



GREATER  
**KOKSTAD**  
MUNICIPALITY

PROVINCE OF KWAZULU-NATAL

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# STRATEGIC DOCUMENT:

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## FRAMEWORK

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### LOCAL GROWTH AND DEVELOPMENT STRATEGY (Final)

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**DEPARTMENT:**

**ECONOMIC DEVELOPMENT AND SPATIAL PLANNING**

**BUSINESS UNIT:**

**LOCAL ECONOMIC DEVELOPMENT**

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**RESPONSIVE TO:**

**Formulation of Local Growth and Development Strategy**  
**2019/2020 and beyond**

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## SECTION 1:

### WHAT DO WE MEAN BY LOCAL ECONOMIC DEVELOPMENT?

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*The importance of this background is that it equips all partners in development to make informed decisions about what kind of local economic development they want to pursue in their local context, and match that with national, provincial and regional (district) policy imperatives such as planning frameworks and macro-economic strategies that are unique to the economic space.*

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It is imperative for all planning and implementation that cognizance is taken of the implications of national and provincial legislation and policy. As such, the actions of local planning should then be in harmony with the stipulations of the relevant legislation. However, due to the fact that there is no single act or policy directed at the implementation of LED, practitioners and municipalities must align their strategies and plans to a number of guiding documents. The policy imperatives will be outlined later in the document.

#### 1.1 WHERE DID LOCAL ECONOMIC DEVELOPMENT ORIGINATE?

The concept of local economic development arose in the context of globalisation. Globalisation is the process through which trade barriers have been reduced allowing goods and services to be traded more freely around the world. As trade expanded across the world, many producers of goods and services faced competition from producers and countries that were able to provide goods and services at lower prices and sometimes better quality. With it, globalisation presented both opportunities and threats.

- Opportunities: Expanding trade beyond the boundaries of local, regional and national boundaries through competitive production techniques, value addition to local produce and innovation in local economies
- Threats: In our ability to adapt to global economic forces and in having to produce goods and services at costs which can compete on international markets. This means that technology used and standards of production need to meet international requirements.

In adopting Local Economic Development as a strategy, it is necessary for the municipality to encourage people at all levels of society to participate in economic decision making which explores creativity and builds entrepreneurship at all levels of society. Given the challenges that we face in job creation and poverty eradication, LED builds a platform for bringing all hands on deck in working towards solutions. Creativity, innovation and involvement of all groups is paramount if Municipality's are to realise transformation in the economy.

Local Economic Development can be described as a decentralisation mechanism which allows local and regional governments (District Municipalities) and their communities (business, labour and society) to shape their environments, improve competitiveness in their local economies and ensure that infrastructure and services work well for industry and society.

However with the repositioning of local economic development as a fundamental driver for economic transformation and inclusive growth, it is necessary to include academic institutions as well as labour as the partners in development.

It should therefore allow for people in the local economy to devise local solutions for challenges that aim at attracting investment to grow the local economy whilst simultaneously restarting, sustaining and growing local business.

## **1.2 WHAT IS LOCAL ECONOMIC DEVELOPMENT?**

Local Economic Development recognizes that people, business and governments at local levels are best able to restructure economic situations that will stimulate growth that is required to create jobs and thereby reduce poverty. It is an outcome based on local skills and initiatives and driven by local stakeholders. It involves identifying and using primarily local resources and skills to stimulate sustainable economic growth, regeneration and development.

It is therefore as a result of joint planning by a municipality, its community and business sectors which requires a joint effort to identify resources, understand needs and work out plans to find the best ways of making the local economy fully functional, investor friendly and competitively productive.

The success of local economic development can be realised in the presence of the following:

- a. A positive or enabling environment which is indicative of infrastructural services that are reliable;
- b. Businesses having convenient access to markets and essential inputs into their business;
- c. A regulatory environment that is user-friendly (e.g. Red Tape Reduction);
- d. Suitable sites for business premises need to be available to encourage businesses to remain in or to make new investments in a local economy;
- e. Workers with skills required for local sectors and industry within manageable distances;
- f. Safety of workers, raw materials and equipment in business are also important to encourage businesses to continue investing in an economy; and
- g. To recognize and cater for the supportive needs of business, i.e. financial services, business development consultants and other services that will enable businesses to become more efficient, productive and competitive.

It must be noted that local economic development is an ongoing process rather than a single project and is about continually upgrading the investment environment to improve competitiveness and generate income and employment.

### **That word “local”...**

Local : adj. relating or restricted to a particular area or one's neighbourhood. (*South African Concise Oxford Dictionary*)

Local Refers to a geographically defined space that coincides with the spatial extent of local government (as defined by Municipal Demarcation).

- 1.2.1 DEFINITION OF LOCAL ECONOMIC DEVELOPMENT:** LED is the process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation with the objective of building up the economic capacity of a local area to improve its economic future and the quality of life for all.<sup>1</sup>

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## SECTION 2:

### MILIEU FOR THE FRAMEWORK

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#### **2.1 MUNICIPAL CONTEXT FOR THE FRAMEWORK**

The Constitution of the Republic of South Africa, 1996 provides a framework for the role of local government in local economic development and in terms of Section 152 (c) and 153 (a), local government must “*promote social and economic development*” and it must “*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*”.

Furthermore, in describing the characteristics of a developmental local government, Section B 1.1 of the White Paper on Local Government, 1998 states that the powers and functions of local government must be exercised in a way that meets the basic needs of the poor and the growth of the local economy.

It is therefore important to record that local economic development, as previously believed, is not an unfunded mandate but is rather a priority to address the challenges facing communities.

#### **2.2 UNDERSTANDING THE FRAMEWORK**

In the absence of past meaningful interventions to respond to sustainable local economic development and in the limited institutionalization of local economic development within the municipality, it was necessary to develop a framework which describes and places into context the responsive strategies which need to be implemented so as to realise socio-economic development.

The Greater Kokstad Municipality Local Growth and Development Framework takes its cue from the National Framework for Local Economic Development. The National Framework is underpinned by the need to advance and deepen the understanding of local economic development and its function, and to mobilise the energies around a common agenda and collective responses towards stimulating competitive and inclusive economies.

To ensure horizontal (between spheres of government) and vertical alignment (municipality, private sector and communities), the Municipality Framework will mirror the National Framework and will therefore encapsulate within the framework and expected Strategy:

- a. Entrench local economic development as primarily a territorial response to local challenges;

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<sup>1</sup> The World Bank (2006-2011): Local Economic Development – a Primer for Developing and Implementing Local Economic Strategies and Action Plans

- b. Emphasis the unique characteristics;
- c. Innovative approach to development;
- d. A Local Government-led process;
- e. Multi-Stakeholder driven process; and
- f. An outcome based on progressive partnerships.

The framework will further outline the context for LED, conceptual structure intended to serve as a guiding document, highlight South Africa's core local development priorities, key principles and priority focus areas, and will propose a more innovative approach to the implementation of LED coupled with the exploitation of science, technology and innovation in planning and implementation.

In addition, the framework will document the processes which will be undertaken to inform the development of the Local Growth and Development Strategy – i.e. LED Cycle, Analysis of Economy, Assessment, Stakeholder Consultation and eventual adoption of the strategy.

### **2.3 ECONOMIC CONTEXT FOR THE FRAMEWORK**

Planning for local economic development is informed by globalisation and its impact on the national economy (see 1. above), emerging national policy frameworks and trends in the local development landscape. Government has developed a suite of national policy and strategic frameworks that must inform and guide activities at a local level. These include: National Development Plan (NDP), Industrial Policy Action Plan, the New Growth Path, Integrated Urban Planning, Agri-Parks, Ocean Economy, Innovation for Local Development.

