



EVALUATION OF THE PROCESS OF COMPILING THE  
FREE STATE DEVELOPMENT PLAN (FSDP)

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## **A. INTRODUCTION**

The Free State Development Plan (FSDP) for 2002 – 2005 provides a provincial strategy to direct effective service delivery by the Provincial Government and the province as a whole. The plan was drafted in 2001. It was the result of a consultative process within the provincial government, and to a lesser extent, with civil society. To varying degrees, politicians, provincial departments, local authority representatives and key private sector stakeholders gave their inputs in the design and implementation of the FSDP.<sup>1</sup>

The Premier's Economic Advisory Council (PEAC) commissioned the HSRC to evaluate the process of compiling the FSDP. The aim of the evaluation is to provide relevant insights and recommendations for the design of future consultation processes.

The FSDP places great emphasis on partnerships with stakeholders and communication with citizens in the Free State. This implies that future iterations of the FSDP must be based, as closely as possible, on viable and meaningful relationships with stakeholders and citizens. Consequently, all future processes should be designed in such a way that the needs, strengths, opportunities and goals of stakeholders and citizens are incorporated as effectively as possible in the FSDP.

The first part of the report provides an overview of the consultation process that was followed in the formulation of the FSDP in June-August 2001. The overview is largely based on interviews conducted with the consultants assigned with the facilitation of the process, as well as selected provincial government officials.

The second, third and fourth parts of the report are more future-oriented. In order to provide recommendations to the PEAC for future planning processes, it became necessary to think through the broader context of development planning. This report therefore contains the following components:

- A review of the consultation process
- An analysis of possible functions of a future FSDP (part 2)
- The spatial context of development in the Free State (part3).
- Recommendations a for the design of future consultation (part 4).

The key argument of the paper is that consultation should not be a once-off event, when plans are drafted. Furthermore, planning should be an integral part of the entire policy cycle. A more continuous process is required, whereby consultative relationships are built into all aspects of planning, implementation, monitoring, and evaluation.

## **B. METHODOLOGY**

Face-to face and telephonic interviews were held with key stakeholders (see Appendix A) and policy documents. The stakeholders interviewed comprised representatives of the public and private sector and NGOs. Some of these individuals had been consulted during the drafting of the FSDP in 2001; others had not been consulted.

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<sup>1</sup> *Free State Development Plan 2002-2005*. Free State Provincial Government.

Relevant documentation was reviewed:

- Minutes and working documents used by consultants during the 2001 process
- The National Spatial Planning Framework, 2003
- Newspapers
- Free State Economic Strategy, 2003

Several problems were encountered in the course of the research. The most important include:

- The unavailability or the lack of response of stakeholders
- The lack of minutes of consultative meetings (an incomplete “paper trail”)
- The time lag between the process followed in 2001, and the current research on the consultative process. Interviewees had difficulties in remembering activities, participants, processes, opportunities, obstacles and results.

This report is therefore substantially based on in-depth interviews with some important stakeholders

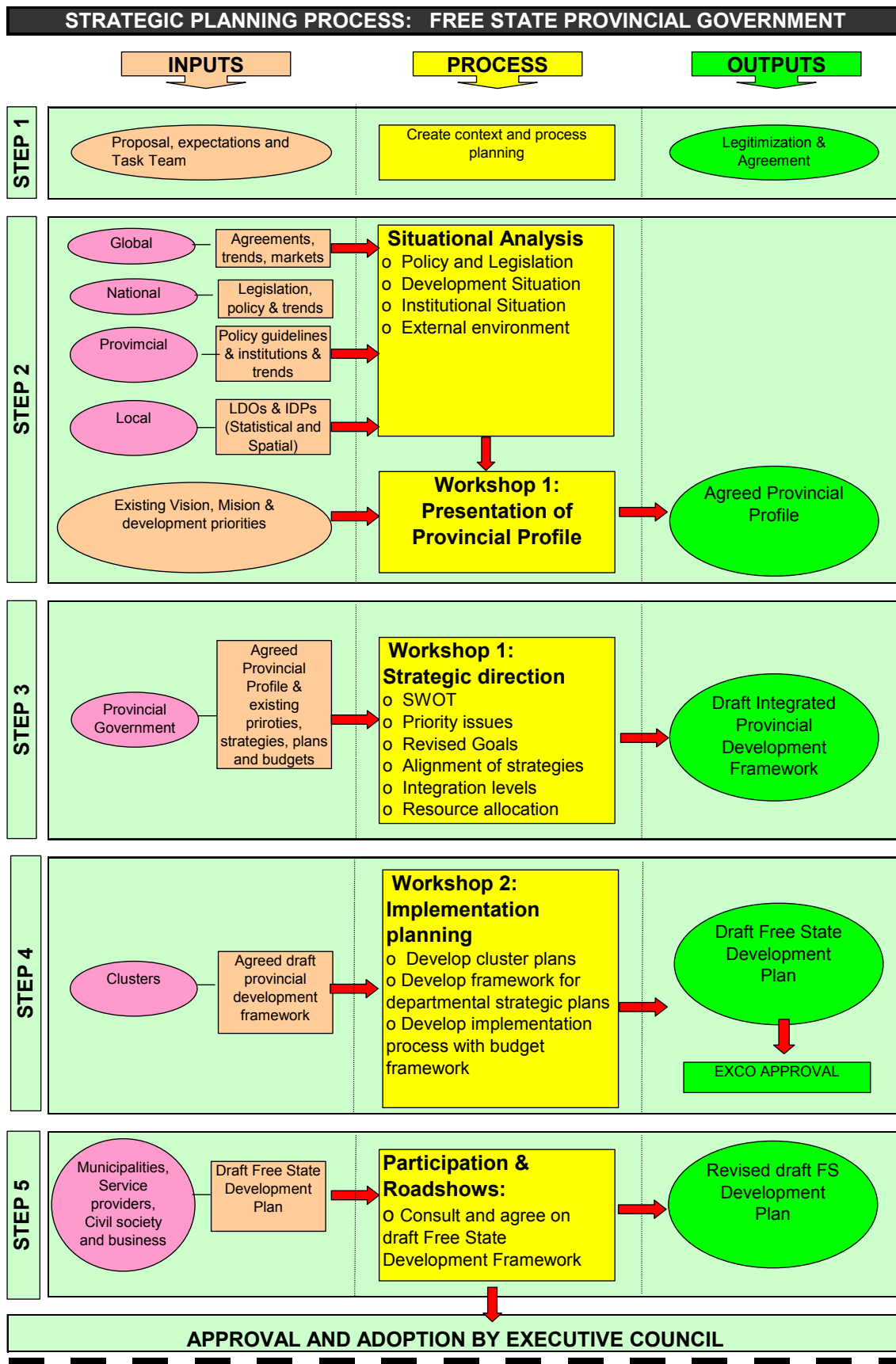
### **C. THE PROCESS OF COMPILING THE FSDP**

Officially, the strategic framework for the project guided the planning process. The strategic phased approach identified inputs, processes to be followed, and outputs (see Figure 1, next page).

However, in practice, it is doubtful whether the process of drafting the plan took place in such an organised, clear-cut way. Especially in the beginning stages of the process, there were various false starts and organisational difficulties within the consultants’ team, as well as their relationship with the client (provincial government). The impression is gained that the process began rapidly, and was expected to be completed within very tight time frames.

