Promoting Local Government and Local Economic Development in Southern Africa: Towards the Localisation of the Development Goals

Background Paper for:
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EXECUTIVE SUMMARY
This paper is a background document to support the CLGF Southern Africa Regional Conference on, "Promoting Local Governance & Local Economic Development in Southern Africa: Towards Localising Sustainable Development Goals." The Conference seeks to:

- Raise awareness on the role of local government in effective employment of LED as a tool for reducing poverty and achieving the SDGs;
- Gather inputs from CLGF members on critical priorities for more effective localisation of the Agenda 2030;
- Promote gender mainstreaming and women’s political leadership in effective localisation of the SDGs and ensuring that no one is left behind; and
- Explore opportunities for ongoing regional dialogue and knowledge sharing to localise the SDGs in the region effectively.

The event takes place at a time when Sub Saharan Africa is facing social, economic and environmental challenges, with low economic growth rates; vulnerable employment; structural economic issues as a result of lack of value addition to agriculture and extractive products which has resulted in high unemployment rates, among others; extreme poverty; inequality; lack of access to services such as energy, clean water, and rapid urbanization, among others. Besides, the current pace and scale of implementation of the SDGs in Africa are not commensurate with the ambitions of the SDGs and Agenda 2063. Despite this, many opportunities can be exploited to address the continent’s weaknesses and threats.

Notable is that half of the fastest-growing economies in the world are in Africa, the African Continental Free Trade Agreement, which will boost Intra Africa trade by 60%, is about to be launched and there are technology companies who are willing to invest in the continent, among others. Also, the continent adopted the Sustainable Development Goals (SDGs) and Agenda 2063 in 2015, which guide global and regional development agendas, to address the challenges that the continent faces. Furthermore, at the national level, most countries in the region have adopted the global and continental development frameworks through their National Development Plans. The paper explores the role of Local and Regional Governments (LRG) in the achievement of national and global development goals.

Development, as defined by the SDGs, is multi-dimensional, integrated, interconnected, universal, measurable, and designed not to leave anyone behind and involves every level of government and all stakeholders. Given this, local governments have a role to play in the implementation of national, regional and continental agendas because of the following:

- LRGs are responsible for development planning and are best placed to ensure that no one is left behind due to their proximity to the people
- LRGs are responsible for service delivery which is a critical pathway to poverty eradication and achieving sustainable goals
- Development takes place within places, and LRGs can integrate national, regional and global development objectives at the local level
- LRGs have convening powers to facilitate the required partnerships for planning, implementation, and monitoring of development and service delivery.

However, it is acknowledged that LRGs do not always have the human, technical and financial capacity to effectively play a role in development hence the need to be empowered through decentralisation that empowers LRG to make decisions, raise funds, and allocate resources at the local level.

Decentralisation efforts in Africa have mainly focused on the political and administrative aspects hence the need to reconfigure decentralisation to enable local government to contribute to national, regional and global development goals. It is argued that for local governments, to play a developmental role effectively, need to be empowered through:
Clear mandates and policies;
A clear vision for the sector;
Enabling tools such as guidelines;
Fiscal decentralisation;
Administrative capacity, and
Effective monitoring system with good central/local relations.

In the SDGs era, decentralisation should emphasise on empowering LRGs to play a role in development, including through Local Economic Development (LED).

LED has been identified as a framework for the localization of SDGs, because it provides a multi-dimensional focus on development at the local level - meaning that, in addition to economic development, social and economic issues can be addressed. LED also allows stakeholders to participate in identifying development challenges, formulating strategies to address them as well as implement them, thereby facilitating ownership of development processes. Additionally, LED facilitates multi-level governance allowing vertical and horizontal integration - which is critical in addressing development challenges that are integrated.

In light of this, local government can play a more developmental role through the LED approach, an approach which is grounded in partnerships between local government, civil society, central government, and the private sector. Moreover, the importance of the LED strategy development process, which enables the local authority, stakeholders, and individuals to take ownership of their development through combining skills, ideas, and resources, is emphasised. The paper also highlights four broad interventions that can be implemented to promote local economic development namely: LED interventions to create an enabling environment; LED interventions to expand the market; LED interventions to reduce costs and expand the market and finally LED interventions supporting redistribution and economic participation.

Experiences of how local governments can be empowered to play a developmental role are shared with a strong focus on lessons learnt in enabling and implementing effective LED. Furthermore, the paper explores local government experiences in promoting LED, highlighting the different kinds of initiatives that are being implemented in the region. In preparing delegates for the conference, the paper concludes by framing three questions which underpin conference discussions and guide the debate to ensure that the conference results in meaningful outcomes:

1) What have we achieved in the region with regards to empowering local government to play a role in development including through LED?
2) What challenges remain to be addressed?
3) What should be the future priorities for the region to enhance LED and the effective implementation of decentralisation further?
I. INTRODUCTION
Sub-Saharan Africa faces a myriad of economic, social and environmental development challenges. Economic challenges include the following:

- low economic growth rates - currently at 3.5 percent IMF (2019), which is below what is required to achieve the Sustainable Development Goals (SDGs) on the continent UNECA (2019),
- vulnerable employment which is averaging 66% due to overdependence on informal sector employment - estimated at 85% UNECA (2019),
- infrastructure backlogs - an estimated 600 million Africans have no access to electricity; and
- structural economic issues as a result of lack of value addition to agriculture and extractive products, among others.

This situation has resulted in high unemployment rates, particularly among youth, meaning that the continent will fail to exploit the demographic dividend fully. Additionally, as many as 10 million young people will continue to join the labour force annually but remain unemployed. (UNECA,2019). The situation implies a slower pace of improvement in the quality of life for African citizens to be able to achieve sustainable development goals targets. Failure to achieve economic prosperity impacts negatively on social and environmental dimensions of development mainly accesses to essential services such as health, education, and sanitation.

More than half of the 836 million impoverished people live in Sub-Saharan Africa, and 88% of the world poorest is expected to live in Africa by 2030(UNDP, 2017). The number of poor people living in Africa is growing by five people per minute and will only recede in 2023 (Brookings, 2019). Sub Saharan Africa is one of the most unequal regions in the world with significant disparities in terms of income and wealth, access to food, health care, energy, clean water, and other resources essential for living a full and dignified life (UNECA, 2019). Also, the continent has not been spared by rapid urbanization which has resulted in inadequate services, as half of humanity; 3,5 billion; live in cities today, and the number is expected to rise to 5 billion by 2030. Sadly, 50% of urban dwellers live in the slums, leading to increased pressure on freshwater supplies, sewerage, the living environment, and public health. It is worth mentioning that 95% of urban expansion will take place in the developing world, including within Sub-Saharan Africa. (UNECA,2019)

Unless drastic measures are taken, the current pace and scale of implementation of the SDGs in Africa are not commensurate with the ambitions of the SDGs and Agenda 2063, according to (UNECA, 2019). It is estimated that about 377 million people will still be considered poor in 2030 and many people will still be exposed to the vagaries of climate change such as Tropical Cyclone IDAI, which killed more than 600 people in Mozambique, Zimbabwe, and Malawi. Unfortunately, poor communities are the most affected by climate change. Africa continues to be severely affected by climate change, and Southern Africa has been declared the Climate Change hot spot by the Intergovernmental Panel on Climate Change (Schneidman et al., 2019). Climate change aggravates existing vulnerabilities and structural inequalities.

Even with the challenges mentioned above, there are many opportunities which could be exploited to improve the development prospects of the continent, which include the following:

- half of the fastest-growing economies in the world are in Africa;
- African Continental Free Trade Agreement, which was designed to eliminate tariffs on a large variety of goods and is expected to boost intra Africa trading by 60%;
- commitment by leading computing companies to build data centres on the continent is expected to result in more knowledge-based economies, and help Africa’s young and fast-growing population to be creative and innovative; and
- development financing such as the Better Utilisation of Investment which led to the BUILT Act, signed into law in October 2018, by the US Government and China’s “One Belt One Road” Initiative. (Shneideman, et al.,2019)

Additionally, the following global transformative development agendas: a )2030 Agenda for Sustainable Development, b) Climate Change Agenda, c) Urban Agenda, d) Sendai Framework on
Disaster and Risk Reduction, and e) Addis Ababa Action Agenda, provide Africa with the opportunity to address the development challenges that the continent faces. Moreover, the African Union (AU) has put in place Agenda 2063; *The Africa That We Want*, and the Southern African Development Community (SADC) has agreed on its Regional Indicative Strategic Development Plan, to guide development at continental and regional levels, respectively. At the national level, most countries in the region have adopted the global and regional agendas as reflected in their National Development Plans/Strategies, in a bid to address the development challenges the region faces.

