

PHASE 2: STRATEGIES

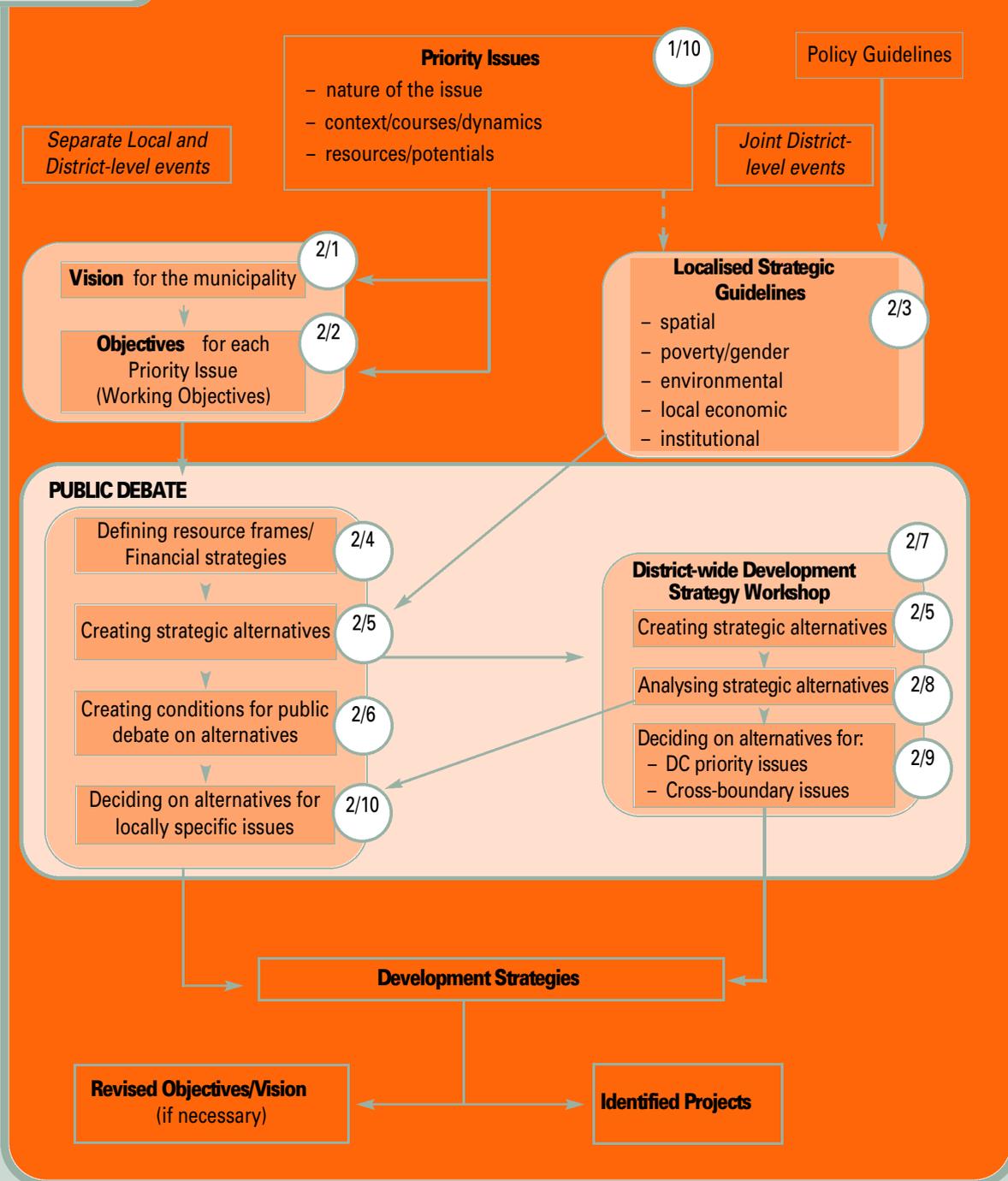
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PHASE 2: STRATEGIES

OUTPUTS:

- A long-term **vision** for the municipality
- Mid-term **objectives** for each priority issue
- Development **strategies** for each priority issue
- Identification of projects

PROCESS:



INTRODUCTION

Making choices

In Phase 2, the municipality will have to arrive at the crucial **decisions on its destination and** on the most appropriate **ways** to arrive there. It is the phase in which the basic decisions on the future direction of the municipality have to be made. In the past, most of the crucial decisions on development measures were not made by municipalities, but by national or provincial departments. These agencies tended to apply preconceived standard solutions. Such standard solutions were often inappropriate or too expensive. IDP is supposed to change this pattern of applying standard solutions. IDP is meant to provide choices to municipalities. Consequently, IDP as a key process of development within local government, requires choices from the municipality. **Strategic planning** helps in making such choices, in a systematic, rational and transparent manner.

What kind of decisions are required by the **Municipal Systems Act**?

The Act says that the municipality is supposed to determine:

- a **vision** for the long-term development;
- development **objectives** for the elected term of the council (including its local economic development aims and its internal transformation needs); and
- development **strategies** which are to be aligned with national or provincial sector plans and planning requirements.

Legal requirements meet management requirements

These legal requirements correspond perfectly to the **requirements of modern municipal management**: All role-players in a municipality need a *joint vision* as a common ground which provides guidance to everybody – the municipal governing bodies as well as the residents – and which gives direction beyond a council's term of office. The council's decisions have to be oriented towards clearly defined and *agreed objectives*, which at the same time give orientation to management, and which form the basis for performance management and the accountability of the municipal government towards the residents. And the activities of the executive bodies of the council need to be guided and streamlined by strategies which are the result of a joint decision-making process in which the executing agencies and all concerned parties are involved.

Via conflict resolution towards an agreed strategic framework for management

Agreed visions, objectives and strategies have a *unifying and coordinating* impact on the management of development processes. The path towards arriving at an agreement on objectives and especially on strategies, however, is a *conflicting* one as it is a decision on allocation and distribution of scarce resources. Thus, strategic planning implies conflict management. Rather than avoiding conflicts during planning by getting decisions made without big debates and, thereby, inviting conflicts, resistance or frustration in the implementation phase, strategic planning provides some space, (limited) time, and tools for a structured debate and transparent, systematic and democratic decision-making procedures. This would be more likely to lead to broad acceptance and to avoidance of disturbances during implementation.

But, how can strategic planning help to resolve conflicts? There are several complementary means of doing so:

Reducing conflicts through creative solutions

- Searching for *common ground* by looking for ways and means which satisfy the needs and expectations of different parties (so-called "win-win options", making use of synergy).
- Searching for *more cost-effective* solutions which allow satisfaction of a greater variety of needs with given resources, within a given period ("low input – high output – high leverage").
- Using *fair and transparent* decision-making *procedures* which can create acceptance of the results, even among "losers".
- Using procedures which encourage a *negotiation process for compromise solutions* rather than relying on a system of majority decisions in which minorities find themselves always in the losing position.

