

INTEGRATED ECONOMIC GROWTH STRATEGY: A RISK-ALIGNED ECONOMIC RECOVERY PLAN

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1. INTRODUCTION

The onset of COVID-19 in South Africa emphasized the need for the George Municipality to focus on how to build a resilient enabling environment that will enable the communities we serve to develop mechanisms on how best to deal with catastrophic social and economic shocks.

The initial response to the fallout from the pandemic was slow for several reasons:

- the early focus was correctly on the health aspects, and the economic and social responses lagged initially;
- the impact of job losses was grossly underestimated (latest assessments are that after the current lockdown we are looking at over 50% unemployment); and
- the reticence of government (at all spheres) to collaborate in the early stages.

During the past year, the Municipality has been involved in several interventions to deal with the immediate effects of the implementation of the lockdown, as well as starting to focus on emerging trends, actions and interventions to respond meaningfully to the respective Alert level risk adjusted approach in terms of opening the economy.

All the growth sectors in the economy have been impacted, especially the tourism and hospitality sector and retail sectors which have been hardest hit by this pandemic, and which will also be the last sectors to recover from this crisis. The impact on the informal sector, spaza shops and SMMEs must still be determined, but will certainly increase the poverty headcounts which was already on 40,5% prior Covid-19, as this is the “bread and butter” for many families.

A survey, undertaken by the George Business Chamber, which was completed by 345 business, indicated that the Covid-19 pandemic has disrupted businesses much more severely than the challenges the municipality has ever seen to date. The pandemic has served to exacerbate the effects of load shedding, drought, fires, crime and a dwindling national economy.

A total of 37,54% (128 respondents) respondents as indicated that they are considering closing their business due to the disruptive factors, whilst 51,32% (175 respondents) indicated that they are considering retrenching staff.

An Economic Cluster has been established with District stakeholders across the sectors to serve as a platform where information is shared, and assistance and guidance provided in terms of government interventions.

As a sub-team from the Economic Cluster, a Business Continuity working group was formed who are focusing on a recovery plan for the District, which will address business

rescue, business support, business resilience etc. This plan will be informed by the Economy Recovery Plan that DEDAT drafted as well as the results of the District survey and other surveys that were done, as well as input from sector experts and other stakeholders such as relevant Government Departments, municipalities, Wesgro, SCEP/WCEDP, Small Business Development fora, Business Chambers etc. This plan is intended to address solutions which will be implemented on a short, medium- and long-term basis, and financial resources from all spheres of government will be needed to make the implementation of this plan a reality.

This report and aligned initiatives is based upon the Garden Route Economic Recovery Plan which was undertaken by the Garden Route Development Partnership (GRDP) and amended accordingly.

2. FUTURE TRENDS

Emanating from international research, the following trends have been identified for businesses and society for the foreseeable future. These trends will influence the way people work, investment decisions are being made, and the way government interacts with its clients as follows:

- a) Increase in work-from-home options. The sudden lockdown forced business and government to investment in technological and human resources quicker than expected and businesses will want to capitalize on this investment – particularly those who are struggling to meet financial demand – and will want their business partners to reciprocate. Working from a place of residence may require land use and building control approvals and municipal guidance will be available for these businesses.
- b) With the viral nature of COVID-19, consumers and organizations are becoming much more careful about the people and products they interact with. Both people and organizations will expect formal proof of hygiene and current health status.
- c) There has been an increase in anxiousness/loneliness and depression which may impact on work performance and inter-personal relations. Rising tension and conflicts at all levels can be expected.
- d) The increase in technology and voluntary social isolation will increase the need for online social games and tools which offers opportunities for entrepreneurs.
- e) Travel and tourism have seen the biggest impact as an industry. However local tourism will flourish as traveling abroad might be only worth the effort for longer extensive holidays, taking a period of quarantine into account. There is now greater potential to combine travel with remote work. The rural and remote will become luxury escapes. Alert Level one has ushered in the resuscitation of this sector in our area.

- f) The unprecedented levels of global unemployment will require many to rethink their career, as switching to another struggling competitor in the same industry is not an option. Remote reskilling and training will increase and many might switch to an entrepreneurial side business to boost their family budget. The latter will require the municipality to increase SMME assistance.
- g) More specialized delivery solutions are expected (e.g., drop off points for frozen/cooled food) and more advanced supply chain optimizations. (E.g., multiple shops bundling deliveries to the same household or street).
- h) There will be continued limited contact with others and until a vaccine is available, interaction with particularly vulnerable, high-risk individuals will be a concern. People will need to rethink work and social gatherings. Normal day-to-day activities will need to be redesigned to continue limiting physical interaction.

3. SOCIO-ECONOMIC IMPACT OF COVID-19 ON THE SOCIETY

What we know for sure is that COVID-19 has had a far more devastating impact on our society than anticipated. We know that poverty will rise, unemployment will increase, the gender inequality gap will widen, crime will increase, businesses will close down, the pressures on government to bail out society will increase and ultimately the gap between the rich and poor will widen significantly.

