

R61 REGIONAL CORRIDOR DEVELOPMENT STAKEHOLDER WORKSHOP

Dan's Country Lodge, N2 Highway Road, Mthatha, Eastern Cape

11 – 12 July 2019

Learning Notes



INTRODUCTION AND BACKGROUND

Over time, road networks in South Africa have increased which has led to the improved connectivity between the various provinces and cities. These networks are heavily relied upon by citizens to not only commute, but as a conduit to undertake business activities. Moreover, through building partnerships with communities along these routes, economic transformation can suffice. In this context, the R61 is a provincial route in SA that connects Beaufort West with Port Shepstone via Graaff-Reinet, Komani, Mthatha and Port Edward.

In November 2018, the Revised National Framework for Local Economic Development (LED) 2018-2028 was adopted. One of the pillars that feature in the Framework talks to diverse and innovative economies, which also proposes the promotion of regional LED approach. Similarly, there is a responsibility to implement Local Economic Development beyond geographical and political borders. Also, there are competitive advantages, and similarities within a particular region, municipal cooperation will be promoted in order to implement this initiative. The Department of Cooperative Governance (DCOG) in collaboration with the Eastern Cape Department of Cooperative Governance and Traditional Affairs (EC-COGTA) joined forces with the Department of Science and Technology (as they are the custodians of implementing innovation across the country) and identified the R61 Regional Corridor Development Initiative as one of the pilot areas. The Tshwane University of Technology (TUT) also came on board to assist with testing science, technology and innovation in this Initiative.

Thereafter, steps were taken in unison to conceptualize a programme that will cover that region in as far as LED is concerned. There are numerous programs and initiatives that have made significant progress, for instance, the revitalization of industrial parks in Mthatha and Komani, the Agri-Parks programme led by the Department of Rural Development, and the Department of Trade and Industry (DTI)-led programme of the Wild-Coast Special Economic Zone (SEZ). However, many of these initiatives and programs undertaken in this space were uncoordinated, and measuring impact proved to be a challenge.

Hence, the programme to develop and implement the R61 Regional Corridor Development Initiative that covers Alfred Nzo, OR Tambo and Chris Hani District Municipalities was conceptualised. The initiative seeks to leverage on the existing public investment and undertake implementation in a coordinated manner.

DCOG partnered with the Municipal Institute of Learning (MILE) in facilitating the R61 Regional Corridor Development Stakeholder Workshop in Mthatha. It took place from the 11th to 12th of July 2019 and was attended by delegates representing municipalities within the Alfred Nzo, Chris Hani and OR Tambo Districts. The absence of the private/business sector in this important sitting was noted as a concern as they are identified as key stakeholders for this initiative. During the course of the workshop, delegates defined the programme implementation approach and agreed on specific areas of focus and resource mobilisation plan.

AIMS AND OBJECTIVES

The anticipated objectives and outcomes for the R61 Regional Corridor Development Stakeholder Workshop were as follows:

- Define the R61 Regional Corridor Development initiative programmatic approach;
- Highlight areas of intervention for the R61 Regional Corridor Development initiative plan;
- Mobilize resources for the implementation of the R61 Regional Corridor Development initiative plan;
- Explore opportunities for partnerships in the implementation of the R61 Regional Corridor development plan, particularly with the development partners such as sector departments, communities, civil society and the private sector;
- Align the Current and Planned National and Provincial Government Initiatives in the Region; and
- Set up Institutional Arrangements and Project Management for the successful implementation of the initiative.

STRUCTURE OF THE DOCUMENT

This document reflects key outcomes that were deliberated during the workshop, and serves as an internal resource to guide further work in positively contributing to the development and implementation of the R61 Regional Corridor Development initiative. It does not provide a verbatim of proceedings but however emphasises central themes that emerged from discussions. For detailed presentations, kindly access them on the on the link that was shared separately by DCOG.

DETERMINATION OF EXPECTATIONS

Participants were given the opportunity to express their various expectations from the workshop. These were written on key cards and arranged thematically.

