Cross-border Tourism Planning and Development:  
The Case of the  
Lake !Gariep Initiative

By Marguerite Nicole Crozier

Submitted in fulfilment of the requirements of for the Degree of Masters of Arts: Development Studies at the Nelson Mandela Metropolitan University

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Supervisor: Dr Gwendolyn Wellmann
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MASTERS OF ARTS: DEVELOPMENT STUDIES

Supervisor: Dr Gwendolyn Wellmann

December 2011
DECLARATION

I, Marguerite Nicole Crozier, s205038956, hereby declare that the treatise for Ma Development Studies is my own work and that it has not previously been submitted for assessment or completion of any postgraduate qualification to another University or for another qualification.

Marguerite Nicole Crozier
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ABSTRACT

The concept of cross-border tourism planning and cooperation is investigated in reference to the Lake !Gariep Initiative. The field of cross-border economic planning and integration is an area of increasing interest in regional development studies. The Lake !Gariep Initiative is an initiative to promote cross-border planning and development around nature conservation, water resource management, economic development, poverty alleviation and tourism in the three municipalities that surround the !Gariep Dam. The !Gariep Dam, which is largest dam in South Africa, is surrounded by three provinces. The region is also economically and politically marginalised as it has a small, dispersed population and a marginal contribution to the broader regional economy. Under these circumstances the coordination of resources between municipalities to develop and promote the region has been identified as a key success factor for the region. The Lake !Gariep Initiative although strongly supported locally has over ten years failed to be institutionalised. This study examines the Lake !Gariep Initiative in terms of the origins of the concept and the key challenges that have been faced in establishing a cross-border, development entity. Findings are based on an assessment of documents on the formation of the LGI, interviews with stakeholders involved in the process and an assessment of critical success factors in reference to national and international case studies. This study provides a review of the key challenges, benefits and critical success factors for cross-border tourism development in relation to the Lake !Gariep Initiative.
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<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
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<tr>
<td>AA</td>
<td>Automobile Association</td>
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<tr>
<td>DEAT</td>
<td>National Department of Environmental Affairs and Tourism</td>
</tr>
<tr>
<td>DEDEA</td>
<td>Eastern Cape Department of Economic Development and Environmental Affairs</td>
</tr>
<tr>
<td>DKA</td>
<td>Desert Knowledge Australia</td>
</tr>
<tr>
<td>DPLG</td>
<td>Department of Provincial and Local Government</td>
</tr>
<tr>
<td>DETEA</td>
<td>Free State Department of Economic Development Tourism and Environmental Affairs</td>
</tr>
<tr>
<td>DWA</td>
<td>Department of Water Affairs</td>
</tr>
<tr>
<td>EC</td>
<td>Eastern Cape</td>
</tr>
<tr>
<td>EEDZ</td>
<td>Environmental and Economic Development Zone</td>
</tr>
<tr>
<td>ECPTA</td>
<td>Eastern Cape Parks and Tourism Agency</td>
</tr>
<tr>
<td>FS</td>
<td>Free State</td>
</tr>
<tr>
<td>GDS</td>
<td>Growth and Development Summit</td>
</tr>
<tr>
<td>GGP</td>
<td>Gross Geographic Product</td>
</tr>
<tr>
<td>IDP</td>
<td>Integrated Development Plan</td>
</tr>
<tr>
<td>IDZ</td>
<td>Industrial Development Zone</td>
</tr>
<tr>
<td>IGF</td>
<td>Intergovernmental Forums</td>
</tr>
<tr>
<td>ISRDP</td>
<td>Integrated Strategic Rural Development Programme</td>
</tr>
<tr>
<td>LED</td>
<td>Local Economic Development</td>
</tr>
<tr>
<td>LGI</td>
<td>Lake !Gariep Initiative</td>
</tr>
<tr>
<td>LGTA</td>
<td>Department of Local Government and Traditional Affairs</td>
</tr>
<tr>
<td>MDTP</td>
<td>Maloti Drakensberg Transfrontier Conservation and Development Programme</td>
</tr>
<tr>
<td>MEC</td>
<td>Member of Executive Council</td>
</tr>
<tr>
<td>MinMEC</td>
<td>Ministers and Members of the Executive Council</td>
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<tr>
<td>MoU</td>
<td>Memorandum of Understanding</td>
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<td>NC</td>
<td>Northern Cape</td>
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<td>Acronym</td>
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<td>OUZIT</td>
<td>Okavango/Upper Zambezi International Tourism Initiative</td>
</tr>
<tr>
<td>PGDS</td>
<td>Provincial Growth and Development Strategy</td>
</tr>
<tr>
<td>SADC</td>
<td>South African Development Community</td>
</tr>
<tr>
<td>StatsSA</td>
<td>Statistics South Africa</td>
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<tr>
<td>TFCA</td>
<td>Transfrontier Conservation Area</td>
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CHAPTER 1: INTRODUCTION

1.1 BACKGROUND AND PROBLEM STATEMENT

The area of cross-border cooperation and planning is an area of increased interest in regional development planning research. The concept has gained interest especially in the arid regions of South Africa’s Karoo. Global experience indicates that tourists do not keep to strict borders and they tend to visit regions, rather than an area within a defined political boundary. At present South Africa’s planning system is highly segmented and based around provincial and municipal borders. There is a lack of coordinated regional planning and integration of development initiatives between provinces or districts.

The Karoo is an area that lacks political and economic significance, and in order for it to grow and compete with other regions, it needs to pool resources and work with neighbouring Karoo municipalities. Thus cross-border initiatives in all spheres, not only tourism, need to be encouraged.

Regional development thinking, according to Atkinson (2008a), is not well developed in South Africa and thus is an area that needs further research. The field of cross-border collaboration and economic development in the context of the Karoo has been an area that has been under researched in the past.

An example of the attempts to develop cross-border planning and development in South Africa over municipal and provincial boundaries is the Lake !Gariep Initiative (LGI). The LGI is an initiative to build cooperation and economic development, by focusing on key sectors such as tourism, agriculture and poverty alleviation programmes around the !Gariep Dam. The initiative is between the three provincial governments that border the !Gariep Dam: the Free State, Northern Cape and Eastern Cape and the three District Municipalities of these adjoining provinces. The District Municipalities involved in the LGI are Xhariep in the Free State, Joe Gqabi (formerly Ukhahlamba) in the Eastern Cape and Pixley ka Seme in the Northern Cape. According to the LGI Management Strategy (Bopa-Lesedi, 2006) the concept was developed out of a need from communities, municipalities and provincial government structures to integrate conservation and development initiatives around the !Gariep Dam Complex into a single initiative for the development of the area and the promotion of poverty alleviation.
The basis for cooperation is that the municipalities share a boundary around the largest dam in South Africa: The !Gariep Dam (formerly called the H.F. Verwoerd Dam). Map 1.1 illustrates the position of the provincial boundary and the three municipalities surrounding the !Gariep Dam. The three provincial nature reserves located around the !Gariep Dam are also indicated on the map. The dam was constructed in 1971 and is bordered by three provinces. Areas of cooperation identified for the LGI includes conservation management and amalgamation of the provincial parks, economic development, poverty alleviation, agriculture, access to water resources and tourism development.

Map 1.1: !Gariep Dam

In this treatise the potential of cross-border cooperation around tourism is concentrated on and reference is made to conservation management in passing. There are a number of tourism establishments surrounding the dam, which include the Eastern Cape Parks and Tourism Agency’s (ECPTA) Oviston Nature Reserve; the Free State’s Gariep and Tussen die Riviere Nature Reserves and the adjoining town of Gariep. Gariep Town’s small but growing tourism sector consists of hotels, resorts and bed and breakfasts. The main reason for tourists to visit the dam is to over-night between Johannesburg and Cape Town on the N1. The Dam is located close to the N1, between
Johannesburg and Cape Town. The most well developed tourism markets in the area are Gariep Town and Colesberg. Colesberg is an established stop-over destination for travellers on the N1 and the gateway for the Lake !Gariep region. The smaller towns that surround the dam offer accommodation, but lack product development and variety in comparison to Gariep Dam and Colesberg. There is the potential to link up the more established tourism centres such (Gariep Town and Colesberg) with the smaller towns around the Dam so as to increase tourists to the region. Thus regional cooperation through the LGI was identified as a means of marketing the area, improving infrastructure and product development.

Cross-border cooperation in the study area initially started as an inter-government relations forum and offered a platform for private-public dialogue and cooperation. As the areas of cooperation moved from planning to resource allocation the need for a framework to guide the cross-border cooperation grew. Since the need for the LGI was first identified there have been many policy documents written and attempts at securing provincial government support. These have all failed to provide a framework for the LGI.

This study identifies best practise in the setting up of cross-border development initiatives and the critical success factors from other successful interprovincial tourism developments. This research will identify key issues and challenges that have hampered the establishment of the LGI, with the aim being to identify recommendations for the LGI’s establishment in future and to advise on cross-border initiatives nationally. As financial resources have been committed to drafting strategies and planning for the LGI; studies such as this undertake to assess why the implementation of the project was unsuccessful.

1.2 DEFINITION OF CONCEPTS
Due to the frequent use of certain terms throughout the report it is necessary to provide a definition of these terms. The following geographic place names need to be clarified:

- !Gariep Dam: The dam
- Gariep or Gariep Town: The town adjacent to the !Gariep Dam and located in the Free State
- Gariep Municipality: The Local Municipality, within the Eastern Cape
- Xhariep Municipality: The District Municipality, within the Free State

The cross-border or regional planning concepts mentioned in the report have similar sounding names and are often quite similar in nature, but have different focus areas. The definitions of the
following concepts were set out in the Lake !Gariep Initiative Management Strategy (Bopa-Lesedi, 2006):

- **!Gariep Dam Complex:** The complex of nature reserves that surround the !Gariep Dam
- **Lake !Gariep Initiative (LGI):** The initiative to link conservation, tourism and marketing development across provincial borders.
- **Lake !Gariep:** Branding name of the region surrounding the !Gariep Dam
- **The Lake !Gariep Development** was as a ‘joint development venture’, and consisted of a collection of projects and institutions with support originating from the Eastern Cape Department of Economic Development and Environmental Affairs, which was implemented through the District Municipality of Ukhahlamba (now renamed Joe Gqabi).
- **Tri-District Alliance:** The inter-governmental relations forum and forerunner to the LGI was the Tri-District Alliance. The Tri-District Alliance refers to a partnership of government departments and authorities with the purpose of exploring further interaction, increase understanding across regions, influencing policy and forming joint ventures for development. This body was formed in 2002, with the chairmanship rotating between the three provinces annually.
- **The !Gariep Route** is the name of the tourism route encompassing the !Gariep Dam and nearby towns and which was identified through the Tri-District Alliance and LGI planning exercises.

It is also the name of a current private sector tourism marketing association. The only tourism route that is being undertaken and marketed in the region is the !Gariep Route which is a private sector driven tourism marketing and advertising initiative. The area that the route includes are the towns of Bethulie, Burgersdorp, Colesberg, Donkerpoort, Edenburg, Gariep Town, Novalspont, Oviston, Philippolis, Smithfield, Springfontein, Steynsburg, Trompsburg and Venterstad.

Another point of clarity is that within the document the district of Ukhahlamba is referred to by its new name that of Joe Gqabi District however documents are referenced as written by Ukhahlamba District Municipality.

**1.3 OBJECTIVES OF THE STUDY**

The objectives of this study are as follows:

- To provide a theoretical overview of cross-border cooperation with reference to tourism planning and development.
- To provide an outline of key tourism concepts that influence the tourism development landscape in South Africa and which are of relevance to the study area. These include overviews
of the concepts of ‘destination competitiveness’, ‘rural tourism’ and the ‘spatial distribution of tourism’.

- To discuss the Lake !Gariep Initiative as an example of a South African tourism cross-border tourism collaboration.
- To provide an economic, socio-economic, environmental and institutional profile of the study area through an analysis of municipal statistics and reports.
- To provide a context to cross-border planning through a discussion of the policy and planning frameworks in the respective provinces and municipalities of the study area.
- To explore the background to the Lake !Gariep Initiative and cross-border planning around the dam.
- To identify the challenges experienced in the establishment of the Lake !Gariep Initiative.
- To consider the critical success factors of cross-border planning with reference to examples.
- To provide recommendations and conclusions on the establishment of the Lake !Gariep Initiative.

1.4 SCOPE OF THE STUDY

This report is set out as follows:

- Chapter 2 The Literature Review chapter of the study provides a review of destination competitiveness theory, tourism concepts and cross-border tourism planning.
- Chapter 3 outlines the methodology of the study.
- Chapter 4 provides a profile of the study area which includes the three local municipalities surrounding the !Gariep Dam.
- Chapter 5 outlines the background to the LGI and the findings on its challenges in establishment.
- Chapter 6 provides a best practise assessment by comparing critical success factors identified in the findings chapter and exploring this further with the aid of national and international examples.
- Chapter 7 provides the summary of findings, recommendations and conclusion.
CHAPTER 2: LITERATURE REVIEW

This chapter provides a background to the theoretical underpinnings of this study. Two key aspects that are discussed are: (i) the main theories of tourism destination competitiveness, and (ii) the concept of cross-border tourism cooperation. The theories of destination competitiveness that will be discussed include those of Ritchie and Crouch, Dwyer and Kim, and Hassan and Heath. These models build on the initial work of Michael Porter in the field of competitiveness theory. The concepts of regional development and spatial distribution of tourism will put rural tourism into context as a unique entity facing challenges that differ from urban-based tourism. Route and cross-border tourism will be assessed as a means of promoting regional tourism competitiveness and attaining developmental goals.

2.1 DESTINATION COMPETITIVENESS

The pivotal theory underscoring ‘destination competitiveness’ is that of Michael Porter’s Five Forces of Competitiveness Model. Thus, in order to discuss the concept of ‘destination competitiveness’, it is first necessary to discuss the theory of competitiveness. Michael Porter’s Five Forces of Competitiveness Model can be applied at both the macro and micro level. At a micro level, competitiveness involves the ability of an organisation to stay in business and to protect an organisation’s investments in order to earn a return on an investment. At a macro level, ‘competitiveness is a national concern and its ultimate aim is to improve the real income of its citizens’ (Jonker, 2004:123 cited in Keyser, 2009). Competitiveness is considered a relative concept, thus a comparison with another destination is needed, and also a multi-dimensional aspect, where attributes are assigned to it (Spence and Hazard, 1988 in Dwyer and Kim, 2003). Ritchie and Crouch (2000) find that destination competitiveness involves a wide range of complex issues.

Competitiveness is the contribution of social, political, economic and institutional factors that affects a country on international markets (Yoon 2002:32 cited in Jonker, 2004:123). The topic of competitiveness has been researched extensively since Porter’s model was published and has since been expanded on by other theorists. The basic theories of competitiveness were elaborated on to develop theories of destination competitiveness, amongst others. The field of tourism destination competitiveness has become a field of increased study in recent years, with theorists such as Ritchie and Crouch, Hassan, D’Hauteserre and Heath having developed models to consider tourism competitiveness. Ritchie and Crouch (2000:5) refer to destination competitiveness as ‘Tourism’s Holy Grail’ and an area that until the late 1990s received little research interest. It was identified in their
research that there was a need for a model to consider the aspect of destination competitiveness based on increased competition in global tourism, which was evidenced by increased budgets of National Tourism Administrators (NTAs) (2000).

Definitions of destination competitiveness that these theorists proposed included:

- Ritchie and Crouch (2000) defined destination competitiveness as a destination’s ability to create value and thus increase national wealth by managing assets and processes, attractiveness and proximity and by integrating these relationships into an economic and social model.

- The concept of sustainability was intrinsic to Ritchie and Crouch’s definition of a competitive destination. Thus they stated that competitiveness was ‘illusionary without sustainability’ (Ritchie and Crouch, 2000:5). The competitive destination is therefore a sustainable competitive destination, in terms of economic, ecological, social, cultural and political dimensions.

- Hassan (2000:239) defined it as, a destination’s ability to create and integrate value added products that sustain resources whilst maintaining market position relative to competitors.

- D’Hauteserre (2000:23) defined it as the ability of a destination to maintain and improve its market position over time.

- Ritchie and Crouch (2003) defined it as a destination’s ability to increase tourists’ expenditure and to attract increasing numbers of visitors while providing them with quality services and satisfying experiences.

These models of destination competitiveness were developed to organise variables deemed to have an effect on a destination’s competitiveness. The best known approach to destination competitiveness is Ritchie and Crouch’s destination competitiveness model (2000, 2003). The model builds on Porter’s (1980) Diamond of National Competitiveness. The model proposes that tourism destination competitiveness is determined by five major components:

1. Core resources and attractions
2. Supporting factors and resources
3. Destination management
4. Qualifying determinants
5. Destination policy planning and development

The core resources component includes elements such as market ties, special events, mix of activities, culture and history, physiography and superstructures. These are the comparative
advantages of the region. The model defines comparative advantages further into human, physical, knowledge, capital, historical or cultural resources and infrastructure; as opposed to tourism structures. **Supporting factors and resources** include infrastructure, accessibility, facilitating, hospitality, enterprises and political will. **Destination management** includes crisis management, resource stewardship, visitor management, human and resource management, information and research, marketing and organisation. **Qualifying and amplifying determinants** include location, safety and security, cost/value, interdependencies, awareness and carrying capacity. **Destination policy and planning** includes aspects of vision, values, philosophy, positioning, development, research, visitor management. The competitive advantages, influencing a destination are defined in terms of audit and inventory; thus the number and variety of accommodation and activities, maintenance; growth and development; efficiency and effectiveness (Keyser, 2009; Ritchie and Crouch, 2003; Ritchie and Crouch, 2000).

Aspects of tourism policy were introduced as a major element by Ritchie and Crouch (2000) into their model, to account for aspects that were evident in discussions with tourist destination managers. The model then included aspects of the tourism policy, planning and development which included system definition, philosophy, vision, audit, positioning, development, competitive/collaborative analysis and monitoring and evaluation (Ritchie and Crouch, 2000). Tourism policy was defined as ‘a set of regulations, rules, guidelines, directives, and development/promotion objectives and strategies that provide a framework within which the collective and individual decisions directly affecting tourism development and the daily activities within a destination are taken’ (Ritchie and Crouch, 2000:2). Tourism policy thus seeks to create an environment within which tourism can develop and grow. System definition determines the parameters and phenomenon for policy formulation. Philosophy concerns the role of tourism in the economy and the form tourism should take, thus whether tourism is locally driven or requires outside interest to develop. Vision of a destination verbalises the envisaged ‘ideal future state’ that stakeholders wish for an area, ideally it needs to be the basis of an operational strategic direction. The audit aspect of tourism policy are the existing resources, capabilities and functioning of a tourism destination. Other aspects of the tourism policy component are destination development which concerns supply side interventions, positioning of destinations in the marketplace, collaborative analysis and monitoring and evaluation. Collaborative analysis is defined as the understanding of competitors and forming of strategic alliances, an element that is needed to increase the influence of a destination. Monitoring and Evaluation provides the opportunity to
systematically evaluate policies and strategies that are implemented in an effort to promote competitiveness (Ritchie and Crouch, 2000).

Dwyer and Kim’s model (2003) brings together elements of firm and national competitiveness as proposed in wider competitiveness literature, and the elements of destination competitiveness especially those proposed by Ritchie and Crouch (2000, 2003). Dwyer and Kim stated that for a destination to be competitive it needs to ensure that its attractiveness and the quality of the experiences it delivers to tourists are equal or better than alternative destinations. The model was developed in order to determine the relative strengths and weaknesses of destinations in order to assist governments and the private sector to increase tourism expenditure and positive economic impacts. They defined a set of indicators of competitiveness as part of their integrated model of Destination Competitiveness (Keyser, 2009:48; Dwyer and Kim, 2003:4). The main elements of the model that differ from Ritchie and Crouch are the distinction between created and endowed resources. Dwyer and Kim’s model also explicitly identified demand conditions as a key element. The perceptions of tourists about destinations and how product offerings meet their needs were crucial elements that were neglected in the Ritchie and Crouch model. The model also places destination competitiveness not as the ultimate goal of policy making, but rather focuses on the economic approach to ensure social prosperity (Dwyer and Kim, 2003:7).

Hassan’s (2000) model uses the firm as the unit of analysis for competitiveness. Hassan’s work includes four major determinants of market competitiveness. These are: (i) Comparative Advantage, (ii) Demand Orientation, (iii) Industry Structure, and (iv) Environmental Commitment.

- **Comparative advantage:** the destination’s comparative advantage includes factors associated with the macro and micro environment that relate to competitiveness.
- **Demand orientation:** the destination’s ability to respond to changing demand patterns influences its competitiveness.
- **Industry structure:** existence or absence of an organised tourism related industry and the effectiveness of their operations will affect competitiveness.
- **Environmental commitment:** the destination’s commitment to the environment will influence future competitiveness.

Heath’s (2003) model of destination competitiveness is compared to a house and its components.
• The **foundations** of competitiveness are represented by the key tourist attractions of a destination and the optimising of the comparative and competitive advantages of an area. They address the fundamental non-negotiable aspects of an area.

• The **cement** in the model that binds all the elements of competitiveness are the communication channels, balancing direct and indirect shareholder involvement, information management, research and forecasting, managing competitive indicators and benchmarks.

• The **building blocks** make tourism happen. These include a sustainable tourism development policy and a strategic and holistic destination marketing framework and strategy.

• The **roof** of the house represents the key success factors for tourism, and comprises the human resources part of destination competitiveness. This component focuses on a shared tourism vision and leadership, placing strategic priority on the people factor, political will, entrepreneurship, community focus and human resources (Keyser, 2009).

**Figure 2.1: Keyser’s Model of Competitiveness**
The definition provided by Keyser (2009) based on an analysis of destination competitiveness models, is that destination competitiveness is the ability of a destination to provide satisfactory visitor experiences, while simultaneously maintaining and expanding the standards of living of its population (Keyser, 2009:51). Figure 2.1 is provided by Keyser as a summary of the various theories of destination competitiveness and consists of the following elements:

- **Endowed resources** which includes heritage, natural, social, financial and human resources can be considered the comparative advantages of the tourism sector.