As local government we will have to be mindful that in most cases we remain the first respondent to respond to our citizens' need irrespective of our legislative mandate. This response action plan will indicate what measures the Municipality has put in place to ensure that effective and efficient service delivery happens.

4. ECONOMIC IMPACT OF COVID-19

The summary below provides a snapshot of the national, provincial and local economic impact of COVID-19.

4.1 South African economic impact

The COVID-19 pandemic has had a devastating impact on global, national, provincial and local economies, marked by significant losses in income and jobs due to lockdown regulations since March last year.

South Africa's economy has been in the longest downward cycle since World War 2 having contracted four consecutive quarters since early 2019. The unemployment rate is expected to rise above 50% and around 54% of households have already been pushed out of formal jobs and are now at risk of falling into poverty.

According to StatsSA approximately 49.2 % of the adult population were living below the upper –bound poverty in 2014/2015. This figure will increase because of the impact COVID-19 has had on economy.

4.2. Western Cape Economy

The Western Cape has the third biggest economy contributing 14% to the national Gross Domestic Product (Statssa, Gross Domestic Product, Q4, 2019). A recent article published by the Daily Maverick reported that to date the Western Cape Economy has lost over 320 000 in the hospitality sector alone with further significant job losses in the construction and informal sectors respectively. Whilst certain economic sectors continue to shed jobs and loss of revenue the Western Cape Government has vowed to combat the second pandemic i.e. high levels of unemployment with the launch of their 100 day implementation plan that will focus on growing the economy, jobs, safety and dignity.

5. PARTICIPATING PARTNERS AND STAKEHOLDERS

The following parties are recognised for their participation in the development of this plan:

- a) District Municipality, Garden Route DM
- b) South Cape Economic Partnership (SCEP) /Garden Route Development Partnership (GRDP)
- c) All B-municipalities (Hessequa, Mossel Bay, Bitou, Knysna, George, Oudtshoorn and Kannaland)
- d) Department of Economic Development and Tourism.
- e) Wesgro
- f) Department of Agriculture and Rural Development (Western Cape)
- g) Department of Environmental Affairs, Forestry and Fisheries (Western Cape)
- h) Department of Employment and Labour (Garden Route)
- i) Seda/Sefa (Garden Route)
- j) AHI Western Cape
- k) Small Business Development Forum
- l) Business Chambers (George, Mossel Bay, Still Bay, Bitou, Knysna and Oudtshoorn)
- m) Local Tourism Offices
- n) SATSA (Garden Route)
- o) Sector experts e. g. South African Boat Builders Export Council (SABBEX)/ South Africa Furniture Initiative (SAFI).
- p) Garden Route Film Office
- q) Kunste Onbeperk (KKNK)
- r) PUM (Netherlands)

6. GARDEN ROUTE MODELLING SCENARIO

As an onset the facilitators undertook an abbreviated SWOT analysis of the whole District to ascertain the challenges, along with the opportunities available. These were as follows:

6.1. Concerns

Factors negatively influencing the projects and sectors within the Garden Route are including, but not limited to the following factors:

- a) Recent droughts a part of our region experienced / still experience leading to water stressed municipalities;
- b) The recent fires and the rebuild thereafter;
- c) Load shedding;
- d) The national economic situation and the downgrade to junk status - The South African economy is expected to contract sharply. The Reserve Bank estimates that a contraction of 6.1% is likely, the IMF -5.8% and Moody's -2.5%. Business for South Africa projects the economy could contract by a whopping 10%;
- e) Local government policies on procurement and SCM;
- f) The low oil prices;
- g) The ever-worsening exchange rates with the major currencies;
- h) Some less-functional municipalities and changing of the guard (both political and administrative) at other municipalities ;
- i) COVID-19 and its immediate and future impact on the economy and sociologically;
- j) Economy relies heavily on retail and services sector that is hard hit by the lock down;
- k) Vandalism and the increase in crime during lock-down period due to poverty and joblessness;
- l) Failure of national government to use local producers and suppliers for Covid aid, such as food parcels;
- m) Poorest of the poor that struggle the most due to the shortage of basic goods such as food;
- n) Lock down restrictions in source markets and on SA allowed registers;
- o) Air access – no matter what campaigns are in place we are all limited by this;
- p) Costs of flights;
- q) “New” airline travel health & safety restrictions – will passengers feel safe?;
- r) Visa regimes need to be changed by governments;
- s) Extended Lock down restrictions in local provinces;
- t) Costs of domestic flights;
- u) Kulula, SAA and SA Express all under business rescue thus minimising options for travellers; and
- v) Limited leave days and shorter school holidays in 2020 / 21.

