



dplg

Department of Provincial and Local Government

National Perspective on CDS and the Urban Strategy

Cities Alliance Public Policy Forum

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Challenges Confronting SA Cities

- How to improve conditions and opportunities for people living in urban areas?
 - ✓ 40% of people living in urban areas are poor
 - ✓ 54% of country's unemployed are in urban areas.
 - ✓ 25% of people in the 9 big cities live in informal settlements.

“38% in the 9 largest cities are unemployed”



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Challenges Confronting SA Cities

- How to improve urban efficiency and appeal?
 - ✓ Spatial restructuring
 - ✓ Transportation and mobility
 - ✓ Energy use
 - ✓ Ecological footprint
 - ✓ Natural and built environment
- How to improve urban governance?
 - ✓ Professional administration, revenue management, spending, accountability and resident responsive management



Framework to Address Challenges

1. Developmental State
2. Medium Term Strategic Framework
3. NSDP
4. IGR
5. PGDS
6. Sector strategies and programmes
7. Urban Strategy
8. Developmental Local Government



Framework to Address Challenges

- **Developmental State (1)**

- ✓ Active and appropriate involvement of the public sector in eradicating poverty and growing the economy
- ✓ Working together with communities – “peoples contract”

- **Medium Term Strategic Framework (2)**

- ✓ Translation of the electoral mandate
- ✓ Priorities for next 5 years
- ✓ Focus on economic investment and growth
- ✓ Expansionary fiscal outlook



Framework to Address Challenges

- **National Spatial Development Perspective (3)**
 - ✓ Investment principles and guidelines
 - ✓ Describes the national space economy
 - ✓ 81% of all hh and 75% of poor located in or near urban areas
 - ✓ Focus public sector spending (beyond basic services) in areas of high development potential
 - ✓ Organs of state have to report on their investment decisions
 - ✓ IDPs and PGDSs in turn will inform NSDP reviews



Framework to Address Challenges

NSDP Categories of Development Potential

Innovation and experimentation
High-value differentiated goods
Labour intensive mass produced goods
Public services and administration
Services and retail
Tourism



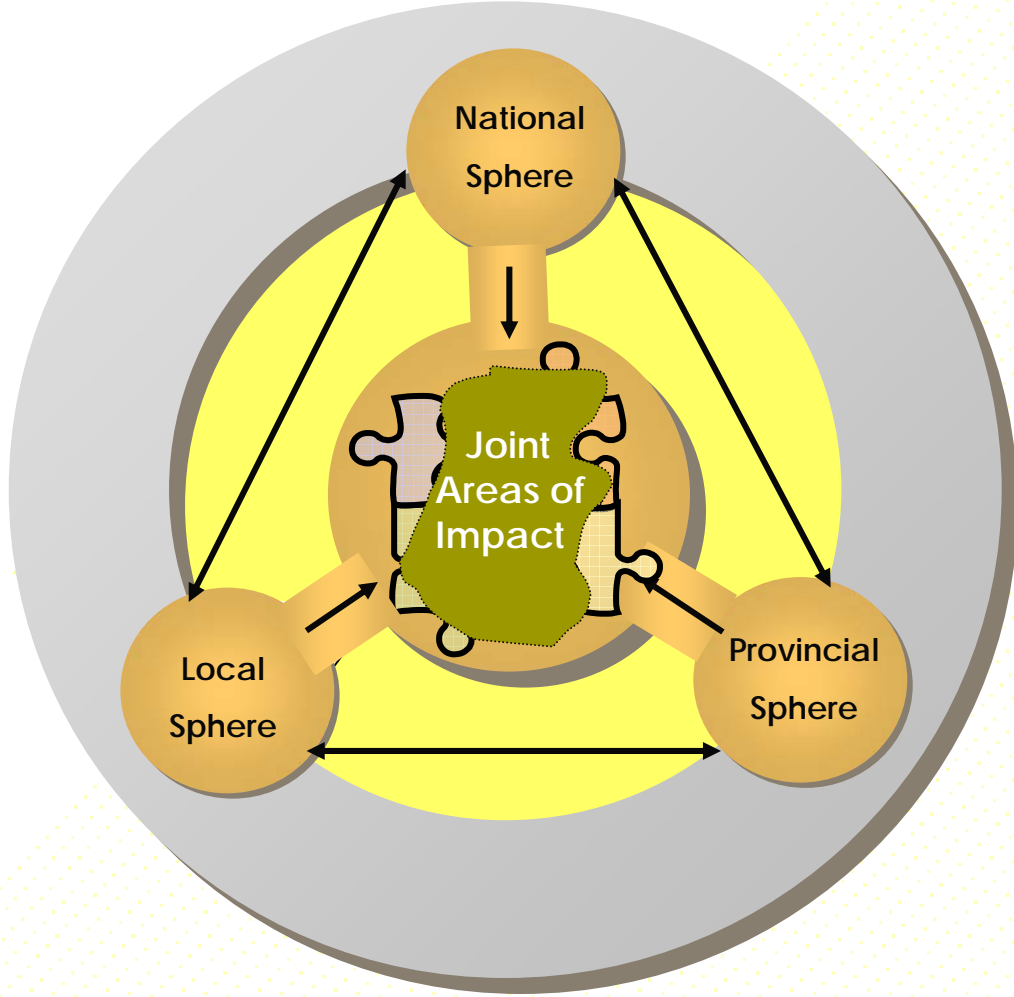
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Framework to Address Challenges

