South African Cities Network

INTERMEDIATE CITY MUNICIPALITY (ICM) STRATEGY

CONTENTS

1 INTRODUCTION

Intermediate City Municipalities (ICMs) are large municipalities with high populations and are crucial hubs for regional development because they are situated along transport corridors or near resource-rich areas. Furthermore, these ICMs are important places of service delivery and economic growth that require complex governance but not at the scale of metros. They play a unique role between large metropolitan areas and smaller local municipalities in the settlement typology in South Africa.

ICMs are listed below:

1. Mafikeng (NW)	2. Thulamela (LP)	3. Madibeng (NW)
4. Enoch Mgijima (EC)	5. Greater Tubatse / Fetakgomo (LP)	6. JB Marks (NW)
7. King Sabata Dalinyebo (EC)	8. Ba Phalaborwa (LP)	9. Matlosana (NW)
10. Matjhabeng (FS)	11. Mogalakwena (LP)	12. George (WC)
13. Metsimaholo (FS)	14. Makhado (LP)	15. Stellenbosch (WC)
16. Maluti a Phofung (FS)	17. Greater Tzaneen (LP)	18. Drakenstein (WC)
19. Mogale City (GP)	20. Greater Giyani (LP)	21. Alfred Duma (KZN)
22. Emfuleni (GP)	23. Mbombela (MP)	24. Newcastle (KZN)
25. Rand West (GP)	26. Govan Mbeki (MP)	27. Polokwane (LP)
28. Merafong (GP)	29. Nkomazi (MP)	30. Emahlaleni (LP)
31. Msunduzi (KZN)	32. Steve Tshwete (MP)	33. Lephalale (LP)
34. uMhlatuze (KZN)	35. Bushbuckridge (MP)	36. Rustenburg (NW)
37. Kwa Dukuza (KZN)	38. Sol Plaatjie (NC)	39. Ray Nkonyeni (KZN)

The 1998 White Paper on Local Government does not explicitly use the term ICMs or "secondary cities" but addresses them indirectly in sections dealing with settlement patterns, differentiated municipal types, and metropolitan vs non-metropolitan governance.

Local government legislation established in the early 2000s does not provide a legal classification or categorisation of ICMs or "secondary cities." The Local Government: Municipal Structures Act 1998 establishes three categories – category A (metropolitan municipalities), category B (local municipalities), and category C (district municipalities). These concepts of secondary cities emerged later in South African policy discourse. However, Secondary Cities and ICMs are often referred to in the government sector, especially since 2016 when the Integrated Urban Development Framework IUDF was adopted as the urban policy framework for South Africa. The ICM Support Programme was established in 2018, two years after the adoption of the IUDF. The Municipal Demarcation Board (MDB), an entity of COGTA, in doing the municipal powers and functions capacity assessment (2018), used the Municipal Infrastructure Investment Framework (MIIF) classification for local and district municipalities. The more recent Draft Revised White Paper (2026) explicitly introduces ICMs and secondary cities in its institutional framework chapters.

Since 2012, the SACN has produced research on Secondary Cities and often engaged in dialogues on these municipalities as outlined in Annexure 1. More recently, since 2022, there have been requests to extend the SACN's scope of work to include ICMs, as partners such as the Department of Cooperative Governance (DCOG) and the Cities Support Programme focus on them. In 2023, the SACN, in various engagements with selected ICMs in Rustenburg, uMhlathuze and KwaDukuza that have shown interest in participating in the network, noted that there are common themes that have emerged as outlined below:

1. ICMs recognise the SACN as a knowledge/research institution that offers valuable knowledge for cities. There is interest in tapping into research to guide their planning to address their challenges, i.e., how to diversify their economies, alternative financing models, waste management, energy renewal, and traditional authority land that is exempt from paying rates.
2. ICMs want to participate in peer-to-peer learning platforms and events to benefit from knowledge exchange; for example, the Sol Plaatje municipality participates in the SACN Urban Safety Reference Group.
3. Affordability is an issue for ICMs as they already pay a membership fee to SALGA.

The SACN publication on Profiling Intermediate Cities in South Africa (2021) served as the basis for further work within SACN in 2025 – the data in the publication was updated and presented as the ICM Dashboard at an ICM Forum on 4 December 2025. In 2023, the SACN explored a city-region focus to examine development in the Eastern Cape between NMB and BCM – using urbanisation and regional economic logic to argue for greater cooperation between the 2 metros. In August 2024, the SACN identified the need to develop a strategy for working with Intermediate City Municipalities (ICMs) to define and distinguish SACN's approach and role/contribution in a landscape where partner institutions are implementing their own ICM support measures.

By May 2025, the SACN had approved a draft ICM Strategy that was not actually a strategy but rather a desktop scan of the roles that DCOG and some other departments played in ICMs. By November 2025, SACN consulted directly with SALGA, National Treasury, and DCOG to confirm the types of support these key partners provided to ICMs, ensuring that SACN would not duplicate support already provided by others. SACN was also clear that it did not have the resources to support all 39 ICMs unless a key partner could provide financial support to increase staffing to cover them. A meeting was held with the various stakeholders on 10 November 2025 where it was clear that DCOG, SALGA and National Treasury (CSP, LGBA, NDPP) all provided support in terms of their mandates and priorities and that there was little or no co-ordination or leadership provided by DCOG in terms of the IUDF in the period 2020-2025.

In January 2026 SACN then explored which ICMs from a city-region perspective cognisant that there is no legal definition, categorisation or classification of “city region” although the term is used in SA since at least 2004 (SACN State of Cities Report, 2004). The exploration was informed by recent research that SACN had engaged with while participating in the U20 (part of G20 in 2025) and the Review of the White Paper on Local Government. The exploration was also informed by recent literature, such as the publication on Africa Urbanisation Dynamics (OECD, 2025) and Governing Complex Cities Regions in the Twenty-First Century (Harrison, 2023). From late 2025 SACN started reviewing its organisational strategy 2021- 2026 and developing the next -year strategy for 2026 – 2031. The SACN Strategy 2026 – 2031 adopts a city-region lens that recognises the role of ICMs located in city regions.

2 THE ROLE OF PARTNER ORGANISATIONS IN ICMs

The SACN, since its establishment in 2002, focused on metropolitan municipalities and included one Secondary City or ICM, that is, Msunduzi Local Municipality, which was earmarked as a metropolitan municipality but experienced financial challenges at that time and was therefore not categorised as a metropolitan municipality. As the local government sector evolved and differentiation in local government became more evident, the SACN responded to the need to extend its support to ICMs from 2012, producing a series of research papers, the most recent being a publication in 2021. Furthermore, SACN participated in the COGTA-managed Dialogue for Urban Change programme, a peer learning platform for ICMs, one metropolitan municipality in SA, and cities in Germany, which ended in 2025.

The National Treasury adopted a differentiated approach to municipalities in 2005 when it declared, in terms of the MFMA and related regulations and circulars, the list of non-delegated municipalities in Circular 20, which deals with the delegations by the National Treasury to Provincial Treasuries in terms of oversight and support to municipalities – the criteria used were the size/value of the budget of municipalities. National Treasury further acknowledges the classification of municipalities used by the MDB, which is based on the MIIF. Subsequently, National Treasury designed grants that gave more discretion to metropolitan municipalities (metros) in the use and application of conditional grants, in the belief that they required greater powers and functions for specific urban functions to improve the performance of the built environment. Over time, such reforms led to the establishment of the Cities Support Programme (CSP) in 2011, which focuses solely on metros. Table 1 shows the differentiated approach to municipalities adopted by the National Treasury and the CSP.

City of Cape Town	City of Mbombela	Mogale City
City of Cape Town	City of Mbombela	Mogale City
City of Johannesburg	Rustenburg	Stellenbosch
City of Tshwane	Polokwane	Drakenstein
Ekurhuleni	Msunduzi	Emahlaleni
eThekwini	George	Madibeng
Nelson Mandela Bay	uMhlatuze	
Mangaung	Sol Plaatjie	
Buffalo City	Mafikeng	

Table 1: National Treasury and City Support Programme classification (2024)

It may seem that both the SACN and CSP were established to provide support to metropolitan municipalities, but there is a distinct difference. The SACN mandate is to promote good governance and management of cities by providing research insights and intelligence, facilitating shared learning and advocating for cities. The CSP is a capacity support programme in terms of the mandate of the National Treasury to provide support to municipalities in terms of section 154(1) of the South African Constitution, which mandates that national and provincial governments must support and strengthen the capacity of municipalities to manage their own affairs, exercise their powers, and perform their functions. This ensures that municipalities can effectively deliver services and fulfil their developmental duties.

In 2016, the IUDF introduced the term “rural-urban continuum,” a categorisation of settlement types. This is depicted in Figure 1, with settlements ranging from large metropolitan cities to secondary cities, medium-sized towns, small towns, and rural villages, all interdependent and interlinked as a network of settlements. The Department of Cooperative Governance and Traditional Affairs (COGTA) is the custodian of the IUDF.

