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Provincial Growth and Development Strategy Guidelines

July 2005

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Introduction

1.1 Background

The restructuring and refocusing of all spheres of government in the first ten years of democracy has laid a solid platform from which to ensure more deliberate alignment among their strategies and plans.

Provinces have an important role to play in contextualising national imperatives and grounding them within the realities and specificities of each province, and guiding local government in the development and implementation of IDPs and programmes for sustainable development.

Provincial governments are expected to play a leading role in ensuring that economic planning, infrastructure investment and development spending take place in accordance with the principles set out in the National Spatial Development Perspective (NSDP). The Provincial Growth and Development Strategy (PGDS) is a critical tool to guide and coordinate the allocation of national, provincial and local resources and private sector investment to achieve sustainable development outcomes.

These guidelines seek to provide a framework on how provinces can play this role through the formulation of their PGDS.

1.2 Setting the scene

Although the preparation of a PGDS is not a legislative requirement, the PGDS plays a vital role in ensuring effectiveness and coordinated delivery on the overall development objectives of our developmental state.

In a report prepared by The Presidency, Policy Coordination and Advisory Services (PCAS), on harmonising and aligning the NSDP, PGDS and IDP (10 December 2004), the point is made that alignment is the process by which the various organs of government:

- become focused and decisive;
- are able to weigh trade-offs and make choices in the face of competing demands;
- develop and implement consistent strategies and programmes; and
- ensure that their plans reflect a shared vision by all key role-players and stakeholders.

The PGDS should help in achieving alignment and laying the basis for sustainable development: ensuring that plans are economically productive and efficient, meet social needs and address equity issues; whilst building on, and taking advantage of, opportunities in the context of the constraints of the province's natural resource base.

1.3 Purpose and Objectives of the PGDS

The PGDS is based on a long-term view of a province's development trajectory. Drawing on the NSDP and the MTSF and working within a sustainable development paradigm, the primary purpose of PGDS is to provide a collaborative framework to drive implementation within a province. It is not a provincial government plan, but a development framework for the province as a whole.

The cornerstone of an effective PGDS is a deep and thorough understanding of provincial endowments and assets, development potential (as defined in the NSDP) and constraints, along with the forces shaping these and how they are changing over time. These should be spatially referenced, with the trend information being specifically important. The institutional arrangements and resource requirements to meet the challenges must be identified, appreciating that some of the resources and capacities required may reside in national and local spheres. This should inform the difficult choices around resource allocation, usage and trade-offs (in the interests of maximising developmental impact). The Premiers must take the responsibility for annually reviewing the targets set and ensuring that momentum and collaboration is maintained in achieving the long-term goals and short-term objectives.

The PGDS is a strategic statement and not a vehicle for reflecting the administrative role of provinces. Particular line function departments will continue to be required to provide their strategic approaches, but show how these align to the development perspective of the PGDS.

A PGDS should have the following characteristics:

- a) It should build on the approach and principles set by the NSDP and engage with the metropolitan, district and local municipalities to deepen the sub-provincial application of the NSDP;
- b) It should provide direction and scope for province-wide development programmes and projects, within the context of a long-term perspective; taking into consideration the resources, economic, political, social and natural environment constraints and opportunities. It should be a vehicle to address the legacies of the apartheid space economy, promote sustainable development and ensure poverty reduction and employment creation;
- c) It should be a framework for both public and private sector investment, indicating areas of opportunities and development priorities;
- d) It should be focussed on addressing key implementation blockages and issues, including institutional reform; and
- e) By being spatially referenced, it enables intergovernmental alignment and guides activities of various role-players and agencies (including national and provincial sector departments; parastatals; and metropolitan, district and local municipalities) by linking to and deepening the application of the NSDP and MTSF.

Each province will have to consider these characteristics in the context of its own existing plans and strategies. It is not intended that the PGDS should duplicate work already undertaken. The key principle is that provinces take up the challenge of proactively and contextually advancing and deepening national development goals and directions.

1.4 Role-players and process

The PGDS is the core alignment mechanism for the province and it should be seen as the coordination and implementation strategy. The key elements identified, need to form the basis of an implementation and coordination compact between the significant parties. Whilst driven by the province and championed by the Premier, this must be on the basis of a collaborative effort that brings all parties to the table.