- **Created resources** can be considered the competitive advantage of an area. This concerns how resources are managed, created and controlled to promote competitiveness. Created resources are set up by the tourism industry to complement an area’s endowed resources. Tourism events, infrastructure, product diversity and packaging are all considered created resources and provide a competitive advantage.

- The **qualifying and amplifying determinants** shape the competitiveness of the destination. These factors either improve or detract from the competitiveness of the region, and include certain aspects of competitive advantage. Aspects to be considered in this include:
  - Situational factors, such as political, social and economic features
  - Safety and security which considers perceptions of risk and destination selection
  - Price competitiveness and value which influences pricing and perceptions of value
  - Destination accessibility which includes location and its accessibility
  - General infrastructure needed for the support of the tourism industry
  - Destination service quality delivered by the community and tourism organisations that affect destination image
  - Facilitating resources such as knowledge, research and finance
  - Interdependencies between markets and places which affect the appeal of the destination

- **Destination management** which is the collection of stakeholders in a destination and the institutions and processes developed to manage a tourism destination.

- The **tourism industry environment** includes structures, characteristics and trends of the tourism sector in the macroeconomic environment. This would include aspects of competition, capabilities and strategies of firms and destinations.

- **Destination demand**: The destination market position is based on the outcome of the perceptions and images of the destination, demand determinants in the economy, the historical
development of the destination, spatial distribution of tourism, market conditions and market trends.

- **Destination impacts** include: intended and unintended consequences of tourism for the local communities, natural environment, cultures and processes.

- **Destination management action**: The processes and actions of policy formulation, destination strategy, product development, impact management and destination marketing (Keyser, 2009).

The theory of destination competitiveness places aspects of a competitive tourism destination in context. Thus a tourism destination is more than the physical attraction but rather a sum of the component services, infrastructure, institutions and marketing. This is an important element in developing a framework for studying a cross-border tourism initiative as it looks at the components of the destination that would need to be developed in a cross-border initiative.

### 2.2 SPATIAL DISTRIBUTION OF TOURISM

The spatial distribution of tourism in South Africa has been skewed to concentrate on mainly urban areas and a few selected rural areas. This uneven spatial distribution of development is an element that has been identified in government planning documentation and academic research. The key to this uneven distribution of tourists and invested resources has historically been an issue of concern. Atkinson (2009) cites a quotation from as early as 1936, by Arthur J Norval, to illustrate this point:

> South Africa has in the past not made the most of her [sic] visitors...overwhelmed by the vastness of the country, they find it difficult to orientate themselves and are like a flock without a shepherd. The inevitable result is that they are inclined to concentrate around the Cape Peninsula, where the majority of them spend a few weeks and return home having seen and enjoyed very little of the bounteous gifts South Africa has to offer...The tourists have to be induced to visit the hidden corners (Norval, 1936: 130).

The 1996 White Paper on Tourism states that South Africa’s prime tourism assets lie in the rural areas (South African Government, 1996). Rogerson and Visser (2004) identified South Africa’s main attractions as including Cape Town, Durban, Gauteng, Garden Route and Eastern Mpumalanga. The prevailing pattern of tourism development indicates that the benefits of tourism are distributed in a spatially uneven manner and that there are little spill over benefits to other tourism nodes (Visser, 2004 cited in Viljoen and Tlabela, 2007). The reason given for the uneven distribution of tourist supply and demand is the absence of tourism supporting infrastructure. Areas that have been
underdeveloped with tourism infrastructure and services include rural and urban township regions. Tourism based in areas that have different forms of land tenure, such as the communal land tenure in the former homelands also experience severe challenges for development. This is due to the backlogs of services and the lack of physical and tourism infrastructure.

South African policy has been influenced by the National Spatial Development Perspective of 2006 (South African Government, 2006), a policy which attempts to steer investment to areas of economic potential based on a set of development criteria; whereas the focus of regional development policies is to promote the spread of opportunities to the periphery. Atkinson (2008a) contends that the arid areas are not identified as areas of potential and are as such not shortlisted for resources.

There is growing consensus that the benefits of tourism and indeed other economic developments need to be spatially distributed, with government policy and private sector investment working together to improve the impacts of this sector on people’s livelihoods (Viljoen and Tlabela, 2007). The aspects of spatial distribution and development of tourism that follow on from this discussion are the concepts of rural tourism, Route Tourism and cross-border tourism collaboration.

2.3 RURAL TOURISM

Rural areas are heterogeneous, meaning that there are marked differences in the social, economic, demographic and cultural characteristics of each area. Holland, Burian and Dixely (2003) contend that most people know a rural area when they see one, but find it difficult to define. Common features of rural areas include:

- Human settlements only occupy a small percentage of the land; the remainder of the land is characterised by pastures, fields, forests, mountains or deserts.
- Places where most people spend a high percentage of their time on farms.
- Abundance of land which is relatively inexpensive.
- High transaction costs associated with long distance from markets.
- Geographical conditions that increase political transactions costs, and magnify the possibility of elite capture or urban bias (Viljoen and Tlabela, 2007:2).
- Another key aspect of a rural environment is that the density of people is less than in an urban environment (Ashley and Maxwell cited in Viljoen and Tlabela, 2007).
Rural tourism in South Africa has connotations of game reserves and nature based tourism however increasingly rural tourism is moving towards niche markets such as adventure tourism, small town culture, farm tourism and architecture (Atkinson, 2009). Main niche tourism types within rural tourism are:

- Community based tourism
- Eco-tourism
- Cultural tourism
- Agri-tourism
- Adventure tourism
- Budget tourism
- Game ranching

The importance of government’s roles in packaging and promoting rural tourism is emphasised by Atkinson (2009). Atkinson attests to the need to package and market the rural areas. It has been left up to the private sector to develop tourism products. Due to the lack of skilled persons and the uneven distribution of skilled persons in rural areas, some areas have experienced growth around tourism compared to other areas which have stagnated economically. Graaff Reinet and Prince Albert are examples of Karoo towns with flourishing tourism sectors, whilst towns such as Aberdeen in the Eastern Cape, are in rapid decline (Atkinson, 2009:5). The commonalities between the declining towns are a deficiency of entrepreneurial resources and the original purpose for the town’s establishment having disappeared with a new purpose not materialising. The original purpose may have included the presence of a railway station, commercial centres for farming communities or strategic stop-over points for travellers.


Tourism is seen as a potential economic catalyst for rural areas, and as a means of promoting even development patterns. Its role in rural communities is seen as an opportunity to bring development to rural communities and to allow these communities to share in the benefits of development, and in doing so promote balanced development. Tourism provides an alternative to urbanisation and
industrialisation, allowing communities to remain in a rural setting and still earn a living. Rural areas provide the last remaining areas of biodiversity protection, thus tourism can promote sustainable development and job creation without impacting as heavily on the natural environment as heavy industry. It offers an opportunity to enfranchise women, youth and other targeted groups (Viljoen and Tlabela, 2007). Tourism can also play a role in ‘dynamising’ other sectors of the economy. The benefits to the agriculture sector from the tourism industry are felt through increased demand for products and services (South Africa Government, 1996). Rural tourism can initiate capital investment and the creation of new markets (Norval 1936, cited in Atkinson, 2009). Government input would include the identification of key sites and attractions for public investment in facilities and infrastructure. This would assist in establishing a conducive environment for private sector investment to follow. Rural tourism is also suited to promoting pro-poor, small scale and locally owned development. It offers opportunities for personal contact with the natural and human environment and thus promoting an appreciation of rural lifestyles, customs and farming practices. In England and France, this type of tourism provides a major draw card, resulting in positive economic and financial impacts on these areas.

The difficulties in promoting rural tourism include the lack of skills, entrepreneurial ability, marketing expertise and reliable market information often characterising rural settings. There is also a lack of tourism awareness that inhibits participation and decision-making. Government interventions at a local level have had varied success, whilst the continued need for government intervention is critical. Atkinson (2009) provides the example of the successful agri-tourism centres developed in Malaysia by the Malaysian Government to assist farmers, as an example of an intervention that could be learnt from when designing local tourism interventions.

Other concerns around rural tourism are that it needs to form part of a wider economic diversification programme, and ‘rural tourism needs to move beyond a supply-led strategy and begin to promote tourism demand, increasing tourist volumes and escalating market volume’ (Atkinson, 2009:14).

Rural tourism also requires creative branding and marketing. A Tourism Destination Zone is a concept cited in Atkinson (2008a) and it requires certain characteristics in order to be a meaningful developmental unit (Smith, 1995, in Telfer, 2002). The region should have a set of social, cultural and physical characteristics that create a sense of regional identity, it should have infrastructure, it should be larger than one community or one attraction, it should be capable of supporting a tourism
planning agency and marketing initiatives, and it should be accessible to a market (Smith, 1995 cited in Atkinson, 2008a).

Smallbone, Labrianidis, Vesenaar, Welter and Zashev (2007) contend that government support should be in the form of destination marketing and small enterprises assistance, to upgrade their operations through training, loans or specialised services.

Another challenge to promoting rural tourism is that the areas usually occupy the periphery and often lack economic and political power, thus the needs of rural communities are often neglected. ‘In developing countries many of these challenges may be complicated by political and institutional obstacles, such as administrative complexity of dealing with less densely populated areas, the lack of policy co-ordination between rural development and tourism development, and the low priority provided to rural areas by central governments. Thus ways to deal with these challenges are needed’ (Viljoen and Tlabela, 2007:2 citing Holland, Burian, Dixey: 2003).

The White Paper on Tourism and the Tourism in GEAR or Growth, Employment and Redistribution Programme (DEAT, 1997), both emphasised tourism development supported by government but driven by the private sector, thus there needs to be a collaborative approach. It further emphasizes the need for such development to have a community basis and to be labour intensive (Rogerson and Visser (2004), cited in Viljoen and Tlabela 2007).

The context and nature of rural tourism is of interest to this theoretical framework due to the rural nature of the case study. The rural context of the case study will influence the design of the interventions and the aspects of competiveness.

2.4 ROUTE TOURISM

Route Tourism offers a solution to spatial concentrated tourism products by distributing tourism through a larger geographical area through linking attractions and products. Route Tourism is closely associated with rural tourism and can be used in rural tourism marketing, as it brings together a variety of activities under a unified theme and stimulates tourism entrepreneurship. Route Tourism is defined by Meyer (2004) as a market driven approach to tourism destination development. It is also referred to as ‘Themed Routes’, ‘Trails and Byways’ and ‘Scenic Byways’ (Meyer, 2004).
The aim of Route Tourism is to encourage tourists to visit and disperse throughout the country thus promoting a geographical spread of tourism spend and promoting inclusivity (Atkinson, 2009). The aim is thus to attract tourists to visit lesser known attractions and encourage an increased length of stay in an area, thus increasing the intensity and the spread of the impact of tourism in a region. Route Tourism provides an opportunity to develop less developed or less popular tourism destinations. Interventions used in Route Tourism include niche tourism markets that target a special interest group thereby increasing the length of stay of visitors (Meyer, 2004).

A route essentially links together attractions and encourages the tourist to follow the attractions on the route. Route Tourism can be within a political boundary or across political boundaries thus it promotes regional and often international cooperation. Advantages of Route Tourism are the potential for development partnerships, broader economic participation and poverty alleviation (Atkinson, 2009). The aspect of the impact of Route Tourism on poverty alleviation has not been investigated in depth in many cases, for instance the impact of the Open Africa Foundation: Cape to Cairo route was found to promote the increased marketing of regions and attractions but few of the routes succeeded in terms of increased demand and supply of tourism products (Lourens, 2007).

Routes also could achieve a number of objectives as they link the preservation of cultural heritage with rural regeneration and with tourism product development and with the development of strong, dynamic institutions (Lourens, 2007).

Lourens (2007) identifies examples of successful routes in South Africa to include the Wine Route in the Western Cape and The Midlands Meander in Kwa-Zulu Natal. Routes need economies of scale, thus when there were enough tourist attractions on a route it could attract a sizeable demand to then encourage new products to develop. Lourens (2007) identified the key success factors of successful international and national routes. These factors being that a route needed to be based on a unique selling point; offer a good product mix; have a clear brand identity; have the ability to attract members with professional skills to the board or as members, and there was the need to continually conduct market research to ensure that the route was developed to meet the demands of the market (Lourens, 2007).

Further Lourens (2007) indicated that routes needed to be well managed with strict quality assurance of products, as well as the destination marketing and institutional structures needed to be responsive to the age of the destination. In the initial stages, the destination management would
focus on the establishment of a brand and the development of innovative products, whilst at the maturity stage the focus would be on greater quality control. Another key element is the need to establish a destination in terms of its marketing strategy, membership criteria and benefits of membership (Lourens, 2007).

2.5 CROSS-BORDER TOURISM

Internationally there is a growing emphasis on planning across national and provincial/state boundaries. The goal of cross-border planning is to promote even spatial development and improve livelihoods. Cross-border planning strives to ensure that the extent of livelihoods is not determined by which side of the border communities are located on. Thus cross-border planning attempts to attain the best possible spatial distribution of opportunities according to Atkinson (2008a).

Tourism planning over borders is usually associated with international borders as the borderlands often have special tourism planning needs. The need for tourism planning over local and provincial boundaries is an often less researched topic in tourism literature but one that is still of relevance due to differing planning priorities, administrations and economies in neighbouring municipalities or provinces.

Political borders have unique features on the economies, ecosystems and human behaviours of the people living around the border area. Borders result in a barrier and filtering effect occurring, which leads to unusual economic and social conditions (Timothy, 2001). Borders are often associated with differing levels of development and are places where differing administrative, economic and legal systems meet. Boundaries affect tourism due to their impact on the flow of tourists, choice, tourism development planning and the types and extent of marketing campaigns (Timothy, 2001). Borders range in scale from first order boundaries such as international borders; to second order, sub-national borders between provinces and states; to the third order civil divisions between counties, municipalities and townships (Timothy, 2001). Timothy (2001) indicates that sub-national borders can have significant effect on development, as different states or provinces are characterised by differing levels of education, employment, planning and quality of infrastructure. Sub-national or provincial boundaries have thus been indentified in literature as having an impact on tourism development, which is of particular relevance to the case study presented in this research.

Border areas are said to be often marginalised areas within a country or province; this is due firstly to their physical position on the periphery of the region. House (1980:463) refers to the ‘double
periphery’ whereby the effects of territorially marginal locations are compounded by the unfavourable conditions of a frontier location. Secondly, the area is often constrained economically as for it to grow its economy it may need to supply the closest market which maybe a foreign market and thus it may experience barriers to foreign trade. The region may share the same culture or social characteristic with the community on the other side of the border rather than within its own country or political region. When eco-systems are divided by a political boundary, one administration can influence a neighbouring administration through pollution, usage of water, land usage and differing conservation restrictions.

Competition in tourism appears when adjoining areas offer the same services and goods and this competition increases when the two regions across a border function independently. Timothy (2002) explains that the key features that determine whether border tourism is competitive or complementary is the nature of the attraction and the level of cooperation that exists between the two sides. Timothy (2002) indicates that cross-border partnerships are increasingly important when the natural assets around which tourism is developed are shared between the bordering states; and notes that cross-border relationships have increased in popularity and are more common place today than at any other point in time. Based on the work of Martinez (1994), Timothy developed a five part typology to describe the extent of tourism-based cross-border partnerships. The continuum ranges from Alienation, Coexistence, Co-operation, Collaboration to Integration. As the relationship between border states moves along this continuum, the level of complementarity and integration of economic activities, such as tourism is likely to increase (Timothy, 2002). The stages on the continuum are explained as follows: Alienation occurs when there is little partnership or cooperation between neighbouring regions. This maybe the result of cultural or political disagreements such as differing ideologies, war or border conflicts. Coexistence involves minimal levels of cooperation and neighbouring regions are often merely tolerated. Cooperation is characterised by a mutual efforts at joint problem solving. This is the initial step towards greater cooperation and collaboration. Collaboration exists where there are stable and existing relationships and joint efforts are being undertaken. These efforts are often targeted at solving development challenges and the power relationships between the regions are equitable. Integration exists where there are few barriers between neighbouring regions and both parties functionally cooperate with each other and thus waive some of their sovereignty (Timothy, 2002).

Borders are the ‘new frontier’ in tourism research according to Rogerson (2003:33). The advantages of cross-border collaboration are significant; and include diversifying the appeal of individual
destinations by promoting access to complementary destinations that add value to existing attractions. Secondly partnerships can ensure the rationalising of tourism investments to increase efficiency and effectiveness of investments. Thirdly, this approach is aligned to the increased capital and labour mobility present in modern society thus it recognises that tourists often have a regional rather than a specific destination focus (Rogerson, 2003). The implication therefore is that it makes sense for the marketing of destinations to consider the development of tourism in the broader region and promote cooperation across borders so as to develop a competitive destination internationally.

Domestic cross-border regions are emerging as new spaces of social and economic activity, to become centres were economic activity can gravitate to (Smallbone et al. 2006). Cross-border cooperation is a significant issue whether it is provincial, district or national borders (Atkinson, 2009). Atkinson (2009:15) states that ‘cross-border cooperation situates entire regions more strongly in the tourism market, because tourists will often have a regional rather than a specific destination in mind’. Atkinson (2009) further states that such cooperation enables a biome such as the Karoo, which stretches across four provinces, to be marketed as a whole. In answer to the question of “what can governments do to synchronise their tourism promotion efforts across borders?” Smallbone et al, (2007) identified a number of specific policy options:

- Concentrate on developing the supply base, skills, education, innovation and communication
- Develop the demand side by developing new markets
- Develop the institutional framework, development agencies, business associations and political representation.

The cross-border tourism approach has been identified by Timothy (2001) as a key approach in less popular tourism destinations and this approach has subsequently been identified by Atkinson (2009) as a key approach for the Karoo to develop the critical mass to sustain the tourism industry. Smallbone et al (2007) supports this statement by stating that where a border creates an artificial boundary the development of regional identity could benefit from a cross-border dynamic. Approaches of cross-border tourism proposed by Atkinson (2008a) include Route Tourism, desert tourism and transfrontier conservation areas. These elements would aim to develop the regional identity, identified by Smallbone et al (2007) as an important component in tourism.
The need for cross-border regions to be considered as functional economic areas means that borders of this economic system may not conform to the official administrative boundaries (Timothy, 2001). The forms of cross-border partnerships vary based on scale and nature of existing cooperation. These forms of partnerships include firstly, institutional networks which are endorsed to act by government agencies or legislation, and secondly there are informal co-operation networks that exist between local authorities, business and individuals on either side of the border. Areas of partnership include resource protection and management, infrastructure development, human resources, marketing and promotion and border restrictions (Timothy, 2001).

New institutions that facilitate cross-border cooperation are being developed in Southern Africa and internationally. The focus of regional tourism cooperation in the South African Development Community (SADC) has been on the establishment of Transfrontier Conservation Areas or ‘Peace Parks’. An example being the development of peace parks between South Africa, Mozambique and Zimbabwe and the Okavango/Upper Zambezi International Tourism Initiative (OUZIT) (Rogerson, 2003). Transfrontier conservation areas offer an opportunity to examine and implement new forms of regional cooperation in the SADC region. There has however been little consideration or implementation of cross-border tourism cooperation apart from transfrontier reserves (Atkinson, 2008a).

2.6 TOURISM INTEGRATION AND COOPERATION

Cross-border tourism initiatives fall under the scope of cooperative or collaborative tourism planning (Reed, 1999 and Timothy 1998 cited in Rogerson 2007). Briedenhann and Wickens (2004: 72 cited in Rogerson, 2007) underlines the key concept behind this as ‘the clustering of activities and attractions in less developed areas, stimulates cooperation and partnerships between communities in local and neighbouring regions and serves as a vehicle for the stimulation of economic development through tourism’.

Atkinson (2008a:7) states that ‘[t]he assets and challenges of the arid areas need to be addressed at an inter-district, inter-provincial and international level. They therefore pose issues for public sector managers and policy makers at a variety of levels. Co-operating across borders is never easy, because different jurisdictions have different policy priorities, administrative systems and institutional capacity.’ Further the integration of plans at a domestic or intra-national level is as difficult as integration at international levels. In South Africa, the provincial governments have taken on a large range of development functions, and have drafted provincial strategies with little
coordination amongst neighbouring provinces during the drafting and strategising process. Atkinson comments on this phenomenon, indicating that these provincial growth and development plans have been developed in ‘...in splendid isolation’ and that ‘co-ordinating these strategies will be almost as difficult as co-ordinating national programmes’ (Atkinson, 2008a:7). Thus the area of cross-provincial boundary cooperation in all spheres including tourism, is an area of relevant study and research in South Africa.

2.7 CONCLUSION
In conclusion, this chapter discussed the issue of border-lands in planning due to their peculiar characteristics and concepts of cross-border cooperation around tourism. Models of destination competitiveness were identified and reviewed as well as tourism’s spatial distribution at border regions and in rural areas. Literature was cited to support the importance of regional cooperation, its benefits being improved natural resource management, clustering of businesses, investment in appropriate infrastructure and the development of regional identity. Route Tourism offers a means of creating linkages and cooperation between tourism destinations in order to increase economies of scale especially in a rural setting.
CHAPTER 3: METHODOLOGY

3.1 INTRODUCTION
The methodology of the study is outlined in this chapter. The methodology was designed in such a way as to address the following problem statements:

- What are the key impediments and drivers for the development of cross-border cooperation around tourism?
- What are the potential advantages that cross-border cooperation around tourism can offer?
- What recommendations could be made in order to promote cross-border tourism cooperation and development?

These statements are placed within the context of the LGI which is the case study that is explored in this report. The aim of the study is to inform planning around the LGI and the objectives of the study are outlined in Section 1.3 of this report.

3.2 RESEARCH APPROACH
The approach adopted for the conduction of the research was based on a case study methodology and a qualitative analysis using semi-structured survey questionnaires and interviews with key government and private sectors informants on the LGI.

A survey with tourism product owners was conducted to develop a profile of tourism in the LGI study area. These surveys considered the supply and typology of products as well as the current profile of tourists to the region. Twenty-five tourism operators were interviewed from the three adjoining provinces. This was considered a sufficient sample as there were only a few establishments per town within the LGI. The sample also was of a similar size to a sample conducted by Siedel (2008) in an analysis of Joe Gqabi District tourism supply profile in 2008.

