



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA



**Urban LandMark**

making urban land markets work for the poor

## **Press release**

### **Seven new case studies share some recent practical experiences around the transformation of South Africa's townships**

The South African Cities Network, Urban LandMark and the Neighbourhood Development Programme of National Treasury launched a set of seven case studies on enabling township transformation at a workshop in Johannesburg on 26 July 2011.

At a time when the pursuit of inclusive growth and social accountability is at the forefront of the policy and development agenda, the task of township transformation is one that remains both critical and elusive.

Our workshop, called "*Bolstering Township Transformation*", engaged multi-sector role-players in considering the specific challenges and opportunities of the imperative to transform townships.

We invited key officials and stakeholders to engage with the issues introduced in the case studies, and with the speakers – which included a Mayoral panel discussing metro perspectives on township transformation, National Treasury describing the township regeneration strategy, and IDASA talking about local government accountability – to discuss how various stakeholders can contribute to accelerating township transformation.

Our institutions have collaborated over the past four years under the government's Training for Township Renewal initiative to develop knowledge products and networks to mobilise, inform and enable the stakeholders who play a role in township renewal.

The case studies developed during 2010 and 2011 look at creative ways to unlock both public and private sector investment for township economic development, which in turn makes a major contribution to South Africa's macro-economic performance and improved quality of life of the citizens of neglected neighbourhoods.

The case studies launched at the workshop include a study on the "*Impact of the development of formal retail centres on South African townships*", which shows that a staggering 160 retail centres have been developed nationally in township and rural areas of South Africa between 1962 and 2009, covering about two million square metres of retail floor space.

The case study finds that some R2.4 billion worth of income taxes have been generated by these retail investments since the 1980s, while an estimated R166 million worth of property taxes have been collected from retail centres over the same period – it is estimated that

Soweto's five retail centres alone contribute about R18 million a year in rates and taxes to the City of Johannesburg.

Moreover, these centres have generated about R34 billion worth of business sales, and have added about 54 300 permanent jobs to the national economy since the 1980s.

The objective of this case study is to assist in the development of effective leverage mechanisms to improve the role of commercial markets in townships, and help developers and investors to refine their approaches to servicing consumer demands in these areas. Through an improved understanding of the retail dynamics of the townships, the study also aims to assist township development practitioners to formulate appropriate solutions to the challenges that face townships in terms development, and improve how residents access economic opportunities.

In "*Operations and management of township nodal developments*", the Khayelitsha Business District development – one of the first of its kind in South Africa – is under the spotlight. It is unique in that the Khayelitsha Community Trust, with its various subsidiary companies, is the major equity holder on behalf of the community of Khayelitsha. The Trust and its subsidiaries are playing an increasing role in developing the precinct, providing, through this case study, a valuable opportunity to learn about operations and management in township nodal developments.

The case study "*Creating and capturing value around transport nodes*", explores how the demand for land, and therefore the value of land, is heightened and additional value is created at transport interchanges. The study showcases three interchanges – the Mooki Street Bus Rapid Transit station in Soweto, the Pretoria-Witwatersrand-Vereeniging 9 highway near Diepsloot in Johannesburg and the Chris Hani Railway Station in Khayelitsha – to learn about whether value is created by the transport interchanges at these sites, and what instruments have been proposed to capture such value for the purposes of development in the area and for the public good.

Another case study illustrates how the City of Johannesburg, Nongoma Local Municipality and Umgeni Local Municipality are interpreting the Neighbourhood Development Partnership Grant's guidance on the development of Township Regeneration Strategies. The study reflects practical experiences in generating these strategies from which other practitioners may learn.

Government accountability in Africa is investigated in a further case study, specifically civil society finding ways and taking steps to hold politicians and officials accountable for planning, budgets, expenditure and delivery. The study examines the range of approaches and tools that exist, including the lessons learned from implementation. The case study uses examples from a number of African countries, including South Africa, as opportunities for township and local government practitioners to learn about what can be done and how.

With this launch event and discussion session, we hope to stimulate active engagement with the challenges around township transformation through the practical experiences illustrated in our case studies, and encourage further uptake of these knowledge products within the relevant communities.

**ENDS**

## **ABOUT THE WORKSHOP**

Date: Tuesday, 26 July 2011

Time: 12h00 – 18h00

Venue: Emoyeni Conference Centre, Parktown, Johannesburg

Contact: Lucille Gavera at [lucille@urbanlandmark.org](mailto:lucille@urbanlandmark.org) / 083 290 1260

## **ABOUT THE SOUTH AFRICAN CITIES NETWORK**

The South African Cities Network is a network of South African cities and partners that encourages the exchange of information, experience and best practices on urban development and city management. The network is both a source of information for leadership of South Africa's largest cities and a catalyst for debate.

It is an initiative of the Minister for Provincial and Local Government (now the Department of Cooperative Governance and Traditional Affairs) and nine of the country's largest municipalities, in partnership with the South African Local Government Association (SALGA).

The network identifies, assembles and disseminates information that enhances the ability of decision-makers to learn from the experience of others and efficiently use their resources to build sustainable cities.

## **ABOUT URBAN LANDMARK**

Established in May 2006 with funding from the UK's Department for International Development (DFID), Urban LandMark works to find remedies to the problems that have made urban land markets dysfunctional, and hence land unaffordable.

Our initiatives aim to shift policies and practice to improve access to well-located urban land, by making markets as well as land planning and management systems work better for poorer people, giving meaning to the idea of people having a right to land.

Urban LandMark plays a catalytic role by using research to inform policy, and by promoting dialogue between key stakeholders – government, the private sector and civil society – to foster a common understanding of and find effective solutions to prevailing obstacles in urban land markets.

Our work in South Africa and in the Southern African region shares common problems with cities and towns in many other developing countries, such as rapid urbanisation, rising land prices, unequal access to services, uneven legal protection and limited state resources.

## **ABOUT THE NEIGHBOURHOOD DEVELOPMENT PROGRAMME**

The Neighbourhood Development Partnership Grant (NDPG) is a conditional grant to municipalities through the Division of Revenue Act (DORA). It is planned to allocate an amount of R10 billion over a ten-year period for about 100 initiatives.

The NDPG is driven by the notion that public investment and funding can be used creatively to attract private and community investment to unlock the social and economic potential within neglected townships and neighbourhoods, and that this in turn will contribute to South Africa's macro-economic performance and improve the quality of life among its citizens. It is anticipated that this can be achieved by accelerating investment in community amenities in

these areas by providing a combination of technical support and capital financing for municipal projects that will leverage private sector investment at scale.

### **ABOUT THE TRAINING FOR TOWNSHIP RENEWAL INITIATIVE (TTRI)**

The Training for Township Renewal Initiative (TTRI) is a joint initiative which aims to promote, encourage and support township development and renewal by developing the capabilities of township practitioners. This is achieved through an array of interventions, including peer learning events and the development of supporting knowledge products and networks. The TTRI Partners are National Treasury, the South African Cities Network, Urban LandMark, the Department of Cooperative Governance and Traditional Affairs and the Development Bank of Southern Africa (DBSA).