

# Good Governance Summit June 2019

ENCOURAGING INVESTMENTS  
WITHOUT FLOUTING  
LEGISLATION

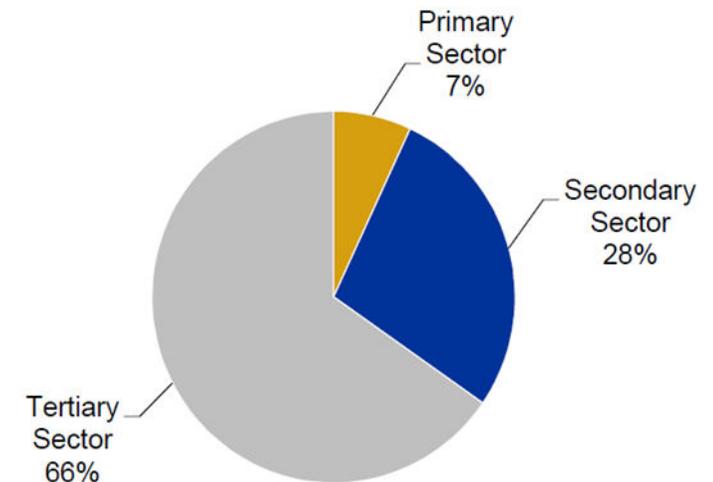
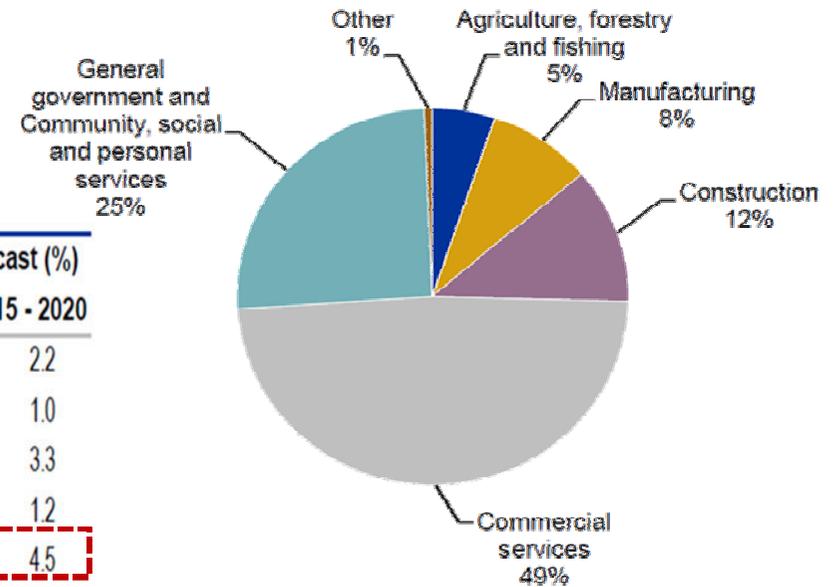
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**South Cape**  
Economic Partnership

# GARDEN ROUTE ECONOMY

Sector	Forecast (%)						Forecast (%)
	2015	2016	2017	2018	2019	2020	2015 - 2020
Agriculture, forestry and fishing	1.8	2.0	2.5	2.3	2.4	2.6	2.2
Mining and quarrying	1.1	0.8	0.8	0.6	1.1	1.4	1.0
Manufacturing	2.1	3.2	3.4	3.5	3.9	3.9	3.3
Electricity, gas and water	-1.3	1.3	1.3	1.4	2.0	2.4	1.2
Construction	3.6	3.0	4.9	5.1	5.0	5.3	4.5
Wholesale and retail trade, catering and accommodation	2.2	2.7	3.6	3.7	4.2	4.3	3.4
Transport, storage and communication	2.9	2.7	4.2	4.4	4.4	4.5	3.8
Finance, insurance, real estate and business services	4.1	3.5	4.4	4.4	4.5	5.0	4.3
Community, social and personal services	1.8	2.2	3.0	3.1	3.0	3.1	2.7
General government	1.2	1.0	1.7	1.6	1.8	1.9	1.5
<b>Total</b>	<b>2.6</b>	<b>2.7</b>	<b>3.6</b>	<b>3.6</b>	<b>3.9</b>	<b>4.1</b>	<b>3.4</b>



# GROWTH SECTORS IN THE GARDEN ROUTE



Tourism &  
Creative industry



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Oil & Gas (green fuels),



Agri-processing



Timber Industry



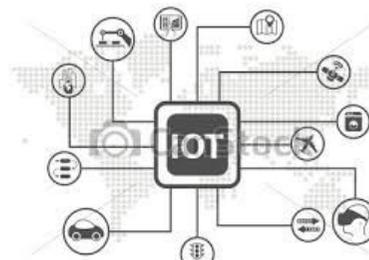
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Waste management  
energy and water.



