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UMZINYATHI DISTRICT INVESTMENT
PROMOTION & FACILITATION STRATEGY

Contents

ACRONYMS	4
LIST OF TABLES.....	5
LIST OF FIGURES	5
BACKGROUND/ INTRODUCTION	10
METHODOLOGY.....	15
STRATEGIC FRAMEWORK FOR UMZINYATHI INVESTMENT PROMOTION.....	17
1. STRATEGIC OBJECTIVE 1- STRENGTHENING INSTITUTIONAL CAPACITY AND COORDINATION.....	22
1.1 Leverage Investment Promotion Agencies and Governmental Departments to enhance IPF capacity.....	23
1.2 Co-ordinate IPF planning and IPF activities using an inclusive approach.....	23
1.3 Establish transparent, clear IPF protocols	23
1.4 The Private Sector: Establishing Chambers of Commerce	23
1.5 Stakeholder Engagement: Managing relationships	24
2. STRATEGIC AREA 2- CREATING AN ENABLING ENVIRONMENT FOR IPF.....	25
2.1 Maintenance of basic infrastructure necessary to retain Investment.....	26
2.2 Reduce and eliminate corruption.....	26
2.3 Develop critical enabling infrastructure to support key industries.....	26
2.4 Leverage off National Incentives to promote investment	27
2.5 Leverage off NGOs and government departments to finance critical market infrastructure.....	27
2.6 Facilitate the development of adequate soft infrastructure to attract investors- social infrastructure.....	27
2.7 Strengthen stakeholder engagement.....	28
2.8 Streamline administrative processes.....	28
3. STRATEGIC AREA 3- FOCUSED INVESTMENT PROMOTION AND FACILITATION.....	29
3.2 Leverage off National Incentives and sector specific support to strengthen IPF efforts	32
4. STRATEGIC AREA 4: ENTERPRISE DEVELOPMENT.....	33
4.1 Leverage national and provincial incentives to support businesses.....	34
4.2 Partner with corporates to complement business support	34
4.3 Facilitate entrepreneurial awareness (evangelize), SMME co-operation and co-ordination in order to drive business linkages.....	34
4.4 Leverage public sector programmes to grow localized content (via channeled procurement set asides), which could create opportunities for new businesses	35
4.5 Support for entrepreneurs including workshops and programmes, as well as identification (and communication) of opportunities that may exist for new businesses	35
5. STRATEGIC AREA 5: BUSINESS RETENTION AND EXPANSION.....	36

Business Retention and Expansion.....	36
5.1 Leverage national and provincial incentives to support businesses.....	37
5.2 Partner with corporates to complement business support.....	37
5.3 Leverage public sector programmes to grow localized content (via channeled procurement set asides), which could create opportunities for new businesses.....	37
6. STRATEGIC AREA 6- SKILLS DEVELOPMENT.....	39
7. STRATEGIC AREA 7- KNOWLEDGE MANAGEMENT.....	42
7.1 Establish information sharing arrangements with key stakeholders.....	43
7.2 Coordinate research to ensure useful, fresh information available.....	43
7.3 Manage information portal and allow for appropriate person's access.....	43
7.4 Continually assess gaps in information in Knowledge Management System and take steps to secure such information.....	44
7.5 Ongoing engagement with Investor pool, current and prospective to manage expectations.....	44
7.6 Enhance information sharing through collaboration with IPA's, Provincial Department's, the Private Sector, Emerging Businesses, newly established Chambers of Commerce, as well as local authorities.....	44
8. STRATEGIC AREA 8- INVESTOR AFTERCARE.....	45
8.1 Develop relationships with Investors.....	45
8.2 Track new investors in order to understand the investment climate and meet the needs of new investors.....	46
8.3 Assess success of investment at least annually (job creation, economic value add etc.).....	46
8.4 Understand investor needs and consider whether being met.....	46
8.5 Assess Municipal support, against undertaking given.....	46
CONCLUSION AND WAY FORWARD.....	47
Key Success factors.....	47
Challenges.....	48
Way Forward.....	48
APPENDIX 1: CONSOLIDATED SWOT ANALYSIS FOR UMZINYATHI.....	50

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ACRONYMS

B-BBEE	Broad-Based Black Economic Empowerment
CSI	Corporate Social Responsibility
DM	District Municipality
DTI	Department of Trade and Industry
E&M	Endumeni and Mvoti
EMIA	Export Marketing and Investment Assistance Scheme
HEI	Higher Education Institutions
IDP	Integrated Development Plan
IPF	Investment Promotion and Facilitation
IPFS	Investment Promotion and Facilitation Strategy
KZN EDTEA	KwaZulu- Natal Economic Development Tourism and Environmental Affairs
LED	Local Economic Development
LM	Local Municipality
M&N	Msinga and Nquthu
MCEP	Manufacturing Competitiveness Enhancement Programme
MIP	Manufacturing Investment Programme
NDP	National Development Plan

PGDS	Provincial Growth and Development Strategy
SEDA	Small Enterprise Development Agency
SEFA	Small Enterprise Finance Agency
SMME	Small, Medium and Micro-sized Enterprises
SOE	State Owned Enterprise
UDM	Umzinyathi District Municipality

LIST OF TABLES

Table 1 IPF Considerations.....	13
Table 2: Key Enablers for Investment Promotion	18
Table 3: Strategic Objective 1 Strengthen IPF Institutional Framework and Coordination.....	22
Table 4 Key Strategies for Creation of an Enabling Environment for IPF	25
Table 5 Key Strategies for Focusing Investment	29
Table 6: Key Sectors by Local Municipality	31
Table 7: Key Strategies for Enhancing Enterprise Development	33
Table 8: Key Strategies for Enhancing Business Retention and Expansion.....	36
Table 9: Key Strategies for Skills Development.....	39
Table 10: Key Strategies for Skills Development.....	42
Table 11: Consolidated SWOT for Umzinyathi District from Situational Analysis	50
Table 12: KZN Priority projects in Umzinyathi (Source: 2015 Version of the KZN PGDP).....	52
Table 13 Business Support by Type of Business	53

LIST OF FIGURES

Figure 1: Key Themes from Situational Analysis.....	6
Figure 2: Key Barriers to Investment for Umzinyathi District	7
Figure 3: Key Strategic Themes for Umzinyathi IPFS	9
Figure 4 Map of Umzinyathi District Municipality	10
Figure 5: Umzinyathi District Municipality IPF Strategy Methodology.....	15
Figure 6: Showing Key Themes for Umzinyathi IPF.....	19

EXECUTIVE SUMMARY

Sigma International was appointed by KwaZulu-Natal Department of Economic Development Tourism and Environmental Affairs (KZN EDTEA) to develop the Investment Promotion and Facilitation Strategy (IPFS) for the Umzinyathi District Municipality. This Investment Promotion and Facilitation Strategy incorporated the findings of the *Situational Analysis Report (including key stakeholder inputs and desk-top research)*, which formed the basis for the development of the strategy. The key themes emanating from the Situational Analysis, are depicted in Figure 1 below:

