



Province of the  
**EASTERN CAPE**  
COOPERATIVE GOVERNANCE  
& TRADITIONAL AFFAIRS

# SMALL TOWN DEVELOPMENT FRAMEWORK



SERVING OUR COMMUNITIES BETTER





Produced by  
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## (I) FOREWORD



**MEC X Nqatha**

The World Bank estimates that fifty five percent (55%) of the world population already lives in urban areas inclusive of towns and cities. South Africa, including the Eastern Cape Province is not immune to these settlement trends as more people migrate to both towns and cities.

In this regard, the National Department of Cooperative Governance (DCoG) in 2016, developed an Integrated Urban Development Framework (IUDF) to guide the development of inclusive, resilient, safe cities and towns while fostering spatial transformation that will lead to sustainable economic development. The IUDF estimates that more than sixty percent (60%) of South Africans already live in urban areas and this figure is projected to increase to seventy percent (70%) and eighty percent (80%) by 2030 and 2050 respectively.

It therefore becomes increasingly imperative for the department of Cooperative Governance and Traditional Affairs (COGTA) in particular and the Eastern Cape Government in general to support municipalities plan for urbanisation. One needs to note that the province has a total of one hundred and nine (109) towns as well as two (2) cities allocated across thirty one (31) local and two (2) metropolitan municipalities. In order to properly plan for urbanisation, it therefore becomes critical to move beyond planning for cities alone but also consider a focussed approach towards the development of towns.

In this regard, COGTA facilitated the development of the Small Town Development Framework (STDF) that was approved by the Executive Council (EXCO) in August 2020. The STDF seeks to guide the development of small towns whilst also assisting municipalities to better manage urbanisation.

Furthermore, the framework is meant to foster a coherent vision and an integrated implementation approach towards the development of the provincial towns. The involvement of government, business, institutions of higher learning, traditional leaders as well as community groups cannot be overstated and will translate in the sustainable development of our towns as well as municipalities.

I therefore trust that the framework will be optimally implemented to achieve the following: -

- A Coherent visioning of the towns
- Establishment of the town's unique identity as well as development trajectory translating to a futuristic, artistic impression of the town when revitalised.
- Reconfiguration of towns to transform usage of space and optimise economic benefits
- Mobilisation of social partners including business, organised civil society, traditional leaders, institutions of higher learning and government to be active citizens and participate in the development of the towns
- Development of small towns to be vibrant centres of production and distribution of goods from local to national and international markets.
- Development of small towns to be centres of growth and consolidation of rural non – farm activities as well as employment opportunities
- Development of small towns to attract back economically active migrants

**Hounourable X. Nqatha**

Member of the Executive Council for Cooperative Governance and Traditional Affairs

Date:

**(II) PREFACE****HOD A Fani**

The MEC for the Department of Cooperative Governance and Traditional Affairs (COGTA) highlighted in his policy speech for 2020/21 financial year that the department will facilitate a process of developing a Small Town Development Framework (STDF) to guide future growth of towns in the Eastern Cape Province. The MEC premised the STDF on the need to transform the apartheid spatial patterns within the towns in order to achieve economic

development. This will invariably make small towns anchors for regional development and economic growth thereby ensuring long-term sustainability of municipalities.

The STDF seeks to achieve sustainable economic development of small towns while building from the Integrated Urban Development Framework (IUDF) and aligning with the draft National as well as the Provincial Spatial Development Frameworks.

In guiding the development of towns, the framework advocates that towns should be utilized as economic integration zones, it advances a selection criteria for prioritisation, proposes implementation and monitoring approach as well as provides for coordination mechanisms to ensure collaborated efforts towards optimal implementation of development initiatives.

COGTA and the provincial government recognizes that it will take time to realise spatial transformation and sustainable economic development in small towns however coherent, incremental efforts should be undertaken to realise the cause. In this regard, the department will develop an implementation plan with a set of key indicators to systematically support municipalities implement and monitor the realization of intended outcomes.

**Mr A. Fani**

Head of Department  
Department of Cooperative Governance  
and Traditional Affairs



### (III) ACKNOWLEDGEMENTS

The STDF has been developed through a broad consultative process that includes municipalities, government departments, organised business, institutions of higher learning and traditional leadership. It is therefore worth acknowledging those that directly contributed content to the document, namely CSIR, Centre for Small Town Regeneration, University of Pretoria, Nelson Mandela Metropolitan University, NAFCOOC, ECSECC, SALGA, Traditional Leadership, National and Provincial Departments (in particular the Office of the Premier and the National Treasury) as well as municipalities.

Furthermore, a word of appreciation goes to the Urban and Small Town Directorate Staff that worked tirelessly to produce such a progressive framework as follows: -

1. Project Sponsors
2. Project Leader
3. Project Team Members

#### 1 PROJECT SPONSORS



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**S May**

**(IV) LIST OF ACRONYMS**

<b>LIST OF ACRONYMS</b>	<b>EXPLANATION</b>
<b>EAP</b>	Economically Active Population
<b>CSIR</b>	Council for Scientific and Industrial Research
<b>ISRDP</b>	Integrated Sustainable Rural Development Programme
<b>ISRDS</b>	Integrated Sustainable Rural Development Strategy
<b>IDP</b>	Integrated Development Plans
<b>IUDF</b>	Integrated Urban Development Framework, 2016
<b>MSDF</b>	Municipal Spatial Development Framework
<b>LSDF</b>	Local Spatial Development Framework
<b>MTSF</b>	Medium Term Strategic Framework
<b>NSDF</b>	National Spatial Development Framework
<b>PDP</b>	Provincial Development Framework
<b>PSDF</b>	Provincial Spatial Development Framework
<b>RDF</b>	Rural Development Framework
<b>SPLUMA</b>	Spatial Planning and Land Use Management Act, Act 16 of 2013



## **EXECUTIVE SUMMARY**

## (V) EXECUTIVE SUMMARY

### Introduction

The majority of small towns within the Eastern Cape Province were affected by disinvestment that emanated from the previous apartheid system. This disinvestment consequently resulted in old, overloaded and collapsing infrastructure, which is becoming more constrained by in - migration to the towns. Furthermore, these towns are characterised by skills deficit as well as low levels of economic development and inability to serve as catalysts for regional economic development.

In 2012, the provincial government completed a paper titled "Concept Document on the Integrated Small Town Revitalization Strategy". The MEC for Department of Economic Development, Environment and Tourism (DEDEAT) was appointed as a political champion for the programme while the Head of Department for Public Works (DPW) was appointed as an administrative champion. This was an attempt to co-ordinate government interventions to better support the effective implementation of the small town revitalisation programme.

DEDEAT, DPW, DLGTA and SALGA were amongst the first institutions to be involved in the programme, implementing the following areas: -

- **DEDEAT:** Building of Hawker stalls within small towns, regulation of informal trade and beautification.
- **DPW:** To leverage on unutilized government properties in order to facilitate development of the towns. This includes transferring to municipalities properties for construction of business premises and township establishment.
- **DLGTA:** Beautification of towns through paving walkways as well as establishment of recreational parks.
- **SALGA:** Coordinating municipalities to participate in the small town revitalization programme.

The programme remained inadequately funded until the Office of the Premier (OTP) joined on intervention basis for a period of three (3) years from 2017/18 – 2020/21 financial years. The OTP became more involved in infrastructure development to redress the dilapidating infrastructure within the towns. During this period, the programme prioritized towns in accordance to the following criteria: -

- Recognition of previous and current government efforts
- Economic development potential and future impact
- Land availability and unutilised state buildings
- Tourism potential
- Transportation linkages

The coordination of the Small Town Revitalization Programme remained a challenge. It has increasingly been glaring that a more concerted effort is required if the functional role of the small towns is to be improved. More importantly is a development blue print that will provide a futuristic view of the town for social partners to be organized in pursuit of the ideal state of the town.

In 2018 the provincial senior management meeting resolved that COGTA should develop a coordination framework for Small Town Development in order to improve coordination of the programme. Furthermore, in June 2019 the ANC and PEC Lekgotla resolved that COGTA should lead the Small Town Revitalization Programme hence the development of the Small Town Development Framework.

### Selection Criteria

The Eastern Cape Province has one hundred and nine (109) small towns that should be prioritised for development. However, the capacity of government together with strategic partners cannot allow the targeting of all the provincial small towns hence prioritisation has to be undertaken. The variables to be considered for prioritisation should be read in totality rather than concentrate on a single one. The variables for consideration are therefore as follows: -

- **Population and Population Growth:** Towns with higher populations (main center and service area) and experiencing comparably high rates of growth should be strongly considered for prioritisation.
- **Size of the Economy and Economic Growth:** Towns with higher rates of Gross Geographic Product (GGP) and experiencing increments in the rate of growth should be strongly considered for prioritisation as they would provide a good rate of return.

- **Strategically located within PSDF and NSDF Corridors:** Towns located within the Coastal Transformation Corridor (N2) as per the NSDF as well as those that fall within N6, N9, N10 and R56 as per the PSDF should be prioritised to ensure implementation of the National and Provincial Spatial Development Frameworks.
- **Functional Role - Social Service Provision:** Social services that are provided through the town as well as the rural hinterland should also be considered in the selection of towns for prioritisation (see social services wheel from CSIR in annexure 3).
- **Recognition of previous and current efforts:** Towns that were being supported prior the development of the framework should not be discontinued as this would result in wastage of resources.

### **Small Town Development Strategic Thrust**

#### **i) Urban Planning and Management**

The Urban planning and management strategic pillar advocates for the development of long-term Local Spatial Development Frameworks in order to guide future development of towns and attract investments to areas that will derive most returns.

#### **ii) Infrastructure Development and Maintenance**

One of the critical areas of Small Town Development is infrastructure development and maintenance including but not limited to bulk, roads, storm water, electricity, water infrastructure etc.

#### **iii) Support to Economic Sectors**

Departments within the Economic Cluster and businesses should assess economic sectors that have potential to grow the economy and contribute to the Growth Geographic Product (GGP). Clear strategies to support growth of the priority sectors have to be developed.

#### **iv) Real Estate Development**

The optimum development of small towns could never be achieved with the involvement of government alone. The private sector has to also come aboard through the development as well as maintenance of business and social infrastructure. This includes building of new business premises, maintenance and rehabilitation of old and dilapidated buildings, balancing development of social and low cost housing (Human Settlements) in order to ensure that the town attracts and retains middle class residents to effectively cross subsidise indigent households whilst ensuring that municipal entities are financially viable.

#### **v) Governance and Financial Viability**

The sustainability of the small towns as well as municipalities is dependent more on the ability of the municipalities to govern. Key to this, should be to ensure that there is political and administrative stability in municipalities. The development and implementation of policies and By-Laws entrenches land governance, business regulation, and management of citizen's actions including traffic issues should be prioritised. Such policies and by – laws should be properly consulted amongst affected groups and effectively enforced.

#### **vi) Place Marketing Branding and Communication**

In order to build reputational confidence on small towns, government should make a deliberate effort to communicate with stakeholders as well as embark on brand and place marketing to attract new investments and retain existing businesses. This should be a partnership effort where the provincial government plays a critical role in marketing strategic towns for investments.

### **Implementation Approach**

**Step 1:** Identify the small towns to benefit in the STD programme using the selection criteria indicated above. The process of identifying small towns should include consultation and buy-in from the following stakeholders; (1) District and Local municipalities as the key implementers (2) Provincial Government Departments as budgets need to be streamlined towards integrated planning for the Medium Term Strategic Framework (MTSF) (3) Organised Business (4) Civil Society (5) Traditional Leaders (6) Institutions of higher learning.

**Step 2:** Establish a Small Town Development forum with work – streams. The forum should be representative of Organised Local Business; Civil Society, including rate payers associations; Government, including the Local Municipality and its District; Traditional Leaders as well as Institutions of Higher Learning where available.

**Step 3:** Conduct a Health - Check or situational analysis and develop a small town profile that will identify existing assets, physical infrastructure, amenities, accessibility, environmental aspect, Manufacturing, retail mix, commercial support institutions etc., as well as any development hinderances that need to be addressed or opportunities that can be built upon.

**Step 4:** Develop a Long-Term Local Spatial Development Framework (LSDF) as well as Small Town Development Master Plans and Precinct Plans with artistic futuristic town impression detailing what to be done in the development of the town.

**Step 5:** Enter into implementation protocols with relevant stakeholders for the implementation of the Small Town Development Precinct and Master Plans. All stakeholders that have a role in ensuring the optimal implementation of Master Plan should be included.

**Step 6:** Monitor and evaluate the implementation of the master plan as well as inculcate lessons learnt to improve programme implementation.



## **INTRODUCTION AND BACKGROUND**

# 1. INTRODUCTION AND BACKGROUND

It is imperative in the development of this framework to first reflect on the root causes of the phenomena to be addressed. In this regard, it is quite conceivable that Colonisation, Dispossession, Slavery, Native Reserve and Influx Control policies of the Union of South Africa (1910 – 1948) as well as Separate Development policies of the apartheid government (1948 – 1994) have left enduring and entrenched legacies. These legacies include landlessness, the destruction of urban and rural livelihoods as well as poverty; massive infrastructure backlogs; under - development as well as unsustainable local economies; lack of institutional capacity to plan and implement development; fragmented service delivery; enduring systems of patronage especially “tribal patronage” (ISRDS, 2000)<sup>1</sup>. These conditions are mostly expressed well in the South African former homelands or Bantustans. Furthermore, the 1913 Land Act consolidated the land dispossessions and allocated only 14% of the South African land to the indigenous people, which were located in the so-called “reserves”<sup>2</sup>. The 1913 Land Act remains firmly in place as part of the basic scaffolding of the South African political - economic system<sup>3</sup>. The obvious result was reduced access to land, semi-slavery and impoverishment of the rural areas in South Africa. Furthermore, the land dispossessions left lasting legacies of inappropriate land tenure systems and rural poverty.

This was further compounded by the introduction of pass and vagrancy laws combined with the migrant labour system, which continued to impoverish rural areas in South Africa by locking them in reserves and allowing them to be exploited by the mining industry<sup>4</sup>.

There was also systematic disempowerment of rural South Africa by a series of colonial and apartheid governments, through lower or non - allocation of government revenue for public investment in education, housing, health, agriculture, job-creation, infrastructure and energy. In association and linked to the negative developments alluded above, many settlements and service centres in South Africa were developed to preserve economic and racial advantage for those preferred by the previous apartheid government. Other areas, mostly black residential were systematically excluded from economic and social amenities within the towns and cities. Further, there were instances of de-prioritising black settlements through policy choices of the time, which deprived public and private sector investments in order to retard their vibrancy and importance.

*The apartheid era left an indelible mark of spatial inequality due to policies that segregated between white and black settlements, which still characterises the provincial small towns*

Once the democratic government took over the South African Government, in 1994, it zealously explored ways of removing urban and rural poverty as well as under-development. In 1997, a Rural Development Framework (RDF) was developed to address some of the development challenges in South Africa.

The RDF highlighted the importance of coordinated planning, demand-driven development and emphasized cost - recovery, arguing that “investment must be justifiable on the grounds of its potential to raise productivity and incomes”.

In 2001, the South African government, in consultation with a wide range of key stakeholders launched a new stage of concerted effort, the Integrated Sustainable Rural Development Strategy (ISRDS) to improve opportunities and well - being for the rural poor (ISRDS, 2000)<sup>5</sup>. In taking this initiative, the government built on six years of experience within its own rural development programmes as well as assimilating lessons from similar efforts worldwide. The ISRDS gave birth to the Integrated Sustainable Rural Development Programme (ISRDP), which was supposed to achieve the government’s remarkable objectives of integrated sustainable development in the rural and urban areas. The Integrated Sustainable Rural Development Programme (ISRDP) was designed to realise a vision that rural areas “will attain socially cohesive and stable rural communities with viable institutions, sustainable economies and universal access to social amenities, able to attract skilled and knowledgeable people who are equipped to contribute to growth and development”.

Building from the previous development programmes, in 2016, the government introduced the Integrated Urban Development Framework (IUDF) to redress apartheid spatial patterns and ensure sustainable development of small towns as well as cities in order to systematically plan for urbanization and foster balanced developed.

It is in this regard that the nature of the Eastern Cape Province, which is characterized by two (2) former homelands that were deprived of development requires conscious and intentional efforts to redress the under – developed nature of its small towns in order to catalyse development within the provincial rural areas in line with the IUDF.

<sup>1</sup> Integrated Sustainable Rural Development Strategy, 2000

<sup>2</sup> Francis Wilson and Mamphele Ramphele: Uprooting Poverty: The South African Challenge, W.W. Norton and Company, 1989, pages 190-191

<sup>3</sup> Ibid, page 191

<sup>4</sup> Ibid, page 193

<sup>5</sup> Integrated Sustainable Rural Development Programme Manual, 2001



## 2. LEGISLATIVE FRAMEWORK

This Framework is guided by the South African Legislative and policy prescripts as follows: -

- 1.1 Section 154 (1) of the Constitution of the Republic of South Africa, stipulates that the National and Provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, exercise their powers and perform their functions. Furthermore, schedules 4 and 5 allocate exclusive as well as concurrent powers and functions to the three (3) spheres of government, including Urban and Rural Planning (National & Province) as well as municipal planning (Local Government).
- 1.2 Municipal Structures Act of 1998 provides for an appropriate division of functions and powers between categories of municipalities. The Act further provides for an appropriate division of functions in terms of A (i) areas of high population density. (ii) an intense movement of people, goods, and services. (iii) extensive development; and (iv) multiple business districts and industrial areas. (B) a centre of economic activity with a complex and diverse economy; (C) a single area for which integrated development planning is desirable; and (D) having strong interdependent social and economic linkages between its constituent units.
- 1.3 Municipal Systems Act of 2000 encourages municipalities to participate in National and Provincial programmes as required in section 153 (b) of the Constitution of the Republic of South Africa, Act 108 of 1996.
- 1.4 National Development Plan: Vision 2030 aims to ensure the development of a capable state with inclusive fairer economy, active citizenry and the enhancement of the quality of life through addressing the triple challenges of poverty, inequality and unemployment. Chapter 8 in particular stipulates that, there should be a strong and efficient spatial planning system where people are to be settled closer to their areas of work.
- 1.5 Provincial Development Plan: Eastern Cape 2030 Vision provides a framework for developing a growing, inclusive and equitable economy. This includes a larger and more efficient provincial economy that optimally exploits the competitiveness of the Eastern Cape.
- 1.6 Second Economy Strategy Project as articulated in a document Addressing Inequality and Economic Marginalization, approved by Cabinet in January 2009, which is a policy tool for government to build a more inclusive society and economy, to increase the numbers of people who are in sustainable economic activity, as well as to actively reduce levels of dependency, poverty and exclusion.
- 1.7 The Spatial Planning and Land Use Management Act of 2013, objects of the Act are to ensure redress through providing for uniform, effective and comprehensive system of spatial planning and land use management, which promotes social and economic inclusion with sustainable and efficient use of land.
- 1.8 The Draft National Spatial Development Framework 2019 is a high-level strategic transformative instrument, which provides the country's spatial direction through promotion of spatial justice aided by spatially targeted implementation towards sustainable socio-economic development and environmental protection.
- 1.9 The Eastern Cape Provincial Spatial Development Framework provides a framework for rigorous analysis of the Eastern Cape Spatial economy as well as identifies strategic corridors and settlement areas within the province.
- 1.10 UN Sustainable Development Goal 11 Sustainable cities and communities, aims to ensure that cities and human settlements are inclusive, safe, resilient and sustainable
- 1.11 Integrated Urban Development Framework 2016, mandates government to redress the apartheid spatial patterns for inclusive, safe, resilient and sustainable small towns and cities
- 1.12 Intergovernmental Relations Framework Act 2006 provides for structures to coordinate the three (3) spheres of government that are distinctive, interrelated and interdependent towards integrated service delivery.

### 3. PROBLEM STATEMENT

The majority of small towns within the Eastern Cape Province were affected by disinvestment that emanated from the previous apartheid system. The disinvestment resulted in old, overloaded and collapsing infrastructure, which is increasingly constrained by rising populations within these settlement areas.

Furthermore, they are characterised by skills deficit, low levels of economic development and inability to serve as catalysts for regional economic growth, which negatively affects the revenue base of municipalities.

### 4. PURPOSE

Guided by the challenges faced by the provincial Small Towns cited above, this framework seeks to provide strategic guidelines and direction towards the implementation of the Small Town Development Programme through the incorporation of the Integrated Urban Development (IUDF), National Spatial Development (NSDF) and Provincial Spatial Development Frameworks (PSDF) priorities in order to achieve spatial transformation and economic development.

In this regard, the restructuring and reconfiguration of the Eastern Cape small town landscape should be guided by the vision of creating liveable, safe, resource -efficient towns that are socially integrated, economically inclusive and nationally competitive, where residents actively participate in the small town life as contemplated in the IUDF.

### 5. OBJECTIVES

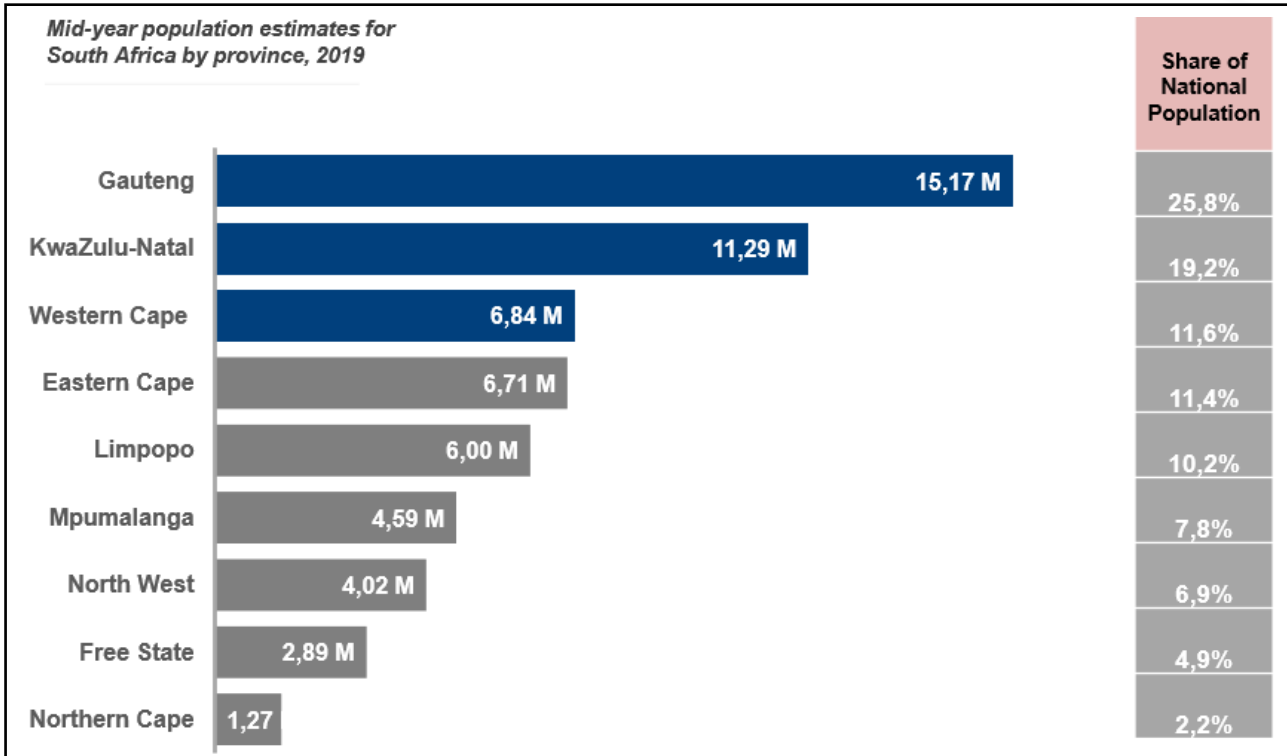
- a. To align provincial response to small town development with the Integrated Urban Development, National Spatial Development and Provincial Spatial Development Frameworks
- b. To strategically develop small towns to be catalysts for Regional Economic Development.
- c. To foster Spatial Integration, improved access to services as well as promote social and economic inclusion
- d. To identify strategic small towns for investment prioritisation
- e. To provide guidelines on the implementation of Small Town Development Programme
- f. To provide coordination mechanisms for a concerted stakeholder (Government, Business, Citizens and Institutions of Higher Learning) effort towards the achievement of Spatial Transformation and Economic Development.

## 6. EASTERN CAPE ECONOMIC REALITIES

### 6.1 Demographics

The Eastern Cape Province according to Statistics South Africa 2019 mid-year population estimates, has a population of 6,712 276 million people which equates to 11,4% share ratio of the national population [Diagram1].

**Diagram 1: National Population Trends**

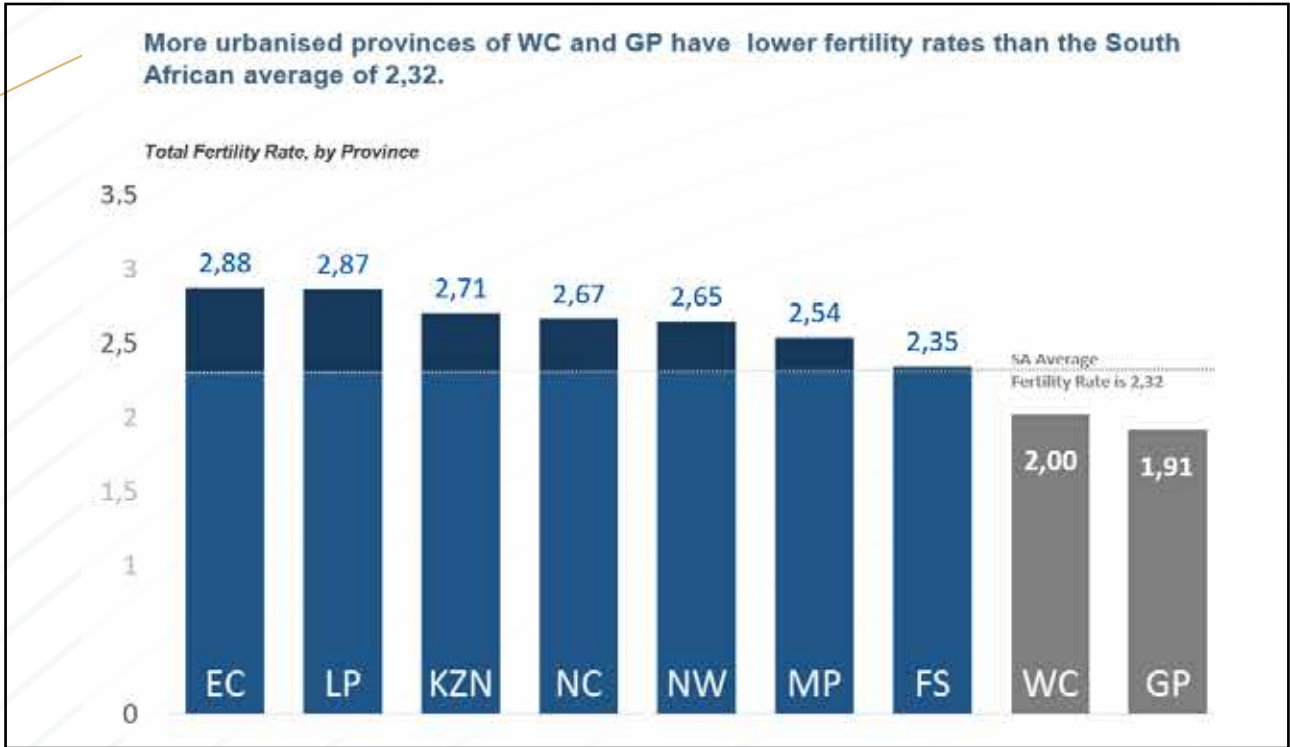


Source: STATS SA Mid-year population estimates-South Africa / Province, 2019

*The EC province has both the highest child and elderly population proportions compared to the national population structure, which reduces the EAP*

Furthermore, the Eastern Cape Province has the highest national fertility rate of 2,88 which is 0,56 higher than the average South African fertility rate of 2,32 as depicted in Diagram 2.