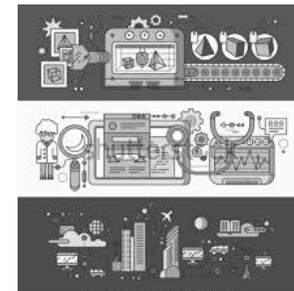
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Integrated  
transport and  
infrastructure



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ICT and Smart Cities

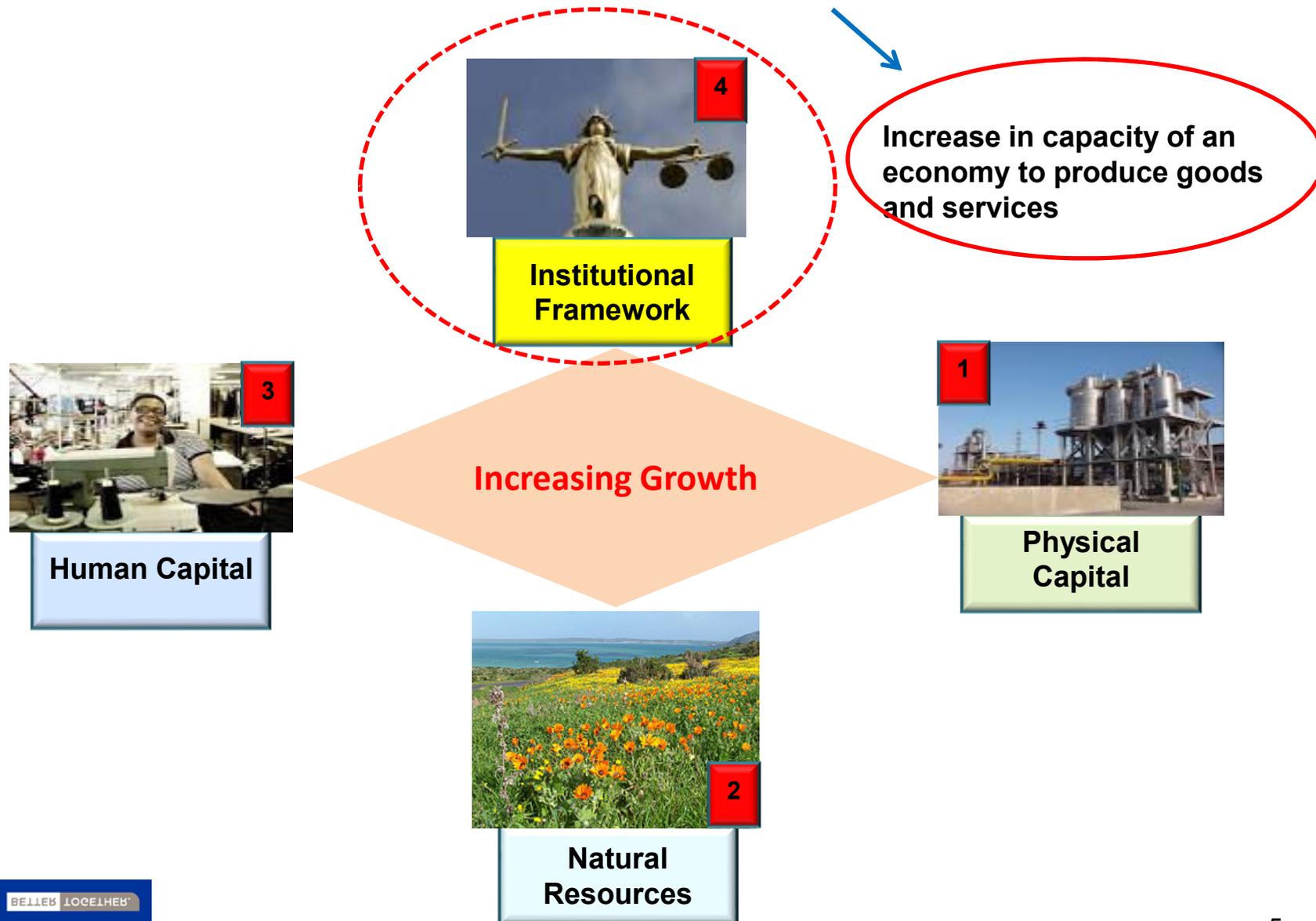


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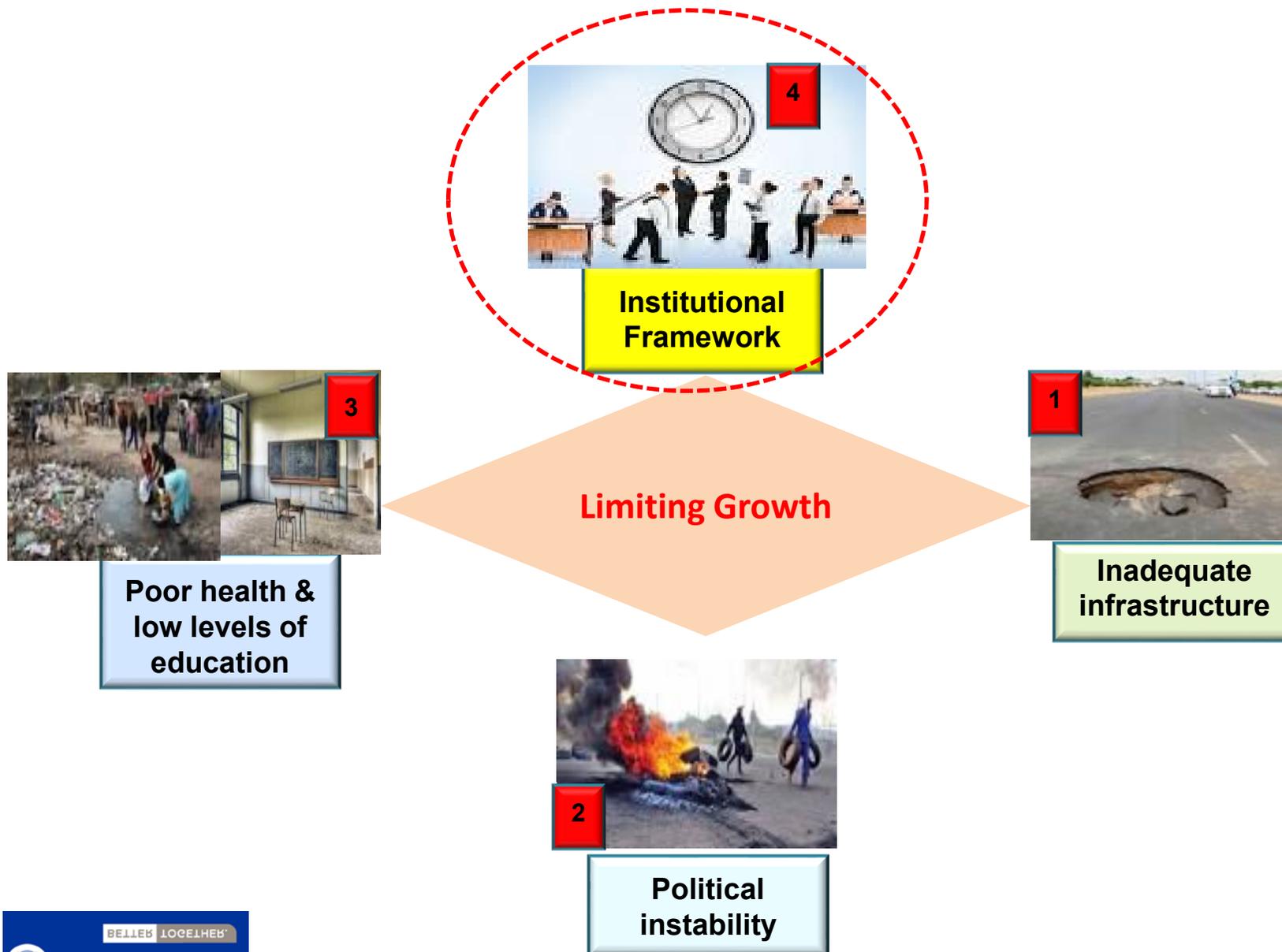
# INVESTMENT READINESS - The Context ...



