

# POLICY : LOCAL ECONOMIC DEVELOPMENT FRAMEWORK

Item LED 2-2002  
CM 30.5.2002

**Item LED 2-2003**      **LOCAL ECONOMIC DEVELOPMENT FRAMEWORK (Item LED 15-2003[MC] -**  
**CM 27.2.2006**      **MC 20-02-2003)**

## **RESOLVED:**

**That** the content of the report and the following annexures attached to the report, **BE ADOPTED** for implementation :-

- (i) Ekurhuleni Local Economic Development Policy (**Annexure 'A'**)
- (ii) Ekurhuleni Economic Strategy (**Annexure 'B'**)
- (iii) LED Policy and Strategy Implementation Framework (**Annexure 'C'**)

**LED 2-2003(C) LED POLICY, STRATEGY AND IMPLEMENTATION FRAMEWORK (ITEM LED 15-2003[MC] - MC 20.02.2003)****PURPOSE**

To present the Local Economic Development Policy, Strategy and Implementation Framework for adoption.

**MOTIVATION**

In terms of the constitution, local government is a sphere of government in its own right and has been given a distinctive status and role in building democracy and promoting socio-economic development. The Constitution of the Republic of South Africa (1996) mandates local government to:

- Provide democratic and accountable government for local communities.
- Ensure the provision of services to communities in a sustainable manner.
- Promote social and economic development.
- Promote a safe and healthy environment.
- Encourage the involvement of communities and community organisations in the matters of local government.

The White Paper on Local Government sets out the following parameters for developmental local government to achieve:

- Provision of household infrastructure and services
- Creation of liveable, integrated cities, towns and rural areas
- Local economic development
- Community empowerment and redistribution

The Municipal Systems Act 32 of 2000 states that:

*“A municipality exercises its legislative or executive authority by:*

- (a) developing and adopting policies, plans, strategies and programmes, including setting targets for delivery;*
- (b) promoting and undertaking development.”*

It is with this context that this report is presented for deliberations and adoption.

**Annexure “A”** attached is the Ekurhuleni Local Economic Development Policy

**Annexure “B”** attached is the Ekurhuleni Economic Strategy.

**Annexure “C”** attached is the LED Policy and Strategy Implementation Framework.

**Annexure “D”** is departmental year planner with a breakdown of activities for the year for noting.

**FINANCIAL IMPLICATIONS**

The financial implications of this decision, is linked to the capacitation of the LED department with necessary and sufficient resources, which in the main would be operating expenses. It should be noted that budget implications would occur across the municipality, as all departments should ideally conduct economic development implementation based on the delivery linked to their core mandates.

The return on this investment would be similar to the multiplier effect, as the “service” economic development brings is strategic, co-ordinating and facilitating in nature both within the municipality and in the community. If the municipality works right, and in an efficient and co-ordinated manner, then the effect would be to assist in growing the economy thereby assisting to increase real disposable income. This in reality is based on which the municipality is able to achieve sustainability and carry out its core mandate of being a developmental state.

To achieve this policy and strategy, there are financial implications relating to training and development, as reskilling of staff and councillors would be needed to ensure an understanding of the policy trusts, core components of the strategy and the KPA's. Another area of financial input would be in information technology, as access to data both vertically and horizontally would be needed to quantify the contribution of the municipality to the local economy. It is also likely that systems and processes would have to be reworked to accommodate this policy and strategy and these could have both the effect of increasing or decreasing financial inputs. Consultation with communities is backbone of this policy and strategy and the vehicle of the ward committees, needs to be fully capacitated for this policy and strategy to be realised.

It should be noted that revenue constraints would dictate the programme linked to the implementation framework. Consideration should be made to ensure that expenses are reduced and cut to a bare minimum without affecting the quality of the delivery.

## RECOMMENDATION

That the content of this report and its appendices: Ekurhuleni Local Economic Development Policy (**Annexure A**), Ekurhuleni Economic Strategy (**Annexure B**), LED Policy and Strategy Implementation Framework (**Annexure C**), **BE ADOPTED FOR IMPLEMENTATION.**

**Annexure A****Ekurhuleni**  
METROPOLITAN MUNICIPALITY

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**DEPARTMENT LOCAL ECONOMIC DEVELOPMENT**

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# **EKURHULENI LOCAL ECONOMIC DEVELOPMENT POLICY**

Economic development plays a crucial role in creating a prosperous, equitable, stable and democratic society. The overall national vision of economic development is one of decent work and living standards for all in the context of qualitative improved equality in ownership, skills and access to opportunities.

To achieve this, municipalities must work to:

- Stimulate local production and commerce, including home industries;
- Ensure intergovernmental linkages to national and provincial programmes and strategies;
- Utilise institutional arrangements that stimulate community initiatives and broaden ownership, including through cooperatives;
- Address apartheid spatial planning that undermines local economic development;
- Deliver municipal services through collective community initiatives and enterprises.

To guide economic and social development at local level, a policy framework that sets the broad parameters for economic empowerment and transformation to be realised is necessary. This LED policy framework has 10 policy thrusts namely:

1. **Local production for local need**
2. **A cooperative movement to represent community-based interventions in the local economy**
3. **A skills development network**
4. **Develop and sustain urban and commercial agriculture to build food security**
5. **Promote Waste Recycling and Reusable Energy**
6. **Build Local Development Capital**
7. **Ensure Participatory and Integrated Planning**
8. **Maintain Linkages with the Industrial base**
9. **Facilitate and Grow SMME's**
10. **Affirm Local Procurement**

These Policy Trusts are based on 8 development principles:

1. **A People Focus, putting the poor first**
2. **Recognition of differences within communities**
3. **Recognition of the holistic nature of people's lives**
4. **Linking the micro with the macro**
5. **Accessible institutions and processes**
6. **Mainstreaming the environment within the Holistic Approach**
7. **State-led partnership approaches between communities, labour and the private sector**
8. **Learning to listen**

These principles and policy thrusts are not only for the LED department to carry out, but are relevant for all components of the municipal institution. The policy thrusts state the national policy guideline of the RDP and are followed by specific objectives and local inventions.

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## Local Economic Development Policy Framework

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### Key principles

For policies to have meaning and efficacy, principles are essential. Principles are the underlying aspects of policy, which direct the shape of the policy and ultimately guide implementation.

### A people focus and putting the poor first

This is about the Batho Pele (People First) service delivery framework. A people focus is also a client-focused, participatory and responsive approach to policy development and implementation. It is essential to understand who the citizens are, to find out what their strengths, needs and priorities are and to design interventions around that, rather than the functional structures of service delivery organisations. Consultation and inclusiveness are key aspects of this principle (e.g., consulting all people, all stakeholders and all role players).

### Recognition of the differences within communities

All communities are not homogenous. Deep social divides often exist within communities. Different groups have different assets, vulnerabilities and priorities. These need to be extracted and understood to enable appropriate responses.

