

SOUTH AFRICA- Catalysing Local Economic Development through Improved Urban Planning and Sanitation

1 Summary

Local Economic Development (LED) in South Africa is considered a key component of the country's national economic development policy. However, the regulatory framework is fragmented and the quality and applicability of the available LED strategies is insufficient. The Programme's objective is to increase the capacity of local governments to enhance, organise and institutionalise LED, by improving LED strategies, contributing to favourable business climates and to be able to use urban planning and sanitation delivery schemes as catalysts for LED. Besides local governments, Catchment Management Agencies (CMAs) will be a target group as well as they are the main responsible body for allocation, monitoring and approving the quality of waste water discharged by local governments. A good relation between local governments and CMAs, in order to create a favourable business climate, is therefore paramount for LED initiatives to really transpire. The Programme will contribute to the objective of two MoUs in which the Dutch national government is a signatory.

2 Context Analysis

2.1 Introduction

South Africa's economy has been completely overhauled since the start of democracy in 1994. Bold macro-economic reforms have boosted competitiveness, stimulated the economy and opened up South Africa to world markets. Over the period of 1994-2011 this has led to an average annual GDP growth rate of 3.26%.¹ Since 2010, South Africa created an additional 447,000 jobs.² Even though these efforts are commendable, unemployment rates are still staggeringly high and with an average of 27% it is one of the biggest challenges facing the country.³

¹ Trading Economics, *South Africa GDP Annual Growth Rate*. <http://www.tradingeconomics.com/south-africa/gdp-growth-annual>, consulted 23 April 2012.

² SALGA, 'Rise in SA Unemployment Rates Disappoint', *The South African LED Network* (2012). <http://led.co.za/story/2012/05/10/rise-sa-unemployment-rate-disappoints>, consulted 14 May 2012.

³ The World Bank, *South African Country Brief* (2012). <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/SOUTHAFRICAEXTN/0,,menuPK:368086~pagePK:141132~piPK:141107~theSitePK:368057,00.html>, consulted 8 May 2012.

Unfortunately the economic growth and thereby the newly developed employment does not reach the poor, as shown by the rising national income inequality.⁴ It is a challenge to use economic growth for social development. The National Planning Commissions' 'National Development Plan (NDP): Vision for 2030' identifies key government policy priorities. Among others it states that 'South Africa needs an economy that is more inclusive, more dynamic, and in which the fruits of growth are shared more equitably.'⁵

In this context it is of no surprise that Local Economic Development (LED)⁶ in South Africa is considered a key component of the country's national economic development policy, as is described in the National Framework for LED 2006- 2011.⁷ Local governments can, for example, give a boost to LED in their capacity as planner and contractor in the development of basic infrastructure, housing and urban renewal. Public-Private Partnerships in such situations are evident, but are often not taken to their full potential. Actions need to be taken by local governments to create a conducive local business environment with perspectives for sustainable employment and economic growth.

Local government can create such a favourable business environment by removing the most pressing constraints on growth, investment and job creation. These include difficult and time-consuming urban processes for urban planning approval, licensing for businesses and environmental permits.

2.2 Analysis of local government challenges

Local governments in South Africa face many challenges regarding LED. For example, there is a fragmented regulatory framework, a poor quality and applicability of existing LED strategies, a diverse understanding of the concept of LED and a modest effectiveness of local governments' role in LED which hampers implementation. Below these challenges will be explained in more detail.

⁴ South Africa is facing an increasing income inequality. In 2011, South Africa had a GINI index of 0.7. The GINI index measures the extent to which the distribution of income among individuals or households within an economy deviates from a perfectly equal distribution. A GINI index of 0 represents perfect equality, while an index of 100 implies perfect inequality. The World Bank, *The World Bank GINI Index* (2011). <http://data.worldbank.org/indicator/SI.POV.GINI/>, consulted 10 May 2012.

⁵ Ibidem.

⁶ There are many definitions of what LED entails. The South African Local Government Association (SALGA) in collaboration with GIZ takes up a strong guiding role for local governments in relation to LED. In the definition of GIZ LED is "an ongoing process by which key stakeholders and institutions from all spheres of society, the public and private sector as well as civil society, work jointly to create a unique advantage for the locality and its firms, tackle market failures, remove bureaucratic obstacles for local businesses and strengthen the competitiveness of local firms".. SALGA, *The South African LED Network* (2012). www.led.co.za, consulted 6 May 2012.