6.2. Positives

- a. The following potential opportunities were identified:
- a) Regional resilience to handle disasters;
 - b) Strong leadership at District Municipal level and some local municipalities;
 - c) Rates and services holidays put in place by some local municipalities;
 - d) Effective provision of basic services by local municipalities;
 - e) Garden Route is seen as an investment-friendly area;
 - f) Garden Route will remain a popular tourist destination;
 - g) Innovation and forward-thinking municipalities;
 - h) Systems and structures in place for inter-governmental and business collaboration;
 - i) Pro-active approach to the disasters with an operational and well-managed JOC;
 - j) The previous high dependence on tourism has been experienced during the downturns of 2008 and 2014 as unreliable, hence there is increased attempts to diversify local economies;
 - k) The ability to capture swallows and other foreign nationals who wish to “migrate” during Covid;
 - l) Capturing South Africans who traditionally travelled internationally and encouraging them to explore the domestic/ local market;
 - m) An unplanned benefit of the rise of the coastal towns and the retirement industry is the skills and experience gained in the form of knowledgeable people that arrive in the region. The large numbers of highly skilled and highly trained people represent a resource from which the region should benefit much more;
 - n) Although construction work is cyclical and not always desired as a sustainable means of job creation, it has over the past decade been a major source of income to large numbers of workers in the region; and
 - o) Recently updated Garden Route Growth and Development Strategy will guide the way forward and has been adapted to include the COVID-19 risks

7. ECONOMIC RECOVERY PLAN FRAMEWORK

7.1 Base documents

The Economic Recovery Plan does not stand alone and nor does it replace any other document. It should guide and be guided by a collection of strategies and documents already in place and in progress. The Recovery Plan should be read with the Garden Route Growth and Development Strategy and the George Integrated Economic Development Strategy¹. Other source documents are:

- a) The South African Economic Reconstruction and Recovery Plan;

¹ This strategy will commence in July 2021 and the first report to Council will be in early 2022.

- b) Garden Route Growth and Development Draft Strategy;
- c) Western Cape Business and Economic recovery plan together with all the sub strategies adopted;
- d) Garden Route Business Continuity Strategy Draft Document (Revision 4 – June 2020) – as collated by the GR Business Continuity Workstream;
- e) The SDF, IDP and LED plans;
- f) GRDM Tourism Strategy and WCG Tourism Master Plan;
- g) Garden Route Agricultural Master Plan;
- h) George Investment Prospectus;
- i) GR District Draft Green Energy Master Plan; and
- j) All other relevant plans not mentioned

7.2 Garden Route Growth and Development Strategy Priority Areas as the Basis for The Recovery Plan

Given the absence of an Integrated Economic Development Strategy² for the municipality, the Garden Route Growth and Development Strategy (GRGDS) has been used a basis for this recovery plan. The GRGDS provides a framework for growth and development planning in the Garden Route District for 2019-2039. It applies a coherent, risk-driven approach to growth and development planning.

Over the coming decades, this risk-driven strategy will enable the cohesion necessary to navigate the challenges and changes that the Garden Route and its residents and visitors will face. Organising collaboration around shared risks will help to identify areas of collaboration, while allowing for the distinct development of each of the local municipalities in the region, without collapsing any of the differences and unique strengths that characterise these areas.

The structure of the DRGDS is shaped by regional priorities. These priorities are relevant to George Municipality and are the thematic focus areas listed below:

a) A water secure future







b) A circular economy



c) Resilient agriculture



² The existing LED strategy emanates from 2012 and thus it is not appropriate as a basis for the COVID recovery plan.

- d) Sustainable tourism 
- e) Supporting wellbeing and resilience 
- f) A connected economy: transport and rural-urban integration 
- g) Sustainable Energy Transition 

These priorities have been identified based on a long-term vision for the Garden Route, as well as on the existing work, strengths, and potential of the region as a whole. Each one is also aligned to existing policies and strategies within the Garden Route and George Municipality.

In addition to these priority focus areas, there are core principles – ways of thinking and working – that cut across each of these areas:

- a) **People-oriented:** people are at the centre of development and growth planning in this strategy, and all actions should be tested against the requirements of inclusivity and generating economic opportunities and employment. Safety and security, and crime prevention for citizens and investors, are also included in this principle. Special focus will be placed on youth, women, persons with disability and rural communities.
- b) **Gender equality and economic inclusion of women, youth and persons with disability:** Interventions must be geared towards promoting greater participation by black people, women, youth and persons with disability at all economic levels, and these groups must be prioritized in accessing funding for initiatives that will drive the recovery and reconstruction effort.
- c) **Valuing cultural and ecological heritage:** this strategy aims to work with, conserve, and celebrate the people, places and natural systems that makes George and the Garden Route unique.
- d) **A collaborative approach:** the process for creating, implementing, maintaining, and adapting this strategy should involve all impacted and interested parties, and draw in the right people and resources relevant to each issue. The approach also implies that partners recognise and appreciate the contribution and assets being brought into the partnerships.