Preparing common ground by a joint vision

Agreeing on the destination

Checking what policy guidelines mean in the local context

Creatively searching for new ways

IDP as an arena for debate of the real issues

There are again (as in Phase 1) a variety of different possible processes for arriving at a vision, at objectives and at development strategies. The **process** proposed here is guided by the following considerations:

- ☆ The agreement on a long-term *vision* for the municipality (**Planning Activity 2/1**) should be the starting point of the decision-making process, as it is a useful process for preparing some common ground for those involved in the IDP-process, without getting too involved, at this stage, in controversial details. Consequently, the vision would not be informed by strategy debates and by the sense of realism such debates tend to create. This may mean that one might have to reconsider the vision at a later, more informed stage of planning. Visioning has the potential to create common local identity. Therefore, each municipality should have its own vision, and there is no need for local and district visions informing one another.
- ☆ *Objectives* should be phrased *for each priority issue* in a way which describes the envisaged situation related to the priority issue (**Planning Activity 2/2**). Though it may at this stage be difficult to say what can reasonably be achieved within a 5-year period, without having gone through the strategic debate on possible ways and means, we recommend agreement on objectives first on a tentative basis (calling it “Working Objectives”), in order to set a clear focus for the strategy debate. You need to know where you want to go, before discussing the best way to get there even if it may turn out later that your envisaged destination is not reachable, and you may have to redefine your objectives.
- ☆ Strategy decisions of a municipality have to be informed by two sides: Firstly by the local context, i.e. by the municipality’s priority issues, its vision and its objectives, and secondly by *national and provincial policy and strategy guidelines*. This means that those in charge of making strategy decisions should not only know the relevant guidelines and strategies, but they should reach a common understanding on what these guidelines mean to the municipality. This process of “*localising*” *general policy and strategy guidelines* (**Planning Activity 2/3**) does not necessarily have to take place in each local municipality. We recommend that a joint workshop be held at District-level, with working groups which can cover the crucial cross-cutting dimensions to which such guidelines usually apply (spatial, social, environmental, economic and institutional).
- ☆ While there may be some issues and related objectives for which there are clear-cut, obvious standard solutions with little choice, many unresolved problematic issues require creative thinking on better, more effective ways and means. New challenges (as well as old unresolved ones) require new ways to go. This may apply to issues like crime, population influx, rural development and job creation, but also to more affordable and sustainable systems of service delivery. Thus, there is a necessity to *stimulate discussion on strategic alternatives*, i.e. on appropriate ways and means of achieving the agreed objectives within the given resource frames (**Planning Activities 2/4 and 2/5**). Such debates should, be stimulated at local level to make best use of local experience. However, external know-how from subject matter specialists may also be helpful to learn about “best practice” solutions from elsewhere (**Planning Activity 2/7**). Providing time and space for such creative debates and involving all kinds of resource persons is a prominent feature of innovative municipal management and a prerequisite for identifying creative solutions.

The District: Where people and places meet sectors and subjects...

... to arrive at rational choices in a systematic manner

Individual decisions guided by a joint spirit

- ☆ The core process of strategic planning is the process of arriving at strategic decisions in a participatory and systematic manner. This includes:
 - summarising and refining the alternative options resulting from the various creative debates and contributions;
 - analysing these alternatives under consideration of the localised policy and strategy guidelines, the local needs and the local resources **(Planning Activity 2/8)** ; and
 - decision-making as a result of the analysis **(Planning Activity 2/9)** .

This process is not only the most crucial one in the IDP process, but possibly also the most challenging one. It is the event where people and places have to be brought together with sectors and subjects. Many different aspects need to be considered. A wide range of different role-players need to be involved. And difficult choices on controversial issues will have to be made. This requires high level facilitation skills which are not accessible at each municipality. It also needs the involvement of professionals from provincial and national level as well as from research institutions and NGOs. Therefore, we recommend that this process should be organised *at District-level* rather than doing it at each local municipality in isolation. For each of those priority issues which several municipalities have in common, and for District-level priority issues, *District-wide strategy workshops* should be organised, with the assistance of PIMS-Centre **(Planning Activity 2/6)** .

- ☆ The final decision on the strategy should be informed by the joint District-level analysis, but it has to eventually be done by each municipality in charge of the issue. Thus, District-level issues and cross-boundary issues should be jointly decided at the District-level workshops, while decisions on locally specific priority issues will have to be taken by local municipalities taking into consideration insights from District-level analysis. **(Planning Activity 2/10)** .

The strategy decisions may require a revision of the initial working objectives and even of the vision. The strategy designs will have to include a list of projects related to that strategy and they will have to guide the project planning process.

Sector Alignment in the Strategies Phase

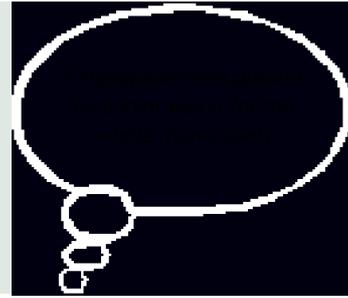
The strategy phase requires two different types of sector alignment:

- Alignment to legal planning requirements related to the **formulation of sector - specific objectives** (e.g. specifying proposed service levels) and strategies (e.g. strategies for travel or water demand management, transport infrastructure provision and maintenance strategies). *This* will have to be considered as part of the IDP process in all fields for which sector planning coincides with Priority Issues.
- Alignment to the **compliance requirements** of departments which represent **cross-cutting dimensions** (environmental, spatial, economics, etc.). The principles and guidelines which have been elaborated by these departments (e.g. DFA principles, National Environmental Management Policy), must be considered during the process of defining objectives and designing strategies.

Though strategies should not be dealt with from a primarily sectoral perspective, sectoral know-how, sectoral guidelines and strategies will have a crucial role to play in informing vision, objectives and strategies.

PHASE 2: STRATEGIES

PLANNING ACTIVITY: 2/1 VISION



Purpose:

WHY?

To inspire, focus the attention and mobilise all residents, communities, stakeholders, politicians and officers in creating the desired future for the municipal area.

Minimum Requirements: w/r to Outputs

WHAT?

✧ A statement of the desired long-term development of the municipality based on the identified Priority Issues and related to the specific conditions in the municipal area.

w/r to Process

✧ Involvement of the IDP Representative Forum.

Hints for Designing the Output

- Visions should be short enough to become popular, but specific enough to refer to the characteristics, problems and potentials of the municipality. The more general visions are phrased, the less they can give guidance.
- Visions should be phrased in a way to be understood by everybody.

Hints for Structuring the Process

HOW?

The process for developing the Vision should include the following steps:

- (1) Develop a Working Vision with the IDP Representative Forum.
- (2) Popularise the Vision through public debate to inform a revised vision.
- (3) Revise the Vision if necessary after the formulation of the Development Strategies.

Suggested Institutional Arrangements/ Responsibilities

WHO?

- The IDP Representative Forum should formulate the Vision and its revised version.
- The municipality and the IDP Representative Forum should devise ways and means to popularise the Vision and facilitate debates on it.



Time Requirement (tentative)

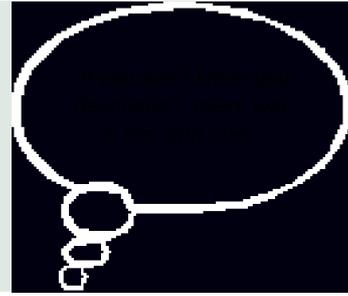
- Formulating the working Vision and the working Objectives: 1 day
- Popularising, publicising and debating the working Vision: 6 weeks (during strategy debates)
- Revising the Working Vision: 1 day

Note:

- ☛ Despite their long-term and normative nature visions should be informed by reality. They should indicate how this municipality with its specific needs and resources should look like after 25 years.
- ☛ Visions and strategies may inform one another mutually. While a (Working) Vision is necessary to inform strategy decisions, the strategy debate may reveal that the Working Vision is unrealistic or too vague. There may be better ideas for phrasing a Vision at the end of the strategy debate. Therefore, there should be a possibility to rephrase the vision.

PHASE 2: STRATEGIES

PLANNING ACTIVITY: 2/2 DETERMINING WORKING OBJECTIVES



Purpose:

Providing direction to the planning and implementation process.

WHY?

Minimum Requirements: w/r to Output

☆ Decision on one objective or a set of interrelated objectives for each priority issue (time horizon: 5 years).