With the global, continental, regional and national development agendas in place, the main questions the paper seeks to address are as follows:
1) What is the role of Regional and Local Governments (LRGs) in implementing the national, regional and continental agendas?
2) How should LRGs be structured to play a role in development effectively?
3) What does LRGs require to play this role effectively, and what can be done?

The next section will outline what the SDGs are, what they say about local government, the potential role of LRGs, and the actions that LRGs can take to implement them.

2. SUSTAINABLE DEVELOPMENT GOALS

In 2015, the United Nations General Assembly adopted a new set of goals referred to as the SDGs to guide global action on sustainable development (UNDP, 2015). The 17 SDGs, also known as an action for people, the planet and prosperity, have been characterised as:
- multi-dimensional as they address development from multiple angles,
- being guided by the principle of leaving no one behind,
- universal and apply to all countries,
- integrated-interconnected-between goals, countries, and spheres of governments,
- inclusive and implicates all levels of government, all stakeholders and all people, and
- measurable-emphasise the need to measure performance (UNDP, 2015).

SDGs build upon the Millennium Development Goals (MDGs), emphasising learning from the experiences of developing and implementing the MDGs (Satherwaite, 2014). A review of the implementation of the MDGs (UNDP, 2015) highlighted the disconnect between the national focus on MDGs targets and priorities and the local level, including the lack of ownership and shared vision on their implementation.

Consequently, the SDGs consultation process focused on the implementation of the goals through a process led by the United Nations Development Programme (UNDP), UNHABITAT and the Global Taskforce of Local and Regional Governments (GTF). As a result, implementation modalities such as financing mechanisms, the role of subnational governments and monitoring and evaluation were identified as critical. The importance of subnational governments in the delivery of the SDGs has been clearly contextualised within global policies, debates and dialogue such as a) UNDP; UNHABITAT; GTF dialogue processes, b) the European Union Communication on Empowering Local Authorities (European Union, 2013); c) the Commonwealth Local Government Forum (CLGF) Gaborone Declaration (CLGF, 2015), and the High-Level Political Forum for SDGs (UNDP, 2019) among others. Given the importance of the SDGs framework in shaping the global development agenda for the period 2015 to 2030, the next section focuses on the role of LRGs in the delivery of the SDGs.

2.1 Localising the SDGs

According to UNDP (2017), the achievement of the SDGs depends on local action, community buy-in, local leadership well-coordinated with other levels of government. Localising the SDGs refers to a process of adapting the SDGs to a local and territorial context, implementing and monitoring SDGs at the local level (UNDP, 2017). It is the process of taking into account sub-national contexts in the achievement of the 2030 Agenda and relates to how local and regional governments can support the achievement of the SDGs at the national level through action from the bottom up and how the SDGs can provide a framework for local development.
An analysis of the implications of the SDGs on LRGs shows that LRGs have a role to play in implementing all the 17 SDGs (UCLG, 2015, Amis, 2014). Specifically, LRGs are responsible for the provision of public services such as water and sanitation (goal 6) and infrastructural developments (goal 9). LRGs can contribute to solving urgent global crises such as rapid urbanisation, climate change (goal 13), food shortages (goal 1) and health crises (goal 3). Finally, local government, through service delivery, can contribute to economic growth and job creation (goal 8) as well as promote inclusivity and responsiveness due to their proximity to the citizens.

The role of LRGs in the successful delivery of the SDGs cannot be understated because of the following:

- LRGs are responsible for development planning and are best placed to ensure that no one is left behind due to their proximity to the people,
- LRGs are responsible for service delivery which is a critical pathway to poverty eradication and achieving sustainable goals,
- development takes place within spaces and LRGs can adapt national, regional and global development agendas, and
- LRGs have convening powers to facilitate the required partnerships for planning, implementing and monitoring of development and service delivery.

Local planning, particularly Integrated Development Planning (IDP)—an approach to planning that involves the entire council and its citizens in finding the best solutions to achieving long-term development goals, a role best played by LRGs, is critical in the successful delivery of the SDGs. This so because the IDP process recognises the complicated relationship between the various aspects of development: economic, social-economic, environmental, ethical, cultural, infrastructural and spatial. Besides, the IDP coordinates the various aspects of development, different layers of government and various stakeholders as envisaged by the SDGs that implicate all levels of government and all stakeholders.

Service delivery is a critical pathway to the successful delivery of SDGs. All SDGs have targets directly related to the responsibilities of local and regional governments. According to (ULCG, 2015), 65% of the 169 targets of the SDGs relate to LRGs, which play an essential role in the SDGs successful delivery. Subsequently, access to services is critical to addressing poverty reduction, inequalities, including gender inequalities. More importantly, LRGs are critical to reaching those left behind, including women, people living with disabilities, ethnic minorities, people living in remote places, youth and other excluded groups. All levels of government, men, women, disabled, marginalized and LRGs are vital in ensuring inclusiveness, responsiveness, and innovation. Effective local governance can ensure the inclusion of multiple stakeholders, which is critical for ownership, commitment, and accountability.

Development takes place within local spaces, and LRGs can adapt global, regional and national strategies into local plans. Given the integrated nature of SDGs, an integrated multi-level and multi-stakeholder approach to development is essential. LRGs are critical in promoting multilevel governance and multi-stakeholder approaches that underpin sustainable development goals. Local government’s convening power can bring public, private and non-governmental stakeholders together including providing the interface with other government agencies, horizontally and vertically.

Lastly, LRGs can play a role in the monitoring and assessment of the SDGs. The 231 SDG indicators can be localised by gathering data at the local level. Local authorities can develop a set of localised indicators specific to each territory. The information gathered at the local level can be used for regional and national monitoring and reporting. LRGs can participate in the stakeholders’ review of national plans and can use SDGs indicators to monitor and assess local and regional plans.

With the failure of top-down, one size fits all solutions to development, and there is need for bottom-up approaches that promote innovation. Also, increasing frustration by citizens with high levels of poverty, unemployment, rapid urbanization and inequality, bottom-up responsive solutions
are required to keep communities on board. LRGs are recognised as initiators and drivers of effective local development processes, building ownership and consensus on the development potential of the territory, promoting broad partnerships and facilitating coordinated action and synergies.

However, as (Satterthwaite, 2014, Amis, 2013) point out, LRGs do not always have adequate human, technical and financial capacity to effectively play a role in the successful delivery of the SDGs. Decentralisation is therefore critical for LRGs to effectively play its role in development. The next section seeks to explore how LRGs should be structured for them to effectively play a role in the implementation of global, continental, regional and national development agendas and strategies.

3. DECENTRALISATION

Decentralisation is a process that involves the transfer of political, administrative and fiscal responsibilities from central government to lower spheres of government (Rondinelli et al., 1989, World Bank, 2001). There are three types of decentralisation, namely: political, administrative and fiscal decentralisation (Rondinelli, et al., 1989; Robinson, 2007). Political decentralisation involves providing citizens and their representatives with public decision-making powers through the democratic process (World Bank, 2001). The rationale behind political decentralisation is that decisions made with greater participation will be better enforced and more responsive to the diverse needs and interests in the society than those made by national political authorities (Rondinelli, et al., 1989).

Administrative decentralisation involves the transfer of responsibilities for planning, financing, and managing certain public functions from the central government to its agencies (Rondinelli, et al., 1989). There are different categories of administrative decentralisation, namely: deconcentration, devolution, and delegation. **Deconcentration** refers to a system where local governments are established but remain attached to the central government through hierarchical, top-down accountability and administrative arrangements (Brosio, 2000). **Devolution** refers to the transfer of authority for decision making, finance, and management to quasi-autonomous units of local governments with corporate status (Brosio, 2000). **Delegation** is the transfer of responsibility for decision making and administration of public functions for the central government to semi-autonomous organisations (Brosio, 2000).

Fiscal decentralisation refers to shifting some responsibilities and revenues to lower levels of government (World Bank, 2001, Litvak, et al., 1998). It takes many forms including: local government self-financing, co-financing, expansion of local services through property taxes, intergovernmental transfers and municipal borrowing (Smoke, 2003, World Bank, 2001). Fiscal decentralisation helps to retain some resources locally to enhance and stimulate local economies and support local development initiatives (Manor, 1997). Decentralisation processes have yielded mixed results and faced a variety of implementation challenges (Eaton, et al., 2008, Robinson, 2007). Challenges related to political, administrative and fiscal decentralisation include **political capture, administrative and technical capacity constraints, inadequate financial resources, among others**.

