DISTRICT DEVELOPMENT STRATEGY

Prepared by: Xesibe Holdings

A. STRATEGY MATTERS

Well-crafted 'missions' and 'visions' can only take us so far. Our Districts as IGR impact zones need compelling 'strategies' that respond with a concrete set of actions, resources and priorities to the diagnostics, missions, and visions we have collaboratively developed. Our starting point in developing such a strategy is to first consider how these visions and missions develop, and to what degree they can guide the strategy-setting process.
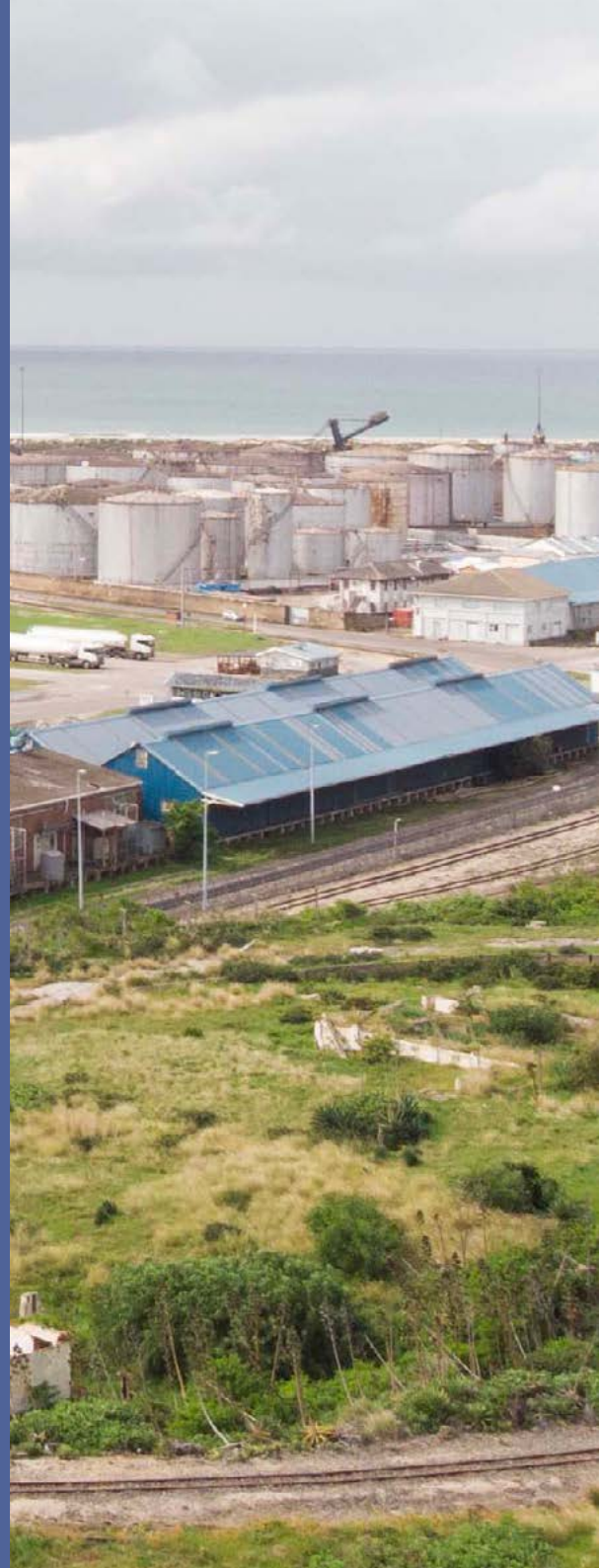
A lot of municipalities set out what they wish to be by using an 'adjective'. An action-oriented catch-all phrase aimed at capturing the end state that current plans seek to achieve wishes to be a 'smart city' that can use exponential technologies associated with the Fourth Industrial Revolution to manage climate change and position itself as a smart coastal hub with capability in tourism and agriculture. Similarly, the Chris Hani District on the other hand, aspires to an 'eco-friendly' economic development path guided by a capable and active citizenry and an accountable bureaucracy.