The research was conducted under a number of initial research availability assumptions, those being:
- Participants would be willing and available for interviews.
- Participants would be able to provide information pertinent to the study and that they would have authority to provide the information.
It was assumed that the interviews would contain some form of subjectivity, it was however anticipated that on review of all responses and with corroborating evidence from reports, that objective critical factors would emerge.

The following research delimiters and constraints were noted:

- Critical success factors were based on a review of literature to determine key elements of cross-border cooperation around tourism. This was then compared and used to validate information from interviews on the operation of the LGI. One comparative case study or best practise model was not identified rather a number of examples relating to the critical success factors are referenced.
- Not all selected interviewees were available for interviews and due to limitations with time a second field trip to the study area to interview these individuals could not be undertaken. It was noted that challenges in data collection included a lack of established relationships between the author and the Free State and Northern Cape government and tourism officials, thus these provinces were not as well represented by interviews as the Eastern Cape government.
- The number of agencies to interview and the multiplicity of departments was a challenge. The multiplicity of departments was due to the need to contact all relevant provincial sector departments which increased the complexity of the study.
- Greater analysis of the Free State and Northern Cape government perceptions to the LGI could form part of an extension to this study and is an area for additional research.

In terms of the steps in the methodology outlined in Figure 3.1, the following steps were undertaken.

**Step 1** was an initial scoping of available information. This included determining the availability of secondary information and identifying organisations to be interviewed.

In **Step 2**, a review of existing documentation was undertaken. Aspects that were considered included (1) a profile of the local economy, its social characteristics and institutional capacity, as well as (2) similarities and differences between the three districts bordering the !Gariep Dam and (3) the combined characteristics of the area.

In **Step 3**, the economic, demographic and tourism profile of the study area was developed through secondary and primary information collection. Sources of this information included secondary
resources such as Statistics South Africa (StatsSA) publications, academic papers, research reports and strategic plans commissioned by local authorities. The tourism profile was developed through a tourism product owner’s survey. Use was made of Quanteck’s Standardised Regional Database which is based on Statistics South Africa’s Census 2001 demographic and economic data. The study area was geographically positioned through the use of GIS maps of the study area and its key features.

**Figure 3.1: Methodology Diagram**

**Step 4** included a profile of the LGI; its purpose, institutional structure, history, role-players and current developments. The profile was developed through primary and secondary data collection. Primary data collection was undertaken in the form of surveys with key informants. Secondary research included LGI planning reports, business plans, memos and meeting minutes. The activities that were undertaken included:

- The development of an information collection tool
- Identifying the survey sample
- Administering the survey
- Data capturing and analysing the data
- Developing a profile of the region based on existing information
Identifying key criteria by which to analyse and report findings

To develop a profile and investigate the current situation as regards the LGI, personal interviews were undertaken with key stakeholders. Stakeholders that were identified included Provincial, District and Local Municipalities; economic and tourism representatives tasked with the LGI and private sector tourism bodies. See Appendix 1 for list of interviewees. Semi-structured surveys were conducted in person or telephonically with identified respondents. Key indicators included:

- Their personal or organisation’s role in the LGI
- The current status of the LGI
- Perceived benefits and relevance of the LGI
- Identification and discussion of institutional, financial and human resources that may be impeding or benefiting the process
- Future plans for the LGI

In addition, reports on the establishment of the LGI were reviewed. Key documents relating to the LGI that were reviewed included:

- Lake !Gariep Environmental Economic Development Zone (EEDZ) Proposed Implementation Plan compiled by Tshani consultants on behalf of the Tri-District Alliance, 2004
- Meeting Minutes of Tri-district Alliance, 2004
- Department of Economic and Environmental Affairs Progress Report: Lake !Gariep Development, 2007
- District and Local Municipal Local Economic Development (LED), Integrated Development Planning (IDP) and Tourism Sector Plans
The findings of the analysis of these plans were used to identify key issues and trends around the promotion of cross-border cooperation and tourism development around the !Gariep Dam and to develop indicators. Indicators that were identified included:

- The degree of co-operation and integration between cross-border provinces and authorities
- The degree of alignment and commitment to a goal around cross-border participation and the level of alignment between provinces
- The degree of similarity between the regions, in terms of geographical, economic and demographic characteristics
- The role of other stakeholders in promoting or detracting from co-operation

In Step 5, the findings of the indicators were cross referenced with literature on best practise in cross-border cooperation on tourism and used to form recommendations to guide future interactions in the establishment of the LGI.

Step 6 provides a summary of the findings for each chapter and the identification of recommendations.

3.3 CONCLUSION

The Lake !Gariep Initiative was used as a case study for cross-border tourism planning and development. The findings were developed from an analysis of planning documents as well as interviews with key representatives of the Lake !Gariep Initiative. Key Success Factors were identified that were then compared to national and international experience, to inform the recommendations and conclusion. In the next chapter the profile of the Lake !Gariep study area is discussed in terms of social, economic and institutional dimensions to provide the necessary context to a discussion of the Lake !Gariep Initiative (Chapter 5).
CHAPTER 4: PROFILE OF THE LAKE !GARIEP AREA

The Lake !Gariep Initiative offers a South African example of cross-border planning and development. In order to place cross-border planning in context, a profile of the study area is provided in this chapter.

4.1 INTRODUCTION TO STUDY AREA

The !Gariep Dam is situated in central South Africa and is surrounded by three provinces and three local municipalities, these being the Gariep Municipality (Eastern Cape), Umsobomvu Municipality (Northern Cape) and Kopanong Municipality (Free State). The study area has been defined to include the local municipalities of Gariep, Umsobomvu and Kopanong. These municipalities border the !Gariep Dam and were identified to form part of the LGI along with the district municipalities which encompass them. Table 4.1 clarifies the municipalities within the study area.

Table 4.1: Municipalities in the Study Area

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Province</th>
<th>District Municipality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gariep Local Municipality</td>
<td>Eastern Cape</td>
<td>Joe Gqabi District</td>
</tr>
<tr>
<td>Umsobomvu Local Municipality</td>
<td>Northern Cape</td>
<td>Pixley ka Seme District</td>
</tr>
<tr>
<td>Kopanong Local Municipality</td>
<td>Free State</td>
<td>Xhariep District</td>
</tr>
</tbody>
</table>

The sheer expanse of municipalities poses a challenge for the administration of the area by each Local Municipality and the coordination at a district municipal level. Table 4.2 indicates the size of each municipality.

Table 4.2: Size of Municipalities

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Size (Km²)</th>
<th>District Municipality</th>
<th>Size (Km²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gariep Local Municipality</td>
<td>8 922.15</td>
<td>Joe Gqabi District</td>
<td>25 689.11</td>
</tr>
<tr>
<td>Umsobomvu Local Municipality</td>
<td>6 820.45</td>
<td>Pixley ka Seme District</td>
<td>102 813.77</td>
</tr>
<tr>
<td>Kopanong Local Municipality</td>
<td>15 260.37</td>
<td>Xhariep District</td>
<td>34 289.32</td>
</tr>
</tbody>
</table>

(StatsSA, 2001)

The main towns in the study area as illustrated in Map 4.1 are Burgersdorp, Venterstad, Steynsburg and Oviston located in the Gariep Municipality. In the Umsobomvu Municipality the main towns are
Colesberg, Novalspont and Vanderkloof. The main towns in the Kopanong Municipality include Gariep, Philliopolis and Bethulie, with the municipal administrative office located further afield, in Trompsburg.

The determination of the study area was a cause of contention for the Tri-District Alliance and developers of the strategies around the LGI. The study area in the Management Strategy for the LGI (Bopa-Lesedi, 2006) includes the entire municipalities of Kopanong, Umsobomvu and Gariep. It also indicated areas of impact, that fell outside the municipalities but which were within a 30km radius of the Gariep and Vanderkloof dams, this included areas such as Mohokare and Maletswai Municipalities (illustrated in Map 4.1).

Map 4.1: Lake Gariep Initiative Study Area and Impact Area

![Map 4.1: Lake Gariep Initiative Study Area and Impact Area](image)

Adapted from Bopa-Lesedi, 2006

The advantage of defining the study area by its municipal boundaries is that as the project is driven by government agencies and entities, political boundaries define responsibilities. The disadvantage of using political boundaries are that it neglects areas that fall partially into other municipalities and
includes regions that although part of the municipality are located further afield from the common asset and thus have a peripheral role. The interests of areas that are not closely linked to the common asset may come to divert attention away from the development focus area.

The study area was thus aligned to the study area defined in Bopa-Lesedi (2006), however in terms of the tourism profiling, specific attention was placed on towns within a radius of the !Gariep Dam as well the key ‘Tourism Gateway’ town of Colesberg.

4.2 POLICY CONTEXT

The policy environment in which the LGI finds expression is informed - due to the inter provincial nature of the development - by the policies and planning frameworks of the Free State, Northern Cape and Eastern Cape Provinces. At a provincial level the Growth and Development Strategies of the provinces filter through to guide the planning frameworks of municipalities. The key plans that reflect economic and tourism planning at a provincial and municipal level are the:

- Provincial Growth and Development Strategies
- Provincial Tourism Plans
- District and Local Municipal Tourism Marketing and Development Plans
- District and Local Municipal Local Economic Development Plans
- District and Local Municipal Integrated Development Plans (IDPs)

These documents are reviewed in terms of their positioning on tourism development planning, their alignment to neighbouring provinces and municipalities and the focus of economic development for the !Gariep Dam area.

4.2.1 PROVINCIAL TOURISM DEVELOPMENT POSITIONING

Growth and Development Strategies were developed for each province in accordance with the National Spatial Development Perspective (NSDP), the aim being to guide development initiatives for the province.

i) Free State

The Free State Growth and Development Strategy (GDS) identified tourism as a key economic driver to meet the Strategy’s growth objectives and to ensure a diversified, service orientated economy. The focus identified was on interventions in SMME development, safety, value chain development
and the training of tour guides (Free State Provincial Government, 2005). The Free State GDS identified that the province’s tourism sector is centred on its scenery and central position within the country. The focus for tourism development in the short and medium term was on weekend visitors from Gauteng to the eastern Free State. The focus of Free State tourism, identified in a 2004 Tourism report, was as follows:

- Develop a nature based tourism focus in rural areas
- Develop tourism products within a focused tourism route
- Developing routes within routes
- Inclusive tourism development
- Positioning urban centres as tourism destinations
- Develop the existing tourism base around Parys and the Vaal
- Develop Clarens and surrounding Eastern Free State towns
- Integrate the Lesotho Highlands with the Free State products
- Develop Bloemfontein’s tourism potential
- Developing the conferencing and meeting focus in Bloemfontein
- Develop cultural festivals into national events
- Producing regionally specific goods for sale to transient market
- FIFA 2010 Soccer World Cup hosting will promote the image of the Free State and potentially increase tourists (Free State Provincial Government, 2004)

The key elements of this strategy were on the promotion of the Free State’s route development, nature based tourism, event tourism and key areas. The focus however was specifically on the development of existing tourism destinations in the Eastern Free State. The Free State Tourism Master Plan also identifies the !Gariep Dam as a spatial priority node for product development, infrastructure investment and investment promotion. It also identified the need for joint marketing with the private sector (DETEA, 2011).

The key challenges that Free State tourism promotion faces were identified through stakeholder workshops whilst developing the master plan. These included a poorly defined strategic framework as many stakeholders were not aware of the strategies developed at a provincial level to guide tourism development. Communication between stakeholders are limited and ‘Communication was identified as one of the greatest challenges in the interactions among stakeholders at all the different levels, and was therefore identified as one of the greatest barriers to development’
(DETEA, 2011:10). This lack of communication was identified between government spheres and between the public and private sector. The lack of collaboration between various stakeholders has meant duplication of efforts. The lack of human and financial resources within local government was another challenge for the sector. The under-utilisation of state assets such as nature reserves and municipal resorts was identified as an inefficiency. The need for greater marketing was also identified by stakeholders as a key challenge for the Free State tourism sector (DETEA, 2011).

ii) Eastern Cape

The Eastern Cape Provincial Growth and Development Strategy highlighted the differences between the western region of the province that comprises the Karoo and the eastern region that comprises the former homelands of the Transkei and Ciskei. The strategy identified the Karoo region as having the highest employment rate in the province and the majority of land is under private ownership. The University of the Free State (2007) proposes that this profile has consequences for the focus of development for this region and how development is configured in the Karoo region in comparison to the rest of the Eastern Cape Province.

The Eastern Cape Industrial Development Strategy identified the Lake !Gariep Development and an inter-provincial mega reserve at the !Gariep Dam as a key tourism product development and investment support intervention for the province. Other projects identified included the Mandela Development Corridor, the development of the East London Beachfront, Karoo rail tourism, heritage and special interest routes and Madiba Bay Leisure Park in Port Elizabeth (DEDEA, 2008). Many of these developments identified have failed to be implemented. The strategy identified as key strategic areas the need for tourism product development, marketing, human resource management, infrastructure, transformation, research, safety and security and management of the tourism sector. The Eastern Cape Tourism Master Plan identified the Karoo Heartland as a key attraction but this included regional towns such as Craddock, Graaff Reinet and Middelberg (Eastern Cape Government, 2008). The master plan identified the need for co-ordination to improve implementation and the development of previously undeveloped tourism attractions. It identified the need to increase the volume and value of tourism offerings (Eastern Cape Government, 2008). The master plan also identified the need for strategic partnerships for tourism development between government departments but does not specifically indicate whether this would include cross-border collaboration.
iii) Northern Cape

The Northern Cape Growth and Development Strategy placed a strong focus on building strategic partnerships. It stated that the Northern Cape does not have the resources in place to achieve goals around economic development and growth alone, it requires the support and partnerships of private sector, donor organisations and national government. The strategy provided broad approaches to key sectors, with the goal of ‘promoting economic growth, diversification and transformation of the economy’ (Northern Cape Provincial Government, 2004:29). The strategy looked to the private sector and other stakeholders to implement projects, admitting that '[Provincial Government] is not always the best implementer of economic development projects...' (Northern Cape Provincial Government, 2004:29). Tourism was identified as a strategic sector for the Northern Cape, based around the natural resources that the province had to offer. The strategy recognised tourism as an undeveloped market both domestically and internationally. The strategy identified key elements of tourism development as tourism marketing, product development, transformation and spatial development. The spatial development element was focused on developing tourism around ‘strong tourism clusters based on existing product strengths and the tourism development potential of specific areas’ (Northern Cape Provincial Government, 2004:49).

4.2.2 PLANNING FOCUS AROUND THE !GARIEP DAM

The development plans and propositions for the !Gariep Dam area are identified in a number of policy documents for the three provinces. The support of the Lake !Gariep Initiative is proposed in the IDPs of the three Districts that surround the !Gariep Dam.

The Free State Growth and Development Strategy identified as one of its ten key provincial priorities; the development of tourism along the N1 and around the !Gariep Dam. The !Gariep Dam was also identified as a key tourism priority (Free State Provincial Government, 2005). The strategy identified as a core issue the need for co-ordinated efforts as regards tourism in order to maximise the potential of the area. The strategy further identified the Lake !Gariep Initiative as a key economic initiative for the Province. Projects identified included the environmental cluster around the Lake !Gariep (UFS, 2007). The focus however was centred on the Eastern Free State with only one project in the South that being the Lake !Gariep compared to 54 projects located elsewhere. It was noted that the strategy regards the Southern Free State as an area of limited potential (UFS, 2007). The Free State Tourism Master Plan (2009) identified water based tourism around the !Gariep Dam as a key product development opportunity. It did not however emphasise the potential benefits of cross-border marketing or product development with the Eastern Cape and Northern Cape. The master
plan identified a market development strategy of the !Gariep Dam to target the following new and established markets:

- Domestic Overnight Leisure Visitors
- Domestics Day Leisure Visitors
- Domestics Overnight en-route Visitors
- Foreign en-route Overnight Visitors
- Foreign Overnight Leisure visitors
- Domestic Visiting Friends and Relatives (VFR) (DET EA, 2011:30)

The Eastern Cape Tourism Master Plan (Eastern Cape Government, 2008) identified the development of the !Gariep Dam as a key tourism project for the Eastern Cape.

At a local government level tourism found expression in District and Local municipalities’ tourism plans, Local Economic Plans and Integrated Development Plans. The Tourism Sector Plan for !Gariep Local Municipality identified tourism as a sector of developmental importance due to the rural nature of the local municipality. A key objective of the plan was the development of a credible Gariep tourism brand. Key parameters for developing a successful brand were to base the tourism product on the competitive advantages of the area, strengthen the linkages with existing tourism routes such as the Friendly N6 and the N1; ensure tourism creates employment and assess skills shortages in the industry (Seaton Thomson, 2007).

The Gariep Tourism plan identified the !Gariep Dam as the key tourist attraction of the Gariep Local Municipality. Key challenges identified for tourism that related to the Lake !Gariep Initiative included the lack of communication between municipalities, tourism bodies and private tourism associations surrounding the area and the apparent poor relationship between these parties (Seaton Thomson, 2007). Other key institutional blockages included inter-government ‘squabbling’ and the apparent lack of interest in the area by provincial governments (Seaton Thomson, 2007). Tourism development opportunities identified included the unification of the conservation areas surrounding the !Gariep Dam and cooperative planning between local municipalities. Although the Gariep Local Municipality Tourism Plan indentified communication issues of the parties to the Lake !Gariep Initiative it did not indicate how these issues could be tackled or offer any mention of the advantages of cross-border cooperation for tourism development. The plan has also never been formally adopted by the Municipality’s council.
A number of anchor projects were identified through Integrated Sustainable Rural Development Programme (ISRDP) for the development of the !Gariep Dam and were funded by the Eastern Cape Department of Economic Development and Environmental Affairs (DEDEA). These projects included the Gateway Garage, Community Fishing Project; a Cultural Centre; the Lake Gariep Resort; the JL De Bruin Dam Resort; Orange / Fish Tunnel exit and the Oviston Nature Reserve.

The Kopanong LED Strategy identified the !Gariep Dam as a key tourism attraction and node for the Municipality along with the existence of its nature reserves and its strategic position on the N1. Identified tourism projects within the strategy for the Gariep Dam included a route, sporting and culture events promotion and the development of the heritage of the area and a Trans-Gariep Museum. In addition the upgrading of the Bethulie dam resort was identified as a tourism opportunity (Kopanong, 2007). The potential benefits of cross-border collaboration or joint marketing around the !Gariep Dam was not identified in the strategy. Thus the potential benefits of collaborating and sharing resources around tourism planning were not identified as a key opportunity.

The LGI appeared the most defined in the Eastern Cape District of Joe Gqabi. In 2008, support was given to the amalgamation and expansion of provincial parks and the possibilities for coordinated development with adjacent provinces, was identified as a project with a five-year timeframe in the District IDP (Ukhahlamba, 2008).

The Ukhahlamba Tourism Responsible Marketing and Development Plan identified the !Gariep Dam for water sport activities. The Gariep Municipality was identified in the study as the least developed municipality in the district in terms of tourism, with lowest number of accommodation establishments. The opportunities for tourism development were identified as the expanded eco-tourism activities and activity based holidays around the !Gariep Dam and the upgrade of the Oviston Nature Reserve Resort.

The Free State’s Xhariep District Municipality IDP for 2009/2010 refered to the Xhariep Transfrontier Corridor, but little detail is provided (Xhariep District Municipality, 2009). The project appeared more prominently in the Northern Cape’s Pixley ka Seme IDP Review 2008/2009, in which it identified it as an opportunity to support the Gariep Spatial Development Corridor. The co-operation around the shared resources was identified as both an LED and governance issue. The scope of the governance issues were to focus on provision of secretariat functions to the LGI. In the Pixley ka Seme Strategic
Plan 2010/2011 the project entitled ‘Participate and support Lake Gariep development initiatives and Tri-District Alliance’ appeared under the key performance area of ‘Increased Tourism Promotion’.

Thus at a district level; planning documents have mentioned the project but in some cases the documents have failed to adequately position the LGI as a key tourism project by assigning resources or more detail to a project action plan. Plans that did not assign resources to the Lake !Gariep Initiative were invariably provincial plans.

4.2.3 INTEGRATED PLANNING

The ISRDP was a key programme intervention in the study area. ISRDP identified Joe Gqabi District Municipality as one of national rural nodes for coordinated intervention. It was also under the auspices of this project that cross-border planning integration and the Lake !Gariep Development was instituted. The foundation of this implementation programme was the Integrated Rural Development Strategy which was announced in 2001, with thirteen rural nodes identified including the Joe Gqabi District in the Eastern Cape. The programme is coordinated nationally by The Department of Cooperative Governance and Traditional Affairs (COGTA). The programme emanated out of a review of the impact of development projects undertaken between 1994 and 2001 which identified the need for more integrated services to be provided. The policy aimed: “To conduct a sustained campaign against rural and urban poverty and underdevelopment, bringing in the resources of all three spheres of government in a coordinated manner.” (DEAT, 2005:1)

The core principles of ISRDP were ‘To promote participatory development in an integrated manner by ensuring that, where appropriate, decision-making involves local communities and all three spheres of government;’ (DEAT, 2005:1); promote cooperative governance, integration of various government initiatives, to develop local government capacity, to adhere to the constitution and principles of good governance and to target vulnerable groups. These aims and principles are reflected strongly in the ISRDP project for the !Gariep Dam which considered the project as part of a greater regional development project around the !Gariep Dam.

The importance of ISRDP nodes was identified by, then, Minster Sydney Mufamardi as being a model for government to learn how to cooperate and integrate efforts to focus on achieving results. The ISRDP has ‘ushered in a renewed focus on new approach[es] to integration at a local level in South Africa’ (Mufamadi, 2005:1).
Thus the ISRDP which emphasised the need for cooperation across spheres promoted greater cooperation in the area and laid the foundation for integration initiatives in the region. The ISRDP offered a model for cross-boundary and inter-provincial coordination, planning and development.

4.3 DEMOGRAPHIC AND SOCIO-ECONOMIC PROFILE

A demographic and socio-economic profile of the Lake !Gariep area is provided under the headings below based on Census 2001 (2007 data release).

**Population**: The size of the population in the respective municipalities is 31 317 persons in Gariep, 23 643 in Umsobomvu and 55 946 in Kopanong (Quantec, 2011, based on StatsSA Census, 2001). The small population per municipality means that the municipalities contribute an insignificant percentage to their provincial populations. In the Eastern Cape with a population of 6,2 million people, Gariep only contributes 0.5% to the provincial population. The population of Kopanong and Umsobomvu make up only 2.5% of their provincial populations respectively.