Some of the practical difficulties are explored below.

Figure 1



Source: FSDP 2002-2005, p 2.

As shown in the diagram above, five steps were followed in the process of drawing up the plan:

1. Process planning
2. Situational analysis: Largely a desktop study of policies and legislation, national and provincial development trends, the province's institutional situation and the broader external environment of the Free State
3. Strategic planning with provincial government, using "participatory action learning" methods
4. Implementation planning with provincial government
5. Consultation with municipalities and civil society, including one-on-one interviews with private sector representatives.

It should be noted that the experience of a consultation process are to a large extent a very subjective matter. Different participants experienced the process in different ways, and it will be very difficult to do justice to the complexity of the process and the multiplicity of points of view. This should be kept in mind when describing such a process as well as in interpreting the findings presented in this section.

In this section, the following issues are addressed:

- Coordination of the consultation process
- Challenges regarding situational analysis and data availability
- Consultation with Provincial Departments
- Suitability of methods for different stakeholders
- An analytical summary of the consultation experiences.

## **1. Coordinating the consultation process**

During 2001, the Premier's Office co-ordinated the consultative process.

Consultants were assigned to undertake the facilitation of the formulation of the FSDP. Originally two teams tendered for the FSDP. The Premier's Office decided to contract both teams and to amalgamate them into one consortium. The consultants represented various geographical areas in the province and all had experience in compiling Interim Integrated Development Plans (IIDPs) or Local Development Objectives (LDOs) for municipalities in the province.

Despite the expertise and commitment of the consultants, problems were experienced in co-ordinating the consultative process. The consultants noted that it was difficult to synchronise the various backgrounds of the researchers and geographical spread of expertise. Some commented on the large size of the consortium and the departmental Project Team, which made it quite difficult to co-ordinate. Moreover, some felt that the role of the consultants in the co-ordination the project was not clear.

Another challenge was that during the project process the project lacked clear guidelines and a logical framework, to such an extent that an internal two-day team workshop was held in order to develop a strategic framework for the project.

A general comment was that there was not enough time for proper consultation. The consultation process took place in three months: June, July and August 2001. Setting up dates with the provincial government's Head of Departments (HoDs) was difficult and time-consuming.

On a more positive note, all agreed that contact with the Premier's office went well, and that the working relationship was generally constructive.

## **2. Situational analysis**

Problems were experienced with access to up-to-date and comparable data. The 1996 Census was the main source of information, and this information was generally recognised as being out of date.

Information was drawn from three main sources, of which two were problematic.

Firstly, municipal Integrated Development Plans (2000) were consulted. At the stage of formulating the FSDP, municipalities were compiling their IDPs for the first time. In addition, the municipal amalgamation process meant that municipal information needed to be combined and aligned. This gigantic task, combined with the need for integrated planning, caused delays at municipal level, and hampered the development of appropriate databases. Generally, the IDPs show a lack of scientific analysis of primary data, which prevents the generation of more realistic and achievable ideas. These problems were carried over into the process of drafting the FSDP. There simply was no adequate, up-to-date and inclusive data-set available for the FSDP-drafting process.

Secondly, information was gathered in interviews with the various provincial Heads of Department. A questionnaire was sent to the departments to gather information on views on development regarding departments. According to the consultants, the sample was too small, however (only 13 or 14 were returned).<sup>2</sup>

The questionnaire addressed 10 main points:

- The overall goals of the Departments and their 'clients'. This was generally captured in the Departments' business plans
- The strategies formulated in these plans
- Problems experienced in implementation of their strategies
- The opportunities and challenges identified by the Departments
- Existing policies and programmes in place and how these related to national programmes and policies
- Provision of services: what and to whom did the Departments deliver?
- Alignment of the Departments especially regarding Land, Agriculture, and Local Government and Housing, as well as between Health and Education
- Resources and budgets
- Future planning (in which areas, what services, and by whom?)
- Involvement in overall IDP process. Was cognisance given to local IDP objectives?

Several problems were encountered when interviewing the Departments:

- Departments' business plans contained gaps
- Statistics were not accurate
- Resources and budgets appeared to be sensitive information, and not all Departments wanted to provide this information
- The timing was complicated by the fact that not all Departments had developed their Strategic plans and MTEFs

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<sup>2</sup> It was not possible to get hold of the questionnaires. None of the people consulted by the HSRC knew whether and / or where these were filed.

- Targeting the right person was difficult. In some instances it was felt that a person on a middle management level would have been better informed than the HoD.

The survey appeared to trigger some reluctance to share information and therefore did not provide the expected information. In addition, the response rate was disappointing, which might have been caused by lack of time and reluctance to share information.

The third source of information for the situational analysis was the 2001 Free State Government budget.

This overview of the LDO/IIDPs<sup>3</sup> and provincial budget analysis laid the basis for the formulation of the provincial priority areas.<sup>4</sup> This process implies that the formulation of priorities was based on out-dated and incomplete data, on budget allocations, departmental considerations, and a very first round of integrated planning on local government level. It also implies that the development planning was merely based on the *status quo* of development rather than on longer-term trends and a projected future situation.

### 3. Consultation with Provincial Departments

Participation in the consultative process was largely limited to internal Provincial Government participation, i.e. HoDs and other senior officials. Interviews with the consultants revealed that Departments did not always send the right person to attend meetings. HoDs themselves or the representatives of their departments were in some cases uninformed, which negatively affected the quality of inputs, according to some of the interviewees.

According to one of the consultants, “it should be kept in mind that the development of the plan was an attempt towards intra-governmental consolidation and to work out a system towards effective inter-governmental cooperation. It was not primarily intended to be a document with inputs from the non-governmental sector. Consultation with the private sector was not required.”

The findings of the situational analysis were presented to provincial officials in a two-day workshop. The workshop (coordinated by the Exco of the Premier’s office) was primarily intended as a first step to find a common direction. Data on demographics, socio-economic data, and departmental goals and objectives were presented. Summaries of business plans were delivered.

The consultation process within the Provincial Government was extensive. Internal consultation with the Departments took the form of face-to-face meetings with HoDs, three workshops, inter-departmental management meetings, and a survey.

Senior officials (sent by HoDs) attended the workshops. In addition, broad discussion were held with MECs and senior officials on the profiles of the Free State, as these profiles were developed by the consultants

On the face of it, officials generally perceived these consultative methods as appropriate. However, as was mentioned earlier, targeting well-informed officials to attend the workshops and meetings might be improved in future. In particular, it will be necessary to clarify what level of officials are needed at

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<sup>3</sup> Municipal Land Development Objectives and Integrated IDPs.

<sup>4</sup> These include: enhance economic development and job creation; providing and facilitating sustainable infrastructure; investing in the development of people, ensuring a safe and secure environment; good/ co-operative government; and sustainable use of resources and the environment.



different stages in the process. It will be necessary to distinguish between more operational, hands-on officials and more senior, policy-oriented officials.

#### **4. Strategic planning**

By the end of Jul 2001, the Departments had provided baseline information. The second and third workshop, respectively in phase 3 (in August 2001) and 4 (in September), aimed at refining the Departments' objectives and planning. The focus was on identifying the main developmental issues in the province. In the second of the three workshops, discussions were held with HoDs in order to determine the plans, budgets and overall strategic direction of the plan. In the third workshop, much more focused goals and implementation strategies were discussed.