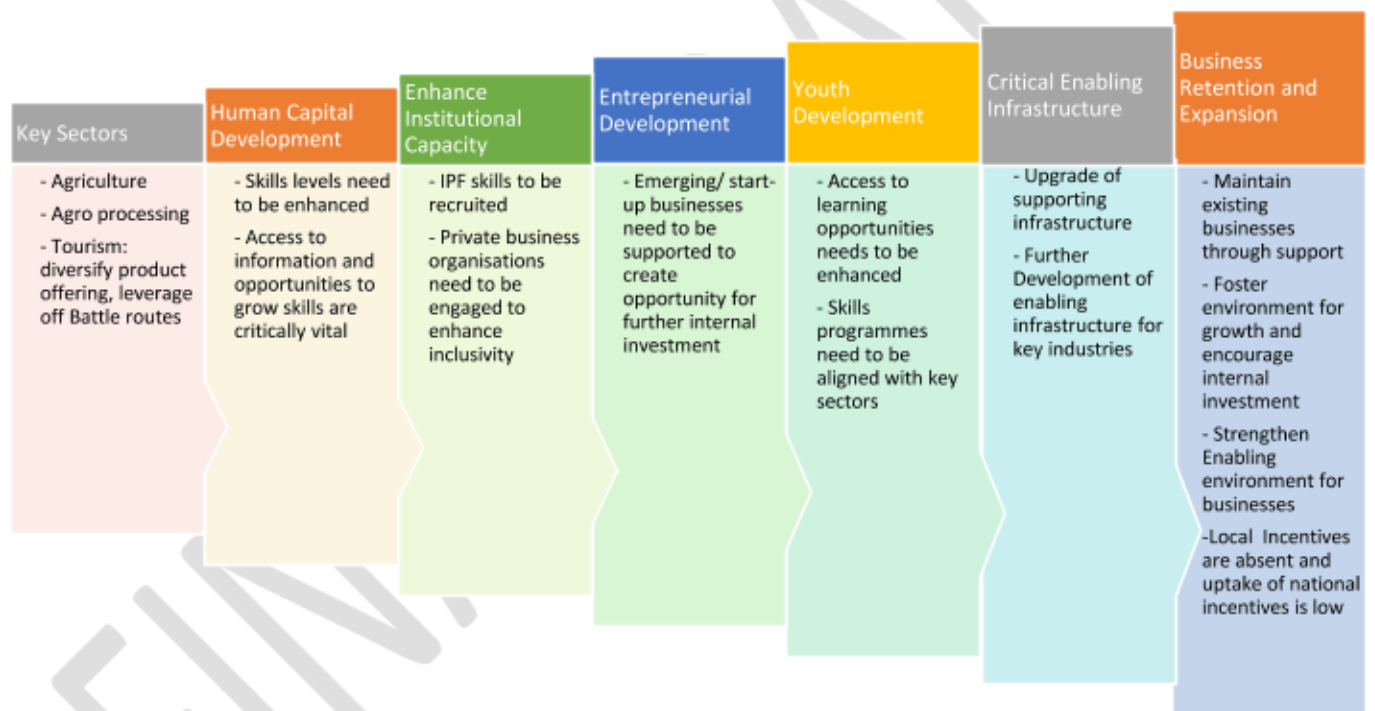


Figure 1: Key Themes from Situational Analysis

From an investment promotion and facilitation point of view, the following key barriers to investment were identified:



Figure 2: Key Barriers to Investment for Umzinyathi District

The common themes above represent the broad barriers to investment in Umzinyathi, which need to be overcome in order to create an enabling environment for economic development and positively influence the investment profile of the District.

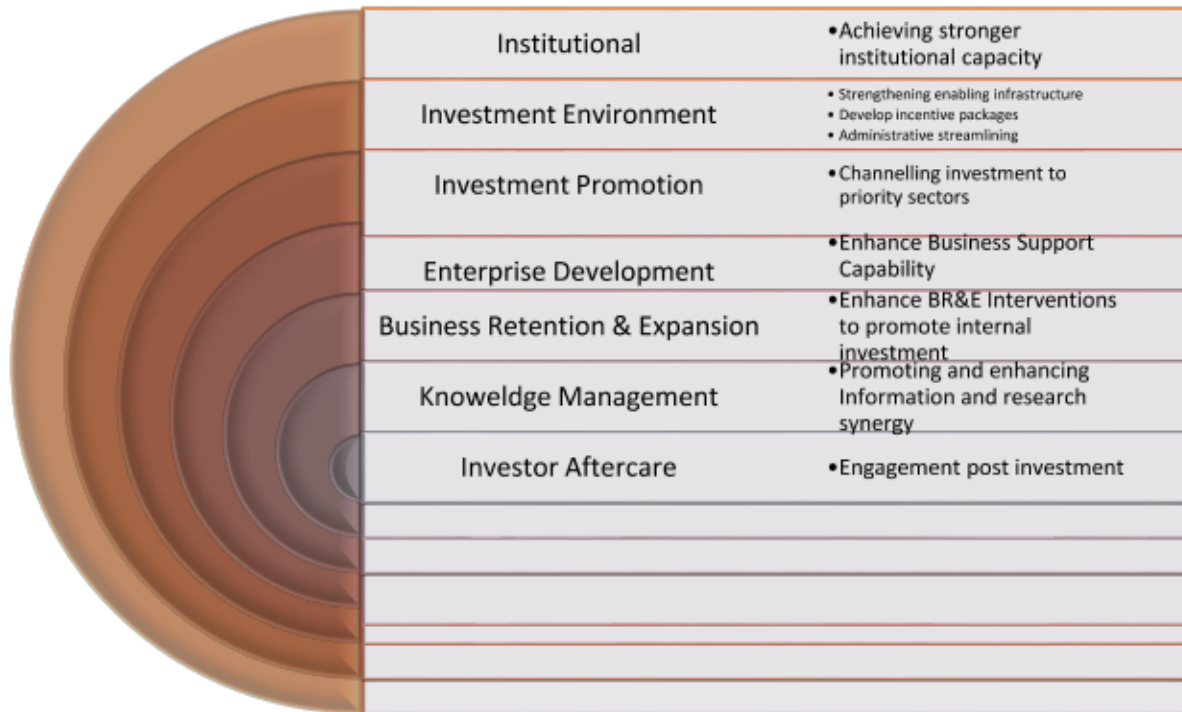
The final draft IPFS is aimed at addressing the key themes and barriers to investment that were identified in the *Situational Analysis Assessment* for the Umzinyathi District. The following overall framework below highlights key strategic themes that were developed in order to address the challenges being experienced with respect to investment promotion and facilitation in the district, as well as to leverage off of the key strengths that provide opportunities to entice investment in the area, as well as a focus on investment aftercare, in order to retain investment and encourage investors to re-invest.

Key Areas of Intervention

As a priority, Umzinyathi District Municipality needs to strengthen the overall IPF environment within the District, and is therefore recommended in the foundational phase of the implementation of this strategy. This will require internal structuring in order to:

- Strengthen the **institutional capacity** relating to IPF in the District
- **Focus their investment promotion** activities to identified key areas, and ensure proposed projects have sufficient long-term benefits to justify significant resource allocation
- Improve the availability of up-to-date relevant information relating to investment in Umzinyathi, and ensure that it is **shared effectively with relevant stakeholders**
- **Strengthen the overall investment environment through**
 - o Improving enabling infrastructure
 - o Offering incentives to attract investment
 - o **Reduction in red tape** through streamlined administrative processes, particularly for priority projects
- **Enhanced enterprise development and entrepreneurial support**, as these smaller entities create great economic growth, and are key critical to the growth of the generally rural Umzinyathi District
- Bolster business **retention and expansion interventions**, as local businesses are the first port of call for new investments, as they understand the landscape
- **Improve skills** levels in key three (3) critical areas
 - o Investment promotion and facilitation-specific skills
 - o SMME support and local economic development skills
 - o Skills aligned to the priority sectors, as well as future industries, which will improve the investment case for Umzinyathi due to higher staff skills levels

The areas noted above represent the most critical areas of intervention that are considered necessary to markedly improve the effectiveness of investment promotion and facilitation within the Umzinyathi District, and inform the strategic framework for IPF in Umzinyathi, which is highlighted in the figure below:



Skills and Resource Requirements

Figure 3: Key Strategic Themes for Umzinyathi IPFS

BACKGROUND/ INTRODUCTION

The Umzinyathi District comprises four local Municipalities with differing economic profiles. These are:

- **Endumeni Local Municipality** with the primary node of Dundee as the seat of the Municipality. Dundee is also the home of the UMzinyathi District Municipality
- **Mvoti Municipality** with the primary node of Greytown as the seat of the Municipality
- **Nquthu Municipality** with the primary node of Nquthu as the seat of the Municipality
- **Msinga Municipality** with the primary node of Tugela Ferry as the seat of the Municipality



Figure 4 Map of Umzinyathi District Municipality

The four municipalities listed above can be clearly segmented into two separate economic groupings, due to their divergent economic fundamentals:

- Endumeni and Mvoti have a more developed economy, with established industries particularly in agriculture and tourism, as compared with Msinga and Nquthu
- Msinga and Nquthu are under-developed and have significant challenges with respect to low levels of economic activity, inequality, poverty and unemployment

In drafting this strategy, it became apparent that the investment promotion needs and strategies for respective Municipalities, would be divergent. The District, in the context of KwaZulu-Natal, is the second poorest District in the Province. It is therefore clear that attracting significant foreign direct investment will be a challenge. This highlights the need to support local investors and grow internally by leveraging off of existing strengths and realizing opportunities which exist, primarily around the agricultural and tourism value chains.