It is important to note that as science, technology and innovation have, following analysis of the activities as a sector in development, have the potential to stimulate economic development and improving the quality of life. In this regard and in reference to the National Development Plan (NDP), states that:

*“Developments in science and technology are fundamentally altering the way people live, connect, communicate and transact, with profound effects on economic growth and development. Science and technology are key to equitable economic growth, because technological and scientific revolutions underpin economic advances, improvements in health systems, education and infrastructure.*

*The technology revolutions of the 21<sup>st</sup> century are emerging from entirely new sectors, based on microprocessors, telecommunications, biotechnology and nanotechnology. Products are transforming business practices across the economy, and as well as the lives of those who have access to them. The most remarkable breakthroughs may be expected to come from the interaction of insights and applications arising when these technologies meet”.*

### **2.4 ECONOMIC POLICY CONTEXT (APPLICABLE POLICY AND PROGRAMMES)**

In addition to the Constitution, 1996 as the overarching legislative prescript, the following critical developments in national policy and strategies must be unpacked due to the impetus in extending the frontiers for local economic development:

- Constitution of the Republic of South Africa, 1996
- White Paper on Local Government
- National Development Plan
- Relevance of LED to the New Growth Path
- Industrial Policy Action
- National Framework for LED in South Africa 2014 – 2019 (and current draft review)
- Innovation for Local Economic Development (ILED) Strategy
- Integrated Urban Development Framework
- Provincial Spatial Economic Development Strategy, 2016
- Provincial Growth and Development Strategy, 2017
- COGTA, Back to Basics
- Poverty Eradication Masterplan
- Municipal Finance Management Act, 56 of 2003 inclusive of Supply Chain Management Processes
- BBBEE Preferential Procurement Regulations, as amended – January 2017

In addition to the above and as LED occurs within a national and international environment, the following contemporary themes are vital to the formulation, implementation and eventual success of initiatives:

- a. Positive impact of LED planning on human resource development and improved quality of life
- b. Impact of innovation on building competitive local economics, entrepreneurship and growth as well as renewed emphasis on informal economy (as mentioned above)
- c. Climate changes and green local economies

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## **SECTION3:**

### **VISION, OBJECTIVES AND ANTICIPATED OUTCOME**

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#### **3.1 VISION FOR LOCAL ECONOMIC DEVELOPMENT**

The new National Framework for Local Economic Development: Creating Innovation-driven Local Economies 2017-2022, produced by the Department of Cooperative Governance acknowledge that whilst considerable strides have been made in entrenching LED in local government since the 2006-2011 release of South Africa's first National Framework for Local Economic Development (LED), the following challenges still exist:

- a. Lack of shared conceptual understanding of what LED is;
- b. Lack of integrated LED planning and implementation;
- c. Science, Technology and Innovation (STI) are not yet recognized as critical pillars and key drivers of economic development and growth;

- d. Limited funding and financing for municipal LED programmes;
- e. Lack of a differentiated approach in LED implementation; and
- f. Skills, human resource challenges, and many others.

In developing the strategic approach of the Municipality, the following cross-cutting principles are key to the realisation of the vision:

- a. Collaborative partnerships (i.e. three spheres of government, the business community, civil society organisations, non-governmental and community based organisations (NGOs and CBOs), academic institutions and labour);
- b. Integrated place development that recognizes marginalized territories such as townships, informal settlements, peri-urban areas and rural settlements;
- c. Inclusive economy that prioritises those that are marginalized such as youth, women, disabled and informal sector;
- d. Sustainable development;
- e. Effective leadership and proper governance;
- f. State-led, private sector driven, community based development;
- g. Innovation-driven economic development and growth.

### **Vision for LED Nationally:**

***“LED will seek to create competitive, sustainable, diverse, innovation-driven inclusive local economies that are vibrant places in which to live, invest, and work which maximize local opportunities, address local needs, and which contribute to South Africa’s national development objectives, including sustainable ways of utilizing local resources and expand learning capabilities”***

The eventual vision for the Greater Kokstad Municipality responsive to local economic development will be formulated following engagements with all actors within the GKM economy and will be encapsulated into the LGDS Strategy.

### **3.2 OUTCOMES OF THE FRAMEWORK AND EVENTUAL STRATEGY**

The following presents the desired outcomes:/ TO

- a. Launch a more effective fight against poverty, inequality and unemployment through the development of innovative and inclusive and competitive local economies;
- b. Support the potential of local economies to grow and develop the national economy;

- c. Raise greater awareness of the significance of the locality as the focal point in generating national prosperity and in specific radical economic transformation to realise inclusive economic growth;
- d. Intensify the support for local economies in realising and building their economic potential, their diversity, levels of employment and the creation of decent work for their communities;
- e. Strengthen intergovernmental coordination of economic development planning and implementation and between government and non-governmental sectors.

### **3.3 LED CORE POLICY PILLARS AND THE STRATEGIC GOALS OF THE MUNICIPALITY**

The framework is supported by the following Core Pillars:

- Pillar 1: Building diverse and innovation-driven local economies
- Pillar 2: Developing inclusive economies
- Pillar 3: Developing learning and skillful economies
- Pillar 4: Enterprise Development and support
- Pillar 5: Economic government and infrastructure
- Pillar 6: Strengthening local systems of innovation

### **3.4 CATALYTIC PROJECTS**

The following seven (7) catalytic projects were adopted by the Greater Kokstad Municipal Council at its meeting held on 26 October 2017 so as to inform the development of the Integrated Development Plan (IDP) and Local Growth and Development Strategy (LGDS). The recording or listing of the projects does not emphasis prioritisation of projects. All projects will be realised in accordance with the development agenda of the Municipality and submit to human and financial resource availability.



PROJECT / INTERVENTION	LOCATION	PROJECT DETAIL AND SUB-PROJECTS	ALIGNMENT WITH PGDP	LOCAL STRATEGIC OBJECTIVE / DRIVER
<b>PROJECT 1: EXPANSION OF KOKSTAD TOWN (New Town)</b>	Municipal Wide Implementation	<p>Expansion of Kokstad Town along R56 with clear measures to develop infrastructure within existing areas to respond to backlogs in Housing, support to SMME's and Cooperatives and to address spatial disparities</p> <p><b>SUB-PROJECTS:</b></p> <ul style="list-style-type: none"> <li>Spatial Redress (Rural / Urban Linkages) – establishing greater access between Economic &amp; Administrative Hub and Townships established</li> <li>Creating Sporting Precinct</li> <li>Housing Development and Slum Clearance</li> <li>Town Regeneration</li> <li>Development of Municipal owned vacant land</li> <li>Establishment of Small Business Incubation Centre</li> </ul>	<p>Goal 1: Inclusive Economic Growth,</p> <p>Goal 3: Human and Community Development</p> <p>Goal 4: Strategic Infrastructure Development</p> <p>Goal 6: Governance and Policy</p> <p>Goal 7: Spatial Equity</p>	<ul style="list-style-type: none"> <li>Radical Economic Transformation to realise inclusive growth</li> <li>Redressing Spatial divide</li> <li>Strategic Infrastructure responsive to socio-economic development</li> <li>SMME, Contractor and Cooperative Development and Incubation</li> <li>Sustainable Human Settlements and Slum Clearance</li> <li>Public Private Partnerships / Cluster Development</li> </ul>
<b>PROJECT 2: NODAL DEVELOPMENT (Agriculture and Manufacturing) inclusive of FARMER PRODUCTION SUPPORT UNIT (FPSU)</b>	<p>Ward 2 – Franklin (Farmer Production Support Centre and Urban Centre)</p> <p>Agriculture – municipal wide implementation</p>	<p><b>AGRICULTURE:</b></p> <p>Increase agricultural potential of local and regional economy, creating partnerships and ensuring move to agri-processing and benefit along the entire value chain.</p> <p><b>MANUFACTURING:</b></p> <p>Manufacturing – wood and wood products (e.g. manufacture of wooden doors for low income housing projects)</p> <p><b>SUB-PROJECTS</b></p> <ul style="list-style-type: none"> <li>Farmer Production Support Unit (FPSU as part of AgriPark Concept)</li> <li>Manufacturing (consideration should be given to wood and wood product manufacturing) incl transformation in existing sector through with partnerships with existing industry for emerging enterprise development</li> </ul>	<p>Goal 1: Inclusive Economic Growth</p> <p>Goal 2: Human Resource Development</p> <p>Goal 3: Human and Community Development</p> <p>Goal 5: Environmental Sustainability</p> <p>Goal 6: Governance and Policy</p>	<ul style="list-style-type: none"> <li>Radical Economic Transformation to realise inclusive growth</li> <li>Public Private Partnerships / Cluster Development</li> <li>Agriculture and Agro-Processing – Beneficiation throughout entire value chain</li> <li>Integrated Service Centre Developments</li> </ul>

