grid-connected capacity in the quest to power the country's low-carbon future. According to the Department of Energy's national Integrated Resource Plan, the renewable energy sector is targeted to provide 42% of SA's energy requirements by 2030, with wind farms playing an increasingly productive role.

18.2.2. Recycling

In the light of the increased importance of green economy and the movement towards the concept of a circular economy, it is recommended that the Kouga municipality focus on creating policy with regarding to the green economy, or at least introduce green economy requirements in their existing policies for instance in the Procurement Policies regarding Waste management. The investigation of several policy options and the implementation thereof should be addressed.

Recycling (contributing and supporting solid waste management) can be rolled out as an income generating activity for the poor and unemployed. The benefits to the municipality will include increased diversion rates to save landfill space and achieve targets set by legislation. The benefits to the community and the welfare forum would include revenue and creating employment.

18.3. Strategic Direction in terms of Green Economy

The municipality can investigate the following sectors to expand its role in green economy:

Water and Waste management	• Rainwater harvesting • Wastewater recycling • Water Saving Campaigns • Minimize waste disposal in informal dumpsites • Minimize waste disposal in waterways • Uncontrolled burning of wastes • Recycling of waste material
Energy:	• Energy-saving light bulbs • Street lighting with automatic switching • Improved management and operation of buildings • Power savings from optimised pumping of water and sewerage systems • Incentives/rebates for private household installing solar energy
Housing:	• Installing ceilings and other no-cost measures to improve the thermal efficiency of the buildings • Promote more efficient appliances • Switch from electricity and/or paraffin to LPG for cooking; • Supply & install energy efficient lights
Legislation and policy:	• Develop policy relating to the green economy • Enforce laws on waste management, construction, and land use.

TABLE 3: SECTORS FOR EXPANSION IN GREEN ECONOMY

18.4. Economic clusters: Establishing KLM as a "Green Hub"

An initiative between Kouga Local Municipality, the provincial legislator and Scottish innovators holds the promise to tackle the areas pothole problem by using innovative methods to build roads using plastic pellets in the bitumen mix used to build roads. This initiative also brings the possibility of establishing a recycling hub in the Kouga Local Municipality and a green technology cluster in the municipal area. The successful establishment of economic clusters is dependent on the local provision of specialised industrial services and the availability of a pool of qualified workers (Rodriguez-Clare, 1996; Ciccone and Matsuyama, 1996).

The Kouga Local Municipality area has the potential to create a Special Economic Zone for green economy, i.e. become a so-called Green Economy Hub an area that is designated for the manufacture of green technologies, alternative waste management, energy-efficient technology, alternative building material and many other clean technologies.

Economic growth can be stimulated through fostering symbiotic relationships between firms. As markets expand, tasks previously carried out in-house later get separated and sub-contracted to specialised firms or individuals. Firms that operate in specialised economies often sub-contract auxiliary activities to outsiders in order to focus on their core business. Specialisation enables firms and individuals to optimally capture the advantages of learning-by-doing, i.e. they become very good at what they do (Fafchamps, 2000). Taking advantage of specialisation, spill over and forward and backward linkages can be achieved by the establishment of economic clusters. Spill over effects are strong within a group of similar industries (Hirschman, 1958). Firms can buy from and sell to each other, which is called backward and forward linkages. The potential for establishing clusters is strongest where spill over effects are strongest.

In view of Kouga's success building the first plastic road, there is the opportunity for the Kouga Local Municipal area to establish itself as a green road manufacturing hub. Through an effective recycling program, it would be possible to divert usable plastics from the landfill towards fixing road infrastructure in the municipal area. In addition, recyclable plastics can be bought in from neighbouring municipalities and the plastic road building capacity used as an income-generating activity for businesses in the Kouga Local Municipal area.

Once a viable industrial cluster has been established, focus can be moved to establishing another. Industrial policy is essential for development planning, and the optimal sequencing of cluster development is crucial for effective industrial policy (Jacobs, 1969, 1984). It is therefore important to target specific industries and then effectively sequence the establishment of additional clusters through industrial policy.

It is recommended that policy support be targeted at industries that are closely linked instead of sprinkling support thinly over all industries (Hirschman, 1958).

19. Human Capital Development

The population (people who live in an area) is arguably one of the most important resources that drive the local economy. The population of a region forms part of the ultimate objective of the development process, as well as being a factor in the process (DBSA, 2001). The Department of Social Development is primarily tasked with the responsibility of promoting social development in South Africa, and the Department of Education is primarily responsible for developing education. The mandate of the Municipality is to facilitate an enabling environment for social development to take place.

The support from the Kouga Municipality to social development organisations are crucial. Non-profit organisations (NPOs) and non-governmental organisations (NGOs) provide dedicated and specialist assistance to local communities. These organisations address a host of social issues, ranging from early childhood development, healthcare, caring for the elderly, addressing social ills, animal welfare, education, skills development and substance abuse, to name a few. The specialist knowledge and extensive experience of such organisations should be harnessed to optimally benefit the local population.

Co-ordinating efforts and co-operation between all spheres of government and the various NPOs and NGOs in the Kouga municipal area, can not only prevent duplication of programmes, but through concentrated efforts, significantly enhance the impact of interventions and programmes. The Municipality cannot, and should not, attempt to replace or duplicate the work done by NPOs and NGOs, but must rather aim to maximise the benefits of these private sector initiatives. The role of the Municipality should be one of support, facilitation and creating an enabling environment.

Providing support to NPO's and NGO's in order to maximise the impact of their programmes and reap maximum benefits from their in-depth experience and grass roots level knowledge is key to Human Capital Development.

19.1. Training, Education and Skills Development

The availability of a suitably skilled workforce is an important ingredient for businesses to grow and prosper. The development of businesses, existing and new, is dependent on the capabilities of the entrepreneurs and the workers.

Skills development is thus important for businesses, and in turn, most businesses assist in the development and training of their workforce. Kouga has the fastest average population growth rate of all municipalities in the Sarah Baartman district at 22.7% between 2006 – 2016. Kouga's higher population growth rate is mirrored in economic growth rate, indicating that the population growth and economic growth are interrelated. It is important to ensure that the larger population enjoys increased prosperity, and that can be achieved through ensuring that adequate support is in place to enhance the productivity of the population. In order for people to be employable, they need to be equipped with the necessary skills.

Kouga local municipality is experiencing comparatively faster economic growth than the surrounding areas and upskilling its workforce would enable the area to capitalise on this growth. Supporting individuals to gain access to employment (income) is an important step in addressing poverty and restoring dignity. The importance of skills development, and specifically youth development, cannot be overlooked. Developing the youth and facilitating opportunities for training, education and skills development are of utmost importance.

19.2. Support to NGOs and NPOs

KLM would benefit from the establishment of a welfare forum comprising of NPOs, NGOs and stakeholders operating in the area to liaise with different stakeholders in the Social Development, Health and Educational sphere.

The welfare forum can be used as vehicle to implement other strategic projects targeted for the Kouga area. Using the Welfare Forum (members) to implement strategic projects will yield dual benefits: it will ensure that projects are implemented to the benefit of the Municipality, and it will provide revenue for welfare organisations that will increase their capacity and enable them to do even more. Revenue paid to these organisations will therefore be re-invested in social development in the area. Examples of such strategic projects can include, but are not be limited to:



A forum could be established where relevant stakeholders (such as NPOs) and government departments can engage regarding the issues at hand in order to:

- Eliminate the duplication of programmes
- Allow for different stakeholders to collaborate on programmes, providing the best possible skills set for targeted programmes
- Enhance communication between stakeholders and ensure that all stakeholders are informed of programmes and challenges
- Provide a contact point for government departments, who must be encouraged to be members of this forum
- The forum can be used as a vehicle for communication, distributing funding and sourcing service providers for specific social development initiatives

The forum can be linked with provincial and national programmes and projects to ensure that the region reaps maximum benefits from broader projects.

The forum can be used to channel funding to worthy projects and the on-the-ground level knowledge of NPOs and NGOs would provide excellent intelligence regarding needs and initiatives.

The municipality should facilitate the establishment and ensure that quarterly meetings take place and are attended by key role players such as SAPS and provincial and national departments (health, education, social development, cultural affairs and sport). The national and provincial departments often provide support programmes and funding to various initiatives.

The municipality can provide financial assistance to NPOs in the form of grants and also by using them as service providers to roll out identified interventions. NPOs and NGOs can be invited to facilitate programmes on a bid basis.

Non-financial assistance could be provided to NPOs and NGOs in the form of assistance with communication (using municipal platforms) and making available idle resources, such as premises and equipment, free of charge.

20. Investment

Capital formation (investment) includes the following:

- The accumulation of human capital
- The accumulation of physical capital
- Technological advancement and innovation
- Economic clusters
- Foreign investment

The accumulation of capital (investment) is important for economic growth and development. Countries, regions and cities benefit from attracting investment (capital formation in the area) by the private sector as it enhances the economic base of the area and promotes economic development.

There are numerous basic services that all towns and cities need in order to provide a solid foundation for further economic growth and job creation. These include investing in strategic infrastructure, providing adequate electricity, water and sanitation services, rolling out public transport, and ensuring predictable and transparent regulatory processes. Establishing a reputation as a clean environment with a high quality of living is also essential.

Sachs (1998) argues that infrastructure is a regional affair as individual (local) economies are too small to sustain modern infrastructure by themselves. Building a good regional reputation is more likely to successfully attract foreign investment, and regional integration offers the area greater collective bargaining power. Regional integration is about pooling resources to create a collective that is stronger and more powerful than its individual components.

20.1. Transport infrastructure

Transport infrastructure, such as road and rail, is essential for ease of access for tourists, to facilitate trade (i.e. the transport of goods into and out of the region), and in terms of attracting investment. For Kouga to become an investment destination of choice, it is imperative that the necessary transport and road infrastructure be in place. Otherwise, firms located in Kouga will suffer from competitive disadvantages due to high transport costs.

Freight Transport plays an important role in the area's economy in terms of the transport of agricultural produce. Transport infrastructure, such as road and rail, is essential for ease of access for tourists, to facilitate trade (i.e. the transport of goods into and out of the region), and in terms of attracting investment (See section 16.5)

20.2. Construction

The construction industry in Kouga is a significant contributor to GVA and job opportunities. Kouga also reported the highest value in terms of Rand value of buildings completed.

Kouga Municipality has the highest total value of buildings completed in 2015.

Building completed in local municipalities – Total value of buildings reported R '000					
	2011	2012	2013	2014	2015
Baviaans Municipality	2,762	2,797	4,200	3,966	7,645
Blue Crane Route Municipality	53,354	75,652	236,929	86,688	101,892
Camdebo Municipality	12,406	2,922	123,437	40,211	28,922
Ikwezi Municipality	2,508	1,355	816	4,529	6,641
Kouga Municipality	154,533	148,116	165,424	199,040	229,145
Koukamma Municipality	90,450	109,067	135,710	68,995	43,793
Makana Municipality	0	9,958	16,146	12,030	33,022
Ndlambe Municipality	209,633	173,175	92,344	47,738	77,643
Sundays River Valley Municipality	78,183	46,825	17,465	5,418	21,326

TABLE 4: BUILDING COMPLETED IN LOCAL MUNICIPALITIES - TOTAL VALUE OF BUILDINGS REPORTED

The municipality can support the construction industry though efficiently and effectively handling property resounding applications, building plan approvals and property inspections. Growth in the number of building plans passed and completed is indicative of a growing economy, both in that building is a response to growth in demand as well as a stimulant of further growth. Building plans passed and completed also indicate an increase in the revenue base of the municipality and has spatial development planning implications.

20.2.1. Residential development in KLM

Next to grants and subsidies from National Government, property rates and taxes is a local municipality's greatest source of revenue. The development of residential properties has a direct impact on a local municipality's revenue base and can increase municipal income. Attracting residential property development entails a combination of offering an attractive location to potential residents and enticing property developers to embark on developments in the area.

Property developers can be directly engaged to discuss mutually beneficial agreements or invited to tender on residential developments in the area. The viability of a development is dependent on the market demand.

The desirability of an area as a place to live is based (but not limited to):

- Personal safety which is very important to people when deciding on a place to live. People want to feel safe where they live and not be threatened by crime
- The availability of jobs and employment opportunities
- Availability of schools and health care facilities
- Air and water quality
- Condition of physical infrastructure such as roads
- Availability of parks and recreational facilities.

Attracting residents to contribute to the Municipality's revenue base is therefore dependent on crime prevention, economic growth (to create employment opportunities) and the maintenance and quality of infrastructure and public spaces.

20.3. Information and Communication Technology (ICT)

Economic development can be viewed as a process of modernisation. Technological change can be seen as modernisation and is an essential ingredient of growth (Fafchamps, 2000). The advancement over the last 200 years can be attributed to the application of new science and technology to various industries, including agriculture, medicine and service (Fafchamps, 200). Technological advancement is also called modernisation, and technological transfer is essential for transformation to take place. The rapidity of development can in part be attributed to the speed with which an economy absorbs modern technology and ideas. Innovation is therefore crucial for advancement. Areas that lag behind global modernisation are perceived to be marginalised (Fafchamps, 2000).

Technological advancement is typical in the private sector, as private firms are more flexible and more efficient, and constantly reorganising themselves (Fafchamps, 2000). However, using modern equipment and machinery requires better trained workers, and human capital accumulation is thus a complement to physical capital accumulation, and is vital for accessing new technologies.

Information and communications technology (ICT) is an extensional term for information technology (IT) that stresses the role of unified communications. ICT infrastructure, connectivity and the sharing of information are important for citizens as well as an important factor for tourists when choosing a destination. The IMF highlighted the importance of expediting the process of allocating broadband spectrum in order to enhance the competitiveness of the telecommunications sector in its 2018 report.