They were categorically ranked as follows:

- Implementable Strategy;
- Enhance Knowledge on R61;
- Explore Development Opportunities;
- Regional Development and Transformation;
- Alignment of Policies and Developmental Programmes;
- Stakeholder Collaboration; and to
- Identify Funding Mechanisms.

The exercise was aimed at assessing whether the workshop empowered the participants to an extent that meets their expectations towards the end of the workshop.

Factoring Science, Technology and Innovation on Regional LED Planning

The Tshwane University of Technology made a presentation covering various aspects such as the challenges faced by this region, the Framework for R61 Development Corridor/ regional development framework, the Strategic policy objectives, and associations with the forth industrial revolution. In the concluding remarks, recommendations were made in moving forward.

(For detailed information, kindly refer to the presentation).

Inputs from the Revised National LED Framework

The Department of Cooperative Governance presented the Revised National LED Framework 2018-2028. The presentation delved on the Legislative Framework for LED, the Background, Achievements, key lessons, and LED according to the Revised National LED Framework. One of the pillars that feature in the Framework talks to diverse and innovative economies, which also proposes the promotion of regional LED approach. Similarly, there is a responsibility to implement Local Economic Development beyond geographical and political borders. Also, where there are competitive advantages, and similarities within a particular region, municipal cooperation should be promoted. Regional economic development places District Municipalities at the forefront of inclusive economic development. There is scope to base regional economic development on a deeper understanding of spatial relationships, and to exploit this understanding by developing value chains linked to corridor development.

(For detailed information, kindly refer to the presentation).

Small Town Regeneration (STR) and Regional approach to development

The Small Town Regeneration (STR) programme is an initiative by SALGA that is aimed at the regeneration, restoration and fulfilling the economic potential of underperforming small towns. Some of the areas that were covered in presentation were the Problem Statement, Making a Case for Small Towns, Opportunities, and the Transition from STR to Regional Development and a New Approach towards Regional Development.

(For detailed information, kindly refer to the presentation).

Eastern Cape Small Towns and Corridor Development Plan

The Eastern Cape Cooperative Governance and Traditional Affairs (EC-COGTA) also made a presentation on the R61 Regional Corridor Development Initiative from its perspective. Some of the aspects that featured included Guiding Policies, Push and Pull factors, the IUDF Perspective, Implementation Approach, and Recommendations.

(For detailed information, kindly refer to the presentation).



Links to the Eastern Cape Provincial Development Plan (PDP)

The R61 Regional Corridor Development Initiative is coinciding with the finalisation of the Eastern Cape Provincial Development Plan, which will be implemented from 2020-2021. Upon the finalisation of the LED Strategy for the R61, it is crucial to ensure that it is linked to the Provincial Development Plan (PDP), Provincial Spatial Development Framework (PSDF) and Provincial Small Town Development Framework (PSTDF). This is due to the fact that the PDP will be aligned to annual Performance Plans of certain departments to ensure implementation is effectively undertaken.

Models of inter-municipal cooperation

DCOG is currently compiling a step-by-step guideline of how municipalities have to cooperate with others to drive Regional Economic Development, which are aligned with the Municipal Systems Act, Intergovernmental Framework Act and SPLUMA. These guidelines are currently in their second draft format and would be shared on relevant platforms.

In the context of the Karoo revitalization programme (STR), SALGA Eastern Cape consulted with the Minister of the Department of Rural Development and Land Reform and requested her to invoke Section 18 of SPLUMA. Premiers and various municipal Councillors of the various municipalities that are affected were in full support of this notion. Moreover, SALGA EC is also in the process of developing the Regional Spatial Development Framework.

The meaning of Inclusive Economies in the R61 Initiative context

An inclusive economy is an economy that is embedded in local realities. This notion promotes multi-stakeholder partnerships in maximising on competitive advantages. For instance, in Port ST Johns there is unharvested and unprocessed seaweed. This local resource has the potential of opening employment opportunities upon its commercialization. Moreover, Port ST Johns is also home to a type of organic banana that comprises of unique properties.

However, residents do not have the necessary skills to propagate this natural resource. This is where partnerships play a crucial role in the value chain.