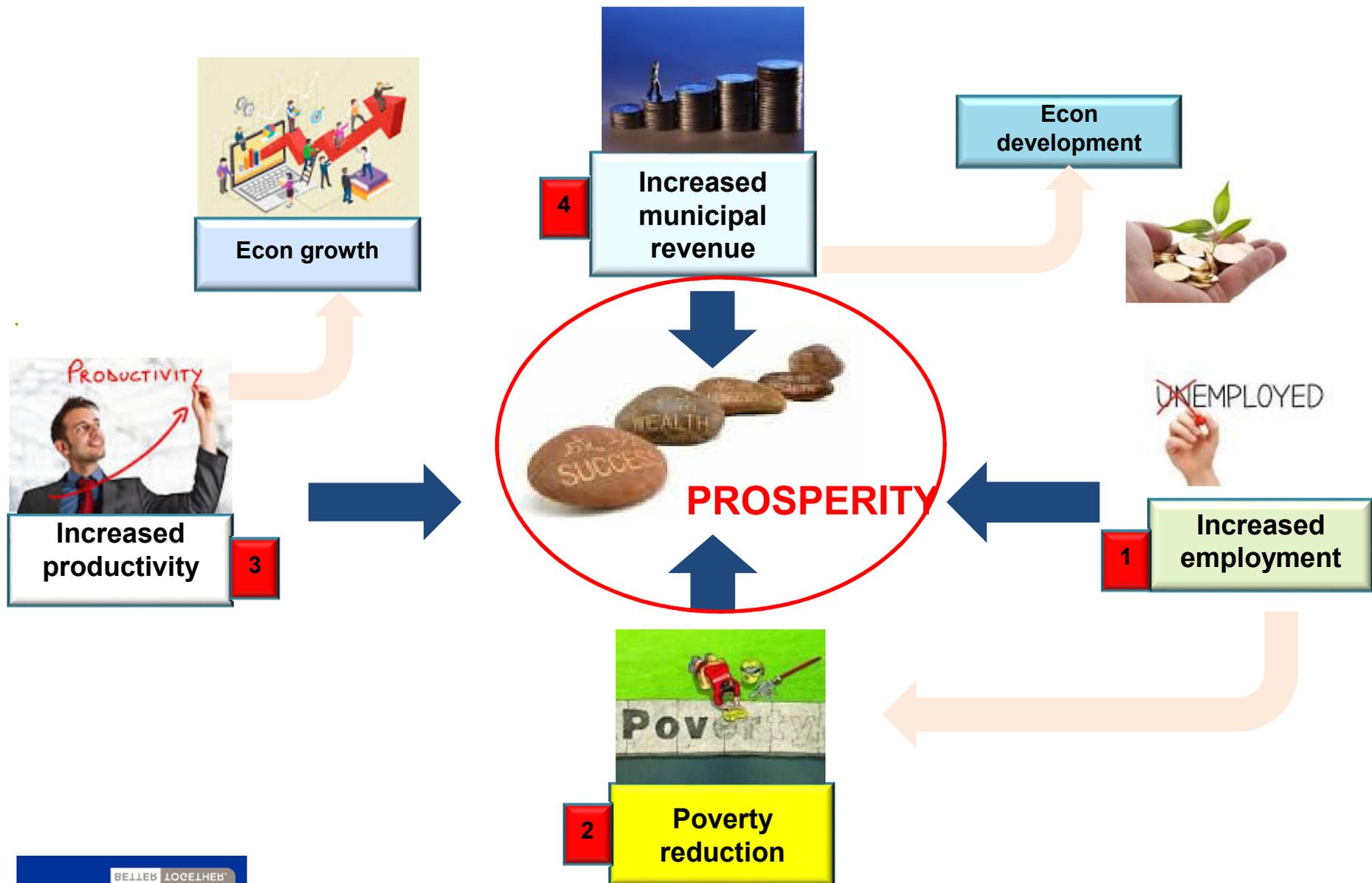
# Selected factors that **INCREASE** Economic Growth



# Selected factors that **LIMIT** Economic Growth



# Why Economic Growth **MATTERS**



# Investments ARE Attractive



So ..... We must  
get in there, and just  
do it, irrespective of  
the consequences



Otherwise the others  
will be first .....



