

EDTEA PRESENTATION AT NCOP: VIRTUAL MINISTERIAL BRIEFING SESSION ON TOWNSHIP ECONOMY: KwaZulu-Natal Province

08 NOVEMBER 2022

MEC HON SIBONISO DUMA

PROTOCOL

- Chairperson of the NCOP
 - Deputy chairperson of the NCOP
 - MEC Colleagues
 - Ladies and Gentleman
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1. Chairperson I would like to take this opportunity to greet the house as I brief the Council on our Provincial and Municipal Measures to unlock the full potential of the Township economy, especially township enterprises and industries.

2. Indeed, we agree with the Council that the township economy's potential is largely untapped to its full potential. We also agree that catalytic programs should be in place in order to facilitate the inclusion of our people on this **estimated R200 billion per year economy of the township economic value chain**.

3. Chairperson, I am glad that this NCOP sits exactly 3 days after our **Department EDTEA in KZN had hosted an Indaba with our Entities CEO's known as 'In-Conversation with CEO's in KwaZulu-Natal'**.

4. The entities that were present include Ithala as Funder, KZN Growth Fund, Trade and Invest KZN, Dube Trade Port, Richards Bay Trade Port, Prasa, Transnet Sanral. We also had a panel that dealt with opportunities in the Tourism and Environment economic value chain.
5. This conversation was oriented towards collaboration between Big business and how their programmes find their way to the Township and Rural Economic Zones.

<p>OUR EFFORTS AS KWAZULU-NATAL EDTEA TOWARDS TOWNSHIP AND RURAL ECONOMIES REVATALIZATION STRATEGY (TRERS)</p>

6. CHAIRPERSON, THE FLOW OF MY PRESENTATION WILL TOUCH ON:

- a) The background to our specific context
- b) TRERS Strategic Goals
- c) Pillars of our intervention in the province
- d) Role of Municipalities both local and district
- e) Current Initiatives Underway
- f) Implementation Institutional Arrangement
- g) Current Progress
- h) And recommendations

7. THE BACKGROUND TO OUR SPECIFIC CONTEXT

- KwaZulu-Natal is a province with one of the largest number of Townships and Rural habitants. In fact, our two townships are in the top five (5) of South African townships in terms of population density. Most of our provincial population live in townships, as in the main, these townships are located next to a CBD one way or the other, as Apartheid Spatial Development designed that Towns and CBD should have next to it a pool of cheap labour, African in the main, Black in particular.
- The province is also a home is a number of Rural homesteads, from the heart of Zululand to the Midlands, all regions of the province have a township, semi-rural and rural homesteads under a local or district municipalities.
- KwaZulu-Natal government and The Department of Economic Development, Tourism and Environmental Affairs has **adopted Township and Rural Economic development as a Game-Changer**, in fast-tracking the growth and development of the economy of the province.
- Through a program called **TRERS**, which means: **Townships and Rural Economic Revitalization Strategy**, the government has crystalized policies and strategies that incorporate post-covid 19 realities to drive resources towards empowering entrepreneurs in this particular demographic, township and rural.

- Also in this regard, cabinet has approved a blue-print document for Township and Rural economic development, which will be launched on **the 26th of November 2 022 under EDTEA during my 100 DAYS AND BEYOND commemoration.**
- Notwithstanding the environment on the ground, which are people are going through, which has been characterized from by hardships of long-effects of hard lock downs, civil unrest and infrastructure bottlenecks, the province has packed a number of relief funds for entrepreneurs in the township and rural areas.

8. ON THE VISION AND STRATEGIC GOALS OF TRERS

- The vision of the **Townships and Rural Economies Revitalisation Strategy** is to radically transform KZN's townships and rural economies into ***diversified, inclusive, and sustainable wealth generating economic systems*** that promote micro, small, medium, and large enterprise development and actively contribute to KZN's economic and social development.

Some KEY POINTS of this Program that it seeks to Address, talks to:

- Growing with sustainable economies that promote full employment and reduction of inequalities.
- Inclusive vibrant places in which to live, invest, and work.
- Re-established through fully functional demand and supply systems

9. THE TREST STRATEGY AND THE RADICAL ECONOMIC TRANSFORMATION PROGRAMME.

▪ **The Township and Rural Revitalization Strategy is implemented as part of the Radical Economic Transformation (RET) through the following programmes:**

- a) Through Operation Vula Programme which is under EDTEA
- b) Preferential Procurement Programme which us a Cabinet Resolution 437, of 13th Dec 2011
- c) Procurement Indaba Resolutions of 2015
- d) Radical Agrarian Socio-Economic Transformation (RASET)
- e) Igula and Eyesizwe Contractor Development Programme
- f) Targeted Procurement, which is part of (Operation Vula Priority Commodities),
- g) Black Industrialists Programme targeting black business in manufacturing and black exporters,
- h) Bulk Buying Programme for Township and Rural retailers

