LOCAL ECONOMIC DEVELOPMENT STRATEGY: 2024 – 2029

MUNISIPALITEIT RICHTERSVELD MUNICIPALITY

Local economic Development Strategy: 2024 - 2029

1 Table of Contents

1 Table of Contents 2
2 List Charts 5
3 List of Maps 5
4 List of Figures 5
5 List of Tables 5
6 Abbreviations 7
CHAPTER 1: Introduction 8
1.1 Background and Purpose of the Study 8
1.2 Concept of Local Economic Development 8
1.3 National Framework for Local Economic Development 11
1.4 Policy and Regulatory Framework 13
1.5 Policy implication for Richtersveld Municipality 13
1.6 Methodology 16
1.7 Structure of the Report 17
1.8 Conclusion 17
CHAPTER 2: Regional Perspective of the Study Area 18
2.1 Introduction 18
2.2 Location of Study Area 18
CHAPTER 3: SITUATIONAL ANALYSIS 20
3.1 Introduction 20
3.2.2 Number of Households by Population group 21
3.2.3 Population by population group, gender and age 23
3.3 Economic Performance Indicators 24
3.3.1 Gross Domestic Product by Region (GDP -R) 24
3.3.2 Gross Value Added by Region 26
3.4 Labour 27
3.4.1 Labour Force Participation Rate 29
3.4.2 Total Employment 31
3.4.3 Unemployment 32
3.5 Conclusion 34
CHAPTER 4 – Opportunity Analysis 36
4.1 Introduction 36
4.2 Integration of LED 36

DRAFT

4.3 SWOT Analysis 38
4.4 Opportunity Potential Analysis 39
4.5 Boegoebaai Port, Green Hydrogen Cluster Project 55
4.5.1 Critical Area for the Project 55
4.5.2 Proposed Boegoebaai port to existing rail network 55
4.5.3 Boegoebaai SEZ Economic Cluster Opportunity 56
4.5.4 Recommendations 56
4.6 Proposed Namakwa Special Economic Zone 56
4.6.1 The Proposed Namakwa SEZ Location 57
4.6.2 Socio Economic Development 57
4.7 Addressing LED Constraints 58
4.8 Conclusion 59
CHAPTER 5 – Vision, Thrusts and Priorities 63
5.1 Introduction 63
5.2 Enabling Environment 63
5.3 Vision and Thrust 64
5.4 Conclusion 68
CHAPTER 6: Institutional Arrangement 69
6.1 Introduction 69
6.2 Purpose 69
6.3 Background 69
6.3.1 LED Roles and Functions Spheres of Government 69
6.4 Placement of Status Quo Analysis (Richtersveld Municipality) 74
Placement 74
Planning and Reporting: 74
6.4.1 A. Purpose of LED 76
6.4.2 B1. Mandate 76
6.4.3 B2. Institutional Arrangements 76
6.4.4 B3. LED Stakeholder Forum 77
6.4.5 B4. LED Unit/Official 78
6.4.6 C. Organisational structure for LED 79
6.4.7 D. LED/IDP inclusion (component) 80
6.4 Conclusion 80
Chapter 7: Implementation Plan 83
7.1 Introduction 83

DRAFT

7.2 Implementation Plan 83
7.3 Project Prioritization 85
7.4 Conclusion 87
Chapter 8: Monitoring and Evaluation 87
8.1 Introduction 87
8.2 Conclusion 89
REFERENCES 90
Annexure A: Policy Review 92
Annexure B: Strategy Implementation 93

DRAFT

2 List Charts

Chart 1.Total population - Richtersveld and the rest of Namakwa, 2022 [Percentage].....21
Chart 2.Number of households by population group.....22
Chart 3.Gross domestic product (GDP) - Richtersveld Local Municipality.....25
Chart 4. Gross value added (GVA) by broad economic sector.....27
Chart 5. Labour glimpse - Richtersveld Local Municipality, 2022.....28
Chart 6. The labour force participation and unemployment rates.....30
Chart 7. Total employment per broad economic sector.....32
Chart 8. Unemployment and unemployment rate (official definition).....34

3 List of Maps

Map 1: Location of Richterveld Municipality within the Namakwa District**Error! Bookmark not defined.**8
Map 2: Richtersveld Municipal Area..... **Error! Bookmark not defined.**9
MAP 3: MINING ACTIVITIES & POTENTIAL (NAMA KHOI LM).....40
MAP 4: WATER RESOURCES.....50
MAP 5: MAP 5: SOLAR POWER POTENTIAL (SA).....51
MAP 6: WIND POWER POTENTIAL (SA).....52

4 List of Figures

Figure 1: Schematic Overview of the Revised National Framework for LED.....12
Figure 2: LED Strategy Methodology.....16
Figure 3: Virtuous Circle of Economic Growth 37
Figure 4: Vision & Objectives of the Richtersveld LM LED Strategy.....64
Figure 5: Current Structure of the Richtersveld LM LED Unit.....69
Figure 6: An Ideal LED Unit Current Structure of the Richtersveld LM LED Unit..... 75

5 List of Tables

Table 1: Summary of Policy Objectives..... **Error! Bookmark not defined.**
Table 2: Structure of the Report LED Strategy Development..... **Error! Bookmark not defined.**7
Table 3: Total population - Richtersveld, Namakwa, Northern Cape and National Total.....20
Table 4: Number of households.....22
Table 5: Population by population group, gender and age.....23
Table 6: Gross domestic product (GDP) - Current Price 2022.....24
Table 7: Gross domestic product (GDP) - Constant Price 2010.....25
Table 8: Gross domestic product (GDP) - Regions within Namakwa District Municipality.....26
Table 9: Gross value added (GVA) by broad economic sector.....26
Table 10: Working age population in Richtersveld.....27
Table 11: The labour force participation rate.....29
Table 12: Total employment.....31

DRAFT

Table 13: Total employment per broad economic sector.....31
Table 14: Unemployment (official definition).....33
Table 15: Unemployment rate (official definition).....33
Table 16: SWOT Analysis.....38
Table 17: Opportunity Potential Analysis.....40
Table 18: Summary of Projects in other Richtersveld LM Policies.....58
Table 19: Summary of Economic Sector Opportunities.....59
Table 20: Factors that Influence Investment in Disadvantage Areas.....63
Table 21: Thrust, Action & Projects 65
Table 22: Implementation Plan.....76
Table 23: Prioritization Model.....79
Table 24: Reason to use monitoring and evaluation.....81
Table 25: Monitoring Framework (Example).....82

DRAFT

6 Abbreviations

LED – Local Economic Development

NDP – National Development Plan 2030

IPAP – Industrial Policy Action Plan

IRP – Integrated Resource Plan 2010

RLM – Richtersveld Local Municipality

IDP - Integrated Development Plan

PGDS – Provincial Growth and Development Strategy

MIG - Municipal Infrastructure Grant

SDBIP - Service Delivery Budget Implementation Plan

LM - Local Municipality

DM – District Municipality

DEDAT - Department of Economic Development and Tourism

DRPW - Department of Road and Public Works

DWS – Department of Water Affairs and Sanitation

SEZ – Special Economic Zone

DRAFT

CHAPTER 1: Introduction

1.1 Background and Purpose of the Study

The review of the LED Strategy for the Richtersveld Local Municipality is a cooperative process between the Northern Cape Department of Economic Development and the Richtersveld Municipality. The aim of this strategy is to provide an overview of the characteristics of the local municipality, ranging from municipal capacity, economic-, social- and financial commitments to competitive advantage and to interpret the information into the strategy to provide Richtersveld Local Municipality with the most comprehensive and up-to-date tools in executing its LED mandate. The strategy will also identify opportunities that will create economic development, job opportunities for the poor and inform the budget of the municipality. This will provide a baseline against which the performance of the budget and government spending can be measured. The strategy will also develop a municipal-wide plan to harness the skills and resources of all stakeholders in a uniform and coherent manner to achieve the aims and objectives as agreed upon.

The desired outcome of the project is captured in the Memorandum of Agreement and the Inception Report as indicated in the Methodology that was used for the development of the LED Strategy. The LED Strategy is not a free-standing document, it forms part of the Integrated Development Plan (IDP) process and is one of the stepping-stones toward achieving local economic development within the RLM area. The LED needs to inform the budgetary process of the IDP in terms of economic development and facilitation. An important development principle underlying economic development is the broadening of the local economic base. This includes the introduction of new activities in the area, exploiting latent resources and the establishment of SMMEs.

The following objectives have been identified for the study:

Ensure LED Strategy is credible and implementable

Undertake a detailed economic analysis to ensure market interventions are identified

Develop an implementation matrix to prioritise projects for implementation

Policy Alignment

Development of a Monitoring and Evaluation Tool - Linked to the LED Strategy

1.2 Concept of Local Economic Development

LED is an approach to sustainable economic development that encourages residents of local communities to work together to stimulate local economic activity that will result in an improvement in the quality of life for all in the local community.

The generic definition of Local Economic Development:

"Local Economic Development is a process where the local actors shape and share the future of their territory. We could define it as a participatory process that encourages and facilitates partnership between the local stakeholders, enabling the joint design and implementation of strategies, mainly based on the competitive use of the local resources, with the final aim of creating decent jobs and sustainable economic activities."

DRAFT

Source: (Canzanelli 2001: 9)

"Local Economic Development (LED) is the process by which public, business and nongovernmental sector partners work collectively to create better conditions for economic growth and employment generation. The aim is to improve the quality of life for all."

Source: (World Bank Urban Development Unit 2003: 4)

"Local economic development refers to the process in which local governments or community-based (neighbourhood) organizations engage to stimulate or maintain business activity and/or employment. The principle goal of local economic development is to stimulate local employment opportunities in sectors that improve the community, using existing human, natural, and institutional resources"

Source: (Blakely 1994: xvi)

"Local economic development "is essentially a process in which local governments and/or community based groups manage their existing resources and enter into partnership arrangements with the private sector, or with each other, to create new jobs and stimulate economic activity in an economic area."

Source: (Zaaier and Sara 1993: 129)

"LED is the process by which public, business and non-governmental sector partners work collectively to create better conditions for inclusive economic development that is characterized by employment generation, economic capacity building for a local area, investment attraction and retention, image enhancement and revenue generation in order to improve its economic future and the quality of life for all".

Source: Draft National LED Framework 2018-2028

Guiding Principles:

- Geographic Specific Area,
- Identify local resources and create value from these resources in an innovative manner,
- Apply Sustainable development approach as part of the development process,
- Public Private stakeholder cooperation,
- Local GDP, socio-economic development enhancement,
- This must realise maximum benefit for local population.

Note that two critical principles must be enabled:

- Circulate local money locally through local spending.
- Obtain external investment and export produce and services to get external money into local economy.

The Strategy entails identifying local economic development opportunities for sustainable economic growth that aims to produce high standards of living, improve the quality of life, alleviate poverty, create more and better jobs, advance skills and build for sustained development in the future. Crucial to the entire process is the promotion of the community – an integrated stakeholder engagement and skills development.

It is envisaged the LED Strategy will build awareness of the Strengths, Weaknesses, Opportunities and Threats in the DKM area. Simultaneously, the LED Strategy should promote local production, local procurement and intensive economic activities and enhance the expansion of livelihoods through working together to create employment and self-employment opportunities in the formal and informal sector.

The characteristics of an LED are as follows:

- Attraction of both outward and inward investment
- Investment in both hard and soft infrastructures
- Making the business environment more conducive to business
- A participatory approach to LED
- Public Private Partnerships (PPPs)
- A move towards community-based LED.

The following aspects need to be considered in this regard:

- An interpretation of the socio-economic situation and indicators suggests that the most significant challenge facing government and its partners in growth and development is the reduction of poverty.
- Poverty alleviation needs to be addressed as an integral part of the regional economic development strategy, due to high levels of unemployment and poverty.
- Economic development programmes and project implementation needs to be consolidated and integrated with a strategic developmental approach aimed at sustainable local economic development.
- Various research documents, policies and strategies for the study area have been compiled and as such data collation should be aimed at adding value and to use the existing knowledge base to focus the work, i.e. a vital issue approach will be followed.
- The local community needs to be mobilised and included in an informative and participative parallel process to the analysis and strategy formulation.
- Cognisance needs to be taken of strategic developmental guidelines as provided in Provincial and National strategic directives.
- The economic enabling environment needs specific intervention to ensure that adequate and appropriate services and infrastructure planning and provision can be complementary to new investment.
- The involvement and participation of stakeholders needs to be encouraged through participative stakeholder mobilisation techniques and innovative LED approaches.
- Skills development and capacity building are crucial human resource development interventions for improved service delivery.
- Capacity building and empowerment of key stakeholders and role players involved in all forms of local development to effectively facilitate social growth and economic development will be an underlying rationale of the LED Strategy.
- The focus of the LED support will be to facilitate the establishment of channels and mechanisms to ensure that economic development reaches the true beneficiaries.
- The internal co-operation and coherence for increased external competitiveness as well as to ensure economic activities in various parts of the area complement each other need to be facilitated.

The core enablers of LED:

DRAFT

LED is about communities continually improving their investment climate and business enabling environment to enhance their competitiveness, retain jobs and improve incomes. Local communities respond to their LED needs in many ways, and a variety of approaches can be taken that include:

- Ensuring that the local investment climate is functional for local businesses;
- Supporting small and medium sized enterprises;
- Encouraging the formation of new enterprises;
- Attracting external investment (nationally and internationally);
- Investing in physical (hard) infrastructure;
- Investing in soft infrastructure (educational and workforce development, institutional support systems and regulatory issues);
- Supporting the growth of particular clusters of businesses;
- Targeting particular parts of the city/town/region for regeneration or growth (area-based initiatives);
- Supporting informal and newly emerging businesses;
- Targeting certain disadvantaged groups.

1.3 National Framework for Local Economic Development

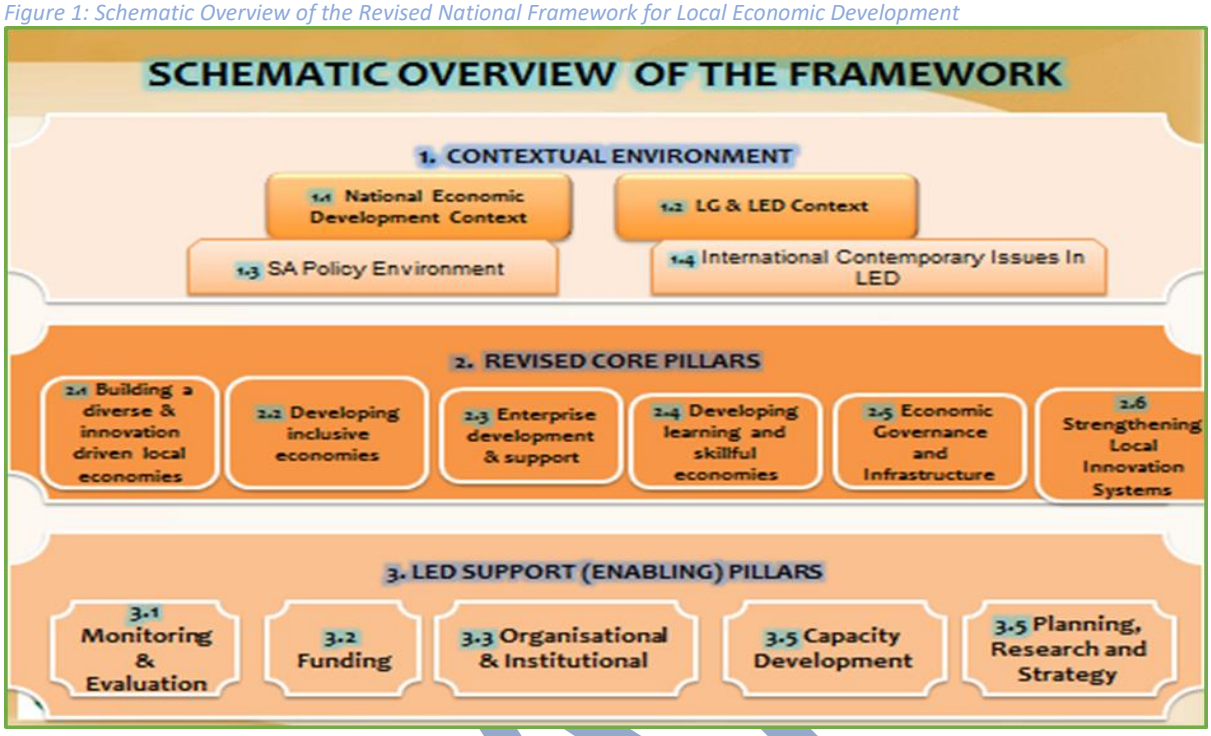
The development of the 2018 Framework has been underpinned by the need to advance and deepen the understanding of LED and its function in national and regional development and growth in South Africa. This Framework builds on the achievements and lessons gained in the implementation of the 2006-2011 Framework. It emphasizes that LED is a territorial approach to development; an inclusive and innovation process; and should result in stronger local economies.

This Framework, therefore, is designed to entrench LED as primarily a territorial response to local challenges of development. It emphasizes the importance of unique characteristics of localities; an innovative approach to development; a Local Government-led process, multi-stakeholder driven process, and an outcome based on progressive partnership.
The LED policy framework therefore focuses on the following revised Core Policy Pillars/Thrusts:

- Building a Diverse Economic Base.
- Developing Learning and Skillful Local Economies.
- Developing Inclusive Economies.
- Enterprise Development and Support.
- Economic Governance and Infrastructure.
- Strengthening Local Innovation Systems

DRAFT

Figure 1: Schematic Overview of the Revised National Framework for Local Economic Development



LED Core Pillars

Buiilding a Diverse & Innovation-driven Local Economies

- Local sector development.
- Metro economic development programme.
- Link to Regional Economic Developmen t.
- Link to Regional industrial development.
- Advancing primary, secondary and tertiary sectors.
- Exploiting STI to advance sustainability, competitiven ess and productivity.
- Linking LED to corridor development & sub-national cross boarder programme.

Developing Inclusive Economies

- Developme nt of informal economies.
- Inner city economic revitalisatio n.
- Township economic developmen t.
- Inclusive and integrated rural economies.
- Expanded public and community works programme s.
- Small town economic developmen t programme.

Developing Learning & Skilful Economies

- Improving economic and manageme nt capacity.
- Leadership and manageme nt skills.
- Addressing skills gaps.
- Enhancing capacities to innovate.
- Enhacing capacities to foster innovation-driven LED.
- Enhacing capacities to foster.
- Workplace skills.
- 21 Century skills.
- Strengthen ing linkages between knowledge orga isatio ns a d LED actors.

Enterprise Development and Support

- Support businesses of women, youth owned and people with disabilities.
- SMME support.
- Techno-entreprene urship.
- Co-operatives support.
- Business incubation.
- Business linkage.

Economic Governance and Infrastructure

- Improving LED planning capacity.
- Improving economic and management capacity.
- Enhance Administrative economic development capacity.
- Improve access to development funding/finance.
- Strengthening LED agencies.
- Improve the ease of doing business, i.e. red tape reduction.
- Improve business attraction, retention and expansion.
- Image enhancement, beutification and marketing of local spaces.
- Faciliate and coordinate investment.

Strengthen Local Innovation Systems

- Strengthen municipality-university and municipality-science council linkages.
- Strengthen capacities of municipalities to promote innovation & techno entrepreneurs hip.
- Provide support for science and technology infrastructure.
- Provide support for innovation infrastructure.
- Strengthen capacities of municipalities to undertake mapping of local innovation systems.

Source: National Framework for Local Economic Development (2018 – 2028)

1.4 Policy and Regulatory Framework

In establishing an appropriate Local Economic Development Strategy for the RLM, it is essential to make reference to relevant policies at a local, district, provincial and national level. By reviewing the relevant policies, one can contextualize the environment in which the LED Strategy will exist and more importantly, provide guidelines and targets that will direct the LED Strategy in an appropriate manner. This will also ensure that the LED Strategy which is developed aligns with National, Provincial, District and Local initiatives.

This policy analysis will be completed for national, provincial, district and local policies and legislation. More specifically the following policies were reviewed:

National legislation

- The Constitution of the Republic of South Africa
- The National Development Plan (NDP)
- The New Growth Path (NGP)
- The Industrial Policy Action Plan (IPAP)
- Local Government Turnaround Strategy
- Spatial Planning and Land Use Management Act (SPLUMA), 2013
- Innovation for Local Economic Development (ILED)
- The Integrated Urban Development Framework
- Back to Basics Programme
- Revised National LED Framework (2018 – 2028)
- Presidential Infrastructure Coordination Commission
- Integrated Sustainable Rural Development Strategy
- The Broad-Based Black Economic Empowerment Act

Provincial Legislation

- The Northern Cape Provincial Growth and Development Strategy (NCPGDS-2012)
- Provincial Spatial Development Framework

Municipal legislation

- The White Paper on Local Government
- The Municipal Structures (1998) & Municipal Systems Act (2000)
- Back to Basics (B2B)

1.5 Policy implication for Richtersveld Municipality

The listed policy documents provide the strategic guidelines for development throughout South Africa. In the case of this document, it is important to note the implications these legislative documents have on Richtersveld Municipality as a whole, specifically refereeing to local economic development.

The following recurring themes/objectives are identified throughout these legislative documents:

- Skills development

DRAFT

- Job creation
- Poverty Alleviation
- Service Delivery
- Economic Development and Growth - promotion of equal opportunities
- Business Retention and Expansion
- Sustainable development

Municipalities are mandated to provide for the basic services within their area. Service delivery has been identified as an issue of concern within the IDPs of the various local municipalities. From the various documents it is clear that there is an urgent need for effective and efficient service delivery by all government departments (national, provincial, district and local). Economic development and growth are identified as important themes by all sphere of government and it is important that economic development and growth not only increases the economic income of the area but that it would result in job creation (as mentioned above). Thus, the aim is to not have jobless growth but sustainable economic development and growth. Various documents indicated the need to diversify the economy in order to ensure sustained growth as well as that rural and urban development should take place to facilitate growth, diversification and transformation of the local economy.

Sustainable development has become an important part of planning for not only private sector but also the public sector. As indicated throughout the various policy documents it is important to note the economy, environment and social development of an area are all equally important and should be taken into consideration when doing long term planning. Sustainable development in conjunction with holistic development is emphasised specifically in the local municipal SDF documents within the Richtersveld municipal area, and it is important for the Richtersveld Municipality also plan according to these principles in order to ensure the long-term sustainable development of the area as a whole. In conjunction with this it is also important for the LED Strategy (not only the District LED Strategy, but also the LED Strategies of the local municipalities) to highlight the important economic and social issues and opportunities in order these to be prioritised accordingly with the environmental issues and opportunities.

The LED Strategy for the Richtersveld Municipality needs to take the principles, priorities and concerns identified within the discussed policies into account. It is also important to ensure that resources within the Richtersveld Municipality are utilised in a sustainable manner in order to ensure better long-term development of the area as a whole and therefore the aim is that the LED Strategy highlights the main priorities, concerns and opportunities within the Richtersveld Municipality. It is important that the implementation of the LED Strategy results in a prosperous area which serves the needs of the community.

DRAFT

Table 1. below provides a summary of the broad strategic objectives identified in the national, provincial, district and local policies listed above. As mentioned earlier a detailed overview of the policies can be found in Annexure B.

Table 1: Summary of Policy Objectives

POLICY OBJECTIVES	NATIONAL	PROVINCIAL	DISTRICT	LOCAL
Economic Growth & Development	√	√	√	√
Improving competition in the economy & creating an enabling environment to create opportunity	√	√	√	√
Infrastructure and Institutional development (especially energy, transport, communication, water & housing)	√	√	√	√
Job creation & human capital development	√	√	√	√
Access to opportunities & recognising the local character of economic need and of potential areas of growth	√	√	√	√
Skills development	√	√	√	√
Sustainable & environmental development	√	√	√	√
Eradicate poverty	√	√	√	√
Provision of basic services	√	√	√	√
Social development	√	√	√	√
Spatial Integration	√	√	√	√
Public transport system & promote non-motorised transport	√	√	√	
Effective Governance and institutional strengthening	√	√	√	√
Minimise consumption of scarce resources	√	√	√	√

From the table above it is clear that the objectives of all the spheres of government align with each other. This will aid in the formulation of the policy objectives for this LED.

The above legislative and policy documents provide guidance to the strategic development of the Richtersveld LM, and the development context and policy framework for the Municipality is characterised by a strong focus on sustainable, integrated and inclusive development and capacity building. Skills development and the upgrading of human capital are strong themes and priority issues in all national, provincial and local development strategies where it is stated that there should be focus on human capital development in places of limited economic potential. Development of human capital is important as skilled staff ensures high standards of productivity and excellence. District and local level IDPs view the issues of unemployment and poverty in a serious light, and strive to supply in especially the needs of those that have suffered under apartheid practices.

Service delivery is a recurring topic and in strategic documents by all spheres of government, and it is clear that there is an urgent need for effective and efficient service delivery by all government departments, and especially so on local municipal level. Economic development and growth is viewed as extremely important in legislation, policies and strategies by all three levels of government. It is important that economic growth benefits everyone, especially those in the local

economy. Urban and rural development has to take place to facilitate growth, diversification, and transformation of the local economy. Several economic sectors of the Richtersveld Local Municipality have been identified as important, with the most profound being the agriculture, mining and tourism sectors. These sectors are responsible for the majority of the injections into the local economy, and should be supported and seen as priority.

1.6 Methodology

It is important to note that in order to achieve the above-mentioned objectives it is necessary that the study be conducted within a logical manner. Illustration 1 below illustrates the methodology followed in the execution of this study.

Figure 2: LED Strategy Methodology

Source: Northern Cape LED Manual 2014 – 2019

Explanation of the steps based on the approach on the above Illustration:

- **Step 1:** was to develop an inception report and memorandum of understanding. Adoption of inception report and signature of Memorandum of Understanding.
- **Step 2:** aims to conduct policy review taking into consideration all relevant national, provincial, district and municipal policy documents.
- **Step 3:** comprises the Demographic and Socio-economic profiles of the Municipality and is aimed at obtaining information about the state of the community and the economy in the area.
- **Step 4:** The main objective of this step is the identification of suitable thrusts, enablers and viable LED projects.
- **Step 5:** will comprise of the development of a draft LED framework based on the information obtained from the above steps.
- **Step 6:** Strategic LED pillars will be identified and enabled by development support leading to projects.
- **Step 7:** The focus of this phase of the study is to address the leadership and institutional arrangement with regard to the successful implementation of the LED strategy.
- **Step 8:** An implementation plan will be developed which will provide key role players, drivers and timeframes associated with priority projects.

1.7 Structure of the Report

Remainder of the report includes the following sections:

Table 2: Structure of the Report LED Strategy Development

Chapter 2:	Regional Perspective of the Study Area	This section provides an overview of the regional and geographic location of the study area of which the LED Strategy will be developed.
Chapter 3:	Situational Analysis	The situational analysis provides a demographic & economic overview of the Richtersveld Municipality.
Chapter 4:	Visioning and Forecasting Model	Vision of the Richtersveld Municipality based on the SWOTR analysis based on the availability of resources of the area and status quo analysis to identify the potential Richtersveld Municipality.
Chapter 5:	Opportunity Analysis	The opportunity analysis incorporates a SWOT and local sectoral potential analysis which assists in creating an understanding with regard to the sectoral competitive advantages of the local economy.
Chapter 6:	Development Framework and Strategy	Provides the strategic guidelines for the LED Strategy.
Chapter 7:	Institutional Arrangements	The institutional arrangement also analysis incorporates a SWOT that will indicates areas the institution can improve on based on their attributes per unit within the institution.
Chapter 8:	Monitoring and Evaluation	This section provides a progress on the implementation of the LED Strategy.

1.8 Conclusion

The implementation of the strategy needs to facilitate the creation of employment opportunities, investment and business development and the resultant positive spin-off effects throughout the economy.

DRAFT

CHAPTER 2: Regional Perspective of the Study Area

2.1 Introduction

The purpose of this section is to give an understanding of a specific region or area, with the objective of understanding its characteristics and patterns of the spatial nature of geography and how each place or region is examined, analyzed, and compared with other places or region.

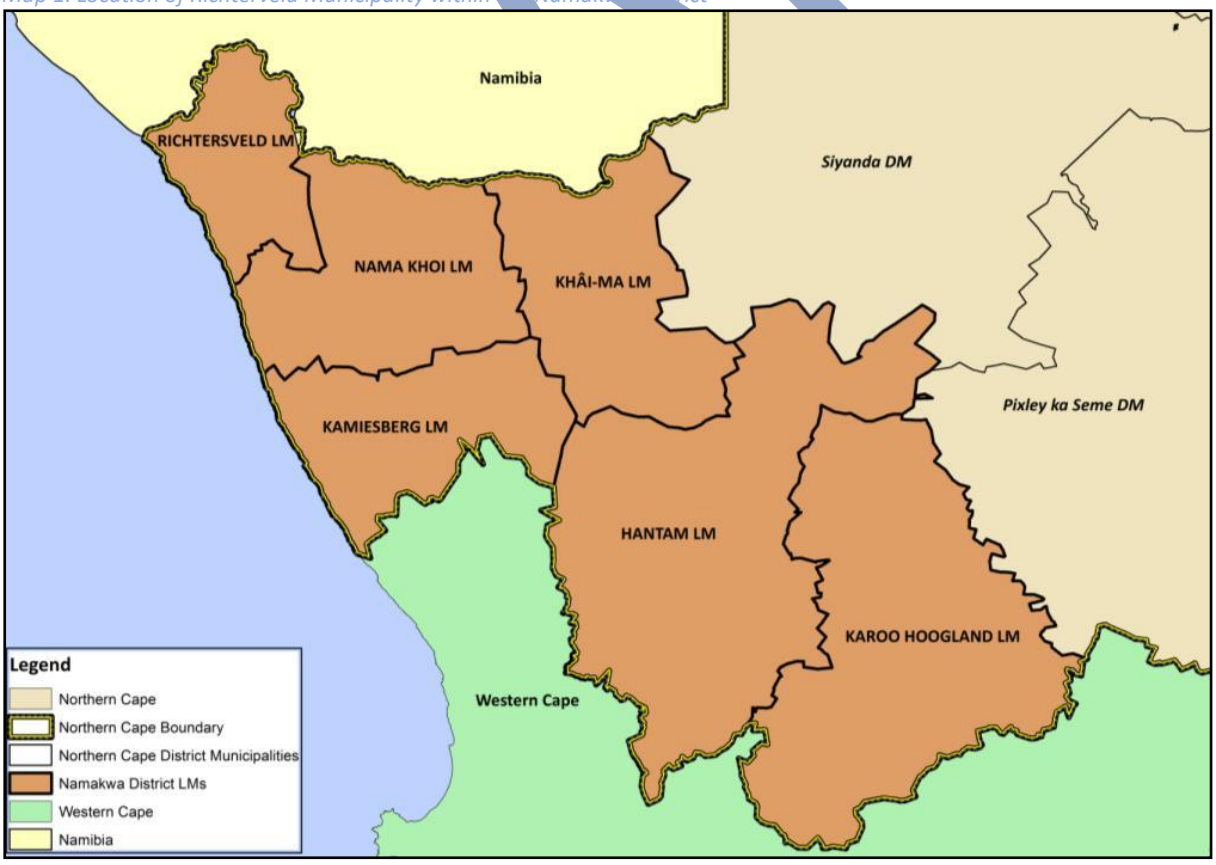
2.2 Location of Study Area

The Richtersveld Local Municipality is a Category B municipality in the within the Namakwa District Municipality, in the Northern Cape province of South Africa. The Richtersveld is a unique landscape surrounded by a variety of contrasts. It is a conservation area. Rainfall is minimal and water is a scarce commodity, yet the vast plains, which are considered a special place by some, are still a very beautiful region with unique characteristics that attract thousands of tourists.