As has been alluded to above, the sectors which are in a position to vie for immediate investment are agricultural and tourism, and most of the best investment opportunities within these respective value chains reside in the Umvoti and Endumeni Local Municipalities, due to favourable agricultural conditions, as well as a well-established Battlefields tourism route. The short term investment focus should be to drive further beneficiation within the respective value-chains as well as diversification within the tourism product offering mix.

Nquthu and Msinga have vast tracts of available land, and there is a reasonable proportion of this land that is considered to be arable and viable for vegetable production (Msinga) and livestock (Nquthu). These local municipalities need to focus on attracting investment for catalytic investments within these areas, which would support the formalisation of commercial agricultural practices and a robust local market for produce and meat. It is vital to include the Ingonyama Trust Board in planning in these areas, as much of the land in these areas is held within tribal authorities. Additionally, coherent and aligned spatial planning is vital in creating sustainable industries.

There is, however, much work to be done in order to attract significant external investment in the Umzinyathi District. It is clear that the institutional capacity, with respect to investment promotion, needs to be enhanced, in both the public and private sector. Furthermore, coordination between relevant investment promotion agencies and departments needs to be strengthened. This includes national, provincial, local and private sector investment promotion activities. It is specifically noted that there are **no active Chambers of Commerce or business fora** in place within the Umzinyathi District, and that investment promotion overall is conducted on an-ad hoc basis. Both of these deficiencies place Umzinyathi in a poor position with respect to attracting investment. It is also important to align investment and promotion activities with sectoral priorities and bear in mind, key spatial considerations.

Further to the institutional barriers to investment in Umzinyathi, there are also key skills gaps relating to investment promotion, as well as enterprise development in the area. There is also a need to align skills in the area with the key industries as well as look to new industries for future economic development. As such a coordinated skills plan is required, that will speak to the economic imperatives for the area.

The Situational Analysis highlighted that there are no formalised investment tracking mechanisms, with investment information difficult to come across (and its accuracy debatable). This is a key barrier to effective investment promotion and facilitation as understanding the investment landscape is key critical in driving effective investment promotion. Umzinyathi District needs to leverage off of the available national and provincial Investment Promotion Agencies to drive information sharing to ensure that investment information is disseminated to key stakeholders to aid in IPF activity, and to better understand the IPF environment.

Given the barriers to attracting external investment, it was noted that Umzinyathi needed to focus (even more so than other areas), on:

1. Developing Institutional Capacity and Coordination
2. Investment promotion and facilitation,

3. Business Retention and Expansion,
4. SMME and entrepreneurial support,
5. The attraction of funding for catalytic projects, such as beneficiation facilities within the area, which would drive local demand for primary products that would ultimately largely be sold outside the area.
6. Knowledge management
7. Investor after-care and support
8. Skills Development

The table below (Table 3) highlights the key objectives in delivering meaningful Investment Promotion and Facilitation for Umzinyathi District Municipality:

Table 1 IPF Considerations

Area	Critical IPF Considerations
Securing Investment	Attracting investment is of vital importance Catalytic projects to be identified TIKZN representative to drive catalytic projects Project teams assigned to key projects Skills and expertise of team determinant on size and complexity of investment
Investment Incentives	National Government have incentives programme Utilise IDC subsidised interest rate offerings for qualifying projects UDM encouraged to leverage off these incentives Key sectors for UDM are tourism and agriculture Agro-processing would be a key target for UDM as it falls within Manufacturing No SEZ's or IDZ's in UDM UDM need to create own incentive package including financial and non-financial incentives, such as Rates rebates, streamlining of approvals, etc.

Investment Facilitation and Servicing	<p>Ensure knowledge sharing between stakeholders</p> <p>Central virtual portal required to allow real time access</p> <p>Catalytic projects to channelled through TIKZN, due to large size and complexity</p> <p>Need for local officials, communities and other stakeholders be aware of, and understand, key projects</p>
Investor Aftercare	<p>Key to ensure sustainability of key projects</p> <p>Ensuring a positive experience can lead to further investment</p> <p>Aftercare is key critical in maximising benefit of investments and in attracting new investments (success breeds success)</p> <p>Business Retention & Expansion Efforts are key to UDM as there is a focus on driving investment from within</p> <p>Need to retain existing businesses and look to these businesses to invest further</p> <p>Existing investors may be more likely to invest further, and a good relationship with these investors is strategically critical</p>
Leverage off specialist expertise	<p>Need to build further IPF capacity at local and district level</p> <p>Essential to leverage off institutional capacity of TIKZN, KZN EDTEA, National DTI, TISA, etc. to enhance capacity</p> <p>Specialist expertise allow for better engagement with investors and higher levels of confidence, which is important to attract investment</p>

It is critically important that the areas above be strengthened in order to allow for meaningful and effective IPF for UDM.

METHODOLOGY

The methodology employed by Sigma International in developing the overall Investment Promotion and Facilitation Strategy for Umzinyathi is illustrated in Figure 4 below:

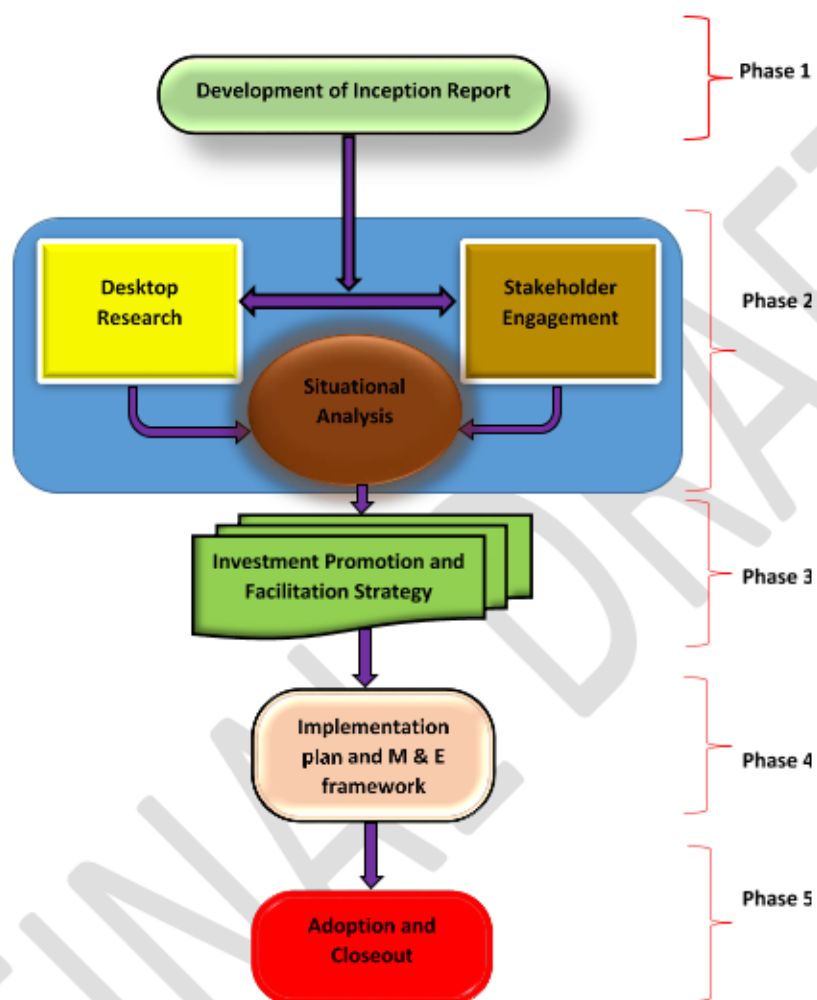


Figure 5: Umzinyathi District Municipality IPF Strategy Methodology

This report contains the final draft of the proposed Investment Promotion and Facilitation Strategy for the Umzinyathi District Municipality, the basis of which was the detailed situational analysis that has already been conducted, as well as input received from stakeholders with which the first draft was shared.

The next steps involve the adoption of the strategy by key stakeholders, as well as the development of the Implementation Plan, and Monitoring and Evaluation Framework, respectively.