**Political capture** - contrary to the assertion that decentralisation enhances citizen participation in development, in practice decentralisation, happens at local levels where dominant groups capture power for their interests which can adversely impact community participation (Ahmad, et al., 2005, Manor, 1997; Turner and Hulme, 1997). Some of the adverse effects of political capture are the domination of decision-making processes by the elite, corruption and ineffective citizen participation.

**Administrative and Technical Capacity constraints** - in practice, decentralisation has mainly been top-down and often motivated by reasons external to sub-national governments and the citizens. Lower tiers of government and citizens have been passive recipients of decentralised mandates which are often transferred despite their readiness (CLGF, et al., 2012). Administrative and Technical Capacity constraints have led to inadequate capacity within LRGs to deliver services effectively. Lack of administrative capacity has often been cited as a threat to LRGs legitimacy (World Bank, 2001, Turner and Hulme, 1997, Manor, 1997).
Inadequate financial resources - linked to administrative capacity constraints, is the top-down transfer of competences without the necessary resources. Ideally, finances should follow functions, but in practice, there have been inadequate and unpredictable transfers from central government to LRGs (CLGF, et al., 2012). Additionally, the assumption that decentralised bodies can raise their own revenues to fund local projects has been challenging to achieve due to factors such as limited autonomy and capacity to mobilise local resources (Smoke 2013, Turner and Hulme 1997). Failure to raise resources locally by local authorities has given rise to unfunded mandates (CLGF, et al., White, 2011, Martinez-Vazquez, 2006).

Decentralisation remains one of the most popular and essential administrative reforms in the developing world (Smoke, 2003; Eaton, et al, 2008) and is essential because of the following: a) services are more efficient, responsive and accountable when they are brought closer to the people (Shah and Shah, 2006, World Bank, 2001, White, 2011), b) of the close proximity of government to the citizens encourages citizen participation in public life, enabling them to hold local officials accountable which may help to reduce corruption, and c) it is supposed to result in “improved efficiency, governance and or equity which is often associated with economic development and poverty reduction” (Smoke, 2003:9).

Decentralisation has been implemented for a variety of reasons ranging from transitioning from post-conflict situations to democracy, responding to urgent political and economic crises and as part of a broader market reform strategy (Eaton, et al., 2008). According to the World Bank (2001), most decentralisation that took place in the 1990s was motivated by political reasons as part of the democratisation process in Latin America and Africa. Given this, decentralisation processes in the SDGs era should be about the implementation of global, continental, regional and nationals development agendas.

Therefore, LRGs should be structured and empowered to play a role through the following:

- Clear mandates assigned through constitutional; legal; policy; and regulations, there should be clear definition of functions and responsibilities and local governments should be able to plan, make decisions and allocate resources at the local level,
- policies should provide clear vision and strategic direction in line with the national and global development plans- policy frameworks should outline the following: institutional arrangements, enablers such as funding sources, and definition of roles among others,
- enabling tools such as guidelines, simplified versions of; Constitutional provisions, legislation and regulations, tools/ toolboxes, templates, information sessions,
- fiscal decentralisation- where functions and responsibilities are followed by adequate funding for local government to play a developmental role. There should be fiscal decentralisation mechanisms in place that enable the sharing of revenue that is collected centrally. Local governments must be empowered to collect local revenue, which is due to them to support the developmental mandate. Fiscal decentralised systems should also allow for stakeholder participation planning, and allocation of resources for development purposes,
- administrative capacity- local governments need to be adequately resourced with capable, knowledgeable and skilled officials to play a role in development effectively. Local government should be empowered to determine and manage the skills in line with their plans,
- performance management system- there should be transparent performance management system within which local government should be monitored to ensure that they are continuously supported, with excellent centre local relationships which enable stakeholders to work jointly to ensure that local government play a role in development.

Also, decentralisation needs to focus on the economy, given the emphasis that has been placed on political and administrative aspects. The next section focuses on local economic development, an
approach that has been identified as a framework for LRGs to implement programmes that lead to the successful delivery of the SDGs (CLGF 2016, World LED Forum 2015).

4. LOCAL ECONOMIC DEVELOPMENT

The meaning and context of LED have evolved over the years. LED can be traced back to the theories of regional studies that acknowledge that economic growth does not co-occur throughout a territory but is selective, place-bound, cumulative and hence uneven (Gomez and Helmsing, 2008).

There are three broad regional development theories that underpin LED namely: a) market-driven theories, which view development in terms of economic growth, b) regeneration theories, which place emphasis on investment in development of places and human capital, and c) alternative local development theories which are shaped by post 1990 development thinking, which focuses on collaboration and networking (Gomez and Helmsing, 2008).

LED is commonly defined as a participatory approach to development where local actors – local government, NGOs, community and businesses partner to work collectively to create better conditions for economic growth, employment generation & poverty reduction drawing on local resources and skills (World Bank 2002, ILO 2006). The interaction between local stakeholders to grow the economic base of a geographic locality involves the identification of barriers to economic growth, formulation, and implementation of measures to overcome the barriers while exploiting economic and business opportunities. (Nel, 2001; Helmsing 2001; Trousdale 2003).

The expected outcomes of LED include job creation, empowerment, the pursuit of economic growth and the restoration of economic vitality and diversification in the targeted locality. (Nel, 2001). The outcomes of LED are critical in the achievement of the SDGs agenda, particularly inclusive growth, gender equality, and ending poverty. There are two broad perspectives on the definition of LED. The LED approach (a way of doing things) which is a collection of policies, strategies, tools, including the partnerships, and LED, as an outcome of pursuing an LED approach. It is important to note that the LED approach is an ongoing process, not a project or a series of steps to follow. LED takes the context of national and global socio-economic imperatives and is not about projects and programmes but about building institutional capacity for economic governance at the local level.

Based on its experiences in supporting LED in Southern Africa, CLGF (2016) characterised LED as:

- an endogenous approach to development: focusing on the physical, environmental, human and economic endowments of a locality;
- taking a multi-stakeholder approach where local government, business, and civil society work in partnership to improve the social and economic being of the locality;
- providing a framework for multi-level governance as it enables stakeholders to work in partnerships vertically with other levels of governance;
- being multidisciplinary, it has a role in social development, economic, physical planning, and e) promoting integration, among others.

These characteristics are similar to the principles underpinning the SDGs, which is why LED is regarded as a framework for implementing programmes that lead to the achievement of the SDGs by (CLGF 2016, World LED Forum 2015).

Moreover, LED can be viewed as a response to decentralisation, globalisation, and pressure on central state resources (Nel, 2001). Globally, there has been a general trend to decentralise state powers from central to local levels. LED can, therefore, be regarded as a decentralisation mechanism that allows local and regional governments and their communities (business, labour, and society) to shape their environments, improve competitiveness in their local economies and ensure that infrastructure and services work well for industry and society.

The LED approach is grounded in local partnerships, which include; the national government, LRGs, the community, civil society, the business sector, and development partners. It is a stakeholder-
driven process; therefore, there is no LED without the involvement of stakeholders. The roles of LED stakeholders are outlined below.

| **LRGs** | coordinators, facilitators, and stimulators of the local economy; planning authority; mobilise communities to participate in LED; collect economic data; identify and market new economic opportunities; creates an enabling environment for local businesses; service delivery; LED should not be a line function, but a responsibility of the whole local authority |
| **Central Government** | provides the enabling Constitutional, Policy, legislative and regulatory frameworks; Co-ordinates and aligns support to local authorities for LED; coordinates national LED stakeholders, including relevant sector ministries; provides technical and knowledge resources, and tools for local authorities to implement LED; monitors LED implementation as well as the impact |
| **Private sector** | provide constructive feedback; efficient and effective provision of goods and services; investment; local sourcing; job creation; skilling and training; business networking; PPPs; marketing; Corporate Social responsibility |
| **Citizens/civil society** | Issue-focused understanding of the locality; Access to land, local decision making and leadership; Research and knowledge production, skills development; Indigenous knowledge and an inherent understanding of the locality; pay rates and taxes |

Table 1 LED Stakeholder roles

Generally, LED is institutionalised within a locality through the LED Strategy process. The LED strategy development process facilitates the approach which enables the local authority, stakeholders, and individuals to take ownership of their development through combining skills, ideas, and resources. The LED Strategy development process includes the following:

**a) Setting up internal and external organisational arrangements** - where a local authority resolves to adopt the LED approach through a council resolution and identifies the people, public institutions, businesses, community organizations and other groups with interests in the local economy. The identification of stakeholders is followed by the establishment of internal and external organisational/ institutional arrangements for LED.

