

PORTFOLIO COMMITTEE :
ECONOMIC DEVELOPMENT & TOURISM

Chairperson :

Cllr K Brice

Committee Members :

**Cllrs C Resandt, C May
& S Kalolo**

PORTEFEULJEKOMITEE :
EKONOMIESE ONTWIKKELING & TOERISME

Voorsitter :

Rdl K Brice

Komiteelede :

**Rdle C Resandt, C May
& S Kalolo**

**ECONOMIC DEVELOPMENT & TOURISM
PORTFOLIO COMMITTEE**

**EKONOMIESE ONTWIKKELING & TOERISME
PORTEFEULJEKOMITEE**

16 February 2021

I N D E X

ITEM

**PAGE
NUMBER**

APPLICATIONS FOR LEAVE OF ABSENCE

**STATEMENTS AND COMMUNICATIONS BROUGHT FORWARD BY THE
CHAIRPERSON**

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| 2. | ECONOMIC, SOCIAL DEVELOPMENT AND TOURISM QUARTERLY
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**AGENDA of the
Portfolio Committee: Economic Development & Tourism
16 February 2021
(Also the agenda for the Mayoral Committee Meeting: 24 February 2021)**

**1.
OVERSTRAND ECONOMIC RECOVERY PLAN**

17/1/1/3/2

S Madikane

Director : Economic Development & Tourism

26 January 2021

(028) 313 8066

1. Executive Summary

The plan seeks to address the negative impact of the pandemic on the economy. The areas of focus being safety, wellbeing and jobs need to happen in an environment that is conducive and does not hinder development but encourages it to happen. The Department of Economic Development and Tourism issued a circular (attached) in line with National COGTA Circular in what can be done in addressing the negative impact. The Overstrand plan is developed in line with the directive as received from both COGTA and DEDAT as a means of addressing the impact of the pandemic.

2. Service Delivery and Budget Implementation Plan - IGNITE

Directorate: Economic, Social Development and Tourism

3. Compliance with Strategic Priorities

Provision of democratic, accountable and ethical governance
Promotion of tourism, economic and social development

4. Delegated Authority

Executive Mayor

5. Legal Requirements

N/A

6. Background/Discussion/Evaluation/Conclusion

The Overstrand Economic Recovery Plan be noted.

7. Financial Implications

None

8. Staff Implications

None

**AGENDA of the
Portfolio Committee: Economic Development & Tourism
16 February 2021
(Also the agenda for the Mayoral Committee Meeting: 24 February 2021)**

9. Comments from other Departments, Divisions and Administrations

None

10. Annexures

Annexure A: Overstrand Economic Recovery Plan

RECOMMENDATION:

that the plan **be adopted** and amended from time to time in consultation with the Executive Mayor.

RESPONSIBLE OFFICIALS :

S MADIKANE

TARGET DATE FOR IMPLEMENTATION :

IMMEDIATELY

**AGENDA of the
Portfolio Committee: Economic Development & Tourism
16 February 2021
(Also the Agenda for the Mayoral Committee Meeting: 24 February 2021)**

**1.
OVERSTRAND ECONOMIC RECOVERY PLAN**

17/1/1/3/2

S Madikane

Director : Economic Development & Tourism

26 January 2021

(028) 313 8066

**THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON
16 FEBRUARY 2021, WHICH COMMITTEE SUPPORTED THE
RECOMMENDATION**

RESPONSIBLE OFFICIALS :

S MADIKANE

TARGET DATE FOR IMPLEMENTATION :

IMMEDIATELY



11/23/2020

OVERSTRAND MUNICIPALITY ECONOMIC RECOVERY PLAN

DRAFT Document



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1. INTRODUCTION AND BACKGROUND

The world faces an unprecedented crisis, a virus Covid-19 that has disrupted the global economy and all facets of normal life. The impact of the economic fallout more severe than ever before in modern history. South Africa with comparatively low infection rates globally, is still not in the clear. What is evident is that Covid-19 is having a disastrous impact on the economy and the economic slowdown is likely to last for more than 3 years. According the latest report by Mckinsey & Company "More than 175 countries and territories have reported cases of COVID-19, the disease caused by the coronavirus (SARS-CoV-2). The Worldometer, which is used by many governments and the Johns Hopkins CSSE, states that the latest number of cases is 29,479,276 with 933,467 deaths as at 15th September 2020, is projected to be approximately 2 million by the end of 2020 (best case scenario).

As the engines for the national economy, South African municipalities are disproportionately exposed to the economic fallout. Those most vulnerable are the poor, poverty is our proverbial 'Achilles Heel' in fighting the virus and will remain so unless we act. Our dense and overcrowded informal settlements, the inhumane conditions of people living in shacks and the needs of those working in the informal economy makes social distancing a luxury. The risk of going hungry far outweighs the threat of the virus.

Covid-19 presents a deep and long-lasting economic crisis for South Africa, it has already begun to put tremendous strain on existing municipal resources and capacity. The economic fallout will be severe and manifest in multiple and complex ways. The current crisis is compounded by the recent downgrading of South Africa to junk status. The overall National fiscus has significantly contracted which will affect the financial capacity of the state. This will affect all areas of debt raising and borrowing. This only worsens and makes more complex, the existing challenges of municipalities, many of whom, find themselves in a financial, political and management crisis. In instances where functional municipalities exist critical funding gaps occur, this funding gap will grow significantly. Some, of the most salient and direct economic challenges that Covid -19 will create for South Africa municipalities are the following:

- **Decline in inter-governmental fund transfers to municipalities:** overall reduction in inter-governmental transfers as National Government Departments and Treasury see their own budgets constrained by inability to collect taxes, tariffs and fees as businesses and household's battle to pay taxes. In 2018/19 a total of R3.4 billion was allocated to local government equitable share. Direct transfers are likely to decline significantly as a result of the contraction of the National fiscus. Conditional grants such as Schedule 4

Part B grants are likely to reduce which will affect critical infrastructure development programmes of municipalities. Slowing down of infrastructure development will impede service delivery, reduce capital expenditure budget and reduce overall local economic spend. A concomitant slowing down in the construction sector and induced job losses will result.

- **Loss in revenue from property rates and taxes:** Property rates and taxes account for between 15 and 22 % of total revenue of municipalities. This will be significantly affected as a result of inability of households and businesses to pay, job losses and businesses closing. In the short-term property rates and taxes are relatively demand inelastic, but over medium to long-term the real impacts on municipal revenue will be felt. It is not clear what potential loss in revenue will result.
- **Generation of Revenue from Electricity:** revenue from electricity sales account for between 30% and 45% of own revenue for municipalities. The sales from electricity will decline significantly, municipalities will be supplying electricity at a net operating loss. If we imagine a best-case scenario of about 40% loss in electricity revenue, this will significantly contract municipal budgets and therefore spending on essential services.
- **Bulk purchases of water and electricity:** it is not just electricity, but the bulk purchasing capacity of electricity and water, would be significantly affected, net impact on overall ability to supply will be a challenge.
- **Collapse of single economy dominant municipalities:** mining municipalities – in North West Province, and other municipalities where economies are dependent on a single economic sector will be adversely affected. Commodity prices have been tumbling across the world. According to Mineral Council for South Africa, the industry employs around 420,000 workers at any given time. The labour force is primary migrant. Large informal settlements exist in mining across South Africa. The city economies will face collapse should the mining sector fail to recovery from the fallout of Covid-19. Unemployment in these towns will rise significantly, leading to an increase in poverty rates. The impact will be felt across income and Living Standards Measure (LSM) categories.