In Port Nolloth there is the ocean, at Alexander Bay there is the Orange River, and at Lekkersing and Eksteensfontein there is underground water that is a little brackish.

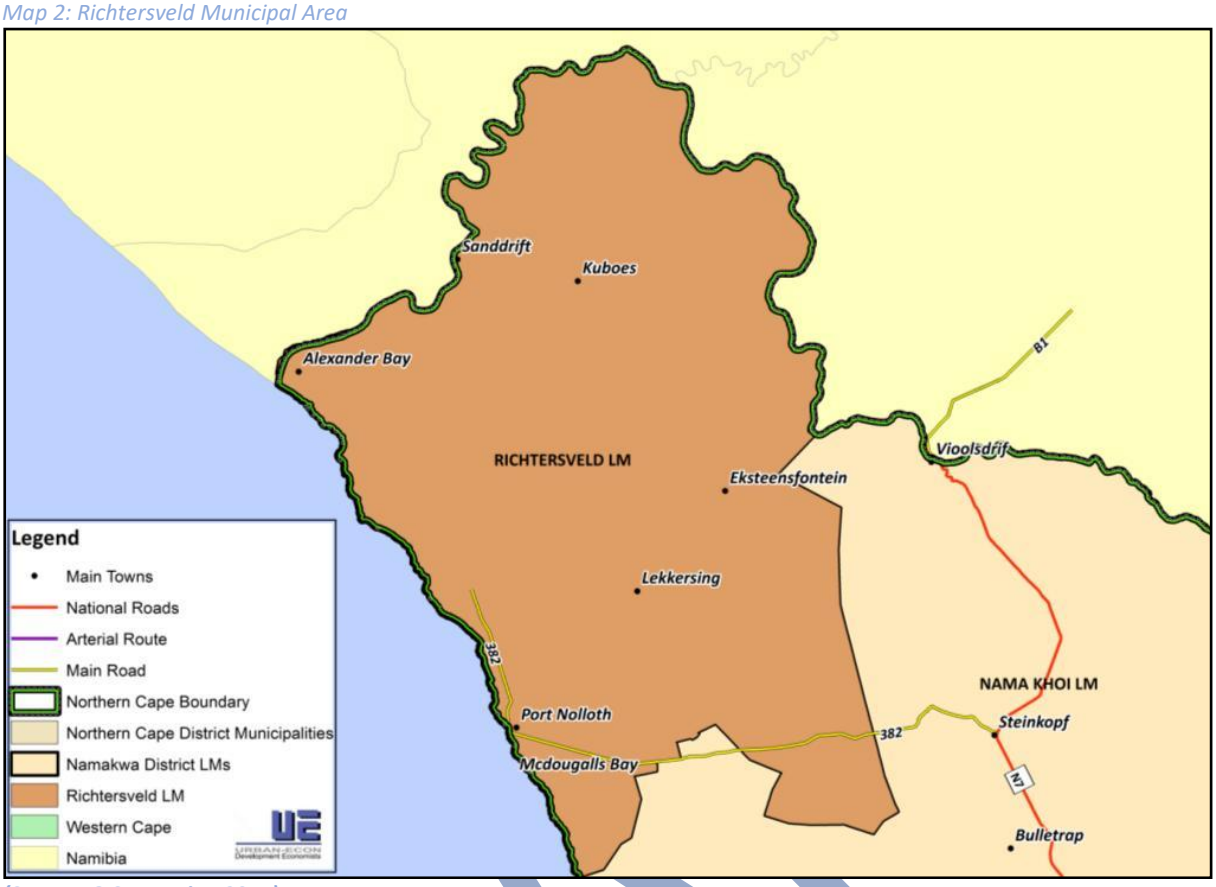
The municipality is the acknowledged Mining, agriculture, fishing and tourism in the area. Map 1 below indicates all the local municipalities within the Namakwa DM.

Map 1: Location of Richterveld Municipality within the Namakwa District



(Source: GIS Mapping 2011)

Map 2: Richtersveld Municipal Area



(Source: GIS Mapping 2011)

The Richtersveld LM is located within the Namakwa DM, in the Northern Cape Province. The Atlantic Ocean forms the Western Boundary of the Namakwa DM. Map 2 above indicates all the settlements within the Richtersveld LM.

Richtersveld Municipality consist of the following towns, namely:

- Alexander Bay
- Eksteensfontein
- Kuboes
- Port Nolloth
- Lekkersing
- Sanddrift

DRAFT

CHAPTER 3: SITUATIONAL ANALYSIS

3.1 Introduction

The following Statistical Overview Report aims to quantify the economic, demographic and socio-economic environment of Richtersveld Local Municipality in context of its neighbouring regions, the district, the province and South Africa. A better understanding of the demographic, economic and socio-economic environment could inform stakeholders to implement and monitor plans and policies that will allow for a healthy, growing and inclusive economy and society.

3.2 Demographic / Population Characteristics

"Demographics", or "population characteristics", includes analysis of the population of a region. Distributions of values within a demographic variable, and across households, as well as trends over time are of interest.

3.2.1 Total Population

Population statistics is important when analyzing an economy, as the population growth directly and indirectly impacts employment and unemployment, as well as other economic indicators such as economic growth and per capita income.

Table 3: Total population - Richtersveld, Namakwa, Northern Cape and National Total, 2012-2022 [Numbers percentage]

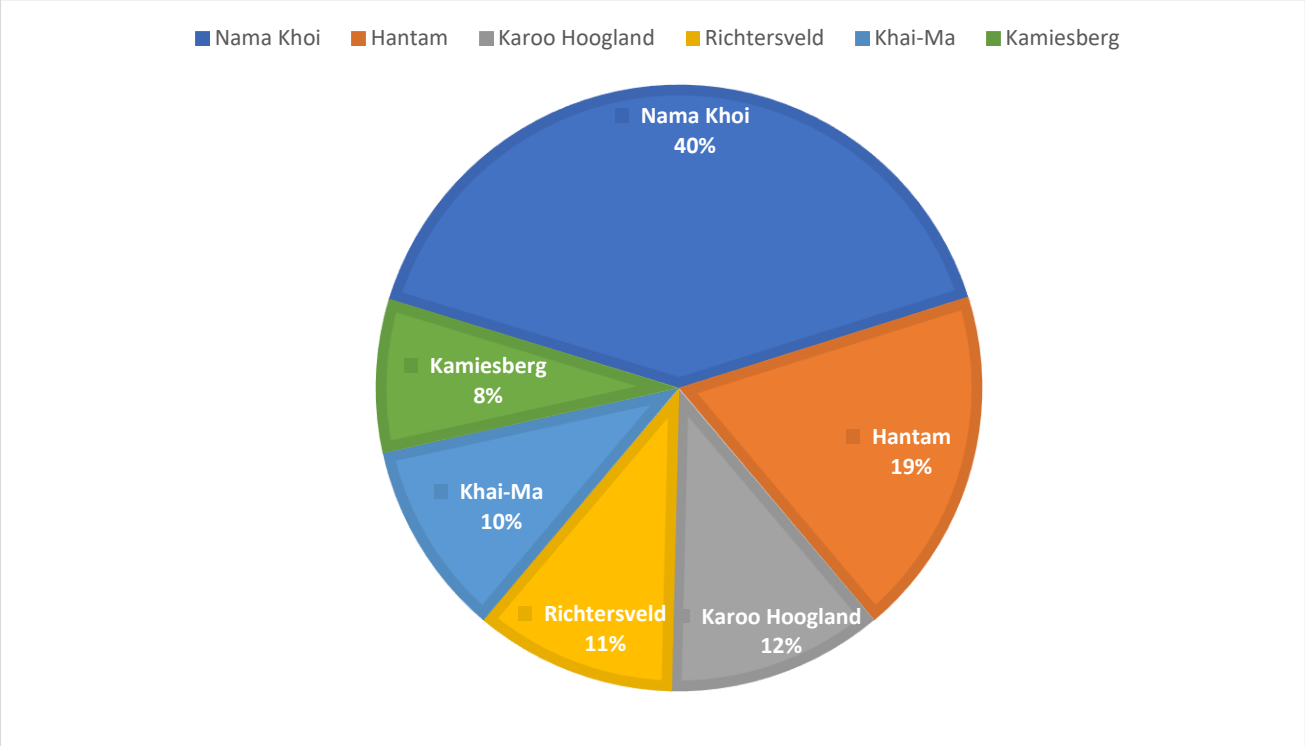
	Richtersveld	Namakwa	Northern Cape	National Total	Richtersveld as % of district municipality	Richtersveld as % of province	Richtersveld as % of national
2012	13,000	127,000	1,140,000	52,800,000	*10.3%*	*1.13%*	*0.02%*
2013	13,300	128,000	1,170,000	53,700,000	*10.4%*	*1.14%*	*0.02%*
2014	13,500	129,000	1,190,000	54,500,000	*10.4%*	*1.14%*	*0.02%*
2015	13,800	131,000	1,210,000	55,300,000	*10.5%*	*1.14%*	*0.02%*
2016	14,000	132,000	1,230,000	56,200,000	*10.6%*	*1.14%*	*0.02%*
2017	14,200	134,000	1,250,000	57,000,000	*10.6%*	*1.14%*	*0.02%*
2018	14,500	135,000	1,270,000	57,900,000	*10.7%*	*1.14%*	*0.02%*
2019	14,700	137,000	1,290,000	58,800,000	*10.7%*	*1.14%*	*0.02%*
2020	14,900	139,000	1,310,000	59,600,000	*10.7%*	*1.14%*	*0.02%*
2021	15,100	140,000	1,320,000	60,300,000	*10.8%*	*1.14%*	*0.02%*
2022	15,200	141,000	1,340,000	61,100,000	*10.8%*	*1.14%*	*0.02%*
Average Annual growth							
2012-2022	***1.61%***	***1.11%***	***1.59%***	***1.47%***			

Source: South Africa Regional eXplorer v2423.
Data compiled on 10 Oct 2023.
© 2023 S&P Global.

With 15 200 people, the Richtersveld Local Municipality housed 0.0% of South Africa's total population in 2022. Between 2012 and 2022 the population growth averaged 1.61% per annum which is very similar than the growth rate of South Africa as a whole (1.47%). Compared to Namakwa's average annual growth rate (1.11%), the growth rate in Richtersveld's population at 1.61% was slightly higher than that of the district municipality.

DRAFT

Chart 1. Total population - Richtersveld and the rest of Namakwa, 2022 [Percentage]



Source: South Africa Regional eXplorer v2423.
Data compiled on 10 Oct 2023.
© 2023 S&P Global.

When compared to other regions, the Richtersveld Local Municipality accounts for a total population of 15,200, or 10.8% of the total population in the Namakwa District Municipality, with the Nama Khoi being the most populous region in the Namakwa District Municipality for 2022. Richtersveld increased in importance from ranking fifth in 2012 to fourth in 2022. In terms of its share the Richtersveld Local Municipality was slightly larger in 2022 (10.8%) compared to what it was in 2012 (10.3%). When looking at the average annual growth rate, it is noted that Richtersveld ranked highest (relative to its peers in terms of growth) with an average annual growth rate of 1.6% between 2012 and 2022.

3.2.2 Number of Households by Population group

If the number of households is growing at a faster rate than that of the population it means that the average household size is decreasing, and vice versa. In 2022, the Richtersveld Local Municipality comprised of 4 730 households. This equates to an average annual growth rate of 1.95% in the number of households from 2012 to 2022. With an average annual growth rate of 1.61% in the total population, the average household size in the Richtersveld Local Municipality is by implication decreasing. This is confirmed by the data where the average household size in 2012 decreased from approximately 3.3 individuals per household to 3.2 persons per household in 2022.

DRAFT

Table 4: Number of households - Richtersveld, Namakwa, Northern Cape and National Total, 2012-2022 [Number percentage]

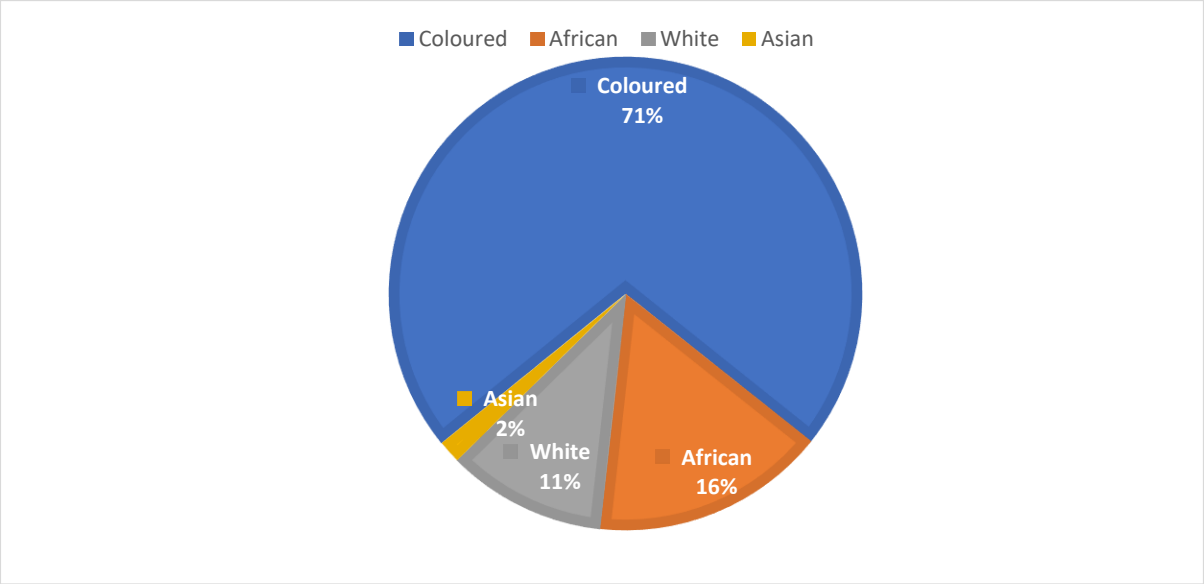
	Richtersveld	Namakwa	Northern Cape	National Total	Richtersveld as % of district municipality	Richtersveld as % of province	Richtersveld as % of national
2012	3,900	37,400	307,000	14,600,000	*10.4%*	*1.27%*	*0.03%*
2013	4,020	38,100	315,000	14,900,000	*10.6%*	*1.28%*	*0.03%*
2014	4,090	38,300	320,000	15,200,000	*10.7%*	*1.28%*	*0.03%*
2015	4,140	38,300	325,000	15,600,000	*10.8%*	*1.27%*	*0.03%*
2016	4,220	38,700	333,000	16,000,000	*10.9%*	*1.27%*	*0.03%*
2017	4,300	39,100	342,000	16,300,000	*11.0%*	*1.26%*	*0.03%*
2018	4,370	39,600	347,000	16,400,000	*11.0%*	*1.26%*	*0.03%*
2019	4,420	39,900	349,000	16,400,000	*11.1%*	*1.26%*	*0.03%*
2020	4,440	40,000	352,000	16,400,000	*11.1%*	*1.26%*	*0.03%*
2021	4,600	41,200	363,000	16,700,000	*11.2%*	*1.27%*	*0.03%*
2022	4,730	42,200	372,000	17,200,000	*11.2%*	*1.27%*	*0.03%*
Average Annual growth							
2012-2022	***1.95%***	***1.23%***	***1.94%***	***1.62%***			

Source: South Africa Regional eXplorer v2423.
Data compiled on 10 Oct 2023.
© 2023 S&P Global.

Relative to the district municipality, the Richtersveld Local Municipality had a higher average annual growth rate of 1.95% from 2012 to 2022. In contrast, the province had an average annual growth rate of 1.94% from 2012. The South Africa as a whole had a total of 17.2 million households, with a growth rate of 1.62%, thus growing at a lower rate than the Richtersveld.

The composition of the households by population group consists of 71.5% which is ascribed to the Coloured population group with the largest amount of households by population group. The African population group had a total composition of 16.0% (ranking second). The White population group had a total composition of 10.9% of the total households. The smallest population group by households is the Asian population group with only 1.6% in 2022.

Chart 2: Number of households by population group - Richtersveld Local Municipality, 2022 [Percentage]



Source: South Africa Regional eXplorer v2423.
Data compiled on 10 Oct 2023.
© 2023 S&P Global.

The growth in the number of Coloured headed households was on average 1.82% per annum between 2012 and 2022, which translates in the number of households decreasing by 557 in the period. Although the Asian population group is not the biggest in size, it was however the fastest growing population group between 2012 and 2022 at 15.09%. The average annual growth rate in the number of households for all the other population groups has increased with 1.83%.

3.2.3 Population by population group, gender and age

The total population of a region is the total number of people within that region measured in the middle of the year. Total population can be categorised according to the population group, as well as the sub-categories of age and gender. The population groups include African, White, Coloured and Asian, where the Asian group includes all people originating from Asia, India and China. The age subcategory divides the population into 5-year cohorts, e.g. 0-4, 5-9, 10-13, etc.

Table 5: Population by population group, gender and age - Richtersveld Local Municipality, 2022 [Number].

	African		White		Coloured	
	Female	Male	Female	Male	Female	Male
00-04	77	58	10	12	352	367
05-09	63	60	20	21	375	383
10-14	48	51	8	18	442	477
15-19	41	44	22	6	351	448
20-24	57	60	22	9	376	439
25-29	196	183	28	57	457	618
30-34	98	177	47	35	478	522
35-39	46	176	29	24	477	513
40-44	39	107	47	75	453	596
45-49	15	74	61	17	496	493
50-54	35	69	40	33	374	416
55-59	31	21	49	79	266	329
60-64	17	19	86	82	285	215
65-69	29	6	65	58	223	198
70-74	2	11	37	32	121	108
75+	2	9	62	48	177	142
Total	**796**	**1,120**	**632**	**607**	**5,700**	**6,260**

Source: South Africa Regional eXplorer v2423.
Data compiled on 10 Oct 2023.
© 2023 S&P Global.

In 2022, the Richtersveld Local Municipality's population consisted of 12.61% African (1 920), 8.13% White (1 240), 78.49% Coloured (12 000) and 0.77% Asian (118) people.

The largest share of population is within the young working age (25-44 years) age category with a total number of 5 530 or 36.3% of the total population. The age category with the second largest number of people is the older working age (45-64 years) age category with a total share of 23.8%, followed by the babies and kids (0-14 years) age category with 2 860 people. The age category with the least number of people is the retired / old age (65 years and older) age category with only 1 340 people, as reflected in the population pyramids below.

DRAFT

3.3 Economic Performance Indicators

The economic state of Richtersveld Local Municipality is put in perspective by comparing it on a spatial level with its neighbouring locals, Namakwa District Municipality, Northern Cape Province and South Africa.

The Richtersveld Local Municipality does not function in isolation from Namakwa, Northern Cape Province, South Africa and the world and now, more than ever, it is crucial to have reliable information on its economy for effective planning. Information is needed that will empower the municipality to plan and implement policies that will encourage the social development and economic growth of the people and industries in the municipality respectively.

3.3.1 Gross Domestic Product by Region (GDP -R)

The Gross Domestic Product (GDP), an important indicator of economic performance, is used to compare economies and economic states.

GDP-R can be measured using either current or constant prices, where the current prices measures the economy in actual Rand, and constant prices measures the economy by removing the effect of inflation, and therefore captures the real growth in volumes, as if prices were fixed in a given base year.

Table 6: Gross domestic product (GDP) - Richtersveld, Namakwa, Northern Cape and National Total, 2012-2022 [R billions, Current prices]

	Richtersveld	Namakwa	Northern Cape	National Total	Richtersveld as % of district municipality	Richtersveld as % of province	Richtersveld as % of national
2012	1.1	8.5	79.1	3,566.4	*12.3%*	*1.33%*	*0.03%*
2013	1.1	8.9	83.1	3,868.6	*12.5%*	*1.34%*	*0.03%*
2014	1.2	9.6	90.4	4,133.9	*12.5%*	*1.33%*	*0.03%*
2015	1.2	9.9	94.9	4,420.8	*12.4%*	*1.29%*	*0.03%*
2016	1.3	10.4	100.9	4,759.6	*12.4%*	*1.27%*	*0.03%*
2017	1.3	10.9	106.4	5,078.2	*12.4%*	*1.26%*	*0.03%*
2018	1.4	11.4	112.9	5,363.2	*12.4%*	*1.25%*	*0.03%*
2019	1.5	12.0	119.3	5,625.2	*12.4%*	*1.24%*	*0.03%*
2020	1.5	12.3	122.9	5,568.0	*12.2%*	*1.23%*	*0.03%*
2021	1.7	14.2	140.7	6,208.8	*12.1%*	*1.23%*	*0.03%*
2022	1.8	14.7	147.9	6,628.6	*12.3%*	*1.22%*	*0.03%*

Source: South Africa Regional eXplorer v2423. Data compiled on 10 Oct 2023. © S&P Global.

With a GDP of R 1.81 billion in 2022 (up from R 1.05 billion in 2012), the Richtersveld Local Municipality contributed 12.27% to the Namakwa District Municipality GDP of R 14.7 billion in 2022 increasing in the share of the Namakwa from 12.35% in 2012. The Richtersveld Local Municipality contributes 1.22% to the GDP of Northern Cape Province and 0.03% the GDP of South Africa which had a total GDP of R 6.63 trillion in 2022 (as measured in nominal or current prices).It's contribution to the national economy stayed similar in importance from 2012 when it contributed 0.03% to South Africa, but it is lower than the peak of 0.03% in 2012.

DRAFT

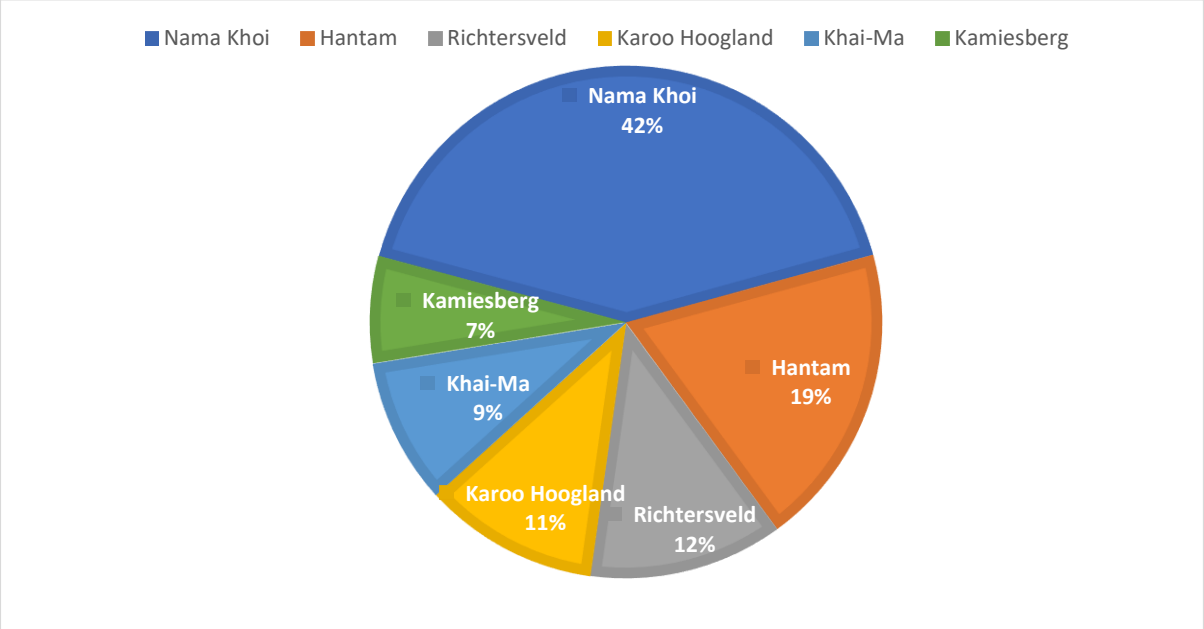
Table 7: Gross domestic product (GDP) - Richtersveld, Namakwa, Northern Cape and National Total, 2012-2022 [Annual percentage change, Constant 2010 prices]

	Richtersveld	Namakwa	Northern Cape	National Total
2012	4.1%	3.4%	3.2%	2.4%
2013	1.5%	0.6%	2.1%	2.5%
2014	1.9%	2.7%	2.4%	1.4%
2015	2.1%	1.8%	2.0%	1.3%
2016	-3.4%	-2.4%	-0.3%	0.7%
2017	1.3%	2.2%	1.9%	1.2%
2018	-0.9%	-0.1%	1.2%	1.6%
2019	2.3%	-0.6%	-0.2%	0.3%
2020	-3.4%	-7.6%	-5.1%	-6.0%
2021	3.5%	3.5%	5.4%	4.7%
2022	-6.5%	-3.4%	0.7%	1.9%
Average Annual growth 2012-2022	***-0.21%***	***-0.38%***	***0.97%***	***0.92%***

Source: South Africa Regional eXplorer v2423.
Data compiled on 10 Oct 2023.
© 2023 S&P Global.

In 2022, the Richtersveld Local Municipality achieved an annual growth rate of -6.46% which is a significantly lower GDP growth than the Northern Cape Province's 0.69%, but is lower than that of South Africa, where the 2022 GDP growth rate was 1.91%. Similar to the short-term growth rate of 2022, the longer-term average growth rate for Richtersveld (-0.21%) is also significantly lower than that of South Africa (0.92%). The economic growth in Richtersveld peaked in 2012 at 4.13%.

Chart 3. Gross domestic product (GDP) - Richtersveld Local Municipality and rest of Namakwa, 2022 [Percentage]



Source: South Africa Regional eXplorer v2423.
Data compiled on 10 Oct 2023.
© 2023 S&P Global.

The Richtersveld Local Municipality had a total GDP of R 1.81 billion and in terms of total contribution towards Namakwa District Municipality the Richtersveld Local Municipality ranked third relative to all the regional economies to total Namakwa District Municipality GDP. This ranking in terms of size compared to other regions of Richtersveld remained the same since 2012. In terms of its share, it was in 2022 (12.3%) very similar compared to what it was in 2012 (12.3%). For the period 2012 to 2022,

the average annual growth rate of -0.2% of Richtersveld was the third relative to its peers in terms of growth in constant 2010 prices.

Table 8: Gross domestic product (GDP) - Regions within Namakwa District Municipality, 2012 to 2022, share and growth

	2022 (Current prices)	Share of district municipality	2012 (Constant prices)	2022 (Constant prices)	Average Annual growth
Richtersveld	1.81	*12.27%*	1.17	1.15	***-0.21%***
Nama Khoi	6.12	*41.57%*	3.86	3.40	***-1.25%***
Kamiesberg	0.99	*6.72%*	0.68	0.63	***-0.78%***
Hantam	2.83	*19.23%*	1.85	1.98	***0.69%***
Karoo Hoogland	1.63	*11.05%*	1.02	1.18	***1.46%***
Khai-Ma	1.35	*9.17%*	0.83	0.71	***-1.45%***

Source: South Africa Regional eXplorer v2423.
Data compiled on 10 Oct 2023.
© 2023 S&P Global.

Karoo Hoogland had the highest average annual economic growth, averaging 1.46% between 2012 and 2022, when compared to the rest of the regions within Namakwa District Municipality. The Hantam Local Municipality had the second highest average annual growth rate of 0.69%. Khai-Ma Local Municipality had the lowest average annual growth rate of -1.45% between 2012 and 2022.

3.3.2 Gross Value Added by Region

The Richtersveld Local Municipality's economy is made up of various industries. The GVA-R variable provides a sector breakdown, where each sector is measured in terms of its value added produced in the local economy.

The summary table below puts the Gross Value Added (GVA) of all the regions in perspective to that of the Richtersveld Local Municipality.

Table 9: Gross value added (GVA) by broad economic sector - Richtersveld Local Municipality, 2022 [R billions, current prices]

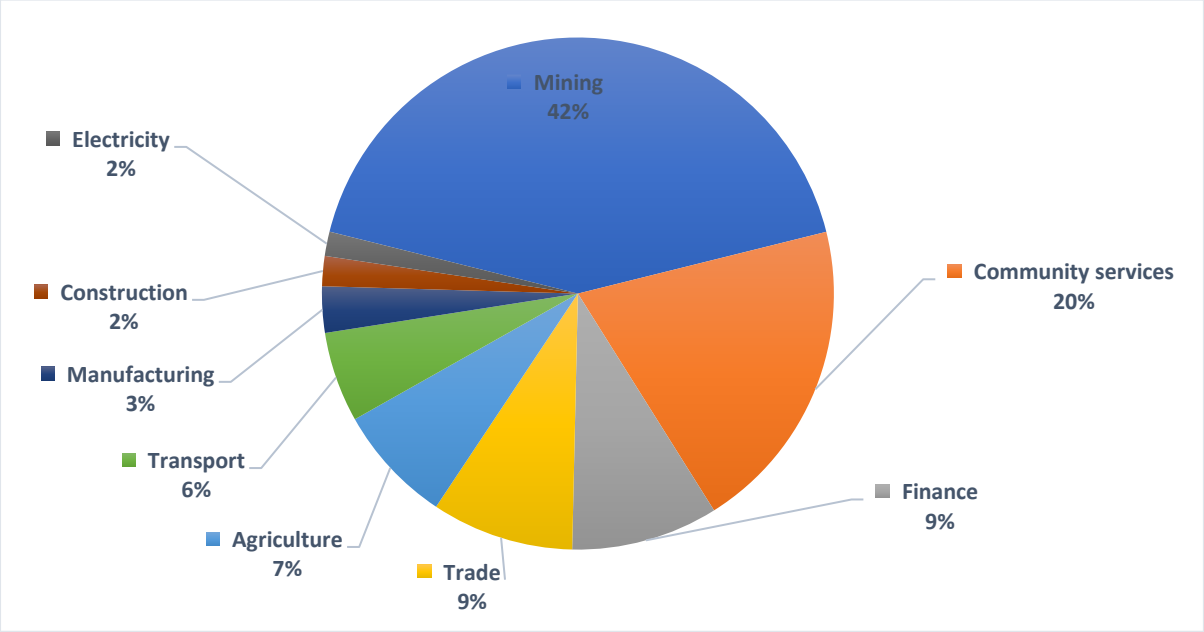
	Richtersveld	Namakwa	Northern Cape	National Total	Richtersveld as % of district municipality	Richtersveld as % of province	Richtersveld as % of national
Agriculture	0.1	1.6	11.3	187.6	*7.8%*	*1.10%*	*0.07%*
Mining	0.7	5.5	30.1	483.3	*12.7%*	*2.32%*	*0.14%*
Manufacturing	0.0	0.3	4.9	813.1	*17.5%*	*0.98%*	*0.01%*
Electricity	0.0	0.2	4.4	192.8	*12.1%*	*0.58%*	*0.01%*
Construction	0.0	0.2	2.3	146.6	*15.8%*	*1.36%*	*0.02%*
Trade	0.1	1.4	14.7	807.5	*11.0%*	*1.01%*	*0.02%*
Transport	0.1	0.8	10.9	451.4	*12.0%*	*0.87%*	*0.02%*
Finance	0.2	1.3	18.8	1,386.9	*12.2%*	*0.82%*	*0.01%*
Community services	0.3	2.4	36.9	1,483.6	*13.7%*	*0.89%*	*0.02%*
Total Industries	**1.7**	**13.6**	**134.3**	**5,952.7**	***12.2%***	***1.23%***	***0.03%***

Source: South Africa Regional eXplorer v2423.
Data compiled on 10 Oct 2023.
© 2023 S&P Global.