The objectives and goals of local municipalities, Provincial Departments, and national strategies were tabled and discussed. It was intensively debated how the local, provincial and national strategies could be aligned.

Some problems were encountered in trying to align and integrate the different business plans into a provincial plan:

- The formats of different departmental plans and IDPs differed
- The plans showed gaps in terms of baseline information and integration of local LDO/ IIDPs
- This was complicated by the fact that the provincial and local planning cycles differ
- The lack of an integrated information system in the province slowed down the process. In some cases, data had to be requested from Pretoria.

#### **5. Consultation with municipalities and civil society**

Local municipalities passively made inputs through the incorporation by Provincial Government of LDO/IIDPS in defining the key development priorities.

In the last phase, "road shows" were held to highlight flagship projects and to "sell" the plan to local municipalities and civil society organisations. Attendance by the municipalities was satisfactory.<sup>5</sup> However, only a few civil society organisations attended the meetings.

The consultants found that the one-day workshop in each of the five districts did not produce the expected information, for several reasons. Firstly, the period of participation (one-day workshop) did not allow for an in-depth discussion, thorough thinking and noteworthy adjustments. Whereas the Provincial Government consultation consisted of three intensive workshops, consultation with the 25 municipalities of the Free State was packed in one encounter spread over five District meetings. It often took so much time to explain the objective of the meetings, that valuable discussion time was lost. As one consultant noted, at least two-days workshops are needed to enable the municipalities to absorb information and to really participate.

Secondly, the roadshows took place at a time when the IDPs were not available yet. The inputs that were made by local government were thus not informed by their development plans.

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<sup>5</sup> Unfortunately, no minutes were made of the consultative meetings. Attendance registers were kept of Departmental meetings, but not of the road shows.

Thirdly, because only one road show meeting was held in every district, there was no opportunity for local stakeholders to consult with their principals before commenting on the draft FSDP. There was no opportunity for municipal representatives to “caucus” with their Councils or other local structures.

Fourth, participation took place after the FSDP was already in well developed stage. Consequently, inputs were severely limited to comments on already formulated priorities and plans. There was a sense that the plan was a *fait accompli*, and that no significant changes could be introduced at this stage. The road shows with municipalities were much more of briefing exercises than the intended participatory-action-learning workshops.

Lastly, no follow-up meetings with the local authorities have taken place, whereas internally the FSDP was debated and fine-tuned over a number of follow-up meetings.

Nevertheless, some valuable inputs were received during these workshops, and did add to the FSDP. The inputs of the road shows were taken back to the planning team. Performance indicators were drawn up, and costing of projects was done in consultation with departments and consultants.

## **6. Consultation with the private sector**

Consultation with the private sector was the weakest part of the whole process. Consultation was very limited, since too little time was allocated to set up meetings and to receive inputs. The strategic planning process did not identify in what stage consultation with the private sector should have taken place. Neither did it define selection criteria for the selection of participants. The FSDP refers to key stakeholders, without providing a clear description of what “key” and “stakeholders” refer to.

With regard to consultation with the private sector, little can be said about the appropriateness of the method used, since it was not clear if entities were actually consulted. There was a schedule for interviews indicating which consultant should interview whom. However, according to the consultants too little time was available to actually conduct these interviews. It was impossible to find out from the consultants which entities and persons were interviewed. None of them remembered interviewing any of those listed. However, one entity on the list (Eskom) indicated that it had been consulted at the time of developing the FSDP.

## **7. The consultation process: Conclusions**

The FSDP was intended to be based on an in-depth consultation process. However, it was unclear what the function of such a consultative process actually was in the formulation of the FSDP. In this regard, several points can be made:

- At the inception of the planning exercise, no framework for consultative process had been developed. This left the Task Team with little time to plan and implement the intended consultative process.
- Provincial Departments as well as provincial and national policy documents were intensively consulted.
- Criteria for inclusion of non-state actors were not defined.
- Timing of inclusion of the private sector was poorly defined.
- The inclusion of active participation of local authorities was *ad hoc* and did not serve the purpose of informing the design of the FSDP from the start.
- Municipal participants had little experience with integrated planning and needed more time to absorb and comment on FSDP draft.

- Consultation of LDO/IIDPs was a passive way of local government participation, which prevented opportunities to redefine previously identified issues or to make open-ended proposals for future development.
- Consultation with the private sector and civil society organisations was minimal and *ad hoc*.

This overview shows that the consultation process was largely focused internally within the Provincial Government. The FSDP consultative process appeared to be aimed to co-ordinate government departments and bring departmental strategies together into an overarching plan. Government strategies informed the plan.

Efforts were made to inform local government and NGOs during road shows, but this did not allow for interactive learning or in-depth consultation. The uncertainty regarding the need to consult the private sector, suggests that its input was of lesser relevance.

#### **D. WHAT WILL BE THE FUNCTION OF THE NEXT FSDP?**

Before the adequacy of a consultation process can be assessed, clarity should be obtained about the purpose of an FSDP. Is it a development plan for the Free State Province as a whole, or is it a plan for the Free State government to guide its own development? Is it aimed primarily to strengthen bottom-up local initiatives, or is it to determine sectors of comparative economic advantage for the province as a whole? Is it aimed at distributing developmental benefits throughout the province, or is it aimed at identifying spatial corridors and nodes with specific developmental advantages?

Furthermore, a provincial plan has to make normative judgements about the integration of different levels of planning. What should inform development planning of the province and to what extent? What is the relative importance of national policies, provincial policies or local planning? How should these levels be integrated?

The following sections deal with these questions in more detail.

The 2001 FSDP process clearly prioritised intra-governmental co-ordination, at provincial level, with some reference to local developmental priorities. However, spatial and economic questions were not asked adequately. It was primarily a plan to improve government service delivery. Presumably, the next round of provincial-level planning will include a stronger focus on economic and spatial questions. It is with this hypothesis in mind, that some recommendations are proposed in this report.

It is generally agreed, by provincial stakeholders, that the provincial plan should provide a framework for local IDPs. It should address macro-questions which lie beyond local and district IDPs. It will have to be considered if and how the district and local IDPs inform the FSDP. It should not, for example, just be an amalgamation of the IDPs or a summary of the Departments' strategic plans. It should be unique in its goals and strategies, but the provincial and municipal levels of planning should nevertheless inform one another. The new plan, for example, will have to look at strategic, economic and spatial trends that transcend municipal IDPs.

At the same time, the recently formulated National Spatial Development Perspective (NSDP 2003), commissioned by the Policy Co-ordinating and Advisory Services in the Presidency, sets out demographic, economic and environmental trends as well as a set of normative principles to guide dialogue about government's spatial priorities.<sup>6</sup>

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<sup>6</sup> Spatial Guidelines for Infrastructure Investment and Development (SGID): National Spatial Development Perspective (NSDP). Policy Co-ordination and Advisory Services, The Presidency, March 2003.

How, then, can these different levels of planning be reconciled?

## 1. The National Spatial Development Perspective

The NSDP includes a mechanism aimed at aligning spatial choices around government spending across all spheres of government, by mapping development potential and formulating principles for targeting development and spending.

The NSDP forms an important national guiding strategy of spatial planning for development. In essence, it advocates a government focus on areas with development potential and urges local authorities in localities of low development potential to prove their comparative advantages for receiving support from other spheres of government.