**Population Density**: The municipalities have low population densities, with all three having a density of between 3.5 and 3.7 persons per square kilometre. This is characteristic of Karoo municipalities which are characterised by small, highly dispersed, rural populations with resultant low population densities (Quantec, 2011, based on StatsSA Census, 2001).

**Demographics**: The race profile of Kopanong and Gariep Municipalities are the most similar with both having three quarters of the population categorised as black and 19% and 18% percent respectively coloured. Umsobomvu Municipality has a larger percentage of its population who are coloured at 34% (Quantec, 2011, based on StatsSA Census, 2001).

**Language**: Kopanong is characterised by the largest Sesotho speaking population of the three municipalities with 43%, whilst 32% speak Afrikaans and 23% isiXhosa. Sesotho is not widely spoken in either Gariep or Umsobomvu, with only 2% and 1% of the population speaking Sesotho. isiXhosa is the home language of the majority of residents of Gariep, 69%, with Afrikaans a significant second with 27%. In Umsobomvu, Afrikaans and isiXhosa are equally well represented with 41% speaking Afrikaans and 55% isiXhosa as their home language (Quantec, 2011, based on StatsSA Census, 2001).
**Education:** The education profile of the three municipalities is similar with all three having a large percentage of the population with no schooling (Gariep 28%; Umsobomvu 26%; Kopanong 21%). This is higher than the provincial averages for no schooling (Eastern Cape 23%; Northern Cape 19%; Free State 16%). Levels of Grade 12 attainment are lower in the municipalities in comparison to their provincial averages, Gariep 10% in comparison to 14% in the Eastern Cape; Umsombovu’s 13% compared to Northern Cape’s 16% and Kopanong’s 13% compared to 18% for the Free State. The area is also characterised by low levels of higher education attainment with only a small percentage having a tertiary qualification (5% for all three Municipalities). Thus the education attainment levels of the region are low and indicates that meeting the backlog in education is a significant concern. The continually poor levels of education attainment will perpetuate the structural unemployment issues within the economy (Quantec, 2011, based on StatsSA Census, 2001).

**Employment:** The Kopanong Municipality has the highest levels of employment in comparison to the three other municipalities at 35% of economically active population. Umsobomvu and Gariep have comparable employment levels at 29% and 30%. Gariep’s employment rate is significantly lower than the Eastern Cape average of 21%. In contrast Umsobomvu employment rate is lower than the Northern Cape provincial average of 36% (Quantec, 2011, based on StatsSA Census, 2001).

In terms of the Economically Not Active, this being the percentage of persons who are not working and are not searching for employment; the Eastern Cape’s Gariep LM has the highest proportion of its population not economically active at 47%. The high proportion of population that are not economically active was mirrored in Kopanong (44%) and Umsobomvu (39%) (Quantec, 2011, based on StatsSA Census, 2001).

The profile indicates that a high percentage of the labour force is Not Economically Active or Unemployed and is thus failing to enter the job market.

**Reasons for not working:** The main reasons for not working were in order of importance:
- Unemployment (Gariep 33%, Umsobomvu 44%, Kopanang 32%);
- Studying or in school (Gariep 22%, Umsobomvu 21%, Kopanang 23%);
- Retirement (Gariep 11%, Umsobomvu 9%, Kopanang 11%);
- Could not find work (Gariep 10%, Umsobomvu 5%, Kopanang 11%);
- Disabled (Gariep 10%, Umsobomvu 7%, Kopanang 7%) (Quantec, 2011, based on StatsSA Census, 2001).
The percentage of population of the municipalities who were disabled was higher than all three provincial averages. This along with the higher percentage of retired persons indicates that the area may have more persons who choose not to work. The large numbers of discouraged workers however is a significant factor for LED in the region.

**Household Income levels:** The monthly household income levels for Eastern Cape were the lowest with 31% of the population earning no income. The province in comparison to the other provinces had the lower household income profile and this is also substantiated by province being one of South Africa’s poorest. The municipalities had a household income profile with a significant percentage fall into the no income category (Gariep= 20%; Kopanong= 23% and Umsobomvu= 20%). Approximately one third of the population fell into the R400-R800 per month category, thus the levels of household income were generally low (Quantec, 2011, based on StatsSA Census, 2001). The study area had a higher income level than the Eastern Cape, emphasising the region as being comparatively more developed than the eastern portion of the Eastern Cape.

**Summary:** Thus similar characteristics are exhibited in the municipalities of the study area in terms of economic participation, education and population density. Characteristics in which the municipalities differed included the racial composition of the population, the language and household income characteristics.

**4.4 ECONOMIC PROFILE**

An economic profile for the study area is developed based on an assessment of Gross Geographic Product (GGP). The GGP in 2009 was R2,167m (constant prices) for the Lake !Gariep Study area. This is a mere 0.1% of the national Gross Geographic Product. The municipality within the study area with the largest economy as per GGP, was the Kopanong Municipality with R1,272m, they also contributed 42% to their district economy. Gariep and Umsobomvu had economies of comparable size with R495m and R400m respectively. These economies were insignificant to their district municipalities only contributing 11% and 10% respectively (Quantec, 2011).

Figure 4.1 indicates the contribution of each municipality to the Lake !Gariep study area’s total GGP. Kopanong Municipality’s economy contributed the most to total GGP within the study area.
Table 4.3: Percentage Contribution to GGP

<table>
<thead>
<tr>
<th>Industrial Classification</th>
<th>Gariep</th>
<th>Umsobomvu</th>
<th>Kopanong</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, forestry and fishing</td>
<td>8%</td>
<td>11%</td>
<td>9%</td>
</tr>
<tr>
<td>Mining</td>
<td>0%</td>
<td>0%</td>
<td>1%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>8%</td>
<td>5%</td>
<td>7%</td>
</tr>
<tr>
<td>Electricity, gas and water</td>
<td>1%</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>Construction</td>
<td>4%</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>Wholesale and retail trade, catering and accommodation</td>
<td>12%</td>
<td>16%</td>
<td>8%</td>
</tr>
<tr>
<td>Transport, storage and communication</td>
<td>1%</td>
<td>9%</td>
<td>15%</td>
</tr>
<tr>
<td>Finance, insurance, real estate and business services</td>
<td>28%</td>
<td>18%</td>
<td>26%</td>
</tr>
<tr>
<td>Community, social and personal services</td>
<td>13%</td>
<td>14%</td>
<td>12%</td>
</tr>
<tr>
<td>General government</td>
<td>25%</td>
<td>20%</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

(Quantec, 2011)

The percentage contribution to GGP of each sector is provided in Table 4.3. Thus based on a comparison of percentage contribution of industries to total GGP, it is evident that agriculture is not a large contributor to total output in all three municipalities however it is an important contributor to employment generation. Gariep Municipality had the highest reliance on the government sector.
for contribution to GGP. All municipalities had the greatest contribution to GGP emanating from Financial and Business Services.

In terms of relative importance of the municipal economies to the district economy, it can be seen that Kopanong Local Municipality contributes 42% to the total district economy. It is also a main contributor to the district’s economic sectors. Thus Kopanong could be regarded as the economic hub of the district municipality (Quantec, 2011). Whereas both Gariep and Umsobomvu contributed only a small percentage to total economic output of the municipality, between 10% and 11% (Quantec, 2011). These municipalities thus are not positioned as centres of economic activity within their districts.

4.5 PHYSICAL PROFILE
The physical profile of the region provides a context to the socio-economic and economic profiles, as well as identifying opportunities for tourism and nature conservation.

The vegetation of the area is characterised by the Eastern Mixed Nama-Karoo that extends through the central provinces of South Africa and into Namibia and Botswana. The vegetation consists of small shrubs and desert plants (Bopa Lesedi, 2006). The area is relatively flat and suffers from extremes of temperature that make it unsuitable for crop production. Livestock farming is however widely practised (Ukhahlamba District, 2002). Rainfall is low at 470mm p.a. and the area is prone to extremes of temperature.

The administering of fish stocks within the !Gariep Dam is the responsibility of Free State Nature Conservation and the control of water resources the responsibility of the Department of Water Affairs. Land based angling on the eastern side of the dam is controlled by Oviston Nature Reserve and boat based angling by Free Nature Conservation (Atkinson, 2008b:9). Fishing is undertaken on a recreational and subsistence basis. Weyl, Winkler, Ellender, Steltzhammer and Booth (2008) found that 400 locals rely on the fish resources of the Dam for food. A fisheries project was started on the dam which was ultimately unsuccessful. There are at present no commercial fishing activities taking place on the dam.

The !Gariep Dam, previously known as the Hendrik Verwoerd Dam, was built in 1971, damming the Orange River for the purposes of collection of water for irrigation and hydro electricity power generation. The dam is the largest in South Africa with a storage capacity of 5500 Million m$^3$ and is
100 km long and 24 km wide at its widest point (Bopa-lesdi, 2006). The Van der Kloof dam was also constructed in the 1970’s. The Orange Fish River Tunnel is another engineering feat in the area and was constructed in order to feed water from the Orange River to the Eastern Cape. The Water Control Tower is located near Oviston and the Dam wall is located near the town of Gariep. The towns of Oviston, Gariep and Van Der Kloof were the construction villages for the workers on the Dam and Tunnel construction (Bopa Lesedi, 2006).

In order to build the dams, large areas of farmland were expropriated and the land on the high lying areas that would be the shoreline once the dam was created were turned over to nature reserves. The nature reserves surrounding the dam include, Oviston which was created in 1968 in the Eastern Cape and Gariep and Tussen die Riviere both in the Free State which were established in 1976 and 1966 respectively.

4.6 INSTITUTIONAL STAKEHOLDERS
As the region is a point where three provinces meet and the also the site of a strategic national water resource, there are a number of stakeholders who are involved in the operation of the !Gariep Dam and in the development and administration of the neighbouring regions.

At a national level the water resources of the !Gariep Dam and the Orange River are administered by the National Department of Water Affairs, through the Free State provincial office. National electricity provider ESKOM administers the hydro-electricity generation at the dam. The Department of Environmental Affairs and Tourism (DEAT) is involved in terms of conservation areas and tourism development at a funding level. DEAT has funded a cluster of tourism projects in the Lake !Gariep region. The National Road Agency is responsible for the national highways that intersect the study area these include the N1, N9 and N6.

At a provincial level the functions of poverty alleviation, economic development, tourism conservation and agriculture are administered by provincial counterpart departments. At this point the complexity and number of agencies involved increases significantly. Based on the Bopa Lesedi (2006) report, the following provincial departments would be responsible for the issue below.
<table>
<thead>
<tr>
<th>FOCUS AREA</th>
<th>EASTERN CAPE</th>
<th>NORTHERN CAPE</th>
<th>FREE STATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nature Reserve Amalgamation and Conservation</td>
<td>Department of Economic Development and Environment Affairs (DEDEA) and Eastern Cape Parks and Tourism Agency (ECPTA)(^1)</td>
<td>Department of Economic Affairs, Tourism, Environment and Conservation (DEATEC)</td>
<td>Department of Economic Development, Tourism and Environmental Affairs (DETEA)</td>
</tr>
<tr>
<td>Economic Development</td>
<td>DEDEA</td>
<td>DEATEC</td>
<td>DETEEA</td>
</tr>
<tr>
<td>Tourism</td>
<td>DEDEA, ECPTA</td>
<td>DEATEC, Northern Cape Tourism Association</td>
<td>DETEEA, Free State Tourism</td>
</tr>
<tr>
<td>Poverty Alleviation</td>
<td>Department of Social Development (DSD)</td>
<td>Department of Social Services and Population Development (DSSPD)</td>
<td>Department of Social Development (DSD)</td>
</tr>
<tr>
<td>Local Government</td>
<td>Department of Local Government and Traditional Affairs (DLGTA)</td>
<td>Department of Local Government and Housing (DH &amp; LG)</td>
<td>Department of Local Government and Housing (DLG &amp; H)</td>
</tr>
<tr>
<td>Roads</td>
<td>Department of Roads and Transport (DRT)</td>
<td>Department of Social Services and Population Development (DSSPD)</td>
<td>Department of Public Works and Roads (DPWR)</td>
</tr>
<tr>
<td>Authorisation of MOUs</td>
<td>Office of the Premier</td>
<td>Office of the Premier</td>
<td>Office of the Premier</td>
</tr>
</tbody>
</table>

Local government stakeholders include the relevant local and district municipalities. The roles and responsibilities of which include tourism and Local Economic Development (LED). In Joe Gqabi District road maintenance is a district function that the district has taken over from the Department of Roads and Transport. The Joe Gqabi District Municipality is in the establishment phase of a

\(^1\) The Eastern Cape Tourism Board was amalgamated with the Eastern Cape Parks Board in 2011, to form the Eastern Cape Parks and Tourism Agency (ECPTA).

(Bopa-Lesedi, 2006:12)
district wide Development Agency. This municipal entity will drive the implementation of key catalytic projects in the district. The Lake !Gariep Initiative is not an identified project however the agency is still in its establishment phase and projects may yet be identified. The capacity to undertake tourism and local economic development is constrained by the poor levels of financial and human resource capacity.

Private stakeholders include the Lake !Gariep Route, Community and Local Tourism Organisations (CTOs and LTOs) and the Farmers’ Unions. The Lake !Gariep Route is a Tourism Association of product owners who are located around the !Gariep Dam, who market and promote the area through membership fees.

4.7 TOURISM PROFILE

The tourism sector in the study area was assessed through analysis of product marketing materials, interviews with product owners and analysis of previous tourism surveys. Surveys were conducted with establishments in Bethulie and Gariep Dam in the Free State, Colesberg in the Northern Cape and Oviston, Venterstad and Steynsburg in the Eastern Cape. The findings of these interviews are provided below.

Tourism grading: The majority of establishments interviewed were not graded (60%). Those who were graded, were graded through the South African Tourism Grading Council, the Automobile Association (AA) or ECPTA.

Spatial Concentration of Tourism: The analysis of the supply of accommodation within study area indicates that Gariep Town and Colesberg are the most established nodes, with a greater number of accommodation facilities. !Gariep Dam has a wider variety of accommodation types such hotels, resorts, self catering and bed and breakfasts. The town also contains the largest establishment surveyed, which was Forever Resorts- with 176 rooms.

Towns with fewer accommodation establishments included Bethulie and Steynsburg. Bethulie had the least number of accommodation establishments and the lowest average number of beds and rooms per establishment at five rooms and seven beds.

Employment: Employment here refers to permanent employment. Employment was on average higher in Colesberg and Steynsburg per establishment, when compared to bed and breakfasts in a
similar accommodation type. Overall the Gariep town, including employment at the resort, had the highest direct employment.

**Peak Seasons:** The high season was December to January; the summer school holidays, with Easter school holidays and long weekends in March and April also popular. The low season was February and from May-November. This was substantiated by the main markets being leisure travellers (69%) and only a quarter business travellers (25%). The winter months were not as popular as the dry, cold winters which experienced extremes of temperature. The summer months also allow leisure travellers to enjoy boating, swimming and water based activities around the dam.

**Average Length of Stay:** The most popular average length of stay is one night (76%) followed by four nights or more (12%). Thus the region was in line with it being a stopover destination, especially for holiday-makers during December and January holidays. It was also popular with those who stayed for longer periods usually as part of a caravanning, camping or family resort style holiday, where the attractions of the area could be enjoyed.

**Impact of FIFA 2010 World Cup Soccer Tournament:** The majority of product owners experienced no extra demand over the 2010 FIFA World Cup (80%). Only 20% experienced an increase in demand. The reasons provided for a lack of demand was that the region was far from host cities. Product owners in Colesberg did indicate an increase in demand over this period.

**Maturity of Sector:** Sixty-eight percent (68%) of products have been established in the last ten years; 12% in the last three years and 12% in the last twenty years. Eight percent (8%) were established more than twenty years ago. Thus the sector is one that has seen growth in the last ten years in the number of establishments; it also has long established products and new market entrants. Thus it could be said to have a growing tourism sector.

**Primary or secondary source of income:** Fifty-two percent (52%) of product owners use the income from the tourism establishment as their primary source of income and 48% use it as a secondary source of income. The measure of whether the income is a primary or secondary source is utilised to establish the professionalisation of the sector. Thus in the LGI area the products are split between those that are undertaken as primary income generation for the household or business and those that act as a secondary source of income. Those who undertook it as a secondary income were in majority salaried workers or pensioners.
**Accommodation Types:** The most prevalent accommodation type was bed and breakfasts (35%), followed by guest houses (30%), self catering (22%), hotels (9%) and camping and caravan parks (4%).

**Tourism Markets:** On average 94% of tourists are domestic and 6% are international visitors. The international market although very small includes visitors from Germany, England and Australia. The main domestic markets includes the Western Cape (39%), Gauteng (35%), Eastern Cape (16%), KwaZulu-Natal (6%) and Free State (4%). Thus the main markets are domestic travellers originating from Gauteng and Western Cape. The area’s location on the major transport route between the Western Cape and Gauteng encourages the use of the region as a stopover destination.

**Activities undertaken:** Key activities undertaken by visitors that were mentioned include visiting the !Gariep Dam (48% of visitors), game viewing (40%), fishing (36%), birding (24%), boating (16%), horse trails (12%) and historical sites (12%). Thus the key activity undertaken by most visitors to the region is a visit to the !Gariep Dam. Thereafter fishing, birding and boating are popular activities.

**Tourism associations:** Eighty-four percent 84% of respondents belonged to a tourism association. The most popular association was the Lake !Gariep Tourism Association (65%) followed by Free State Tourism Association (10%) and Eastern Cape Tourism Association (10%). Those who were not members cited that they were not aware of a local association. The main benefit cited by members of tourism associations was the marketing of their establishment and the area and as an opportunity to share information.

**Marketing mediums:** Most popular mediums for marketing include the internet, with 92% of all establishments using this form of marketing. Eighty percent (80%) made use of word of mouth and 64% brochures. Other mediums that were used include signage (24%), advertising (1%) and trade shows (1%).

**Destination Marketing:** The effectiveness of destination marketing was found to be ineffective by 44% of respondents and effective by 56% of respondents. Thus opinions on the marketing were divided. Destination marketing is conducted by Free State Tourism in the Free State, Northern Cape Tourism in the Northern Cape and the ECPTA in the Eastern Cape. In addition, District Municipalities
have destination tourism marketing campaigns, in particular, the Joe Gqabi District has the /Gariep Route and Red River Route as part of it East Cape Highlands marketing strategy.

Eastern Cape product owners were more positive of destination marketing than their Free State counterparts. In the case of the Eastern Cape the marketing is conducted by Joe Gqabi District and also the Lake !Gariep Route tourism association. ECPTA does not have a destination marketing campaign for the region. The destination marketing in the Eastern Cape was found to be effective by 78% of respondents whilst only 31% of Free State respondents indicated that they were happy with the destination marketing.

**Key challenges to tourism:** These challenges were identified to be the distance from major markets and infrastructure. Smaller towns, such as Bethulie, are further away from the main routes. The lack of marketing and financial resources devoted to the area was identified, along with difficulties in filling establishments out of season.

**The importance of cross-border cooperation:** The respondents agreed that cross-border tourism cooperation was important to very important.

**The Role of the Lake !Gariep Initiative:** The role of the Lake !Gariep Initiative is often confused with the private sector tourism association and campaign the Lake !Gariep Route and as such respondents often were referring to what they see presently in the marketing association as being the LGI. Others did indicate that they needed the LGI to be established as there was a need for more development.

**4.8 SPATIAL CHARACTERISTICS OF TOURISM SECTOR IN STUDY AREA**

Based on the survey results detailed in Section 4.7 above the Eastern Cape tourism establishments show less variety in the type of accommodation on offer, most are bed and breakfasts. The Eastern Cape region of the study area is also not marketed by a provincial marketing board. The product owners in this area had a very high opinion of the effectiveness of the !Gariep Route and destination marketing undertaken by their District Municipality. Free State Tourism does concentrate on the study area as an element of its destination marketing. The destination marketing within the Free State was viewed to be ineffective by the Free State product owners interviewed. The level of satisfaction with destination marketing may be in part due to the level of maturity of the Free State versus the Eastern Cape destinations. It is also presumed to be due to the efforts of district and
private sector marketing which have filled some of the gaps of destination marketing at a provincial level for the Eastern Cape portion of the study area. In addition a little investment in marketing was seen to have a big impact by respondents, due to historically low levels of promotion. It may equally be in line with the quality of the marketing campaigns and institutions promoting tourism. Free State product owners complained of one tourism campaign being replaced by another, when the initial campaign was just gaining acceptance among product owners and tourists.

Towns such as Colesberg and Gariep Town, located near or on the N1, had a larger variety of accommodation and more mature tourism markets. Towns further away from the !Gariep Dam and not on the national road, such as Steynsburg and Bethulie, had a smaller tourism sector and less variety of accommodation.

The geographical extent of the study area means that route tourism with a common link - that being the !Gariep Dam - is needed to draw tourists to small towns and increase their length of stay. This is especially true for towns that are further from the national routes. These towns include Bethulie, Oviston, Steynsburg and Venterstad. A well marketed route and effective destination tourism marketing campaign is needed to draw tourists to these towns.

Attractions that were not mentioned at all by product owners in terms of activities that tourists undertook included visiting the water control tower or the Orange Fish river tunnel. Visiting the !Gariep Dam, formed part of the itinerary of 48% of all visitors to the area and was thus by far the most popular activity. The other activities which offer access to built form or engineering attractions and could also be of interest to these visitors were thus promoted or developed as attractions. The !Gariep Dam is enjoyed as a passive activity by many and as an activity to those who water-ski, fish or take part in water sports. Thus the area experiences a high degree of seasonality, with summer holidays being the most popular periods to visit. The potential of additional activities could be considered along with product development to offer all year round enjoyment of the dam.

These findings highlight the differences in the maturity, type and concentration of tourism products between the three provinces.

4.9 TOURISM MARKET ANALYSIS

Key attractions in the area are the built form attractions of the !Gariep Dam itself and the dam wall. Historical and cultural attractions include rock-art, historic homes, museums and Anglo-Boer War
battle-fields and concentration camps sites. The nature based attractions include the !Gariep Dam, the Orange River and the nature reserves bordering the dam. Table 4.5 highlights attractions per town in the study area.