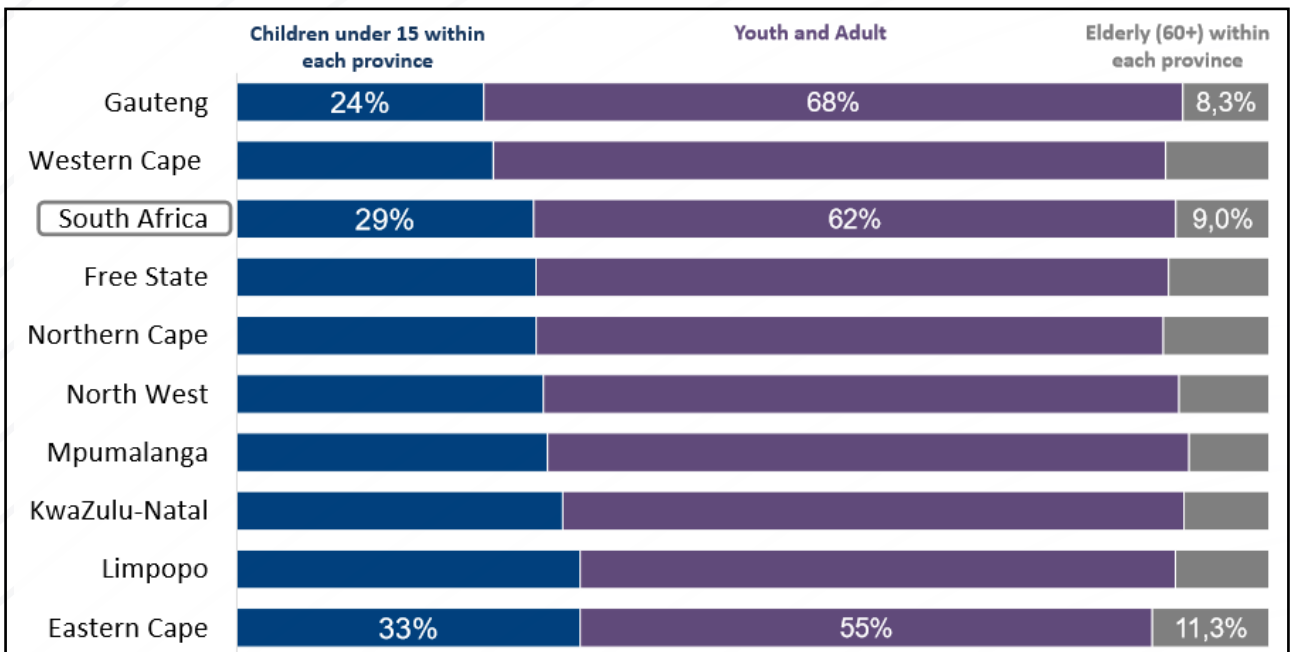
**Diagram 2: National Fertility Rate**



Source: STATS SA Mid-year population estimates - South Africa / Province, 2019

The population proportion ratio between children (15 years and under) and elderly (60 years and above) is approximately 33% and 11, 3% respectively, which is the highest when compared to the national population structure. Whilst 55% are youth and adults, which comprise the economically active population (EAP) - [Diagram 3].

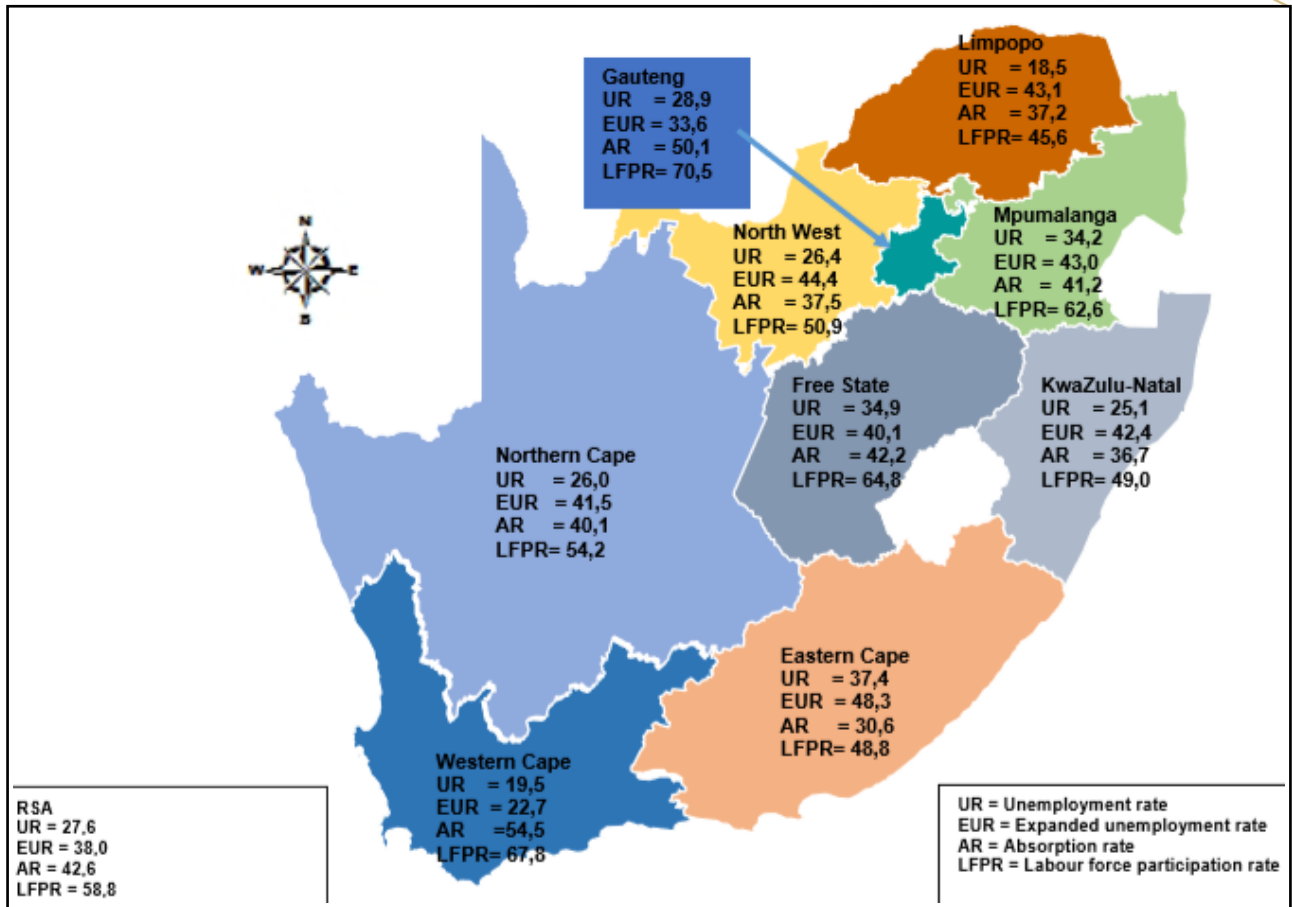
**Diagram 3: National Population Proportions**



Source: STATS SA Mid-year population estimates - South Africa / Province, 2019

The province has a total unemployment rate of 37,4% according to Statistics South Africa, labour market measures for quarter 1:2019 compounded to 48,3% when the extended unemployment rate is considered [Diagram 4].

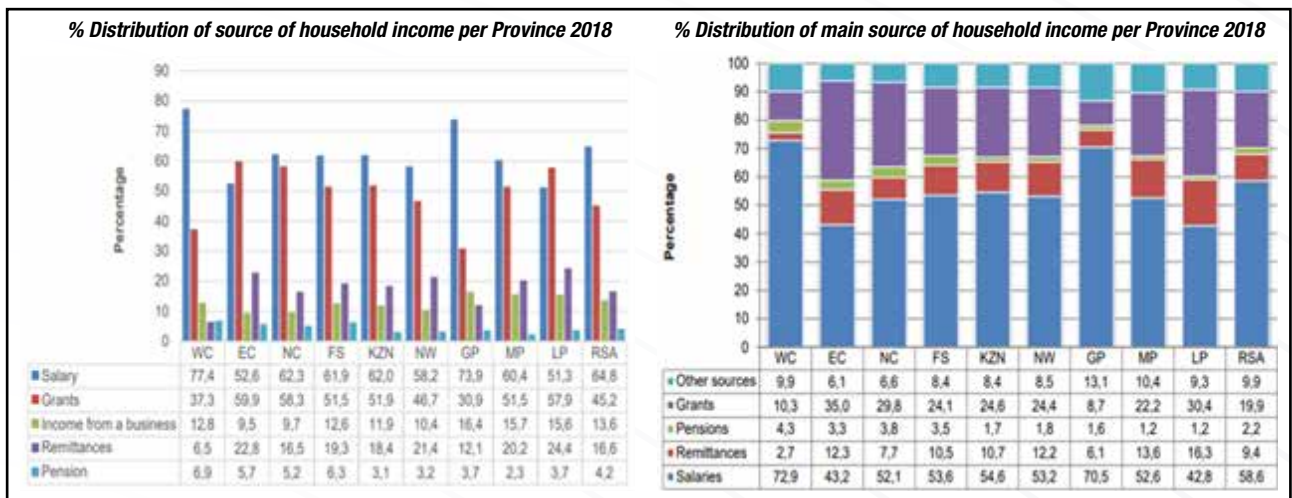
**Diagram 4: Labour Market Measures for 2019 Quarter 1**



Source: STATS SA Quarterly Labour Force Survey Quarter 1, 2019

According to Stats SA, General Household Survey (2018), the Province accounts for 59% of households receiving social grants<sup>6</sup>, which is the highest percentage nationally and equates to 35% of the main source of household income in the Province [Diagram 5-6].

**Diagram 5 -6: Percentage Distribution of household income**



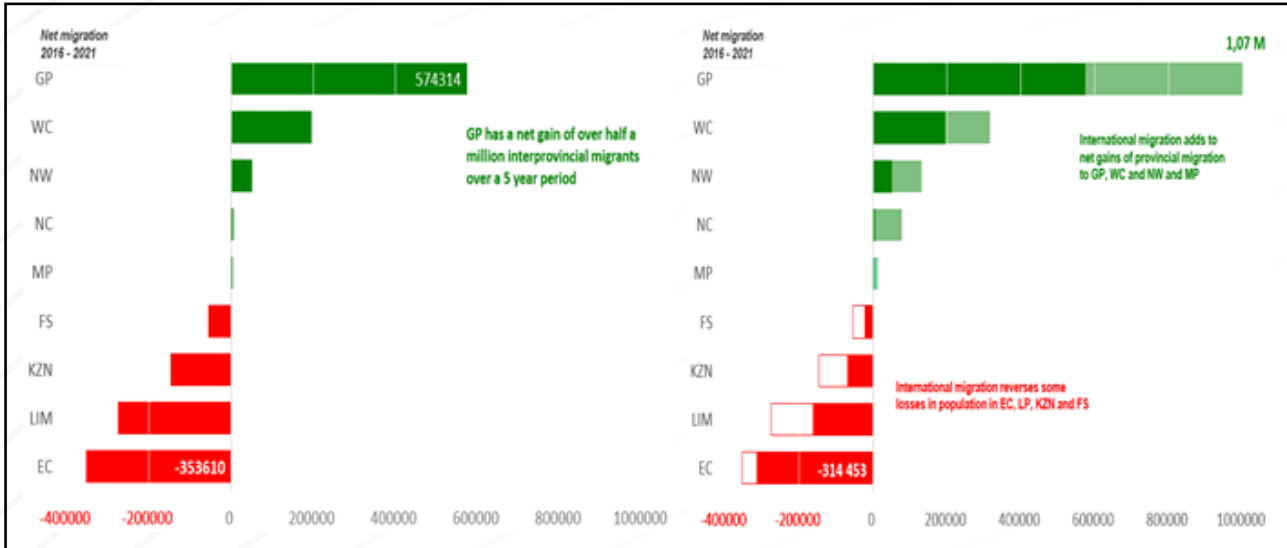
Source: STATS SA General Household Survey, 2018

<sup>6</sup> Social grants in South Africa include old age pensions, child support grants, care dependency grants, grants in aid, war veteran grants, foster child grants and disability grants (Nearly 60% of households in Eastern Cape receiving social grants - Stats SA, Fin24, May 28 2019).

## 6.2 Migration Trends

The national migration picture identifies the Eastern Cape Province as one of the most provinces affected by out – migration followed by the Limpopo province. The Gauteng and Western Cape Provinces are mostly the beneficiaries of this net – migration. It is however worth noting that people that firstly migrate out of the Eastern Cape Province are mostly the young, migrating to look for better education opportunities and rarely come back to ply their skills and expertise within the province. Secondly, its skilled people who migrate to look for better employment opportunities and quality of life in other provinces [Diagrams 7 – 8].

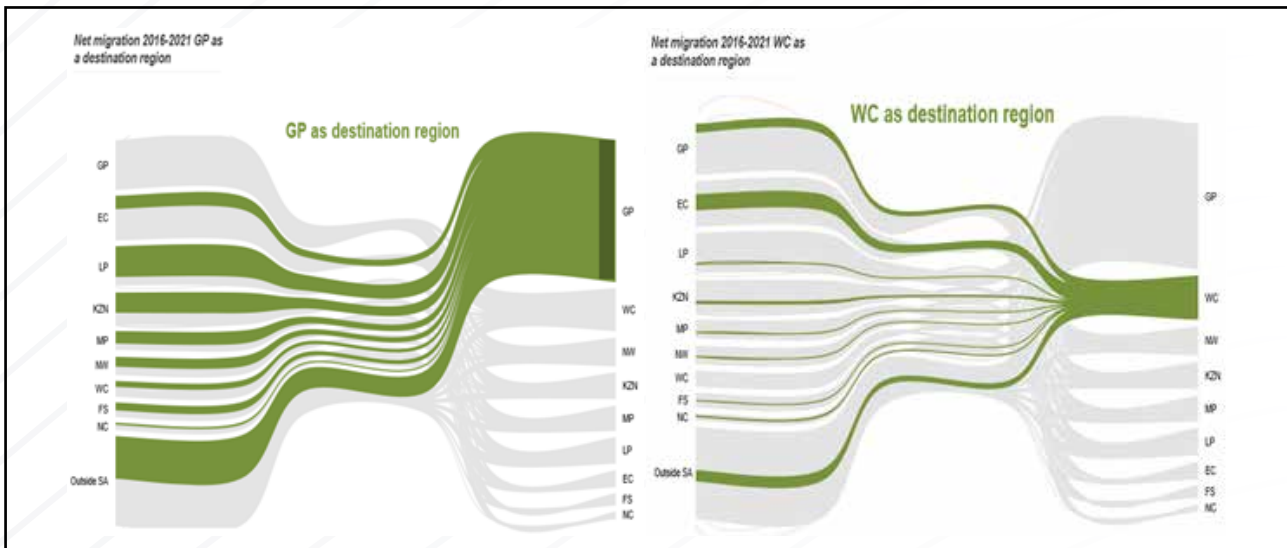
**Diagram 7 - 8: National Migration Trends**



Source:STATS SA Mid-year population estimates 2019

The analogy between the population proportions, unemployment labour market measures and the out-migration pattern from Diagram 2 – 10, illustrate that the province has got a high proportion ratio of child population, which gets absorbed into the economic sector of predominantly Gauteng and Western Cape [Diagrams 9 – 10].

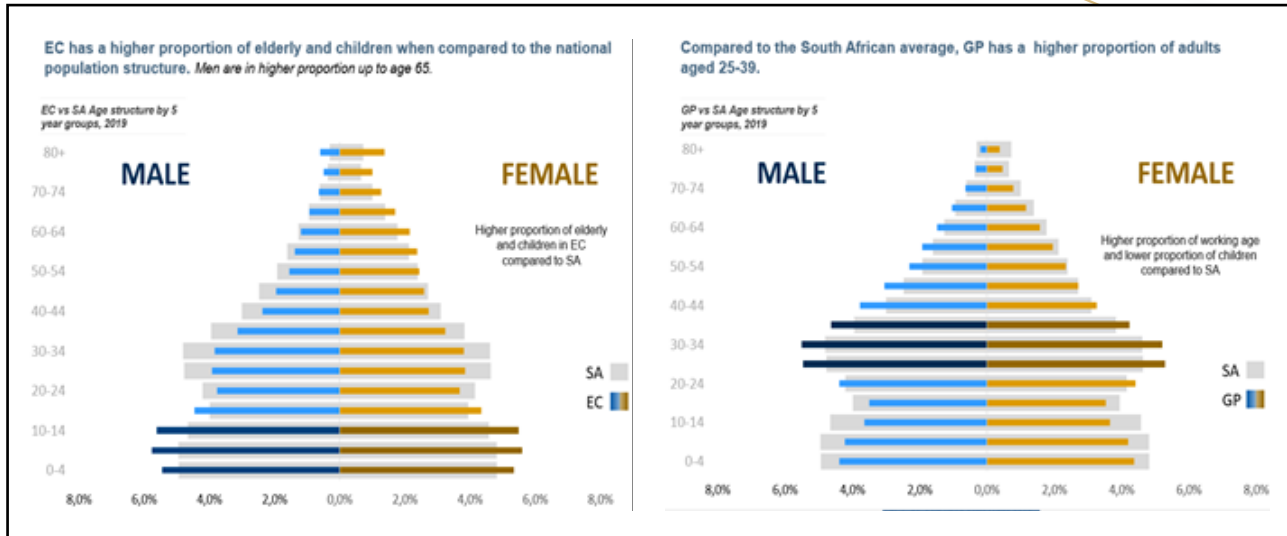
**Diagram 9 - 10: National Migration Trends**



Source:STATS SA Mid-year population estimates 2019

Through the out – migration trends, the Eastern Cape Province does not reap the benefits of the economically active population. In converse, the province has to take care of the elderly hence there is a higher social grant related income [Diagrams 11 – 12].

**Diagram 11 - 12: Eastern Cape and Gauteng Population Proportions juxtaposed**



Source:STATS SA Mid-year population estimates 2019

The current migration trends pose a challenge for the province from a spatial planning perspective. The province loses the equitable and conditional grant allocation share on the backdrop of spatial inequality due to apartheid dis – investments and still has to ensure the provision of basic services<sup>7</sup>, which are required by communities.

*The loss of the EC population through out – migration reduces the conditional and equitable grants share received by the province consequently service delivery budget allocation gets reduced at the backdrop of huge infrastructure backlogs*

The above factors help explain the national economic geography structure and key constraints on growth and development, especially in the former homelands that characterise most of the Eastern Cape’s landscape.

Cities and towns are mostly the epicentre of economic activity therefore play a critical role in the development of regional economies. Though the small towns within the province are characterised by the apartheid disinvestments however they play an intermediate role to urbanisation as some of the population moves from villages to small towns while others to the cities. This constrains the infrastructure and resource base of these towns and further incapacitate when such in – migration is not properly planned.

### 6.3 EC – Urban Population

In 2015, forty-five percent (45%) of the provincial population lived in the former “homeland” regions compared to 27% for the country as a whole (Ndabeni, 2013). The province has two (2) metros (i.e. Nelson Mandela Bay Municipality and Buffalo City Metropolitan Municipality) as well as two Intermediate Cities (Mthatha in King Sabatha Dalindyebo LM and Komani in Enoch Mgijima LM).

The provincial metropolitan areas and secondary/intermediate cities account for 27% of the province’s population as compared to 40% of the national population living in metros and secondary/intermediate cities (Ndabeni, 2013). An estimated additional 22% of the population is found within the small towns of the province, which accounts for approximately 49% of the population living in urban or peri - urban areas.

*Migration is livelihood strategy where citizens relocate in search of better opportunities*

The migration trends have to be analysed in the context of economic growth against the backdrop of the high rate of unemployment as well as poverty, especially in rural areas. For example, urban areas account for over 80 percent of the country’s gross domestic product (Ndabeni, 2013). The uneven economic

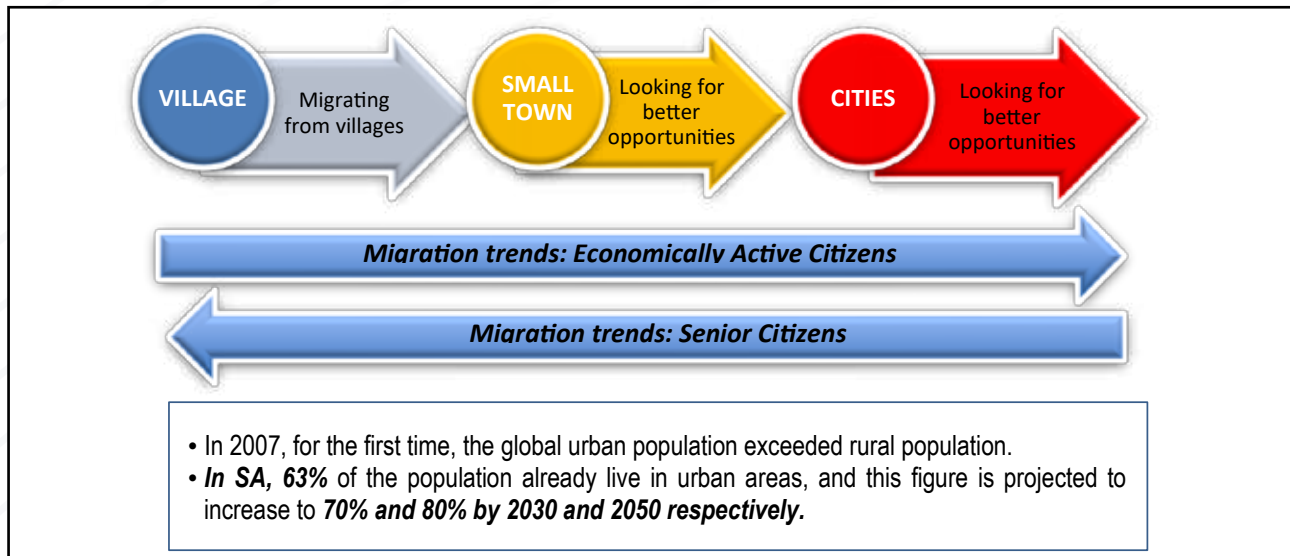
growth within the country translates to uneven opportunities based on geography, which gives rise to the movement of the population to those areas that provide better opportunities, which are mostly the cities and small towns.

It is worth noting that migration is a livelihood strategy however it is abetted by access to assets and resources that enable people to

<sup>7</sup> Social Services include aspects related to environmental service, health and emergency services, skills and education, social and cultural, administration and justice in accordance with the draft NSDF Social Service Wheel and Socially Just and Rational Social Services Provision for South African Settlements refer to Annexure 2

migrate. Those who move tend to be young, physically fit and often better educated than the average person as well as have access to urban - based social networks. The poor and elderly people do not usually migrate (Ndabeni: 2003). The migration patterns currently experienced are better illustrated in the diagram below [Diagrams 13]: -

**Diagram 13: Illustration of migration trends between villages, small towns and cities**

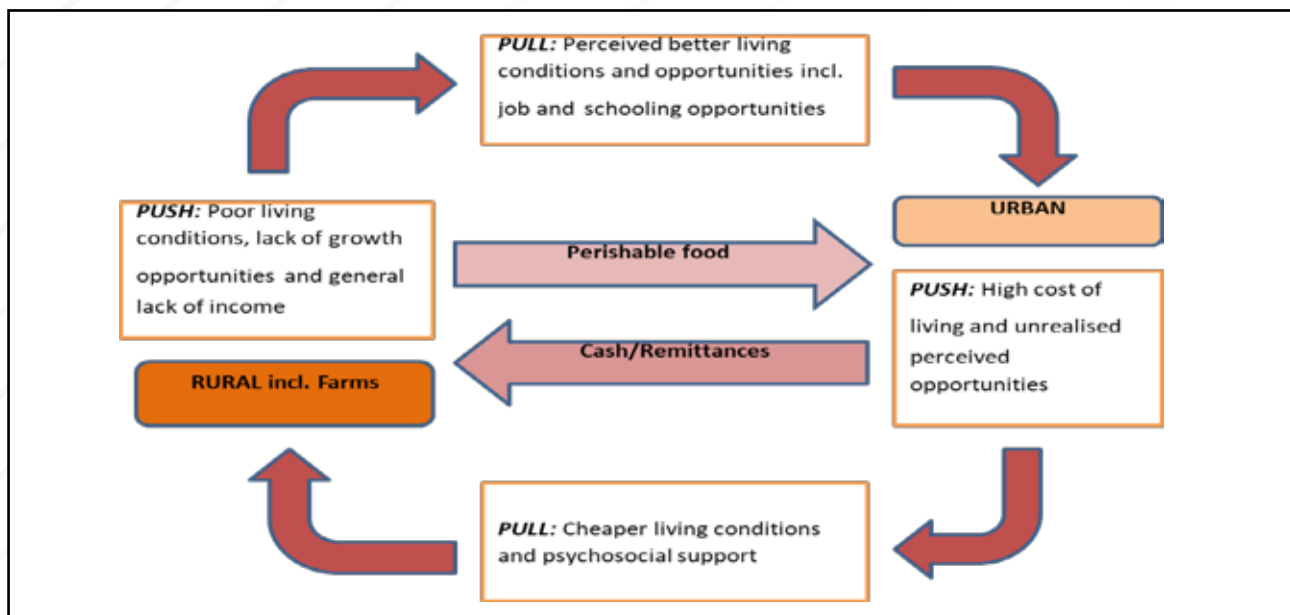


Some people prefer to migrate to the nearest small town and one of the reasons is the desire to remain close to rural support systems. The complexity of migration in terms of direction and duration can be highlighted by the composition of the flows, which reflect wider socio-economic dynamics. The migration as determined by age and gender can have a significant impact on labour availability, remittances, household organisation, and agricultural production systems.