This, obviously, has significant implications for the function of a provincial or local development plan.

Development potential is based on the following criteria (NSDP, 2003, p.18):

- Resource potential
- Natural resource potential: agricultural potential, environmental sensitivity and the availability of water
- Human resource potential: levels of skills and human density
- Infrastructure resource potential: existing and proposed road and rail infrastructure and the main electricity grid
- Human need: spread of poverty and the size of the poverty gap
- Existing economic activity: Gross Geographical Product (GDP)

Using these criteria, five types of spatial areas are defined (p.20):

- Resource potential is medium to high, human need medium to high and economic activity medium to high (including Kroonstad)
- Resource potential is medium to high, human need medium to high and economic activity low (Includes northern Free State)
- Resource potential is medium to high, human need low and economic activity medium to high (including Bloemfontein)
- Resource potential is low, human need medium to high and economic activity low (includes Central Free State, excluding Bloemfontein and Kroonstad)
- Resource potential is low, human need low and economic activity low (southern Free State, excluding Bloemfontein).

The NSDP (2003:22) proposes normative principles to be used as a guide by all spheres of government in order to achieve the objectives of national government (economic growth, employment creation, sustainable service delivery, poverty alleviation and the eradication of historic inequities):

1. Economic growth is a prerequisite for the achievement of other policy objectives
2. Government spending on fixed investment, beyond the obligation to provide basic services to all citizens, should therefore be focused on *localities of economic growth and/or economic potential* in order to attract private sector investment, stimulate sustainable economic activities and/or create long-term employment opportunities
3. Efforts to address past and current social inequalities should focus on *people not places*. In localities with low development potential, government spending, beyond basic services,

should focus on providing social transfers, human resource development and labour market intelligence. This will enable people to become more mobile and migrate, if they choose so, to localities that are more likely to provide sustainable employment or other economic opportunities

4. In order to overcome the spatial distortions of apartheid, future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or link the main growth centres. Infrastructure investment and development spending should primarily support localities that will become major growth nodes in South Africa and the Southern African Development Community region to create regional gateways to the global economy.

The report culminates in a national spatial development vision:<sup>7</sup>

“South Africa will become a nation in which investment in infrastructure and development programmes support government’s growth and development objectives:

- by focusing economic growth and employment creation in areas where this is most effective and sustainable
- by supporting restructuring where feasible to ensure greater competitiveness
- by fostering development on the basis of local potential
- by ensuring that development institutions are able to provide basic needs throughout the country.”

## **2. Implication of NSDP on development planning in the Free State**

In essence, the focus of government spending on infrastructure on areas with some potential for development will limit government’s investment in the Free State. Furthermore, in the Free State, the focus will be primarily on cities such as Bloemfontein, Kroonstad, Sasolburg and Harrismith, since government investment in infrastructure and development programmes should reinforce the dominant trends defining the present and future space economy.<sup>8</sup>

However, it is argued that the current interpretation of the available data (informing development potential) will need to be supplemented by more local area assessments of potential. This is a very significant provision, as it opens the way for a more nuanced spatial and developmental approach. In particular, the NSDP argued that, “the development of local authority IDPs will assist in identifying locality-specific comparative advantage in terms of the six categories of development potential”.<sup>9</sup>

Significantly, this might imply that a future FSDP should be informed by well researched and thoroughly designed local IDPs that provide specific information on potential areas for development in line with the categories for development potential. In a nutshell, the stark spatial hierarchy proposed by the NSDP can only be mitigated by initiatives from below, to identify local economic advantage. The onus is on local residents (by implication, municipalities), to argue their case for government expenditure to be allocated to their areas. Municipal IDPs will be more important than ever.

In this regard, a set of intergovernmental planning principles for alignment of national, provincial and local development planning are suggested by the NSDP. Relevant here are three of those principles:<sup>10</sup>

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<sup>7</sup> NSDP, p. 35-6.

<sup>8</sup> NSDP, p. 25. As the NSDP report argues: “The range of localities affected by this focus on development potential is broad enough to reach the majority of the population (68-81% of all households) and is reasonably diverse” (p. 21).

<sup>9</sup> NSDP, p. 16.

1. National government guidelines and principles should inform planning for all spheres of government
2. Each sphere has its own distinct development tasks and related planning tasks corresponding to the scale of operations and the area of jurisdiction
3. Integrated development planning by municipalities is a tool to integrate and co-ordinate implementation in terms of geographical space and time in that locality. They have *to inform, and be informed by* [emphasis added], the planning of other spheres of government, including sectoral/departmental planning of line agencies.

The current FSDP reveals that 94% of all the IIDPs and LDO in the province prioritised infrastructure.<sup>11</sup> In terms of the NSDP this focus poses serious challenges for provincial and local government in the Free State. There are several reasons for this.

Firstly, from a national perspective, infrastructure development is only recommended if the municipality has a comparative advantage for developing its infrastructure. At the same time, the province needs to find ways to reconcile bottom-up IDP-driven development priorities with national NSDP priorities, while the onus is on municipalities (especially the less resourced) to argue for their own development.

Secondly, the existing FSDP was developed while IDPs were still to be completed. The IIDPs and LDOs are generally regarded as “wish list” and focused largely on infrastructure, as a result of their strong dependency on engineering consultant services in writing the IDPs. Local authorities (and their consultants) have just started to grapple with mastering Integrated Development Planning. It is hoped that the latest round of IDP Reviews will have a less one-sided emphasis on infrastructure, and that this will enable the FSDP to focus on more multi-dimensional economic options.

Thirdly, the existing FSDP lacks an appropriate spatial framework, which limits the integration of projects in a spatial context. For example, Motheo District Municipality and Mangaung Local Municipality have both produced economic strategies independently of one another and have double-spent in the process. Two different consultants thus drew up two separate economic strategies. This type of situation indicates that Local and Municipal IDPs will need to be co-ordinated much more meaningfully in future.

The implications of the NSDP for the FSDP can be summarised as follows:

- Development planning needs to be strategically integrated, underpinned by an adequate spatial analysis of the province in terms of economic dynamics and spatial trends in human, natural and infrastructure resources.
- Provincial planning needs to be informed by municipal (district and local) IDPs, especially regarding those areas identified by the NSDP with low development potential.
- Municipalities need assistance in writing IDPs, which identify economic comparative advantages and focus on demand-driven development.
- Intersectoral and provincial-local collaboration and co-ordination need to be strongly promoted. The comparative advantages of specific areas and opportunities for sustainable

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<sup>10</sup> NSDP, p. 37.

<sup>11</sup> This is an underestimation since other categories mentioned also applied to infrastructure (see page 14 FSDP). The priority areas of the FSDP are: economic growth and job creation; safety and security; people development; infrastructure and housing; governance; and other.

development can only benefit if investment in infrastructure and development programmes is well co-ordinated ensuring cost-effectiveness and sustainability on the medium to longer term.

- In this context, the possibility of consolidated grants should be investigated. Increasingly, different grants are brought together in “basket” grants, which enables lower levels of government to make meaningful choices amongst developmental needs. However, such choices will need to be made after effective deliberation and consultation at each level. As decision-making is devolved to lower levels, the issue of consultation becomes ever more important at those levels.
- Related to the above, appropriate monitoring and evaluation mechanisms need to be developed by/for local government to inform themselves on social, economic and population trends and their relationship with development initiatives. This will empower municipalities to build and advocate their development potential.<sup>12</sup>

The critical question is then the following: How should consultation and participation take place at provincial (and municipal) levels, so that economic and spatial comparative advantages are recognised and promoted?