In 2022, the mining sector is the largest within Richtersveld Local Municipality accounting for R 698 million or 42.2% of the total GVA in the local municipality's economy. The sector that contributes the second most to the GVA of the Richtersveld Local Municipality is the community services sector at 20.0%, followed by the finance sector with 9.3%. The sector that contributes the

least to the economy of Richtersveld Local Municipality is the electricity sector with a contribution of R 25.4 million or 1.54% of the total GVA.

Chart 4. Gross value added (GVA) by broad economic sector - Richtersveld Local Municipality, 2022 [percentage composition]



Source: South Africa Regional eXplorer v2423.
Data compiled on 10 Oct 2023.
© 2023 S&P Global.

3.4 Labour

The labour force of a country consists of everyone of working age (above a certain age and below retirement) that are participating as workers, i.e. people who are actively employed or seeking employment. This is also called the economically active population (EAP). People not included are students, retired people, stay-at-home parents, people in prisons or similar institutions, people employed in jobs or professions with unreported income, as well as discouraged workers who cannot find work.

Table 10: Working age population in Richtersveld, Namakwa, Northern Cape and National Total, 2012 and 2022 [Number]

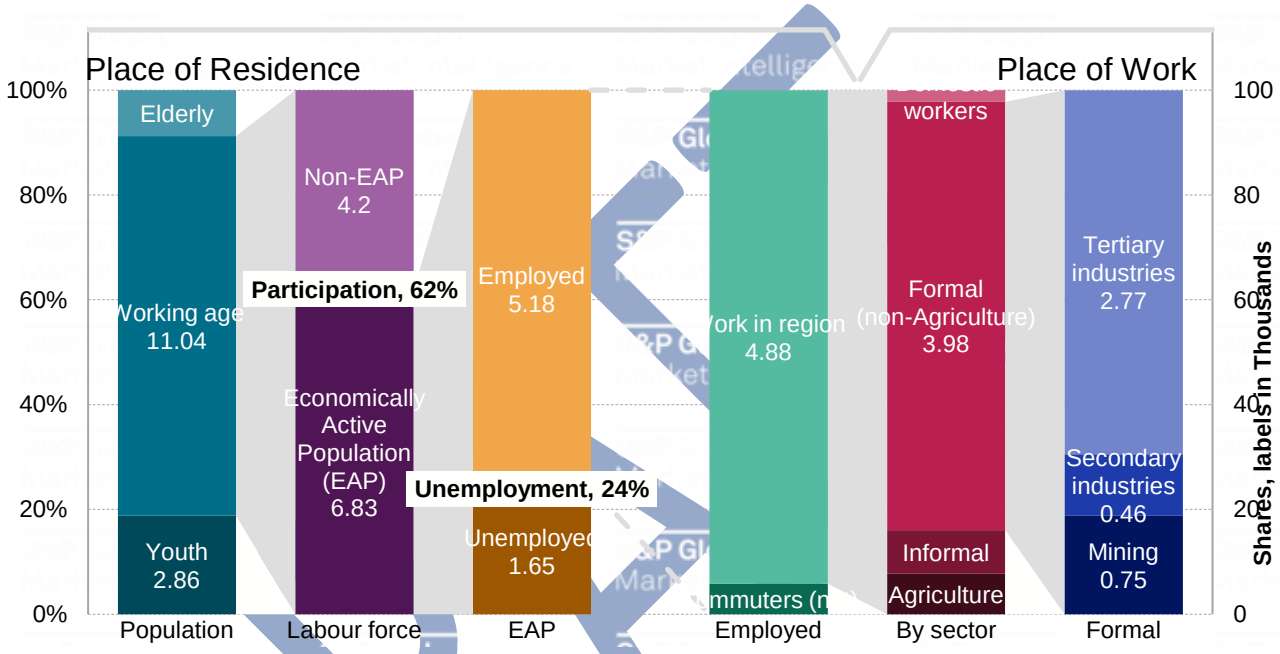
	Richtersveld		Namakwa		Northern Cape		National Total	
	2012	2022	2012	2022	2012	2022	2012	2022
15-19	970	920	11,400	11,000	110,000	113,000	5,010,000	5,100,000
20-24	1,070	967	10,700	9,820	110,000	103,000	5,410,000	4,580,000
25-29	1,380	1,560	10,300	10,800	105,000	111,000	5,220,000	5,210,000
30-34	1,110	1,360	9,130	10,500	87,400	110,000	4,220,000	5,600,000
35-39	969	1,290	8,400	10,800	72,000	105,000	3,470,000	5,220,000
40-44	993	1,320	8,450	10,200	63,600	86,500	2,950,000	4,060,000
45-49	965	1,180	8,290	9,070	58,400	70,000	2,590,000	3,240,000
50-54	754	967	7,220	8,380	52,500	60,500	2,240,000	2,710,000
55-59	599	776	6,370	7,960	44,700	54,500	1,850,000	2,340,000
60-64	488	705	5,290	7,170	36,200	47,800	1,490,000	1,970,000
Total	**9,300**	**11,000**	**85,500**	**95,700**	**740,000**	**862,000**	**34,500,000**	**40,000,000**

Source: South Africa Regional eXplorer v2423.
Data compiled on 10 Oct 2023.
© 2023 S&P Global.

The working age population in Richtersveld in 2022 was 11 000, increasing at an average annual rate of 1.74% since 2012. For the same period the working age population for Namakwa District Municipality increased at 1.14% annually, while that of Northern Cape Province increased at 1.55% annually. South Africa's working age population has increased annually by 1.51% from 34.5 million in 2012 to 40 million in 2022.

The graph below combines all the facets of the labour force in the Richtersveld Local Municipality into one compact view. The chart is divided into "place of residence" on the left, which is measured from the population side, and "place of work" on the right, which is measured from the business side.

Chart 5. Labour glimpse - Richtersveld Local Municipality, 2022



Source: South Africa Regional eXplorer v2423.
Data compiled on 10 Oct 2023.
© 2023 S&P Global.

Reading the chart from the left-most bar, breaking down the total population of the Richtersveld Local Municipality (15 200) into working age and non-working age, the number of people that are of working age is about 11 000. As per definition, those that are of age 0 - 19 (youth) or age 65 and up (pensioners) are part of the non-working age population. Out of the working age group, 61.9% are participating in the labour force, meaning 6 840 residents of the local municipality forms currently part of the economically active population (EAP). Comparing this with the non-economically active population (NEAP) of the local municipality: fulltime students at tertiary institutions, disabled people, and those choosing not to work, sum to 4 210 people. Out of the economically active population, there are 1 650 that are unemployed, or when expressed as a percentage, an unemployment rate of 24.2%. Up to here all the statistics are measured at the place of residence.

On the far right we have the formal non-Agriculture jobs in Richtersveld, broken down by the primary (mining), secondary and tertiary industries. The majority of the formal employment lies in the Tertiary industry, with 2 770 jobs. When including the informal, agricultural and domestic workers, we have a total number of 4 880 jobs in the area. Formal jobs make up 81.7% of all jobs in the Richtersveld Local Municipality. The difference between the employment measured at the place of work, and the people employed living in the area can be explained by the net commuters that work outside of the local municipality.

In theory, a higher or increasing population dividend is supposed to provide additional stimulus to economic growth. People of working age tend to uphold higher consumption patterns (Final Consumption Expenditure, FCE), and a more dense concentration of working age people is supposed to decrease dependency ratios - given that the additional labour which is offered to the market, is absorbed.

3.4.1 Labour Force Participation Rate

The following is the labour participation rate of the Richtersveld, Namakwa, Northern Cape and National Total as a whole.

Table 11: The labour force participation rate - Richtersveld, Namakwa, Northern Cape and National Total, 2012-2022 [percentage]

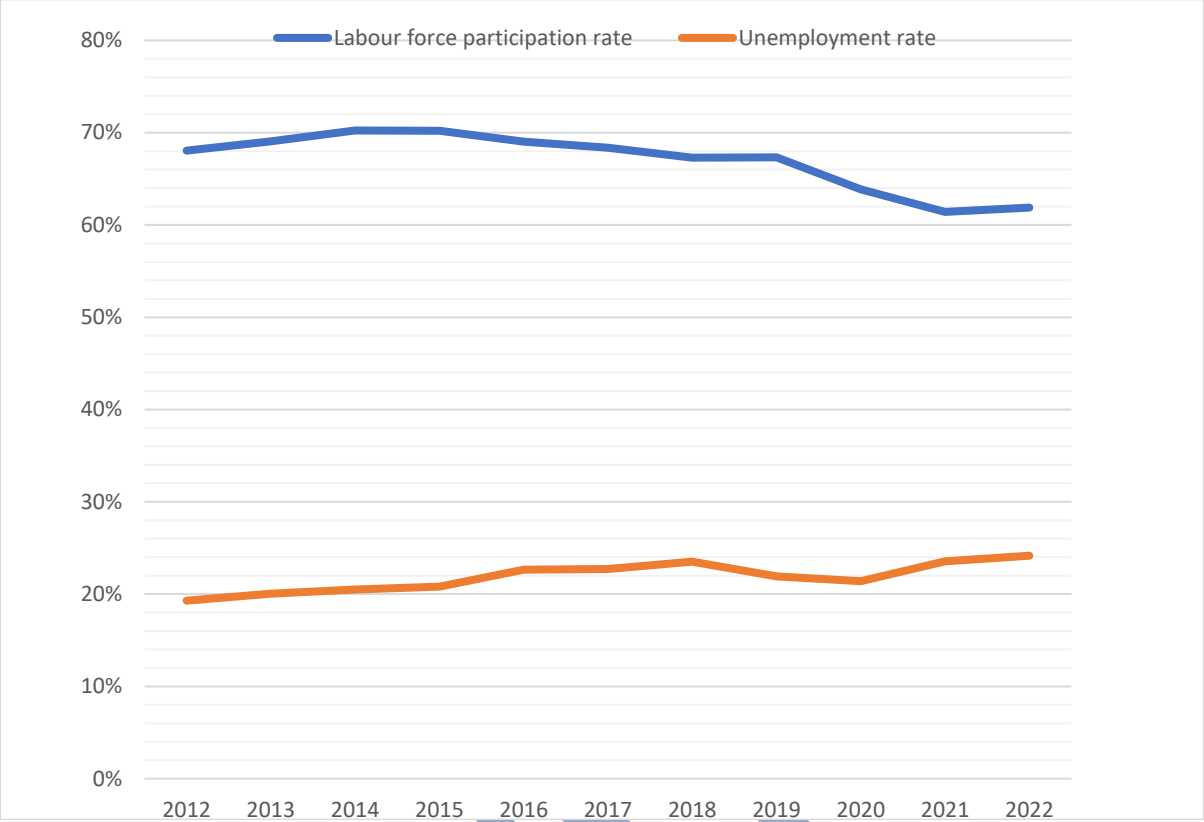
	Richtersveld	Namakwa	Northern Cape	National Total
2012	68.1%	55.7%	53.8%	54.3%
2013	69.1%	57.1%	55.6%	55.2%
2014	70.2%	58.6%	57.1%	56.6%
2015	70.2%	58.7%	57.2%	57.7%
2016	69.0%	58.0%	56.6%	58.8%
2017	68.4%	57.4%	56.1%	59.5%
2018	67.3%	56.7%	55.5%	59.4%
2019	67.3%	56.0%	55.0%	59.4%
2020	63.9%	51.9%	51.2%	57.0%
2021	61.4%	49.6%	49.2%	56.5%
2022	61.9%	50.6%	50.3%	57.8%

Source: South Africa Regional eXplorer v2423.
Data compiled on 10 Oct 2023.
© 2023 S&P Global.

The Richtersveld Local Municipality's labour force participation rate decreased from 68.07% to 61.89% which is a decrease of -6.2 percentage points. The Namakwa District Municipality decreased from 55.72% to 50.59%, Northern Cape Province decreased from 53.75% to 50.33% and South Africa increased from 54.27% to 57.77% from 2012 to 2022.The Richtersveld Local Municipality labour force participation rate exhibited a lower percentage point change compared to the Northern Cape Province from 2012 to 2022. The Richtersveld Local Municipality had a higher labour force participation rate when compared to South Africa in 2022.

DRAFT

Chart 6. The labour force participation and unemployment rates - Richtersveld Local Municipality, 2012-2022 [percentage]



Source: South Africa Regional eXplorer v2423.
Data compiled on 10 Oct 2023.
© 2023 S&P Global

In 2022 the labour force participation rate for Richtersveld was at 61.9% which is significantly lower when compared to the 68.1% in 2012. The unemployment rate is an efficient indicator that measures the success rate of the labour force relative to employment. In 2012, the unemployment rate for Richtersveld was 19.3% and increased overtime to 24.2% in 2022. The gap between the labour force participation rate and the unemployment rate increased which indicates a positive outlook for the employment within Richtersveld Local Municipality.

DRAFT

3.4.2 Total Employment

Employment data is a key element in the estimation of unemployment. In addition, trends in employment within different sectors and industries normally indicate significant structural changes in the economy. Employment data is also used in the calculation of productivity, earnings per worker, and other economic indicators.

Table 12: Total employment - Richtersveld, Namakwa, Northern Cape and National Total, 2012-2022 [numbers]

	Richtersveld	Namakwa	Northern Cape	National Total
2012	4,850	37,000	285,000	14,000,000
2013	4,980	37,700	297,000	14,400,000
2014	5,140	38,800	308,000	15,000,000
2015	5,220	39,200	312,000	15,500,000
2016	5,110	38,600	313,000	15,800,000
2017	5,150	38,800	318,000	16,000,000
2018	5,100	38,600	326,000	16,200,000
2019	5,270	38,700	331,000	16,200,000
2020	5,080	35,700	317,000	15,400,000
2021	4,810	33,300	307,000	14,800,000
2022	4,880	34,700	324,000	15,300,000
Average Annual growth				
2012-2022	***0.07%***	***-0.65%***	***1.30%***	***0.91%***

Source: South Africa Regional eXplorer v2423.
Data compiled on 10 Oct 2023.
© 2023 S&P Global.

In 2022, Richtersveld employed 4 880 people which is 14.08% of the total employment in Namakwa District Municipality (34 700), 1.51% of total employment in Northern Cape Province (324 000), and 0.03% of the total employment of 15.3 million in South Africa. Employment within Richtersveld increased annually at an average rate of 0.07% from 2012 to 2022.

Table 13: Total employment per broad economic sector - Richtersveld and the rest of Namakwa, 2022 [Numbers]

	Richtersveld	Nama Khoi	Kamiesberg	Hantam	Karoo Hoogland	Khai-Ma	Total Namakwa
Agriculture	378	542	446	1,260	1,080	814	4,518
Mining	750	2,940	96	110	2	653	4,549
Manufacturing	254	512	20	244	152	206	1,387
Electricity	9	113	2	69	3	14	210
Construction	300	856	334	588	153	113	2,344
Trade	818	2,540	340	1,150	807	201	5,851
Transport	220	438	28	275	70	42	1,073
Finance	511	1,020	243	557	256	215	2,804
Community services	1,530	3,200	593	1,980	1,510	831	9,645
Households	109	571	106	925	324	265	2,300
Total	**4,880**	**12,700**	**2,210**	**7,160**	**4,350**	**3,360**	**34,681**

Source: South Africa Regional eXplorer v2423.
Data compiled on 10 Oct 2023.
© 2023 S&P Global.

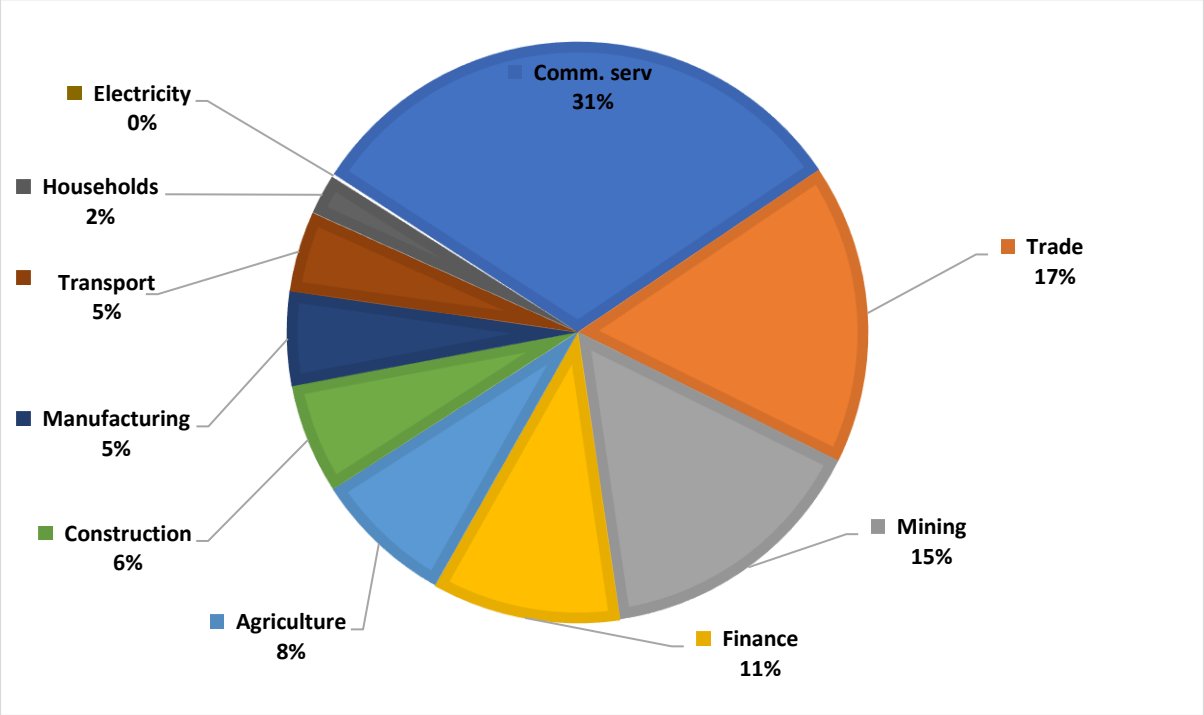
Richtersveld Local Municipality employs a total number of 4 880 people within its local municipality. The local municipality that employs the highest number of people relative to the other regions within Namakwa District Municipality is Nama Khoi local municipality with a total number of 12 700. The local municipality that employs the lowest number of people relative to the other regions within

DRAFT

Namakwa District Municipality is Kamiesberg local municipality with a total number of 2 210 employed people.

In Richtersveld Local Municipality the economic sectors that recorded the largest number of employment in 2022 were the community services sector with a total of 1 530 employed people or 31.4% of total employment in the local municipality. The trade sector with a total of 818 (16.7%) employs the second highest number of people relative to the rest of the sectors. The electricity sector with 9.02 (0.2%) is the sector that employs the least number of people in Richtersveld Local Municipality, followed by the households sector with 109 (2.2%) people employed.

Chart 7. Total employment per broad economic sector - Richtersveld Local Municipality, 2022 [percentage]



Source: South Africa Regional eXplorer v2423.
Data compiled on 10 Oct 2023.
© 2023 S&P Global.

3.4.3 Unemployment

The choice of definition for what constitutes being unemployed has a large impact on the final estimates for all measured labour force variables. The following definition was adopted by the Thirteenth International Conference of Labour Statisticians (Geneva, 1982): The "unemployed" comprise all persons above a specified age who during the reference period were:

- "Without work", i.e. not in paid employment or self-employment;
- "Currently available for work", i.e. were available for paid employment or self-employment during the reference period; and
- "Seeking work", i.e. had taken specific steps in a specified reference period to seek paid employment or self-employment. The specific steps may include registration at a public or private employment exchange; application to employers; checking at worksites, farms, factory gates, market or other assembly places; placing or answering newspaper advertisements; seeking assistance of friends or relatives; looking for land.

- Unemployment (official definition) - Richtersveld, Namakwa, Northern Cape and National Total, 2007-2017 [Number percentage]

Table 14: Unemployment (official definition) - Richtersveld, Namakwa, Northern Cape and National Total, 2012-2022 [Number percentage]

	Richtersveld	Namakwa	Northern Cape	National Total	Richtersveld as % of district municipality	Richtersveld as % of province	Richtersveld as % of national
2012	1,220	10,400	113,000	4,700,000	*11.7%*	*1.08%*	*0.03%*
2013	1,320	11,500	122,000	4,850,000	*11.4%*	*1.08%*	*0.03%*
2014	1,400	12,300	130,000	5,060,000	*11.3%*	*1.08%*	*0.03%*
2015	1,450	12,600	134,000	5,300,000	*11.5%*	*1.08%*	*0.03%*
2016	1,580	13,100	134,000	5,670,000	*12.0%*	*1.18%*	*0.03%*
2017	1,600	13,100	132,000	5,990,000	*12.2%*	*1.21%*	*0.03%*
2018	1,650	13,100	127,000	6,100,000	*12.6%*	*1.30%*	*0.03%*
2019	1,560	13,100	124,000	6,450,000	*12.0%*	*1.26%*	*0.02%*
2020	1,470	12,800	114,000	6,710,000	*11.5%*	*1.29%*	*0.02%*
2021	1,580	13,500	112,000	7,470,000	*11.7%*	*1.41%*	*0.02%*
2022	1,650	13,500	111,000	7,810,000	*12.2%*	*1.48%*	*0.02%*
Average Annual growth							
2012-2022	***3.07%***	***2.65%***	***-0.17%***	***5.21%***			

Source: South Africa Regional eXplorer v2423.
Data compiled on 10 Oct 2023.
© 2023 S&P Global.

In 2022, there were a total number of 1 650 people unemployed in Richtersveld, which is an increase of 431 from 1 220 in 2012. The total number of unemployed people within Richtersveld constitutes 12.19% of the total number of unemployed people in Namakwa District Municipality. The Richtersveld Local Municipality experienced an average annual increase of 3.07% in the number of unemployed people, which is worse than that of the Namakwa District Municipality which had an average annual increase in unemployment of 2.65%.

Table [illegible] Unemployment [illegible] official definition) - Richtersveld, Namakwa, Northern Cape and National Total, 2012-2022 [Percentage]

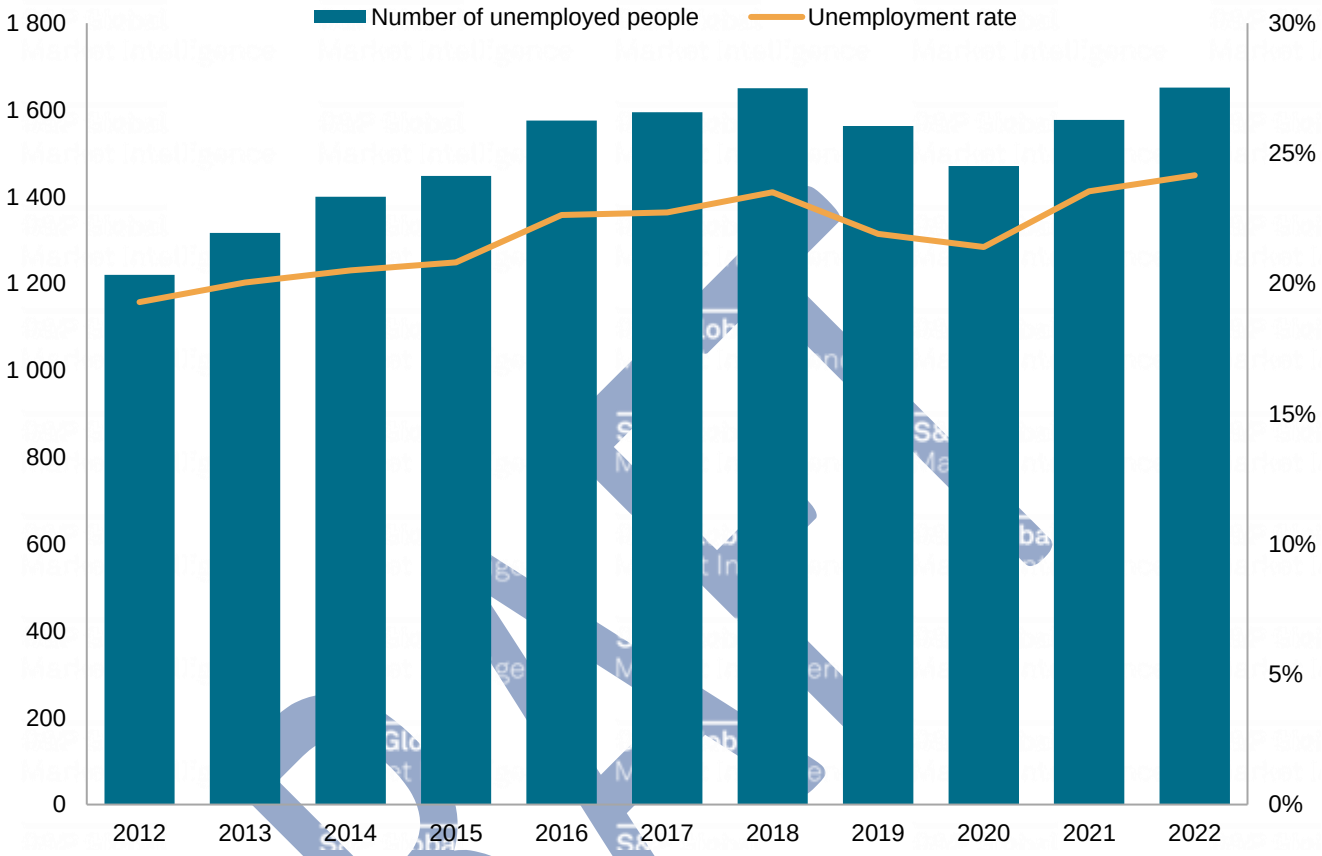
	Richtersveld	Namakwa	Northern Cape	National Total
2012	19.3%	21.9%	28.5%	25.1%
2013	20.0%	23.3%	29.1%	25.2%
2014	20.5%	24.0%	29.7%	25.2%
2015	20.8%	24.1%	30.1%	25.5%
2016	22.6%	25.2%	30.1%	26.4%
2017	22.7%	25.1%	29.5%	27.2%
2018	23.5%	25.2%	28.1%	27.4%
2019	21.9%	25.1%	27.3%	28.4%
2020	21.4%	26.3%	26.5%	30.3%
2021	23.5%	28.8%	26.8%	33.6%
2022	24.2%	28.0%	25.6%	33.8%

Source: South Africa Regional eXplorer v2423.
Data compiled on 10 Oct 2023.
© 2023 S&P Global.

In 2022, the unemployment rate in Richtersveld Local Municipality (based on the official definition of unemployment) was 24.16%, which is an increase of 4.87 percentage points. The unemployment rate in Richtersveld Local Municipality is lower than that of Namakwa. Comparing to the Northern Cape Province it can be seen that the unemployment rate for Richtersveld Local Municipality was lower

than that of Northern Cape which was 25.62%. The unemployment rate for South Africa was 33.77% in 2022, which is a increase of -8.63 percentage points from 25.15% in 2012.

Chart 8. Unemployment and unemployment rate (official definition) - Richtersveld Local Municipality, 2012-2022 [number percentage]



Source: South Africa Regional eXplorer v2423.
Data compiled on 10 Oct 2023.
© 2023 S&P Global.

When comparing unemployment rates among regions within Namakwa District Municipality, Khai-Ma Local Municipality has indicated the highest unemployment rate of 45.5%, which has increased from 25.2% in 2012. It can be seen that the Hantam Local Municipality had the lowest unemployment rate of 14.0% in 2022, this increased from 13.2% in 2012.

3.5 Conclusion

Within Richtersveld Local Municipality, the number of people without any schooling decreased from 2012 to 2022 with an average annual rate of -7.28%, while the number of people within the 'matric only' category, increased from 1,770 to 2,830. The number of people with 'matric and a certificate/diploma' increased with an average annual rate of 6.14%, with the number of people with a 'matric and a Bachelor's' degree decreasing with an average annual rate of -0.06%.

Quality of life factors, such as the supply of housing and personal lifestyle facilities (such as educational, cultural and recreational services) also have an impact on the attraction of particular investment. Initial interventions are needed in order to catalyse changes in the economy of the

Municipality. This requires deliberate efforts to market the area as an investment destination. The land available for agriculture is threatened by the mining sector in the area. Beneficiation of agricultural products could greatly assist in the transformation of the sector and to the empowerment of emerging farmers and the unemployed youth.

Many rural areas still lack basic infrastructure such as roads, water and electricity supply. This lack of infrastructure entrenches the problems of chronic poverty and limits the potential of communities to sustain economic growth, rural livelihoods and social development. It can be concluded that Richtersveld LM still contains a high poverty level:

- ✓ labour force participation rate decreased from 68.07% to 61.89% which is a decrease of -6.2 percentage points.
- ✓ labour force participation rate for Richtersveld was at 61.9% which is significantly lower when compared to the 68.1% in 2012.
- ✓ the unemployment rate for Richtersveld was 19.3% and increased overtime to 24.2% in 2022.
- ✓ a total number of 1 650 people unemployed in Richtersveld
- ✓ the unemployment rate in Richtersveld Local Municipality (based on the official definition of unemployment) was 24.16%.

DRAFT

CHAPTER 4 – Opportunity Analysis

4.1 Introduction

The purpose of this section is to identify potential local economic development opportunities in the Richtersveld LM, based on the current situation within the municipality, as detailed in the preceding situation analysis. A SWOT analysis and a local sectoral potential analysis will help create an understanding with regard to the sectoral competitive advantages of the local economy and this will be used to determine the development potential within the Richtersveld Municipal area.