Table 1. *District and Metro Vision Statements of IGR Impact Zones in the Eastern Cape*

District/Metro Area	One Vision
Alfred Nzo	"A District whose communities are self-sustaining and enjoy a good quality life, equitable access to basic services and socio-economic opportunities."
Amathole	"Building a smart District"
Buffalo City	"Buffalo City: well-governed, connected, green and innovative."
Chris Hani	"A viable municipality that enables vibrant and eco-friendly economic development through capable and active citizenry guided by consistent and accountable leadership"
Joe Gqabi	"A district with an improved quality of life for all of its citizens"
Nelson Mandela	"An iconic, friendly, ocean city driven by innovation, service excellence and economic development – a destination of choice."
OR Tambo	"A developmental and responsive municipality' 'A new coastal smart city"
Sarah Baartman	"A vibrant and productive district based on its participative, people-centred, developmental approach"

In the case of the Metros, Buffalo City drawing on its Metro Growth and Development Strategy, considers the pursuit of a 'connected' city as a key objective, with explicit actions to focus on network industries (roads, internet, ports, and distribution/logistics). Nelson Mandela Bay on the other hand, sought to be an iconic and friendly ocean city, driven by innovation, service excellence and economic development. At a more granular level, the strategic objectives, of the Mandela Bay One Plan extend widely into this focus on service delivery, with little focus on spatial and economic catalysts for meaningful change.

Firstly, we reconsider the 'objectives' of the District Development model, which are the following –

a.	To solve planning and implementation silos across spheres of the state at a horizontal and vertical level.
b.	To maximize impact and align plans and resources at the disposal of the state through the development of **"One District, One Plan and One Budget"**.
c.	Narrow the distance between people and government by strengthening the coordination role and capacities at the District and City levels.
d.	Ensure inclusivity by gender budgeting based on the needs and aspirations of our people and communities at a local level.
e.	Build government capacity to support to municipalities.
f.	Strengthen monitoring and evaluation at district and local levels.
g.	Implement a balanced approach towards development between urban and rural areas.
h.	Ensure sustainable development whilst accelerating initiatives to promote poverty eradication, employment, and equality.
i.	Exercise oversight over budgets and projects in an accountable and transparent manner.

Having considered these objectives, what is the role of 'strategy', in the One Plan?

To answer this, we consider the One Plans not only as a document outlining a shared understanding of the District or Metro Space ('the diagnostic') OR a common vision and a set of desired future outcomes, BUT also as an exposition of short, medium to long term actions in pursuit of those future outcomes.

A Strategic Framework to guide all investment by social partners within the District/ Metro area

Not a detailed plan or 'grocery list' of all departmental and municipal responsibilities
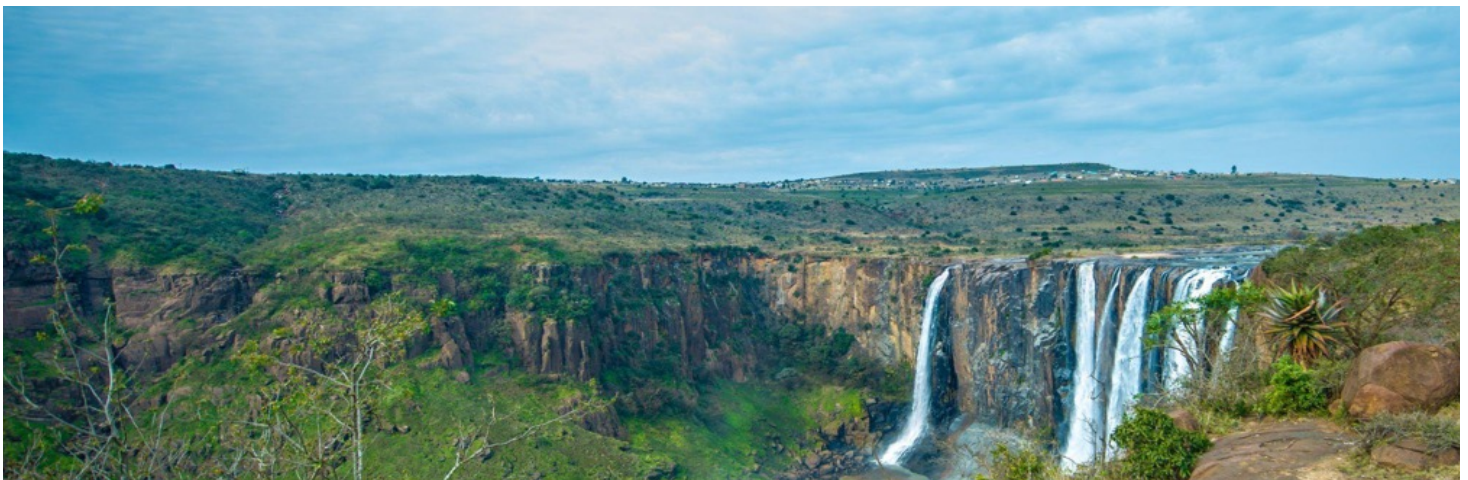
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Developed through a collaborative process