Table 4.5 Attractions within Lake !Gariep Region

<table>
<thead>
<tr>
<th>Gariep</th>
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<tbody>
<tr>
<td>Views of the !Gariep Dam and Dam wall</td>
<td>Small craft marina</td>
</tr>
<tr>
<td>Forever Resort</td>
<td>Gariep Nature reserve</td>
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<td></td>
<td></td>
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<tr>
<td>Oviston</td>
<td></td>
</tr>
<tr>
<td>Oviston Nature Reserve</td>
<td>Water control tower</td>
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<td></td>
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<tr>
<td>Bethulie</td>
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<tr>
<td>DH Steyn Bridge: longest road and rail bridge in South Africa (1,152m)</td>
<td>‘Boy from Bethulie’ Patrick Manhardt Museum</td>
</tr>
<tr>
<td>Dutch Reformed Church</td>
<td>Anglo Boer war sites</td>
</tr>
<tr>
<td>Paleontological sites</td>
<td>San Rock art</td>
</tr>
<tr>
<td>Pellisserhuis Museum</td>
<td>Anglo-Boer War Concentration Camp and Cemetery</td>
</tr>
<tr>
<td></td>
<td></td>
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<tr>
<td>Colesberg</td>
<td></td>
</tr>
<tr>
<td>Historic town with many listed houses. An established historic route and self guided trail guides tourists through the town</td>
<td>Historic Cemeteries – Military, Anglo Boer War Concentration Camp and Jewish</td>
</tr>
<tr>
<td>Colesberg-Kemper Museum</td>
<td>Colesberg Four Memorial</td>
</tr>
<tr>
<td>Anglo-Boer war battle sites- Skietberg, Coleskop, British Camp</td>
<td>Historic stone homes of Kuyasa</td>
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<td></td>
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<tr>
<td>Novalspont</td>
<td></td>
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<tr>
<td>Historic, Glasgow Pont Hotel</td>
<td>Bridge</td>
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<tr>
<td>Novalspont Concentration Camp and Memorial</td>
<td>Railway station</td>
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<tr>
<td></td>
<td></td>
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<tr>
<td>Philliopolis</td>
<td></td>
</tr>
<tr>
<td>Adam Kok’s Home</td>
<td>Library and Museum</td>
</tr>
<tr>
<td>Laurens van der Post family home</td>
<td>Tiger breeding centre</td>
</tr>
</tbody>
</table>

(Northern Cape Department of Economic Development and Tourism, date unknown; Marais, C., 2011; McRae, 2011)
Activities associated with the area include water sports, gliding, fishing, cycling, game viewing, hunting and horse riding. The town of Gariep has the distinction of winning the Volksblad ‘Toerismedorp van die Jaar’ in 2010 (Martin, 2010).

4.9.1 TOURISM DEMAND
The tourism demand for the region is almost entirely domestic tourists predominantly from the Western Cape and Gauteng. The area offers a natural stop over point on a trip from Cape Town to Gauteng. The region was not popular with domestic tourists from within the province, thus intra-provincial travel was low. Overnight stays were very popular thus highlighting again the area as a one night stop over. This emphasized that holiday makers are often focused on reaching the final destination and must be enticed to extend their stay by an extra night. Promotion of attractions and product development needs to create a demand for staying an extra night. Holidays of four nights or more were also common thus the region does have potential to grow as a destination, by developing and packaging products.

4.9.2 TOURISM MARKETING
The area is marketed mainly through the !Gariep Route. This is undertaken through joint marketing brochures of the area, a website and a promotional DVD which is displayed at a Fuel Station in Colesberg.

Plate 4.1: Lake !Gariep Route Signage
The efforts of provincial and local government agencies in tourism marketing have often been plagued by varying degrees of effectiveness. The Joe Gqabi District has released its East Cape Highlands tourism marketing in which Gariep Municipality is marketed under the tag line ‘Red Waters’. The Free State promotes the area as the Xhariep District. The Northern Cape promotes the Colesberg region.

There is a coordinated tourism signage system in place that uses the symbol of a yacht to represent the Route. This signage is located at a number of intersections around the !Gariep Dam and in the three provinces. Plate 4.1 illustrates the signage. Plate 4.2 is of the Joe Gqabi District promotion of ‘The Red Waters’. There is some continuity as the Gariep symbol is retained in the billboard.

Plate 4.2: Joe Gqabi District marketing of the region

Free State Tourism markets the Free State according to district municipalities. Thus the Xhariep Municipality has its own website and is branded as “an area of unfound diversity” (Free State Tourism, 2011:1). The !Gariep Dam and the surrounding towns are marketed as being key attractions and part of the Karoo heartland of the country. The Dam is marketed as an iconic feat of engineering and as a centre for water sports. Its position along the N1 is also highlighted as an advantage (Free State Tourism, 2011).
Northern Cape Tourism markets Colesberg and Novalspont under the Karoo tourism region. The towns form part of the Anglo-Boer War Route which the Province markets and which includes Kimberly and Magiesfontein as two important attractions. The Karoo region is marketed in terms of the hospitality of the Karoo towns, architecture and its rural landscapes. The attractions within this tourism region that are highlighted include Van der Kloof Dam and nature reserve and Colesberg as a stopover point (Northern Cape Tourism Authority, 2011).

ECPTA only mentions Lake !Gariep in passing in their marketing and the dam isn’t identified as a destination. In Siedel’s (2008) research it was found that local tourism stakeholders in the Joe Gqabi District saw the focus of the Eastern Cape Tourism Board lying with the promotion of coastal areas and their region was not sufficiently promoted. In Siedel (2008), tourism routes were also identified by respondents at the time as ineffective and not reaching their full potential.

In the Management Strategy for the Lake !Gariep Initiative (Bopa-Lesedi, 2006) the strengths, opportunities and threats of the area were highlighted. The key strengths around tourism for the region are that the area has the !Gariep Dam and the existence of nature reserves. The weaknesses to the industry include (i) that there is a poor skills base, (ii) that the area is not integrated into the mainstream national tourism sector, and (iii) that there is limited product range. The opportunities that were identified were to look at skills development and product development. Threats included poor service, loss of market segment and becoming irrelevant in the national tourism sector (Bopa-Lesedi, 2006).

The lack of value addition to sites was identified by Siedel (2008) as a key concern. The need for a market related approach based on the customers’ needs was also identified. The study found that in the Joe Gqabi District the majority of product owners operated a tourism product as a secondary income. The potential of the industry was found not to have been capitalised on as there are only a few operators in the sector and there is no second tier of economic impacts from the sector. Key recommendations included packaging of products; developing a brand from the unique features of the area; proactive promotion of the area and the need for different marketing strategies for different markets, especially international and domestic market segments. Key aspects that emerged from her study was that the area offered a ‘true experience’ and that tourists were in search of something off the beaten track. The recommendation drawn from the study for tourism development in the district was that “Tourism can only become a highly-productive economic sector
through a clear profile or destination brand, competitive products, and cooperation of all stakeholders” (Siedel, 2008:14).

Recommendations for tourism in the Eastern Cape’s Joe Gqabi District included developing the adventure tourism market, agri-tourism and cultural tourism. The inter regional routes that crossed the municipality’s boundaries were found to be ineffective in drawing large numbers of tourists to the Joe Gqabi District as the routes did not provide Joe Gqabi with a distinct profile. A recommendation of additional intra regional routes was made to focus on the Anglo-Boer War and San Rock Art (Siedel, 2008).

Thus the key challenges for tourism marketing in the study area could be summarised as follows:

- The need for coordination and cooperation between three different provincial agencies as well as district municipalities.
- The differing provincial focus areas of the tourism marketing associations on the area.
- The differing levels of maturity in the tourism market across the study area.
- The lack of value addition and product development to attractions.
- Poor relationships between the private sector marketing association and local government.
- The need for a distinct identity for the region to create demand.
- The area is not integrated into the mainstream tourism market. It is thus affected by seasonality and appeals mainly to domestic visitors.
- The poor skills base.
- Lack of community integration and participation in tourism and conservation.

**4.10 CONCLUSION**

The aspects of tourism planning and interventions within the Lake !Gariep Initiative are discussed within Chapter 5. The profile of the study area revealed that the area is on the whole characterised by low levels of education, high levels of poverty and unemployment. Differences appear in terms of the differences in the relevant significance of these to the provincial and regional economy. The constituent municipalities have an insignificant contribution to their provincial economies, and to the district economies in the case of Gariep and Umsobomvu.

The differing levels of development around the dam for each province will impact on the focus the LGI is given within government and potential resources that can be devoted to it. The Northern Cape is the least connected to the Gariep Dam area as it only has a small settlement near the dam. The
Free State has the most developed tourism node around the dam. The Eastern Cape has nodes such as Oviston and Venterstad which are in need of economic upliftment and development through tourism spinoffs. It will also influence the types of development and models proposed for the area.

Another aspect that will impact on the roles and responsibilities of stakeholders in the LGI is the level of capacity and expertise within the local government to promote cross-border relations. The Eastern Cape supported by the ISRDP and Joe Gqabi District advanced cross-border planning in the area. If there is a lack of expertise within municipalities then provincial stakeholders need to be brought in to advise.

The municipalities of the study area lack resources, as well as the economic and political significance to lobby for resources separately. Thus if each municipality were to act independently it is unlikely that the amount of resources and expertise to develop the necessary tourism infrastructure for a competitive tourism destination, would be achieved.
CHAPTER 5: FINDINGS ON THE LAKE !GARIEP INITIATIVE

5.1 INTRODUCTION
The Lake !Gariep Initiative (LGI) could be thought of as having taken on a number of forms over the time it has been in existence. The LGI refers to the framework or institution that would guide development across the political borders of the territories that border on the !Gariep Dam, now rebranded as Lake !Gariep. It has however never reached a stage of being instituted thus the focus of activities has been on the continual redefining and seeking of support to establish the institution. Over its life time the LGI has taken on various forms, which are discussed in more detail in the background to the LGI.

This chapter outlines the background and history of the LGI and discusses key challenges encountered in its formation. The challenges have been extensive and have led to the Tri-District Alliance ceasing its operations and efforts to sign a Memorandum of Understanding (MoU) have stalled. Efforts were revived in 2010 but face more administrative challenges for approval. The next phase of the LGI is also discussed, including a possibility of a national sector department spearheading the initiative. The phases of development of the LGI and Tri-District Alliance and the strategic proposals and projects that have been developed and implemented with varying levels of success will be outlined.

5.2 THE BACKGROUND TO THE DEVELOPMENT OF THE LGI
It was evident from interviews with stakeholders that the stakeholders’ perspective on the LGI was closely related to the stage in the process of establishment they became involved with the LGI, and from which sector they emanated from. This is due to there being three distinct phases that the LGI has evolved from.

The LGI can be considered to have had three phases:

- Phase 1: The planning around the amalgamation of the nature reserves surrounding the !Gariep Dam, referred to as the Gariep Complex.
- Phase 2: Tri-District Alliance, which functioned as a cross-border, local government planning and development forum with representatives from public and private sector. There was an implementation aspect of tourism and LED projects; however issues arose around financing cross-border projects and over mandates.
• Phase 3: Provincial LGI, provincial departments promised support of the LGI and to undertake planning and championing an institutional framework.

Key issues around the LGI administration and oversight were identified in each phase.

5.2.1 PHASE 1: NATURE RESERVE AMALGAMATION AND ENVIRONMENTAL MANAGEMENT

The LGI has its earliest beginnings in the cooperation between nature reserves that surround the !Gariep Dam. Lake !Gariep is surrounded by three provincial nature reserves, Oviston, Tussen Die Riviere and Gariep Nature Reserves (as discussed in Chapter 4). Amalgamation was identified as an opportunity as early as 1996, when a management plan was developed for the Gariep Complex.

It was anticipated that the amalgamation of nature reserves could improve the promotion of the region and drive economic development, through improved tourism facilities and game management. The amalgamation would aim to increase the biodiversity, increase community involvement, manage the recreational opportunities and activities, provide infrastructure to support recreational users, achieve a co-operative utilization of resources and with the least impact on the environment in the reserves (Schultz, 1997). The Gariep complex amalgamation would act as a catalytic project for the establishment of the proposed LGI.

The amalgamation would look at overcoming practical issues in nature conservation such as game management and environmental management issues. There was an existing basis of cooperation between the neighbouring park administrations. As early as 1996, discussions between the three reserves and the two nature conservation institutions were held around a joint management option (Gariep Complex, 1996). The reserves were meeting on a regular basis as the Gariep Complex to discuss issues of game movements, culling, aquatic management, community liaison, biodiversity, hunting, fire protection and land management issues.

The proposed amalgamation would build on an established relationship. The advantage of the amalgamation was the potential to lift the profile of the parks, as three individual reserves of 20 000ha or less did not offer the same draw card as a reserve of 85 000ha (including the dam itself). The greater size of the reserve would make it possible to carry more species and a wider variety of the endemic species originally from the area. The tourist facilities in the reserves were in need of upgrading, and thus it was hoped that as a larger conservancy, it would secure more resources for lodge developments and general improvements.
In 1997, a Proposal for the Formation and Management of the Gariep Complex Conservation Area, was drafted on behalf of Free State and Eastern Cape Nature Conservation (Schultz: 1997). The vision of the Gariep Complex was stated as:

The Gariep Complex will become a dynamic and sought after tourist destination in the region due to its wide spectrum of recreational activities and wildlife populations. This unique inter-provincial venture will focus attention on this underrated area of South Africa and cater for a wide variety of outdoor activities. Conservation principles and environmental integrity will be strictly adhered to and the complex will be managed in such a way as to promote an awareness in all aspects of conservation and engender a sense of custodianship amongst all South Africans (Schultz, 1997:2).

As the LGI concept developed; the amalgamation of the reserves was included as a project. As there was a strong support for amalgamation of the reserves from park management; strategic marketing and environmental perspectives it is unclear why the merger has shown little progress. The initiative is in a sense, less complex than the LGI, as it involves fewer stakeholders - only two provincial government departments and two nature conservation entities. It is also building on an existing base of cooperation. The amalgamation of the reserves offers an opportunity to create a platform for a multi stakeholder, cross-border development entity such as the LGI. It is also a key project identified for the LGI, the establishment of a single conservation area could have great marketing, tourism product development and local economic development opportunities.

The amalgamation of the reserves is to be taken forward by the ECPTA with their Free State nature conservation counterparts. The park amalgamation element of the LGI is an integral part of the process of cross-border cooperation, but as the amalgamation was likely to follow internal channels, this aspect of the LGI was not considered as the focus of this study.

5.2.2 PHASE 2: TRI-DISTRICT ALLIANCE

The second phase of LGI was the Tri-District Alliance; a forum of neighbouring district and local municipalities, sector departments and the private sector. The forum was initially created out of the need to discuss access to water rights from the Gariep Dam, during a particularly severe drought for Eastern Cape farmers. It developed into a forum to discuss local planning and implementation issues. A sub-committee was later established to look at formalising the relationship and
cooperation between the entities. The forum developed a concept document for the development of the area; the concept was of an Environmental and Economic Development Zone (EEDZ) and associated projects.

The intention of the Tri-District Alliance was to:

- Understand development Initiatives in terms of cross-border cooperation between the district municipalities
- To explore potential cross-border cooperation opportunities
- To agree on a way forward to ensure permanent working relationships
- To influence the national and provincial policies affecting the area
- Enter into joint ventures for mutual development

(Bopa-Lesedi, 2006:5)

The initial motivation for setting up the forum was the securing of rights to the water within the Orange River system to assist Eastern Cape farmers. At the same time, the Joe Gqabi District was identified as an Integrated Strategic Rural Development Programme or ISRDP node. It was driven by District Municipalities with Local Municipalities attending. The main driver at its inception was the Joe Gqabi District. After it became evident that it was being regarded as an Eastern Cape driven forum, it was decided that the secretariat should be rotated.

It was through this forum and the ISRDP project that the concept of rebranding the !Gariep Dam as Lake !Gariep was identified. The reasoning behind the name change was that it would position the area as an inland water body to rival Lake Kariba in Zimbabwe (Wanklin, 2011), it could be developed as South Africa’s own Lake Kariba. Thus it would offer the dam national tourist destination status (Tri-District Alliance Secretariat, 2004).

The Tri-District Alliance, as a forum was driven by government but was open to all stakeholders. Local businesses, agricultural and tourism representatives were involved in the forum. The forum also involved the regional offices of national and provincial sector departments. There was a high level of continuity in those who attended the meetings and the issues tackled were on a local level. As all representatives lived in the area, it was essentially a local government and private sector working group on issues of relevance to the area.
The private sector were highly optimistic and enthusiastic towards the project as they saw the potential benefits of collaboration and as they were an integral component of the forum. Thus they were champions in prompting the Tri-District Alliance. In turn they provided expertise, cooperation and input through the forum thus providing capacity to often under capacitated municipalities.

The challenges that were experienced were around implementation. It became evident that the implementation of cross-border projects was limited by local government mandates, powers and functions and spending requirements. When the cooperation between the municipalities came to a point that it required spending across municipal boundaries this was regarded as unqualified expenditure within the municipal accounts. Thus this form of implementation required the support and authority of the relevant Provinces.

The forum also identified projects, supported project implementation and monitored project progress. The projects implemented under the auspices of the Tri-District Alliance are detailed below.

5.2.2.1 TOURISM DEVELOPMENT PROJECTS
i) DEAT Lake !Gariep Tourism Project
In 2001 representatives of the Eastern Cape Department of Economic Affairs, Environment and Tourism (DEDEA) met with the MEC for Economic Affairs and local stakeholders. At this meeting the need for a project to promote tourism development in the region was identified. An application was lodged for Poverty Relief Funding with the National Department of Environmental Affairs and Tourism (DEAT). R2.8million was granted by the national department and administered by DEDEA for the development of several projects (Tshani Consulting, 2004). The project aimed to establish a community based tourism programme based a number of projects:

- Cultural Centre Venterstad
- Refurbishment of Caravan Park in Oviston
- Establishing a Community Fisheries project (Tshani Consulting, 2004).

The project planning and design were based on the findings of the ISRDP Anchor Project !Gariep Tourism Business Plan developed in 2002 (Ukhahlamba District Municipality, 2002). The projects were characterised by a strong community support and presence. As part of the funding arrangements a community association to manage the affairs of the resulting tourism enterprises was created this was formed as a Section 21 Company- the Lake !Gariep Development Foundation.
Its directors were drawn from the Gariep Local Municipality, Joe Gqabi District Municipality, Venterstad Economic Development Forum, Oviston Nature Reserve and the Tourism Organisation of the Ukhahlamba Region (TOUR). It was later to be disbanded as a municipal funded Section 21 Company was not in line with the provisions of the Municipal Finance Management Act (MFMA).

The project advised the establishment of three Public Private Partnerships (PPP) to operate the three identified community projects. The programme resulted in:

- Rehabilitation of the Caravan Park and day visitor centre and the construction of two chalets.
- Establishment of a Community Fishery

Other opportunities identified as part of the project was a marketing plan for the region, Gateway signage and a proposal for the funding of a houseboat venture on the !Gariep Dam (Tshani Consulting, 2004).

The fisheries project was started and later collapsed only to be revived again. It is not operational at present. The reasons for operational problems appear to be community institutional challenges. The cultural centre was never implemented, as the identified private partners were unable to secure finance and the municipality did not enforce deadlines on performance (Wanklin, 2011).

The key challenges faced with this implementation programme were around the unique requirements of the grant and the ability of community structures to take the project forward:

1) **The funding was prescriptive in terms of the need to establish business organisations:** A disadvantage of the DEAT funding requirements was that it was compulsory for the business organisations to be established before the project started. The report identifies this as a serious challenge as it rushed enterprise development and forced establishment when additional training was necessary.

2) **The institutions formed were to be made inappropriate by changes in legislation:** Aspects that hampered the sustainability of these projects were changes in legislation that made the Lake !Gariep Development Foundation, the apparatus for organising tourism and other LED projects in the region inappropriate.

3) **Lack of capacity at municipal level:** There was a lack of capacity in the Gariep Municipality, to manage financial and legal aspects of the partnerships. The houseboat venture was affected by a legal dispute between the municipality and the operator, and was closed.
4) **Community Governance issues**: were unable to be resolved around the Fisheries project which was unable to continue its operations.

5) **Deadlines were not enforced with private partner**: as the Gariep Municipality did not enforce deadlines for the identified private partner to secure its financial contribution, this caused the process to drag on and did not allow for another investor to be sought.

6) **Insufficient funds were left for the Gateway signage project**

In the closing report the success of the project being achieved on time and within budget is ascribed to the efforts of the local community. “The project success was undoubtedly due to the overall community support, leadership in the area and donations of effort, time, tools and skills by a number of well meaning people” (Tshani Consulting, 2004:13). The project created local institutions, enterprises and developed products that could provide unique tourism attractions to the region. Indeed it was evident in interviews in the area that there was a high regard for the outcomes of the project and the manner in which it had been undertaken.

The Lake !Gariep Resort proved to have the most long term sustainability of the projects, as the public private partnership entered into allowed it to operate as a business. The DEAT Lake !Gariep Tourism Project was deemed successful in terms of developing products that promoted employment, undertook training with locals, resulted in tourism development, poverty alleviation and community involvement.

**ii) DEAT Lake !Gariep Development**

Following on from the success of the implementation of the first project, the next significant tourism development project for the region was the DEAT funded projects conducted between September 2006 and January 2008.

The Tri-District Alliance had identified integrated projects for development, these projects were located around Lake !Gariep and as such involved locations in the Northern Cape, Eastern Cape and Free State. The projects that were identified included:

- Route Signage
- Management Plan for Van der Kloof Resort
- Upgrading of the !Gariep Resort
- Promotion of information and marketing of Lake !Gariep, including information centres
- Information Centre in Bethulie
The Oviston Nature Reserve and Management Plan (Atkinson, 2008b)

The DEAT programme was to take forward these identified projects. Of these identified projects three were implemented that being the !Gariep Communication Centre, Tourism Information Centre in Bethulie and Oviston Nature Reserve Management Plan (DEAT, 2007). Included in this project but not quoted in the progress report was the addition of two chalets to the Lake !Gariep Resort which was later abandoned. The project costs totalled R2,925,000 (DEAT, 2007).