**b) Analysing the local economy** - a process where a locality’s economic, social and physical resources are assessed to guide the design of, and approach to, the implementation of the LED strategy. The assessment involves local stakeholders undertaking joint information gathering processes to understand the nature and structure of the local economy. The result of this process is an economic profile highlighting the locality’s comparative and competitive advantage. The economic profile becomes the basis for the LED strategy.

**c) Visioning, goal setting, and project development process** - establishes an overarching roadmap, presenting an alternative future narrative for the locality, which presents the shared economic vision, goals and objectives and programmes to improve the locality. The ultimate goal is to overcome the weaknesses of the local economy, by leveraging the strengths of local stakeholders and the opportunities of these localities.

**d) Monitoring and evaluation** - To ensure effective monitoring of the LED strategy, monitoring and evaluation framework is developed. LED is monitored through drawing up a framework that outlines the implementation of the strategy, including details on how, by whom, when and with what resources and partnership arrangements. Additionally, an evaluation framework outlining how performance will be measured is also outlined and agreed upon by stakeholders. Monitoring is an ongoing process that is undertaken by LED stakeholders.

**e) Strategy implementation** – is driven by LED action plans through the implementation of interventions that seek to: create an enabling environment, to invest in the place, economy and the people. LED initiatives can be grouped into three main categories, namely those targeting the community, businesses, and locality development (Helmsing, 2003, Blakely, 1989). Nel (2001)
identified five major LED interventions, namely: financial support, land and building development, information and marketing assistance, organisational structures and training and employment. World Bank (2002) identified four interventions outlined below.

<table>
<thead>
<tr>
<th>LED Interventions</th>
<th>Initiatives</th>
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<tr>
<td>LED interventions to create an enabling environment</td>
<td>spatial planning; basic services provision; infrastructure development and maintenance; rural roads investment; effective land-use management; solid waste management; by-laws streamlining development and regulatory processes; among others,</td>
</tr>
<tr>
<td>LED intervention to expand the market</td>
<td>business support centres; business networking; cluster support; local supply chains; local tourism; inward investment; one-stop SME shops and economic intelligence</td>
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<tr>
<td>LED interventions to reduce costs and expand the market</td>
<td>seed and venture capital; lowering the cost of capital; funding of community clubs and co-operatives; micro-credit schemes; interest-free loans; incentives and public subsidies</td>
</tr>
<tr>
<td>LED interventions supporting redistribution and economic participation</td>
<td>agricultural extension support; agricultural co-operatives; community-based sustainable resource management; public works programmes; targeted public procurement; skills development; job centres; plugging the leaks; savings collectives; among others.</td>
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Table 2 LED interventions

In conclusion, LED provides a mechanism for the implementation of programmes that lead to the achievement of the SDGs agenda, particularly ending poverty, due to the following reasons: a) LED provides a multi-dimensional focus on development at the local level - meaning that, in addition to economic development, social and environmental issues can be addressed, b) LED allows stakeholders to participate in identifying development challenges, formulating strategies to address them as well as implement them, thereby facilitating ownership of development processes, and c) LED facilitates multi-level governance allowing vertical and horizontal integration - which is critical in addressing development challenges which are integrated and interconnected.

Moreover, LED provides an opportunity to address the weaknesses of decentralisation and to provide a framework for SDGs implementation (World Forum on LED, 2015). LED complements decentralisation processes which have mainly focused on the political and administrative aspects. Local and regional governments can play a crucial catalytic role as initiators and drivers of effective LED processes, fostering participation, the creation of decent jobs, and the economic empowerment of women, youth and vulnerable groups. LED contributes to strengthening social trust and cohesion, helping to build societies that are more stable and resilient to growing, complex and widespread risks, preventing conflict, and ensuring sustainable development. The following section focuses on experiences of supporting local governance and local economic development in Southern Africa.

5. SUPPORTING LOCAL GOVERNANCE AND LOCAL ECONOMIC DEVELOPMENT: EXPERIENCES FROM SOUTHERN AFRICA

The Cardiff Consensus (2011), the Conference declaration for the CLGF Conference held in Cardiff in 2011, set in motion CLGF’s work in promoting developmental local government, including LED. The Consensus called on “national, state, local government, private sector, civil society and development partners to support and strengthen local government’s role in local economic development (LED) to help reduce poverty and promote economic prosperity across the Commonwealth.” (CLGF,2011)

In line with the Cardiff Consensus, CLGF has been supporting local governance and LED in Southern Africa since 2012 through a regional programme. The programme has been implemented in two phases: the first being during the period 2012 to 2016, and the second, which is currently being implemented (2017-2020). Under the first phase of the programme, the national environment for
LED was enhanced in four target countries through the following: a) revision of the LED Framework in South Africa, b) development of the LED Framework and Decentralisation Policy in Botswana, and c) formulation of LED Guidelines in Eswatini and Zambia. The programme also resulted in increased capacity for local authorities to promote LED at the local level through initiatives such as a) Small Towns Regeneration efforts in South Africa and piloting LED including strategy formulation and implementation in Botswana (4LAs), Eswatini and (3LAs) and Zambia (4LAs).

The second phase of the programme (2017-2020), which is currently being implemented, seeks to support the roll-out of LED nationally in Botswana, Zambia, and Eswatini; the Regional Economic Development approach in South Africa and piloting LED in Zimbabwe. Besides, the programme is supporting the implementation of LED strategies, developed under phase one, in Zambia and Botswana through initiatives such as mapping of value chains and development of business plans to mobilise additional resources and expertise to strengthen local economies.

To date, phase two of the regional programme has resulted in the roll-out of LED to new councils in the target countries as follows: a) Botswana - 12, b) Eswatini - 10, c) Zambia - 10, c) Zimbabwe - 20. Studies are at an advanced stage in South Africa which outline a regional approach to economic development, as well as guidelines for councils to develop regional economic strategies.

This next section seeks to answer the following questions: How can LRGs be empowered to effectively play a role in poverty reduction and the successful delivery of global and national development plans, including through LED? What are the lessons learnt from the experiences in Southern Africa? To answer these pertinent questions, the following case studies, highlighting how local government can be empowered will be shared.

5.1 Empowering LRGs to reduce poverty and localise the SDGs and National Development Plans

In section 3, the paper outlines the following as critical elements of an enabling environment for local government to effectively play a role in development, including through promoting LED:
- clear mandates through constitutional, policy and legislative provisions,
- policies that provide clear vision for the sector,
- enabling tools such as guidelines;
- fiscal decentralisation,
- administrative capacity, and
- performance management systems and enabling centre local relations.
This section outlines examples of what central government can do to empower local government to effectively play a role in development, including through promoting LED, in Southern Africa. The experiences seek to highlight how central government can support local government to play a role in development, including through promoting LED.

5.1.1 Empowering local governments to localise the SDGs and National Development Plans through the formulation of the Decentralisation Policy and LED Framework in Botswana

Local governments need clear mandates and enabling frameworks to play a role in sustainable development and promote LED effectively. For example, the Ministry of Local Government and Rural Development (MLGRD) and Botswana Local Authorities Association (BALA) embarked on an initiative to empower local governments to implement LED as well as play a developmental role in Botswana, in 2013 as follows:

**Partners:** MLGRD and BALA in partnership with CLGF and UNDP

**Objectives** included the following:
• formulating policy and institutional frameworks to facilitate inclusive and pro-poor LED at national and local levels,
• developing tools and systems to facilitate LED planning and implementation at national and local levels,
• strengthening both administrative and technical capacities of key individuals and institutions including the MLGRD, four pilot districts in Botswana and the BALA to plan and implement LED,
• monitoring and evaluation capacities to support evidence-based decision making in LED planning and implementation at national and local levels.