A PGDS must necessarily reflect choices made and will involve trade-offs. This will impact directly on the metropolitan, district and local municipalities, as well as on the social and

economic partners in the province. The process of agreeing these trade-offs and making the investment choices must be based on a sound analytical base and methodology as set by the NSDP. However, within this framework, metros and districts in particular must support and buy into the direction set.

The PGDS is the provincial perspective on where and what types of investment should be prioritised in different localities. As such it must draw on national and sector strategies and their geographical investment implications. This should include commitments made in terms of international treaties and protocols, and continental and global areas of advantage. Coordination with other provinces where sector strategies may be complimentary or contradictory, must also be addressed.

Based on the above understanding the following is a list of possible role-players that would need to collaborate in the formulation of the PGDS:

- Government Bodies:
 - Metropolitan, district and local municipalities;
 - Neighbouring or strategically linked provinces;
 - National government departments;
 - Provincial sector and line departments, including development and trade forums and organisations;
 - Parastatals; and
 - International donors, trade bodies and NGOs.

- Private and civil organisations:
 - Organised business and labour;
 - National and regional community based organisations;
 - Corporate bodies;
 - Academic and training institutions; and
 - Social and cultural bodies.

1.5 Pre-requisites for preparing a PGDS

There are a number of pre-requisites that should be taken into consideration when preparing a PGDS.

The point of departure is a developmental approach to government. This implies a proactive and facilitative approach to development and not one based on formulating and applying regulations and restrictions. The PGDS should not be regarded as yet another

aspect of compliance, but an opportunity to encapsulate the combined approach of the key role-players in each province for the future well-being of citizens and with respect to national and local agendas.

The focus of the PGDS should thus firstly, be on preparing a strategic¹ provincial development framework and secondly, on mechanisms to align, to allocate resources equitably and effectively and to monitor and facilitate the implementation of key local, provincial and national growth and development priorities. This implies that:

- The PGDS must be strategic in nature and should contain a vision, values, principles and strategies as the basis for implementation; and
- Preparing the PGDS must involve the metropolitan, district and local municipalities and the PGDS must incorporate issues and proposals of national, provincial and strategic significance arising from metropolitan and district IDPs. It should be the result of both a top-down and bottom-up engagement process.

The PGDS must be viewed as a strategic document, one that gives direction to meeting critical developmental issues in provinces. It should therefore be seen as an integrated strategy, being informed by and giving guidance to aspects of departmental development plans. The purpose of the PGDS should not be to simply repeat sector plans in summary form. It should deal with complementarities, contradictions and gaps within and among sectoral plans, and draw relevant lessons from previous plans.

The focus should be on strategy development and key areas of intervention and not aspects that deal with day-to-day governance. The preparation of a PGDS must be viewed as an iterative process and it must be updated on a regular basis as new information and insights become available and policies impacting on development are refined and clarified.

Attempts at creating new institutions, in addition to the ones already identified, should be avoided. What may be required is more effective and efficient operation of current institutions, or their replacement with more effective institutions.

The PGDS should therefore not only be seen as a document or report *per se*, but rather as a platform for coordinated action. Critical in this regard is the process of thinking and engagement around formulating integrated, cross-cutting strategies to tackle priority issues.

¹ Strategic implies focussing on priority issues and not comprehensive planning

The content of a PGDS

The PGDS should have two 'parts'². The first part should focus primarily on a long-term strategic view (10 to 20 years) of the province. The second part must be an action-orientated collaboration and implementation plan that sets specific annual goals and targets – including, the monitoring and evaluation of their achievement. The long-term strategic view (Part One) should be reviewed comprehensively every 5 years (although ongoing refinements may be done annually). The tactical, implementation-focused tool (Part Two) should be revised annually in the light of new information, progress made and the emergence of new blockages or hindrances to implementation.

Part One should be a long-term perspective; and while it could be refined annually in the light of new developments and information, the long-term goals must be constant. This *Strategic View* would highlight key and priority focus areas. A process of evaluating these needs should be undertaken; possibly adopting a logical framework approach, which is ideal for this situation, so as to draw out the critical challenges/issues to be resolved.

It is also important that the PGDS ensures that metropolitan, district and local issues and programmes are elevated to provincial level where these tie into province-wide priorities and strategies. The PGDS should thus also enable effective assessment of municipal IDPs and other relevant plans and strategies in the light of this.

Part Two: The Implementation Plan should consider the institutional and budgetary implications to realise the Strategic View. The Implementation Plan should also include a *monitoring and evaluation* framework. This should be reviewed annually, with a focus on 'driving' key strategies through to implementation. The monitoring and evaluation would thus be against the achievement of the development goals as identified in the strategy, but would also include setting annual objectives that move the province towards the desired outcomes.