- e) **Innovation and responsiveness:** the strategy recognises that the challenges and uncertainties facing the region will require novel solutions in many forms.
- f) **Sustainability and resilience:** any short-term gains in growth and development will be undermined if the ecological base of the region is eroded, or if the risks from existing ecological destruction and climate change are not managed.
- g) **Good governance:** transparency and accountability are conditions for democracy, as are effective monitoring, learning, and adaptation. Efficient, effective, and integrated management, and good administration and governance, are critical to provide investor certainty and attract investment to the region.
- h) **Working within what is possible:** this strategy recognises and works within current possibilities and constraints to ensure that plans are implementable, and goals are achievable. State-owned assets and regulatory frameworks are critical to local development and growth.
- i) **Managing connectivity and change:** the Covid-19 pandemic has made it clear that the region's interdependence and interconnection with the Western Cape Province, South Africa as a whole, and other countries need to be managed to optimise flows of resources and demand, as well as to ensure local resilience. Tracking changing variables over time is critical to this process.

These principles have been identified as critical to the successful implementation of growth and development activities and will need to be operationalised in the process of implementation of this strategy.

8. THE RECOVERY PLAN: MEASURES TO CURB THE IMPACT ON OUR ECONOMY

Emanating from the stakeholder engagement process various measures which have been widely hailed as necessary to curb the long-term impact of the disease and the inevitable lockdowns. These measures include, among others:

- a) Enhance the resilience and responsiveness of the District and B-municipalities towards local economic recovery and establishment of a Monitoring and Evaluation function;
- b) Facilitating support to business retention, growth, and development;
- c) Re-igniting the tourism and events sector (inclusive of the creative industries);
- d) Protecting and building the rural, township and informal economy;
- e) Creating an extra-ordinary environment for construction, infrastructure, and property development; and
- f) Ensuring a resilient agricultural sector and promoting agri-processing.

Set out below is a narrative providing additional context to the six measures listed above, as well as a matrix per measure indicating interventions, responsibilities, and time frames. Where required these deliverables could be pulled through into other strategies and performance management tools.

8.1 Municipal Resilience and Responsiveness

The George Municipality’s revenue decreased significantly between April and September 2020 (Level 2-5 lockdown) due to non-payment or deferred payments by business and individuals affected. Various processes were instituted to ensure collaboration between the public sector stakeholders, and between public and private sector. Given that many financial measures to assist account holders are not sustainable, partners must individually manage and respond to the challenges, whilst collaboration and partnering become key factors to consider ensuring regional resilience.

Municipalities play a crucial role in the implementation of a recovery plan – in some instances leading the recovery process through their own interventions and initiatives, and in other instances supporting a private sector-driven approach through ensuring an enabling environment. It can never be “business-as-usual” again and partners must adapt and adopt a different and sometimes bold approach in procuring and planning. Municipalities must collectively lobby support from Provincial and National Treasury to implement the “Next Normal” principles.

Intervention	Key stakeholders	Timing
Mandate MMF to act as oversight and steering committee to ensure centralized decision making - monitor and manage financial health of Municipalities where applicable	MMF	3 months
Concentrate on regional hotspots for fund allocation and identify sub-areas where affordability to render services are lacking	MMF	3-12 months
Re-imagine municipal funding model changes to adopt to the “Next normal” and lobby with Treasury	CFO forum, MMF, DCF, Council, Treasury	6-12 months
Workshop and implement the Civic Crowdfunding model. Ensure consistency across the region in terms of rate relief initiatives, although blanket rates write-offs cannot be offered to protect Municipal funds	CFO Forum, MMF, SCEP	3-6 months
ED officials - Investment & Export Promotion Training (Wesgro)	ED and Wesgro	6-12 months
Partnering and collaboration municipal official's capacity building. Ensure all relevant staff are competent in terms of the MMC requirements	MM and Directors	12-18 months

Modelling and predicting regional economic activity in conjunction with private sector and invite economists and financial institutions to assist	Wesgro and DEDAT	6-12 months
Mandate industry-driven, government enabling supported task teams to generate strategic direction for key focus sectors, namely Tourism, Agriculture and Construction	Wesgro and DEDAT	6-12 months
Complete business database per sector	ED	6-12 months
Capacity building of political principals	SALGA	6-12 months
Ensure Shared Services, especially for the smaller/less capacitated municipalities	MMF and GRDM	12-18 months

8.2 Business Retention, Growth and Development

In working towards a more economic resilient economy, the strategy must encourage the proliferation of IPP energy by unlocking general barriers, including advocating for an appropriate energy mix at a national level and driving regulatory and financial model changes towards enabling diversified energy and water sources. Such modeling must include the impact of resilience measures on tariffs and revenue.

The Municipality must explicitly support economic resilience through enabling innovation, technology, and digital adoption. The Garden Route Energy Forum must be supported to investigate and initiate alternative energy and water projects on a regional basis (resilient bulk infrastructure). When appropriate Council will need to consider support for the Garden Route District's initiative to become a Waste, Water and Energy authority to centralise projects and implementation to the best interests of the regional resilience. The Waste2Wings project and other energy projects which are supported should be taken into the Investment Prospectus.