FINAL DRAFT

STRATEGIC FRAMEWORK FOR UMZINYATHI INVESTMENT PROMOTION

This strategy is centred on the need for **domestic investment** first and foremost. This is due to the challenging investment environment in the District, as well as the relative disadvantages the District has from a national planning perspective. Umzinyathi District has no Special Economic Zones (SEZ's), or Industrial Development Zones (IDZ's) within the District. Furthermore, its rural setting, along with limited enabling infrastructure to entice major international investors (including limited electrical capacity, lack of easy access to major trade routes, limited broadband availability as well as a limited skills base) puts Umzinyathi at a distinct disadvantage in terms of attracting investment. Other districts within KZN have the advantage of many of these attributes, which make them much more attractive destinations for foreign direct investment.

Notwithstanding the above sentiments regarding domestically focused Investment Promotion and Facilitation, the District does possess some potential to attract foreign investment, specifically including investment around the Battlefields Tourism Route and Agro-processing around well-established industries. These opportunities will need to be appropriately marketed by IPF practitioners, supported by TIKZN.

The Strategic Framework for the Umzinyathi IPF has been developed based on the detailed stakeholder engagement, and literature review that has been conducted. The key findings were contained in the Situational Analysis, which preceded this document.

The key findings and proposed key enablers for investment promotion were the basis in developing the overall framework of this strategy. The key enablers for investment promotion are further unpacked to establish the key considerations that determine the overall quality of the investment environment, and these have been assessed against the three phases of investment promotion time lines shown below:

- 1) Pre-Investment (Investment Attraction phase)
- 2) Investment Phase (Investment Implementation or Realization Phase)
- 3) Post-Investment (Investment Aftercare)

Table 2: Key Enablers for Investment Promotion

Area	Pre-Investment	Investment	Post-investment
Bulk Infrastructure & Services	✓		✓
Institutional Capacity	✓	✓	✓
Social Infrastructure	✓		
Red tape	✓	✓	
Enterprise Development	✓		✓
Skills of officials	✓	✓	✓
Skills Development	✓		✓
Access to finance	✓		
Macro Economy & Policy	✓		✓

The strategic objectives feed into the strategic framework as per discussion above, and together form the following key strategic themes which form the focus of the UDM IPF Strategy, below:



Figure 6: Showing Key Themes for Umzinyathi IPF

Umzinyathi IPF Vision:

Umzinyathi District is "to be the investment destination of choice in KZN"

Strategic Objectives:

The strategic objectives can be summarised as follows:

1. **Strengthening Institutional Capacity**: Strengthen and formalise the IPF institutional framework within the area through enhanced coordination between the public and private sector; and other key stakeholders.
2. **Focused IPF**: Focus investment promotion efforts towards both local and foreign investors for opportunities within the value chain of key sectors. Additionally, ensuring alignment with spatial planning, as well as national priority areas. Opportunities around the Battlefield routes, game farming, and agro-processing in established agricultural industries could be attractive to international investors. However, smaller tourism and agricultural opportunities would be more attractive to local business persons and entrepreneurs.
3. **Creating an Enabling Environment for IPF**: Create a conducive investment environment through provision and maintenance of enabling hard and soft infrastructure, as well as streamlining of administrative processes and incentivising investment.
4. **Enterprise Development**: Leverage existing SMME base to enable business linkages through public-private co-ordination. In addition, the development of enterprises through leveraging off national incentives and partnerships with corporates is envisaged.
5. **Business Retention and Expansion**: Support for existing businesses to retain current investment and encourage existing investors to re-invest.
6. **Skills Development**: Develop skills within UDM to drive successful IPF, as well as develop skills aligned to local, provincial and national key sectors of the economy.
7. **Knowledge Management**: The need to collate, maintain and analyse key investor- relevant information to provide meaningful insight to potential investors, as well as to IPF practitioners marketing Umzinyathi to potential investors, is crucial.

8. **Investor Aftercare:** Meaningfully engage with investors, post-investment, in order to attract and maintain relationships and lay foundation for possible further investment.

FINAL DRAFT

1. STRATEGIC OBJECTIVE 1- STRENGTHENING INSTITUTIONAL CAPACITY AND COORDINATION

In order to drive IPF, it is necessary for Umzinyathi to have strong institutions in both the private and public sector, respectively, which is expected to facilitate effective collaboration between the public and private sector, which is crucial in driving investment in Umzinyathi. It is also important that the requisite skills be employed to drive IPF activities, in order to increase the confidence of potential investors.

The key strategies, with respect to driving stronger institutional capacity in Umzinyathi, which are borne from the considerations noted above, are summarised in the table below

Table 3: Strategic Objective 1 Strengthen IPF Institutional Framework and Coordination

Strategic objective 1	Strengthen and formalise the IPF institutional framework within the area through enhanced coordination between the public and private sector; and other key stakeholders
Key Differences between LM's focus for IPF strategy	<i>In Mvoti and Endumeni this strategic thrust is concerned with formalising the existing private sector; whereas in Nquthu and Msinga, the focus would be on co-ordinating with emerging businesses in order to develop the economy</i>
Common Strategies	1.1 Leverage IPA's and Provincial Department's capabilities (Provincial and National) to enhance investment promotion capacity
	1.2 Co-ordinate IPF planning and IPF activities using an inclusive approach
	1.3 Establish transparent, clear IPF protocols
	1.4 Facilitate private sector involvement (and representation) through establishment of representative Chambers, and community consultation to ensure buy-in to strategy
	1.5 Establish and maintain relationships with key internal and external stakeholders

1.1 Leverage Investment Promotion Agencies and Governmental Departments to enhance IPF capacity

The Umzinyathi District Municipality has limited capacity, especially given its relatively small budget allocation. As such, the UDM needs to leverage off the assistance offered by IPA's, as well as Provincial and National Governmental Departments, such as Department of Agriculture, Tourism, COGTA, amongst other departments. This will enable the District to enhance its IPF efforts and lead to faster economic growth.

1.2 Co-ordinate IPF planning and IPF activities using an inclusive approach

It has been noted through the wide-ranging stakeholder engagements, as well as through the detailed literature review, that the institutional capacity with respect to IPF within Umzinyathi requires strengthening and that improved collaboration between the public and private sector would result in more meaningful IPF efforts. In order to improve collaboration, the planning and co-ordination of IPF activities need to be carefully conducted in order to eliminate duplication of effort, as well as inconsistent messaging.

1.3 Establish transparent, clear IPF protocols

In order to deliver meaningful Investment Promotion and Facilitation, there is an urgent need to develop transparent and clear IPF protocols so as to ensure consistent messaging to potential investors, as well as certainty amongst Municipal officials as to the manner in which they engage potential investors. Channelling potential investors through dedicated, IPF channels will also have the added benefit of allowing for meaningful tracking of investment enquiries for statistical purposes. This will assist IPF practitioners in conducting their duties going forward, and could feed into knowledge management- refer strategic objective 7.

1.4 The Private Sector: Establishing Chambers of Commerce

The private sector lacks meaningful representation in the form of Business Chambers or other such fora, and as such this is a key gap that needs to be addressed. For IPF activities to be successful, there needs to be buy-in from both the public and private sector, and, in fact, it is desirable for IPF to be Private Sector-led in order to achieve the best possible results, as investors are more likely persuaded by other investors and business owners than by municipal officials.

1.5 Stakeholder Engagement: Managing relationships

IPF practitioners in UDM would need to manage key relationships with relevant public and private sector stakeholders, specifically including relationships with key corporates, Chambers of Commerce, relevant Provincial and National Government Departments (e.g. Agriculture and Tourism), as well as Investment Promotion Agencies. Managing these relationships would enhance the Institutional capacity and create greater opportunity for the attraction of new investments.

FINAL DRAFT

2. STRATEGIC AREA 2- CREATING AN ENABLING ENVIRONMENT FOR IPF

UDM wishes to create an enabling environment for IPF in the area. There is much that can be done to improve the IPF environment in UDM, despite Investors being harder to find than in most other Districts in the Province (2nd poorest District). Potential investors should be welcomed with a consistent and transparent message, and each LM needs to forge relationships with the private sector in order to better understand the investment environment in UDM.

The IPF time lines can be broken into 3 distinct categories:

- 1) Pre-Investment (Attraction phase)
- 2) Investment Phase (Implementation Phase)
- 3) Post-Investment (Aftercare)

In order to create an enabling environment all three of the phases above need to be adequately supported.