<b>PROJECT / INTERVENTION</b>	<b>LOCATION</b>	<b>PROJECT DETAIL AND SUB-PROJECTS</b>	<b>ALIGNMENT WITH PGDP</b>	<b>LOCAL STRATEGIC OBJECTIVE / DRIVER</b>
<b>PROJECT 3: CP3: ESSENTIAL OILS AND MEDICINAL PLANTS AS COMMODITIES</b>	Municipal Wide Implementation	Expansion of existing Business whilst creating partnerships for land usage for economic gain  <b>SUB-PROJECTS</b> <ul style="list-style-type: none"> <li>Establishment of essential oils and medicinal plants (agriculture – planting, etc)</li> <li>Partnership with essential oils distributors for expansion of current operations</li> <li>Establishment of local distillery with ownership vested in local communities</li> </ul>	Goal 1: Inclusive Economic Growth Goal 3: Human and Community Development Goal 5: Environmental Sustainability Goal 6: Governance and Policy	<ul style="list-style-type: none"> <li>Radical Economic Transformation to realise inclusive growth</li> <li>Public Private Partnerships / Cluster Development</li> <li>Agriculture and Agro-Processing – Beneficiation throughout entire value chain</li> </ul>
<b>PROJECT 4: RENEWABLE ENERGY EFFICIENCY</b>	Municipal Wide Implementation	Implementation of Green Economy methodologies  <b>SUB-PROJECTS</b> <ul style="list-style-type: none"> <li>Solar Street Lighting</li> <li>Solar Water Geysers</li> <li>Biomass / Digesters</li> </ul>	Goal 1: Inclusive Economic Growth Goal 3: Human and Community Development Goal 4: Strategic Infrastructure Goal 5: Environmental Sustainability Goal 6: Governance and Policy	<ul style="list-style-type: none"> <li>Radical Economic Transformation to realise inclusive growth</li> <li>Strategic Infrastructure responsive to socio-economic development</li> <li>SMME, Contractor and Cooperative Development and Incubation</li> <li>Public Private Partnerships / Cluster Development</li> <li>Green Economy</li> </ul>
<b>PROJECT 5: ENHANCE TOURISM POTENTIAL</b>	Municipal Wide	Sustain existing interest in Tourism and grow Tourism Sector  <b>SUB-PROJECTS</b> <ul style="list-style-type: none"> <li>Strengthening of Tourism Potential of GKM – promoting Heritage, Outdoor Activities, Eco-Tourism</li> <li>Development of route from Midlands Meander to Eastern Cape – intention is to consider Nelson Mandela Route to Qunu</li> <li>Sustainable Tourism Strategy</li> </ul>	Goal 1: Inclusive Economic Growth Goal 4: Strategic Infrastructure	<ul style="list-style-type: none"> <li>Radical Economic Transformation to realise inclusive growth</li> <li>Strategic Infrastructure responsive to socio-economic development</li> <li>Transformation within Economic Sectors</li> </ul>

PROJECT INTERVENTION /	LOCATION	PROJECT DETAIL AND SUB-PROJECTS	ALIGNMENT WITH PGDP	LOCAL STRATEGIC OBJECTIVE / DRIVER
<b>PROJECT 6: LOGISTICS AND ICT HUB</b>	Municipal Wide	<p>Reestablishment of railway link (branchline concession) throughout HGDM to reduce heavy duty haulage on road infrastructure (incl Tourism as a beneficiary sector), develop infrastructure of GKM to support intended industry retention and attraction</p> <p><b>SUB-PROJECTS</b></p> <ul style="list-style-type: none"> <li>• Branchline Concessions (revitalization of railway lines)</li> <li>• Development of Truck Stop (enroute to Matatiele etc)</li> <li>• Consolidated Infrastructure Plan for the establishment of road, rail, stormwater, sidewalks (pedestrian walkways)</li> <li>• Municipal Wide ICT – Connectivity</li> </ul>	<p>Goal 1: Inclusive Economic Growth</p> <p>Goal 3: Human and Community Development</p> <p>Goal 4: Strategic Infrastructure</p> <p>Goal 6: Governance and Policy</p>	<ul style="list-style-type: none"> <li>• Radical Economic Transformation to realise Inclusive Growth</li> <li>• Strategic Infrastructure responsive to socio-economic development</li> <li>• ICT: Connectivity and the Economy</li> </ul>
<b>PROJECT 7: PRIVATE HOSPITAL AND URBAN DEVELOPMENT</b>		<p>Targeted development as a means to increase Private Sector investment, Pan-Health Tourism, Urban Renewal</p> <p><b>SUB-PROJECTS:</b></p> <p>Private Hospital Old Age Home Health and Pan-Health (as a tourist attraction)</p>	<p>Goal 1: Inclusive Economic Growth</p> <p>Goal 4: Strategic Infrastructure</p> <p>Goal 6: Governance and Policy</p>	<ul style="list-style-type: none"> <li>• Radical Economic Transformation to realise inclusive growth</li> <li>• Strategic Infrastructure responsive to socio-economic development</li> <li>• Public Private Partnership / Cluster Development</li> </ul>

The realisation of the programmes contained herein requires;

- Local ownership of all LED Programmes, regardless of which actor drives the initiative;
- Strong political and technical leadership;
- Increased skills and capabilities of local government managers, officials and practitioners who are involved in LED;
- Strong intergovernmental coordination and institutional arrangements and private sector partnerships and coordination.

## **PILLAR 1: Building diverse and innovation-driven local economies**

<b>Focus</b>	Applying science, exploiting technological and other forms of innovations to build diverse local economies
<b>Policy Imperatives</b>	New Growth Path, Industrial Policy Action Plan (IPAP)
<b>Outcome</b>	Create more job opportunities, reduce poverty, increase and sustain revenue base, robust, sustainable competitive and diverse economic bases must underpin their local economic development strategies
<b>Programmes:</b>	<ul style="list-style-type: none"> <li>• Sector Development Support Programmes focused on IPAP2 and NDP prioritised sectors (agriculture, manufacturing, trade, utilities, transport and communication) – opportunities in the oceans economy and green economy</li> <li>• Integrated Urban Development Framework and Regional Economic Development (spatial relationships, value chains linked to corridor development)</li> </ul>
	<ul style="list-style-type: none"> <li>• Rural Industrial Development Programme (RIDS) – regionally diversified industrial economy through encouraging industrial development zones, supporting regional development through business retention and expansion</li> </ul>
	<ul style="list-style-type: none"> <li>• Industrial Cluster Development Programme – leverage industrial value chains and investing upstream and downstream industrial development based on IPAP2 – downstream processing of raw materials</li> </ul>
<b>Programme Driver</b>	<ul style="list-style-type: none"> <li>• Private Sector</li> </ul>
<b>Support:</b>	<ul style="list-style-type: none"> <li>• Public sector: provide strong economic governance through a supportive and enabling business environment, unblocking constraints to investment and providing regulatory certainty.</li> </ul>

## **PILLAR 2: Developing inclusive economies**

<b>Focus</b>	Role of LED in economic and spatial inclusivity
<b>Policy Imperatives</b>	NDP imperatives
<b>Outcome</b>	To improve the living standards and ensure a dignified existence for all South Africans; the economy must create decent work and sustainable livelihoods
<b>Programmes:</b>	<ul style="list-style-type: none"> <li>• Informal Sector Support – develop clear and realistic policies on supporting and developing informal enterprise to ensure their welfare and growth with eventual formalization and absorption of communities centred on informal economic activities into the economic fabric.</li> <li>• Shared Economic Infrastructure Facility (SEIF) – provision of infrastructure on a 50:50 cost sharing grant.</li> <li>• Inner City Economic Revitalization</li> <li>• Small Town Regeneration and an inclusive and integrated rural economy</li> <li>• Township Economic Development Programmes</li> <li>• Youth and Women empowerment</li> <li>• Leveraging economic opportunities from Expanded Public Works Programme (EPWP) and Community Works Programme (CWP)</li> <li>• Developing capacity for STI to ensure that marginalized communities are not excluded from the knowledge economy and that existing spatial inequalities are not further extended</li> </ul>
<b>Programme Driver</b>	<ul style="list-style-type: none"> <li>• Private and Public Sector</li> </ul>
<b>Support:</b>	<ul style="list-style-type: none"> <li>• Public sector: provide strong economic governance through a supportive and enabling business environment, unblocking constraints to investment and providing regulatory certainty.</li> </ul>