10. PILLARS OF OUR INTERVENTION IN THE PROVINCE

We focus on the following points as our key Pillars:

- a) Access to commercial property and transformation
- b) Infrastructure development
- c) Access to digital innovation
- d) Informal economy
- e) Agriculture
- f) Tourism and creative Industry

g) Integrated support of existing business and manufacturing

11. ROLE OF MUNICIPALITIES BOTH LOCAL AND DISTRICT IS IN:

- a) Ensuring that **basic services** (water, energy, sanitation, security, refuse removal and in many cases housing as well) is delivered and maintained **efficiently and effectively** according to a defined town planning and/or precinct planning scheme.
- b) Planning define the **infrastructure layout and land use** to enable development of human settlements.
- c) The **development and maintenance** of these human settlements are therefore central to the TRERS implementation in the Province.
- d) Municipalities are required by legislation to draft and adopt the **Integrated Development Plans (IDP)** in terms of the Municipal Systems Act 32 of 2000.

Core components of the IDP,

- a) Local Economic Development plans/strategies and,
- b) Spatial Development Framework (provision of the land use management system),
- c) Planning for different **development nodes** within the municipality and the **envisaged service delivery requirements** such as

infrastructure, housing, economic activities etc.

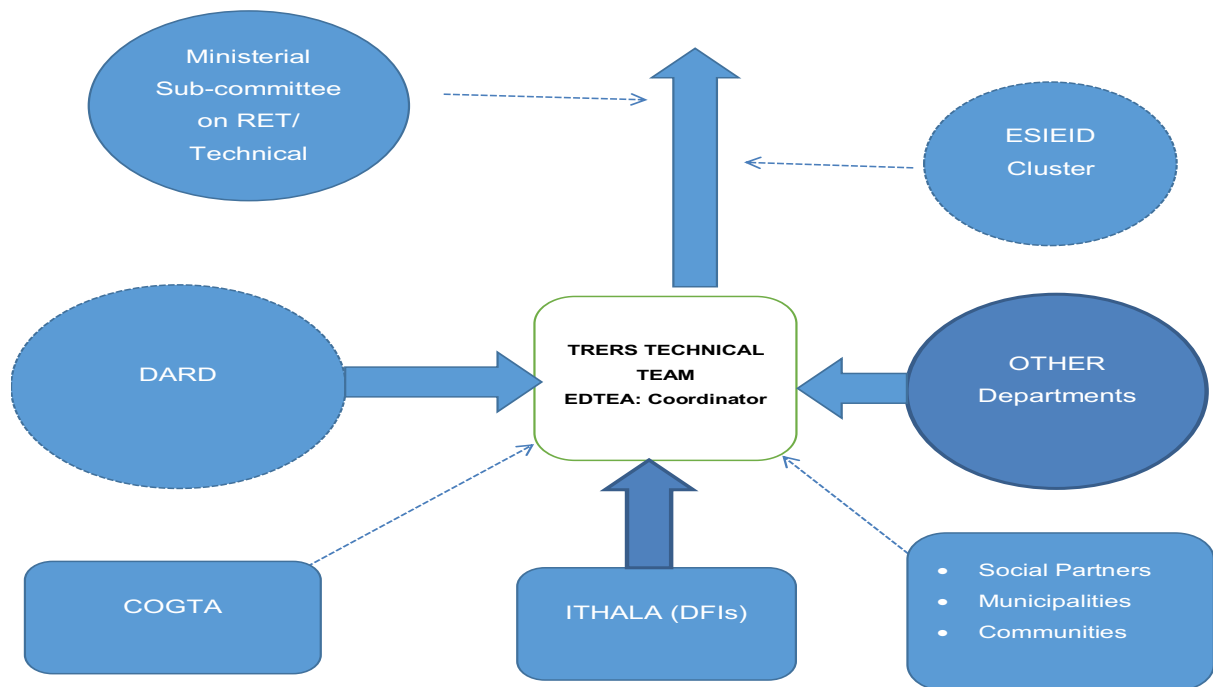
Chairperson, yes It should be determined where and how development should take place in, **The Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA)**.

