THE INTEGRATED URBAN DEVELOPMENT FRAMEWORK

Context and Implementation Approaches

Input to LED Conference
9th November 2017
South Africa is urbanizing rapidly

- 63% of South Africans already live in urban areas
- This will rise to 71% by 2030
- By 2050, 8 in 10 South Africans will live in Urban Areas
- Places increasing demand on basic infrastructure requirements
Housing location vs. economic opportunity

Planned housing developments (housing units)
- 1000 - 3600
- 3501 - 7472
- 7473 - 11000
- 11001 - 15000
- 15001 - 22366
- 22367 - 37000
- 37001 - 60000

Number of businesses per sq km
- 1 - 5
- 6 - 12
- 13 - 23
- 24 - 35
- 36 - 47
- 48 - 64
- 65 - 82
- 83 - 103
- 104 - 130
- 131 - 198

Unemployment dot density
- 1 Dot = 100 Unemployed

Map produced by: S. Katumba, C. Wray & G. Trangoș
Data source: StatsSA Census 2011, AfriGIS Bizcount 2010
Alignment of planning instruments

**Integrated Urban Development Framework (IUDF):**
A policy to guide the development by addressing the unique conditions and challenges facing South Africa’s towns and cities.

**National Development Plan 2030 (NDP):**
A long-term plan for South Africa to eliminate poverty and reduce inequality by 2030.

**New Urban Agenda (NUA):**
Global standards in sustainable urban development, rethinking the way we build, manage and live in cities, through cooperation with partners, stakeholders and urban actors at all levels including government and the private sector.

**Sustainable Development Goals (SDG):**
A universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.
Alignment of planning instruments

IUDF
- Policy and implementation plan adopted April 2016

NUA
- 1. National urban policies
- 2. Urban legislation, rules and regulations
- 3. Urban planning and design
- 4. Urban economy and municipal finance
- 5. Local implementation

2017/18
- Review IUDF implementation plan informed by NUA action items and urbanisation review
Strategic goals

- Spatial integration
- Inclusion & access
- Growth
- Governance
The creation of more compact, spatially integrated cities through spatially aligned public and private sector investment will create more efficient and functional urban environments, which will make the opportunities of cities more accessible and lower the costs of doing business, thus enabling competitive enterprises to create jobs and bring investment.
The IUDF levers focus on the key drivers of change in urban system, and are the framework for organising government’s support for urban municipalities.
IUDF approach

Policies and planning instruments that enable cities to lead urbanisation process

Enabling environment

Fiscal framework

Implementation support

Restructured system of inter-governmental grants that incentivise cities to focus on outcomes and leverage other sources of finance

Technical assistance to compile long term spatial plans, prepare infrastructure investment programmes, finance and implement them and monitor their implementation
Different capacities to respond

Comparisons of municipal budget per household for Municipalities where over 50,000 pp live in densities greater than 500 persons / km²

Nyandeni has a budget of R4,526 per household

Saldana Bay has a budget of R31,000 per household

More money to spend per household

Less money to spend per household

Average = R14,000 per household
Differentiated approach

- Faster pop. and slower GDP p.c. growth in all A1 metros vis-à-vis A2 metros

- Rapid pop. and GDP p.c. growth in certain secondary cities
  - e.g., Polokwane, George, uMhlathuze, Madibeng

Data: Quanteck SASID | 2010 constant Rands
Differentiated approach

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
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</thead>
<tbody>
<tr>
<td>65 urban places with population</td>
<td>• SALGA is running small towns programme, supported by COGTA alignment of IGR processes</td>
</tr>
<tr>
<td>over 45,000</td>
<td>• New programme with implementation coordinated from COGTA</td>
</tr>
<tr>
<td>39 Intermediate Cities</td>
<td></td>
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<tr>
<td>8 Metros</td>
<td>• National Treasury is coordinating programme through Cities Support Programme</td>
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Intermediate cities programme

Included in support programme

IUDG candidates that meet requirements related to governance

Qualify for IUDG

15

39

4
Intermediate cities programme - priorities

**Plan**
Identify spatially catalytic projects and deepen spatial alignment of public & private investments through SDFs i.t.o. SPLUMA

**Fund**
Capital Expenditure Framework linked to SDF and LT financial strategy, supported by restructured infrastructure grant and strengthened borrowing capacity

**Build**
Build capacity to manage large capital projects, including integrity of SCM processes and contract management capacity

**Measure**
Extend reporting reforms to intermediate cities and focus city level reporting on limited set of outcome indicators
Overview of SA’s planning framework

International
- Sustainable Development Goals and New Urban Agenda
  - AU 2063

Continental
- SADC Regional plans

Regional
- National Sectoral Plans
  - Transport
  - Education
  - Water
  - Health
  - Energy
  - etc.

National
- NDP and NSDF

Provincial
- Provincial sectoral plans (transport, health, education, etc.)
  - Provincial Growth and Development Strategies

Provincial
- Regional plans and SDF’s
  - Provincial SDF’s

Local
- Municipal SDF’s
- SDBIp’s
- Municipal IDP’s (BEPP’s ?)
  - Local area plans and local sectoral plans
  - City Development Strategies
The challenge of urban planning

- Align government and private sector investment around common spatial vision and long term spatial plan
- SPLUMA provides legal framework for local Spatial Development Frameworks that encompass BEPPs
Review of LG infrastructure grants

Fragmented system of project based infrastructure grants limits municipalities’ ability to plan strategically and leverage multiple sources of finance
Changing proportion of infrastructure grants
Integrated Urban Development Grant

1. Increased consolidation of infrastructure funding
2. Programmatic monitoring against a Capital Expenditure Framework that is aligned with a sound Spatial Development Framework
3. An incentive portion that rewards performance
4. Minimum conditions for accessing the grant
5. Situation of the grant within a support programme
Spatial transformation and industrial policies are closely linked

**The Problems**

**Spatial disparities**
- South Africa has entrenched spatial disparities, both within cities and across regions.

**Jobs challenge**
- It also has a serious jobs challenge, which will require raising productivity through improved competitiveness.

**The Tools**

**Targeted spatial industrial policies**
- Many countries use targeted spatial industrial policy, such as SEZs, to unlock constraints to investment and job creation in and around cities.

**Agglomeration economies around cities**
- Cities provide opportunities for job creation and income growth if regions can leverage agglomeration economies.

**Effective intergovernmental coordination**
- Maximizing regional growth requires effective coordination among national, provincial, and city-level in developing and implementing regional development programs.
1. Premises
   • Agglomeration economies via cities create significant gains in productivity.
   • Industrial policy and spatial development need to be aligned.
2. Roles of SEZs
   • SEZs can play a role in promoting jobs
   • They tend to be most successful in urban locations as they rely on supply linkages.
3. Complementary policies to fully utilize SEZs:
   • Integrating and connecting zones with urban areas
   • In rural areas, leveraging agribusiness and processing value chains
4. Coordination is the key
   • Strengthening coordination among key stakeholders – especially, national, provincial and city government – around SEZs is critical.
Thank you