WHAT?

w/r to Process

☆ Visioning and the decision on objectives should be one process and must be done in the Representative IDP Forum.

Hints for Designing the Output

- Objectives should relate to the identified problems or needs of people. They should be phrased as a solution of these problems. They need to be phrased as specific as the underlying problem with regard to location and the group of people affected.
- Objectives should clearly indicate the intended benefit for the people or the municipality.
- If there is a range of interrelated objectives (e.g. reducing unemployment by economic investments), one may decide on a hierarchy of objectives.
- Objectives have to be set before deciding on strategies. But they may have to be modified as a result of the strategy debate.
- For some sectors (e.g. water, infrastructure, waste management) statements on objectives are a planning requirement (e.g. envisaged service levels, water quality).

HOW?

Suggested Institutional Arrangements/ Responsibilities

- Objectives may be phrased first by the IDP Steering Committee and then be presented for discussion and decision to the IDP Representative Forum.
- At District-level, the objectives of local municipalities for each priority issue may be aligned during the strategy workshop.

WHO?



Time Requirement (tentative)

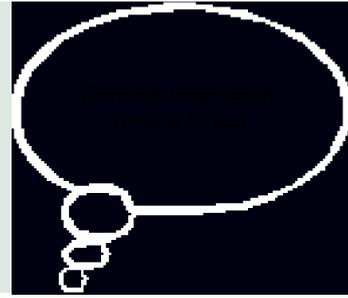
1 day workshop (vision and objectives)

Note:

- ☞ The objectives may be phrased in general terms at this stage and be specified after technical planning at the end of Phase 3.
- ☞ A discussion on strategies only makes sense if there is first a basic agreement on objectives.
- ☞ Development indicators for each objective will be determined after project/programme planning.

PHASE 2: STRATEGIES

PLANNING ACTIVITY: 2/3 LOCALISED STRATEGIC GUIDELINES



Purpose:

To ensure that general policy guidelines related to cross-cutting dimensions such as spatial development principles, environmental sustainability, poverty alleviation, gender equity, local economic development strategies, and institutional aspects are adequately considered when strategies are designed and projects are planned.

WHY?

Minimum Requirements: w/r to Output

- ☆ Localised Strategic Guidelines are designed related to:
 - spatial dimension
 - poverty/gender dimension (socio-economic dimension)
 - environmental dimension
 - local economic development
 - institutional dimension
 - other cross-sectoral policy guidelines (such as the National HIV/AIDS and STD Plan 2000).

WHAT?

w/r to Process

- ☆ An involvement of specialists for each of the dimensions is crucial at this stage.

Hints for Structuring the Process

- (1) Translating general policy guidelines into Localised Strategic Guidelines is a process which requires the involvement of other spheres of government and of specialists. Therefore, district-level workshops should create guidance and common understanding for the task.
- (2) There should be one overall workshop on Localised Strategic Guidelines with working groups on each dimension. This offers the possibility for looking at the inter-relations between the different dimensions.
- (3) As the specific spatial patterns and issues tend to differ from place to place, each local municipality has to undertake its own process of translating general to localised guidelines on basis of the common understanding reached during the district-level workshop.

HOW?

Hints for Designing the Output

- The Localised Strategic Guidelines should not be merely a repetition of national policy guidelines or principles. Instead, they should outline the way in which the development strategies and projects should consider those national guidelines or principles, taking into consideration the specific conditions in the region as identified in the Analysis Phase.
- The guidelines for each cross-cutting dimension should be no longer than 2 – 3 pages, in order to make them easier to use during the further planning process.

Suggested Institutional Arrangements/ Responsibilities

- Organisation of a 1 – 2 day district-level workshop (preferably to be organised by PIMS-Centres).
- Invitation of a good mix of representatives from all local municipalities and specialists/resource persons for all dimensions.
- For each dimension it is crucial to invite relevant stakeholders or competent resource persons as advocates for the issue (i.e. for environmental, poverty gender, economic concerns).

WHO?



Time Requirement (tentative)

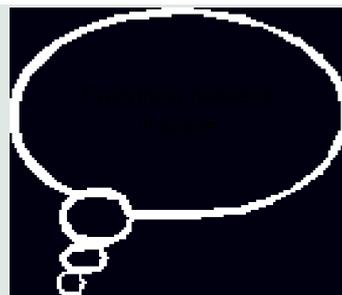
1 – 2 day district workshop.
2 – 3 days discussion and drafting at local level.

Note:

- ☛ Vision and Objectives result from the local context and provide the direction the municipality wants to go. Localised Strategic Guidelines, in contrast, result from the national or provincial context. They influence primarily the way in which the municipality should approach its objectives (e.g. in an environmentally friendly, employment generating, sustainable, manner).
- ☛ The Localised Strategic Guidelines for cross-cutting dimensions are neither supposed to replace the elaboration of strategies focused on Priority Issues, nor to supplement them. Instead, they are meant to inform the strategising process and the project planning process.

PHASE 2: STRATEGIES

PLANNING ACTIVITY: 2/3 A LOCALISED SPATIAL STRATEGIC GUIDELINES



Purpose:

WHY?

To ensure that national spatial development principles (DFA in particular) are applied in a manner related to the specific local issues when strategies are designed and projects are planned.

Output Requirements:

WHAT?

- ☆ A concise document that demonstrates the application of the DFA-principles and other spatial development guidelines, and makes them specific issues and problems of the municipality. This should be represented in 3 – 5 pages accompanied by maps.
- ☆ Special attention should be paid to land reform issues.

Legislation/Policy Documents

WHERE TO LOOK?

- Development Facilitation Act, Chapter 1
- The White Paper on South African Land Policy
- The Housing Act
- The Housing White Paper
- Green Paper on Development and Planning
- National Environmental Management Act.

Relevant Guidelines/Principles

NATIONAL INPUT

- ☆ **Spatial Development Principles:**
 - Correction of historically distorted spatial patterns.
 - Spatial integration (rural/urban, poor/rich, black/white, housing/workplace).
 - Diversity of land uses.
 - Discouragement of urban sprawl/densification/compact towns and cities.
 - Environmentally sustainable land development practices.
 - Spatially coordinated sectoral activities.
- ☆ **Land Development Guidelines:**
 - Provision for development of urban and rural land, existing and new settlements.
 - Discouragement of land invasions (without ignoring reality of informal land use processes).
 - Equitable access to land.
 - Tenure security.

The Nature of Localised Strategic Guidelines

LOCAL OUTPUT

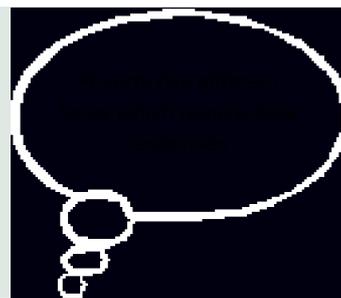
Localised Spatial Strategic Guidelines should outline the way in which the national spatial principles and local development guidelines should be applied in the local context, taking into consideration the specific spatial characteristics and problems as identified in the spatial analysis (1/5). By doing so, the Localised Spatial Strategic Guidelines should:

- Inform **spatial development and restructuring strategies** related to the spatial issues as identified in the Analysis Phase (1/5).
- **Inform** the locational aspects of general **strategy decisions and project planning**.
- Indicate the necessity of **land reform** projects.

The localised guidelines should focus on spatial key issues and directions rather than providing area-covering land use guidelines.

For process requirements, institutional arrangements and time requirements see the generic Planning Activity sheet on “Localised Strategic Guidelines” (2/3).

PHASE 2: STRATEGIES



PLANNING ACTIVITY: 2/3 B LOCALISED STRATEGIC GUIDELINES FOR POVERTY ALLEVIATION AND GENDER EQUITY

Purpose:

To ensure that poverty alleviation and gender equity policies are applied when strategies are designed and projects are planned.

