



**Southern Africa Local Government Regional Forum
CLGF Southern Africa Program
Lilongwe, Malawi, 17-18 March 2014**

Theme:

“Creating Opportunities for developmental local government through regional engagement on local economic development”

1. The UCLG Africa secretary general participated in the Southern Africa Local Government Forum jointly organized by CLGF and UNDP on creating opportunities for developmental local government through regional engagement.

The meeting was attended by representatives from ministries of local government and national associations of local authorities from SADC countries as well as AMCOD and UCLG Africa secretariats.

The aims of the meeting were: 1) to share understanding on LED; 2) to promote regional engagement to LED approach; 3) to reflect LED in regional strategies of SADC.

2. At the official opening session:

Mr Carl Wright informed that after the elections of local authorities in Malawi in May 2014, all countries will have implemented decentralization policies in all CLGF member countries in Southern Africa. The Cardiff consensus on LED remains a key strategic policy document for any endeavor in LED initiatives at the local government level. An important

element of the Cardiff consensus is for local government to work with the private sector. It insists on the need to assess the new economic globalized environment in order that the economic growth is not realized at the expense of local contexts and cultures. The year 2014 has been designated the year of developmental local government. 2014 is also the year negotiations for the post 2015 agenda. CLGF insists on the key impact of the global negotiations on the practical day to day work at local government.

Mr. Kodjo Mensah from UNDP local government bureau in New York informed the participants that UNDP is supporting 18 countries for LED and economic governance through the development of LED national strategies, targeting especially women and youth. UNDP also supports the local revenue generation. In the implementation of the post 2015 Sustainable Development Goals (SDG) agenda, six focus areas of intervention were identified, among which localization of the SDG. The UNDP and UN Habitat are leading the how approach on localization. As part of the new UN initiative on localizing the SDG, a pilot consultation exercise should be implemented before September 2015 in 15 developing countries, including Malawi, Botswana, Lesotho, Tanzania and Cameroon in Africa. Furthermore an integrated support Program has been defined for Africa with as leading organizations, UNDP, UNCDF and UNV; this program includes LED and South/South cooperation as priorities.

Cllr Thabo Manyoni, UCLG Africa vice president for Southern Africa, insisted on the need to support the women leadership in local government. Poverty and under development remain the most adverse phenomenon confronting Africa. Therefore LED should be part of the developmental agenda at national and

regional levels. LED has been identified as a strategic enabler for development, including for trans-border cooperation. The South African experience is that of the recognition of social and economic promotion among the responsibilities of local governments. Local governments shall put in place an enabling environment to keep and attract businesses. Local governments are encouraged to use the World Bank “doing business index” as a reference to improve their interventions on LED. Key to success is leadership. As the voice of organized local government, national associations of local governments need to take the lead on LED, and push for the adoption of national LED strategies, focusing attention on development of places and territories to sustain an integrated and inclusive economic development.

In her opening address, Hon Rachel Mazombe Zulu, minister of local government and rural development, Malawi, insisted on rural poverty due to the gap between economic growth and the social realities in the rural areas. The rural population does not enjoy basic services and good access to the market. LED approach should therefore address the critical issue of rural transformation, as enshrined in the Malawian constitution. In Malawi integrated rural development is one of the priorities of the decentralization policies. A LED framework has been defined with a view to improving capacity development in order that sustainable investment supports sustainable industrialization and economic take off. Malawi is also determined to hold local elections this year together with general elections in order to boost democratic governance. Malawi wishes that the outcomes of this conference are taken onboard during the meeting of SADC ministers to be held on Wednesday 19 March 2014.

3. After the opening ceremony, participants received two

addresses, one from Professor Etienne Nel from the University of Otago, New Zealand; and the other one from Professor Kadmiel Wekwete, from the Midlands State University, Zimbabwe.