### Recognition of the holistic nature of people's lives

People use multiple livelihood strategies that balance their economic, social and spiritual needs. This multi-dimensional quality to life's needs requires holistic responses, rather than organisation-driven sectoral approaches. In addition, integration and coordination of responses and service delivery is necessary.

### Linking micro with macro

While decisions about the policies and institutions are usually made at higher levels, it is necessary to ensure that policy-making is closely linked to a detailed understanding of people's lives. New approaches on the ground need to be linked directly to policy.

### Accessible institutional structures and processes

Policies and institutions determine access to assets, their value and the attractiveness of livelihood strategies. In so doing they provide the enabling or hindering environment within which people make choices about economic strategies.

### Mainstreaming the environment within the holistic approach

Environmental issues need to be integrated into the work of all departments. Key issues that need to be considered by different departments need to be identified and sectoral staff trained in how to include these issues in their normal work.

## **State-led partnership approaches between community, labour and private sector**

It is important that Government recognises the diverse roles the state can play: as planner, provider, facilitator, or partner. The state needs to use resources wisely to maximise their impact. Currently government is providing many services that it cannot provide cost effectively. It is important to work out which are the core processes of the organisation, where the organisation can really make an impact. For other areas the state should seek either to leave a space for the private sector, labour and/or NGOs to take up those services.

### **Learning to listen**

This principle recognises the need to learn to listen to those with whom we are working and learn about their objectives and how they would like to achieve them. At the same time, there also needs to be a recognition that sometimes there are wider objectives for the public good, and so dialogue about short versus long-term objectives needs to happen (e.g., with regard to the environment people may sacrifice long-term sustainability for short-term gain).

This means that the relationship with citizens needs to be an on-going one, recognising that service providers have access to information from outside, or of a long-term nature, but that there has to be a creative dialogue between service provider and client, to negotiate a service that both are happy with. To have this dialogue means being involved locally, having staff close to the ground, and creating a facilitating relationship. Once again, this requires retraining of staff to move away from teaching the rule of law, towards facilitating understanding. A classic example is around soil conservation legislation.

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## LED Policy Thrusts

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### Policy 1: Local Production For Local Need

#### *Policy Guideline:*

#### The RDP

“Creating opportunities for all South Africans to develop to their full potential;

Boosting production and household income through job creation, productivity and efficiency, improving conditions of employment, and creating opportunities for all to sustain themselves through productive activity;

Improving living conditions through better access to basic physical and social services, health care, and education and training for urban and rural communities, and

Establishing a social security system and other safety nets to protect the poor, the disabled, the elderly and other vulnerable groups.

Eliminate the poverty, low wages and extreme inequalities in wages and wealth generated by the apartheid system, meet basic needs, and thus ensure that every South African has a decent living standard and economic security.

Economic growth is critical for sustainable improvements in services and incomes. We must shape the expansion of the social and economic infrastructure to stimulate industry and agriculture. These policies must be coordinated with the development, on a cooperative basis, of the Southern African region as a whole. On this foundation, we must establish a dynamic, integrated economy able to provide higher incomes, reduce excessive dependence on imports and compete on foreign markets.

All of our policies must aim to alleviate inequalities in incomes and wealth and expand productive opportunities. Critical programmes in this area include urban and rural development, industrial strategy, support for small and micro enterprise (including small-scale farming *and mining*), job creation, land reform and other programmes discussed in earlier chapters. The democratic government must also create laws and institutions to end discrimination in hiring, promotion and training.”

#### *Objectives:*

- Create and facilitate an environment within which people are able to achieve sustainable livelihoods;
- Assist individuals and communities to increase income and wealth;
- Facilitate production projects to eradicate poverty;
- Increase local production to meet local needs and eradicate food insecurity;
- Facilitate conditions at local level to ensure sustainable local economic development.



*Intervention:*

- Set up local industrial hives;<sup>1</sup>
- Promote SMME's and micro-enterprises;
- Facilitate the participation of women in local production and services;
- Stimulate and encourage beneficiation of local mineral and manufactured products;
- Develop and sustain all economic sectors.

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<sup>1</sup> "Local Industrial hives are an important tool to stimulate local production. They ensure the necessary linkages and networks come together in a community to meet local need for basic consumer goods. Industrial Hives can house various production units like a bakery, waste recycling plants and woodwork and metal working production units. Industrial hives can work with the low or high road approach to industrial development. This means labour can work in the hive as an asset, that is skilled and earns the requisite income or it can self exploit and maintain poverty levels. All of this points to the challenge of integrating resources and skills development in the hive. Hives can serve as incubators for small-scale producers and can link the artisanal and household production economies." LED Policy: Ekurhuleni Metro and a People Centred Economy, COPAC, 2002

## Policy 2: A Co-operative<sup>2</sup> Movement to represent community-based interventions in the local economy

### *Policy Guideline:*

#### The RDP

“Democratise the economy and empower the historically oppressed, particularly the workers and women and their organisations, by encouraging broader participation in decisions about the economy in both the private and public sectors.

Create productive employment opportunities at a living wage for all South Africans.

In order to foster the growth of local economies, broadly representative institutions must be established to address local economic development needs. Their purpose would be to formulate strategies to address job creation and community development (for example, leveraging private sector funds for community development, investment strategies, training, small business and agricultural development, etc.). If necessary, the democratic government must provide some subsidies as a catalyst for job creation programmes controlled by communities and/or workers, and target appropriate job creation and development programmes in the most neglected and impoverished areas of our country. Ultimately, all such projects should sustain themselves.”

#### *Objectives:*

- Create and facilitate mechanisms for sustainable livelihoods to be achieved;
- Promote asset formation and asset management amongst the poor and marginalized;
- Realise black economic empowerment;
- Provide the environment for skills development, skills acquisition and diversification of skills;
- Provide a voice to organised groups in the policy process;
- Link the marginalised with the mainstream economy;
- Develop the socialised third sector.

#### *Intervention:*

- Set up ongoing linkages with community organisations involved in economic activity;
- Facilitate the involvement of communities in all economic programmes of the metro;
- Encourage the initiation and continued development of co-operatives;
- Investigate the potential to set up municipal worker co-operatives on key service delivery channels;
- Develop linkages with national and provincial programmes to facilitate access to finance, information and marketing of products;
- Review local legislation to include cooperatives.

