Transformative Local Economic Development Of Action

9-10 November 2017
The Power of LED to Transform Local Communities

A lesson of achievement through Consistency
Sharing practical experiences and knowledge gained from our work in 164 LM/DM and 7 Provinces

- Values
- Principles
- Approaches
- Processes
- Skills
- Lessons
- Doing things differently which make LED work
LED – basic principles

- Mobilising intellectual and relational capital
- Changing behaviours
- Knowledge management
- Strengthening networks
- Facilitating a joint agenda around mutual opportunity
- Application of appropriate LED Systems
- Stakeholder Collaboration/Dialogue
- Professional Facilitation Processes
- SMART
- Practical solutions “Keep It Simple Smart”
- Bottom up, inclusive
NDP key ingredients for success

- Active efforts of all South Africans
- Growth, investment and employment
- An effective, capable Government
- Collaboration/Dialogue between Public and Private sector
- Leadership from all sectors of society
Nurture a legacy of economic renewal and sustainable, inclusive livelihoods.

Facilitate behaviour change through an obsession with consistency, performance, accountability, efficiency, transparency.

Facilitate action for sustainable and inclusive development, connecting Public-Private and Civil Society sectors, as partners.
Changing Behaviour

- Strong Brave Leadership
- Peak Performance
- Accountability
- Efficiency
- Transparency
- Consistency
- Responsibility
- Learning from mistakes
- Collaboration to enhance knowledge, expertise and understanding
- Insisting on sound appropriate systems
- Admitting we don’t know everything
Efficient Systems
# Business Environment: factors influenced by Local Government

## Regulatory system

<table>
<thead>
<tr>
<th>Bye-laws &amp; regulations</th>
<th>Administrative procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes &amp; levies</td>
<td>Management</td>
</tr>
<tr>
<td>Planning/zoning</td>
<td>Decision making</td>
</tr>
<tr>
<td>Environment &amp; health</td>
<td>Reporting</td>
</tr>
<tr>
<td>Licensing &amp; registration</td>
<td>Record keeping</td>
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</table>

## Service delivery

<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>Social services</th>
<th>Business services</th>
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</thead>
<tbody>
<tr>
<td>Transport infrastructure</td>
<td>Residential quality</td>
<td>Non-financial business dev.</td>
</tr>
<tr>
<td>Municipal services</td>
<td>Education</td>
<td>Financial services</td>
</tr>
<tr>
<td>Property</td>
<td>Health</td>
<td></td>
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<tr>
<td>ICTs</td>
<td>Recreation &amp; culture</td>
<td></td>
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</tbody>
</table>
Red Tape

Top five most costly and frustrating Red Tape issues over past year

- Mandatory Regulations: 12.64%
- Labour Issues: 11.24%
- BEE: 13.48%
- Municipal Issues: 13.48%

Business Environment Specialists 2013
Red Tape

% of turnover dedicated to Red Tape

- Manufacturing: 3%
- Business Services: 4%
- Tourism: 6%
- Total: 5%

Analysis:
- Manufacturing: 3%
- Business Services: 4%
- Tourism: 6%
- Total: 5%

Summary: The highest percentage of turnover is dedicated to the tourism sector, followed by business services and then manufacturing. The total percentage is 5%.
SMART LED

- Specific
- Measureable
- Achievable
- Relevant
- Time bound
Role of Local Govt’

• Create a conducive environment for enterprise development
• Provide strategic economic infrastructure
• Deliver new types of public goods (networks, skills & technology, innovative development & spatial redevelopment)
• Provide appropriate regulatory framework
• Municipalities as ‘connectors’
  - Link local, provincial, national & global spheres
  - Facilitate growth of social capital (mobilising stakeholders & forming economic governance institutions)
• Support formation of local partnerships
• Access funds from various departments
Role of Private Sector

- To organise effective, collective action to initiate and undertake LED initiatives,
- To participate in decision taking and implementation processes in public sector investment programmes,
- To support the promotion of social enterprises
- To collaborate with local government to identify win-win opportunities.
Public-Private Collaboration brings:
Growing trust & joint action lead to:
upward spiral of improved service delivery
economic growth & poverty reduction