- **Intergovernmental Relations (4)**
 - ✓ Cooperative government
 - ✓ Focus on national priorities and joint areas of impact
 - ✓ IG fiscal framework and relations
 - ✓ Powers and Functions
 - ✓ IDP/PGDS/NSDP alignment and harmonisation
 - ✓ Intergovernmental protocols/agreements
 - ✓ IG forums and structures



Effective intergovernmental priority setting, resource allocation and implementation



Framework to Address Challenges

- **Provincial Growth & Development Strategies (5)**
 - ✓ an overview of the provinces development needs, potential and objectives.
 - ✓ The provinces proposed economic growth trajectory
 - ✓ The sectors of comparative advantage in which the province plans to invest
 - ✓ Development proposals for each of the district and metropolitan areas.
 - ✓ Identify and prioritise spatial areas within the province for investment and growth.



Framework to Address Challenges

- **Sector strategies and programmes (6)**
 - ✓ Cluster activities (Government's POA)
 - ✓ New housing strategy
 - ✓ Micro-Economic Reform Strategy (MERS)
 - ✓ Services sector strategy
 - ✓ Tourism
 - ✓ BEE strategy
 - ✓ Charters
 - ✓ Land Use Management Bill



Framework to Address Challenges

- **Towards an Urban Policy/Strategy (7)**
 - ✓ Overview of urban challenges facing South Africa
 - ✓ Case for greater urban development focus
 - ✓ Proposed Interventions (7 areas)
 - ✓ Approved by cabinet (27th October 2004) for additional work and final recommendations
 - ✓ PCAS to manage work of an Urban Task Team that will undertake additional work
 - ✓ Final Urban Policy/Strategy to be submitted to Cabinet in 6 months



Towards and Urban Policy/ Strategy

- **Proposed Interventions grouped into 7 areas:**
 1. Urban Economies
 2. Urban Poverty
 3. Urban-rural linkages
 4. Urban integration and renewal
 5. Urban Governance
 6. Urban Environment
 7. National Urban Policy Review



Proposed Interventions

- **Urban Economies:**
 - Greater research on the urban dual economy
 - Propose measures to address challenges facing secondary cities
 - Extract lessons from provincial economic interventions for urban areas, e.g. Blue IQ
 - Large-scale interventions should be aligned with PGDSs and IDPs and informed by the NSDP, e.g IDZs
 - All cities to undertake thorough economic analysis
 - Engage with the Banking Charter and its application to urban areas