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<sup>2</sup> “Co-operatives are economic instruments that bring collectives of people together to meet their economic, social and cultural needs. Members of a co-operative own and control the co-operative. Co-operatives by themselves are prone to self-exploitation and degeneration and need to be part of a wider co-operative movement. Hence co-operative movements need to be built up in local communities and at a regional level. A co-ordinating centre is necessary to organise and build a co-operative movement. This needs to take the form of a region-wide co-operative movement forum, which includes formal and informal (or unregistered co-operatives /collectives) co-operatives. This forum should be housed in the Metro and provided with an office, an office administrator, education and training officer and an organiser. The function of the forum is to supply information, organise community-based groups into co-operatives around policy thrusts like housing and agriculture and link co-operatives into the vocational training network. In addition as co-operatives develop they have to be organised into sectorally based co-operatives. For example housing co-operatives in the regional economy organise themselves into a housing sectoral body that provides technical support, training, advice and relevant information. At the same time SME policy can be re-orientated to provide support to co-operatives. In short a co-operative support environment has to be created in the local economy for the co-operative movement to thrive and grow.” LED Policy: Ekurhuleni Metro and a People Centred Economy, COPAC, 2002

### Policy 3: Skills Development Network

#### *Policy Guideline:*

#### The RDP

“Human resource development must address the development of human capabilities, abilities, knowledge and know-how to meet the people's ever-growing needs for goods and services, to improve their standard of living and quality of life. It is a process in which the citizens of a nation acquire and develop the knowledge and skill necessary for occupational tasks and for other social, cultural, intellectual, and political roles that are part and parcel of a vibrant democratic society.

Develop the human resource capacity of all South Africans so the economy achieves high skills and wages.

Our economic policies require human resource development on a massive scale. Improved training and education are fundamental to higher employment, the introduction of more advanced technologies, and reduced inequalities. Higher labour productivity will be the result of new attitudes towards work in the context of overall economic reconstruction and development.”

#### *Objectives:*

- Enhance the access of local people (the employed and unemployed) to acquire skills development and increase the skills base through diversification of skills;
- Provide training, mentoring and support for the developing economic enterprises;
- Create a system that can respond to plant closures and industrial decline such that workers are given the option of training to enable self employment or a smooth transition into new employment;
- Organise the supply side of the labour market to meet demand.

#### *Intervention:*

- Facilitate the linkages between the local skills development needs and the national and provincial programmes;
- Develop a skills development network comprising all training institutions to consolidate the capacity at local level and to align vocational training and skills development to the needs of the local economy;<sup>3</sup>
- Facilitate the supply of labour for projects and service delivery programmes of the metro.<sup>4</sup>

<sup>3</sup> “This network must meet at least once a month, convened by the Metro LED Unit. An audit has to be done of the training offered by all these institutions and a directory drawn of these institutions for the public. The vocational training framework and its sectoral training authorities are a key backbone to the modern training system in South Africa. In addition there are a host of tertiary institutions – like technikons and universities. There are also important NGOs that supply training support. All of these institutions must be invited to be part of the network to support the development of new collective enterprises, train individual workers and contribute to general sustainability in the development environment.” LED Policy: Ekurhuleni Metro and a People Centred Economy, COPAC, 2002.

<sup>4</sup> “Unemployed labour should be organised into Skills and Technology co-operatives in local communities. These co-operatives would organise the supply side of the labour market and would provide labour for IDP projects, public works and any other kind of local government development initiative. Central to the role of these co-operatives would be keeping membership control and running vocational training programs for their labour pools through the network. In other words the co-operative would ensure work rights are distributed to its members and multi-skilling takes place for the members so that they are able to do the necessary job. The co-operative can also run its own projects so that its members' needs are met. Besides the training and other development projects run by the co-operative it would also house old and new technology (like welding machines, grinders and so on), donated by the local government, which would be lent out to micro-entrepreneurs. Council must provide offices and equipment for these Skill and Technology co-operatives in municipalities.” LED Policy: Ekurhuleni Metro and a People Centred Economy, COPAC, 2002.

**Policy 4: Develop and Sustain Urban and Commercial Agriculture to build food security***Policy Guideline:*

## The RDP

“Development strategies must incorporate environmental consequences in the course of planning. Measures such as land reform, provision of basic infrastructure, housing and targeted rural assistance (including extension services), and the maintenance of food security should ultimately reduce pressure on the natural environment.

The RDP aims to create a restructured agricultural sector that spreads the ownership base, encourages small-scale agriculture, further develops the commercial sector and increases production and employment. Agriculture should be oriented towards the provision of affordable food to meet the basic needs of the population and towards household food security.

Support services provided by the democratic government, including marketing, finance and access to cooperatives, must concentrate on small and resource-poor farmers, especially women. This requires a shift from the current pattern of expensive and inefficient support for commercial farmers, as well as reform of the marketing boards and agricultural cooperatives.”

*Objectives:*

- Eradicate food insecurity and poverty;
- Ensure sustainable land use;
- Promote sustainable livelihoods.

*Intervention:*

- Ensure that land in the Metro is accessible to residents interested in carrying out agricultural activity;
- Facilitate urban agricultural friendly legislation;
- Facilitate linkages to finance, information and production methods with national and provincial levels of government;
- Encourage organic farming;
- Support the development of fresh produce markets in local communities to ensure that the agricultural produce can be sold cheaply;
- Facilitate linkages to export markets;
- Increase the efficiency and broaden the base of access and ownership of the municipal market.

**Policy 5: Promote Waste Recycling and Reusable Energy<sup>5</sup>***Policy Guideline:*

## The RDP

“A system of waste management with emphasis on preventing pollution and reducing waste through direct controls, and on increasing the capacity of citizens and government to monitor and prevent the dumping of toxic wastes;

Energy efficiency and conservation must be a cornerstone of energy policies. This will involve the adoption of least-cost planning approaches; the improvement of dwelling thermal performance; the promotion of energy-efficient appliances; the use of solar water heaters; appliance labelling, and the implementation of time-of-use electricity tariffs. Financial assistance to ensure households have access to efficient appliances will be essential. The environmental impact of different energy sources must be assessed.”

*Objectives:*

- Create sustainable communities;
- Assist poor households bring down energy consumption costs;
- Provide alternative sources of energy;
- Create sustainable livelihoods;
- Contribute to local production for local need.

*Intervention:*

- Stimulate approaches to value added waste processing;
- Encourage the use of renewable energy where appropriate;<sup>6</sup>
- Encourage the establishment of renewable energy co-operatives.<sup>7</sup>

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<sup>5</sup> “There is a need to encourage waste recycling and the use of renewable energy technologies through intensive awareness raising and education. To facilitate this every ward committee should be encouraged to form a waste recycling and renewable energy committee. These committees must be trained and given the necessary tools to go in to their respective communities to raise awareness about waste recycling and the use of renewable energy technologies.” LED Policy: Ekurhuleni Metro and a People Centred Economy, COPAC, 2002.

<sup>6</sup> “Co-operatives could be set up to source waste from households like paper and bottles. Besides collecting the waste these co-operatives must re-process this waste so that value is added. In other words paper must be re-processed and used to produce new products like packaging or writing paper and folders and so on.” LED Policy: Ekurhuleni Metro and a People Centred Economy, COPAC, 2002.

<sup>7</sup> “On the renewable energy side, co-operatives can manufacture and market renewable energy technologies like solar water heaters, “cooking boxes”, hand propelled devices like cell phone chargers and even wind turbines and solar energy panels thereby bringing about a diversity in the economy on energy production and services. In short the renewable energy side of these co-operatives must provide households and residents with the option of bringing down energy costs and consumption. For the poor paying less for electricity through saving on consumption can go a long way in terms of increasing household consumption income.” LED Policy: Ekurhuleni Metro and a People Centred Economy, COPAC, 2002.