There is a natural tension between the necessary comprehensive and holistic nature of the long-term development goals and the ability to allocate resources to their achievement

² See Annexure for more detail on the key components the PGDS.

in any one year. Thus the purpose of the implementation plan is to break the overall goals down into realistic and achievable annual objectives that can be linked to the provincial annual budget and MTEF.

2.1 Part One: Long-Term Strategic View

The preparation of *Part One: Long-Term Strategic View* should take as its point of departure the NSDP and MTSF. It should include the following aspects:

- a) **Problem statement:** The starting point is a thorough strategic analysis of the demographic, spatial, environmental, economic, social and migratory trends and dynamics of the province. This must be done in the context of achieving sustainable development and must be spatially referenced.
- b) **Assets, Opportunities and Constraints:** This analysis should serve as the backdrop to defining the economic assets, potential and comparative advantage of sub-provincial (district and metropolitan level) spaces, the distribution and extent of poverty and/or need and resource potential (natural, human and infrastructure) of the province.
- c) **Priorities and implications:** The above should be used to stimulate a dialogue among key stakeholders about the development and spatial priorities and the implications for the infrastructure investment and development policies and programmes of national, provincial and local government.
- d) **Vision and value statement:** The outcome of the dialogue above is used to fashion a shared vision and value statement to provide overall coherence and lay the basis for divergent interests to be mobilised around common developmental objectives.
- e) **Key Strategies:** In summary, the above process entails a regional analysis, the development of a spatial perspective³ on economic potential, social need and

³ It is important to clarify the use of terminology in this document so as to avoid confusion as to what is meant by spatial perspectives and how they differ from or relate to spatial development and spatial planning. These terms are defined as follows for purposes of this report (based on the work of Vincent Nadin (2003) and Faludi (2002):

Spatial development is the 'process by which the distribution and quality of physical features and human activities across the territory is maintained or altered.

Spatial planning implies physical or land use planning and 'refers to the arrangements adopted by government to influence spatial development – the distribution of activities across its territory'.

resource potential, articulation and agreement among key stakeholders of spatial principles (ala NSDP). There is however, a need to go further than the mere articulation of a shared vision and value statement involving key stakeholders and social partners and ensure the process culminates in a spatially referenced development framework which captures the key strategies underpinning the vision and gives effect to the values.

In formulating strategies that will exploit the opportunities and address the priority provincial potential and needs, it is vital that the holistic perspective is not lost. Attention must be given to the (sometimes) competing components of the sustainable development paradigm – balancing the social, economic and environmental drivers and needs (and various sector targets) along with defining the strategic choices and trade-offs that need to be made in the long-term

The strategies identified, need to be specific to the context of the provincial challenges. These strategies help to inform the agenda and content for intergovernmental cooperation especially with regard to the Province's role in engaging with both national departments and municipalities.

Preparation of provincially specific strategies should be informed by the following:

- A focus on unlocking opportunities derived from the analysis of the provincial growth potential, capacities and constraints;
- A focus on key inter-sectoral issues to ensure their implementation and not the identification of a lengthy list of strategies⁴ which bear no resemblance to the provincial capacity and track record;
- Avoidance of the pressure to add unrealistic strategies (fearing criticism of not addressing all issues and all agendas of the various interest groups). In the context of scarce resources, difficult decisions and trade-offs have to be made. These must be clear and transparent – in part to ensure that the analysis that precedes them is rigorous enough to defend the choices made;
- Identification of “quick wins”, taking care that these do not undermine the underlying focus or result in unintended consequences; and
- Continuous assessment, evaluating how the objectives can be achieved and how to accelerate implementation⁵.

Spatial perspectives such as the NSDP refer to overarching frameworks for promoting policy coordination and fitting government actions into a spatial terms of reference.

4 The essence of a strategy is to prioritise the issues and focus on the key challenges.

5 Change of strategy (flexibility) could be required due to circumstances example natural disaster. The focus should remain to address the underlying issues.

For example, an element of the strategy may be structured around infrastructure and human resource investment in the province so as to support a particular economic potential. This strategy would recognise that the deployment of funds and resources in support of developing the economic potential will bring long-term positive benefits, even if implying that certain other investments – although of value – need to be reduced in order to achieve the long-term benefits.