2. ECONOMIC IMPACT OF COVID-19

The South African economy was in crisis prior to the COVID-19 pandemic. The country was in a recession, having experienced three consecutive quarters of economic contraction.¹

Figure 1: SA & WC GDP % Growth, 1999-2019



Global Economy impacts

In June 2020, the World Bank forecasted that the global economy would contract by 5.2% in 2020. The OECD forecast for the global economy was gloomier. The Organisation for Economic Co-operation and Development (OECD) predicts that if there is only a single COVID-19 peak the global economy would contract by 6% in 2020. However, if there were two waves of COVID-19 the economy would decline by 7.6%. This is far more severe than the Global Financial Crisis of 2008, when the global economy contracted by negative 1.5% in 2009.

Global travel and tourism industries were hit early on by economic disruption from the outbreak. Casualties include the airline industry, global oil demand and global supply chains. The containment or quarantine efforts resulted in restricted supply chains and a tightening of credit.

¹ South Africa's GDP contracted in Q3 2019 and Q4 2019 by -0.8% and -1.4%, respectively. In Q1 2020 the economy contracted by -2.0%.

In the case of trade, world trade volume increased to 7.6% in June 2020 month-on-month (growth was -1.1% in May) and growth was -12.5% in 2020Q2 (-2.7% in 2020Q1). There was growth in almost all countries, except in Japan, where imports fell even further (-2.6%). In China and Eastern-Europe there is a fallback in exports, and in Africa and the Middle East imports and exports fell somewhat further. According to the Economist Intelligence Unit (EIU), the pandemic is causing temporary disruption to regional relations, in both trade and diplomatic terms, because of border closures and flight bans. The planned launch of the African Continental Free Trade Area (AfCFTA's) initial phase in July has been suspended until 2021 because of the pandemic. The functioning of regional institutions (such as the African Union (AU)) will be impeded by travel restrictions and social distancing rules.

To contain the dire impact of the pandemic, the monetary policy responses from the Fed, ECB and other major central banks have been speedy and comprehensive. On top of cutting interest rates, they have implemented unconventional monetary policy measures in a few weeks: zero policy rates, negative policy rates in some countries, forward guidance, and Quantitative Easing, etc. From a global health perspective, draconian measures such as social isolation, testing, tracing, social distancing, quarantines and compulsory economic lockdowns were implemented to suppress the spread of the virus. Experience suggests that about one-third of the economic losses from the disease will be direct costs from loss of life, workplace closures, and quarantines.

South African Economy impacts

The ability of the national economy to withstand the COVID-19 onslaught is viewed with apprehension given its vulnerable 2020 starting point. The state of South Africa's performance before COVID-19 was characterised by national government policy uncertainty, domestic energy outages, a slow pace of reform, technical recessions, low business and consumer confidence, high government expenditure relative to income, and international uncertainty caused by Brexit and the trade disputes between the two biggest economies in the world (China and the USA). The domestic GDP growth forecasts for 2020 currently ranges between a 5% and a 10% decline, with National Treasury projecting an economic decline of 7.2%. The OECD predicts that if there is only a single COVID-19 peak the economy would contract by 7.5% in 2020. However, if there were secondary waves of COVID-19 infection the economy would decline by 8.2%. With SA's peak infection rate occurring only around early July/August 2020, the recovery period will not be as swift as the developed world and a U-shaped recovery is expected.

According to the Stats SA report released at the beginning of September 2020, South Africa's gross domestic product (GDP) decreased by 51% in the second quarter of 2020 owing to the impact of Covid-19 lockdown restrictions since the end of March 2020. However, this is on an annualised, seasonally adjusted basis, which assumes that the economic trajectory at Q2 will be sustained over a period of 12 months. This is not the case as regulations have been lifted following Q2 and the economy is recovering. The actual 2020 Q1 to Q2 decline was **16.4%** following a 2% contraction in Q1.

Before the pandemic the economy was already beset by structural issues such as a skills mismatch, low productivity, lack of competitiveness, infrastructure backlogs, red tape and energy insecurity. These issues continue to hinder the economy's rapid recovery.

Through this pandemic, the SA tourism industry, which forms a significant value chain and employment driver in our economy, has and will be the hardest impacted into 2021.

Agriculture (and the agri-value chain), construction, manufacturing and trade will also be adversely impacted due to external demand and supply-chain collapses. According to the Agriculture Business Chamber, SA's agricultural sector could lose as much as R39.23 billion in export revenue due to the outbreak, as Asia accounts for a quarter of its exports.

In the case of the local stock exchange, almost R1-trillion was wiped from the JSE All Share Index in the last week of February 2020. The JSE, however, has seen a recovery of 31% since lockdown in March 2020, coupled with a sharp appreciation in the Rand. From an investment perspective, the Fitch Solutions Q42020 Country Risk Report forecasts that SA investment as a percentage of GDP will fall from 18.7% in 2019 to 18.2% in 2020, with a further decrease to 18.0% in 2021. Quantec however provides a more pessimistic view of a decrease to 16.2 in 2021².

The fiscal space and available government resources to combat the pandemic are severely constrained given SA's debt levels. In its Supplementary Budget Review for June 2020, National Treasury upwardly revised the budget deficit from 6.8% of GDP to 14.6% of GDP. Consolidated public debt, including loan guarantees and municipality debt, could be closer to 100%. Nedbank and other organisations forecast that formal employment could decline by 9.7%, with job losses of 1.6 million.

² According to the Quantec Fixed capital formation and stock Quarterly Report - September 2020

The national business and consumer confidence declined to an all-time low due to the COVID-19 pandemic. On a national level, BER's Business Confidence Index (BCI) hit a record low of 5 index points in the second quarter of 2020 before recovering to 24 index points the third quarter of 2020. BER's Consumer Confidence Index (CCI) also recorded a record low of -33 index points in the second quarter of 2020 but increased to -23 index points in the third quarter of 2020, indicating a slight recovery in consumer sentiment which can be ascribed to increases in household finances.

Western Cape Economy Impact

In the face of this pandemic, the Western Cape Government developed an economic model to measure the economic impact on the economy. It focused on producing results on two key indicators of the economy namely, Gross Value Added (GVA) and employment.

The modelling was built from the bottom up, analysing, firstly, the 9 broad sectors of the Western Cape economy, then the 34 detailed sectors across all the districts and municipalities to analyse the impact at a granular level. This was then applied to three different scenarios: a mild case, a medium case and a severe case, based on the levels of restrictions imposed upon the economy.

For 2020 and 2021, various time periods of the lockdown were analysed. For each of these time periods, an export shock and a local (domestic) shock were applied. The former looked at the impact on the sectors induced through a supply chain shock and its export value, and the latter factored in supply constraints and risk factors for each sector against local output. The model was reviewed by credible economic consulting firms and benchmarked against models and results from IHS Market, IMF, and Business for SA, SARB, Nedbank, FNB, TIPS and PWC and a number of private sector economists.

From this modelling, research and analysis, the following was determined:

In the Western Cape, the economic outlook has also deteriorated significantly over the past two quarters, in line with national developments linked to the Covid-19 pandemic. Within a "medium lockdown" scenario and adjusting for the implementation of level 2 regulations, the Western Cape Department of Economic Development and Tourism (DEDAT) forecasts a 10.5 per cent contraction in provincial economic activity and an employment decline of 6.8 per cent (or 162,489 people) in 2020. DEDAT expects a rebound in 2021 with economic growth of 5.1 per cent. Moody's has stated that, "We expect the recovery will persist through 2021

and support growth of 4.5%." Meanwhile National treasury forecasts positive growth of 3.0% and 1.9% in 2021 and 2022 respectively.