The project was advertised nationally by the National Department of Environmental Affairs and Tourism. The service provider appointed was at an immediate disadvantage as they had no existing relationship with the area and its stakeholders. The local and district municipalities were also not able to select service providers that were based in the area or were familiar with the LGI.

The key challenges that were experienced with this project included:

1) Stakeholders felt the service provider awarded the project, was foisted on them and was not familiar with the area or able to build on the successes of the previous project. Local Government was not included in the appointment or drafting of the Terms of Reference, and were not provided a role in the project implementation. The service provider was answerable only to DEAT and as such local knowledge and expertise were not utilised. The service provider lost credibility with the community and was accused of playing the one municipality off the other.

2) Jealousies and conflict over employment on projects arose. There were efforts to steer employment opportunities to a particular constituency.

3) Work was incomplete and poorly undertaken. Three incomplete buildings were constructed at the Lake !Gariep Resort; two chalets and an office. Funding is still to be spent to redress the incomplete chalets. The need to access additional funding for a completed project reduces the effectiveness of the project and reduces the momentum of tourism development in the region. The project completed in 2008 has left municipalities and the private operator with the burden of sourcing additional funding to repair the chalets.

4) Poor positioning of projects: The Bethulie Tourism Centre was placed in a location far from the main road, the established tourism attractions and off the tourist route. It was also left un-
signposted. On enquiries in the town, local residents were unaware of its existence. When it was constructed it caused a controversy with tourism stakeholders due to its location. On visiting the site it is unclear what the motivation for building the tourism centre in its present position was. The Tri-District Alliance identified a need supported through its planning and consultation for the Tourism Centre, however the implementation failed to incorporate the inputs of local tourism stakeholders. Thus the establishment of a Bethulie Tourism Centre failed to use tourism market research or existing resources. Plate 5.1 shows the Bethulie Tourist Information Centre.

It is assumed that the project implementers came under pressure to locate the centre in a location that would spread the spatial distribution of tourism to disadvantaged communities. This is appropriate when accompanied with product development and marketing to support the promotion of a new tourism market. The location however does not promote development in these communities if tourists are unable to find the centre. It also ignored the established target market which are cultural and heritage tourists visiting the historical heritage of the Bethulie. Thus a modern, face brick building situated away from the historic attractions is not catering to the established tourism market.

5) **Short term impacts prioritised over long term sustainability.** The impact of the projects in the short term was significant due to the employment of local persons in construction. It is unclear to what extent models for sustainable operations were considered and whether the rental or purchase of an existing building would not have been more appropriate, with the remainder of funds used for operational expenditure.

The impact of a fully functional Tourist Information Office would have been greater in the long term than the construction impacts of a non-operational centre.

The locating of the tourist information office in the museum might have been more appropriate as funding spent on the construction of the purpose built building could have been used for renovating the museum, which is a significant attraction in the town. The museum is also in need of an operational budget. The combination of two projects would have been a more cost effective and efficient use of resources.
6) **Bethulie Tourism centre non-operational.** The centre built for R959,365 (DEAT, 2007) has yet to open although the project ended in 2008. Local Tourism product owners use a window in an Estate Agents office to advertise their products and attractions of the area. Plate 5.2 shows the location of the shop window in the main road where information is displayed. Thus the DEAT investment failed to meet the obvious demand for a tourism information office that was identified in the Tri-District Forum planning and consultations.

**Plate 5.1: Bethulie Tourist Information Office**

![Plate 5.1: Bethulie Tourist Information Office]

**Plate 5.2: Signage indicating where tourist information is posted in a shop window, Main Road Bethulie**

![Plate 5.2: Signage indicating where tourist information is posted in a shop window, Main Road Bethulie]
The positive outcomes of the project included the Gariep Dam Information Office and Museum which is a functional Museum, Coffee Shop and Information Office.

5.2.3 PHASE 3: PROVINCIAL LGI

The third phase of the LGI was focused on a Provincial LGI, in this phase the Tri-District Alliance sought provincial support for the formalising of the cross-border cooperation. Provinces in turn were increasingly responsible for guiding the framework and championing the development and signing of a MoU.

The events in terms of gaining provincial support were as follows:

- In 2001, the Eastern Cape MEC for Economic Development and Environmental Affairs visited the area.
- 5th September 2003, Meeting with MEC of Economic Affairs, Environment and Tourism for Free State province and Eastern Cape MEC for Economic Development and Environmental Affairs. At this meeting the vision for the LGI was endorsed.
- Environmental Economic Development Zone (EEDZ) Implementation Plan drafted but could not be implemented without a memorandum of Understanding (MoU) between the local municipalities. The Northern Cape tested the legality of the MoU with its legal team and found that the local municipalities did not have the legal authority to sign. Separate MoUs were drafted for the conservation amalgamation.
- In 2005, the Northern Cape MEC supported the initiative but requested that the Free State and Eastern Cape MECs consult with their legal teams as to the MoUs.
- In 2006, the provincial departments agreed to take a higher profile, through a directive from the three provincial heads of the respective economic development departments to draft a business strategy.
- In 2010, a report and memorandum was compiled by the Eastern Cape Department of Local Government and Traditional Affairs (LGTA) for the consideration of the Premier of the Eastern Cape, to gain provincial support for the LGI and for the Premier to approach provincial counterparts.

Linked to the provincial LGI are the proposals for the establishment of the LGI and the attempts at drafting a MoU.
5.3 PROPOSALS FOR THE ESTABLISHMENT OF THE LGI

Two business plans or concept documents were developed to guide the formation of the LGI, these were as follows:

- In 2006, the Lake !Gariep Initiative Management Strategy was commissioned by the Free State Department of Tourism, Economic and Environmental Affairs.

5.3.1 THE LAKE !GARIEP: AN ENVIRONMENTAL ECONOMIC DEVELOPMENT ZONE (EEDZ) IMPLEMENTATION PLAN

The Tri-District Alliance set out an Implementation Plan for an Environmental Economic Development Zone in 2004. A co-operative partnership was proposed to unlock development potential. The Environmental Economic Development Zone was set to focus government, community and private sector investment towards biodiversity programmes, conservation, eco-tourism, LED and agriculture. It describes the Lake !Gariep area as a unique area of opportunity in the heart of South Africa (Tri-District Alliance Secretariat, 2004).

The concept was centred around the area being an Environmental and Economic Development Zone, in order to access Industrial Development Corporation (IDC) funding for IDZs which was being promoted at the time.

The institutional arrangement that the document proposed is a Section 21 Company accountable to the Tri-District Alliance. The Tri-District Alliance would be the nucleus for the established organisation. The founding members of the company would be the three district municipalities, convened by the Municipal Manager of the Joe Gqabi District. In the interim-establishment phase, a technical team nominated by the district municipalities would act as a steering committee (Tri-District Alliance Secretariat, 2004). This would later be found to be an unsuitable recommendation in terms of the newly promulgated Municipal Finance Management Act and the Provincial Finance Management Act.

The Tri-District Alliance set out key recommendations to be included in an implementation plan for the !Gariep Dam EEDZ. Firstly the proposed organisation was anticipated to include both public and private sector representatives. The Alliance also emphasised the need to develop tourism products,
the supply side of the economy. A central office was proposed in the study area to oversee the area. The steering committee determined the study boundaries with the Local Municipal areas being involved and development focused on the region around the !Gariep Dam (Tri-District Alliance Secretariat, 2004).

The Section 21 Company would be accountable to the Tri-District Alliance. The staff composition of the proposed organisation would be 5 staff members, one manager and four co-ordinators (Tri-District Alliance Secretariat, 2004).

The financing of the organisation was proposed to be based on cost recovery and to be sustainable from its operations through charges on services. Examples of these charges would include: administrative charges related to funding management and implementation activities; commissions for operating the information centre; event management; tour packages; promotions and public relations services; training and mentorship services (Tri-District Alliance Secretariat, 2004).

The steps identified to take the setup of the company involved a dual process of administrative and company legal requirements as well as garnering political support. The steps outlined for implementation after the agreement on the concept were outlined in Table 5.1.

Table 5.1: Implementation Plan EEDZ

<table>
<thead>
<tr>
<th>Administrative</th>
<th>Political</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Formation of steering committee</td>
<td>1. Present Implementation Plan to MEC</td>
</tr>
<tr>
<td>2. Nomination of representatives</td>
<td>2. MEC’s approval and allocation of budget</td>
</tr>
<tr>
<td>3. Resolve to register Section 21 Company</td>
<td></td>
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<tr>
<td>4. Register Section 21 Company</td>
<td></td>
</tr>
<tr>
<td>5. Advertise for Manager</td>
<td></td>
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<tr>
<td>6. Interview applicants</td>
<td></td>
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<tr>
<td>7. Appoint Manager</td>
<td></td>
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<tr>
<td>8. Secure premises staff, detailed business plans</td>
<td></td>
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</tbody>
</table>

(Tri-District Alliance Secretariat, 2004:8)

The Implementation Plan identified the critical success factors for this initiative:

- ‘Political consensus and co-operative partnerships between provincial and district stakeholders
• Availability of funding for organisational establishment and operations for at least two to three years.
• Agreement on an integrated vision with prioritised business plans for implementation of “bankable projects”, and
• High profile events and marketing platforms which will secure Lake !Gariep Branding at a National Level’ (Tri-District Alliance Secretariat, 2004).

The Implementation Plan was drafted and adopted by the Tri-District Alliance but it could not be implemented. Instead a MoU was requested to be signed by the local municipalities of the Tri-District Alliance.

5.3.2 THE LAKE !GARIEP INITIATIVE MANAGEMENT AND IMPLEMENTATION STRATEGY

The 2006 Management Strategy was coordinated by the Free State Department of Tourism, Environment and Economic Affairs (DTEEA), who were the co-ordinators of the Tri-District Alliance over the 2006-2007 period. The Lake !Gariep Initiative Management and Implementation Strategy for the LGI focused on the setup of a Lake !Gariep Development Agency (Bopa-Lesedi, 2006). The strategic statements of the Lake !Gariep Initiative, were directed towards ensuring cooperation through identifying the structure and processes of LGI rather than on defining the intended outcomes. The strategy aimed to align stakeholder strategic focus areas; set joint institutional development goals; create an institutional framework and mechanisms and structure resources.

The vision identified for the LGI included key elements, such as:

• The LGI should be represented by an entity that is fully operational with a physical presence in the area.
• The entity should work across boundaries, whether demarcated or social with a high level of buy in from all stakeholders.
• The entity itself should be prosperous and sustainable.
• Its primary focus should remain on the unleashing of the conservation and tourism potential of the area (Bopa-Lesedi, 2006).

The mission statement of the LGI is set out as: to maximise the potential of conservation and human development opportunities of Lake !Gariep through:

• Creating a pro-active venture between people and provinces
• Mobilization of cultural and natural heritage
• Optimal use of land and development of infrastructure
• Enabling community participation
• Promoting tourism
• Facilitating LED project (Bopa-Lesedi, 2006)

The Management Strategy identified key Strengths, Weaknesses, Opportunities and Threats in terms of the institutional aspect of the !Gariep Initiative. Weaknesses of the initiative included (i) poor performance by implementing agents; and (ii) poor integration of services inside and between provinces.

The strengths of the initiative were:

• The existing Tri-District Alliance which indicates a level of co-operation and support for the project.
• The fact that the Tri-District Alliance is a representative body showing inclusion of various groups.
• Local planning documentation is in place and in terms of tourism documents they mention the !Gariep Initiative.

Opportunities identified include the creation of support agencies to improve performance and programmes in order to improve skills of local players.

The report found that although there had been significant work done previously, the critical issue was buy-in as this was stalling implementation. The critical success factors identified by the strategy were:

1) The need to ensure decisions was taken at various levels.
2) The need to ensure that the division of funds over the region did not result in partial funding
3) The need to ensure correct implementation of projects and institutional structure.
4) Need to secure political support and to ensure buy-in.
5) The strategy identified that a key issue was that the LGI did not have a clear mandate or capacity within which to function. There was thus a need to create a separate entity with an institutional framework, administrative and operational capacity and establish an autonomous entity. The strategy advised on the development of a three year business plan and appointment of a project driver (Bopa-Lesedi, 2006).
6) The Management Strategy for the LGI also identified the need to formalise the Tri-District Alliance with the signing of a MoU. It identified the need for widespread consultation. The MOU would formalise the relationships between the different tiers of government especially around the development policies, budget allocations and resource allocations.

7) Financial issues were also identified as key areas for decision. There was a need identified to create an integrated financing model and procure sufficient funding for operations.

5.4 PROPOSED LGI STRUCTURE

The responsibility on the Eastern Cape side for the establishment of the LGI currently sits with the Eastern Cape Department of Local Government and Traditional Affairs (LGTA). The department has been involved with the LGI as an interested sector department since 2002. In November 2010 it was tasked with the responsibility of writing a memo for support to the LGI to the Eastern Cape Executive Committee and a report to the Premier of the Eastern Cape.

The LGTA also referred the report to their Inter-governmental Relations Department which recommended guidance to be taken from the Intergovernmental Relations Framework and Intergovernmental Fiscal Relations Act. Other recommendations included the set up of a panel of joint executive authorities to steer all decision making and a MEC in the province assigned to the task of leading the establishment. Two levels of committees are proposed: one with political representation in the form of the MECs of the sector departments; the other technical/administrative represented by the Director Generals of the sector departments. It would need to be determined as to which sector department would be the lead sector. The involvement of a national department would also need to be brought in, as provinces lack authority to make demands on fellow provinces. This could involve potentially the Departments of Water Affairs, Tourism or Trade and Industry. The identified ministry would be termed the ‘champion ministry’ and would be tested to secure support from other national and provincial ministries.

Additional feasibility studies into the identification of potential projects for the LGI are recommended by LGTA. The role of the private sector would largely fall away under this approach. The form proposed would be purely government sector driven and the private sector would only be consulted, not involved in the initiative. Under this model the private sector is seen as an entity that will potentially benefit from contracts or tenders and thus needs to be separated from decision making. The level at which the private sector is consulted would also change, now the highest level of consultation NEDLAC would be used. This removal of the local community involvement and
consultation means that the LGI would move away from its origins as the highly participative, local cross-border forum— the Tri-District Alliance. The role of the private sector in the Tri-District Alliance may also have been unusually high due to the lack of capacity within the local government sector which encouraged the private sector to become involved and fill gaps. As the recommended structure has not been developed into a plan, it is unclear whether a structure that includes the private sector will be proposed for the LGI.

The LGTA recommendation uses the Intergovernmental Relations Framework for the set up of the LGI. It is thus necessary to provide some context as to what the framework contains as regards inter-sphere and inter-regional government cooperation.

5.4.1 INTERGOVERNMENTAL RELATIONS FRAMEWORK

The Intergovernmental Relations Framework defines intergovernmental relations as being “... about relations between different governments or between organs of state from different governments about the conduct of their affairs” (DPLG, 2007: 1). The White Paper on Local Government (13 March 1998, Notice 423 of 1998, Government Gazette Vol 393 number 18739) defines intergovernmental relations as the formal and informal channels, forums, structures and processes that form part of multi lateral governmental interaction (DPLG, 2007: 1).

Relations between government departments are governed by the Intergovernmental Relations Framework Act No 13 of 2005. The Constitution of the Republic of South Africa (1996) refers to the three spheres of government, National, Provincial and Local as being distinctive, interdependent and interrelated. Distinctive in this context means that the sphere has powers which it is responsible for; interrelated means that the sphere is autonomous but other spheres have a supervisory role; and interdependent means that each sphere may exercise its autonomy for the common good of the country.

The framework identifies the importance at a provincial level of the Provincial Growth and Development Strategy (PGDS) as an integration tool. At a local level the Integrated Development Plan is ‘the most important instruments of coordination between provincial and local government’ (DPLG, 2007: 52).

The framework sets out national, provincial and local government coordination measures between each sphere. The focus is however on the coordination of one sphere with another, thus between
national and provincial or between local and provincial. The element of coordination between provinces and between municipalities is not detailed. Thus there are little structures put in place for the coordination between all provinces and between local municipalities etc.

The framework identified Intergovernmental Forums (IGF) as consultative forums, where executives of different spheres of government come together to discuss matters of common interest. Thus the IGF fulfills the role for mutual consultation and co-ordination. The key aspect of these forums is that they function as consultative forums and are not decision-making forums. Decisions of IGF need to be ratified by the appropriate organ of state. The issues as encountered with the Lake Gariep Initiative and the Tri-District Alliance is that as a consultative forum; the forum was highly effective, however when it came to decision making and implementation the forum lacked authority. Due to the need to have decisions ratified there were more than one provincial body that needed consultation. The framework indicates that IGF functions best when there is “clarity on their status, role, governing principles, and the relationship between them and their component executive authorities. Uncertainty and confusion about the ground rules are resulting in inconsistent practices, unreasonable expectations and unconstitutional conduct” (DPLG, 2007: 64).

Examples of IGFs include the Presidents Coordinating Council; the MinMECs, the Budget Council, the Local Government Budget Forum, the Premier’s Intergovernmental Forum and the District Intergovernmental Forums. Most of the forums listed are forums that report to national government on provincial and local government matters. The District Intergovernmental Forum is centered on integration and consultation purely between local government representatives. There is however no forum listed that involves all provincial leaders or that mentions specific forums for neighbouring municipalities, or neighbouring provinces.

Thus although the Intergovernmental Relations Framework looks at resolving disputes between spheres of government and improving coordination it does not deal specifically with cross-border governmental consultation and decision making, thus it fails to provide an overarching framework for governmental relations and leaves the area of cross-border integration without some direction.

5.5 CURRENT STATUS OF THE LGI

The need to gain political support from the three provinces to commit to signing an MoU and devise a framework to allow for cooperation over boundaries has taken six years of planning and discussions and is not yet finalised. In the time-being, after numerous attempts to revive the
initiative and whilst waiting for the approval to be brought in from provincial governments, the Tri-District Alliance has dwindled and is no longer active. The private sector stakeholders frustrated by the long process, past implementation failures and the closed door administrative wrangling around the LGI have become hostile to government interventions. The initiative has become ‘faceless’ as the local government and private sector collaboration has fallen away completely, effectively scared off by the increased complexity of the administrative and political aspects of the initiative. The initiative now sits at a provincial government level, and it is therefore further removed from the study area’s communities than if it were at a local level.

The goodwill and support the LGI once experienced in the private sector has been replaced by disillusionment and open hostility towards government interventions. Private sector representatives recalled in interviews the long bureaucratic process that has yet to show any benefits on the ground. The disillusionment with government is evident in the establishment of a private sector forum to coordinate marketing and tourism promotion of the region. This cross-border tourism marketing association is lead by the private sector and is adamant that they wish to have no association with the government sector.

There is also an absence of informal integration and co-ordination in the planning between the municipalities. There is little co-ordination or informal communication between professional counterparts in neighbouring Local Municipalities on matters of mutual interest.

In 2010 an Eastern Cape Task Team was set up with the purpose to investigate the re-establishment of the LGI. The outcome was that the LGTA was tasked with pursuing support from the Premier of the Eastern Cape. A report was drafted to the premier, the LGTA now await instructions from the Premier’s Office. It would then go before the Provincial Executive Committee (EXCO) for approval and an MEC would be assigned to pursue the initiative. The Premier would then have approval to approach counterparts in the Northern Cape and Free State provinces. There is no indication of how long a time frame is set for this process. The likelihood of the initiative being approved by the EXCO is speculated to be high, as it would need to be approved first by the Economic Development Cluster and by the Provincial Cabinet Committee.

Thus the process to gain the Eastern Cape Premier’s support and for the Eastern Cape to approach the other two provinces would involve the approval of three committees, with no clear indication of timeframes and no political pressure to finalise the LGI evident.
The progress from the Northern Cape and Free State provinces was not determined, but to date there has been no progress in implementing the concept of a cross-border development initiative. The initiative is stalled at the point of securing provincial government support. The setting out of this support was to be the signing of the MoU between the provinces, giving effect and authority to joint planning and financing across boundaries.

5.5 PERCEIVED BENEFITS OF THE LGI

Based on stakeholder discussions and documents reviewed the perceived benefits of the initiative were manifold and included benefits to the promotion and integration of projects in the area. The benefits identified were:

- Consolidated marketing and development of the area as a destination would lift the region to be an attraction that could be nationally and internationally marketed.
- The aspects of water resource management are not specifically highlighted in this study but key aspects of interest include accessing water rights on the !Gariep Dam and Orange River water system an aspect that is controlled by the Department of Water Affairs. This has a direct implication on the economic development of the area around agriculture and the development of tourism activities and products. Restrictions around the use of water for sporting activities are an area that would require the cooperation of Department of Water Affairs with other stakeholders on both sides of the dam.
- At the heart of the cooperation between the three provinces is the proposed amalgamation of three nature reserves. The amalgamation of the reserves could have a number of potential economic and tourism spinoffs including increased bio-diversity, effective utilisation of resources, tourism and recreational development and community development.
- Tourism product development of the region. Concepts included the development of the !Gariep Dam islands as attractions, accommodation within an amalgamated nature reserve, the In-let Tunnel in Oviston as an attraction and Lake !Gariep events.
- Skills Development and promotion of training in tourism and conservation sectors.
- Increased economic and political significance for the area. The area is managed as a whole would find that it is greater than the sum of its parts.
- Co-ordinated planning and implementation, to reduce costly duplication and improve efficiencies.
5.6 KEY CHALLENGES IN THE SET UP OF THE LGI

The key challenges that were identified through discussions with stakeholders and review of documents were found to be around the commitment of resources and support to the initiative. The key challenge was not as to the content or motivation for the LGI, there appears to have been a consensus as to the benefits and appropriateness of the initiative, but rather as to the form it should take. The form decided on would entrust responsibilities, rights and financial implications on certain individuals, as well as set the direction and focus of the development. The key challenges were identified as:

1) Cross-border nature of the initiative means differing levels of planning, capacity, cooperation and political will

The very nature of a cross-border initiative as discussed in Chapter 3 has a number of challenges that need to be overcome. The LGI needs to build on different provincial and local planning documents and policies to operate in the context of different sector departments and governance spheres towards the goals of development (Free State Government, 2006).