Connectivity and the sharing of information is important for local residents as well as an important factor for tourists when choosing a destination. ICT infrastructure is also essential for attracting investment to an area. Services most highly rated in the tourism sector include internet access (ICT infrastructure), roads and signage, and a high level of basic service delivery.

The digital revolution, driven by the 4th wave of industrialisation, will have an impact on a number of sectors such as construction, retail and wholesale, manufacturing, tourism, agriculture, the green economy, transport, financial and business services and government. However, the full potential of technologies and related capabilities has yet to be fully explored.

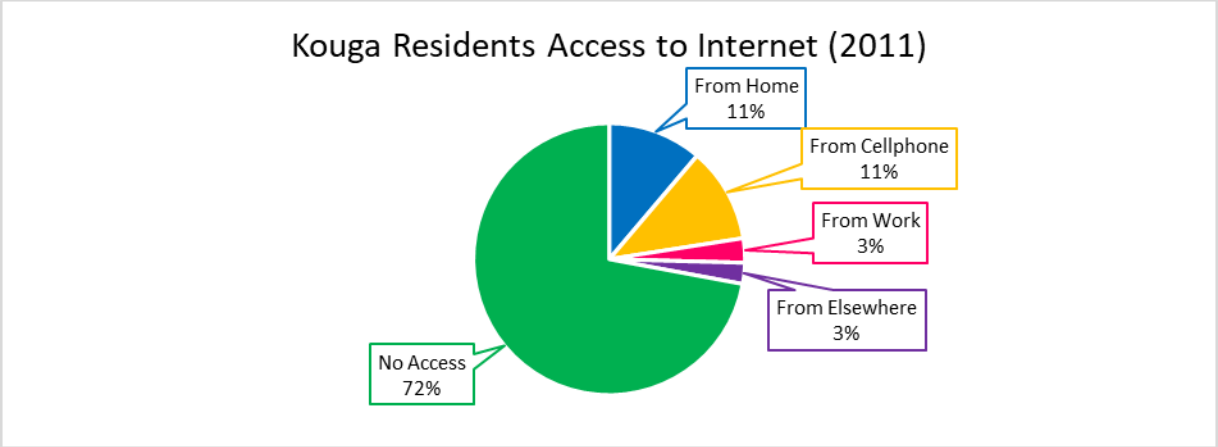


Figure 28: Kouga Residents Access to Internet 2011 (Source: Censes 2011)

20.4. Attracting Investment to Kouga

In order to attract foreign investment and capture the advantages thereof, government should establish support infrastructure and be committed to a pro-business (private sector) attitude. Possible tools for achieving this include setting up export processing zones and industrial parks, introducing investment incentives, and offering tax holidays (Fafchamps, 2000). In addition, the local workforce should be well-trained, basic infrastructure should be in place and international links should be fostered. Potential investors are also attracted by good governance and capable market institutions.

Incentives are special interventions in the form of rewards designed to boost investment and to stimulate economic growth and job creation in a particular area. Investment incentives are specific in that they are restricted to investors who meet given criteria. While incentive packages can encourage investment, there are revenue implications that have to be considered.

Research indicates that, although incentives are rarely the most important factor in the choice of location, they do influence business decisions and can play a persuasive role when considered in addition to other factors. This is commonly referred to as a “tipping point” influence.

A wide range of incentives are offered by other spheres of government such as the Department of Trade and Industry (dti). Standard incentive packages range from financial rewards to tax exemptions and non-financial inducements such as regulatory exemptions or the provision of information. However, for local governments, the use of financial rewards is generally not advised because of the direct and indirect cost implication of ad hoc financial incentives. However, ad hoc financial incentives may be considered if they provide a tipping point factor.

In 2012, the Atlantis business retention and expansion survey report found that most of the firms locating in Atlantis during the 1980s and 1990s were doing so to obtain the incentives offered by government. A further study in 2013 into the aspects that affected the decision to invest in the area revealed the following information:

Retail firms identified the following aspects as key advantages/ deterrents when deciding where to do business:

Factors that attract (advantages)	Factors that deter (disadvantages)
• Large market potential in the broader area • Availability of local labour and the quality of staff	• High unemployment and low levels of income translate into low demand for products, and poor socio-economic conditions are detrimental to the environment in which the firm operates • Crime • Decline in the destination manufacturing sector. Few manufacturing firms result in lower supply of intermediary goods as well as lower demand for retail products.

TABLE 5: FACTORS THAT ATTRACT AND DETER BUSINESSES, ACCORDING TO RETAIL FIRMS

Manufacturing firms identified the following aspects as key advantages/ deterrents when deciding where to do business:

Factors that attract (advantages)	Factors that deter (disadvantages)
• Proximity to labour • Proximity to supplies and infrastructure • Lack of traffic • Absence of competition • Forming part of an industrial cluster	• The lack of skilled labour and poor attitude of workers. A lack of skilled labourers adversely affects the levels of productivity of manufacturers • Crime and safety • Lack of business support • Poor infrastructure

TABLE 6: FACTORS THAT ATTRACT AND DETER BUSINESSES, ACCORDING TO MANUFACTURING FIRMS

The area should be marketed to potential investors as a sought-after destination to work and play.

While national government is responsible for certain key policies such as the tax rate, the decisions of local government are those which have the greatest impact on the economic performance of towns and the prosperity of communities. In an increasingly global environment where capital can move around the world more easily than ever before, competition between destinations for investment becomes increasingly vigorous.

There are numerous basic services that all towns and cities need in order to provide a solid foundation for further economic growth and job creation. These include investing in strategic infrastructure, providing adequate electricity, water and sanitation services, rolling out public transport, and ensuring predictable and transparent regulatory processes. Establishing a reputation as a clean environment with a high quality of living is also essential.

The area's unique natural resources are its greatest asset and should be managed with utmost care and diligence. The environmental impact of any potential development should be thoroughly investigated and considered.

For Kouga to become an investment destination of choice, it is imperative that the necessary transport and road infrastructure be in place. Otherwise, firms located in Kouga will suffer from competitive disadvantages due to high transport costs. There are planning frameworks in place that outline transport and spatial development priorities to address this market need.

Investors are less likely to abandon or close factories in other locations to relocate than they are to expand and establish new factories or plants in a new area. The target market therefore comprises of growing businesses. Manufacturers that could potentially supply goods to existing industries in the area should also be targeted. Availability of land also lends itself to industries in need of large premises for their industrial processes.

Investment creates jobs and the infrastructure required for economic growth. Private sector investment enhances the economic base of an area and promotes economic development.

- Set up a dedicated events and marketing office/desk whose responsibilities include the promotion of Kouga, at home and abroad, as well as the management of major events.
- Marketing efforts specifically focussed on Kouga's assets and the advantages of doing business in the area.
- Circulating details of all the incentives on offer may be confusing and cumbersome to read. Specific, targeted marketing efforts are therefore required. In order for potential investors to buy in to the incentives, it is important that only the applicable incentives are offered to each potential investor and that the benefits are explained in detail.
- So-called "tipping point" factors vary from business to business; thus, it is essential that there is direct engagement with potential investors in order to enable a clear understanding of the most beneficial incentives that apply to a specific business.

Implementation

The final section of this report outlines the action items required to achieve Kouga Local Municipality's strategic objectives and the plans to implement those action items.



21. Action Items Required

Any economy needs certain “ingredients” to grow. These “ingredients” are referred to as the factors of production.

There are four economic factors of production (Roux, 2014:2) namely:

1. Natural Resources
2. Entrepreneurship
3. Capital (Investment)
4. Human Capital (Labour)

Growing the economy through optimisation of the four (4) factors of production will facilitate job creation and economic development. Such growth and development also require a conducive environment in order to bring the LED strategy into fruition.

Natural resources refer to resources that are naturally available in an area. Developing the Green Economy and the Oceans Economy contribute to maximising Kouga’s rich endowment of natural resources. Furthermore, in order to attract investment to improve the living conditions and to attain economic growth (sustainably), it is important to foster and cherish the natural resources and to afford environmental protection to the area. Protecting and conserving the natural environment through an effective recycling program would not only create employment, but also support protection of Kouga’s first factor of production namely its natural resources. Therefore, an effective recycling plan is one of the recommended action plans.

Entrepreneurship refers to the efforts of all businesses – big, small, formal and informal – in the Kouga Local Municipal area. Creating a conducive environment, and enabling all local businesses to grow and prosper, does not only support and promote entrepreneurship, but also enhances job creation. Another action item recommended for Kouga Local Municipality is therefore a business support plan.

Capital refers to investment in physical assets such as factories, machinery and infrastructure that assist in the production of goods and services. Investment (Capital) includes money invested Kouga Local Municipality. Investment can be attracted through residential development, attracting new business development as well as establishing the area as an economic cluster for a specific industry (e.g. Green Economy). The next action item is therefore an action plan to attract inward investment to the Kouga Local Municipal area.

Human Capital (Labour) refers to the physical and mental ability, and the well-being, of the local population of an area. The people who work and live in the area are not only the beneficiaries of local economic development, but also one of the factors of production. Kouga Local Municipality can develop its human capital through targeted initiatives aimed at providing support and growth opportunities to the residents of the Kouga Local Municipal area. Social Development primarily falls within the mandate of the Department of Social Development, the Department of Education and the Social Development office within Kouga Local Municipality. However, human capital development and local economic development are undoubtedly interlinked, and therefore an action plan to establish a welfare forum as vehicle for human capital development, is included in the action items recommended.

Local Economic Development entails all stakeholders working together to ensure a better life for all. As part of the municipality’s mandate to facilitate an environment conducive to economic development, it is essential that the objectives and plans are communicated effectively and efficiently to ensure stakeholder buy-in and co-operation. The analysis of stakeholder input indicated that there is a lack of trust and cooperation between the Municipality and the public. This is further compounded by the perception that the municipality is non-responsive, overly politicised and lacks administrative will. The first step in developing Kouga’s Local economy would need to be to address and remedy the situation through a communication plan. Developing a

communication plan is essential for the successful implementation of the other action items recommended in this report.

The more people participate in the economy, the faster it can grow. Economic participation means that people earn an income which enables them to buy more goods and services, which in turn will increase production. Job creation is an integral part of local economic development, and harnessing initiatives such as EPWP and CWP therefore forms important vehicles through which employment can be created. Implementing effective EPWP and CWP programmes are included in the action items.

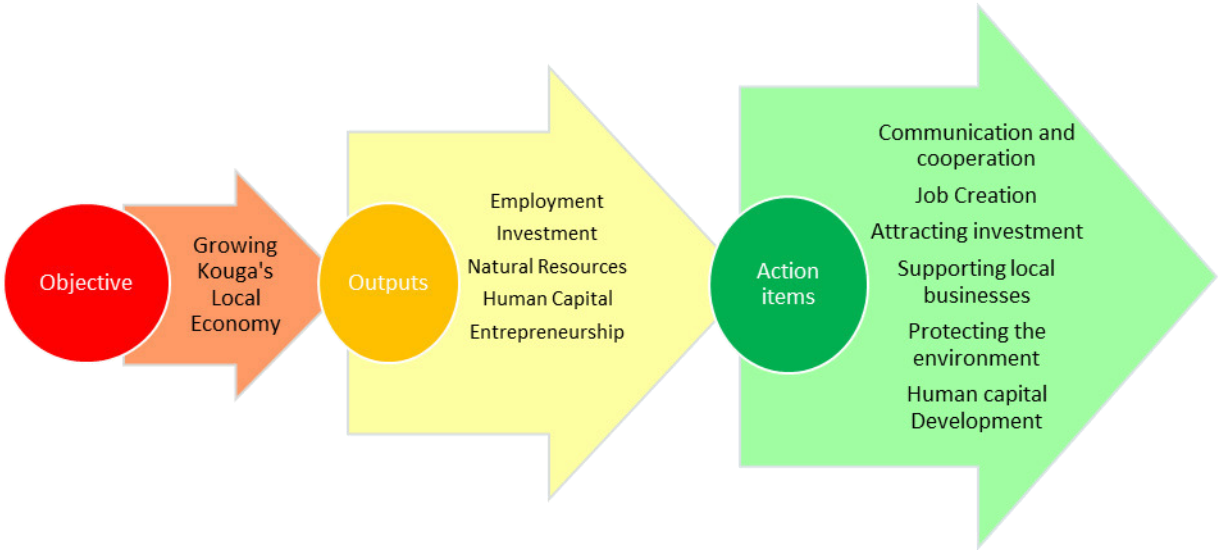
Tourism is a useful tool, employed in areas with tourism appeal such as Kouga, to fulfil the mandates of marketing an area, creating employment and thus supporting LED. Tourism is an important economic driver in Kouga and an important sector for employment. Therefore, an action plan to promote tourism is also included. Municipal procurement can also be harnessed as a tool to promote LED. A procurement plan is included in the recommended action items.

The action plans included in this economic strategy are aimed to harness and enhance the four factors of production and include the following:

1. Communication Action Plan
2. A local procurement Action Plan
3. Action plans to activate and manage EPWP and CWP programmes
4. Business Support Plan
5. An action plan to attract Investment (Capital)
6. An action plan to boost tourism
7. Social Development Action Plans to enhance human capital
8. Recycling Action Plan
9. Action plan to promote agriculture

21.1. Action items as logic models

A logic model is a visual depiction of what needs to be done in order to address a specific issue or problem. It is essentially reverse-engineering problems by considering the desired outcome and then thinking backwards to identify the resources and actions required to achieve the desired outcome. A logic model is useful to identify a program's intended impact and then link the required inputs with the planned outcome.



The action plans included in this strategy were structured to present the flow of resources and link inputs and outputs with the desired outcome.

It is important never to lose sight of the Municipality's ultimate responsibility of creating a conducive environment for local economic development. This is achieved through excellent service delivery. A high level of basic service delivery therefore underpins, and forms the foundation, of all actions included in this strategy.