The analysis seeks to identify supply and demand factors to assess market opportunities based on the gap between existing and potential levels of development and by reviewing the resource base for potential exploitation and beneficiation, i.e. extent, location, utilization and opportunities. In addition, constraints to development such as the impact of HIV/Aids on the demographic profile, exploitation of resource base, international market influences, environmental degradation, lack of entrepreneurial skills and poverty are identified.

4.2 Integration of LED

LED is an approach to sustainable economic development that encourages residents of local communities to work together to stimulate local economic activity that will result in an improvement in the quality of life for all in the local community (as mentioned in Section 1 above). LED initiatives around the world have repeatedly failed due some common myths about LED, listed and deflated below:

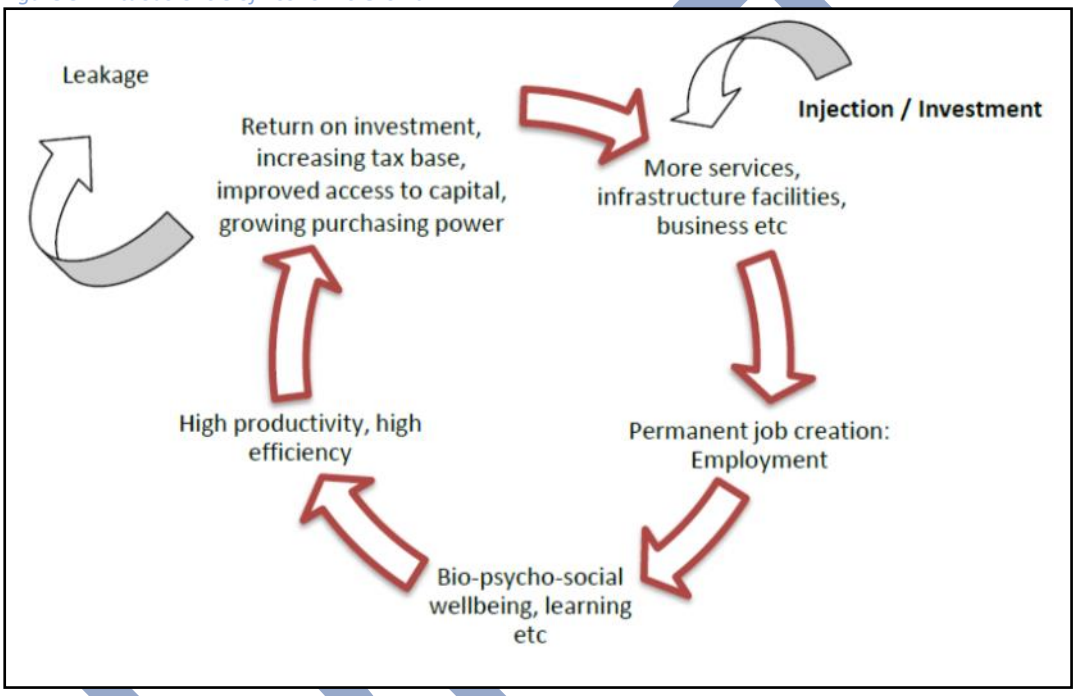
1. **LED can occur without regional linkages**
   - Economic development needs cannot be met by individual communities alone – cognizance needs to be taken of regional context, which has implications for linkages, leakages, injections and comparative advantages of an area.
2. **Economic development causes sprawl.**
   - Economic development can be managed within spatial and environmental frameworks.
3. **Any new business is right for our community.**
   - Communities are characterized by varying skills, education levels, cultural and moral preferences, consumer preferences and income levels that all impact on which types of businesses are feasible on the one hand and socially appropriate on the other.
   - In addition, climate, infrastructure and geographical characteristics impact on which businesses will be viable.
4. **An economic development officer will turn our economy around.**
   - Economic development results from the processes of numerous public, private and civic sector actors within an enabling environment. While LED officers and LED units are needed to drive these processes, they alone will not transform an entire economy.
5. **Industry will locate here if we provide enough incentives.**
   - While tax and other incentives are considered by industry role-players when deciding on where to locate, other factors also come into play, such as infrastructure, proximity to input sources, proximity to markets, quality of life, labour pool quality, overall business and banking environment and so on. Offering incentives without addressing the other factors will, at best, result in short-term investment until such a point as incentive schemes expire.

DRAFT

6. **<u>One big manufacturer will solve all of our economic problems.</u>**
    - Economic development must be sustainable and in order to be considered sustainable, a diverse economy should be the goal. A mature, strong and stable economy is characterized by strength across a range of sectors, including primary, secondary and tertiary activities that cater for diverse consumer and business (value chain) needs

The figure below shows a basic virtuous circle of economic growth. It is based on the idea that investments in improving infrastructure, services, human capital and/or other physical assets contribute to the attainment of production efficiencies and a competitive market environment that assist the economy to grow through job creation and increased expenditure (household, business and government). Investments (injections) in this sense can be in the form of capital, skills or technology that is transferred from outside the local economy.

Figure 3: Virtuous Circle of Economic Growth



Similarly, leakages occur. Leakages may be in the form of profits removed from the area in the form of return on investments made by outside investors. Another form of leakage is expenditure on imported goods and services. In order to increase the momentum of virtuous economic growth, two aspects need to be focused on, namely:

- Attracting injections – attracting injections (monetary) into the local economy to increase demand for goods and services within the local economy is seen as demand side factors for maximising opportunities within the Richtersveld LM's economy. The most common injection-seeking or demand-side LED strategies can be classified as two main groups:
    1. The promotion of export-sectors. In order to unlock these sectors it is important to have a good understanding of local comparative advantages which enables the targeting of key economic sectors.
    2. The attraction of spend within the area. For example linking various tourism activities such as a business tourist in the area for a conference spending the night and/or visiting some of the tourist sites within the area.

- Reducing leakages – this entails investing in further processing of primary sector produce and/or retaining and expanding local service and trade industries.

It is important to note that in order to attract investment one needs to know what the area has and what is still needed in order to make the area more attractive for investment. This is referred to as supply side factors which look at increasing the strengths of the area and minimising the weaknesses. Supply side factors typically addressed include:

1. Labour quality
2. Logistics and transport infrastructure
3. Ease of starting and operating a business (aimed at both SMME's and big businesses)
4. Incentive schemes
5. Marketing and making available inputs (natural resources, land, etc)
6. Efficient government provision of goods and services
7. Focus on quality-of-life aspects (tourism, recreation, health, educational and retirement facilities)

4.3 SWOT Analysis

A SWOT analysis is a commonly used tool used to facilitate a strategic review of a particular organisation. It is a high-level exercise that identifies strengths, weaknesses, opportunities and threats of the organisation. The strengths and weaknesses are internal factors that the organisation may control. Opportunities and threats are those factors external to the organisation and therefore the organisation has little or no control over these macro environment factors.

The SWOT analysis does not identify what should be done. Rather, it provides a framework for identifying where strategic opportunities may exist and how to avoid weaknesses inherent in the organisation or external threats from limiting future expansion and growth. The purpose of the SWOT analysis is to identify and assess the strengths, weaknesses, opportunities and threats in the Richtersveld LM, in terms of local economic development. The identification of strengths, weaknesses, opportunities and threats within the municipal area provides the basis upon which the pillars of the LED strategy may be built.

Table 16: SWOT Analysis

Weaknesses	Strengths
▪ Water shortages ▪ High poverty situation ▪ Geographically dispersed small population and far from sources of industrial inputs and from markets ▪ Undiversified economy: over-dependence on mining and government services sectors ▪ Virtually non-existent manufacturing industry ▪ Low income levels and low spending capabilities ▪ Low rainfall ▪ Lack of support for emerging entrepreneurs ▪ Lack of access to land for local residents ▪ Lack of integrated domestic and international marketing of the area ▪ High cost of land ▪ Arid to semi-arid land with low carrying capacity ▪ Electricity outages/surges	▪ High quality & unspoiled environment ▪ Diversity of scenic landscapes and vast amounts of open land ▪ The Ai-Ais/Richtersveld Transfrontier Park ▪ The Richtersveld Community Conservancy ▪ Historical networks linked mainly to agricultural history (Khoi-San) ▪ Diversity of local cultures ▪ Sun – renewable energy potential ▪ Wind – renewable energy potential ▪ Flowers – flower season ▪ Abundant labour ▪ Port Nolloth has a harbour, & there is a harbour & airport at Alexander Bay ▪ Future mariculture potential ▪ Potential for a deep-sea harbour

DRAFT

▪ Lack of cellphone signal in some areas ▪ Land reform taking place too slowly ▪ Skills gap within the local population ▪ Municipal owned land is not being used for its best strategic uses ▪ Mostly gravel roads ▪ Lack of jobs and economic development ▪ Seasonality of working opportunities ▪ Fragmentation of tourism industry ▪ Lack of access to good health care ▪ Lack of sport and recreational facilities ▪ Poor quality of education ▪ Very poor public transport network ▪ Low institutional capacity (municipal workforce & budget) ▪ Poor resourcing of LED strategies ▪ Increasing drug related crimes ▪ High levels of teenage pregnancy ▪ High dependency on social grants and wage income by the poor	
Threats ▪ Climate change that will impact on water resources and agricultural activities ▪ Water supply ▪ Water quality ▪ Political dynamics/uncertainties ▪ Narrowing agriculture profit margins ▪ Fluctuations in tourism industry ▪ Global uncertainty of economic conditions ▪ Fluctuations in Rand cycles ▪ Brain-drain as individuals from the Northern Cape migrate from scarcity of business, finance, technical skills, and so forth	**Opportunities** ▪ Growth in tourism ▪ Deep-sea harbour ▪ Unexploited mineral opportunities ▪ Brand development ▪ Strengthening local government spheres ▪ EPWP, SETAs and learnerships ▪ Renewable energy ▪ Mariculture ▪ Opportunities for technology to fill gaps ▪ Agro-processing and technology innovations (i.e. drought resistant crops) ▪ Eco-tourism ▪ Expand on and coordinate SMME support services

4.4 Opportunity Potential Analysis

The potential analysis is the process of identifying the areas strengths in order to develop bankable cross-cutting projects. The purpose of this sub-section is to provide an assessment of the economic activities within the leading economic sectors in order to determine their potential for economic development. From Section this, the following leading economic sectors will be analysed:

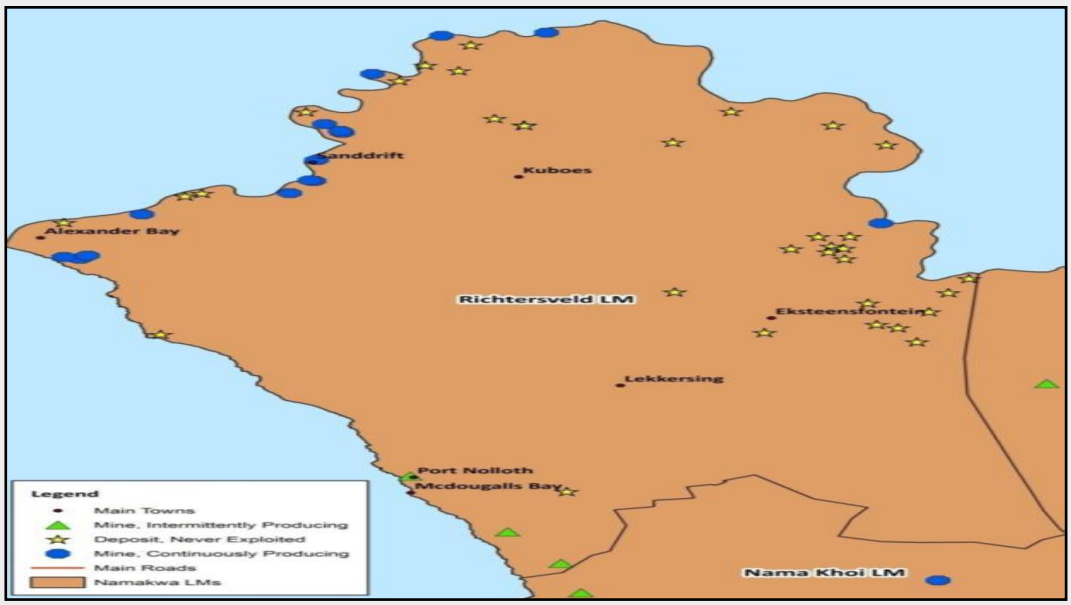
From this table it is evident that the leading sectors in the Richtersveld LM are:

- ✓ Mining and quarrying
- ✓ Construction
- ✓ Wholesale and retail trade, catering and accommodation
- ✓ Transport, storage and communication
- ✓ Finance, insurance, real estate and business services
- ✓ Government and community services
- ✓ Tourism

And future potential lies in:

- ✓ Agriculture, forestry and fishing
- ✓ Electricity, gas and water

Table 17: Opportunity Potential Analysis

ECONOMIC SECTOR ANALYSIS	OPPORTUNITIES
Mining and quarrying This sector includes the extracting and beneficiating of minerals occurring naturally in the environment (including solids, liquids and crude petroleum and gases). It also includes underground and surface mines, quarries and the operation of oil and gas wells and all supplemental activities for dressing and beneficiating for ores and other crude materials. The Richtersveld LM area is very rich in minerals particularly diamonds. Diamond mining takes place both offshore and along the coastline and the banks of the Orange River. In the interior there are good opportunities to mine quartzite and there are other smaller mineral deposits that may be able to be mined by the small miners. Two companies, Alexkor Ltd and Trans Hex, currently dominate the mining industry. Over the years, Alexkor Ltd has diversified into agro-industry, mariculture and tourism. The company runs mine tours and allows controlled access to the coast. Walking and cycling trails link points of interest in and around the town. The nearby Orange River mouth also hosts a wetland which supports an immense variety of bird and aquatic species. Quartzite and other smaller mineral deposits provide mining opportunities inland. The future of mining is declining. Trans Hex is pulling out of the Richtersveld in 2015 and De Beers is also busy pulling out of the area. There is gas in the Port Nolloth area. At one stage there was a company interested but politics made the company leave. A feasibility study should be done regarding this available gas to see if there is a future for it in the area. There is also gas in Hondeklipbaai (in Kamiesberg). There may be a market in this if the feasibility studies are show it. Map 3 indicates the mining activities and potential in the Richtersveld LM. MAP 3: MINING ACTIVITIES & POTENTIAL (RICHTERSVELD LM)  (Source: GIS Mapping 2011) Mineral Deposit Status / Mineral Continuously Producing: Alluvial Diamond; Agate – Gemstone; Jasper – Gemstone; Marble – Dimension Stone; and Salt. Intermittently Producing: Alluvial Diamond; Gypsum; and Salt Deposit Never Exploited: Alluvial Diamond; Copper; Tin; Lead; Barytes; Molybdenum; Iron;	There are some minerals in the Richtersveld LM that have never been exploited but feasibility studies would need to be conducted if these opportunities were to be taken forward. There are also limited skilled people in the Richtersveld LM and this may pose a threat to the sustainability of small-scale mining projects. There is a possibility to negotiate with large mines to improve small miners access to claims but the lack of skills will need to be resolved. There is very little value-adding and processing taking place in Richtersveld LM and most of the minerals are exported in their raw form. Small-scale mining can be an alternative by forming smaller mining companies, opportunities include: working granite dumps;

ECONOMIC SECTOR ANALYSIS	OPPORTUNITIES
Tungsten; Agate – Gemstone; Jasper – Gemstone; Flourspar; Thorium; Uranium; Gypsum; Zinc; Kieselguhr; Nickel; Cobalt; and Phosphate. Some of the key constraints to the development of the Mining sector include: ✓ Lack of beneficiation from major export commodities ✓ Gravel roads are in a bad shape with lack of funding for maintenance ✓ Issuing of mining permits is not always done in a transparent and correct fashion ✓ Lack of both mining skills and more advanced engineering skills ✓ High transport costs and related distance to markets	recycle copper and granite dumps; or local contracting rehabilitation of mining sites.
Construction This sector includes the site preparation, building of complete constructions or parts thereof, civil engineering, building installation, building completion and the renting of construction or demolition equipment with operators. The Namakwa DM places high priority on the EPWP (Expanded Public Works Programme) and prioritises the construction of houses, roads, schools and public facilities. The Northern Cape Province has invested in various access roads, and has rehabilitated and secured numerous other roads, bridges and slopes. The highest numbers of active construction enterprises are located in the Nama Khoi LM, followed by the Richtersveld LM. Building plans can also provide a picture of the performance of an economy. A growth in the number of building plans passed and completed is an indication of a growing economy – both in that building is a response to growth in demand variables, and a stimulant of further growth as an activity in and of itself.	The construction of low cost housing is a significant feature of the building and construction industry at present, as it allows for the participation of new role players, skills transfers and income generation. Construction is one of the most prominent potential labour intensive activities for local people. The Construction sector is also likely to benefit from the growth in the Tourism sector, which will see a need for new facilities.
Wholesale and retail trade, catering and accommodation The trade sector entails wholesale and commission trade; retail trade; repair of personal household goods; sale, maintenance and repair of motor vehicles and motor cycles; hotels, restaurants, bars, canteens, camping sites and other provision of short-stay accommodation. Namakwa DM's main imports include: automatic regulating/controlling equipment (mining equipment); oysters; parts for filter/purifying machines for liquid/gas; and aircraft parts. Namakwa DM's main exports include: vegetable products for human consumption; prefabricated buildings; marble and travertine, crude or roughly trimmed; bulbs, tubers, corms, crowns and rhizomes, dormant; and articles of precious, semi-precious, artificial stones. There are various factors that prohibit the wholesale and retail trade, catering and accommodation sector from thriving in the Northern Cape Province, including: sparse population; high travel costs for goods; no economies of scale for infrastructure provision, hence infrastructure expensive; and remoteness therefore difficult to recruit and retain specialised workers.	There are opportunities for the trade of small scale agricultural produce, arts and crafts for the tourism market, and the development of an SMME strategy. There is also the need for better support of SMMEs to start

DRAFT

ECONOMIC SECTOR ANALYSIS	OPPORTUNITIES
Kimberley and Upington are seen as the main trade centres in the Northern Cape Province. Within Namakwa DM, Springbok is the main trade centre and it contains about 86 retail and wholesale trade institutions. In the Richtersveld LM, the town with the most services to offer is Port Nolloth, but it is not as equipped as Springbok. The following wholesale and retail trade, catering and accommodation sector projects are outlined in other Richtersveld LM policies: ✓ Building for a market in Sanddrift	their own businesses and continual support to ensure the sustainability of these ventures. This will have to be linked to the availability of basic infrastructure.
Transport, storage and communication Transport as an economic sector refers to activities concerned with land transport, railway transport, water transport, transport via pipelines, air transport, activities of travel agencies, post and telecommunications, courier activities, as well as storage and warehousing activities. The main access route into the Richtersveld LM is via road from the R382 that connects with the N7 at Steinkopf. It is also possible to get to Port Nolloth via the coast but this can only be arranged through De Beers. Strong vehicles like 4x4's can travel from Vioolsdrift via Rooiwal and link up with Eksteenfontein through the community conservancy. The majority of the roads in the area are dirt. A very important access point is the Airport at Alexander Bay. This airport used to have national status. If the area is to develop its mariculture and agriculture potential it is vitally important that the airport regains its national status. The airport may also play an important role in tourism if the Transfrontier Park is successful. The nearest international airport is Upington International (528km) and nearest national airport is Kimberley. The closest major port is Saldanha Bay in the Western Cape; other small scale harbours include Port Nolloth, Alexander Bay and Hondeklipbaai. The current rail network operates in and around Port Nolloth and has no regional function. The extension of the railway line from Bitterfontein to Steinkopf linking with the proposed Kakamas-Port Nolloth railway line will significantly improve railway access in the Northern Cape and subsequent economic opportunities. The planned 300km railway from Kakamas to Port Nolloth will significantly improve Richtersveld LM's regional access, together with the extension of Alexander Bay airport. Currently there is no public transportation system between the towns in Richtersveld. Taxis are used to travel in and around the town of Port Nolloth. Distance between Port Nolloth and key cities in kilometres is as follows: ▪ Cape Town: 664 km ▪ Springbok: 132 km ▪ Upington: 528 km ▪ Kimberley: 910 km ▪ Port Elizabeth: 1,169 km ▪ East London: 1,364 km ▪ Johannesburg: 1,384 km ▪ Pretoria: 1,429 km ▪ Walvis Bay (Namibia): 1,145 km ▪ Windhoek (Namibia): 965 km Some of key constraints that need to be addressed in the transport sector of Richtersveld LM are: ▪ Dangerous road infrastructure ▪ Lack of street names clearly indicated ▪ Lack of proper Public Transport facilities & system ▪ Lack of proper storm water drainage	The majority of the Richtersveld LM population are living in small, dispersed settlements and have limited transport capacity to travel the often significant distances between urban centres. As many of these households are also living in poverty, the lack of transport adds to the so-called "poverty trap", as these people are less able to conduct, for example, informal activities to alleviate their circumstances. There is potential to expand this industry, particularly provision of public transport. A transport strategy should be implemented. The road from Alexander Bay to Kuboes and Sanddrift is the main route that Trans Hex

DRAFT

ECONOMIC SECTOR ANALYSIS	OPPORTUNITIES
Fuel / petrol stations are only available in: ▪ Alexander Bay ▪ Port Nolloth The following transport, storage and communication sector projects are outlined in other Richtersveld LM policies: ✓ Tar road from Alexander Bay to Kuboes ✓ Resurface dirt roads to Eksteenfontein and Lekkersing ✓ Investigate option for alternative route for trucks and truck stop for Port Nolloth ✓ Establish a Richtersveld taxi association and develop a transport system for the Richtersveld including taxi ranks, more private operators etc. ✓ Feasibility study for different sectors usage of the harbour for export and transport ✓ Develop petrol station and tyre repair facility near Sanddrift ✓ Apply to get Alexander Bay Airport regains national status regained ✓ To establish a fuel outlet in areas where such outlets are considerable distances away ✓ Tar the roads in Sanddrift ✓ Upgrade road between Alexander Bay and Sendelingsdrift ✓ Upgrade road linking R382 with Kuboes via Lekkersing ✓ Feasibility study on development of Alexander Bay Airport for scheduled cargo & passenger flights ✓ Feasibility study on development of deep port harbour linked to development of Port Nolloth – Upington railway line ✓ Bus Stop in Kuboes ✓ Internet Café in Sanddrift ✓ Building 300 km railway lines from Kakamas to Port Nolloth. Establish an ore and general cargo port at Port Nolloth ✓ Develop petrol station and tyre repair facility near Sanddrift ✓ Upgraded jetty in Port Nolloth	vehicles utilise daily. The road is also an important thoroughfare for residents of Kuboes and Sanddrift and tourists going to the Richtersveld National Park. Therefore the critical project for the Richtersveld LM is the tarring of this road. The airport needs upgrading. A feasibility study would be needed as the Springbok airport also needs upgrading. Would it be feasible for both airports to be upgraded? The poor cellphone service should be addressed and more opportunities to access the internet is needed (i.e. Internet Cafes, computer literacy in schools, etc).
Finance, insurance, real estate and business services This sector includes inter alia financial intermediation; insurance and pension funding; real estate activities; renting or transport equipment; computer and related activities; research and development; legal; accounting; bookkeeping and auditing activities; architectural, engineering and other technical activities; and business activities not classified elsewhere. Business services comprise of a mix of financial and business services, which mainly cater to local residents of the Municipality. The finance, insurance, real estate and business services sector in Richtersveld LM is largely centred in Port Nolloth. The business services in the Richtersveld LM are generally limited and for some services residents have to go to Springbok or Upington. The other smaller towns within the Richtersveld LM have very limited finance and business services to offer and many of these settlements need to get to Port Nolloth for such services. This poses many challenges as public transport is virtually non-existent and the tourism sector in these settlements cannot be grown if there are no services available. Major challenges for new businesses in the Richtersveld LM also include issues such as access to funding through loans and	Opportunities exist to expand business services within Port Nolloth so as to lessen the dependence of having to travel to Springbok or Upington; and then to improve public transport so that remote communities can have access to these services.

DRAFT

ECONOMIC SECTOR ANALYSIS	OPPORTUNITIES
other credit facilities, access to information, lacking business management skills or lacking skills in writing business plans etc. The issue of business registration is also a hindering factor. The other problem is that if the business services sector was grown in these remote settlements the bad roads and lack of cellphone/TV signal also poses problematic. This leaves limitations in what can feasibility be achieved with remote settlements within Richtersveld LM.	There is also the need for better support of SMMEs to start their own businesses and continual support to ensure the sustainability of these ventures. This will have to be linked to the availability of basic infrastructure.
Community, social and personal services; & general government The community services sector includes public administration and defence activities, activities of government, government departments and agencies; education, public and private; health and social work; sewage and refuge disposal, sanitation and similar activities; activities of membership organisations; recreational, cultural and sporting activities; washing and dry-cleaning of textiles and fur products, hairdressing and other beauty treatment, funeral and related activities. Services such as health, social work and educational services are prioritised in local and district IDPs and through the Moral Regeneration Movement. Throughout all local and the district IDPs government services are prioritised, particularly to address backlogs in basic services, transport, as well as safety, security and correctional services. Over-dependence on the services sector is risky, however, as a strong tax base is a pre-requisite for funding for many of these services, and a strong tax base, in turn, requires a strong and growing private sector economy. The Expanded Public Works Programme (EPWP) is proving very successful in the Namakwa DM, with roads undergoing resurfacing and/or tarring for the first time. There is an expressed need for the EPWP concept to be expanded to meet other infrastructural and service-delivery objectives. Local Government is the primary point of community services and thus service delivery. Service delivery needs relate to: water and sanitation; electricity; roads and public transport; land and housing; economic development; educational facilities; health and welfare facilities and services; safety and security; environmental and waste management; communication facilities; sports, arts and culture and recreational facilities; emergency and disaster services; and institutional issues. Both community services and infrastructure play a vital role in the development of the local economy of a region. The level of service in both of these categories directly and indirectly affects the ability of a region to attract and retain talented individuals and to compete for business. The following factors should be taken into account when accessing the readiness, or enabling environment of an area: ▪ The quality and extent of hard infrastructure such as road- and rail networks, airports and harbours. ▪ The sophistication of local telecommunications, banking and finance services similarly impact on the input and operational costs of doing business. ▪ The extent to which spatial and land planning policies and documents are flexible to the needs of businesses and the relative ease of following land planning processes, such as rezoning applications. ▪ The sophistication of the public sector. ▪ The quantity and quality of available labour and training programmes, in relation to the specific human resource requirements of investors. ▪ Quality of life factors, such as the supply of housing and personal lifestyle facilities (such as	An over-dependency on government services is risky as this would put increased pressure on the tax base. Also, the high poverty levels in Richtersveld LM result in added pressure on government initiatives as there is a dependency on state grants, state services, increased poverty, and low productivity; which results in hampered economic growth and a low tax base. There is a shortage of qualified medical staff / personnel and the ambulance services are very poor. Education, public transport, water and communication

DRAFT

ECONOMIC SECTOR ANALYSIS	OPPORTUNITIES
educational, cultural and recreational services) also have an impact on the attraction of a particular investment. The following facilities are found in Richtersveld LM: ▪ Within Port Nolloth there is a hospital, which is poorly equipped, and a clinic. Patients have to travel between the two facilities. ▪ Alexander Bay has a very well equipped 26-bed hospital as well as a clinic. It functions as a private hospital for those who can afford its services. With the inclusion of Alexander Bay into the Municipality these facilities can become available to the residents of the Richtersveld LM. A well-equipped hospital is also an important support service for a growing tourism industry. ▪ The towns of Sanddrift, Kuboes, Eksteenfontein and Lekkersing all make use of a satellite medical clinic. ▪ There are now two ambulances available for the rural towns with qualified drivers. Most of the people have to make their own way to the hospital and transport is not always readily available and can be prohibitively expensive. In Sanddrift it is possible to access the Baken ambulance, but only in the case of extreme emergencies. Port Nolloth has two ambulances and Alexander Bay has an entire emergency unit that is fully equipped and has a back up ambulance available. ▪ BADISA are based in Sanddrift and provide counselling to residents of Sanddrift and Kuboes. There are social workers that are meant to visit Lekkersing and Eksteenfontein from Port Nolloth however they are too busy to fulfil these needs. ▪ Care for the aged is done within the community however, within Sanddrift care of the aged has been identified as an issue and a programme to provide food and care for the old within their community has been suggested. The closest old age home is in Steinkopf. ▪ There are 8 schools. ▪ There are 3 police stations. The following community, social and personal services; and general government sector projects are outlined in other Richtersveld LM policies: ✓ Upgrade landfill sites and establish recycling in all settlements to DWA standards: Port Nolloth, Lekkersing, Eksteenfontein, Sanddrift, Kuboes ✓ Upgrade all rural clinics to make them user friendly for all age groups ✓ Build a hospice in Port Nolloth ✓ Richtersveld Municipality Upgrading of Sports facilities and improvement of public open spaces ✓ Development of marketing and communication strategy for the Richtersveld ✓ Provide distance learning opportunities such as Further Education and Training (FET) particularly in subjects such as conservation and tourism ✓ Cellphone reception (MTN) in Lekkersing ✓ "Youth Desk" as a department in the municipality at Lekkersing and Sanddrift ✓ Upgrade of clinic in Eksteenfontein, Sanddrift and Kuboes ✓ Build a community hall in Kuboes ✓ Upgrade of the pre-school in Sanddrift and Kuboes ✓ Park in Sanddrift ✓ Upgrading of Community Hall in Kuboes ✓ Standardising of sports fields in Kuboes ✓ Fire brigade training and fire truck in Sanddrift ✓ Upgrade of the clinic in Sanddrift ✓ Support for entrepreneurs in Sanddrift ✓ Feasibility study on optimising the Oranjemund-Alexander Bay Border Post & Sendelingsdrift Border Post to stimulate cross border activities ✓ Gymnasium in Sanddrift ✓ Establish speed bumps, road signs and street names in Eksteenfontein ✓ Street name boards in Lekkersing ✓ Direction signage in Lekkersing ✓ Build a hospice in Port Nolloth	services are also poor, especially in the more remote settlements. Youth need something to hope for. Boredom and no hope leads them to drug and alcohol abuse and high dropout rates in schools. There are opportunities then to focus on water saving technologies, renewable energy, better educational opportunities, better health services, upgrading roads and communication infrastructure, and increasing job opportunities to improve the tax base of the municipality. As can be seen from the list of projects outlined in other Richtersveld LM policies there is a focus on improving this sector but limited funds will hamper the roll-out of these projects. Skills Centre that provides training as well as a database of local labour & skills that can be used