Based on a shared understanding of the district/metro space

Outlines common visions and desired future outcomes

Outline Key Commitments and targets

Adopted as an IGR and Social Compact

B. WHAT IS STRATEGY?

There are numerous definitions of 'strategy', all which serve to either illuminate or further confuse the term for our immediate purposes. In the case of the District Development Model, we consider 'strategy' as a set of guiding parameters or 'guardrails' that inform what actions are required at a District level, who undertakes these actions and how these are resourced, prioritized, and sequenced.

These guardrails, according to a Harvard Business Review definition of 'strategy', are about how, considering the vision and mission sought, 'resources should be allocated and in a context of existing structures of how value is created and distributed'.

There are 'three elements' or underpinning questions in this definition of strategy. Firstly, how to manage and allocate resources (financial, human, social and political capital, and time), secondly, how to navigate existing structures (we could think of these as the existing institutional distribution of authority, functions, budgeting and so on, and how these influence what actions or interventions we prioritize and in what sequence …) and thirdly, how to engage and influence how value is created, accumulated and distributed (in the case of a District, 'its economic and spatial profile, and the local distribution of power and resources') across the society.

All these elements, if we are interested in 'strategy', are considered in relation to the vision of creating a 'smart', 'vibrant' and 'functioning' IGR impact zone able to meet basic and aspirational needs, as can be seen in the vision and mission statements found across different One Plans. Yet a strategy of the kind required in a One Plan and its ultimate interface with implementation commitments, requires not only 'strategy', but a meaningful approach to statecraft.

Strategy as a key feature of 'state-craft'

The term 'statecraft' is generally used to refer to the skillful management of government affairs, or more narrowly as Kaplan (1952) suggested with particular focus on foreign policy, 'statecraft involves the construction of strategies for securing the national (or common interest) AND the execution of these strategies by diplomats or for our purposes, public officials. In this formulation, strategy is not the 'end' insofar as statecraft is concerned, but statecraft combines 'strategy' AND the capability for execution or implementation.

According to American political scientist, Eliot A Cohen,

> ## Statecraft is about sensing, adjusting, exploiting and doing rather than (only) planning and theorizing.

Cohen further suggests that statecraft is also about prioritizing speed, agility, and inductive knowledge to inform what can be done in given circumstances and what means might work best in different situations. Viewed in this way, statecraft requires significant attention to empiricism arising from the 'experience' of governing, from 'billing', 'regulating', 'taxing', 'delivering' and 'planning', and using such insights to inform not just 'strategy-setting' but better execution against such a strategy.

Below we consider how to set up the building blocks for not just effective strategy, but 'implementable' and 'credible' strategy, that enables successful execution against set strategic goals.

How do we get there? A starting point is learning from what we currently do.

Vision, mission, and strategy-setting processes for One Plans need to be underpinned by data gathering and knowledge management focused on the District itself. Much like a 'living diagnostic' on space, settlement, and migration patterns, current and envisaged economic activities, revenue drivers, areas of taxation, the spatial coverage of public goods and other social wage elements.

Such an approach strengthens not only the diagnostic understanding of the challenges and opportunities in an area, but also feeds into meaningful strategy formulation. It does this, by earmarking the 'specific', quantifying the 'measurable' markers of change, and providing all stakeholders an opportunity to better identify priority areas for intervention and IGR collaboration based on proven and empirically informed areas of need in the District.