The Fourth Industrial Revolution (4IR)

The 4IR comprises of various dimensions and there are no experts in it. What sets it apart from the previous Revolutions is its emergence from industry, and not academia or government. Industry has completely transformed the way in which goods are produced and how services are rendered. During the first three Revolutions there was “Off-shoring,” whereby investors invested in countries where it made economic sense to produce goods for less. However, 4IR and digitization of industry has led to “Re-shoring” as this new era presents a new set of demands and companies are thus re-defining their role within the industry.

Various perspectives of the Informal Economy

The Informal Economy is a contested terrain and is subject to various views and perspectives. South Africa is currently implementing the R204 which seeks to formalize the Informal Economy. This process was initiated approximately three years ago and there are differing views on this policy development concern. One of the points raised in this discourse is that the informal economy plays a significant role in developing economies of various cities and countries. Lessons learnt from India is that almost 50% of the GDP emanates from the Informal Economy, which therefore highlights its significance. A differing view argues that there is no economy that can develop through the Informal Economy, as it is mostly a default source of employment for survival. However, it is irresponsible to generalize as there are people who are thriving in it. Furthermore, this view does not support the use of India as an example of success due to the dire poverty that exists and the glaring contextual differences in the comparisons. This presents an opportunity to unpack Informal Economy more extensively in future.

Stakeholder Collaboration

Stakeholder collaboration is often an overlooked component which is crucial in the successful implementation of any programme. In developing the Strategy, it is therefore key to undertake a stakeholder mapping exercise and take all of them on board to ensure the successful implementation of the vision.

Potential areas of LED success

The province is currently undertaking the review of the Provincial SDF. In the Situational Analysis, the road between Komani and Cofimvaba was flagged as one of the busiest roads

where people are using it for transport purposes daily. Further investigation must be done to determine the reasons behind its increased activity, which might be a potential site for LED.

Effects of SPLUMA

As there are plans of regionalization, the effects of SPLUMA in the implementation cannot be overlooked. To Local Government it is a challenge, and if there is going to be spatial and economic integration, it is pivotal for DCOG to play a central role in teasing out the issues around SPLUMA.

Moving into industries

It is important to consider the various options that are available. In this regard, the Member of Executive (MEC) model should not be considered in isolation, but there are opportunities to export local products in order to improve the economy in the region.

Driving regional economies

One of the mechanisms that can be used to drive regional economies to re-engineer the operational framework of municipalities and District Development Agencies, given the fact that in terms of the Legislation, they are empowered to provide support to local municipalities, not to operate in isolation.