WHY?

Minimum Output Requirements:

☆ A concise (3 – 5 pages) document that demonstrates the application of the constitutional principles of inclusiveness, equality and basic needs satisfaction and make them specific to the situation in the municipality.

WHAT?

Relevant Legislation and Policy Documents to be considered

- Constitution Section 26, 27 regarding basic needs and Section 9 regarding gender equality.
- RDP (Reconstruction and Development Programme).
- White Paper on Local Government.
- SALGA Handbook on “Gender and Development”.

WHERE TO LOOK?

Relevant Guidelines to be considered

- ☆ **Poverty alleviation:**
 - Crucial role of local government in meeting basic needs of the poor (access to basic services).
 - Creating opportunities for *all* to sustain themselves through productive activity.
 - Establishing a social security system and other safety nets to protect the poor and other disadvantaged groups.
 - Empowerment of the poor/encouraging the participation of marginalised groups.
- ☆ **Gender equity:**
 - Addressing existing gender inequalities as they affect access to jobs, land, housing, etc.
 - Focusing efforts and resources on improving the quality of life especially of those members and groups that are most often marginalised or excluded, such as women.
 - Inclusiveness by empowerment strategies which focus on women.
 - Understanding the diverse needs of women and addressing these needs in planning and delivery processes.

NATIONAL INPUT

The Nature of Localised Strategic Guidelines

Localised strategic guidelines for poverty alleviation and gender equity should outline the way in which development strategies and projects should consider national guidelines or principles taking into consideration the specific conditions in the municipal area. Doing so, such localised guidelines should refer:

- to the specific local poverty situations/gender-related problems which should be addressed;
- to specific population groups to be taken care of by strategies and programmes; and
- to appropriate ways and means of involving disadvantaged groups in the process.

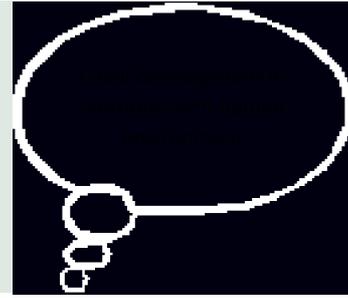
LOCAL OUTPUT

The question is: “What do such principles/guidelines mean to the specific situation of specific groups of people at specific places in our municipality?”.

For process requirements, institutional arrangements and time requirements see generic Planning Activity sheet on “Localised Strategic Guidelines” (2/3).

PHASE 2: STRATEGIES

PLANNING ACTIVITY: 2/3 c LOCALISED STRATEGIC ENVIRONMENTAL GUIDELINES



2/3c

Purpose:

WHY?

To ensure that the principles of Chapter 1 of the National Environmental Management Act of 1998 are applied when strategies are designed and projects are planned.

Minimum Output Requirements:

WHAT?

☆ A concise document that demonstrates the application of the NEMA principles and Local Agenda 21, which gives effect to the NEMA principles, and makes them specific to the municipality. This should be represented in 3 – 5 pages accompanied by a diagram/plan.

Legislation/Policy Documents

WHERE TO LOOK?

- Principles of Chapter 1 of the National Environmental Management Act.
- Local Agenda 21.
- National Environmental Management Plans.
- Provincial Environmental Implementation Plans.

Relevant Guidelines/Principles

NATIONAL INPUT

Municipal strategies and projects have to comply with the principle of an **ecologically sustainable development process** meaning that any utilisation of natural resources should not negatively affect the possibility of present and future generations to satisfy their needs. This relates to the following aspects of the environment:

- avoiding pollution and degradation of the environment;
- avoiding waste, ensuring recycling or disposal in a responsible manner;
- minimising and remedying negative impacts on the environment and on people's environmental rights;
- considering the consequences of the exploitation of non-renewable natural resources;
- avoiding jeopardising renewable resources and ecosystems;
- paying specific attention to sensitive, vulnerable, highly dynamic or stressed ecosystems;
- minimising loss of biological diversity; and
- avoiding disturbance to cultural heritage sites.

Attempts to consider such principles in development planning need to be aware of the limits of current knowledge about the consequences of decisions and actions.

The Nature of Localised Strategic Guidelines

LOCAL OUTPUT

Localised Strategic Guidelines have to indicate which of these general environmental principles are relevant to which types of resource utilisation and to which locations. Only by being sufficiently focused and specific in that regard environmental guidelines can adequately inform strategy decisions and project designs.

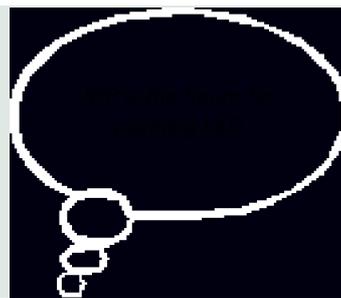
The guidelines may include:

- a list of especially endangered or degraded resources;
- a list of locations which may require restrictions for utilisation;
- a list of economic activities which needs special attention with regard to environmental impact; and
- risks of environmental disasters.

For process requirements, institutional arrangements and time requirements see the generic Planning Activity sheet on "Localised Strategic Guidelines" (2/3).

PHASE 2: STRATEGIES

PLANNING ACTIVITY: 2/3 D LOCALISED STRATEGIC GUIDELINES FOR LOCAL ECONOMIC DEVELOPMENT (LED)



Purpose:

To ensure that economic development aspects in general and LED strategies in particular are taken into consideration when strategies are defined and projects are planned.

WHY?

Minimum Output Requirements:

☆ A concise (3 – 5 pages) document that provides a framework for any economic promotion measures (direct or indirect) by the municipality. The localised guidelines result from an application of general LED/economic promotion strategies to the specific local conditions.

WHAT?

Legislation/Policy Documents

- There is a constitutional mandate for municipalities to promote social and economic development.
- The White Paper on Local Government encourages municipalities to address unemployment and to promote LED.
- Employment generation based on economic growth and competitiveness is a major goal of the GEAR (Growth, Employment and Redistribution) Programme.

WHERE TO LOOK?

Relevant Guidelines/Principles

- LED aims at creating employment opportunities and redistribution of economic resources and opportunities for the benefit of all residents (thereby contributing to alleviation of poverty) through economic growth and development based primarily on local resources. Local government is supposed to play a crucial role in promoting LED.
- IDP is considered to be the tool to plan LED support programmes, assuming that some of the socio-economic needs (i.e. Priority Issues) will be best addressed through LED initiatives. In addition, IDP has to ensure the proper consideration of LED objectives in other strategies and initiatives (e.g. infrastructure).
- There is a wide range of sector-specific or location-specific economic development guidelines which do not necessarily apply to all municipalities, such as Spatial Development Initiatives (SDI), agricultural development policies, tourism development strategies etc. Any promotion efforts in these fields should be planned in the context of the IDP process to arrive at well-coordinated economic promotion in a municipal area.

NATIONAL INPUT

The Nature of Localised Strategic Guidelines

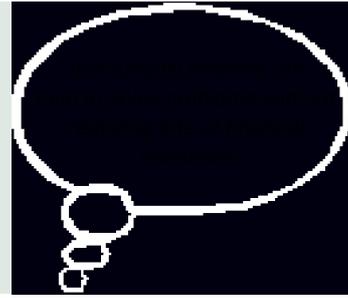
- ☆ Localised Strategic Guidelines for LED should inform:
 - (a) Specific LED strategies and employment generation strategies which all those municipalities will have to design where unemployment and lack of income sources are Priority Issues (which is likely to be the case everywhere).
 - (b) Strategies and the design of project proposals in other fields, which may have an impact on local economic development (e.g. labour-intensive means of construction, procurement approaches).
- ☆ Localised Strategic Guidelines for LED should include:
 - (1) Focal economic sectors for promotion (e.g. tourism, agro-based industries, processing industries).
 - (2) Basic principles of promotion (e.g. focus on labour-intensive techniques, viability, sustainability).
 - (3) Major instruments of promotion.
 - (4) Major target groups (type of enterprises) and intended beneficiaries (e.g. women, school leavers).
 - (5) Focal geographic areas.