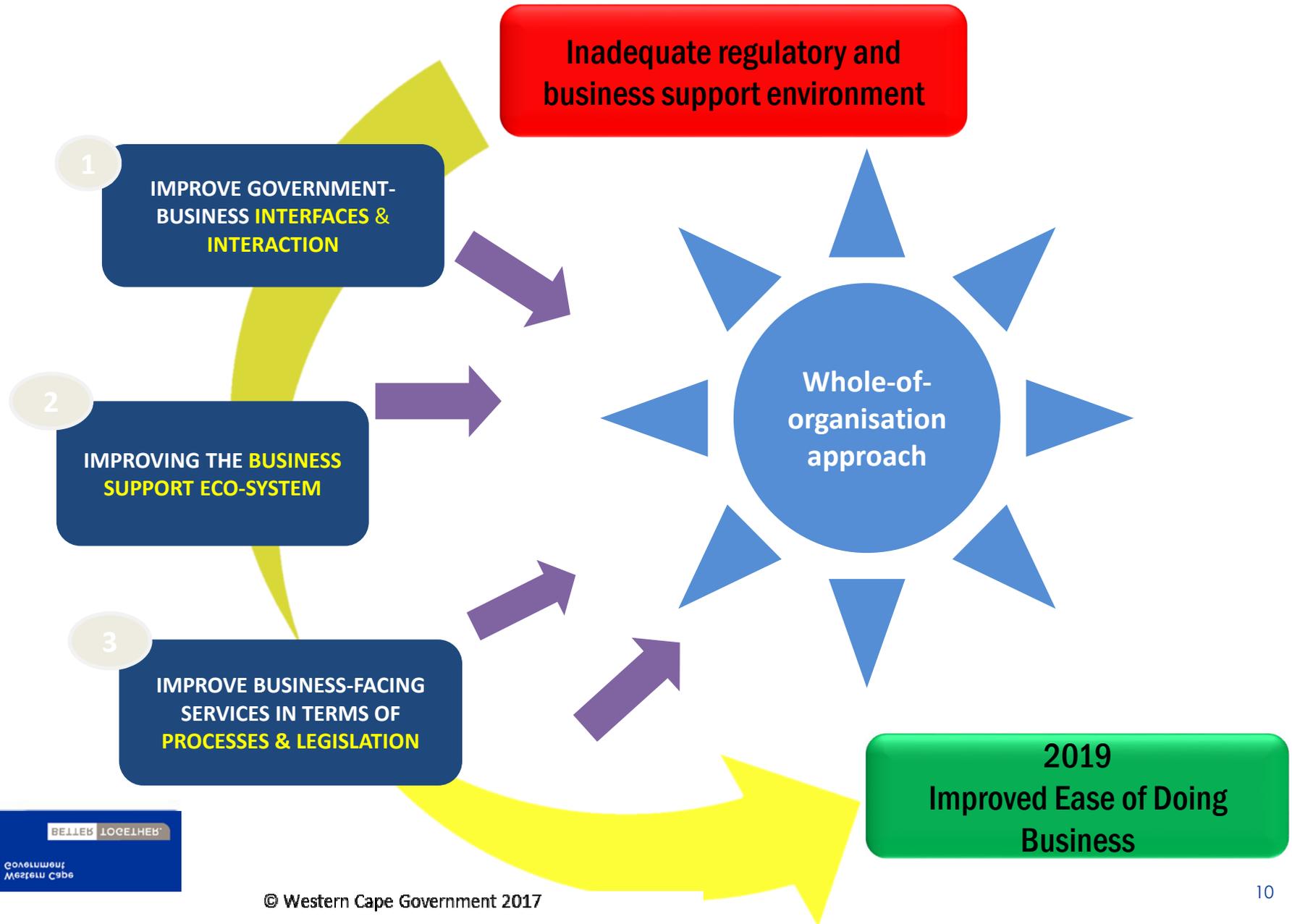
Who will know .....



But what if .....

*im just  
watch yo*

# Ease of Doing Business Roadmap



# Ease of Doing Business



Do municipalities believe their role/responsibility is to promote economic growth?



Do all (politicians and senior officials) understand the importance of an enabling environment for investment?



If a major investor were to be interested in investing in the region / town is there a structured approach to dealing with this investor?



Are (1) regulatory environment, (2) processes, and (3) information/communication, business-friendly?

## Strategic Planning & Development

- “Ready for growth municipalities” ...
  - Have specific and actionable strategic priorities that are widely understood at all levels of the municipality and council.
  - Make clear choices to address essential municipal services and responsibilities in support of local growth priorities.
  - Are able to keep their growth strategies relevant by sensing and rapidly adapting to changing needs of the municipality and residents.

## Supportive Council & Administration

- “Ready for growth municipalities” ...
  - Employ a disciplined process that ensures adequate funding for high-growth, core activities.
  - Have clear and objective investment or resource allocation criteria that prevent internal rivalries or interference with allocations to top municipal growth priorities.
  - Manage spending prudently, making rigorous trade-offs based on cost, need and an understanding of how they align with priority growth objectives.

