



SOUTH AFRICAN LOCAL
GOVERNMENT ASSOCIATION

SALGA

Inspiring service delivery

SALGA Small Town Regeneration Programme

February 2021

SALGA MANDATE

Transform local government to enable it to fulfil its developmental mandate.

Lobby, Advocate & Represent

Lobby, advocate, protect and represent the interest of local government at relevant structures and platforms.

Employer Body

Act as an employer body representing all municipal members and, by agreement, associate members.

Capacity Building

Build the capacity of the municipality as an institution as well as leadership and technical capacity of both Councillors and Officials.

Support & Advice

Support and advise our members on a range of issues to assist effective execution of their mandate.

Strategic Profiling

Build the profile and image of local government within South Africa as well as outside the country.

Knowledge & Information Sharing

Serve as the main hub of LG knowledge and intelligence and to facilitate peer learning within the sector.

Inspiring Service Delivery

STRATEGIC GOAL 1:

Sustainable, Inclusive Economic Growth & Spatial Transformation

Strategic Objectives

- Integrated and sustainable urban development and management
- Regional Economic Development (incl. rural economic growth strategies / small town regeneration)
- Social cohesion

Strategic Levers:

- 1.1 Promote high quality and reliable **Service Provision** and **Infrastructure Investment** (capacity and renewal) to support economic strategies (energy, water, sanitation, 5th utility)
- 1.2 Sustainable Urban Development Programme
- 1.3 Support Regional Economic Strategies and effective Land Use Management
- 1.4 Strengthen LG's role in Community Dev and Social Cohesion

Strategic Enablers:

ICT, Data Intelligence, Research & Capacity Building, Policy Advocacy, Partnerships



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STR OVERVIEW

LAUNCH AND BACKGROUND

PREAMBLE

The Small Town Regeneration (STR) programme is an apex programme of SALGA that is aimed at the regeneration, restoration and fulfilling the economic potential of underperforming small towns. Succinctly put, the STR programme looks for ways and means to:

- strengthen small town economies;
- provide better quality of life;
- build and leverage on the town's existing local assets;

and with the new regional approach

- Achieve cross-border regional planning & resource sharing
- Establish regional value chains and networks

PROBLEM STATEMENT

- Consolidation of **1 100** local authorities that existed before 1994 into the current number of municipalities had an unforeseen outcome as several localities lost their government function, and by implication, their economic base;
- Small towns have not grown partly because they were bypassed by the transportation systems and agglomeration economies of the industrial era & have subsequently lost their comparative advantages;
- There is insufficient economic incentive to retain people – particularly the young, the skilled and the entrepreneurial – in small towns;
- Global economic interdependence and reorganization have undermined and disrupted local economies and exposed them more than ever to external control
- Resource based & single economy South African small towns characterised by economic and demographic stagnation/decline. Need for economic diversification

MAKING A CASE FOR SMALL TOWNS



- South African landscape is predominantly rural, with more than 35% of the population residing in rural areas, which are mainly anchored by small towns (data.worldbank.org, 2016)
- South Africa cities underprepared to deal with rapid & unprecedented urbanisation levels. Need for a concerted effort to develop smaller centres;
- There are selected cases where small towns are attracting both population and investment, mainly in tourist towns & where there is adequate infrastructure (eg. Clarens, coastal towns)

OPPORTUNITIES

- Small towns play a pivotal role as service centres for surrounding communities, providing low order services and in the process reducing travel distances for communities;
- The IUDF recognises the rural-urban interdependency & the need for a more comprehensive, integrated approach to urban development that responds to both the urban and the rural environments;
- Exploration and harnessing of the key economic sectors in small towns (tourism, agriculture)

SMALL TOWNS REGENERATION PROGRAMME



Formal Launch of STR: Mangaung, 20 Oct 2015

STR National Context:

- STR anchored in IUDF
- STR programmatically responds to the Urban-Rural Developmental Agenda as outlined in the IUDF
- The locational challenges in the urban-rural continuum vary and need to be dealt with based on the unique locational factors