LOCAL OUTPUT

For process requirements, institutional arrangements and time requirements see generic Planning Activity sheet on "Localised Strategic Guidelines" (2/3).

PHASE 2: STRATEGIES

PLANNING ACTIVITY: 2/3 E LOCALISED INSTITUTIONAL STRATEGIC GUIDELINES



2/3E

Purpose:

WHY?

To ensure that IDP strategies address the institutional deficiencies and constraints which are affecting service delivery, rather than focusing only on physical investment projects.

Minimum Output Requirements:

WHAT?

- ☆ A concise document (3 – 5 pages) that includes:
 - a problem statement related to the existing forms and management of service delivery in the municipality; and
 - guidelines for managerial reform and selection of appropriate forms of service delivery which are considering the specific situation in the municipality.

Legislation/Policy Documents

WHERE TO LOOK?

White Paper on Local Government, Section F.

Relevant Guidelines/Principles

NATIONAL INPUT

Municipalities are supposed to **develop delivery capacities** for accessible, affordable, basic needs orientated, integrated, sustainable and efficient quality services on an accountable basis.

This can be done in **two** different **ways** :

- Initiating a **managerial reform** aiming at:
 - objectives-and results orientated management;
 - effectiveness-and efficiency orientated management (“value for money”); and
 - service-and client orientated management,based on management tools like:
 - performance-based contracts;
 - service orientated codes of conduct;
 - deconcentration of operational responsibility by giving more power and skills to the frontline workers; and
 - consultative decision-making approaches within the administration.
- Selection of **appropriate forms of service delivery** under systematic consideration of options like corporatisation, public-public partnerships, public-community partnerships, contracting out, lease and concessions, privatisation.

The Nature of Localised Strategic Guidelines

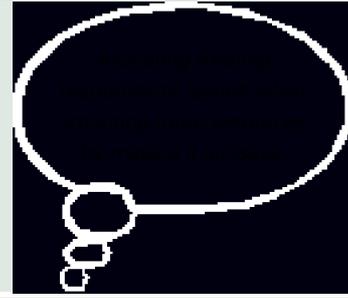
LOCAL OUTPUT

Localised institutional strategic guidelines should outline which managerial reform approaches and which forms of service delivery should be envisaged in which fields of service provision, taking into account the specific conditions in the municipal area. They should refer to:

- specific institutional transformation or management reform projects which may refer to municipal administration as a whole or to selected aspects of the service system (like rate payment system); and
- the institutional or organisational dimension of other projects.

For process requirements, institutional arrangements and time requirements see generic Planning Activity sheet on “Localised Strategic Guidelines” (2/3).

PHASE 2: STRATEGIES



PLANNING ACTIVITY: 2/4 DEFINING RESOURCE FRAMES AND DESIGNING FINANCIAL STRATEGIES

Purpose:

WHY?

- ☆ To define strategies for each issue in a realistic way by considering external and internal financial resources, as well as natural and human resources available/accessible for each priority issue, and by taking resource limitations into account.
- ☆ To increase the available financial resources by making use of creative and innovative solutions for coping with financial resource constraints.

Minimum Requirements: w/r to Output

WHAT?

- ☆ To get more benefit out of given internal resources by managing them in a more strategic and innovative way.
- ☆ A well-informed guess on accessible financial, professional/human/ institutional and natural resources for each objective.
- ☆ A financial strategy of the municipality which defines ways and means of increasing revenues and external funding for the municipality in general as well as for each priority issue/objective. This strategy may include:
 - revenue raising strategies;
 - asset management strategies (e.g. restructuring of assets);
 - financial management strategies (procedures);
 - capital financing strategies (e.g. loan finance, grants);
 - operational financing strategies (e.g. partnerships); and
 - cost-effectiveness (e.g. cost-cutting, outsourcing).

w/r to Process

None

Hints for Structuring the Process

HOW?

- (1) After defining the objectives, investigation is required into the amount of financial, human/institutional and natural resources which can be made accessible for implementing activities related to these objectives (under consideration of the overall resource analysis done in Phase 1).
- (2) Preliminary decisions should be made by the municipality on the share of internal resources to be allocated to the different priority issues/objectives.
- (3) Informing the various strategy debates and workshops on expected resource limitations.
- (4) Proposals for a **financial strategy** should be made and analysed by taking into account local knowledge and ideas as well as the knowledge and experience of external specialists. Therefore, this planning activity should be done in two steps at local and thereafter, at district-level:
 - (i) *Local level*: Creation of alternative financial strategies by the financial management committee.
 - (ii) *District level*: The alternatives identified at local level are brought forward to the district-level development strategy workshop for municipal finance, and additional alternatives are added by the participants of that workshop before being analysed.
 - (iii) *Local level*: Decision on an appropriate strategy mix.
- (5) Adjustment of the allocations made in step 2 while considering the estimated amounts from additional revenue sources.

Suggested Institutional Arrangements/ Responsibilities

WHO?

- Compilation of relevant information is desk work to be done by officials.
- The municipal finance committee assisted by competent financial planners (treasurers) should formulate alternative financial strategies to be presented to the IDP Representative Forum under the leadership of the "Councillor Responsible for Financial Matters".



Time Requirement (tentative)

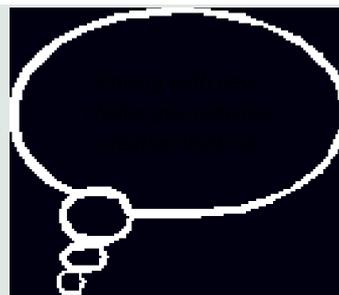
- Defining a preliminary resource frame: 2 weeks
- Designing a financial strategy: 4 weeks (parallel to strategy workshops)
- Revising the resource frame accordingly: 2 weeks

Note:

- ☞ Defining resource frames and designing financial strategies are two processes which inform each other mutually. Financial strategies are responses to identified resource limitations and they result in an expansion of the resource frame!
- ☞ Facilitators to stimulate creative thinking by asking challenging questions and by challenging predetermined standard solutions.

PHASE 2: STRATEGIES

PLANNING ACTIVITY: 2/5 CREATING ALTERNATIVES



Purpose:

To ensure municipalities make use of new, creative and innovative solutions for coping with problems and new challenges.

WHY?

This is especially relevant, if conventional approaches are too costly, inappropriate or unsustainable.

Minimum Requirements: w/r to Output

☆ A broad range of realistic alternatives for each Priority Issue.

WHAT?

w/r to Process

☆ A creative process of searching for alternatives takes place. Competent resource persons are to be involved in that process.

Hints for Structuring the Process

The identification of alternatives has to take into account local knowledge and ideas as well as the knowledge and experience of external specialists.

Therefore, this planning activity should be done in two steps at local and, thereafter, at district-level. This results in the following sequence of steps:

- (1) **Local level:** Creation of alternatives for each local Priority Issue in the IDP Representative Forum with incorporation of people affected and local resource persons.
- (2) **District level:** The alternatives identified at local level are brought forward to the district-level development strategy workshop for the priority issue, and additional alternatives are added by the participants of that workshop.
- (3) The various **alternatives** presented by local municipalities and those additional alternatives added at district-level are **refined** before being analysed.