- a) For instance, Provincial government departments should **support those municipalities with limited capacity.**
- b) **Support Localisation of delivery and maintenance on infrastructure** for the benefit of Township and Rural People.
- c) It is proposed **that COGTA provide/host an annual platform for planners** in the Province from the public and private sector (perhaps also inviting some global professionals) to discuss and share information on planning related issues for townships and rural areas. (innovative solutions).
- d) Recommendation that the **province support a few pilot projects** in selected municipal areas for township brownfield redevelopment, township greenfield development and rural development.
- e) Township and rural economy **projects development and packaging,**
- f) **Technical support** to township and rural enterprises including capacity development (access to finance/access to markets/compliance etc.)

g) As well as Development of Programme of Action-POA

12. IMPLEMENTATION INSTITUTIONAL ARRANGEMENT

The institutional ecosystem of delivering the Township and Development, we have:

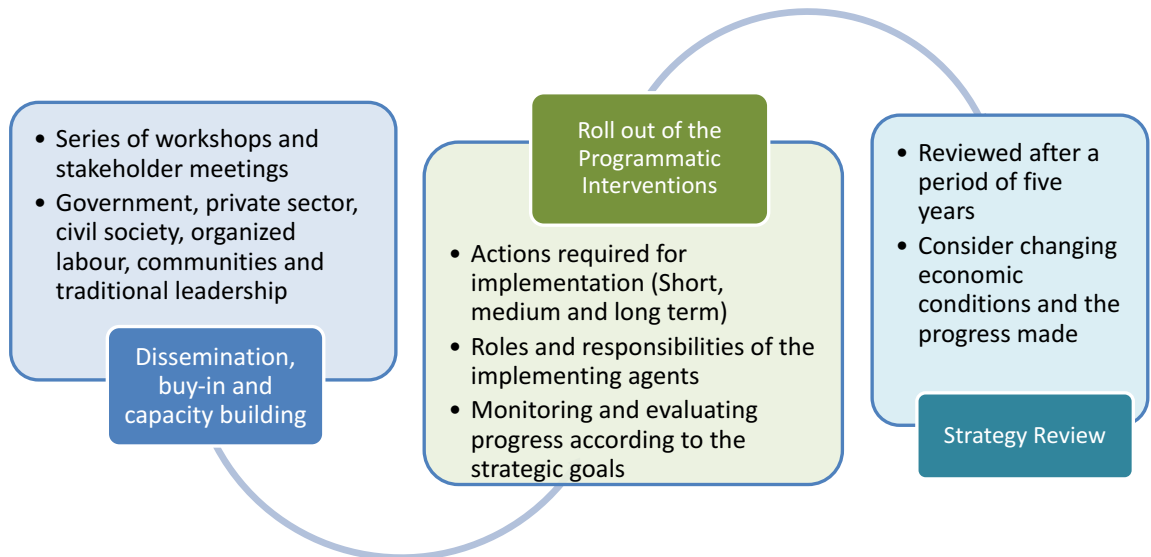


13. The process and phases of implementing this Township and Rural Strategy follows a simple and predictable flow:



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Implementation Phases



17

The initial phase of the project is advocacy targeting municipalities, private sector and government departments, these interventions are done through:

- Government departments workshops
- Virtual workshops conducted
- Objectives
- Present the content of the strategy
- Seek buy in from government departments
- Determine what each department is currently implementing towards the township and rural economies
- End goal to develop 7 interdepartmental task teams (as per 7Pillars)

14. PROGRESS TO DATE

Chairperson, the initial phase of the project is advocacy targeting municipalities, private sector and government departments is underway.

- The chairperson will also be pleased to know that EDTEA KZN has launched its first **One Stop Shop with the uMgungundlovu District Municipality with one of our entities in Pietermaritzburg chamber of commerce.**
- A roll-out of these **One Stop Shop** is earmarked for all District municipalities in order to ensure that the Township and Rural Business can access a one stop place where they can get all their business needs.
- Other programmes that are underway to support the Township and Rural Strategy and also making sure that they reach the people on the ground are:
 - a) Government departments workshops
 - b) Virtual workshops conducted

The main Objectives are to:

- Present the content of the strategy

- Seek buy in from government departments
- Determine what each department is currently implementing towards the township and rural economies

The End goal is to develop 7 Inter-Departmental task teams (as per the 7 Pillars)

- Task team coordinators nominated
- Reporting template designed
- TRERS Funding instrument development meetings
- Initial meetings held with IDC and IDFC (to continue

District workshop target audience are:

- LED Practitioners, Town and Regional Planners, Business Chambers/Forums, NGOs, Sector forums, DDAs and any other relevant stakeholders.

Purpose of the district workshops are:

- To inform strategic partners on the content and intention of the strategy
- To obtain buy-in and commitment to realizing strategy implementation
- To coordinate implementation of the Strategy (TRERS) and monitoring of the objectives across all the seven (7) identified pillars
- To provide information on applicability to the pillars, timing and roles and responsibilities



District Workshops Summary

District municipality	Date	Number of attendees
Zululand	17 August 2022	36
King Cetshwayo	24 August 2022	22
uMzinyathi	01 September 2022	17
Amajuba	02 September 2022	19
uMgungundlovu	08 September 2022	7
uThukela	12 September 2022	13
uMkhanyakude	14 September 2022	29
eThekwini	16 September 2022	26
Harry Gwala	19 September 2022	82
uGu	29 September 2022	12
iLembe district	30 September 2022	5
TOTAL		268