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Human Settlements Indaba

***Making Integrated Development A Reality – The District
Development Model***

BIRCHWOOD CONFERENCE CENTRE

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Programme Director;

Minister for Human Settlements, Water and Sanitation;

Deputy Ministers;

Senior officials;

Ladies and gentlemen.

Thank you for this opportunity to address this timeous Human Settlements Indaba. This Indaba happens just over a month since we hosted the Joint MinMec of Ministers and MECs responsible for Human Settlements and Cooperative Governance. The MINMEC considered the District Development Model, amongst other items. We also noted that it seeks to address the prevailing lack of coherence and coordination, in governance and implementation. We agreed that by using the District as the landing strip for development, we will be able to maximise our impact on the ground.

We also expressed our belief that joint planning and coordination can be a catalyst for fundamental socio-economic transformation.

However, we noted that the implementation of the DDM requires a mindset change which must localise all our plans and actions. We also noted that so far, we had jointly finalised the profiles of the three pilot districts which are OR Tambo, eThekweni and Waterberg. Currently, we are in the process of finalising the other 23 profiles of the districts we intend to visit and work within this year.

The profiles were undertaken with inputs from all spheres of governance and the community to capture:

- (a) the current and future demographic trends to determine size, make-up and needs.
- (b) the existing socio-economic trends and challenges which include levels of hunger, poverty, inequality, unemployment and skills.
- (c) the quantum and type of public sector investments undertaken by all the spheres of governance.
- (d) the state of governance and service delivery in each municipality, so that we may begin to find areas that may require strengthening.

We also interrogated the potential opportunities held by each district so that we may develop joint action and investment plans. We also identified potential anchor projects which may be catalytical to advance development in each district.

It had also been our intention to conduct a thorough district wide skills audit so as to identify the available skills in the public, not for profit and private sectors. However, so far, we have only managed to determine the skills gaps within the District and Local Municipalities.

The process is not perfect, and we intend to fix the plane as we are flying it.

Going forward we intend to strengthen these shortcomings. This will require that we also deepen our collaboration with other departments and spheres as well as stakeholders. Having said that, there are emerging lessons from the three profiles we have concluded thus far.

The pilot sites are a characterisation of the triple challenges of poverty, inequality and rampant youth unemployment. For instance, the youth constitute 80% of the population and 54% of them are unemployed in OR Tambo. This is as a result of large-scale poverty as well as limited access to skills and education with about 31% of the people in that district having no education at all. As an immediate response, to this short coming, we have collaborated with the Department of Rural Development and the Defence Force to transform the NARYSEC. We are currently training 1 000 young people from the pilot sites in agriculture and life skills, in a disciplined and patriotic manner.

Our last Human Settlements/Cooperative Governance MINMEC agreed to implement a similar programme in the construction and maintenance area. This will assist our departments and the other spheres with construction and maintenance work, whilst also dealing with youth unemployment and skills development.

We have also learnt of the growing number of women headed households, with OR Tambo having about 57% of the households being headed by women, Waterberg has 41%, and eThekweni has 42%, while the national average is 37.9 %. There is also high levels of child headed households with OR Tambo having more than 7 000 of such households. This brings to question the extent to which our current programmes are targeting these households and are being responsive to these realities.

Programme Director, our settlements remain unresponsive to the aspirations of our people and are largely based on Apartheid spatial planning patterns. For example, in eThekweni, the southern part continues to be poorer and largely constituted by Africans, whilst the north is more affluent and constituted by whites.

Our cities are also bursting at the seams with the high rural urban migration. No matter how much we redesign and revamp our cities; they simply were not designed to take such large inflows. We must therefore transform our rural settlements, by giving them a more urban face. As we build new cities, we must focus on areas such as OR Tambo and locate opportunities as well as our smart cities there. This will curb the rural to urban migration trends.

So far, our industrial and private sector investments have concentrated themselves in areas that have been advantaged with opportunity. This has led to low local economic growth in rural and township areas. This is an indication that we need to focus on the untapped potential.

For instance, OR Tambo has a 160km coastline which could be a tourist, fisheries and maritime mecca. It has an abundance of land, flora, fauna and talented people who can grow and create things, yet it is one of the poorest districts. It is indeed a living testament of the African paradox of a rich Africa but poor Africans. Incidentally Africans constitute over 90% of the population in the district. Despite its potential areas of growth OR Tambo's institutions of higher learning, including the Walter Sisulu University do not offer any Agriculture, Mining, Tourism, and Oceans Economy courses.

The utility of the One Plan, One Budget is that it will direct efforts towards addressing these challenges and maximising on the opportunities.

From a public sector investment perspective, it is very clear that there has been significant financial injections into the three pilot sites. Last year alone we calculated no less than R71.6 billion. Predictably, because of prevailing allocations formulas, despite being the second poorest municipality in the country, OR Tambo got the least at R11.2billion in spite the relatively larger needs and challenges.

Even though the municipalities receive the lowest share at 8.9% in terms of the Division of Revenue formula, their investments constitute over 20% of investments into those areas. By contrast provincial government receives about 43% of national allocations but that sphere's investment amounts to only 23% of investments into those districts. The bulk of the

project investment into those areas comes from national government at 56.4%.

Despite these investments there is limited visible impact and there is also a mismatch between local plans and the investments of the two other spheres. This could also be as a result of poor integration and coordination of programmes and projects both vertically and horizontally. For example, in Lusikisiki despite the low skills and education levels in OR Tambo a training college had been shut down and converted to government offices. Thankfully and as a result of the community demanding so, the President has instructed us to reopen the training institution and relocate the government offices.

We also found that some of the departmental projects are not spatially mapped, which makes it difficult to cross reference projects. Thus making it difficult to hold those departments accountable, making them vulnerable to corruption. In collecting the project data for the profiles some of the information was outdated while other information was not disaggregated to a ward level. Therefore, there is a need to strengthen our data gathering and research capabilities so that all our information can be disaggregated to a ward level in order to develop specific and accurate plans that respond to real challenges on the ground.

As we interacted with the various districts it's clear to us that in OR Tambo and Waterberg will have to enhance the skills there, if we are to succeed in implementing the model.

For example in OR Tambo, the skills that are required include engineering, supply chain management, financial management, town and regional planning, economic development, infrastructure maintenance and planning, social facilitation, oceans economy, agricultural expertise, Information Communications and Technology and tourism development.

In order to institutionalize the District Development Model and address the challenges identified through the pilot process, a five-pronged approach has been approved by the Presidential Coordinating Council. The strategy addresses, the provision of political leadership and capacity to the districts. To advance this the President has deployed Ministers and Deputy Ministers as champions to each district and metro. The premiers will also deploy MECs to the various districts and metros so that they can work closely with Ministers, Deputy Ministers and constituency offices.

The strategy also brings about institutional reform and an M&E system which will be accessible to all spheres and sectors of governance, so as to bring about transparency in project and financial management. The strategy also seeks to institutionalise the 25-year planning framework as anticipated by the White Paper on Local Government.

Ultimately, we will act as one government, with one plan and one budget so that we may free our people from the bondages of underdevelopment, hunger, deprivation, corruption and ignorance.

I Thank You.