At both levels creation of alternatives needs a workshop or working group session per Priority Issue in order to:

- (a) Provide specialist information on alternative ways and means.
- (b) Stimulate a creative brainstorming process on alternatives.
- (c) Clarify and specify proposed alternatives in a way, which gives everybody a clear picture of what is proposed.

HOW?

Suggested Institutional Arrangements/ Responsibilities

Local municipalities: Sessions for creating alternatives should be held in the IDP Representative Forum, in order to:

- (a) Go sufficiently prepared to the district-level strategy workshop.
- (b) Stimulate a local-level public debate on the various alternatives.

District-level: Experienced resource persons and subject matter specialists (including national and provincial level, NGOs, research institutions) shall be invited to the Development Strategy Workshop.

WHO?



Time Requirement (tentative)

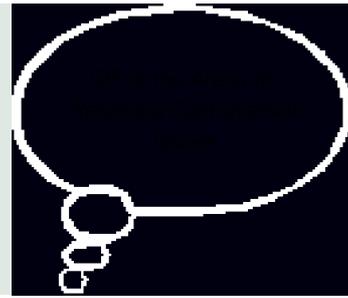
Time frame for debate on various levels: 1 month

Note:

- ☛ Involve external know-how, local know-how, practitioners know-how.
- ☛ Facilitators to stimulate creative thinking by asking challenging questions and by challenging pre-determined standard solutions.
- ☛ In case there are prescribed standards from national or provincial departments which are inappropriate or not affordable, District-level workshops should be used to initiate a debate on modification or adaption of such standards.

PHASE 2: STRATEGIES

PLANNING ACTIVITY: 2/6 CREATING CONDITIONS FOR PUBLIC DEBATE ON ALTERNATIVES



Purpose:

To contribute to realistic solutions, to the ownership of intended beneficiaries and to a transparent and acceptable resolution of conflicts.

WHY?

Minimum Requirements: w/r to Output

☆ Members of the IDP Representative Forum, of concerned communities or stakeholder groups and local media are informed on the issues to be decided on, and on the decision-making procedures (including time schedule).

WHAT?

w/r to Process

☆ The municipality's responsibility is to create conditions for a debate, but not necessarily to stimulate, organise or facilitate the debate.

Hints for Structuring the Process

- (1) The meeting of the IDP Representative Forum, in which strategic alternatives are created, should be used to agree with the members on procedures and responsibilities for a public debate. These procedures and responsibilities may differ considerably by issue.
- (2) Some means of stimulating debate are involvement of local media, or public hearings.
- (3) The proposals, concerns and conflicts arising from the public debate should be taken up by the alternatives analysis and decision-making processes of the IDP Representative Forum and the district strategy workshops.

HOW?

Suggested Institutional Arrangements/ Responsibilities

- The IDP Steering Committee has to compile the necessary information for the public.
- It's up to the members of the IDP Representative Forum to stimulate debates among the groups or communities they represent.
- Local resource persons should be involved and play a crucial role in such public debates.

WHO?



Time Requirement (tentative)

- Time frame of **1 month** (in parallel to the District Strategy Workshops)

Note:

☞ Relevance and nature of public debates on strategies differ largely by issue according to people's competence and the degree to which they are concerned. Not all people feel equally competent and concerned to participate in debates on a certain issue. In many cases an active involvement in the debate may be limited to few stakeholder organisations, while the broader public may be happy with following the debate through the media.

PHASE 2: STRATEGIES

PLANNING ACTIVITY: 2/7 UNDERTAKING DISTRICT-LEVEL WORKSHOPS



Purpose:	To ensure that strategies are designed in a competently facilitated process, together with all relevant role-players and specialists.
WHY?	

Minimum Requirements: w/r to Output	<ul style="list-style-type: none"> ☆ An overview of relevant strategic alternatives and their advantages and disadvantages for each Priority Issue and a strategy decision for District Council and cross-boundary Priority Issues.
WHAT?	

w/r to Process	<ul style="list-style-type: none"> ☆ One strategy workshop per Priority Issue for those Priority Issues which affect more than one local municipality. ☆ Involvement of representatives from the local level, from provincial/national departments and of specialists.
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Hints for Structuring the Process	<ul style="list-style-type: none"> • Local municipalities have to inform Districts on their Priority Issues before the end of phase 1. • Based on the Priority Issues identified by local and district municipalities, the Districts must decide which issues to combine in one workshop. Priority Issues which affect only one municipality should be handled by local level workshops.
HOW?	

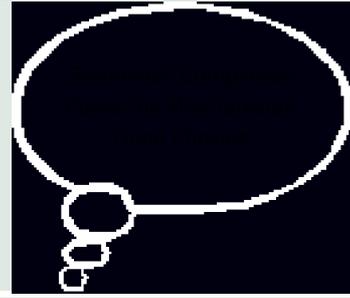
Hints for Designing the Output	See Planning Activity 2/10.
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Suggested Institutional Arrangements/ Responsibilities	<ul style="list-style-type: none"> • District Councils (assisted by their PIMS-Centres) should organise the process. • Invitation of specialists and advocates for cross-sectional issues (e.g. environment, spatial planning, gender, HIV/AIDS) is as crucial as the invitation of all relevant sectors (e.g. irrigation specialists from Departments of Agriculture for a workshop on the issue of water supply). • In each strategy workshop the following planning activities should be done: <ul style="list-style-type: none"> – Creating strategic alternatives and refining them under consideration of alternatives identified previously at local level (see 2/5). – Analysing these alternatives under consideration of strategic guidelines (see 2/3) and related criteria (see 2/8). – Deciding on a strategy in case of DC or cross-border issues (see 2/9).
WHO?	

 Time Requirement (tentative) <ul style="list-style-type: none"> • Depending on the complexity of the issue and the size of affected municipalities a strategy workshop may take between 1 – 5 days. • All District-level strategy workshops should be done within a time frame of 1 month. 	Note: <ul style="list-style-type: none"> ☛ District-level workshops can fulfil several functions: <ul style="list-style-type: none"> – Cross-boundary coordination between local municipalities. – Participation of provincial/national representatives and of competent subject-matter specialists. – The qualified facilitation of (sometimes) difficult decision-making and conflict resolution processes.
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PHASE 2: STRATEGIES

PLANNING ACTIVITY: 2/8 ANALYSING ALTERNATIVES



Purpose:

To contribute to effective utilisation of limited municipal resources to the benefit of the people affected and in line with development policy principles.

WHY?

Analysing alternatives systematically helps to arrive at principle-led rational choices.

Minimum Requirements: w/r to Output

☆ Information on the expected impact (advantages/disadvantages) of the identified alternatives under consideration of various criteria.

WHAT?

w/r to Process

☆ Involvement of a representative range of role-players from different levels and fields (representing economic, environmental, social, gender, spatial, institutional concerns and the concerns of intended beneficiary groups) in order to make sure that all crucial aspects are considered in the analysis.

Hints for Structuring the Process

- (1) The identified and refined alternatives for each priority issue have to be listed. In doing so, one should make sure that each alternative is phrased in a sufficiently concrete way to enable comparison and analysis.
- (2) While a broad debate on the advantages and disadvantages of each alternative should be encouraged, professionals should start compiling information on the various effects of the alternatives.
- (3) Criteria for comparative analysis should be agreed on.
- (4) Finally, the alternatives should be analysed against each of the criteria taking into consideration the results of information provided by specialists and insights gained from public debates.

HOW?

Suggested Institutional Arrangements/ Responsibilities

- **Local level:** A public debate on the alternatives should be stimulated through the IDP Representative Forum. In cases of strong public interest, the media may be involved, and hearings with experts may be organised. Technicians and specialists in charge should be asked to provide the necessary information on expected costs and benefits.