Another element may be around human need and be focussed on accommodating new migrants and population in specific locations due to the ability to supply and service these communities more effectively with various services (water, schools, clinics, jobs, etc.). Conversely, it could be around scaling down on (not stopping) infrastructure projects in areas where there is patent and significant out-migration due to minimal economic and development potential.

Yet another element may be specifically around the management and exploitation of a particular resource (e.g. hard rock minerals or water) so as to ensure long-term sustainable utilisation, development of value-added industries/or practices and broader distribution of benefits).

The aim must be to avoid a long-list of issues, and to rather focus on those strategic interventions that will build long-term value and viability (e.g. where 20% of effort can be focussed to achieve 80% of the desired outcomes) in the context of the critical need and potential areas identified.

In conclusion, Part One of the PGDS must aim to contextualise national development priorities and goals, deepening the approach and principles of the NSDP and then to translate these into a set of strategies that will specifically focus on ensuring effective tie-up of departmental, social and economic partner budgets to priority development areas.

In doing so the PGDS must take cognisance of the needs identified in metropolitan and district areas, the ability of municipalities to deliver on national government priorities and ensure that steps are put in place to actively channel resources to support these. At the same time, national departments will need to commit resources to the realisation of the PGDS goals and objectives proceeding from the premise that, in any case, their own projects find expression not in mid-air, but in specific provinces and municipalities.

This approach should also help address a critical question that has been posed about the role of government and especially provincial government in economic development and how resources for this should be obtained and allocated.

Ultimately *Part One: Long-Term Strategic View* above should facilitate:

- a shared understanding of development challenges facing the respective stakeholders in a province, and commitment between these stakeholders to embark on a joint development path towards a shared vision of the future;
- an analysis and intervention strategy, clearly highlighting the roles of and relationships between the different functional and administrative areas; and
- co-ordinated investment and service delivery in specific spatial locations between different government and non-governmental agencies and spheres, as well as public-public, public-private and other partnering initiatives.

Moreover it should also be able to guide and co-ordinate:

- resource allocation in the provincial MTEF and implementation through provincial departmental strategic plans and sector plans;
- prioritisation in metropolitan and district IDPs (including city strategies where relevant), resource allocation in municipal financial planning and budgets, as well as implementation in line departments and sectors;
- prioritisation, resource allocation and implementation of the various national line departments, parastatals, and agencies; and
- Investment and co-ordinated efforts with civil society and the private sector.

2.2 Part Two: Implementation, Monitoring and Evaluation Plan

Part Two of the PGDS is about implementation. It addresses the implementation vehicles, tools and mechanisms necessary to support their realisation. Once the spatially referenced development strategies have been formulated, most time and attention must be paid to this aspect.

It is recommended that the implementation of the PGDS should take the form of a set of annually revised implementation goals. Section 33 of the Intergovernmental Relations Framework Act refers to implementation protocols (essentially collaboration agreements towards mutually beneficial ends) and part of the implementation framework of the PGDS could include these where necessary.

The preparation of *Part Two: Implementation, Monitoring and Evaluation Plan* should take as its point of departure the need to identify the means and structural mechanisms to realise the objectives of the strategy. It should have the following aspects:

Championing the PGDS: The Strategy should be driven at the highest political level in the province, specifically the Premier's Office. Strong political leadership at the top is important to:

- Maintain focus on the strategic priorities;
- Enable the key economic and social problems reaching the attention of key stakeholders within government, civil society and business;
- Facilitate coordination and communication among key stakeholders; and
- Ensure oversight and monitoring of bureaucratic performance.

Intergovernmental Communication and Coordination: As stated above, the Premier's Office should take responsibility for achieving coordination and communication among different spheres and agencies, as well as for monitoring implementation and addressing blockages in the system. Coordination and communication of an intergovernmental nature could be driven through the Premier's Intergovernmental Forum, where metropolitan and district municipalities should be responsible to ensure that municipal inputs and considerations are taken into account to promote co-ordinated and effective delivery in government's shared areas of impact.

Technical capacity and support: Appropriate and relevant technical support structures (as envisaged in Section 30 of the IGRF Act) as well as technical capability, supporting and lead by political decision-makers, are crucial to the coordination and implementation of distinct components of the PGDS.