Key activities
• **MLGRD formulated the LED Framework and Decentralisation Policy** through: a) developing of LED and decentralisation concept notes, b) formulating LED and decentralisation discussion papers, c) holding stakeholder workshops to review the draft policy documents, and d) formulating the LED Framework and Action Plan. Cabinet adopted the LED framework in October 2016. At the time of writing, the Decentralisation Policy was being finalised.
• **Piloted LED in four local authorities and subsequently rolled out to 12 local authorities** which were underpinned by the development of guidelines and tools to guide local authorities as follows: a) guidelines on undertaking Local Economy Assessment(LEA) in Botswana b) guidelines for integrating LED in local development planning in Botswana, c) guidelines for LED strategy formulation, and d) templates for value chain mapping and development.
• **Built capacities of individuals, institutions, and stakeholders involved in planning and implementing LED at national and local levels** through a) orientation seminars on LED; c) undertaking the LEA process, d) development of LED strategies, e) development of value chain maps and g) development of bankable business plans.

Results
• LED has been rolled out to all 16 districts country-wide and the four pilot local authorities, are now implementing their LED strategies, including through mapping and enhancing their value chains. Examples of implementation of LED strategies will be shared in section 5.2.of the paper.
• Partnerships between civil society organisations, private sector and communities are now being established,
• Enhanced centre local relations, particularly between MLG and BALA, as a result of working on a joint programme, and
• The LED framework has harnessed a wide range of policies, institutions, and programmes that impact on local economic growth, including the SDGs. Below is an example of how LED has been used to address the National Development Plan and SDGs.

<table>
<thead>
<tr>
<th>LED framework</th>
<th>NDP 11 2017-2023</th>
<th>Vision 2036</th>
<th>Related SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective</td>
<td></td>
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</tbody>
</table>
| “to promote and sustain economic growth and diversification; reduce unemployment, eradicate multi-dimensional poverty; reduce spatial and socio-economic inequality and exclusion, and mitigate environmental degradation and climate change in all localities through joint actions of the central government, empowered LGs, local institutions, the private sector, and communities.” | • designed around the theme “Inclusive Growth for Realisation of Employment Creation and Poverty Eradication”.
• The Decentralisation Policy and NDP 11 are mutually reinforcing and timely, as they have a common goal of empowering citizens through improved service delivery and accountability. | • ensuring prosperity for all, deepening and sustaining participatory democracy.
• places decentralisation at the core of the country’s governance system
• It emphasises human capital development and LED, among others, which will require leveraging local endowment |
| Vision 2036   | Vision 2036     |             | Goal 1 on eradicating extreme poverty and ending hunger; |
| Related SDGs  | Related SDGs   | Goal 4 on increasing skills for employment; |
|               | Related SDGs   | Goal 5 on gender equality, |
|               | Related SDGs   | Goal 8 on decent work and economic growth, |
|               | Related SDGs   | Goal 9 industry, infrastructure, and innovation |

| Table 2 LED Framework and SDGs |

13 | P a g e
Challenges

- **High Staff turnover** - despite the progress made towards enabling local government to promote LED, frequent staff transfers undermined the capacity development efforts.
- **Delegated/deconcentrated system of local government** - LED was introduced in Botswana, where decentralisation takes the form of a mixture of delegation and deconcentrating - local governments are not fully empowered to make decisions and allocate resources at the local level. As a result, local authorities’ ability to effectively maximise on the potential of their localities was negatively affected.
- Limited integration of LED into the day to day work processes and systems
- Limited participation of the private sector

Emerging Lessons

- The LED framework provided a common understanding of LED, guidance to stakeholders on the national and global developmental priorities and created the national impetus and national reference for the implementation of LED in Botswana.
- Empowerment of local governments is not limited to mandating local government through constitutional, policy and legal frameworks, but also included, provision of capacity building, developing of tools and guidelines, sound centre local relations, and providing backstopping support to local government.
- For local government to play a role in sustainable development and LED, they need to be empowered to make decisions and allocate resources at the local level; hence, decentralisation should be by devolution.
- To enhance capacity-building efforts, approaches and concepts such as LED and developmental local government should be part of the curriculum of tertiary institutions.
- Introduction and rolling out of reform processes such as decentralisation or LED must take a phased approach to allow learning from the process, in the case of Botswana, the LED Framework development process benefited from the pilot phase, and the roll out to the rest of the local authorities is also learning from the piloting phase.
- LED can be used to localise the National Development and Sustainable development Goals, as demonstrated in the case of Botswana.

5.1.2 Empowering LGs to localise the SDGs and National Development Plans through Decentralisation Policy and LED Guidelines

Another example of how local government can be empowered to play a role in development including promoting LED is Zambia where the Ministry of Local Government and the Local Government (MLG) Association of Zambia (LGAZ), Chalimbana Local Government Training Institute (CLTG) sought to empower local government through the development of LED Guidelines and implementation of the Decentralisation Policy, and the National Development Plan.

**Partners**: MLG, LGAZ in partnership with CLGF

**Objectives** – the partners sought to:
- Create an enabling environment at the national level to facilitate, coordinate and monitor LED,
- Promote active and vibrant community and stakeholder participation in local development, particularly LED activities, and
- Create and sustain a conducive environment for local investment and economic empowerment.

**Primary Activities** - the following key activities were implemented:
- Piloted LED in four local authorities in Zambia; namely Kabwe Municipality, Kaoma Town Council, Chipata Municipal Council, and Kitwe City Council,
- Undertook needs assessments and provided training on LED to the four Local authorities, supported the coordination of LED at the national level,
- Provided guidance and backstopping support to the four local authorities,
- Provided capacity building in the formulation of LED strategies in four local authorities,
- Developed LED guidelines and orientation manual,
- Formulated and implemented the LED roll-out plan, to guide the MLG and LGAZ to roll LED at the national level, and
- LGAZ and MLG undertook LED training of trainers at the national level.

**Results**

- As a result of the development of LED strategies, the following partnerships were entered into, and resources were mobilised.

<table>
<thead>
<tr>
<th>Local authority</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaoma Town Council</td>
<td>- Public-Private Partnership (PPP) to implement the &quot;Keep Kaoma Clean&quot; and &quot;Green initiative&quot;.</td>
</tr>
<tr>
<td></td>
<td>- a service charter put in place</td>
</tr>
<tr>
<td></td>
<td>- increased revenue for the council</td>
</tr>
<tr>
<td>Kabwe Municipal Council</td>
<td>- strategic partnership with the World Bank to mitigate the effects of lead poisoning on the livelihoods of the affected citizens.</td>
</tr>
<tr>
<td></td>
<td>- World Bank has provided US$11.7 million to cover four interventions: Infrastructure development, health issues, education and livelihoods</td>
</tr>
<tr>
<td>Chipata Municipal Council</td>
<td>- District Investment Profile</td>
</tr>
<tr>
<td>Kitwe City Council</td>
<td>- partnered with the World Bank, which provided US$2,310,200 towards skills development and procurement of equipment for SMEs.</td>
</tr>
</tbody>
</table>

**LED** is currently being rolled out to 10 additional local authorities with direct support from the project partners, with financial support from the EU and DFID and technical support from CLGF. However, other local authorities have gone on to implement LED without direct support from MLG, LGAZ or CLGFI.

- Enhanced centre local relations, particularly between LGAZ and MLG through joint support for local government in piloting LED.

**Challenges**

- High staff turn over- the introduction of LED experienced high staff turn- over which impeded capacity-building efforts.

**Emerging lessons from Zambia**

- Capacity development for local government is useful when it takes a holistic approach by including national training institutions to be part of the needs assessments and design of capacity building initiatives.
- Zambia’s experience highlights the importance of partnerships at the national level, particularly partnerships between the ministries responsible for local government and the local government association as well as partners such as CLTI, CLGF, and development partners; EU and DFID.

**5.1.3 Constitutional, Legislative and Policy Framework for developmental local government and LED in South Africa**

An analysis of the South Africa Constitution, White Paper on Local Government and LED Frameworks highlights how local government can be empowered to play a role in development, including LED.

**The Constitution 1996**

- mandates local government to play a role in development when it says “A municipality must structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community.” (RSA,1998,23)
- obligates the local government to promote economic development where it says, 'local government is committed to working with citizens and groups within the community to find
sustainable ways to meet their social, economic and material needs and improve their lives” (RSA, 1998, 23)

- defines developmental local government as: ‘a government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs, and improve the quality of their lives.’ (RSA, 1998)
- characterises developmental local government as a) maximising social development and economic growth, b) integrating and coordinating, c) democratizing development and d) leading and learning.
- outlines the desired outcomes of developmental local government as a) provision of basic household infrastructure and services, b) creation of liveable, integrated cities, towns, and rural areas, and c) promotion of local economic development. The outcomes relate to the social, environmental and economic aspects of development.