Intervention	Key stakeholders	Timing
Formation and implementation of GR Business Services Centre (One-stop shop). Regional Hotline needs to be operational, aimed at helping businesses access support. Access to stakeholders and funding institutions (similar concept to Invest SA). Provision of Statistics and Easy Support Finder	GRDM, B-munis, Partner with existing private sector driven initiatives (AHI Western Cape / Chamber)/Seda / Sefa / DTI / SARS / DoHA / DoL / IDC / Business Partners, Wesgro	6-24 months
Establish Satellite Business Support at ED offices to assist SMMEs	Director: Planning and Development	6-12 months

Establish a Development and Investment Facilitation Desk in the Municipality	MM, Director: Planning and Development	6-12 months
Garden Route to promote a “Buy Garden Route” Campaign using mainstream and social media	All partners	6-12 months
Creation and establishment of a Garden Route Exporters Club	Business organisations and Chambers	6-12 months
Investigate opportunities to replace imports by promoting manufacturing in Garden Route District	GRDM, B-munis, Partner with existing private sector driven initiatives (AHI Western Cape / Chamber)/Seda / Sefa / DTI / SARS / DoHA / DoL / IDC / Business Partners/Wesgro	12-24 months
Increase connectivity and collaboration in the ICT sector	GRDM, B-munis, private sector driven initiatives / DTI / IDC / Business Partners/Wesgro	12-24 months

8.3 Business Growth and Development

COVID-19 further weakened an already stagnant domestic economy that entered a recession prior to the economic effects of the pandemic. Export growth and domestic growth through crowding out imports are therefore key to economic and employment growth. Supporting growth of the trade account will require us to:

- a) Improve productivity in key tradable sectors;
- b) Deepen existing destination markets;
- c) Stimulate the growth of key sectors; and
- d) Assist firms in increasing product complexity.

Catalytic interventions to ensure that George and the Garden Route is investor friendly will include investment readiness measures and incentivizing opportunities. Councils will need to consider the development and establishment of a Garden Route Development Agency and its relevance in terms of partners such as WCG (JDA), SCEP, Wesgro and the private sector, with a clear mandate to drive investments and export opportunities. Transit-orientated development and significantly upscaling the infrastructure and capacity of the transport hubs, along with increasing rail opportunities, must be driven.

Intervention	Key stakeholders	Timing
Adopt and approve the George Municipal Economic Recovery Strategy as a working document with continuous monitoring and evaluation	D: Planning and Development/ Council	Jul 21
Adopt and approve the George Municipal Integrated Economic Development Strategy as a working document with continuous monitoring and evaluation	D: Planning and Development/ Council	Jun 22
Consider support and participation in the Garden Route Development Agency - funding mobilisation and implementation to include the following: Direct Marketing Organisation (tourism); Foreign Direct Investment and Growth; Investment prospectus; Investment development and promotion; Incentive policies; Investment readiness assessment; Catalytic projects follow up, implementation & After care	MMF / SCEP / Wesgro	24 -48 months – phased approach
Undertake the Readiness checklist for George	ED	6-12 months
Lobby national for prioritisation of international Port-of-Entry status to Mossel Bay Port and George Airport (consideration of an Aerotropolis) and upgrade Plett Airport as a local hub	GRDM / ACSA / TNPA / WCG	12-24 months
Garden Route SEZ application	GRDM, George and Mossel Bay	12-36 months Phased approach

8.4 Business and Stakeholder Eco-system

It has become increasingly important for the government, business and economic community to establish and sustain an eco-system that ensures that roles and responsibilities are effectively distributed in alignment with mandates and functions. This ultimately ensures that implementation of programmes takes place as and how it should and subsequently attains the desired outcomes and objectives. The Economy cluster has acted as an information sharing platform with representations from all stakeholders, local and provincial government, and private sector.

Intervention	Key stakeholders	Timing
Formalise Business / Municipal Advisory Partnership with joint communication (extend mandate of the GR Business and Economic Cluster and Business Continuity workstream into the Advisory Partnership concept)	DCF and Business Chambers / Forums / Industry bodies	3 – 6 months

Create a regional business council representing all Business Chambers and Forums in the region to ensure an inclusive business environment	Business Chambers and forums	3 – 6 months
Broaden support through the established Clusters, Chambers and Forums in the applicable sectors to member and non-member firms in all industries	Business Chambers / Forums / Industry bodies	3-12 months
Establish sectoral industry bodies where there is no representation locally, and harness the current and active bodies as part of the Advisory Partnerships	Business Chambers / Forums / Industry bodies	3-12 months
Promote and expand the Business Chamber Support Programme	DEDAT / GRDM / Business Chambers	3-6 months
Finalise MoU with Innovation Norway and other agencies / countries to enhance international investment opportunities	GRDM / Innovation Norway / other agencies	November 2020 for Innovation Norway. 3-6 months for other relevant agencies

8.5 Re-Starting the Tourism and Creative Industries Sectors

The tourism sector suffered severely with Covid-19 and this resulted in significant jobs losses. Year-on-year the sector operating at 1% as the sector all but shutdown due to travel bans, closure of hospitality and accommodation facilities, the cancellation of events and gatherings and the general public concern related to the pandemic. Consumers will remain concerned for their safety when travel bans are lifted and there will be additional costs and protocols to be followed.