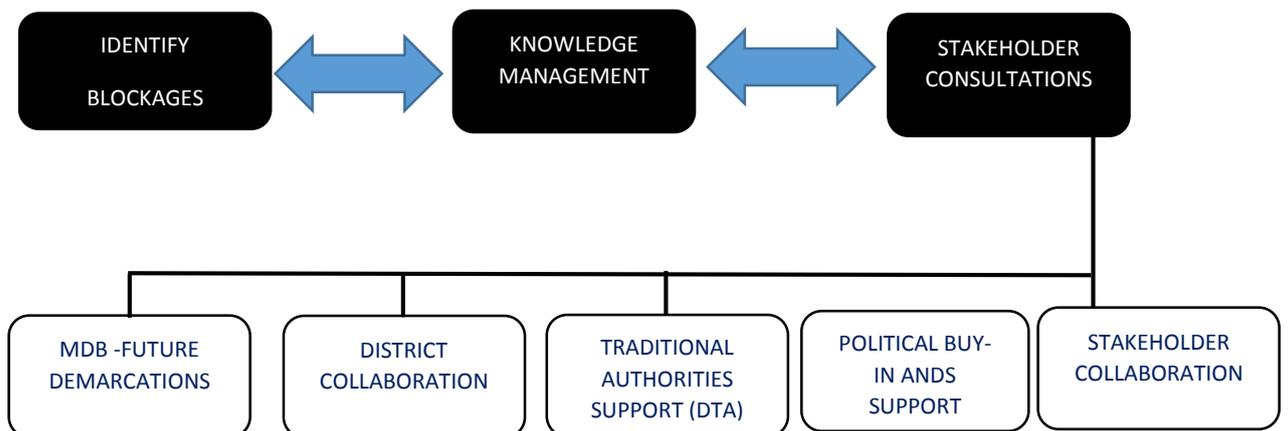
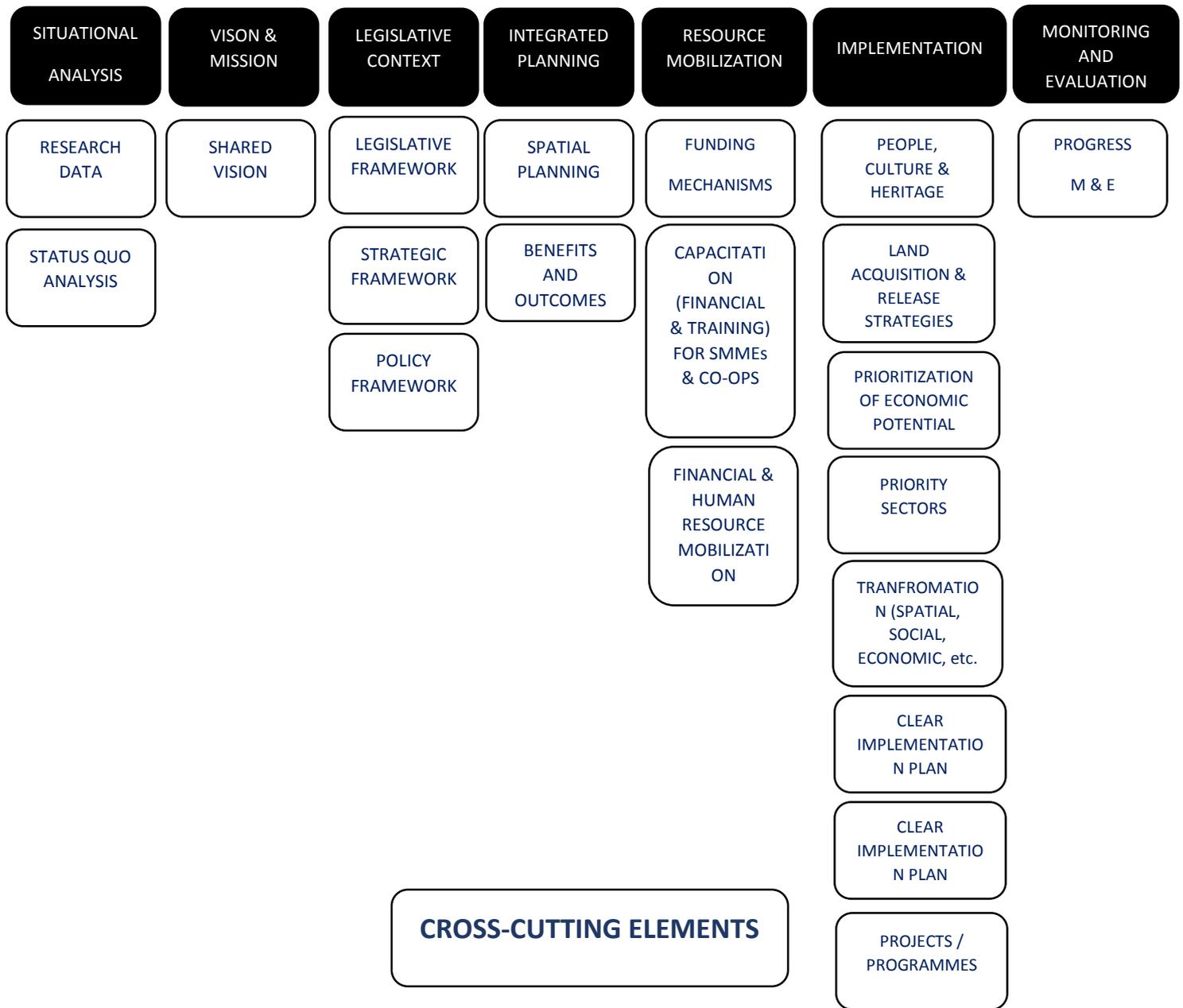
Identifying the Key Elements of an LED Strategy for R61 Corridor

What are the most important elements of a REGIONAL LED Strategy?