DRAFT

ECONOMIC SECTOR ANALYSIS	OPPORTUNITIES
	by outside contractors or local businesses.
Tourism Tourism is not an economic sector on its own (as classified by the SIC), but forms part of other sectors especially the trade, transport and finance sectors. However, due to its increasing importance as an income and employment creator in South Africa, it is believed that this industry should be discussed separately from the other sectors. Defining the tourism industry is therefore difficult as it includes many different sources of goods and services. The World Trade Organisation's definition of tourism states that tourism comprises the activities of persons travelling to, and staying in places outside their usual environment, for not more than one consecutive year, for leisure, business and other purposes. The usual environment of a person consists of a certain area around his/her place of residence, plus all other places he/she frequently visits, e.g. the workplace. The following national parks are found within the Richtersveld LM: ▪ The Ai-Ais/Richtersveld Transfrontier Park is a contractual park leased to SANParks by the local community, who have retained their rights to communal grazing – an agreement that is the first of its kind in South Africa. The park is in the country's northwest corner, spanning 162,445ha of the greater Richtersveld area. The park contains two floristic regions (the Western Gariep Centre of Endemism - consistent with the Succulent Karoo and made up mostly of succulent leaved dwarf shrubs - while the other part forms the most important part of the Nama Karoo Region – the Eastern Gariep Centre of Endemism). Similarly, the Richtersveld is divided into two zones belonging to two major climatic systems, the temperate winter rainfall region with its high air humidity, and the inland region with higher temperatures, important summer rains and low humidity. The Park is unique for the fact that stock farming as well as diamond mining is practiced within the boundaries of this National Park. ▪ The Richtersveld Community Conservancy is situated in the mountains south of the giant bend of the lower Orange River, the Richtersveld Community Conservancy is owned and managed by the local people. All three biomes of the Richtersveld are represented here: Desert, Succulent Karoo and Fynbos. The Conservancy is especially important for the conservation of one of the world's most endangered plants, the Giant Quiver Tree. Collectively, the Conservancy and the National Park enable the conservation of more than 50% of this plant's entire population. Hiking, 4X4 driving, camping and cultural experiences are on offer in more than 160,000 ha of dramatic landscapes. ▪ The Orange River Mouth is a proposed reserve. This 1,864 ha area, lying on the critical biodiversity area of Orange River estuary, is already a RAMSAR site because of its remarkable diversity of bird life. It is currently regarded as the sixth most important coastal wetland in Southern Africa because of the huge variety of bird life that it supports. The declaration of the area as a reserve is currently pending final approval. The landscape is already under threat owing to the fact that a road that has been constructed right through the wetland – thus interrupting the natural flooding processes that should occur here. In addition, mining had already changed the course of the mouth opening. The Richtersveld LM contains the following natural features: ▪ The Alexander Bay Lichen Fields are a unique feature to the area, with the variety of Lichens found there more diverse than any similar landscape in the world ▪ The diversity of geological formations and micro-climates resulting in a large number of plant endemics is a distinctive and characteristic facet of the Richtersveld LM ▪ The Baster Kokerboom is the biggest succulent plant found in the Succulent Karoo ▪ Paradise Kloof is home to its own relictual plant species – the Amaryllis paradisicola ▪ Vyftienmylseberg is another species rich area in terms of succulent per square meter and a totally unique environment within the Succulent Karoo ▪ The Richtersveld mountain desert area is regarded as the only true desert in South Africa. The Ai-Ais/Richtersveld Transfrontier Park is one of the last true wilderness areas in South Africa.	Richtersveld LM has tourism potential in terms of the following markets: ▪ Eco-tourism: vast open land, unique natural flora and conservation areas including Ai-Ais/Richtersveld National Park and the Orange River Mouth. Since the inception of the Ais-Ais/Richtersveld Transfrontier National Park, tourism to the area has increased to the area. ▪ Adventure tourism: 4x4 trails, hiking and fishing, boat trips etc., McDougall's Bay has a beach that has Blue Flag status and is a prominent destination to holidaymakers during the summer season. ▪ Historical and cultural tourism: mine tours reflecting on the history of

ECONOMIC SECTOR ANALYSIS	OPPORTUNITIES
The Richtersveld area accommodates a colony of the very rare species of the Hartman's Zebra, which is very seldom seen. Although game is not the main attraction to the Ai-Ais/Richtersveld Transfrontier Park there are mammals like klipspringer, duiker, steenbok, leopard, caracal, black backed jackal, baboons and verve monkeys. **The Richtersveld LM towns have the following to offer:** ▪ **Port Nolloth** o Port Nolloth is very a popular holiday destination during the hot summer months and boasts a beach with "Blue Flag" status. Port Nolloth has various heritage sites, fishing spots, a tidal pool and other outdoor activities. It is the only resort on the Diamond Coast and although one can enjoy beautiful sunsets, clean beaches and good line fishing, this area could be further developed to become a true seaside resort with high quality seafood restaurants and simple beach cottages. This could attract both visitors and retired people wishing to relocate from the city to a quiet, coastal town. o Richtersveld Tours provide guided 4X4 tours; accommodation; river rafting; camping equipment; team building; remote venue catering. Hondeklipbaai: Die Honnehok – self-catering chalets; braai facilities; restaurant & tea garden; swimming pool; 4X4 day trips. ▪ **Alexander Bay** o The town of Alexander Bay offers numerous outdoor activities including walking and cycling trails, bird viewing at the Orange River mouth, mine tours, fishing and canoeing on the river and nearby points of interest i.e. Lichen Hill, Grootderm, Cape Vollas and Brand Karos. o Alexander Bay Museum – is housed in the old military base offices and is populated with artefacts from the old mining house and the mining community, as well as fossils that were discovered during mining operations. o Alexander Bay Mine Tours – departing from the museum, the tour unveils workshops, prospecting trenches, and mining sites with bedrocks in the mining area. Also included is a drive along the west coast to visit the harbour and the seal colony, and to taste fresh oysters straight from the water at the oyster farm. o Lichen Hill – is covered in moss-like lichen in bright orange, greens and browns. Sustained by the mist that creeps in from the Atlantic Ocean over the desert coastal plains, this hill has developed the highest biomass and diversity of all known lichen fields and is of huge interest to ecologists. o The Koeskop Inscriptions are situated some 70km from Alexander Bay on the Orange River. These were made by Captain James Alexander of the first loads of copper ore to pass this point in about 1836. ▪ **Eksteenfontein** o There are curios, local textiles, woodwork and needlework projects, and artefacts. The traditional food and freshly baked breads (the famed "Roosterbrood") made in open fires are inviting. o Eksteenfontein offers a true wilderness experience with walks and guided tours through rugged mountains and 4x4 trails. o Eksteenfontein has two community-run guesthouses and facilities for campers and caravans. Not far from town is the community's eco tourism accommodation facility. ▪ Lekkersing o Close to the town is an exquisite red sand dune that "sings" after a rare rain and can be clearly heard resonating in a deep and ancient voice. o The diamond quartzite Stone Mine in Lekkersing was established in 1964 and has produced exquisite slabs of stone in earthy reds and gold, used for tiling all over the world. o Lekkersing is home to the Protea Elderly Club Food Garden. The project has created employment and supplies vegetables, fruit and herbs to the community. o A walk or a donkey cart ride will unveil the Skurwehoogte caves nearby. o Local arts and crafts are available at the Rusoord Club for the Elderly. o The nearby Kalkfontein farm offers hikes, horse-riding and birdwatching.	diamond mining and settlement in the area, Richtersveld is a World Heritage Site and the rich heritage of the Khoi San/Nama people. ▪ The towns of Kuboes, Lekkersing and Eksteenfontein are situated in the Richtersveld World Heritage Site presenting significant potential for tourism. Currently the main negative aspect is poor road access. ▪ Develop the "Wondergat" near Sanddrift, as well as the Bushmen Paintings near the Wondergat. ▪ Develop the hiking trail in Kuboes. Tourists would like to go on a boat trip when they visit Port Nolloth but there are no such facilities. A tourism strategy for the Richtersveld LM

ECONOMIC SECTOR ANALYSIS	OPPORTUNITIES
- Flagstones and tombstones are cut out of quartzite in Lekkersing. Hiking trails, mountain biking, horse riding and donkey-carting are all popular activities in this area or the Skurwehoog cave can be explored nearby. - Kuboes - The area surrounding Kuboes has a unique biodiversity. Outdoor activities and points of interest include Cornellskop offering beautiful views of Richtersveld, Orange River and the dunes of Namibia, hiking and 4x4 trails and guided tours around Kuboes or into the park. - Kuboes has chalets for overnight accommodation. Traditional food dishes can be prepared upon request. - The local school in Kuboes still teaches the Nama language and does valuable work in preserving the Nama culture. The young students have exhibited their NamaStap ("Nama Step") dances on stages internationally. - Kuboes Tourism Attractions: historical church; NamaKore; traditional 'Namadisse', dances and stories around the fire; tours around the town; 4X4 routes; hiking trails; Khoi-San Rock Art; Die NamaVrouVra; Wondergat/Cornellskop; old mine holes; and Donkey Cart Rides. - Sanddrift - Sanddriftis a town with biological and geological uniqueness, offering scenic walks along the Orange River, extensive bird life, cultural experiences and the Wondergat point of interest. - The Wondergat (or "Wonder Hole")is situated on the road to Sendelingsdrift and is according to legend a bottomless pit that houses the "Big Snake". The "Groot Slang" or Big Snake is a local Nama legend about a large snake with a very large red diamond in its forehead as its eye. It captures people and then eats them. The Wondergat is a limestone sinkhole 4.5m in diameter and leading down 20m into the earth. - Ancient San Rock engravings are an amazing sight a little further away in Bloeddrft towards Sendelingsdrift. Some could be as old as a few thousand years, but others are younger, and the most recent depict horses and wagons. - Kodas and Numees Minesare situated on the road to Sendelingsdrift as well, and are the first commercially operated mines in South Africa. The shafts still exist in the mountains as well as many ruins of the old mine buildings. These mines operated between 1836 till 1845. The following accommodation facilities are found in Port Nolloth: - Country Club Lodge - Bedrock Lodge - Scotia Inn Hotel - Port Indigo Guest House & Self-catering - McDougalls Bay Caravan Park & Chalets - Muisvlak Motel - Gami/Goas Guest House - Sizamile Guest House - De Duine Chalets - Voetbaai Accommodation - Blue Bay Accommodation - Beach House Accommodation - Port Nolloth Backpackers - Era Carit Estate (self-catering) - Thelma Kotze (self-catering) Other accommodation facilities located in the Richtersveld LM include: - Rooiberg Guesthouse (17km from Eksteenfontein) - Kanikaip (along Orange River) - Namastat (4km from Eksteenfontein) - Stinkfontein Camping Site (12km from Eksteenfontein) - Basterfontein Wood Huts (34km from Eksteenfontein) - Matjieskloof Camping Site (49km from Eksteenfontein) - Flour Spar Valley (38km from Eksteenfontein) - Sun Valley (4X4 – 33km from Eksteenfontein) - Tierhoek (2X4 – 50km from Eksteenfontein) - Glybank Camping Site (5km from Kuboes) - KomRus 'n Bietjie Guest House in Eksteenfontein - Willa Rosa Guest House (in Eksteenfontein) - Overnight Facility at the Community Hall in Lekkersing - Koerdap Chalets and Camping Site in Lekkersing - Kalkfontein Farm (between Eksteenfontein & Lekkersing)	that is linked to tourism strategies of the other Namakwa DM areas will improve the linkages between attractions. This strategy will need to be very strategic and offer combined packages. More opportunities will also arise if the road conditions improved and more locals were empowered to start their own businesses. The amount of "feet" coming into the area is also very important and will need to be approached logically. For example, on the 8 March 2011 during the meeting in Sanddrift the locals mentioned that the last time they saw a tourist in their town was about a year ago. Marketing of the Richtersveld Liggiefees.

ECONOMIC SECTOR ANALYSIS	OPPORTUNITIES
▪ Monthly Valley Guest House and Camping Site in Kuboes ▪ Stofbakkies Chalets in Sanddrift ▪ Alexander Bay Guesthouse (in Alexander Bay) ▪ Af-en-Toe Guest House (in Alexander Bay) ▪ FrikkieSnyman Guest House (in Alexander Bay) ▪ Uitsig Guest House (in Alexander Bay) ▪ Groot Lietflot Guest House in Alexander Bay ▪ Brandkaros Campsite in Alexander Bay There are two tour operators in the Richtersveld LM, namely: Aukwatowa Tours and Richtersveld Tours. There is also the need for better support of SMMEs to start their own businesses and continual support to ensure the sustainability of these ventures. This will have to be linked to the availability of basic infrastructure. There are other problems with developing tourism accommodation in the area because there are not enough "feet" coming to the area. Commuter tourist behaviour suggests that most commuters will only break their commute once in any one town, which points to the need to locate restaurants and shops within walking distance of the fuel stations. In terms of tourism development, it should be noted that tourism marketing of the region is extremely weak. Websites associated with the floral kingdom, Rooibos routes, etc., make little reference to the actual driving directions to reach the region and ways to contextualize the drives in terms of time and distance and logical points to stop over. Destination marketing approaches should be taken for key towns on these routes and resources should be focused there to promote tourism facilities. The following tourism projects are outlined in other Richtersveld LM policies: ✓ Incorporate Biodiversity info centre in Port Nolloth into the municipal structure ✓ Upgrading of McDougalls Bay caravan park ✓ Orange River Mouth project ✓ Museum project in Lekkersing ✓ Information boards in Sanddrift ✓ Upgrading of the Weir (Keerdam) tourism attraction in Kuboes ✓ Feasibility study on proposed "Gateway to Richtersveld" Tourism hub/information centre located at Steinkopf ✓ Tourism Development Strategy for the R382 Tourism Corridor and Lekkersing-Sendelingsdrift Eco Tourism Route ✓ Negotiate public access to coastline between Port Nolloth and Alexander Bay with Alexcor ✓ Promote development of Port Nolloth Tourism hub at entrance of town ✓ Town Centre and museum in Sanddrift ✓ Establish information boards in Eksteenfontein ✓ Museum project in Lekkersing ✓ Information boards regarding attractions in the area in Sanddrift	
Future Sector: Agriculture, forestry and fishing The agricultural sector incorporates establishments and activities that are primarily engaged in farming activities, but also includes establishments focusing on commercial hunting and game propagation and forestry, logging and fishing. The western regions of the Municipality is characterised mainly by non-arable low potential grazing land whilst the western regions of the Municipality is characterised mainly by wilderness land. Within the Richtersveld LM the Orange River includes rich alluvial plains that are suitable for agricultural development such as livestock and game farming, including ostrich farming provided carrying capacity is not exceeded. The greater Richtersveld communal land is used for small-stock farming however the land is marginal and requires properly implemented grazing plans to sustain the industry and needs to diversify. The agriculture activities that take place within Richtersveld LM include: livestock farming, ostrich farming, and game farming. Drought is a huge prohibiting factor in the	▪ Removal of alien vegetation along rivers (specifically Prosopis) ▪ Grow vegetables in tyres (food security project) ▪ Community gardens ▪ Livestock

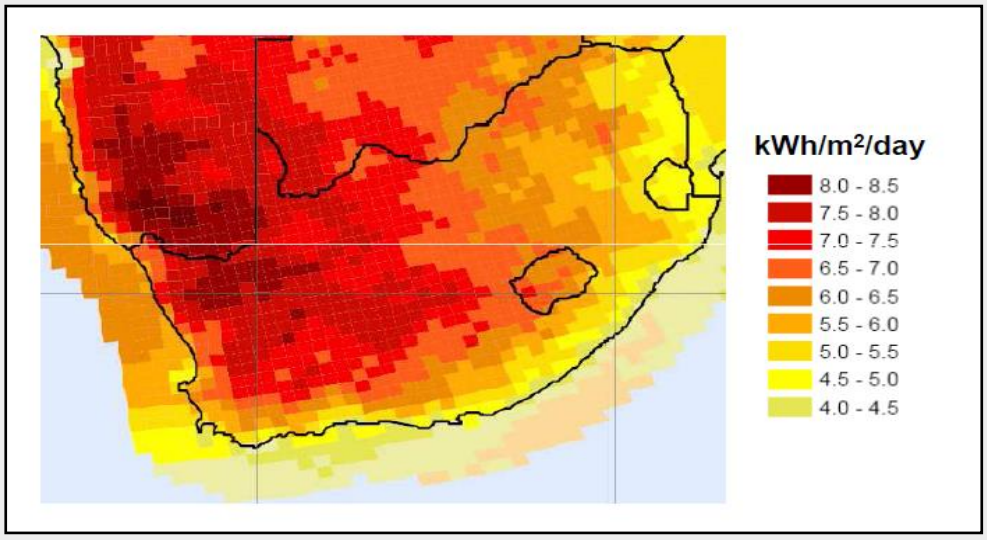
ECONOMIC SECTOR ANALYSIS	OPPORTUNITIES
Richtersveld. Wild donkeys and wild horses roam the plains and cause grazing problems as they eat about six times more food than sheep for example. The Orange River forms the northern boundary of the Richtersveld LM which is critical to ecological functions in the area, and is the only perennial river in the region. Its health is currently threatened by agriculture and invasive species, most notably Prosopis, which clogs up the river system and utilizes large quantities of water otherwise available for consumption or agriculture. Legislation and enforcing the law is a problem. The incursion of alien plants along water courses, like Jantwak (Nicotianaglauca), the bloudissel or Mexican poppy (Argemoneochroleuca) and the caster oil bean (Ricinus sp.) is a major threat to the ecosystem health in the Richtersveld LM. Farm sizes are large and grazing capacity is low therefore there are rules regarding the amount of animals a farmer may have. This causes many farmers to declare 10 cattle to the authorities meanwhile they actually have 100 cattle on their farm. It takes land 15 years to restore itself after being overgrazed. There are a lot of people are interested in farming, but access and availability of land is a major constraint. As grazing capacity is low, small-scale farming is a challenge because people need larger pieces of land than would normally be needed. Some of key constraints that need to be addressed in the agriculture sector of Richtersveld LM are: ▪ Intensive agriculture requires water for irrigation as the low rainfall makes dry-land cropping extremely risky ▪ Lack of access to irrigated land for agricultural purposes ▪ Lack of supporting services for farmers in the area as well as under-utilisation of the services of extension officers ▪ Insufficient infrastructure ▪ Lack of specialised labour ▪ Lack of adequate skills and training programmes ▪ Lack of access to funding, start-up capital and loans for the intensive and subsistence farmers ▪ Lack of information ▪ Distance to markets and lack of marketing ▪ Transport of perishable goods Port Nolloth is the main base for the fishing industry in the Northern Cape where a good natural harbour provides shelter for the small fishing boats employed in the local fishing trade, however, the absence of a man-made breakwater means that the harbour is exposed to strong currents and swells during storms. The port falls under administration of the National Port Authority (NPA) but is managed from Cape Town. The lack of a safe deep-water harbour is a major constraint to the development of the fishing industry in the Northern Cape Province, and there are no tugs or pilot service available. The port also serves the southern areas of the marine diamond mining industry that is a major source of diamonds in the province (the area stretches from Kleinsee to Alexander Bay). The Namaqualand coast of the Northern Cape Province lies adjacent to one of the richest and most prolific marine eco- systems in the world. The main commercial fishing activity is the catching of Rock Lobster by small individual fishermen using small boats, i.e. as opposed to trawlers. Other fishing activities in the Richtersveld LM include: kelp harvesting, collection, and processing; oysters; abalone; and mussel and limpel harvesting. Successful aquaculture experiments at Kleinzee (in abalone and oysters), and at Port Nolloth (in abalone), justify expansion. Alexander Bay, within the diamond area at the Alexkor, is used as a small craft harbour for diamond mining vessels. Due to its very small size and location within a mining security area it is not possible for this sheltered bay to be used as a fishing harbour. There are opportunities for: seaweed or kelp, Oyster farming, marine food fish farming, abalone processing, Halophytes, Brine Shrimp Artemia, and shallow-water Hake. For this industry to be successful market linkages will need to be established (i.e. transport routes and airport facilities). The Northern Cape section of Zone A is divided into Area 1 that covers the area from Orange River	farming ▪ Game farming ▪ Ostrich farming ▪ Irrigation farming along the Orange River ▪ Agro-processing (specifically in processing animal skins) ▪ Citrus fruit along the banks of the Orange River ▪ Hydroponic production along the Orange River (Rosemary, Lippia, Rose geranium and Lavender) ▪ The Orange River area is a virus-free area that will make it good for exporting seeds (i.e. potato seeds) ▪ Crops like soya bean use less water and need more intensive labour. ▪ Organic fruit and vegetables Emerging farmers need water rights in order to get land. This needs to be facilitated. There are around 100 farmers in Kuboes but they need help with

DRAFT

ECONOMIC SECTOR ANALYSIS	OPPORTUNITIES
to Kleinsee, and Area 2 that stretches from Kleinsee to just south of the Brak River. The total crayfish quota given to commercial fishermen [right–holders] in Zone A, for 2005 was 30,000 kgs (i.e. 30 tons). In relation to freight transport distribution cargo, this is a very low cargo volume and dependent upon packaging, and would fill about 3 twenty foot containers. The only facility currently capable of operating as a fish processing facility is the John Ovenstone factory in Port Nolloth developed in the 1930's by the Premier Group. It has a capacity of 3000t of fish a year and is currently completely unutilised. The following mariculture operations are running in the area: ▪ Two oyster farms are currently in operation on the Northern Cape coast. The first, established by the state-owned diamond mining company Alexkor in 1993, cultivates oysters in seawater ponds constructed initially as holding dams for one of the diamond processing plants. Production of more than 500 000 oysters per annum takes place there and the project is currently undergoing rehabilitation and re-development. The other farm, privately owned, is located at Kleinsee within the De Beers diamond mine. Here, cultivation takes place in a dam constructed adjacent to a seawater supply pipeline that was constructed to supply water to a diamond recovery plant there. ▪ The Northern Cape Kelp Harvesting and Collection Project has an immediate aim of assisting the unemployed, historically disadvantaged people from Port Nolloth to enter the labour market. Historically, the South African seaweed industry has been based on beach-cast kelp and the harvesting of fresh kelp for the extraction of a plant-growth stimulant. In the last decade, the harvesting of fresh kelp for abalone (*perlemoen*) feed has become an important part of the local seaweed industry. It is crucial, however, that this harvesting is sustainable. A company, Rekaofela Kelp, was formed to manage the kelp harvesting process in the Port Nolloth area. The company is worker-owned, and all the shareholders come from historically disadvantaged backgrounds, often with a history of the exploitation of marine resources. At present the company accomplishes the beach-collection of the kelp, the drying process, the milling and the packaging of the kelp. Long-term plans for the company include the creation of a kelp organic fertiliser manufacturing plant. Tourists are welcome to visit the facility and see the kelp harvesting in action. The following agriculture sector projects are outlined in other Richtersveld LM policies: ✓ Acquire land from Trans Hex near Sanddrift and develop irrigation agriculture ✓ Start tannery and leather project in Eksteenfontein ✓ Move onto phase two of the hydroponics project ✓ Promote community vegetable gardens within all the settlements ✓ Pig farming ✓ Research feasibility of an abattoir ✓ Identify markets for produce ✓ Provide continued assistance to small farmers ✓ Agriculture and agro-processing through community co-operatives ✓ Vegetable tunnel project in Sanddrift ✓ Feasibility for irrigation farming at Sanddrift ✓ Obtain equitable fishing quotas for Port Nolloth fishermen Acquire land from Trans Hex near Sanddrift and develop irrigation agriculture ✓ The NC Provincial Government has invested R20-million in a mariculture park (abalone and oysters) at Port Nolloth ✓ Mariculture Industrial Park (various fish farming projects) ✓ Aqua farming ✓ Create Mariculture Development Zones at Port Nolloth and Alexander Bay ✓ Kleinzee Abalone Farm (first phase will produce 100 tons per year. Seven seaweed-production dams for feeding, water purification and heating have been built)	water, pumps, and getting their produce to markets. Water comes into the town of Kuboes but there are no pipes going out to the farms. Need land ownership. The following fishing opportunities exist: ▪ Seaweed or Kelp harvesting and the processing thereof ▪ Oyster farming ▪ Marine Food Fish Farming ▪ Abalone processing ▪ Halophytes ▪ Brine Shrimp Artemia ▪ Shallow-water Hake ▪ Deep-sea harbour ▪ Expanding linkages along the West Coast with mariculture projects in Namibia (to the north) and towards Saldanha Bay (to the south) need to be further investigated. More access to the fishing industry, in terms

DRAFT

ECONOMIC SECTOR ANALYSIS	OPPORTUNITIES
	of permits. The fishing industry needs boats, equipment, holding facilities, freezers, and transport. There is also the need for better support of SMMEs to start their own farms and continual support to ensure the sustainability of these ventures. This will have to be linked to the availability of basic infrastructure.
Future Sector: Electricity, gas and water This sector includes the supply of electricity, gas and water, the production, collection and distribution of electricity, the manufacture of gas and distribution of gaseous fuels through mains, supply of steam and hot water, and the collection, purification and distribution of water. The Orange River forms the northern boundary of the Richtersveld LM as well as the border between South Africa and Namibia. The river is an important source of water for agricultural and domestic use. Numerous non-perennial streams traverse the Municipality flowing in a northerly direction towards the Orange River, which flows into the Atlantic Ocean. The Richtersveld LM's town receive water by the following: ▪ Port Nolloth extracts water from the Orange River via a pipeline, which is supplemented with groundwater (boreholes). A desalination plant at Port Nolloth is a strong possibility. ▪ Alexander Bay and Sanddrift extract water from the Orange River. ▪ Kuboes, Eksteenfontein and Lekkersing rely on boreholes. A water pipeline between Sanddrift and Kuboes is nearing completion. Once completed the boreholes at Kuboes will only serve as a backup. ▪ Apparently there are more boreholes in Kuboes that can be used but they do not have pumps. Around 90% of Richtersveld LM has an average annual rainfall of between 0-100mm; around 8% of the area has an average annual rainfall of between 100-200mm, and an insignificant small portion receives a higher rainfall than 300mm per year. There is insufficient water available for human consumption during the tourism season in Port Nolloth. The Richtersveld LM has potential in this sector in terms of water saving techniques and renewable energy. The lack of reliable water within the Richtersveld LM is a major constraint to development, and as mentioned earlier the supply of electricity is also interrupted when the wind blows and there are often power surges. Map 4 indicates the water resources within Richtersveld LM. The map shows that the only perennial river within Richtersveld LM is the Orange River that runs along the northern boundary of the municipality. This makes water resources critical in Richtersveld LM and water-saving and conserving techniques will need to be implemented. This also limits the amount of agricultural activities that can take place.	Opportunities within the water sector include improving the water sources and water infrastructure within the Richtersveld LM area. Storm water runoff should be captured, reservoirs should be constructed where feasible, and alien vegetation should be removed from along water courses. Desalination plant in Port Nolloth. Desalination refers to the process whereby saline water (generally sea water) is converted to fresh water through processes of

ECONOMIC SECTOR ANALYSIS	OPPORTUNITIES
MAP 4: WATER RESOURCES (Source: GIS Mapping 2011) The incursion of alien vegetation and fauna presents a major threat to the limited natural resources within the Namakwa DM. Prosopis, Black Wattle and Poplar trees all present challenges to the integrity of water courses in the district. The Department of Water Affairs and Forestry's Working for Water runs projects within the District to, amongst other things, remove alien vegetation. The following water sector projects are outlined in other Richtersveld LM policies: ✓ Investigate the possibility of a desalination plant for Port Nolloth ✓ Fresh water project in Lekkersing ✓ Desalination plant to augment Port Nolloth bulk water supply ✓ Installation of boreholes, reservoirs, including pipe work, in Sanddrift, Eksteenfontein, and Lekkersing Renewable energy has become a global priority and there is potential for both wind and solar power within the Richtersveld LM (see Map 5 and 6). MAP 5: SOLAR POWER POTENTIAL (SA)  A small 6.1 KW solar energy system will provide 8,721 KW hours of energy per annum, saving 6.6 tons of carbon from going into the atmosphere and would be the equivalent of planting 4.4 acres of trees. The only disadvantage is that the solar power system is expensive (around R22 per watt) and would need some form of battery storage to ensure energy during heavy winter periods (Eskom: Solar Power 2009). Solar water heaters can save up to 4.5 kWh per household per day; which works	reverse osmosis and distillation. Desalination is very expensive and therefore currently only economically viable for high-valued uses in arid areas. Farmers should also turn to irrigation methods that are more efficient such as drip or trickle irrigation that limits evaporation and surface run-off. Solar water pumps (for farming and for water sources like boreholes). In terms of renewable energy, Map 5 indicates that Richtersveld LM has potential for solar power plants, especially towards Sanddrift and Kuboes. Map 6 indicates that Richtersveld LM's coast has potential for wind farm developments. Other potential energy projects include the roll-out of solar cookers, solar water pumps, and solar water geysers. Each household could then have a

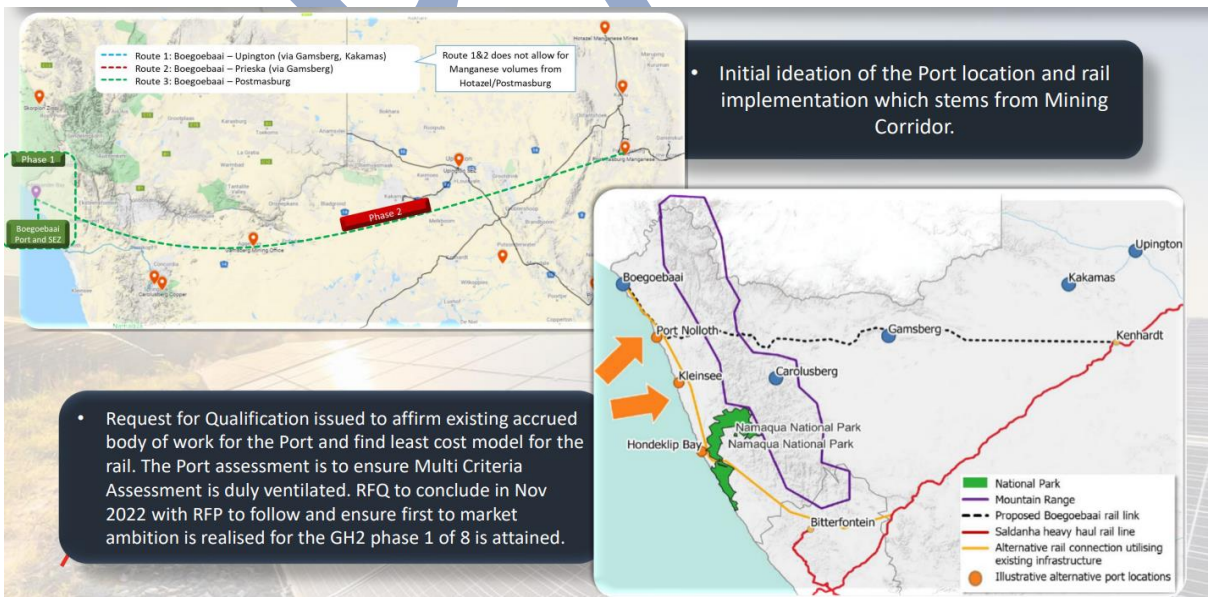
ECONOMIC SECTOR ANALYSIS	OPPORTUNITIES
out much cheaper than a geyser in the long run (a saving of up to 90% of your water heating costs). Solar water heaters are very expensive (R6,000 – R20,000 per household) but they save 6,500 GWh per year, which will save money in the long-term. The solar water heaters use the sun's energy to heat the water but they still contain an electric element if there is insufficient solar power. Solhart South Africa has partnered up with Eskom to provide rebates for households that purchase a solar water heater (up to R4,917). Besides energy replacement with a solar energy system you can also get a solar cooker. These cookers don't need full sunlight and can even work at night. The only foods that you can't be made in a solar cooker are pasta dishes and any deep-fried meals, so a person should not replace their conventional cooking appliances. Solar cookers take much longer to cook your food but they can cut your cooking energy costs by one-third. According to the Energy Outlook SA Report (2002:XV) the Northern Cape has some of the world's best conditions for solar power. MAP 6: WIND POWER POTENTIAL (SA) Wind power is one of the cleanest energy resources of electrical energy, but it also requires a place to store its energy (i.e. in batteries) and it usually needs a constant wind that comes from one direction at a time. Before wind farms can be constructed the following issues need to resolved: site location; legal rights – up to 22.2 km distance from a countries shore belongs to the national authorities; and coastal zoning. According to the Energy Outlook SA Report (2002:XV) "much of South Africa's coastal region is suitable for wind power. The following electricity sector projects are outlined in other Richtersveld LM policies: ✓ Improvement of electricity supply in Port Nolloth and provision of street lights in all the Richtersveld towns ✓ KannikwaVlakte Wind Farm near Port Nolloth: The facility will consist of 80 wind turbines to generate electricity that will be fed into the National Power Grid. The property is located at the T-junction of the road to Kleinsee and the R382 main road ✓ Richtersveld Wind Farm (Scoping Report by ERM)	personal power supply (something like a battery) where they can go collect electricity from a central point at the renewable energy powered station.