The four sectors that will be hardest hit in the Western Cape in 2020 are the tourism sector which is expected to lose 77,314 jobs (or 44.2 per cent of the sector) and lose R9.7 billion in Gross Value Add (GVA) in 2020; the trade sector which is expected to lose 21,189 jobs (or 6% of the sector) and lose R12.5 billion in GVA in 2020, the construction sector which is expected to lose 18,512 jobs (or 11.6 per cent of sector) and lose R5.3 billion in GVA in 2020, and the informal sector which is expected to lose 26,690 jobs (or 8.9 per cent of the sector).

Figure 2: Western Cape modelling, sectors hardest hit, 2020

Sectors	Total GVA in 2019	Net GVA loss	Net loss as a % of sub sector	Total employed in 2019	Net Employment Losses	Net employment loss % of subsector
Tourism	15 534 736	9 701 299	62.4%	174 982	77 314	44.2%
Informal	N/A	N/A	N/A	301 543	26 690	8.9%
Trade	102 087 570	12 536 722	12.3%	354 328	21 189	6.0%
Construction	31 715 441	5 335 829	16.8%	159 542	18 512	11.6%
Manufacturing	94 959 965	8 901 352	9.4%	295 183	7 361	2.5%
Agriculture	21 094 310	693 241	3.3%	209 798	5 929	2.8%
Community services	111 637 537	3 970 352	3.6%	354 331	3 331	0.9%
Finance	156 953 508	8 274 547	5.3%	466 741	1 150	0.2%
Transport	59 716 800	5 369 885	9.0%	54 100	793	1.5%
Electricity	17 704 233	1 038 294	5.9%	8 892	76	0.9%
Mining	1 743 156	209 392	12.0%	4 590	146	3.2%
Total	613 147 256	56 030 913		2 384 029	162 489	

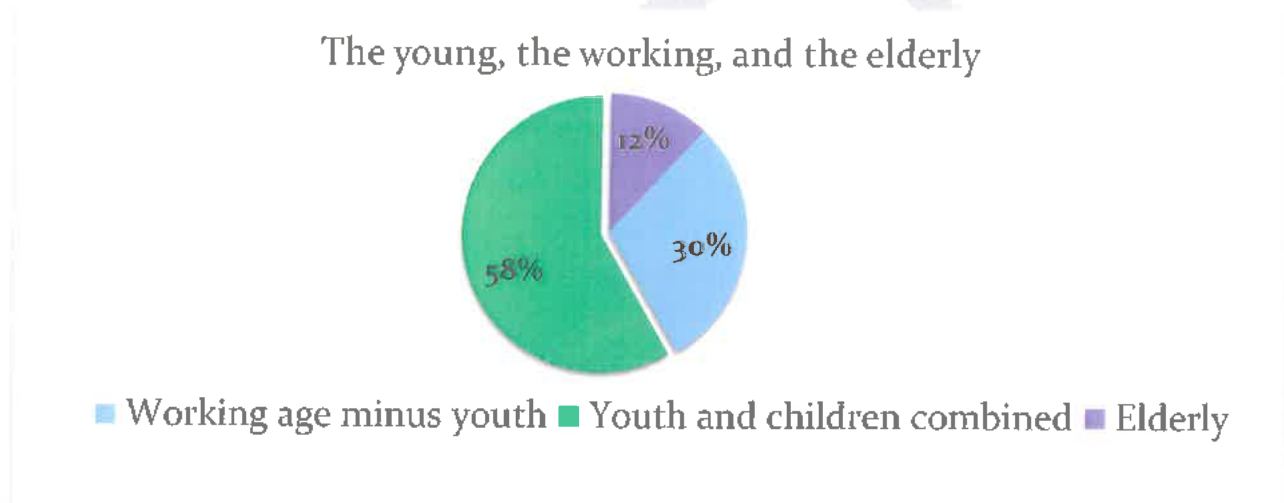
The Western Cape economy, in line with national, is not expected to recover quickly - even with the extraordinary SARB repo rate cuts (from 6.25% to 3.75%), followed by a R19/\$ to below R17/\$ currency appreciation.

The BER' Business Confidence Index (BCI) for the Western Cape is at a record low of 8 index points in the second quarter of 2020. This is due to the on-going COVID-19 pandemic. The low BCI reflects the pessimism of firms about the state of the country's economy. This is due to constrained consumer spending as well as poor firm growth prospects and their financial situation. However, business confidence saw an uptick in the third quarter of 2020, by increasing from 8 to 19 index points, signaling signs of optimism in the Western Cape economy.

Overstrand Socio-Economic Data

Economic activity within municipal boundaries is important as it shows the extent of human development and the living standards of communities. The Overstrand has a diverse economic base that is critical to resilience in times of pandemics such as Covid-19. The municipality implemented a number of interventions aimed at stimulating the local economy - in order to stimulate economic activity, there are few levers that the municipality can exercise its authority on and have control over to contribute to economic performance, these include, among others, procurement of goods and services, job creation through expanded public works programmes (EPWP) as well as creating an enabling environment for small businesses.

Figure 3: Overstrand Municipality, age composition (%)



Source: Social Development Department - Overstrand Municipality

In doing so, it will be imperative to plan according to the existing demographics and age cohorts. The graph above indicates a huge percentage gap in terms of the working age, elderly and the youth including children, the dependency ratio is declining as more and more people within the working age get attracted to the area.

Figure 4: Overberg District GDP forecast per sector, 2019 – 2020 (%)

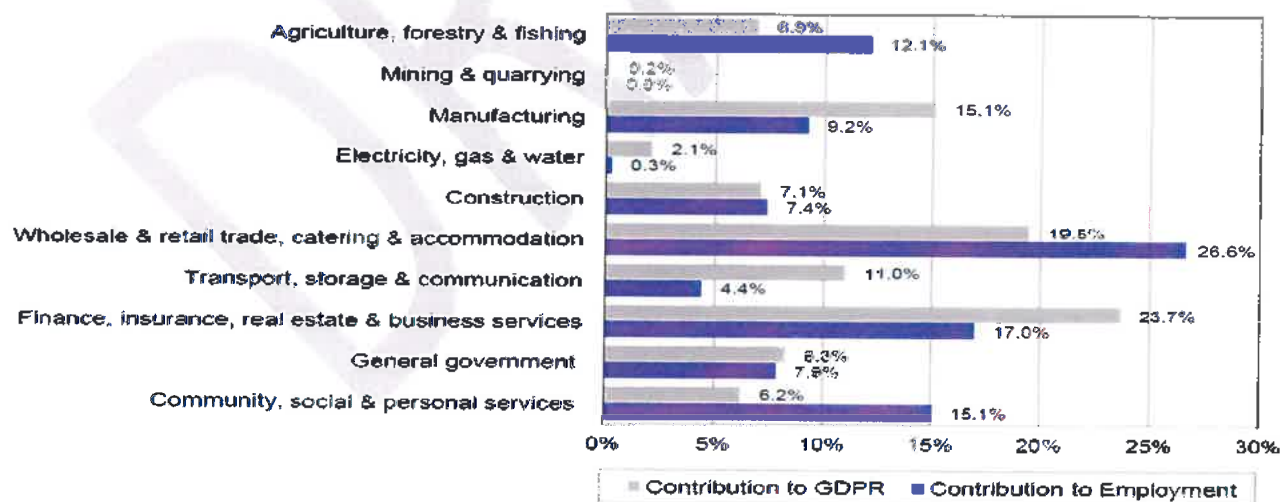
Sector	2019f	2020f	Trend 2019f - 2023f
Primary Sector			
Agriculture, forestry and fishing	2.0	-1.6	-2.3
Mining and quarrying	-0.3	4.0	4.3
Secondary Sector			
Manufacturing	2.9	6.4	8.4
Electricity, gas and water	0.2	1.0	1.0
Construction	-1.4	0.7	1.7
Tertiary Sector			
Wholesale and retail trade, catering and accommodation	1.6	2.6	4.6
Transport, storage and communication	2.1	4.0	6.0
Finance, insurance, real estate and business services	1.7	2.8	4.0
General government	-0.3	-0.7	-1.4
Community, social and personal services	1.3	1.9	2.7
Total	1.5	2.5	3.8

Source: Urban-Econ based on BER, 2019 (f denotes forecast)

Source: Municipal Economic Review and Outlook 2019

Quite a few sectors are expected to grow positively, and these are job creators such as manufacturing and some tourism industries. The municipality must work closely with growing sectors and support those that are struggling to ensure a fair balance towards recovery.