### **3. Potential spatial, economic and demographic aspects of the next FSDP**

The NSDP specifies the following Categories of Development Potential<sup>13</sup>

- Innovation and experimentation
- Production: high value, differentiated goods (not strongly dependent on labour costs)
- Production: labour intensive, mass-produced goods (more dependent on labour costs and / or natural resource exploitation)
- Public services and administration
- Retail and services
- Tourism

Except for Bloemfontein and Kroonstad, the NSDP points to little or no development potential in the Free State Province regarding the above categories.

However, a short random overview of recent local news items and websites suggests several potential developments in the Free State. These are the kinds of issues which will need to be included in the next FSDP, and which will require public participation.

#### *1. Manufacturing*

In 2002 an article in the *Enterprise*, elaborated on the declining mining industry in the Free State and the high level of HIV/Aids prevalence in the province and the consequent necessary concentration on new areas of economic growth. The declining of the agricultural sector and the economy in the Goldfields has raised the question on bringing in new industries; one of which is “bringing mineral

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<sup>12</sup> Community Based Planning in Mangaung and other municipalities is a step in the right direction. The pilot of a Community-Based Information System (CBIS) in the Free State town of Philippolis is also an interesting initiative in this regard. School children will conduct surveys on their own livelihoods, with the assistance of CBOs and the Free State University. This information will assist integrated development planning.

<sup>13</sup> NSDP, p. 5.

beneficiation into the area. The Free State is experiencing a boom in manufacturing in various sectors, as it moves away from being a commodity economy.”<sup>14</sup>

The Free State Provincial government has identified several competitive advantages in the manufacturing sector. The following sectors were identified for foreign direct investment procurement:<sup>15</sup>

- “Farm machinery and equipment: Opportunities exist for the manufacturing and assembly of tractors, harvesters and combines, with emphasis on investment in existing companies in the Free State through joint ventures or equity participation.
- Leather tanning and finishing: The Free State boasts extensive livestock farming. This industry exports wet salted hides to other provinces and overseas as raw materials. This opens the door of opportunity to establish more tanneries for processing hides into finished leather products for domestic and foreign markets. The development of automotive upholstery manufacturing should be considered now that a tanning industry has been established in the province
- Petrochemicals: There are many subsectors of manufacturing that will use the current production of chemical by-products (intermediate products) as raw materials. The focus should be on products that will use the existing chemical by-products as inputs to further process them into consumer (final) goods, which are currently being imported from other countries. The promotion of the downstream processing of solvents, waxes, olifins, tar products, inorganic chemicals and gases should be focused on. The leading South African company in terms of petrochemicals, Sasol Chemicals is located in Sasolburg (Northern Free State). "A New Dawn Strategy" has been announced by the company that also envisages the provision of infrastructure and other facilities for the downstream processing of a range of products currently produced by SASOL. The Chemcity project, with its 500 factories, is part of this strategy.
- Pharmaceuticals: The Free State province possesses a high quality human resource base and the necessary equipment backed by excellent research and development capacity. The opportunity to attract FDI into infrastructure and technical capabilities in the Free State is provided by clinical trails. This infrastructure include among others, buildings, laboratories, equipment, etc. The main focus is on projects that will take advantage of existing low-cost labor, laboratory facilities and technical expertise. The University of the Free State has excellent research facilities, such as FARMOVS that conducts clinical trails for almost all-major global companies.
- Gold jewellery: The Free State has rich deposits of gold, diamonds, precious and semi-precious stones. SA Gems & Crafts is one of the largest tumbling and polishing factories of gemstones. Although jewellery production in the Free State does not currently enjoy prominence, it has the potential to develop to a very lucrative industry with plans to develop an industry focus on niche export markets for upmarket jewellery.
- Textiles: In December 2002, a textile manufacturing factory was established in Harrismith. The project was expected to be completed by June 2003 when production could begin. Initially, 1000 workers would be employed, but this figure would be increased to 2025 by 2004. The Free State Development Corporation (FDC) funds the project.<sup>16</sup> The FDC aim is to

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<sup>14</sup> Enterprise (2002) “Belot is turning Free State into a manufacturing hub”, 30.11.2002: 54.

<sup>15</sup> <http://www.fs.gov.za/Departments/FINANCE/economic/oppertunities/oppertunities.htm>

<sup>16</sup> Scholtz, L. (2002) “Harrismith kry groot inspuiting”. Die Volksblad, 02.12.2002: 1.



contributing to sustainable development in the province and its main focus centres on SMMEs, “finance and business support, industrial development, regional economic development policy formulation, financial sustainability and high quality consumer and client services.”<sup>17</sup>

Exports are growing in sectors such as gold jewellery manufacturing, agro-industry, chemicals downstreaming, etc. The Bhagwanji Group from Dubai has opened their jewellery-manufacturing factory in January 2002, representing a total investment of R67 million and a substantial number of new job opportunities. Another company, Royal South African Manufacturers (RSAM), which is a joint venture between Canadian & USA partners, is located in the Jewellery Hub.

In 1998 a strategic plan, known as the Majic business plan, was developed to stimulate the manufacturing sector in the Free State. The plan was developed by the Free State Technikon on invitation of the Department for trade and industry and includes the development of a manufacturing expo-centre at the technikon. The centre focuses on the stimulation of local industries by providing highly educated technical personnel for the industrial sector and to provide breeding ground for new factories that will be owned and managed by students who have completed their studies.<sup>18</sup>

Manguang Local Municipality is in the process of establishing a Business Development Services Centre (BDSC). The centre aims to improve co-ordination between the various SMME service providers and stakeholders. Feedback from SMME’s and service providers revealed that one of the most serious barriers to the delivery of effective support to small businesses has been the lack of both a local and provincial SMME strategy.<sup>19</sup>

## *2. Horticulture and floriculture*

The Floriculture industry in the Free State has a high-value export potential and is therefore considered viable. The cut flower producers in our province are few in number and small in size, but they are collectively exporting more than 1.2 million cut flowers per annum. The Free State has good soil conditions and excellent temperatures that are extremely important for this sector. The scope for expansion in this industry is significant.

## *3. Tourism*

Tourism and SMME promotion form another sector the Province focuses on. It is active in training of guide assessors and guides and developed tourism. The stimulation of SMMEs is part of an integrated strategy to take the Free State economy onto a higher road - one in which the economy is diversified and manufacturing & service orientated.

According to the Finance Department: “Tourism is a multifaceted industry that stimulates the development of infrastructure such as roads, railways, air travel and public transport as well as accommodation and services. Accordingly, tourism encourages economic activity through various forward & backward linkages. Furthermore, tourism presents communities, SMMEs and the informal sector with opportunities for entrepreneurship.”

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<sup>17</sup> The Star (1997) “Dawning of a new economic era”, 01.08.1997: 10.

<sup>18</sup> Moret, J. (1998) “Technikon VS het sakeplan opgestel”. Die Volksblad, 23.02.1998: 4.

<sup>19</sup> Profiling the need for a Business Development Service Centre in manguang Local Municipality, Free State Business Bulletin, 1-16 August 2003, p 6/7.