⁷ Department of Provincial and Local Government, *Stimulating and Developing Sustainable Local Economies; National framework for LED (2006-2011)* (2006). This framework is currently under review and the first outcomes are to be expected by August this year. In preparation of this review, following a request from the Minister of the Department of Provincial and Local Government, GIZ prepared a paper which highlights the key challenges facing LED in South Africa so as to offer direction for future options in LED policy.

Firstly, the confusion about what LED is, who is responsible for implementation and how it can be achieved is daunting. Even though the constitution (1996) places great responsibility on local governments to facilitate LED, the framework given in the constitution that lists the functions of local governments does not include LED. This has contributed to an interpretation that LED is an unfunded mandate for local governments. However, the National Framework for LED clearly indicates that local governments 'have a clear role in creating a conducive environment for investment through provision of infrastructure and quality services'.⁸ Furthermore, there is confusion of what LED entails. On the one hand, LED is viewed as a form of poverty alleviation where government intervenes by creating jobs through projects. On the other hand LED is viewed as the need to create an enabling environment to attract and stimulate economic activity. The first is less sustainable than the second, but in some cases preferred by councillors because it offers quick results.⁹ A balance needs to be found between quick tangible results and longer term, sustainable results. Therefore, good cooperation between councillors and officials is crucial, as well as awareness raising among both parties on what LED means.

Secondly, the position paper of the South African Local Government Association (SALGA) on LED states that the current regulatory National Framework for LED (2006-2011) has many fragmented components. These include integrated development planning, spatial development frameworks, zoning regulations, Public-Private Partnerships, business enterprise support and by-laws.¹⁰ This fragmentation hampers an effective implementation of strategies. The national framework for LED is currently under review. The aim is to maintain what remains relevant but also take in new policy developments which impact LED, key practical lessons learnt, etc.

Thirdly, the quality of the existing LED strategies is often poor and successful implementation is lagging behind due to insufficient capacity in local governments. Many of the strategies are developed by external consultants, as often the expertise within the local government is not available. This results in absence of ownership felt by local government staff. Furthermore, for LED to be successful in a local government, all relevant departments need to be involved in the development and implementation of the local strategy. This implies that LED is entrenched in the local governments' organisational structure as an important cross cutting element. Mainstreaming among departments is key for a proper implementation of a LED strategy, but is often not given the attention it really needs to transpire.¹¹

⁸ Department of Provincial and Local Government, *Stimulating and Developing Sustainable Local Economies; National framework for LED (2006-2011)* (2006) 9.

⁹ Rogerson has characterised this debate as the social welfare approach versus the competitive approach. C.M. Rogerson, Local Economic Development in sub-Saharan Africa: Defining Potential Roles for National Government, *African Journal for Business Management* 5:30 (2011) 6.

¹⁰ SALGA, *SALGA LED Position Paper: Key Issues in Local Economic Development in South Africa and a Potential Role for SALGA* (2010).

¹¹ Input of participating delegates of local governments at the Stakeholders' Meeting for the Local Government Capacity Programme, Kleinmond, South Africa, 5-7 March 2012.

Fourthly, the way local areas are governed by local governments is a key determinant for LED. Business development in South Africa is discouraged by poor public governance, weak infrastructure, difficult business registration procedures and policy and legal frameworks that are inconsistent, unstable and unpredictable.¹² It is up to local governments to create the right climate for businesses to settle, for example by developing clear and unambiguous policies for LED and speedy and effective handling of development applications for business establishment and property development. Good communication between local government and business community therefore being essential.