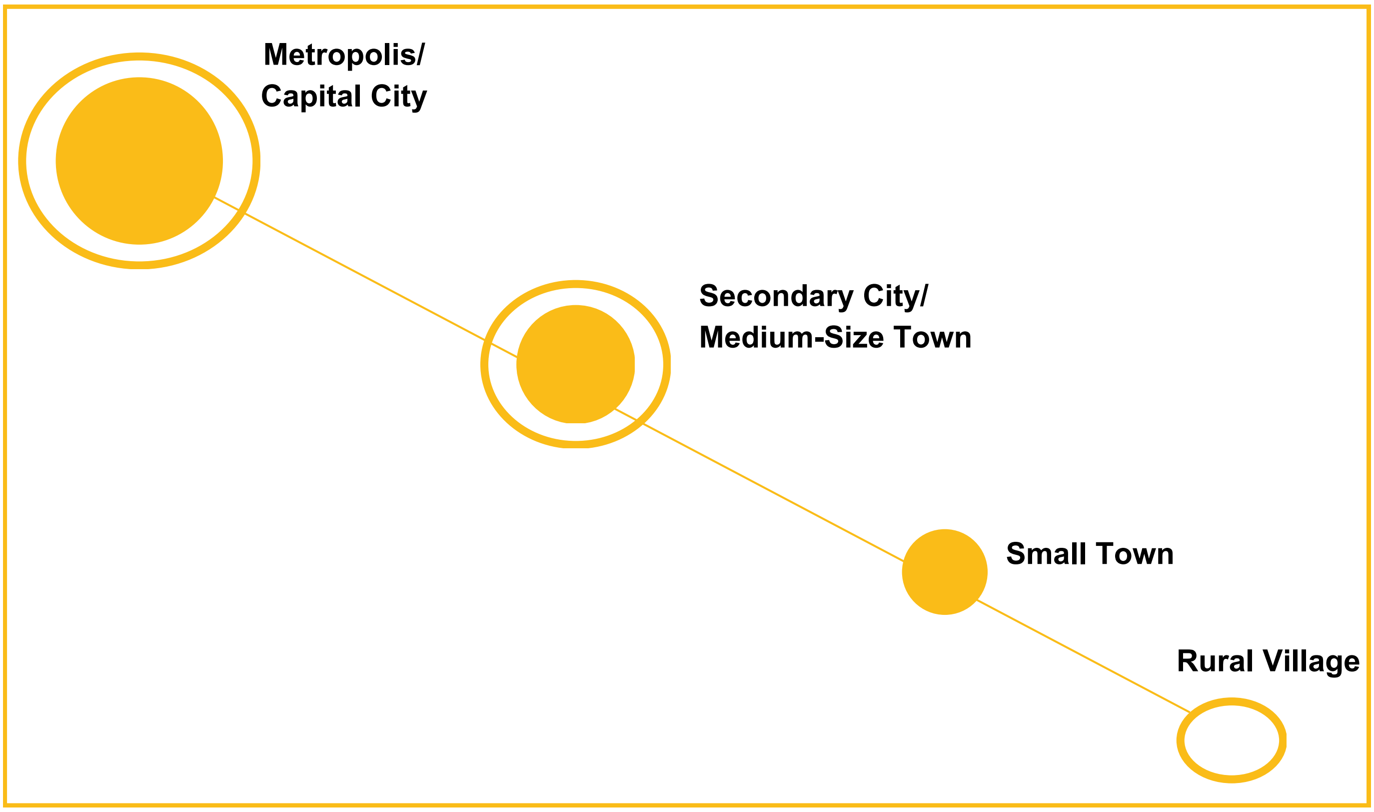


Figure 1: Rural Urban Continuum, IUDF (2026)

Given that the Cities Support Programme in the National Treasury was already established to support metros, COGTA, with its partners, designed an Intermediate City Municipalities (ICM) programme in 2018 to support ICMs in responding to the development challenges they face. The support programme aims at enhancing planning and implementation processes to address the massive spatial dislocations inherited from apartheid. The focus is on the strategic use of infrastructure investment to promote the mobility-land-use linkage, as well as on instruments and platforms for aligning infrastructure investments across different spheres of government.

The programme also explores ways of boosting long-term economic development planning and its implementation. Improving governance and financial management in intermediate cities will enable them to more effectively leverage both grant and own sources in pursuit of development objectives. The focus areas of the ICM Support Programme are shown in Figure 2.

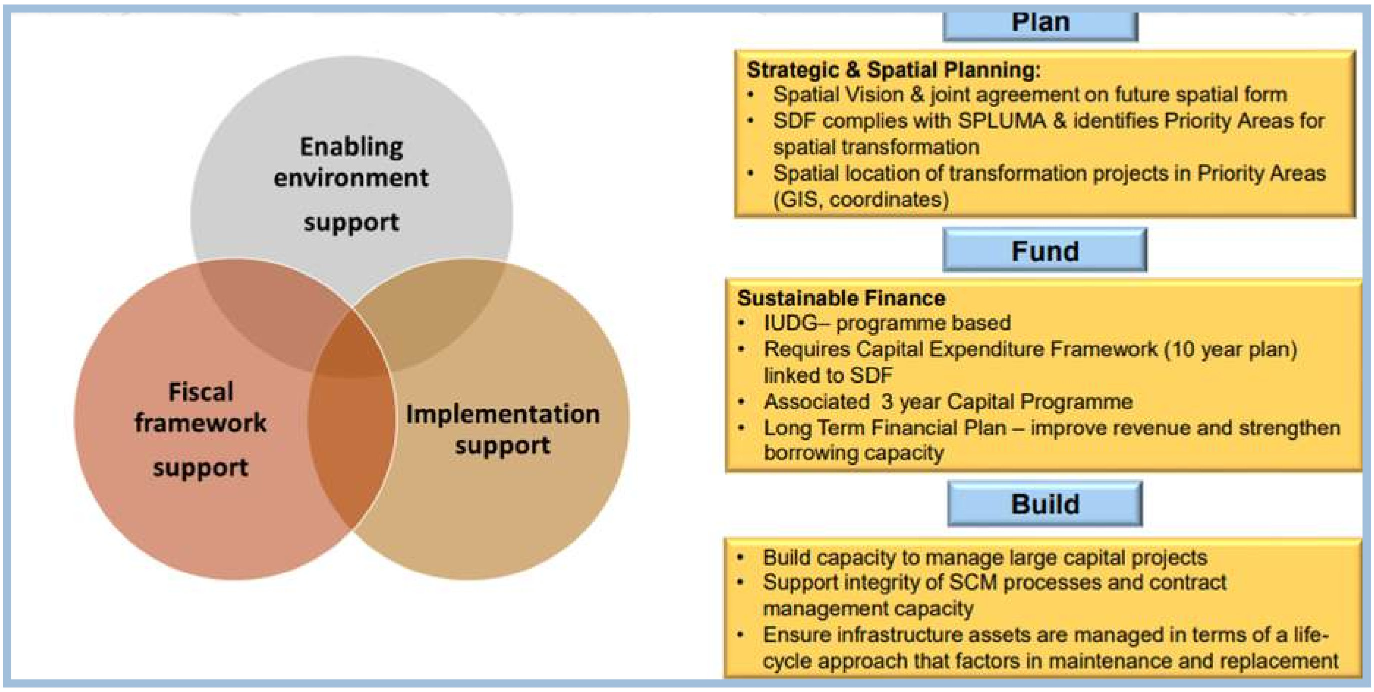


Figure 2: Focus Areas of ICM Support Programme

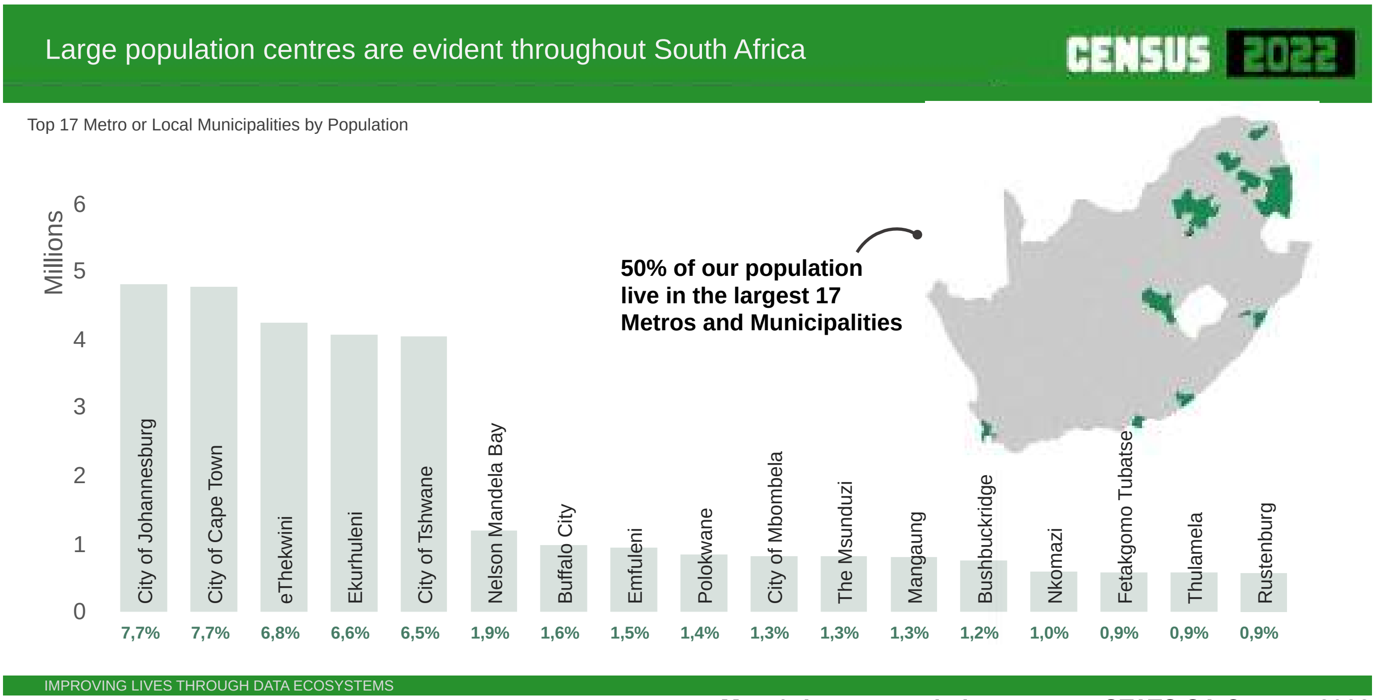
Table 2 below is the full list of ICMs, in this case classified by function as a large and semi-diverse town; a mining or manufacturing town; a service centre; or a town with low GVA and high population density.

Large and semi-diverse	Mining	Manufacturing	Service Centre	Low GVA and high population density
Emfuleni	Rustenburg	Mogale City	Matlosana	Bushbuck Ridge
Msundusi	Matjhabeng	Newcastle	Maluti-a-Phofung	Makhado
Mbombela	Emalahleni	Govan Mbeki	Nkomazi	Greater Tzaneen
Polokwane	Madibeng	uMhlathuze	Thulamela	Mahikeng
	Rand West	Drakenstein	Sol Plaatje	Enoch Mogijima
	Steve Tswete	KwaDukuza	Mogalakwena	King Sabata
	Merafong	Alfred Duma	JB Marks	
	Greater Tubatse/ Fetagoma	Metsimaholo	George	
	Ba-Phalaborwa	Stellenbosch	Greater Gijani	
	Lephalale		Ray Nkonyeni	

Table 2: Classification of ICMs within the ICM Support Programme, pg. 11, SACN 2021

The ICM Support programme was backed up by reforms in infrastructure grants with incentives for performance and for more flexibility and strategic use of funds, including the establishment of the Integrated Urban Development Grant (IUDG) first piloted in 2018/19 and then implemented in other ICMs in 2019/20 and benefitting 9 ICMs in 2024/25. While only 9 ICMs received the IUDG, a total of 39 municipalities were referred to as ICMs, and both COGTA and SALGA provide additional support to all these municipalities. The 9 ICMs who have to date received the IUDG are a distinct grouping of ICMs that should have insights into how valuable this kind of support has been – they could be a peer learning group. Some international donor agencies provide support to some ICMs in addition to providing support to metropolitan municipalities.