Generally, over time migration may erode village - based networks as migrants become part of urban - based networks and remittances tend to decrease. This analysis brings us back to the issue of rural -urban linkages, which is better illustrated, in the diagram below [Diagrams 14].

**Diagram 14: Illustration of Push and Pull Factors – Rural/Urban Continuum**

**PUSH AND PULL FACTORS – RURAL/URBAN LINKAGES**



SOURCE – Ndabeni, 2015



Rural - Urban linkages can therefore be contextualised in terms of the pull and push factors as illustrated in the diagram above. Perceived better living conditions and opportunities including job and schooling opportunities result in the movement of people to attractive settlements like towns and cities.

*The movement of people is not the only link between rural and urban areas (whether to or from cities). Other key movements are those of financial capital e.g. remittance or rural investment of urban capital; tourism (short-term visits accompanied by significant spending); mixed rural-urban livelihoods (such as agriculture, retail and taxis), education (migration to larger centres for schooling or training or vice versa) – Wessels (2012)*

Furthermore, poor living conditions as well as lack of growth opportunities in rural areas also contribute to the net migration of the population to the small towns and cities.

Conversely, cheaper living conditions and psychosocial support in rural areas can be better understood in terms of the pull factors, as some people prefer to go back to rural areas due to high costs of living in urban areas. The unrealised and perceived opportunities including competition for job opportunities, high levels of crime in urban areas also contribute to the reversal of these migration trends from the towns and cities to the rural areas.

## 7. EFFECTS OF UNCONTROLLED MIGRATION

Failure by municipalities to plan for in – migration, especially in towns will consequently result in the perpetuation of the spatial inequalities caused by the apartheid regime. These effects will express themselves in accordance but not limited to the following: -

- a Infrastructure overload that will translate to dilapidating roads, inadequate and poor water quality, electricity constraints that will also affect local businesses etc.
- b Poor human settlement planning that contributes to high transaction costs for people to get to their work places.
- c Illegal invasions of private and state land leading to unplanned, disaster prone development patterns within the settlement areas.
- d Mushrooming of informal settlements that will further constrain government ability to render services.
- e Increased levels of crime as the demand for opportunities would far outstrip the supply.

## 8. EMERGING FACTORS: GROW SA GROWTH INHIBITORS AND ENABLERS

In terms of the draft National Spatial Development Framework (NSDF) and research work undertaken by the CSIR on climate change<sup>8</sup>, the Eastern Cape Province is likely to experience an increase in temperatures through most parts of the country and increase in rainfall in the easterly region of the Province. Thus, it is vital to take cognisance of the climate change predications and the impact and adaptation strategies that need to be employed in the socio-economic revitalisation of small towns. Detailed information of the selected small towns risk profiles can be sought in Annexure 3.

Urban Landmark (2008) cites that the weakness of a small town economy is diminished economic growth through trend from small towns

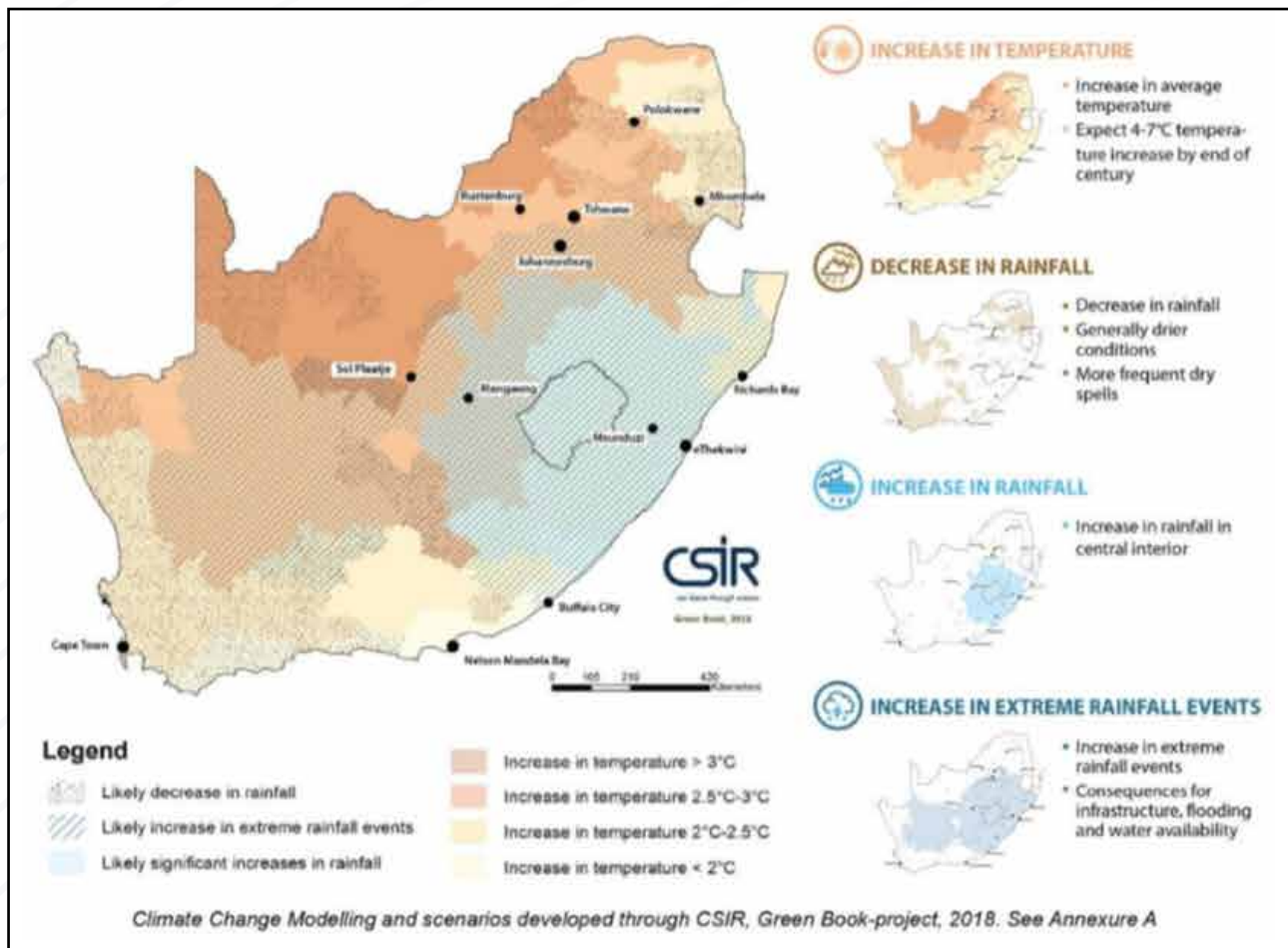
communities who utilise public and private transportation to go to larger economic centres for commercial purposes, which in turn causes a leakage of purchasing power to the larger economic centres. This exacerbates the lack of investment within the small towns due to the purchasing power of the small towns dampening the incentive to invest (Urban Landmark, 2008).

*Outside determinants of local economic growth (exogenous determinants): Government spending, interest rate policy, national supply and demand, and decisions of nationally based firms affect the economic basis of small towns. For example, in the manufacturing cycle of a new product, as production matures, branch plants may be built in small towns, due to lower land and labour costs (Daniels 1989 in Urban LandMark, 2008).*

<sup>8</sup> CSIR: On 8th of March 2019, the CSIR launched a state-of-the-art online climate risk profiling and adaptation tool to assist municipalities across South Africa to assess climate risks and growth pressures, by implementing adaptation actions towards the development of climate resilient human settlements - Green Book <https://greenbook.co.za>

The revitalisation of small towns will require investment from both the locals and government within the area and this will require research on how small towns can both maximise and leverage on the fourth industrial revolution. Diagram 19 from NSDF below depicts climate change vulnerabilities within the province.

**Diagram 19: Climate change and projected regional implications**



Source: Draft National Spatial Development Framework (2019)

## 9. SMALL TOWN SELECTION CRITERIA

### 9.1 NSDF GROWTH PRIORITY AREAS

The NSDF identified the following potential growth areas for the Eastern Cape Province: -

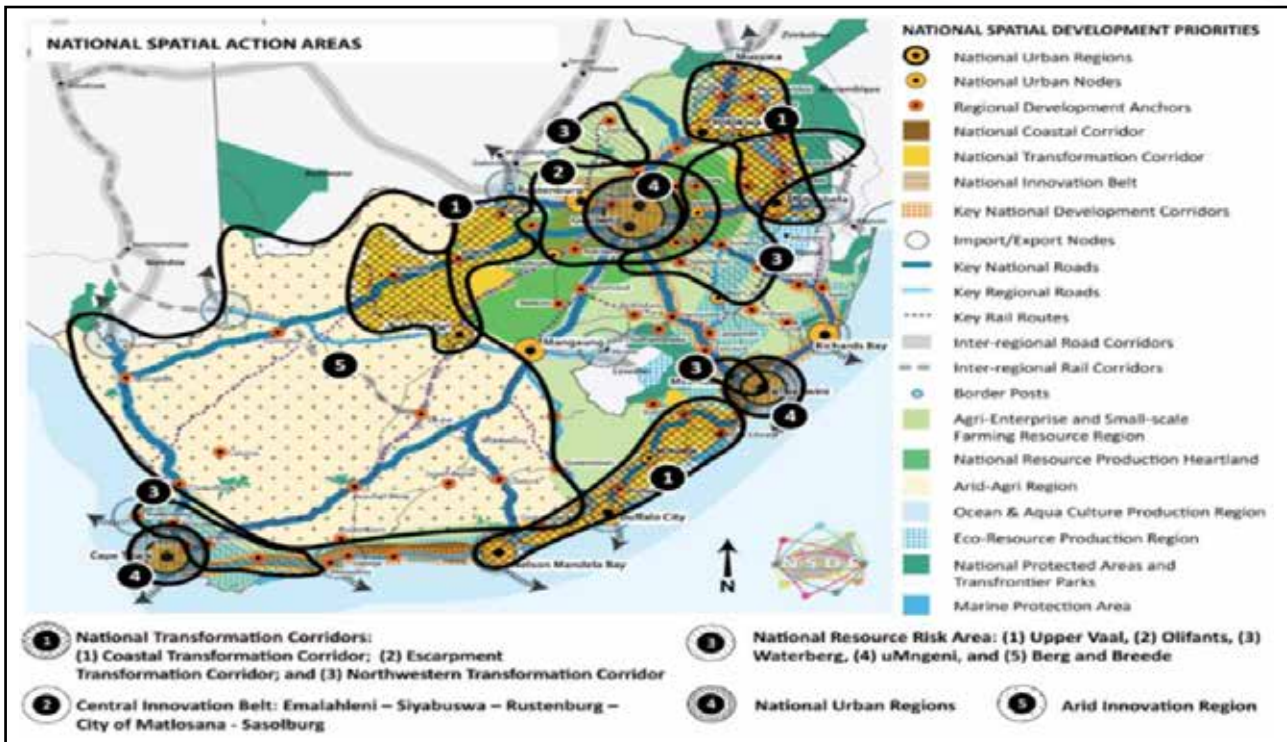
#### 9.1.1 NSDF Sub-Frame National Urban Network

- i. National Urban Nodes to support the development and emergence of new city in Mthatha
- ii. National Network of Regional Development Anchors: Create new/transform towns on the National Transformation corridor such as Butterworth, Grahamstown and Lusikisiki into Regional Development Anchors in accordance with the Social Services Wheel [Annexure 2]
- iii. National Network of Rural Service Centre: Create new service centres and transform existing settlements in dense rural settlement regions respectively Barkley East, Bizana, Port Alfred, Bathurst, Peddie, Kei Mouth, Centane, Willowvale, Nqamakwe, Idutywa, Elliotdale, Ngqeleni, Port St Johns, Libode, Mount Frere, Mount Ayliff, and Flagstaff
- iv. Smaller Towns and Settlements: Strengthen and consolidate existing service towns such as Maclear. Develop new town and transform existing dense settlement such as Qumbu.

- v. National Coastal Corridors [N2]: Corridor provides opportunities for the consolidation of existing cities and the development of new cities supported by multi-modal connectivity infrastructure such as strengthened port and airport development to ensure inter-regional trade flows and small harbour development for fishing, tourism and maritime economy.

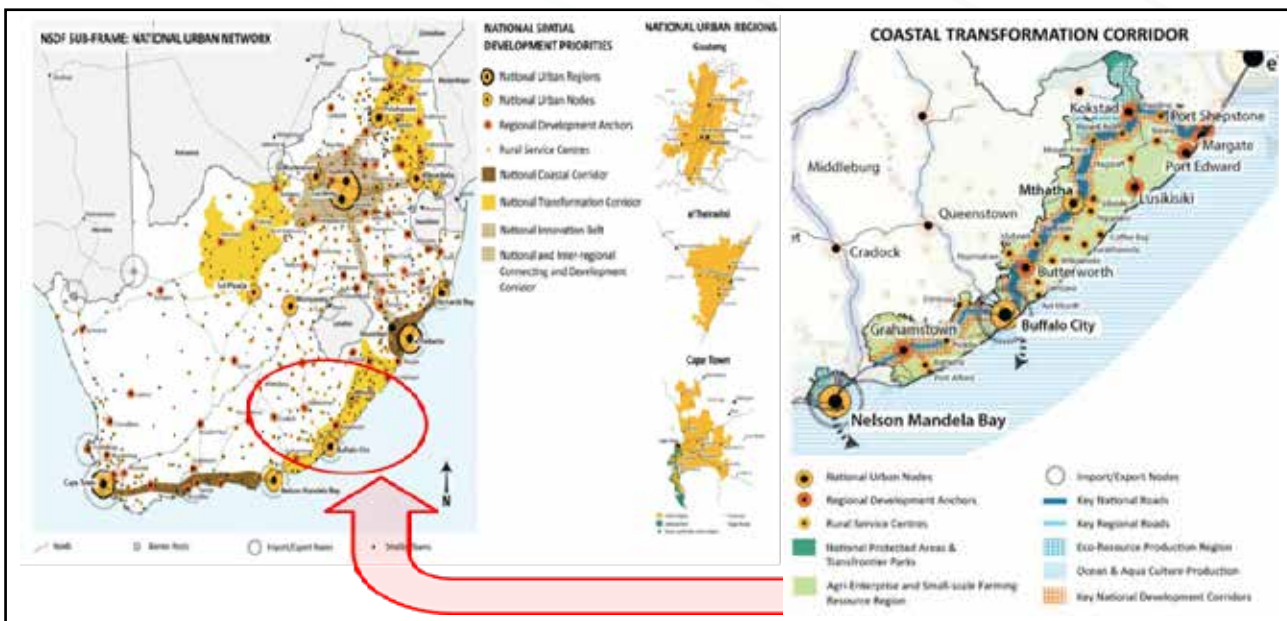
The National Transformation Corridors develop a new Eastern Coastal Transformation Corridor between Nelson Mandela Bay Municipality to Port Shepstone via Mthatha through; consolidation of settlements to create new cities, development of regional and municipal resource management, urban-rural and eco-agri development strategies and small harbour developments.

**Diagram 20: NSDF Ideal Spatial Development Pattern with National Spatial Action Areas**



Source: Draft National Spatial Development Framework (2019)

**Diagram 21: NSDF National Urban Network Sub-Frame and Coastal Transformation**



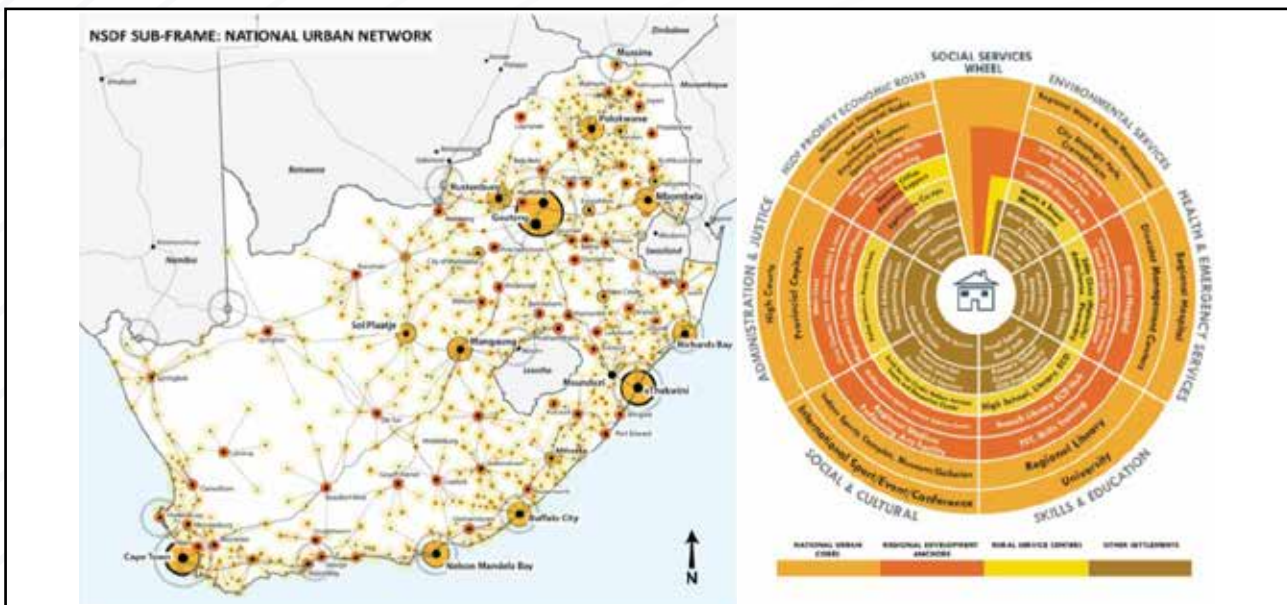
Source: Draft NSDF, 2019

**9.2 NSDF Sub-Frame National Urban Network**

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- (ii) National Network of Regional Development Anchors: Create new/transform towns on the National Transformation corridor such as Butterworth, Grahamstown and Lusikisiki into Regional Development Anchors in accordance with the Social Services Wheel [Annexure 2]
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National Transformation Corridors: Develop new Eastern Coastal Transformation Corridor between Nelson Mandela bay to Port Shepstone via Mthatha through; consolidation of settlements to create new cities, development of regional and municipal resource management, urban-rural and eco-agri development strategies, small harbour developments

**Diagram 22: NSDF Urban Network Sub-Frame - National and Regional Settlement and Service Network**



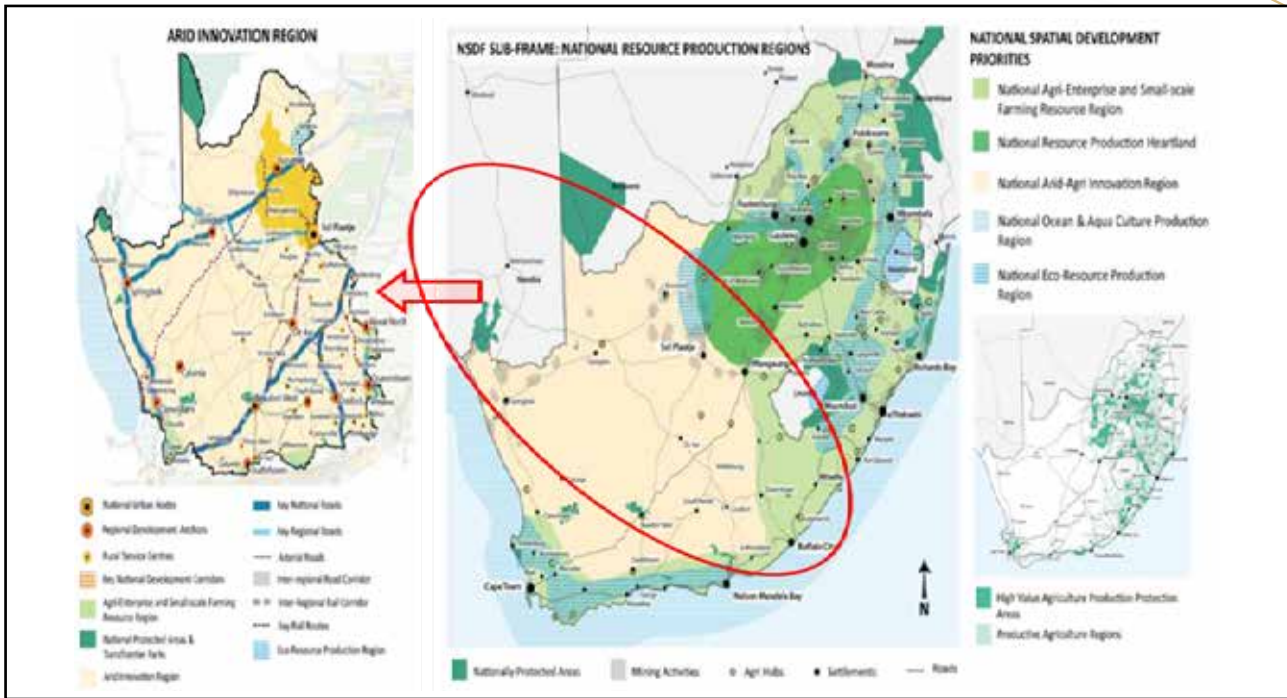
Source: Draft NSDF, 2019

**9.3 NSDF Sub-Frame National Resource Production Regions**

- (i) Agri-Enterprise Regions: Create new and transform existing productive rural regions by focusing on the densely settled eastern and northern region in the Eastern Cape. Focus on improving rural-rural and urban-rural connectivity
- (ii) Arid Agri-Region: Focus on irrigation farming through creating new and transforming irrigation innovation areas by utilising existing and new dams, irrigation schemes and canals can be designed. Also focus on renewable energy farms/plants enhanced by innovative farming technologies and techniques
- (iii) Eco-Resource Production and Livelihood Regions: Create new and transform existing productive rural regions by focusing on the densely settled eastern and northern region in the Eastern Cape through agrarian practices and enterprise development focuses on natural resource restoration and custodianship. Better management of water sources and rehabilitation of degraded land. Create a linkage to oceans and aqua economy

- (iv) National Network of Regional Development Anchors: Graaff - Reinet, Cradock, Queenstown, Aliwal North
- (v) National Network of Rural Service Centre: Jansenville, Middelburg

**Diagram 23: NSDF National Resource Production Regions Sub-Frame and Arid Innovation Region**

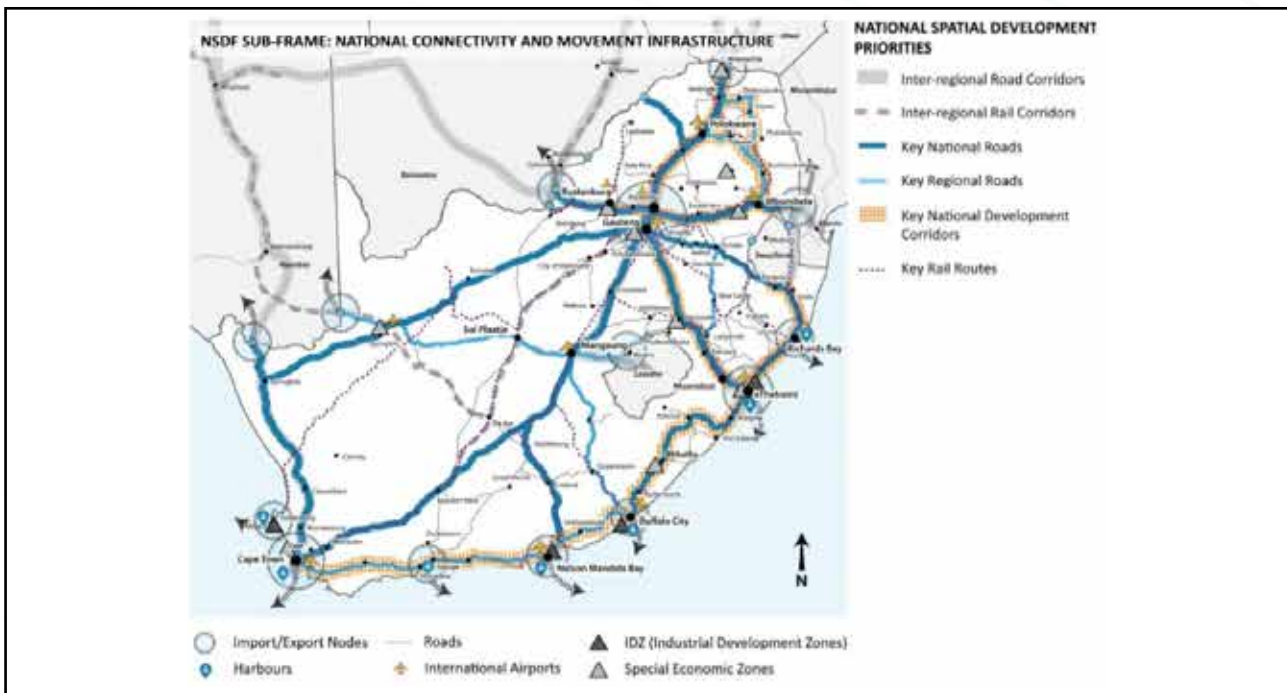


Source: Draft NSDF, 2019

## 9.4 NSDF Sub-Frame National Connectivity and Movement Infrastructure

Inter-Regional and National Development Corridors maintain and strengthen the N2 Coastal Corridor by supporting development in stressed regions between Nelson Mandela Bay via Mthatha to Port Shepstone. Plan and enable trade with SADC with a focus on border and port facilities for international and regional trade flows.

