In a letter dated 29 May 2008 to the Secretary-General, Mr. Frank Chikane, Director General, The Presidency, Republic of South Africa, formally requested that South Africa be invited to participate as a regular observer in the Territorial Development Policy Committee (TDPC). Consequently, the TDPC is requested to examine this request, in accordance with the OECD Council policy and in agreement with the global relations strategy of TDPC [GOV/TDPC(2004)6].

This draft technical opinion on South Africa's participation as a regular observer to the TDPC and its subsidiary bodies is submitted for DISCUSSION and APPROVAL to delegates at the Committee's 20th Session on 3-4 December 2008.

For further information, please contact Suzanne Leprince, TDP Committee Secretary.
Tel.: + 33 (0) 1 45 24 81 72; Email: suzanne-nicola.leprince@oecd.org
SOUTH AFRICA: DRAFT TECHNICAL OPINION ON THE PARTICIPATION AS AN OBSERVER IN THE TERRITORIAL DEVELOPMENT POLICY COMMITTEE

1. In a letter dated 29 May 2008 (see Annex II) to the Secretary-General, Mr. Frank Chikane, Director General, The Presidency, Republic of South Africa, formally requested that South Africa be invited to participate as a regular observer in the Territorial Development Policy Committee (TDPC). Consequently, the TDPC is requested to examine this request, in accordance with the OECD Council policy and in agreement with the global relations strategy of TDPC [GOV/TDPC(2004)6].

2. The template in Annex I presents a draft technical opinion of the Committee’s consideration.

Committee action

3. The Committee is invited to:

   i) Assess the interest of inviting South Africa as a regular observer according to the criteria set out in the ERC template and its own policy orientations;

   ii) Decide on its recommendation to the Council concerning South Africa’s eventual observership in TDPC;

   iii) Depending on point ii), decide on the duration of observership and its extension to TDPC subsidiary bodies.
## ANNEX 1

### COMMITTEE RECOMMENDATION ON INVITATIONS TO NON MEMBERS FOR PARTICIPATION

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<td>“a) whether non-Member participation would facilitate appreciably the achievement of the mandate and the programme of work of the subsidiary body concerned;”</td>
<td>Along the lines of the 2007-8 PWB and continued relevance of global relations in the 2009-2010 POW, the request from South Africa fits well with the growing relevance of TDPC work for Enhanced Engagement countries. TDPC has made work with non-members a higher priority. The recent review of the Cape Town region of South Africa showed that many of the challenges faced by that country are shared by OECD members, notably the focus on supporting innovation hubs, balancing public investment for economic growth objectives with addressing social concerns, and creating more functional governance structures for expanding regions. The review also highlighted innovative policy responses in South Africa that were seen as highly interesting by delegates.</td>
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<td>“b) whether and in what ways association of non-Members with its work would be of benefit to the Organisation including in fulfilling its mandate of contributing to the development of non-Members;”</td>
<td>South Africa has developed close and consistent relations with OECD and its members. South Africa is currently engaged in developing and implementing a regional policy agenda to address the wide regional disparities in economic and social well-being, the spatial polarisation in cities and the challenges of migration. The position that the government is adopting vis-à-vis regional issues converges in many ways with the results and recommendations of TDPC and the Committee’s experience could support the government in its efforts. In view of the growing interest to analyse regional development issues in non-member countries, the case of South Africa is particularly relevant.</td>
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<td>“c) whether economic growth and/or the welfare of Members, considered on a national, regional or global basis within the substantive area covered by the subsidiary body concerned are influenced to a significant degree by the policy orientations of non-Members;”</td>
<td>South Africa is an important trading partner for a number of OECD countries. South Africa also plays a key role in the overall political and economic stability of the whole region. As such, South Africa’s growth has both direct and indirect importance for the welfare of member countries.</td>
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“d) in relation to the substantive area covered by the mandate of the subsidiary body concerned, the degree to which non-Members’ institutional and policy know-how contributes significantly to OECD peer learning/influencing and rule-making processes;”

South Africa has an innovative and dynamic policymaking environment and as such would be able to not only learn from OECD experiences but also contribute to broadening the range of experiences of the OECD members as well. For instance, the Presidency’s National Spatial Development Perspective (NSDP) provides a set of principles and mechanisms for guiding public infrastructure investment and development decisions to ensure social and economic inclusion and sustainable development. These principal mechanisms could provide a significant source of information and will be helpful to Member countries. It also provides guidance on processes and mechanisms to strengthen strategic coordination, interaction and alignment at regional level. Moreover, a policy review process has been initiated to review the allocation of responsibilities among the different spheres of government, and this is a crucial area of interest for TDPC in view of the work of the Fiscal network across level of governments, joint CTPA, ECO, GOV activity, to which the TDPC contributes.