As South Africa urbanised, Statistics SA (STATSSA) has shown the number of municipalities with the largest populations, with the most recent analysis identifying the 17 municipalities that have 50% of the country's population.STATSSA also has information on municipalities with the largest GDP, GVA, that is economic criteria per municipality as well as social criteria viz. access to piped water, sanitation, housing, etc. Census 2022 showed 50% of the population living in 17 municipalities – the 8 metros and 9 ICMs as depicted in Map 1



Map 1: Large population centres, STATS SA Census 2022

3 THE SACN ICM STRATEGY

The SACN ICM Strategy is a basic framework for SACN to interface with ICMs, based on the SACN Strategy 2026 – 2036 and supported by a solid rationale and urbanisation statistics, since servicing ICMs has major implications for SACN's operating and funding model. The ICM Strategy is further informed by the Review of the White Paper on Local Government as well as what partner organisations do to support ICMs (established by 10 November 2025). The ICM Strategy is also influenced by recent and ongoing research in SACN and by training in Futures Planning.

The 2026 - 2031 Strategic Business Plan focuses on the urban agenda, applying its mandate through a city-region lens, including selected intermediate city municipalities that shape functional urban systems and corridors linked to metros. The strategy is anchored in SACN being a credible urban intelligence and learning hub that turns evidence into decision-ready insight, turns peer learning into measurable practice change, and turns city experience into a stronger urban agenda. This reflects how urban systems function through shared economies, mobility networks, infrastructure systems and natural assets that extend across boundaries. It also strengthens SACN's ability to deliver on its mandate by aligning its evidence, learning platforms and advocacy with the functional geography of the urban system.

A city-region lens allows SACN to engage at the scale where people live, work and access opportunities, recognising that labour markets, housing markets, transport networks, infrastructure systems and natural assets operate across municipal jurisdictions. It also recognises that many ICMs are tightly linked to metros through commuting patterns, labour flows, logistics corridors, service catchments and investment flows, and that these linkages shape city performance, spatial transformation and resilience outcomes. A city-region is defined as a functional urban system centred on a major city and extending into surrounding municipalities. Its key characteristics include:

- Functional integration of people, goods, services and capital across municipal boundaries.
- A multi-nodal settlement and economic structure, including a core city and connected nodes such as ICMs, industrial areas, and logistics hubs.
- Shared infrastructure systems, including water, energy, transport, waste and digital services, that require coordinated planning and investment.
- Linked land and housing markets, meaning that decisions in one municipality shape affordability, access and spatial justice in another.
- Cross-boundary natural assets and risks, including catchments, floodplains, biodiversity corridors and climate-related hazards that require coordinated management.
- Multi-jurisdiction governance and intergovernmental coordination, where collaboration is essential for delivery and accountability.

The city-region lens strengthens SACN's ability to deliver on its mandate by aligning SACN's evidence, learning platforms and advocacy with the functional geography of the urban system. In practice, SACN will apply the city-region lens by:

- Producing urban intelligence and foresight that reflects functional urban systems, including relevant ICM trends where they shape city-region outcomes.
- Convening peer learning that brings metros and linked ICMs into shared problem-solving spaces on cross-boundary priorities.
- Developing practice notes, tools and case studies that address coordination challenges and delivery models across municipal boundaries.
- Strengthening advocacy for the urban agenda through evidence that demonstrates where policy, governance and funding reforms are needed to enable city-regions to function.

This strategic logic ensures that SACN remains focused on the urban agenda while becoming more accurate and useful in how it frames urban realities, identifies levers for change, and supports adoption within city systems.

The vision and mission guide SACN's strategic pillars, thematic work and delivery approach. The strategic objectives define the outcomes SACN will drive across the urban system. SACN will strengthen the ability of cities and linked ICMs to govern and deliver by improving the quality, usability and timing of evidence that informs decisions. The focus is on curating data, interpreting trends and translating evidence into practical decision products aligned to municipal planning and budgeting cycles. The objective includes:

- Strengthening the evidence spine through improved indicators, analytics and clear quality assurance.
- Embedding foresight in programme planning, implementation and learning, so cities anticipate risks and opportunities.
- Producing decision-ready research, including briefs, dashboards, scenario insights, practice notes and leadership-level decision packs.
- Using the city-region lens to frame evidence and options at the functional system scale, including relevant ICM dynamics and corridor implications.
- Strengthening the role of SoCR as both a flagship publication and a synthesis platform that consolidates cross-programme evidence and supports system shifts.

ICMs viewed through a City-Region Lens

This section provides the rationale for why city regions are important rather than only having a metro-centric focus or global/mega cities focus, and it proceeds to look at ICMs through a city region lens to guide the SACN in selecting which ICMs to support first during the 2026 – 2030 cycle. The recent research is based on primary research produced by a range of authors as listed in the Reference section at the end of this Strategy document. There is also current research progressing within SACN. This section consistently references one comprehensive report called Africa's Urbanisation Dynamics (OECD, 2025) since it includes a detailed database on cities in Africa that SACN is currently exploring. The other sources are a book on governing complex city regions (Harrison, 2023), a book on the promise of planning (Harrison and Todes, 2025), and another book on extended urbanisation (Schimd and Topalovic, 2018).

Responding to the rise of city regions requires a conceptual shift from viewing cities as discrete administrative entities to understanding them as functional urban systems. This does not imply abandoning municipal categories, which remain legally and fiscally significant, but rather supplementing them with an analytical and strategic lens that reflects how cities function in practice. To date, a metro-centric orientation has enabled SACN to develop deep expertise in, amongst other areas, urban governance, spatial transformation, infrastructure finance, and peer learning at the scale of the country's largest cities. However, this focus has increasingly come under strain as South Africa's urban reality evolves beyond neat administrative classifications, and as ICMs assume more prominent demographic, economic, and spatial roles (Map 1 in section 2 of this Strategy). For SACN, this shift is consistent with its 2026 – 2030 mandate to provide urban intelligence, facilitate shared learning, and advocate for evidence-based urban policy to metros and ICMs through a city region lens.

By focusing on ICMs embedded within city regions, SACN can operate at the intersection between metros and their surrounding urban systems, creating platforms for dialogue, learning, and coordinated thinking that are currently weak or absent. This approach enables SACN to maintain and leverage its metro relationships while selectively engaging with systemically important ICMs, thereby avoiding both duplication and overextension. It also positions SACN to anticipate future policy debates around metropolitan reform, city-region governance, and spatial integration, rather than reacting to them after the fact.

While SACN has progressively expanded its analytical and convening work on ICMs since 2012 (Annexure 1), this engagement has remained supplementary rather than strategic, constrained by both resource limitations and the absence of a clear institutional rationale for prioritising certain ICMs over others. At the same time, national stakeholders such as COGTA, SALGA, National Treasury and development partners had advanced their own ICM-focused programmes, largely within the confines of their respective mandates and without strong coordination or system-wide leadership as outlined in Section 2. The result is a crowded but fragmented institutional landscape in which SACN faces a strategic choice: either to attempt to extend support thinly across a large and heterogeneous group of ICMs or to redefine its role in a way that is selective, future-oriented, and aligned with emerging urban form. Selecting ICMs that fall within city-regions presents both a constraint and an opportunity. SACN cannot, and should not, replicate the functions of capacity-support programmes such as the Cities Support Programme or the ICM Support Programme.

A growing body of continental and national evidence demonstrates that urbanisation in Africa is no longer defined by the growth of primary and/or isolated cities, but by the expansion of large urban agglomerations and functionally integrated city regions. As outlined in the publication Africa's Urbanisation Dynamics (OECD, 2025), Africa's urban population is projected to grow rapidly between 2020 and 2050, with most of the demographic growth occurring in urban areas and with built-up urban footprints expanding well beyond existing municipal boundaries. These dynamics are already evident in South Africa, where economic activity, labour markets, transport systems, and settlement patterns routinely cut across metropolitan, local, and even provincial boundaries.

Despite this reality, governance, planning, and fiscal systems remain anchored in legally defined municipal categories. Metros, ICMs, districts, and provinces continue to plan, budget, and implement largely within their own jurisdictions, with limited institutional mechanisms to address cross-boundary challenges or opportunities. This fragmentation is not merely administrative; it has tangible implications for infrastructure investment, spatial integration, service delivery efficiency, and economic competitiveness. City regions such as the Gauteng City-Region illustrate this misalignment acutely: while functional linkages between metros and surrounding ICMs are well established, governance arrangements remain weak, informal, or project-specific.

The strategic problem confronting SACN is therefore not whether ICMs matter; this has been well established, but which ICMs matter most for the future of South Africa's urban system, and on what basis SACN should engage them. Without a shift in analytical lens, SACN risks remaining tied to legal and legacy classifications that obscure emerging urban realities and limit its ability to provide leadership on the next generation of urban governance challenges.

Below is the robust, evidence-based foundation for repositioning SACN's engagement with ICMs, specifically by motivating a strategic focus on ICMs that form part of functional city regions. Rather than advocating for an expansion of SACN's mandate to all ICMs, the evidence seeks to support a selective, criteria-driven approach that aligns with SACN's core strengths in research, convening, and thought leadership. The selection of ICMs is guided by the following key questions to support strategic decision-making at an institutional level, rather than programme design at an operational level:

- What does current urbanisation evidence reveal about the future spatial form of African and South African cities?
- How do city regions challenge existing administrative and governance arrangements?
- Where do institutional and coordination gaps persist despite existing ICM-focused programmes?
- How can SACN position itself to add distinctive value without duplicating the roles of other stakeholders?

City Regions and ICMs in the context of Africa's Urban Transition

Africa is undergoing an urban transition of unprecedented scale and speed, with profound implications for how cities and city systems must be governed. Between 2020 and 2050, Africa's urban population is projected to double from approximately 717 million to 1.4 billion, growing at an average annual rate of 2.3% and reinforcing cities as the primary locus of population change and development pressure (Ibid., pp. 15–33). By 2050, two out of every three Africans will live in an urban agglomeration. Africa's urban population will exceed that of China, India, Europe and the United States combined – in other words, urbanisation levels are projected to increase from 54% in 2020 to 65% by 2050, with all African countries experiencing an increase in their urban share, regardless of starting point (Ibid., p. 31).