### **PILLAR 3: Developing learning and skillful economies**

<b>Focus</b>	Increasing human resource capital capacity, skills and innovation
<b>Policy Imperatives</b>	NDP imperatives
<b>Outcome</b>	To improve the prospects of the local economy, enable its people to seize local opportunities and create more returns that are rewarding. Development of a Community based Skills Development Plan as an annexure to Strategy.
<b>Programmes:</b>	<ul style="list-style-type: none"> <li>Enhancing innovation, skills and productive capacities <ul style="list-style-type: none"> <li>Identify skills required for the 21<sup>st</sup> century and addressing skills gap</li> <li>Development of workplace skills</li> <li>Enterprise and entrepreneurship programmes</li> </ul> </li> <li>Developing leadership and management skills</li> <li>Enterprise and entrepreneurship programmes</li> <li>Skills development – a catalytic role for municipalities</li> <li>Deploying STI resources to transform local economies and enhance inclusive growth</li> </ul>
<b>Programme Driver</b>	<ul style="list-style-type: none"> <li>Private and Public Sector</li> </ul>
<b>Support/Partnership:</b>	<ul style="list-style-type: none"> <li>Sector Education and Training Authorities (SETAs), academic institutions, science councils, Technical and Vocational Education and Training (TVET) and community colleges, community-based innovation spaces / living labs and private service providers.</li> </ul>

### **PILLAR 4: Enterprise development and support**

<b>Focus</b>	Central role of entrepreneurship and small business support
<b>Policy Imperatives</b>	NDP imperatives
<b>Outcome</b>	To provide support for enterprise development and the heightened role of SMME development in job creation and addressing marginalisation of informal sector
<b>Programmes:</b>	<ul style="list-style-type: none"> <li>Small and Medium Enterprises <ul style="list-style-type: none"> <li>Legal and regulatory environment and relief in tax burden</li> <li>Access to markets and access to finance and affordable business premises</li> <li>Acquisition of skills and managerial expertise</li> <li>Access to quality business infrastructure in poor areas or poverty nodes</li> </ul> </li> <li>Cooperative Development</li> <li>Broad-Based Economic Empowerment for Youth and Women and People with Disabilities</li> <li>Business development services and collaboration</li> </ul>
<b>Programme Driver</b>	<ul style="list-style-type: none"> <li>Private and Public Sector</li> </ul>
<b>Support/Partnership:</b>	<ul style="list-style-type: none"> <li>Cross cutting – complimentary to Building diverse innovation driven economies and developing inclusive economies</li> </ul>

### **PILLAR 5: Economic Governance and Infrastructure**

<b>Focus</b>	Seeks to position local government as a significant contributor to the achievement of national economic development goals
<b>Policy Imperatives</b>	Outcome 9 – promoting an accountable, responsive, efficient and effective local government system
<b>Outcome</b>	To create an enabling environment for LED inclusive of institutional systems and processes
<b>Programmes:</b>	<ul style="list-style-type: none"><li>• Improving the role of municipal leadership in LED in terms of capacity building and lobbying, and advocacy</li><li>• Efficient provisioning of land and land-use for economic development</li><li>• Efficient provisioning economic infrastructure through programmes such as Municipal Infrastructure Grant (MIG)</li><li>• Improving regulatory environment and Reducing Red Tape and Promoting Public Private Dialogue</li><li>• Deployment of STI resources especially in value add activities and in the commercialization of innovations</li></ul>
	<ul style="list-style-type: none"><li>• Distinct Branding</li></ul>
<b>Programme Driver</b>	<ul style="list-style-type: none"><li>• Local Municipality</li></ul>
<b>Support/Partnership:</b>	<ul style="list-style-type: none"><li>• Provincial and National Government</li></ul>

### **PILLAR 6: Strengthening Local Innovation Systems**

<b>Focus</b>	Ensuring that local systems of innovation are strengthened to fully exploit science, technology and innovation
<b>Policy Imperatives</b>	NDP imperatives
<b>Outcome</b>	STI to support development of local economies
<b>Programmes:</b>	<ul style="list-style-type: none"><li>• STI are effectively generated and utilized within a network of actors (local and external) to leverage of and learn from each other</li></ul>
<b>Programme Driver</b>	<ul style="list-style-type: none"><li>• Private and Public Sector</li></ul>
<b>Support/Partnership:</b>	<ul style="list-style-type: none"><li>• Cross cutting – complimentary to Building diverse innovation driven economies and developing inclusive economies</li></ul>

### **3.4 ANTICIPATED OUTCOMES**

- a. A common and shared conceptual understanding of LED in South Africa
- b. A strengthened national coordinating and central point for LED in South Africa
- c. Clearly defined roles and responsibilities, and inter-dependencies for LED planning and implementation within government and outside government
- d. Confidence in municipalities as innovative and productive centres and investment destinations

- e. Catalytic Economic Programmes in all municipalities and emphasizing the incorporation of STI to transform the local economies
- f. Integration of LED in other municipal programmes such as Infrastructure development
- g. Reduction of Red Tape in Local Government

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## **SECTION 4:**

### **DEVELOPMENT OF LOCAL GROWTH AND DEVELOPMENT STRATEGY – THE PROCESS**

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#### **4.1 PROCESS FLOW**

The World Bank advises that a strategic planning process typically has five stages, and while these are highlighted as separate stages, in reality, LED planning is a flexible process and one stage often continues in parallel with another according to local needs.

The following depicts the process flow to inform the strategy formulation:



#### **A. STAGE 1: ORGANISING THE EFFORT – STAKEHOLDER MOBERLISATION**

##### **A1: ESTABLISHING AN INTERNAL TASK TEAM**

The first stage in the process is to establish an internal group to oversee the process. Within the Greater Kokstad Municipality, the composition is as follows:

**Council representation:**

- His Worship the Mayor, Cllr Mtolo (as political champion of Local Economic Development)
- Deputy Mayor, Cllr Walker
- Councillor Dumisa (Portfolio Chair: Economic Development and Spatial Planning)

**Administrative representation:**

- Municipal Manager, Mr Mapholoba (Head of Administration and Accounting Officer)
- Manager: Local Economic Development (LED Champion)
- Acting Manager: Spatial Development and Human Settlements
- Assistant Manager: Integrated Development Planning and Performance Management

Reports are channelled through the Council structures with the initial consideration being at the Management Committee for deliberation and consensus on pertinent issues.

**A2: EXTERNAL STAKEHOLDERS (ALL SPHERES OF GOVERNMENT AND SECTOR DEPARTMENTS, PRIVATE SECTOR, CIVIL SOCIETY, LABOUR, ETC)**

The Greater Kokstad Municipal Council, at its meeting of 26 October 2017 resolved to endorse the establishment of the Greater Kokstad Municipality Economic Development, Growth and Enterprise Forum (GKM EDGE) as the platform on which to engage with all external stakeholders, referred to as Partners in Development. The GKM EDGE was successfully launched on 14 November 2017 with the Mayor (as political champion) automatically assuming chair.

The Forum comprises of the following categories of role-players and stakeholders as “permanent” members:

**i. Greater Kokstad Municipality****Council**

- HW the Mayor as Political Champion of LED and Chairperson of the Portfolio Committee tasked with considering LED and Planning related activities
- All Ward Councillors or their delegated PR Councillor
- At least two members of each Ward Committee

**Management Committee**

- Municipal Manager and All Senior Managers
- Entire Management Committee

**ii. Harry Gwala District Municipality**

- LED Office of HGDM
- Representative from Harry Gwala Development Agency
- 1 x official from each LM within HGDM



- iii. All Sector Departments as well as government linked agencies (EDTEA, Rural Development and Agriculture, Transport, Home Affairs, Labour, KZN Liquor Authority, ADA, Small Enterprise Development, Social / Population Development, Safety and Security, etc)Representatives from Tourism, Agricultural, Informal Economy, Small Business, Manufacturing, etc
- iv. Operation Sakume Sakhe
- v. Traditional Authority
- vi. Individual persons of Kokstad who have an interest in Local Economic Development