**Diagram 23: NSDF National Connectivity and Movement Infrastructure Sub-Frame**

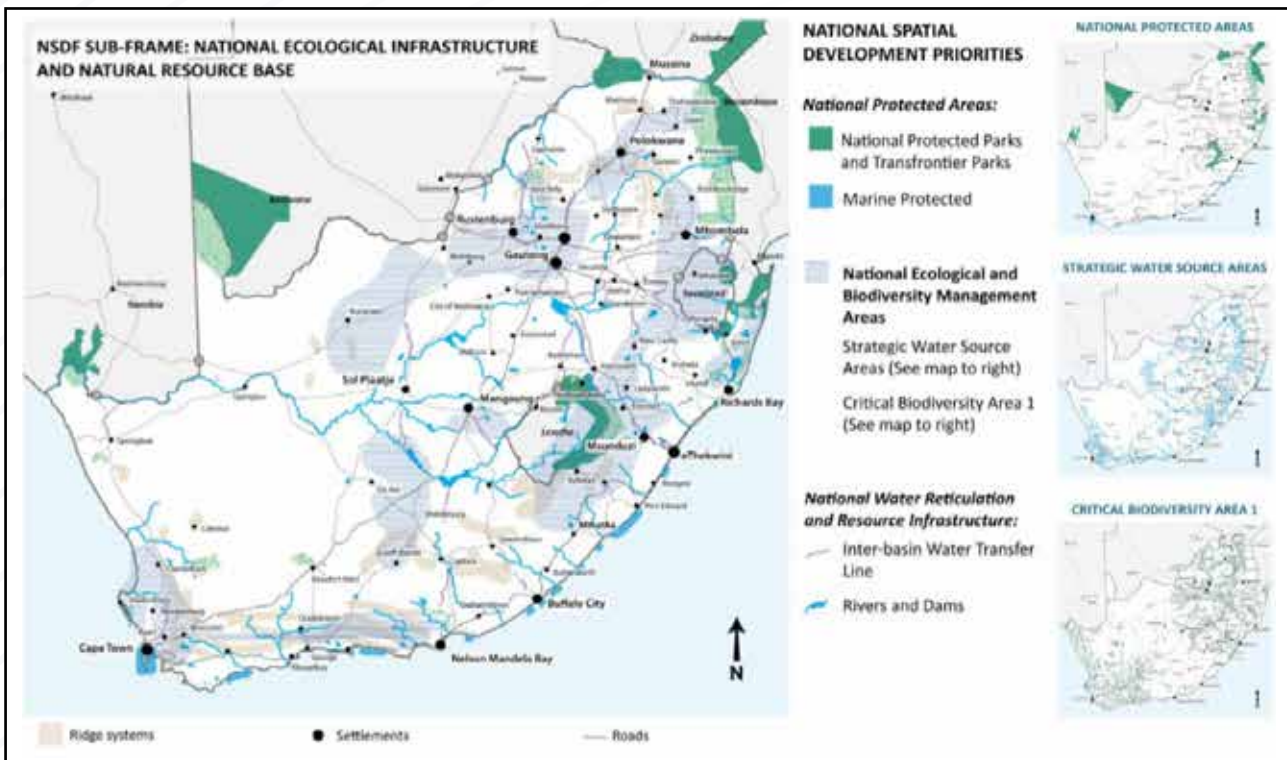


Source: Draft NSDF, 2019

### 9.5 NSDF Sub-Frame National Ecological Infrastructure and Natural Resource Base

- (I) National Protected Areas: Protect national ecological resources and national heritage areas by maintaining and strengthening priority protected areas such as transfrontier parks, major national and provincial parks, national fresh water protection areas and marine protected areas. Support the development in stressed regions along the N2 from Nelson Mandela Bay via Mthatha to Port Shepstone.
- (II) National Ecological and Biodiversity Management Areas: Critical Biodiversity Areas (CBAs) and Strategic Water Source Areas (SWSAs) have been identified as priority national ecological infrastructure regions. There must be effective management of SWSAs in Agri-Arid Regions (i.e. groundwater production areas). Wetlands should be kept in good condition or rehabilitation.
- (III) National Water Reticulation and Resource Infrastructure: Support stressed areas by maintaining water-transfer infrastructure that supports crucial national urban concentrations, nodes and development corridors.

**Diagram 25: NSDF National Ecological Infrastructure and Natural Resource Base Sub-Frame**



Source: Draft NSDF, 2019

## 10. PROVINCIAL DEVELOPMENT PLAN

The Provincial Development Plan (PDP) quotes United Nations Population Division, 2015 by indicating that almost two thirds of the world’s population will reside in cities by the year 2050. The global urbanisation is projected to grow by R2, 5 billion people between 2014 and 2050 with nearly 90 percent of the increase concentrated in Asia and Africa. It is indicated that Urbanisation is creating significant opportunities for social and economic development however it is also exerting pressure on resources especially infrastructure.

The Eastern Cape Province already has thirty (30) percent of the population living in the two (2) Metros (Buffalo City and Nelson Mandela Bay) where the challenges of poverty and unemployment is less acute. There is rural depopulation, which is mostly driven by the migration of young people to other provinces as well as to neighbouring towns. The PDP notes three (3) main trends that are likely to continue, namely higher population in coastal areas, slower growth in the hinterland and increasing urbanisation including a growing population in small towns and per – urban areas. According to Eastern Cape: Vision 2030, the uncontrolled urban migration has seen sprawling settlements and informal dwellings on the outskirts of the provincial towns from 120 000 in 1995 to 215 000 in 2017 (2019:14).

### 10.1 Vision 2030 Goals and Outcomes

In order to mitigate the negative effects of under – development including provincial out – migration the EC - Vision 2030 proposes the following goals: -

Goal	Goal Statement	2030 Outcomes	Alignment with STDF
<b>Goal 1:</b> Innovative and inclusive growing economy	In 2030 we envisage an Eastern Cape economy that is innovative, inclusive, larger and growing, more efficient and optimally exploits the competitive advantages of the province, increases employment (particularly of youth), and reduces inequalities of income and wealth.	<ul style="list-style-type: none"> <li>• Spatially-balanced and inclusive economic development characterized by high economic growth (3 – 5% GDP per annum) that exploits the economic potential of our coastal zone, and much more productive economic activity in the former homeland areas.</li> <li>• Halving unemployment (particularly youth and other designated groups) and poverty that will ensure greater promotion of black economic empowerment and reduction in inequality.</li> </ul>	<ul style="list-style-type: none"> <li>• Aligns with the STDF policy lever on support to key economic sectors.</li> </ul>
<b>Goal 2:</b> An enabling infrastructure network	In 2030 we envisage that the province has a well-developed and enabling infrastructure network and that infrastructure investment responds to spatial aspects of future infrastructure demand and progressively undoes apartheid geography.	<ul style="list-style-type: none"> <li>• Infrastructure investment responds to spatial aspects of future infrastructure demand and progressively undoes apartheid geography.</li> <li>• The provision of infrastructure is accelerated to achieve universal access to social services</li> <li>• Infrastructure investment helps to unlock economic potential.</li> <li>• Infrastructure planning, delivery, operation and maintenance is improved.</li> </ul>	<ul style="list-style-type: none"> <li>• Aligns with the STDF policy lever on Infrastructure Development &amp; Maintenance</li> </ul>
<b>GOAL 3:</b> Rural development, innovative and high-value agriculture sector	In 2030 we envisage accelerated agricultural development and opportunities for producers across all scales in local, provincial, national and global value chains. The goal is more and better jobs, as well as economic self-sufficiency in rural areas through stimulating the growth of rural towns and strengthen the links between them and their rural surroundings.	<ul style="list-style-type: none"> <li>• Reduction in spatial inequality resulting from the apartheid Bantustan legacy of the Province.</li> <li>• Improved socio-economic equity for rural communities, including livelihoods.</li> <li>• Accelerated agricultural development and food security for all.</li> <li>• Increases in the total area of land under agricultural production and the number of people, households and enterprises that are active in the agriculture sector.</li> <li>• Economic self-sufficiency in rural areas through stimulating the growth of rural towns and strengthen the links between cities, towns and their rural surroundings.</li> <li>• Increased contribution of agro-industry to GDP and employment</li> </ul>	<ul style="list-style-type: none"> <li>• Aligns with the STDF policy lever on Planning and Management</li> </ul>
<b>Goal 4:</b> Human Development	In 2030 we envisage a society with little or no abject poverty, low levels of hunger, improved standards of living, and safer communities where conditions enable all to fulfil their human potential and longer life expectancy. Collaborative and innovative investments remain critical towards the transformation of children and designated groups.	<ul style="list-style-type: none"> <li>• Increased life expectancy</li> <li>• Transformative universal opportunities of early childhood development</li> <li>• Universal access to quality education</li> <li>• Improve the skills development programme</li> <li>• A society with enabled social determinant drivers of health and educations</li> <li>• Improved health profile in communities (all wards) through reduction of disease burden</li> <li>• Access to social protection for all and opportunities for reduction of inequality</li> <li>• Empowering psycho-social services to redress social distress.</li> <li>• Safer communities and reduction of contact crime</li> <li>• Sustainable human settlements Cohesive communities with scope for moral regeneration.</li> </ul>	N/A

Goal	Goal Statement	2030 Outcomes	Alignment with STDF
<b>Goal 5:</b> Environmental sustainability	In 2030 we envisage that developmental challenges must be addressed in a manner that ensures environmental sustainability and builds resilience to the effects of climate change, particularly in poorer communities. Investment in skills, technology and institutional capacity is critical to support the development of a more sustainable society and the transition to a low-carbon economy	<ul style="list-style-type: none"> <li>• Coordinated planning and investment in infrastructure and services that take account of climate change and other environmental pressures, thereby making communities more resilient to the impacts of climate change and less socioeconomically vulnerable.</li> <li>• Climate change adaptation strategies are implemented, including disaster preparedness, investment in more sustainable technologies and programmes to conserve and rehabilitate ecosystems and biodiversity assets.</li> <li>• Significant investment in consumer awareness, green product design, recycling infrastructure and waste-to-energy projects results in significant strides to becoming a zero-waste society.</li> <li>• The Eastern Cape reduces its carbon emissions in line with South Africa's international commitments.</li> <li>• Policy and regulatory frameworks are created for land use, to determine the environmental and social costs of new developments and ensure the conservation and restoration of protected areas.</li> </ul>	Aligns with the STDF cross cutting issues of climate change
<b>Goal 6:</b> Capable democratic institutions	The vision for 2030 is that the province is much more effective and efficient in utilising its human, financial and other resources, has accountable, honest and capable leadership and institutions that are engaged in sustainable partnerships for provincial development with social actors and the broader citizenry.	<ul style="list-style-type: none"> <li>• A skilled and capable workforce to support an inclusive growth path</li> <li>• Responsive, accountable, effective and efficient local government</li> <li>• Create a better South Africa and contribute to a better Africa and a better world</li> <li>• An efficient, effective and development-oriented public service</li> </ul>	

## 11. PROVINCIAL SPATIAL DEVELOPMENT FRAMEWORK

The PSDF proposes the development of the following potential growth areas: -

### 11.1 Strategic Proposals

#### 11.1.1 Eastern Region

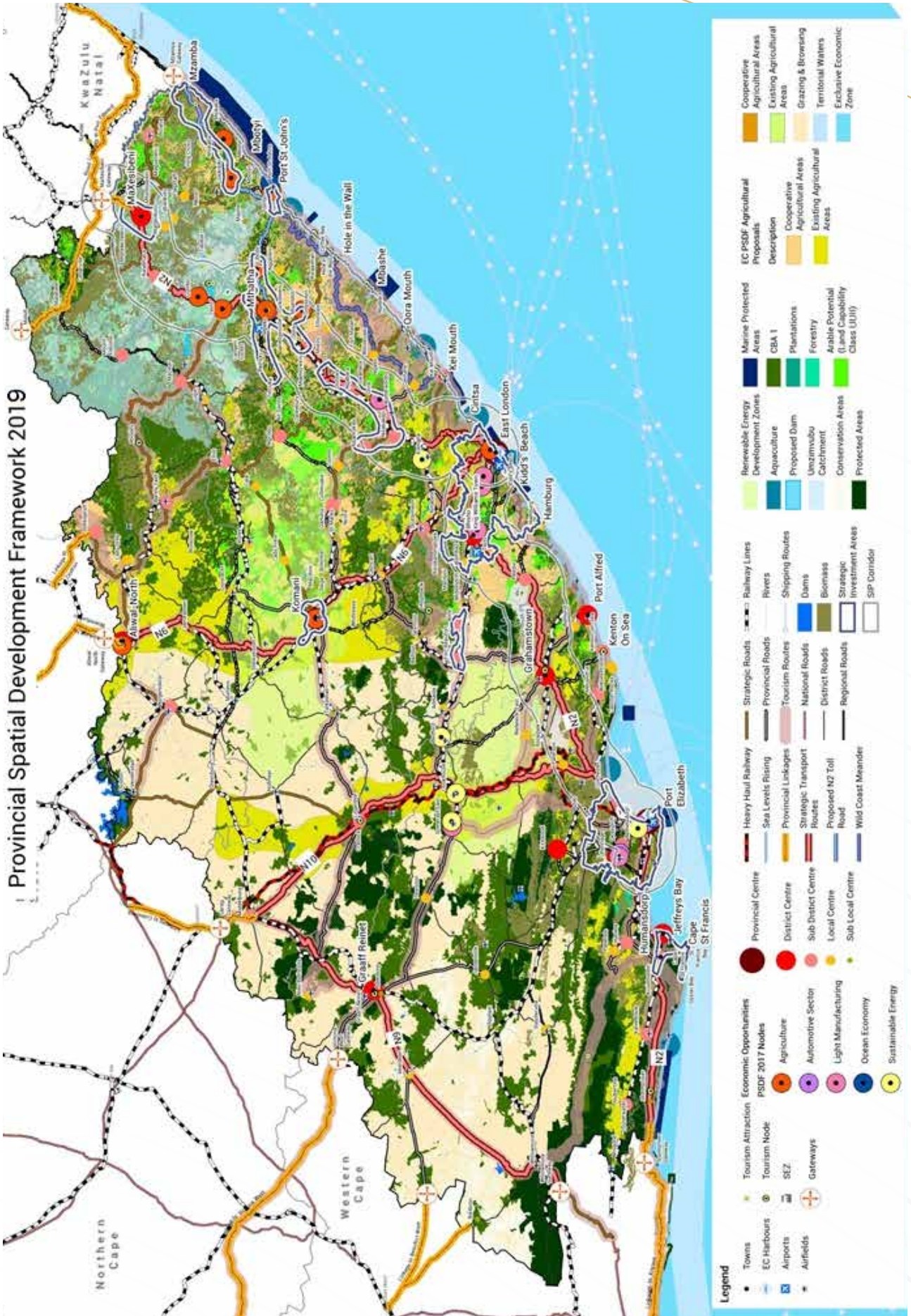
- (i) Creation of Metro regions through joint planning and allocation of resources;
  - Nyandeni LM (Libode), KSD LM (Mthatha);
  - Mbhashe LM (Idutywa), Mnquma LM (Butterworth), Ndabakazi and Intsika Yetu LM (Nqamakwe);
  - Port Edward, Mzamba/Mtentu, Mkambati;
  - Lusikisiki
- (ii) Linkage between metros and future metro regions through road, rail, air for movement of goods and services. Requiring metros to put plans in place to deal with new roads; access to service; access to opportunity; access to markets; wildcoast meander impact and broadband connectivity.

#### 11.1.2 Western Region

- (i) Creation of Metro regions: Small towns in SBDM losing population
- (ii) Understand opportunities in game farms, fracking, expanding dairy production, use of the agricultural base to support international markets, renewable energy, growth of coastal region, technology and build a broader tourism base

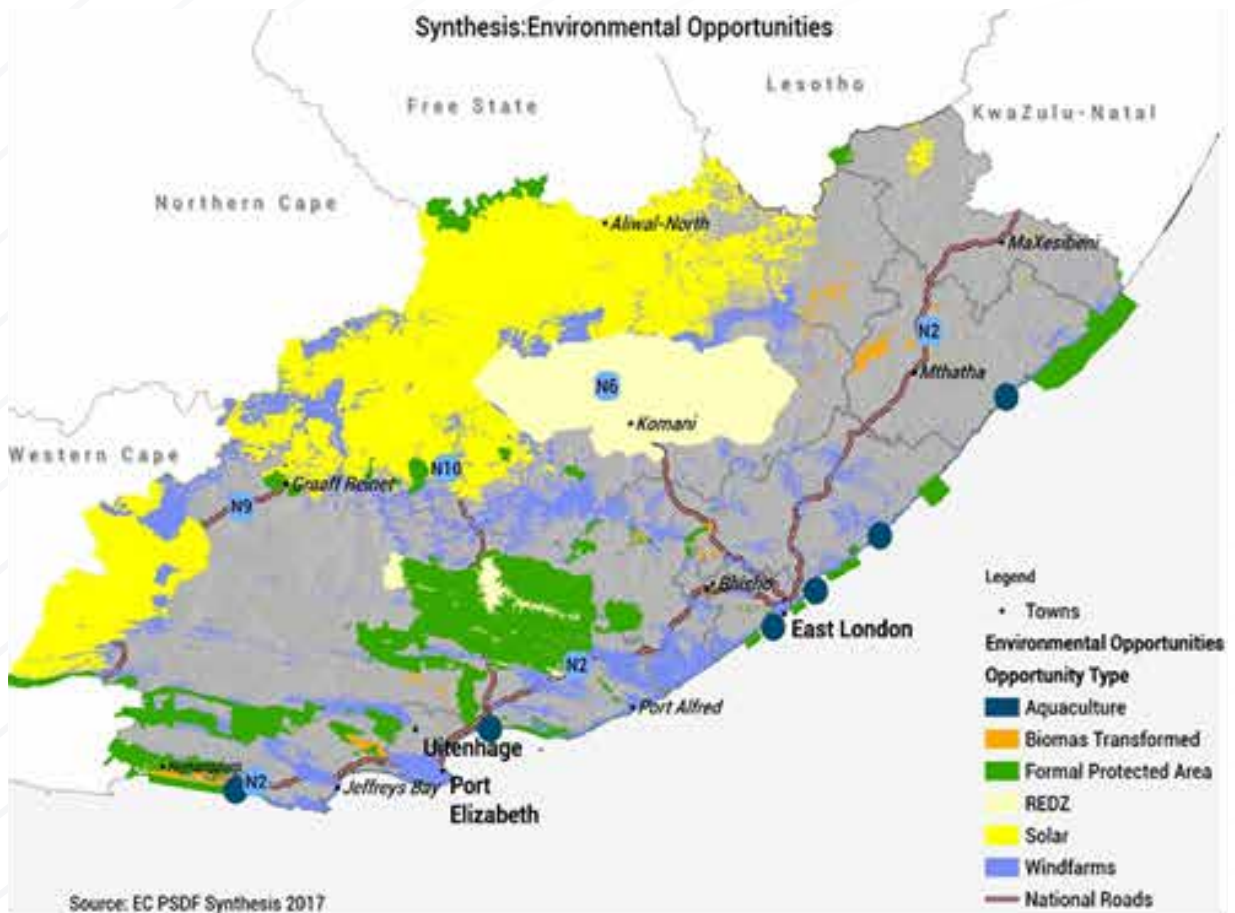
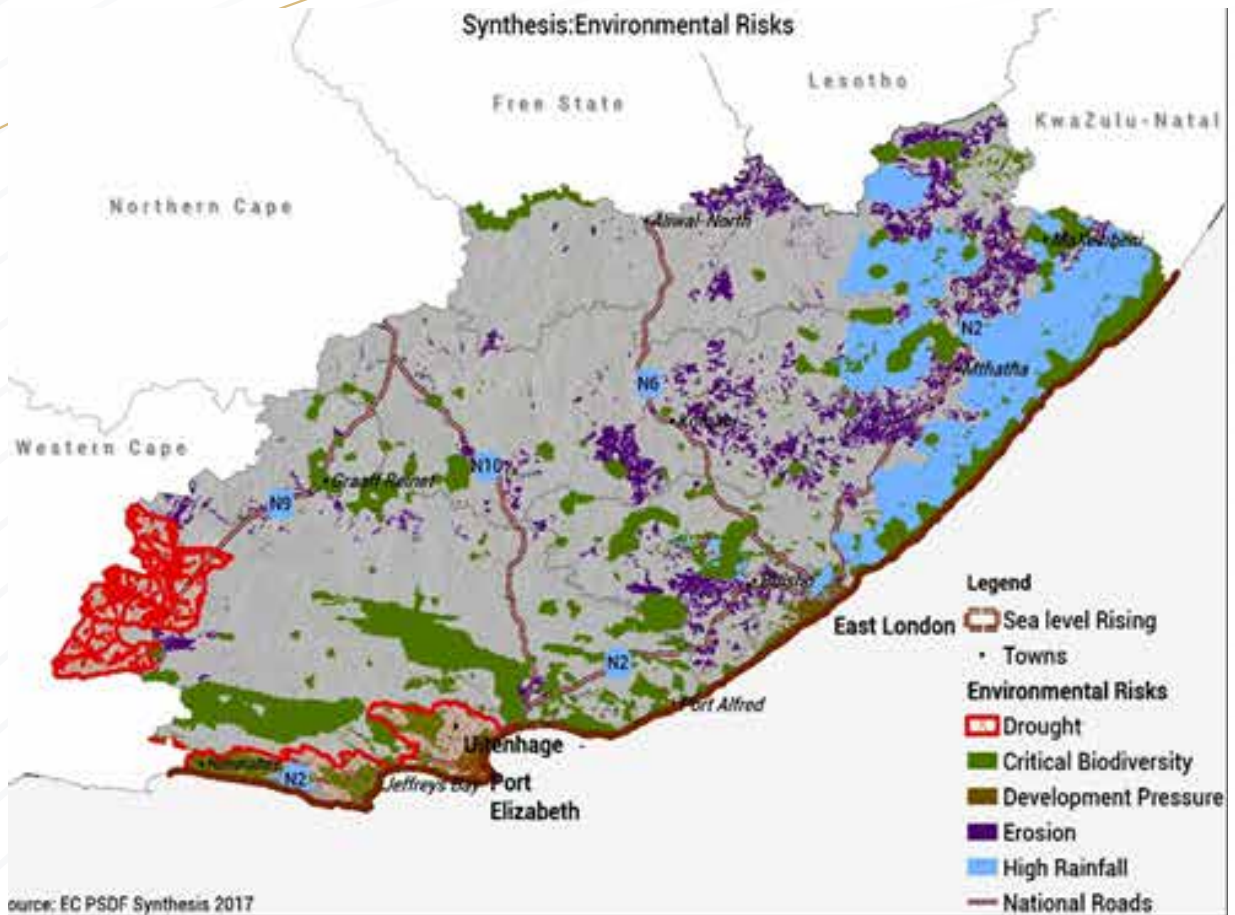


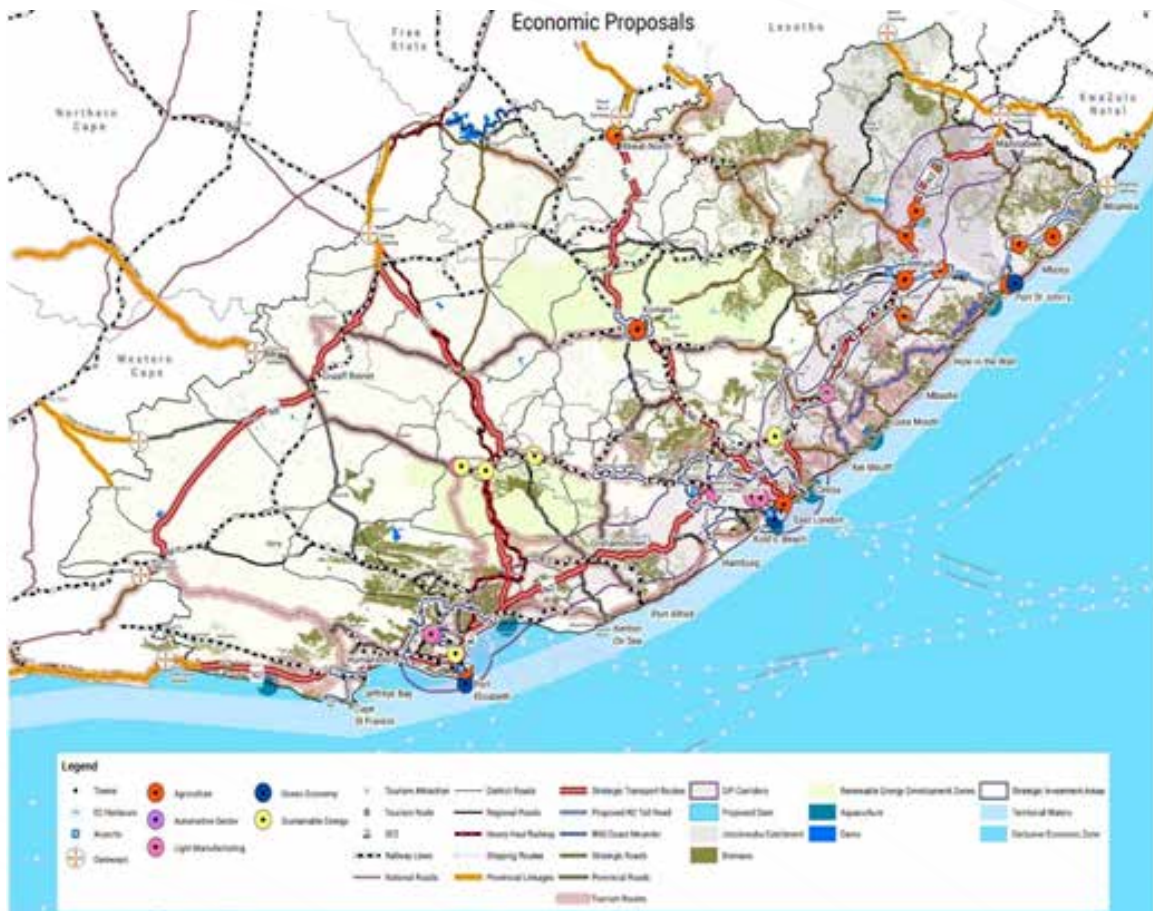
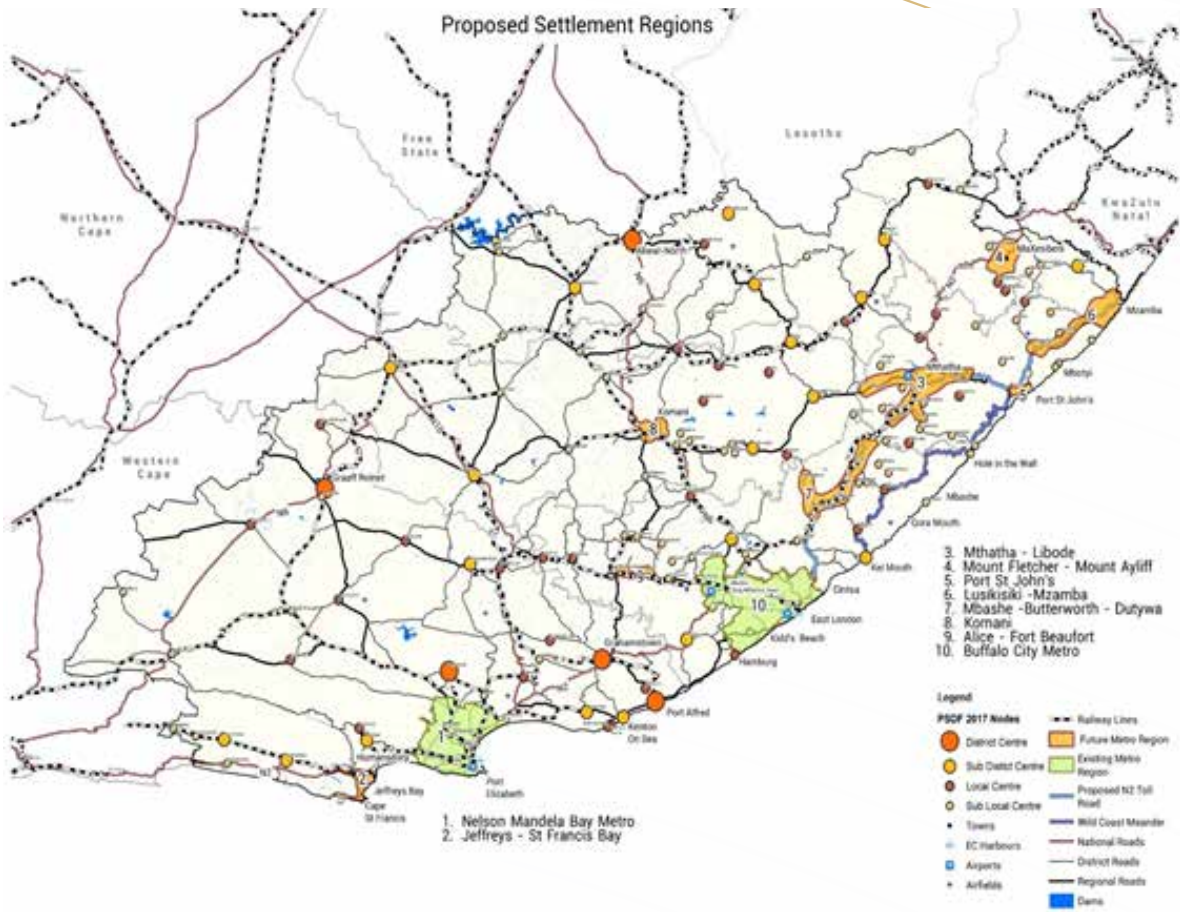
Provincial Spatial Development Framework 2019