**Policy 6: Build Local Development Capital<sup>8</sup>***Policy Guideline:*

## The RDP

“Community banks of various types have proven able to finance informal entrepreneurs, especially women. The democratic government must encourage community banking. It must reform regulations to foster the development of community banks while protecting customers. Where possible, government structures at all levels should conduct business with these institutions. The government must encourage the established banks and other financial institutions to help fund the community banks.”

*Objectives:*

- Increase the savings base of local communities;
- Provide safe and secure institutions in which people can save and borrow money to meet their development needs;
- Build a pool of finance that can support self-reliant development in local communities;
- Create institutions that can house technical expertise for co-operative development and expansion.

*Intervention:*

- Encourage local savings in communities;
- Facilitate access to finance;
- Set up a co-operative bank for development projects to save and access small loans;
- Set up a local LED FUND with local businesses to support local development.

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<sup>8</sup> “Credit unions and village co-operative banks can be established in South Africa as per the Banks Act and the Co-operatives Act. Such institutions can be housed as part of industrial hives or local Skills and Technology co-operatives. Members must be organised into these co-operative banks such that they are encouraged to save so as to access work rights either in industrial hives or Skills and Technology co-operatives. In other words the more members save the greater the prospects of obtaining work in the hive or Skills and Technology co-operative. The capital built up in these institutions must then be channelled into financing local co-operative development and expansion. To this end the co-operative banks must be staffed with skilled personnel capable of assisting co-operative ventures with feasibility studies and business plan development. On the consumption side credit must only be provided to members if they are purchasing locally produced products. This prevents the leakage of finance out of the community. The membership of such co-operatives must also extend to other co-operatives and residents in local communities.” LED Policy: Ekurhuleni Metro and a People Centred Economy, COPAC, 2002.

## Policy 7: Ensure Participatory and Integrated Planning

### *Policy Guideline:*

#### The RDP

**“An integrated and sustainable programme.** The legacy of apartheid cannot be overcome with piecemeal and uncoordinated policies. The RDP brings together strategies to harness all our resources in a coherent and purposeful effort that can be sustained into the future. These strategies will be implemented at national, provincial and local levels by government, parastatals and organisations within civil society working within the framework of the RDP.

**A people-driven process.** Our people, with their aspirations and collective determination, are our most important resource. The RDP is focused on our people's most immediate needs, and it relies, in turn, on their energies to drive the process of meeting these needs. Regardless of race or sex, or whether they are rural or urban, rich or poor, the people of South Africa must together shape their own future. Development is not about the delivery of goods to a passive citizenry. It is about active involvement and growing empowerment.

Where growth occurs, how sustainable it is, how it is distributed, the degree to which it contributes to building long-term productive capacity and human resource development, and what impact it has on the environment, are the crucial questions when considering reconstruction and development. The RDP integrates growth, development, reconstruction and redistribution into a unified programme. The key to this link is an infrastructural programme that will provide access to modern and effective services like electricity, water, telecommunications, transport, health, education and training for all our people. This programme will both meet basic needs and open up previously suppressed economic and human potential in urban and rural areas. In turn this will lead to an increased output in all sectors of the economy, and by modernising our infrastructure and human resource development, we will also enhance export capacity. Success in linking reconstruction and development is essential if we are to achieve peace and security for all.”

#### *Objectives:*

- Mainstream the IDP process in local governance;
- Limit the technocratic and top down approach to development;
- Develop a system of participatory budgeting;
- Give communities control over development;
- Decentralise resources and power in the development process;
- Strengthen the public /community partnership for development;
- Develop a sound base of information on the regional economy and data on the impact of LED projects and policies.

#### *Intervention:*

- Design and foster an IDP process that plans local economic development and fosters participatory budgeting;
- Ensure that needs, priorities and resources are planned for;
- Empower and capacitate participants in the process.

## Policy 8: Maintain Linkages With The Industrial Base

### *Policy Guideline:*

#### The RDP:

“The incentives for decentralisation introduced under apartheid frequently proved excessively discretionary and open to misuse. Still, in many areas simply eliminating them would cause severe job losses. For this reason, the democratic government must establish clear-cut guidelines and procedures for reviewing decentralisation incentives. Where communities and workers can certify that the subsidies are being utilised in a sustainable, non-exploitative manner, the democratic government must maintain the incentives. Otherwise, it must redirect subsidies to ventures that promote linkages within the local economy.

We must develop more cost-effective incentives schemes, designed to improve performance and not just the volume of exports. Trade policy strategies to promote exports must consider ways to reduce the bias against small and medium-sized exporters. They should facilitate the provision of short-term export finance to small business. To help bring about a more dynamic business environment, the democratic state must develop measures to encourage increased productive investment, greater investment in research and development, cooperation with small and micro enterprise, workplace democratisation, and more open and flexible management styles.

The key goals of our industrial strategy are a substantial increase in net national investment, especially in manufacturing, job creation and the meeting of basic needs. Through the prudent implementation of macro-economic policies such as monetary policies, and in particular such instruments as interest rates and an increase in public sector investment, gross investment in industry will increase. In general, our objective is to enhance our technological capacity to ensure that as part of the restructuring of industry, South Africa emerges as a significant exporter of manufactured goods. The industrialisation strategy aims at the promotion of a more balanced pattern of industrial development, capable of overcoming the acute over-concentration of industrial activities in certain metropolitan centres of the country. Trade and industrial policy must respond to the demands of reconstruction and development. In particular, industrial expansion should follow from the extension of infrastructure to urban, peri-urban and rural constituencies. Some of this new demand will be met by utilising the considerable excess capacity that exists within industry. That should lower unit costs; raise productivity and foster innovation, providing a new impetus for international competitiveness. While trade policy must introduce instruments to promote exports of manufactured goods in general, industrial policy must support and strengthen those internationally competitive industries that emerge on the basis of stronger internal linkages, meeting the needs of reconstruction and raising capacity utilisation.”

#### *Objectives:*

- Contribute to the formation of development capital in “township economies”;
- Assist and enable skills transfer and reskilling;
- Foster local entrepreneurships;
- Reduce factor costs for industries;
- Promote job retention within existing industries.



*Intervention:*

- Facilitate, engage and negotiate with local businesses about their role and contribution to the overall local economic development strategy;
- Devise strategies for each sector of the economy;
- Ensure that local businesses are lead and positioned within the LED development strategy process to make commitments to a common vision for the regional economy;
- Facilitate the implementation of the trade incentives of national government;
- Create opportunities for local businesses to make contributions to loan guarantee funds, venture capital for SMMEs, skills development programs, mentoring programs and incubation facilities for grassroots entrepreneurs.