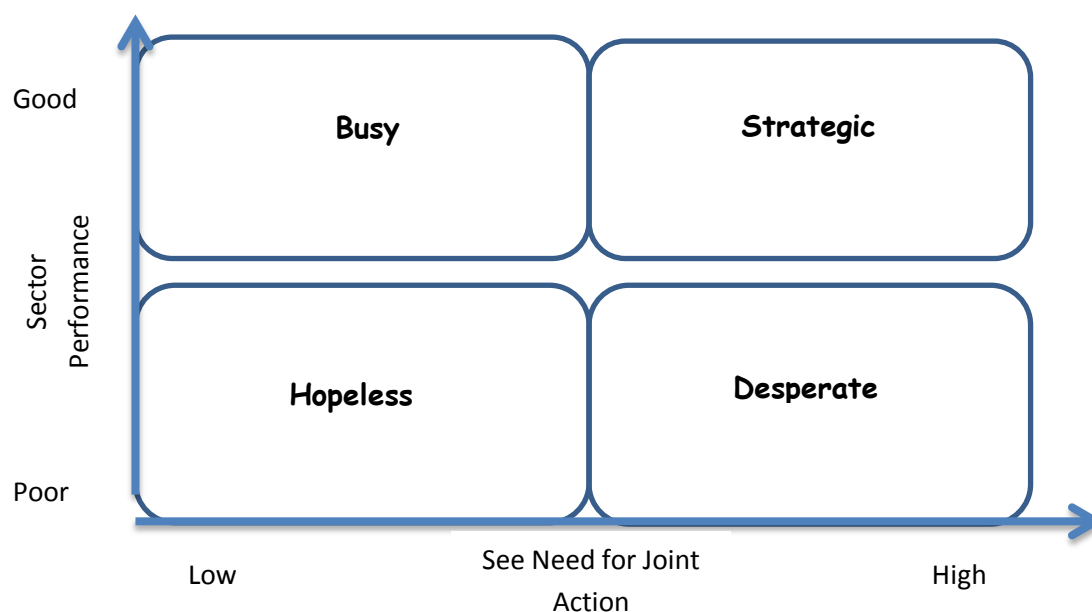
Additional members may be added after application, through the office of the Municipal Manager

The primary aims and objectives of the Forum, among others, is the following:

- a. To contribute to holistic and integrated economic development planning, implementation and management within the Municipal and Regional geographical area;
- b. To facilitate networking opportunities and partnerships amongst various role-players / stakeholders in pursuit of realizing economic development imperatives;
- c. To ensure that there resonates a common understanding of economic development and its supportive activities / sectors amongst all roleplayers;
- d. To serve as one arena for accessing a wide range of economic development opportunities and support instruments made available by all spheres of government, business, civil society, entrepreneurs and other LED partners outside the geographical area;
- e. Make necessary submission and recommendations to the Greater Kokstad Municipality and other stakeholders, where applicable through the Forum Secretariat;
- f. To enhance the Policy Framework and Strategy for programme interventions and activities. Included herein is comment on Municipal Policies which have a direct or indirect impact on issues relative to local economic development (e.g. Supply Chain Management Policy, etc).

All the historic evidence indicates that significant community development only takes place when local community people are committed to investing themselves and their resources in the effort. That's why you can't develop communities from the top down, or from the outside in.

### A3: KEY ECONOMIC STAKEHOLDERS WITHIN THE ECONOMY



### A4: POTENTIAL STAKEHOLDERS IN THE LED PROCESS

POTENTIAL STAKEHOLDERS		
PUBLIC SECTOR	PRIVATE SECTOR	COMMUNITY SECTOR
<ul style="list-style-type: none"> <li>Greater Kokstad Municipality – all departments</li> <li>Harry Gwala District Municipality (HGDM)</li> <li>Harry Gwala Development Agency (HGDA)</li> <li>Sector departments at Provincial and National Sphere (e.g. EDTEA, Health, Education, Transport, etc)</li> <li>Institutions of Research and Higher Learning</li> <li>State Owned Enterprise (Eskom, Transnet, etc)</li> </ul>	<ul style="list-style-type: none"> <li>Large corporations</li> <li>Trade Unions</li> <li>Small, Medium and Micro Entrepreneurs (SMMEs)</li> <li>Land and read estate developers</li> <li>Banks and other financial institutions</li> <li>Chamber of Commerce</li> <li>News media</li> <li>Other business support groups</li> <li>Professionals associations</li> <li>Private utilities</li> <li>Private education institutions</li> <li>Think Tanks</li> <li>Informal Economy</li> <li>Taxi Association</li> <li>Community Tourism Association</li> <li></li> </ul>	<ul style="list-style-type: none"> <li>Community Leaders</li> <li>Neighbourhood groups</li> <li>Faith Based Organisations</li> <li>Non-Profit Organisations and Community Based Organisations</li> <li>Other non-governmental groups and organisations (<i>minorities, disabled and other HDI's, cultural arts and historical significance</i>)</li> </ul>

### A5: AD-HOC STEERING COMMITTEE

Following discussions at the launch of GKM EDGE – the Ad-Hoc Steering Committee was established and which composition is as follows:

- Manager: Local Economic Development (Convener and Champion)
- Ms Teresa Olivier – Saville Housing Association Accredited Skills Development Facility)
- Ms LeeAnn Ebie –
- Mr Nyameko Mhlongo –

## **B. STAGE 2: THE COMPETITIVE ASSESSMENT**

This stage involves research and information gathering from internal (local authority wide) and external public, private and not-for-profit sources. It requires undertaking a complete analysis of all the strengths, weaknesses, opportunities and threats (SWOT) – care is needed in local economic development strategic planning to undertake a very broad analysis. The following provides a listing of the type of information required:

### **B1: HUMAN RESOURCES**

- i. **POPULATION:** By size, age breakdown, growth rate, projected growth rate, household size, population density and should include poverty mapping to include various demographic characteristics by wards in the locality.
- ii. **EMPLOYMENT:**
  - Employees in employment by industrial activity, compare with region and nationally including any major changes observed
  - Age structure of employed and occupation breakdown of employed and unemployed
  - Structure of employment (full time/male/female) compare nationally
  - Average gross monthly earnings by gender and full time and part time
  - Unemployment figures, by numbers, age, duration
  - Numbers and other information on people in the informal sector and settlements
- iii. **EDUCATION:**
  - Number and types of schools, numbers of teachers (full time equivalent) and class size
  - Further and Higher Education establishments by type and numbers attending
  - Educational attainment levels by numbers and types
- iv. **TRAINING**
  - Numbers and types and age groups of technically qualified individuals, and those going through training programmes
  - An assessment of skill/occupational shortages/oversupply

### **B2: ECONOMY**

- i. Number and size of firms, broken down by sector, numbers of full time equivalent employees, in time series (if possible)
- ii. Number and type of recent closures, by size, sector and date
- iii. Numbers of inward investments, foreign and domestic, both greenfield and portfolio investment by employee size, sector and date
- iv. Number of new businesses, start-ups, by size, sector/activity and longevity
- v. Numbers of companies that export/to where/what by sector/company size

- vi. Top 50 (or so) companies by size/employment turnover y sector and names
- vii. Business Tax income
- viii. Rental/purchase costs for vacant industrial and service sector units, by time series and size groupings
- ix. Vacancy rates of industrial and commercial space by size, location, absorption rates
- x. Transport/Logistics/Passenger statistics
- xi. Buy Local Campaigns and Local Procurement

### **B3: INFRASTRUCTURE**

- i. Hard Infrastructure: SWOT analysis of infrastructure (current and projected)
- ii. Soft Infrastructure: Includes “Business Welcome” issues which need to be addressed, such as:
  - Taxation of businesses
  - Amount of red tape
  - Ease of getting through red tape
  - Supporting business networks, such as Chamber of Commerce
  - Local authority economic development support
  - Access to funding
  - Quality of life factors

### **B4: BEYOND THE MUNICIPAL JURISDICTION**

- i. Observations of activities in neighbouring local and district municipalities needs to be considered inclusive of the regional, provincial and national direction with regards to local economic development. In addition to looking at the relationships that LED has with other local plans, there is a need to look beyond the local area to other programs, plans, rules and regulations that will impact upon the local economic agenda. These may include national, state, provincial or regional laws and policies, for example:
  - telecommunications deregulation;
  - financial regulations;
  - environmental standards;
  - taxation;
  - land and property laws;
  - national infrastructure investment plans; and,
  - budget transfers (often conditional grants).

Regional initiatives allow local municipalities to pool resources and gain synergies from working in partnership with nearby municipal governments. The LED task team should therefore look to establish and/or build on inter-governmental work that is already occurring so that new programs and initiatives can be initiated and influenced.

- ii. Important to always bear in mind that whilst local economic development strategic direction at a local level is considered in line with municipal boundaries as defined by the Municipal Demarcation Board, people and money are not limited by municipal jurisdictions.

## **C: STAGE 3: STRATEGY MAKING**

The following steps are included in strategy making:

### **C1: CREATING A VISION**

Based on information available, a vision specific for the local economic development trajectory for the Greater Kokstad Municipality should be developed and agreed to by all stakeholders. The vision should be a description of the stakeholders preferred economic future of the area as a means to provide a sense of what is intended to be achieved. It is on this that goals, objectives, programmes and project plans will be developed.