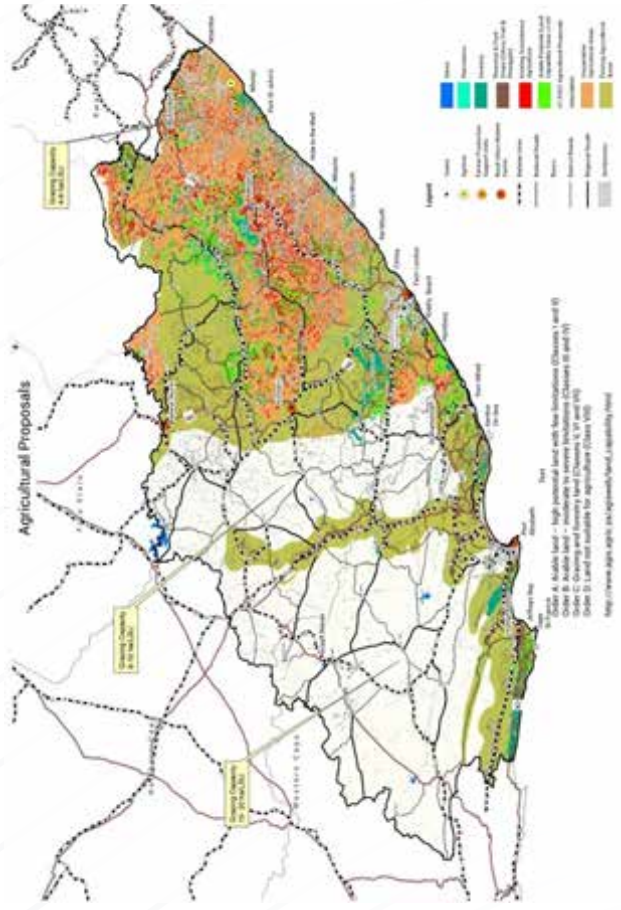
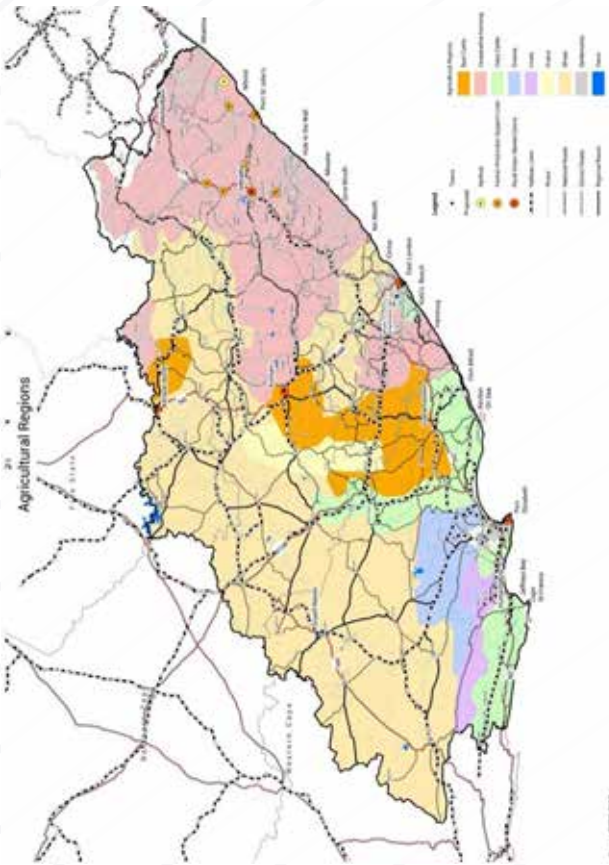
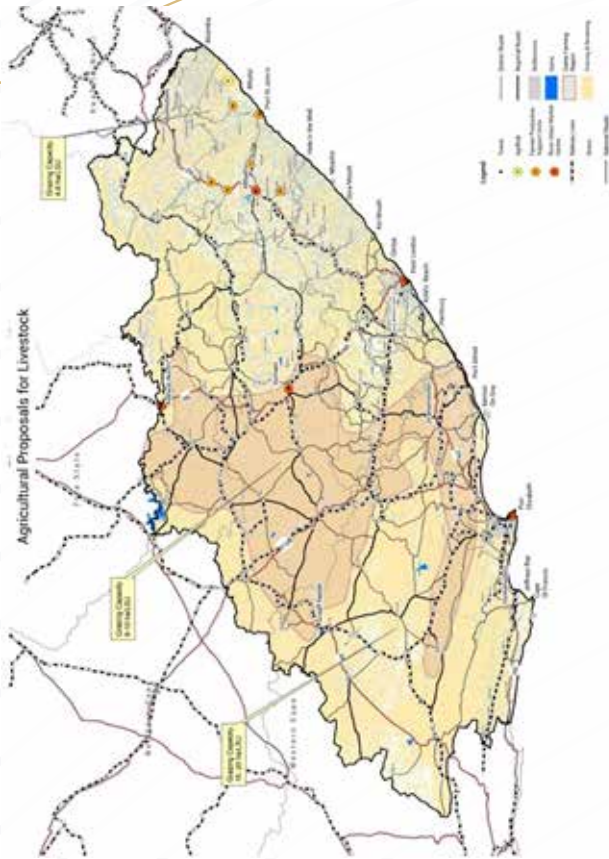




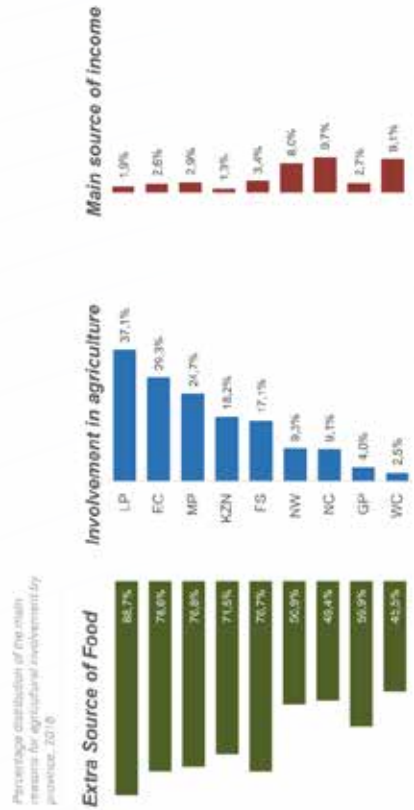








Nationally, more than three-quarters (78,5%) of households that were involved in agriculture were involved in an attempt to secure an additional source of food. Agriculture plays an important role in the process of economic development and can contribute significantly to household food security.



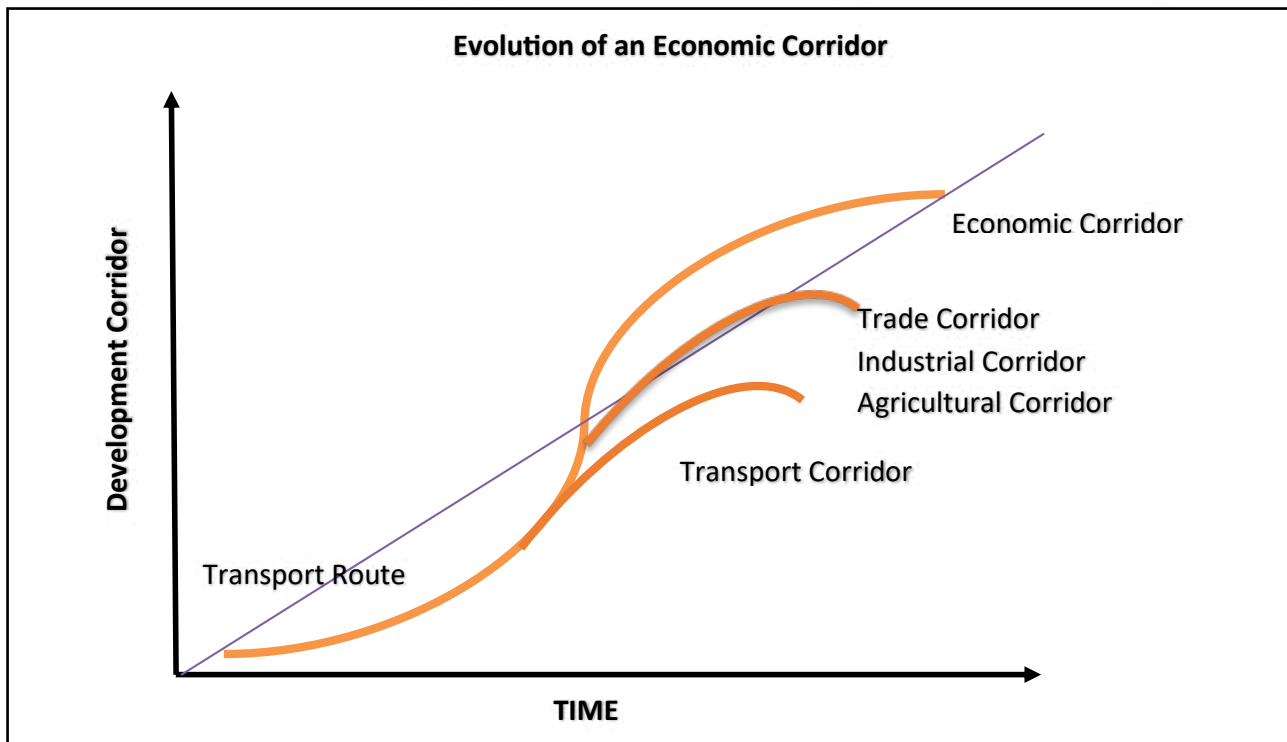
## 12 EC STRATEGIC CORRIDORS

### 12.1 Corridor Development Approach: The Logic

There are important considerations for the identification and prioritisation of development corridors. The World Bank states that the concept “transport corridor” lacks a precise definition as it has both physical and functional dimensions. In terms of physical components, a corridor includes one or more transport routes that connect centres of economic activity.

The World Bank generally does not use the term economic corridor. Instead, it refers to transport and trade corridors, sometimes freight corridors, all of which contribute towards economic development. Other donors define economic corridors as a further stage of corridor evolution compared to transport or freight corridors.

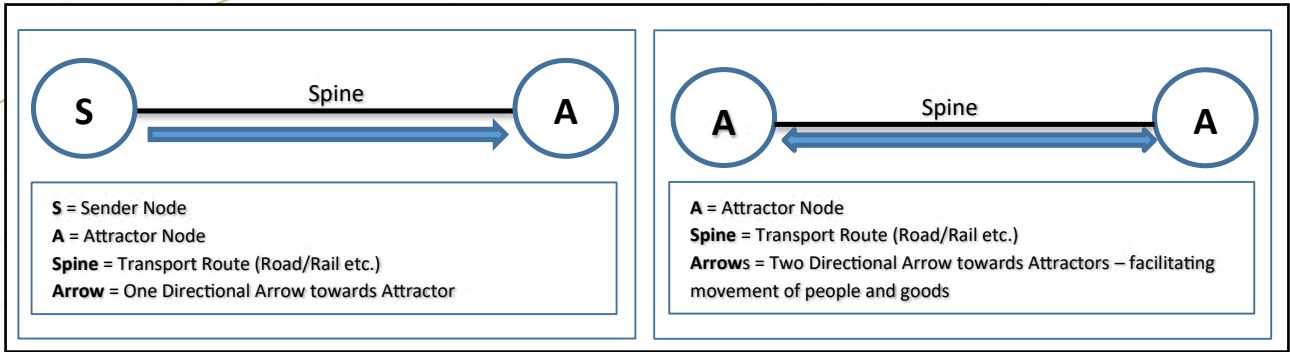
According to Hope & Cox (2015: 13) illustrate the different names typically assigned to corridors as they evolve from simple transport routes through to fully-fledged economic corridors in accordance to the following graphs.



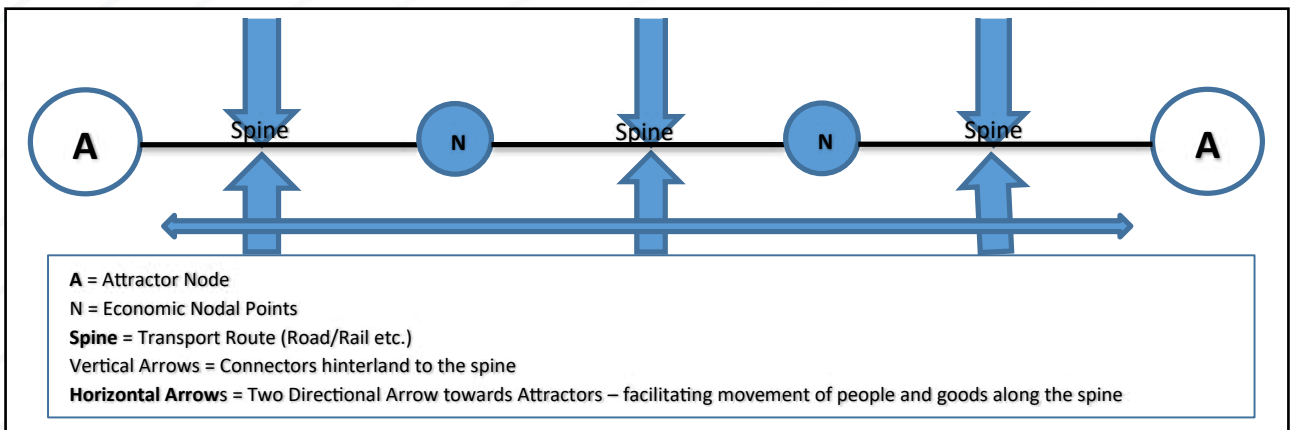
Corridors mostly start as transport routes to a fully - fledged transport corridor where passengers and goods are transported. Through planning interventions, corridors could evolve to be trade, industrial as well as agricultural corridors etc. where there is industrial activity or trade occurring adjacent the corridor and ultimately to be economic corridors where mix land uses connecting residence with industry and places of entertainment are achieved.

According to Mirrian (2001: ) the CSIR defines a corridor as a linear mixed land use element of urban structure which occurs on a series of transportation routes working together. He further defines development corridors as a high volume transport route that links major activity centres. He contends that for a corridor to function optimally there must be forces of attraction. He indicates that on a micro level, a corridor is dependent on the existence of forces of attraction to draw people from one point of the corridor to another.

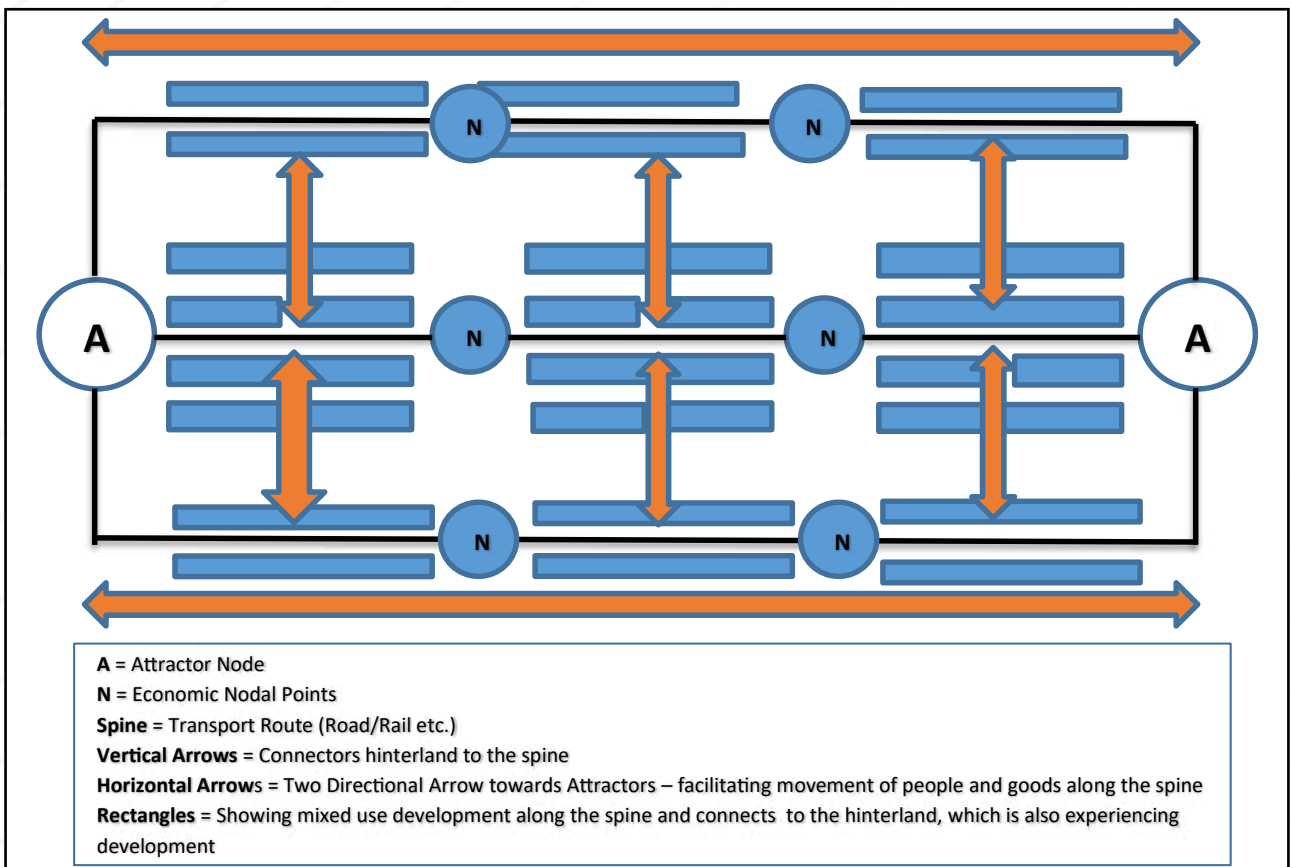
[Figure 1: Transport Corridor]



[Figure 2: Trade, Industrial and Agricultural Corridor]



[Figure 3: Economic Corridor]





The World Economic Forum endorsed agricultural growth corridors in 2008 as one of the strategies for rural – urban linkages. Furthermore, African Heads of State endorsed agriculture development through the Malabo Declaration where leaders committed to develop agriculture by focussing on infrastructure that catalyses agricultural development and facilitate market linkages.

## 12.2 PSDF Strategic Corridors

The STDF aligns with the strategic corridors identified by both the National Spatial Development and Provincial Spatial Development Frameworks. The STDF further categorises the corridors in terms of their importance into Primary and Secondary Corridors as follows: -

*Certain regions of the Eastern Cape Province comprise of densely settled areas where employment vulnerability is high and where population growth exceeds economic growth (Draft NSDF, 2019)*

CORRIDOR	PRIORITY
N2	National Priority
R61	Provincial Priority
N9	Provincial Priority
N10	Provincial Priority
N6	Provincial Priority
R56	Provincial Priority

### 12.2.1 Corridors

#### a. *The Coastal Transformation Corridor (N2)*

The coastal transformation corridor encompasses a wide area that incorporates the N2 as the spine, which facilitates trade within the corridor. This corridor borders KwaZulu – Natal Province as it commences at the eastern side of the province at Mzimvubu and Mbizana Local Municipalities in Alfred Nzo. It moves through the coastal line, incorporating the Wild Coast Meander as well as the New N2 up to Humansdorp. In converse, the National Spatial Development Framework targets this corridor up to Makana LM.

It therefore becomes important that the province also identify potential areas of growth beyond the national targeted area hence the identification of the N2 from Grahamstown to Humansdorp as part of the Coastal Transformation Corridor.

This corridor boasts the highest population densities in the province with economic potentials that include the following: -

- Wild Coast SEZ
- Oceans economy as the corridor is within the coastal belt
- Forestry
- Deciduous and citrus fruit
- Maize
- Livestock (Sheep and Cattle) etc.

It is therefore envisaged that through visionary planning regime the corridor could have linkages with the Inland Agricultural Transformation Corridor (R61).

**b. R61 Corridor**

The R61 boasts the second largest population densities within the province. It currently starts at Mbizana LM in Alfred Nzo and covers OR Tambo as well as Chris Hani District Municipalities. The corridor has started showing signs of strategic role that it could play as a food basket of the province, especially through the Ncora as well as Shiloh irrigation schemes. It further boasts an industrial park within Queenstown, which can connect well with the Mthatha SEZ. The corridor boasts the following economic potentials: -

- Wild Coast SEZ
- Irrigation Schemes (Ncorha, Qamata and Shiloh)
- Sheep and Cattle production as well as processing
- Industrial Parks (Queen industria) and Agri – park (Ncorha)
- Renewable energy (Wind)
- Coal Mining etc

**c. N9 Corridor**

The Western Renewable Energy corridor has a potential for the generation of energy through wind harvesting, solar generation as well as gas exploration through fracking. Fracking is also identified in the National Development Plan (NDP) as one of the sunrise industries that could anchor development within this particular corridor.

Furthermore, there is a Mohair industry, which is one of the prominent global mohair suppliers. The raw wool that is produced could be processed into finished products through the wool value chain, which could improve the gross value addition of the region. The economic potentials within this corridor are the following:

- Goat Production and processing
- Mohair
- Honey bush tea
- Ostrich production and processing
- Gas (Fracking)
- Renewable energy (Wind turbines and solar)

A properly focussed development planning and implementation for this corridor could have linkages with the N10 where there is citrus production. These interventions would enhance vibrancy of this region and link with Nelson Mandela Bay Municipality, especially the Coega Special Economic Zone.

However, the scarcity of water and other climate change effects could serve as a deterrent for the envisaged development trajectory.