For locally specific issues, the final analysis should be done at local level.

- **District level:** For all DC issues and for issues which apply in a similar way to several local municipalities, the final assessment of alternatives should be done as part of district-wide strategy workshops in order to ensure the involvement of national and provincial specialists and other professional resources.

WHO?



Time Requirement (tentative)

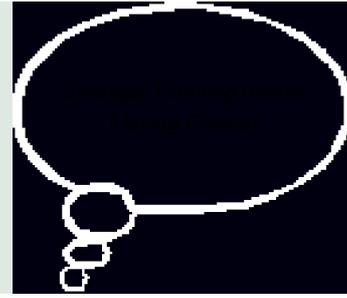
A time frame of 1 month should be given for discussion and analysis of alternatives.

Note:

- ☛ Analysing alternatives can be done in two ways: By open, unstructured public debates on pros and cons, and by a systematic comparison based on criteria and facts. For some issues public debates may be more appropriate, for others less so. In any case, the municipality should create conditions for a public debate. At the end, the results from both approaches should be combined by feeding the outcomes of the open discussion process into the systematic criteria-based analysis.

PHASE 2: STRATEGIES

PLANNING ACTIVITY: 2/9 DECIDING ON AN ALTERNATIVE/DESIGNING THE STRATEGY



Purpose:

To provide clear direction for project planning and implementation.

WHY?

Minimum Requirements: w/r to Output

☆ Municipal development strategies for each Priority Issue, which are in line with national and sectoral plans and planning requirements. These strategies should indicate the ways by which the objectives shall be achieved with given resources.

WHAT?

☆ List of identified projects.

w/r to Process

☆ Like the analysis of alternatives, the decision on the strategy has to be done by a representative group of role-players under consideration of all dimensions.

Hints for Structuring the Process

- Decision-making process: Strategy decisions should be based on criteria and on a systematic assessment process, rather than on a majority vote. Such a criteria based discussion and negotiation process can help to convince people to find common ground and sound compromises. Consequently, sufficient time should be given for such a criteria- and information-related debate, before workshop participants decide on a strategy. There are a range of tools for criteria-related decision-making (see Vol. IV).
- Decisions on strategies related to DC Priority Issues and for cross-boundary issues should be made at the end of the district-wide development strategy workshop.
- Decisions on strategies related to locally specific issues should be made at local municipality level by the IDP Representative Forum. They may be informed by the district-level alternative analysis process as far as the results of this analysis are applicable to the local conditions.

HOW?

Hints for Designing the Output

Phrasing of a development **strategy** : Strategy statements should include:

- (a) the objective(s) to which the strategy wants to contribute;
- (b) ways and means by which the objectives shall be achieved under consideration of problem causing factors;
- (c) a clear description of the major fields of intervention; and
- (d) a list of projects.

Strategies should be characterised/labelled by being given a heading.

Suggested Institutional Arrangements/ Responsibilities

- District level: Development Strategy Workshop.
- Local level: IDP Representative Forum.

WHO?



Time Requirement (tentative)

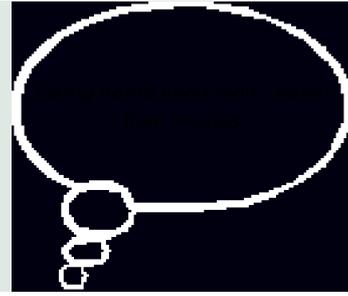
- No specific time requirements.
- Decision on development strategies should follow strict deadlines to avoid endless discussion processes.

Note:

- ☛ It is crucial to distinguish between strategic decisions which apply in the same way to several municipalities and which need a discussion process with provincial or even national agencies (e.g. service-standards), and strategic decisions which require location specific answers (like economic strategies related to location specific resources). The aforementioned should be made at district-level, the latter at local level.

PHASE 2: STRATEGIES

PLANNING ACTIVITY: 2/10 TRANSLATING DISTRICT STRATEGY WORKSHOP RESULTS INTO LOCAL DECISIONS



Purpose:

IDP projects are adjusted to local conditions and requirements.

WHY?

Minimum Requirements: w/r to Output

☆ Locally adjusted municipal development strategies.

WHAT?

w/r to Process

☆ Strategy decisions to be made/approved by the local IDP Representative Forum.

Hints for Structuring the Process

There are 3 different cases of translating the results from district level strategy workshops into locally specific strategies which are also informed by the local information and by the local debates:

- A. District-level decisions with **local adaptations** (e.g. cross-border issues like water and transport).
- B. Locally specific decisions within a **district-wide strategic framework** (e.g. economic development issues).
- C. Locally specific decisions which are common to most local municipalities and which are **informed by district-wide alternative analysis** (e.g. service standards).

In each case the results of the district strategy workshop will have to be presented and discussed at local level and thereafter be adapted (case A), be taken as a framework for a local strategy designing process (case B), or be used as know-how for a local strategy designing process.

HOW?

Suggested Institutional Arrangements/ Responsibilities

- Workshops of the IDP Representative Forum.

WHO?



Time Requirement (tentative)

- 1/2 – 2 days per Priority Issue
- Time frame: 2 weeks

Note:

- ☛ In order to avoid lengthy repetitive or contradictory decision-making processes at different levels, it should be decided jointly by districts and local municipalities, which issues should be finally decided by whom.

PHASE 2: STRATEGIES

EXAMPLES FOR STRATEGY STATEMENTS

Strategies constitute the bridge between where you are and what you want to achieve. Strategy statements are alternative but purposeful, action-orientated, “how-type” statements of intent. Strategies are the means for addressing development priorities and arriving at your desired future for your area by achieving your development objectives.

Strategy statements need to say that you are going to reach a development objective by doing x, and/or y and/or z. Remember that there may be more than one way of achieving a desired result. This means that each development objective may, and is likely to have, more than one strategy matched to it.

Strategy statements cross the gap between the present and the future. In order to design an appropriate strategy, you need to consider the nature of the gap.

There is often more than one way to bridge a gap. Approach the development priorities and associated objectives from different angles. It also means that there may be considerable debate in order to choose between alternative strategies or to choose the right combination of strategies.

Realism must affect your considerations you need to consider feasibility and achievability. Frame your strategies in the context of institutional and financial constraints and ensure that strategies reflect cross-cutting development issues such as spatial restructuring, gender equity, poverty alleviation, local economic development and ecological sustainability.

It is important that strategy statements be prepared in an integrated way.

Integrated and sustainable strategies will try to address a development objective from a holistic and multi-disciplinary point of view. It is crucial to develop strategies that will address the underlying causes of the development issues in your area.

Avoid establishing sectoral working groups to develop strategy statements. Instead, use multi-disciplinary groups or teams to prepare integrated strategies to address the development goals and make use of cross-cutting issues to ensure that your strategy is appropriate and sustainable.

Once alternative strategies have been prepared, they need to be assessed in terms of their strategic impact and leverage, viability, sustainability, policy compliance and a range of other locally developed and adopted criteria in order to arrive at a set of preferred development strategies.

Another method to ensure multi-disciplinary contributions to strategy formulation is to provide task team members with a list of prompts to facilitate the flow of ideas from different angles.

Ask participants to develop solutions from different angles such as:

- Institutional solutions
- Financial solutions
- Social solutions
- Economic solutions
- Spatial solutions
- Physical solutions
- Technology solutions.

Where possible, use a combination of these methods to facilitate making truly integrated development strategies.

Is the gap small (like a spruit) or huge (like a canyon)? What will cross-over the gap? A large truck or a pedestrian? What do you need to cross the gap? A rope bridge or a four lane highway.