## Municipal Resource Alignment

- “Ready for growth municipalities” ...
  - Are organizationally efficient, adaptable and knowledgeable regarding how to address growth needs.
  - Align their organizational structure and make decisions – or assign decision-making authority - in ways that best serve strategic growth priorities and municipal needs.
  - Create effective mechanisms for shared governance and collaboration within and between municipalities as appropriate.
  - Have a coherent culture that sets norms and expectations that reflect the requirements for successful growth and development in the municipality.
  - Have a culture of excellence and continuous improvements that is reinforced through the administration and Council.<sup>4</sup>

## Municipal Growth Readiness Categories

- Land-use planning and governance
  - Dedicated pre-zoned
- Administrative capacity
- Fiscal health
- Service delivery
- Public safety
- Infrastructure
- Demographics and trends
- Regional partnerships
- Non-municipal considerations for growth

# Readiness Factors Summarised

Global and regional positioning

Real estate

Physical infrastructure - condition and conduciveness

Internal municipal organisational effectiveness

Risks and mitigations

Quality of life

Business climate

Human capital and levels of education

Sustainability

# Municipal Investment Readiness Self-Assessment

60 point

# CHECKLIST

IFSOP?

# Choose your weapons – what are your strengths?



Choose your weapons



HikingArtist.com



OR .....

# Sector Focus

SECTOR	YES	NO	Comments / Details
Oil, Gas & Green Fuels			
Waste to Energy, green economy (wind farms and solar PV), desalination			
Agriculture, Marine and Agri-Processing			
ICT			
Tourism, catering and accommodation			
Wholesale and Retail			
Finance and Business Services			
Film & Creative Industry			
Education, research and skills development			
Manufacturing			
Timber Industry - forestry and furniture			
Transport and storage			
Leather, Clothing and textiles			

# Complete the 60-point assessment - Example

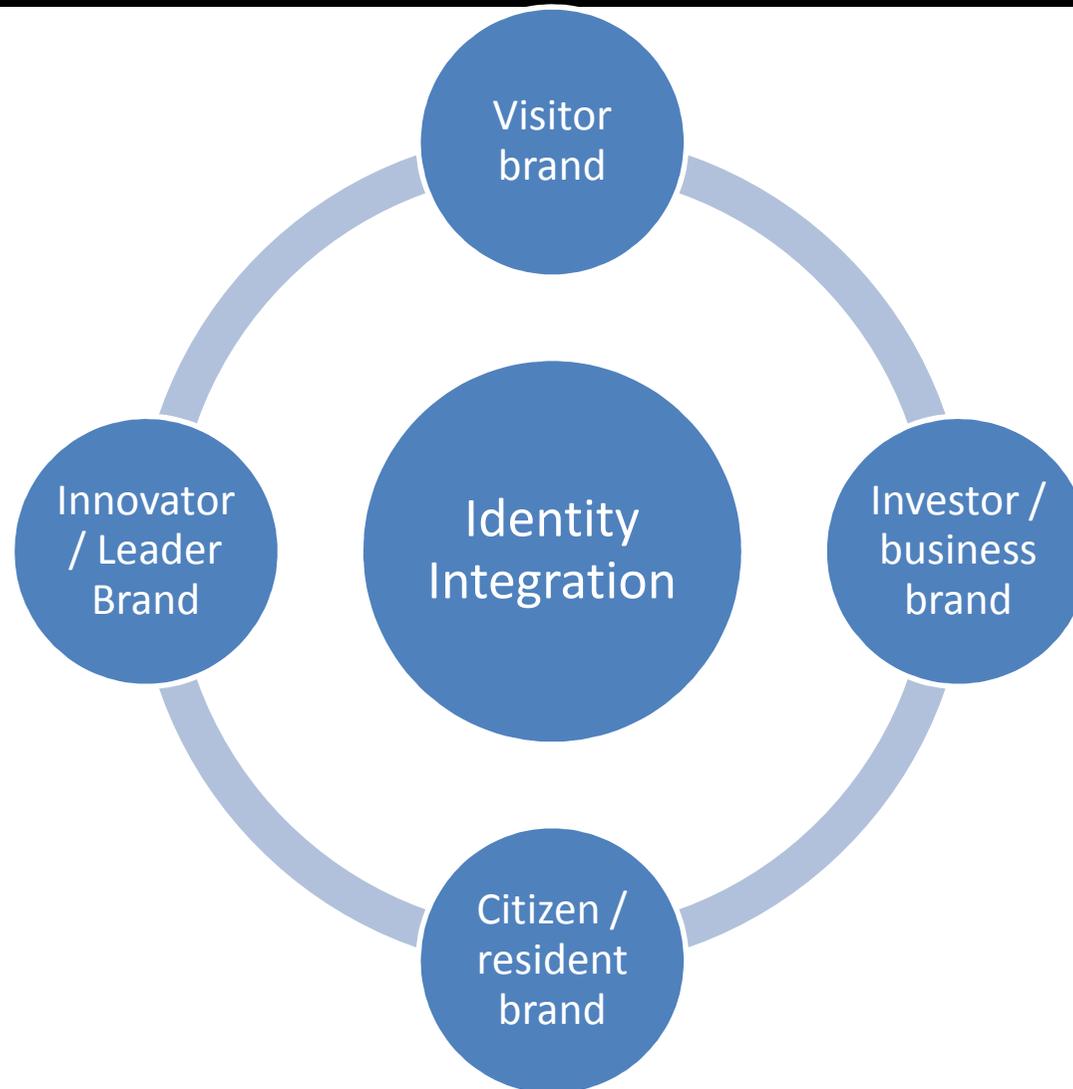
PART 1 – Internal expertise LIAISING WITH EXISTING BUSINESSES IN YOUR MUNICIPALITY	YES	Supply details and proof	NO	Proposed action plan (s)	Responsibility	Time frame	Budget
24. Does any Senior Official and / or Portfolio committee monitor /evaluate your Municipality’s track record with liaising with existing and future investors?							
25. Does your Mayor, MM, ED Officer or planning staff meet with local business on a regular basis to talk about their business needs and future plans							
26. Does your municipality liaise with the local Chamber of Commerce and other stakeholders about the municipality’s economic							