The considerations above give rise to the following strategies, which are divided into Endumeni and Mvoti on the one side, and Msinga and Nquthu on the other side. Refer to table 4 below:

Table 4 Key Strategies for Creation of an Enabling Environment for IPF

Strategic Objective 2	Create a conducive investment environment through provision and maintenance of enabling hard and soft infrastructure, as well as streamlining of administrative processes and incentivising investment
Key Differences between LM's focus for IPF strategy	<i>Msinga & Nquthu (M&N) need to focus more on national incentives, and Public sector funding initially, whereas Endumeni & Mvoti (E&M) should offer their own incentive package on top of national incentives. E&M also require more fundamental central infrastructure to boost the ease of trading, whereas M&N require new infrastructure to support beneficiation as well as maintenance of existing infrastructure.</i>
Common Interventions	2.1 Maintenance of basic infrastructure necessary to retain Investment
	2.2 Reduce and eliminate corruption

	2.3 Develop critical enabling infrastructure to support key industries
	2.4 Leverage off National Incentives to promote investment
	2.5 Leverage off NGOs and government departments to finance critical market infrastructure (where possible)
	2.6 Facilitate the development of adequate soft infrastructure to attract investors- social infrastructure
	2.7 Strengthen stakeholder engagement
	2.8 Streamline administrative processes

2.1 Maintenance of basic infrastructure necessary to retain Investment

In order to develop Umzinyathi as an attractive destination for domestic investors, it is important to ensure that the following fundamentals are in place:

Bulk infrastructure and Services

- Roads, rail, water, electricity, sewerage, storm water
- Bulk infrastructure is necessary to allow for sustainable business activities
deficiencies in this respect detract from the investment case

2.2 Reduce and eliminate corruption

Corruption vastly reduces the investor-attractiveness of any given area. Investors need certainty regarding the cost of doing business in the area, and are driven away by corrupt officials.

2.3 Develop critical enabling infrastructure to support key industries

Umzinyathi is centrally situated in the Province of KZN, which does bring some advantages. However, it does not have the N2 or N3 freeways running through it, which provides a relative disadvantage to trade compared with those towns that do have direct access to the main routes. It is therefore of critical importance that the local municipal roads are well maintained as these represent the main means through which to access the towns within UDM, as well as the means to conduct commercial activities.

Other key infrastructure that Local Municipalities need to ensure are developed and/ or maintained in order to create an enabling environment for trade and industry are:

- 1) Railway Infrastructure
- 2) Waste Management Infrastructure
- 3) Water Provision including basic provision as well as additional capacity that would meet the needs of Industrial users
- 4) Electricity Provision, including basic provision as well as additional capacity that would meet the needs of Industrial users
- 5) Bulk infrastructure (Civils)
- 6) Broadband/ Fibre roll out

2.4 Leverage off National Incentives to promote investment

As stated previously, UDM has limited financial resources to construct enabling infrastructure, as well as to incentivize investment. As such, it is important for UDM to understand and promote National Incentives, which could assist investors looking to invest in UDM.

2.5 Leverage off NGOs and government departments to finance critical market infrastructure

As per 2.4, the UDM needs to look to governmental departments, and potentially NGO's, to fund key enabling infrastructure, which could then have a multiplier effect on economic growth in the area, thereby creating significant new investment opportunities for potential investors.

2.6 Facilitate the development of adequate soft infrastructure to attract investors- social infrastructure

Such Social Infrastructure would include:

- Educational facilities, housing, health facilities, etc.
- Investors would need to know that there is a sound supporting social infrastructure when relocating. This includes good medical care, safe and secure housing and quality education
- Quality educational facilities are also attractive as they produce more skilled workers, which improves overall productivity and enhances the investment case
- Good healthcare is attractive to investors and often leads to less absenteeism from staff

The presence of such infrastructure would be attractive to investors and skilled workers, which is critical in attracting investment into the area.

2.7 Strengthen stakeholder engagement

Robust **Stakeholder Engagement** (on a continuous inclusive basis) is required to attract and maintain investment. Key stakeholders include:

- 1) Stakeholders in Priority Sectors
 - a. KZN Department of Agriculture
 - b. AgriSA, KwaNalu
 - c. Tourism KZN
 - d. KZN EDTEA
 - e. Businesses in Tourism and Agriculture
- 2) Local Government
 - a. Councilors
 - b. LED officers
 - c. Political leadership
- 3) IPAs
 - a. TIKZN
 - b. TISA
- 4) Private Sectors
 - a. SMMEs
 - b. FEDHASA
 - c. Business Representatives (formalized forum to be championed by Umzinyathi)

2.8 Streamline administrative processes

- o Time frames for Building plan approvals, business permits, business registrations, EIA's etc. directly affect the viability of an investment, and the levels of returns
- o Reduction of the other 'red tape' allows business to focus on operations rather than compliance

3. STRATEGIC AREA 3- FOCUSED INVESTMENT PROMOTION AND FACILITATION

This strategic focus area deals with the need to focus the communication relating to Investment Promotion in Umzinyathi, whilst ensuring that there is a clear understanding of processes and protocols needed to be followed in order to best assist a potential investor. Both elements need to be present, and there needs to be co-ordination between them.

It is important to distinguish the two key elements of Investment Promotion and Facilitation Efforts:

- 1) Building the brand of a particular region and creating aligned, consistent messaging relating to the opportunities that exist and the core focus areas for investment needs in the particular area
- 2) Marketing the specific areas, which are primed for investment

Based on the consideration above, the following strategies to drive focused investment are suggested in table 4 below:

Table 5 Key Strategies for Focusing Investment

Strategic Objective 3	Ensure IPF efforts are prioritised around priority sectors, and that local planning allows for promoted investments.
Key Differences between LM's focus for IPF strategy	<i>The difference between Endumeni & Mvoti (E&M) compared with Nquthu & Msinga (N&M), is that there will be a stronger focus on tribal authority spatial planning in N&M, as well as a primary industry focus where as E&M will deal with municipal spatial planning and a focus on driving further beneficiation in the key sectors</i>
Common Interventions	3.1 Align IPF efforts with priority sectors
	3.2 Leverage off National Incentives and sector specific support to strengthen IPF efforts
	3.3 Target domestic investment promotion as a priority

	3.4 Align IPF marketing collateral with IPA's & ensure a co-ordinated, consistent message
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3.1 Align IPF efforts with priority sectors

It is necessary to focus the Investment Promotion Activities of key focus areas, which are expected to bear the most desired results, and result in significant or desirable investments.

The following key findings with respect to focused investment promotion were noted:

- There is a need to focus IPF activities on key sector, which have been identified as Agriculture and Tourism. There are clearly opportunities along these value chains, including the provision of complementary products and services to grow each of these sectors. However, future industries (such as the Green Economy and Technology) need to be catered for.

Targeting appropriate investor pools

- There is a definite need to target the most appropriate investor pool, which could be the public or private sector, including NGO's:
 - o Msinga and Nquthu would need to focus on targeting Governmental and NGO funders for critical enabling infrastructure to develop the economic potential of their respective areas
 - o Endumeni and Mvoti should still be looking to the public sector for catalytic project funding; however, there is more scope for PPP's and privately funded ventures in these areas, with the focus being on value-added (beneficiation) services
 - o With respect to the public sector; there is an opportunity to leverage public sector programmes (including procurement set asides) to increase localized content and thereby grow the local economy

The Agricultural and Tourism Sector focuses are suggested as follows (Table 7), per respective local municipality, as has the construction sector, and to a lesser extent, mining and beneficiation:

Table 6: Key Sectors by Local Municipality

Mvoti	Endumeni
Timber	Livestock
Timber Beneficiation	Livestock beneficiation (hides, leather etc.)
Tourism- Battle- routes	Tourism – Battle- routes
Adventure tourism	Adventure tourism
	Coal and Anthracite- beneficiation
Nquthu	Msinga
Livestock	Fresh Produce
Livestock beneficiation	Produce beneficiation
Tourism – Battle- routes	Tourism – Battle- routes

The key sectors of **Agriculture and Tourism should be central to IPF**, being the ‘lowest-hanging fruit’ for UDM. Each LM has a slightly different strength within Agriculture, which should be the respective focus of IPF activities within each LM. Endumeni has a unique opportunity around **coal and anthracite beneficiation**, given the deposits of these minerals in the area.