STR KEY MILESTONES & HIGHLIGHTS

**2017-18
ALIGNMENT
WITH IUDF**

Recognition that
singular town
intervention has
little strategic
value in the
greater
transformation
agenda

Recognition of
variance in town
economic roles
and responses:
agri, tourism,
mining, border
towns

Selection of
18 pilot sites,
2 per
province

Roadshows and
political
acceptance and
endorsement
from SALGA NOB

**2015
STR Launch in
Mangaung**

**2014
Town based
STR rollout**

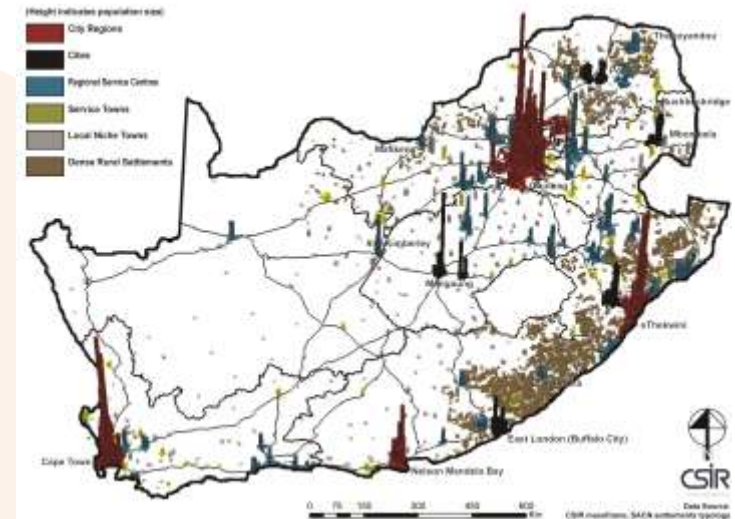
**2013
Commissioning
of the STR
Programme**

**2016-2017
Transition
to Regional
approach**

New sites
and
stimulus
for regional
approach

TRANSITIONING INTO REGIONAL APPROACH TO STR

- The initial STR approach & methodology looked at towns as individual enclaves; responded as and when requests were received from municipalities. Approach lacked coherence;
- The new regional approach sees small towns as part of a larger continuum of interdependent economic nodes that provide services to surrounding communities;
- Methodologically the shift has been to set up regional development platforms first, which include municipalities, and other regional partners; however, this does not preclude town work continuing where there is already work underway or a clear case for it



TRANSITIONING INTO REGIONAL APPROACH TO STR

- The new approach further acknowledges that through regional planning, it is possible to attain scale economies, establish forward and backward linkages, as well as value chains
- Ultimately, the new approach will culminate in a paradigm shift in the way economic regions are conceptualised (from administrative regions to economic and functional regions)
- This is in line with the vision of SALGA, which calls for integrated management of space, economies and people.