Professor Etienne Nel presented a paper on "Unpacking the LED approach to development"(by video). For him LED is related to local resources and skills (as well as markets). Local authorities have a key role to play in LED. Economy links local places to other local places. But local places are all specific, therefore LED is very context specific, and appears as a good alternative and complementary approach to the global economy. What works here might not be working elsewhere. But LED always has to do with mobilizing of forging a partnership primarily between the private sector, the communities, and the local authorities. It has some tangible dimensions such as local products, job creation, development of enterprises at the local level, building local markets, access to credit for entrepreneurs, provision of support services to businesses. But there are also intangible dimensions to LED: branding, procurement arrangements, data and information harvesting, business analysis and knowledge management, communication and marketing, etc. Setting up a LED unit might be useful to improve the implementation of LED strategies at the local government level. It can be necessary also to create LED multi-stakeholders forums to favor interactions on LED initiatives. Support to incubators and development of clusters is another way in which local authorities can harness LED initiatives. Local governments should also be encouraged to define LED strategies as part of their city development strategies. In conclusion Professor Nel said as a take away that LED focus on economic growth and development of local territories and places in order to improve the quality of life at the people, through

partnership.

Professor Kadmiel Wekwete presented a paper on “Local Economic Development in Southern Africa”. He explained that LED originated from industrial countries after the industrial crisis. The initial questions that gave birth to the LED approach were: a) how to put new life into places that have lost their original activities; b) how to respond to transformation that is taking place in cities due to economic changes? The dominant methodologies followed so far in LED projects derive from this rationale.

In Africa, there is need to frame LED differently, based on the realities of Africa where the economy is just moving from a majority rural economy towards a more diversified one, but with no previous history in industrialization and productive tertiary sector. LED approach and methodologies should be positioned and adapted accordingly.

In Africa, LED is about creating new opportunities, infrastructure and services, in order to turn the economic activities from low to high productivity, from low profile to high profile in the value chain, from bad access to the market to good access to the market. LED is consequently not a series of projects. Its approach aims at favoring the connection between all economic sectors and activities through a more territorial and partnership approach to development, in which the local stakeholders, including local authorities, are the key driving force. This approach interrogates and should influence the economic policies at national level as well. LED is about transforming the perspective of the economy at all levels, local, national, and regional. LED is a multi-faceted way to address the development agenda.

However LED is only one among the many components of the

development agenda, which includes also governance, institutional development and human capital development, among others.

Everywhere in Africa, financing LED is a challenge because national budgets are organized following economic sectors, which LED is not. In terms of financial support to LED policies, it is advisable to create a facility that can be tapped into to support LED strategies and initiatives. LED should be seen as an imperative to develop national economies. It is important that national governments create a dedicated institution dealing with LED, and this is also valuable at the level of the SADC region where a dedicated LED strategy should also be defined.

Capacity to plan and implement LED, and to include LED in different planning instruments should be improved. A lot of work should be done to get LED approach integrated in the methodologies and practice of planning professionals.

A lot of work needs to be done also on documenting and sharing experiences on LED strategies and initiatives, including for boosting trans-border cooperation. As a take away, Professor Wekwete said that LED is not exclusively about local economy but about the overall economy connecting the local economy to the national, regional and global economies through the concept of value chain. He highlighted the following do and don't of the LED:

- (1). Treat LED as a process and not a project
- (2). Adopt a LED rationale and methodology aiming at creating development and not the conversion from former activities and cities regeneration rationale for Africa
- (3). Rethink the way the economy functions and use LED to help adopt a place making and territorial approach to development instead of continuing working in silos following line ministers sector approach to development

(4). Consider LED following a new perspective to multi-levels partnership to the developmental agenda, instead of reducing to an addition of individual projects limited to a territory.

4. Following the presentation an interesting debate took place among the participants who raised a series of following concerns:

- What is the place of the informal sector in LED policies and strategies JPEM raised the problem of informal economy.
- Why the informal sector activities barely upgrade?
- Can LED strategies resist to the pressure of the forces of the global economy on African economies?
- Is LED really a sustainable route for Africa's development?

5. In response to the concerns raised, the following comments were made:

Mr. Kodjo from UNDP commented that 70% of the African economy is informal, and that the informal economy contributes up to 60% of jobs in most African local governments! But the informal sector is often associated with failure in planning in terms of separating economic activities and residential areas, and difficult access to land and basic services for the poor who earn their living in the informal economy. The regulations in local Governments can often kill the informal activities and thus seen adverse to the urban poor. It is necessary to revisit the local by-laws in order for them to make the informal sector successful and not to die.

Mr. Kadmiel Wekwete went on saying that in many countries, there seems to be an opposition in cities between the formal and informal activities. The informal sector is often associated to the black or hidden economy that does not pay taxes to the locality. Therefore business owners in the formal economy complain about the illegal competition of informal entrepreneurs and ask

for action, meaning cleaning the city from informal sector hawkers, that are seen as a threat to clean and safe cities. The fact is that most politicians are caught into this dilemma, and often don't know what to do with the informality.