22. Action Plans

22.1. Communication Action Plan

Action Plan	Communication Plan
Problem Statement	
The stakeholders in the Kouga Municipal area indicated that there is a lack of clear communication from the municipality to the community and that available platforms are not used correctly and sufficiently, or are not known to stakeholders. Stakeholders also reported mistrust due to a lack of information sharing. They are frustrated with the lack of information and the fact that they are sent from pillar to post with most enquiries.	
Short-, medium- or long-term implementation	
Communication is an ongoing activity and there needs to be emphasis on different aspects of communication in the short, medium and long term. The sharing (through electronic media, public meetings or notices) of the LED strategy to all participants and all key stakeholders will be an immediate implementation action. The short-term communication action plans should focus on information sharing to the public on as many platforms as possible. The compilation of different databases with information of each Directorate, and sharing thereof to the relevant stakeholders, will reduce some of the frustrations immediately.	
Background information/ broad description of the plan and its rationale:	
Strategic communications are critical to the success and sustainability of any local government institution. Practical principles must be taken into consideration in the communication plan and strategy of the Municipality, such as the use of the most effective type of communication as well as the language used for each ward. Critical information communicated during public participation sessions, but also Local Economic Development issues, will be more effectively transferred when these principles are applied.	
Resources required:	
For this plan, there are mainly human resources required. In terms of facilities and equipment, a LED desk that focusses on enquiries from the public will be of great assistance. Stakeholders also requested a dedicated, competent tourism officer. It is advisable that the LED department determine the funds required for the additional actions, and staff required to incorporate in the adjustment budget, to enable the implementation of the communication plan and strategy as well as the broader LED strategy.	
What are the plan's outputs?	
Establishing a strong stakeholder databank for communication and to constantly improve relationships through regular engagements with the public and key stakeholder groups.	
Plan outcomes - **(value or impact resulting from outputs)**	
More effective apolitical communication and information sharing will restore the relationship with stakeholders, and it will lead to increased trust between the community and the municipality. This will in turn lead to improved and more informed stakeholder participation and support for projects initiated by the	

Municipality.

Plan activities and actions?

(a list of sequenced steps)

Share the LED Strategy to all stakeholders (electronic and scheduled meeting) and ensure each person that participated in the focus group discussions are included in the communication. Ensure that all stakeholders are on the same page regarding the scope of the LED process.

The LED officers have an acute awareness of their professional role and function, but it is not communicated well to both the public and the councilors. An immediate term strategy would be to equip the LED office of the Kouga Municipality with a dedicated unit and expertise; the office can then communicate and merge the clearly existing advanced and holistic LED thinking that exist among the LED officials, to the public and other internal departments.

The negative association of "lack of on-the-ground tourism support" seems to be prevalent among the public. The negative perception in the minds of the public should be addressed as soon as possible. Kouga should correct this flawed notion by including this theme in the communication strategy to form part of the LED strategy.

Create a LED data hub within the municipal LED office to both initiate and host regular formal LED information dissemination sessions. Such a hub will ensure:

- Access to clear communication from the LED office to the public
- It will counter the detected politicising of LED
- It will address the irresponsible shifting of the blame for stifling LED efforts
- It will stimulate creative indigenous LED initiatives.

Establish a LED working group where key stakeholders get together at least quarterly to make decisions, initiate opportunities for individuals and local businesses to make the economy grow, and create income generating opportunities for especially the poor. A senior official representing the LED department should be the convener and facilitator for this working group. Detailed minutes, including action plans resulting from the discussions, should be kept and circulated to a wider audience.

It is clear that traditional Public Participation processes are not effective in the Kouga Municipality. These processes should be reviewed, as these are key communication opportunities with communities. Each ward should choose five (5) priorities, and the Municipality should give feedback on the progress on these 5 priorities per ward. The success stories of completed projects should be shared during these sessions, and each Directorate should be represented by at least three (3) officials at different tables where individuals could approach officials with their complaints or questions after the presentations. The questions/ complaints that could not be solved on the spot, should be captured on forms for follow-up and action by municipal officials. More needs to be done to create confidence in service delivery, which should include report back on progress made.

Communication regarding the public meetings should be done in the language(s) spoken in the ward and using the most appropriate way of communication for each ward to ensure maximum citizen participation. Attendance lists should be utilised to extend and update the citizen database for future communications.

Communication and Information sharing about Municipal and other initiatives which requires citizen participation, should be done timeously.

Map all different application processes in the Municipality; this is particularly relevant to the planning department. It is here where many of the development and investment processes start, which normally trigger economic growth and job creation. If these processes are clear and streamlined, and communicated to the

public, it will accelerate investment and growth for the Kouga municipal area.

In support of the above, a clear map and/ or database of who is responsible for what, including specific contact numbers of officials of internal departments in the Kouga municipality as well as stakeholders, can improve internal and external communication and combat the perception that the municipality is unresponsive and politicised. It will assist in directing referrals to the most suitable official and department with the least delays in action.

External/ outbound communication with tourists can be improved by a mapping process where all tourism assets within the Kouga municipal area will be identified and mapped. This database should include stakeholder groups and their related tourism activities.

Communication and engagement on Intergovernmental relational (IGR) level is critical to gain access to provincial and national support, including funding opportunities. Regular IGR engagements (consultative forum) is necessary to build co-operative relationships between the different spheres of government. Representatives of key provincial and national government entities should be invited to IDP meetings to give communities the opportunity to engage directly with these departments; this will assist in creating the correct perspective, especially in terms of land issues, agriculture, housing, education and health.

Active social media users are growing at a rate of over 10% year on year in South Africa. It is estimated that South Africans spend just under 3 hours per day on the internet and social media using their mobile phones. This is an opportunity that cannot be ignored. An application (app) can be developed to allow citizens to engage officials and councillors on issues including housing, access to water and electricity, safety and job creation initiatives in their areas, as well as to share information/ educate the citizens on municipal actions and activities.

Another already-established app is GovChat, South Africa's largest civic engagement platform accessible online, on any mobile handset and feature phones. This enables government to speak to citizens directly at no cost, while receiving service delivery-related messaging in return. GovChat exists through partnerships with the South African Local Government Association (SALGA), Department of Cooperative Governance and Traditional Affairs (COGTA) and the Government Communication and Information System (GCIS). Ward Councillors, irrespective of political affiliation, are encouraged to register. This initiative can assist to improve communications in the Kouga municipality. It allows citizens to send images, photos, videos, and public and private messages in real time directly to their ward councillors.

'Know your Councillor' campaigns could be launched in the different wards which will improve ward communications. Regular apolitical ward committee training will build the capacity of ward committee members, and the development of ward plans to indicate the specific LED initiatives per ward, will further enhance the relationship between key stakeholders in the Kouga municipal area.

Municipality's role?

(the mandate or function of Kouga Local Municipality)

The Municipality carries the full responsibility for the communication plan. Before any development project could be launched, it is vital that the Municipality first unite the people in the community. If a large proportion of the community has not yet 'bonded', it would be advised to first design programs aimed at fostering unity and bonding among the members of that community/ target group.

Key role players (stakeholders/ participants)

- All Directorates in the Kouga Municipality;
- Civil society organisations;
- Community-based organisations;

➢ Private sector institutions; ➢ Educational institutions; and ➢ Citizens.
How will the project be communicated to participants/ role players? **(what message, communication medium and to whom)**
The intent of improving communication with stakeholders should be made known on all the current communication platforms as well as newly identified communication platforms. This will instil a sense of responsibility to maintain the process as the citizens will demand maintenance of such an initiative.
Key performance indicators **(how will the success of the project be measured)**
The impact of better communication will result in more participation from stakeholders – it can in this instance be measured by the number of people attending public meetings and the number of people participating in initiatives launched by the municipality. It will also result in more people applying for EPWP and CWP participation. This can also be included as part of the performance measures in the SDBIP. It can also be measured in terms of the types of responses on social media and the type of communication received from citizens. This could result in be less anger, less frustration and fewer protests. Better communication will also result in an improved trust relationship between the municipality and the different communities. Engagements with groups of specific stakeholders can be measured through a Memorandum of Understanding (MoU) per quarter, and can also be part of the performance measures in the SDBIP.

22.2. Procurement Action Plan

Action Plan	Procurement - utilising SCM processes to promote local employment and entrepreneurship.
Problem Statement	
High unemployment and lack of opportunities in the market stifle entrepreneurial development. Available opportunities through Municipal Supply Chain processes, should be maximised.	
Short-, medium- or long-term implementation	
The Municipality can gradually implement the suggestions in the action plan.	
Background information/ broad description of the plan and its rationale:	
The Municipality's role and responsibility is to create a conducive environment for local economic development. The developmental functions of municipalities are defined in the Constitution in Section 153 as follows: "A municipality must – (a) structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and (b) participate in national and provincial development programmes."	
Resources required:	
Human resources – mainly manpower and a restructuring of current SCM processes. Additional staff might be needed to monitor the employment of local people by contractors and sub-contractors. Monitoring and evaluation, as well as verification of what suppliers have promised, will be crucial for the effective implementation of the plan to ensure the desired results for the short, medium and long term.	

What are the plan's outputs?
An increase in the number of local people employed/ trained to be employed and an increase in the procurement of services from small businesses in the Kouga Municipal area.
Plan outcomes - **(value or impact resulting from outputs)**
An increase in employment figures/ a drop in unemployment figures in the Kouga area and an increase in entrepreneurial development and growth of small enterprises.
Plan activities and actions? **(a list of sequenced steps)**
The pre-qualification criteria for Preferential Procurement should be extended in terms of local employment in addition to shareholding criteria. To make the implementation thereof possible, the LED department, in conjunction with the Financial and other departments in the Municipality, should start compiling 2 databases. The one database should be a list of employable people for contracts. The people on this list should be verified in terms of their available skill, capability and experience. This should be categorised, and individuals should be able 'to move up' into higher categories if they were employed by a contractor or subcontractor for a specific tender. This could be supported by conducting a skills audit for the area, as well as a database of skills required for the different contracts to be issues for a financial year. In matching the two, it will be clear what capacity building and training will be required for the area. For this purpose, an open/ transparent rating system should be developed based upon qualifications, experience and track record of interested individuals. The municipality should partner with local training centres and colleges in order to refer people to the institutions who are interested in the skills required. It is important that individuals should make their own decisions in terms of their own capacity building, and it should be made clear that the municipality cannot guarantee employment for them. The municipality will however create a conducive environment for higher employment by requiring contractors to employ more local people. This is a two-way street, as contractors will need the assistance of having a list of local people available. It is critical that contractors should do the necessary practical tests before they employ people on the list. It should be clear in the contracts that the Municipality is not liable for the outcomes of specific employment contracts of the contractors. The service that the Municipality offers in making lists of names available should be of a high standard, very accurate, and beneficial to individuals as well as companies. The same approach should be followed in terms of small businesses. A categorised database with small enterprises and an open/ transparent rating system should be compiled that clearly indicates the level of skill and experience of these enterprises. It should also be possible for enterprises to move up into higher categories as they require more skill and experience by being sub-contracted to larger companies. Monitoring and evaluation, as well as verification, will be critical for these processes. The initial implementation might not be easy, but once everyone experiences the benefit, there will be more buy-in and it will create tremendous trust between the Municipality and the larger community. This will increase employment in the area, it will create hope and it will address the problem of crime and addiction amongst the youth.
Municipality's role? **(the mandate or function of Kouga Local Municipality)**
One of the objectives of local government stated in Section 152(c) of the Constitution, is to promote social and economic development. Section 153 of the Constitution describes this further and places an obligation on

local municipalities in terms of social and economic development. According to this section, the Kouga Municipality **must** structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community.

In the Municipal Systems Act, Section 8 it indicates that "a municipality has the right to do anything reasonably necessary for, or incidental to, the effective performance of its functions and the exercise of its powers." The Municipality can therefor structure and manage its Supply Chain Management processes to promote economic development.

Key role players (stakeholders/ participants)

Issuing tenders: All Directorates in the Kouga Municipality, but the Financial Directorate and Economic development Directorates in particular.

Stakeholders entitled to tender for work, provided that they comply with requirements set in tenders:

- Civil society organisations;
- Community-based organisations;
- Private sector institutions;
- Educational institutions; and
- Citizens.

How will the project be communicated to participants/ role players?

(what message, communication medium and to whom)

The intent of adapting SCM processes to promote Local Economic Development should be made known on all the current communication platforms as well as newly identified communication platforms.

Key performance indicators

(how will the success of the project be measured)

The impact of a SCM system designed to promote LED, will result in more people employed and more small businesses being contracted or sub-contracted by the Municipality.

The results can be measured by the number of people employed by contractors and sub-contractors and by the number of small businesses that were allocated contracts. The amounts of the contracts can also be a performance indicator. Quarterly measurements of these indicators can form part of the performance measures in the SDBIP.

22.3. Employment Programmes

22.3.1. Expanded Public Works Programme (EPWP)

Action Plan Name:	EPWP (Expanded Public Works Programme)

Problem Statement?

The stakeholders' inputs stressed job creation as a major concern in Kouga Local Municipality, mainly in Previously Disadvantaged Communities. They also mentioned lack of opportunities and skills development for both youth and adults. One of the major concerns is based on agricultural sectors that exploit non-nationals at the expense of the local population for cheap labour. Moreover, the stakeholders stressed the lack of job opportunities for the illiterate population, such as persons with Grade 10 as their highest qualification.