Below are the identified key elements in no particular order:

Integrated planning	Land acquisition and release-strategies	Spatial planning principles	Funding mechanisms	Benefits- by all parties	Outcome
Situational Analysis (i.e. IDP; SDF)	Policy context	Strategic framework	Regional corridors (proposals)	Programmes	Monitoring and Evaluation
Stakeholder partnership, collaboration and political will	Spatial planning	People, culture and heritage	Research and Knowledge Management	Funding model and resource mobilisation	Shared Vision
Shared goals and objectives	Programme of action (for implementation)	Political support	Resource Mobilisation	Capacity Resource capacity	Clear stakeholder mapping and partnerships
Clear monitoring and evaluation of the implementation of the Strategy	Highlight the biodiversity (flora and fauna) of the region in order to capitalise on indigenous economic resources	Mapping of the value chain across the region	Alignment of regional LED Strategy with Regional SDF	The Strategy must be well researched	Research data – status quo analysis
Vision and mission	Integration and alignment	Priority sectors	Legislative framework	Project champions	Collaboration of the affected District Municipalities for SWOT Analysis
Prioritisation of the economic potential areas	Capacitate SMMEs and Cooperatives by providing relevant skills	Supporting both commercial and subsistence farming	Sourcing of financial assistance	Public-private partnership	Strategic framework (Vision, Mission, Strategic Pillars and Goals)

Prioritised Key Elements of an LED Strategy for R61 Corridor





Developing the R61 Corridor Programme

REGIONAL LED APPROACHES AND PRIORITIES

The District Municipalities of Alfred Nzo and OR Tambo District Municipality presented the overview of their Regional LED Approaches and Priorities. Chris Hani District Municipality was not available to present on the day however the presentation is attached. For detailed information, kindly refer to presentations.

From your experience as the End User's and Implementer's of the Alfred Nzo, Chris Hani and OR Tambo District Municipalities LED Strategies:

1. How can these strategies be used to enhance the R61 Corridor Programme?

- Consolidation, coordinating, integrating and aligning all the programs identified in the strategies that fall into or feed the R61.
- Strategies could help project future growth of R61 development.
- Identify, pull resources and prioritize development.
- SMMES/Cooperative Strategy: Clearly define beneficiation.
- Marketing Strategy: Define Marketing Strategy for the corridor.
- District Municipalities SDF can be used to ensure implementation.
- They can refer back to their situational analysis to revisit their strategies.
- Use their policy framework as a guideline.
- More involvement of the political leadership.
- Align the similarities.
- Adopt regional approach.
- Identify the competitive and comparative advantages of the three strategies.
- Prioritise key initiatives from each of the strategies.
- By creating linkages between the three Districts.
- Pillars and anchors can be used as foundation for the R61 Development Programme.
- Identified projects can be used as stepping stones.

- Identification of high-impact programmes along the R61 that have been identified in the Strategy and allocation of resources for implementation for example: In the Chris Hani, towns along the R61 include eNgcobo (Development of heritage sites; Small Town Revitalisation); Intsikayethu (Cofimvaba) (Development of heritage sites; Ncorha Irrigation; Qamata Irrigation); Komani (Queensdustrial); Cradock (Ostrich and Wool farming).
- Tourism strategy: Mapping of unique tourist attractions, Develop clearly defined tourism node/route, Improve investment on indigenous knowledge, and Festivals i.e. Grahamstown Festival.
- LED Strategy: Development of product packaging, Competitive advantage on LED Strategy, and Policy alignments.