Fifthly, local governments are in the position to stimulate the local economy in their capacity as urban planner and contractor. Since the beginning of the 1990s, South African local governments have increasingly outsourced design and construction works to the private sector. This shift coincided with the end of Apartheid, in which local governments moved from serving 14 million people country wide to 47 million people country wide. It resulted in a severe lack of capacity within local governments, giving municipal contracting an enormous boost.¹³ Nowadays local governments still face similar challenges and therefore many local governments' tasks are being contracted out. Unfortunately the role as contractor is not always utilised to its full potential; for example service delivery with regard to sanitation faces serious challenges.¹⁴

Investments planned for the provision of infrastructure for sanitation should be used in a smarter way to stimulate LED. Due to the scarcity of water in South Africa, it is important that the use of water for sanitation purposes is limited as much as possible. Alternative methods for flushing toilets, such as the re-use of nutrients, provides opportunities for small businesses to engage in LED. Furthermore investments in urban development and housing can also be used as a catalyst to LED. The housing backlog in South Africa is high and local governments stimulate social and rental housing (amongst other policies) via Social Housing Institutions or in the frame of the policy of Community Residential Units. Furthermore there is a need for urban renewal and inner city upgrades. This need opens up possible cooperation with the private sector, for example by developing Public Private Partnerships (PPPs).

2.3 Analysis of the political environment

Since the first democratic elections took place in 1994, the African National Congress (ANC) has been the ruling party in South Africa. Also at the provincial level, the ANC is leading in almost all provinces. Only in the Western Cape Province the Democratic Alliance (DA) is the governing party. During the last local elections held in 2011, the ANC received 62% of the votes, whereas the DA received just less than 24%. This outcome led to the majority of local governments being governed by the ANC with some exceptions in the Western Cape and KwaZulu Natal, where a number of local governments are governed by the DA and the Inkatha Freedom Party (IFP) respectively.

¹² C. M. Rogerson, Local Economic Development in sub-Saharan Africa: Defining Potential Roles for National Government, *African Journal for Business Management*, 5:30 (2011). In meetings with the Embassy of the Kingdom of the Netherlands in Pretoria, it was indicated that (inter)national companies face difficulties when settling in South Africa. Meeting at the Embassy, 9 January and 5 March 2012.

¹³ Shift from over 21 civil staff per 100,000 citizens, to only 2.8 civil staff per 100,000 citizens. A. Lawless, 'Numbers and Needs: Addressing Imbalances in the Civil Engineering Profession', *The South African Institution of Civil Engineering* (2005) 3.

¹⁴ 11% of households (formal and informal) still have to be provided with sanitation services; a "disturbing" 28% of households have sanitation services which do not meet the standards due to lack of maintenance, inadequate water supply, or lack of pit emptying services. Department of Water Affairs, *Report on the Status of Sanitation services in South Africa*(2012).

There are 278 local governments in South Africa, consisting of 8 metropolitan municipalities, 44 district municipalities and 226 local municipalities.

In 2010, the National government presented its outcomes approach for the implementation of policies to ensure that government is focused on achieving the expected real improvements in the life of all South Africans¹⁵. All relevant ministers signed performance agreements with the President for the delivery of the targets defined in 12 national priorities. Some of these targets that are relevant for local governments in relation to LED are:

- Decent employment through inclusive economic growth;
- An efficient, competitive and responsive economic infrastructure network;
- Sustainable human settlements and improved quality of household life, and;
- A responsive, accountable, effective and efficient local government system.¹⁶