**Municipal Structures Act (117 of 1998)**
- outlines the status of municipalities and provides a framework for the establishment of the different types of municipalities in South Africa, and
- sets out the roles and responsibilities of the different types of municipalities.

**Municipal Systems Act (32 of 2000)**
- It sets out the internal systems of municipalities.
- The Act enables municipalities to act in a way that they advance the social and economic upliftment of local communities and ensure that there is universal access to affordable services.
- It compels municipalities to formulate the Integrated Development Plan (IDP), a key planning document for local government in South Africa and LED is a component of the IDP.

**LED Frameworks from 2002-2017**
The following Frameworks were also developed to facilitate the sharing of a shared understanding of LED and to create a reference for LED planning and implementation in South Africa.

<table>
<thead>
<tr>
<th>Framework</th>
<th>LED focus intervention</th>
<th>Key Developmental policies being addressed</th>
</tr>
</thead>
<tbody>
<tr>
<td>LED Policy 2002</td>
<td>• community development,</td>
<td>• Growth, Employment and Redistribution Policy (GEAR),</td>
</tr>
<tr>
<td></td>
<td>• linking profitable growth to redistributive development,</td>
<td>• the RDP Programme and</td>
</tr>
<tr>
<td></td>
<td>• investing in human capital, delivering and maintaining infrastructure and services,</td>
<td>• the Constitution</td>
</tr>
<tr>
<td></td>
<td>• plugging the leaks, retaining capital in the economy and retaining and expanding</td>
<td></td>
</tr>
<tr>
<td></td>
<td>existing businesses.</td>
<td></td>
</tr>
<tr>
<td>LED Policy 2004</td>
<td>• investment promotion,</td>
<td>• Growth, Employment and Redistribution Policy (GEAR),</td>
</tr>
<tr>
<td></td>
<td>• support to small businesses, and</td>
<td>• the RDP Programme and</td>
</tr>
<tr>
<td></td>
<td>• assistance to growth sectors among others.</td>
<td>• the Constitution</td>
</tr>
<tr>
<td></td>
<td>It is important to note that the change of focus was to include LED intervention to</td>
<td></td>
</tr>
<tr>
<td></td>
<td>expand the market</td>
<td></td>
</tr>
<tr>
<td>LED Policy 2006</td>
<td>• improving good governance, service delivery, public and market</td>
<td>• Growth, Employment and Redistribution Policy (GEAR),</td>
</tr>
<tr>
<td></td>
<td>confidence in municipalities,</td>
<td>• the RDP Programme and</td>
</tr>
<tr>
<td></td>
<td>• exploiting the comparative advantage and competitiveness of districts and metros,</td>
<td>• the Constitution</td>
</tr>
<tr>
<td></td>
<td>• support and business infrastructure development, and</td>
<td></td>
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<tr>
<td></td>
<td>• sustainable community investment programs focusing on organising communities for</td>
<td></td>
</tr>
<tr>
<td></td>
<td>development and public spending</td>
<td></td>
</tr>
<tr>
<td>LED Framework 2017-2022</td>
<td>• Building diverse &amp; innovation-driven local economies,</td>
<td>• The New Growth Path,</td>
</tr>
<tr>
<td></td>
<td>• developing inclusive economies,</td>
<td>• Industrial Policy Action Plan,</td>
</tr>
<tr>
<td></td>
<td>• developing learning and skilful economies,</td>
<td>• National Development Plan,</td>
</tr>
<tr>
<td></td>
<td>• enterprise development and support,</td>
<td>• Innovation for Local Economic Development Strategy,</td>
</tr>
<tr>
<td></td>
<td>• economic governance and infrastructure</td>
<td></td>
</tr>
</tbody>
</table>
Emerging lessons from South Africa

- Local government requires a clear mandate through Constitutional, Policy, legislative and regulatory provisions to play a role in development effectively.
- Formulation of IDPs must be mandatory for local governments to play a role in development effectively. Development, as defined by the SDGs, is complex because it is multi-dimensional, therefore requiring an instrument to integrate the various aspects and coordinate the different stakeholders, vertically and horizontally. In South Africa, the Municipal Systems Act obligates local authorities to develop IDPs.
- Local government requires clear Policy direction through LED Frameworks to effectively link national and global contexts to the local needs and priorities. From the case of South Africa, the LED Frameworks were used as the reference point for local government as well as ensuring a shared understanding of what LED is and what the national priorities are. The three LED Frameworks that are shared above clearly show the shift in focus depending on the national and global imperatives.

5.2 Local Government Experiences of implementing LED at the local level

Section 2 of the paper highlights the role that local government can in promoting development, including through LED. Local government can play a role in development because it is best placed to plan, implement, monitor and create partnerships at the local level, in a way that leaves no one behind, particularly women, youth and the disabled who are at risk of exclusion. The kind of LED initiatives that can be implemented in any area will depend on the conditions, needs, and priorities of the area. Thus, understanding of the local economy will require researching the local context, local economy, and employment structure, local population, and labour market. The World Bank (2003) identifies four broad initiatives as outlined in section 4, table 1; however, in practice, the initiatives overlap as demonstrated in the experiences shared below.

5.2.1. Support for redistribution and economic participation - LED initiatives that promote redistribution and economic participation include agricultural extension support; agricultural co-operatives; community-based sustainable resource management; public works programmes; targeted public procurement; skills development; among others. Redistribution is a critical economic development strategy that can contribute to poverty reduction and equality, thereby contributing to the achievement of national, regional and global development goals. Three cases from Ilembe District; South Africa and Mbabane City Council, Matsapha Town Council; and Manzini Municipal Councils from Eswatini.

5.2.1.1 Addressing past injustices and inequalities through LED

The case of Ilembe District Municipality (IDM) in KwaZulu Natal in South Africa, highlights how a local government can address spatial inequalities, dual economy, general development backlogs, service delivery backlogs, reduced productivity, shortage of skills, unemployment, poverty, and vulnerability through LED. IDM has a rich history in cultural heritage as well as a natural environment that creates opportunities for the local tourism industry, good soils, a climate that is favourable for agriculture, and sugar cane is the dominant agricultural product. Private sugar cane farmers owned about 30 per cent of the land, the District is predominantly rural, underdeveloped and experiences high unemployment rates, and IDM experiences essential services backlogs despite developed coastal hubs and industrial zones. To address social, economic and spatial inequalities, IDM did the following:

- set up of a private company to: enhance its capacity to optimise its regional competitive advantage; facilitate the participation of stakeholders; and provide technical capacity to the District to promote trade and investment and to facilitate socio-economic development.

Institutional arrangements and partnerships - to promote LED IDM did the following:

- set up of a private company to: enhance its capacity to optimise its regional competitive advantage; facilitate the participation of stakeholders; and provide technical capacity to the District to promote trade and investment and to facilitate socio-economic development.
established an LED Forum that brings together local stakeholders including a representative from the 4 Local municipalities within the district, business, labour, national government, provincial governments, state-owned enterprises, donors and CBOs

**Key activities that were undertaken to address the problem** include the following:

- created a link between the developed coastal economy and the underdeveloped rural areas by supporting many tourism initiatives,
- created a link between commercial sugar cane farming with subsistence farming in the rural hinterland through the provision of training, research as well as the provision of production facilities and facilitation of fresh produce markets,
- enhanced the agriculture value chain by establishing an agro-processing hub and secured markets for local farmers, and
- implemented many initiatives to address industrial development and service sectors.

**Results** as a result of these initiatives, IE reported tremendous progress in terms of economic, spatial and social benefits as follows:

- Economic benefits included the creation of jobs, strengthening of the Ilembe and North Coast brand, creating linkages between the rural and the coastal economies and increase in agricultural production.
- Social benefits included a more accountable local authority that was trusted by the private sector and citizens increased interest in local governance, knowledge and skills transfer as well as the empowerment of women and children.
- Spatial benefits that included de racialisation of apartheid spatial systems and the improvement of land value in the district.

**Key lessons from the experience of Ilembe District Municipality**

- The LED approach can be used to address social, economic and spatial inequalities. The case highlights how LED can be used to address development challenges, thereby contributing to the achievement of the SDGs.
- The experiences of Ilembe also highlight the value of working in partnership with all sectors to achieve local development objectives. It also provides an example of how a local authority, legislation permitting, can create a private company to enhance its capacity to promote LED.

Another example of how local government can promote **redistribution and economic participation** is by adapting the National Poverty Reduction Strategy at the local level. Local government can contribute to poverty reduction by adopting strategies that empower vulnerable groups in the community through initiatives such as a) facilitation of markets to local traders, b) participation in the management of solid waste, and c) sustainable environmental management initiatives ensuring that no one is left behind.