Tourism targets inter alia the development of underground mining tourism in the goldfields, Gariep Dam, Golden Gate Highlands National Park, emerging tourism in Clarens, and the upgrading of former Aventura Resorts.<sup>20</sup> Welcome news to an otherwise economically depressed area is the R60 million private game lodge development between Smithfield and Bethulie.<sup>21</sup>

Tourism also creates opportunities for diversification. Along the main road links between Bethlehem, Kestell, Qwa-Qwa and Harrismith, various forms of commercial and other development are to be supported. There are a number of border posts along the common boundary with Lesotho, namely at Ladybrand, Ficksburg, Fouriesburg and three in the Qwa-Qwa area, with those most often used by tourists those between Ladybrand, Ficksburg and Fouriesburg.<sup>22</sup>

Especially during the past few years, Clarens has blossomed out into a tourist destination par excellence and developed a regional economy of its own. One result is that the price of real estate in and around Clarens has shot up, while the current market value of residential property at Clarens is the highest in the entire Free State.<sup>23</sup>

These tourism and SMME foci are supported by investment and trade promotion and research. According to the Province, “the Free State Province is the first province in the country, which introduced an 'Export Award' presented by the Premier to encourage our businesses to become globally competitive. Mr. Alec Erwin, National Minister of Trade & Industry has also highlighted that the Free State has taken the lead in the country. During 2001, 25 applications were received for the Premier's Award for Export Excellence.”<sup>24</sup>

#### *4. Agro-processing*

The Province is working to establish the Eastern Free State as South Africa's Agro-processing Hub. This is done through exposing commercial and emerging farmers to opportunities for value-adding to traditional agriculture products, e.g. fruit juices, canned fruit and vegetables, new crops such as herbs, and essential oils.

In 2002, the provincial Department of Economic Affairs initiated a meeting to discuss the development of organic agriculture. Many of the local farmers under-utilise the fast-growing export market for organic agricultural products due to a lack of information and the costs of certification. This initiative was one of the first of its kind, hosted by a provincial department.<sup>25</sup>

Another example is the the Matjhabeng Paprika project, which has recently been launched at Welkom. This started with a 30 week training course for 24 youth from disadvantaged backgrounds, who obtained learnerships through PAETA. Backed by funding of R1 million, the students are to be contracted by the Free State Goldfields Development Centre to produce paprika to be sold to El Clarin at world market related prices. It is envisaged that the completion of the project would produce 50 - 80 independent farmers (owners) and that 600 - 800 workers would benefit when the project is fully functional.<sup>26</sup>

The government and commercial farmers are working with emerging farmers from previously disadvantaged sections of the population. Maize, wheat and sunflower are some of the largest crops,

<sup>20</sup> <http://www.bulletinonline.co.za/archives/leading/17August12003.htm>

<sup>21</sup> <http://www.fs.gov.za/>

<sup>22</sup> <http://www.bulletinonline.co.za/archives/specfeat/febfeat03.htm>

<sup>23</sup> <http://www.bulletinonline.co.za/archives/specfeat/febfeat03.htm>

<sup>24</sup> <http://www.fs.gov.za/Departments/FINANCE/economic/oppertunities/oppertunities.htm>

<sup>25</sup> Pretorius, L. (2002) “Organiese verbouing bied baie geleentede”. Die Volksblad, 28.06.2002: 11.

<sup>26</sup> <http://www.bulletinonline.co.za/archives/buspoint/sept103.htm>

while the region is exceptionally strong in cattle and sheep stocks. Agro-processing offers tremendous potential and business opportunities.<sup>27</sup>

### 5. Revival of mining

In February 2003 it was reported that the economically depressed Free State Goldfields is to receive a considerable boost as a result of the purchase of seven “obsolete” gold mines for R2,4 billion in a 50-50 joint venture between South Africa's third-largest gold company. The mines in question were being left for dead and buried and with them would have been 4 500 jobs, the number of people Free Gold now employs.<sup>28</sup>

The largest sectors in the Free State used to be mining and agriculture. Both see a downward trend in production. However some positive development are worth noting. Business Report of 31 January 2002 reports that Canada's Thistle Mining has confirmed that it had agreed to buy five Free State mines from junior miner President Steyn Gold Mines for C \$ 50.85 million in cash.<sup>29</sup>

### 6. Roads

Infrastructure, especially roads, is a sine qua none for the promotion of trade and investment. In 2001, the Provincial Government declared that it would be spending more than R 700 million in the next 3 years on repairs to Free State roads in an attempt to redress the province's backlog in roads construction.<sup>30</sup> Recently, the department of Public Works Roads and Transport launched the completion of the Thabong Bypass, in Welkom on 18 September 2003. The Thabong Bypass road between the Welkom – Virginia road and the Welkom – Kroonstad road, is forming part of the road section from Kroonstad to Bloemfontein, via the Free State Goldfields.<sup>31</sup>

## E. IDENTIFICATION OF SPATIAL COMPARATIVE ADVANTAGE

In line with the pledge by the SA Government to take government to the people in order to enhance service delivery and to promote progress, the Department of Tourism, Environmental and Economic Affairs of the Free State Provincial Government has in February 2003 established regional offices in the five regions of the province.<sup>32</sup> The five regional offices are at:

- Phuthaditjhaba for the Thabo Mofutsanyana district (eastern region)
- Welkom for the Lejweputswa district (Goldfields region)
- Trompsburg for the Xhariep district (southern region)
- Sasolburg for the Northern Free State district (northern region)
- Bloemfontein for the Motheo district (central region)

This means that the Department will be much better placed to provide support to municipalities and other local actors, to determine possible sectors of economic advantage.

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<sup>27</sup> <http://www.bulletinonline.co.za/archives/specfeat/febfeat03.htm>

<sup>28</sup> <http://www.bulletinonline.co.za/archives/buspoint/feb03.htm>

<sup>29</sup> <http://www.infoexport.gc.ca/ie-en/DisplayDocument.jsp?did=8581>

<sup>30</sup> De Klerk, N. (2001) “Plan van miljoene om agterstand in Vrystaat se padbouprogram uit te wis”. *Volksblad*, 05.09.2001: 1.

<sup>31</sup> <http://www.freetrans.gov.za/newsrelease.asp?id=9>

<sup>32</sup> <http://www.bulletinonline.co.za/archives/specfeat/marchfeat03.htm>

For example, in the Thabo Mafutsanyane region, there are significant economic advantages. Some of the best industrial premises in the country -totalling some 300 000m under roof - are located at Phuthaditjhaba and at Tshiame near Harrismith. Under the auspices of the FDC, these are made available together with highly competitive incentives and joint venture options.<sup>33</sup> Other strong features are:

- Abundant supply of water, inter alia vicinity of Sterkfontein Dam, SA's third largest dam.
- Well-situated for export via shipping, road and rail.
- A captured regional market.
- A generally lower cost base, which in turn impacts on investment and operating cost.
- A huge labour pool, with a record of productivity, stability and pragmatism.
- Three large established industrial areas.
- A current over-supply of commercial and industrial premises of varying sizes.
- Top-quality, multi-faced supporting infrastructure.
- Opportunities for backward or forward integration with existing industries.
- Excellent quality of life.
- A culture of success. A huge number of success exporters are in evidence.