POLICY CONTEXT



IUDF

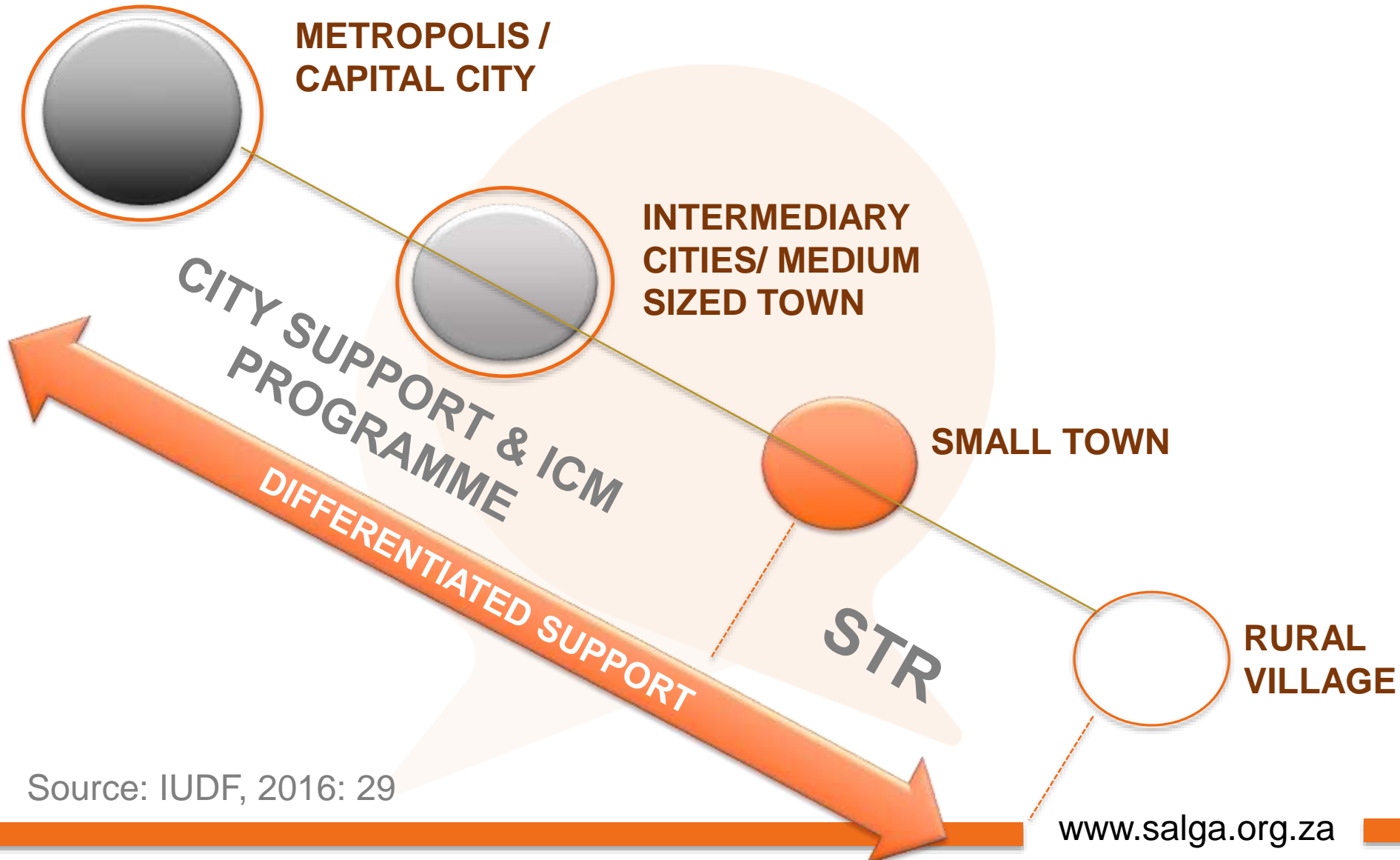
INTEGRATED URBAN DEVELOPMENT FRAMEWORK

INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)

The IUDF acknowledges:

- That the country has different types of cities and towns, each with different roles and requirements. As such, the IUDF vision has to be pursued in differentiated and locally relevant ways (IUDF, p8);
- The **rural-urban interdependency** & the need for a more comprehensive, integrated approach to urban development that responds to both the urban and the rural environments

IUDF ENVISAGED URBAN RURAL CONTINUUM



Source: IUDF, 2016: 29

IUDF ENVISAGED URBAN RURAL CONTINUUM

- The IUDF argues that traditionally, development policy has used a simplified concept of rural and urban areas, where 'rural' refers to more remote farming areas and 'urban' to cities;
- Similarly, economic activities associated with urban and rural areas have historically been viewed as mutually exclusive;
- This rural-urban dichotomy not only distorts the reality but also fails to address the interdependencies between the rural and urban spaces

(Source: Deputy Minister COGTA, 2018)