## Policy 9: Facilitate and Grow SMMEs

### *Policy Guideline:*

#### The RDP

“A particular weakness of the economy, aggravated by racist and sexist policies, is the inability to maintain a dynamic small-scale and micro enterprise sector. Smaller firms, especially if owned by black people, can rarely develop productive linkages with the large-scale sector. Most people in the informal sector lack productive and managerial skills plus access to business sites, capital and markets. They face an array of repressive regulations originally designed to undermine black business and farming.

Small businesses, particularly those owned and operated by black entrepreneurs, must form an integral part of the national economy and economic policy. Micro producers should develop from a set of marginalised survival strategies into dynamic small enterprises that can provide a decent living for both employees and entrepreneurs. Policies to that end must focus on women, who are represented disproportionately in this sector, especially in the rural areas.

Government agencies must provide infrastructure and skills to raise incomes and create healthier working conditions in small businesses. They must protect the rights of workers, both family members and others, and provide training in productive and managerial skills.

Experience shows that four major constraints face small and micro enterprise: the lack of access to credit, markets, skills and supportive institutional arrangements. In collaboration with small-scale entrepreneurs themselves, the democratic state must develop an integrated approach to all four problems.

In the context of a supportive industrial strategy, all levels of the democratic government - central, regional and local - must where possible foster new, dynamic relationships between large, small and micro enterprises in ways that do not harm the interests of labour.

Local governments must review zoning and licensing regulations to end discrimination against micro and small enterprise

All levels of the state should also, as far as possible, support joint marketing strategies and technological development within the small-scale sector.

A specific programme must be established to ensure government support for women entrepreneurs. It must be easily accessible and include skills training and access to credit.

In addition to policies to support small-scale producers in general, the micro enterprise sector requires special attention. It will benefit from measures ranging from welfare support to activities that directly enhance competitiveness. Since the majority of informal sector workers are women, all agencies set up to support the informal sector should address their needs.

The development of social and economic infrastructure, including pre-schools, water supplies, roads and electrification, will go a long way to improving productivity. Infrastructural programmes must therefore take the implications for micro enterprise into account.

To better serve micro enterprise, the democratic government must double the existing number of local service centres and satellites. These satellites must enable the democratic government to provide for rural women involved in small, micro and medium-sized enterprises. All training programmes for micro enterprise must provide appropriate childcare.

A variety of other measures should lower the barriers to micro enterprise. Laws should be improved to allow people in this sector to collect debts. Market sites must be established and access to existing sites facilitated. Land reform initiatives must reduce the land hunger, which drives more and more people into the informal sector. Finally, as a basis for sound policy-making in future, the statistical system must incorporate micro enterprises.

The domination of business activities by white business and the exclusion of black people and women from the mainstream of economic activity are causes for great concern for the reconstruction and development process. A central objective of the RDP is to deracialise business ownership and control completely, through focused policies of black economic empowerment. These policies must aim to make it easier for black people to gain access to capital for business development. The democratic government must ensure that no discrimination occurs in financial institutions. State and parastatal institutions will also provide capital for the attainment of black economic empowerment objectives. The democratic government must also introduce tendering-out procedures, which facilitate black economic empowerment. Special emphasis must also be placed on training, upgrading and real participation in ownership.”

*Objectives:*

- Promote black economic empowerment;
- Develop a support environment for SMMEs;
- Establish linkages between existing big business and emergent enterprises;
- Create jobs;
- Contribute to poverty eradication;
- Provide women, youth and disabled with entrepreneurial skills.

*Intervention:*

- Develop linkages with national programmes of Department of Trade and Industry, Ntsika and Khula on finance and information;
- Facilitate a local SMME council;
- Supply information about business opportunities;
- Provide one-stop centres to deal with technical advice and support;
- Set up incubators to assist emergent entrepreneurs to establish their enterprises;
- Support the growth of informal traders into small businesses;
- Provide infrastructure, technical support and business advice and access to finance to informal traders.

## Policy 10: Affirm Local Procurement

### *Policy Guideline:*

#### The RDP

“All levels of the democratic government must review their procurement policies to ensure that, where costs permit, they support small-scale enterprise. In particular, we must explore new policies on the procurement of furniture and school uniforms, which micro producers might supply. Procurement regulations must, however, require appropriate labour standards for suppliers.”

In terms of the constitution section 217 (1) all organs of the state in the national, provincial and local level are required to have a procurement system which is:

- Fair;
- Equitable;
- Transparent;
- Competitive; and
- Cost effective.

In terms of the *Preferential Procurement Policy Framework Act 2000* the requirements for procurement are:

- Use of a preference point system;
- Award points for price; and
- Award points for achieving certain goals.

### *Objectives:*

- Promote black economic empowerment;
- Support SMEs and other forms of collective enterprise;
- Contribute to state-led economic transformation;
- Allocate resources to the township economy;
- Build skills and capacities in previously disadvantaged communities.

### *Intervention:*

- Promote a buy local ethic;
- Ensure transparency in the procurement process of the Metro;
- Establish and implement a percentage quota for start-up businesses;
- Ensure that procurement procedures are friendly and accessible to locals, co-operatives and SMMEs.

## Annexure B



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**DEPARTMENT LOCAL ECONOMIC DEVELOPMENT**

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## **Ekurhuleni Economic Strategy**

The overall purpose of a regional or local economic strategy is to point to the manner in which the economy should be structured and managed to ensure economic growth, stability, and the productive involvement of all citizens aimed at improving economic status.

The Human Development Index of Ekurhuleni is 0.68, which indicates a dire need for increasing the human capacity and ensuring conducive environmental conditions to contribute to sustainable development. The strength of Ekurhuleni's economy is its well-developed infrastructure and manufacturing base and the region is 99% urbanized. Despite this, the Gini-coefficient of the area is 0.58, which indicates an unequal distribution of wealth and, reflecting global economic trends indicate many have been forced out of the formal economy and into poverty. Nearly one third of Ekurhuleni's population live in poverty, one in four people are unemployed.

These indicators highlight the importance of addressing poverty in Ekurhuleni's long-term economic sustainability. The local economic development policy framework, therefore, addresses interventions to close the poverty gap, while this economic strategy points to how the Metro could organize itself and all its services to realize improved service delivery and capacitation in the economy.

Political and economic stability are two sides of the same coin. In other words, they are mutually constituting in that health and stability in the one facilitates health and stability in the other. Confidence in the economy is directly impacted by political action. Despite the interconnectedness between economic and political stability, the local government's ability to act in the economic arena is limited. For example, local government does not have a direct mandate to conduct trade promotion and regulate industry. Local government does, however, play a crucial role in the provincial and national economies by providing core infrastructure and services (i.e. water, electricity, and refuse removal) that no other level of government provides. Thus, the political mandate of local government is to facilitate the growth of the economy at local level by providing these services without which the economy would grind to a halt.