The population living in agglomerations of more than 1 million inhabitants is projected to grow from 325 million in 2020 to 836 million in 2050, increasing their share of the total urban population from 46% to 59% (Ibid. Pg. 32). By 2050, Africa will contain 159 urban agglomerations with over 1 million inhabitants and 17 megacities exceeding 10 million inhabitants, second only to Asia globally (Ibid. pp.31–32). Importantly, growth is not limited to single dominant cities. The report highlights a strong trend towards the fusion of neighbouring agglomerations, in which expanding built-up areas merge, creating polycentric metropolitan regions rather than isolated urban centres. This process produces urban systems composed of multiple municipalities, towns and cities that are physically contiguous and functionally interdependent, yet institutionally fragmented.

The spatial consequences of rapid urbanisation are as significant as the demographic ones. African urban built-up areas are projected to more than double by 2050, with urban land expansion occurring at 3.2% per year, outpacing population growth (Ibid. pg.32). This expansion will be predominantly peripheral, intensifying pressure on infrastructure, land governance, and service delivery systems that often extend beyond a single municipality's jurisdiction. The report cautions that urbanisation is a "one-off process", after which opportunities to correct governance failures become increasingly limited and costly (Ibid. Pg. 97). Without governance frameworks operating at the scale of real urban systems, cities risk entrenching inequality, spatial fragmentation and inefficiencies that are difficult to reverse.

The report explicitly moves beyond administrative definitions of cities, adopting a morphological and functional approach through the Africapolis database embedded in the report. Urban agglomerations are defined by the physical continuity of built-up areas, regardless of municipal or provincial boundaries (Ibid., pp. 29–31). This approach reveals that the "real city" often extends across multiple local governments, forming what are effectively city regions. As the report states, "capturing the real city is key to measuring, understanding and managing the future of urbanisation in Africa" (Ibid, Pg. 30). This framing directly challenges governance systems that remain territorially fixed while urban systems evolve dynamically.

There are multiple African examples of metropolitan regions that span administrative boundaries, including Dakar, Casablanca, Bamako and Rabat-Salé, where urban expansion and population growth are occurring across multiple jurisdictions (Ibid., pp. 54–57). In Dakar's metropolitan region alone, over 23 new urban agglomerations are projected to emerge by 2050, representing 23% of all new agglomerations in Senegal on less than 10% of national territory. Despite this reality, jurisdictional fragmentation continues to undermine service provision and infrastructure delivery, particularly where no metropolitan-scale governance arrangements exist (Ibid., pp. 112–114). This disconnect between urban form and governance scale is identified as a critical risk to managing Africa's urban transition effectively.

A fundamental finding of the report is that urban form has decisively outpaced governance reform. While urban agglomerations expand, merge and form metropolitan regions, governance systems remain anchored to fixed administrative boundaries that no longer correspond to how cities function in practice. The report explicitly notes that “urban expansion on the peripheries of cities will more than double the total urban surface”, frequently crossing municipal and provincial borders (Ibid. Pg. 31). A morphology-based definition of urban agglomerations demonstrates that the “real city” is often a multi-jurisdictional system, yet planning, budgeting and service delivery mandates continue to be exercised at the scale of individual local governments. This structural mismatch is not a transitional irregularity but a persistent feature of Africa’s urban transition, producing governance arrangements misaligned with demographic, economic, and spatial realities.

Despite widespread recognition of metropolitan and city-region dynamics, the report finds that institutional mechanisms operating at the scale of functional urban regions remain the exception rather than the norm, as is the case in South Africa as outlined at the end of section 1 of this strategy document – ICMs together with metros are home to 50% of out country’s population but ICMs are not legally classified, nor are city-regions.

A central conclusion of Africa’s Urbanisation Dynamics is that city regions are becoming the dominant spatial platforms for economic growth. Large metropolitan regions concentrate population, skills, infrastructure and markets, positioning them as key drivers of national development. The report is explicit that delayed governance reform carries high costs. As urbanisation progresses, “opportunities to correct the consequences of poor urban governance become fewer and more costly” (Africa urbanisation report; p. 97). Failure to adapt governance frameworks to city-region realities risks entrenching inequality, informality and inefficiency across entire urban systems. In this sense, inaction is not neutral; it actively shapes urban futures in ways that constrain policy choice and institutional effectiveness.

For national and intermediary institutions, including urban networks such as SACN, the evidence points to a clear strategic imperative: urban support, learning and advocacy must increasingly engage at the scale of functional urban regions. Institutions that remain focused solely on individual municipalities risk becoming misaligned with the spatial realities they seek to influence. The report calls for a fresh approach to urban governance, emphasising integrated, multi-level and cross-jurisdictional action to manage rapid urban growth effectively (Ibid. Pg.17). This creates a compelling evidence base for institutions such as SACN to reposition their engagement selectively and strategically towards ICMs embedded within city regions, where governance gaps are most acute and system-wide impact is most achievable.

Why Supporting All ICMs Is Neither Strategic nor Feasible

It is more than likely that urbanisation will be highly uneven, both spatially and functionally. While the number of urban agglomerations will increase, more than two-thirds of Africa's urban population growth will occur in large urban agglomerations and metropolitan regions. This concentration implies that not all ICMs carry equal strategic weight in shaping national urban outcomes. Attempting to support all ICMs uniformly would therefore dilute SACN's impact and divert limited institutional capacity away from locations where systemic leverage is greatest. Such an approach would also duplicate existing national and donor-driven programmes that already operate at scale but often without strong coordination or learning functions.

From a strategic perspective, indiscriminate engagement with ICMs risks positioning SACN as the supplementary support actor rather than a strategic urban intelligence institution. Selectivity is therefore not exclusionary; it is a prerequisite for relevance, depth and institutional credibility.
The information presented above provides a clear basis for selectivity: ICMs embedded within functional city regions represent the most consequential interface between metropolitan cores and expanding urban peripheries. These municipalities sit at the fault line where governance fragmentation, infrastructure misalignment and spatial inequality are most pronounced. Focusing on ICMs that are functionally integrated with metros, SACN can intervene where coordination failures have system-wide consequences, rather than localised effects. This approach aligns engagement with structural urban dynamics rather than administrative labels, enabling SACN to support learning and collaboration across the very boundaries that currently constrain effective urban governance.

The evidence points to a distinctive institutional niche that SACN is uniquely positioned to occupy. While national departments, treasuries and development partners operate within defined mandates, there is a persistent absence of integrated, cross-jurisdictional coordination, knowledge generation and learning mechanisms. In addition, there is a lack of advocacy and lobbying to legally recognise city regions and adjust governance frameworks accordingly.

SACN's niche lies precisely in this gap. As a network institution with convening power, analytical credibility and trusted relationships with metros, SACN can facilitate dialogue, comparative learning and evidence-based reflection across metropolitan cities and their surrounding ICMs, that is, collectively the city region. This role is particularly critical given the evidence finding that over 77% of African countries lack an enabling institutional environment for effective local government action, limiting the prospects for top-down governance reform alone (Ibid).

By anchoring its ICM engagement strategy in city regions, SACN can:

- Leverage its existing metro relationships to influence urban system-wide thinking;
- Avoid duplication of mandate-driven support programmes;
- Generate strategic urban intelligence relevant to future policy reform;
- Position itself ahead of anticipated debates on metropolitan and city-region governance.

The evidence from all the research, that is, the OECD report and the other books as listed in the Reference section, demonstrates that SACN's strategic challenge is not whether to engage ICMs, but how to engage them in a way that reflects the realities of contemporary urbanisation. A city-region-based, selective engagement model emerges not as an expansion of scope, but as a necessary realignment of institutional strategy with urban evidence.

City Regions and ICMs in the context of the IUDF, NSDF and GCRO

The IUDF, the National Spatial Development Framework (NSDF), and the Gauteng City Region Observatory (GCRO) recognise ICMs and City Regions in different ways, as outlined below.

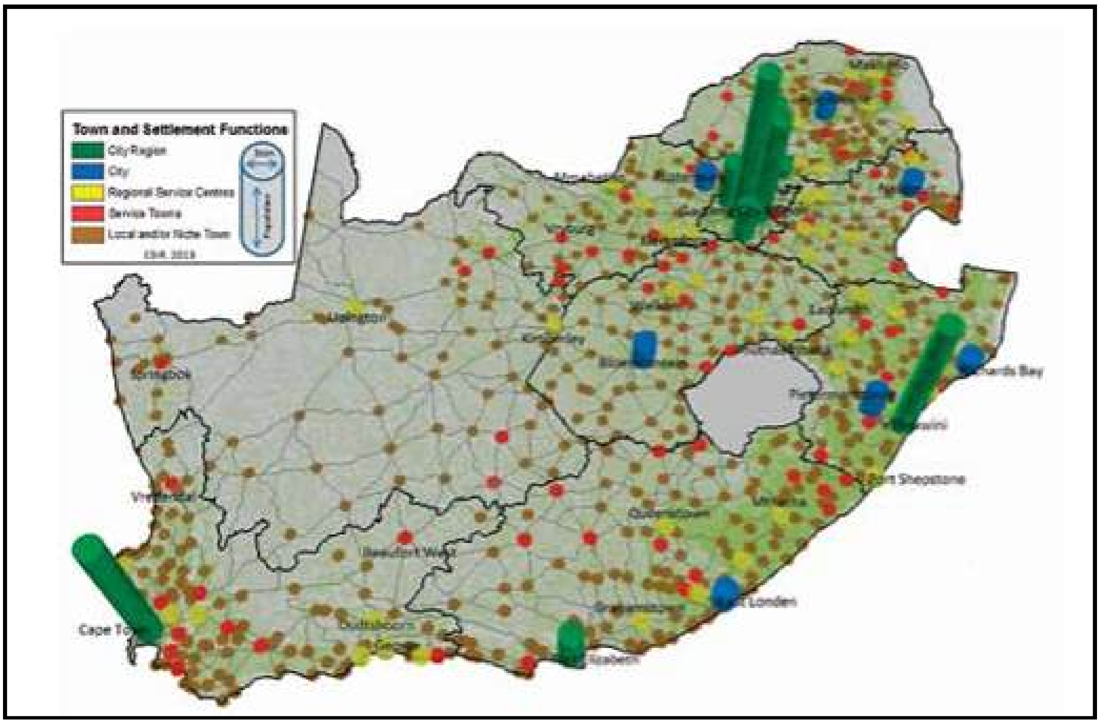
The IUDF (2016, pg.17-18) identified 4 City regions based on information from the CSIR (2013) being around:

- Cape Town,
- Gqeberha,
- eThekwini, and
- Gauteng.