# So – how ready are you?

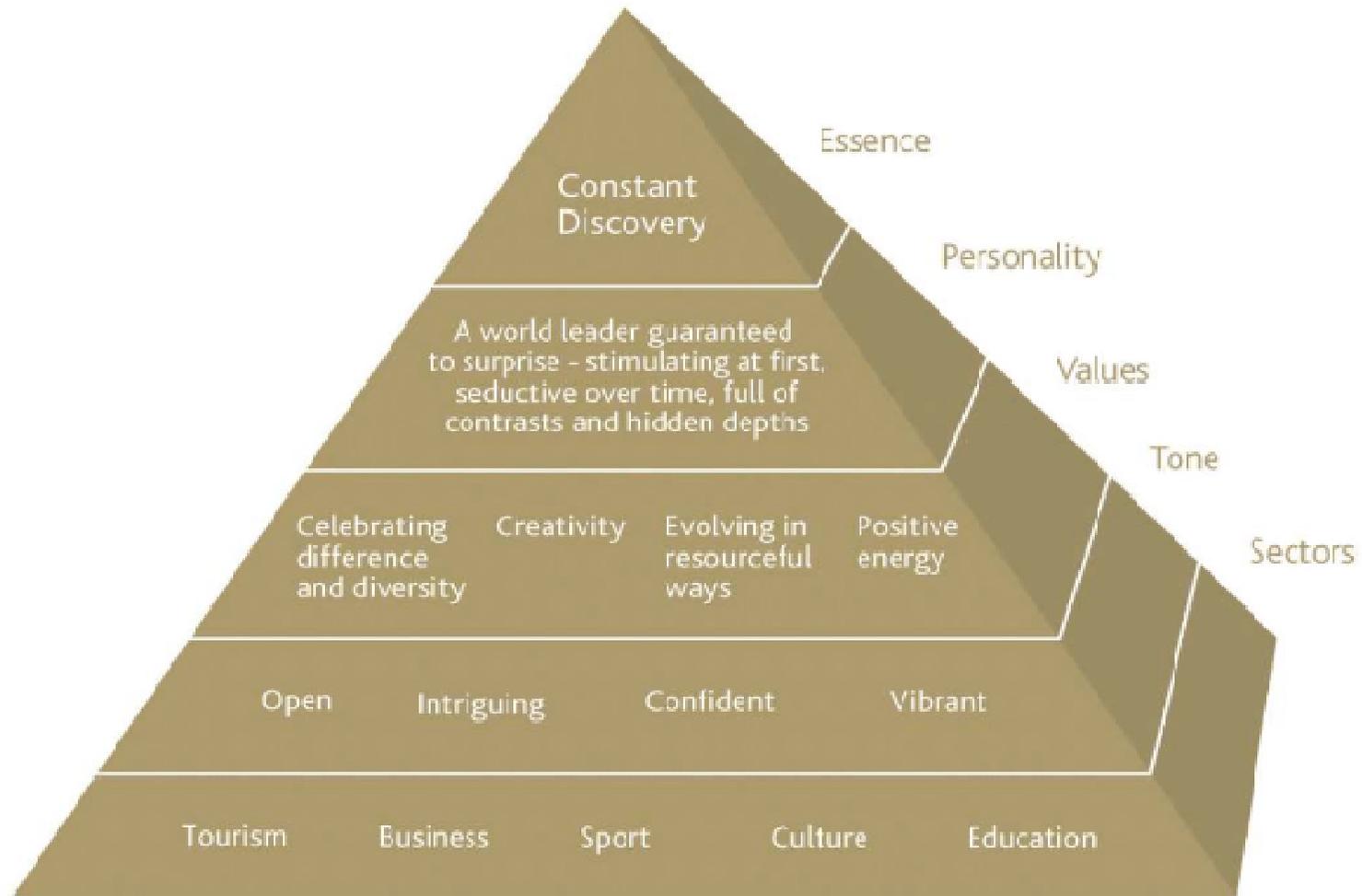
MUNICIPAL ECONOMIC READINESS COMPONENT	YES	NO
<b>PART I: EXPERTISE</b>		
Contacts		
Land-use planning		
Liaising with existing business		
Information sources		
<b>Sub Total</b>		
<b>PART II: RESOURCES</b>		
Industrial Land Inventory		
Joint Ventures		
Economic Development Capacity		
<b>Sub Total</b>		
<b>PART III: COMMUNICATIONS</b>		
Municipality and Site Selection Profile		
Website & Other Communication Considerations		