Figure 5: Overstrand sectoral GDP and employment contribution, 2017 (%)



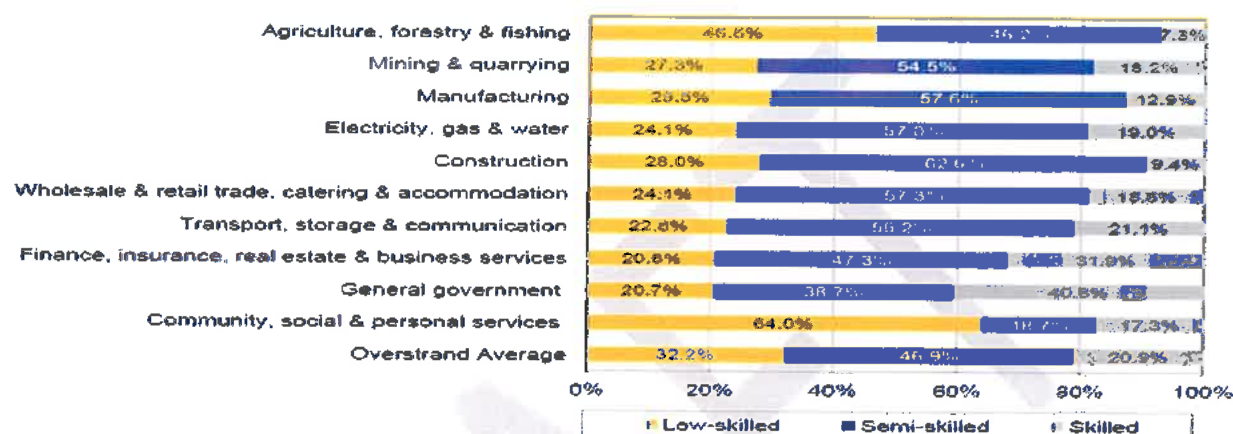
Source: Quantec Research, 2019

Source: Municipal Economic Review and Outlook 2019

The major contributors to employment are mainly in the Tourism industry, significant of the area as a tourist destination, interesting to note, it not always the high GDP contribution that signifies high employment – this is illustrated by the graph above.

The Overstrand sectors employment and skills base is majority semi-skilled followed by unskilled labor. There is a need to focus on skills development that matches the demand in the job market. The economy can best recover with a balanced view on skills development. The private sector must ensure appropriate and accredited skills development for staff, to retain jobs.

Figure 6: Overstrand skills levels per sector, 2017 (%)



Source: Quantec Research, 2019

Source: Municipal Economic Review and Outlook 2019

GDPR SECTOR FORECAST – WHO WAS PREDICTED TO HAVE GROWTH POTENTIAL –TOP 5?

RATING	SECTOR	FORECAST 2010 -2023
1	Manufacturing	8.4
2	Transport, storage and communication	6.0
3	Wholesale and retail trade, catering and accommodation	4.6
4	Mining and quarrying	4.3
5	Finance, insurance, real estate and business services	4.0

The above sectors must be supported to make meaning of the jobs now initiative/drive. According to the forecast, these sectors are set to have growth potential and must be harnessed in the recovery stages through a variety of levers.

EMPLOYMENT TO GDP- WHO EMPLOYS THE MOST PEOPLE RELATIVE TO GDP

– TOP 4?

RATING	SECTOR	CONTRIBUTION TO GDP	CONTRIBUTION TO EMPLOYMENT
1	Wholesale and retail trade, catering & accommodation	19.5%	26.6%
2	Finance, insurance, real estate & business services	23.7	17%
3	Community, social and personal services	6.2%	15.1%
4	Agricultures, forestry and fishing	6.9%	12.1%

The drive to maintain jobs and bringing people back to productive work can be achieved through the sectors identified above with both growth potential and contribution to employment.

EMPLOYMENT- WHO EMPLOYS THE MOST UNSKILLED AND SEMI-SKILLED LABOUR PEOPLE RELATIVE TO GDP- TOP 6?

RATING	SECTOR	LOW-SKILLED	SEMI-SKILLED
1	Agriculture, forestry and fishing	46.5%	46.2%
2	Manufacturing	29.5%	57.6%
3	Construction	28%	62.6%
4	Mining & quarrying	27.3%	54.5%

RATING	SECTOR	LOW-SKILLED	SEMI-SKILLED
5	Wholesale & retail trade, catering and accommodation	24.1%	57.3%
6	Electricity, gas & water	24.1%	57%

With targeted skills development initiatives, a gradual progression towards low-skilled to other levels can be achieved within the above sectors.

3. SOUTH AFRICA'S RESPONSE PLAN

(Please note that this is a summary from a draft presentation which may change, further alignment will be based on the presidential presentation to parliament)

National Recovery Plan

Energy Security:

- Reliability of energy supply & minimization of load shedding through a maintenance focus.
- Implementing price and market regulatory changes to increase usage of LPG as an alternative energy source for heating and cooking.
- Issuing a request for qualification on the gas to power programme.
- Enabling generation for own use.

Thriving Industrial base that creates jobs:

- Support for local manufacturing.
- Continued support for firms and households in distress.
- Strengthen SMME and cooperatives support.
- Special help for labor intensive industries that are badly affected.
- Sector stimulation and support, with special focus on labor absorbing industries.
- Cutting red tape and "ease of doing business" bottlenecks.

Public Employment Programmes (PEPs) that build communities:

- Build and maintain community infrastructure.
- Invest in the environment and a circular economy.
- Strengthen education support.

- Support ECD and community health.
- Invest in the creative and cultural sector.
- Create employment by enhancing food security.
- Skills development.

Infrastructure to meet NDP 2030:

- Accelerate implementation of shovel ready infrastructure projects.
- Review of regulatory impediments to increasing private sector investment in public infrastructure.
- Facilitate implementation of the priority projects identified through the SIDS process.
- Maintenance, refurbishment of public buildings and roads.

A pathway to fiscal & financial health:

- Restore revenue collection capacity.
- Easing financial sector regulations to support the flow of credit to households and businesses.
- Temporary payment holidays.
- Wage subsidies to people and firms through UIF.
- Expansion and extension of transfers and grants.
- **A population that is equipped to deliver:** National Skills Fund Strategic Focus.
- Provide mobile data for remote learning.
- Strengthening innovation through a resilient communications and Digital Economy.
- Labor Market Intelligence.

A state with capacity to deliver:

- Strengthen accountability of economic ministers and executive management to economic outcomes.
- Stabilize political administrative interface.
- State owned enterprises (SOE) performance and governance.
- Strengthen accountability systems.
- High culture of weak accountability and consequences.
- Strengthen the capacity to deal with revenue and expenditure leakages.

A social compact for fair & sustainable choices & trade-offs:

- Initial shaping of agreement on critical choices and trade-offs.
- Retain and expand Social Security measures.
- Promoting active citizenry to strengthen development, democracy and accountability.
- Encouraging strong leadership throughout society to work together to solve problems.
- Programme towards building a more inclusive work place.
- Strengthening partnerships with business, civil society and trade unions to a greater commitment to promote inclusive growth and address the barriers that constrain it.