The Department of Economic Affairs has provided business support in the Thabo Mafutsanyana region: "Various meetings with business people in the Free State had taken place during the past year so as to determine current economic activities as well as to identify possible problems well in advance. In most cases, the directorate could intervene, especially to prevent business close-downs e.g. Soft Toy Factory in Qwaqwa, furniture factory in Harrismith, etc."<sup>34</sup>

## **F. PROPOSED CONSULTATION PROCESS IN THE NEXT ROUND OF FSDP**

Given the need for provincial planning to draw on local initiatives, how should consultation then be undertaken?

There are two key arguments:

- (1) Planning should not be a once-off event: Planning, policy design, programme design, implementation, and monitoring and evaluation should be linked in a continual cycle of improvement and refinement of policies and programmes
- (2) Consultation and participation should be an intrinsic part of every step of the policy and implementation cycle.

For example, the Free State province is currently developing an information system that will enable better alignment of departmental planning, monitoring and evaluation,<sup>35</sup> as well as an integrated information system for monitoring IDPs. An effective M&E system offers huge opportunities for participation. A network of non-state stakeholders should be created, who are provided with opportunities to give information on government performance on a continuous basis, on various aspects of policies and programmes. When a revised FSDP is written, the compilers will already have access to in-depth longitudinal information about the implementation of various programmes.

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<sup>33</sup> <http://www.bulletinonline.co.za/archives/specfeat/febfeat03.htm>

<sup>34</sup> <http://www.fs.gov.za/Departments/FINANCE/economic/oppertunities/oppertunities.htm>

<sup>35</sup> Draft FSDP Monitoring and Evaluation System Normative Framework and Functional Design Specification. The Presidency, August 2002. Draft 4.

Furthermore, the compilers will know who the important stakeholders are, and what their views on government policies and programmes are. Consultation will not have to be started *de novo*; rather, consultation will be built on a strong foundation of networks and relationships.

The next round of the Free State Development Plan will take place in an environment that is better organised and more experienced than was the case in the last round. An integrated information system is being developed by the Provincial Government, which enables one to better relate and link IDPs of municipalities and to conduct spatial analysis, and which assists in monitoring and evaluation of projects in the Free State. Departments have gained experience in co-operation and co-ordination, and the PEAC had been established. In the course of the past year, national strategies have been developed and approaches to developments have crystallised.

To fully optimise these improvements, a framework for consultation should be developed, which recognises the importance of horizontal and vertical integration of planning and policies, detailed spatial information on development, co-operation and support in implementation and monitoring, and effective consultation of relevant stakeholders.

It is assumed here that the consultation process should lay the **basis for participation by various stakeholders in the planning and implementation and M&E of projects / programmes**. This would be best served by consultation that informs the strategic planning and implementation process in an ongoing and inclusive way.

## 1. Process

An ongoing, inclusive and efficient consultation process is preferable over a once-off consultation session. It entails a continuous flow of information and communication among all stakeholders. This is important since it allows for:

- Assessment of the appropriateness and continued relevance of the strategies and programme proposals
- Identification of new issues (or issues which were previously omitted), which could be taken into future editions of the FSDP
- Identification of new actors and stakeholders, or new segments of the Free State community, who need to be consulted
- Identification of new methodologies of consultation, which are appropriate to different stakeholders or segments of the community
- Critical reflection on the progress regarding goals and targets identified in the FSDP.

*Inclusiveness* refers to proper identification and mobilisation of all relevant stakeholders to partake in the planning, implementation and review processes. These would include the following sectors:

- Business and organised business
- Informal emergent business
- NGOs/CBOs
- Local government
- National public entities in the province
- National government business enterprises in the province
- Provincial and national departments

*Efficiency* refers to a well-managed, organised and resourced structure for consultation. Responsibilities of participants, facilitators, and a possible coordinating role of the Premier's Office should be clearly formulated.

Institutional arrangements for consultation and participation need to be established. This might be in the form of a Consultation Coordination Task Team or Unit within the Provincial Government. At district level, PIMSS centres can be utilised to co-ordinate consultation and participation by local government, business and NGOs. This would imply that the relationships between PIMSS Centres and the Provincial Government's Planning Department should be consolidated.

In addition, the need for and access to financial, human and other resources (including base-line socio-economic, demographic and geospatial information and information systems) in the consultation process need to be assessed in order to budget for the consultation process and to allocate adequate resources.

The crucial point is that consultation must be built into all aspects of the policy cycle. It should not be a sudden event just before a new plan is written.

For this to happen, all Departments should be encouraged and assisted to develop an ongoing consultation strategy. Each Department should identify stakeholders at all levels, for all programmes. It is likely that every programme will need to designate one official to keep contact with stakeholders on a continuous basis, e.g. by means of questionnaires, focus groups, or client surveys.

The advantage of this approach is that the Free State Government will evolve its programmes alongside the activities and initiatives of other stakeholders. There should be a system of "no surprises", whereby Government and civil society are continuously evolving an ever-closer relationship of mutual information-sharing.

## **2. Creating a system of consultation**

Unlike the previous FSDP, which managed the consultation process as a rapid, once-off event, the next FSDP should be built on a system of ongoing consultation.

Creating such a system will require some effort. Three phases of consultation can be distinguished, which vary in stakeholders to be included and degree of consultation.

*Phase 1* entails the development of a consultation framework. This is foremost the responsibility of the provincial government, which typically involves the Premier's Office, HoDs, programme managers, and if necessary, consultants.

*Phase 2* evolves around the consolidation of participation in planning, implementation and review (monitoring and evaluation). Firstly, this would entail the identification of relevant stakeholders at various levels. The next step would be to mobilise relevant stakeholders. Lastly, partnerships in the consultation process should be formalised and consolidated. A primary actor in this would be a Consultation Coordination Unit. The Unit would continuously identify new stakeholders, and would inform different departments of new stakeholders who they may not have had dealings with in the past.

*Phase 3* focuses on the operationalisation of consultation, as is defined in phase 2. The Unit needs to evolve a variety of techniques (which will have different financial implications). The Unit should also assist different provincial departments in refining their consultation techniques.

*Phase 4* entails a review of the consultation process. A representative selection of stakeholders and an external facilitator could be involved.

### **3. Levels of consultation**

Three levels of consultation can be distinguished:

- provincial, local and national government;
- the formal (semi-)private sector;
- and the emergent informal sector, as well as NGOs and CBOs.

Within each of these levels a framework should address current dynamics, policies and praxis and main issues and preferences. The spatial dimensions of these need to be addressed as well.

It is envisaged that the following phases would be driven by the proposed Consultation Unit:

#### *1. Current dynamics, policies, programmes and preferences: A situational analysis*

Consultation at government level would typically start with a situational analysis of the legislative framework, vision and mission, programmes, progress and budgets per provincial department. This would be partly a desktop study of relevant documentation, but also qualitative and quantitative studies of strategies, perceived progress, impact, obstacles and opportunities.

The situational analysis aims to provide a comprehensive overview of:

- Policies, strategies, inputs, outputs, and outcomes
- Intergovernmental relations and organisational structures
- Development trends and crosscutting issues
- Spatial occurrence/impact/relevance of development trends and issues and involvement of provincial and local government.

First of all, consultation would involve in-depth interviews, focus groups within and across provincial departments with senior knowledgeable people within departments. Formal and informal inter- and intra-departmental coordination and cooperation would be an important component of the situational analysis.