The role of Ekurhuleni Metropolitan Municipality is to ensure economic growth is brought about by stimulating conditions for viable and sustainable economic activity. In this regard, the principal role of the Municipality in sustaining the economy is to provide core infrastructure for day-to-day economic activity. Thus, the core infrastructure that the Municipality provides (e.g., the provision of electricity, water management, and waste disposal) is the backbone of the economy. In addition to core infrastructure, the other key dimension to growing the local economy is developing an integrated approach where the Metropolitan area is consolidated into one economic region, taking into account all the imbalances and inequities in wealth, skills, and access to infrastructure. The market-led economy will continue to grow, but there is a dire need to ensure that the Municipality reconfigures itself to ensure equitable economic growth and long-term sustainability. Thus, local government must restructure itself to play the leading role in facilitating the implementation of national programs on economic development

in particular Black Economic Empowerment, Co-operative forms of ownership, and the economic empowerment of women.

One of the requirements of the municipality is to provide for all citizens equally (i.e. residents, businesses, and government departments). At the same time, the municipality's core business is provision of basic services, which is where it derives the majority of its income (the other income generating area of the municipality is property rating). Thus, the real disposable income level of households is of deep significance as the income to the metro is dependent on people being able to afford services.

#### **STRATEGIC INTERVENTIONS:**

To realise the economic strategy and to ensure sustainable development a number of key interventions are needed. These strategic interventions aimed at contributing to the growth of all the economic sectors and are noted in the sections below.

The main focus of all the interventions are to create jobs in small and micro enterprises and in cooperatives; to diversify the economy by providing for local needs and to attempt to increase export revenue, as well as to provide ownership opportunities for black people and women and the poor.

The core components of the economic strategy are:

#### **1. ADMINISTERED PRICING AND TARIFFS**

This refers to the charges levied for services by the municipality.

It should be noted that overall inflation targets make recovery from tariffs vulnerable. Standards on levels of services also affect the setting of tariffs as delivery to under-serviced areas increases the initial costs. Affordability of service levies would, therefore, be the key to ensuring an increased level payment. The redistributive mechanism of established areas subsidising under-serviced areas is one way of ensuring that service levies are not prohibitive in under-serviced areas as these areas are also economically deprived.

In this respect a sliding scale to accommodate the economically deprived areas would need to be considered, alongside a breakdown of the cost to maintenance and upgrade where needed. In addition, the quality of product or service would need to be factored into the cost determination.

Tariffs need to be on a sliding scale based on the following:

- Domestic use in an under-serviced area;
- Domestic use in an established area; (designated township)
- Small business use;
- Large industry and commercial use;
- Government and service delivery use.

With respect to refuse and electricity a link to waste recycling and reusable energy would assist to ensure that the basic quality of life for all is set and that all citizens fall within a basic social security net of affordable services.

Property rates are the key source of revenue for local authorities. It is vital that all properties be rated. The no rating exclusion should be based on subsistence living, farm working, subsistence plots and shack dwellings, and people in casual jobs and those unemployed.

There should be a sliding scale on the value of property:

1.	Shack and subsistence plots	free
2.	Under-serviced Township	2.5%
3.	Established Suburb	5%
4.	CBD	10%
5.	Industry	15%
6.	Government	10%

## 2. RING FENCING OF REVENUE

The streams of revenue from electricity, water, sewage and refuse removal need to be ring fenced to ensure that surpluses thereof are used to improve the reach and range of these services in principle.

## 3. DEVELOPING AND SUSTAINING ECONOMIC SECTORS

### ***AGRICULTURE - PRIMARY***

To ensure economic growth and stability a spread of all economic sectors in the regional economy is essential, with the primary sector of agriculture being firmly in place to build food security.

***STRATEGIC INTERVENTIONS ON AGRICULTURE ARE BACKED UP BY AN AGRICULTURAL STRATEGY ADOPTED BY THE COUNCIL.***

#### **WEALTH CREATION PROJECTS AND INCREASING AGRICULTURAL EXPORTS**

Two areas of developing agricultural exports (flower growing and medicinal herbs) are being piloted. This fits in with the provincial strategy to make the best possible use of the richest agricultural soil in Guateng as well as exploit the facilities of the Rand Airport, "city-deep" and the Johannesburg international airport. A process to link into the agricultural development programme steering committee set up by the LED Department is also a part of this intervention.

#### **RESTRUCTURING OF LOCAL STATE ASSETS FOR GREATER EFFICIENCIES AND BLACK ECONOMIC EMPOWERMENT TO BE REALISED**

The marketing of agricultural products in South Africa was regulated until 1994 through commodity boards. Currently marketing services are deregulated and in the hands of the private sector. The Springs Fresh Produce Market belongs to Ekurhuleni Metropolitan Municipality and provides a marketing service to the agricultural sector. The restructuring of the Springs Fresh Produce Market will cover employment equity, the broadening of the base of agents and suppliers, increasing access to economic opportunities for local people, and restructuring the ownership of the market to ensure that the Municipality derives revenue from the investment in the property as well as, encouraging the agricultural sector in the region to play a decisive role in the operation of the market are key points linked to this intervention. A task team to oversee this process has been set up.

***MINING - PRIMARY***

The mining sector although in decline, can be stimulated to make a contribution to the economy, with promoting the expansion of artisanal and small-scale mining.

***STRATEGIC INTERVENTION ON MINING IS FACILITATED THROUGH THE ESTABLISHMENT OF A MINING FORUM AND;*****JOB CREATION PROJECTS TO CLEAN UP THE ENVIRONMENT**

This intervention is about an approach to developing profitable business opportunities through recovering gold and other materials in the surface mine residue deposits. Currently there are a number of informal and illegal, small-scale mining ventures recovering material from the mining residue deposits. Turning this informal, illegal activity into a formal, legal activity facilitates poverty alleviation. The recently introduced legislation provides the opportunity for the ownership of minerals and the right to mine to be distributed among the historically disadvantaged people and women in particular. It also provides the opportunity for creating a new revenue stream for the Metropolitan Municipality based on land owned by the government.

***MANUFACTURING AND CONSTRUCTION - SECONDARY***

Manufacturing as a key strength of the regional economy needs to be retained and the skills in this sector should be harnessed to low value finished material to generate spin-offs in other sectors such as construction of houses. A target for value added beneficiation and downstream linkages is vital. The ICT sector has potential to absorb and reskill labour as well as bring in new aspects to infrastructure such as optic fibre and bandwidth. These are key to improved global trade and new aspects of IT enabled distribution and production

Construction as a sector of the economy needs to be placed as a trigger in the economy whether it is in the building of infrastructure or housing. The housing policy has suggested that cooperative ventures be used in housing construction and this could be organised to sustain economic long-term prospects for local people. Material supply chains need to be localised and job creation in construction must also be linked to ongoing services in maintenance work such as plumbing, electrical work, woodwork and light manufacturing. The provision and maintenance of infrastructure such as road and storm water drainage links directly to the construction sector of the economy.