Proposed Interventions

- **Urban Economies:**

- Engage with the Banking Charter and its application to urban areas
- Align specific enterprise financing instruments to support urban areas
- National Skills Fund and SETA programmes should be aligned to needs of urban economies
- Continue investment in enabling bulk infrastructure
- Investigate of intergovernmental fiscal instruments for cities and urban areas



Proposed Interventions

- **Urban Poverty**

- Localise priorities and targets of WSSD and MDG in urban areas
- Coordinated roll-out of Comprehensive Social Security programme in urban areas, e.g. focus on social grants
- Accelerate provision of government's (free) basic services programme, e.g. MIG
- Urban municipalities should be encouraged to develop specific local anti-poverty programmes



Proposed Interventions

- **Urban – Rural Linkages**

- More empirical investigation and analysis of urban-rural linkages & development of concrete strategies to strengthen linkages, e.g. Support urban and rural municipalities to “manage urbanisation”
- Undertake demographic modelling and encourage all municipalities to do this
- Renewed focus on ISRDS and building potential of rural areas.



Proposed Interventions

- **Urban Integration and Renewal**

- Strengthen the Urban Renewal Programme (URP), e.g. implement the Financing Protocol.
- Improve government's typology of urban renewal and integration
- Cities must engage with the NSDP and indicate their own comparative advantages
- Implement the Sustainable Human Settlements Programme
- Develop innovative instruments to promote and support densification
- Greater focus and support for development and transit corridors as part of the National Land Transport Strategic Framework
- Promote development of urban edges



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Proposed Interventions

- **Urban Governance**

- Accelerate the initiatives on community participation and the establishment of Ward Committees in urban areas
- Create channels for NGOs and CBOs to participate in municipal governance
- Promote structured collaboration between metropolitan municipalities and universities / research institutions.
- Support the NEPAD Cities Programme and explore the promotion of City Development Strategies as part of municipal IDPs
- Explore assymetrical devolution of powers and functions to urban municipalities. Work with the SACN on this and other knowledge sharing initiatives.



Proposed Interventions

- **Urban Environment**

- Assist municipalities to participate in the “State of the Environment” initiative
- Share lessons to urban municipalities on various environmental and eco-efficiency initiatives



Proposed Interventions

National Urban Policy Review

- Undertake a national review of the impact of existing national policies and programmes on urban areas:



Framework to Address Challenges

- **Developmental Local Government (8)**

- ✓ South Africa has institutionalised democratic, decentralised local government
- ✓ Public participation and involvement of communities in governance is legislated
- ✓ Municipal (city) strategic planning is legislated - Integrated Development Planning (IDP)
- ✓ City Development is no longer a purely administrative task – It has to involve the entire city through visioning exercises and articulation of Long, Medium and Short term objectives and programmes.



What is IDP?

- The IDP is a **single, inclusive** plan that coordinates and integrates development at a local level.
- It is a **holistic** plan and **not a comprehensive** plan.
- The IDP is a **strategic** plan linked to the term of office of a municipal council, but containing a **long, medium and short term vision** and **objectives**.
- The IDP is a development plan for a **municipal area** that informs all activity of the municipal administration.