Policy framework water management

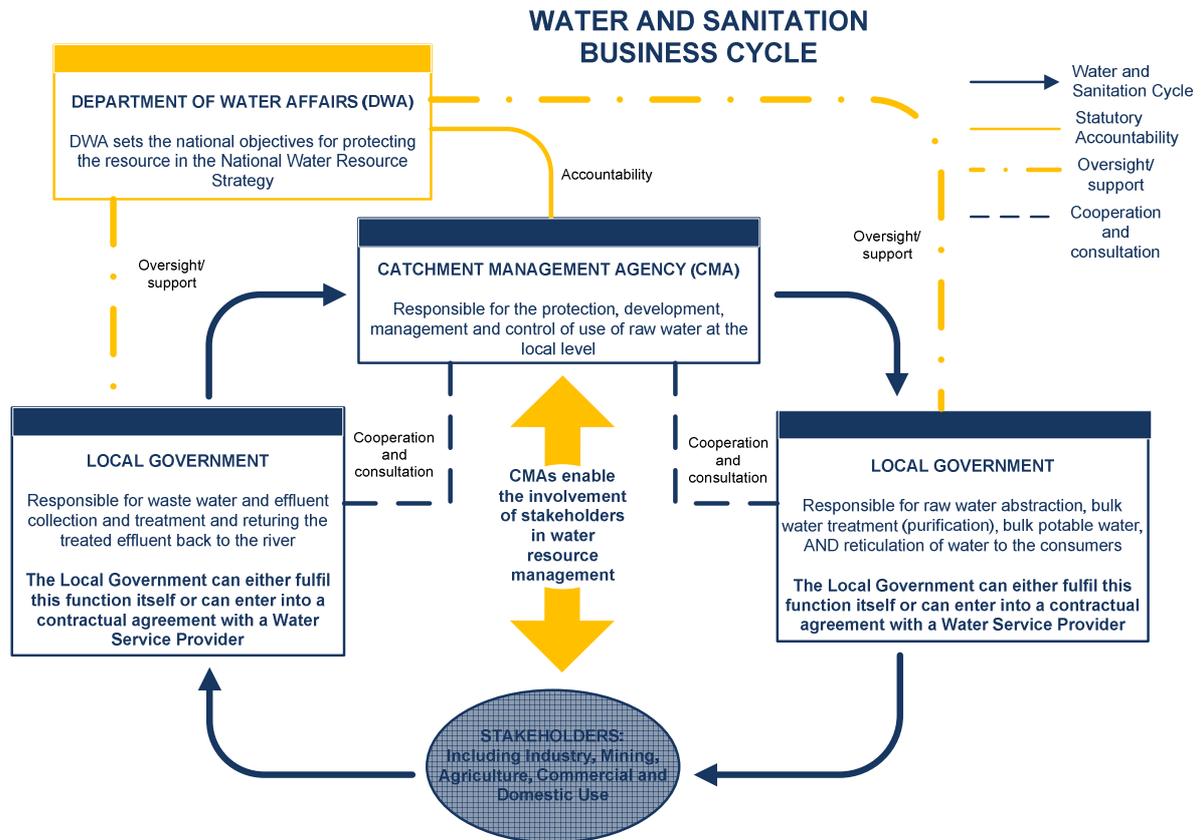
The introduction of the South African National Water Act in 1998 illustrated a move toward sustainable water resource management with the objective to improve the social-economic situation in South Africa.¹⁷ As a result, it was decided that the water infrastructure had to be reorganised. This reorganisation involves the decentralisation of tasks from the Department of Water Affairs (DWA) to Catchment Management Agencies (CMAs), an authority to be compared to Dutch Regional Water Authorities (Waterschappen). Currently there are two pilot CMAs. Seven more will be established in the next three years.

To make effective water resource management a reality, practical cooperation between CMAs and local governments is required. Local governments are responsible for providing water to communities and other users like farmers and industries.

¹⁵ Presidency of the Republic of South Africa, <http://www.thepresidency.gov.za>, consulted 8 May 2012.

¹⁶ Ibidem.

¹⁷ Government of the Republic of South Africa, *National Water Act, Act No 36 of 1998* (1998).



Some of the tasks for local governments entail providing and maintaining the water infrastructure, sanitation infrastructure, procuring and treating water, and selling it to users. CMAs are responsible for allocation, and monitoring and approving the quality of wastewater discharged by local governments to prevent pollution of water resources. The relationship between local governments and CMAs is therefore very complex. Local governments are a key stakeholder of the CMA.

While many important joint responsibilities (as providers/protectors) require coordination, other responsibilities differ (customer-supplier, regulator-regulated) and require negotiated agreements. The figure above shows the relationship between the local government and CMAs.

2.4 The defined target group

The target group in South Africa consists of 15 local governments, three Catchment Management Agencies, and the South African Local Government Association (SALGA). The LGCP South African Programme focuses primarily on the institution and its staff or directly related, i.e. senior management and councillors. The target organisations are the following:

Local government (association)	Local government level	Population ¹⁸	Unemployment rate
<i>Buffalo City</i>	Metropolitan	724,312	27.2%
<i>Camdeboo</i>	Local	41,758	20%
<i>Ekurhuleni</i>	Metropolitan	2,724,229	27%
<i>Emalahleni</i>	Local	125,293	50.3%
<i>Emfuleni</i>	Local	650,867	35%
<i>Govan Mbeki</i>	Local	268,954	7.7%
<i>Langeberg</i>	Local	80,124	9.4%
<i>Naledi</i>	Local	57,934	42.4%
<i>Oudtshoorn</i>	Local	79,606	27%
<i>Saldanha Bay</i>	Local	78,982	17.9%
<i>Tshwane</i>	Metropolitan	2,354,908	19.8%
<i>Breede Valley</i>	Local	134,271	19.7%
<i>Overstrand</i>	Local	74,547	21.7%
<i>Nkomazi</i>	Local	338,095	25%
<i>Ehlanzeni</i>	District	1,526,236	18.5%
<i>Incomati</i>	Catchment Management Agency	n/a	n/a
<i>Breede Overberg</i>	Catchment Management Agency	n/a	n/a
SALGA	South African Local Government Association		