Short-, medium- or long-term implementation?
Kouga Local Municipality has an existing EPWP policy, meaning that it is an ongoing process, thus making the process more of a long-term implementation. The implementation period can only be determined by the reforms or changes from the National Coordination of the Department of Public Works. It is advisable that KLM draft a Standard Operating Procedure (SOP) to assist the internal and external structures to ensure strict adherence to pre-determined standards of the EPWP related projects to carry out operations accurately (See suggested SOP below). What can be considered short term would be the adoption of the suggestions made and the buy-in by the KLM to consider a more revised way of implementing the programme.
Background information/ broad description of the plan and its rationale?
It is important for KLM to innovate the programme to match the job seekers' needs and find ways to create employment in the area. KLM must conceptualise much broader and comprehensive projects that can present opportunities to Previously Disadvantaged Persons and the poorest of the poor. Given horizontal participation by all Municipality Directorates, KLM will need to create more jobs and strengthen internal controls through a well-communicated SOP.
Resources required?
Budget – For participation and implementation of the programme, KLM must mandate all Directorates to use funds from the capital and operational budgets to fund EPWP projects for job creation purposes. **Human resources** – The Municipality must utilise its internal capacity to manage, coordinate and administer the programme i.e. LED (for coordination of the programme), human resource department (linking the newly signed and approved contracts to the Payday system and generate and supply LED with pay numbers), salaries and payroll department (processing and making of payments, and assisting in generating tax numbers on registration on database stage, for only first timers, will be crucial). **Facilities and Infrastructure** – Depending on the nature of the project, the Municipality must avail its facilities and infrastructure should the project commence, and participants have valid and signed contracts. **Equipment** – All EPWP projects require project-specific equipment, for example with cleaning of streets in residential areas, PPE must be provided to the participants. Therefore, each Directorate must comply with the provision of equipment for projects initiated by their departments.
What are the plan's outputs?
Improving and innovating the current EPWP projects, and the implementation of the programme by creating more meaningful jobs that can also transfer skills to the participants and provide exit opportunities for outgoing workers.
Plan outcomes
A revised EPWP will allow for the creation of more jobs and more opportunities, which can greatly reduce poverty and crime in Previously Disadvantaged Communities.
Plan activities and actions?
First and foremost, the current EPWP policy must be accompanied by a clear SOP (see below) to guide the processes and assist participating or non-coordinating directorates to understand the processes. The purpose of the SOP is to ensure consistency in the formal execution of duties; effective tracking of mechanisms and all signed responsibilities. Furthermore, it provides a step by step and a hierarchical guide to parties involved, including multiple stakeholders (primary and secondary) for both clarity and full understanding of pertinent details.

This SOP was developed, guided and governed by the following: Basic Conditions of Employment Act, Act 75 of 1997, subject to the exclusions as stipulated in the Ministerial Determination. Code of Good Practice, Notice No. 129. Ministerial Determination 4: Expanded Public Works Programmes, Notice No. 347 as well as the KLM EPWP policy as adopted by Council in 2013. All documents and contracts shall be completed in compliance with the legal requirements included in the abovementioned legislation.

The following requirements are applicable to all participating parties in the Programme:

- *Registration on the unemployment database* - All EPWP beneficiaries/ participants must be registered on the unemployment database administered at LED office. The unemployment database form could be obtained from the Municipal Administrative offices and from LED offices.
- *Completion of registration forms* - The registration form could be accessible from the LED office, usually in the form of printed copies. Participants will need the LED administrator's full assistance in ensuring access follows a legitimate process. Assistance should be offered at the front desks to avail and assist with material support and consultative assistance following uncertainties and misunderstandings, with complete acknowledgement of illiteracy issues for some job seekers.
- *Tax number* - Each unemployed person should provide a tax reference number; the challenge is the inability of prospective workers to forward an income tax reference number (an application is not processed but rather captured as incomplete). Prospective workers who have never been employed can be assisted by the Finance Department to obtain tax numbers.
- *Banking details* - banking details form a critical part of the whole system, for payments cannot be processed without appropriate and active bank accounts. An applicant with no bank account must be sent back to confirm banking details with her/ his bank of choice. Those who do not have bank accounts, cannot be processed. This would prevent any challenges and possible crises in payments processes by the Salary Department
- Criteria for Appointment of Workers - Directorates must include in the memorandum the criteria for appointment of workers to facilitate the process of recruitment and selection of employees.
- *Induction session* - All supervisors must attend an induction session to ensure the following: a full grasp of what is expected of the EPWP beneficiaries; that the employment contracts are signed at induction; that they are fully briefed on the roles and responsibilities that constitute a flow of operations without bottlenecks. Below is the outline of the responsibilities of the LED team and line departments.
- *External Project* - Tender (Infrastructure and Housing Project) - All Line Departments who are responsible for implementing Infrastructure and Housing projects with a labour intensive construction component should submit the following: a complete EPWP version 2 Data Collection template (Project Details, Business Plan, Locality Information, Participant Information & Labour Days, Planned Training, Actual Training, Outputs); all employee contracts (sample will be provided); copy of certified ID documents for each worker; the proof of payment made (payslips required); and time sheets (sample will be provided).

Secondly, the nature of the project must meet the requirement of the communities as per stakeholder engagements conducted. This means that the programme will have to come up with more innovative projects, not only cleaning and infrastructure projects, but skills-oriented projects, such as the Enterprise Development Project (EDP) where LED can appoint EPWP administrators and/ or LED Community Liaisons per area to drive LED and assist people by bringing services and support at their doorsteps.

These young people work with SMMEs in the communities and facilitate economic development activities in per area. As part of the exit strategy, once contracts terminate, these facilitators walk out with job experience and skills and an opportunity to start their businesses with support from government.

Municipality's role?
The Municipality's mandate is to create an enabling environment for job creation and opportunities. However, for the implementation of EPWP, the Municipality plays a coordination role in its local jurisdictions.
Key role players?
➢ National Department of Public Works - National Coordination and an oversight role over Municipalities ➢ Provincial Department of Public Works – for Provincial and regional coordination by District and Municipality. ➢ Kouga Local Municipality (all directorates) – For the implementation of the programme at the municipal level ➢ NGO'S and NPO'S – participation in identifying projects that qualify for EPWP funding e.g. the After-School Care, Arts and Craft Production by the Disabled. ➢ Work seekers
How will the project be communicated to participants/ role players?
The Municipality must use its relevant forms of communication to reach out to the ordinary citizens such as the Ward Committee platforms, Councillors Offices, social media, local newspapers and Municipal communications.
Key performance indicators
Impact can be measured by the number of job opportunities created through the EPWP and as per set targets (grant agreement - FTE's, translates to targets set by the Municipality in terms of SDBIP). According to the KLM EPWP policy, there are seven key performance indicators (employment opportunities, person days of employment, project budgets, person training days, demographics, expenditure retained within local communities, and project task rates). Most importantly, targets set by the Municipality to drive job creation are crucial as they determine the number of jobs to be created during a specific period. If the municipality exceeds the targets by employing more than anticipated, the budget allocation increases.

Standard Operating Procedure (SOP) Format

1. Submission of Memorandum	The memorandum drafted by the contributing Directorate must outline the following; 1.1. The scope of project 1.2. Total number of workers to be employed on the project 1.3. Duration of Project 1.4. Daily wage rate 1.5. Budget Availability (B 'Key and Costing) 1.6. List of Duties and Requirements attached to the memo 1.7. Criteria for the selection of workers 1.8. Inclusion of the Personal Protective Equipment	This is initiated by the Departments and signed off by their respective Directors	6 weeks prior to the expected start date of project. (Based on the number of workers per project
2. Recruitment and Selection of Workers	Workers will be selected from the unemployment database aligned with Overstrand EPWP Policy and EPWP Recruitment guidelines.	LED/Officials nominated by the responsible line departments.	Within 10 working days LED will start the recruitment process
3. Induction Session	All workers recruited on EPWP must be inducted. Workers are inducted on the following; 3.1 Background and understanding of EPWP 3.2 Basic conditions of employment (Ministerial Determination) 3.3 Induction to worker on what is expected of them (Daily tasks) 3.4 Workers issued with appropriate PPE 3.5 A step by step guide to leave application process	LED/EPWP Provincial Department/Participating Line Departments to be present during the induction process to avoid more hitches	Two to three weeks before the contract start date

4. Employment Contracts	4.1 Contracts are signed by the workers with all the supporting documents/ information (Certified copy of ID, income tax number and Completed Bank form) 4.2 Contracts are signed off by the Director of Economic and Social Development & Tourism 4.3 Contracts are submitted to HR 4.4 Contracts are submitted to Salaries Department and tested for verification and accuracy 4.5 The contracts should accommodate the payment arrangements	4.1.1 LED 4.2.1 LED 4.3.1 LED 4.4.1 HR Department	4.1.1.1 On the day of Induction Session 4.2.1.1 Within 5 days after the induction session 4.3.1.1 Two to three weeks before the start date of contracts 4.4.1.1 One to two weeks before the start date of contracts
5 Payments	5.1. HR to send LED a list of Pay numbers for the workers appointed on EPWP 5.2. Time sheets should be submitted to LED Department. 5.3. Payment schedule to be compiled and submitted to Salaries Department for payment of workers 5.4. Pay slips are printed and sent to LED office 5.5. Salaries will communicate processed payment schedules to LED	5.1.1 HR 5.2.1 Line Departments 5.3.1 LED 5.4.1 Salary Office 5.5.1. Salary Office	5.1.1.1 After capturing of contracts 5.2.1.1 Mondays before 10h00 am 5.3.1.1 Tuesdays before 10h00 am 5.4.1.1 On a weekly basis (Fridays) 5.5.1.1. On a weekly basis (Thursdays)
6 Submission of Tender Project Information	6.1 Line Departments to complete and submit the EPWP version 2 Data Collection template (Project Details, Business Plan, Locality Information, Planned Training & Outputs) 6.2 Line Departments to complete and submit the EPWP version 2 Data Collection template (Participant information, Actual training & outputs achieved for a month) with supporting documents (All employee contracts, Copy of certified ID documents for each worker, payslips for workers, Time sheets for workers, proof of COIDA registration and proof of Employers UIF contribution) 6.3 LED to Register and report all projects on the EPWP Reporting System	6.1.1 Line Departments 6.2.1 Line Department 6.3.1 LED	6.1.1.1 Before the project start date or within the first month of the project start date 6.3.1.1 By 10 calendar days after the end of every month 6.3.1.2 Before the 15th of the following month

7 Reporting	7.1 SDBIP Reporting (Number of work opportunities created) 7.2 EPWP Reporting (EPWP Reporting System) 7.3 Report to Council 7.4 EPWP Quarterly Evaluation Report 7.5 EPWP Annual Evaluation Report	7.1.1 LED 7.2.1 LED 7.3.1 LED 7.4.1 LED 7.5.1 LED	7.1.1.1 Quarterly 7.2.1.1 Monthly 7.3.1.1 Quarterly 7.4.1.1 Quarterly 7.5.1.1 Annually
8 Monitoring and Evaluation	8.1 Monthly Site visits and performance review (When Site visits are scheduled proper communication should be made in time to the relevant line managers) 8.2 Exit interviews must be conducted to a sample of workers appointed on the project.	8.1.1 LED/ Provincial Government/ National Government 8.2.1 LED	8.1.1.1 Monthly 8.2.1.1 End of project

22.3.2. Community Works Programme (CWP)

Action Plan Name:	CWP (Community Works Programme)
Problem Statement?	
The stakeholders' inputs stressed job creation as a major concern in Kouga Local Municipality, mainly in Previously Disadvantaged Communities. They also mentioned lack of opportunities and skills development for both youth and adults. One of the major concerns is based on agricultural sectors that exploit non-nationals for cheap labour at the expense of the local population. Moreover, there is a lack of job opportunities for the illiterate population such as persons with Grade 10 as their highest qualification.	
Short-, medium- or long-term implementation?	
CWP is an ongoing programme and its implementation can only be limited by the budget allocated and the termination of the programme by the Department of Cooperative Governance and Traditional Affairs (COGTA). The term of implementation should consider the current implementation of the programme by KLM as mandated to provide a safety net for the poorest. The period of implementation can also be determined by the progress of implementation, and the Implementing Agency appointed to execute the programme.	
Background information/ broad description of the plan and its rationale?	
One of the most important things to consider when delivering services to communities is the ability to bring hope and later tangible deliverables. Hence, it is significant for the KLM to create an enabling environment for job creation and safety net programmes should be implemented. According to the stakeholder engagements, poor communities in Kouga are jobless, very poor and lack opportunities. Amongst practical considerations should be the integration of the CWP programme to other LED projects geared towards job creation and a better life for all. Thus, the plan to implement CWP must consider an exit strategic plan for participants in the programme, for them to be integrated to the SMMEs and Cooperative Development and independently generate income through entrepreneurship.	
Resources required?	
Human Resources – CPW is implemented through the Implementing Agent, and the Municipality only requires a champion to coordinate the programme within the KLM and work with the Local Reference Committee (LRC) which is made of ward councillors and at least two ward committee members per ward. **Facilities and Infrastructure** – The programme is implemented on sites identified by the LRC and approved by the Municipality to take place. This means that access to these facilities must be provided by the Municipality and also participating community organisations like NGOs and NPOs. **Equipment** – is provided by CoGTA and delivered to all Municipalities or CWP sites including cleaning material, cleaning equipment, PPE, seeds for gardening, etc. **Budget and Funds** – This is a non-funded mandate in the context of the KLM but fully funded by CoGTA, and all funds are handled by the CoGTA.	
What are the plan's outputs?	
To improve on the current implementation of the programme and help plan for a sustainable programme that can reach out to the poorest of the poor in Kouga, by providing a safety net and giving hope.	
Plan outcomes	
A more sustainable and much improved CWP machinery will ensure the programme touches masses of poor people, especially in the peripheries of informal settlements. This will impact on the reduction of poverty levels and the unemployment rate in the area.	