2. What are some of the gaps and changes that need to be made to these Strategies to Develop the R61 Corridor Programme?

Changes that need to be made:

- Enforce focus on development of SMMEs, youth and women in these strategies.
- Avoid silo mentality and adopt integrated approach.
- Come up with realistic targets.
- Clarity on roles and responsibilities (implementation).
- Public Private Partnerships (PPP).
- Integrated development and cooperative governance (intensify).
- Policy shift (national and provincial LED Framework).
- LED Financial model: Proposals-->a.) Ring-fencing by municipalities and b.) Funding the LED Framework implementation.

Gaps:

- Gaps on environment challenges, climate change issues when developing programmes in the strategies.
- Planning that is not regional and confined to municipal boundaries neglecting linkages and regional planning.
- Our strategies do not address spatial planning.
- Disjuncture between rural and urban development.
- Non-linkages between municipalities (competition vs collaboration).
- Effective Implementation.
- Lack of proper consultation.
- Lack of alignment with other District Municipalities.
- Lack of emphasis on the tourism sector.
- Lack of spatial representation of projects /potential projects.
- Poor social facilitation.
- Land ownership.

- Mining prospects.
- Wild Coast.
- Poor collaboration.
- Lack of resources (funding and human capacity).
- Poor infrastructure.



Strategy Development

Key strategic priority areas and or **programmes** that are needed for the successful Implementation of the R61 Corridor. And Indicate the **impact** that these priority areas are going to have **regionally**

Key Strategic Priority Areas and/or Programmes

- Revamp and upgrade of the road R61.
- Titanium mining in Xolobeni.
- Upgrade of historical building for tourism purposes (in all District Municipalities).
- Infrastructure/redevelopment (water, electricity, roads, ICT, social facilities, etc.
- Development of the liberation heritage route linked to struggle heroes i.e. Nelson Mandela, Walter Sisulu.
- Conservation of natural environment i.e. rivers and dams.
- Natural resources based industries.
- Prioritization of water (conservation management).
- Skills development (all sectors).
- Investment of economic infrastructure.
- Engage Traditional Authorities.
- Establishment of strategic partnerships/cooperation.

PRIORITY AREAS	PROGRAMMES
Agriculture, Agro-processing and Forestry	<ul style="list-style-type: none"> • Agro-processing (maize production, cannabis, fruit cluster, nuts, livestock); • Irrigation scheme; • Agri-Parks; • Decla Training Programme; • Xashimba Abbatoir; • Poultry; • Rafi Programme (Ncise); • Mantusini Dairy Project; • Majola and Magwa Tea factory; • Red Hub;
Tourism and Heritage	<ul style="list-style-type: none"> • Marine Tourism and its value chain; • Tourism Product Development; • Nature Conservation and Mapping of Heritage Sites (ie. Sabalele, Clarkbarry Missionary School); • Regional Parks; • Liberation route (ie Dr AB Xuma); • Agro-tourism (i.e. Qamata, Ncorha, Magwa); • Resorts; • 6 day hiking trail; • Waterfront development; • Second beach development (beach to berg); • Coffee Small Town Revitalization; • Corridor development Plan; • Ntenetyana Dam
Industrialisation	<ul style="list-style-type: none"> • Komani; • Vulindlela; • SEZ
Mining	<ul style="list-style-type: none"> • Sand; • Quarry; • Promote access, inclusivity, advocate regulation; • Titanium; • Sand (Port St Johns); • Clay mining;
Oceans Economy	<ul style="list-style-type: none"> • Artisan/Skills Development for youth; Fishing; • Aquaculture; • Harbour Development; • Fish farming and processing;

	<ul style="list-style-type: none"> • Oceans and dams; • Small harbour development;
Spatial	<ul style="list-style-type: none"> • Property development; • Land-Use management;
Skills development	<ul style="list-style-type: none"> • Learning institutions;
Revenue [re]generation	<ul style="list-style-type: none"> • Strategy to collect taxes; • Deal with informal economy;
Formalisation of informal settlements	<ul style="list-style-type: none"> • Transformation (spatial, economic, social, etc.);
Manufacturing	<ul style="list-style-type: none"> • Ezibeleni industrial area; • Wine factory;