Myths about IDP Regulatory Framework

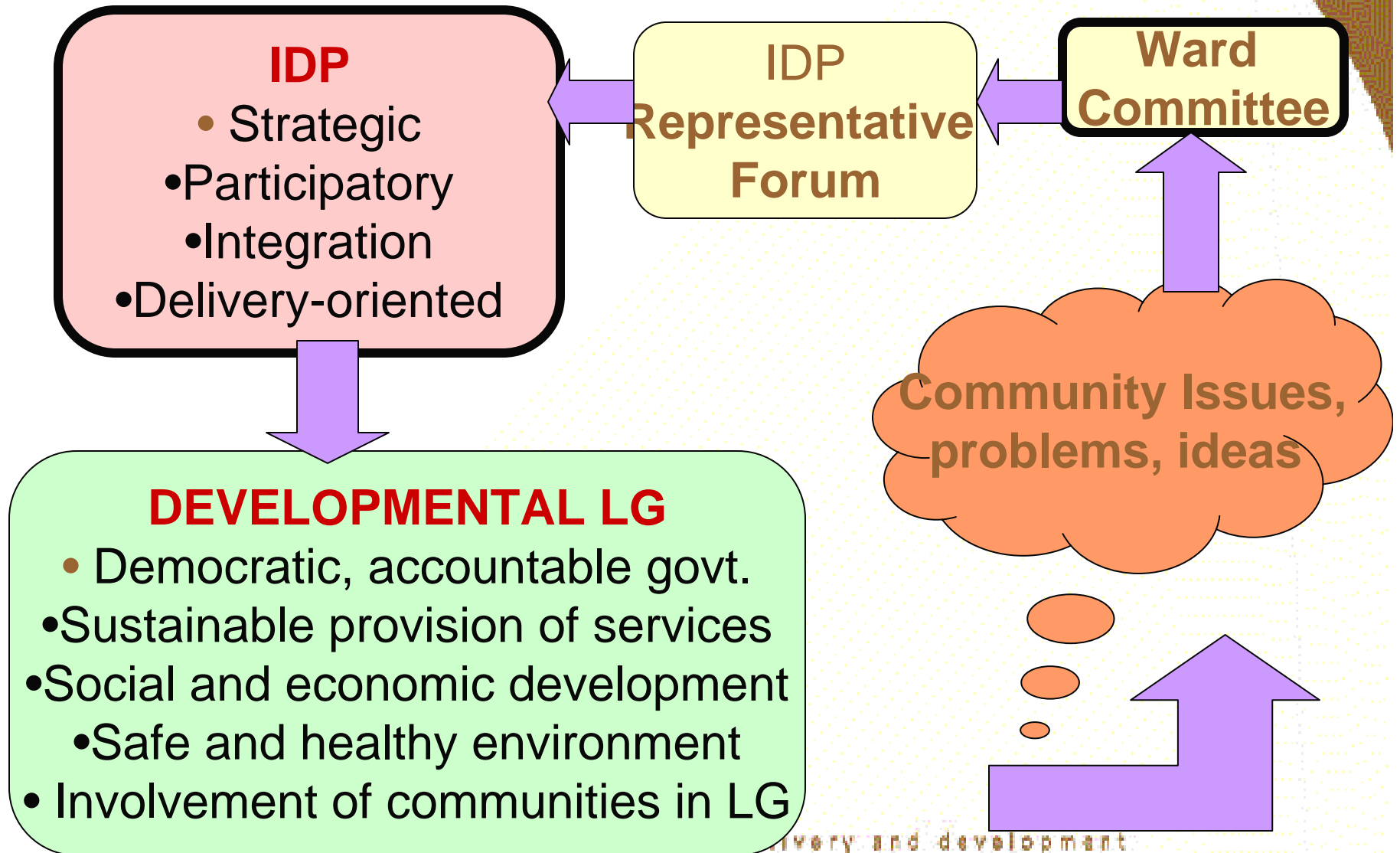
- “It is a city administration plan only or a corporate strategy”
- “It is a 5 year operational plan only”
- “It does not involve long term strategising”
- “It does not focus on economic growth and development”

True – it is linked to political term of office so it has legitimacy and credibility