As Map 2 demonstrates, four city-regions dominate the economy, accounting for more than half the national gross value added (GVA). When other cities and large towns are included, the share rises to 81.4% of the country's GVA, up from 79.4% in 1996, whereas the GVA (and population) of other urban centres are growing at below South Africa's average growth rates. Nationally, a growing alignment is emerging between economic opportunity and population concentration, leading to improved access.

The analysis above has focused on the relationship between the economy (GVA and jobs) and population concentration. There is, however, a strong relationship between service provision levels and the strength of the local economy, so the conclusions regarding access hold for both jobs and services.

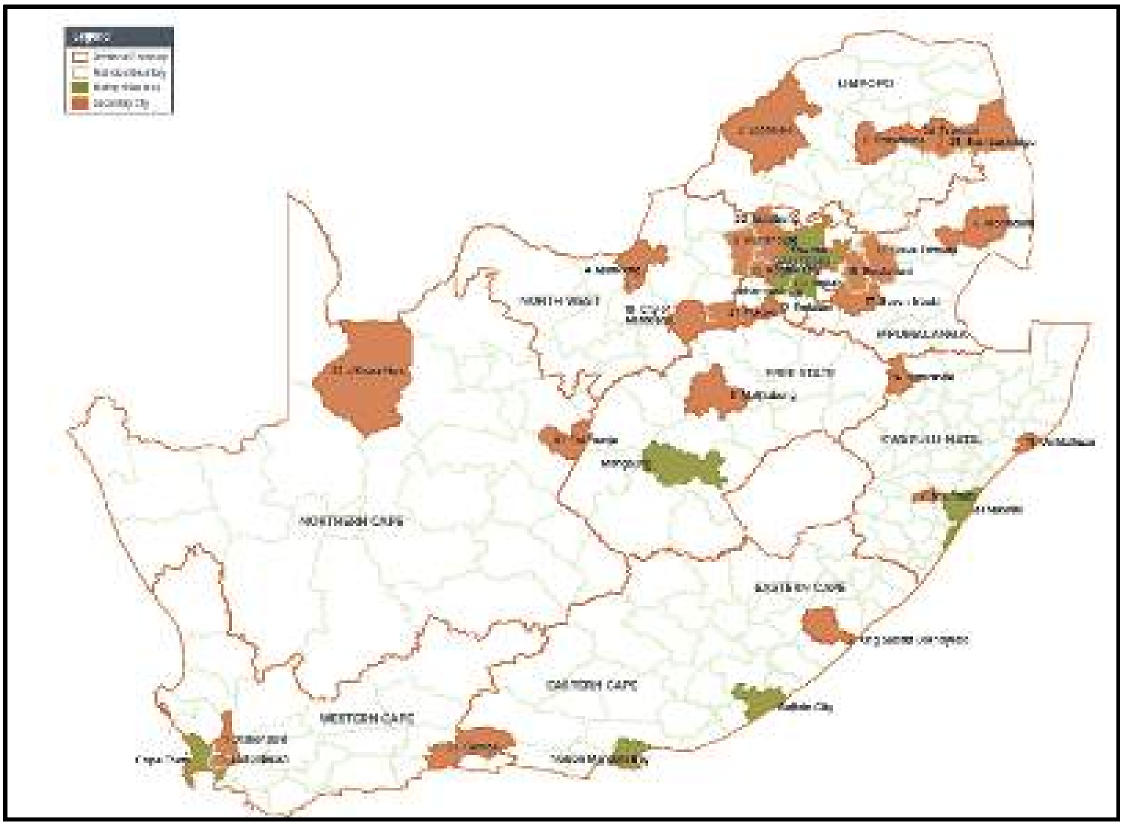
Within the 'inner core', the economies of metropolitan municipalities (metros) are growing twice as fast as those of secondary cities and the rest of the country. Between 1996 and 2013, the GVA of metros grew nearly twice as fast as that of the secondary cities and the rest of the country. In contrast, secondary cities have underperformed compared to towns and rural areas, particularly since the onset of the recession in 2008.



Map 2: Population and economic activity indicated per type of urban area (source: CSIR in IUDF, page 17)

Map 3 shows which ICMs are next to metros.

1. The ICMS next to the Cape Town metro are Drakenstein and Stellenbosch.
2. The ICMs next to eThekwini are Msunduzi and KwaDukuza.
3. The 3 metros in Gauteng are part of the Gauteng City Region.
4. There are no ICMs next to NMB, BCM and Mangaung



Map 3: Metropolitan Areas and Secondary Cities (source SACN, 2017, pg. 20-21)

In comparison to the IUDF, the National Spatial Development Framework (2022) recognises a system of nodes and corridors consisting of national urban regions with the 3 metros in Gauteng, the eThekwini urban region and the Cape Town urban region, that is 3 urban regions – see Annexure 2: NSDF National Spatial Development Priorities. The NSDF does not refer to city regions. BCM, NMB and Mangaung metros are recognised as urban nodes rather than urban regions. National development corridors link the urban regions and nodes into a national system of nodes and corridors as shown in the diagram below. The NSDF also identifies national spatial development priorities in the main frame or the ideal post-apartheid national spatial development pattern.

The Gauteng City-Region Observatory (GCRO), compared with the IUDF and NSDF, identifies the Gauteng city region as an integrated cluster of cities, towns, and urban nodes that together constitute the economic heartland of South Africa. The core of the city-region is Gauteng, South Africa's smallest but most densely populated province. Gauteng includes the cities of Johannesburg, once the world's most important centre of gold production and today South Africa's financial capital, and Pretoria, the country's administrative capital. It also includes commercial, industrial and mining centres such as Germiston, Springs, Alberton, Boksburg, Benoni, Vereeniging, Vanderbijlpark, Krugersdorp, Randfontein and Westonaria.

Beyond the boundaries of the Gauteng province is a wider urban region of smaller centres and population concentrations. To the north-west is the town of Rustenburg, a global centre of platinum mining. As the demand for platinum has increased over the last decade, mining activities have expanded, and the town's growth has accelerated. To the south, just across the Gauteng border, is Sasolburg, a town centred on the production of oil from coal. To the south-west is a patchwork of towns historically anchored on gold-mining, among them Potchefstroom and Klerksdorp. These centres have experienced limited population growth over the last few decades as their gold-mining economies have stagnated, yet they still have growing populations.

Map 4: Gauteng City Region (source: website The Gauteng City-Region | GCRO

To the east are a number of small to medium-sized towns, notably Witbank, Middleburg and Secunda, anchored respectively on coal mining, iron and steel production and energy generation. To the northeast is a swathe of semi-urban settlements – a zone of displaced urbanisation – housing people once barred by apartheid from setting up home in South Africa's whites-only urban centre. This area, with over half a million people, has little economy of its own. It is functionally connected to the Gauteng economy through subsidised bus routes that have historically ferried thousands of workers into central Pretoria for long-distance daily commutes.
According to the 2001 South African census, the continuous urban region within the borders of the Gauteng province (an area of 18 182 km^2) housed 9 388 855 people. By the 2011 census, this had grown to approximately 12m. Statistics South Africa's July 2022 mid-year population estimate puts Gauteng's current population at 16m.

The GCR is an example of a city region that recognises the functional urban region or system that extends beyond provincial boundaries and thus governance arrangements, while keeping intact the local municipal demarcations.

ICMs in the context of the White Paper on Local Government

The 2026 White Paper on Local Government (WPLG) in South Africa highlights secondary cities (also called intermediate city municipalities) as crucial hubs for regional development, service delivery, and economic growth. It emphasises differentiated powers and functions for these municipalities, recognising their unique role between large metropolitan areas and smaller local municipalities. Annexure XX provides more detail on ICMs as mentioned in the WPLG.

4 SELECTION CRITERIA FOR ICMS TO RECEIVE SACN SUPPORT

The investigation and verification process to identify and select ICMs to receive SACN support was conducted in or near metropolitan municipalities that can therefore be considered part of city regions. This was done with the understanding that the concept of a city region is not formally defined in legislation, but is widely used in urban policy discussions in South Africa to describe clusters of municipalities that are spatially connected to a metro and share economic or settlement dynamics. The verification followed these steps:

1. Engaged with the list of 39 ICMs from COGTA
2. Located each ICM on the provincial maps of municipalities.
3. Checked whether the ICM is geographically adjacent to, or very close to, a metropolitan municipality.
4. Classified the ICM as part of a city region only if it is clearly within the metro's surrounding urban region.

This process prioritised spatial proximity rather than economic or governance relationships.

Simple Criteria for Identifying City-Region ICMs

A municipality may be considered part of a city region if it meets the following simple criteria:

1. **Geographic Proximity**
   - The municipality borders or lies immediately adjacent to a metropolitan municipality.
2. **Urban Corridor Linkage**
   - The municipality lies within a recognised urban corridor connecting to a metro.
3. **Continuous Settlement Pattern**
   - There is visible spatial or settlement continuity between the metro and the municipality.
4. **Regional Urban Influence**
   - The municipality forms part of the wider urban system surrounding a metro.

These criteria are intentionally simple and spatial, as governance arrangements between metros and ICMs do not formally exist.

City Regions Identified in South Africa

Based on IUDF, NSDF, GCRO and SACN literature as set out in this strategy document in section 3.4 (Map 2 and 3), four dominant city regions that dominate South Africa's economy and population concentration and are generally recognised as city regions are:

1. Gauteng City Region
2. Cape Town City Region
3. eThekwini City Region
4. Gqeberha / Nelson Mandela Bay City Region

The Cape Town City Region includes the City of Cape Town Metro with 2 ICMs, Stellenbosch and Drakenstein, adjacent to the metro that are part of the Cape Winelands functional urban region and share strong spatial continuity with Cape Town.

