CSP 2 HW
Economic Development Component

Industrial Park Revitalisation Tender Briefing
3rd July 2019
DBSA
Metros capability built to drive economic development through partnerships, investment retention and promotion and strong urban management.

To deliver effective township economic development programmes, industrial estate management, inclusive growth coalitions and competitive business environments.

To change the productivity, connectivity and accessibility of people and core and marginal economic spaces within the metro.

So that we have productive, inclusive and job creating cities.
CSP 2 ED Component Objectives

Institutionalisation within all spheres of govt & SoEs of collaborative space-sensitive ED plans & programmes that generate connected, conducive & competitive business environments

Strengthened global competitiveness of SAn cities through targeted interventions
CSP 2 Focus

- Implementation
- Institutionalisation
- Impact
LEADERSHIP AND PLANNING

Partnering for Inclusive Growth Support
City Economic Strategies and partnerships

CITY SUPPORT

Township Economic Development
Institutionalising the “SNDB” Survey
SNDB Reform
Inward Investment Promotion

ENABLING ENVIRONMENT

Economic & Urban Development Financing Incentives
Economic Data Available
Inward Investment Promotion / Industrial Park Regeneration

**Aim:** Build capabilities of cities to retain jobs and inward investment in well-located industrial spaces

**Objectives:**

a) Retain and expand investment by firms through “getting the basics right”;

b) Retain and expand employment opportunities in proximity to townships and informal settlements;

c) Put in place institutional urban management mechanisms (including municipal and inter-governmental) to ensure the effective and ongoing management of these spaces;

d) Build community awareness regarding the value of these spaces in terms of employment generation and economic inclusion and development; and

e) Build local business networks to facilitate access to available incentives, markets and business support.
Aim of Tender

• Requires a suitably qualified service provider to provide technical assistance to metros in the development, implementation and institutionalisation of industrial park regeneration programmes
• Targets 4 metros and 4 industrial parks
• Appointment period August 2019 – March 2022
• Professional team to have the relevant qualifications, practical understanding and demonstrated competence in:
  – City economic development, analysis and planning
  – Municipal planning and land use management
  – City regulatory environment
  – Urban management
  – Stakeholder engagement and facilitation
• Professional team to consist of development economist/s, spatial planner/s and governance expert/s
<table>
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<tr>
<th>Considerations</th>
<th>Proposed Metro Role</th>
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<tr>
<td>• Industrial nodes zoned for industrial &amp; light</td>
<td>• Get the basics right</td>
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<tr>
<td>manufacturing activity</td>
<td>• Address issues causing power outages (e.g. maintenance, greening, security)</td>
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<td>• Expectation of agglomeration benefits</td>
<td>• Address security concerns (e.g. street lights, security patrols, community safety</td>
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<td>• Potential for job retention &amp; expansion</td>
<td>initiatives)</td>
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<td>• Underperforming owing to:</td>
<td>• Maintain &amp; extend infrastructure (e.g. sort out potholes, drainage, pavements etc)</td>
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<td>• unstable electricity supply</td>
<td>• Ensure formation of business associations and forge partnerships</td>
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<td>• poor connectivity</td>
<td>• Provide public transport solutions</td>
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<td>• service delivery failures</td>
<td>• Identify serviced vacant land for industry expansion</td>
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<td>• slow planning permissions</td>
<td>• Explore cluster development strategies</td>
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<td>• delayed infrastructure development</td>
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<td>• poor transport linkages</td>
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Step One: Project initiation

Step Two: BR&E Scoping and Planning

Step Three: Undertake the BR&E survey & compile the Report

Step Four: Stakeholder Feedback & development of action plan

Step Five: Resource Mobilisation & Planning & Budgeting alignment

Step Six: Setting up of Institutional Arrangements

Step Seven: Strategy and Project Implementation and Management

Step Eight: Review, Reflection and Re-design

Inward Investment Promotion / Industrial Park Regeneration
BR&E Scoping and Planning

- Set up a representative BR&E reference group
- Plan for the undertaking of the BR&E survey
- Undertaking of the BR&E survey through face-to-face interviews