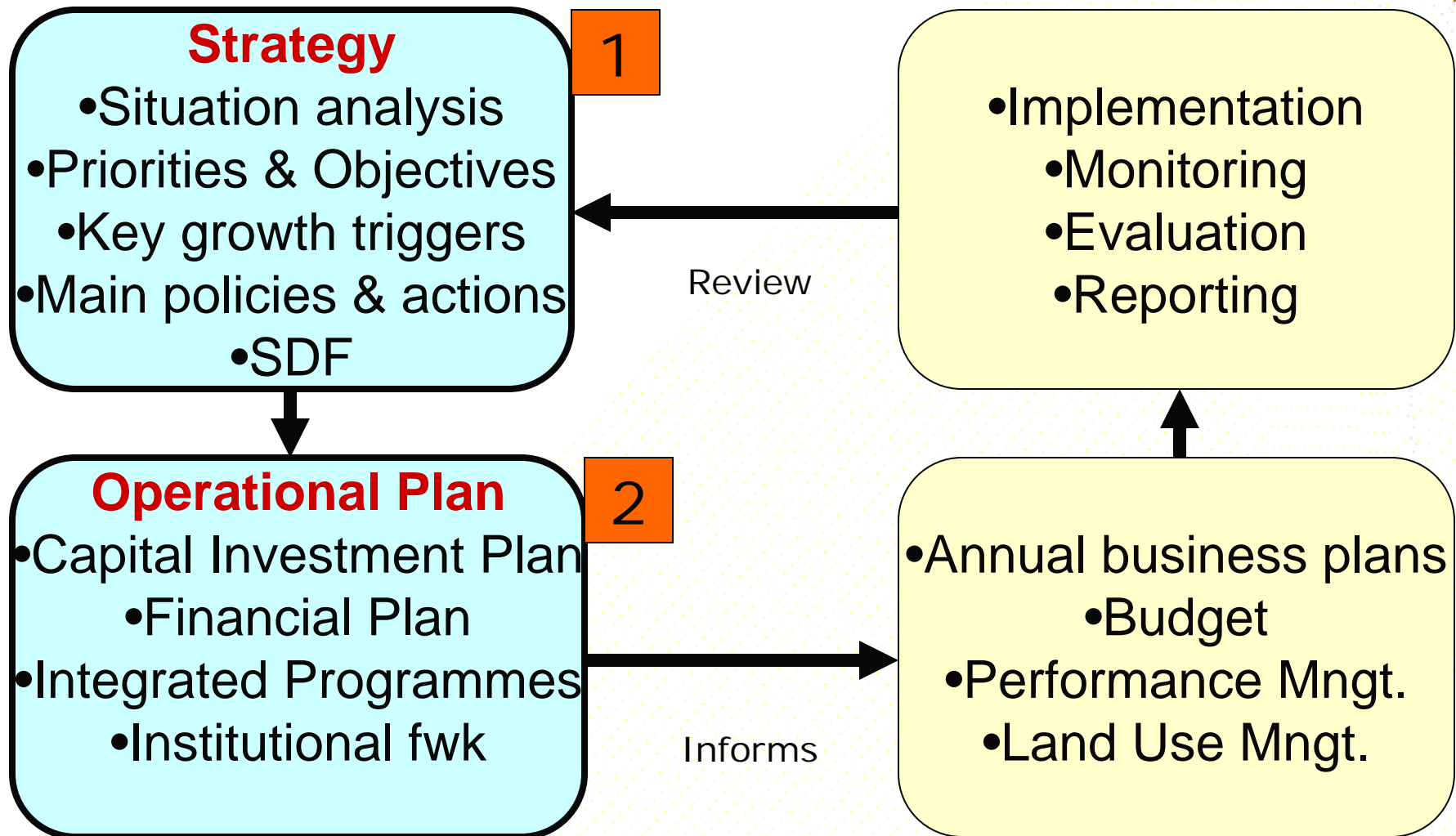


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Developmental Local Government, IDPs, Ward Committees



Core Components of an IDP



IDP and CDS?

- There is no difference. The legal framework for IDP covers all the characteristics of a CDS.
- IDP is the art of making, managing and implementing strategy
- Strategy or Plan? Strategy indicates what should to be done. Plan includes how it should be done?
- IDP includes strategy (Long, Medium and Short term objectives) and plan.
- Link to 5 year term of political office is inevitable and necessary.



Effective Strategy

1. “Think Big”
2. “Think Competitive Advantage”
3. “Think Added Value”
4. “Think Positioning”
5. “Think Performance”
6. “Think Vision, Mission, Objectives”
7. “Think Action”



Urban System Performance

- **Assess metro and district IDPs against the following:**
 - ✓ NSDP and national priorities
 - ✓ PGDS
 - ✓ Sector strategies and programmes
 - ✓ Powers and Functions
 - ✓ Budget and resource use
 - ✓ Community needs
- IDP Hearings in provinces March/April 2005
- LG Elections and Next Cycle of IDPs