¹⁸ StatsSA, *Community Survey 2007* (2007)

2.5 Analysis of other relevant actors

2.5.1 Policies and actions of the national government

In 2009, the national level Economic Development Department was established. The department's 2012 budget vote speech indicated that economic development will be stimulated through the Industrial Development Corporation (IDC) and the Small Enterprise Finance Agency (SEFA), among others.¹⁹ Furthermore, by way of a partnership with the University of Witwatersrand (Johannesburg), 200 local government officials will be trained in local economic development and planning. The LGCP South Africa Programme will harmonise its efforts with this training.

The South African Minister of Water Affairs has announced that the nationwide Catchment Management Agencies Programme is to be completed within three years (2012-2015). The nationwide creation of seven CMAs follows the example of the two pilot CMAs in Inkomati and Breede Overberg. Currently, a Memorandum of Understanding is being prepared between the South African Department of Water Affairs (DWA) and the Dutch Ministry of Infrastructure and Environment, in which governance and capacity development features. In a meeting with the South African Department of Water Affairs, VNG International and the Association of Dutch Water Authorities (Unie van Waterschappen) were requested to support the capacity development of CMAs in South Africa and be part of the implementation of the MoU.²⁰

The Department of Water Affairs established the Green Drop Certification Process aimed at improving performance in the management of waste water treatment works. The Green Drop process measures and compares the results of the performance of Water Service Authorities and their Providers, and subsequently rewards (or penalises) the local governments.²¹ The Green Drop Certification Process will be taken into account in the implementation of the LGCP South Africa Programme.

2.5.2 Policies and actions of the Embassy of the Kingdom of the Netherlands

The current policy of the Embassy of the Kingdom of the Netherlands is marked by a transition from development cooperation to economic cooperation with South Africa.²² Because of its strong economy and positioning as a gateway to southern Africa, South Africa is a very interesting country for trade and investment coming from the Netherlands.

¹⁹ South African Government Information, *Economic Development Budget Vote Speech 2012/13 by the Minister Ebrahim Patel to National Assembly (24 April 2012)*. <http://www.info.gov.za/speech/DynamicAction?pageid=461&sid=26869&tid=65549>, consulted 6 May 2012.

²⁰ Meeting with delegation of DWA, led by Ms Nomxolisi Matyana representing the Deputy Minister, 4 April 2012.

²¹ Local governments are responsible for the treatment of waste water (see figure Water Sanitation Business Cycle) as a water service authority, or contract it out to a water service provider. Currently 156 local governments have the status of a water service authority. In 2010, 821 wastewater systems that are the responsibility of 156 local governments were assessed. For those local governments, that scored under 50% a support Programme was set up by the Department of Water Affairs. The Programme is, however, both technically and financially insufficiently resourced. Through the collaboration and exchange of expertise in the framework of the LGCP South Africa Programme, DWA can more successfully implement the Green Drop Certification Process. Department of Water Affairs, *Green Drop Report (2011)*.

²² For cooperation with South Africa, the Embassy of the Kingdom of the Netherlands has prepared a 'Multi annual-Interdepartmental Policy Framework 2012-2015'. This document is not public. However, all relevant information needed for the harmonization of LGCP in South Africa with the Dutch bilateral cooperation plans has been shared by representatives of the Embassy in Pretoria during several meetings with VNG International.

The LGCP South Africa Programme addresses subjects that are in line with the Embassy's policies and which contain opportunities for (Dutch) businesses. The South African demand for further knowledge on water management and new/alternative techniques for water management and sanitation, as well as in housing/urban planning, is large. Therefore South Africa is an interesting investment opportunity for Dutch companies.