4.5 Boegoebaai Port, Green Hydrogen Cluster Project

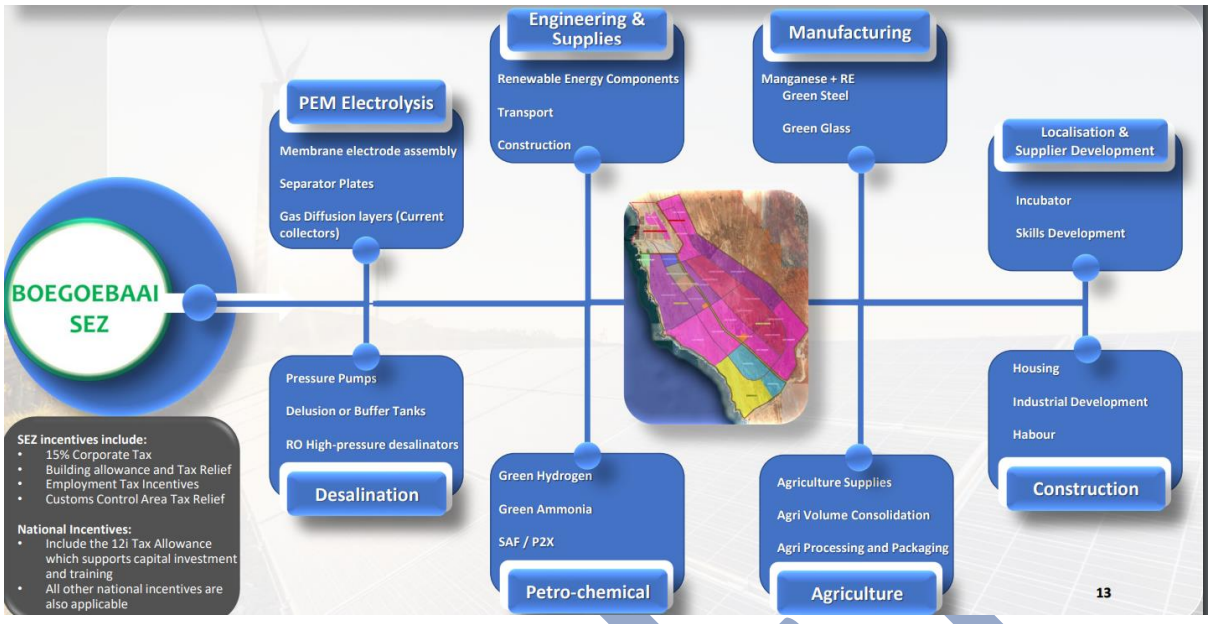
4.5.1 Critical Area for the Project

Project Component	Municipal Location	Land ownership/Stakeholders
Boegoebaai Harbour	Richtersveld Municipality	Richtersveld CPA (Currently under administration).
Boegoebaai SEZ	Richtersveld Municipality	Richtersveld CPA (Currently under administration).
Renewable energy	Phase A: Close to SEZ, Part of Richtersveld CPA. Phase B: Richtersveld Municipality, Kleinzee, Concordia, Steinkopf Phase C: Densify B. Phase D: Move into Khai-Ma, Kammiesberg, Karoo Hoogland and Northern Hantam.	Phase A: CPA based land Phase B: CPA, Government and private land. Phase C: CPA, Government and private land. Phase D: More private land with limited government land.
Human Settlement	Phase A: Onsite functional housing. Phase B: Primary response housing. Phase C: Base housing	Phase A: Boegoebaai harbour. Phase B: Alexanderbaai expansion. Phase C: Port Nolloth and broader region extending to Steinkopf and Springbok.
Connectivity infrastructure: Rail, road, pipelines, grid	Phase A: Harbour and SEZ site Phase B: Renewable energy connectivity Phase C: Renewable energy in region, Namibia, Gamagara Mining Corridor and southern GH2 Production sites.	Phase A: Richtersveld CPA Phase B: As per renewable energy component. Phase C: Whole of province, other provinces and Namibia.

4.5.2 Proposed Boegoebaai port to existing rail network



4.5.3 Boegoebaai SEZ Economic Cluster Opportunity



4.5.4 Recommendations

- The Green Hydrogen project is the underpinning of a R600 Billion investment which is phase 1 of 8 in terms of the Northern Cape GH2 ambition.
- Phase 1 of the Project is 5GW production of green hydrogen.
- The Northern Cape ambition is for 40GW and more by 2050 and beyond.
- Initiation of the Green Hydrogen pre-feasibility and the review of Port Business Case to inclusively address the cluster ambitions.
- Transnet National Ports Authority has issued a RFQ for the Finance, Development, Building, Operation, Maintain and Transfer of the Northern Cape port and rail least cost solution
- Announcement made by TNPA to facilitated the project in line with their Act.
- Has direct link to the National JETP and Investment strategy leading Big Frontier 1.

4.6 Proposed Namakwa Special Economic Zone

South Africa has embarked on various programs to promote Industrialization, Foreign Direct investment and Job Creation. SEZs have become global tools for economic transformation, resulting in exponential growth when deployed, and is viewed as one of the critical tools for accelerating the country's industrial development agenda.

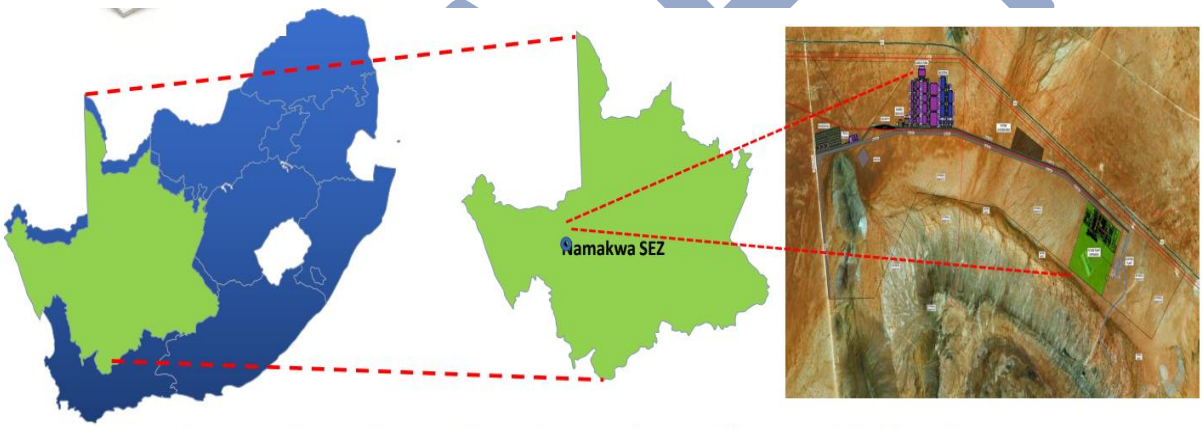
The Namakwa SEZ in the Northern Cape provides a unique opportunity to achieve our National, Regional and Local Economic Development objective. Boegoebaai is a lead, specifically for export, for the SA JETP and is the lighthouse project for the SA Investment Strategy being an anchor for the Big Frontier 1.

DRAFT

The purpose of the proposed Namakwa SEZ is to:

- Facilitate the creation of an industrial complex, having strategic national and regional economic advantage for targeted investments in the mining, agricultural and beneficiation sector
- Develop infrastructure required to support the development of targeted industrial activities
- Attract foreign and domestic direct investment
- Provide the location for the establishment of targeted investments
- Increase investment and growth in the energy, mining and agricultural industry, particularly the beneficiation and agro processing industry
- Take advantage of existing industrial and technological capacity, promote integration with local industry and increasing value-added production
- Promote regional economic development
- Create decent work and other economic and social benefits in the region in which it is located, including the broadening of economic participation by promoting small, micro and medium enterprises and co-operatives, and promoting skills and technology transfer; and
- Generate new and innovative economic activities.

4.6.1 The Proposed Namakwa SEZ Location



- Namakwa SEZ is located on the N7 national route which connects the Cape with Namibia and Gauteng
- Access to regional road networks
- Access to Saldanha Harbour and Cape Town Harbour and the planned Boegoebaai Harbour
- Access to Cape Town International Airport and Upington Airport

4.6.2 Socio Economic Development

The establishment of a SEZ in Namakwa will have a tremendous impact on the communities of Namakwa District, and Khâi-Ma Local municipalities. Social impacts include:

- Health,
- Education,
- Training and skills development and
- The local economies.

A number of socio-economic development initiatives are identified for prioritization this includes but not limited to:

- Localisation and Enterprise Development,

- Incubation and
- Skills Development.

The Namakwa SEZ is a viable project:

- Is the precursor to the Boegoebaai SEZ
- It will have significant impact on the Local, Regional and National economy more significantly for the Namakwa District and Northern Cape ,
- Has direct link to the National JETP and Investment strategy leading Big Frontier 1.
- A Quadro implementation agreement is required for the Namakwa SEZ and Boegoebaai GH2 and SEZ

4.7 Addressing LED Constraints

Some of the weaknesses identified in the SWOT analysis are not controllable, such as climate. Others, however, can be managed and improved as part of a comprehensive strategy to address supply-side factors and attract investors. Furthermore, many of the threats identified are similarly not easily controllable. They can, however, be monitored and, for example, attempts can be made at halting degeneration (that is gradual decline and closing of certain economic activities). This section, thus, deals with addressing internal constraints to LED, and with regenerating sectors suffering decline. In order to support and enhance the viability of LED projects in the Richtersveld LM area an "integrated development platform" or a generally enabling environment is needed. This will require addressing, where possible, major constraints to economic development, such as:

- The state of municipality in terms of service provision. This includes human and financial capacity to deliver basic services to the population. This cuts across the roles of the Namakwa DM, the Richtersveld LM, and the other local municipalities within the Namakwa DM.
- The status of institutions. The Richtersveld LM is extremely willing to undertake LED initiatives but none-the-less, there remains much room for improvement in terms of the human and financial capacity to undertake feasibility studies, draw up business plans and attract suitable investors for LED projects.
- Available infrastructure. Infrastructure is a major constraint to LED in the Richtersveld LM. Efforts to improve road, rail, air and ocean transport are essential. This can continue to be achieved through the EPWP, thus ensuring that local benefits of any infrastructural construction work are maximised. These types of initiatives will also increase potential for retail sector, for example through increased One-Stop style service stations, particularly along the N7.
- Spatial orientation. The large geographic area covered by Richtersveld LM is an inherent challenge to LED in the area. The effect of this can, however, be limited to a certain extent through the use of modern technology (i.e. improved telecommunications infrastructure and skills are needed) and through improved transport infrastructure and services.
- Environmental constraints. There are a number of Protected Areas in the Richtersveld LM. These are, however, seen as valuable tourism and environmental assets.
- Land availability. Land reform is seen to be failing in the area, as claims take years to be processed and many land claim beneficiaries have failed at attempts at farming, for example. A further constraint with regards to land is the mining sectors' monopoly over vast stretches of valuable coastal land. These are issues that require creative, collaborative solutions that ensure that land use patterns reflect the economic and social goals of the Richtersveld LM.

DRAFT

- Supporting institutions. This is an area which is a severe inhibiter of economic development in the Richtersveld LM, which lacks tertiary education and research and development institutions. Those who can afford to, leave the area for other provinces with better educational facilities, many of whom do not return. This has a negative impact on the quality of labour in the Richtersveld LM. The Richtersveld LM should look at diversifying the economy by incorporating more secondary and tertiary economic activities and this will require increased tertiary education needs to be prioritised through bursary programmes.
- Water supply potential. Water supply in the area is limited and any developments need to take cognisance of this limitation and implement environmentally friendly and water-efficient building, manufacturing and farming technologies.
- Power supply. The Richtersveld LM faces the same energy constraints as the rest of South Africa, placing a limitation on any extremely energy intensive projects. Furthermore, the dispersed nature of the area is reflected by the energy distribution grid and new developments in previously underdeveloped areas will need to take cognisance of costs related to extending distribution systems
- Degenerating industries. The mining sector is under constant threat from local factors (such as the Eskom crisis and Rand volatility) and international demand factors (with 2008/9 seeing a decline in demand for commodities, for example). Furthermore, natural resources are finite and all mines reach a point where it is no longer viable to continue extracting the few deposits that remain. There is already some speculation of closures of mines in the Richtersveld LM and the Namakwa DM as a whole. The Namakwa DM has, however, good relationships with mine authorities and needs to maintain these relations to ensure that, where possible, the closure or downscaling of mines is be minimised and that Social and Labour Plans are appropriate and well implemented to minimise the socio-economic impacts (particularly job losses and the resultant second-round effects). This can only be realised if Social and Labour Plans reflect investment in human resources (skills development), hard infrastructure and the launching of sustainable business ventures.

The Namakwa DM has a number of projects that aim to support overall LED within the District, including a Business Database which is up and running, an active LED Forum, and an active SEDA. There are plans in place to undertake road shows aimed at informing the public of available business development and business support services available to local SMMEs and entrepreneurs. The Richtersveld LM needs to become involved with these initiatives so that their area of jurisdiction's potential is marketed and included in the database, road shows, and the agenda of the Namakwa DM LED Forum.

4.8 Conclusion

The sector analysis above indicates that there are opportunities with the Richtersveld LM but there are major constraints in terms of basic infrastructure, poverty, and the distances between towns. Table 18 indicates a summary of the projects that are outlined in other Richtersveld LM policies.

Table 18: Summary of Projects in other Richtersveld LM Policies

ECONOMIC SECTOR	PROJECTS OUTLINED IN RICHTERSVELD LM POLICIES
Agriculture	Irrigation, tannery & leather, hydroponics, vegetable gardens, pig farming, abattoir, agro-processing, and dairy along Orange River.
Fishing	More fishing quotas, mariculture, and abalone.

Infrastructure	Landfill sites, desalination plant, boreholes, reservoirs, electricity, clinics, sports facilities, cellphone reception, community halls, and schools.
Transport	Taxi, truck and bus stops; Alexander Bay Airport; tar roads, railway lines, and more petrol stations.
Harbour	Develop the harbour and jetty, as well as a deep port harbour.
Local market development	Infrastructure (buildings), internet cafe, and establish markets.
Business opportunities	Tyre repair facility
Education	FET Colleges and youth desk.
Tourism	Optimising the Oranjemund-Alexander Bay Border Post & Sendelingsdrift Border Post, McDougallsBay caravan park, museum, information boards, and "Gateway to Richtersveld" Tourism hub/information centre.
Government	Marketing and communication strategy, fire brigade training (+truck), support for entrepreneurs/SMMEs, and tourism strategy.

It is evident that the Richtersveld LM has many projects that are planned for the area or outlined within their policy documents to be implemented in the area. There is a large focus on infrastructure development and tourism.

Table 19 indicates a summary of the opportunities that can be found from the economic sector analysis above.

Table 19: Summary of Economic Sector Opportunities

ECONOMIC SECTOR	OPPORTUNITIES
Mining & Quarrying	▪ There are some minerals in the Richtersveld LM that have never been exploited but feasibility studies would need to be conducted if these opportunities were to be taken forward. ▪ There is a possibility to negotiate with large mines to improve small miners access to claims but the lack of skills will need to be resolved. ▪ Small-scale mining (check feasibility and skills within the labour force) in: working granite dumps; recycling copper and granite dumps; building factories to mill minerals; and milling minerals local adds more value.
Construction	▪ The Construction sector is likely to benefit from the growth in the Tourism sector, which will see a need for new facilities, as well as low-cost housing developments and other infrastructure requirements coming from new initiatives. More artisan skills are needed in the area.
Wholesale & Retail Trade, Catering & Accommodation	▪ There are opportunities for the trade of small scale agricultural produce. ▪ Trade in arts and crafts for the tourism market. ▪ SMME strategy ▪ There is also the need for better support of SMMEs to start their own businesses and continual support to ensure the sustainability of these ventures.
Transport, Storage & Communication	▪ Public transport through a transport strategy ▪ Tar the road from Alexander Bay to Kuboes and Sanddrift ▪ Internet Cafes ▪ Upgrade the airport. A feasibility study would be needed as the Springbok airport also needs upgrading. Would it be feasible for both airports to be upgraded?
Finance, Insurance, Real Estate & Business Services	▪ Expand business services within Port Nolloth ▪ SMME support (linked to the aforementioned SMME strategy)
Community, Social & Personal Services; & General Government	▪ Improved medical services ▪ Improved education ▪ Improved basic services

ECONOMIC SECTOR	OPPORTUNITIES
	▪ Upgrading roads ▪ Skills Centre that provides training as well as a database of local labour & skills that can be used by outside contractors or local businesses
Tourism	▪ Eco-tourism: vast open land, unique natural flora and conservation areas including Ai-Ais/Richtersveld National Park and the Orange River Mouth. Since the inception of the Ais-Ais/Richtersveld Transfrontier National Park, tourism to the area has increased to the area. ▪ Adventure tourism: 4x4 trails, hiking and fishing, boat trips etc, McDougall's Bay has a beach that has Blue Flag status and is a prominent destination to holidaymakers during the summer season. ▪ Historical and cultural tourism: mine tours reflecting on the history of diamond mining and settlement in the area, Richtersveld is a World Heritage Site and the rich heritage of the Khoi San/Nama people. ▪ The towns of Kuboes, Lekkersing and Eksteenfontein are situated in the Richtersveld World Heritage Site presenting significant potential for tourism. ▪ Develop the "Wondergat" near Sanddrift, as well as the Bushmen Paintings near the Wondergat. ▪ Develop the hiking trail in Kuboes. ▪ Boat trips in Port Nolloth ▪ Tourism Strategy. A tourism strategy for the Richtersveld LM that is linked to tourism strategies of the other Namakwa DM areas will improve the linkages between attractions. This strategy will need to be very strategic and offer combined packages. More opportunities will also arise if the road conditions improved and more locals were empowered to start their own businesses. The amount of "feet" coming into the area is also very important and will need to be approached logically. For example, on the 8 March 2011 during the meeting in Sanddrift the locals mentioned that the last time they saw a tourist in their town was about a year ago.
Agriculture, Forestry & Fishing	▪ Removal of alien vegetation along rivers (specifically Prosopis) ▪ Grow vegetables in tyres (food security project) ▪ Community gardens ▪ Livestock farming ▪ Game farming ▪ Ostrich farming ▪ Irrigation farming along the Orange River ▪ Agro-processing (specifically in processing animal skins) ▪ Citrus fruit along the banks of the Orange River ▪ The Orange River area is a virus-free area that will make it good for exporting seeds (i.e. potato seeds). ▪ Hydroponic production along the Orange River (Rosemary, Lippia, Rose geranium and Lavender) ▪ Organic fruit and vegetables ▪ Crops like soya bean use less water and need more intensive labour. ▪ Emerging farmers need water rights in order to get land. This needs to be facilitated. ▪ Local residents need access to land. ▪ Emerging farmers need support in terms of funding and equipment. This can be done through creating co-operatives within each town or settlement whereby everyone shares farming equipment. ▪ Seaweed or Kelp harvesting and the processing thereof ▪ Oyster farming ▪ Marine Food Fish Farming ▪ Abalone processing ▪ Halophytes

ECONOMIC SECTOR	OPPORTUNITIES
	▪ Brine Shrimp Artemia ▪ Shallow-water Hake ▪ Expanding linkages along the West Coast with mariculture projects in Namibia (to the north) and towards Saldanha Bay (to the south) need to be further investigated. ▪ The fishing industry needs boats, equipment, holding facilities, freezers, and transport. ▪ A deep-sea port should be established in the area to boost trade and support the expanding mariculture industry. ▪ SMME support/incentives (linked to the aforementioned SMME Strategy)
Electricity, Gas & Water	▪ Storm water capturing ▪ Reservoirs (where feasible) ▪ Desalination plant in Port Nolloth. Desalination refers to the process whereby saline water (generally sea water) is converted to fresh water through processes of reverse osmosis and distillation. Desalination is very expensive and therefore currently only economically viable for high-valued uses in arid areas. ▪ Removal of alien vegetation along water courses. ▪ Better irrigation methods ▪ Solar power plants, especially towards Sanddrift and Kuboes ▪ Wind farms along the coats ▪ Solar cookers ▪ Solar water geysers ▪ Solar water pumps (for farming and for water sources like boreholes) ▪ At a later stage, each household could then have a personal power supply (something like a battery) where they can go collect electricity from a central point at the renewable energy powered station.

There are many economic sectors that can be expanded and many opportunities that can be taken forward, but there are financial, institutional, and infrastructure constraints that will make some of these opportunities feasible and some not feasible. Some of the constraints to LED include:

- ✓ High rate of unemployment
- ✓ Lack of qualifications, skills and training
- ✓ Lack of access to cost-effective training facilities & entrepreneurial programmes
- ✓ Lack of business knowledge regarding procedures to start a business / project
- ✓ Lack of equipment for apprentices, i.e. builders, mechanics, etc
- ✓ Lack of capital to start business
- ✓ Lack of communication from all government spheres to include community in project planning
- ✓ Lack of knowledge about economic and job opportunities
- ✓ Little investment by outside businesses and investors
- ✓ Monopoly of existing businesses in the main stream of the economy
- ✓ Non availability of land for investors and previously disadvantaged
- ✓ The municipality has a lack of capital input due to a relatively small population and limited tax base

When taking projects forward for the Richtersveld LM LED Strategy the number of these projects or initiatives will be kept deliberately small, to prevent this becoming merely a “wish list”. Rather, the strategy looks at a way in which the capacity of LED can be improved as well as the enabling environment allow better development of LED.

CHAPTER 5 – Vision, Thrusts and Priorities

5.1 Introduction

The previous sections have given the policy context that mandates the Richtersveld LM as a developmental local government and the baseline socio-economic context against which needs and opportunities have be identified. These need to be tailored to the specific context of the Richtersveld LM as an institution. This is done by looking at the specific vision and objectives of the Richtersveld LM, as well as the opportunities identified, which can then be compiled into "thrusts" or key areas of focus for LED.

5.2 Enabling Environment

The structure and role of small towns are very much affected by regional and local conditions. Among these conditions, we may identify obvious ones such as natural resource endowment, population density and market accessibility, but political economic structures and the distribution of income and purchasing power also exert a strong impact on the functioning of small towns. The role of the natural resource factor is particularly evident in areas with uncertain rainfall conditions and precarious agricultural yields. The insecurity which this places upon the lives of the residents has a direct impact on their spending and investment behaviour and consequently also upon their demand for urban goods and services.

Research has shown that there is a direct link between the provision of infrastructure, income growth, and human development. Because of these links, poor people need access to basic services like energy (including alternative modern energy), water, telecommunications, etc. It is clear that infrastructure spurs growth, which in turn can spur greater infrastructure. Valiant efforts to raise incomes in rural poor communities will not succeed in a context in which the poor are not being delivered the most basic services of all: water, roads, communications, electricity, and schools.

Numerous elements in a local economy can contribute to increased unemployment levels providing an unhealthy environment for investment, which in turns leads to a stagnating local economy. This in turn can place further strains on an already over extended local resource base, reinforcing the need for an innovative and effective broadening of the local economic base. Rural development and poverty alleviation are synonymous. Rural development is a large and inclusive umbrella for all kinds of departmental programmes and orientations. It includes, for example, agricultural development, poverty alleviation in tourism, small-scale mining, and infrastructure provision.

Government needs to create an enabling environment for businesses in all sectors of the economy to innovate and grow. A key focus is on building the necessary infrastructure, logistics and communication systems to sustain growth not only on the key sectors but also giving focus to niche sectors. It also means that supportive policies need to be put in place and government legislation communicated. Therefore, creating an enabling environment entails:

- ✓ Build infrastructure (water, electricity, roads)
- ✓ Business retention & expansion
- ✓ Efficient & effective service delivery
- ✓ Create partnerships
- ✓ Mobilize and support communities
- ✓ Establish sector linkages

DRAFT

- ✓ Clustering of economic activity

The Namakwa DM and Richtersveld LM should continue to ensure that they continue to improve the enabling environment to retain existing businesses and to attract investors as part of an ongoing LED process. There are several factors that influence industries and service enterprises to establish themselves or invest in smaller and medium-sized urban centres in disadvantaged areas. Table 20 indicates these factors and shows how the Richtersveld LM rates according to these factors. A "high" rating is better than a "low" rating. A "medium" rating is average.

Table 20: Factors that Influence Investment in Disadvantage Areas

FACTOR	RATE FOR RICHTERSVELD LM
The demand for goods & services must be big enough	Medium – Low
Good inter-regional transport & communication systems must exist	Medium – Low
Industrial & commercial services must be available	Medium – Low
Cheaper labour (partly due to lower living costs) & sufficient land at affordable prices must be available	Medium – High
Good infrastructure & services must be provided	Medium – Low
A high level of literacy & education must be maintained	Low
Access to a large national market must be available	Medium
Effective local government & a good supporting database	Medium
A strong tourism sector must exist	Medium – Low
Powerful & influential trade unions must be less active in marginal areas	High
A good corporate management system that is linked to a sophisticated communications system	Medium – Low

Table 20 illustrates that the Richtersveld Municipal area measures fairly well against the factors that attract services and industry investments, but it is the remote settlements that will measure lower on these factors. This is why it will be important to first focus on the enabling environment and getting the basics of the Richtersveld LM economy right before the economy can grow and offer more opportunities and value-added processes.

5.3 Vision and Thrust

It is important that the vision used in the Richtersveld LM LED Strategy is aligned with the vision for the Richtersveld LM IDP Strategy. As mentioned above, one of the main roles of the Namakwa DM and the Richtersveld LM is to create an enabling environment for economic development to take place therefore the aim of the vision, goals and projects is to achieve this role of creating an enabling environment. Creating an enabling environment is thus not highlighted as one of the objectives or goals but rather that the vision, objectives and goals need to achieve the role of the Richtersveld LM in creating an enabling environment. Figure 4 indicates the vision and objectives of the Richtersveld LM LED Strategy.

Figure 4: Vision & Objectives of the Richtersveld LM LED Strategy

Vision
To develop an economically sustainable environment in a manner that is sustainable and beneficial to the people of the Richtersveld Municipal area that will secure their future

Strategic Objectives				
Poverty alleviation through effective basic service delivery	Upgrading & maintaining existing infrastructure (roads, water, electricity, access to serviced land, etc)	Create an enabling environment to stimulate job creation & the capacity of the local economy	Assist with economic interventions in small-scale agriculture, mariculture, tourism & renewable energy	Promote business & investment attraction & retention
Goals				
1. Ensure that resources are shared within the LM 2. Implement opportunities for bulk infrastructure development to unlock activities linked to agriculture and tourism 3. Improve access to health care & education 4. Invasive Alien clearing project	1. Partner with Eskom to source solutions for the electricity problems in the area. 2. Look at the option of a desalination plant in Port Nolloth. 3. Play an active role in mitigating obstacles hindering economic development (e.g. environmental aspects, social, infrastructure, etc.) 4. Tar strategic roads that are linked to economic opportunities 5. Implement water saving techniques, capture run-off water, & build infrastructure to store water	1. Identifying key partnerships with various stakeholders including, but not limited to: ▪ NDM LED Forum ▪ Future RLM LED Forum ▪ Local organisations ▪ Local Communities ▪ Tertiary institutions ▪ Government Departments ▪ PPP ▪ SMME's ▪ Big Businesses ▪ International Organisations 2. Identifying key roles for each of the above stakeholders (in coordination with stakeholders) 3. Identify skills gaps within key economic sectors 4. Facilitate training programmes available	1. Implementation of mentorship programmes for SMME's 2. Identify available land & ensure that it is serviced & zoned correctly; & allow equal access to this land for local communities. 3. Determine opportunities for renewable energy development 4. Develop a tourism strategy that links the entire Namakwa District. 5. Facilitate the establishment of tourism information centres 6. Consider building the mariculture industry in Port Nolloth 7. Look at the option of a deep-sea port near Port Nolloth	1. Provide an integrated marketing & branding initiative for the municipality as a whole 2. Strengthen marketing platform for SMME's to market good & services 3. Source funding for emerging businesses 4. The establishment of partnerships with big businesses to ensure the provision of sustainable jobs for all skills levels 5. Develop a Transport Strategy

The opportunities identified in the previous section and the strategic objectives of the Richtersveld LM (in Figure 4) can be grouped into thrusts. Thrusts are defined as: "planned actions aimed at creating impetus and a critical mass in the local economic environment in order to generate momentum in the economy". Within these thrusts, numerous programmes can be identified which concentrate the attention on specific areas of development, which support the overall goals set by the thrusts. Each programme further comprises specific development projects, as well as the facilitation issues that need to be addressed. The projects and facilitation actions are aimed at enabling the Municipality to achieve the targets set by the development programmes and thrusts.

The thrusts formulated as part of this framework are based on the current economic situation the Municipality finds itself in and is aimed at building on the existing strengths and exploiting the unique opportunities presented by the local economy and the specific physical and demographic environment of the Municipality. The thrusts therefore enable an integrated approach towards drawing on the identified opportunities. The thrusts also enable projects and initiatives to be linked to the different thrusts identified, so as to enable a more focused and coordinated approach to economic development.