**d. N10 Corridor**

The N10 could complement the development of the N9 corridor by leveraging on the economic potentials as well as small towns within the region. The following are amongst the available potentials within this corridor: -

- Sheep and Goat Production and processing
- Citrus fruit production and processing
- Honey bush tea
- Renewable Energy (Gas, solar and wind)

*e. N6 Corridor*

The N6 could complement the development of the R61 corridor by leveraging on the economic potentials as well as small towns within the region. The following are amongst the available potentials within this corridor: -

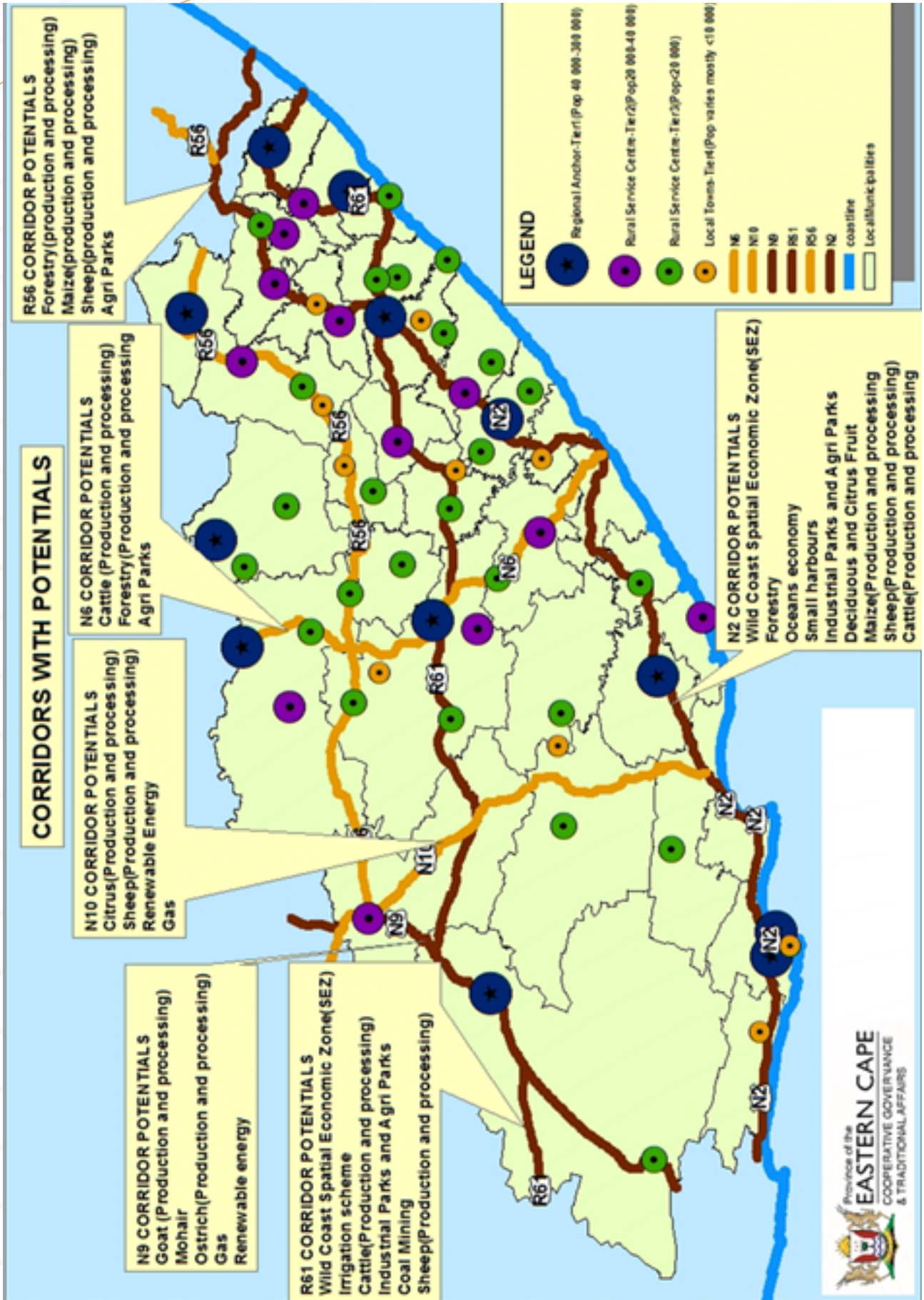
- Cattle production and processing
- Forestry production and processing
- Agri – park (Aliwal North)

*f. R56 Corridor*

The R56 corridor is one of the strategic regions within the province as it covers Alfred Nzo, Joe Gqabi as well as Chris Hani Districts and it connects the province to both KwaZulu – Natal and the Western Cape Provinces. The following are amongst the available potentials within this corridor: -

- Forestry (Elundini)
- Maize and sorghum production and processing
- Cattle production and processing
- Agri –park (Matatiele)

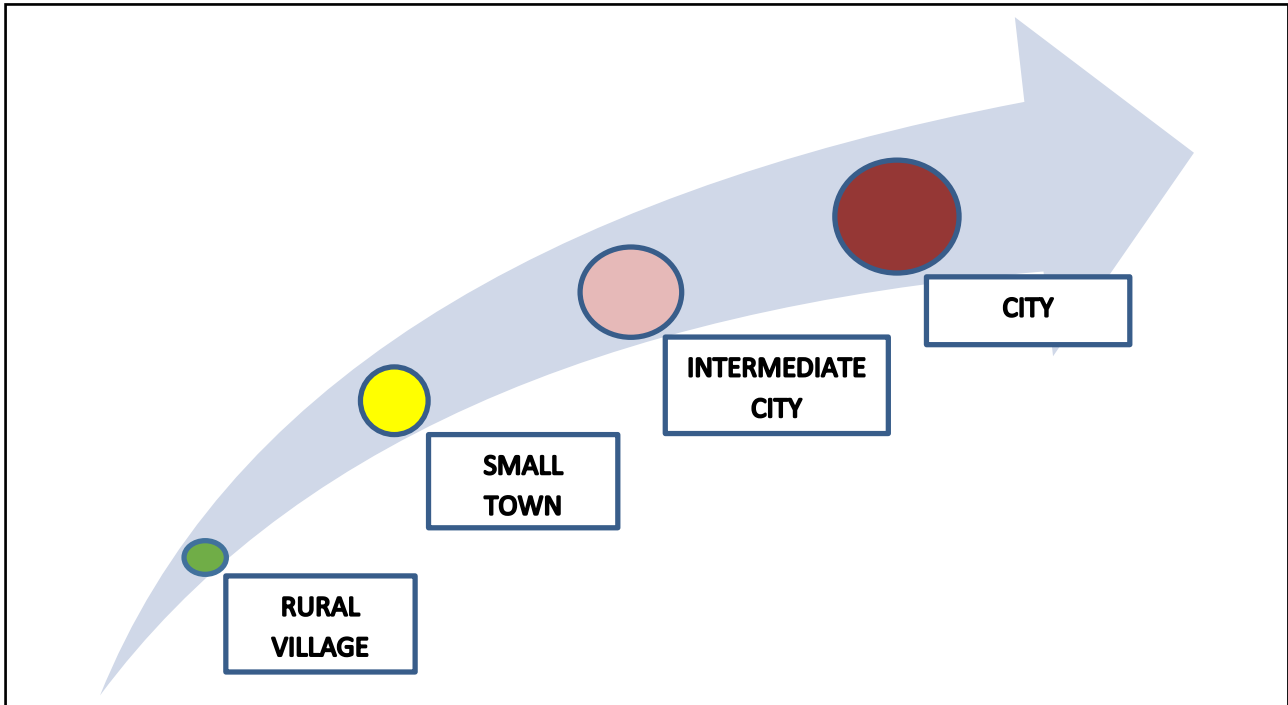
The following map outlines potentials within the PSDF identified corridors: -



## 13. EC – STRATEGIC SMALL TOWNS

### 13.1 Categorisation of Towns

The development of functional settlements to towns and ultimately, to city regions can better be depicted by the illustration below: -



#### 13.1.1 Rural Village

A village is a scattered human settlements or community dwellings, which is rather under – developed than a small town. This expresses itself in terms of the unavailability of commercial services as well as poor availability of government services and amenities. The Eastern Cape Province is comprised of mostly rural villages rather than urban settlements.

#### 13.1.2 Small Town

According to CSIR typology of towns, small towns are mostly categorised in terms of their role to the region, namely Local Towns as well as Rural Service Centres. Local Towns are small settlements that have characteristics of rural settlement with small features of urban settlements and they service the immediate town area. On the other hand Rural Service Centres provide both commercial and government services to the population of the town as well as surrounding villages. It is an economic hub and provides livelihood for communities within the immediate villages as well as the residents of the town. According to Johannes Wessel, 2012: 02, an arbitrary population estimation for a Local Town varies greatly however its mostly lesser than 6000 while a rural service centre is mostly below 40 000 residents.

Livelihoods of the surrounding villages are mostly dependent on the viability of the town and failure to develop the town results in economic decline for the area.

#### 13.1.3 Secondary/ Intermediate cities

A secondary city is largely determined by population size, function, and economic status. Commonly, secondary cities are geographically defined urban jurisdictions or centres performing vital governance, logistical, and production functions at a sub-national or sub-metropolitan region level within a system of cities in a country.

The secondary cities within the province are straddled between Regional Anchors (Population above 40 000 but below 100 000) and Urban Core (Population above 100 000). They likely constitute a sub-national or sub-metropolitan second-tier level of government, acting as centres for public administration and delivery of government services.

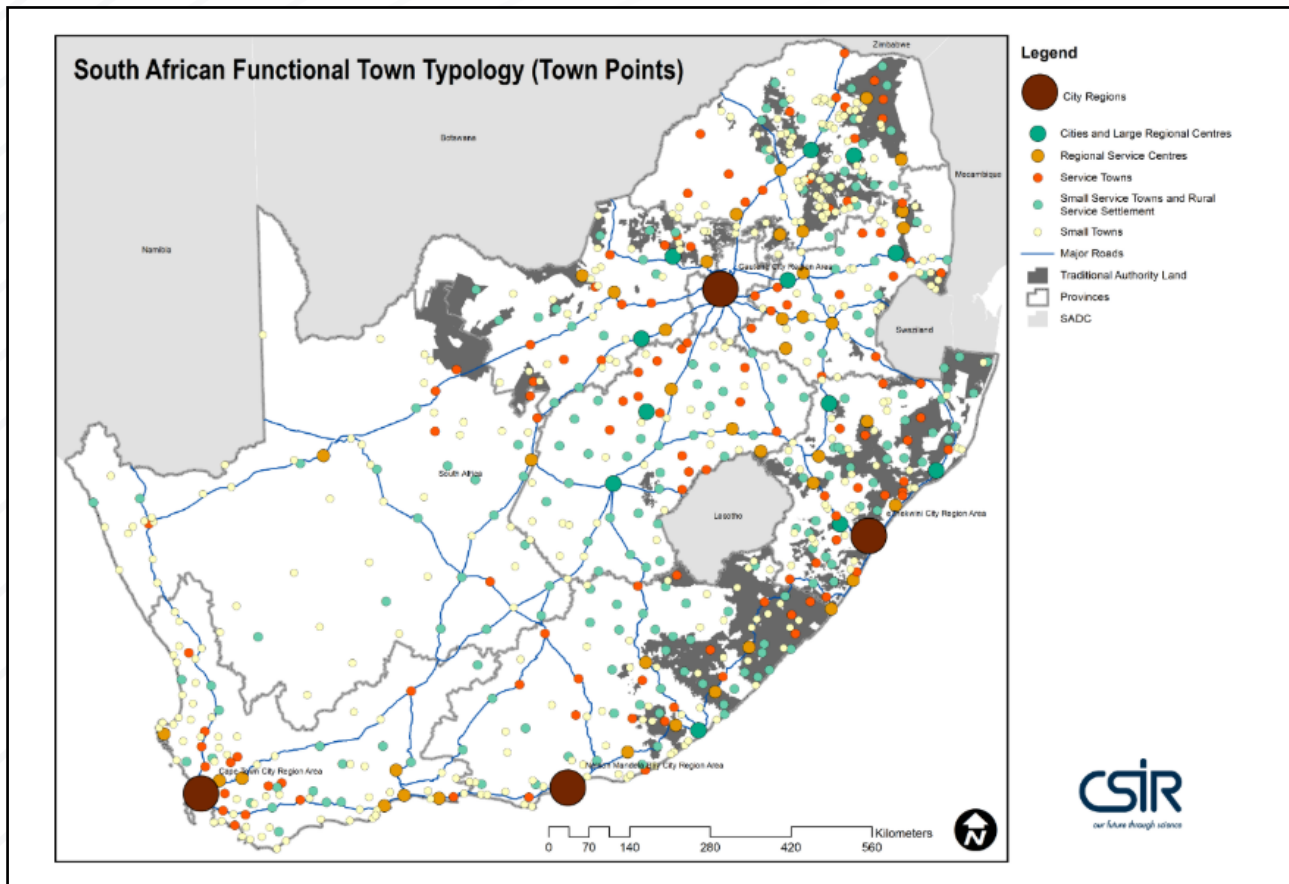
13.1.4 City

A city is a large cosmopolitan of human settlements with developed industries and tertiary business support institutions. The population of a city is arbitrary estimated to be between 100 000 and 300 000, even more (Johannes Wessel, 2012: 03). Cities have the largest Gross Geographic Product (GGP) contributions to the national Gross Domestic Product (GDP). There are two (2) cities in the province, namely Buffalo City Metropolitan Municipality (BCMM) and Nelson Mandela Bay Municipality (NMBM).

**13.2 CSIR Town Typology**

The CSIR developed the town typology in 2018, which characterized town typologies broadly as follows; City Regions and Cities; Large Regional Centres/Anchors; Regional Service Centres and Local Towns. The detailed town typology classification can be obtained from Annexure 1, in accordance with Diagram 15 and 16.

**Diagram 16: Functional Town Typology**



Source: CSIR Town Typology, 2018

### 13.3 CSIR Categorisation of the Towns and Criteria

The CSIR functional town typology was developed in order to provide a national comparable overview of regional scale settlement patterns and trends. It seeks to compare the relative populations and economy of functional town areas with non – town areas as well as exploring relationships between regional and spatial relations. The study was started with assessment of Functional Urban Areas in 2006; followed by SACN/CSIR Settlement Typology in 2010 and CSIR Functional Town Typology in 2018. The 2018 Functional Town Typology categorised the towns in the Eastern Cape in accordance to the following table: -

CSIR Town Functional Area Classification	Description	Classification
City Regions	• Population that is more than 1 million people	Urban Core
	• Diversified economy	
	• Economic output of more than R40 billion (2013)	
City Area	• Population that is more than 500 000 but less than 1 million people	
	• Dense urban areas with interconnected settlements in functional hinterland areas	
	• Service related economy with an output of more than R7 billion	
Regional Service Centres (RC2)	• Population that is more than 40 000 but less than 300 000 people	Regional Anchor
	• Regional node consisting of interconnected settlements with significant reach in the hinterland	
	• Significant social and service role to the region	
	• Economic output that is above R1,4 billion	
Rural Service Centre	• Population between 10 000 – 40 000	Rural Service Centre
	• Large populations in direct hinterland	
	• Emerging nodes of consolidation in dense rural areas	
	• Strategically located to play an anchor role as a service point	
Small Town	• Population that is less than 10 000	Local Towns
	• Providing marginal economic service to the local town residents	

### 13.4 Eastern Cape Province Prioritised Towns

The STDF has aligned with the CSIR town typology as well as the provincial targeted corridors to arrive at the most strategic towns to be highlighted for intervention in support of goal no.one (1) to three (3) of the Provincial Development Plan. The small towns are further aggregated as per the CSIR typology of towns as follows: -

Regional Role	Description	No.of Settlements/Towns
Urban Core	• A settlement with various government and economic services	2
	• Population above 1 million	
Regional Anchors	• A settlement with various government and economic services	13
	• It covers secondary/intermediate cities and towns	
	• Population is between 40 000 – 300 000	
Rural Service Centre	• A settlement with marginal government and economic activities	38
	• Population between 20 000 – 40000	
	• Strategically located to play an anchor role as a service point	
	• Serving a number of people within a 30 – 50 km radius	
Local Town	• Settlement with minor service role in the immediate surrounding	58
	• Population size varies greatly but mostly less than 10 000	

The STDF prioritises towns in accordance to their strategic importance as well as the following selection criteria: -

### 13.5 SELECTION CRITERIA

Various small towns have a unique and strategic role that they play in revitalising regional economies. It is therefore critical that such roles are identified when small towns are selected for support. Strategic small towns should therefore be selected in accordance to the following criteria: -

- **Population and population growth:** Citizens are choose certain settlements to locate based on the attractiveness of those settlements. It therefore becomes critical that small towns that are selected for support should be those that demonstrate higher numbers of population as well as growth of that population. This would ensure that economic livelihood is brought closer to where people are willing to reside thereby improve their quality of life.
- **Size and performance of the economy:** The framework advocates for the targeting of settlement areas (small towns) that have economies which are comparatively performing better despite the challenges they might be facing.
- **Strategically located within PSDF and NSDF corridors:** The towns that should be on top of the priority list should be those that are located within the identified NSDF (New N2: National Coastal Transformation Corridor) and PSDF corridors (R56, R61, N2, N6, N9 and N10). This would ensure that the framework aligns and gives effect to National and provincial identified spatial areas.
- **Functional Role – Social Service Provision:** The framework advocates for the targeting of towns that provide services to a wider area including other smaller towns e.g. Banks, Post Office, Home Affairs, SASSA, Libraries, Courts, FET, and Universities etc.
- **Recognition of previous and current (government) efforts:** Government has consciously invested in some of the small towns, which has changed the outlook for such areas. It therefore becomes critical that such investments are not abandoned and the towns that were being supported continue to receive the development support.

The map below depicts towns that fall within the PSDF identified corridors however even those that fall outside such corridors should be considered in accordance to the criteria indicated above.



STDF: 2020



## 14. POLICY PROPOSAL FOR SMALL TOWN DEVELOPMENT PROGRAMME

The small town development programme policy proposals for the province are inextricably linked with the policy principles as well as levers of the Integrated Urban Development Framework (2016). It therefore becomes paramount to align the work to be done in the small towns development programme with the policy directives of the IUDF as follows: -

### 14.1 Integrated Urban Development Framework (IUDF)

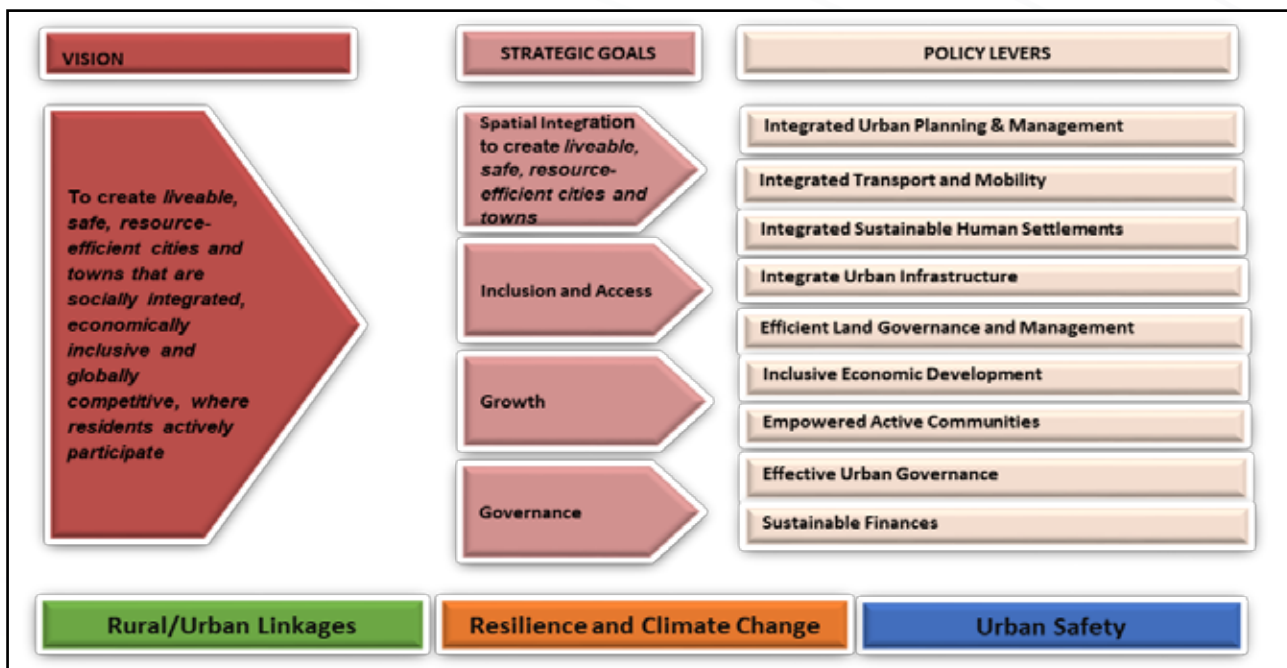
The Integrated Urban Development Framework a government policy position to guide the future growth and management of urban spaces. The IUDF vision is to create liveable, safe, resource efficient cities and towns that are socially integrated, economically inclusive and globally competitive where residents actively participate in urban life. The overall outcome of the IUDF is spatial transformation and the main objective is to ensure spatial integration, improved access to services whilst promoting social and economic inclusion. To achieve this transformation vision the following overall strategic goals are introduced, (IUDF: 2016).

- (i) **Spatial Integration:** To forge new spatial forms in settlement, transport, social and economic areas.
- (ii) **Inclusion and Access:** To ensure people have access to social and economic services, opportunities and choices.
- (iii) **Growth:** To harness urban dynamism for inclusive, sustainable economic growth and development.
- (iv) **Governance:** To enhance the capacity of the state and its citizens to work together to achieve spatial and social integration.

The above strategic goals inform the priority objectives of the nine levers, which are premised on the understanding that, (1) integrated urban plans form the basis for achieving integrated urban development which follows a specific sequence of urban policy actions; (2) integrated transport that informs; (3) targeted investments into integrated human settlements, underpinned by; (4) integrated infrastructure network systems and (5) efficient land governance, which all together can trigger; (6) economic diversification and inclusion and (7) empowered communities; all of the above will demand effective (8) governance and (9) financial reform to enable and sustain these policy actions. The levers thus seek to address in combination, the structural drivers of the small town development programme.

The small town policy proposals for the province are therefore snugly aligned with the IUDF policy objectives as well as levers. The following illustration outlines core elements of the IUDF [Diagrams 17]: -

**Diagram 17: IUDF Policy Levers**



SOURCE: Integrated Urban Development Framework (2016)

## **14.2 Summary of the IUDP Policy Levers and their Implications on Small Town Development**

### **14.2.1 Policy lever 1: Integrated Urban Planning and Management**

The policy lever is essential for planned, coherent development that streamlines development perspective of the democratic government. It stimulates a more rational organisation and use of urban spaces, guide investments and encourages prudent use of land and natural resources. Small towns that are well planned will enhance productivity, economic development and promote sustainable quality of life for the residents of the towns.

### **14.2.2 Policy Lever 2: Integrated Transport and Mobility**

Integrated Transport and Mobility is a vital component of South Africa's economic infrastructure investment. It contributes to a denser and efficient urban form as well as strengthening rural – urban linkages. In small towns where the issues of integrated transport are addressed people can walk, cycle and use different modes of transport to access economic opportunities.

### **14.2.3 Policy Lever 3: Integrated Sustainable Human Settlements**

Integrated Sustainable Human Settlements are key to redressing the prevailing apartheid geography, shifting ownership profiles and choices and create safe living and working conditions. Small Town development plans must ensure that all settlements are well connected to essential and social services as well as areas of work opportunities.

### **14.2.4 Policy Lever 4: Integrated Urban Infrastructure**

Integrate Urban Infrastructure provides both universal access and more inclusive economic growth. It also supports the development of equitable urban form and facilitate access to social and economic opportunities. Small towns have to evolve from traditional approaches to resource efficient infrastructure development that enhances universal access and more inclusive economic growth.

### **14.2.5 Policy Lever 5: Efficient Land Governance and Management**

Municipalities and private investors have vested interest in land value remaining stable and increasing.

In small towns efficient land governance and management contributes to economic development while allows further investments in infrastructure and other socio-economic development services. A collaborative approach to ensure that there are progressive by – laws that prevent land invasions and promote economic growth have to support the development of small towns. Furthermore, a collaborative government approach to unlock land availability for the development of the towns have to be undertaken.

### **14.2.6 Policy Lever 6: Inclusive Economic Development**

Inclusive economic development emphasises the importance of creatively collaborating with business and civil society to promote labour absorptive economic growth. It further encourages the reduction of income inequality to create viable communities.

Small town development plans should ensure that small towns are dynamic, efficient, foster entrepreneurialism and innovative, sustainable livelihoods that enable municipalities generate tax base to sustain and expand public amenities.

### **14.2.7 Policy Lever 7: Empowered Active Communities**

The power of urban community stems from their unique capacity to bring together a critical mass of social and cultural diversity. The participation of communities in the development of the town will enhance public ownership of public goods thus reduce destruction and vandalisation of public property. Small towns that are stable, safe, tolerant, respect diversity and promote active participation of all communities tend to lead in the realisation of development outcomes.

### **14.2.8 Policy Lever 8: Effective Urban Governance**

The complexities of urban development include the intergovernmental dynamics within the small town/city and relations with the province and neighbouring municipalities. The targeted small towns should possess the necessary institutional, fiscal and planning capabilities in order to fulfil their developmental mandates.

**14.2.9 Policy Lever 9: Sustainable Finances**

National, provinces and municipalities should adopt a fiscal framework that targets the development of small towns and cities to realise the objectives of this framework as well as those of the IUDF.

Furthermore, municipalities that house the targeted small towns should adopt an astute posture towards revenue creation, management and expenditure to foster citizen confidence in the business of the municipalities, including but not limited to clean audit opinions.

**15. SMALL TOWN DEVELOPMENT STRATEGIC THRUST**

The following diagram outlines core elements of the small town development framework [Diagrams 18]:

**15.1 The Hexagon of Success**

**VISION:**

*Liveable, safe, resource, resource efficient towns that are socially integrated, economically inclusive and competitive where residents actively participate*



### 15.1.1 Urban Planning and Management

The Urban planning and management strategic pillar advocates for the development of long term local Spatial Development Framework in order to guide future development of our small towns and attract investments in areas that will derive most returns. Furthermore, development of precinct plans that will spell – out exactly what the identified nodes would require, which would then guide the development of funding business plans for proper implementation. The plans should therefore be expressed in municipal Integrated Development Plans (IDPs) for coherent implementation.

### 15.1.2 Infrastructure Development and Maintenance

One of the critical areas of small town development is infrastructure development and maintenance including but not limited to bulk, roads, storm water, electricity, water infrastructure etc. This should also consider minor infrastructure maintenance such as road resurfacing, pothole repair, road marking signage, robot functionality, street signs, waste collection etc. Infrastructure developments have to aligned with the intents and direction expressed in the Municipal and Local Spatial Development Frameworks (MSDF).

### 15.1.3 Support to Economic Sectors

Economic sector departments should assess economic sectors that have potential to grow the economy and contribute to the Growth Geographic Product (GGP). Clear strategies to support growth the growth sectors have to be developed. Furthermore, strategic corridors should be identified in order to anchor and drive the growth of the identified sectors.

This should ensure that municipalities are regarded as entry points so that resources can be crowded for maximum impact for the revitalisation of the entire region. This could also be achieved through the alignment of the capital investments and plans in respect of priority economic zones (identified as per IDZ and IPAP etc.). The Province should work with municipalities to ensure alignment of national, provincial and local investments.

### 15.1.4 Real Estate Upgrade and maintenance

The optimum development of small towns could never be achieved with the involvement of government alone. The private sector has to also come on board through development as well as maintenance of business and social infrastructure. This includes building of new business premises, maintenance and rehabilitation of old and dilapidated buildings, tax incentives and rebates, balancing development of social and low cost housing (human settlements) in order to ensure that the town attracts and retains middle class residents to effectively cross subsidise the indigents whilst ensuring that municipal entities are financially viable. In order to motivate and ensure private sector participation, an incentive scheme need to be established to support the balanced development of the towns for sustainability purposes.