2.5.3 Relevance

The focus of the South Africa Programme will be on local economic development for which sanitation, urban planning policies and projects are catalysts. The South Africa Programme aims at the development of capacities to better understand local governments' roles in LED, improve LED strategies, contribute to favourable business climate and to be able to engage in Public Private Partnerships.

The choice for this theme is connected to the spearheads of the Netherlands development policy and the Multi-annual Interdepartmental Policy Framework South Africa 2012- 2015 of the Embassy of the Kingdom of the Netherlands in South Africa. The Programme will contribute to two MoUs in which the Dutch national government is a signatory.

3 Tailor-made LGCP South Africa Programme

3.1 South Africa specific Programme objective

Increased capacity of 15 local governments, three Catchment Management Agencies and the South African Local Government Association (SALGA) in South Africa to enhance, organise and institutionalise Local Economic Development.

3.2 Programme results

The results to be achieved in the LGCP South Africa Programme are presented below. How these results relate to the five capabilities underlying the LGCP framework is also explained.

Result 1: *Increased capability of 15 local governments and three Catchment Management Agencies (CMAs) in South Africa to define and agree on Local Economic Development (LED) Strategies / Catchment Management Strategies (CMS)*

By creating more ownership and increasing the quality and applicability of LED (to the standards of the national framework for LED) and Catchment Management Strategies, the capability of local governments and CMAs *to act and commit* is developed and/or strengthened.

This leads to the following results directly attributable to LGCP:

Participating local governments and CMAs have:

- 1.1 Improved understanding of the use of participatory methods during LED strategy/ CMS formulation
- 1.2 Improved capacity in translating relevant national frameworks for LED to local needs

Participating local governments have:

1.3 Identified urban development initiatives and sanitation delivery services in their LED strategy

Result 2: *Increased capability of 15 local governments and three Catchment Management Agencies (CMAs) to implement Local Economic Development (LED) Strategies / Catchment Management Strategies (CMS)*

By ensuring that local governments and CMAs deliver what they have committed themselves to, based on agreed standards and performance measures, the capability of local governments and CMAs *to deliver on development objectives* is developed and/or strengthened.

This leads to the following results directly attributable to LGCP:

Participating local governments and CMA's have:

2.1 Improved their operationalisation capacity to implement LED strategy / CMS and / or operational plans, including effective and efficient contract management

Participating local governments have:

2.2 Improved the capacity to implement catalyst projects in the field of urban planning and / or sanitation services

2.3 Created a conducive business environment through improved procedures

Result 3: *Increased capability of three Catchment Management Agencies (CMAs) to institutionalize organizational development strategies*

By ensuring lessons learned and capacity development efforts from the two pilot CMA projects are used in the establishment of new CMAs, the capability of the existing CMAs and newly established CMAs *to adapt and self-renew* is developed and/or strengthened.

This leads to the following results directly attributable to LGCP:

Participating CMAs have:

3.1 Developed and internalised an organisational development learning strategy

3.2 Established and properly use a Monitoring and Evaluation (M&E) system

Result 4: *Increased capability of 15 local governments, three Catchment Management Agencies (CMAs) and the South African Local Government Association (SALGA) to identify, and relate to external stakeholders on Local Economic Development*

By focusing on the involvement of external stakeholders with regard to LED issues, more in particular the business community, thus strengthening the capacity of local governments, CMAs and SALGA to become a strong and reliable partner, open to participative cooperation and strong in relational competences, the capability *to relate to external stakeholders* is developed and/or strengthened.

This leads to the following results directly attributable to LGCP:

Participating local governments have:

4.1 Increased awareness on needs of businesses in relation to local governments

Participating local governments and CMAs have:

4.2 Structured their cooperation and where possible aligned (capital) investment policies

Participating local governments, CMAs and SALGA have:

4.3 Improved understanding of the division of intergovernmental roles and responsibilities in the LED sector

4.4 Collaborated and exchanged views with external stakeholders with regard to LED initiatives

4.5 Improved capacity to communicate and to stimulate dialogue with external stakeholders

SALGA has:

4.6 Improved lobby and advocacy capacity for addressing challenges to LED service delivery

Result 5: *Increased capability of 15 Local Governments to internalize a common understanding on Local Economic Development*

By achieving a common understanding within local governments (for instance between councilors and officials), on what LED means and what the main priorities are, the capability *to achieve coherence* is developed and/or strengthened.