Going forward it will be important that the industry consolidate and products, routes and LTOs play to their strengths. Brand alignment and promotional campaigns (particularly online) will need to encourage safe travel to the region. A lack of buy-in from stakeholders and role players will result in brand dilution and non-uniformity, emitting a confused message to the consumer.

Intervention	Key stakeholders	Timing
Establish an industry driven / government supported task team	RTO, LTO, SATSA, SCEPT, Wesgro, DEDAT	3 months
Review the WC Tourism Act and Tourism Master Plan to enable the redefining of the role of the RTO's and LTO's to ensure relevance and avoid duplication (Roles and responsibilities)	DEDAT / GRDM	6-12 months

Consider the establishment of a George Local Tourism Organisation	MM/ Council	6-12 months
Ensure synergy between George, Wesgro and Provincial Tourism	ED / Wesgro / DEDAT	Ongoing
Investigate and Support the Garden Route DMO	GRDM / Task Team / SATSA /LTO's	6-24 months Phased approach
Support tourism industry access national support and improve international status	GRDM / Industry	6-24 months
Run a re-introduction campaign of George to the Domestic and International markets as a fresh and clean City that is health, safety and security ready	ED/ Industry	6 months
Re-categorisation of B&Bs and Guest Houses to residential rates, on application to Revenue Management	ED and Finance	9 – 12 months
Provincial and National Treasury requested to consider implications of discounts on municipal leases in popular tourism spaces, for a maximum period of 6 - 12months (provided rental is market related)	CFO/DEDAT/ PT/NT	6-12 months
Review legislative process for Public-owned accommodation bookings to be directed to small businesses like Bed and Breakfasts	CFO/DEDAT/ PT/NT	6-12 months
Partnering in terms of the International/National Tourism Marketing Platforms/exhibitions	ED/Wesgro	6-12 months
Consider the issue of filming permits at reduced amount	ED/CFO	6-12 months
Develop a Film Policy, Framework and aligned Standard Operating Procedures, inclusive of drive-in proposals.	ED	12-18 months
Location promotion and Events and festivals support, promotion, and licensing	Event organisers / ED	Ongoing
Development and marketing of Routes to draw domestic road-trippers to the destination	ED	12 – 18 months

8.6 Protecting and Building the Rural, Township and Informal Economy

8.6.1 Promoting Economic Transformation

SMMEs and informal business were fragile prior to the pandemic. We should not fall into the trap of thinking that lockdown brought about the economic recession. It only helped to quicken/speed up the direction the economy was heading towards. The results of the

lockdown showed the stark schisms in our economy. Those already struggling to access opportunities were hit even harder. The recovery strategy must encourage SMME growth, allow for more business-friendly regulations and collaborate with the private sector to improve business productivity. Municipal activities must become more client-centric and responsive.

Intervention	Key stakeholders	Timing
Setting aside more covid19 Procurement funding support programs for cooperatives and micro enterprises	WCG / CFO / Private Sector / NGO's	6-12 months
Access to procurement opportunities to SMMEs re PPE, sanitisers and detergents	WCG / CFO / Private Sector / NGO's	6-12 months
Develop a database to include informal sector	ED	6-12 months
Facilitate linkages between emerging business and mentors and suppliers	ED	6-12 months
Ensure all house shops applications are expedited	Land Use Management	Ongoing
Ensure all legal informal traders have the required permits	ED	6-12 months
Facilitate emerging businesses to register and comply to access relief and other funds	ED	6-12 months
Consider a 6-month rental holiday for Informal Businesses including Street Traders; Hives/Incubators	CFO/ ED	6-12 months
Intensify moving micro businesses online through "Buy Garden Route"	GRDM / SEDA and others	12-24 months
Creation of jobs through capital projects and intensify EPWP gains	All Directorates	Ongoing

8.6.2 Community economic recovery

Recovery projects will inject cash into local area economies within hotspot areas to provide support to the formal and informal economies, thus providing food relief to vulnerable communities. The cycle

COVID taught the public and private sector that government was not geared to changing processes quickly enough to adequately react to an international disaster. Local businesses and local people were suffering but government was not able to cut through the red tape and bureaucracy to react with sufficient haste. Furthermore, its procurement policies meant that government was often not using its spend to capacitate locally and alleviate the local hardship. For example, food parcels were being procured from big businesses in Pretoria, taking over a month to reach their destinations, when locally there were businesses who would have been able to roll out *en masse* within 48 hours.

Government and community partners have started to collaborate to link food relief to local micro-enterprises and find a way to bring the spaza, corner shops and informal traders into the food supply process. Businesses operating in the less formal sector, which are predominantly undertaken to provide household sustenance) were devastated during the initial lockdown as they were unable to operate and when they could operate, food supplies were obtained from big box retailers as opposed to local micro-entrepreneurs of which 54% are food related.