Tourism Support:

- The Tourism Relief Fund and the Tour Guide Fund.
- Launching an investment and market entry facilitation programme to stimulate capital investment.
- Cooperation with neighboring destinations towards a regional value proposition.
- Develop market access tool for distribution, link with the green economy initiatives.

A nation that is food secure:

- Link agro-production and agro-processing clusters to consolidated buying/ group buying programme to meet food requirements for additional social relief.
- Ensure more support for emerging and small scale farmers.
- Reconfigure agro processing incentive with the Department of Trade, Industry and Competition (DTIC)
- Identify strategic markets in Africa, Asia Europe with DTIC.
- Secure market agreements for institutional markets.

A South Africa that trades intensely with the continent:

- Take advantage of the African Continental Free Trade Agreement.
- Harmonize road and rail infrastructure into the continent.
- Expand economic diplomacy to intensify mutual trade.
- Promoting an active regional industrial strategy that is funded.
- Partnerships with other countries to leveraged in areas such as improving efficiencies in South Africa's ports and in expanding markets for products and services provided by South African SOEs.

A Green economy that guarantees the security of energy, food & water:

- Waste recycling, beneficiation and the transition to a circular economy.
- Develop market access tool for distribution, local beneficiation and export potential of ash, gypsum, slag and biomass.
- Secure the funding of infrastructure at concessional cost.

Western Cape Government Recovery Plan

The economic recovery plan is mindful of fundamental economic shortcomings that brought about an economy that has been underperforming for more than a decade. Informed by the understanding of the existing economic challenges, a number of themes require intervention in order to achieve the vision of a growing, enabling, inclusive and resilient Western Cape economy. The framework for the economic recovery plan focuses on the themes of skills development, investment and exports, SMMEs and informal, ease of doing business, infrastructure, and business and the stakeholder eco-system. The interventions within and across these themes will be applied within a sector and a spatial context.

Table 1: Framework for Western Cape Government economic recovery plan

Skills Development	Investment & Exports	SMMEs and Informal	Ease of Doing Business	Economic Resilience	Infrastructure	Business & Stakeholder Eco-system
Accelerate skills supply & employable labor	Diversify exports and increase investment	Support growth and productivity of SMMEs and informal	Remove Govt blockages and increase govt efficiencies	Improve productivity through Green Economy and Innovation & Technology, Digital	Accelerate government infrastructure to improve productivity	Improve Business Confidence
Spatial - District & and Township						
Sectors						

District/Metro Economic Response Plan

(not sure if you're going to add text to this section)?

(Identify and discuss district / metro strategies aimed at economic recovery – 3 pages)

- Refer to Municipal Modelling, Treasury Reports and IHS ReX documents/data.

(Highlight specific economic relief measures implemented in the district – 2 pages)

- Refer to Municipal Modelling, Treasury Reports and IHS ReX documents/data.

Overstrand Municipality Economic Response Plan

Long Term Strategies:

Strategy	Description	Deliverables
Eco-Tourism	To build cultural and environment awareness and to minimise the impact of tourism on the environment and to create employment opportunities for the local people.	<ul style="list-style-type: none"> • Municipalities to work together with Cape Nature to market the Kogelberg Biosphere Reserve; • Develop electronic and printable maps of routes of adventure trails (drawing on local technology such as the SOS mobile app as used in Grabouw and Oak Valley); • Engage with SANParks, Cape Nature and landowners to buy-in for routes; • Roll out signage along routes (drawing lessons from Greyton MTB and hiking route experience)
Agri-Tourism	To grow the touring of agricultural areas in the Overberg	<ul style="list-style-type: none"> • Get farms to develop and better their tourism offerings; • Municipality to make liquor licenses applications easy for wine farms so that they can offer more tourism products such as wine tasting;
Growth Potential	To match the growth potential of the region to the future growth possibilities	<ul style="list-style-type: none"> • Impact on human, physical capital; • Acquisition of future skill and health of the people; • Access to public goods; • Capacity of communities and economies to sustain future negative.

Table 2: Overstrand Economic response plan - Long term strategies

Short Term Strategies:

Strategies	Description	Activities
Communication	The roll out of the proposed activities will be communicated positively throughout, in building hope and lasting relationships throughout.	<ul style="list-style-type: none"> • Stories of hope • Profiling of local businesses; • Amplifying Municipal work (infrastructure projects completed; tenders awarded and capital budget implementation); • Positive stories from the community; • Life and best practices in the townships including life; • Invite other spheres of government in implementation of the plan
Destination connect	No Boundary approach to tourism ensuring a coordinated and seamless exploration of the District with a view of increasing the number of bed nights spent in the region.	<ul style="list-style-type: none"> • Promote and develop a Culinary Restaurant Route of the Overberg. (offer packages that are not time specific); • Compile events and festivals calendar; • Profile Home of stars and celebrities as ambassadors; • What to do (places to visit); • Route development in partnership with private Sector; • Agro-tourism routes – agro-tourism establishments and expansion;
Mayoral/ Executives business visits	Towards a business retention approach to encourage local business to thrive and the creation of	<ul style="list-style-type: none"> • Itinerary for business visits; • Dialogues with key product owners (tourism etc.);

Strategies	Description	Activities
	a conducive environment for ease of doing business.	<ul style="list-style-type: none"> No of issues affecting local businesses resolved; Virtual platform meetings with businesses outside CBD.
Branding and product development	To create a unified marketing exercise and approach for the Overstrand with one brand.	<ul style="list-style-type: none"> Improve signage; Revamp Cape Country unified tourism information service (marketing each node or town individually. Strengthen Local Tourism Offices.
Maximise events hosting for tourism development	Attract more sustainable events and reintroduce funding of festivals as key to attracting visitors in the area	<ul style="list-style-type: none"> Develop events strategy with complementary measures for easier applications and streamlined municipal support. Lobby Wesgro for financial support.
Support Local Tourism Organizations (LTO's)	To act as a link between businesses and municipality and alignment with health protocols.	<ul style="list-style-type: none"> The Overstrand will assist existing LTO's with governance and administrative support, Adhere with post COVID 19 requirements; Develop marketing and PR tools to attract visitors and;
Emerging Farmer support	Equip farmers with skills and equipment through rescue packages.	<ul style="list-style-type: none"> Identify all new and existing small farmers; Link with support agencies and stakeholders; Provide land for food gardens and support households with food garden start-up kits.
SMME support	Provide support to SMME's to comply and assistance	<ul style="list-style-type: none"> Establishment of SMME support programme;

Strategies	Description	Activities
	for financial support through rescue plans.	<ul style="list-style-type: none"> • Mobilise enterprise development support agencies and stakeholders; • Facilitate access to rescue packages and other relevant support • Keep an updated SMME database and provide permits to trade, • Refugee economic support programme and support to comply, • Collaborate with Home Affairs to confirm correctness of documentation
Informal sector development	Support informal sector and promote informal economy linkages with the formal economy.	<ul style="list-style-type: none"> • Audit informal trading sector in the Overstrand; • Mobilize and formalise the sector to measure the size and locate the relevant players; • Partner in infrastructure development and other investment opportunities; • Provide support programmes to informal traders and emerging contractor/service provider; • Establish informal trading associations and support the existing structures representing informal traders;
Job creation	Effective implementation of Public Employment Programmes in partnership with other spheres of government and promote creation of job	<ul style="list-style-type: none"> • Assess the number of jobs created per specific area of opportunity; • Type of jobs created and who benefited from them;