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[1]

Primary data that could be collected to enable evidence-based planning

Pillar	Description	Type of Data	Source
People Development and Demographic Change	Population Growth Taxable Base Number of grant recipients as a % of the population School Enrolment	Primary Data	Home Affairs (# Registration of births, issuance of IDs) Municipality (#of Municipal Accounts Opened) SASSA (#of Grants paid by type) DBE (#of enrolments)
Economic Positioning	Informal Sector (Number of stalls, details of products sold) Taxi operators (Number of ranks, Number of vehicles) Wholesale and Retail Trade (Zoning, Operating License and Municipal Health Approvals) New industrial investment /incentives attracted (new building and zoning approvals and Industrial Park/SEZ tenants) PES Registrations	Primary Data	Municipality (traffic department, technical services) Taxi associations Business Chambers Development Agencies and LED units DTIC Consumer Goods Council DEL
Spatial, Environment and Land Use	Densification (Number of Households/ homestead per km/squared) Households in informal and formal settlements Building Plan Applications Approvals New Planned Settlements	Primary Data	Municipality (# of Municipal Accounts Opened OR number of indigent households receiving FBS) Department of Human Settlements
Integrated Services Provision	Access to electricity, Access to running water Access to proper sanitation and waste removal Access to recreational facilities	Primary Data	Municipality (number of new connections) Department of Water and Sanitation DSRAC
Infrastructure Engineering	Roads earmarked for repair/refurbishment and construction Telecommunications Network Infrastructure Substation/Transformer Improvement Railway Station and Line Improvement	Primary Data	SANRAL/Department of Transport Broadband Infraco/Telkom/UAASA Municipality Eskom PRASA/Transnet
Governance and Financial Management	Progress on Financial Turnaround Administration Organogram Reprioritization Council Resolution Matrix Oversight Reports	Primary Data	Office of the Municipal Manager Municipality Councils Municipal Public Accounts Committee

As can be seen in the above, such data may already exist in secondary data sets (such as the Census), and in some cases may be found as an outcome of organizational processes at a municipal level (i.e., data on building plan approvals).

The table above also outlines some of the organisations from where this data could be sourced, within the framework of the District Development Model.

Exercise 1.

1. With what you know about your District area, which DDM pillar would need greatest focus, and why?

2. With what you understand about the 'three elements' of our definition of 'strategy', what key challenge or opportunity under the pillar chosen in Question 1, what 'actions' would you prioritize in the 'short-term' (3-5 years), 'medium term' (5-20 years) and 'long term' (20-30 years), and why?

C. HOW DO I DEVELOP A DISTRICT STRATEGY?

Once we are in a position to collect the primary data mentioned above and incorporate it in an 'evolving' and 'living' diagnostic, we are in a position to put together the 'building blocks' of our strategy.

As discussed above, 'strategy' involves the management and allocation of resources, within existing structures to influence the economic and spatial profile of your District in line with the District Vision and Mission Statements.

Below we consider how you can do this for your District by undertaking five related steps, as follows –

Step 1: Re-affirm the District Vision and Mission
What do we want our District to be across the five DDM pillars in the next fifteen years?

This step involves review and re-assessment of the long-term District Vision and Mission Statement, to ensure common understanding and acceptance of the overarching goals and objectives of the District as an IGR impact zone.

Step 2: Develop 'pillar-by-pillar' strategic goals and associated targets
What do we have to do in every DDM pillar to achieve the said Vision and Mission?

This step involves, across the six DDM pillars, outlining strategic goals, priority actions in pursuit of that goal (and a brief description of each of these priority actions) and the long term 'targets' associated with the priority area.

Targets must be specific, linked to the strategic goal and measurable. Below is an example -

An example of Step 2 Analysis in Strategy-Setting for a 'dummy District'

DDM Focal Area/Pillar	Strategic Goal	Strategy Priority Actions	2030 Target
1. People Development and Demographic Change	*Improve the quality of life and well-being of residents in the District through among others, improving access to educational and training opportunities with a focus on vulnerable and marginalized groups*	• Improve service coverage by overcoming service backlogs • Improve educational outcomes from ECD to undergraduate • Review indigent, free basic services, and social safety net interventions to ensure better co-ordination, coverage, and impact.	• **85%** of households have access to electricity, water, sanitation, and solid waste removal • **20%** improvement in the number of child grant recipients complete matric and accessing national student financial aid for their undergraduate/artisanal studies • Three quarters **(75%)** of all indigent households receive free basic services, preferential access to public employment (CWP, EPWP) and livelihood support

An example of Step 2 Analysis in Strategy-Setting for a 'dummy District' (cont...)