They are also concerned about the issue of graduating the activities from the informal to the formal economy. Whilst it is difficult not to recognize the informal nature of the economies of African cities, many questions come in mind as far as the local economic development of the cities is concerned, since many are doubtful that any sustainable development can be achieved through the informal economy route. But at least for the time being one needs to accept informality and adapt policies and strategies that do not impede the development of informal activities. The prospect of having the informal entrepreneurs adopt more responsible behavior is not impossible, as it is witnessed in South Africa accepted to quit the streets and relocate in stalls provided them by the local governments.

Mr. Jean Pierre Elong Mbassi insisted on the need for a new narrative about the national economy. He made a strong statement that the national economy does not exist, because only the local economy is real since all business is local. Therefore LED should not be seen as a minor approach but rather the core to the development agenda of the different countries and regions. Most national governments tend to ignore the LED perspective to the development agenda, and surprisingly most local governments as well. The truth of the matter is that local governments do not value their role in LED processes. The territorial approach to development and the role and specificity of places in the development trajectories were recognized only recently as key ingredients for the dynamic of economic growth and development, with the publication of the World Bank 2009 World Development Report on Reshaping Economic

Geography. Since then, there is a growing consensus on the fact that even the global economy has the local territories and places as its landing ground. This is what explains the harsh competition underway among cities and territories for them to become competitive in keeping and attracting business from all over the world. In other words, the economic competition between countries is more and more translated into a competition between territories and localities within countries, which entrusts new economic responsibilities to local governments. LED is the approach through which African local governments can be equipped to address this new environment of economic competition between countries and regions. Territorial marketing and branding appear therefore as new avenues that African local governments should be taking in order for them to cope and catch up with cities and territories of other regions of the world.

6. The conference went on listening to LED experiences in the SADC countries with a focus on three questions: 1) what is the legal framework to LED initiatives? What are the ongoing initiatives on LED? What are the main challenges facing LED strategies and initiatives?

Three panels were organized for the presentations of country LED experiences:

Panel 1: Angola, Botswana, Lesotho, Madagascar

Panel 2: Malawi, Mauritius, Mozambique, Namibia and Seychelles

Panel 3: Tanzania, Swaziland, Zambia and Zimbabwe.

From the country presentations it appears that there is need:

- To fast-track the understanding of LED across the region
- For a clear institutional and legal framework for LED initiatives at national and local levels

- For national and local LED strategies with dedicated financial and human resources
- To develop country to country and city to city exchanges on LED initiatives and policies, including trans-border LED cooperation
- To define a LED regional agenda for the SADC region
- For precise LED milestones with tangible deliverables translated in a comprehensive annual work plan to be adopted by the ministers of local governments of the SADC region
- To develop centers of excellence that will gather knowledge, refine methodologies, and deliver training programs and certification for the professionalization of LED practitioners
- To commission the publication of a State of LED Report that will deliver update information on LED initiatives in the SADC region on an annual or biannual basis.

7. At the end of the conference proceedings participants made the following recommendations:

(1) To use the Local Economic Development Network of Africa Internet platform (www.ledna.org) to boost exchange of best practices and information on LED policies, strategies and experiences in Africa and in other regions of the world.

(2) To establish a local government desk within the SADC secretariat as a matter of urgency in order to ensure that local governments concerns and perspectives, including LED, and to inspire the regional development policies and strategies, as well as their implementation at the grassroots level.

(3) To institutionalize in the meantime the SADC Local Government Forum in order to facilitate follow up on all matters pertaining to local governments, including the LED activities.

8. Finally the participants adopted a statement that will form part of the items on the agenda of the meeting of ministers of local governments of the SADC region on 19 March 2014 (attached).

9. At the fringes of the conference the secretary general attended a UCLG Africa SARO meeting which resolved that the functions of interim secretary for the SARO in Pretoria be ensured by the current secretary general of BALA for no more than 6 months starting from end of April 2014. The venue of the next meeting of SARO is Pretoria, South Africa, the dates be decided upon following consultation of members in the period comprised between May 21st and June 29th, 2014.

Lilongwe, 19 March 2014

Jean Pierre ELONG MBASSI