### 5.2.1.2 Localising Swaziland Poverty Reduction through LED

The Ministry of Urban Development and Housing in Eswatini and three local authorities namely; Mbabane City Council, Manzini Municipal Council, and Matsapha Town Council, decided to use LED to implement the national Poverty Reduction Strategy and Action Plan as follows:

**Key activities - the following key activities were undertaken:**

- Three local authorities designed different poverty reduction initiatives, all aimed at the provision of sustainable access to economic opportunities through the facilitation of various entrepreneurial activities and social enterprises.
- Initiatives were identified based on extensive community engagements, including consultations with traditional leadership.

**Matsapha Waste Management initiative** was initiated to address the poor waste management practices in the locality by:

- formulating and implementing a waste management strategy,
- sensitising stakeholders on keeping the environment clean,
• mobilising the support of relevant government agencies and the private sector through a series of workshops and consultations,
• recycling of waste, and
• training, formally registering and providing opportunities for informal waste reclaimers.

Results—the initiative resulted in the following:

Thirty informal reclaimers being formally registered and trained in creating value-added products from waste, creating opportunities for income generation, 18 people were employed, and One hundred eighty people participated in the multi-stakeholder clean-up campaign in Matsapha.

Manzini Municipality introduced the Thursday Market— which provided trading opportunities to the informal sector from Manzini, rural and smaller urban areas from all over Eswatini which resulted in the following:

• 500 informal traders were trained in records keeping, bookkeeping, pricing and marketing in Manzini, and
• Sixty traders were able to exhibit their goods and traded at the Eswatini International Trade Fair held in Manzini, annually.

Mbabane Municipality sought to promote sustainable environmental management while generating income for residents through:

• capacity building and demonstration projects focusing on sustainable environmental management, mainly waste prevention and minimisation,
• reuse and recycling, including composting and climate-smart organic gardens.

Results include the following:

• 1107 people in sustainable environmental management and production of commercial products from recyclable waste;
• Nine hundred and forty climate-smart gardens established, providing opportunities for food security in the urban areas;
• Communities produced 3763 kilograms of compost for sale was produced;
• Four hundred community members were trained in producing commercial products from using reusable waste material; and
• Mbabane City Council hosted quarterly flea markets for 80 traders.

Key lesson—Localising National Poverty Reduction Strategy—

✓ LED can be used to localise national policies such as the National Poverty Reduction strategy while responding to local needs and priorities.
✓ LED as a primarily bottom-up approach, with local authorities taking the lead in the determination of their own development needs and priorities while at the same time, responding to a top-down environment.

5.2.2 LED initiatives that support market expansion— Local governments can also support LED initiatives such as business support centres; business networking; cluster support; local supply chains; local tourism; inward investment; one-stop SME shops and economic intelligence to support market expansion. Experiences focusing on: a) investment promotion Chipata Municipal Council; Zambia and resource mobilisation for catalytic projects in 8 target local authorities will be shared.

5.2.2.1 Promoting LED through attracting inward investment
Chipata Municipal Council in Zambia decided to promote investment as one of its LED interventions to implement its LED strategy as follows:

Institutional and partnership arrangements— to implement the LED initiative the local authority established the following fora:
• an interdepartmental team of council officials from the following departments: valuation office, social-economic planning, building inspectorate, public relations, environmental planning, revenue, legal section, town planning, and public health, and

• an external stakeholder forum drawn from, Ministry of Agriculture and Livestock, Eastern Chamber of Commerce, Provincial Lands Office, Provincial Planning Office, Community Member (Economist by Profession) – Chairperson, Zambia Railways, Chipata District Farmers Association, Msekera Research Institute, District Veterinary Office, Tourism Board, Rotary Club, Citizens Economic Empowerment Commission.

Key Activities - the council embarked on the following:
• made land available for investors,
• developed an investment profile and investment guide,
• availed land and set up trading shops for small businesses,
• simplified the process of acquiring relevant documents from the council, to establish businesses,
• mobilized land ready for investment above 600 hectares, close to 200 was bought directly by the municipality from private leaseholders, while traditional leaders availed the rest,
• established an email dedicated to investments,
• availed mobile contact numbers from two of the Country's three networks, and
• established a council website.

Results - the initiatives resulted in the following:
• increase of companies from 130 in 2014 to 1700 in 2016,
• creation of 300 new jobs by providing trading shops to 1000 informal traders,
• increase in city revenues
• enhanced capacities within the council by including external stakeholders with technical expertise.

Key lessons
✓ Partnerships are vital in promoting the development and LED, particularly with traditional authorities who hold land in most of the countries in the region.
✓ RLGs can mobilise additional capacity from the community - citizens are a resource in the eradication of poverty and any form of development
✓ RLGs can use what they have to promote LED, for example, through available land, planning, provision of infrastructure.

Packaging bankable projects for the implementation to implement catalytic projects is another essential aspect of promoting investment into a local economy. LED needs to go beyond government and development partners' funding and explore private sector funding opportunities and any other potential sources such as independent grants, equity, loans, donations. Below is an example of how CLGF is supporting eight local authorities to mobilise resource beyond the traditional sources, such as government and development partners.

5.2.2.2 Leveraging resources through value chains mapping and business planning

CLGF and its partners in Botswana and Zambia are building the capacity of local governments and private entrepreneurs to:
• understand value chain concepts and how they can be used to enhance productivity,
• increase production,
• reduce the cost of supply,
• strengthen linkages,
• reduce agricultural project failures, and
• expose public and private sector investment opportunities to promote inclusive growth.

**Target local authorities** - the initiative is a follow up to the development of LED strategies in the eight local authorities namely: Chobe District Council, Francistown City Council, Sowa Town Council, Kgalagadi District Council, from Botswana and Kabwe Municipality, Kitwe City Council, Chipata City Council, and Kaoma Town Council; from Zambia.

**Key activities** - the initiative is facilitating the opportunity to:
• use the LED Strategy to mobilize local resources through competitive market-led strategies based on **business development approaches**, including actors that can effect change, representing both public and private sectors economic and social interest,
• create a platform for key stakeholders to review commodity/sub-sector specific issues and design a common approach to addressing value chain weaknesses,
• allow both public and private sectors to invest in value chains in a more coordinated, coherent and consolidated manner, and
• develop funding proposals that will be presented to potential funders.

**Results**
• **Chobe District** Council has leveraged BWP 1, 500,000.00 towards the implementation of the fish farming project which will be implemented by a cooperative and BWP4 860 000.00 is currently being mobilised to kick start of the project. Stakeholder participation and leveraging on other complimentary government programmes [e.g. Poverty Eradication]
• **Kgalagadi District Council** mapped value chains on small stock production and developed bankable business plans jointly with Small Stock Association. The Small Stock Association was mobilised to form a competitive commercial body resulting in the registration of Molopo Small Stock Cooperative. Also, the construction of Tsabong Multi-Species Abattoir was identified as a catalytic project. The District and the association are currently mobilising funding for the identified project.
• **Kabwe Municipal Council** is focusing on enhancing the soya beans value chain and is aiming to increase soya production in the District from 7,961 to 12,000 Metric Tons per year.
• **Kitwe City Council** is focusing on enhancing the waste management value chain to contribute to the health of the environment and the citizens of Kitwe through appropriate collections and management of waste, i.e. Recyclables, household waste and institutional waste by increasing the waste collection from the current 40% (133tons per day) to 70% (232.8tons) by 2027
• **Chipata City Council** is focusing on enhancing the soya beans value chain and is aiming to increase Soya Bean productivity from the current 1.5t/ha to 3.0t/ha per year
• **Kaoma Town Council** is focusing on enhancing the aquaculture value chain and is aiming to increase fish production from the aquaculture industry in Kaoma from 2metric tones to 30,000metric tons per by 2025

**5.2.3 LED initiatives that create an enabling environment** - The most basic initiative that a local authority can undertake is to create an enabling environment through initiatives such as spatial planning; basic services provision; infrastructure development and maintenance; rural roads investment; effective land-use management; solid waste management; by-laws streamlining development and regulatory processes; environmental planning, management and regulation; local crime prevention strategies; technology centres; industrial parks and trading areas; special economic zones; conference centres; IT centres and providing business support services. Local governments can create an enabling environment for businesses and citizens through the regeneration of degraded parts of their localities. An enabling environment for investment can be achieved through many initiatives such as regeneration and beautification of town halls, getaways and town entrances.
5.2.3.1 Promoting LED through small-town regeneration initiatives

Madibeng Local Municipality undertook an initiative to regenerate parts of their localities. The targeted area is the town Brits; and it is the biggest of the seven urban/peri-urban areas (Mothotlung, Letlhabile, Harties, Oukasie, Damonsville, and Mooinooi) in Madibeng Local Municipality, and yet it is a small town.