Spatial planning is of critical importance as it would create certainty around land use within Umzinyathi; this is of particular significance for Tribal areas.

3.2 Leverage off National Incentives and sector specific support to strengthen IPF efforts

The UDM need to ensure that they leverage off National Incentives to enhance the attractiveness of investment opportunities in the UDM area. UDM have limited resources and, as such, National Incentives could provide the attractiveness required for investors.

UDM should also leverage off TIKZN to drive brand building and IPF activities, and partner with another similar District Municipality to leverage their successes.

3.3 Target domestic investment promotion as a priority

There is a need to focus on domestic investors as the first port of call, due to the relatively low levels of economic growth in the UDM currently, as well as its largely unrecognized profile Provincially, Nationally and Internationally.

4. STRATEGIC AREA 4: ENTERPRISE DEVELOPMENT

SMME's create a proportionately large number of jobs based on levels of investment, which makes them a core focus of the IPF for UDM. As such, enterprise and entrepreneurial development has been included as a specific strategic area for Umzinyathi.

Enterprise and entrepreneurial development should be supported through LM's, as such the capacity of each LM should be assessed in this regard. There should be close engagement between the DM and LM on one hand, and businesses and LMs on the other, to ensure a realistic understanding of SMME, and specifically, start-up needs.

The proposed strategies are suggested in order to enhance enterprise and entrepreneurial development:

Table 7: Key Strategies for Enhancing Enterprise Development

Key Strategic Aims for Enhancing Enterprise Development	
Strategic Objective	4. Strengthen SMME base to drive economic growth. In addition, UDM to develop enterprises through leveraging off national incentives and partnerships with corporates
Key Differences between LM's focus for IPF strategy	<i>E&M need to focus on developing budding entrepreneurs in order to spur growth and therefore further investment; whereas M&N need to focus on creating entrepreneurial opportunities and encouraging specifically the youth to develop new ideas and build entrepreneurial skills</i>
Common Interventions	4.1 Leverage national and provincial incentives and programmes to drive financial and non-financial enterprise development and entrepreneurial support
	4.2 Partner with corporates to drive enterprise development and entrepreneurial interventions and facilitate mentorship with ED/SD and CSI as incentives
	4.3 Facilitate entrepreneurial awareness(evangelize), SMME co-operation and co-ordination in order to drive business linkages

	4.4 Leverage public sector programmes to grow localised content (via channelled procurement set asides), which could create opportunities for new businesses
	4.5 Support for entrepreneurs including workshops and programmes, as well identification (and communication) of opportunities that may exist for new businesses

4.1 Leverage national and provincial incentives to support businesses

National government have many programmes (managed through various Governmental Agencies, such as SEDA), that need to be leveraged in order to support emerging and start-up businesses in UDM. Given the relatively low levels of economic activity within UDM, the role of start-ups and emerging businesses cannot be underestimated. As such, support for such businesses is key critical for initiating economic growth, which would lead to investment opportunities.

4.2 Partner with corporates to complement business support

Many corporates have dedicated Enterprise and Supplier Development Programmes, which need to be leveraged in order to drive economic growth in UDM, which is expected then to lead to further investment opportunities. The new BBBEE codes of good practice emphasize the need for corporates to assist SMMEs through enterprise development support, skills development, as well as Socio-economic development spend. The UDM needs to clearly identify appropriate corporates to approach in order to enhance the impact of existing entrepreneurial support programmes.

4.3 Facilitate entrepreneurial awareness (evangelize), SMME co-operation and co-ordination in order to drive business linkages

UDM need to drive the process of entrepreneurial awareness through providing access to information for potential entrepreneurs.

4.4 Leverage public sector programmes to grow localized content (via channeled procurement set asides), which could create opportunities for new businesses

There is a specific opportunity that has been identified regarding localizing construction projects (as there are many such projects). The strategy has therefore identified the need to increase localized content through assisting construction SMMEs to be a part of major projects.

4.5 Support for entrepreneurs including workshops and programmes, as well as identification (and communication) of opportunities that may exist for new businesses

UDM need to champion access to information relevant to entrepreneurs and new business opportunities.

FINAL DRAFT

5. STRATEGIC AREA 5: BUSINESS RETENTION AND EXPANSION

As mentioned in section 4 above, SMME's create a proportionately large number of jobs based on levels of investment, which makes them a core focus of the IPF for UDM. The many small and medium sized entities, as well as larger corporates, in UDM need to be supported in order to sustain and ultimately grow economic levels in the future.

Business Retention and Expansion

Business retention and expansion should be supported through LM's, as such the capacity of each LM should be assessed in this regard. There should be close engagement between the DM and LM on one hand, and existing businesses and LMs on the other, to ensure a realistic understanding of existing SMME, and corporate, needs.

The proposed strategies below are suggested in order to enhance business retention and expansion:

Table 8: Key Strategies for Enhancing Business Retention and Expansion

Strategic Objective 5	Strengthen existing SMME base through public-private co-ordination, and leveraging off of National and Provincial incentives
Key Differences between LM's focus for IPF strategy	<i>E&M need to focus on BR&E initiatives to spur growth and therefore further investment; whereas M&N are at a developmental stage of their economies and as such have a stronger entrepreneurial development need.</i>
Common Interventions	5.1 Leverage national and provincial incentives and programmes to drive financial and non-financial business support
	5.2 Partner with corporates to drive enterprise and supplier development interventions and facilitate mentorship with ED/SD and CSI as incentives
	5.3 Leverage public sector programmes to grow localised content (via channelled procurement set asides)
	5.4 Segmented business support for existing businesses at different stages of their life cycle (refer appendix for details)

5.1 Leverage national and provincial incentives to support businesses

National government have many programmes (managed through various Governmental Agencies, such as SEDA), that need to be leveraged in order to support existing businesses in UDM. Given the relatively low levels of economic activity within UDM, the role of existing SMMEs is significant. As such, support for such businesses is key critical for initiating economic growth, which would lead to investment opportunities.

5.2 Partner with corporates to complement business support

Many corporates have dedicated Enterprise and Supplier Development Programmes, which need to be leveraged in order to drive economic growth in UDM, which is expected then to lead to further investment opportunities. The new BBBEE codes of good practice emphasize the need for corporates to assist SMMEs through enterprise and supplier development support, skills development, as well as socio-economic development spend. The UDM needs to clearly identify appropriate corporates to approach in order to enhance the impact of existing entrepreneurial support programmes

5.3 Leverage public sector programmes to grow localized content (via channeled procurement set asides), which could create opportunities for new businesses

There is a specific opportunity that has been identified regarding localizing construction projects (as there are many such projects). The strategy has therefore identified the need to increase localized content through assisting existing construction SMMEs to be a part of major projects.

5.4 Segmented business support for existing businesses at different stages of their life cycle

Existing businesses need to be supported as there is a limited investor pool in UDM, which is the 2nd poorest DM in KZN. As such, retaining current investment is a crucial part of the IPF Strategy for UDM.

UDM could facilitate engagement between the public and private sector, as well as specifically between private sector role players. This is expected to lead to:

- 1) Business linkages
- 2) Mentorship through partnering SMMEs with established businesses/ corporates
- 3) Backward integration

There is also a specific opportunity that has been identified regarding localizing construction projects (as there are many such projects). The strategy has therefore identified the need to increase localized content through assisting construction SMMEs to be a part of major projects.

The table below (Table 9) outlines the anticipated support initiatives that could be made available to the respective business types:

FINAL DRAFT

6. STRATEGIC AREA 6- SKILLS DEVELOPMENT

Skills represent an overarching theme for IPF in Umzinyathi. Skills levels impact each of the four other strategic thrusts and it is essential to ensure that skills development, and attraction, is central to the IPF strategy for Umzinyathi, in order to generate Investment interest.