Resource Allocation, Coordination and Budgeting: The resources and actions necessary to implement the strategies must be prioritised and the necessary implementation actions and steps must be put in place. The key challenge is alignment around common developmental strategies and the realisation of common developmental opportunities. The various spheres and organs of state will have to ensure alignment of strategic programmes and co-ordinated resource allocation. Implementation protocols may be entered into to translate agreements into firm commitments.

Monitoring, Evaluation and Assessment: The PGDS is an implementation tool. As outlined above, its implementation will be driven by annual, medium and long-term targets derived by the various stakeholders, and partnerships steered and guided by the

Premier's Office. The PGDS process thus requires appropriate systems and institutional arrangement to assess performance against the set targets, objectives and strategies. Monitoring and evaluation should form part of a mutual assessment process, that would support provinces, metropolitan and district municipalities, The Presidency, as well as **dplg** in monitoring and addressing the performance of provincial and national sector departments and metropolitan and district municipalities in relation to how :

- They give effect to the development priorities as captured in the MTSF, PGDS and Metropolitan/District IDPs;
- Their actions support the principles and guidelines of the NSDP; and
- They coordinate their actions in the 53 metropolitan/district areas.

Conclusion

These guidelines on the preparation of PGDSs have highlighted the following key challenges faced by government:

- addressing the linked challenges of reducing poverty, creating employment and generating greater equity as the economy grows;
- highlighting the critical role of having a set of nationally driven perspectives and goals that get applied geographically through the PGDS and IDPs within the sustainable development paradigm; and
- aligning the various spheres and sectors in achieving this.

The guidelines identify the dual challenge of how the PDGS can play a strategic role in translating national priorities and perspectives into a regional context whilst also remaining highly focussed on driving delivery and removing blockages at municipal and sectoral service levels.

What is proposed in the document is a set of guidelines. The key principle of these guidelines is that the spirit and intent of the PGDS must reflect strategic choices around resource and investment prioritisation in addressing key needs and unlocking economic and development potential. Building on this, projects and programmes which achieve this, must be identified and made to happen.

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Annexure: Detailed Outline

Part One: Long-term Strategic View

The integrated planning approach is well suited to formulate the strategic view. Hitherto, the principal problem has not been the exclusion of certain steps, but rather an inadequate analysis, weak assessment and poor knowledge of the status quo. This has had a direct impact on the realism and the sustainability of strategies identified.

1 Problems, Challenges and Priority Needs

The starting point is a thorough analysis of the demographic, spatial, environmental, economic, social and migratory trends and dynamics of the province. This must be done in the context of achieving sustainable development and it must be spatially referenced. The basic methodology adopted in the NSDP should be adapted and applied to deepen its application in the context of the province.

Specifically, the focus is on understanding **patterns and trends** within the various analytical areas. It should provide a dynamic perspective on spatial patterns of settlement and space economies i.e. understanding how patterns are changing and what is driving these and whether these changes are positive or need to be addressed and how economic structuring/change is shaping the space economy and the prospects for sustainability of particular places. (the issue of water, for example, as related to water quality, access to basic services and resource security).

From an economic perspective it must spatially reveal the structural make-up of the provincial economy.

This aspect should also include and identify national and international commitments in terms of various sector and resource management issues.

As an outcome of this analysis, it is of critical importance that the specific challenges (including problems and opportunities) facing the province, including those resulting from history, are understood and shared by all of the key role-players. The analysis will provide a regional perspective and identify geographic areas and key sectors of potential. The focus should be on identifying key areas of need and investment potential based on solid

analytical foundation (it should not be a repeat or summary of sector department concerns).

Given the national priorities, **key challenges** at a provincial scale relate to reducing levels of unemployment, poverty eradication/reduction and improving the spread of benefits associated with economic development. The triple bottom line of economic viability, social equity and ecological integrity is the organising principle around which these must be addressed. If taken seriously, this will result in the identification of ecological non-negotiables, critical redistributive concerns (for example, land-reform and availability of well located public land for settlement) and areas of economic development potential (with associated support actions required by role-players to unlock these).

Issues and needs within these areas of concern must be identified through a participatory process and prioritised for action. The needs and areas of economic potential must be prioritised before strategy formulation is pursued.

2 Growth Potential, Capacity Assessment and Constraints

The above analysis is then used to define the economic assets, potential and comparative advantage of sub-provincial (district and metropolitan level) spaces, the distribution and extent of poverty or need and resource potential (natural, human and infrastructure) of the province.