Table 21 gives a more detailed description of the thrusts, programmes and specific projects, which jointly make up the local economic framework. As mentioned earlier municipalities do not implement or run projects, they create the enabling environment in order for the local communities to implement the projects. Thus the "enabler" in the table below indicates actions that the Richtersveld LM can do; and the "project" in the table below indicates specific projects that can be implemented by the local community or marketed to investors. More specific details and actions can be found in the "implementation plan" in Section 7.

Table 21: Thrust, Action & Pr

THRUST	ENABLER	PROJECT
Small-scale Agriculture	▪ Release land to local farmers ▪ Source funding for farmers ▪ Conduct a study of the carrying capacity of the land. ▪ Investigate new agriculture opportunities around the Orange River (potatoes, tomatoes, Lucerne, onions, pumpkin, citrus fruit, rosemary, rose geranium, or lavender). ▪ Crops like soya bean use less water and need more intensive labour. Conduct a feasibility study to determine potential for this market. ▪ The Orange River area is a virus-free area that will make it good for exporting seeds (i.e. potato seeds). Conduct a feasibility study for this potential. ▪ Need more water infrastructure in Kuboes, Eksteenfontein, Lekkersing, & Sanddrift ▪ Source water rights from the Orange River ▪ Upgrade pumps for the boreholes in Kuboes ▪ There is an opportunity to processing animal skins from the abattoirs but the desalination plant will need to be established as this project needs lots of water. ▪ Source local markets for community gardens (see Transport Strategy).	▪ Desalination Plant in Port Nolloth ▪ Removal of alien vegetation along rivers (specifically Prosopis) ▪ Grow vegetables in tyres ▪ Community gardens ▪ Crop farming ▪ Process animal skins
Fishing & Mariculture Hub	▪ Upgrade the harbour in Port Nolloth ▪ Conduct a feasibility for a Deep Port Harbour along the R382 between Port Nolloth & Alexander Bay. ▪ Create a hub of shared facilities (i.e. storage, fridges, equipment, etc) that can be shared by the fisherman ▪ Assist locals in starting mariculture farms by conducting feasibility studies, sourcing funding, & linking markets (crayfish, Snoek, Geelstert,	▪ Deep Port Harbour ▪ Mariculture farms in Port Nolloth

THRUST	ENABLER	PROJECT
	Perlemoen, Mussels, Kelp, Seaweed) ▪ Assist fisherman to get their produce to the market. By implementing the Transport Strategy (see below) ▪ Implement stronger legislation for crayfish – currently there is too much theft & illegal fishing.	
Infrastructure Upgrade & Development	▪ Power surges & power outages when the wind blows is a problem. Source solutions in partnership with Eskom. ▪ Implement water saving technologies such as reservoirs, storm water capturing, rain harvesting, better irrigation methods, etc ▪ Implement Wind Farms in Port Nolloth (what is the status of the proposed Richtersveld Wind Farm, and the proposed Kannikwa Vlakte Wind Farm). ▪ Conduct feasibilities for Solar Farms inland (Kuboes, Sanddrift, Eksteenfontein or Lekkersing). ▪ Facilitate the proposed Aggeneis – Oranjemond 400kW transmission line & upgrade of substations. ▪ Implement a Transport Strategy that outlines CSR opportunities for big business in the area (i.e. a vehicle for each settlement in the area). The Strategy should also include future projects.	▪ Desalination Plant in Port Nolloth ▪ Wind Farm ▪ Solar Farm ▪ Solar water geysers ▪ Solar cookers ▪ Each household could then have a personal power supply (something like a battery) where they can go collect electricity from a central point at the renewable energy powered station.
Tourism Development	▪ Source a building for an information centre . ▪ Formulate a Tourism Strategy that creates information for tourists regarding what opportunities there are (cultural, flowers, traditional food, activities, etc), where gas stations can be located, what to do in case of emergencies, etc. This should identify opportunities that can be marketed to businesses. ▪ Tourists want to have opportunities to go out to sea – possibility combine this with fisherman & not necessarily a separate project. ▪ Develop the "Wondergat" and bushman paintings into a tourism attraction (near Sanddrift). Conduct a study to establish the required infrastructure. ▪ There used to be many more wild animals in the Richtersveld but now they are gone. Need to restore this & employ better Game Reserve Wardens. Implement new legislation & partner with SANParks for solutions.	▪ Tourism Information Centre ▪ Boat trips for tourists ▪ Wondergat & Bushman paintings development ▪ Hiking trail in Kuboes ▪ Additional opportunities coming out of the Tourism Strategy
Training & Skills Development	▪ Locate buildings for skills development centres at strategic points within Richtersveld to provide training so that local residents are able to take ownership of projects (need skills training in: computer literacy, electricians, plumbers, boilermakers, etc). ▪ Conduct a skills audit in order to determine what skills are currently in the area and what skills can be offered or are needed through training courses. ▪ Source funding for computer literacy trainers & internet facilities. ▪ Need access to internet facilities. ▪ Link access to education with the Transport Strategy. ▪ Conduct a feasibility study into small-scale mining – what is available, is it feasible, are there the required skills in the community to take a project like this forward, & if it is feasible what is needed to capacitate the local	▪ Skills Centre with a database of local labour & skills that can be used by outside contractors or local businesses. ▪ Internet Cafes

THRUST	ENABLER	PROJECT
	residents to take it forward.	

5.4 Conclusion

The above has identified a vision, objectives, goals, thrusts and projects for the Richtersveld LM. When implementing these 'enablers' and 'projects' certain factors will need to be considered because of the fact that the Richtersveld LM economy is small, dispersed, and that there is a lack of basic service provision capabilities and skills in the labour force:

- ✓ Is there land available?
- ✓ Is there sufficient water for this?
- ✓ Is there sufficient electricity for this?
- ✓ If this was to be implemented, would it negatively affect the existing business who is offering these products/services?
- ✓ Is there skilled labour to do this?
- ✓ Can the necessary labour get to the economic opportunity (transport)?

Some of these factors can be determined by making a few phone calls and others would need to be identified through pre-feasibility or feasibility studies.

DRAFT

CHAPTER 6: Institutional Arrangement

6.1 Introduction

The previous chapters analysed the policy context that mandates the Richtersveld LM as a developmental local government and the baseline socio-economic context against which needs and opportunities have been identified. These need to be tailored to the specific context of the Richtersveld LM as an institution. This is done by looking at the specific vision and objectives of the Richtersveld LM, as well as the opportunities identified, which can then be compiled into "drivers" or key areas of focus for LED.

6.2 Purpose

The institutional arrangement framework is key to creating an enabling environment and ensuring the successful implementation of the municipal LED Strategy. The purpose of this section is to ensure an effective and efficient LED structure exists to implement the LED structure.

6.3 Background

This pillar is intended to establish and direct a more capable LED unit which will facilitate development effectively. The aspects of institutional arrangements, human capital and resources are of paramount importance in ensuring the implementation of the LED Strategy. Municipalities' institutional arrangements include Planning and reporting, human capital and resources whereby they draw on public and private resources in a specific geographic specific area locked in a range of different instruments into their localities.

All levels of government have a role to play and a responsibility to facilitate and coordinate LED initiatives in their areas of jurisdiction. Local municipalities are key implementation agencies of government and therefore play a significant role in local economic development.

6.3.1 LED Roles and Functions Spheres of Government

This section will look at the different roles and responsibilities (mainly in terms of LED) of all the spheres of government, namely:

- ✓ National Government
- ✓ Provincial Government
- ✓ District Municipality
- ✓ Local Municipality
- ✓ Civil Society

LED involves government, the private sector and civil society, local business, companies and people. It is not a specific action or programme, but occurs when a spectrum of stakeholders harnesses their individual resources and ideas to strive for a better economic status within a locality. Thus, all the stakeholders have responsibilities and roles to play in the process. The roles and responsibilities of the various tiers of government, as well as civil society, in local economic development are outlined in this section.

DRAFT

National Government

Mandated LED functions on National Government level include:

- ✓ Co-ordinate and align support to municipalities for LED through their IDP process
- ✓ Maintain strong inter-governmental relationships and institutions
- ✓ Provide support to municipalities to implement their developmental mandate
- ✓ Disseminate information to provincial and local government about LED
- ✓ Provide the overall legislative and regulatory framework for LED
- ✓ Increase administrative efficiency (such as access to land and finances)
- ✓ Provide the necessary resources to municipalities for the implementation of LED
- ✓ Monitor the outcomes and impact of municipal-led LED activities

Provincial Government

National and Provincial Government's Role:

- ✓ Promote environmental awareness
- ✓ Enforce compliance with environmental legislation
- ✓ Enforce compliance with business related legislation (e.g. BBBEE Act Employment Equity Act, Skills Development Act, Labour Relations Act, minimum wages legislation etc)
- ✓ Ensure public access to information
- ✓ Develop district-based plans for provincial and national functions e.g. education, public transport, health, roads, communication etc
- ✓ Market the region through provincial institutions
- ✓ Facilitate the increased take up of social grants
- ✓ Undertake campaigns re social issues such as substance abuse, gender and child violence, safe schools, HIV AIDS
- ✓ Ensure visible policing and crime prevention
- ✓ Address housing backlog
- ✓ Address agricultural sector needs for subsidies and further protection

Mandated LED functions on Provincial Government level:

- ✓ Strengthen and support the capacity of local government
- ✓ Align LED initiatives with national and local priorities
- ✓ Make available financial and technical resources to implement and sustain LED
- ✓ Monitor and evaluate the impact of LED initiatives provincially
- ✓ Share information regularly (provincial economic trends, land use, investment, new developments) with municipalities

District Municipality

District municipalities are better positioned to provide a coordinating and supporting role to the local municipalities within their broad geographic areas. The District Municipality's role includes:

- ✓ Manage and monitor implementation of the Growth and Development Strategy
- ✓ Facilitate district wide spatial and sector planning
- ✓ Inter-governmental and state-owned enterprises alignment

DRAFT

- ✓ Stakeholder co-ordination between sectors
- ✓ Information collection, management and dissemination
- ✓ Host shared services for municipalities (e.g. communications, GIS, support)
- ✓ Monitor service delivery and implementation of district-wide plans
- ✓ Environmental promotion
- ✓ Development of guidelines for by-law revisions and updates
- ✓ Annual customer satisfaction survey
- ✓ Public Transport Planning
- ✓ Marketing and Branding

Mandated LED functions on District Government level:

- ✓ Plan and co-ordinate LED strategies within the frameworks of IDP
- ✓ Identify lead LED sectors that can kick-start development within districts by undertaking economic research and analysis
- ✓ Establish the LED structure comprising of the district and local municipalities, to foster co-operation and co-ordinate LED policies, strategies and projects within the district
- ✓ Promote networking of firms within the district (e.g. tourism routes)
- ✓ Collect and disseminate information to assist local municipalities with LED policies
- ✓ Provide the necessary training to municipalities
- ✓ Promote joint marketing, purchasing and production activities
- ✓ Maintain a strong relationship with the province
- ✓ Identify resource availability (e.g. grants, land, infrastructure, etc)

The Namakwa District LED Unit is responsible for coordinating LED Planning across the district and providing assistance to the Local Municipalities within its area of jurisdiction. This includes:

- ✓ Providing assistance in coordinating and integrating the Nama Khoi LED with district planning
- ✓ Providing Nama Khoi LM with assistance in LED planning and implementation
- ✓ Provide Nama Khoi LM with the necessary assistance to coordinate regional role players and other local municipalities
- ✓ To lobby Provincial and National Government for additional LED support on behalf of the Nama Khoi LM
- ✓ To avail technical and financial resources to Nama Khoi LM for LED implementation
- ✓ To market the investment opportunities of the district domestically and internationally
- ✓ To ensure that proper communication protocols exist between the Namakwa DM and the Nama Khoi LM

Local Municipality

The Local Municipality's role includes:

- ✓ Service delivery within national time-frames
- ✓ Provide, manage and maintain bulk infrastructure & assets
- ✓ Revise municipal policies and by-laws
- ✓ Strengthen and support ward committees to foster community participation
- ✓ Implement waste minimisation strategies

DRAFT

- ✓ Investigate and utilise alternative energy sources
- ✓ Manage internal business processes efficiently
- ✓ Address youth needs such as recreation and sports facilities and youth desks
- ✓ Establish one stop information points for potential investors
- ✓ Facilitate land availability for low-income housing, industrial parks & business hives
- ✓ Undertake proper planning and zoning in all communities

In promoting the local economy, the primary focus of municipalities should be upon the:

- ✓ Provision of infrastructure and quality and reliable services
- ✓ Managing spatial policies
- ✓ Land-use regulation and development applications
- ✓ Managing service tariff policies
- ✓ Managing a progressive property tax system
- ✓ Marketing the territory

Local Government has three key roles to play:

- ✓ To provide leadership and direction in policy making (by-laws and processes to regulate land in manner that reduces the costs of doing business and maximises the involvement of people in the local economy).
- ✓ To administer policy, programme and projects (the core function of any body or structure responsible for LED is to co-ordinate and maximise the impact of programmes and projects with respect to growth and development).
- ✓ To be the main initiator of economic development programmes through public spending, regulatory powers, and (in the case of larger municipalities) their promotion of industrial, small business development, social enterprises and cooperatives.

Local municipalities are the key LED implementation agencies of government. They have a more direct impact on LED in terms of their potential influence on issues and factors such as by-laws, tender and procurement procedures and other regulations. They also have a more direct influence on access to land and the necessary infrastructure and services, promoting a positive image of their area, making their environment more appealing and welcoming investors and visitors, facilitating skills development and being responsive to the needs of the local and potential business concerns. Local authorities, therefore, need to be proactive in promoting economic development. In view of the above, local municipalities have the following responsibilities:

- ✓ Conduct local economic regeneration studies as part of the IDPs
- ✓ Ensure that social and economic development is prioritised within the municipal Integrated Development Plans (IDPs)
- ✓ Establish an LED forum within the community to mobilise the efforts and resources of local stakeholders around a common vision
- ✓ Identify and market new economic opportunities
- ✓ Establish capacity within the municipality to promote interdepartmental collaboration
- ✓ Build and maintain an economic database to inform decisions and act as an early warning system for the municipality
- ✓ Improve the quality of life, and facilitate economic opportunities for the local population by

DRAFT

addressing infrastructure and service delivery backlogs

- ✓ Network with key sectors and role players to create partnerships and projects
- ✓ Create an enabling environment for local businesses through efficient and effective service and infrastructure delivery
- ✓ Mobilize and support individuals, community groups and local authorities to initiate and sustain economic initiatives
- ✓ Develop an understanding and communicate the complex local economic relations, limitations and advantages to role players
- ✓ Mobilise civil society to participate in LED and encourage public participation
- ✓ Establish sector linkages and clustering of economic activity

Alongside the above, is the important aspect of regulating and implementing the compliance of land use and health and environmental regulations. There is a need to ensure that these processes of regulation are administered in a way that does not impair business start-up and growth and inhibit job creation. The DPLG will encourage municipalities to use regulatory impact assessment tools in measuring the balance between the need for regulation and competitiveness. Beyond this, municipalities can actively provide support to local enterprises by linking up with the relevant provincial and national agencies in the State tasked with this responsibility in different economic sectors.

Civil Society

The new developmental form of local government puts emphasis on civil society involvement in local government activities. For civil society involvement to have the desired effect, however, representatives should have the legibility and respect of the people or organisations they represent. Civil society should also share a common LED vision with the local municipality within which they reside. Civil society has the following responsibilities:

- ✓ A community must have a core of local, capable and respected leaders who are prepared to commit time and energy to LED. The active engagement of women and young people in the leadership is essential
- ✓ Community leaders need to have or acquire the necessary skills, knowledge and attitudes necessary to manage economic change
- ✓ Leaders must operate in a transparent manner and be accountable
- ✓ Leaders must be willing to report, listen and ensure the support of the community
- ✓ Leaders should provide inspiration and participate in developing new layers of leadership
- ✓ The community must adopt a practical development agenda which focuses on realistic and sustainable goals, long-term plans and achieving small visible improvements by getting people involved
- ✓ The goals must be realistic and address the community's needs. To achieve this, there needs to be constant evaluation and adjustment of the action plan

As such, civil society should participate in decision making and implementation of public programmes that create local employment, they should encourage successful entrepreneurship, get organised to deal with collective issues, and play watchdog roles to ensure that public resources are used to advance social priorities. The private sector needs to get effectively organised in business chambers and sectoral associations, it needs to organise effective collective action to undertake LED initiatives,

DRAFT

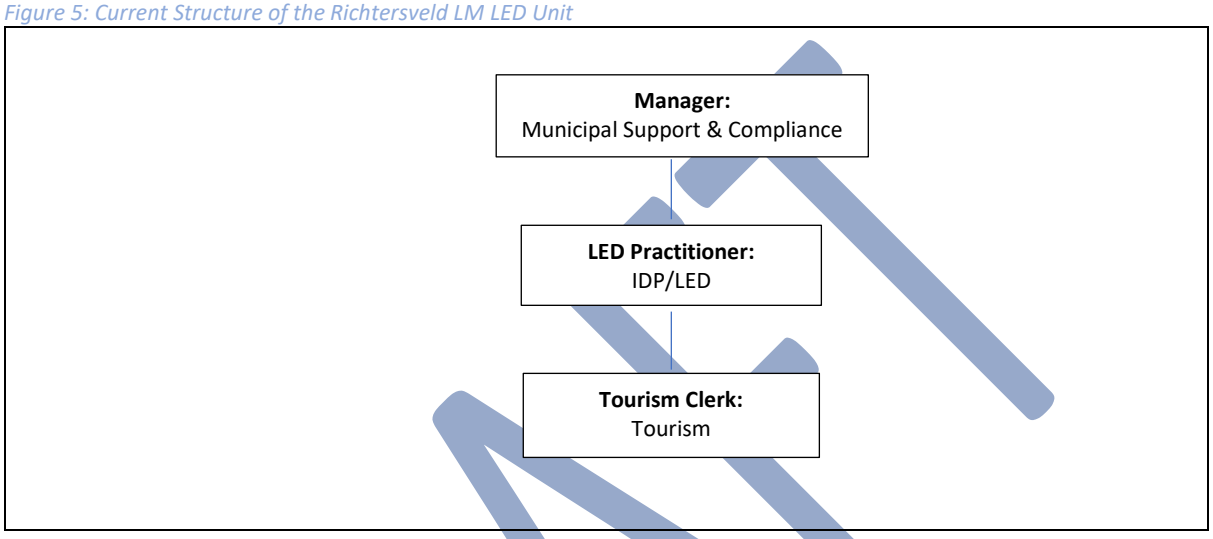
and it should interact with local government to identify win-win opportunities.

6.4 Placement of Status Quo Analysis (Richtersveld Municipality)

Placement

In terms of the LED unit position within the Richtersveld municipal organogram, the unit currently falls under the Directorate, Manager: Municipal Support and Compliance. Figure 5 below gives an indication of the current LED structure of the Richtersveld LM.

Figure 5: Current Structure of the Richtersveld LM LED Unit



Under the current organogram of the Richtersveld Municipality, the municipality has a low fully functional LED & Tourism unit which falls under the **Manager:** Municipal Support and Compliance and consist of a Local Economic Development Practitioner responsible for IDP and LED and a Tourism Clerk.

Planning and Reporting:

The current LED unit planning and reporting structure has LED Practitioner who reports and coordinate all LED activities to the office of the Manager: Municipal Support and Compliance, who reports directly to the Municipal Manager and to the Portfolio Committee.

Unit meetings are conducted on an ad hoc basis to discuss LED and Tourism issues. The LED committee meetings are not held on quarterly as supposed to be and quarterly reporting are lacking.

Consultation:

There is a functional/ operational LED Forum that was established with the assistance of the Northern Cape Department of Economic Development and Tourism. The Richtersveld LM needs to form part of the District and Provincial LED Forum, if there is such a forum at district level, which is supposed to meet on a quarterly basis. LED Forum meeting are held mostly in Port Nolloth as the constituency and makes it difficult for community members from the other settlements to attend due to the vastness and road conditions of the Richtersveld municipal area, but the municipality is in the process to host forums meeting per settlement in the future.

DRAFT

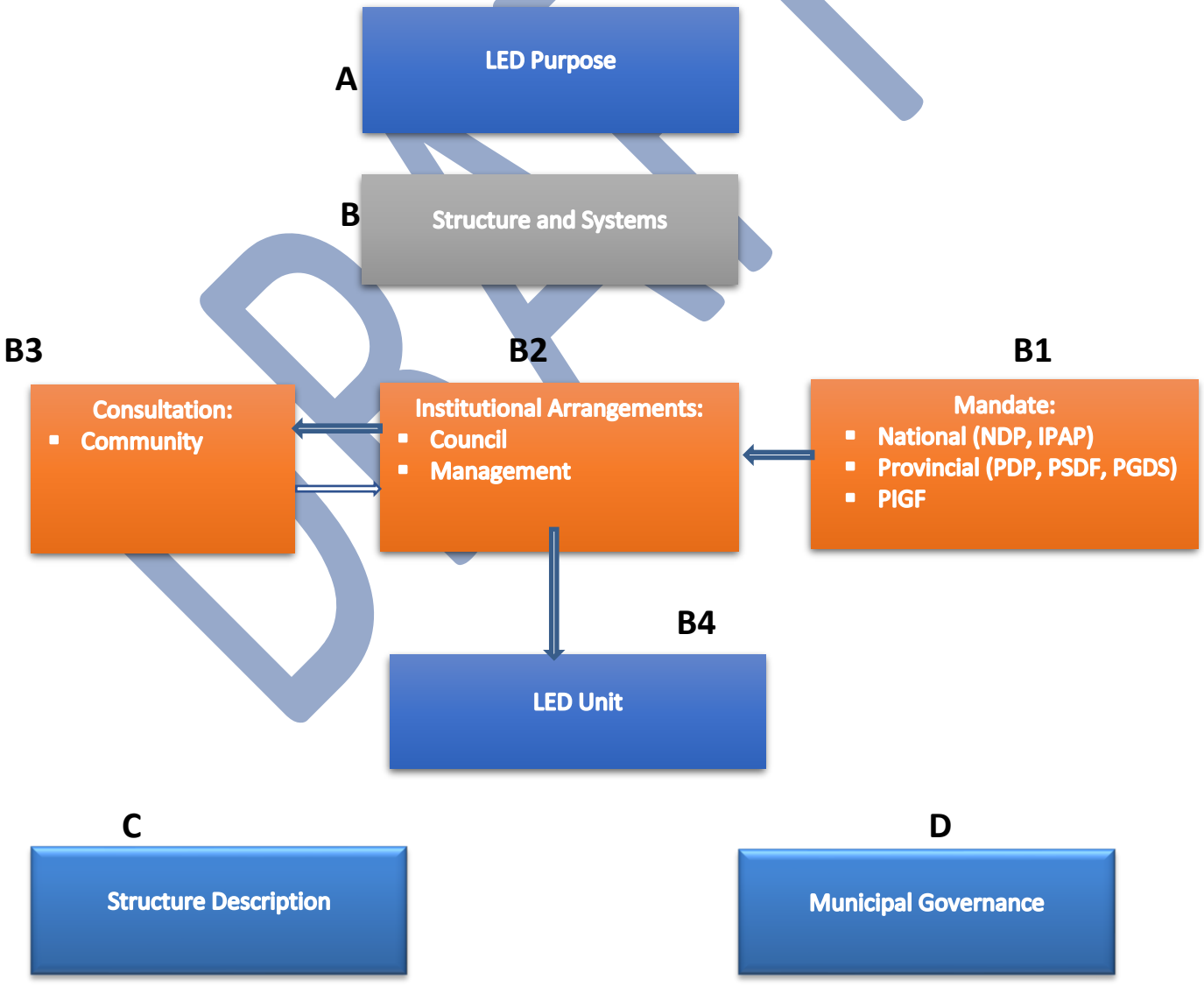
Human Capital:

The Richtersveld LM has a low functional LED & Tourism unit. Little is placed on LED by the municipality; therefore, the unit is hampered in performing its mandate of community and economic development due to lack of resources.

Resources:

There is no LED budget. It is funded by external partners. Currently, the LED unit is not leveraging external LED resources, such as mines. Support institutions such as IDC, the dti have not been utilised as yet. There is room for external investors in terms of land, water, electricity.

In terms of other resources such as water the challenge is internal engagement with partners that currently excludes the LED unit in discussions concerning infrastructure. There is a lack of communication and synergy between the unit and external partners. These partners consult the technical unit and council rather than the LED unit. The same challenge exists pertaining the availability of land for LED projects from the partners (e.g mines and solar companies) there is insufficient infrastructure to support beneficiation and investment.



DRAFT

6.4.1 A. Purpose of LED

The purpose of Local Economic Development is to build up the sustainable development capacity of a local area to improve its economic future and the quality of life for all. It is a process by which government, the private sector, labour and civil society work collectively to create better conditions for economic growth, investment and employment generation".

6.4.2 B1. Mandate

National government provides an overall policy for economic development and strategic mandates for LED at provincial and local government levels.

Provincial government provides a strategic LED vision for the Province through the Provincial Development Plan (PDP) and the sector strategies, specifically the Provincial LED Strategy, Provincial LED Forum and Spatial Development Framework.

Local municipalities are tasked with the "on-the-ground" facilitation of local economic development and therefore local government has a clear mandate to facilitate economic development as per the Local Government Whitepaper 1998. The key LED responsibility of local government is strategic planning for LED, i.e. the compilation and annual review of an LED strategy / plan, aligned to district, provincial and national planning initiatives and thus creating an enabling environment for LED.

The key elements for effective institutional resourcing are as follow:

- Provide in municipal strategic documents for LED ranging from cleaning and greening, marketing, infrastructure, municipal rates and taxes.
- Provide at the very least for a LED operational budget and if possible, the development of programmes and thrusts.
- Having LED capacity with the prerequisite competency to implement LED i.e. LED manager and or official/s.
- Have LED as standing item for management and council meetings.
- Have LED planning documents.
- Thrust, programmes and potential projects to be advanced with investment promotion.

6.4.3 B2. Institutional Arrangements

The institutional arrangements for LED start from the National mandate right up to the local level. This need to be enabled in the municipality on the principles of structure follows strategy and budget follows function. LED is not conducted in isolation by a particular municipal unit. It is an integrated strategy that involves a number of key role players, who are responsible for a variety of activities that are important to the potential success of any LED strategy. This ranges from entering the town in terms of astatic, cleanliness, cleaning and greening, rates and taxes, availability of services, land, business and investment support.

Council Committee

Municipalities are encouraged to establish a dedicated Council committee dealing with LED and reporting to council on economic development. In terms of Section 80 for planning for Local Economic and Rural Development, of the Municipal Structures Act of 199, the committee must facilitate oversight across all relevant departments in the municipality, taking into consideration the transversal nature of LED.

DRAFT

LED-related functions of a dedicated council committee on planning and Local Economic and Rural Development must include:

- Provide political direction and oversight over the development of the municipality's LED strategy and the implementation thereof across all departments in the municipality;
- Mobilise external and local stakeholders with the aim of encouraging inward as well as local investment in strategic projects;
- Mobilise communities by fostering a cohesive vision and understanding of local economic and rural development within the community that will energise the community into entrepreneurial action.

Municipal Management Committee

LED is affected by all municipal mandates including cost of services, access to land an services and operating in municipal space, therefore LED must be a standing matter on the municipal management committee.

The purpose of the Management Committee is to prepare for, as well as process, inputs from the LED stakeholders, i.e. national, provincial government and private sector in other words, do the more collective strategic thinking and planning as internal and external partners and then have it implemented on operational level. LED is very wide ranging and need dedicated focus and enablement i.e. incentives, consultation forums, promotion and marketing as an investment destination.

Objectives of the Municipal Management Committee:

- Ensure that the LED strategy speaks to the SDF and other sector plans, as conceptualized in the Integrated Development Plan (IDP) of the municipality.
- Take responsibility for the development of the cross-cutting municipal LED Strategy and the implementation thereof.
- Cooperate with other similar structures on formulating regional appropriate strategies and work mechanisms to meet the challenges of globalization, namely economic liberalization, privatization, intellectual property and partnerships to enhance competitive and comparative advantage.
- Monitor the impact of service delivery challenges on the local economy, and resolve challenges that impact negatively.
- Analyse the economic trends within the municipality, assess the impact of the economic strategies of the municipality.
- Serve as a monitoring mechanism of the municipality on the implementation of the economic development projects and policies (Monitoring).
- Development and implement thrust and programmes.
- Facilitate access to funding for the implementation of the thrust, programmes and projects identified through the IDP processes (Leveraging) i.e. developing and submitting business plans and having a credible IDP that can be presented to socio-economic development mandate spending and funding available.

6.4.4 B3. LED Stakeholder Forum

An LED Stakeholder Forum can be defined as a platform (institutional arrangement) where residents (individuals, private organizations, government, NGO's, CBO's, traditional authorities, knowledge partners) within a particular locality gather, with an aim to share information and experiences, pool resources and solve problems related to economic development in the municipal area.

DRAFT

The purpose of the broad stakeholder forum therefore is to engage as many community-based public and private stakeholders as possible in order to mobilise social, structural and investment capital for LED.

6.4.5 B4. LED Unit/Official

Taking the above broader and cross-cutting understanding of LED, in other words, that the promotion of local economic development is everyone's business, one can now begin to look at the organizational structure requirements of the LED Unit within a municipality. These might differ from municipality to municipality, depending on the size of the municipality, the organizational structure of the municipality, and the vibrancy of economic development within the municipal area.

Proposed functions:

It is proposed that the LED Unit be responsible for the following functions:

- Act as knowledge bank and champion on economic issues within the municipal space;
- Mobilise internal stakeholders and developing a cohesive internal vision and understanding of LED, for example the Executive Managers for Technical and Community Services, the CFO (incentives), officers appointed to advance the empowerment of women, youth and persons with disabilities, the communication officer, urban planning, health inspectorate etc.;
- Coordinate the development and implementation of the LED Strategy and Annual Implementation Plan;
- Review, monitor and update progress on the LED Strategy;
- Coordinate the implementation of LED thrusts, programmes and projects in the municipality;
- LED stakeholder management and coordination;
- Investment promotion;
- Sectoral support;
- Improve access to business advisory services by coordinating the availability of economic support services provided by government and public entities to local stakeholders;
- Provide advice to and network businesses and/or individuals that are interested in starting a business;
- Monitoring and evaluation of the impact of economic support within the municipality;
- Mobilise communities and vulnerable sectors such as women, young people and people with disabilities in particular, to become economically active;
- Provide secretariat services to the LED Technical Committee, the LED Reference Group as well as the LED Stakeholder Forum.

Competency/skills requirements of LED Unit

It is important that municipalities identify the core competency and skills requirements that are needed within the administration to effectively advance local economic development within a municipality, taking into consideration the envisaged functions described.

This will enable municipalities to determine the organizational structure required for LED, both in terms of the type and level of LED posts, as well as the placement of an LED Unit within the organizational structure of the municipality.