Skills requirements, in the context of this strategy, related to:

- 1) Skills of job seekers, which should be aligned to key current, and future, industries
- 2) Investment Promotion and Facilitation Skills to provide confident service to investors
- 3) Enterprise Development and business support skills to stimulate the existing business environment

The key strategies to drive skills development are highlighted in the table below (Table 10):

Table 9: Key Strategies for Skills Development

Strategic Objective 6	Develop skills within UDM to drive successful IPF, as well as develop skills aligned to local, provincial and national key sectors of the economy.
Key Differences between LM's focus for IPF strategy	<i>Skills need to be aligned to specific sectors in each LM. IPF skills are needed throughout the District, with specialist skills required for E&M to drive promotion of beneficiation of products rather than the primary industrial focus in M&N.</i>
Common Interventions	<p>6.1 Leverage off KZN HEI network to enhance skills development in Umzinyathi</p> <p>6.2 Align skills plans with local and national sectorial priorities</p> <p>6.3 Partner with corporates to drive skills development through Skills Development and CSI spend</p> <p>6.4 Leverage national training assistance programmes to drive skills development in Umzinyathi (SETA's)</p> <p>6.5 Attract IPF skills to create confidence amongst investors</p>

	6.6 Leverage IPA's capacity to drive interest in public sector investment
	6.7 Ongoing skills audit to determine skills needs - to link with knowledge management

6.1 Leverage off KZN HEI network to enhance skills development in Umzinyathi

It is necessary to facilitate the enhancement of all three skills-sets; being employment skills, IPF Skills, and Enterprise Development skills to support existing or emerging business. UDM should leverage off KZN's existing Higher Education Institution (HEI) Network to grow the skills base. The skills programmes identified should be aligned with the job market, (e.g. Agriculture, and Tourism, and Mining) as well as National priorities and future industries such as Information Technology and the Green Economy.

The relatively low worker-skills level in UDM creates a barrier to investment. There is also a need to recruit and/ or develop IPF and business support skills levels within UDM in order to give confidence to investors, and businesses alike.

It is necessary for a detailed skills plan to be drawn up, as part of the overall IPF plan in order to co-ordinate the promotion of required skills for the area.

6.2 Align skills plans with local and national sectorial priorities

Agriculture and Tourism have been identified as key sectors in UDM. However, it is also important for UDM to focus on skills for new industries, including those which are national priorities, such as IT.

6.3 Partner with corporates to drive skills development through Skills Development and CSI spend

As mentioned in sections 4 and 5; the amended BBBEE codes (2013) encourage corporates (turnover above R50 million per annum) to invest in SMMEs, as well as in their specific suppliers in return for BBBEE spend recognition for business support, skills development and training, as well as socio-economic development spend.

6.4 Leverage national training assistance programmes to drive skills development in Umzinyathi (SETA's)

Due to UDM's limited resources, it is key critical that National training budgets are leveraged to drive skills development within UDM, as UDM would not be in a position to fund such programmes. Leverage off corporate spend, as well as SETA's and potentially SEDA assistance could be useful in this regard.

6.5 Attract IPF skills to create confidence amongst investors

It is necessary to create confidence amongst potential investors; this can be done through the attraction of IPF skills necessary to drive IPF activity in the area, and confidently engage with potential investors.

6.6 Leverage IPA's capacity to drive interest in public sector investment

IPA's have the necessary IPF skills, and as such these skills should be leveraged in order to enhance IPF activities conducted directly by the UDM.

6.7 Ongoing skills audit to determine skills needs - to link with knowledge management

It is essentially important that IPF practitioners understand the skills profile of UDM so as to appropriately engage with investors. UDM need to champion the development of a detailed (on-going) skills audit in order to determine key skills needs.

7. STRATEGIC AREA 7- KNOWLEDGE MANAGEMENT

Knowledge management represents an overarching theme for IPF in Umzinyathi. It is necessary to ensure that knowledge is pooled centrally and available for IPF practitioners as well as potential, and existing, investors. Successful knowledge management would provide real-time statistics and information relevant to investment decision-makers, and this is key critical in building confidence amongst the potential investor pool.

It was noted during the Situational Analysis that access to information was a challenge to SMMEs in UDM. As such, formalized structures need to be put in place to engage adequately with SMMEs and to disseminate relevant information in an effective manner.

Knowledge management, in the context of this strategy, related to, inter alia:

- 1) Investment statistics
- 2) Economic statistics
- 3) Details around investment incentives
- 4) Details surrounding cost of doing business within various areas in Umzinyathi
- 5) Compelling reasoning for the attractiveness of investing in Umzinyathi
- 6) Economic potential
- 7) Availability of relevant skills

The key strategies to drive knowledge management are highlighted in the table below:

Table 10: Key Strategies for Skills Development

Strategic Objective 7	Collate and co-ordinate pertinent Investor-relevant information in an effective manner to support IPF activities, and promote confidence amongst potential, and existing investors.
Key Differences between LM's focus for IPF strategy	<i>Methods for collating relevant information may differ from the more formalised Mvoti and Endumeni areas, compared with the more remote and informal Msinga and Nquthu areas.</i>

Common Interventions	7.1 Establish information sharing arrangements with key stakeholders
	7.2 Coordinate research to ensure useful, fresh information available
	7.3 Manage information portal and allow for appropriate person's access
	7.4 Continually assess gaps in information in Knowledge Management System and take steps to secure such information
	7.5 Ongoing engagement with Investor pool, current and prospective to manage expectations
	7.6 Enhance information sharing through collaboration with IPA's, Provincial Department's ,the Private Sector, Emerging Businesses, newly established Chambers of Commerce, as well as local authorities

7.1 Establish information sharing arrangements with key stakeholders

In order to ensure the continuous flow of pertinent, fresh information; it is necessary for the UDM to establish information sharing arrangements with key stakeholders, which could include, inter alia:

- 1) Banking institutions
- 2) STATSSA
- 3) KZN EDTEA
- 4) Provincial and National Treasury
- 5) Development Financiers (IDC, NEF, Ithala)

7.2 Coordinate research to ensure useful, fresh information available

UDM will need to champion the co-ordination of sector research to ensure that relevant, up-to-date information is available to key stakeholders in order to make appropriate decisions. There is limited, reliable, real-time investment information available for Umzinyathi.

7.3 Manage information portal and allow for appropriate person's access

In order to appropriately assess the impact of IPF activities, it is necessary to measure current levels of investment and continually track such investment on a real time basis. This process requires collaboration with various local and provincial stakeholders, and it is necessary for such information to be available to relevant persons on a real-time basis.

7.4 Continually assess gaps in information in Knowledge Management System and take steps to secure such information

UDM need to Champion the assessment of the Knowledge Management System on an on-going basis, which would include continually assessing for absent information.

7.5 Ongoing engagement with Investor pool, current and prospective to manage expectations

The current and prospective investor pool would provide feedback regarding the adequacy of available information with respect to investing in the UDM.

There is also a need to develop appropriate marketing collateral, which is informative and aligned to these strategic thrusts. This collateral should highlight the essence of Umzinyathi and begin to build a brand for the area

7.6 Enhance information sharing through collaboration with IPA's, Provincial Department's, the Private Sector, Emerging Businesses, newly established Chambers of Commerce, as well as local authorities

UDM needs to champion the collaboration between IPA's, Provincial Department's, the Private Sector, Emerging Businesses, newly established Chambers of Commerce, as well as local authorities

8. STRATEGIC AREA 8- INVESTOR AFTERCARE

Sustaining investment in UDM is as important as initiating it; as many promising initial investments could easily come to nought if appropriate support and follow up is not conducted.

Furthermore, support and follow up with existing investors is likely to stimulate further investment by these same investors in the future; whereas a lack of follow up and support could well see opportunities missed, and investment flowing outside of the District.

Key Strategies for Investor Aftercare	
Strategic Objective	8. Drive effective investor aftercare to sustain existing investment and promote additional investment amongst the existing investor pool.
Key Differences between LM's focus for IPF strategy	<i>Similar for both areas; size and scale of investments may differ and necessitate a higher level after-care team in E&M, as opposed to M&N</i>
Common Interventions	8.1 Develop relationships with Investors
	8.2 Track new investors in order to understand the investment climate and meet the needs of new investors
	8.3 Assess success of investment at least annually (job creation, economic value add etc.)
	8.4 Understand investor needs and consider whether being met
	8.5 Assess Municipal support, against undertaking given

Investor Aftercare is important to establish and maintain good relations with new investors, so as to sustain such investment, and possibly drive new investment from existing investor pool.

8.1 Develop relationships with Investors

It is vitally important that IPF practitioners develop relationships with existing and potential investors (proportional to size of investment) in order to understand needs of investors, as well as investment opportunities sought.