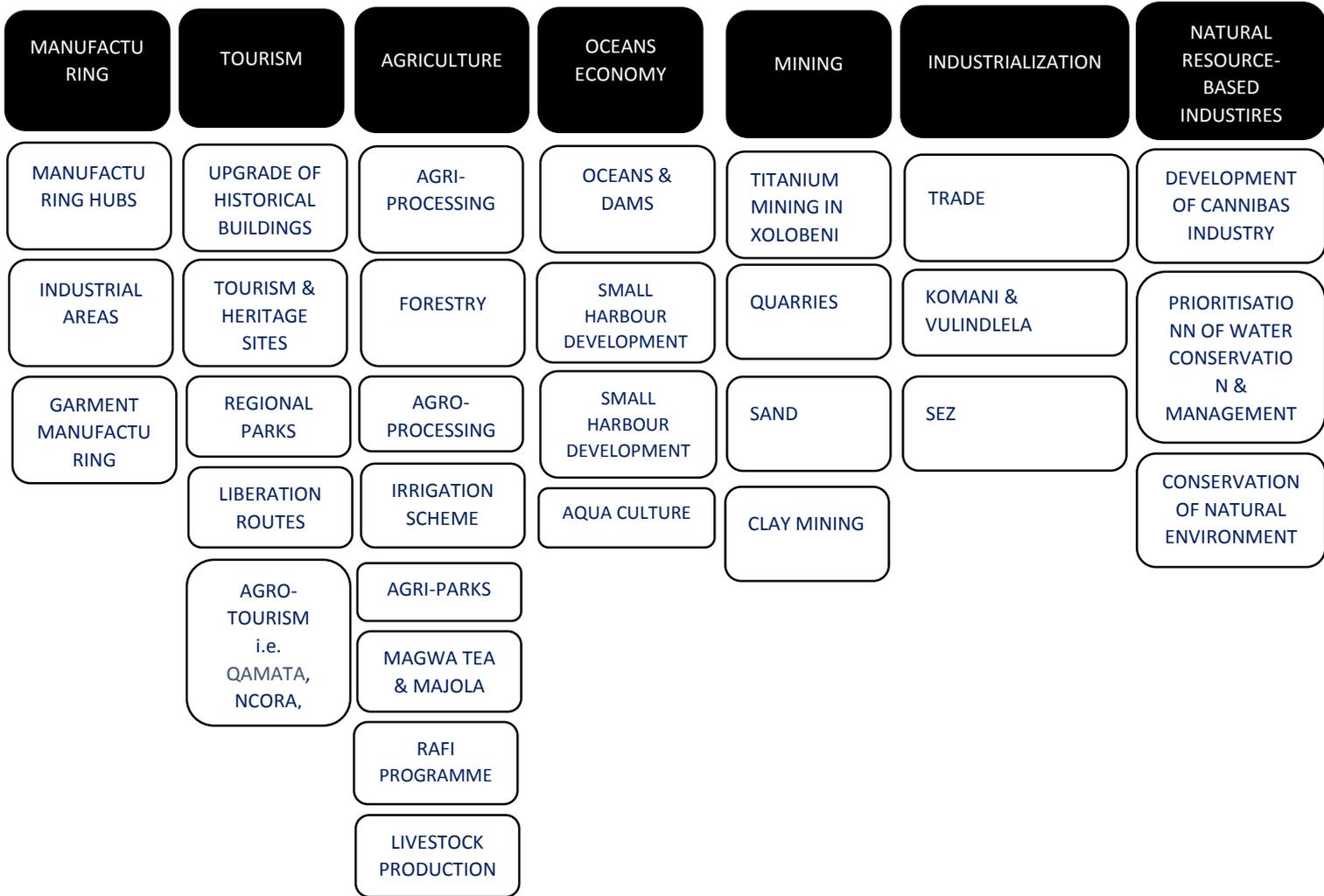
Regional Impact

- Improved quality of life.
- Regional economic growth (investment attraction).
- Improved service delivery.
- Regional integration/collaboration improved.
- Create conducive environment (economic transformation).
- Change the outlook of the region.