Strategies	Description	Activities
	opportunities by the private sector.	<ul style="list-style-type: none"> • Matching skills need and those available in the local workforce; • Facilitate creation of jobs through the implementation of capital projects and intensify EPWP and CWP gains; • Partner with companies for the establishment of a job placement centre to be able to quickly identify and fill jobs where there is a need; • Explore national and provincial programmes on job incentive scheme that can be partnered with the private sector.
Boost Economic Activity	Identify and take advantage of value chains.	<ul style="list-style-type: none"> • Focus on the economic multiplier each intervention can deliver; • Local spend to increase the demand of goods and services and nudge the economy forward
Collaborate on SCM/LED business and enterprise development	Procure goods and services within a prescribed Enterprise Development Programme that support local Contractors and Service Providers as much as possible.	<ul style="list-style-type: none"> • Develop a District database; • Create a platform to share request for quotations and tenders; • Assess business opportunities / gaps in the district;
Ease of Doing Business and Reduction of Red Tape.	<p>Identify areas and issues prohibiting ease of doing business for consideration and implementation by administrative departments.</p> <p>Identify areas of improvement and develop</p>	<ul style="list-style-type: none"> • Engage the Department of Small Business and DEDAT Red Tape Units to assist in: - setting up systems, - Identify ease of doing elements and scorecard and assist with implementation,

Strategies	Description	Activities
	a scorecard to constantly review.	- Report to the MM, Mayor and EMT on progress.

Table 3: Overstrand Economic response plan - Short term strategies

4. RELIEF MEASURES TO GROW THE ECONOMY

Should heading not read Current or Existing relief measures?

<ul style="list-style-type: none"> • Commitment to 95% budget implementation across the municipal budget – promote work opportunities and encourage consumption of goods and services including economic inclusion for small/emerging service providers and contractors; • Implementation of SPLUMA principles to encourage entrepreneurship within the informal economy; (Pre- application consultations); • Making land available to communities to set up community gardens, community initiatives for self-help projects (refurbishment and reuse initiatives); • Infrastructure support for Informal Traders (maintain and repair damaged infrastructure, allocate trading spaces and formalise trading spaces in townships; • Continue populating reporting of Back to Basic initiatives to ensure continued basic service delivery and avert unhealthy environments; • Communication and E-learning Platforms - Free Wi-Fi access at community facilities/Thusong and the creation of social hubs, create spaces for / social hubs in libraries for 	<ul style="list-style-type: none"> • Allocate funds for food security projects, One Household – One Project, • Communication and E-learning Platforms - Free Wi-Fi access at community facilities/Thusong and the creation of social hubs, create spaces for / social hubs in libraries for people to engage beyond the formal structures; • Recovery arrangements for both residents and business through a Council Resolution by extending payment period for municipal services, rental of council property for rental exemption, Holiday accommodation temporary reclassification to residential due to loss of income, waived certain charges such as reminder on accounts and deposits for outstanding accounts, • The creation of a municipal virtual platform and provision of tools of trade to Councilors / staff to continue with governance matters – all Council meeting held monthly, planning platforms Tribunal meetings and SCM consideration of Tenders and implementation of the Demand Management Plan; • Encouraged residents/businesses struggling with payment of their municipal account due to income loss to register on the indigent database (50 applications to be considered in this period) • Jobs focus by creating decent work through EPWP and CWP (R15 million allocation for temporary and EPWP work
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people to engage beyond the formal structures;

- Business information, registration, compliance support in partnership with SEDA, Business Information Centre – facility for small businesses to access internet and computer facilities and E-learning,

opportunities – Seasonal Workers Community Services and Law Enforcement/Traffic/Fire. Discuss a policy to capacitate and skill in turning temporary to permanency);

5. ENABLERS TOWARDS DISTRICT/METRO ECONOMIC RECOVERY

There are a number of growth nodes and opportunities that exist post-Covid. As a collective, the Province, districts and municipalities need to embrace these opportunities and drive them in order to sustain and grow jobs as quickly as possible. They include: Business process outsourcing (BPO), the ICT (digital economy), Agri-processing, Tourism (upon opening of borders) and Green Technology (Recycling, energy, waste). Municipalities need to look at the comparative advantages that their area contains and exploit it.

Institutional Enablers

Institution	Role
Private Sector (formal and informal)	The private sector is a critical stakeholder for economic recovery and a major stakeholder in any economic plan and is mainly composed of local businesses. It is therefore important for local, provincial and national governments to work closely with the private sector as a partner to contribute towards economic growth and improve the state of the economy. It is the roles of all spheres of government to create an enabling environment for businesses to grow during and post COVID 19 towards economic recovery. It is significant for the private sector to participate in the economic recovery plan process to craft its path and align with government's strategy.
Provincial and National Government	Provide support and development initiatives that the municipalities and its communities can benefit from to improve local economies. This range from overall business support and development services with agencies such the Small Enterprise

Institution	Role
	Development Agency (SEDA) and Small Enterprise Finance Agency (SEFA) including the Department of Small Business Development (DSBD), similar functions that the Department of Trade Industry and Competition (DTI) and the Western Cape Department of Economic Development and Tourism (DEDAT) also provide. To engage sector specific institutions such as CASIDRA, Wesgro and Western Cape Department of Agriculture including all other relevant bodies. These institutions are critical enablers to make available resources to municipalities and the private sector to ensure economic survival.
Local Municipality	The local municipality is the chief implementing agent and promoter of its economic development and recovery plan within its boundary. Is critical in the creation of an enabling environment and eradicate red tape on a local grass root level. To provide basic municipal services including economic infrastructure and implement pro-business by-laws and regulations that will encourage economic activities, job creation and retention as well as skills development and training.
Overberg District	Provide support and coordination platform to local municipalities and promote the local and the district recovery plans as well as enable local municipalities to effectively implement key interventions to improve regional economy. Monitoring of LED strategy in so far as it supports the district economic cluster working group. The district is a vital enabler to champion the initiatives local, national and provincial levels and ensure cooperation and participation in socio-economic development.

Other key enablers:

- "Local communities and their associated capitals are the core of successful to recovery;
- Overstrand has a diverse economy;
- Proximity to major trade route (i.e. Cape Town International Airport and Harbour);
- Access to resources i.e. Oceans economy;
- Personal connection and invested entrepreneurs in community for a resilient economic base;

- Organised business (existing chambers/ formations);
- Existing monitoring and evaluation including reporting mechanisms capability within the municipality;
- Availability of land for Agro-processing, Agri-tourism and beneficiation.

6. FACILITATION OF JOB OPPORTUNITIES IN THE OVERSTRAND

The creation of jobs will be implemented in consideration of the availability of funding (new and existing resources) including outside resources from the Private Sector and other spheres of government. The following capitals create a conducive environment to explore to the municipal advantage:



The First Step Is To Improve and Expand On Public Employment Programmes (Pep's)

- Existing business plan aligned to the grant and municipal projects shall include opportunities created through the procurement process by specifying local labour requirement including Contractor Development through sub-contracting;
- Community Works Programme currently accommodate more than 400 active participants - the municipality to assist with identifying decent work and accommodate participation in community gardens across the municipal geo-political boundary;
- Provide support to expand programme to achieve full site status of 1000 participants;
- The municipality shall proactively lobby other spheres of Government at Provincial and National level with EPWP budget to implement work opportunities which the municipality shall co-ordinate and manage on behalf

(the municipality shall consider the availability of PPEs for outside workers and workspaces and other tools of trade for office based workers);

PRIVATE SECTOR PARTNERSHIPS

- Identify in partnership with Tourism product owners, job opportunities related initiatives including those that can be incentivized through grants (pending on availability of funds);
- Assist with speedy implementation of expansion and new investment projects (introduce joint planning inclusive of affected directorates to consider applications and provide strategic direction);