***STRATEGIC INTERVENTIONS*****SUPPORT AND FACILITATE THE SUSTAINABILITY OF THE MANUFACTURING SECTOR TO GROW AND BE COMPETITIVE**

This intervention tackles the crucial problem of the increasing rate of unemployment and inequality in manufacturing in Ekurhuleni region. The main role of local government in terms of facilitating industrial development is the following: engaging with industry to achieve its developmental objectives by anticipating interventions that industry would make, gather information, analyse the strategic path of manufacturing, and coordinating activities and initiatives of institutions engaged in industrial development (e.g., employment equity and skills development). Industrial development occurs within local, national, and global contexts and all of these, impact on growth path of the Metropolitan area. Viable approaches to industrial development must see the multiple levels on which it occurs.



**UPGRADE AND REVITALISATION OF COMMERCIAL AREAS FOR EXCHANGE OF COMMODITIES**

The economic infrastructure of the townships in the Metropolitan region and more specifically, how to consolidate apartheid's legacy of white Commercial Business Districts and black township informal economies into one sustainable urban area taking into account issues of SMME development, informal trading, and the necessary economic infrastructure for economic sustainability all require key interventions.

South African experience of economic development in transition poses many challenges. Deconstructing the concept of local economic development (i.e. stimulating local economy versus job creation), redefining the terms formal and informal economies, and the development of a role for local government institutions in local economic development are among the key challenges.

A programme to consider an upgrade plan linked to placement of street furniture has been embarked on. This is linked to small business development in the services sector.

**SKILLS DEVELOPMENT FOR GROWING THE ECONOMY AND ENSURING SUSTAINABLE DEVELOPMENT**

The skills capacity of a population is a key determinant of human development. With rapid changes in the production process the reskilling of the labour for economic growth and stability has become a paramount issue. The consolidation and co-ordination of all the government efforts on skills development and further education and training at the local level is the core of this intervention.

***SERVICES - TERTIARY***

The services sector of the economy must and should respond to HIV-aids and care work as well as child-care and early childhood education. These aspects have a direct link to social development and longer-term sustainability. In the services sector the challenge also exists to commercialise home skills such as cleaning, catering and domestic skills. Both these can be important linkages into the Tourism Industry.

***FINANCE - TERTIARY***

The finance sector of the regional economy needs to consider access to finance for the un-bankable as well as saving credit unions. It is savings among all in the economy that will help to ensure an adequate level of payment for services and a growth path in the regional economy. Furthermore this aspect helps to short-circuit the debt trap, which the poor find themselves in.

***ELECTRICITY AND WATER SERVICES – PUBLIC SECTOR***

Electricity sector and water services are sectors of the economy that are state led. These sectors must be managed to ensure efficient delivery and ensure the reach and range is to all citizens within levels of affordability. It is likely that a major restructuring of the working entities would need to be effected to ensure improved service delivery as well as capital replacement of the infrastructure.

**4. DEVELOPMENT ZONES**

Development zones need to cover the entire region to ensure that there is no area left impoverished.

Spatial development initiatives need to have a mix of economic sectors to ensure economic sustainability and longer-term job creation and wealth generation.

Industrial development zones must be linked to downstream beneficiation and export and support the overall industrial strategy.

**5. HARNESSING CONDITIONAL GRANTS**

To grow the sectors of the economy use of conditional grants for infrastructure, public works, education (skills development, adult literacy and child education) and, transport and tourism development is necessary. These should not be dropped into the local economy without a link to a specific local project and programme.

**6. MAINSTREAM THE INFORMAL SECTOR AND WOMEN INTO THE FORMAL ECONOMY**

A key thrust to economic regeneration is the formalisation of informal businesses, in order to move them out of subsistence survival to production of adequate surpluses.

The active involvement of women in the productive economy is also an aspect of growing and revitalising the economy. In this respect the need to support women in businesses in all sectors of the economy is vital.

**7. PROCUREMENT**

Procurement needs to be local and in support of economic growth.

A set target ensuring that 20% of all procurement is with start-up businesses would provide an incentive to ensure that informal businesses are formalised and become more efficient.

The area of buying by any municipality is often riddled with corruption, which is a deterrent to business confidence and growth in the economy. Thus a clearly defined process and programme to manage the procurement carried out by the municipality is needed.

**8. SERVICE LEVELS TO BUSINESS AND INDUSTRY LINKED TO RETENTION PLANS**

The quality of services provided to business and industry is directly linked to the willingness to remain in the region. With the new approaches to production and competitive advantages in many other areas, relocation is an attractive prospect for many industries and businesses. With regard to service level, the provision of quality services needs to be linked to a retention plan.

**9. REGISTER OF BUSINESSES-FORMAL AND INFORMAL**

This is vital to:

- Ensure that the levy on wages and turnover provides services to businesses and industry;
- Support business and industry to continue to create and retain jobs;
- Keep track of the growth in the different sectors of the regional economy;
- Monitor start-up and emerging businesses;
- Support the move of informal businesses into the formal economy.

***DRIVERS OF THE STRATEGY***

A strategy is driven through push and pull factors. The main aspect of any strategy is the overall co-ordination and implementation.

Key Drivers of the Strategy are:

**1. COOPERATIVE GOVERNANCE**

- Political buy in and support;
- Administrative co-ordination and cooperation;
- A collective response by all departments and political actors.

**2. PARTNERSHIP**

- Sectoral forums with business and communities;
- Grow the cooperative sector;
- Allow the private sector to conduct its business.

**3. RAPID RESPONSIVENESS TO INNOVATION AND INVESTMENT**

- Service delivery linked to total quality management and just in time processing;
- Reduction of unnecessary delays in administrative processes;
- Project management of investment initiatives.

**4. SOUND INTERGOVERNMENTAL RELATIONS**

- Involvement of all spheres of government and with other municipalities reducing competition and promoting cooperation;
- Presenting and defending national and provincial policies and strategies of government;
- Speaking with one voice as government and working towards a common goal.



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DEPARTMENT LOCAL ECONOMIC DEVELOPMENT

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## LED POLICY AND STRATEGY IMPLEMENTATION FRAMEWORK

### *LED VISION*

**“An inclusive wealth generating local economy”**

### *LED MISSION*

“To facilitate a conducive environment where all can participate in a wealth generating local economy by focusing on economic growth, empowerment and transformation.”

### *OBJECTIVES OF THE LED POLICY FRAMEWORK*

- To provide parameters and broad guidelines for implementing an integrated and sustainable economic development strategy;
- To approach LED from the perspective that local communities and residents lead and drive economic development;
- To take the mandate of local government into account and maintain sound intergovernmental linkages;
- To identify trends, issues, challenges and obstacles confronting the local economy.