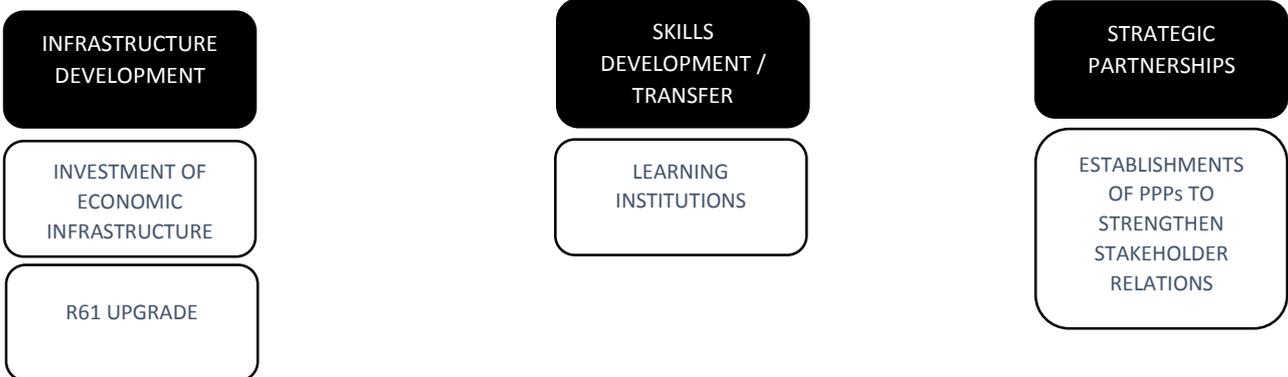
AGRICULTURE	<p>Food Security Poverty Alleviation Enhanced skills levels Job Creation Healthy standard of living</p>
TOURISM	<p>Job creation Muscle to attract and retain investments Sustainable livelihoods Economic growth</p>
MINING	<p>Job creation Sustainable livelihoods Skills transfer Economic growth</p>
OCEANS ECONOMY	<p>Same as above Broadening economic base Improved social cohesion Investment opportunities</p>

Key Strategic Focus Areas and Programmes

STRATEGIC FOCUS AREAS & PROGRAMMES



CROSS-CUTTING ELEMENTS



REGIONAL IMPACT

MANUFACTURING

TOURISM

AGRICULTURE

OCEANS ECONOMY

MINING

INDUSTRIALIZATION

NATURAL RESOURCE-BASED INDUSTRIES

JOB CREATION

INCREASE IN INVESTMENTS & MUNICIPAL REVENUES

FOOD SECURITY

CRIME REDUCTION

HEALTH STANDARD

MINIMISED URBANISATION (JOB CREATION IN RURAL AREAS)

ECONOMIC GROWTH

SKILLS TRANSFER

IMPROVE SOCIAL COHESION

ROAD REVAMP – MINIMISED ACCIDENTS

SMME DEVELOPMENT

POVERTY ALLEVIATION

SUSTAINABLE LIVELIHOODS

LOCAL ECONOMY BOOST

CONDUSIVE ENVIRONMENTS

INSTITUTIONAL MECHANISMS TO DRIVE AND MONITOR IMPLEMENTATION

Composition:

The Steering Committee/Task Team will comprise of Economic Cluster Departments (i.e. DCOG, Trade and Industry, Economic Development, Department of Small Business Development, Science and Technology, Agriculture, Rural Development and Land Reform, Tourism, Forestry and Fisheries at a national level. Provincially it will comprise of EC-COGTA; Economic Development, Environment Affairs and Tourism; Rural Development; Office of the Premier; and provincial entities i.e. ECCSEC, ECDC, ECRDA and SALGA etc. It will also comprise of one representative from each of the District Municipalities Agencies. One representative from each of the District Municipality Agencies.

Meeting Frequency:

Quarterly meetings to focus on programme implementation.

Thereafter, there will be forums of this nature whereby more people would be brought on board to report progress and keep them abreast with developments. These will be undertaken once in 6 months.