“e) the appropriate number of non-Member participants, focusing both on the non-Members and the time period of the invitations in light of the requirements of the mandate of the subsidiary body concerned, its programme of work and its methods of work;”

TDPC has two current Observers – Morocco and Chile. Activities with non-member countries, such as reviews, observerships, regional initiatives, Global Fora and other events, etc., are increasingly a priority for OECD work. Particular attention will be given to the five accession countries (Chile, Estonia, Israel, Russia, Slovenia) and five enhanced engagement countries (Brazil, China, India, Indonesia, South Africa). In this light, the participation of Morocco and Chile is very relevant to TDPC. Given the nature of the policy concerns in non-member countries, regional disparities are particularly important. Therefore, it is considered that future participation in the Committee would be an advantage for South Africa and the other countries concerned by Enhanced Engagement and Accession. The two-year observer framework allows the TDPC to revisit both South Africa’s individual observership as well as the full range of its observers over time, and to modify if necessary to respond to changing priorities.
| “f) the consequences that non-Members’ participation might have on the working methods, programme of work and Secretariat resources devoted to the subsidiary body concerned;” | Discussions with South Africa suggest that South Africa would be an active participant in the Committee, but any work specifically focusing on the country would be undertaken on the basis of voluntary contributions. As a first step, the OECD produced an OECD review of Cape Town and is currently discussing with the government of South Africa for a Territorial Review of Johannesburg and a rural policy review to take place in 2009-2010 funded by the South African authorities. |
| “g) in the case of full participants, the non-Member has been found to be willing and able to commit to the relevant OECD acquis, as appropriate;” | Not applicable |
| “h) a consideration of the full range of vehicles to engage non-Members in the work of the Organisation and the subsidiary body concerned, as well as the limits and forms of the participation of non-Members which appear desirable and most useful, to maximise the benefits and reduce any disadvantages.” | South Africa values the work of OECD and TDPC highly as demonstrated by the ongoing collaboration process (e.g. OECD Territorial Review of the metropolitan region of Cape Town published in 2008, ongoing discussions for a metropolitan review in Johannesburg and a rural policy review). TDPC’s Strategy assumes different types of engagement, ranging from close bilateral relations (such as Observer status) to participation by the non-member country in multi-country regional programmes or ad hoc participation on specific issues. With respect to South Africa, a close bilateral engagement would seem most suitable. South Africa’s interest in TDPC work spans the range of issues (competitiveness, governance, urban and rural issues) and as such a more comprehensive Observer status appears more appropriate than limited topic by topic engagement. |

**Any other comments / relevant information:**

**Overall assessment and recommendation of the Committee:**

Given its Outreach Strategy, TDPC recommends that the Secretary General and the Council invite South Africa to be an Observer to the Territorial Development Policy Committee and its subsidiary bodies.

**Recommended date of expiration of the invitation:** The observership would be limited to the standard invitation period of two years, until 31 December 2010 (renewable).
ANNEX 2
SOUTH AFRICA: LETTER OF REQUEST FOR OBSERVERSHIP STATUS IN THE TERRITORIAL DEVELOPMENT POLICY COMMITTEE AND ITS SUBSIDIARY BODIES

08 May 29 12:11p The Presidency 012-300-5764 p.1

THE PRESIDENCY: REPUBLIC OF SOUTH AFRICA
Private Bag X1005, Pretoria, 0001

29 May 2008
Mr Angel Gurria
OECD Secretary General
Dear Sir

OBSERVERSHIP STATUS ON THE OECD TERRITORIAL DEVELOPMENT POLICY COMMITTEE AND SUBSIDIARY BODIES

Prompted by the stark social and economic dualism and unevenness of the national space economy, the South African government has made it one of its main objectives to ensure that development policies achieve better spatial outcomes. Two main processes have shaped South Africa’s space economy. At one level the space economy is a product of historical patterns of growth and pre-existing geographical differences such as natural, locational and community endowments. However, and significantly, South Africa’s spatial configuration is also the product of apartheid spatial planning which appropriated land, wealth & opportunities for the benefit of a white minority to the detriment of black majority.

On the basis of the particular history of South Africa’s uneven spatial development pattern, the government adopted the National Spatial Development Perspective (NSDP) as an overarching principle based framework to contribute to government’s broader growth and development objectives and to address the massive spatial disparities plaguing the country.

Fundamental to the thinking of the NSDP is the recognition of sub-national regions as the critical foundations of development processes. To this end government has adopted a sub-national approach (decentralized regional development approach) to tackling poverty and promoting growth. In particular district and metropolitan municipalities together with provincial governments have been designated as the pivotal sites for facilitating coordinated planning and action drawing together state and non-state actors in a process of joint decision-making and collaborative action.
We believe that interaction with the Territorial Development Policy Committee will enable us to benefit from international experiences on regional development and cutting edge methodologies to analyse regional performance and diagnose the dynamics of poverty and competitive advantage.

It is with this in mind that we request observership status in the Territorial Development Policy Committee and its subsidiary bodies.

For further information please contact Mr Hassen Mohamed: Chief Policy Analyst at 012 300 5455 and email address: hassen@po.gov.za.

FRANK CHIKANE  
DIRECTOR GENERAL

Cc: Her Excellency, Ambassador to France  
OECD Director, GOV:  
OECD Deputy Director, GOV:  
OECD Head of Division, GOV/RGC:  
OECD Head of Urban Development Programme: Lamia Kamal-Chaouli  
Sibanda Thusi  
Odile Sallard  
Mario Pezzini  
Roberto Villarreal