The eThekwini City Region includes the eThekwini Metro and 2 ICMs adjacent to the metro: Msunduzi and KwaDukuza. KwaDukuza forms part of the Durban northern coastal growth corridor, while Msunduzi (Pietermaritzburg) forms part of the Durban–Pietermaritzburg urban corridor. It is sometimes argued that municipalities north of KwaDukuza, all the way up to Umhlatuze ICM, are part of the eThekwini City Region. Furthermore, it is sometimes argued that municipalities to the south of eThekwini along the coast are also part of the eThekwini City Region. It is better to recognise them as categorised in the NSDF as National Urban Nodes or Regional Anchors on National Urban or Regional Corridors.

The Gauteng City Region is a multi-nodal urban system extending beyond the province, incorporating mining, industrial and commuter towns that are economically integrated with Gauteng's metros. It includes 3 metros, City of Johannesburg, City of Tshwane and Ekurhuleni and extends beyond provincial boundaries and has a functional interconnection with several surrounding urban centres, notably the 6 ICMs of Mogale City, Rand West City, Emfuleni, Madibeng, Rustenburg and EMalahleni that are directly adjacent to a metro. The urban systems of Mogale City, Rand West City, Emfuleni, and Johannesburg are directly linked and all within the Gauteng Province. Madibeng and Rustenburg, from the North West Province, border Tshwane Metro, with Rustenburg being a major mining city. Emalahleni, a major industrial city in Mpumalanga Province, borders Ekurhuleni and is connected to the Gauteng energy corridor.

The Nelson Mandela Bay City Region comprises the Nelson Mandela Bay Metro and has no adjoining ICMs. Nearby municipalities are largely rural or district municipalities and therefore do not qualify as ICMs within the SACN classification.

Buffalo City and Mangaung metros have no identified neighbouring ICMs.

ICMs that are part of City Regions

The list of 39 ICMs from COGTA served as the basis. ICMs were checked to see if they were adjacent to metros. The result of this investigation and verification is outlined in Table 3 on the next page.

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The case of uMhlathuze Municipality

uMhlathuze Local Municipality, centred on the urban nodes of Richards Bay and Empangeni in northern KwaZulu-Natal, occupies a distinct position within South Africa's urban system. Unlike municipalities such as KwaDukuza or Msunduzi, which lie within the immediate spatial influence of the eThekwini Metropolitan Municipality, uMhlathuze is geographically distant from any metropolitan municipality and therefore does not naturally fall within a recognised metropolitan city-region. The distance of approximately 170km between Richards Bay and Durban limits daily functional integration, commuting patterns, and continuous urban development that typically characterise city-regions. The Integrated Urban Development Framework (IUDF) identify major city-regions around metros such as Cape Town, Gauteng, eThekwini and Nelson Mandela Bay, where surrounding municipalities are closely integrated with metropolitan economies. The NSDF identifies uMhlatuze Municipality as a key National Urban Node on a National Urban Corridor linking to the Gauteng City Region and the eThekwini City Region.

Despite this, uMhlathuze remains one of the most economically significant intermediate cities in South Africa due to its strategic industrial and logistics infrastructure. The municipality hosts the Port of Richards Bay and the Richards Bay Industrial Development Zone (RBIDZ), which collectively position the area as a major export gateway and industrial hub within the national economy. The port is one of the largest bulk export ports globally and plays a critical role in facilitating mineral exports from inland mining regions, while the RBIDZ aims to attract investment in manufacturing, energy, logistics and beneficiation industries. These assets give uMhlathuze a strong economic base compared to many intermediate cities that rely on a narrow sectoral economy. In this sense, the municipality functions as a regional growth pole, providing industrial employment, logistics infrastructure and higher-order services to northern KwaZulu-Natal and surrounding rural municipalities (SACN, 2021; OECD, 2025). Its role aligns more closely with the concept of a stand-alone regional node within the rural–urban continuum, rather than a satellite municipality within a metropolitan city-region.

For the South African Cities Network (SACN), the implication is that uMhlathuze should not be categorised as part of a city-region, but it should still be regarded as a strategically important Intermediate City Municipality (ICM) for targeted engagement. The municipality's economic significance, port-based industrial structure and regional service role make it an important case for understanding the governance and development challenges faced by industrial intermediate cities in South Africa. Furthermore, SACN's previous engagements with uMhlathuze suggest that the municipality is interested in knowledge exchange, peer learning, and research partnerships related to economic diversification, infrastructure planning, and municipal governance. Consequently, while uMhlathuze does not fit within a metropolitan city-region framework, it remains a high-value partner for SACN engagement, particularly as part of a differentiated approach to ICMs alongside municipalities such as Rustenburg and KwaDukuza (SACN, 2021). This approach would allow SACN to leverage uMhlathuze as both a regional economic case study and a strategic knowledge partner within its broader ICM strategy.

Buffalo City Metropolitan Municipality was identified as a City Region by SACN, but not by the IUDF. Given the current work being done in SACN on the Blue Economy, one could argue that the 2 coastal metros in the Eastern Cape form a coastal city region, linked by the coast and the National Urban Corridor (NSDF).

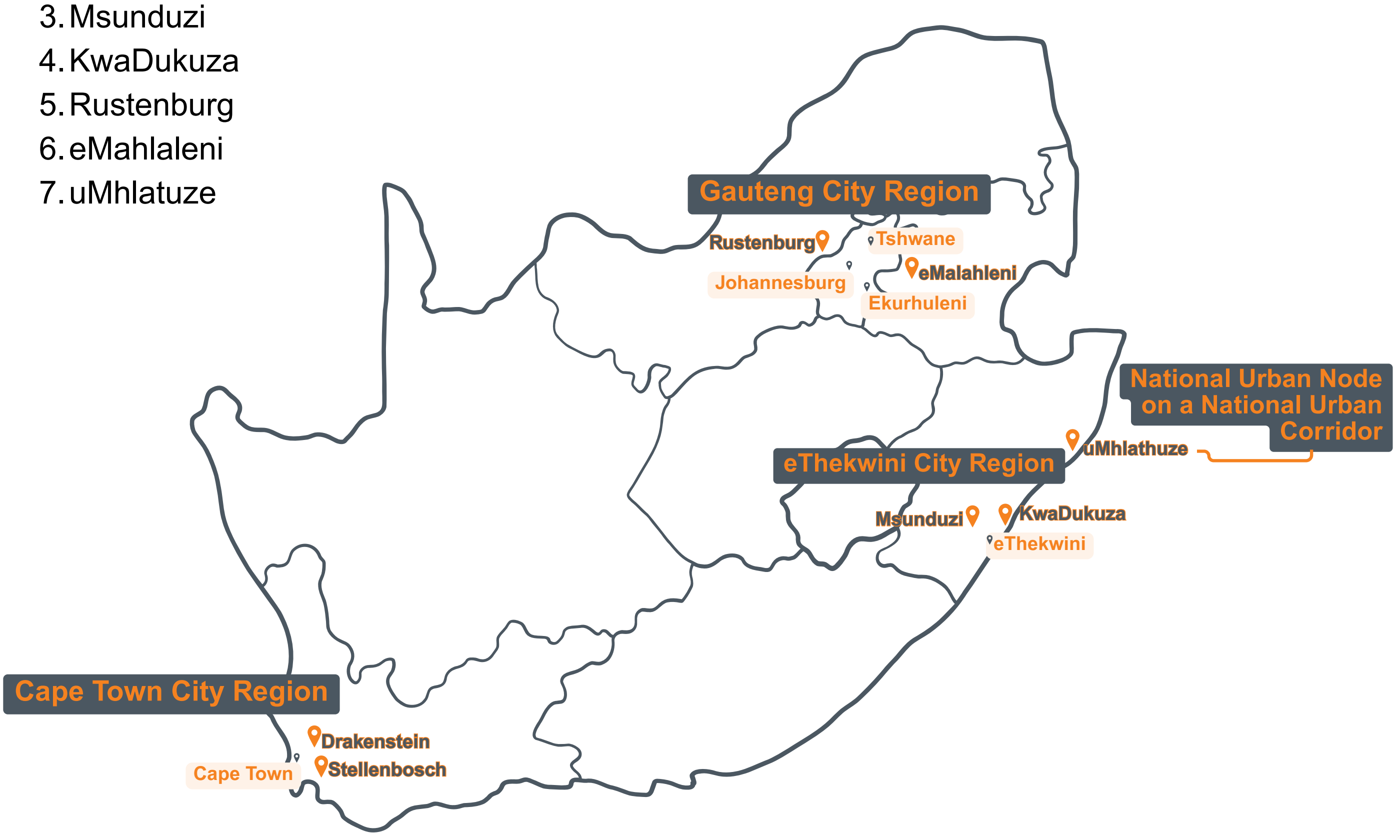
City Region	Metro	ICMs Identifies	Number
Cape Town City Region	Cape Town	Stellenbosch, Drakenstein	2
eThekwini City Region	eThekwini	KwaDukuza, Msunduzi	2
Gauteng City Region	Johannesburg, Tshwane Ekurhuleni	Mogale City, Rand West City, Emfuleni and Merafong are all in Gauteng, but Merafong is not adjacent to Joburg.	3
		Madibeng and Rustenburg are in the North West Province. Madibeng is adjacent to Tshwane. Rustenburg is not adjacent to Tshwane, but is directly linked to Tshwane via the N4 Platinum Highway, and the R104 and R24 link Rustenburg directly to Joburg.	1 (+1)
		EMalahleni (Witbank), Steve Tshwete (Middelburg) and Govan Mbeki (Secunda) are in Mpumalanga. EMalahleni is adjacent to Ekurhuleni. Steve Tshwete (Middelburg) and Gian Mbeki (Secunda) are adjacent o Tshwane.	3
		JB Marks(Potchefstroom) and City of Matlosana (Klerksdorp) are ICMs in the Gauteng City Region but they are not adjacent to Joburg.	0
		Metsimaholo (Sasolburg) is and ICM in the Free State in the Gauteng City Region but is not adjacent to Joburg or Ekurhuleni	0
		There are 12 ICMS that are part of the Gauteng City Region, but only 7 ICMs are adjacent to a metro. There is a strong case to consider Rustenburg as "adjacent" to Tshwane and Joburg, not only due to national and provincial road connections but because of the economic links.	
Nelson Mandela Bay	NBMM	None	0
		Total ICMs forming part of city regions: 12 ICMs	12

ICMS selected for SACN ICM Strategy 2026 -27

The verification process shows that only a small number of ICMs clearly form part of metropolitan city regions in South Africa. These municipalities represent the most relevant city-region ICMs for SACN to consider when designing engagement strategies between metros and intermediate cities. Given the current capacity constraints within SACN, it is proposed that SACN focus on 7 of the 12 above-mentioned ICMs, that is, excluding Mogale City and Madibeng for 2026-27 and 2027-28, while including Umhlatuze ICM, as motivated above.