Plan activities and actions?
The plan needs to avoid re-inventing the wheel and recognising the current CWP implementation in the Municipality. However, the improvement of the programme is paramount to meet the expectations of the stakeholders as per public participation meetings. The LED CWP monitor must use the communication plan and improve the relationship between the Implementing Agent, CoGTA and the Municipality. This will resolve many issues and discrepancies emanating from the misunderstandings that emerge between the participating parties. There needs to be a solid and reliable governing structure, or the existing LRC needs to improve and to add more substance to the structure in order to track progress and ensure accountability in the programme. The ongoing uncertainties about the delay of approvals by the CoGTA and the process of approvals sent from the Pretoria Head Offices are controversial and derail the programme. The monitoring of the programme becomes paramount between the LED office, the Chairperson of the LRC and the Implementing Agent to speed up the approval of applications. The identification of projects and placement speed becomes one of the major concerns throughout the implementation of the programme. This means that the speeding up process will have to be closely monitored through the CoGTA (Provincial Office) and the Implementing Agent.
Municipality's role?
The Municipality has a mandate to monitor CWP in Kouga and enable a conducive environment for implementation of the programme
Key role players?
➢ NGOs and NPOs in the Kouga Region ➢ Kouga Local Municipality ➢ Department of Cooperative Governance and Traditional Affairs (CoGTA) ➢ Implementing Agent (Appointed NPO by CoGTA) ➢ Participants or beneficiaries
How will the project be communicated to participants/ role players?
The communication of the project must be communicated through LRC, the public engagement platforms and through Municipal notice boards
Key performance indicators
The KLM must monitor CWP on a quarterly basis and a champion representing the Municipality must constantly report the progress of the programme through the SDBIP. The success of the programme can be measured by the number of people recruited and approved per quarter, as well as the number of projects approved in each community.

22.4. Business Support Plan

Action Plan Name:	Business Support Plan
Problem Statement?	
One of the top LED priorities (according to the public sector representatives and community members) includes support to local businesses. Businesses create employment, provide families with livelihoods and ignite economic development.	
Short-, medium- or long-term implementation?	
Initiated over the short term, but to be maintained over the long term	

Background information/ broad description of the plan and its rationale?

The economic health of a region and its ability to sustain businesses – particularly small businesses – can offer tremendous opportunities for diversity in business ownership that might not otherwise exist. Small and large businesses drive economic stability and growth by providing valuable services and products that directly contribute to the health of the community. They also provide jobs, strengthening the economic health of each community where a business is based. Business development benefits local communities through the products and services businesses provide and opportunities for women and/ or youth to start and run businesses.

Resources required?

- Budget for training programmes.
- Co-operation from local business organisations/ forums/ chambers.
- Administrative support to link local businesses with broader initiatives.
- Infrastructure for SMME trading.

What are the plan's outputs?

- Growth of existing businesses
- Establishment of new businesses

Plan outcomes

- Increased GDPR
- Employment creation
- Investment in infrastructure, innovation and technological advancement
- Improved quality of life for community members through increased income levels and job opportunities
- Accelerated economic growth

Plan activities and actions?

- Create an enabling environment for existing businesses to grow and prosper
  - ✓ Meet with private sector business organisations on an ongoing basis to discuss needs and synergies.
  - ✓ Meet with business organisations to discuss synergies between local businesses and local government, and how needs can be mutually satisfied.
  - ✓ Establish a "buy local" campaign.
  - ✓ Link existing local businesses with provincial and national initiatives.
  - ✓ Investigate business support and expansion projects offered by Provincial and National government and link local businesses with opportunities.
  - ✓ Facilitate the attendance of trade shows for local businesses.
- Provide excellent basic service delivery to businesses. Excellent basic service delivery is key to creating a supportive business environment.
  - ✓ Create a safe and clean public environment by addressing issues of maintenance, road infrastructure and criminal activity.
  - ✓ Support and promote social responsibility in the area.
- Reduce the number of complex, expensive and unnecessary business regulations.
  - ✓ Review of relevant policies, plans and bylaws relevant to the Municipality's mandate to determine where red tape can be reduced.
  - ✓ Develop a red-tape reduction strategy to create a business-friendly environment.
- Develop and grow SMMEs and the informal sector
  - ✓ Roll out training and mentorship programmes to develop local businesses.
  - ✓ Facilitate membership to local business organisations/ forums/ chambers for as many local businesses as possible through a "first year free" initiative. This will assist to provide a single point of contact and channel for communication with the business sector.
  - ✓ Facilitate market access through trading areas for SMMEs.
  - ✓ Arrange a networking session between local SMMEs and larger companies with the view of including SMMEs as suppliers to larger businesses.

➢ Stimulate the establishment of new businesses ✓ Training and mentorship plan for new entrepreneurs. ✓ New business idea generation program. ✓ Investigate development potential and use bids or PPPs to develop such potential.
Municipality's role?
The municipality should play a facilitative role to ensure that local businesses benefit from broader initiatives. The municipality must also adopt a pro-business attitude and within reason try to accommodate and cooperate with local businesses.
Key role players?
Municipality, DEDEAT, DTI, SEDA, Department of Economic Development, DBSA, IDC
How will the project be communicated to participants/ role players?
➢ Communicate with local businesses via e-mail and telephone, also local newspapers and municipal communication platforms. ➢ Communication can be channelled through local business organisations once their membership is inclusive and representative of all areas and types of businesses. ➢ Role players should be invited (via e-mail and other municipal communication platforms) to meetings to discuss various support mechanisms and opportunities on offer.
Key performance indicators
➢ Number of businesses that benefitted from training and broader initiatives. ➢ Economic growth (measured in GDPR) ➢ New employment opportunities created by participating businesses.

22.5. Attract Investment (Capital)

22.5.1. Marketing Kouga Local Municipality

Marketing is defined as identifying, anticipating and satisfying customer needs profitably. In the case of attracting investment, "profitably" denotes the advantages gained from the contribution to the local economy derived from inward investment. Thus, identifying and anticipating the needs of potential investors is crucial to the success of the marketing effort.

The most appropriate tools to market Kouga as an investment destination are dependent on the target market (audience) and the message being conveyed to that targeted market or the business sector decision-makers. The tools to market Kouga must therefore be appropriate to communicate the advantages of investing in Kouga to those decision-makers in a way that appeals to them.

The needs and desires of the target market should shape the core message and key elements of the marketing effort. A thorough understanding of the drivers behind the decision to invest or not will lead to a well-crafted, powerful marketing message. Only if there is close consultation with the target market to engage them and establish exact needs and desires, will it be possible to successfully meet their needs and build a sustainable long-term economic hub.

It is self-evident that industrial investment has far-reaching financial and practical implications, and therefore it is not a decision that will be taken lightly. The cost-benefit analysis will be different for each potential investor, and therefore the factors which either make or break a deal will vary for each potential investor. Therefore, it is recommended that potential investors be identified and approached individually, and the benefits or incentives that could appeal to them be discussed and negotiated on a case-by-case basis.

Business is about maximising profit, in other words, keeping costs at a minimum whilst generating the largest possible revenue. Therefore, business decisions are based on the bottom line and a cost-benefit analysis. It is therefore of utmost importance to maximise the benefit of doing business in Kouga in order to keep costs low. Developing Kouga's competitive profile will depend on leveraging existing strengths, building on the area's existing assets and seeking out high-impact opportunities in identified sectors.

Before the destination can be marketed to potential investors, a facilitation vehicle ("One Stop Shop") and investment drawing cards (land, incentives and infrastructure) should be in place.

Potential investors can be reached through a two-pronged approach:

1. Create awareness and stimulate interest through the above the line marketing initiative.
2. Approach targeted and interested businesses directly and engage them on an individual level (below the line marketing).

Above the line marketing tools:

- Promotional messages should include the following aspects:
  - ✓ Highlight the advantages and assets of the area.
  - ✓ Provide brief information about incentives, focusing more on the fact that incentives are offered than on the details of all the incentives.
  - ✓ Create awareness about the drive to stimulate investment development and economic growth in the area.
  - ✓ Communicate the brand and positioning of the area.
  - ✓ Call on those who are interested to formally express their interest.
- The promotional message can be delivered through the following channels:
  - ✓ Advertising in trade journals.
  - ✓ Articles and advertisements in business publications.
  - ✓ News articles in respected news publications and media.

Below the line promotional activities should aim to achieve the following:

- Make a strong case for the assets and advantages of Kouga which specifically cater to the target's industry and needs.
- Provide comprehensive information about the applicable incentives in order for potential investors to conduct a cost-benefit analysis.
- Engage potential investors to ascertain their specific needs and to establish the factors that will have the most influence in their decision-making processes.
- Ensure personal contact with potential investors to negotiate and tailor the product offering in order to maximise benefits for all stakeholders.

Below the line marketing tools:

- Promotional portfolio sent to the target market businesses,
- Hosting business events where the target market can be addressed directly.
- Presentations to the target market.
- Meeting with the decision-makers of individual businesses.
- Delegation to visit international investors and to present the business case for Kouga to them. This delegation can also invite international investors for promotional visits to highlight the advantages of doing business in Kouga.

Marketing Kouga necessitates a phased approach that primarily attracts high impact investors and secondarily fosters the establishment of new and supporting industries in order to create a sustainable local economy. The overall marketing strategy and action plan should focus on short-term, medium-term and long-term initiatives and interventions. The approach should be systematic and incremental.

The first phase of the marketing plan should be to draw existing, larger businesses and high-impact investors to Kouga to anchor the industrial development and create as many job opportunities as possible for residents in the Kouga area. The second phase should be to foster the establishment of new businesses in Kouga. In this respect, the one-stop shop incentive should prove to be especially valuable.

The reasons for prioritising attracting larger, established investors to the market are:

- Big business brings bigger factories, which leads to more job opportunities over a shorter period of time;
- Established businesses are less risky than new businesses, and therefore the exposure to the risk of job losses is lessened;

- Bigger industry can act as anchors and provide opportunities for supporting businesses in the industry;
- Existing infrastructure and resource can be fully leveraged and utilised.

New and existing businesses should grow into a stable and secure industrial community that will be sustainable over the long term.

The marketing plan should be complemented by stimulating and fostering the creation of new businesses in the area. This is known as “Grow your Own,” and enhances investment attraction initiatives.

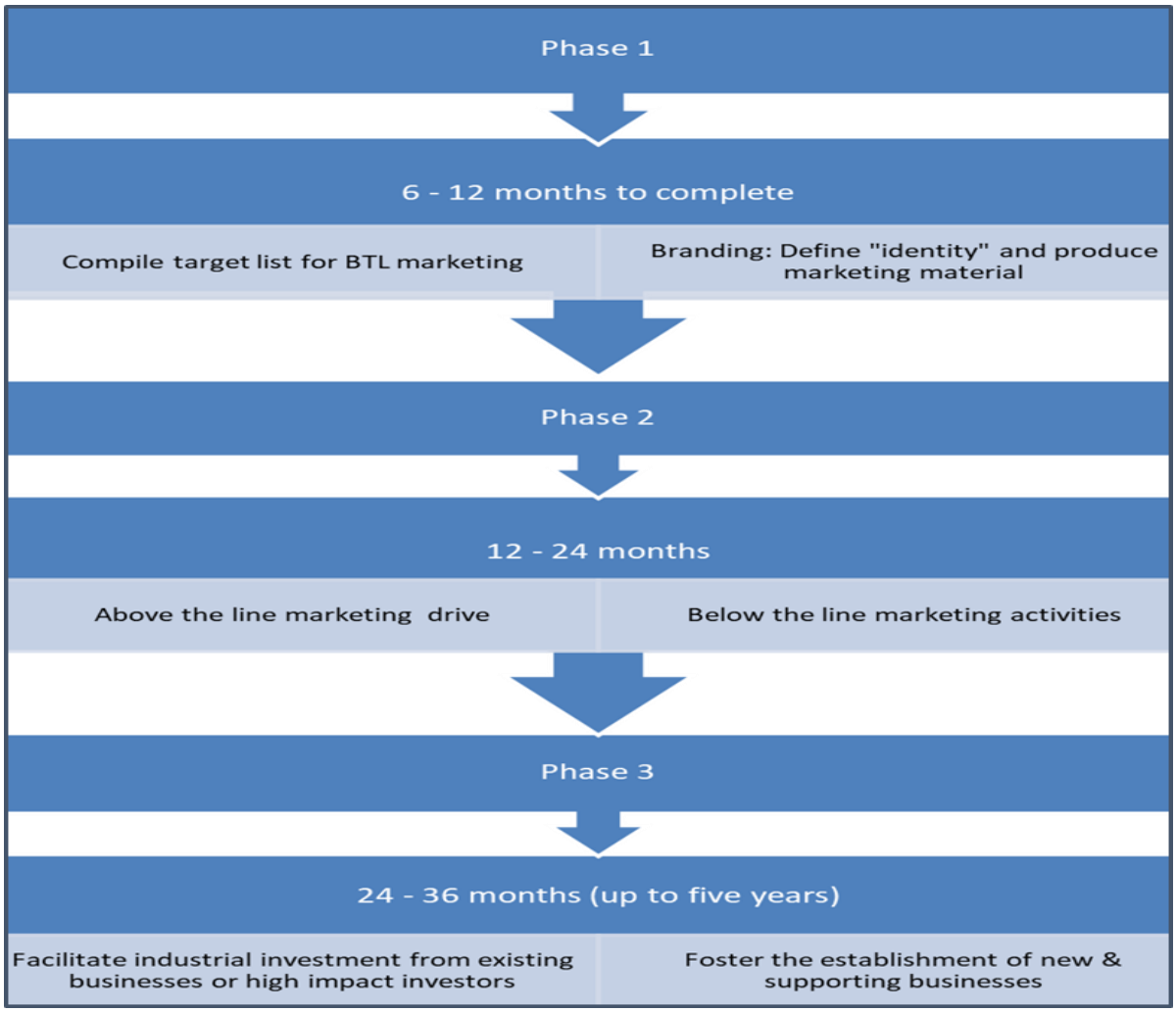


FIGURE 29: PROPOSED IMPLEMENTATION PROCESS

Branding Kouga

Branding is the activity of promoting a product’s unique identity, and creating and disseminating a focussed public idea of a particular product. Branding therefore refers to the “image” of the product.