Significant lessons were made regarding building relationships with community kitchens and local food suppliers; how to support informality; and the implementation of innovative cash transfer mechanisms, i.e., the digital voucher system.

8.7 Creating an Extraordinary Environment for Construction and Infrastructure Development

Infrastructure driven growth will be implemented by protecting and growing the infrastructure asset base through a focus on maintenance and stimulating the economy through the construction and maintenance of dams, roads, education, health, and general building facilities. This focus will catalyse economic productivity and competitiveness, and unlock growth thus benefiting the construction industry and its supply chain.

Intervention	Key stakeholders	Timing
Contractor's development programme to be developed and rolled out	ED/DEDAT/Provincial Treasury/CIDB/Construction Seta	6-36 months
Develop Contractors' Development Policy Framework .	ED/DEDAT	6-36 months
Develop and install electronic land use management application and approval system	Land Use Management	12-24 months
Upgrade electronic building control application and approval system	Building Control	12 months
Expediting Municipal Procurement and turnaround times	CFO	6-12 months
Ensure the Procurement Policy is developmental in approach	CFO	6-12 months
Bid Committees to be held more regularly to expedite tenders being advertised and adjudicated (over MS Teams)	CFO	6 months
Consider implementing a 7-day payment period for small local businesses after submission of invoices and checking	CFO	6 months

SCM to consider establishing rosters for emergency procurement including new SMMEs	CFO	6 months
Accelerating the implementation of government infrastructure projects	All departments	Ongoing
Investigate and consider the establishment of a Central Improvement District for the CBD and Special Rating Areas	ED and CFO	24-36 months
Adopt an Investment Incentive Policy	ED and CFO	12-24 months
Identify Catalytic Projects as part of Investment Prospectus	ED and Planning	12-24 months
Drive Foreign Direct Investment opportunities	Wesgro / ED	6-24 months and ongoing after that
Ensure 2-day turnaround time for investment queries	D: Planning and Development	Ongoing
Planning Dept to consider prioritisation of all development applications which will ignite the economy	ED and Planning	12-24 months
Honour commitments to Service Level Agreements with developers, bulk installations, and infrastructure development	Civil Engineering/ Land Use Management/ CFO	Ongoing
Convene webinar with developers to provide information and support as part of a series of Webinars organized by the Municipality	Wesgro / ED	3-6 months
Identification of Council properties which can be used to ignite economic growth	ED and Planning	12-24 months

8.8 Agriculture and Agri-Processing

The drive for more sustainable agricultural practices, water use and enhancing value-chains in the agricultural sector can be used to progressively revitalise the agricultural economy. Over time, the aim is to make exports both more desirable and valuable, adding to the region's economy. Niche agricultural industries and activities must be encouraged, supported, and marketed globally.

The beneficiation of existing agricultural resources could be a significant value add in the region and must be provided for as a primary right in agricultural zones. Sustainable agricultural practices must promote spatial resilience and climate change mitigation and adaptation through the conservation of natural resources, sustainable resource

management and capitalising on the region's inherent environmental, social, and economic potential.

Intervention	Key stakeholders	Timing
Support Department of Agriculture in the roll-out of relief funding	Dept of Agriculture (DoA) / ED/ Community Services	3-9 months
Food gardens / digital vouchers and food relief NGO's to collaborate and to supply the food banks	ED/Comm Serv/ NGO's / WCEDP / DEDAT	3-9 months and then review need
Regional Produce Market concept to be further investigated and implemented to support the initiatives – implement local industry support (circular economy principles related to GR G&DS)	Garden Route District Municipality and other stakeholders	12-24 months
Continuously implement water resilience opportunities and infrastructure	Civil Engineering	Ongoing
Implement the Agricultural Value Chain project	DoA	12 months
Appoint service provider via District to ascertain the location and frequency of agri-processing units that serves the region and to avoid duplication of efforts	DoA and GRDM	6-12 months
Identify new commodities for potential growth in the Klein Karoo and Garden Route. Promote and create incentives for ease of access – pre-zoned areas and pre-approved EIA's	DoA	6-36 months
Ensure timeous distribution of goods from and to both George Airport and Mossel Bay Port as international cargo areas (Exports and Imports) – part of Garden Route SEZ process	GRDM, DoA, ACSA, TNPA, DEDAT	12-24 months

8.9 Business Process Outsourcing

A proactive approach must be taken to the marketing and promotion of George as an ideal location for BPO Centres. Engage with local landlords, skills developers and IAEP's to establish an environment conducive to BPO operation and compile a marketing document, using Badger Holdings as a case study to showcase George as the perfect alternative to larger cities, and less stable countries, such as India and the Philippines.