8.2 Track new investors in order to understand the investment climate and meet the needs of new investors

Tracking of investment in the area is important in understanding investment trends and demand.

This will specifically provide insight into areas of focus for IPF activities.

8.3 Assess success of investment at least annually (job creation, economic value add etc.)

An annual investment assessment should be conducted to track actual investment, as well as the impact of such investments on the local economy. This assessment should be tabled with Local Municipalities and IPA's in order to fully unpack investment trends, challenges and successes.

8.4 Understand investor needs and consider whether being met

Investor needs must be met in order to garner investment in UDM. IPF practitioners should consult with IPA's and potential and existing investors regularly in order to consider whether investor needs are being met.

8.5 Assess Municipal support, against undertaking given

It is vitally important that an assessment be done to compare undertakings by Municipal official to investors, to actual action that has taken place. Investors can be interviewed to understand any frustrations or lack of service delivery which is hampering ongoing operations or retarding further investment.

CONCLUSION AND WAY FORWARD

The Investment Promotion and Facilitation landscape in Umzinyathi is currently challenging, as there is limited new investment being made, many mines have closed, skills levels are generally low, there is no formulated and aligned investment promotion process that is followed, institutional capacity is limited and certain areas within the district have extremely underdeveloped economies, with high levels of unemployment and poverty.

Key Success factors

Wide-reaching and on-going stakeholder engagement, as well as continued collaboration with investment promotion agencies are additional key success factors for this strategy. Communication relating to IPF in Umzinyathi needs to be consistent and available information needs to be relevant and useful to potential investors. Further, relevant key success factors that need to be considered:

- 1) Obtaining funding for key projects and programmes, which are aimed at driving the foundational phase of this strategy
- 2) Commitment from key local, and provincial stakeholders, in both the public and private sector, is key to driving this strategy
- 3) Initial foundational phase focused on economic growth and formalization of support structures in the District
- 4) Internally generated economic growth is necessary to stimulate interest in investment
- 5) Relevant stakeholders need to be continuously consulted to ensure understanding and buy-in to potential investments
- 6) Aligned spatial and economic planning throughout the district
- 7) Enhanced profile of UDM and LMs through consistent branding and communication (e.g. improved websites)
- 8) Obtaining buy-in from Tribal Authorities is important as much of the land within Nquthu and Msinga are held by them
- 9) Access to information
- 10) Effective knowledge management

Challenges

The roll out of the strategy will need to be completed in a phased approach to enable successful implementation.

The challenges facing Umzinyathi in terms of attracting investment create an economic environment that is difficult to promote, and to add to this IPF is conducted on an ad-hoc and informal basis in UDM which leads to inconsistent messaging and insufficient available information for investors to make informed decisions. There is also no investment monitoring database, which means there is no real way of assessing levels of investment in the area, or which areas require more vigorous promotion.

The Eight (8) strategic areas that have been formulated address the key critical challenges facing UDM with respect to IPF. It is specifically noted that there is a need to support and encourage existing and start up SMMEs within the UDM in order to stimulate economic growth, which is expected to lead to further investment from within; and ultimately external investment.

Way Forward

The high-level way forward for the implementation of this strategy is summarised as follows:

- Capacitate required institutional arrangements to drive the IPF strategy going forward
- Focus on low hanging fruit to drive investment on Umzinyathi; such as agriculture and tourism, such as :
 - promotion of additional and complementary tourism products linked to the battlefields route, and
 - various agricultural and agro-processing opportunities that exist along the existing agricultural value chain
- Maintenance of existing key infrastructure
- Development of short-term catalytic projects (refer appendix for details)
- Detailed planning regarding own catalytic projects, and critical enabling infrastructure for the future

- Focus on the development of detailed business support plans and initiatives, whilst leveraging off national and provincial incentives to add value to existing and new businesses, and develop a platform from which to drive business linkages.
- Develop skills plan for UDM, which is aligned to key sectors and skills needs.
- Identify and source required IPF skills, and maintain such skills to drive IPF activity for UDM

This Final Draft Strategic Framework will inform the Measurement and Evaluation Framework, as well as the Implementation Plan.

FINAL DRAFT

APPENDIX 1: CONSOLIDATED SWOT ANALYSIS FOR UMZINYATHI

The situational analysis mentioned in the document above, highlighted the following combined (desktop research findings and stakeholder workshops) SWOT analysis for the Umzinyathi District Municipality:

Table 11: Consolidated SWOT for Umzinyathi District from Situational Analysis

Item	Comment
Strengths	Weaknesses
Agriculture; specifically, livestock, timber, fresh produce	Low levels of economic activity (GDP low w.r.t KZN) and many areas have low and medium to low potential
Tourism- Battlefields	Many areas within Msinga and Nquthu difficult to access
Availability of land	Poverty, unemployment and inequality high
Greytown positioned in centre of Province	Political challenges- hung District
Dundee an important regional centre	Declining economic conditions
Large, young potential labour force	Economy dependant on primary industries
Dundee has an FET college	Lack of required skills and low levels of education in general
	Institutional deficiencies to drive economic growth and promote investment- appropriate skills needed
	Limited existing BR& E activity, as well as SMME support throughout District
	Infrastructural deficiencies, especially in Nquthu and Msinga

	Location- not on N2 or N3
	Access to further learning for Youth is limited (only 1 recently opened FET)
OPPORTUNITIES	THREATS
Agriculture and agri-processing- livestock, timber, fresh produce value chains	Low income levels; high poverty and unemployment
Adventure tourism to complement historical and draw families	Coal Mining threatened as not viable
Development of an integrated tourism promotion institution	Climatic conditions
Revival of rural communities by development of agri-villages	National Political issues (e.g. Tourism VISA issues)
Public sector relationship with business through BR and E programme	
Development of business forums (a chamber of commerce for the district)	
Manufacturing showing promise around Greytown	
Leverage off locality to Newcastle & Ladysmith to access opportunities; e.g. ICT Innovation Hub in Newcastle	
Construction sector (when new infrastructure and projects are being built)	

APPENDIX 2: CATALYTIC PROJECTS

The table below highlights the catalytic projects that have been identified at a Provincial level.

Table 12: KZN Priority projects in Umzinyathi (Source: 2015 Version of the KZN PGDP)

1	Formalisation of Rural Towns	Programme to formalise 15 top priority rural towns to promote orderly development, as well as security of land use and land tenure	COGTA	High priority programme
2	District Industrial Hubs	Potential Rollout of the KZN Industrialisation Programme by the development of specialised industrial hubs in each District of the Province	DEDTEA	High priority programme
3	Inkululeko Development Initiative	The development of an education centre of excellence in Ndumo, with emphasis on maths, science and technology education. Accommodates 1600 day scholars and 200 boarders. Development of a Rural Service Centre and establishing a replicable model for the rollout of other similar centres in each District.	OTP as coordinator	Catalytic - Major enabler

The 3 major catalytic projects planned for UDM are noted above. It is important for UDM to support these programmes and leverage off opportunities created by these programmes to stimulate investment in the area.

APPENDIX 3: SEGMENTED BUSINESS SUPPORT

Table 13 Business Support by Type of Business

Segment	Current weaknesses	Types of Support
Youth	<ul style="list-style-type: none"> - Many unemployed youth - Education and skills levels low 	<ul style="list-style-type: none"> - Promotion of internships - Promote entrepreneurial thinking - Leverage KZN's HEI to develop skills
Existing Businesses	<ul style="list-style-type: none"> - No formal, inclusive business representation 	<ul style="list-style-type: none"> - Driving establishment of Business Fora - Facilitating businesses linkages - Backward integration - Business Fairs/ Entrepreneurial competitions - Access to information relating to incentives - Prioritization of localized content - Leverage government programmes to increase localized content
Corporates	<ul style="list-style-type: none"> - Corporates inactive in UDM - Limited understanding of UDM investment profile 	<ul style="list-style-type: none"> - Engage corporates collectively - Leverage corporate CSI/ED spend for social infrastructure & support/ links - Create business linkages - Facilitate mentorship opportunities
In/ Semi formal businesses	<ul style="list-style-type: none"> - Need to be included in IPF - Represent key segment - Require support 	<ul style="list-style-type: none"> - Leverage National Govt. Support to assist Informal Businesses - Creation of market opportunities - Link informal businesses with Tour operators (business linkages)