Building a brand includes the following:

- Visual aspects, such as the logo, marketing material, advertisements, and the tag line;
- The core message of the marketing drive;
- How the brand is presented and even how ambassadors of the brand conduct themselves.

It is essential that all the aspects of branding are aligned and applied consistently.

The first step in building a brand is to define the value proposition, which refers to the unique value that the product offers. Kouga’s value proposition therefore lies in the most important benefits the area offers to investors.

The core benefit that businesses are looking for is increased profits. The key aspects that contribute to an enabling environment, characterised by ease of doing business, are:

- ✓ Infrastructure
- ✓ Availability of property and land
- ✓ Availability of labour
- ✓ Access to information
- ✓ Red tape reduction

The branding of Kouga should therefore focus on conveying the key message of an enabling business environment – an efficient and innovative place that is business-friendly.

22.5.2. Investment Attraction Plan

Action Plan Name:	**Investment Attraction Plan**
Problem Statement?	
To increase economic growth, it is desirable to attract new investment to the area. This can be achieved by marketing Kouga as an investment destination (to businesses and individuals) and "grow your own" initiatives.	
Short-, medium- or long-term implementation?	
Phased in over the medium to long term	
Background information/ broad description of the plan and its rationale?	
Investment creates jobs and the infrastructure required for economic growth. Private sector investment enhances the economic base of an area and promotes economic development.	
Resources required?	
Human Resources: ➢ **Human resources for the One Stop Shop/ Investment desk (at least one individual with industrial investment knowledge and experience).** ➢ **Administrative support from the municipality.** ➢ **Strong internal links within the Municipality and other relevant departments.** **Facilities and Infrastructure:** ➢ **Office space and equipment for the One Stop Shop/ Investment desk team. Office to be suitable to accommodate and welcome walk-ins.** ➢ **Website for marketing the area to investors.** **Budget:** ➢ **Funding for Marketing plan (branding, marketing material and marketing message).** ➢ **Funding for promotional activities.** ➢ **Traveling expenses to visit potential investors and invite potential investors to the area.** ➢ **Budgetary provision for incentives and services to new industrial developments.** ➢ **Maintenance and enhancements to the area to meet market preferences.**	
What are the plan's outputs?	
➢ **Attracting established businesses in Kouga.** ➢ **Establishing an economic hub in Kouga.** ➢ **Establishment of new factories and businesses in the area.** ➢ **An effective marketing plan and establishment of the Kouga brand.** ➢ **A functioning One-Stop-Shop** ➢ **Reducing red tape for investors**	
Plan outcomes	
➢ **Increased capital investment levels** ➢ **Improved infrastructure** ➢ **Increase in employment rate**	

- **Increased job opportunities**
- **Accelerate economic growth**

Plan activities and actions?

- **Develop a marketing plan**
  - ✓ **Research, develop and implement a marketing plan.**
  - ✓ **Research market needs and investment best-practice**
  - ✓ **Ensure that key drawing cards are in place.**
  - ✓ **Position the area as a suitable and desirable investment destination.**
  - ✓ **Identify key factors that influence investment decisions and build local capabilities. The municipality should consider risk factors faced by investors and investigate ways to mitigate the factors within its control.**
  - ✓ **Marketing efforts should specifically focus on Kouga's assets and the advantages of doing business in the area.**
  - ✓ **Kouga should be promoted as a modern, vibrant and accessible agri-processing and green economic zone – a complementary addition to the investment attraction of its neighbours.**
  - ✓ **When establishing economic clusters, it is important to target a specific industry and effectively sequence the establishment of additional clusters.**

- **Create an Enabling Environment for Investment**
  - ✓ **For Kouga to become an investment destination of choice, it is imperative that basic service delivery, and infrastructure to enhance the attractiveness of the area, be maintained.**
  - ✓ **Ensure that the required road infrastructure is in place. Kouga will suffer from competitive disadvantage due to high transport costs if the necessary transport and road infrastructure are not in place.**
  - ✓ **Create a safe and clean public environment.**
  - ✓ **Reduce red tape in the handling of property re-zoning applications, building plan approvals and property inspections.**
  - ✓ **Develop an effective information and communication technology strategy to enhance connectivity in the Kouga area**

- **Establish a "One-Stop-Shop" type service delivery vehicle**
  - ✓ **<u>The immediate actions to establish a One Stop Shop include:</u>**
    - **Recruit and employ an investment manager. A key component of the one-stop-shop service is the creation of a post for a dedicated investment facilitation professional. The investment facilitator's main responsibility would be to provide a single contact for investors wishing to do business in Kouga. The skills of such an investment professional can be leveraged to engage potential investors on a one-on-one basis.**
    - **Set up investment website and contact numbers/ e-mail addresses;**
    - **Get investment office ready to be operational (equipment, furniture etc.);**
    - **Develop and gain approval for incentives;**
    - **Compile stakeholder charters to identify all potential role-players and map synergies with the investment initiative. Engage role player and sign MOU for future co-operation.**
  - ✓ **<u>A One-Stop-Shop should be able to:</u>**
    - **Engage investors on a case-by-case basis to remove blockages and provide tailored assistance.**
    - **Provide a single point of contact for all potential investors (handle enquiries via e-mail, telephone or consultation).**
    - **Unblock hurdles through facilitation of processes (expediting process and exemptions where appropriate and applicable) and provide specific assistance with registration procedures.**
    - **Provide services to speed up the granting of necessary permits and licenses in a centralised and comprehensive manner.**
    - **Provide information on registration, legal framework and investment climate.**
    - **Facilitate and mediate in case of conflicts.**
    - **Facilitate seamless investment and reduce red-tape and inefficiencies for potential investors.**
  - ✓ **Set up a dedicated events and marketing office/ task team whose responsibilities include the promotion of Kouga, at home and abroad, as well as the management of major events.**

✓ Ensuring that applicable incentives are offered to each potential investor and that the benefits are explained in detail.
Municipality's role?
The municipality's role is to promote and facilitate inward investment in the area and play a leadership role in marketing the area, as well as promoting ease of doing business through the establishment of an investment desk/ one-stop-shop.
Key role players?
➢ The dti is a key role player ➢ Invest SA ➢ Department of Economic Development ➢ DEA ➢ Department of Public Works and Transport ➢ Local and District Municipalities ➢ DRDLR ➢ Private sector businesses.
How will the project be communicated to participants/ role players?
The project will be communicated to the market via a carefully developed marketing plan and direct engagements.
Key performance indicators
➢ Number of enquiries handled by the One-Stop-Shop. ➢ Number of actual investments facilitated by the One-Stop-Shop. ➢ Number of blockages (to investment) removed by the One-Stop-Shop. ➢ Number of new industrial investments in the area

22.6. Tourism Support Plan

Action Plan Name:	Tourism Development Program
Problem Statement?	
The tourism industry in the Kouga region has an important role to play in attaining the region's goals for growth and job creation. Having the potential to attract revenue and stimulate private and public sector investment in the region, the tourism industry is people-orientated and very labour intensive.	
Short-, medium- or long-term implementation?	
Short term initiation, to run over long term.	
Background information/ broad description of the plan and its rationale?	
Tourism also has multiple linkages to other sectors. Tourism supports LED in that it expands the local economy by attracting revenue from outside the local area as well as stimulating capital investment and fostering job creation. The industry also supports SMME development and has the potential to attract foreign direct investment.	
Resources required?	
➢ Tourism personnel to facilitate process; ➢ Administrative infrastructure (tourism office); ➢ Budget requirements include: ✓ Funds for training initiatives (hospitality, marketing and business skills); ✓ Budgetary provision and space for the establishment of a "shopping plaza"/ place to sell township products and promote township experiences; ✓ Funds for marketing and promotion; ✓ Funds for beautification and maintenance of local area; ✓ Seed funding for new tourism businesses.	
What are the plan's outputs?	
➢ Increased tourist numbers and enhanced visitor experience; ➢ Address seasonality; ➢ Increase tourism revenue; ➢ Include all areas in tourism route;	

- **Create employment opportunities;**
- **A coordinated and cohesive brand image in collaboration with all stakeholders;**
- **Enhanced skills levels in the tourism sector;**
- **Development of new and innovative tourism products.**

Plan outcomes

- **Establish Kouga as a sought-after tourism destination for local, national and international tourists.**
- **Growth and transformation in the tourism sector to create opportunities for young people and previously excluded tourism organisations.**
- **Inclusion of local communities as equal role-players within the district.**
- **Increased visitor numbers, average spend and duration of stay.**

Plan activities and actions?

- **Create awareness for the benefits of tourism in the local communities.**
- **Obtain local buy-in from the communities. Tourism activities must have relevance for the local inhabitants.**
- **Implement program to build ambassadorship of the area to create pride in the locality and contribute to the hospitality of the district.**
- **Develop a cohesive and integrated tourism strategy to deliver a clear and consistent brand message.**
  - ✓ **Map all public and private tourism attractions. Log the attractions' current use and condition, what that attraction can potentially be used for and what (if any) maintenance and infrastructure upgrades are required.**
  - ✓ **Call on all tourism organisations in all local communities to participate in the program and strive to ensure maximum inclusion.**
  - ✓ **Local Tourism Associations should meet and collaborate to develop an integrated marketing strategy that includes all towns and attractions.**
- **Increase electronic footprint of new and existing tourism businesses by adding them to existing promotional communication channels.**
  - ✓ **Increase the number of establishments/ experiences with a website and Social Media pages.**
  - ✓ **Hosting members of the media and tour operators to create awareness of the area. Create awareness for the benefits of tourism in the local communities.**
- **Attract visitors during off-peak season:**
  - ✓ **Promote sport tourisms programme and winter campaigns.**
- **Ensure clean and safe public spaces.**
  - ✓ **Ensure cleanliness of public facilities and address vagrants living in public spaces.**
  - ✓ **Put in place measures to enhance the safety of tourists.**
  - ✓ **Initiatives to enhance the attractiveness, safety and cleanliness of tourist infrastructure should be launched.**
- **Improve signage to indicate towns and attractions.**
  - ✓ **Clearly visible signs indicating the respective towns, together with updated tourism attractions, will contribute to a larger visitor footprint.**
- **Roll out skills training programs to enhance skills levels in the tourism sector. The following training programs could be considered:**
  - ✓ **Culinary training**
  - ✓ **Events management**
  - ✓ **Customer care training**
  - ✓ **Introduction to wine training**
  - ✓ **First Aid training**
  - ✓ **Computer training**
  - ✓ **Social Media Marketing training**
- **Facilitate the establishment/ enhancement of visitor information centres (VICs).**
- **Build a tourism route that will combine the strengths and capabilities of the entire region to build a strong, recognisable brand.**
  - ✓ **Investigate options to include poor communities in tourism.**

Project Actions for Township Tourism

- **Skills training for Tour guides in Townships**

➢ Skills training for owners and operators of tourism attractions in townships ➢ Identify Natural Features in township to promote ➢ Identify Cultural Heritage Features to promote ➢ Facilitate access to seed funding for identified tourist products and experiences ➢ Identify Support services which are products that the tourist would require to enable a comfortable and a safe stay as well as to experience local food, drink and township life ➢ Identify and establish small "shopping plaza" for local products from the Township ➢ Township Tourism service providers to be made aware of applications for SMME assistance that the different stakeholders provide by joining the forum and by education and support.
Municipality's role?
The state's role is primarily to create an enabling environment for development of the tourism sector (NRTS, 2012). Local government is responsible for promoting and supporting local tourism products (NRTS, 2012). Local government plays a critical role in providing leadership and the required planning to ensure that their local communities and businesses optimally benefit from tourism whilst minimising any negative effects tourism might have. It is the responsibility of the Municipality to ensure that basic services such as roads, cleanliness and electricity promote tourism and do not detract from the tourism experience. The Municipality plays a critical role in providing leadership and the required planning to ensure that the local community and businesses optimally benefit from tourism whilst minimising any negative effect that tourism might have.
Key role players?
Local Tourism Organisations, DT, SEDA, Tourism bodies and private establishments SEDA, SEFA and dti offer funding, vouchers, assistance and grants. Municipality to arrange for representatives of the institutions to present assistance on offer to them at workshops.
How will the project be communicated to participants/ role players?
The municipality needs to identify and map all current and potential role players in the tourism sector and invite them to be included in initiatives to promote local tourism. Creating public awareness through all municipal communication channels and various media platforms is essential to ensure maximum participation.
Key performance indicators
➢ Increased number of tourism attractions that offer new and unique products and experiences; ➢ Number of participants in training programmes; ➢ Increased number of experiences and destinations included in tourism route; ➢ Increase in number of visitors, average spend and duration of stay; ➢ Number of tourism businesses established in townships.

22.7. Social Development Action Plans

22.7.1. Human Capital Development Plan

Action Plan Name:	**Human Capital Development Plan**
Problem Statement?	
The people who live in Kouga constitute one of the most important resources that drive the local economy. It is important to develop and support the people of Kouga.	
Short-, medium- or long-term implementation?	
Short term – Establish the Welfare Forum as a vehicle to administer funds, aid, grants and to roll out projects. Medium to long term – Programmes pertaining to social development can be rolled out and implemented by the welfare forum.	
Background information/ broad description of the plan and its rationale?	
A key objective of LED is developing the people in a region with the view of establishing a better life for all. Ensuring that the inhabitants of an area are healthy, skilled, safe and productive enables economic development and thus enhances the quality of life of the local community.	