BR&E survey should cover:
- current profile and performance of local firms
- reasons for the location of firms and the length of stay
- experience/perceptions of business environment
- value chain and spatial linkages of firms
- future plans of firms
- institutional and regulatory environment
- main factors impacting on firm performance
- business satisfaction
- property market
- access to finance, incentives & business support
- level of inter-firm networking
- quality of labour relations
- business needs and priorities
- institutional arrangements necessary for effective Park functioning
Conduct the Survey

• Undertake face-to-face interviews with firms
• Compile a Survey report, that includes:
  – The methodology followed
  – The scope and limitations of the BR&E study
  – The survey findings;
  – Business proposals that had emanated from the research; and
  – Recommendations from the research.
Stakeholder Feedback and Action Plan

Host a stakeholder feedback workshop, aiming to:
1. Achieve consensus on the study findings and recommendations;
2. Agree on the required regeneration actions;
3. Prioritise these actions and set up project teams, inclusive of the public and private (and civil society where relevant) sectors, to facilitate the implementation of these actions; and
4. Agree on the required institutional mechanisms to ensure the regeneration of the industrial parks e.g.
   - City precinct management entity
   - Business Network
   - Broader stakeholder forum

Design and implement a broader communication strategy for adjacent communities to generate an understanding of:
1. The perceived vs real “value” of the industrial node / park;
2. Challenges facing the industrial node /park and what actions need to be taken;
3. Opportunities desired and offered by the industrial node /park; and
4. Community offerings and responsibilities towards the industrial node / park.
Range of Possible Projects

• Projects could be investments in both hard and soft infrastructure e.g.
  – fast-tracking and simplifying city business processes (e.g. building plan approvals, getting electricity, construction permits)
  – public employment programmes
  – public transport
  – improved municipal service delivery
  – safety and security
  – street lighting
  – consistent electricity supply
  – skills development
  – SMME support
  – industrial space made available for entrepreneurs from neighbouring townships
  – cluster development
  – infrastructure improvements and maintenance etc

• Projects form part of a City Industrial Park Revitalisation Park Action Plan
Resource Mobilisation

- Consult relevant project public, private and community stakeholders to further conceptualise individual projects
- Identify project financing mechanisms e.g.
  - city own revenue
  - conditional grants
  - DTI programmes & incentives
  - loans
  - donor funds
  - private sector funds
  - community contributions
- Identify project technical and financial resource partners (public, private or civil society sectors)
- Facilitate public sector planning & budgeting alignment
- Package projects in terms of the requirements of the city or relevant financing partner
Set up institutional arrangements

City – transversal management

Industrial Park / nodal

Project

Stakeholder

Inter-governmental

Integration Zone
• Implement the Industrial Node / Park Revitalisation Action Plan
• Undertake programme and project management, e.g.:
  – Track programme and project implementation
  – Process facilitation
  – Unblock obstacles to project implementation; and
  – Report on progress regarding the implementation of the Action Plans and projects to the relevant City, inter-governmental and CSP structures.
Review, reflection and re-design

• Participatory review of the project re:
  – Strengths and weaknesses of the BR&E planning and surveying process
  – The achievement of desired outputs and impacts that have been achieved through the process
    • Retain and expand investment by firms
    • Retain and expand employment opportunities
    • Put in place urban management mechanisms
    • Build community awareness regarding the value of these spaces; and
    • Build local business networks
  – Opportunities to improve the process;
  – Success at institutionalising the approach; and
  – Opportunities to upscale the process
• The evaluation should inform the next 3 – 5 year plan of the City for the industrial park
Metro responsibilities

• Metros who wish to access the projects must demonstrate the willingness to:
  – Align the project to spatial targets & other relevant programme
  – Participate in the entire project process
  – Allocate administrative and political champions to the project
  – Ensure planning and budgetary alignment
  – Set up required transversal management teams
  – Set up and finance required urban management capabilities
  – Assist in resource allocation and mobilisation e.g. EU GBS, grants etc.

• CSP 2 responsibilities – ensure required inter-governmental and partner support for the project