IUDF ENVISAGED URBAN RURAL CONTINUUM

- The reality is that there is rarely a sharp division between rural and urban areas, but rather a rural-urban spatial continuum;
- New spatial and sectoral patterns have emerged along the rural-urban continuum, as a consequence of migration, road accessibility, information technologies and production flows;
- A web of interrelationships and networks both links & blurs the distinction between urban and rural spaces;
- This means that strategies (for example, addressing poverty) must recognise the interdependence between urban and rural spaces

SELECTION CRITERIA & METHODOLOGY

CRITERIA FOR INCLUSION 1

- Ideally a phased approach, i.e. a governance and institutional readiness phase and a technical phase, however its never that clean and neat
- Criteria used to engage and negotiate with members/stakeholders rather than exclusion
- NB: STR stresses the importance of ‘whole of place’, local government and governance, business, civil society, the place which is important – as a whole and therefore cannot be ‘discarded’, instead the whole place requires development (governance, aspect of society)
- **INSTITUTIONAL FACTORS**
- Municipalities with sound governance systems (i.e. clean audit opinion);
- Municipalities with the required human capital to execute STR (LED, Planner, Engineer and associated plans);
- Municipalities with updated Integrated Development Plans (IDPs) and Spatial Development Frameworks (SDFs)
- Should these not be in place, consider streaming these municipalities into separate stream to focus on outstanding issues.

CRITERIA FOR INCLUSION (Cont...)

- **TECHNICAL FACTORS**
- **Towns with an economic base/value proposition**
 - Optimising the town's economic function; realising economic potential, diversifying the economic base
- **Towns that provide higher order services**
 - Serve a catchment beyond their immediate functional boundaries
- **Towns that are more than administrative centres**
 - A town whose function is not confined to that of being an administrative centre
- **Well connected towns**
 - Connectivity is a conduit for growth as it allows movement of people, goods and services
- **Towns that are part of a larger economic network or value chain**
 - Towns that are economically active and serve as an economic resource to other neighbouring towns have a higher prospect of regeneration

STR TOWN LEVEL APPROACH



STR TOWN LEVEL METHODOLOGY

Small Town Regeneration Approach





SOME OF THE LESSONS LEARNED SO FAR....

Where and What

- Need to set out different **regional types** and define a **specific approach** and identify broad criteria to address specific issues for specific regional types;
- Greater success was achieved in towns located in municipalities in which the following institutional factors were present: **(1) sound governance systems, (2) sufficient human capital to execute STR, and (3) updated IDPs and SDFs;**
- **The following technical factors must be present:** (1) towns with an economic base/value proposition, (2) towns that provide higher-order services, (3) towns that are more than administrative centres, (4) well-connected towns, and (5) towns that are part of a larger regional, national or international economic network or value chain;
- Towns for the STRP must be identified within the context of a **functional economic region**; and
- There is a need for the **development of criteria** for (1) identifying projects and investment focus areas for inclusion in the STRP, and (2) measuring the success of the outputs, outcomes and impacts of the STRP.