Resources required?

- Funding for programmes
- Personnel to oversee project implementation
- Office space and equipment
- Co-operation of stakeholders

What are the plan's outputs?

- Establishment of a Welfare Forum as a vehicle of implementation in order to ensure coordination and cooperation across the sector:
  - ✓ Elimination of the duplication of programmes
  - ✓ The specialist knowledge and extensive experience of existing organisations could be harnessed to optimally benefit the local population.
  - ✓ Different stakeholders will be able to collaborate on programmes, providing the best possible skillset for targeted programmes.
  - ✓ The forum can be used as a vehicle for communication, enhancing communication between stakeholders and ensuring that all stakeholders are informed of programmes and challenges.
  - ✓ Serve as a single point of contact for Government Departments, donors and other support mechanisms.
  - ✓ Forum will be able to channel funding to worthy projects, and the on-the-ground-level knowledge of NPOs and NGOs would provide excellent intelligence regarding needs and initiatives.

Plan outcomes

- Safer, healthier and more productive community;
- Addressing social ills;
- Roll out of various successful projects and initiatives;
- Relief from the deprivation effects of poverty;
- Reduced crime rates in the area.

Plan activities and actions?

- Establish a welfare forum comprising of NPOs, NGOs and stakeholders operating in the sector.
- The Forum can be used as a platform to share information, distribute funding and assistance and enhance cooperation in the sector.
- Address social ills, using the welfare forum as vehicle. The welfare Forum can drive projects such as:
  - ✓ Youth Development
  - ✓ After School support programme
  - ✓ Substance Abuse Programme
  - ✓ Drop-out Prevention programme and Education Programme
  - ✓ Woman's Health and Empowerment Programme
  - ✓ HIV/ Aids Health Programme
- Address non-financial dimensions of poverty (deprivation associated with multi-dimensional poverty) through providing basic services, such as electricity and water, to the poorest of the poor.
- DSD to provide specialist support to families and further support to youth at risk.
- Department of Education can assist with identifying learners to be included in the programme.
- SAPS to assist with form 22 procedure.

Municipality's role?

- The Municipality cannot, and should not, attempt to replace or duplicate the work done by NPOs and NGOs, but must rather aim to maximise the benefits of these private sector initiatives. The role of the Municipality should be one of support, facilitation and creating an enabling environment.
- The municipality should facilitate the establishment of the welfare forum and ensure that quarterly meetings take place and are attended by key role players such as SAPS and provincial and national departments (health, education, social development, cultural affairs and sport).
- The Municipality can provide financial assistance to NPOs in the form of grants and by using them as service providers to roll out identified interventions.
- Non-financial assistance could be provided to NPOs and NGOs in the form of assistance with communication (using municipal platforms) and making available idle resources, such as premises and equipment, free of charge.

Key role players?
➢ **Department of Social Development** ➢ **Non-profit organisations (NPOs) and non-governmental organisations (NGOs)** ➢ **Department of Education** ➢ **Department of Rural Development** ➢ **Department of Health** ➢ **Sport sector** ➢ **Families and Individuals** ➢ **Religious Sector** ➢ **Parents** ➢ **Students** ➢ **SAPS** ➢ **Private businesses** ➢ **Further Education institutions in the area** **Many departments and institutions have grants and initiatives that run every year. Available assistance should be discussed at quarterly Welfare Forum meetings to discuss how funding and initiatives can be accesses and incorporated to achieve maximum synergy.**
How will the project be communicated to participants/ role players?
The Welfare Forum itself will be a communication platform. Effectively communicating the establishment of the Forum is of critical importance and can be achieved through using various communication platforms and media to invite all stakeholder groups to participate. Stakeholders must also be encouraged to identify and involve additional role players. **All role players must be engaged at quarterly Welfare Forum meetings to discuss what support and programs each institution is offering at that time. Role players can then coordinate resource to create maximum synergy.** **The municipal communications platforms can be used to roll out interventions and create awareness of the various initiatives and projects.**
Key performance indicators
➢ **Number of Members at the Welfare Forum.** ➢ **Number of successful programmes implemented.** ➢ **Number of beneficiaries assisted through programmes**

The following programs can be rolled out as part of the Human Capital Development Plan:

22.7.2. Stay in School Project (Youth program)

Project description
Program to encourage youth to stay in school.
Project objectives (i.e. what are the goals to be achieved?)
➢ Decrease drop-out rate ➢ Increase matric pass rate ➢ Increase enrolment rate
Project outputs (direct result of the project)
➢ Acquiring skills to study further ➢ Enable learners to do homework in a safe and supervised environment ➢ Higher student performance
Project outcomes (result from outputs)
➢ Youths can enter the job market with a better chance of finding employment ➢ Elevating educational levels ➢ Increased employability

Project impact (the broader effect of the initiative over time, i.e. for training it would be reduced unemployment)
➢ Better skills levels equate to better quality of life and more productive community.
Project inputs (what would be required, i.e. budget/ funds, human resources, facilities, infrastructure, equipment)
➢ Research on why drop-out rates are high ➢ Mentors ➢ Funding ➢ Staff for after school supervision ➢ Premises to host after school care facilities ➢ Tables and chairs at after school care ➢ Sport programmes ➢ Administrative support to Welfare Forum
Project actions (a list of steps to be taken)
➢ Find out what are the needs of the school and/ or the learners ➢ Task the Welfare Forum to implement this initiative. Different stakeholders must work together with the teachers of the schools ➢ Community involvement – Taxis to provide transport options to youth, Walking Bus initiative to ensure safety, soup kitchens to provide lunch for youth. ➢ Facilitate assistance to matric learners to improve pass rates and prevent dropouts. ➢ Facilitate the creation of a database comprising of facilitators, trainers and mentors for the purposes of presenting workshops and training. ➢ Facilitate the provision of career guidance and job-readiness training. ➢ Facilitate a mentorship/ internship program that is ongoing with local businesses in the community. ➢ Initiate program to support grade 10-12 learners. The program should include assistance with school subjects (extra classes), life skills training and assistance with applications for bursaries/ scholarships. ➢ Form 22 procedure to be applied with assistance of all relevant stakeholders. ➢ Engage and partner with parents.
Timing (i.e. short, medium or long term and how long should it take?)
Phased in over short, medium and long term. Short term: put in place mentoring and after school support. Medium to long term: work with the students over the course of the year to enable students to pass with continued support. Programme should be up and running within one (1) year.
Communication (how will the project be communicated, i.e. direct engagement, post on Facebook, send out e-mail etc. and to whom)
➢ Social media platforms such as WhatsApp groups and Facebook to communicate with the students ➢ Communication through the schools by way of letters to parents and announcements ➢ The Welfare Forum can be used as a communication platform for all. Plan will be discussed with Welfare Forum at quarterly meeting
Key performance indicators
➢ Decreased school drop-out rate ➢ Higher matric pass rate ➢ Increased educational levels ➢ Decrease in youth being on the streets during school hours
Role players
➢ Department of Social Development

➢ Non-profit organisations NPOs) and non-governmental organisations (NGOs) ➢ Department of Education ➢ Department of Rural Development ➢ Department of Health ➢ SAPS ➢ Parents ➢ Students DSD to provide specialist support to families and further support to youth at risk. Department of Education can assist with identifying learners to be included in the programme. SAPS to assist with form 22 procedure. Departments and institutions have grants and initiatives that run every year. Available assistance should be discussed at quarterly Welfare Forum meetings to discuss how funding and initiatives can be accesses and incorporated to achieve maximum synergy.
Municipality's role
The role of the Municipality should be one of support, facilitation and creating an enabling environment. Municipality to provide support and leadership.

22.7.3. Mobile clinic project (Women's health program)

Project description
Mobile Clinic to serve women's healthcare needs in outlying areas.
Project objectives (i.e. what are the goals to be achieved?)
➢ Cover larger distances to promote health care coverage and access to health care facilities
Project outputs (direct result of the project)
➢ Improved access to health care for the community, especially women and children. ➢ Improved health care coverage in terms of treatment, care and health support to community
Project outcomes (result from outputs)
➢ Increased number of cases diagnosed, treated or referred for treatment ➢ Access to health facilities due to mobility ➢ Increased knowledge on health
Project impact (the broader effect of the initiative over time, i.e. for training it would be reduced unemployment)
➢ Improved health of the community leading to increased quality of life and economic development.
Project inputs (what would be required, i.e. budget/ funds, human resources, facilities, infrastructure, equipment)
➢ Health care workers to travel with the mobile clinic ➢ Vehicle fully equipped to serve as mobile clinic ➢ Funds ➢ Medication and materials to stock mobile clinic ➢ Running cost of vehicle, staff and medication/ materials and equipment
Project actions (a list of steps to be taken)
➢ Engage the Department of Health to discuss the need for a mobile clinic in Kouga due to the limited availability of health care in rural areas for the community. ➢ Investigate sources and responsibility of funding ➢ Procure fully equipped vehicle to serve as mobile clinic ➢ Stock vehicle with required medication and materials ➢ Hire competent and skilled health workers ➢ Partner with community and government organisations ➢ Main service delivery of mobile clinics should be focussed on maternal health care,

teenage pregnancies, HIV/ AIDS assistance, and immunisation ➢ Decide how frequently mobile clinic is going to visit area ➢ Mobile clinic to visit schools to assist pregnant teenagers ➢ Mobile clinic to visit disabled members of the community ➢ Plan a route for the mobile clinic and compile a schedule
Timing (i.e. short, medium or long term and how long should it take?)
Long term – to establish a vehicle, acquire funds and securing trained health carers could take time to set up
Communication
➢ Direct engagement with stakeholders in the process of securing funds and procuring the mobile clinic. ➢ Raising awareness: Visit and distribute flyers to community partners and other organisations such as churches, schools, and childcare programs. The Welfare Forum can be used as a communication platform for raising awareness in the communities regarding the services offered by the mobile clinic
Key performance indicators
➢ Number of community members serviced by mobile clinic ➢ Improved community health in the area serviced by the mobile clinic.
Role players
➢ Department of Health ➢ Department of Social Development ➢ Non-profit organisations (NPOs) and non-governmental organisations (NGOs) ➢ Department of Education ➢ Department of Rural Development Mobile clinics are usually owned and funded by the Department of Health. However, the municipality can also procure a mobile clinic as an extension of its municipal clinic services. Financial assistance can be sought from the Department of Health, the Department of Social Development and the Department of Rural Development to expand the services of the mobile clinic. The Department of Education can assist to ensure that the mobile clinic reaches individuals in need of its services.
Municipality's role
The role of the Municipality would be to facilitate access to the mobile clinic from the Department of Health for the local community. Alternatively, the municipality can partner with other stakeholders (as above) to procure its own mobile clinic.

22.7.4. Women's health and empowerment program

Project description
Woman's Health and Empowerment Programme
Project objectives (i.e. what are the goals to be achieved?)
➢ Reduce maternal mortality ➢ Reduce malnutrition in children ➢ Reduce teenage pregnancies ➢ Reduce FAS incidence ➢ Increase immunisation rate
Project outputs (direct result of the project)
➢ Health workers are capacitated to provide effective and confidential information, assistance and support to women around various health-related issues, especially alcohol abuse

➢ Treatment, care and support to woman ➢ Increased number of women being educated on health issues
Project outcomes (result from outputs)
➢ Decrease FAS incidence ➢ Decrease Teenage Pregnancies ➢ Decrease maternal mortality rate ➢ Reduce malnutrition in children ➢ Increase immunisation rate
Project impact (the broader effect of the initiative over time)
➢ Better knowledge of healthcare regarding pregnant women, FAS and malnutrition in children, as well as importance of immunisation in children
Project inputs
➢ Health workers ➢ Funding ➢ Premises to facilitate workshops ➢ Mobile clinics ➢ Awareness and educational material ex. print media ➢ Training material ➢ Municipal official to co-ordinate ➢ Administrative support to Welfare Forum
Project actions
➢ Address Health issues, using the welfare forum as vehicle ➢ Roll out program aimed at educating girls and young women on teenage pregnancy and FAS ➢ FAS prevention and infant care programme ➢ Health workshops can be linked to substance abuse programs like alcohol to inform mothers on FAS ➢ Immunisation campaigns to be held ➢ Teenage Pregnancy Workshops ➢ Facilitate workshops for single mothers/ young parents with children at preschool level, to ensure that the mother develops parallel with the child in the Early Childhood Development program, and thereby to ensure that the parent will guide the children through the entire school process. ➢ Establish and communicate substance abuse programmes
Timing (i.e. short, medium or long term and how long should it take?)
Initiated over the medium term.
Communication (how will the project be communicated)
➢ Local clinics to communicate via posters to woman and mothers. ➢ The Welfare Forum can be used as a communication platform for all
Key performance indicators
➢ Reduction in maternal mortality ➢ Reduction in FAS incidence ➢ Reduction in child malnutrition ➢ Increase in immunisation rate
Role players
➢ Department of Social Development ➢ Non-profit organisations (NPOs) and non-governmental organisations (NGOs) ➢ Department of Education ➢ Department of Rural Development

➢ Department of Health ➢ SAPS
Municipality's role
The role of the Municipality should be one of support, facilitation and creating an enabling environment. Municipality to provide support and leadership