Secondly, through studies of policies, programs, proposal and in-depth interviews / focus groups, the situational analysis should extract prominent issues and trends within departments, but also that transcend departments' boundaries. For example, (un)employment, urbanisation, HIV/AIDS, environment, or transport-related issues affect several departments. In order to grasp the types and degree of involvement and preferences of departments regarding such issues, both a sectoral and an issue-based analysis are essential.

Thirdly, a spatial analysis of provincial projects and local issues is needed in order to link provincial strategies, programs and projects to local IDPs and stakeholders. This would require a comprehensive study of municipal IDPs and a spatial overview of provincial and local projects, budgets, progress and impact.

In addition, a thorough analysis of the formal private sector and national public and business enterprises would substantiate the analysis of development activity and potential. This should follow

the same format as with the departmental analysis, i.e. by sector, issue and locality. In the same vein community/CBOs/emergent informal should be included in the situational analysis.

Consultation with these semi- or non-state sectors could be both “demand-driven” as well as “supply-driven.” “Supply-driven consultation” would mean that the province approaches the sectors to provide inputs. “Demand driven consultation” would entail that private organisations approach the province with enquiries or inputs into development planning. A Telephonic Help Desk at the province would be a possible mechanism to promote a demand-driven approach.

## *2. Strategic and implementation planning*

The situational analysis provides the basis for strategic and implementation planning. Typically such a planning process at government level would entail the following components.

Strategic direction:

- SWOT analysis (based on a presentation and discussion of situational analysis)
- Long term development vision (development vision of the provincial government and possibly its partners in development)
- Priorities and objectives (including development of indicators)
- Alignment of departmental strategies
- Integration of levels
- Resource allocation (who is doing what with what resources)

Implementation strategy:

- Cluster plans
- Framework for departmental strategic plans
- Develop implementation process with budget framework

The depth of the substantive content and strategy will have to be considered in the new FSDP. This partly determines the need for inclusion in the various phases. Ideally, all the relevant sectors would be involved in each of these steps. Participation from the start would enhance the understanding, interest and commitment of stakeholders in the FSDP. However, in practice one can involve the private and civil sector in order to find out to what extent it would like to become involved once the province knows what the plan should achieve.

The question also remains of “who implements?” Should this function be ascribed to the province, the departments or local government? This will depend on the force of the argument within the plan and how much detail will be put into it. It remains more difficult to steer local government into a certain direction than to do so with provincial departments.

## *3. Implementation: M&E*

As argued above, the consultation process should transcend the planning phase. A continuous process of consultation could be designed around participatory Monitoring and Evaluation during implementation during implementation of projects.

In this context it is relevant that the Premier’s Office is developing a Monitoring and Evaluation System. This system aims to assist in the alignment between the FSDP and departmental strategic plans and budgets through standardising formats and definitions across departments, minimising overall reporting functions of departments and integration of the FSDP into departmental Strategic Plans.



It was proposed to establish a Free State Provincial Government Strategic Planning Cycle Framework and Monitoring Committee. This Committee would provide valuable opportunities for ongoing consultation with stakeholders. The Committee would focus on the following:<sup>36</sup>

- Provide, implement and manage an Integrated Provincial Planning Cycle Framework
- To gain acceptance of the new framework and departmental strategic plan formats throughout the organisation
- To play a monitoring role, to raise concerns and investigate issues pertaining to this area.
- To drive and implement recommendations and solutions identified
- To oversee the coordination of monitoring and reporting activities in terms of the FSDP and departmental strategic plans.

It was envisaged that the Committee would include the DG or his designate, and include the Head of Department of Treasury as well as the Director Strategic planning and Policy Coordination as members, together with staff members responsible for strategic planning and monitoring in each department. Other role players that to be considered for in this committee included: provincial Departments with their CFO's and their strategic planning components; municipalities (IDP managers); and critical service providers (e.g. Telkom).

Currently a provincial steering committee for monitoring and evaluation drives the development of the Monitoring and Evaluation System. This committee includes the DG, a representative from the Integrated Provincial Support Programme, a private Consultant and the Department of Local Government and Housing.

Furthermore, the proposed Provincial Planning Cycle Framework would be supported by a Proposed Monitoring Framework. This comprises the M&E system (i.e. data-base), which includes a provincial projects register and contains a web site to access the system. The Monitoring Framework as outlined in the draft proposal does not refer to inclusion of non-state actors in streamlining, gathering, updating, or sharing of relevant information. It primarily focuses on data from provincial departments and local government.

When the Free State Provincial Government Strategic Planning Cycle Framework and Monitoring Committee is established, a Consultation Coordination Unit could be one of its key members. This would mean that the clients, beneficiaries and other stakeholders of the province are given the opportunity to help determine the criteria (KPIs) by which government programmes should be monitored and evaluated.

However, active participation of other relevant stakeholders could significantly benefit both the planning and implementation processes. A few potential advantages of involving local non-state stakeholders could be to:

- Capacitate / assist government as well as to build capacity among non-state agents
- Promote transparency and accountability
- Enhance access to up-to-date information among all stakeholders
- Increase understanding of strategies and implications among all stakeholders
- Promote commitment among all relevant actors
- Promote coordination of activities
- Increase the cost effectiveness of projects (less duplication, cooperation etc.)

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<sup>36</sup> Draft FSDP Monitoring and Evaluation System Normative Framework and Functional Design Specification. The Presidency, August 2002. Draft 4.

## **CONCLUSION**

The drafting of the FSDP in 2001 was a valuable consolidation experience for the Free State Government. It brought the various Departments together in a much more unified developmental approach. Furthermore, it provided learning opportunities for integrated planning at a high level.

The level of public participation in the 2001 experience was not optimal. This was not surprising, since it was the Free State's first real experience of intersectoral provincial planning.

In future, public consultation should take place in a much more thorough, sustained and continuous way. Consultation is not simply an "add-on" or a "nice-to-have" or part of "public relations". Rather, it is an indispensable part of planning, implementation, monitoring and evaluation. The networks created through the participatory process will provide information and normative insights which will make a huge contribution to future planning processes.

In a post-modern environment, where institutional boundaries are porous and development transcends sectoral silo's, consultation is the lifeblood of government. It also needs to be costed appropriately, and the benefits will far outweigh the costs.

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## Appendix A

### Interviewees:

Spatial Solutions Inc. Erika Jacobs  
Khanya Managing Rural Change: Ian Goldman  
Fairchild-McMorran: Gustav Day:  
Urban Dynamics: Jong Elers  
Loubser Slabbert and Brink: Henk Wolmaran

### Senior managers / directors private sector

Communal Information Technology Centre (Welkom): Mr Lenong  
National African Farmers Union: Mr Mantsiane  
Free State Development Corporation: Max Makhubela  
ESKOM: Mr Osten

### Provincial Government:

Office of Premier: Albie van Rensburg  
Department of Local Government and Housing: Eddie Scott  
Department of Tourism, Environmental & Economic Affairs: Chris Oelofse

### List of organizations / people approached / visited without success:

FS Goldfields Chamber of Commerce  
Chamber of Industries  
Chamber of mines  
Telkom  
Agriculture (Bethlehem)  
Pharmaceutical - Aspen and Glaxo  
Transwerk  
SAA  
ASTRA  
Ntsika  
Landbank  
Department of Health  
DDG Office of the Premier