This leads to the following results directly attributable to LGCP:

Within local governments:

5.1 Councillors and officials have a common understanding of LED

5.2 Councillors and officials have increased understanding regarding the division of their roles and responsibilities in relation to LED

5.3 Officials of various relevant departments have improved collaboration on LED related issues

3.3 Programme activities

The LGCP is built on VNG International's colleague-to-colleague approach, in which expert-practitioners exchange knowledge and experiences. The essence is that experts have experience in the same job or in a comparable position as the beneficiaries. The practitioners exchange vision and views and work together. Challenges and analyses are shared which are conducive for building on existing local capabilities. Colleagues might come from the Netherlands, but also from neighbouring countries or from South Africa. This approach is also reflected in the activities designed to reach the results anticipated; colleague-to-colleague learning mainly takes place in coaching-mentoring trajectories, on-the-job training, workshops and study tours. VNG International will prepare activity work plans annually, which will be submitted to the Netherlands Ministry of Foreign Affairs for approval. These activity work plans present a concrete description of the activities foreseen.

For all five Programme results a series of activities have been formulated (see logical framework for specific activities under each result). Below a brief description of the activities that fall under each Programme result is provided. Depending on the results of the baseline study the exact scope and planning of the activities will be adjusted so that the activities tailor-fit the current capacity and absorption capacity of the participating local governments, CMAs and SALGA.

At the level of the LGCP South Africa Programme, the activities to reach the results envisaged for South Africa are clustered in the following way:

Result 1: *Increased capability of 15 local governments and three Catchment Management Agencies (CMAs) in South Africa to define and agree on Local Economic Development (LED) Strategies / Catchment Management Strategies (CMS)*

Activities under Programme Result 1 aim at enhancing the capacity of participating local governments and CMAs to translate national policies into local LED strategies / CMS, to review and (re-) define existing LED strategies / CMS, to understand and to appreciate the need for participatory methods during LED / CMS formulation. A baseline study will be conducted in order to assess the capacity needs in the field of LED / CMS development and implementation for fine-tuning of interventions.

Result 2 *Increased capability of 15 local governments and three Catchment Management Agencies (CMAs) to implement Local Economic Development (LED) Strategies / Catchment Management Strategies (CMS)*

The activities under Programme Result 2 focus on capacitating participating local governments and CMAs to effectively implement their LED strategies / CMS or operational plans. By providing training for example on streamlining procedures, effective and efficient handling of permits, contract management, the local governments and CMAs enhance their conducive business environment.

Result 3 *Increased capability of three Catchment Management Agencies (CMAs) to institutionalize organizational development strategies*

The activities under Programme Result 3 focus on enabling the two pilot CMAs to develop an organizational development learning strategy, to be applied to the newly to be established CMAs and to operate and maintain a monitoring and evaluation system. This will enable the CMAs to capture, share and reproduce the technical knowledge generated through this Programme, as well as monitor, evaluate and, where required, adjust / improve organizational procedures / performance.

Result 4 *Increased capability of 15 local governments, three Catchment Management Agencies (CMAs) and the South African Local Government Association (SALGA) to identify, and relate to external stakeholders on Local Economic Development*

The activities under Programme Result 4 are aimed at facilitating the interaction between the local governments, CMAs and SALGA and key external stakeholders, and at supporting functional collaborations for the development and implementation of LED initiatives. This will be done by providing training and coaching and organising network events where external stakeholders will be invited to share their experiences in this sector.

Furthermore, platform meetings will be organized that allow the local governments and CMAs to cooperate with the external stakeholders, align their activities and inform each other about developments in the LED sector. Lastly, SALGA will be supported to improve its lobby and advocacy skills and its ability to capitalize the experiences of its members and ensure that the lessons learned are shared both with other local governments that fall outside the direct target group of this Programme, and with central government institutions, in order to contribute to national policy making.

Result 5 *Increased capability of 15 Local Governments to internalize a common understanding on Local Economic Development*

The activities under Programme Result 5 focus on awareness raising and the facilitation of a common understanding among councilors and officials on roles and responsibilities with regard to LED, by providing councilor support or activities which focus on LED mainstreaming, creating cohesion between various departments in the execution of LED tasks by local governments.