PROPOSED AND EXISTING JOB OPPORTUNITY PROJECTS

TOURISM

Project	Existing	New	No. of Job Opportunities
Wage Subsidisation (Project of DEDAT) <ul style="list-style-type: none"> ▪ Company pays UIF and other costs to company ▪ Find participating companies ▪ Employ those who lost their jobs due to Covid-19 		YES	To be determined pending on grant

SAFETY

Project	Existing	New	No. of Job Opportunities
Water Safety <ul style="list-style-type: none"> Identify all public swimming places Provide safety information and kits to bathers Inform and advise on dangerous sites Provide lifesaving services Partner with WESSA and NSRI To work in groups of five (5) 		Yes	30

Project	Existing	New	No. of Job Opportunities
RANGERS PROJECT <ul style="list-style-type: none"> Placed in public tourism places such as Fernkloof, Kogelberg biosphere, mountain biking tracks, etc. Maintenance of trails Security and safety of visitors Tour guiding 	YES (Fernkloof) Currently 5	Other Areas	30

DIGITISATION AND PUBLIC INTERFACE

Project	Existing	New	No. of Job Opportunities
DIGITISATION OF TOURISM INFORMATION <ul style="list-style-type: none"> Placed in Visitor Information Centres Update and follow-up social media Track visitor numbers in tourist friendly places Vehicle registration tracking Observe and follow-up on tourism products 		Yes	20

COMMUNITY BASED PROJECTS

Project	Existing	New	No. of Job Opportunities
WASTE TO WEALTH <ul style="list-style-type: none"> Recycling and product development Identify suitable and appropriate land 		Yes	40
WILD ANIMAL CONTROL <ul style="list-style-type: none"> Monitor Baboons Environmental education 	Yes		20 additional
ALIEN VEGETATION CLEARING <ul style="list-style-type: none"> Municipal land/property Safety awareness 		Yes	100

Projects	Existing	New	No. of Job Opportunities
WASTE BRIGADES <ul style="list-style-type: none"> Promote cleanliness in informal settlements Re-use waste for composting Household food gardens 		Yes	20

PUBLIC SAFETY IN PARKS

- | | | |
|---|-----|----|
| <ul style="list-style-type: none"> Promoting health standards Maintenance of parks Safety and security | Yes | 65 |
|---|-----|----|

TRAFFIC AND LAW ENFORCEMENT

- | | | |
|---|-----|-----|
| <ul style="list-style-type: none"> Ensure respect of rule of law Community safety | Yes | 165 |
|---|-----|-----|

Project	Existing	New	No. of Job Opportunities
COVID-19 SAFETY MONITORS (AMBASSADORS) <ul style="list-style-type: none"> Raise health awareness in disadvantaged communities Identify poor and needy people Assist the elderly 	Yes		65

MAINTANANCE OF PUBLIC ASSETS

- | | | | |
|--|--|-----|----|
| <ul style="list-style-type: none"> Painting Minor repairs Booking control | | Yes | 10 |
|--|--|-----|----|

SUPPORT PROGRAMME FOR PEOPLE WITH DISABILITIES

- | | | | |
|---|-----|--|--|
| <ul style="list-style-type: none"> Liaise and support local NPOS | Yes | | |
|---|-----|--|--|

Project	Existing	New	No. of Opportunities
COMMUNITY GARDENS	Yes		100

SCHOOLS AND ECD's CLEANING

- Provide support to schools
- Promote health protocols in ECD's and schools

AFTERSCHOOL SUPPORT		Yes	50
<ul style="list-style-type: none"> ▪ Sports coaching ▪ Promotion of extra mural activities ▪ Safety of kids on the roads ▪ Maintain playing parks and equipment 			

EARLY CHILDHOOD TEACHER SUPPORT

- Provide ECD's with extra capacity
- Introduce culture of reading
- Assist grade 12 learners in preparation with exams

	Yes	100
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SEASONAL WORKERS

Project	Existing	New	No. of Job opportunities
ANNUAL SEASONAL WORKERS	Yes	Need to expand and extend period Nov – End March	400
<ul style="list-style-type: none"> ▪ Need to extend period from November to March 			

Project	Existing	New	No. of Job opportunities
PROTECTIONAL SERVICES	Yes	Need to expand and extend period Nov – End March	165

7. ENGAGING OTHER SPHERES OF GOVERNMENT

- o Working for the Coast, Working on Fire, Working for Water
- o Chrysalis programme, National tourism (Chef training, Hospitality)
- o Tourism monitors

(List not conclusive)

NOTE: The Municipality will conduct a capacity assessment regarding the identified projects impact to local communities and further provide support by inviting both Provincial and National department to effectively implement their EPWP grant funding.

8. CONCLUSION

The impact of the pandemic (Covid-19) is to be felt many years to come and the Overstrand Municipality need to devise specific and achievable action plans are more relevant than ever. The impact of central government led response through Lockdown and its regulations has seen local economies stumbling, unemployment soaring, jeopardising lives and livelihoods with no end nor timeframe to recover.

The longer term social and economic impact of this pandemic will be profound and that is why Municipalities should / must commit to leading the Socio-economic response at Governance and administrative level. The plan is to understand the potential socio-economic impacts of this pandemic and further anticipate the numbers of people that will be pushed to poverty with the most vulnerable living in disadvantaged communities most affected whilst putting an eye on the job losses

and resultant impact. Thousands of people will face crisis levels of hunger forcing others to starvation.

The following specific areas of focus for the plan shall be critical to recovery in the municipality to address the urgent Socio Economic response:

- Basic service delivery and social protection,
- Protection of jobs/ safety and well-being,
- Supporting the Informal Sector/ SMMEs including vulnerable productive sectors,
- Social cohesion and community resilience,
- Sector based support.

The plan must establish clear communication lines to avert a breakdown between all major stakeholders. It must further ensure the involvement and participation of all affected is intact through reliable information derived from trusted sources.

The Overberg municipalities have diversified economies therefore in the wake of the pandemic and the resultant economic crunch – it will be imperative to focus on appropriate business retention strategies in the short –term thus building business confidence and recovery to retain existing solos that can serve the affected communities.

9. RECOMMENDATIONS

- The Presidential Economic Advisory Council - Briefing Notes on Key policy questions for SA Economic Recovery on Khawuleza District Development Model (DDM) soon to be a reality clearly outlines National government's intent in dealing with socio-economic challenges through Districts and further outlines suggested policy guidelines in implementation of this approach.
- Some of the suggested approaches and actions are dealt with through the established Joint District Approach (JDA) wherein the Province and Local Municipalities collaborate in dealing with a plethora of projects across the municipal services environment and allocated funding for implementation.

- The District must build on this body as an implementation body that can act as a SHARED SERVICES arrangement that can add value and capacity to the District in driving the one plan, one municipality approach. The Implementation Agent must be driven by LED/Social and Tourism Units/Departments to cover the long-defended notion of UNMANDATED TASKS and gear the District in building its existing capacity that is in respect poorly or not funded due to long standing of debate of what the municipal role is.
- Develop a District high level participatory body comprising of the Private Sector, Municipal official (from different municipal disciplines critical to economic recovery) including Civil Society Organisations. Terms of Reference to be developed)
- In dealing with the Plight of Refugees, the District should be considered in line with the 1951 and 1967 UN Convention and Protocols respectively as South Africa is a signatory to. The District should develop a Refugee Economic Integration Programme to address challenges exposed during Covid-19. The Programme will aim to:
 - formalise Refugees and Non-South African businesses to curb xenophobic attacks;
 - Awareness on legislative/bylaws and business compliance requirements towards contributing to the tax base;
 - Issuing of permits as a measure to control the sector;
 - Collaborate with Home Affairs for the verification process of documentation;
- Lobby Province to allocate or deploy skills to strengthen District capacity in the following disciplines:
 - Development Economist (Provincial Treasury / WESGRO)
 - Built Environment Planner (Planning Unit of the Dept of Environment)
 - Project Management and Economic Planning.