An LED manager and/or official must have the following core competencies (qualifications, skills and experience):

DRAFT

- Socio-economic development facilitation,
- Investment and marketing facilitation,
- Planning and policy development,
- Monitoring and evaluation,
- Project management and administration,
- Economic profiling and strategy development,
- Business promotion,
- Business planning and entrepreneurial support,
- Emotional intelligence that includes management and leadership skills.

6.4.6 C. Organisational structure for LED

LED is not simply about project management of community development projects. It is also about being strategic and driving a vision for a local economy. It is about influencing decisions and the operations of the municipality as a whole.

Whilst the cost of establishing an effective and capacitated LED Unit should be considered within the context of the significant financial constraints municipalities are under, this should be balanced with the cost of doing nothing, in other words, the cost of a static indigent register, lost inward investment or business retention/expansion, which would've not only created/saved jobs (and raised the ability of ratepayers to pay for services), but would also have increased income for the municipality through rates and taxes.

Whilst different size municipalities, different competitive advantage within municipalities and financial status of municipalities will impact on the placement and final structure for LED within respective municipalities, it is advised that the following be considered:

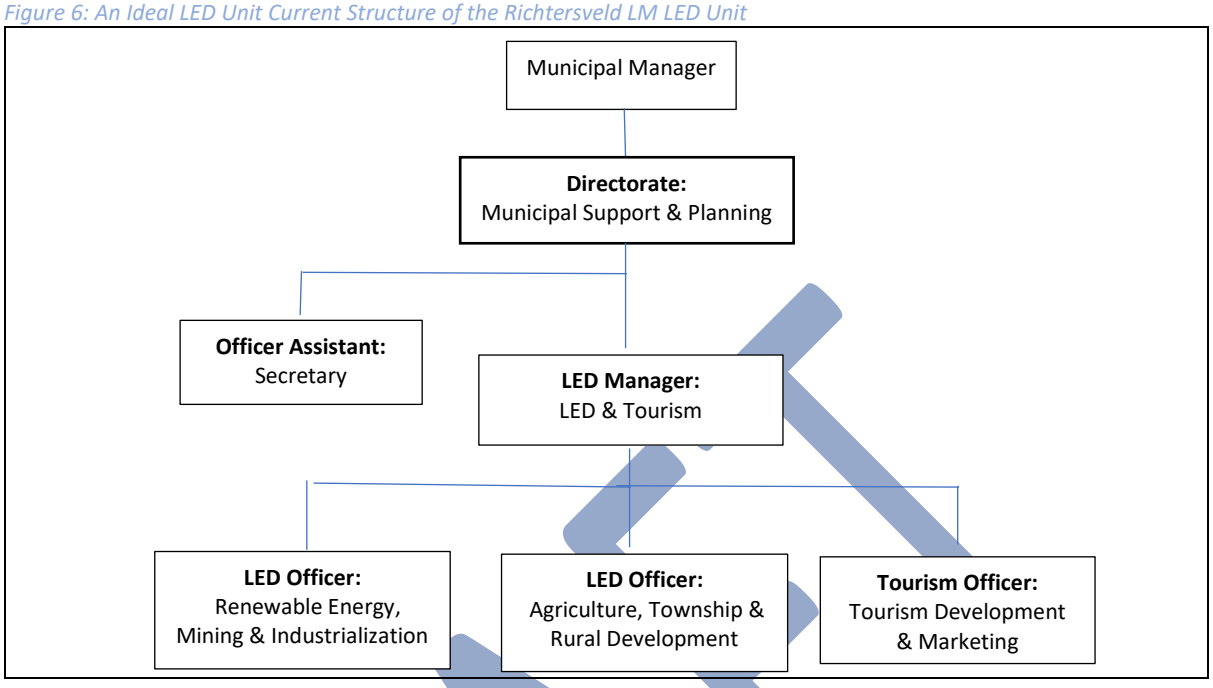
- There should be a direct link between the LED unit and the IDP/SDF unit of a municipality to ensure alignment of strategies;
- There should be a direct link between the LED unit and units created for the advancement of youth, women and persons with disabilities;
- The LED Manager (strategic level) should be appointed at a level that will allow for competent incumbents to be attracted and allow for sufficient authority to influence senior and/or executive managers within and outside the municipality;
- The LED Coordinator should focus on stakeholder mobilization, in particular liaising with social partners and mobilizing and coordinating provincial and national public-sector support for economic development initiatives in the municipality;
- The LED Officer(s) should focus on implementation of the LED Implementation Plan (project facilitation, support and monitoring);
- The LED unit should be able to influence strategic planning and business processes within directorates/departments such as technical services, financial services, and community services;
- There should be a clear distinction between staff responsible for coordinating support or project managing poverty alleviation projects viz a vie LED officials responsible for LED facilitation.

Taking into consideration the Richtersveld Local Municipality's economy and future development that will take place in the area, provision has to be made for at least a dedicated responsible LED Manager and two (2) LED officials to support and coordinate programmes, thrusts and projects that include Renewable energy (SED & ED) Social & Labour Plan and Industrialization and one (1) Tourism official

DRAFT

to facilitate Tourism Development and Marketing. Figure 6 below is an example for an ideal LED unit for Local Municipalities.

Figure 6: An Ideal LED Unit Current Structure of the Richtersveld LM LED Unit



6.4.7 D. LED/IDP inclusion (component)

Good practice provides evidence that it is advisable that municipalities divide strategic and operational components and this can be either depending on size of the municipality in terms of reporting or actual LED units. For example, in a smaller municipality with only one official the Council and Municipal Manager will be the strategic and approving authority. In a bigger municipality the Development, IDP or LED Manager/Director will have the strategic mandate.

The Integrated Development Plan (IDP) is a process by which municipalities prepare strategic plans in consultation with communities and stakeholders. These plans seek to promote integration through planning within social, economic and ecological pillars of sustainability without compromising the institutional capacity required in the implementation, and by co-coordinating actions across sectors and spheres of government.

The alignment of the LED and IDP involves the inclusion of the LED in the IDP in a format that will enable implementation. This entail physically having a developed LED Strategy on hand that identifies the LED mandate, socio-economic status quo, competitive and comparative profile, key initiatives, enablers and projects.

6.4 Conclusion

The Namakwa DM is in a better position to provide a coordinating and supportive role in terms of LED to the Richtersveld LM. As stated, the Namakwa DM have specific responsibilities towards LED implementation, but the Richtersveld LM also has a role to play in the LED environment. The main difference with regards to the responsibilities mandated to the District and the Local Municipalities is that the District should provide a more strategic supportive role and the Local Municipalities are more involved in the physical implementation of the LED projects. Thus, it is important for the

Namakwa DM to have a good relationship with all the Local Municipalities within its borders.

The main challenges regarding these relationships are interaction and communication between the different role players. Namakwa DM and the Richtersveld LM do not make it a priority to meet on a regular basis, and therefore all role players involved are not always certain what other role players are doing. If good communication systems are in place, it would create an opportunity for various role player to share experiences (positive or negative) and establish good networking basis.

In order to strengthen the relationships between the Namakwa DM and the Richtersveld LM it is recommended that good practice guidelines are implemented to regulate the following:

- ✓ Interaction between the Namakwa DM and all the Local Municipalities on a regular basis, through the use of meetings, conferences and workshops
- ✓ Good Communication Systems through the use of websites, emails and faxes (the Namakwa DM needs to be informed about activities happening in the Richtersveld LM and vice versa)
- ✓ Sharing of Information between the Namakwa DM and Richtersveld LM (all role players should have access to all information. The idea is that the Namakwa DM and Richtersveld LM work together in order to achieve economic development within the region as a whole)
- ✓ The role of the different government spheres should be clear to all role players

It is also important that the Namakwa DM and the Richtersveld LM engages with the private sector with regards to projects not only to market these opportunities to the private sector but also to capitalise on the vast knowledge and experience within the private sector regarding the identified opportunities. The relationship with the private sector could be established and developed by means of:

- ✓ Inviting the private sector to LED Forum Meetings
- ✓ Interactions with the Business Chambers
- ✓ Investment Conferences

When assigning projects/opportunities at either a District of Local level, the following act as guidelines:

- ✓ Projects that are part of the schedule of LM Functions according to the Municipal Systems Act fall within the realm of the LM.
- ✓ Opportunities that exist only within a LM (i.e. spatially-limited opportunities) should be promoted and facilitated at the LM level. LMs can and should, however, make use of the DMs marketing and investment promotion efforts to advertise local opportunities.
- ✓ Opportunities or projects that either fall beyond the mandated functions of a LM, or exist across the borders of one or more LM, should be steered at a District level.
- ✓ Similarly, large-scale initiatives aimed at improving the quality of life should be steered by the District – this primarily includes large social and physical infrastructure projects.
- ✓ Opportunities or projects that cut across the border of the District and neighbouring Districts should be steered by the relevant Provincial authorities, but with active engagement with the District.
- ✓ "Twinning" agreements can help municipalities to find, facilitate and foster economic development opportunities. These are agreements in which two areas (towns, cities, LMs,

DRAFT

DMs, or even cross-country e.g. with Namibia) essentially “twin” and agree to share knowledge and skills, while supporting each other’s import/export opportunities.

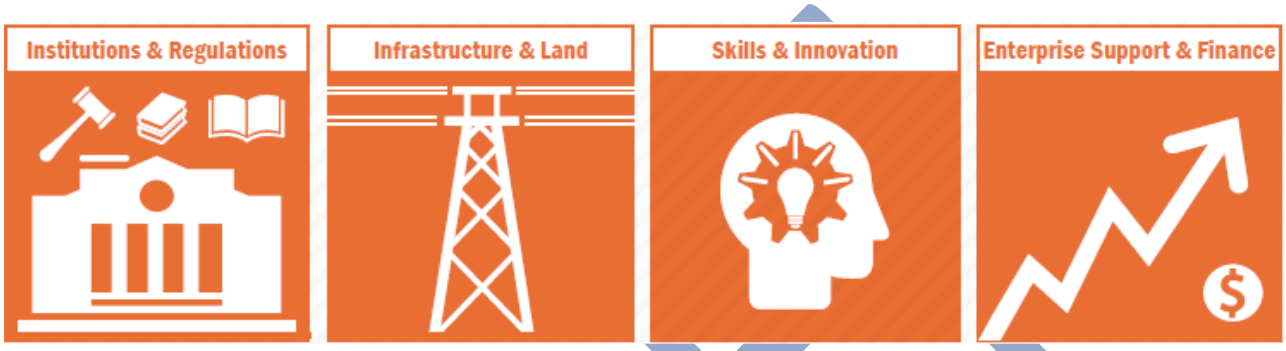
DRAFT

Chapter 7: Implementation Plan

7.1 Introduction

The implementation Plan is the final step of the strategy which investigates the practical solutions for the implementation of the strategy.

According to the World bank, cities can facilitate the growth of jobs, productivity and incomes through four categories of intervention:



The implementation plan is categorised into three sub categories namely:

- Implementation Plan (action plans) - the implementation plan is the actual action plan of the programmes and projects linked to the resourcing requirements.
- Project Prioritization - is to prioritise the projects identified during the development of the strategy.

7.2 Implementation Plan

Table 2 Implementation Plan

Objective	Activity	Responsible entity	Timeline	Resource
Implementation of LED strategy.	1. Adoption of LED strategy by council. 2. Inclusion of LED strategy in IDP. 3. Resource allocation in budget and SDBIP. 4. Institutional arrangements: ▪ Management committee representation. ▪ Council representation. ▪ IDP rep forum inclusion. ▪ LED stakeholder forum.	Municipality ▪ Council ▪ Management ▪ LED unit	5 Years with Quarterly reports and annual completion reports.	▪ Functional LED unit ▪ Budget

	5.IGR representation.			
Trade and investment and develop a trade and investment profile.	▪ Identify top performing and focus sectors for support that will enable economic development and employment. ▪ Identify and describe those entrepreneurial and employment opportunities that can be explored by the municipality and private sector in partnership. ▪ Identify the high impact opportunities, capture in the IDP and create enabling environment through infrastructure municipal services sourcing funding and investors. 1. Funding and business plan development. ▪ Capture resources, opportunities, structural capacity and human capital in municipal area for all sectors as an investment portfolio. ▪ Based on investment portfolio promote this portfolio to investors, funding institutions and local community alike.	1. Municipality ▪ Council ▪ Management ▪ LED unit 2. Agencies ▪ NCEDA ▪ NCTA 3. Departments ▪ National departments – DTI, DSBD ▪ Provincial Sector departments 4. Private sector ▪ Chambers ▪ Business forums 5. Development Finance Institutions.	On -going process with Quarterly reports and annual completion reports.	▪ Budget ▪ Investment profile/brochure and website. ▪ Trade Investment action plan. ▪ Trade and investment fairs sponsored by the DTI.
SMME support	▪ SMME database ▪ Localisation of procurement- public and private.	1. Municipality ▪ Management ▪ LED unit	5 Years with Quarterly reports and annual	▪ Shared Facilities ▪ Funding

DRAFT

	▪ Enterprise infrastructure ▪ Enterprise capacitation. ▪ Enterprise support.	2. Agencies ▪ NCEDA ▪ NCTA ▪ SEDA 3. Departments ▪ National departments- DTI, DSBD, COGTHA ▪ Provincial Sector departments 4. Private sector ▪ Chambers ▪ Business forums Development Finance Institutions	completion reports.	▪ Business Plans for external funding.
Mobilise resources for LED enablement.	▪ SLP ▪ SED ▪ ED ▪ Knowledge partners ▪ CSIR ▪ Donor funding ▪ National government grants and incentives.	▪ IPP's ▪ Mines ▪ Universities ▪ National departments	5 Years with Quarterly reports and annual completion reports.	▪ LED Strategy ▪ Credible IDP ▪ Capacitated officials ▪ Prepare funding applications and proposals.
Red Tape Reduction	▪ Municipal Red Tape ▪ Enterprise Development Red tape	▪ Municipality ▪ Treasury ▪ DFI's ▪ Agencies	5 Years with Quarterly reports and annual completion reports.	▪ Red Tape Reduction strategy. ▪ Investor facilitation and support ▪ Institutional recommend ation report of red tape.

7.3 Project Prioritization

The purpose of the following sub-section is to prioritize the projects identified above. The process followed to prioritize the projects is described in the following sub-sections. The projects listed above are assessed as part of this section.

The assessment of the identified projects for the Richtersveld Municipality is important in the selection process of strategic projects. A prioritization model was implemented to assist in the assessment of the identified projects. The model utilizes four criteria with a number of variables for each criteria to

assess the overall impact of the project on the economy. The criteria used for the assessment of the projects are:

1. Strategic importance

The strategic importance criterion is based on the potential impact of the project on the local economy. This criterion considers factors such as the scale of the project, the chances of being duplicated elsewhere and the effect the project will have on the comparative advantage on the local economy as a whole.

2. Economic Impact

The economic impact criterion refers to the sum of the projects influence on the local economy. The different impacts taken into account are as follows:

- Increased/additional levy income
- New business sales
- Potential agglomeration effects and advantages
- Foreign direct investment

3. Feasibility of the Project

The implementation of a project is dependent on the financial feasibility of the project, and it is important to include financial feasibility indicators in the assessment of the project. Aspects to be taking into account are:

- Existing research on the project topic
- Availability of resources, skills and technology

4. SMME Development & Skills Development

This criterion is based on aspects such as providing support and training to small, medium and micro enterprises; and supporting companies that actively promote development and skills transfer to their employees.

DRAFT

Table 23 illustrates the prioritisation model utilised for the assessment of each of the identified projects.

Table 23: Prioritization Model

Project Name				
1. STRATEGIC IMPORTANCE OF THE PROJECTS				
Overall Weighting: 30	**Extent**			
	Weight	**None**	**Some**	**Exceptional**
1. Strengthen sectoral competitive advantage	40			
2. Strengthen linkages with other sectors	35			
3. Alignment with other initiatives	25			
Sub Total	100	0	0	0

				0.00
2. ECONOMIC IMPACT OF THE PROJECT				
Overall Weighting: 30	**Extent**			
	Weight	**None**	**Some**	**Exceptional**
1. Potential of Job Creation	45			
2. Long term sustainability	30			
3. Income stimulation	25			
Sub Total	100	0	0	0
				0.00
3. FEASIBILITY OF THE PROJECT				
Overall Weighting: 20	**Extent**			
	Weight	**None**	**Some**	**Exceptional**
1. Risk level	20			
2. Capital requirements	20			
3. Level of competition	15			
4. Barriers to enter	10			
5. Demand for Product & Services	35			
Sub Total	100	0	0	0
				0.00
4. SMME DEVELOPMENT & SKILLS DEVELOPMENT				
Overall Weighting: 20	**Extent**			
	Weight	**None**	**Some**	**Exceptional**
1. Create opportunities for new business development	55			
2. Assist in skills development/capacity building	45	0	0	0
Sub Total	100			
				0.00

7.4 Conclusion

The prioritisation model is based on allocating a weight to each of the four criteria in order to establish the importance of each criterion in the assessment of the projects. The different variables identified within each criterion are also weighted. Points are then allocated to each criterion in order to determine the final score of the project.

Chapter 8: Monitoring and Evaluation

8.1 Introduction

DRAFT

Monitoring and Evaluation (M&E) is commonly seen as one concept, but in actual fact Monitoring and Evaluation are two different organisational activities which are related to one another, but not identical. Monitoring refers to the continuous assessment of a project implementation. The main aim is to improve the efficiency and effectiveness of the project. Monitoring is based on set targets which are determined in the planning phases of the project. Evaluation is the comparison of the actual impacts of the project against the agreed targets (objectives). Evaluation can be formative (during the life of the project with the intention of improvement) or summative (learning from a completed project or project that is no longer functioning).

From the above one can conclude that Monitoring and Evaluation aims to improve the efficiency and effectiveness of projects/policies mainly through the evaluation of expected and actual impacts.

A good monitoring and evaluation design include the following main components:

- Identification of Strategic Drivers
- Proxies to indirectly measure economic impact
- Compile a development index for each Thrust
- Establishment of a monitoring and evaluation matrix
- M&E must feedback into decision making

The monitoring and evaluation of the LED Strategy would also include the updating of the LED document, specifically the Data Profile of the LED Strategy. The socio-economic characteristic of the Richtersveld Local Municipality provides for specific interventions and/or programmes which need to be implemented and therefore if the data is out dated it would provide constraints with regards to decision making within the Richtersveld Municipality.

A monitoring and evaluation plan are mainly implemented to review progress, identify problems in planning and to make adjustments to the current situation. This good monitoring and evaluation plan could result in better decision making, since risks and challenges will be identified in the early stage of implementation.

Table 24 lists various reasons, according to the World Bank, for implementing a monitoring and evaluation plan.

Table 24: Reason to use monitoring and evaluation

Track progress	Better allocate resources	Improve service delivery
Improve management	Increase accountability	Improve quality
Inform decision-making	Design better strategies	Facilitate benchmarking
Track flows of funds	Provide answers	Identify side-effects
Demonstrate results	Draw lessons	Compare different groups
Clarify objectives	Identify leakages	Empower poor people
Identify problems	Take corrective action	Learn from experience

Source: World Bank: Monitoring and Evaluation, 2004

Key benefits of implementing a good monitoring and evaluation plan are as follows:

- Improve Management of Projects
- Method of reporting on internal and external progress of projects
- Compare actual impact with intended impacts (provide adjustment where necessary)

Monitoring and evaluation need to takes place twofold. On the one hand projects need to monitored and evaluated and on the other the institutional capacity needs to be monitored and evaluated. The M&E Framework presented within the LED Strategy is done as follows:

1. Monitoring Framework for projects and institutional capacity

a. Monitor if projects are meeting targets within the desired timeframe and budget

b. Monitor if the LED Institutional Capacity is effective in terms of implementing the LED Strategy

2. Evaluation Framework for projects and Institutional Capacity

a. Evaluate whether the implementation of the LED Strategy is leading to positive or negative impacts of identified indicators linked to the drivers of the LED Strategy

The following provides an example of an M&E Framework for the Richtersveld Municipal LED Strategy.

Table 25: Monitoring Framework (Example)

Deliverable	Targets	Implementation						
		Within Timeframe	Within Budget					Implications
		Yes	No	Reasons	Target Budget Implications Spent	Actual Budget Spent	Reasons	
Obtain support for contents of this document	Final LED Strategy approved by Council							
Optimise current staff capacity	Appointment of LED Coordinator, SMME Officer and SLP Officer							

8.2 Conclusion

Local Economic Development is a Key performance area in the IDP which therefore suggests that the monitoring and evaluation of projects is aligned to the Service Delivery Budget Implementation Plan (SDBIP).

Monitoring and Evaluation must be done in accordance with baseline criteria which represent the minimum criteria that must be met in order for KPI Targets to be set and reached successfully each year.

DRAFT

REFERENCES

- *ACDP Calls for Wind, Solar Investment*. 27 May 2011. Online: http://www.news24.com/SciTech/News/ACDP-calls-for-wind-solar-investment-20110527.
- *Africa Cellular Towers*. 2011. Online: http://www.africacellular.co.za/Content/Products/CellularTowers.html.
- Ashley, C. & Haysom, G. 2006. *Strategies and Challenges in Integrating Pro-Poor Approaches into Tourism Business*.
- *Boom Times Coming for Rough Diamonds*. 26 May 2011. Online: http://www.miningmx.com/news/diamonds/boom-times-coming-for-rough-diamonds.htm.
- CDS. 2007. *Arid Areas Report*.
- Chamber of Mines. 2011. *Mining Community Development News*.
- CWCI. 2006. *Findings on Urban and Rural Pro-Poor LED in South Africa*.
- De Beers. *Sustainability Initiatives in Namaqualand*.
- De Beers. 2009. *Report to Society*.
- Department of Minerals and Energy. 2011. *Draft Beneficiation Strategy*.
- Department of Public Works. 2010. *Expanded Public Works Programme*.
- Department of Science & Technology. *Technology for Sustainable Livelihoods*.
- Holm, D. & Agert, C. 2002. *Job Creation Potential of Renewable Energies in South Africa*. ESI Africa, Issue 3.
- Human Sciences Research Council. 2004. *Rural Development: The Provision of Basic Infrastructure Services*.
- Huyssteen, E., Oranje, M. & Meiklejohn, C. 2010. *An Appreciative and (More) Nuanced Reading of Rural Settlements in South Africa: A Key to Unlocking the Nation's Rural Development Challenge?*
- International Conference on Energy Sustainability. 2010. *Learnable Lessons on Sustainability From the Provision of Electricity in South Africa*.
- IUCN. 2003. *Extractive Industries in Arid and Semi-Arid Zones*.
- Mining Magazine. 2010. *An In-depth Discussion of Mining Issues in South Africa*.
- Nama Khoi Local Municipality. *Local Economic Development Strategy*.
- Nama Khoi Local Municipality. 2008. *Biodiversity Sector Plan*.
- Nama Khoi Local Municipality. 2010. *Integrated Development Plan*.
- Nama Khoi Local Municipality. 2010 – 2011. *Annual Report*.
- Namakwa District Municipality. 2006 – 2011. *Integrated Development Plan*.
- Namakwa District Municipality. 2008. *Biodiversity Sector Plan*.
- Namakwa District Municipality. 2009. *Local Economic Development Strategy*.
- Northern Cape Provincial Government. *Spatial Development Strategy*.
- Northern Cape Provincial Government. *Agriculture & Agro-Processing Sector Development Strategy*.
- Northern Cape Provincial Government. *Mining and Mineral Sector Strategy*.
- Northern Cape Provincial Government. *Manufacturing Strategy*.
- Northern Cape Provincial Government. 2005. *Growth and Development Strategy*.
- Northern Cape Provincial Government. 2005. *White Paper on the Development and Promotion of Tourism in the Northern Cape*.
- Northern Cape Provincial Government. 2009. *Local Economic Development Strategy*.
- Northern Cape Provincial Government. 2010. *LED Framework*.
- *Proposed Construction of a Concentrating Solar Power (CSP) Plant and Related Infrastructure: Northern Cape Province*. 2006. EIA Scoping Phase.
- Odendaal, F. *Incremental Value of Poverty Alleviation Funding for Sustainable Development – A Case Study From Namaqualand, South Africa*. Eco-Africa.
- *Quantec Data*. 2011. Online: www.quantec.co.za.
- Republic of South Africa. 1995. *National Strategy for the Development and Promotion of Small Businesses*

DRAFT

in South Africa.
- Republic of South Africa. 1996. *The Constitution*.
- Republic of South Africa. 1998. *Municipal Structures Act*.
- Republic of South Africa. 1998. *The White Paper on Local Government*.
- Republic of South Africa. 2000. *Integrated Sustainable Rural Development Strategy*.
- Republic of South Africa. 2000. *The Municipal Systems Act*.
- Republic of South Africa. 2003. *Municipal Finance Management Act*.
- Republic of South Africa. 2004. *The Broad-Based Black Economic Empowerment Act*.
- Republic of South Africa. 2006. *Accelerated and Shared Growth Initiative for South Africa*.
- Republic of South Africa. 2006. *Joint Initiative on Priority Skills Acquisition*.
- Republic of South Africa. 2006. *National Spatial Development Perspective*.
- Republic of South Africa. 2006. *Regional Industrial Development Strategy*.
- Republic of South Africa. 2006 – 2011. *The National Local Economic Development Framework*.
- Republic of South Africa. 2007. *National Industrial Policy Framework*.
- Republic of South Africa. 2008 – 2010. *Tourism Growth Strategy*.
- Republic of South Africa. 2009. *Comprehensive Rural Development Programme Framework*.
- Republic of South Africa. 2009. *Local Government Turnaround Strategy*.
- Republic of South Africa. 2009. *South African Mining Industry Snapshot*.
- Republic of South Africa. 2010. *New Economic Growth Path Plan*.
- *South Africa Finally Sets Renewables Bidding Process in Motion*. 31 July 2011. Online: http://www.engineeringnews.co.za/article/sa-finally-sets-renewables-bidding-process-in-motion-2011-07-31.
- The Development Bank of South Africa. 2007. *A Revitalisation Strategy for Dying Mining Towns*.
- TPE Energy Development Pty Ltd. 2007. *Namakwa Wind Energy Program*.
- Trans Hex. 2010. *Social and Labour Plan*.
- UNDP. 2005. *Sustainable Management of Arid and Semi-arid Ecosystems to Combat Desertification*.
- Working For Water. 2010. *Feasibility and Benefits of Veld Rehabilitation Following Control of Invasive Prosopis in the Calvinia Area*.

DRAFT

Annexure A: Policy Review

The following list of policies were reviewed.

National Policies:

- ✓ The Constitution (RSA 1996)
- ✓ The White Paper on Local Government (1998)
- ✓ National Spatial Development Perspective (NSDP 2006)
- ✓ The Municipal Systems Act (2000) and Municipal Structures Act (1998)
- ✓ Local Government: Municipal Finance Management Act (MFMA 2003)
- ✓ Joint Initiative on Priority Skills Acquisition (JIPSA 2006)
- ✓ The Broad-Based Black Economic Empowerment Act (2004)
- ✓ The National Local Economic Development Framework (2006 – 2011)
- ✓ Integrated Sustainable Rural Development Strategy (2000)
- ✓ National Industrial Policy Framework (NIPF 2007)
- ✓ Regional Industrial Development Strategy (RIDS 2006)
- ✓ National Strategy for the Development and Promotion of Small Businesses in South Africa (1995)
- ✓ Tourism Growth Strategy (TGS 2008 - 2010)
- ✓ Local Government Turnaround Strategy (LGTAS 2009)
- ✓ Comprehensive Rural Development Programme Framework (2009)
- ✓ New Economic Growth Path Plan (2010)

Provincial Policies:

- ✓ Northern Cape Provincial Growth and Development Strategy (NCPGDS 2005)
- ✓ Northern Cape Provincial Spatial Development Strategy (NCSDS)
- ✓ Northern Cape Local Economic Development Strategy (NC LED 2009)
- ✓ The Northern Cape Municipal LED Framework (2010)
- ✓ Northern Cape Agriculture & Agro-Processing Sector Development Strategy
- ✓ Northern Cape Mining and Mineral Sector Strategy
- ✓ Northern Cape Manufacturing Strategy
- ✓ White Paper on the Development and Promotion of Tourism in the Northern Cape (2005)

District Policies:

- ✓ Namakwa District Municipality Integrated Development Plan (IDP 2006 – 2011)
- ✓ Namakwa District Municipality Local Economic Development Strategy (LED 2009)
- ✓ Namakwa District Biodiversity Sector Plan (2008)

Local Policies:

- ✓ Richtersveld Local Municipality Integrated Development Plan 2010
- ✓ Richtersveld Local Municipality Rural Spatial Development Framework 2010

DRAFT

Annexure B: Strategy Implementation

1. Introduction

The purpose of Annexure B is to provide guidelines for the preparation and implementation of the LED strategy and projects. It will serve as an LED manual for the Siyanda District Municipal LED unit after the completion of the LED strategy.

2. Implementation Guidelines

In this section, general step-by-step implementation guidelines are provided. The guidelines describe the process to follow toward project implementation from start to completion. Steps covered include but are not limited to the following:

Table 2: Implementation guidelines

Step	Activity
Step 1:	▪ **IDP Integration and LED Prioritisation**
Step2:	▪ **Identification of Location**
Step 3:	▪ **Pre-Feasibility and Detailed Feasibility Studies**
Step 4:	▪ **Partnership Identification and Project Matchmaking**
Step 5:	▪ **Development of a Business Plan**
Step 6:	▪ **Municipal Budgeting and Funding**
Step 7:	▪ **Enabling Environment and Labour Market**
Step 8:	▪ **Project Handover and Mentoring**

3. Conclusion

Based on interviews held with the district the following was indicated ad factors leading to successful implementation of projects:

1. Good planning
2. Clear systems of procedures for business plan approvals
3. The LED Unit supports the LED Projects due to their involvement during the project planning processes
4. Clear roles and responsibilities are outlined throughout project implementation
5. Excellent Performance Management Systems in place in order to track implementation in terms of deliverables, quantities, duration and budget spending
6. Commitment from stakeholders including political support for projects
7. Good communication between stakeholders as well as between government departments

The following was indicated ad factors leading to failure of implementation of projects:

1. Staff Capacity
2. Budget constraints
3. All role-players and stakeholders not supporting the projects including political support
4. Procurement takes too long as well as other red tape delaying project implementation

5. Change in strategic direction of LED Projects
6. Lack of proper planning
7. Lack of administrative leadership
8. Not having the right stakeholders involved in projects

The following resources are listed as important resources regarding project implementation:

1. Skilled Staff
2. Financial resources
3. Strategic Partners
4. Realistic business and implementation plan
5. Accredited Training in LED
6. Good Intergovernmental Relations to promote coordination

The above section provides an overview of general project implementation guidelines. It is important to note that the implementation of the LED Strategy is not only based on the implementation of the identified projects, but also to ensuring that the "ground work" is in place such as to ensure that the institutional arrangements are geared for project implementation as well as having proper monitoring and evaluation systems in place to ensure that each project is stream
lined and implemented in the most effective way.

DRAFT