Thus, the ICMs that SACN will start supporting are:

1. Stellenbosch
2. Drakenstein
3. Msunduzi
4. KwaDukuza
5. Rustenburg
6. eMahlaleni
7. uMhlatuze



5 SACN VALUE OFFERING TO ICMS

SACN’s value proposition sets out the specific ways in which the organisation creates value for participating cities and partners. It clarifies why SACN exists within the urban governance ecosystem and what cities can expect to gain from SACN’s research, convening, and partnerships. In this cycle, the value proposition is anchored in SACN’s niche as a credible, data-driven urban intelligence and learning hub, guiding SACN's design of evidence, learning platforms, and advocacy to support adoption and impact. Our proposed offering to ICMs comprises a network, peer-to-peer learning, a knowledge hub, partnerships, advocacy, and programme support, as depicted in Figure 3 on the next page.

SACN’s role is to turn evidence into decision-ready insight, peer learning into measurable practice change and city experience into a stronger urban agenda. SACN creates value through urban intelligence and foresight, structured learning, evidence-led advocacy and strategic partnerships that support uptake and system change. SACN is not a delivery agency and does not replace the statutory or operational roles of government institutions. Its role is to strengthen system performance through data-driven evidence, learning and convening, while maintaining a clear focus on its distinctive niche in the urban ecosystem.

It is proposed that SACN offer peer-to-peer learning and an Urban Festival to all ICMs, and that, if SACN can secure funding, a State of ICMs Report be prepared. Furthermore, the advocacy work should focus on promoting a nuanced, differentiated approach rather than trying to do everything for all ICMs. SACN can learn from providing customised support to 7 ICMs, namely Drakenstein, Stellenbosch, Msunduzi, KwaDukuza, Rustenburg, eMalahleni, and uMhlathuze, at a nominal subscription fee. SACN will work in partnership with the SALGA Provincial Development Offices (PDOs).

NICHE STATEMENT

A credible data-driven urban intelligence and learning hub that curates, analyses and translates evidence into insights and foresights for cities

Figure 3: SACN Value Offering (SACN Strategic Business Plan 2026 - 2030)

6 KEY ASSUMPTIONS

The ICM Strategy is predicated on the current strategic window (2026-2031) and is based on the assumption of limited or no financial resourcing for the implementation of the ICM Strategy in 2026/27 and 2027-28, and is cost-neutral to a large extent. It works within currently available resources, such as reference groups that mainly convene online. With greater operational and funding sustainability, SACN can design specific offerings that acknowledge the need for a differentiated approach to ICMs. This is in line with SACN's intention to broaden reach and impact across South African intermediate cities.

Any ICM not included in the list of 7 ICMs above that has funding available for a subscription is welcome to approach SACN for support. It would be preferable to enter into a 3-year MOA.

7 PARTNERSHIP OPTIONS

Partnerships are central to SACN's value proposition and delivery model. SACN operates as a network and a partnership platform, working with strategic partners to strengthen the credibility of its evidence, extend its reach, deepen peer learning, and enable joint delivery that supports adoption, practical uptake, and system change. In essence, partnerships are both a way of working and a means of creating shared value for cities, institutions and the wider urban agenda.

Where partner organisations such as COGTA, SALGA, GCRO, the Gauteng Provincial Government, or others can provide funding to SACN to support ICMs, this will be welcomed and considered.

Once again, 3-year MOAs would be preferable so that support can be provided for consecutive years rather than one year at a time.

The advantages of the selected model are:

1. Offers a customised approach to ICMs who have expressed an interest in participating in the network
2. Allows the SACN to still work with ICMs without neglecting participating metros – on a case-by-case basis
3. Tests the advisory capabilities of the organisation
4. Generates revenue and contributes to the sustainability of the organisation
5. Avoids burdening these municipalities with subscription fees

In the 2026–2031 cycle, partnerships will be managed more deliberately and with a stronger focus on strategic value. SACN will prioritise fewer, higher-value partnerships that are clearly aligned to the city-region lens and the evidence-to-adoption approach, and that make a distinct contribution to learning, influence, delivery or implementation support. These partnerships will be structured around clear roles, expected value, deliverables and review mechanisms, so that they remain purposeful, accountable and results-oriented.

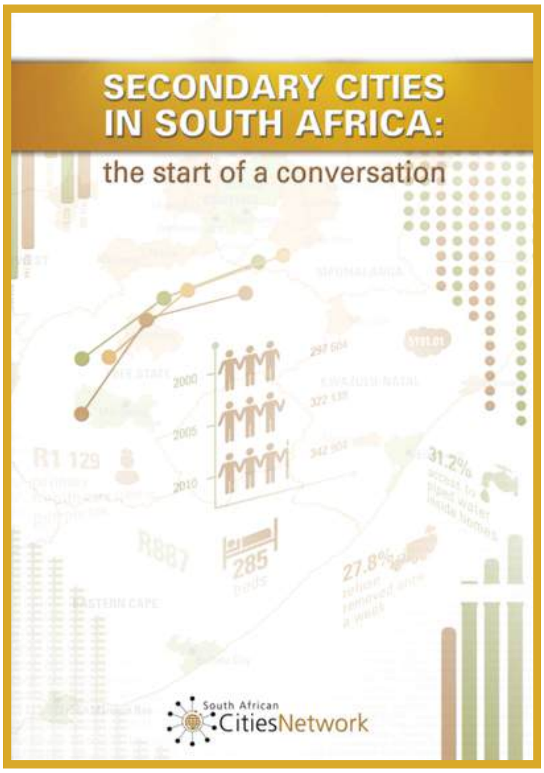
8 RISKS

The risks associated with the chosen option above are that the expansion of cities that SACN services serve could impact the human resource capacity within SACN, and that it may be challenging to manage the expectations of ICMs as well as our partners. Furthermore, ICMs that don't make a financial contribution may not consider their participation seriously.

Annexure 1 - Review of SACN's ICM research

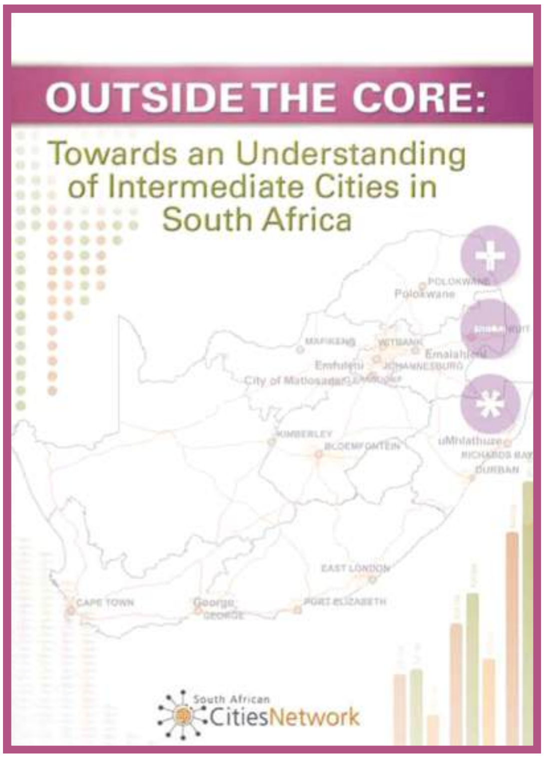
SACN initiated its ICM research in 2012 to bridge the gap in knowledge and understanding of smaller and intermediate-sized urban centres, which are essential yet often neglected. Most research focused on spatial transformation in South Africa's metropolitan municipalities, rather than in the smaller secondary or intermediate cities, whose importance was becoming globally recognised.

The SACN produced a series of exploratory studies to understand and put into practice what is meant by a "differentiated approach to governance". The first three volumes were: a data-driven study seeking to define "secondary cities" (2012); a deeper qualitative study into six intermediate cities to explore possible differences or uniqueness compared to metros (2014); and an even deeper study into apartheid's displaced settlements to examine the likely need for a more nuanced articulation of differentiation at even a sub-municipal level (2016). A further 3 publications were completed in 2017, 2019 and 2021. An overview of each publication follows.



Secondary Cities in South Africa: The Start of a Conversation (2012)

Secondary cities, as they were then known, were recognised as playing a distinct and fairly specialised role in national life, often acting as catalysts for development in their regions, alleviating demographic pressure from a country's metropolitan areas and, arguably, offering a better quality of life than densely populated urban conurbations. In the South African context, these places and their role needed to be understood from various perspectives, not least that of our national endeavour to give practical expression to the notion of 'differentiation' in matters relating to local government. The principal aim of the 2012 publication was to act as a catalyst for debate and, hopefully, to stimulate further research into this relatively neglected subject in the urban agenda. The Report was positioned as a working or discussion paper for policymakers, researchers and practitioners.



Outside the Core Towards an Understanding of Intermediate Cities in South Africa (2014)

The second ICM report summarised findings from six case studies of the City of Matlosana, eMalahleni, Emfuleni, George, Polokwane and the City of uMhlathuze (SACN, 2014). The study essentially sought to establish what this category really means, amidst arguments for distinctive roles that these secondary cities could play, such as:

- Alleviating demographic pressure from the country's metropolitan areas and, arguably, offering a better quality of life than densely populated urban areas.
- Acting as catalysts for development in their surrounding regions.
- Being regional nodes for locating effective government facilities and services
- Potentially playing an important role in overcoming the country's extreme race and class stratification.
- Contributing to economic growth, and having the potential to change the spatial form of South Africa's distributional regime.

The study also provided guidelines for categorising ICMs. The use of intermediate instead of secondary represented a shift in the policy environment to emphasise the functional role of these cities rather than their second-tier status.