Initially the alternative strategy statements will be developed with the full participation of the stakeholders and role-players in the area. In order to choose the most appropriate and effective strategies, officials assisted by professional experts should assess the proposed strategies.

If you are fortunate enough to have substantial capacity and resources in your area, set up a range of multi-disciplinary task teams to address specific development goals. Ensure that each task team includes experts from different fields of expertise.

If you have limited access to professional expertise, make-up the task teams in such a way that it represents a good mix of sector interests.

PHASE 2: STRATEGIES

EXAMPLE A

THE CASE OF SERVICE PAYMENT

The hypothetical town by the name of Free Town has a **high percentage of households not paying service charges** (62,5%). The number of households that cannot afford to pay for services, constitutes only 35% of the projected income from service charges.

The town has identified **service payment a local priority** and decided to set the following objective:

Objective: Improve service payment by 50% within the next 36 months in order to increase the revenue of the council with a view to increase capital investment in line with priority projects.

Due to the dynamics in the area, the participants concluded that the **strategy to increase service payment** needed to include **elements** of:

- employment creation in order that households that can currently not afford to pay earn an income that would enable them to pay;
- awareness raising, communication and campaigning to encourage those who are able, but not willing to pay, to make a contribution;
- improved billing and debt collecting systems to ensure that the council creates an enabling environment for service payment especially in areas with limited access to pay points; and
- improved standards of service delivery to encourage those not paying, due to dissatisfaction with the level and standard of service they receive, to pay.

The following **strategies** to improve service payment were designed in a meeting of the IDP Representative Forum:

Strategy A "Legal Action"	Cut the water and electricity supply to all defaulting households and institute the necessary legal action.
Strategy B "Improved collection system"	Improve all institutional support systems that will facilitate easy payment of accounts such as improving the billing system; providing decentralised and easily accessible pay points; reviewing tariff structures for various target groups; and simplifying statements with symbols and graphics for ease of interpretation.
Strategy C "Job creation by engaging contractors"	Create job opportunities for unemployed sectors of the community by training and appointing individuals as contractors to collect service payments from door to door and to collect data on the indigent to facilitate access to indigent grants from national government.
Strategy D "Improved service delivery"	Improve the standard for service delivery in the area where service payment is not forthcoming, due to frequent disruptions in water supply caused by insufficient bulk capacity, through the construction of an additional water reservoir.
Strategy E "Awareness Campaign"	Launch an awareness campaign to educate people about the costs of service provision and the need for service payment to facilitate the operation and maintenance of services within the municipal area.
Combination of Strategies A and B	Cut the water and electricity supply to defaulting households that owe a total amount of R5 000,00 or more for a period of six or more successive months. Train and employ community members to staff at least two more pay points at the local community hall and day clinic in the former township of Sihluphekile. Obtain a loan from DBSA to install pre-paid water meters in the informal settlement of Liberationville.

PHASE 2: STRATEGIES

EXAMPLE B

THE CASE OF WATER SUPPLY

Inappropriate supply of drinking water for the majority of township residents was identified as another Priority Issue in Free Town. While lack of water supply facilities was identified as the immediate causing factor of the problem, the in-depth analysis indicated a general shortage of water availability in the area (which affects most local municipalities in the district). 60% of the water is used for irrigation farming, while the Department of Agriculture intends to expand the irrigated area by 20%. In areas which are provided with household water, excessive use and waste of water due to leakages (30%) were identified as factors which contribute to the overall shortage.

The municipality has agreed on the following **objective**:

"90% of the residents of Free Town will be provided with clean drinking water within a maximum distance of 100 metres from their homesteads before end 2005."

Most other local municipalities in the district had agreed on similar objectives with regard to water supply.

As a sustainable access to clean drinking water for all residents can only be achieved taking into consideration the overall hydrological system (supply side) in the district and competing forms of water utilisation (demand side), it becomes necessary to organise a district-wide "Water Strategy Workshop" and to invite all stakeholders claiming shares of the scarce water resources (e.g. Department of Agriculture, organisations in charge of industrial development) as well as resource persons such as hydrologists and water engineers. It was agreed that strategies had to address the following **aspects**:

- Affordable and accessible water supply facilities for those township residents who are not yet provided.
- Reducing excessive consumption.
- Dealing with leakages.
- Dealing with irrigation water requirements.
- Improving water conservation methods.

The following **strategic options** were discussed.

Strategy A "Accessible water taps for township residents"	Provide a water tap with water meter for each 10 households at x litres per household free of charge. Maintenance responsibility will be with a User Committee.
Strategy B "One tap per household"	Provide one water tap with meter per household against water fee (progressive tariff).
Strategy C "Stop excessive water use"	Establish a progressive tariff system for all private users to reduce excessive consumption.
Strategy D "Pipe rehabilitation project"	Get all leaking pipes repaired within two years.
Strategy E "Irrigation based on water conservation"	The share of water for irrigation purposes will be reduced to 50% before end of 2005. Expansion of cultivated areas will be based on improved water conservation and water harvesting techniques.

The participants of the district-level workshop agreed on a combination of strategies A, C, D and E. The water resources saved through C, D and E are sufficient to cater for 90% of those who have no adequate access to clean drinking water so far.

Strategy B was rejected, as it would have catered only for 30% of the needy target group. It was envisaged to go for strategy B after 2005.

PHASE 2: STRATEGIES

EXAMPLE C

THE CASE OF LOCAL ECONOMIC DEVELOPMENT

In order to address the identified Priority Issue of unemployment, Free Town municipality intends to plan a local economic development programme. The **objective** reads: **“10 000 new jobs created and income opportunities for another 10 000 self-employed households increased before end of 2005”**.

The municipality gets involved in **two types of strategy debates**. The first is on focal economic sectors of promotion, the second on tools of promotion to be applied by the municipality.

Strategic options and focal sectors:

- A. Focus on agriculture.
- B. Focus on agro-based industries.
- C. Focus on production for local markets.
- D. Focus on competitiveness on export market.
- E. Focus on tourism.
- F. Focus on chemical industries.

Taking into consideration the underutilised agricultural potential in the rural areas, limited tourist attractions and the absence of locational advantages or national spatial development initiative for the area, the municipality decides on an agriculture based strategy with targeted promotion of agro industries and on small-scale industries orientated towards local markets (especially related to public infrastructure), i.e. a combination of strategies A, B and C.

Strategic proposals related to tools of promotion:

- A. Providing and developing appropriate land for investors.
- B. Providing attractive investment conditions by offering efficient and client-orientated administrative services.
- C. Public procurement focused on local small-scale entrepreneurs.
- D. Training.
- E. Subsidised services.

The in-depth analysis had shown that there are **different constraints** and support requirements for different sectors and target groups:

- Emergent small-scale farmers need access to more land and training in organising marketing and procurement of farm inputs.
- Processing industries need serviced land close to the railway line and to the highway.
- Local contractors need more qualified staff to be able to comply with larger public orders.
- Informal sector traders and producers complain about cumbersome administrative procedures which prevent them from expanding and becoming formalised.

Taking these findings into consideration, the municipality decides on a targeted LED **strategy package** with the following **components**:

1. Providing available land to 5 000 small-scale farmers.
2. Engaging an organisational development agency (NGO) to train and assist these small-scale farmers in building up their own procurement and marketing organisation.
3. Establishing an industrial estate with a fully-fledged system of industrial services for agro-based industries.
4. A targeted training programme for local builders and for managers of building companies linked to placement of contracts to such local entrepreneurs.
5. Elimination of administrative hurdles for investment by establishment of a “One-Stop Business Service Centre” which caters for all administrative requirements.

It is decided to refrain from all direct subsidies (except for training and rates for public land).