**35/60 Score**

# Identity, Vision and Brands



# So what is your “Brand”?



# Brand Toolkit – the Narrative Matrix

Sector						
Narrative		Always opportunities to do more	Connecting past, present and future	A place for individuals	The city where the world meets	Exciting contrasts
	Tourism	Whatever experience you want, London offers it.	Where ideas are shown and grown.	Interest for every interest.	Enjoy the richness of diversity.	Heritage <u>and</u> here and now.
	Business	At the leading edge of business creativity.	Industrial revolution Knowledge economy	Achieve potential - test against the best	Global centre for networks	Experience <u>and</u> innovation.
	Culture	The generation of new thinking for a changing world.	Experience, enlightenment and inspiration.	Realise your creative potential.	Magnet for arts and artists.	Treasure house <u>and</u> greenhouse.
	Sport	Inventors, developers and supporters of every kind of sport.	History resonates and spurs on to higher levels.	Follow your passion.	See the world's greatest perform.	Metropolitan settings, open spaces.
	Education	Where the world's finest minds have developed ideas.	Knowledge and London never stand still.	Fulfil your true learning potential.	Access the world's knowledge here.	Academic tradition and new learning.

## Investment Ready Sites / Dedicated Economic Zones

- In growing demand and is an increasingly popular tool for municipalities to attract new business and industry.
- Assist municipalities in marketing sites ready for development and investment.
- Investment ready sites generally refer to commercial and industrial sites that are appropriately zoned for the type of investment the Municipality is targeting. The sites are under the legal control of a Municipality or other third party:
  - Planning
  - Zoning
  - Surveys
  - Title work
  - Environmental studies and impact assessments
  - Soils analysis
  - Public infrastructure
  - Engineering

Investment ready sites should follow the town's sector specific growth areas and SDF's

## Investment Ready Sites – Land Inventory

- Some common characteristics for investment ready land to include in a land inventory are:
  - Serviced by a municipal water system
  - Serviced by a municipal sanitary sewer system
  - Serviced with electricity or natural gas (where available)
  - Serviced with high-speed telecommunications and internet
  - Size of land available for development
  - No significant natural environmental issues
  - No man-made environmental issues, such as chemical contamination
  - Designated in the Municipality's plan and zoning by-laws as industrial, commercial or other designations allowing industrial uses such as manufacturing, assembly and warehousing

## Investment Development System Improvement?

- **Consistent strategy**: right balance of growth, development, inclusion. Customer and future orientation.
- **Clear story**: internally, to markets, to business, to Government.
- **Aligned governments**: who place economy on income side of balance sheet.
- **System co-ordination**: right balance between carrots and sticks.
- **Self-confidence**: mutual trust, space for innovation, adaptability.

# 7 Secrets of Regional Investment Success

See the big global trends.  
Metropolitanisation.

Focus on the real competition, not the neighbours.

Manage and shape growth actively.

Get Provincial and National Government on your side.

Think and act for long term, big impact interventions.

A leadership role for all leaders - including Business.

Clear mechanisms of affiliation for all.

And number 8  
.....

Collaboration and partnerships – even cross borders



# Next step - Investment Prospectus

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**South Cape**  
Economic Partnership

**THANK  
YOU!**



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