The identification of the provincial growth potential, capacity assessment and constraints is a necessary pre-condition for the formulation of effective strategies. The challenge is to seek opportunities that exist which could be directed towards dealing with provincial development challenges, i.e. to link opportunities with key issues. This comprehensive assessment forms part of formulating a Provincial Spatial Development Framework (PSDF). The determination of the (geographic and sectoral) growth potential, capacity assessment and constraints are of critical importance for the PGDS and these must be undertaken even if the PSDF is not yet in place (or the two processes must run in parallel). Key components of the spatial analysis **must** be included in the PGDS, irrespective if a PSDF has been completed or not.

For example, provinces currently dependant on mining as an economic driver should be planning now for likely mine closures (and consequent loss of jobs) over the next 10 to 15 years, and establishing an alternative economic base for the province. Similarly, provinces

that are potentially facing water scarcity in the next 10 – 15 years should be planning on how to deal with the consequences, or the provision of alternative supplies.

The growth potential, capacity assessment and constraints should include at least the following components:

- i. *Human and Social Resource Capacity Assessment:* What are the skills levels and expertise of citizens within the province? What are the levels and geographic distribution of unemployment? To what extent is this changing and what is the impact of demographic changes; migration and associated factors impacting on demographics (e.g. diseases such as HIV/AIDS, Malaria and TB)? What are the levels of poverty and inequality, their geographic distribution and emerging trends?
- ii. *Natural Resource Base:* What is the natural resource base of the province and what is the development potential for improving the social well-being and economic development of citizens within a particular province? How does current practice impact on the long-term sustainability of these resources? What are the constraints of the natural resource base? An assessment of the resource utilisation and constraints is critical for long-term sustainability and should have a direct impact on the strategy and role of province in a national context, including water, renewable energy targets, waste management (all these are critical management issues at sub-national level).
- iii. *Regional Space Economy:* What are the contributions of the various economic sectors and their trends in growth and/or decline as well as the relationship to the national and international economy? What and who are the key drivers of the provincial economy and how does this relate to the usage of non-renewable resources? What are the past and emerging investment patterns in the provincial economy? What is the provincial growth trajectory? Of critical importance is to ensure that the key role-players have a shared understanding of the nature of the provincial economy and where the geographic centres of growth opportunity exist.
- iv. *Settlement Pattern and Distribution:* What is the long-term sustainability of the current provincial-wide settlement pattern, given the key concerns and principles of the NSDP? What is the growth potential of towns and settlements, taking into consideration a wide range of performance measurement criteria including in and out migration. It is necessary to determine the relationship and appropriate response to settlements with high need and low developmental possibility and vice versa, in order to plan appropriate allocation of resources between and within settlements. Issues to be addressed include (for example) the urban edge, relationship to transport systems, ports, airports and major events, especially the hosting of the 2010 Soccer World Cup.

- v. *Institutional Capacity Assessment*: What is the involvement and what are the capacities and abilities of the public and private sectors, and NGOs and CBOs (social partners), in relation to forming partnerships to address development priorities? What is the specific and envisaged role of province and how does this relate to the medium to long-term intentions of the private sector and other role-players?
- vi. *Priorities for Resource allocation*: What are the priorities for infrastructure? What settlement restructuring is required? For example, how can publicly owned land be utilised to leverage the outcomes required by the national imperatives and local concerns?

The assessment above must be empirical and utilise a range of data sources and data collection and analysis techniques. However, the role of GIS in this process as an important decision-making tool should be considered.

The assessment should draw on, and later feed into, departmental plans (e.g. Provincial Housing Plan/Strategy; the Provincial Transport Plan; the Provincial Economic Development Plan; the Water Plan (DWAF); the Provincial Spatial Development Framework). Of these, the Provincial Spatial Development Framework (PSDF) is the most crucial and a cornerstone for an effective PGDS, including informing where education, social welfare and health facilities should be built.

The overall focus of this assessment should be to spatially determine the development needs of the province, its potential as well as key areas of opportunity for intervention. It should also have a district wide spatial perspective to assist local and district municipalities to prepare their own SDFs and IDPs.

3 Priorities and implications

The above is then used to stimulate a dialogue about the spatial priorities and the implications for infrastructure and development policy and programmes of national, provincial and local government.

The assessment must also include a determination of the province's capabilities (or risk assessment); capacity constraints; its ability to coordinate as well as mediate between a range of role-players.

It is recommended that the assessment includes in-depth interviews with politicians; senior officials such as HoDs and Municipal Managers as well industry and key community leadership, and must be informed by the empirical research undertaken in the assessment.