### **C2: DEVELOPING GOALS**

Goals are indicative of the development trajectory and must be more descriptive and concrete in comparison to the vision statement.

### **C3: DEVELOPING SPECIFIC OBJECTIVES:**

Objectives need to be time-bound and measurable.

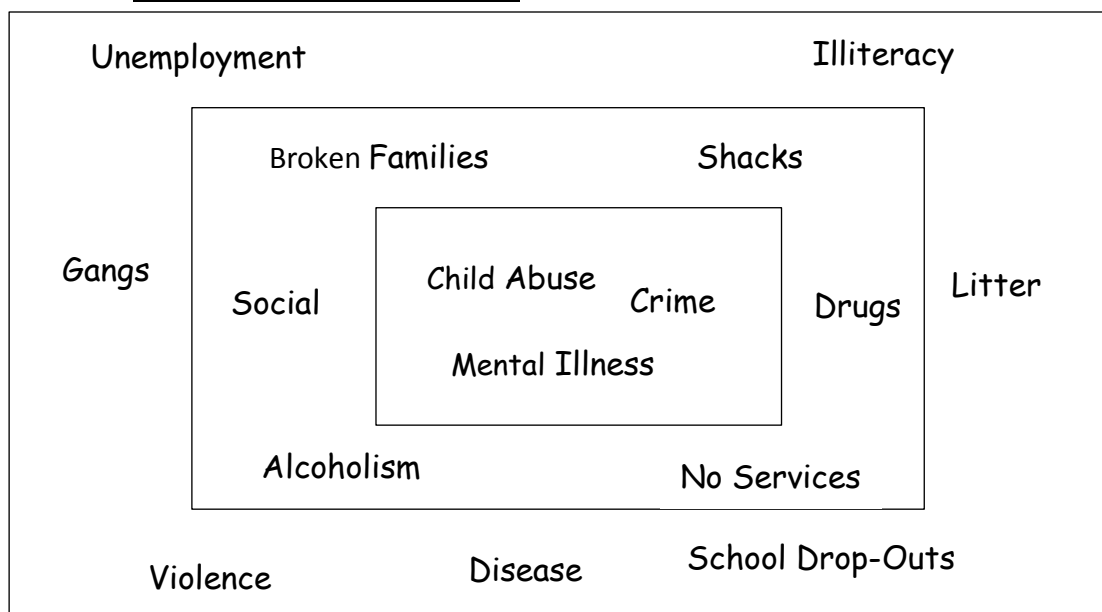
### **C4: DEVELOPING PROGRAMMES AND PROJECTS TO ACHIEVE THE OBJECTIVE**

Programmes and projects are the specific actions that will be taken to achieve the vision and objectives. Attention must be given to identifying a broad base of projects, some of which should provide “quick-wins” for the strategy. These projects should include agreed actions or all stakeholders in so far as they contribute to the economic vision of the municipality.

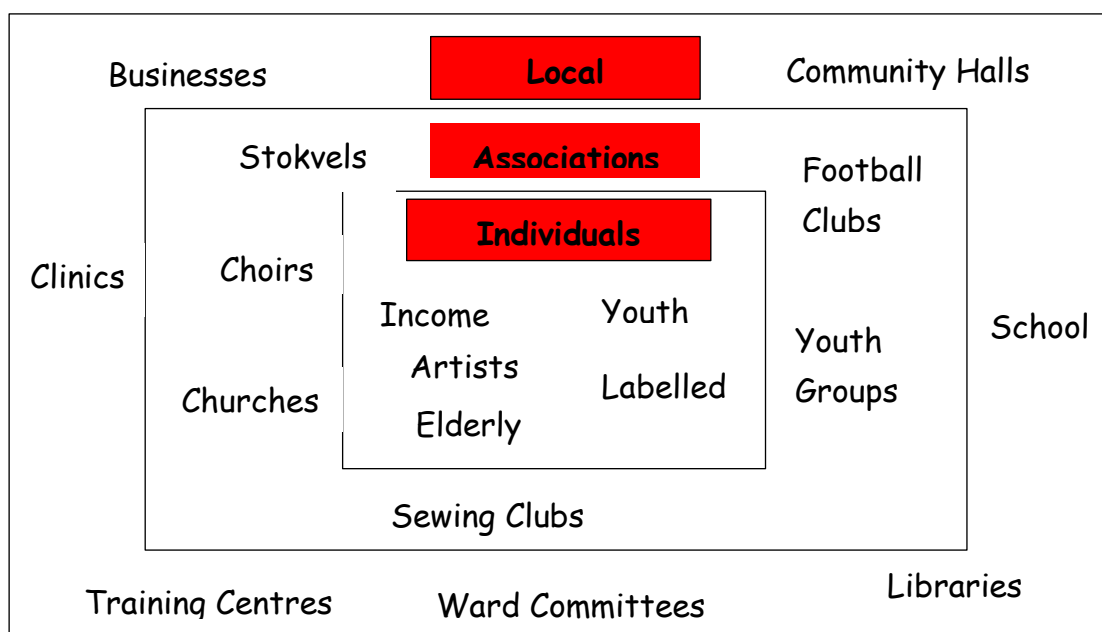
### **C5: COMMUNITY NEEDS MAP**

The following considerations must be reflected on when determining projects and programmes:

i. **Economic and social needs**



ii. **COMMUNITY ASSETS MAP**



**C6: EXAMPLE OF LED PLAN:**

**VISION:**

***“Kokstad will become the national destination of choice to live, work, visit and invest by 2047”***

**LGDS PLAN (EXAMPLE BASED ON RECENTLY DEVELOPED STRATEGIC DOCUMENT FOR GKM)**

**GOAL**

<b>Strategic Goal 1:</b>	Radical economic transformation to realise inclusive economic growth and job creation
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**STRATEGIC OBJECTIVE**

<b>Objective</b>	Facilitate economic growth, development and creation of decent employment opportunities
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**FOCUS AREA**

<b>Focus Area 1</b>	SMME and Entrepreneurship Development
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**PROGRAMME OF PROJECTS AND ACTIVITIES**

Project 1.1	Undertake SMME Survey with 3months of adoption of strategy
Project 1.2	Development of SMME Database within 3 months of adoption of strategy
Project 1.3	Development of SMME and Entrepreneurship Development Strategy and Plan in line with SMME Survey and Database by 31 March 2018
Project 1.4	Establish SMME Training and Skills development programme in partnership with accredited skills development service providers for implementation from 01 July 2018
Project 1.5	Investigate establishment of SMME Hub (One Stop Service Centre) and report findings to Council by 31 March 2018

**ANOTHER EXAMPLE:**

**FOCUS AREA**

<b>Focus Area 2</b>	Improving the Local Business Investment Climate
To improve the local business investment climate, an assessment of the local business enabling environment can be undertaken to determine the performance and effectiveness of the municipality in those aspects of the investment climate that it has control over. The municipality should aim to become responsive to the needs of business and put in place, procedures and regulations that improve the functioning of local businesses. In doing so, the municipality should include projects that simplify burdensome and bureaucratic procedures and rules of starting, owning, operating and managing a business. Such projects should be publicly accountable and transparent, and be initiated in conjunction and collaboration with local businesses and local business associations.	