WORKING TOWARDS AN ECONOMIC RECOVERY PLAN IN THE OVERSTRAND FOR THE BETTERMENT OF ALL!!

OPPORTUNITIES AND BEST PRACTISES

The implementation of the municipal CAPEX and OPEX budgets poses a great opportunity in understanding the rand value contribution to job creation and enterprise development. The full utilisation of harbours both in Gansbaai and Hermanus including the finalisation of the Lease Protocol can play an important role in building business confidence and maintenance of jobs.

THE SMALL HARBOURS

The 4 proclaimed harbours are situated in the Overstrand (Hermanus and Gansbaai) and Cape Agulhas (Struisbaai and Aniston). The national Department of Public Works in collaboration with the Economic Sector Support in the Department of Economic Development and Tourism are in the process of entering into a SMALL HARBOUR PROTOCOL: DRAFT IMPLEMENTATION PLAN with municipalities.

The development of small harbours has far reaching economic opportunities which could result in jobs and small business opportunities. The document must be considered and signed after intense considerations have been made more especially those with financial implications.

PARTNERS:

DEFF, DEA&DP, DEDAT, DT&PW, DISTRICT MUNICIPALITY, B MUNICIPALITIES

Set up within the national Department of Public Works, it aims to drive new economic development in coastal areas by unlocking the potential of small harbours. Small harbours are also seen as having a key role to play in safety, security and territorial integrity.

As a first step, smaller fishing harbours in the Western Cape were identified and work began on a series of projects to start the revival process: repairing slipways, towing away sunken vessels and dredging

Activities to promote primary maritime activity 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
- access to better amenities for fishers.

Tourism could be promoted through better:

- pedestrian access
- cleaning and maintenance
- policing
- stalls or shelters to sell crafts
- partnerships with developers to develop restaurant, curio shops, retail, maritime or marine museums and accommodation options
- water recreation and sports.

The Small Harbours unit intends to develop and implementing the Spatial and Economic Development Frameworks (SEDFs) for small harbours along the coastline. An audit of all state coastal reserves needs to be done, and land for aquaculture projects must be made available for these enterprises.

COMMUNITY LEVEL STRATEGIES FOR ENTREPRENEURSHIP

Local government can and does play an important role in fostering the creation of new start-up businesses through policies and by-laws that are growth friendly, streamlined regulatory processes (active red tape reduction processes), and investment in entrepreneurship training opportunities through the LED departments, Technical Schools, and programs at the high school level.

Well-implemented and consistent regulatory policies actually improve the entrepreneurial environment because it removes levels of risk and uncertainty; the “rules of the game” are established, understandable, and consistent. Municipalities must partner with District in making resources available to communities seeking a stronger entrepreneurial environment along with the technical resources to help communities move forward with implementation to attain maximum job creation and addressing the well-being of communities.

But much of the real work of creating an environment that is conducive to entrepreneurial activity occurs at the community level. The following strategies discussed below could be jointly pursued by the Economic Cluster to successfully build entrepreneurial communities in advancing job creation.

COMMUNITY ATTITUDES

A precondition to assessing the entrepreneurial environment of the community is to determine the attitudes of residents toward small business start-ups and activities. Is the community open to new ideas, including ideas that may not be successful? Many new business ideas do not meet expectations and many small business owners stumble along the way before their business becomes sustainable.

- A positive community attitude toward experimentation, innovation, and risk taking in business is vital to successful entrepreneurial communities.
- Local government must be responsive to the needs of those starting a new business or looking for expansion;
- The whole of the community (local government, other spheres of government, business associations, development organizations, etc.) must partake in fostering an entrepreneurial environment: responsibility does not fall to a small group of people or organizations;
- All members of the business community feel comfortable voicing their opinion and are listened to by others, particularly community leaders.
- Local government policies, by-laws must be conducive to home-based businesses and business in general;
- Local businesses stories must be regularly featured on local media and in all communication platforms; (partner with GIS)
- The communities maintain an up to-date inventory of all the businesses by type and size within the community;
- Members of the business community trust each other and have strong relationships including programmes in support of local businesses;
- The community thinks "regionally" and actively partners with neighbouring communities to foster entrepreneurship and business start-ups.
- There must be mentors or Business Advisors who can help guide the new business through the necessary steps of obtaining local permits and licenses including all necessary regulatory matters in the business environment;
- The municipality actively seeks out "outside help" (other spheres of government and implementation agencies including civil society organisations etc.) in moving the communities toward being more entrepreneurial.

- People and businesses in the community support locally owned businesses by choosing to spend money with them whenever possible.
- There is a mechanism in place for community leaders, including business leaders, elected officials and concerned citizens, for learning about and acting upon emerging needs of the community's small business owners.

NETWORKING, MENTORSHIP, AND ROLE MODELING

One of the most fundamental strategies in fostering entrepreneurial activity within communities is the facilitation of networking opportunities. Many new business owners work in isolation and do not have an adequate support network. These networking opportunities can provide not only "moral support" but also open up learning opportunities and potential business connections.

- There needs to be viable business chambers or business associations that is welcoming to new businesses and members.
- People from different parts of the business community can be encouraged to get together to exchange information and ideas.
- The chamber of commerce or business association is/are viewed as important parts of the local community and business owners seek out active participation.
- Mobilise a core group of business professionals willing to provide mentoring and advice to new business owners and managers.

EDUCATION

Many business owners are passionate about their business and are very adept at producing the good or service that they offer. Unfortunately, many of these business owners lack the business savvy to manage the business from marketing to financial analysis to managing their human resources. Many new businesses prefer to remain small so that their time can be focused on producing the goods or service that they sell and not on business management issues, this is prevalent in the district.

- As part of development the municipalities in partnership with the local business chambers or business association must offer educational seminars/workshops for those interested in business management capabilities;
- Involve as much as possible commercial banks to provide support, such as courses or materials, in preparing for a business financial support;
- The municipality must be aware of businesses in distress and provide support with the involvement of other agencies;

- The community has a network of business support services such as accountants, financial, marketing and management advisors that are in a position to help local businesses.
- The LED office and public library maintains a current collection of small business support materials.

FINANCING

Development Finance Organisations and banks are often the first point of entry into the world of starting a new business for entrepreneurs. Very few new entrepreneurs have sufficient "cash on hand" to fully finance the first few years of their new business venture. Most new entrepreneurs must borrow to start their business. Thus, these local small business funding organisations are vital to an entrepreneurial community.

- Municipalities must embrace the broader community goal of promoting entrepreneurship through business start-ups in its efforts to create a conducive environment;
- LED Practitioners must be networked into community business support and technical assistance groups and easily make referrals, are also aware of and actively use government and other agencies involved in small business financing programs;
- The community offers small "planning and start-up loans/grants" for people with new business ideas to explore business feasibility and business planning studies. A popular strategy is to hold a "business plan competition" where the winner(s) receive media attention and planning grants to refine their business plan. (Siyakha and Grootbos Foundation practises)

These strategies range from the simplistic to the complex and no single strategy is a "magic bullet". In addition, these are long-term strategies where investments today may not have seeable outcomes for several years. This requires the community to think long-term and not to become frustrated if immediate payoffs are not seen. These strategies can aid municipalities in their efforts to implement Business Retention Practises in keeping businesses open and resilient post Covid-19.