DDM Focal Area/Pillar	Strategic Goal	Strategy Priority Actions	2030 Target
2. Economic Positioning	*Position the local economy to improve the scale of investment value-added activities, employment, and exports, underpinned by firms of all sizes and ownership forms*	• Improve levels of fixed investment in earmarked sectors (agriculture, tourism, light manufacturing, and retail trade) • Expand and employment market opportunities in local SMMEs in the township and village economy • Deepen value addition and the local production of manufactured goods for export • Regularize enterprise support for non-capitalist firms (informal, co-operative, and home-based)	• Raise R50bn in cumulative investment in earmarked sectors • Reduce local unemployment to **5%** below the provincial average • Improve local GVA by **5%** • Double the level of local exports • Raise procurement levels from co-operatives, informal and home-based firms by **20%**

Exercise 2.

3. We have already populated, for a 'Dummy District', the first two pillars, as examples. Are you able to complete the strategic goal and priority and actions for your District?

4. What long term shifts or change do you wish to observe in your District in relation to that pillar by 2030?

Step 3: Developing a short-term 'resource-matrix'

What tools and resources do we have to enable the attainment of the envisioned future? –

Maximising the impact of time, financial, human, social and political capital.

DDM Focal Area/Pillar	Strategy Priority Actions	2030 Target	Where will the resources come from?
1. People Development and Demographic Change	• *Improve service coverage by overcoming service backlogs* • *Improve educational outcomes from ECD to undergraduate* • *Review indigent, free basic services, and social safety net interventions to ensure better co-ordination, coverage, and impact.*	• **85%** of households have access to electricity, water, sanitation, and solid waste removal • **20%** improvement in the number of child grant recipients completing matric and accessing national student financial aid for their undergraduate/artisanal studies • Three quarters **(75%)** of all indigent households receive free basic services, preferential access to public employment (CWP, EPWP) and livelihood support	• Water Services Infrastructure Grant • Integrated National Electrification Programme • Equitable Share and EPWP Conditional Grant
2. Economic Positioning	• *Improve levels of fixed investment in earmarked sectors (agriculture, tourism, light manufacturing, and retail trade)* • *Expand and employment market opportunities in local SMMEs in the township and village economy* • *Deepen value addition and the local production of manufactured goods for export* • *Regularize enterprise support for non-capitalist firms (informal, co-operative, and home-based)*	• Raise R50bn in cumulative investment in earmarked sectors • Reduce local unemployment to 5% below the provincial average • Improve local GVA by 5% • Double the level of local exports • Raise procurement levels from co-operatives, informal and home-based firms by 20%	• Supply Chain Budget • Tax and non-tax investment incentives • Critical Infrastructure Programme (CIP)

Exercise 3.

5. In our example in the table, the last column lists 'financial' resources and where these could be drawn from, can you list non-state resources and other non-financial resources that could be drawn on to achieve the outcomes sought?

6. What issues or things may make the 2030 goal achievable or unattainable for the pillar you have chosen?

Step 4: What risks, shocks or stresses can we foresee? How will we respond? – Building Resilience

Time introduces its own uncertainty. What may have been a credible goal today, may with the passing of time and with subsequent developments no longer be relevant, possible, or appropriate. Any credible strategy requires engagement with this challenge and an assessment of the potential risks that may confront execution in pursuit of the envisaged strategic goals. A risk matrix allows us to map, with limited foresight of course, some of these 'risks'.

DDM Focal Area/Pillar	Strategy Priority Actions	Risk	Description	Management & Mitigation
1. People Development and Demographic Change	• *Improve service coverage by overcoming service backlogs* • *Improve educational outcomes from ECD to undergraduate* • *Review indigent, free basic services, and social safety net interventions to ensure better co-ordination, coverage, and impact.*	• Declining budgetary allocations • Ageing service reticulation infrastructure • Poor targeting of indigent support may lead to significant revenue leakage	• Expansion of bulk service infrastructure, especially in poorer municipalities with limited own revenue, may be constrained by declining macro-fiscal allocations • Ageing reticulation infrastructure may limit the improvement of service coverage	• Municipalities require robust and bankable service master plans • Municipalities must aggressively attract investment to improve own revenue base • Municipalities must use databases within and across the state to better identify and target indigent households

DDM Focal Area/Pillar	Strategy Priority Actions	Risk	Description	Management & Mitigation
Economic Positioning	• *Improve levels of fixed investment in earmarked sectors (agriculture, tourism, light manufacturing, and retail trade)* • *Expand and employment market opportunities in local SMMEs in the township and village economy* • *Deepen value addition and the local production of manufactured goods for export* • *Regularize enterprise support for non-capitalist firms (informal, co-operative, and home-based)*			

Exercise 4.