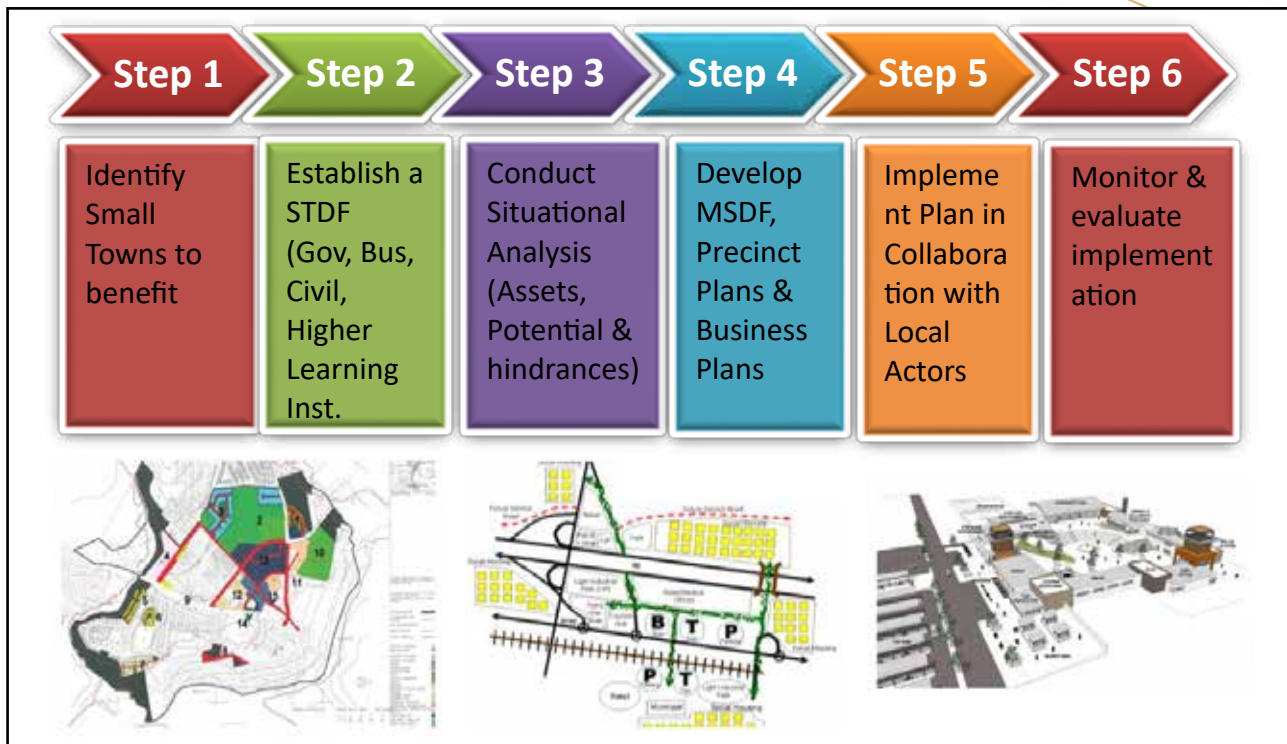
### 15.1.5 Governance and Financial Viability

The sustainability of the small towns as well as municipalities is dependent more on the ability of the municipalities to govern. Key to this should be to ensure that there is political stability in municipalities as well as checks and balances on the implementation of governance policies for optimally implementation and by– laws that allows land governance, business regulation, and management of citizen's actions including traffic issues. Such policies and by – laws should be properly consulted amongst affected groups and enforced. The enforcement of regulatory laws on businesses becomes critically important from licencing and health and safety points of view. Equally important is to ensure that communities are included in all planning processes, implementation and monitoring of small town development projects to ensure for proper buy – in as well as to instil sense of ownership and belonging. This sense of ownership and belonging should ensure the willingness of the communities to pay rates and taxes.

### 15.1.6 Place Marketing Branding and Communication

To build reputational confidence over the municipal institutions communication through corporate communications, branding and place marketing to attract new investments and retain existing businesses in the towns. This should include branding and development of communication mechanisms to support the growth of the towns and to create positive images and perceptions of the towns as best place to “live, work and play”.

## 16. IMPLEMENTATION APPROACH



**Step 1:** Identify the small towns to benefit in the STR programme using the growth potential selection criteria, which considers “level of endowment and development” as indicated above. The process of identifying small towns should include consultation and buy-in from the following stakeholders; (1) District and Local municipalities as the key implementers (2) Provincial Government Departments as budgets need to be streamlined towards integrated planning for the next Medium Term Strategic Framework (MTSF) period of 2020-2024 (3) Organised Business (4) Civil Society

**Step 2:** Establish a small town revitalisation forum with work – streams in accordance to the IUDF to coordinate the interventions required to develop the town. The forum should be representative of Organised Local Business; Civil Society, including rate payers associations; Government, including the Municipality and its District Municipality as well as Institutions of Higher Learning where available.

**Step 3:** Conduct a Health - Check or situational analysis to identify existing assets, physical infrastructure, amenities, accessibility, environmental aspect, Manufacturing, retail mix, commercial support institutions etc., as well as any deficits that need to be addressed or opportunities that can be built upon.

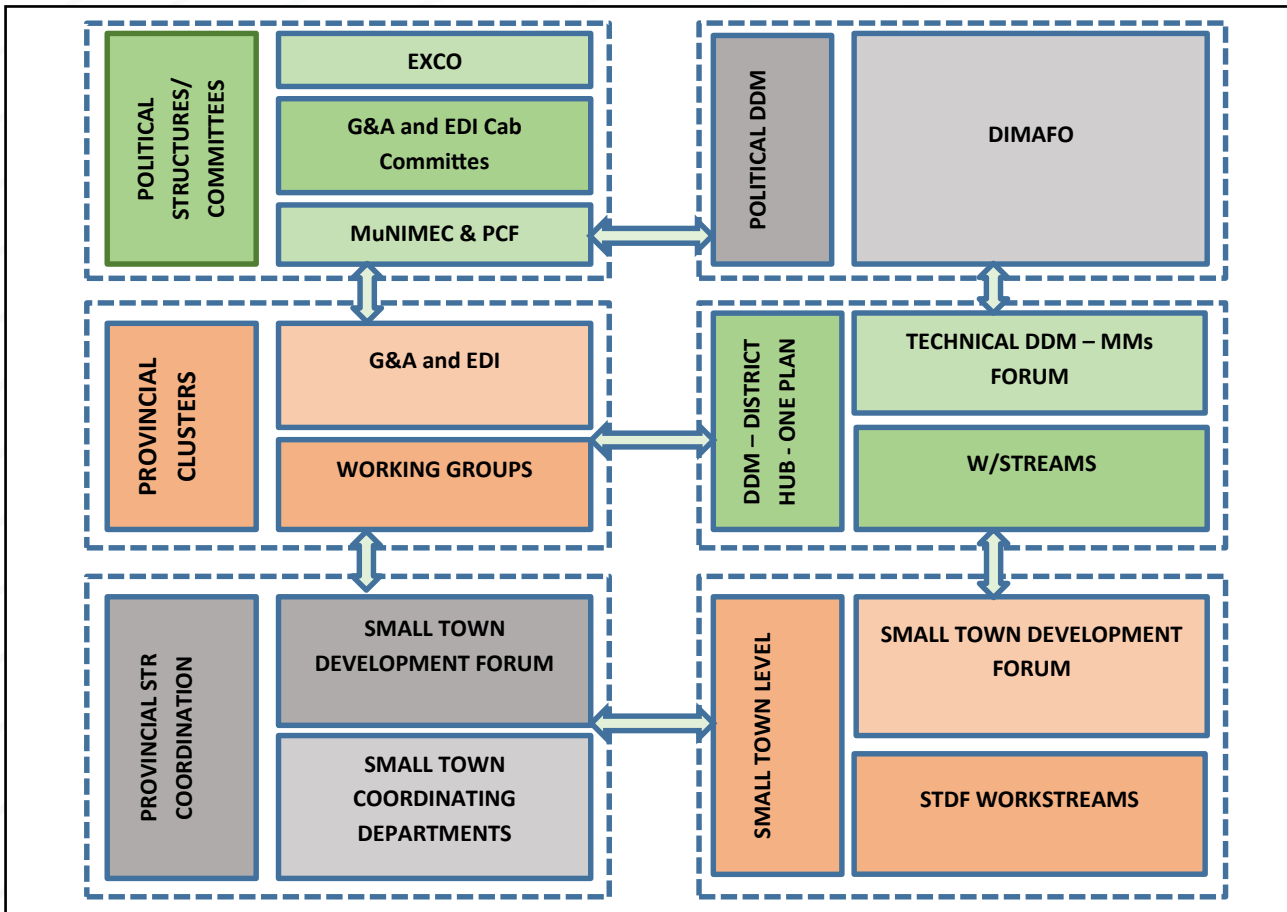
**Step 4:** Develop a long term Municipal Spatial Development Framework (MSDF) aligned to the Provincial Spatial Development Framework (PSDF) as well as a Small Town Revitalisation Master Plan that is based on the Health-Check/situational analysis, setting out in detail the measures to be taken to support the revitalisation of the town as well as stakeholders to support the process.

**Step 5:** Enter into implementation protocols with relevant stakeholders for the implementation of the Small Town Revitalisation Programme Master Plan in collaboration with other stakeholders as identified in the master plan.

**Step 6:** Monitor and evaluate the implementation of the master plan as well as inculcate lessons learnt to improve the programme implementation.

## 17. COORDINATION STRUCTURE

The implementation and monitoring of the STR programme shall be coordinated in accordance to the institutional arrangements outlined below: -



Transformative governance requires small towns to drive revitalisation programme collaboratively with their stakeholders, namely Government, Business, Civil Society and Institutions of Higher Learning. This is in line with the Developmental Local Government Approach, which requires a government that is “committed to working with citizens and groups within the community in order to find sustainable ways to meet their social, economic and material needs as well as improve their quality of life” (White Paper: 1998). When citizen participation or stakeholder coordination is low, development initiatives become less effective because multi - stakeholder recourses are not used to achieve developmental goals.

These following are the envisaged coordination structures for small town revitalisation programme: -

### 17.1 Small Town Development Work – Streams

The STDF work – streams shall be arranged in accordance to the STDF policy levers in order to foster integration of activities as follows: -

#### 17.1.1 Planning and Land Governance

One of the working groups required for the STDF to be successfully implemented is proper development planning. This includes the development of Municipal Master Plans for long – term planning. This will influence IDPs to have a long – term view and incrementally implement the master plans. Furthermore, the development of Long – term municipal and local spatial development frameworks for amongst others proper land use planning and management as well as precinct plans for coherent planning and implementation of development precincts.

### **17.1.2 Infrastructure & Economic Development**

This working group shall be responsible for infrastructure planning that is aligned to the municipal and local spatial development frameworks. It will focus the infrastructure roll – out to nodal points that have been collaboratively identified for sustainable economic growth and development.

Secondly, economic sector support and development will be planned and implemented by this working group. This would allow infrastructure interventions to target areas that support economic development.

### **17.1.3 Real Estate Development and Management**

The development, maintenance and management of real estate will be the key focus of this working group. It will have to focus on facilitating the development of mixed – use real estate that would attract resident investors that would have ability to pay rates and taxes for municipal sustainability. Furthermore, the regulation of business infrastructure development and maintenance for architectural identity of the towns would also be dealt with in this working group.

### **17.1.4 Governance and Communication**

Proper governance of municipal institutions would be the responsibility of this working group. This would include proper institutional governance, management of municipal finances, regulations and enforcement for overall management of municipalities and towns.

Furthermore, initiatives implemented within the town as well as the municipality should be properly communicated and a “place” marketing drive adopted. This would attract potential investors while retaining the already existing ones.

## **17.2 Municipal Forum on Small Town Development and Provincial Small Town Development Forum**

### **17.2.1 Municipal Small Town Revitalisation Forum**

This structure is required for fostering coherent planning, implementation and oversight at a municipal level. All social partners shall form part of the structure in accordance to the broad categories, namely Business, Government, Civil Society and Institutions of Higher Learning. The structure shall be coordinated and convened by the municipality in collaboration with COGTA. Furthermore, the structure shall be expected to interface with District Development Model, IDP REP Forums as well as DIMAFO.

### **17.2.2 Provincial Small Town Development (STDF) Forum**

The provincial STD Forum shall be comprised of representatives from the participating sector departments and organised formations from business, civil society and higher learning institutions.

Its role will be to monitor the implementation of the programme as well as unblock bottlenecks that constrain the implementation of the programme. The structure shall be coordinated and convened by COGTA in collaboration with the Office of the Premier while Provincial Treasury will be a standing member to unblock funding challenges. The structure shall interface with the MuniMEC as well as Cabinet Clusters.

## 18. ALIGNMENT OF SECTOR SUPPORT TO THE STD PROGRAMME

Policy Lever	Roles & Responsibilities	Key Institutions/ Stakeholders
Research, Planning and Management	<ul style="list-style-type: none"> <li>To assist the municipalities, develop SDFs, LSDFs, Precinct Plans and IDPs that are responsive to municipal space challenges.</li> <li>To track socio- economic transformation based on the implementation of the framework</li> </ul>	<ul style="list-style-type: none"> <li>COGTA</li> <li>Office of the Premier</li> <li>SALGA</li> <li>District and Local Municipalities</li> </ul>
	Coordination of planning in the province	<ul style="list-style-type: none"> <li>Office of the Premier</li> <li>COGTA</li> <li>Treasury</li> </ul>
	<ul style="list-style-type: none"> <li>To unlock development land</li> <li>Discourage through by-laws development outside of municipal spatial plans</li> </ul>	<ul style="list-style-type: none"> <li>Department of Agriculture, land Reform and Rural Development</li> <li>COGTA</li> <li>SALGA</li> <li>Municipalities</li> </ul>
	Registration and transfer of development land and properties	<ul style="list-style-type: none"> <li>Deeds office</li> </ul>
	Development and enforcement of enabling by-laws including land related by – laws	<ul style="list-style-type: none"> <li>COGTA</li> <li>SALGA</li> <li>Municipalities</li> </ul>
Real Estate Development	<ul style="list-style-type: none"> <li>To provide development land as a catalyst for real estate development</li> </ul>	<ul style="list-style-type: none"> <li>Department of Land Affairs</li> <li>Department of Public Works</li> <li>Municipalities</li> <li>Traditional Leaders</li> <li>Private land owners</li> </ul>
	<ul style="list-style-type: none"> <li>Development and maintenance of real estate within the town</li> </ul>	<ul style="list-style-type: none"> <li>Housing Development Agency</li> <li>Department of Human Settlements</li> <li>Municipalities</li> <li>Private Developers</li> </ul>
Infrastructure Development and Maintenance	Provision/ supplying of water infrastructure	<ul style="list-style-type: none"> <li>Department of Water Affairs</li> <li>COGTA</li> <li>Amatola Water</li> <li>Municipalities (WSAs)</li> </ul>
	Support municipalities to provide bulk infrastructure and build municipal roads	<ul style="list-style-type: none"> <li>COGTA</li> <li>Municipal Infrastructure Support</li> <li>Department of Roads and Transport</li> <li>Municipalities</li> </ul>
	Provide funding streams for small town development infrastructure	<ul style="list-style-type: none"> <li>Provincial Treasury</li> <li>Municipalities</li> <li>Private Sector</li> <li>DBSA and other Funding Institutions</li> </ul>
	Ensuring & secure sustainable provision of electrification	<ul style="list-style-type: none"> <li>Department of Energy</li> <li>ESKOM</li> <li>Municipalities</li> </ul>
	Provision of ICT Infrastructure	<ul style="list-style-type: none"> <li>Department of Communications and Digital Technologies</li> <li>Office of the Premier</li> </ul>



Policy Lever	Roles & Responsibilities	Key Institutions/ Stakeholders
Support to key economic sectors	Assist in fostering entrepreneurship and business development & sustainability	<ul style="list-style-type: none"> <li>• Department of Trade and Industry</li> <li>• Department of Small Business Development</li> <li>• Department of Economic Development and Tourism</li> <li>• COGTA</li> <li>• SALGA</li> <li>• Municipalities</li> <li>• SoEs and Development Agencies</li> </ul>
	To support economic transformation through facilitating conducive environment for economic development and job creation	<ul style="list-style-type: none"> <li>• Department of Trade and Industry</li> <li>• Department of Small Business Development</li> <li>• Department of Economic development, Environmental Affairs and Tourism</li> <li>• COGTA</li> <li>• SALGA</li> <li>• Municipalities</li> <li>• SoEs and Development Agencies</li> </ul>
Communication and place marketing	Development and implementation of communication strategies to properly inform stakeholders about developments	<ul style="list-style-type: none"> <li>• GCIS</li> <li>• Office of the Premier</li> <li>• COGTA</li> <li>• Municipalities</li> </ul>
	Development and implementation of brand development and place marketing plans	<ul style="list-style-type: none"> <li>• Municipalities</li> <li>• Private Sector</li> <li>• Office of the Premier</li> <li>• COGTA</li> <li>• GCIS</li> </ul>
Governance, public participation and sustainable finances	To provide support and ensure that there are governance systems to properly manage the affairs of the municipalities as well as towns.	<ul style="list-style-type: none"> <li>• Municipalities</li> <li>• COGTA</li> </ul>
	To provide support in ensuring that small towns manage their own finances effectively and are able to access the necessary resources and partnerships for inclusive growth	<ul style="list-style-type: none"> <li>• Municipalities</li> <li>• National and Provincial Treasury</li> <li>• COGTA</li> </ul>

## 19. MONITORING, EVALUATION AND REPORTING OF THE PROGRAMME

A supplementary comprehensive implementation plan will be developed in collaboration with various stakeholders including government, business, state owned enterprises, municipal agencies, institutions of higher learning and representatives of community groupings.

The implementation of the plan shall be monitored through the following structures: -

### 19.1 Municipal Small Town and Provincial Small Town Development For a

Quarterly monitoring meetings shall be convened at both the municipal and provincial levels (Municipal Small Town Development and Provincial Small Town Development Forum). The for a shall be responsible for monitoring the implementation of the plan, unblock bottlenecks, identify and secure varous sources of funding.

### 19.2 Annual Assessments

On an annual basis, COGTA in collaboration with Office of the Premier shall convene annual assessment meetings where broad stakeholders within the province will be apprised on the implementation progress.

### 19.3 STDF Evaluation

The STDF shall be evaluated on 5 year basis to ascertain the attainment of the objectives of both the NDP as well as PDP. The 5 year evaluation will coincide with the end of the electoral term wherein the direction of the STDF programme will be reviewed.

## 20. FUNDING MECHANISMS

Municipalities are increasingly being faced by declining revenue sources to an extent that their services delivery impetus gets reduced while on the other hand being faced with increasing cost structures.

In order for the implementation of the STDF to be optimised, an integrated fiscal approach to the implementation of the programme will have to be fostered as follows:

Stakeholder	Funding Role
Municipalities	<ul style="list-style-type: none"> <li>• Ring – fence the 5% economic infrastructure portion of the MIG to accommodate the implementation of the framework</li> <li>• Balance between the development of social and economic infrastructure within municipal budgets including conditional grants</li> </ul>
Provincial Government Departments	<ul style="list-style-type: none"> <li>• The development of the provincial economy should take priority within departments. Departments to re – prioritise their budget and set aside 5% of their budgets for small town development initiatives</li> </ul>
Provincial Treasury	<ul style="list-style-type: none"> <li>• Treasury to enforce and monitor budget re – prioritization by departments to give effect to the implementation of the STDF.</li> <li>• Provincial Treasury to allocate a portion of the economic stimulus fund for the implementation of the framework including planning initiatives</li> </ul>
National Treasury	<ul style="list-style-type: none"> <li>• To prioritise planning and project implementation of the coastal transformation corridor through the Rural Development Support Programme</li> <li>• To enforce and monitor prioritization of implementation of projects targeting the coastal transformation corridor by national departments.</li> </ul>
National Departments	<ul style="list-style-type: none"> <li>• National departments to re – prioritise their budgets to implement projects that target the coastal transformation corridor</li> </ul>
Traditional Leaders	<ul style="list-style-type: none"> <li>• To buy – into the STDF and provide development land where land is in the custodian of Traditional Leaders</li> </ul>
Private Sector	<ul style="list-style-type: none"> <li>• To support the development of the towns through providing development insights as well as investments.</li> </ul>

## 21. CONCLUSION

There is no 'one size fits all' approach in terms of the revitalisation of small towns however, evidence indicates that integration and coordination can in principle lead to better outcomes for those previously excluded or marginalized. It is therefore imperative that mechanisms be created to better coordinate and align the various initiatives implemented in the small towns for maximum impact.

The pressing challenges facing local government, in particular small towns do not fit into neat departmental boundaries. The challenges afflicting these areas are often cross - cutting and complex.

The tasks of municipal financial and planning support as well as tackling the problems of lack of access to essential services, apartheid spatial patterns and exclusion requires new organisational forms<sup>9</sup>.

In this regard, the Single Window of Coordination in the revitalisation of small towns is a concept and organisational form that seek to bring about greater cohesion in the work of government, particularly to municipalities.

<sup>9</sup> Ibid, page 16

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## ANNEXURE 1: LIST OF EASTERN CAPE TOWNS









Regional Role	Description	No. of Settlements/Towns
Urban Core	<ul style="list-style-type: none"> <li>• A settlement with various government and economic services</li> <li>• Population above 1 million</li> </ul>	<b>2 Towns</b> <ol style="list-style-type: none"> <li>1. Nelson Mandela Bay Metro</li> <li>2. Buffalo City Metro</li> </ol>
Regional Anchors	<ul style="list-style-type: none"> <li>• A settlement with various government and economic services</li> <li>• It covers secondary/intermediate cities and towns</li> <li>• Population is between 40 000 – 300 000</li> </ul>	<b>13 Towns</b> <ol style="list-style-type: none"> <li>1. Mthatha</li> <li>2. Bizana</li> <li>3. Lusikisiki</li> <li>4. Butterworth</li> <li>5. Cradock</li> <li>6. Grahamstown</li> <li>7. Jeffreys Bay</li> <li>8. Humansdorp</li> <li>9. Queenstown</li> <li>10. Graaf Reinet</li> <li>11. Aliwal North</li> <li>12. Matatiele</li> <li>13. Sterkspruit</li> </ol>
Rural Service Centres	<ul style="list-style-type: none"> <li>• A settlement with marginal government and economic activities</li> <li>• Population between 20 000 – 40000</li> <li>• Strategically located to play an anchor role as a service point</li> <li>• Serving a number of people within a 30 – 50 km radius</li> </ul>	<b>38 Towns</b> <ol style="list-style-type: none"> <li>1. Flagstaff</li> <li>2. Ntabankulu</li> <li>3. Mount Frere</li> <li>4. Tsolo</li> <li>5. Dutywa</li> <li>6. Port Alfred</li> <li>7. Ngcobo</li> <li>8. Whittlesea</li> <li>9. Middleburg Cape</li> <li>10. Stutterheim</li> <li>11. Burgersdorp</li> <li>12. Mount Fletcher</li> <li>13. Port St Johns</li> <li>14. Libode</li> <li>15. Ngqeleni</li> <li>16. Mount Ayliff</li> <li>17. Coffee Bay</li> <li>18. Elliodale</li> <li>19. Willowvale</li> <li>20. Nqamakwe</li> <li>21. Centane</li> <li>22. Peddie</li> <li>23. Cofimvaba</li> <li>24. Lady Frere</li> <li>25. Tarkastad</li> <li>26. Willowvale</li> <li>27. Kirkwood</li> <li>28. Somerset East.</li> <li>29. Adelaide</li> <li>30. Carthcart</li> <li>31. Jamestown</li> <li>32. Lady Grey</li> <li>33. Maclear</li> <li>34. Cala</li> <li>35. Barkley East</li> <li>36. Dordrecht</li> <li>37. Molteno</li> <li>38. Steynsburg</li> </ol>



SMALL TOWN DEVELOPMENT FRAMEWORK

Regional Role	Description	No. of Settlements/Towns
Local Town	<ul style="list-style-type: none"> <li>• Settlement with minor service role in the immediate surrounding</li> <li>• Population size varies greatly but mostly less than 10 000</li> </ul>	<p><b>58 Towns</b></p> <ol style="list-style-type: none"> <li>1. Qumbu</li> <li>2. Mqanduli</li> <li>3. Komga</li> <li>4. St Francis Bay</li> <li>5. Kareedouw</li> <li>6. Tsomo</li> <li>7. Bedford</li> <li>8. Ugie</li> <li>9. Sterkstroom</li> <li>10. Cedarville</li> <li>11. Dumasini</li> <li>12. Maluti</li> <li>13. Tabankulu</li> <li>14. Kei Road</li> <li>15. Haga Haga</li> <li>16. Komga</li> <li>17. Mhlanganisweni</li> <li>18. Bedford</li> <li>19. Hogsback</li> <li>20. Middeldrift</li> <li>21. Hamburg</li> <li>22. Wesley</li> <li>23. Seymour</li> <li>24. Kayser's Beach</li> <li>25. Kidd's Beach</li> <li>26. Dimbaza</li> <li>27. Cookhouse</li> <li>28. Pearston</li> <li>29. Klipplaat</li> <li>30. Nieu-Bethesda</li> <li>31. Steytlerville</li> <li>32. Lorie</li> <li>33. Oyster Bay</li> <li>34. Patensie</li> <li>35. Kareedouw</li> <li>36. Krakeel River</li> <li>37. Hankey</li> <li>38. Louterwater</li> <li>39. Stormsrivier</li> <li>40. Thornham</li> <li>41. Riebeek East</li> <li>42. Alexandria</li> <li>43. Boknes Strand</li> <li>44. Kenton on sea-Boesmans</li> <li>45. Seafield</li> <li>46. Addo</li> <li>47. Barsheba</li> <li>48. Clarkebury</li> <li>49. Hofmeyer</li> <li>50. Ilinge</li> <li>51. Sterkstroom</li> <li>52. Thornhill</li> <li>53. Tsomo</li> <li>54. Elliot</li> <li>55. Mt Fletcher</li> <li>56. Ugie</li> <li>57. Mhlangeni</li> <li>58. Rhodes</li> </ol>
<b>TOTAL TOWNS</b>		<b>109 excl. Metro's</b>