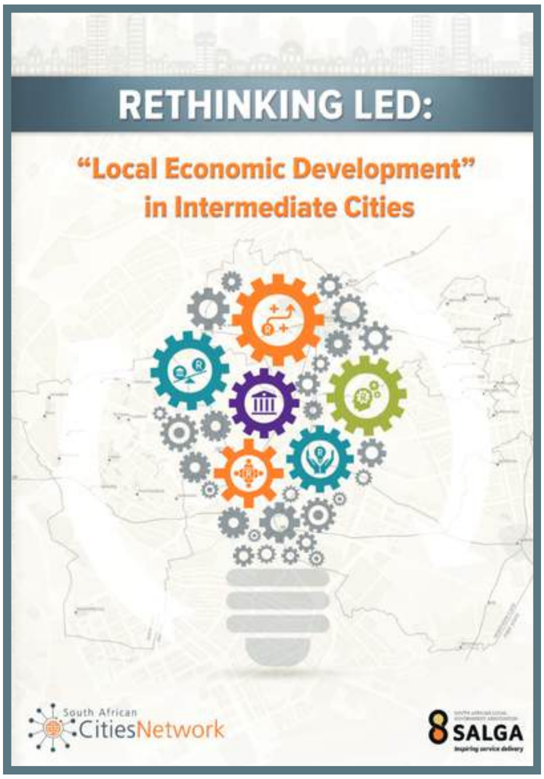
Hidden Urbanities South Africa's displaced settlements 30 years after the abolition of influx (2016)

In 2016, the third report focused on the former township areas that the apartheid state used to channel urbanisation away from core urban areas (SACN, 2016). The case studies included Botshabelo (Mangaung), Mdantsane (Buffalo City), Seshego (Polokwane) and Winterveld (Tshwane). Although the report did not focus directly on ICMs, it did emphasise the importance of adopting a differentiated approach.

Spatial Transformation: Are Intermediate Cities Different? (2017)

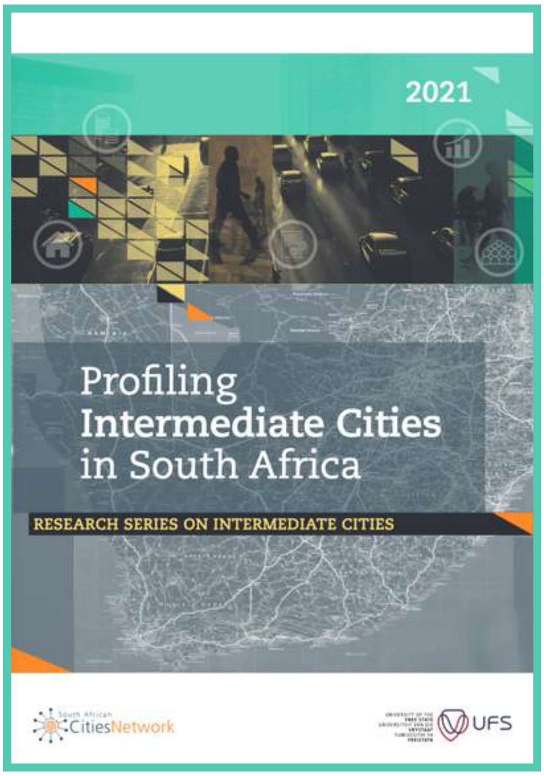
In 2017, the fourth in a series of ICM reports considered spatial transformation in 11 ICMs (Drakenstein, King Sabata Dalindyebo, Lephalale, Matjhabeng, Mbombela, Mahikeng, Msunduzi, Polokwane, Rustenburg, Sol Plaatje and Stellenbosch). It looked at the reality of economic vulnerability in spatial planning; the dominant roles of interest groups and power dynamics; poor planning, governance and finance capacity; and high dependence on mining (SACN, 2017)

The research had the broad aims of describing the nature and scale of spatial change in the case-study and what influences this change; to evaluate the quality and ability of spatial development frameworks (SDFs) to create change and inform the spatial transformation agenda; and to assess whether intermediate cities require a differentiated approach towards spatial transformation: Are intermediate cities different?



Rethinking 'Local Economic Development' in Intermediate Cities (2019)

The 2019 research explored local economic development (LED) in intermediate cities, using a combination of desktop research, participatory action research (to gather the views and experiences of municipal practitioners), and case studies of Mangaung, Rustenburg, and Sol Plaatje. The study found that LED is an ambiguous concept that encompasses both pro-poor and pro-development approaches to economic development. The study highlighted four institutional principles for LED and six strategic issues that ICMs can consider to reimagine local economic development.



Profiling Intermediate Cities in South Africa (2021)

Following the first publication, the SACN issued five more reports, firmly establishing ICMs as critical actors in South Africa's urban development and governance. After providing an overview of policy development and the evolution in the classification of ICMs in South Africa, the 2021 report analyses the socio-economic and institutional characteristics of ICMs. Comparisons are made between the different classifications of ICMs and between ICMs and metropolitan areas to highlight their different profiles. The Report builds on the case made in previous reporting for a differentiated or localised approach to ICMs. Since the initial publication in 2012, the debates and policy discussions about ICMs have progressed rapidly.

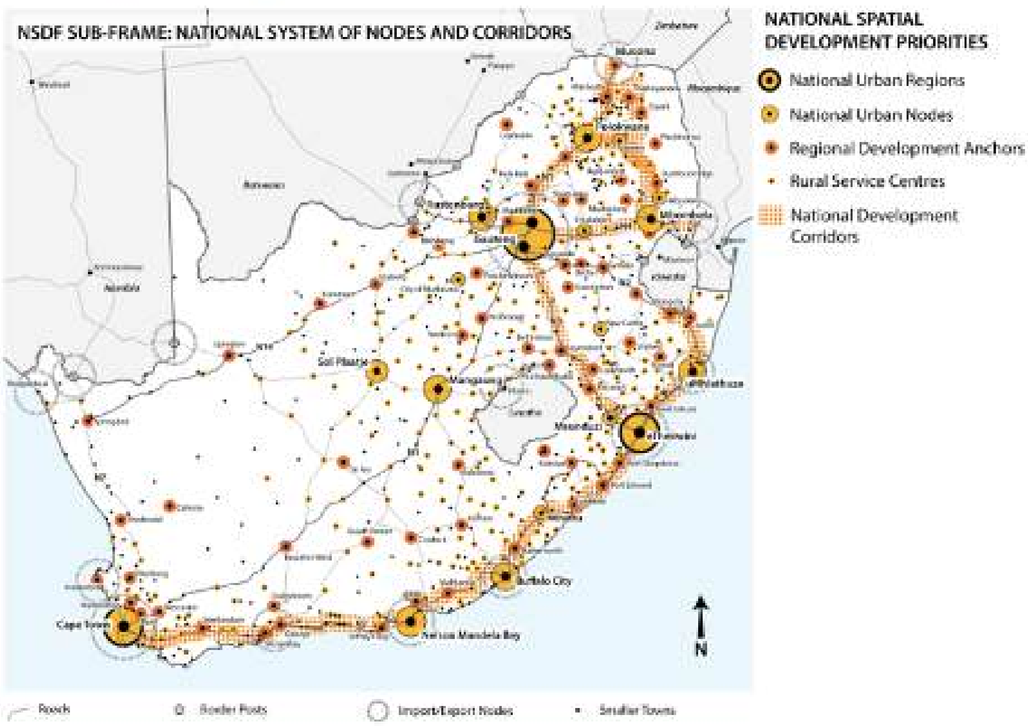
The last publication on Profiling Intermediate Cities in South Africa (2021) is the basis of further current research in SACN – the data in the publication is being updated and presented as an ICM Dashboard, which will be completed by the end of June 2025. Over the past eight years, a parallel body of academic work has developed, in part due to the work done by the SACN. Research into intermediate cities has looked at economic development (Marais et al., 2014; Marais & Nel, 2016), developmental/ planning concerns (Campbell et al., 2017; Marais et al., 2016), urbanisation (Marais & Cloete, 2017) and problems related to mining (Marais, 2013a; Marais, 2013b; Marais & Nel, 2016; Ntema et al., 2017; Marais et al., 2017). Several individual case studies have also appeared, and a book on space and planning in intermediate cities (Marais & Nel, 2019) was published in 2019.

Annexure 2: National Spatial Development Framework

Figure 39: NSDF Main-Frame: The Ideal Post-Apartheid National Spatial Development Pattern

National Spatial Development Framework June 2022

Figure 41: Sub-Frame Two: National System of Nodes and Corridors



National Spatial Development Framework June 2022

Annexure3 - ICMs in the context of the White Paper on Local Government

The 2026 White Paper on Local Government (WPLG) in South Africa highlights secondary cities (also called intermediate city municipalities) as crucial hubs for regional development, service delivery, and economic growth. It emphasises differentiated powers and functions for these municipalities, recognising their unique role between large metropolitan areas and smaller local municipalities.

Role of Secondary/Intermediate Cities

- Bridge between metros and rural areas: Secondary cities are positioned as connectors, providing services and infrastructure to surrounding towns and rural communities.
- Economic engines: They are seen as drivers of local and regional economies, with potential to attract investment, create jobs, and stimulate growth outside the major metros.
- Service delivery anchors: The White Paper stresses their importance in ensuring equitable access to water, sanitation, housing, and transport for populations that are too large for rural governance but not as complex as metros.

Policy Proposals in the White Paper

- Differentiated powers and functions: The White Paper proposes tailoring responsibilities to intermediate municipalities, granting them greater autonomy in planning, infrastructure, and economic development than smaller municipalities.
- Capacity building: Recognises that many secondary cities struggle with governance and financial management, and calls for targeted support to strengthen administrative and technical capacity.
- Spatial transformation: Intermediate cities are identified as key to reshaping apartheid-era settlement patterns, reducing inequality, and promoting integrated urban development.
- Climate resilience and sustainability: The White Paper highlights the need for secondary cities to lead in climate adaptation, green infrastructure, and sustainable growth strategies.
- Fiscal reform: Proposes reforms to municipal finance systems to ensure secondary cities have adequate revenue streams and can manage debt responsibly.

Why Secondary Cities Matter

- Population size: They typically house between 150,000 and 750,000 residents, making them large enough to require complex governance but not at the scale of metros.
- Strategic location: Many are situated along transport corridors or near resource-rich areas, giving them outsized influence in regional development.
- Reducing metro pressure: Strengthening secondary cities helps ease migration pressure on Johannesburg, Cape Town, and Durban, creating more balanced national urbanisation.

Challenges Identified

- Weak governance capacity: Many intermediate municipalities face political instability, corruption, and administrative inefficiency.
- Financial strain: Heavy reliance on national transfers and limited local revenue bases.
- Service delivery backlogs: Infrastructure gaps in housing, sanitation, and transport remain significant.
- Urban sprawl and inequality: Without strong planning, secondary cities risk replicating the fragmented, unequal patterns of metros.

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