## PROGRAMME OF PROJECTS AND ACTIVITIES

Project 2.1	Land, Property and Development Planning
Ensuring that an effectively legislated land titling and property registration system is in place allows businesses to make informed judgements and decisions on site location and expansion, property ownership and investment, and future business planning. Review of, and improvements to, the operation of planning, zoning and development control systems can facilitate property development and regeneration, and can speed up the implementation agreements and construction programs.	
Project 2.2	Infrastructure Provision and Maintenance
Facilitating and ensuring the supply and maintenance of hard infrastructure including electricity and gas, water and sewage, waste collection and telecommunications is a key task of municipal government. Undertaking an audit of existing service provision and future requirements, and put into effect programs and projects to ensure that such infrastructure is provided to the standard and quality necessary to maintain and improve the local business investment climate.	
Project 2.3	Business Registration and Licensing
Ensuring that an effectively legislated and transparent business registration and licensing system is in place enables businesses to plan and expand in the knowledge that these issues are constant, and are not dependent on personal favouritism, patronage, corruption and informal business connections. Having a local taxation and fiscal system that is publicly accountable and demonstrably efficient, and that has a tax rate and collection system that is effective and equitable will encourage businesses to respect and abide by procedural rules.	
Project 2.4	Encouraging Local Business Standards
Serves to raise the level of business practice and procedures accepted. Respect and acceptance of workplace standards for health and safety, together with the recognition of social and environmental standards and responsibilities, can ensure a business environment in which all businesses operate at an accepted level. Such programs can include working time regulations and programs for HIV/AIDS, and can lead to more consistent and effective business and labor market activity.	
Project 2.5	Internal Operations and Procedures
Initiate programs that improve the workings of internal operations and procedures. These can include the passing of by-laws that are favorable to business development while at the same time maintaining good municipal standards. These might include the creation of a public announcement and business consultation system for all new procedures considered, a review of the user-friendliness of the municipality, and how inquiries from businesses are received and dealt with by the municipality. New systems can be developed to provide a directory of named individuals within the Municipality for each of the municipal departments that impact business development and planning. Programs could highlight the business activities of a municipality through accessible and transparent information on municipal decision making, thereby removing the possibility of nepotism.	
Project 2.6	Investment Promotion and Marketing
Devise and effectively implement a marketing and promotional strategy to encourage investment thereby substantially improving the local business investment climate.	

Within each program area, projects should be proposed and selected on the basis of clear criteria with each potential LED project being assessed to determine whether it meets the broader LED goals, objectives and priorities. For lengthier and more costly projects (multi-year and multi-faceted), it is necessary to undertake a feasibility study to verify whether the project can be technically and financially implemented.

Complex projects with larger resource requirements and a longer timeframe will need to go through a more rigorous selection process and should include an initial viability assessment, feasibility studies, design review, business plan preparation and tailored monitoring and evaluation program. Noting also that environmental impact assessments may be required and that the eventual approval and release of the Record of Decision (RoD) may take approximately 18 (eighteen) months.



In order to obtain mutual consensus and greater participation and support in the realisation of the Strategy, the Municipality intends to document, publish and consult at the various stages of the development including during the drafting of the Strategy and again at the completion of the assessment to obtain stakeholder buy-in. Noting that the outcome of the assessment could highlight areas of concern and improvement which were previously unknown and which have a direct bearing on business activity or community livelihoods.

Dissemination and public consultation further responds to the principles of public participation as per the Municipal Systems Act. Upon adoption of the strategy, the document will be made available to the community in print and electronic form as a means to hold measure the performance of the Municipality as per the predetermined milestones.

#### **D. STAGE 4: STRATEGY IMPLEMENTATION**

##### **D1: STEP 1: PREPARE AN IMPLEMENTATION PLAN FOR ALL PROGRAMS AND PROJECTS**

Strategy implementation is driven by a broad Implementation Plan, which in turn is driven by individual Project Action Plans. The Implementation Plan lays out the budgetary, human resource, institutional and procedural implications of implementing and serves as a mechanism to consider the integration of all projects and programmes within the strategy. The prioritisation of each intervention is also a critical factor.

The Action Plan lays out a hierarchy of tasks, responsible parties, a realistic timetable, human resource and financial needs, sources of funding, expected impacts and results, performance measures and systems for evaluating progress for each project (measure whether the anticipated outcome has been realised – e.g. development of funding brochure by March 2018 – the brochure should be available as per the indicative date).

As projects and programmes are prioritised and will be implemented over the Strategy's life cycle and beyond (noting that the Municipal Vision provides for a 30 Year Sustainable Development Plan to 2047) they do not inappropriately compete for resources. It also provides information on monitoring and evaluation to all parties involved, in particular, His Worship the Mayor and the Municipal Manager who are responsible for reporting to external stakeholders on the realisation of the developmental agenda.

In addition, a funded and realistic implementation plan serves as a mechanism with which to raise funds as it strengthens investor confidence in the ability of the Municipality and its partners in development to realise targets set.

## **D2: STEP 2: PREPARE INDIVIDUAL PROJECT ACTION PLANS**

Subsequent to the above, detailed actions plans need to be formulated as a means to guide the implementation of each project. Each Action Plan should contain the following information:

<b>BASIC ELEMENTS FOR INCLUSION</b>	
Project Objectives	Each project should have clear objectives that meet the programme goals.
Project Inputs	The necessary resources needed to implement the project, e.g. capital and revenue costs, human resource inputs and capabilities, other inputs such as land and buildings.
List of Actions	A summary of the main actions to be undertaken in each project
Project Outputs	The direct result from the project, i.e., the construction of a business incubator
Project Outcomes	These are direct results from the outputs, e.g. an outcome of the building of a business incubator could be that four new businesses be established there.
Project Impacts	Impacts are associated with a strategy's goals, and the broader effect of a project over time, even after the project is completed, e.g., the development of a specific industry cluster based on the innovation center
Project Management	Who will take financial and management responsibility for the project (internal to the municipality or external)? Legitimate institutional mechanisms need to be in place or envisaged as part of the plan. It is important that 'champions' take primary responsibility for managing a project. If a 'champion' is not forthcoming to manage a project, the project should be reassessed as being a credible LED project for inclusion in this particular LED strategy.

## **D3: STEP 3: BUILD INSTITUTIONAL FRAMEWORKS FOR LED IMPLEMENTATION AND MONITORING**

As the realisation of local economic development is not solely a function of government, it becomes incumbent on the Municipality to establish and maintain both formal and informal stakeholder relations. These relations also serve and support LED implementation and monitoring together with building trust between partners assists in the process of managing perspectives and differing agenda.

It is the intention of the Greater Kokstad Municipality to facilitate and establish at least 1 (one) Public Private Partnership and it bears relevance to indicate that it is through these partnerships that the private sector is often keen to manage initiatives aimed at improving the vitality and viability of town centres or to be involved with business development initiatives. Community groups may seek to lead initiatives to improve health or housing conditions of a target group of disadvantaged individuals.

Strategy implementation requires the constant maintenance and upkeep of institutional frameworks, and needs constant monitoring and with each project and programme that is implemented, project review will occur focusing on how best to advance the project in a rapidly changing environment.

## **D4: STEP 4: ENSURE RELEVANT INPUTS ARE AVAILABLE**

LED implementation requires a commitment of resources, time and political support, and securing and maintaining such inputs determines the effectiveness to achieve projects and programmes. It is recorded that, as indicated earlier, the Mayor (as Political Head) is the Political Champion of Local

Economic Development which therefore strengthens the political support and will to realise the developmental agenda.

The Municipality has made a commitment to ensure that the realisation of local economic development is properly budgeted for. In addition, the Municipality, through the Office of the Municipal Manager and LED Champion is currently investigating the possibility of sourcing funding through a possible rand for rand contribution together with securing direct private sector investor. This will greatly assist in the realisation of its catalytic projects.

#### **D4.1 SOURCES OF FUNDING IN LOCAL ECONOMIC DEVELOPMENT**

<b>SOURCES OF POSSIBLE FUNDING</b>
<ul style="list-style-type: none"><li>• Municipal revenues raised from property tax, business tax and user fees; <i>f</i></li><li>• Sale or renting of local municipal-owned industrial or commercial buildings and land; <i>f</i></li><li>• National and state government intergovernmental transfers; <i>f</i></li><li>• International donor grants and loans;</li><li>• Private sector funding such as corporate contributions and investments; <i>f</i></li><li>• Private sector funding such as corporate contributions and investments; <i>f</i></li><li>• Foundations, especially for environmental improvements, human resource initiatives and poverty alleviation; and, <i>f</i></li><li>• Multilateral agencies.</li></ul>

#### **D5: STEP 5: CARRY OUT TASKS IN PROJECT ACTION PLANS**

In delivering the project action plans, every effort must be taken to ensure that all key stakeholders that were initially identified as being a beneficiary or potential contributor to the project is still available.

Through the office of the Municipal Manager, a Project Champion (Project Manager) / Project Champions (Project Managers) will be selected and charged with the responsibility of ensuring that each project deliverables are realised. During the implementation of the project, constant reviews will be undertaken to ensure that the project is delivering its stated aims and desired outputs. The collection of project data, throughout the lifespan of the project and possible subsidiary programmes will be a priority to ensure that detailed and relevant information is available for monitoring and evaluation purposes.

#### **D5.1 SELECTING A PROJECT MANAGER**

The Municipal Manager as Head of Administration assumes automatic responsibility in the identification and endorsement of Project Managers to manage LED Projects until its completion and oversee its development.