Intervention	Key stakeholders	Timing
Establish a comprehensive database of local providers to support the industry	Educational institutions/Skills Forum/Landlords/Fibre Providers/ Business Chambers/Caterers	3-6 months
Lobby Badger Holdings to become a case study and be showcased as a best practice example of what can be achieved in George	Badger Holdings	3-6 months
Include as a key growth sector in all strategies and plans, especially city centre rejuvenation.	Internal/ GRDM	6 – 12 months
Lobby Fibre Companies to expand to labour catchment areas to facilitate work from home	Fibre Providers	9 – 12 Months
Promote skills development in targeted skills such as customer service, foreign languages, etc	Skills Forum/GRDM	12 months
Lobby landlords to prepare buildings for in different stages of readiness, i.e., white box, plug-and-play, shared spaces	Landlords	6-12 Months
Package and actively market George as a BPO Destination	GRDM/Cape BPO/ Wesgro	12 Months
Liaise with Go-George and other transport providers to implement routes to suit the business models	GPTIN	12-18 Months

8.10 Skills Development

The skills strategy must be reoriented to be more demand-led and responsive to the changing nature of work, and to focus on addressing the impact of Covid-19. The priority is increasing the capability of youth by ensuring work readiness, appropriate skills and suitable experiences as demanded by private sector business. The full implementation of the recovery plan will allow for 2500 work placements through internships designed to develop soft skills, technical skills development, and the required experience.

Intervention	Key stakeholders	Timing
Develop skills that can attract investment especially from knowledge-based economy sectors (e.g. BPO)	GRDM, B-munis, Partner with existing private sector driven initiatives (AHI Western Cape / Chamber)/Seda / Sefa / DTI / SARS / DoHA / DoL / IDC / Business Partners, Wesgro	Ongoing

Establish the Garden Route Skills Mecca as the custodian of skills development – establish steering committee and appoint a project manager to ensure implementation	GRDM, B-munis, Partner with existing private sector driven initiatives (AHI Western Cape / Chamber)/Seda / Sefa / DTI / SARS / DoL / IDC / Business Partners, Wesgro	12-24 months
Identify, verify, list and prioritise skills and training opportunities and projects that will have impact	GRDM, B-munis, Partner with existing private sector driven initiatives (AHI Western Cape / Chamber)/Seda / Sefa / DTI / SARS / DoL / IDC / Business Partners, Wesgro	6-24 months
Complete a full database on existing accredited training providers and map them to identify gaps in accessibility and skills shortage areas to avoid duplication of efforts and congestion in certain areas	GRDM, B munis Seda	6-12 months
Liaise and interact with Seta's to maximize regional impact with regards to funds disbursed	GRDM, B munis Seta	6-12 months
Contract private sector to maximize local host employer status in line with Buy Local campaign	GRDM, B-munis, Partner with existing private sector driven initiatives, Business Partners, Wesgro	12-24 months
Re-skilling and training of workforce in partnership with business	GRDM, B munis Seda	6-12 months
A comprehensive skills audit to ascertain the Garden Route's skills requirements and to determine what skills are already available will be undertaken.	GRDM, B munis	6-12 months

9 CONCLUSION

In summary, COVID-19 has had a damaging impact on the municipality's revenue streams and this constraint will remain the order of the day for the next three to five years. For now, municipalities will have to develop meaningful interventions that will have to focus on stimulating the local economy to facilitate job creation, increase household consumption and ensure the promotion of a stable healthy living environment.

To do this, George Municipality will have to focus on **Reigniting the Economy** by focusing on the reigniting the Tourism sector; providing sustainable support to the informal sector; developing an online SMME portal with a one-stop shop and first shop for SMMES to gain access to different business processes and government and other support; using planning and infrastructure tools to ensure spatial transformation; develop tools to optimise resources; and data and knowledge management enhancement. However, the economic response needs to be meet with social, financial and ICT responses as well. The following must be considered to ensure effective and efficient service delivery:

- a) Financial Management: credit control; improved debtors management, revenue enhancement, cost containment and expenditure management;
- b) Social Development to promote an inclusive developmental agenda: focus on Early Childhood Development; enhancing the services of an integrated George Safety and Security Network; ensuring local and sustainable food sources; providing sustainable solutions to ensure the well- being of the Homeless People; and implementing a focused programme to combat the scourge of Gender Based Violence in our communities;
- c) Deploying smart systems to maximise operational efficiency through enhancing our existing ICT platform;
- d) Focusing on enhanced communication systems to ensure that the municipality improves communication with citizens; and
- e) Enhancing performance management systems and research and design capabilities to ensure we are meeting our targets and deadlines.

The long-term societal impacts of Covid-19 will continue to widen inequalities everywhere. The social disruption caused by the pandemic is devastating and millions of people are at risk of falling into extreme poverty, while the number of undernourished or malnourished people is increasing exponentially.

We are amid an historic event that will change many aspects of our world. There will be major impacts on the global economy, geopolitics, and our societies. There will be more pandemics and other national and international disasters. These global impacts and risks are highly interdependent, and all responses and solutions are multi-pronged. But whatever the response and solution local authorities must continue to be people-centric, demanding a whole of society approach to move from a shared agenda to shared solutions.