## ANNEXURE 2: CSIR SOUTH AFRICAN FUNCTIONAL TOWN TYPOLOGY

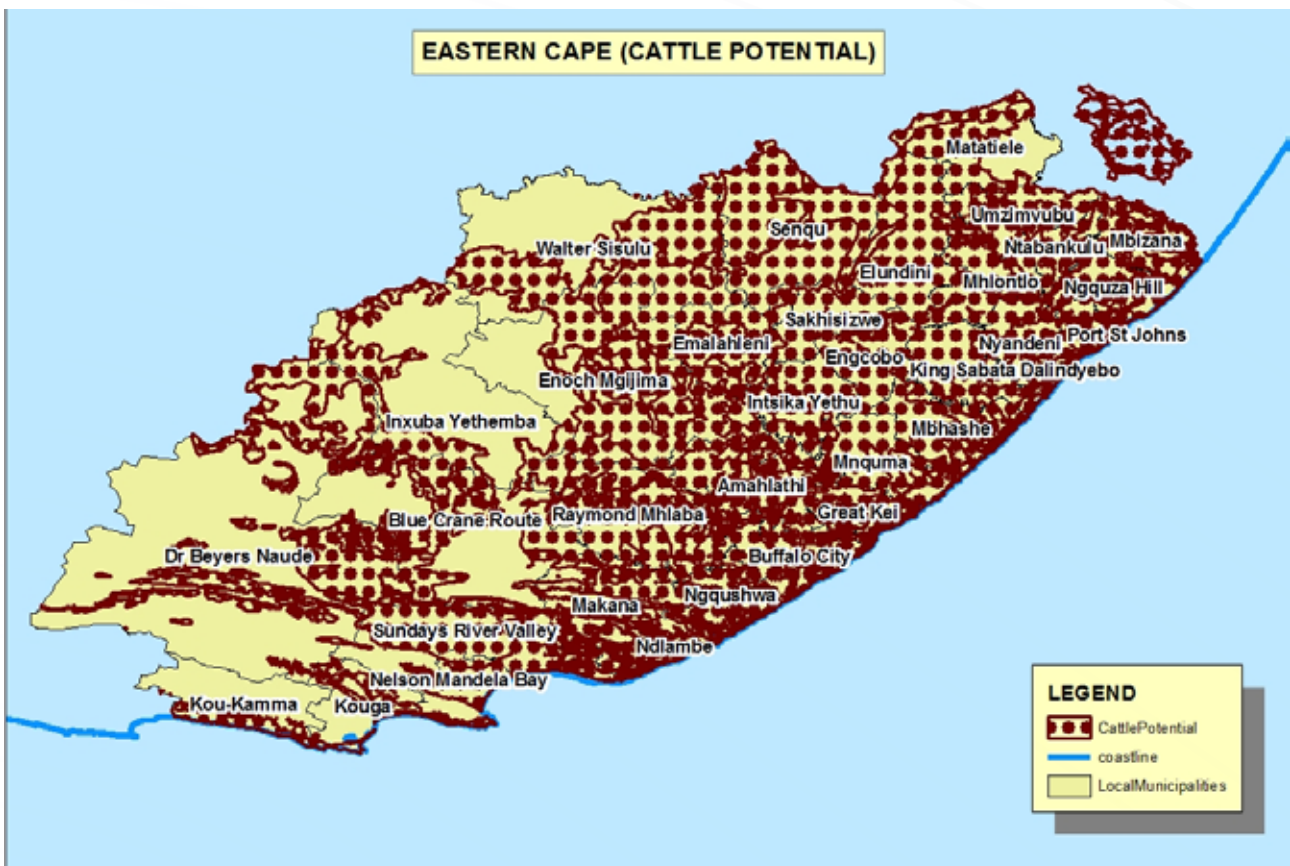
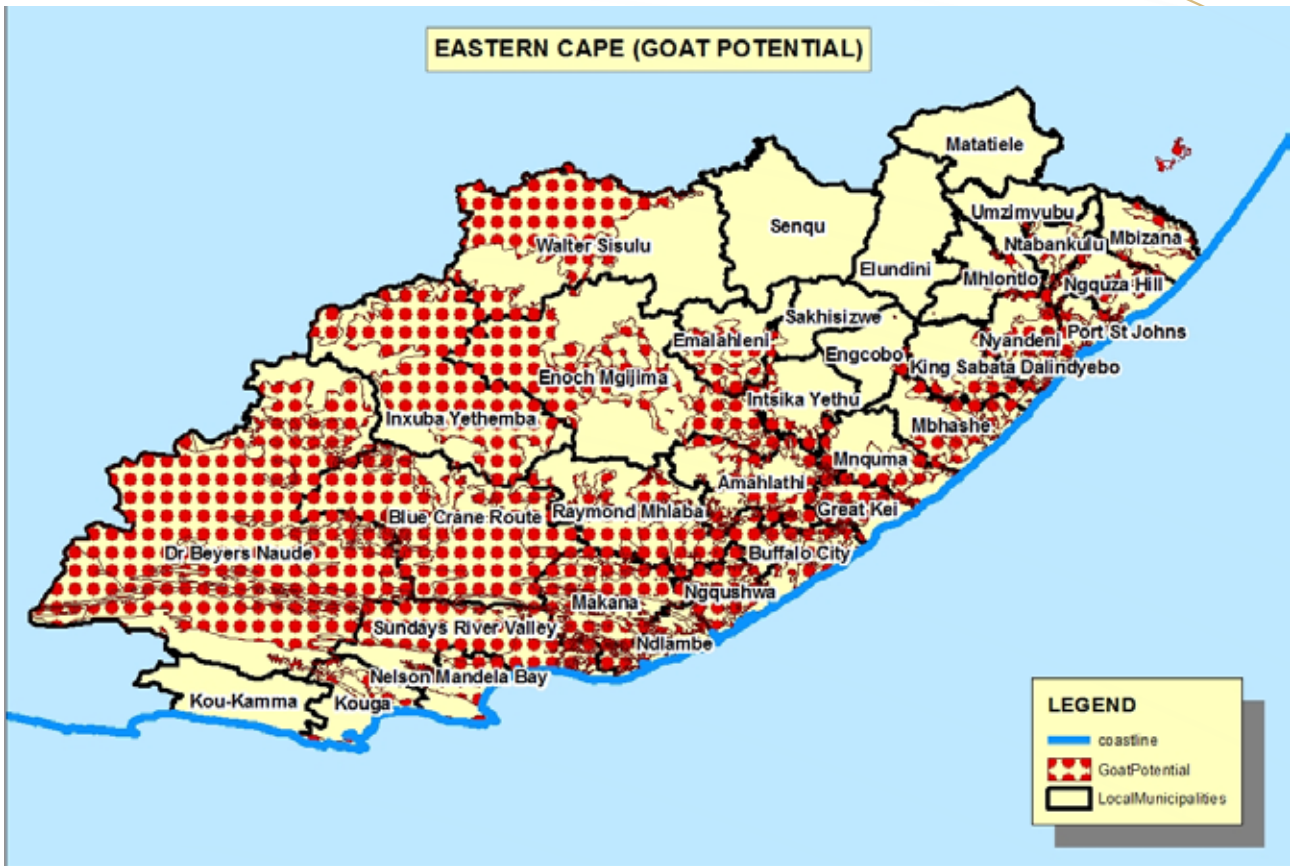
<b>CSIR Town Area Typology</b> <i>Regional Location and conceptual illustration of regional service roles and reach</i>	<b>Description of Functional Town Area Types / Sub-types Based on urban function in surrounding region and urban area size</b>	<b>Example of Morphology</b>
<b>City Regions</b>	<p><b>Population:</b> &gt; 1 million people  <b>Morphology:</b> Large urban conurbations (functional regions)  <b>Economy:</b> Diverse, Economic output &gt; R40 816 mill/yr (2013)  <b>Places:</b> Cape Town City Region, Gauteng City Region, eThekweni City Region, Nelson Mandela Bay City Region</p>	
<b>Cities and Very Large Regional Centers</b>	<p><b>Population:</b> &gt; 500 000 people (cities), &gt;300 000 (Very large towns)  <b>Morphology:</b> Dense urban areas with interconnected settlements in functional hinterland areas  <b>Economy:</b> Service related. Economic output &gt;R7 900mill/yr (2013) (Cities); and &gt;R4 000mill/yr (2013)  <b>City Examples:</b> Buffalo City, Polokwane, Mangaung  <b>Very large regional centers:</b> Welkom, Tzaneen, Witbank, New Castle</p>	
<b>Large Regional Centres</b>	<p><b>Population:</b> 100 000-300 000 people  <b>Morphology:</b> Regional node consisting of interconnected settlements, with <b>significant reach in hinterland</b>. Significant social and economic service role in region.  <b>Economy</b> Total economic output above R 1400mill in 2013  <b>Examples:</b> Mokopane, George, Mthatha, Ladysmith</p>	
<b>Regional Centres</b>	<p><b>Population:</b> &lt; 100 000 people  <b>Morphology:</b> Regional node consisting of interconnected settlements, with <b>significant reach in hinterland</b>. Significant social and economic service role in <b>sparsely populated</b> region.  <b>Economy</b> &gt;Total economic output above R 1100mill in 2013  <b>Examples:</b> Bela-Bela , Bethlehem, Grahamstown, Mossel Bay</p>	

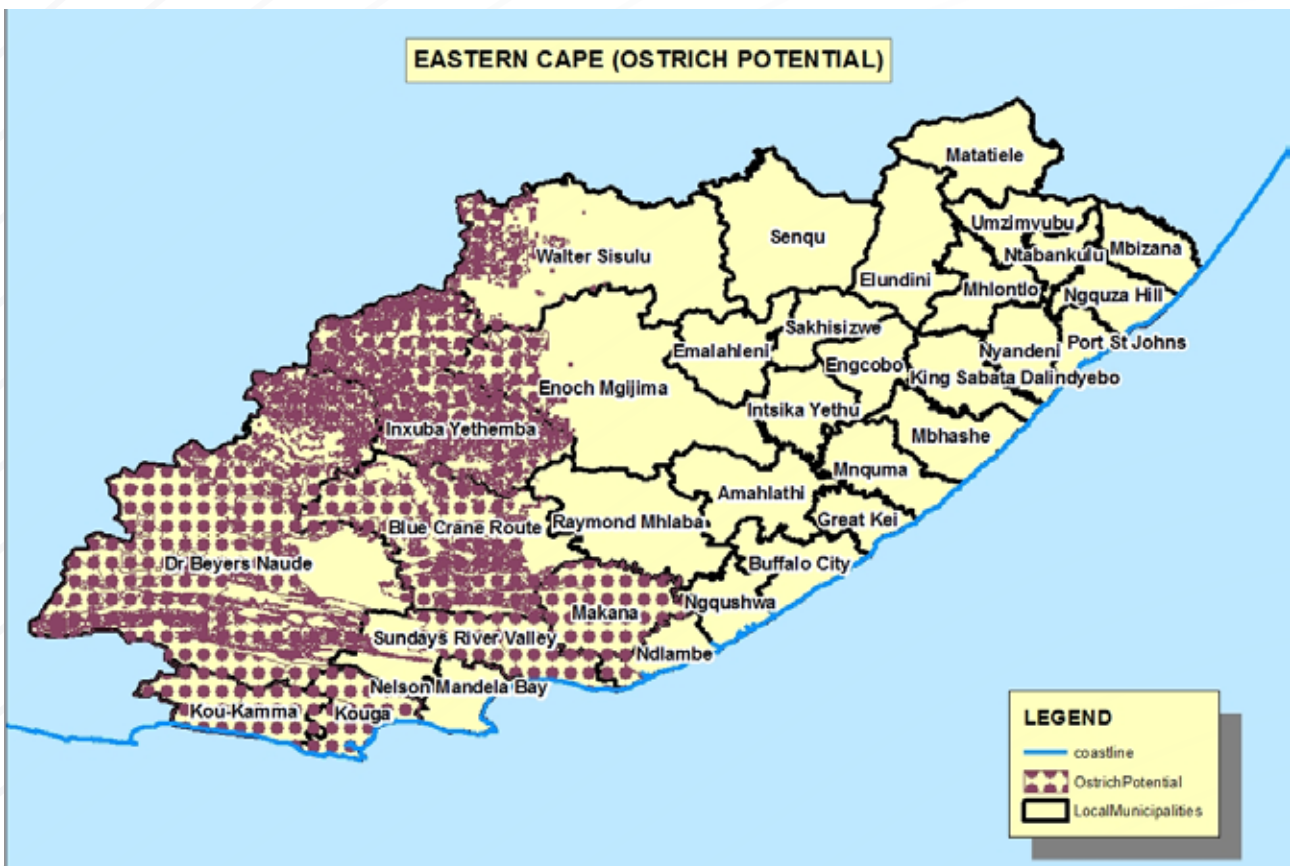
<p><b>Service Towns</b></p> 	<p><b>Population:</b> Population variation between 15 000 to 100 000 population  <b>Economy and Services:</b> Providing an economic and social service anchor role in hinterland.          Total economic output &gt;R270mill (2013) in (Average Service related economic output R670mill/town)  <b>Examples:</b> Jane Furse, Harrismith, Jeffreys Bay, Thabazimbi, Taung</p>	
<p><b>Small Service Towns</b></p> 	<p><b>Population:</b> Less than 20 000 people in town itself.  <b>Morphology:</b> Monocentric small towns, often apartheid landscape double centre towns  <b>Local Service role:</b> Playing an anchor role as social service point, serving a large number of people within 30km from the town in denser areas and within 50km from the town in sparser areas.  <b>Economy:</b> Government and community services significant in local economy.  <b>Examples:</b> Nkandla, Piketberg, Victoria West, Swartuggens</p>	
<p><b>Rural Service Settlement</b></p> 	<p><b>Population:</b> Varied in nodal settlement, large population in direct hinterland  <b>Morphology:</b> Emerging nodes of consolidation in Dense Rural Settlements  <b>Local Service role:</b> Strategically located to play an anchor role as social service point, serving a large number of people within 30km from the town in denser areas and within 50km from the town in sparser areas.  <b>Examples:</b> Jozini, Port St Johns, Lady Frere, Highflats</p>	
<p><b>Small Towns</b></p> 	<p><b>Population:</b> Less than 20 000 people in town itself  <b>Morphology:</b> Monocentric small towns, often apartheid landscape double centre towns in sparse western parts of SA  <b>Economy and service role.</b> Primarily serve local population and/or 'niche' economic activity such as mining, tourism or fisheries. <b>Examples:</b> Burgersfort, Coffee Bay, Nqamakwe, Lady Grey</p>	

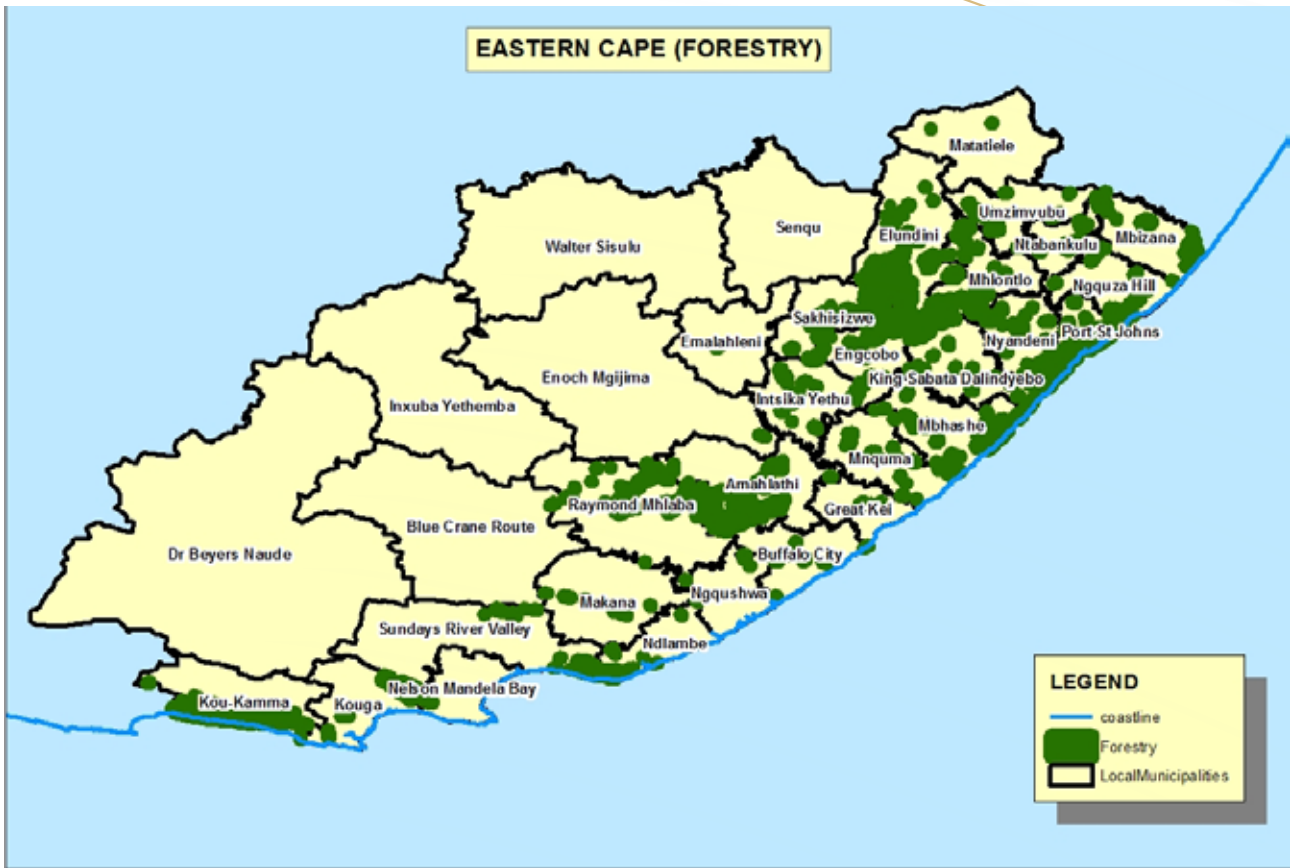
<p><b>Rural Settlement Areas &amp; Villages</b></p>	<p>This area incorporates both (i) Formal Rural settlement area - EA's and Settlements Footprints classified as formal as well as (ii) Traditional Authority Rural Settlement Area - EA's and Settlement Footprint areas classified as traditional. Both have very small formal service economy activities. Within such areas Rural Service Settlements and smaller nodal settlements with limited population and economy but forming part of the South African group of towns can be identified for location of social services as applicable based on the population threshold and characteristics. These places will be separately identified in the next update of the typology.</p>	
<p><b>Sparsely Populated Rural Areas</b></p>	<p>Sparsely populated areas (meso zone areas without rural settlements) Sparse East (more than 10 persons per sq km) while in the Sparse West this is defined as less than 10 persons per sq km and has an impact on the accessible travel access distance and threshold of certain social services.</p>	

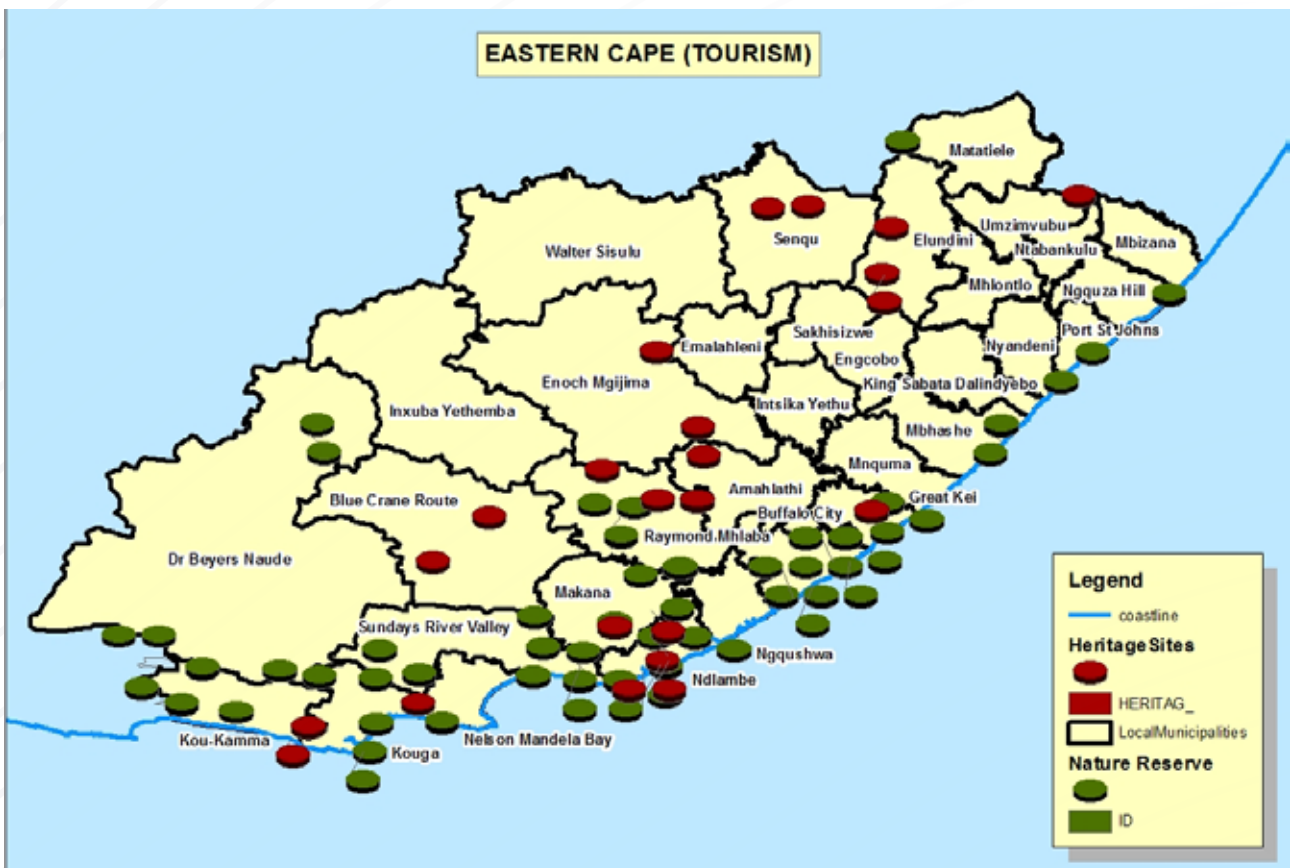


### ANNEXURE 3: INHERENT ECONOMIC POTENTIALS



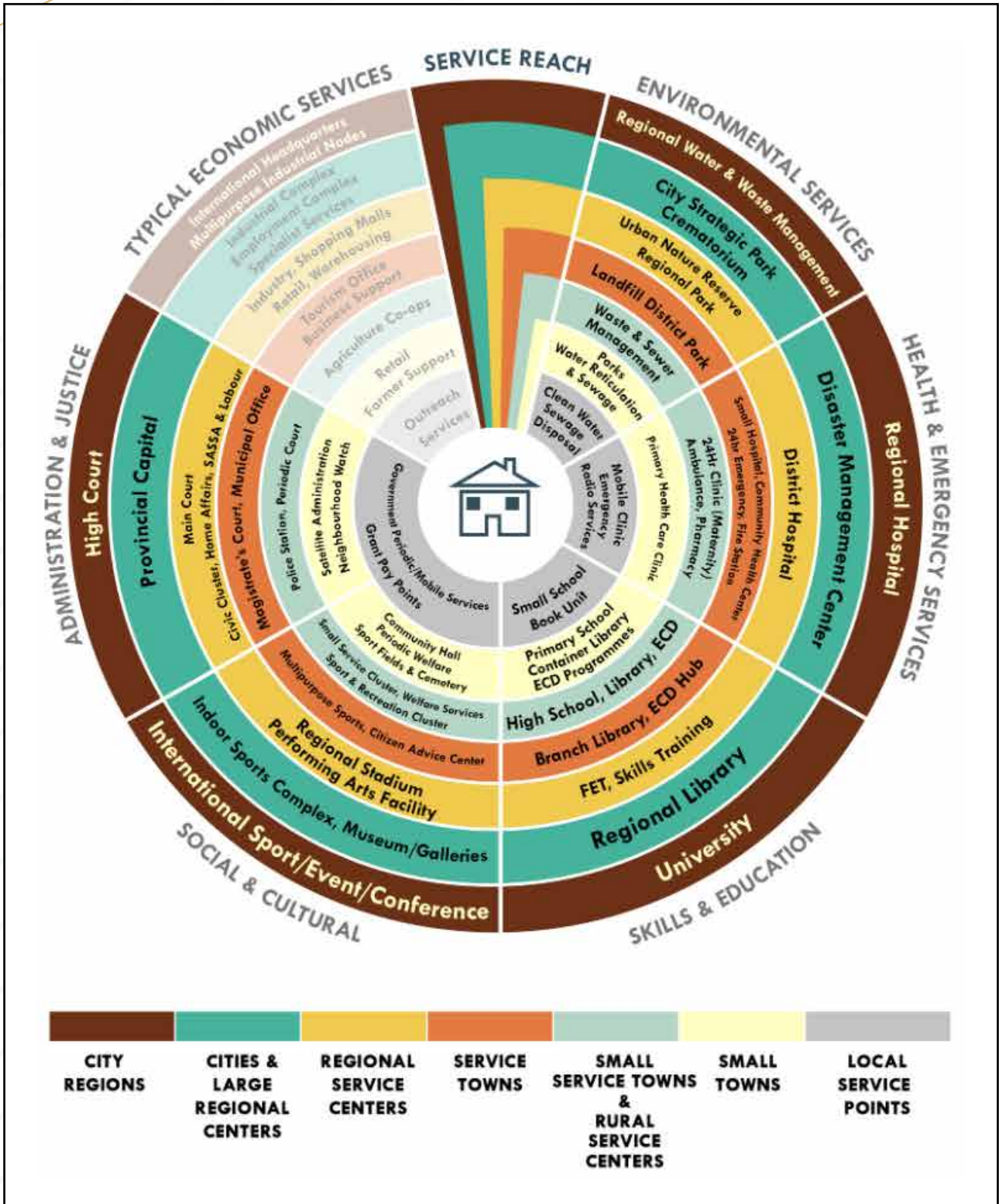








# ANNEXURE 4: CSIR SOCIAL SERVICES WHEEL



## ANNEXURE 5: ALIGNMENT OF IUDF WITH SMALL TOWN STRATEGIC THRUST: HEXAGON OF SUCCESS

STD STRATEGIC THRUST	FOCUS AREAS
<b>Urban Planning &amp; Management</b>	Advocates for the development of long term Local Spatial Development Frameworks (LSDF) and Precinct Plans to guide future development of our small towns in order to channel resources in areas that will derive most investment returns.
<b>Infrastructure Development and Maintenance</b>	Support infrastructure development and maintenance including roads, storm water, electricity, water infrastructure, minor infrastructure maintenance such as road resurfacing, pothole repair, road marking signage, robot functionality, street signs, waste collection etc.
<b>Support to Key Economic Sectors</b>	Support the growth and sustainability of key strategic economic sectors to anchor regional economy including alignment of capital investments and plans in respect of priority corridors and economic zones.
<b>Real Estate Development and Improvement</b>	Develop mechanisms to support the upgrade and maintenance of business real estate through incentive schemes and punitive penalties in order to attract new investments, retain existing businesses and discourage negative business conduct.
<b>Municipal Governance, Public Participation and Financial Viability</b>	Support and strengthen the implementation of governance policies as well as by– laws including land governance, business regulations, municipal revenue generations to support the growth of our small towns as well as citizen participation.
<b>Communication, Branding and Place Marketing</b>	Develop mechanisms for branding, corporate communications and place marketing in order to create a positive image including changing perceptions of our small towns as best place to “live, work and play”.









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