The identified official/s will be charged with a number of tasks including developing and refining the project, and providing strategic and technical development of the project. Ideally, the identified official should be able to identify, appraise and undertake liaison with other potential resources in fulfillment of the project objective, and have the skills to plan and direct project workflow on a day-to-day basis.

In assessing and reviewing the progress of the project against the Implementation Plan, the Project Manager will be expected to report as required to internal and external parties including the various structures of the Municipality, Foreign Direct Investors, various funding agencies, the LED Steering Committee, and business and community partners, and should therefore be able to develop effective professional partnerships with all of the key stakeholders. Ideally, the official selected for any of the projects / programmes should have previous experience of project management and be able to demonstrate a knowledge and understanding of the LED project area however, the selection of the project manager will depend on the availability and reliability of appropriately skilled local individuals and will remain solely, at the discretion of the Municipal Manager.

## **E. STAGE 5: STRATEGY REVIEW**

### **E1: STEP 1: WHAT? WHY? WHEN?**

In working towards the attainment of the developmental agenda, the Municipality will ensure that it heeds particular attention to the following:

- Politics (including exclusion of key interest groups, inappropriate zoning);
- Lack of commitment by Project Managers because they are not held regularly accountable;
- Lack of strategic thought (resulting in inappropriate strategies);
- Inadequate funding, research, monitoring and evaluation (resulting in inappropriate strategies and initiatives);
- Grant chasing; and
- Following the latest trend without taking due cognizance of the local dynamic.

The review of the strategy, throughout the entire lifespan of the Strategy, will enable the Municipality to determine the progress and challenges in the implementation and any corrective action which may need to be taken.

To reflect and affirm the commitment of the Greater Kokstad Municipality, in realising its projected developmental agenda to be encapsulated in the GKM Local Growth and Development Strategy, and in line with Local Economic Development as a key performance areas of the Municipality as per the Performance Management Framework, the objectives of the strategy will be encapsulated in Performance Agreements of the entire Management Component.

In light of the above,

- Review reports will be submitted to Council structures on a Quarterly Basis
- Amendments, if required, will be considered at the Mid-Year Review
- Annual Review in line with the processes of the Integrated Development Plan with alignment with the municipality's financial planning cycle.

### **E1.2 ISSUES TO BE CONSIDERED IN THE REVISION OF THE STRATEGY**

The following, amongst others, would need to be considered:

- Is the SWOT analysis still valid or have circumstances changed?
- Is more information available and have key issues changed as a result?

- Should changes be made to the vision, goals or objectives to reflect changing circumstances?
- Are projects achieving the expected results? If not, what can be done?
- Are performance indicators being met? If not, why not?
- What changes need to be made?
- Should the indicators be changed?
- Should there be more action on projects?
- Should the projects be changed?

Monitoring and evaluation (M&E) is a key component of the LED Implementation Plan. Indicators need to be clearly laid out at the project level to measure inputs, outputs, outcomes and impact for each project. A M&E Timetable would need to be established including scheduled reviews of content and process indicators. An independent audit of key indicators through repeated municipal and business surveys is crucial to measuring the progress made since the baseline local economy assessment. The assessments will be both quantitative and qualitative in nature.

## **E2: STEP 2: MONITORING**

Monitoring is the continuous assessment of a strategy and/or project implementation in relation to agreed schedules, and of the use of inputs, infrastructure, and services by project beneficiaries. Monitoring provides the Municipality and other stakeholders with continuous feedback on implementation and it identifies actual or potential successes and problems at an infancy level so as to facilitate timeous adjustments to project operations and activities. Monitoring accepts the project design as given; it measures progress, is focused on performance and occurs continuously.

## **E3: STEP 3: EVALUATION**

Evaluation is the periodic assessment of a project's relevance, performance, efficiency, and impact (both expected and unexpected) in relation to stated objectives. Interim evaluations will be undertaken during implementation as a first review of progress, a prognosis of a projects likely effects, and as a means of identifying necessary adjustments in project design.

Evaluation challenges the design of a project, draws conclusions and makes judgments, is focused on the effectiveness of the program or project and becomes a key milestone in the project cycle. Evaluations can be divided into two categories, namely: 'Process evaluations' which focuses on the implementation of programmes or projects, while 'Outcome Evaluations' focuses on the programme results. Process evaluation is concerned with how a program can be improved while outcome evaluation is concerned with whether the program actually works. The implementation, monitoring and eventual evaluation would benefit from building both forms of evaluation into the program design.

PROCESS EVALUATION			OUTCOME EVALUATION		
Monitoring daily tasks	Assessing programme activities	Enumerating outcomes	Measuring effectiveness	Costs and benefits	Assessing Impact

*Process Evaluations* overlap with monitoring activities and both are concerned with project or programme implementation. Process Evaluation involves the systematic examination of

implementation quality on a periodic basis and programs are monitored internally with monitoring reports generated at different levels on a weekly, monthly or quarterly basis.

*Outcome Evaluations* are centrally concerned with determining what would have happened to programme recipients and the LED task if the intervention had not occurred and seek to measure the 'value added' of undertaking a particular project intervention.

Outcome evaluations ideally cover four key parameters:

- Evaluations must account for and enumerate outcomes;
- Measure program effectiveness;
- Assess whether program benefits outweigh program costs by conducting a cost benefit analysis; and
- Assess impact by determining whether there has been a marked improvement in the situation that the policy or program was designed to address.

## SECTION 5:

### TIMELINE TO REALISE DEVELOPMENT OF GKM LOCAL GROWTH AND DEVELOPMENT STRATEGY

ACTIVITY	EXPECTED OUTCOME	RESPONSIBILITY	DATE
Establishment of GKM Economic Development, Growth and Enterprise Forum (GKM EDGE)	Structured platform to inform and direct the developmental agenda of the municipality	Municipal Manager and Manager: LED	Established and convenes bi-annually
Meeting with EDGE Ad-Hoc Task Team	Advise on the process that will be undertaken in respect to formulation of Local Growth and Development Strategy	Manager: LED and Task Team	July 2018
Input into IDP Processes – IDP and Budgeting Steering Committee	Inform direction of Municipality in respect to economic development and more importantly radical economic transformation	Internal Steering Committee	As per IDP Process Plan
Meeting with Stakeholders (various fora, community organisations, individuals, industry, etc)	Update information, development of necessary database, analysis of economy, challenges, immediate and localised opportunities	Manager: LED	As above
LGDS Public Participation Process	Receive local buy-in in the proposed direction of economic development	HW the Mayor and MM	Through respective Processes
Growth and Development Summit (hosted by GKM)	Receive national and provincial direction on policy imperatives, information made available to community and interventions	Municipal Council led by HW the Mayor	To be hosted post adoption of LGDS to augment support and investment into catalytic projects
Mayors Business / Investment Breakfast	Hosting identified and prospective Investors to forge partnerships for development	HW the Mayor and MM	Initial breakfast engagements – February 2018 and held bi-annual thereafter

ACTIVITY	EXPECTED OUTCOME	RESPONSIBILITY	DATE
Internal Assessment of draft LGDS	Ensure responsiveness to: <ul style="list-style-type: none"> <li>- Outcomes of MEC Comments 2018/2019</li> <li>- LED Assessment Criteria</li> <li>- Alignment with NDP, PGDS, DGD</li> <li>- Locally responsive and implementable</li> </ul>	Municipal Manager and Manager: LED	As per Performance Agreement of Manager: LED
Adoption of 1 <sup>st</sup> Draft - Greater Kokstad Municipality – Local Growth and Development Strategy, inclusive of applicable Policy, Implementation Plan and other supporting plans (e.g. Community Skills Development Plan developed from strategic direction of Human Resource Strategy)	Ensure that there is alignment of the strategic government interventions intended to realise economic transformation, and  Provide for adequate human and financial resources for the implementation of the strategy  Ensure mechanism is in place for monitoring and evaluation purposes	HW the Mayor, Cllr Mtolo and MM	End of Feb 2019 / beginning of March 2019
Review of LGDS following input from MEC Comments	Final adoption of Local Growth and Development Strategy – at adoption of Integrated Development Plan as LED is a sector plan to IDP	GKM Council and MM	At adoption of GKM IDP 2018/2019

**L H MAPHOLOBA (MR)**

**MUNICIPAL MANAGER: ADMINISTRATIVE LED CHAMPION**