Government brings:
• Service provision
• Knowledge of systems
• Public resources
• Power to cut Red Tape
• Stakeholder collaboration
• Business environment
• Policies

Business brings:
• Work opportunities
• Good Governance
• Technical expertise
• Tax revenue
• Aversion to Red Tape
• Ideas on how to cut Red Tape

Suspicion & conflict leads to:
downward spiral of red tape application &
aversion, rising costs, deteriorating business environment,
decreasing economic activity & rising poverty
A circular economy is restorative and regenerative by design, aiming to keep products, components, and materials at their highest utility and value at all times. It distinguishes between technical and biological cycles, the circular economy is a continuous, positive development cycle. It preserves and enhances natural capital, optimises resource yields, and minimises system risks by managing finite stocks and renewable flows. A circular economy works effectively at every scale. In contrast to traditional ‘industrial’ economies whereby socio-economic processes work as a linear flow of goods and resources: resources are extracted to produce energy and goods, which end up in the bin.
A Local Economy in action

Value add

- Municipality, & and few representatives from other govt. depts
- 1 Platinum Mine
- Many subsistence Farmers: mostly vegetable crops and goats
- Transport: A few Taxis, 1 Trucking (mine)
- Retail: Spaza shops (micro), Street vendors, a new small shopping centre is being built
- A few Construction services (micro)
- 1 or 2 Steel manufacturers (micro)
- 1 Crushed stone distributor
- A few Catering services (micro)
- 1 Garment manufacturer (micro)
- Many schools

Money flows in from external sales

Money flows out with external purchases
A Local Economy in action

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Money flows in from external sales

Rapid Growth planned

Money flows out with external purchases

Reduce outflow

Locational factors:
- Land constraint, Low crime, infrastructure backlog, low education levels, good local leadership

Link to mining opportunities
Facilitate the development of a forest of enterprises in your local municipality, through consistency of excellence, for the sake of our people.
Facilitating individuals inclusive of the public and private sectors in the municipal jurisdiction to “uncover” their competencies and experiences as a collective.

Building trust in order to allow them to become co-active members in their LGED communities.

Developing a new, integral research methodology that explores the complexities of Local and Green Socio-Economic Development through a transformative trajectory which leads towards integral innovation and renewal.
The Integral Process
Capacitating Government

AFlead Local and Green Economic Development (LGED) Methodology

• The LGED Maturity Assessment
• LGED Leadership and Governance Short Learning Programme
• Participatory Appraisal for Competitive Advantage (PACA)
• Populate LGED Strategy
• Red Tape Reduction
• Business Retention and Expansion
• Local Business Environment Assessment
• Value Chain Analysis

View short video series on AFlead’s product offerings.
## UN Sustainable Development Goals (2016)

### Our guide to Green LED:

<table>
<thead>
<tr>
<th>SDG No.</th>
<th>Goal Description</th>
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<tbody>
<tr>
<td>#12</td>
<td>Responsible Consumption &amp; Production: Ensure sustainable production and consumption patterns</td>
</tr>
<tr>
<td>#13</td>
<td>Climate Action: Take urgent action to combat climate change and its impacts</td>
</tr>
<tr>
<td>#14</td>
<td>Life Below Water: Conserve and sustainably use the oceans, seas and marine resources for sustainable development</td>
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<tr>
<td>#15</td>
<td>Life On Land: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat deforestation, and halt and reverse land degradation, and halt biodiversity loss.</td>
</tr>
<tr>
<td>#17</td>
<td>Partnerships For The Goals: Strengthen the means of implementation and revitalise the global partnership for sustainable development</td>
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Focus on Development Behaviour: More than Indicators

Figure 1: The Doughnut of social and planetary boundaries: Raworth 2017
Practical and Applied Green LED

**Municipalities:**
Adopt a range of green technologies (lighting, waste resources, water heating) by 2030.

**Business:**
Mid-high level sustainability goals aligned to municipalities.

**Residents:**
Mid-high level adoption of lighting, heating, cooking technologies.
Facilitate **alignment** between national and provincial departments on green policy, government behaviour change and achieving Sustainable Development Goals by target dates.