Such a process could include a broader engagement facilitated by the metropolitan and district municipalities. However, these engagements must be on the basis of the research and in the context of reflecting on the findings of the research. The engagement should focus on how the trade-offs and priorities will be set. Ideally, this engagement should be informed by how the provincial and Metro/District budgets would be impacted by the trade-offs and priorities identified.

4 Vision and Value Statement

The formulation of a provincial-specific vision and value statement has the potential to rally political and citizen participation around common intentions and indicate common purpose. The challenge is to ensure that this is done within the context of national policies, guidelines and directives and of direct relevance to the particular province. A good example in the Western Cape, is *the Ikapa Elihlumayo* vision (Creating a Home for All); given the context of that province. It is a clearly articulated set of developmental objectives for the province. Such developmental objectives would necessarily take national imperatives as the starting point.

5 Provincial Growth and Development Strategies

The above process entails the development of a (spatially informed) perspective on the economic potential, social needs and resource capabilities of the province. Furthermore, this must be supported by agreement among key stakeholders on the (spatially informed) development priorities.

Part Two: Implementation, Monitoring and Evaluation Plan

Part Two of the PGDS is about implementation and, once the spatially referenced development strategies have been formulated, time and focused attention must be paid to this aspect. Implementation should emphasise effective political leadership as well as coordination. It is usually the lack of coordination and cooperation between policy and implementation that results in either slow delivery, or the delivery of inappropriate development or no delivery at all.

The PGDS is a long-term development strategy for the province as a whole that gets reviewed annually in the light of new information, assessment of progress made and emergence of blockages and constraints to implementation. However, implementation is guided by an annual review of strategic goals and given further effect by the necessary adjustments to objectives and targets for ongoing attainment of the long-term development trajectory

An appropriate and provincially relevant institutional setting is critical for implementation to succeed. The institutional architecture must facilitate good coordination, social learning and a shared vision for the future among key stakeholders. The Intergovernmental Relations Framework Act provides concrete mechanisms for establishing collaboration agreements among different agencies and organs of government.

In principle the setting up of new parallel structures should be avoided - existing intra and intergovernmental structures such as Cabinet Committees, Premier's Intergovernmental Forum, cluster groups and task teams should take responsibility for implementation of the PGDS.

In summary, Part One of the PGDS has focussed on the development of strategies and the partnerships necessary to implement these. Part Two of the PGDS discusses the implementation vehicles, tools and mechanisms necessary to achieve the goals and objectives of the various strategies.

1 Championing the PGDS

The Presidency's harmonisation and alignment report recommends that the PGDS be driven at the highest political level at provinces, specifically the Premier's Office. Strong political leadership at the top is important to:

- Maintain focus on the strategic priorities;
- Enable the key economic and social problems reaching the attention of key stakeholders within government, civil society and business
- Facilitate coordination and communication among key stakeholders
- Ensure oversight and monitoring of bureaucratic performance

The Premiers' office should be the main driver of the PGDS and the main coordinator of data relevant to the PGDS. This means the Premier's Office should consist of a small but well-resourced team of officials with skills in policy coordination, economic and strategic planning, project management and project implementation. The Premier's Office must in general be able to bundle the PGDS and apportion responsibility through appropriate agreements and monitoring mechanisms. National government may assist in the setting-up, where necessary, of provincial capacity of this nature.

It is recommended that local and district municipalities establish similar strategic capacity within the Mayor's Office which will take responsibility for ensuring integrated planning and delivery and link with the PGDS strategies, where a local authority is involved. The Mayor's Office must be linked to the Premier's Office and The Presidency.

2 Intergovernmental Communication and Coordination

As stated above, Premier's Office should take responsibility for achieving coordination and communication among different spheres and agencies. Coordination and communication of an intergovernmental nature could be driven through the Premier's Intergovernmental Forum (Section 17 of the Intergovernmental Relations Framework Act). No matter which vehicle is chosen a process must be created in terms of the MTEF facilitating annual agreement on the specific objectives for any one period. These must necessarily be linked to the strategies identified in the PDGS.

The space needs to be created where issues (at a provincial, district and local level) blocking or inhibiting implementation in the province can be identified and actions to deal with them are taken. It would remain the responsibility of the Premier's Office to monitor

implementation and thus suggest what specific areas and aspects need to be addressed. In doing so, close interaction with line function departments and the metropolitan, district and local municipalities must be maintained.