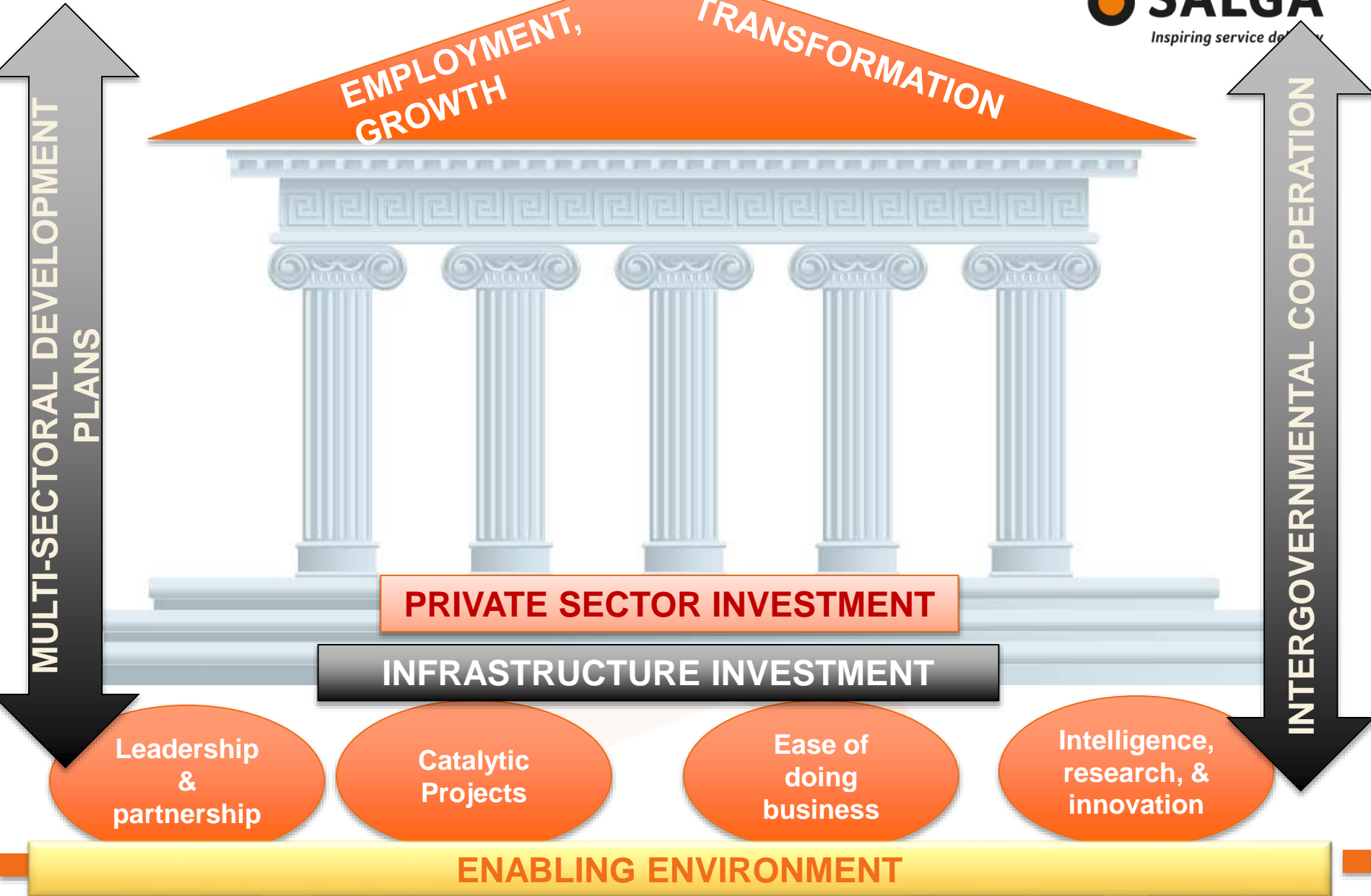
How

- Important to identify immediate, intermediate and **macro causes** for a town's decline, growth or stagnation, as well as any future risks to sustainability;
- Identify the **regional economies** within which the towns are located;
- Adopt a **'whole of place' approach** and not an isolated, piecemeal LED-process;
- **Inter-municipal cooperation** is key to dealing with present and future opportunities and threats;
- **Agreed and clear roles** - government, private sector and civil society partners
- Development should be **led by residents and local associations/initiatives** to ensure that the development processes and local government initiatives improve and enhance the lives and life chances of citizens.

With regards to the sustainable management of the STRP, the following aspects need to be taken into account:

- The success of the programme is largely improved by the **active and continued presence of political will** at all levels of government;
- It is crucial that **municipalities take ownership of the STRP**, otherwise the effective management and maintenance of projects is problematic;
- The STRP should ideally be driven and **managed by the Mayor and Municipal Manager** together with the municipal Executive Committee;

IDEAL INVESTMENT FRAMEWORK FOR SMALL TOWNS





THANK YOU