Different provinces have different focus sectors and development regions. The Lake !Gariep region is identified in Free State tourism planning as a key development priority, but is hardly mentioned in Eastern Cape planning or marketing campaigns. Similarly the area does not feature in Northern Cape tourism promotion strongly, which rather promote Colesberg and the Van der Kloof Dam.

Varying levels of capacity within departments are experienced that influences power relations between departments and the level of input from each. It can also influence the strength of the contribution of one sector. In the case of the local government input, as capacity constraints are evident in the local municipalities, the private sector and community representatives took on a greater role in the Tri-District Alliance.

On this base of varying levels of interest, capacity, cooperation and political will, an institution to drive development needs to be developed and instituted.

2) Provincial Political Support

Obtaining provincial government support to allow the initiative to go forward was the key challenge which overshadowed the other forums. Over the period political support as been sought to drive the project forward and secure financial resources. As regards the Gariep Complex, discussions on
amalgamation have been undertaken since 1996. In 1996, the Eastern Cape MEC for Environmental Affairs and Tourism was informed of the initiative, and it appeared that there was support for the initiative from the top structures of Eastern Cape Nature Conservation and Free State DEAT (Gariep Complex, 1996). In meetings minutes from June 2004, the Lake !Gariep Initiative-Tri-District Alliance, indicated that the Eastern Cape EXCO had taken a decision to support the initiative and the Premier was to arrange a MoU between the three provinces. The Free State also indicated that provincial cabinet had resolved to support the initiative, but as a new Premier and MEC had been sworn in, they would need to be briefed (Ukhahlamba District: 2004). On the 5th of September the three provincial MECs met in Gariep Town and committed their provinces to the Initiative. Subsequently issues as to the legality of the MoU were identified; however there appeared to be a petering out of support and interest from provinces. By 2010 the Eastern Cape government stakeholders launched a Task Team to report to the Premier on the LGI. Thus over a fifteen year period in the case of the Gariep Complex and a seven year period in the case of the LGI, various attempts at securing provincial political support were made. Numerous reports to provincial authorities were written for support, but as a new Premier and MEC was appointed the process of briefing and gaining political support started a fresh.

Thus a key challenge faced with the formulation of the LGI was the lack of top political support for the project and the commitment to drive it through. Issues as to the legality, structures and financing could have been resolved in due course if there had been committed political support for the project.

This lack of political support can firstly be attributed to changes in positions of Premiers, MECs and Mayors over the period. The new incumbent would need to be briefed as to process and progress on the project. Often the passion for the championing the project was lost over successive changes in staff.

The other reason as to why the project lacked political follow-through, which is surmised based on the profile of the region, is that it lies at the periphery of the all three provinces. Thus its impact on the residents of the Eastern Cape is not as significant as other projects located solely in the Eastern Cape; as any beneficial impacts would be shared between the all residents adjoining Lake !Gariep. Thus impacting on constituents of other provinces, district and local municipalities, which fall into another constituency. These constituents cannot voice their support to the adjoining provincial government through their votes, thus reducing the political reward of undertaking a cross-border
initiative. The area is a sparsely populated region and with a declining agricultural economy is economically and politically insignificant. This may impact on the prioritisation of the project at a provincial political level, if due consideration of wider economic and socio-economic goals are not made.

3) Appropriate Institutional Arrangement
The finding of an institutional arrangement to take forward development in the region was a challenge. The structure that the LGI should take was an aspect of debate and planning. The key issue was the form the entity should take. Other issues would be the role of a national department or agency to pursue or establish the agency.

4) Financing and Funding
The determination of who would fund the initiative, what funds would be used for and where it would be spent were key aspects that needed to be resolved. Funding initiatives across borders was not provided for in terms of municipal financial guidelines and thus was a contentious issue. When the Tri-District Alliance LGI determined a split funding between the three municipalities to fund a number of Lake !Gariep projects, funding from the Northern Cape and Free State provincial administrations was not forthcoming.

5) Strong public support was lost
The initiative became increasingly administrative and political. The local drivers backed off as it became more administrative and went to higher levels of government. The project ran on goodwill in the beginning and that goodwill was lost over time. The initial forum was an ‘on the ground’ forum that dealt with local issues, while the current conceptualisation of the LGI is far removed from communities, local and even district municipalities.

The private sector experienced worsening communication and poor responses to requests for information, and was eventually not invited to meetings as government came to drive the initiative. This has subsequently manifested itself as a poor relationship between government and business.

6) Lack of continuity of staff
The representatives and drivers of the LGI at a local and provincial level often changed as new officials were appointed and others left. Thus new officials needed to be brought up to speed on the project first before they could start to make a contribution to the project. There was thus a lack of
continuity of officials representing the organisations. When there are a number of institutions at work and some have high staff turnover rates, a loss of project momentum is the result.

7) Decision-makers didn’t attend meetings
Other commitments of key individuals at provincial and municipal level meant that often the decision makers could not attend meetings. If a person of a similar ranking was not sent to the meeting then little progress could be made in decision making. Executive staff within the local government and provincial sector had ever increasing requests on their time and if a dedicated project manager was not assigned to the project, the planning and decision making process is likely to drag out.

8) Lack of Municipal Capacity
Local municipalities in the region were battling with a lack of capacity, financial mismanagement and a lack of staff and resources. The cross-border nature of the project then further adds to the complexity of the project and demands on municipal staff.

9) Competition and jealousies
In a number of texts, reference is made to the need to rotate chairmanship of the Tri-District Alliance or for a particular province requesting to take forward the initiative. There appears to have been a feeling that the Eastern Cape who was driving the Tri-District Alliance was pushing the process towards pursuing Eastern Cape interests. This had to be mitigated and allow the other provinces more ownership. The challenge with this was that through the rotation of the chairmanship the establishment of the LGI lost momentum and new directions were taken.

10) Political expediency
As regards project implementation it appeared that short term projects that fell within a political term were prioritised over long term projects. This is evidenced by the high number of implementation projects within the municipalities of the LGI, that were supported and funded which had two to three year time frames. The LGI project however which is a medium to long term project was not prioritised and provided dedicated human resources and finance.

5.7 CRITICAL SUCCESS FACTORS
The Critical Success Factors identified through discussions with stakeholders and review of documentation indicates that potential critical success factors include:
• Political support and championing of the project. Potentially need a national player to champion support. A stumbling block is the lack of provincial support and the organisation of the proposed institution. As one province has no authority over another and the prioritisation of the project may always be less for one province than for another, an external driver is needed. This driver could be a national department or agency that would be able to pursue the LGI and bring many stakeholders together.

• The set up of a cross-border planning needs to ensure that it doesn’t alienate the local communities in the region. The local communities and the private sector are committed to pursuing development in the region. They also offer local knowledge and expertise that can be used to ensure initiatives are based on sound research. Thus to exclude this group from planning would be to exclude a key driver of cross-border cooperation. It may be difficult to secure support later in the project, if they are not brought on early.

• The role of the Department of Water Affairs (DWA) has not been looked at in detail in previous reports and implementation studies. The DWA is responsible for the management of the water within the dam, any development or initiative needs to bear in mind that this stakeholder is ultimately a key role player.

5.8 CONCLUSION
The LGI has had a number of attempts at formalising the organisation so as to develop an agency for development in the region. The benefits of the LGI and amalgamation of the reserves to form the Gariep Complex were emphasised in a number of studies. The key challenges of setting up the LGI have institutional capacity, political support and over complicated administrative wrangling. This has in the process forced the private sector out of the initiative and lost their support. The level of cooperation and coordination has been reduced through stakeholder exhaustion. The politics at a provincial level has overshadowed the previously well functioning informal and formal communication networks between the municipalities. Now responsibilities have been devolved to a third party, the Province, removed from the locality. Local stakeholders proceed in splendid isolation wary of attempting to initiate further co-operation. This is in complete opposition to the aims of the Tri-District Alliance, which sought to foster planning integration and development cooperation.

In the next chapter the findings of the LGI study will be informed by experiences from other case studies and best practise as to key considerations for a cross-border tourism initiative.
CHAPTER 6: BEST PRACTISE IN CROSS-BORDER TOURISM DEVELOPMENT

6.1 INTRODUCTION

The findings chapter identified the background and stakeholders around the Lake !Gariep Initiative. Key findings that emerged were the critical role of government in implementation, facilitation and leadership of cross-border tourism development. The key success factors identified were:

- The role of Government at a national, provincial and local level
- Partnership and community inclusion into the planning process
- Establishment of the financial, organisation and administrative functioning around the co-operation.

To explore the role of each sphere of government in terms of its mandate, responsibilities and the execution of these responsibilities a discussion on roles of government in cross-border planning is undertaken.

6.2 THE ROLE OF GOVERNMENT IN GENERAL

The role of government in supporting cross-border development is borne out by the need for government to support the potential business linkages and development that cross-border development offers. As the state creates the environment in which the market players can interact and develop new rules of the game, its role is important as a promoter of partnerships and allowing the capacities of state, private sector and communities to be fully deployed (Atkinson, 2008a; Smallbone et al. 2007:125).

Atkinson intimates the need for government intervention in the Karoo as “Given the paucity of financial and human resources in the arid areas of Southern Africa, cross-border co-operation could provide the economies of scale which are required for such initiatives” (Atkinson, 2008a: 24).

Atkinson identifies a number of policy specific measures that need to be undertaken by governments for regional development based on Smallbone et al (2007). These are:

- Creating a vision for the area, including a brand.
- Developing the supply side of tourism.
- Developing the demand side by building on existing markets or finding new markets; as well as the promotion of a regional brand.
• Developing the institutional framework, whether it is a development agency, business association or political representation.
• Promoting participatory decision-making and informational transparency to enhance the benefits to the local community.
• Identifying firm level interdependencies, exchange relations, networks and synergies that work to local advantage, as well as those that hinder the development of local initiatives.
• Building social capital through community development projects.
• Targeting active labour market programmes.
• Assisting in informal enterprise development through loans and support services (Smallbone et al. 2007:137).

Other roles that government can fulfil include:
• The determination of the mandates, roles and responsibilities. In an environment where certain government spheres lacks capacity to fulfil their mandates, there is a responsibility of another government institution whether it be a government entity such as a development agency or parastatal or another sphere to fill the gap.
• The provision of leadership and support at an appropriate level for the project. Thus the provision of high level leadership and support for projects through national and provincial government.

6.2.1 THE AUSTRALIAN EXPERIENCE WITH DESERT KNOWLEDGE AUSTRALIA (DKA) AND OUTBACK TOURISM

The role of government in the establishment of cross-border initiatives can be seen in the development of Desert Knowledge Australia (DKA), a Statutory Corporation established under a legislative act by the Northern Territory of Australia, the Desert Knowledge Australia Act of 2003. DKA was tasked with the encouragement and facilitation of the development of a body of knowledge and expertise relevant to deserts and arid lands; the improvement of the economies and livelihoods of these communities; the establishment and management of the Desert Knowledge Australia Precinct as a centre of knowledge; encouragement of the provision of high-quality communication and other services; and to undertake, fund, facilitate, promote and support research and training (Northern Territory of Australia, 2003). The area in which the Desert Knowledge Australia can perform its function includes the Northern Territory as well as other states making up the outback through joint ventures, alliances, partnerships and networks (Northern Territory of Australia, 2003). The Outback as it is referred to, spans the interior of the Australian...
continent and includes 5 states: Western Australia, South Australia, Northern Territory, Queensland, New South Wales and Victoria. DKA is seen as providing leadership and motivation towards addressing key issues and opportunities experienced by communities in the arid outback of Australia. This area, being arid, covering a vast geographical distance, being economically and politically marginalised, especially in reference to Australia’s aboriginal community; faces severe challenges for development. The role of DKA includes identifying the key issues of desert communities and creating linkages with governments, businesses, communities and service providers (DKA, 2008).

The DKA have taken cross-border tourism development forward through Outback Tourism. The concept behind the establishment of the Outback Tourism initiative was that tourists wish to experience the Outback and often visiting a particular state or territory is incidental to this. The need for cross-border tourism was identified as a means to empower marginalised communities to work more effectively across artificial political boundaries (DKA, 2005).

The challenges that needed to be offset are tourism cross-border development included offsetting the seasonality of outback tourism, to build industry capacity, increase market share and improve infrastructure. It was however noted that the greatest challenge would be building unity between multiple stakeholders (DKA, 2005).

Government support for cross-border planning can be seen in the creation of a statutory corporation to guide coordination and development- the DKA. The act’s objective was “... to encourage and facilitate learning, research and sustainable economic and social development relating to deserts and arid lands and to establish Desert Knowledge Australia, and for related purposes” (Northern Territory of Australia, 2003:1).

The Outback Tourism initiative is an Australian Government supported initiative, project managed by DKA on behalf of a working group of regional and state tourism promotion and marketing agencies. The identified focus areas of the Outback Tourism were:

1. **Leadership and Co-ordination**: that the Outback region lacked single leadership to represent the interests of all tourism operators. Thus key recommendations included establishment of Project Implementation Committee and an Outback Tourism Marketing Alliance, with the appointment of a national coordinator.
2. **Brand Marketing and Positioning:** To develop a clear tourism brand and marketing position through a marketing plan. This would require the support of all State and regional tourism marketing associations in the area.

3. **Access, Infrastructure and Investment:** The need for safe and easy access to the Outback was a critical factor thus projects around Outback Transportation Plans and licensing arrangements for cross-border tour operators were put forward.

4. **Information Research and Communication:** the need for centralised information system for tourism operators was identified, plus the role of visitor centres and continued research on Outback tourism issues.

5. **Industry Capacity Building, Products and Experience:** Recommendations around fostering business networks, partnerships and viable products was identified through projects such as business incubator programmes and business networks (DKA, 2005).

The Strategic Plan responds to an extensive list of issues that were raised in workshops throughout the Outback with communities, tourism operators, marketing agencies and state authorities. Thus a high level of participation and response to community issues were identified.

The DKA can be seen as an example of offering government support to cross-border initiatives aligned to Smallbone’s (2007) key areas of government support. Where the DKA has provided a vision for the area, looked at supply and demand side issues through business support and marketing, developed a strong institutional framework for tourism, ensured broad community participation in decision making and looked to support and develop firm level networks.

**6.3 THE ROLE OF PROVINCIAL GOVERNMENT**

The role of provincial government in tourism development is an area that has been largely neglected in research on tourism development, especially the role of provincial government in supporting and sometimes hindering development (Vrahimis and Visser, 2006). Often the local level of tourism development and planning which is tasked with implementation is emphasised over the policy coordination and the strategic direction offered by provincial government. Vrahimis and Visser
(2006) found that support from provincial government was as important if not more important than community support in planning a tourism development.

Provincial government have a legislative and executive role in tourism according to the Constitution of South Africa. Provinces can enact legislation on tourism but they need to work with National government to ensure alignment. Provincial Tourism Organisations would be tasked with the development of tourism in a province. Tourism marketing maybe devolved into a provincial government entity such as Eastern Cape Parks and Tourism Agency based on an act of provincial government. Provincial government would also require provincial tourism initiatives to align with national tourism initiatives.

At a local government level, local tourism promotion is the responsibility of local government as per the Constitution of the Republic of South Africa. The Local Government Municipal Structures Act of 1998 outlines that ‘local tourism’ is a Local Municipality function and ‘promotion of tourism for the area of the district municipality’ is a function of a district municipality.

6.3.1 PROVINCIAL GOVERNMENT AND MALOTI DRAKENSBERG CONSERVATION AND DEVELOPMENT PROGRAMME (MDTP)

An example of where provincial government proved to inhibit the development of tourism offers insights into the critical role of this sphere of government. In the Vrahimis and Visser’s (2006) study into the establishment of the Maloti Drakensberg Transfrontier Conservation and Development Programme (MDTP), they considered the institutional impediments of this project and identified key aspects that constrained its successful implementation. The MDTP’s aim was to extend the conservation and development programme between South Africa and Lesotho into the Free State Province of South Africa and the adjoining Lesotho districts.

The study found that there was a lack of research on the role of provincial governments, in directly assisting in tourism system development. Areas that had been focused on previously included government’s role in policy and guideline development. The area of transfrontier conservation offers a relevant example of cross-border economic and tourism integration and co-operation. A transfrontier conservation area is described as

‘integrated ecosystem conservation and socio-economic development models. This paradigm is a shift from being a state-driven activity to being more based in society, and particularly at the local level, where a variety of different stakeholders are encouraged to
play more proactive roles in the management of natural resources. The intention is to encourage the formation of alliances between different stakeholders such as government departments, the private sector, local communities and non-governmental organisations’ (Spencely, 2003:94).

Within Transfrontier Conservation there is the community, regional, national and bilateral levels of partnership and coordination which offers many complexities and challenges in establishing such entities. The complexities faced in developing tourism systems in rural areas includes the differing needs of tourists and rural populations, legal disputes over land use, economic survival and cultural heritage (Vrahimis and Visser, 2006). The focus of research on trans-boundary conservation has been predominantly on the conflicts and discourse between local communities and product developers. There has been little focus on the role of provincial government in the tourism system. The exception being Schoeman (2003), who finds obstacles to tourism growth at the provincial government level are found to include legal disputes over land with tourism potential, the restructuring of departments and reporting structures, the inability of provincial governments to provide clear guidelines on eco-tourism, and inefficiencies in provincial government funding operations. Vrahimis and Visser cite an additional obstacle that being the “‘politics’ of tourism development, particularly at a provincial level” (2006:103).

The provincial government of the Free State was wholly responsible for leading the process of the Transfrontier Conservation Area (TFCA) and supporting the MDTP in its spending of the World Bank grant to extend the TFCA into Free State and its neighbouring Lesotho districts. The issues that arose included (i) a change in leadership of the Provincial Department, (ii) the contact persons being replaced, (iii) in-fighting within departments, and (iv) accusations of mismanagement of the department which crippled its performance. These issues stalled progress and resulted in the grant from the funder elapsing with little indication that renewal would be considered. Vrahimis and Visser concluded that the actions of the Free State Provincial Government negatively affected the progress of the project and its ability to spend the funding. In addition this lack of delivery threatened the upliftment and well being of the communities in the study area and thus the government failed to deliver on its mandate to promote development and growth. This led the authors to indicate that the actions of the provincial government players in the tourism system should not be underestimated and that “The tourism system might appear robust, but it is nonetheless a delicate creature” (Vrahimis and Visser, 2006: 107).
The key lessons learnt for provincial government’s role in tourism development were around the internal operations of the provincial department:

- The correct person needed to be appointed for the position of project manager within the Provincial Department. Staff needed the appropriate expertise and as importantly, a commitment and drive to see the project through to implementation. There was a need to ensure that nepotism and favouritism were not involved in the decisions around appointments (Vrahimis and Visser, 2006).

- There was a need to ensure the correct calibre of person was appointed to a position with decision making responsibilities (Vrahimis and Visser, 2006). The challenge of lack of expertise was identified in the Free State Tourism Master Plan in which it identified that there was very limited expertise available in the provincial departments: ‘fundamentally there appears to be a shortage of suitably qualified staff in government institutions’ (DETEA, 2011:11).

- The need for leadership stability within line departments, especially at the top structures was a critical factor. There needed to be greater stability in the tenure of MECs, Director Generals and Heads of Departments.

- The importance of provincial government buy-in was determined to be as important as community buy-in. The ‘competent engagement of provincial government is a prerequisite’ (Vrahimis and Visser, 2006:108). Thus the focus on securing community support through the set up of community structures should be superseded by the proper set up of provincial and governmental structures to gain political and administrative support for the project.

- The need was identified for additional tourism research looking at the role of top structures in tourism development (Vrahimis and Visser, 2006).

It should be noted that although the Free State province and a particular sector department are mentioned in this instance, that this is only to illustrate the characteristics of provincial functioning and that similar circumstances occur in all provincial administrations in the country to some extent.

6.4 ROLE OF LOCAL GOVERNMENT

Local government fulfils the role of developmental government. Since 1995 the focus has shifted from purely the maintenance of municipal infrastructure such as water and sanitation systems, roads, libraries and cemeteries; to local government as the foremost implementer of development policies. The White Paper on Local Government, The Municipal Structures Act and The Municipal Systems Act entrenched a developmental local government.
The importance of local government and this developmental role can be explained due to key characteristics of this sphere of government. The sphere is essentially multi-sectoral, and can bring together a number of sectors under one programme or initiative. Secondly the sphere is closest to the people to which development is intended to support. Thirdly the spatial context means that local government brings government offices and staff in close proximity to communities, offering an essentially labour intensive service (Atkinson, 2002).

In Gardyne, Hill and Nel (2005) the successful role of local municipalities in tourism and pro-poor LED is discussed. In the case study of Creighton Municipality, the authors indicated that the success of the tourism ventures was due to the

“strong partnerships with key role-players in the local area, neighbouring municipalities, provincial tourism authorities and the national railway operator. It is also important to note that the level of success would not have been possible without the dedication and vision of key individuals at the local level, particularly the LED officer, who has worked tirelessly on project definition, lobbying in various forums and overseeing strategy implementation and overseeing strategic implementation.” (Gardyne et al., 2005: 128).

The tourism ventures were said to have the potential for success due to the foundations established, which included cross-sectoral and cross-municipal boundary engagement and support; partnerships with local, provincial and national stakeholders; commitment of municipal financial resources; securing of external funding; local and cross boundary economic spin-offs and development of capacity (Gardyne et al., 2005:127).

6.5 PARTNERSHIPS BETWEEN GOVERNMENT AND LOCAL DRIVERS

Local government lies within a system, thus often its partnerships are as important as its internal functioning (Atkinson, 2002). In the arena of private sector and government cooperation there is often a level of mistrust and heightened expectations. Key aspects for improving the relationship between the private sector and local government is around improving predictability. Thus whether agreed policies, plans, regulations or projects are enforced and implemented is an important determinant of predictability. There needs to be commitment to act on decisions by the two spheres. There is thus also the need to look at capacity building and the organisation of private sector, so that it can effectively represent the interests of the sector (Atkinson, 2002).
Van der Wal and Hilhorst (2007) identify ways in which local government can contribute to an improved enabling environment for sustainable economic development. The role of local government in development is constrained by the legal framework in which it operates, which dictates the authority, mandate and resources that are available to it. The gap between policy and implementation may constrain the dedication of resources. This then affects the motivation and capacity to effect these changes.