Each metropolitan/district municipality and provincial department should be tasked with raising issues and problems through this forum. Districts should be responsible for coordinating this input from the local municipalities. This aspect could occur in conjunction with the annual IDP review process.

The Premier's Office would then prepare a report consolidating all these identified blockages and issues and drawing conclusions for tackling them in the forthcoming years. At a special sitting these issues and the strategy for dealing with them should be discussed and agreed upon. Where appropriate existing structures in the province should be used for this.

3 Technical capacity and support

Appropriate and relevant technical support structures (as envisaged in Section 30 of the IGRF Act) are crucial for the coordination and implementation of distinct components of the PGDS (viz. the long-term strategic aspects, the implementation mechanisms and tools for realising the strategies and the effective monitoring and evaluation of performance). Where different agencies and departments are involved, coordination in translating the strategies into action requires the participation of senior officials with the requisite technical and decision-making authority within the established structures. The relevant officials must have the ability to influence the plans, programmes and annual budgets of their respective organisations.

Political leadership that provides the unifying focus to a particular component of the PGDS must where possible, chair these technical committees. Where this cannot be achieved, the prerogative remains with the Premier to appoint such a person and this could include persons outside government who have the necessary standing and authority. Chairpersons of the technical committees would be members of the Premier's Intergovernmental Forum. As mentioned in the introduction to this section these committees are not to run in parallel to existing structures. Where structures exist they should be refocused to represent the organisational form recommended here.

4 Resource Allocation, Coordination and Budgeting

The resources and actions necessary to implement the strategies must be prioritised and the necessary implementation actions and steps must be put in place. The key challenge is alignment around common developmental strategies and the realisation of common developmental opportunities. A critical factor in this regard is the extent to which the various spheres and organs of government are able to link their strategic programmes and identify resources for implementing the programmes in a coordinated and integrated way. Coordination and integration cannot be left to chance. As envisaged by Section 35 of the IGRF Act, implementation protocols may be entered into to translate agreements around coordinated action between government agencies into firm commitments.

5 Monitoring, Evaluation and Assessment

The PGDS is an implementation tool. As outlined above, its implementation will be driven by annual, medium and long-term targets derived by the various stakeholders and partnerships steered and guided by the Premier's Office. These targets (or objectives) will be set in relation to the strategies identified. This approach is based on the assumption that it will not be possible to achieve the fulfilment of all the strategic goals in any one year.

The PGDS process will be deficient if it lacks the appropriate systems and institutional arrangement to assess performance against the set targets, objectives and strategies. Monitoring and evaluation is important for ensuring that implementation takes place:

- In line with national, provincial and metropolitan/district priorities and objectives;
- In accordance with provincial and district conditions; and
- Consistent with the platform provided by the NSDP guidelines, and in full understanding of development potential and needs, and their spatial distribution.

The NSDP/PGDS/IDP harmonisation and alignment report of the Policy Unit in The Presidency recommends a *Mutual Assessment Framework*, which should be used to monitor intergovernmental agreements, the strategic planning instruments used and agreements reached to facilitate coordinated government action as well as the impact of these instruments.

In keeping with the above, appropriate forums coordinated by the Premier's Office and supported by the Mayor's Office and the Policy Unit in The Presidency should be in place

to discuss the detailed process of driving and monitoring the implementation of the resolutions.

In order to ensure transparency and accountability, conditions need to be created for the PGDS to be understood and its progress monitored by society. One approach could be to post PGDS strategies and implementation progress on a dedicated PGDS web page enabling public access and comment as well as continuous feedback from district and local departments as well as provincial and national sector departments.

It would also be desirable to hold annual PGDS hearings. These hearings would provide the mechanism through which a broader evaluation of the annual delivery targets of the PGDS could be evaluated as well as a broader assessment of how this has impacted on economic potential and poverty. Changes with respect to potential and need can then be fed into the NSDP process. It would also benefit the process of aligning the PGDS with the development strategies of other spheres of government.

Finally the mutual assessment process should generate reports for The Presidency, as well as **dplg** on the performance of provincial and national sector departments and district and metropolitan municipalities in relation to how :

- They gave effect to the development priorities as captured in the MTSF, PGDS and Metropolitan/District IDPs;
- Their actions supported the principles and guidelines of the NSDP; and
- They coordinated their actions in the 53 metropolitan/district areas.