7. We have already populated the risk matrix for the dummy example in the table above. In your groups outline the risks for the second pillar ('Economic Positioning') for your District. How can some of these risks be managed and mitigated?

Step 5: Applying what we have learnt

Now that we have some 'building blocks' to how we would approach strategy-setting, lets re-cap some of our 'strategic questions, and how we would start towards building a 'strategic response' at the heart of our District One Plans.

Strategic Question	Approach to Strategic 'Response'
C.1. What do we want our District to be across the five DDM pillars in the next fifteen years?	**District One Vision** – *Drawn from Vision and Mission Statements.* **Financial:** DoRA and Own Revenue **Human:** Organogram across relevant administrative, technical, and political IGR organs, performance workflows and human resources outside the state (private sector and civil society) **Social:** Analysis of non-state networks, roles, norms, and procedures to unlock co-operative behaviour or other forms of behavioural change (i.e., Party, Church Traditional Council, and other such groups) **Political:** Legislation, Policy, Incentives or 'Rents' and the use of 'convening power' **Time:** While the District Vision might be one that spans one hundred quarters (or 25 years), the strategy covers a shorter-term horizon of twenty quarters (5 years)
C.2. What tools and resources do we have to achieve to achieve the envisioned future?	Which pillars, at what moment guide a particular phase of the District One Plan? Does successful execution against the long-term vision require that we prioritize specific actions now, that can set the stage for us to action other interventions later? Sequencing and prioritization must be guided by the following elements of 'catalytic project/ actions' in greatest need of co-ordination and alignment – • Encourage investments whose benefit, institution involvement and value span across geographical and spatial boundaries ('beyond one ward or municipal area') • Advance universal access to basic social services • Secure current and future bulk service requirements • Enable economic and spatial transformation Even in one project that may respond to these elements, the actions required in the short, medium to term (or in every five-year period), may differ and require different resources or present different risks and challenges.

Strategic Question	Approach to Strategic 'Response'
C.3. What do we prioritize and in what sequence?	Which pillars, at what moment guide a particular phase of the District One Plan? Does successful execution against the long-term vision require that we prioritize specific actions now, that can set the stage for us to action other interventions later? Sequencing and prioritization must be guided by the following elements of 'catalytic project/ actions' in greatest need of co-ordination and alignment – • Encourage investments whose benefit, institution involvement and value span across geographical and spatial boundaries *('beyond one ward or municipal area')* • Advance universal access to basic social services • Secure current and future bulk service requirements • Enable economic and spatial transformation Even in one project that may respond to these elements, the actions required in the short, medium to term (or in every five-year period), may differ and require different resources or present different risks and challenges.
C.4. What risks, shocks or stresses can we foresee? How will we respond?	The strategy setting requires an assessment of risks, shocks and stresses that might influence the achievement of the outcomes sought. These risks include but are not limited to the following : • **Economic Risk:** will a broader economic decline influences access to own resources and grants? • **Climate Risk:** could a drought, flooding or a tornado, delay service delivery or infrastructure provision or require greater disaster response resources? • **Population Risk:** could a surge in the population due to higher birth rates, migration or displacement lead to higher service needs? • **Political Risk:** could an uneasy political settlement (i.e., coalitions) at a local, provincial, or national level, influences the achievement of the outcomes in the District One Plan?

D. CONCLUSION

Good ideas and plans while necessary, are not a sufficient condition for the achievement of outcomes. Strategy matters insofar as it creates a visceral link between big plans and designs, and the messy tasks of execution, and its associated trade-offs and implied sequencing. It is in this context that we frame the key responsibilities of public officials as 'statecraft'. Statecraft combines 'strategy' AND the capability for execution or implementation.

Such strategic choices in implementation, require as a pre-condition require continual gathering of data and insights to inform how, where, when and under what conditions we act. Moreover across the pillars of the DDM, such insights serve as a mechanism to underpin credible actions within and outside the state to give effect to the spatial and economic vision of change, outlined in the District One Plan.

DISTRICT DEVELOPMENT MODEL MATERIAL

Prepared by: Xesibe Holdings