Facilitate **improved** communication between provincial and local government.

“**Facts on their own are not effective communication devices but when paired with solutions, facts boost engagements and support for evidence based programmes and policies.**”

N. Kendall-Taylor, CEO of Frameworks Institute.
The Integral Process
Mobilising Communities

Asset Based Community Development:
Building communities from the inside out

• Community driven development through asset focused methodology (needs vs assets)
• Community situational analysis
• Community engagement and participatory processes
• Design, development and implementation of relevant socio-economic development strategies, programmes and interventions
• Monitoring and evaluation
• Impact measurement

Communities are empowered to constructively hold government accountable for the effective implementation of IDP
“Drawing on the experiences of developing economies in Asia and Latin America, the 1996 White Paper on Science and Technology acknowledged that an exclusive focus on technical innovation was insufficient and that social innovation should be included in the national innovation strategy.

Unfortunately, in the subsequent years little progress was made in ensuring the place of social innovation in the National System of Innovation and society generally”. Human Sciences Research Council, March 2014

Social innovation should address priorities arising from unemployment and poverty. It must have social purposes and involve the full range of societal actors, including the public sector, private sector, civil society and the poor themselves.

Ministerial Review on Science, Technology and Innovation
The Integral Process
Creating Techno-Social Innovation

Information silo’s:
• Government strategies
• Corporate CSI implementation and BEE supply chain management
• SMME’s/assets in local communities
• Sustainable Monitoring, Evaluation and Impact Measurement

Gap: Technology not being applied to create synergy, sustainable development and responsive intelligence between above processes.

The Internet of Things refers to the system of connected devices that enables smart technology — technology that learns and adapts in response to data collected. Many development professionals believe this connected system could increase efficiency in a number of other ways, and some are already harnessing it as part of their projects and programs in developing countries.

Devex - Global Development Community Platform.
A M&E programme is essential for the sustainable implementation of SED and green initiatives. It not only provides business intelligence, but also promotes ongoing engagement, collaboration and management between stakeholders.
The Integral Process
SED and Green Monitoring & Evaluation

Detailed Scorecard
SED Focus Areas: Health

Drill | Metric |
--- | --- |
no of people educated on health and hygiene | Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun YTD |
no of people with access to sanitary facility | Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun YTD |
no of people connected to public waste treatment facilities | Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun YTD |
acceptability of current water supply | Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun YTD |
no of water and sanitation related infections reported | Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun YTD |
no of water and sanitation related infections treated | Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun YTD |

Charts
Actions
Cancelled | Ahead
Process/Data Status
Available | Credible
Information
Comments

The Scorecard outputs business intelligence (financial, education and growth, internal processes, stakeholder relationships) based on inputs, outcomes and outputs/impacts.
Approaches embedded in Green Economy

AFlead is subsidiary of Clean Energy Africa Holdings - International Renewable Energy Investors

Host of companies:
- Biomass
- Energy Efficiency
- Engineering
- Agriculture
- Social Development
- Transmission Trading
- Waste-to-Energy
- Wind Energy

CEA acquires controlling positions in African renewable energy projects. Provides equity funding for own development projects, investing in new initiatives and seeking to acquire growth companies.  
http://cleanenergyafrica.co.za/
Sustainable Transformation

**Capacitated Government:**
Policy making in consultation with corporates and communities

**Engaged Community:**
Actively contributing to broader socio-economic transformation

**Corporate Sustainability:**
CSI intelligence From “Client to Citizen”

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**CLIENTS:**
- Consumers of services
- Political elite sees themselves as being in control of assets (corruption)
- Destructive civic behaviour and state-citizen interactions

**CITIZENS:**
- Active participation
- Take collective ownership of assets
- Active public debate
- Intensive political debate - accountability