22.7.5. Youth Development Program

Project description
Youth Development Programme
Project objectives (i.e. what are the goals to be achieved?)
➢ Economic participation of the youth (employment and entrepreneurship) ➢ Increased education and skills ➢ Combat violence, crime and substance abuse among youth ➢ Improved health in youth (and their families later in life) ➢ Participation of youth in their community
Project outputs (direct result of the project)
➢ Decrease in social ills among youth ➢ Decrease in unemployment among youth
Project outcomes (result from outputs)
➢ Youth to contribute to future stable and supportive family environment ➢ Youth to succeed in school and further education ➢ Youth to choose healthy behaviours ➢ Youth to earn an income
Project impact (the broader effect of the initiative over time)
➢ Increase youth involvement and active citizenship by building the capacity of youth organisations and leaders to become agents in their own development who make meaningful contributions to their communities. ➢ Medium- to Long-term increase in HDI (education/ skills; health and income)
Project inputs
➢ Funding for training programmes and initiatives ✓ Skills facilitators, venues and catering ✓ Premises for youth gatherings ➢ Funding for bursaries and study grants where possible ➢ Administrative support for coordinating and organising programmes and initiatives
Project actions (a list of steps to be taken)
➢ Work preparation training ✓ Compiling a CV and succeeding in a job interview ✓ Work readiness (professional conduct, ethics in the workplace, communication skills) ✓ Career planning and referrals for further training ➢ Life skills training for youth to improve coping skills with everyday challenges. ➢ Identify positive youth leaders and develop their abilities to be able to engage other vulnerable youth on topical issues. ➢ Create platforms of engagement on issues that affect youth. The aim is to raise awareness on a range of issues including the dangers of substance abuse, HIV/ AIDS, Teenage Pregnancies and Gang involvement. ➢ Awareness raising initiatives will include joint awareness raising campaigns, pamphlets on issues, Youth Day Campaigns. ➢ Putting practical monitoring and evaluation mechanisms in place to ensure that programmes and interventions are relevant and that those doing youth work are held

accountable. ➢ Current program of the Municipality with Essen municipality in Belgium include a Flemish programme on youth development. ➢ Innovative IT development solutions to facilitate access. ➢ Creating linkages between corporate entities and assessed youth with a view to possible permanent employment.
Timing (i.e. short, medium or long term and how long should it take?)
Medium-term implementation and to be sustained over the Long Term
Communication (how will the project be communicated, i.e. direct engagement, post on Facebook, send out e-mail etc. and to whom)
The Welfare Forum can be used as a communication platform for all. Plan will be discussed with Welfare Forum at quarterly meeting. Directly invite participants through schools and further education institutions
Key performance indicators
➢ Number of young people who participated in the programme ➢ Number of training programmes/ initiatives rolled out ➢ Number of young people participating in the programme who furthered their education or found employment/ created own employment
Role players
➢ Department of Social Development ➢ Non-profit organisations (NPOs) and non-governmental organisations (NGOs) ➢ Department of Education ➢ Department of Rural Development ➢ Department of Health ➢ Private businesses willing to take in mentees/ interns Departments and institutions have grants and initiatives that run every year. Available assistance should be discussed at quarterly Welfare Forum meetings to discuss how funding and initiatives can be accesses and incorporated to achieve maximum synergy.
Municipality's role
The role of the Municipality should be one of support, facilitation and leadership to initiate and source funding for the Youth Development Programme

22.8. Recycling Action Plan (Green Economy)

Action Plan Name:	**Recycling Action Plan (Green Economy)**
Problem Statement? **(the LED need to be addressed)**	
An initiative between Kouga Local Municipality, the provincial legislator and Scottish innovators brings the possibility of establishing a recycling hub in the area. Recycling (contributing and supporting solid waste management) can be rolled out as an income generating activity for the poor and unemployed. If Kouga should successfully establish itself as a green economic/recycling hub and put in place the required manufacturing capacity to build plastic roads, it could provide a market for recyclable plastics for the entire region. **The waste sector plays a significant role in achieving the objectives of a green economy. Recycling forms the basis of a green economy and is the driver to create significant employment opportunities in the sector. The waste sector, through the waste management hierarchy, advocates the maximisation of material re-use, recycling and recovering, while minimising waste disposal. The sector therefore provides a platform for saving natural resources, saving energy, establishing new businesses and creating jobs, generating energy from waste and organic waste, and composting to the agricultural sector.**	

Short-, medium- or long-term implementation?

- Implement dual bag and awareness campaign in the short term and continue over the long term.
- Establishment of infrastructure and appointment of service provider could happen within one (1) year.
- In the long term Kouga could evaluate the feasibility of investing in the processing and manufacturing products from recyclable material including the pelts used for building roads with plastic.

Background information/ broad description of the plan and its rationale?

South Africa's Green Economy Strategy states that there are two developmental outcomes for the green economy that are interlinked with each other:

- Growing economic activity that will lead to investment, jobs and competitiveness in the green industry sector;
- And shifting the economy as a whole towards cleaner industries and sectors with a low environmental impact compared to its socio-economic impact.

Recycling enterprises play an important role in preserving the environment through litter abatement and diverting waste from landfills. These enterprises also create employment and contribute to developing the local economy. Improving the capacity of waste enterprises should enhance business efficiency, thereby improving waste recovery rates and employment creation.

Municipalities that forge relationships with local recyclers can contribute to mitigating the constraints experienced by waste entrepreneurs, especially with regard to access to volumes of recyclables, transportation and infrastructure (premises and equipment).

Resources required?

Human Resources

- Unskilled labour to sort waste.
- Recycling service provider to manage and oversee the recycling plant.

Facilities and Infrastructure

- Material Recover Facility (covered space for sorting and storage)
- Buy-back centres where recyclables can be bought from collectors

Equipment

- Clear bags for separating waste at source (households).
- Transport to remove recyclable waste
- Forklift
- Baler to compress waste into bales
- Scale to weigh waste
- Conveyer/ sorting tables
- Safety gear for workers

What are the plan's outputs?

- Municipal savings on solid waste management and landfill space.
- Municipality achieving diversion rate targets.
- Create employment.
- Improve litter abatement
- Establish a recycling hub in Kouga

Plan outcomes

- Compliance to waste laws. Removing waste from the environment reduces social and environmental costs.
- Increase in quality of life for residents in terms of cleaner healthier environment and creating economic opportunities.
- Stimulating local economic development and addressing inequality in Kouga.
- Increased business opportunities for women, youth, entrepreneurs based in rural areas and individuals with lower skills levels.
- Reduction in pollution and the conservation of natural resources.

Plan activities and actions?

- Implement a dual bag system at all households and businesses to facilitate separation at source.

- **Embark on a recycling awareness drive through municipal communication platforms.**
- **Ensure that infrastructure such as premises, transport, baler and forklift are in place. Investing in improved transfer stations and equipment is less capital intensive than high-technology alternative waste treatment plants, and also saves municipalities transport costs.**
- **Municipalities can leverage infrastructural resources by appointing recyclers as per municipal procurement processes to operate transfer stations/ equipped premises adjacent to transfer stations. Recyclers can benefit from the infrastructure municipalities are required to have in place, and municipalities can leverage the resources and benefit from the specialist skills and activities of the recyclers.**
  - ✓ **Selection criteria for the recycler can include: the business (SMME) must be trading and have been operational for the past three years, be located in the Kouga area and have the potential to employ more local inhabitants.**
  - ✓ **Support for the recycler can include: conducting a comprehensive business diagnostic of each business to identify development needs, compiling an action plan for each business, compiling a mentoring plan for each business, individual one-on-one mentoring sessions with each business owner to address the development needs identified during the diagnostic, compiling a prospectus to be used for marketing purposes for each business, and compiling a comprehensive business plan for each business.**
- **Facilitate agreements between service provider and smaller recyclers/ waste collectors to ensure that materials are bought in at buy-back centres at competitive prices.**
- **The need of recyclers to have access to markets and the municipalities' Local Economic Development objectives can be aligned. The development of processing capabilities can be facilitated in line with Operation Phakisa.**

Municipality's role?

The municipality should facilitate the process and provide infrastructure and compensation for the service provider. Municipalities have a crucial role to play in changing the perception and attitudes of local officials and the general public towards the recycling industry. The efficient recovery of large volumes of high-quality recyclables is dependent on active citizen involvement.

The National Waste Management Strategy (NWMS) sets goals for municipalities to meet in terms of waste management that include promoting waste minimisation, re-use, recycling and recovery, and ensuring the effective and efficient service delivery of waste services, whilst ensuring sound budgeting and financial management for waste services.

The municipality should create an enabling environment for private contractors, and specifically SMMEs, to formalise relationships with local government and become involved in larger projects.

Key role players?

The community, Department of Environmental Affairs and Development Planning (offers support to Waste Entrepreneurs), local recyclers, schools and local businesses.

How will the project be communicated to participants/ role players?

- **Service provider contracted on a bid basis**
- **Awareness programs to be rolled out on all municipal communication platforms**

Key performance indicators

- **Number of jobs created**
- **Tonnes of recyclable materials diverted from the landfill**
- **Establishment of a recycling hub**
- **Long-term objective is to integrate plastics processing into a Green Economic Hub in Kouga.**

22.9. Agriculture SMME support action plan

Action Plan Name:	**Promote Agriculture sector**

Problem Statement?

The agriculture industry is one of the industries that contributes most to creating employment and has the

potential to create livelihoods in rural areas.
Short-, medium- or long-term implementation?
Phased in over the medium to long term
Background information/ broad description of the plan and its rationale?
Traditionally a key economic driver in Kouga, the agricultural sector faces many macro-economic and environmental constraints. Supporting the agricultural sector, including emerging farmers, was highlighted as a priority during stakeholder engagements.
Resources required?
➢ **Infrastructure for emerging farmers** ➢ **Funding for agriculture skills development programme** ➢ **Volunteers** ➢ **Facility to host the after-school skills development programme**
What are the plan's outputs?
➢ **After school agriculture skills development programme** ➢ **Support to emerging farmers** ➢ **Agriculture awareness program**
Plan outcomes
➢ **Youth development** ➢ **Job creation** ➢ **Support to SMMEs in the agricultural sector**
Plan activities and actions?
➢ **Provide emerging farmers with technical and infrastructure support** ➢ **Link emerging farmers with established commercial farmers to offer support and training to emerging farmers.** ➢ **Training farmers in modern and sustainable farming techniques** ➢ **Agri-processing facilities to capitalise on value-added opportunities** ➢ **Establish 'Farm Tourism' model** ✓ **Tourism is one of the key sectors in Kouga, and establishing a farm tourism model could support economic development.** ✓ **The farm tourism model could include tours for tourists to visit the various farms in the Kouga area to experience farm life and see how various products are produced.** ✓ **Emerging farmers could be trained as farm tourism tour guides.** ➢ **Include agricultural SMMEs in Small Business Development initiatives and link agricultural SMMEs with broader initiatives to support agri-businesses.** ➢ **Develop an after-school skills program to reach young people on farms.**
Municipality's role?
The municipality should play a facilitative and leadership role to coordinate efforts by key role players.
Key role players?
➢ **Department of Agriculture and rural development** ➢ **Local Farmers** ➢ **Local Schools** ➢ **Department of Land Reform and Rural Development**
How will the project be communicated to participants/ role players?
The program must be communicated to stakeholders through direct engagement and discussion.
Key performance indicators
➢ **Number of emerging farmers supported** ➢ **Number of participants in training programs** ➢ **Number of students that receive a job after completing the after-school skills development programme.**

23. Implementation Plan Timeline (2020 -2030)

Strategic Focus Area (Strategic Pillars)	High Level Action Plan	Short Term 2020-2022	Medium Term 2023/2025	Long Term 2025/2030
Agriculture	SFA1: Expand the agricultural sector of Kouga Municipality into new products and markets, specifically niche and export markets.		✓	✓
	SFA2: The development of an agriculture hub, with specific focus on adding value to agricultural products, processing, storage and distribution.		✓	✓
	SFA3: Link emerging farmers with established commercial farmers to offer support and training to emerging farmers.	✓		
	SFA4: Training farmers in modern and sustainable farming techniques	✓	✓	✓
	SFA5: Establish a Fresh Produce Market.	✓		
	SFA6: Establish Local Farmer's Association	✓		
Tourism	SFA7 : Diversify & Improve Tourism Offerings.	✓	✓	

	SFA8: Market Kouga as Tourism destination and events capital			
	SFA9: Urban renewal / Beach front development Initiatives to Improve Tourism Infrastructure.			
	SF10: Develop a web-based and /or mobile cell based system for visitors to complete visitor satisfaction forms at various locations			
	SF11: Co-ordinate and implement tourism safety support programmes.			
	SFA12: Facilitate Development of Tourism Enterprise to Contribute to Inclusive Economy and Job Creation (Focus on PDI and Township/rural tourism).			
	SFA13: Develop and link a database of all Kouga tourism assets and businesses to National & Provincial databases.			
Green & Oceans Economy	SFA14: Green Economy develop existing industry and create new educational industry (clean industry for the coast) – Recycle Projects, Climate Change mitigation programmes, Renewable Energy Opportunities			
	SFA11: Promote initiatives for inclusion of Local SMMEs in the Renewable Energy Sector.			

	Load shedding proof the municipality by targeting IPP Energy procurement by 2030.		✓	✓
	SFA12: Ocean Economy Forge Public/Private Partnerships for Infrastructure Development to Support and grow Ocean Economy.	✓	✓	✓
	SFA13:			
Business, & Entrepreneurship Support	SFA14: Reduce Red Tape: prioritise building plan & land use approvals.	✓		
	SFA15: Conduct Annual Business Retention & Expansion survey per industry/ sector.	✓		
	SFA 16: Facilitate Industry Information Sharing and Networking Platforms	✓	✓	✓
Knowledge Management & Communication	SFA 17: Develop and enhance institutional capacity to conduct and manage tourism research.	✓	✓	
	SFA18: Develop Communication Plan for LED & Tourism Initiatives	✓	✓	
Investment Attraction & Promotion	Develop Investment Promotion strategy & Incentives Policy	✓		
	Identify Special Development Zones/ Renewal zones	✓	✓	

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