The role of Public-Private dialogue is indicated to be of crucial importance in Local Economic Development. Van der Wal and Hilhorst (2007) state that the results of public private dialogue include building of trust, identifying and filling of gaps, joint problem solving and developing a conducive regulatory environment.

The importance of local community involvement in cross-border conservation and tourism policies and programmes was highlighted by Timothy (2001) who indicated that implementation was more sustainable when the local level was involved. This was due to the local level having greater levels of mutual understanding and trust than at the national level which is bureaucratic, distant and detached from the locality. Tourism is thus more sustainable when local businesses, stakeholders and residents participate and this indicates the importance of involving local communities from the start (Timothy, 2001).

Challenges of the public-private discourse are in the difficulty of promoting greater cross sectoral, horizontal, vertical and more inclusive discussions. The obvious areas for discussion between the private sector and local government are often the very areas of mistrust between the parties. This might include business regulation, collection and spending of rates and taxes, transparency, corruption and services. The private sector has responsibilities to pay rates and taxes and abide by regulations but they also have rights. They enjoy the right to demand accountability and delivery. Thus the cycle of mistrust and non-delivery can be a self perpetuating prophecy as break downs in relations lead to a lack of communication and concerted pressure to reform which further creates hostility and tension (Van der Wal and Hilhorst, 2007).

“Suspicion and non-co-operation leads to inefficiency and waste, which inhibits growth, investment and poverty reduction. This needs to be overcome effectively before any sustainable reform can take place. Policy makers can only learn from local experiences when functional, communication processes are in place” (Van der Wal and Hilhorst, 2007:11).
Constraints to participatory planning in cross-border regions were identified as also including; different ideological systems or planning traditions; lack of expertise at a local authority level and the existing power structures (Timothy, 2001).

The Public-Private dialogue needs to be inclusive to include as many voices as possible, including the marginalised or less powerful groups. This also prevents the more organised or stronger group/s from pressurizing for a particular change.

6.6 FORMS OF CO-ORDINATION AND INTEGRATION OF CROSS-BORDER DEVELOPMENT

There are a variety of means and levels of coordination that could be aspired to, as highlighted in Chapter 3’s discussion of Timothy’s (2002) continuum from Alienation, Coexistence, Co-operation, Collaboration to Integration. In terms of Cooperation, there are a number of means to promote cross-border cooperation these include study tours, exchange visits, assisting in cross-border partnership searches, hosting of joint events, promoting business support networks, promoting regional branding, planning and funding joint ventures in infrastructure development (Smallbone et al., 2007). By considering the cluster of firms, and not the political boundaries, externalities are evident. Clusters create positive externalities by building on the existing regional assets, local knowledge, geographic ties, social norms, local communication and interaction (Smallbone et al., 2007).

Co-operation can also move closer to integration through the development of a guiding development institution. If an agency drives development in a cross-border region, it could control responsibilities around jurisdiction, financing and administration.

In the case of Desert Knowledge Australia’s *Outback Tourism* initiative, the integrated tourism initiative brought together the efforts of numerous federal and local tourism promotion associations under one development initiative. *Desert Knowledge Australia* thus acts an independent champion to drive implementation of the tourism strategy and integrate the efforts of various agencies (DKA, 2005:10). The Outback Tourism Implementation Plan proposed a number of institutional arrangements these included the establishment of Outback Tourism Marketing Alliance of marketing agencies and state authorities; to take forward cross-border marketing promotions, the development of MoU’s and partnership agreements with partner institutions. It also proposed a
National Coordinator to facilitate and support the Project Implementation Committee and the Outback Tourism Marketing Alliance (DKA, 2005).

6.7 CRITICAL SUCCESS FACTORS

The key element that can be taken from this discussion of tourism development and the roles of the different spheres of government is the element of government support and organisation is needed to champion initiatives and the need for local participation. Thus the main findings in terms of the role of government in promotion of tourism initiatives and especially cross-boundary initiatives include:

- Tourism initiatives need to ensure provincial and local government support is in place, as this can be as important as local community support.
- When leadership was absent at the top structures of government departments, it crippled the ability of departments to perform.
- Partnership between sector departments and neighbouring municipalities were key to supporting ventures and ensuring wider economic spinoffs.
- The need to bring in committed stakeholders in all spheres of government and the private sector to drive the process was a key element.
- Assistance in building a regional vision and translating that into a brand and market position.
- Supply side interventions to develop appropriate tourism products and demand side interventions to market the destination.

In Gardyne et al (2005), the authors noted that even in marginal tourism areas, creative tourism initiatives could be achieved when the correct expertise and skills are in place and there is leadership for the programme.

The critical success factors thus proposed for cross-border tourism cooperation include:

1. National government agency or department driving cooperation and development, to bring parties together and provide political support for the development of a framework.
2. Need local drivers, the players in the area are often better equipped to implement and projects, due to local knowledge established networks. The top-down situation where projects are foisted on the local area is to be avoided.
3. Participatory approach, to ensure that there is community support and championing of the cooperation, is needed. It would also ensure that the tourism developments were sustainable. Communication and participation on key areas of support and forms of intervention.
4. A relationship of mutual trust and realistic expectations with public and private sector partnerships.

5. A shared vision for the area needs to be created and be inclusive. The vision must serve a shared need.

6. An institutional framework to guide financing, administration and implementation of cooperation.

7. Fair and transparent funding and allocation of funds.

8. Political support and buy-in at national and provincial level and also political stability.

9. Planning and research undertaken such that all decisions are based on sound market knowledge and spatial planning.

10. All regions need to be able to gain from the development, thus there needs to be an even spread of advantages.

11. Need to ensure that individuals that are committed to the concept or project drive the initiative; that there is continuity in officials, and that those who attend meetings are in positions to make decisions on the project.

In the next chapter, the findings of the previous chapters are summarised. Recommendations and conclusions are put forward on cross-border tourism development and integration in the form of the Lake !Gariep initiative.
CHAPTER 7 RECOMMENDATIONS AND CONCLUSION

In this chapter, an analysis of the key findings of the previous chapters is provided, as well as the recommendations and conclusions towards establishment of the LGI.

7.1 SUMMARY OF FINDINGS

7.1.1 LITERATURE REVIEW

The Literature Review chapter provided a profile of the key theories around cross-border tourism planning, destination competitiveness and the spatial distribution of tourism.

1. Destination Competitiveness was defined to be a destination that created value and added value to products thus creating national wealth. A competitive destination was considered in terms of a number of theoretical models. It was considered to be made up of a number of components: core resources; supporting factors; destination management; qualifying determinants and destination policy.

2. The uneven space economy of tourism within South Africa means that the Western Cape, Gauteng and coastal regions attract greater numbers of tourists and have a greater supply of products in comparison to other provinces and rural areas. Thus their tourism sector is more developed. Although policies such as the National Spatial Development Perspective have tried to promote development in peripheral areas, the lack of concentration of tourism activities within the rural areas and especially the Karoo is a key characteristic of the national tourism landscape.

3. Cross-border planning and development is considered as a key element of this study. Borders are regarded as the ‘new frontier’ in tourism planning by Rogerson (2003:33). Political boundaries are often on the periphery of development and as political and economic systems differ between the administrations on either side of the border, so too will the levels of development. Borders in tourism need to become less apparent as tourists visit a region and not only a particular municipality or local authority. Thus political borders are unnatural obstacles towards regional development and efforts to integrate economies, conservation and tourism across political borders is finding increased research interest.
4. Timothy’s (2002) five part typology can describe the extent of tourism-based border partnerships. The continuum ranges from Alienation, Coexistence, Co-operation, Collaboration to Integration. As the relationship between border-states moves along this continuum, the level of complementarity and integration of economic activities, such as tourism is likely to increase (Timothy, 2002).

5. Even local, district and provincial borders can be considered as obstacles for regional development due to differing political administrations, development priorities and capacity levels. Thus there is scope for increased cross-border cooperation as a part of inter-provincial, inter-municipal and inter-sphere regional economic development.

7.1.2 ECONOMIC, SOCIO-ECONOMIC AND PHYSICAL PROFILE

The economy of the LGI study area and its socio-economic and physical characteristics were found to have the following implications:

1. The shared feature of the study area is the !Gariep Dam, South Africa’s largest dam. The dam supports a small but growing tourism sector based at Gariep Town, and is surrounded by three provincial nature reserves and livestock farms. Three provinces border onto the !Gariep Dam. The LGI region’s economy is centred on agriculture; predominantly livestock farming and the government and community services sector. There is a large unemployed population and high levels of out migration to larger cities. The focus of LED in the municipalities around the dam is centered on poverty alleviation, co-operative and SMME development.

2. The region lacks both political and economic power in its respective provinces due to the small size, of the local economy and the population, relative to the province. Kopanong is the exception in that its economy contributes almost half of the district’s GGP. Thus it could be regarded as an economic hub for its district.

3. Differences in levels of development were exhibited by the tourism sector in the three municipalities of the study area. Some nodes such as Gariep and Colesberg, exhibited more diversity of product types and maturity, whilst other nodes such as Steynsburg and Bethulie, were characterised by a lack of variety of accommodation. There was a lack of value addition and product development in the sector as a whole.
4. The destination marketing of the region differs between provinces, with the Free State placing the greatest marketing focus on the region. Whilst the region is not included in the Eastern Cape marketing routes. The marketing of the entire Lake !Gariep region was a key component of the LGI’s joint marketing to create an iconic attraction from the dam. The provincial focus and resulting lack of a regional focus in marketing means that resources cannot be optimally used to create and market a competitive destination.

5. Government interventions into an area need to ensure that local knowledge from the Local and District Municipalities and regional sector departments are incorporated into the intervention. The private sector and tourism entities need to participate in the development of these interventions. Thus interventions need to be based on a strong collaboration between different spheres of government and the private sector. In the case of the DEAT Lake !Gariep tourism project, the national government intervention was seen as a project foisted on the community. It did not make use of local knowledge, or previous research. It also created jealousies between municipalities and did much to undo the successes of the previous ISRDP projects that built trust across political boundaries and sectors.

6. Investments in tourism in the DEAT project were not based on market research or sound principles of market demand. There was little financial provision for the operation of facilities once built.

7. Top-down investment from another sphere of government into a region can have a range of negative consequences, if the project is poorly managed, there is poor communication and local stakeholders are not included in the project.

7.1.3 FINDINGS ON THE LGI

The findings on the background and formation of a cross-border development initiative; the Lake !Gariep Initiative and the key challenges were as follows:

1. The Lake !Gariep Initiative could be analysed in terms of Timothy’s (2002) continuum of destination integration and isolation, in which case the neighbouring municipalities in the study area presently ‘coexist’. At present there is some collaboration around joint marketing between the private sector across boundaries.
At the height of the cooperation and functioning of the Tri-District Alliance the area was in state of ‘co-operation’ even ‘collaboration’. The public sector of the neighbouring municipalities has since the dissolution of the Tri-District Alliance, moved into ‘co-existence’ with little cooperation between municipalities.

2. The establishment of the LGI has gone through a number of phases with different focus areas and different stakeholders taking the process forward. The initial phase was a purely conservation management related concept for the LGI, where the amalgamation of the three provincial reserves was considered. The concept moved from this initial concept to incorporate the need for neighbouring district municipalities to plan and coordinate practical issues concerning service provision, water rights, disaster management and economic development for the region. The second phase was the Tri-District Alliance phase, where an intergovernmental forum at a district level between Pixley ka Seme, Joe Gqabi and Xhariep Municipalities. The ISRDP project and Lake Gariep Tourism projects were implemented during this time and it signalled the height of cross-border cooperation, planning and development. There was also a great deal of private sector support and local champions were active in the forum. The third phase of the LGI was brought about after numerous attempts to draft MoUs between municipalities failed to bring about a framework for funding and planning across borders. Thus the support of provincial government was deemed necessary to firstly sign a MoU and secondly to guide the LGI to establishment. This phase was referred to as the Provincial LGI where the provincial departments of Economic Development took forward the LGI, with the aim of garnering support from the Premiers and signing a provincial MoU. The momentum around the provincial LGI was subsequently lost due to the inability to secure provincial support for the signing of an MoU.

3. Recommendations for a development agency or body to take forward regional development of the LGI took a number of forms including an Environmental Economic Development Zone, a Section 21 Company before the Municipal Finance Management Act was promulgated and a development agency as recommended in the Bopa-Lesedi (2006) report.

4. The crucial elements for agreement was the development of an integrated vision, achieving political consensus, sourcing funding, agreement on key projects; regional marketing and developing an institutional and financing structure.
5. The Bopa-Lesedi (2006) strategy identified that a key issue was that the LGI did not have a clear mandate or capacity within which to function. A separate entity needed to be created with its own institutional framework, administrative and operational capacity.

6. The benefits of the LGI were seen to be:
   I. The consolidated marketing of the region as an iconic attraction and as a competitive destination.
   II. Platform to negotiate around potential access to water, through granting of water use rights.
   III. Amalgamation of the three provincial reserves to create a reserve of significant size consolidating tourism development.
   IV. Tourism product development to increase the range and quality of the product offering.
   V. Skills development and training in tourism.
   VI. Increasing the economic and political significance of the area.
   VII. Co-ordinated planning and implementation would reduce costly duplication of projects and improve efficiencies.

7. The challenges that were experienced in the attempts to formulise the LGI into a development body included:
   I. **Differing levels of planning, capacity, cooperation and political will.** As three provinces, three districts and three local municipalities are involved there were differing levels of internal capacity, expertise and leadership. There were also differing levels of political support for the project, based on perceptions as to the potential advantages that could be sought for the area from the project.
   II. **Provincial political support:** The LGI was unable to gain provincial agreement and support to conclude an MoU between all provinces and to establish the LGI. This was in part due to changes in leadership at the provincial sphere. This involved newly appointed MECs needing to be acquainted with the project before decisions could be made and often before substantial action could be taken a change in leadership would take place.
   III. **Appropriate institutional arrangement:** An appropriate institutional form needed to be investigated and decided upon.
   IV. **Financing and funding:** The sourcing of funds as well as a transparent division of funds between the three municipalities needed to be ensured.
V. **Strong public support was lost:** The increased administrative wrangling around the LGI along with a higher sphere of government taking forward responsibility for planning meant that the private sector stakeholders were not included in discussions. They became more impatient with the time the process was taking and the lack of communication. There is a poor relationship in place between the private and public sector in the study area.

VI. **Lack of continuity of staff:** Lack of staff continuity meant delays on the project as new staff needed to be acquainted with the project and there was a lack of consistency in terms of drivers of the project.

VII. **Decision-makers didn’t attend meetings:** The lack of decision makers at meetings meant that decisions could not be taken and were often postponed, thus extending the process.

VIII. **Lack of municipal capacity:** With limited project management and technical capacity available at the local municipality level, this meant that local municipalities often struggled to project manage and take forward the project.

IX. **Competition and jealousies:** There was competition for resources and leadership of the LGI. This was mitigated by a rotating chairmanship of the forum, in an attempt to ensure that all the district municipalities shared responsibility and ownership for the project.

8. The reason why provincial political support was not forthcoming was surmised to be in part due to the impact of the project being diffused between three provinces, thus not one province will benefit entirely. The region is on the periphery of the three provinces, with a small population and regional economy. Thus government interventions in this region will gain fewer votes than an intervention located entirely within one province.

9. The critical success factors were identified as being the need for political support and championing of the project. The LGI needed to ensure that local communities in the region were not alienated. The potential use of a national government department or agency as a champion was also identified as a potential critical success factor.

7.1.4 **BEST PRACTISE**

The analysis of best practise identified examples of best practise nationally and globally in cross-border planning and development. The key findings on the critical success factors for a cross-border initiative in tourism were as follows:
1. Government plays a crucial role in establishing the legislative and institutional framework for a cross-border initiative to be formed. This was discussed in connection with the Desert Knowledge Australia and the act of parliament that established it.

2. The role of provincial government as a key implementer in the tourism system was identified. Issues around political leadership and capacity at a provincial level were found to be crucial for the implementation of the Maloti Drakensberg Conservation Programme in the Free State.

3. The role of local government in creating strategic partnerships and bringing sector departments and agencies together was a critical role in tourism development. The creation of linkages was said to increase the potential success of tourism.

4. The role of public/private dialogue in Local Economic Development is needed to promote joint problem solving, building trust, developing a conducive regulatory environment and identify and filling key gaps. The challenges of public/private dialogue is that often areas where communication is needed most are areas of the greatest conflict and where communication can break down, such as government accountability or non-payment of rates.

5. The critical success factors thus proposed for cross-border tourism cooperation include:
   I. A national government agency or department driving cooperation and development across borders, to bring provincial, local and agency parties together and provide political support for the development of a framework.
   II. Need local drivers to be involved in planning. The players in the area are often better equipped to implement projects, due to local knowledge established networks. The top down situation where projects are foisted on the province is to be avoided. Thus if a national government agency drives cooperation, this agency needs to work with local stakeholders and use existing research and local knowledge for the intervention.
   III. The participatory approach ensures that there is community support and championing of the cooperation. A relationship of mutual trust and realistic expectations between public and private sector partnerships is developed through communication and a genuine participatory approach.
   IV. A shared vision for the area needs to be created and to be inclusive, thus incorporating a shared vision from representative political areas. It must serve a shared need.
V. An institutional framework is needed to guide financing, administration and implementation of cooperation.

VI. Fair and transparent funding and allocation of funds to the area and between regions is required. This will prevent competition and jealousies between regions.

VII. Political support and buy-in at national and provincial level is required, without this the project is unlikely to succeed. Another key aspect is political stability, including the stability of tenure of a political head of a department or municipality, political infighting or favouritism is not undertaken.

VIII. Planning and research needs to be conducted such that all decisions are based on sound market knowledge and spatial planning.

IX. All regions within the cross-border cooperation need to foresee a benefit from the initiative, thus there needs to be an even spread of advantages.

X. There needs to be a particular individual that drives the project whether politically or technically and who is committed to the concept. This requires the selection of a highly trained, experienced and committed project manager to progress the project. The least suitable situation is where there is no continuity in officials representing the project, and where decision makers are absent from meetings.

7.2 RECOMMENDATIONS:
In terms of the use of the Inter-Governmental Relations Framework as a solution to the establishment of the LGI, the framework is heavily focused on cross-sectoral and inter-sphere collaboration and dispute resolution. Thus there needs to be political will to champion support for inter-governmental relations between provinces as this is not dealt with as an obvious provision of the Framework.

Once at a provincial level there are a number of fora that need to be consulted, to gain support for provincial governments to speak directly to each other. Thus unless there is strong commitment from the province for the project it is unlikely to be taken forward.

The LGI has lost its initial momentum that it experienced when consisting of private and local government drivers. Potentially the opportunity for the establishment of the LGI framework and a development organisation has been lost due to administrative wrangling and political instability.
It is recommended that a national convener be brought in to provide provincial and local government support; whilst forums such as the Tri-District Alliance are revived to offer a platform for private-public dialogue.

The initiator of cross-border collaboration may well be the private sector. Through increased cross-border collaboration and marketing, the private sector may create the path for government to follow with the necessary legislation.

Another initiator of cross-border collaboration could be the provincial nature conservation bodies. The amalgamation of the nature reserves around the !Gariep Dam will integrate the management of land resources of a major land owner in the study area. This could spur on greater cooperation from local government in economic development, infrastructure and tourism marketing.

Provincial support for cross-border planning and development is crucial. If national government champions cooperate around the Dam then this is more likely to garner provincial political support.

### 7.3 AREAS FOR FUTURE STUDY:

The collection of research on the Lake !Gariep Initiative was easier to collect from the Eastern Cape side of the Study Area, compared to the Northern Cape and Free State provinces, due to the author’s established networks and knowledge of the Eastern Cape. Further analysis from the perspective of Northern Cape and Free State municipal and provincial perspective would add value to this study.

The aspect of amalgamation of the Nature Reserves has been highlighted as a key aspect of the LGI, but the background and key challenges in terms of attaining this amalgamation were not considered and could form the basis of a separate study.

The role of Department of Water Affairs and their role in the provision of water rights and the impact on tourism on the LGI could be considered in further detail.

SANParks is currently at the initial planning stages of a high altitude conservation area across international and municipal boundaries within the Senqu and Elundini Local Municipalities of the Joe Gqabi District. The role of SANParks in inter-municipal cross-border planning within Joe Gqabi District offers potential lessons for the LGI experience. If the venture is successful it could offer a
model for the LGI. It already provides motivation for cross-boundary planning and development to be undertaken by national government or a government entity.

7.4 CONCLUSION:
There is a general consensus from a broad range of stakeholders around the benefits of collaboration and cooperation across municipal boundaries in the Lake !Gariep study area. This is due to the insignificance of the region when developed or resourced as three distinct areas. The benefits of collaboration are seen to outweigh the resource implications needed to develop an overarching entity. The establishment of a framework for a Cross-Border Development Agency or Entity has been prevented from being established due to a lack of provincial political stability and commitment to the project, a lack of consistent project drivers and the red tape and legal wrangling that has meant the initiative lost support and momentum. The likelihood of there being a cross-border cooperation framework developed is foreseen to only be possible if a national department champions the initiative and brings in provincial support.

As other stakeholders cooperate more closely through independent channels, this could place greater pressure for the revival of the LGI. In addition, as economic benefits of cooperation begin to materialise this should motivate government institutions to recommit resources to cross-border development entity such as the Lake !Gariep Initiative.
REFERENCES


NORTHERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM, Date unknown. All Roads Lead to Colesberg.


## APPENDIX 1: LIST OF INTERVIEWS

<table>
<thead>
<tr>
<th>Title</th>
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<td>Former Gariep LTO</td>
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<td>Mr</td>
<td>Theo Geldenhuys</td>
<td>Eastern Cape Regional Office, National Department</td>
<td>Chief Engineer</td>
<td>Email correspondence</td>
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<td>Mr</td>
<td>Themba Hani</td>
<td>Eastern Cape Department of Local Government and</td>
<td>General Manager: LED Facilitation</td>
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<td>Ms.</td>
<td>Pumeza Khamali</td>
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<td>Mr</td>
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<td>Mr</td>
<td>Tom Wanklin</td>
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