### *LED KEY PERFORMANCE AREAS*

#### **Provide economic friendly municipal procedures and regulations**

- Facilitate the review and development of economic activity friendly by-laws
- Provide municipal procedures that promote economic activity

**Develop and sustain all economic sectors**

- Facilitate the regeneration of the manufacturing sector and other sectors
- Monitor the growth of tourism and the linkages to the sector
- Facilitate the growth of agriculture
- Facilitate the development and growth of the information technology sector
- Monitor the performance of the various sectors
- Facilitate the re-skilling of the labour force
- Facilitate the regeneration of industrial areas and CBD's and upgrade of residential areas
- Input into the spatial plan

**Mainstream all economic activity into the formal economy**

- Facilitate the acquisition of economic skills
- Facilitate the utilisation of co-operatives in the municipality's procurement system
- Facilitate the growth and contribution of SMME's

**Align procurement processes for economic development**

- Monitor the implementation of a preferential procurement policy to support economic development

**Promote and market investment for sustainable job creation**

- Develop investment incentives packages
- Market Ekurhuleni as a friendly investment destination

**Facilitate the growth of co-operatives**

- Promote credit and savings Unions
- Facilitate the development of financial services co-operatives
- Encourage the community to form co-operatives

**Assess the effectiveness and efficiencies of utilities**

- Facilitate the review of all utilities
- Ensure revenue generation in utilities
- Monitor the efficiencies of utilities

## Implementation Mechanisms to reach objectives and deliver KPA's

### 1. Internal Focus

#### Interdepartmental forums: working together to achieve the policy

The role and purpose is:

- To realise the LED policy and strategy interventions
- To coordinate a collective response to economic development within the municipality
- To facilitate the utilisation of skills and expertise to implement the LED policy and strategy

Outcomes:

- Alignment of work being carried out to support economic development needs and processes
- Ability to prioritise
- Development of new approaches to working on core functions, mandates and challenges
- Collation of a metro-wide picture of the economic inputs of the municipality in areas of job creation, economic spend and growth

Areas to be covered	Participants	Regularity	Commencement
Provincial economic strategies	Municipal Infrastructure, Development Planning, Environment and Tourism, Roads, Transport and Public Works, Safety and Security (other dept to be included as and when needed)	Monthly	July 2002
Food Security and Greening	Health and Social Development (later on and Environment and Tourism and Sports Recreation Arts and Culture)	Twice a month (alternate meetings to focus on Food Security and Greening)	October 2002
Information Centres	SRAC (later on Corporate and Legal and Finance and all other depts)	Every two weeks	October 2002
Waste Management, Recycling and Reusable Energy	Municipal Infrastructure, Environment and Tourism, Housing	Monthly	January 2003
Construction	Housing, Roads, Transport and Public Works	Monthly	February 2003
SMME's	Municipal Infrastructure, Environment and Tourism, Housing, Roads, Transport and Public Works, Corporate and Legal, Finance	Monthly	January 2003
Outdoor Advertising	Municipal Infrastructure, Roads, Transport and Civil Works, Development Planning, Sports and Recreation, Environment and Tourism	Monthly	March 2003
Multipurpose Community Centres	Roads, Transport and Civil Works, Sports and Recreation, Health and Social Development	Monthly	February 2003
Infrastructure Upgrade	Municipal Infrastructure, Roads, Transport and Civil Works, Development Planning	Monthly	February 2003

2. External Focus

**Sectoral Public Programmes: Focus on SMME's, cooperatives, access to finance, markets, provision of information and skills development as well as inputs into the IDP and SDF to ensure backward and forward linkages:**

- Agriculture
- Mining
- Manufacturing
- Construction

Role and Purpose:

- To engage with locals on economic development
- To obtain feedback and input on policies, strategies and delivery processes
- To monitor the national policies relating to the economy from the local perspective

Outcomes:

- Alignment of local policy and strategy with the Provincial Strategic Investment in Infrastructure and work of the Gauteng Economic Development Agency, as well as an alignment with national policies and programmes
- Forewarning of problem areas in the economy through dynamic interaction
- New institutional arrangements for economic development

Areas to be covered	Type of Gathering	Regularity	Commencement
Organised Business	Consultative Meeting	Monthly	February 2002
Advertising Industry	Consultative Meeting	Quarterly	December 2002
Mining	Forum	Quarterly	January 2003
Agricultural	Forum	Quarterly	February 2003
Food Gardens	Sub forum		
Small Projects	Sub forum		
Emerging Farmers	Sub forum		
Retail outlets and markets	Sub forum		
Cooperatives	Forum	Quarterly	March 2003
SMME	Forum	Quarterly	March 2003
Finance Sector	Consultative Meeting	Quarterly	April 2003
Construction	Forum	Quarterly	May 2003
Manufacturing	Forum	Quarterly	June 2003

3. Intergovernmental Mechanisms

**Facilitating communication and cooperation between the spheres of government on key focus areas linked to the economy**

Role and Purpose:

- Ensure co-ordination between the levels of government
- Align information on national and provincial programmes and on local conditions
- Facilitate the implementation of national and provincial programmes

Outcomes:

- Cooperative, collective response by government
- Sharing of information and technical expertise
- Ensure backward and forward linkages in the economy

Area of Focus	Type of Meeting	Role Players	Frequency	Commence
Agriculture	Programme Steering Committee	DACEL Regional Office	Monthly	November 2002
Agriculture	Technical Strategic Team	DACEL – directorate Agric (province), Land Affairs, (National), Agricultural Department (National), Social Development (Province), Land Bank, Agricultural Research Council	Quarterly	October 2002
Mining	Technical Strategic Team	Mineral and Energy (National), DACEL	Quarterly	October 2002
Manufacturing and Incentives, Trade and investment	Technical Strategic Team	DTI, Economic Affairs and Finance (Province), Blue IQ and Geda	Quarterly	January 2002
Skills Development	Technical Strategic Team	DTI, (National) Labour, (National) Education (National and Provincial)	Quarterly	February 2003
SMME	Technical Strategic Team	DTI, Gaumac, Province – Economic Affairs and Finance	Quarterly	February 2003
Cooperatives	Technical Strategic Task Team	DTI, Labour, Agriculture	Quarterly	February 2003



**4. Supporting mechanisms to conduct LED work and achieve KPA's**

**Getting the correct mix of resources, systems and processes**

Role and purpose

- Adequate capacitation of department according to needs and priorities
- Alignment of systems to process arrive at decisions and to implement decisions

Outcomes

- Clarity on support and resources required
- Details for budgeting
- Setting of deadlines and allocation of tasks
- Transparency in the processes

<b>Areas to be covered</b>	<b>Tasks</b>	<b>Supporting Departments</b>
Committee Support	Minutes and agendas for all meetings and events	Corporate and Legal
Legal Contracts	MOUs, partnership agreements etc	Corporate and Legal
Financial reports	Fulfilment of DORA requirements	Finance
Skilling of staff	Reskilling, tracking of training needs, recruitment, placement etc	HR
ICT resources and service	Reliable Email, interactive website, access to databases, telecommunications – Information centres and the department	IT
Events Management	Arrangements for public events	Communications and Marketing
Publications and publicity	Media coverage	Communications and Marketing