Problem
The Brits area had been experiencing degeneration of the town due to old and dilapidated infrastructure, street lamps were dysfunctional, stormwater drainage systems were blocked, and parks were dilapidated. Regeneration of Brits was expected to assist in investment promotion and attraction, leading to an increase in job creation within a clean and healthy environment.

Key Activities - to address the issue of degeneration the municipality undertook the following:
• A Council Resolution confirming Municipal commitment to the program,
• Small Town Regeneration Training,
• undertaking a town situation assessment including a SWOT analysis,
• Set up a steering committee comprising stakeholders such as business, labour, national government, provincial governments, state-owned enterprises, donors and CBOs
• setting up of strategic town vision, goals, and objectives in collaboration with principal business and community stakeholders,
• development of an urban design framework, conducting high-level feasibility,
• developed a comprehensive overview of the locality to identify interventions that will assist in resuscitating the town strategically, and
• identifying and prioritising projects, development of a business plan, and a resource mobilisation workshop.

Results
• Madibeng has mobilised ZAR 7,4 million towards the city centre regeneration efforts.

Key lessons
✓ LED is a whole of the council, the whole of government and whole of society initiative- this is demonstrated by how Madibeng Municipality involved everyone in the locality to regenerate the town centre. It goes on to highlight the importance of partnerships in LED.
✓ The strategic planning process is essential in creating a shared vision within stakeholders, which resulted in the private sector pledging to invest in the regeneration of the city centre.

Mbire Rural District Council, in Zimbabwe, is an example of a local authority that promoted LED by promoting investment into the locality. The Local Authority ensured that the District was attractive by investing in infrastructure as well as through marketing of the investment opportunities in the District.

5.2.3.2 Promoting LED through inward investment in Mbire District Rural District Council in Zimbabwe

Partners
• Local government
• Private sector
• CLGF
• The central and provincial government

Key Activities
• developed an LED strategy which highlighted the District’s tourism and agriculture potential,
• promoted investment opportunities through marketing in print and electronic media as well as through an investment promotion Conference and Golf events,
• engaged central government to invest in infrastructure to make the district attractive for the private sector,
• held the Mbire Investment Conference, held in Kanyemba in November 2017 which was attended by a wide range of investors, and
• Followed up investment pledges by both the private sector and central government agencies,

Results investment promotion initiatives resulted in
• the investment in the Guruve-Kanyemba road rehabilitation and construction programme,
• the attraction of central government attention resulting in level visits to Kanyemba by the Vice President, Cabinet Ministers and Permanent Secretaries,
• Kanyemba, a rural service centre will soon be proclaimed as a town,
• increased value of land in the townland is being now being sold to potential investors for tourism, hospitality, retail, and holiday homes, and
• An estimated USD 50million worth of investment in agriculture has been invested in the District, which has resulted in the creation of an estimated 2000 jobs.

Key lessons
✓ A local authority can adopt a deliberate marketing strategy, including the electronic and print media to highlight the economic potential of the district.
✓ The initiative highlights the importance of multi-level governance, where different levels of government are working together to promote economic development.

6. CONCLUSIONS AND OBSERVATIONS

General

1. The SDGs are multi-dimensional, integrated, interconnected, universal, measurable and are designed not to leave anyone behind and involve every level of government and all stakeholders.
2. LRGs have a role to play in the successful delivery of national, regional and global development goals. They, however, need to be empowered through the following, to play this role: effectively; a) clear mandates, policies that provide b) clear vision for the sector, c) enabling tools such as guidelines; d) fiscal decentralisation, e) administrative capacity, and an effective monitoring system.
3. Decentralisation efforts have faced challenges which include political capture, administrative and technical capacity constraints, inadequate financial resources, among others. Also, the emphasis has been on political and administrative decentralisation. Commitment to achieving the SDGs and also a move to integrate LED into development strategies are both potentially drivers for revisiting decentralisation to ensure that systems and processes are fit for purpose.
4. LED is an approach to development “a way of doing things” that can strengthen decentralisation and can be used as a framework for implementing programmes the lead to the successful delivery of local, national, regional and global goals. The LED approach:
   • provides a multi-dimensional focus on development at the local level- meaning that, in addition to economic development, social and economic issues can be addressed,
   • allows stakeholders to participate in identifying development challenges, formulating strategies to address them as well as implement them, thereby facilitating ownership of development processes, and
   • facilitates multi-level governance allowing vertical and horizontal integration - which is critical in addressing development challenges which are integrated.
5. Generally, LED is institutionalised within a locality through the LED Strategy development process. The LED strategy development process facilitates the approach which enables the local
authority, stakeholders, and individuals to take ownership of their development through combining skills, ideas, and resources.

**Experiences from empowering local government to play a role in promoting sustainable development and LED**

6. LED is implemented using four broad interventions as follows:
   - Interventions to create an enabling environment;
   - Interventions to expand the market;
   - Interventions to reduce costs and expand the market, and
   - Interventions supporting redistribution and economic participation.

7. By working with national and local partners, it is possible to draw on the practical experience of delivery to guide and strengthen national policy-making, and this has been at the centre of the partnerships which CLGF has sought to foster.

8. Empowerment of LRGs is not limited to Constitutional, Policy and legal frameworks but also include, capacity building, developing tools, guidelines and backstopping support by the central government and other stakeholders.

9. Local government capacity building to effectively play a role in development should include mainstreaming the approaches such as including LED into the tertiary institutions’ curriculum, as demonstrated by Botswana and Zambia; should take both a centralised approach and institutional approach to mitigate the effects of staff transfers.

10. Formulation of IDPs must be mandatory for local government to play a role in development effectively. Development is complex because it is multi-dimensional, therefore requiring an instrument to integrate the various aspects and coordinate the different stakeholders, vertically and horizontally.

11. Local government requires clear Policy direction through LED frameworks to effectively link national and global contexts to the local needs and priorities. From the case of South Africa, the LED Frameworks were used as the reference point for local government as well as ensuring a shared understanding of what LED is and what the national priorities are. The three LED frameworks that are shared above clearly show the shifts in focus depending on the national and global imperatives.

**Experiences on implementing LED at the local level**

12. LED has to be institutionalized through a council resolution, setting up well-functioning internal organizational, and external multi-stakeholder platform. Local governments need to look at the organisational structure and position LED as one of the most critical departments responsible for long-term planning.

13. The LED strategy development process is essential in facilitating the joint identification of barriers to economic growth, formulation, and implementation of measures to overcome the barriers while exploiting economic and business opportunities. The LED strategy development process facilitates the sharing of a vision that is going to enable all stakeholders to play a role in the development of the economy. A good LED strategy addresses all three dimensions of development in a coordinated way.

14. LED is grounded in local partnerships which include; the national government, LRGs, the community, civil society, the business sector, and development partners.

15. Local governments do not necessarily have the adequate technical capacity to promote local economic development; there is a need for the appointment of appropriately qualified people to drive LED – capacity building initiatives should also include multisectoral training for both appointed, elected officials. Additional capacity for specialised skills can always be mobilised from stakeholders.

16. Leadership is a crucial ingredient of LED; LED is a new concept that needs an active champion and strong leadership both at the local level but also within Government and the business community.
17. Access to land is critical in promoting LED, particularly in areas where land is held by traditional leaders- a partnership with traditional authorities is critical for the success of LED.

18. New approaches to financing LED, including partnerships with the private sector, are critical to ensuring the success and sustainability of LED as a model.

19. Local governments already have the tools and levers to proactively promote LED through planning, services delivery, and regulation.

7. THE CONFERENCE
The conference will be an excellent opportunity for stakeholders from across the region to come together to share their experiences and good practices in implementing LED, but also in enhancing decentralisation, and ensuring that local government plays a full role in achieving the SDGs.

It is essential to build on progress to date, but critical to also look forward and set out priorities for the future. The conference will provide a platform for this framed around the following key questions:

- What have we achieved to date?
- What challenges remain to be addressed?
- What should be the future priorities for the region to enhance LED and the effective implementation of decentralisation further?
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