

Notes of the City Economic Development Managers' Forum, 14th April 2020

Apologies: Jan Hattingh, Steven Kenyon, Collins Sekele, Lebogang Madiba and Malijeng Ngqaleni (NT), Tembeka Mhlekwa (CoJ), Hugh Cole (CCT)

Cities Present: Mangaung Metro (MMM), City of Tshwane (CoT), eThekweni (ETH), City of Cape Town (CCT), Nelson Mandela Bay Metro (NMBM)

No.	Agenda Item	Discussion	Follow-up Action
1.	Expectations of the Forum	<p>MMM – learning from other cities re recovery post-COVID. Currently ED programmes have been stopped as focus is on stabilising city finances.</p> <p>COT – have approached NT to assist City in relooking at its programmes and projects in response to current economic challenges – this forum will assist with bench marking and peer learning.</p> <p>ETH – have a recovery and stimulus plan on the table for engagement with other cities.</p> <p>CCT – forum can play a useful role right now – CCT has looked at relief measures for the tourism and events industries that was not initially supported by their Finance department, but now that the crisis has spread to other sectors, the Finance department is more willing to engage.</p> <p>NMBM – this Forum can assist in co-ordinating support.</p> <p>COGTA – inputting into SA’s draft economic recovery plan</p> <p>NT - information sharing re metro infrastructure plans, building SMME resilience, and methods for prioritisation of city projects and work</p>	Consider including some ICMs in the Forum
2.	National inputs – NT and SEDA	<p>NT CSP Presentation attached.</p> <p>SEDA highlighted the SMME Relief and Growth Funds as support instruments targeting the formal sector. These have been communicated via the DSBD and Ministerial announcements. The SMME Relief Fund has received 16 000 applications thus far and the adjudication process is underway. If the applications are incomplete, they are referred to SEDA to offer assistance to the applicant firm. The turnaround time, where no further assistance is required, is 7 working days. The Spaza Shop support facility is available for informal businesses and the Minister will be making an announcement in the next couple of days re the disbursement mechanism, which will be through the formal banks such as Standard Bank and Nedbank. Informal businesses are not expected to be legally compliant although they will be encouraged to register through the CIPC’s Bizportal.</p>	<p>Colin Lehou from SEAD to share the NEDBANK and DSBD resource documents on available business support.</p> <p>Follow up regarding making economic support measures available on the main</p>

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		<p>NT also mentioned the National Empowerment Fund administered by the DTIC focusing on the essential product manufacturers, that offers a combination of grants and loan finance. IDC fund also supports manufacturers of essential products. A number of departments are working on their plans for presentation to Cabinet, with the possibility of more support measures being made available.</p> <p>The awareness of these support instruments is a major challenge. The government COVID-19 information focuses on health-related matters and should also have information regarding economic support measures.</p>	government COVID-19 portal.
3.	City responses to national Level ED support instruments	<p>ETH – communicating and providing feedback on national support instruments through business formations, especially Business Chamber of Commerce and Industry. Gaps identified – information flow to businesses. There is a business information portal and simplified communication materials on available business support instruments in a variety of languages. ETH has conducted a business survey, and SMMEs have indicated difficulties in accessing business support. ETH’s Business Support Unit is facilitating info sharing with informal traders, who are not legally compliant. SMMEs have identified the need for business mentors and the City is engaging the Business Chamber in this regard.</p> <p>COT – Focus is on ensuring SMMEs and Co-operatives are aware of available support instruments and encouraging legal compliance. Informal traders have identified a need for food parcels in order to survive. Informal traders battle to access support as they are not registered.</p> <p>CCT – stated that it is tragic to watch the devastation of businesses. CCT is working closely with province to understand the problem – undertaking a sector survey and firms are indicating that they are struggling to access quick relief. CCT and WESGRO have jointly launched a Fund Finder portal. The CCT Finance department has issued a communication offering an extended payment relief measure for businesses, which will be offered on a case-by-case basis. CCT is also considering support to potential growth sectors, as some, like tourism, will be on the back burner for a while.</p> <p>MMM – City appreciates national support efforts. MMM is not allowing any informal trading within the CBD and permits are issued allowing traders to operate from their place of residence. MMM is focusing efforts on social relief measures.</p>	<p>City links to be created to CSP COVID-19 portal</p> <p>SEDA to share information materials</p>
4.	City responses	<p>ETH – the City is considering a number of recovery measures, including:</p> <ul style="list-style-type: none"> • UK Prosperity Fund offering support around economic recovery planning • Re-allocating support staff to assist in business advisory services for SMMEs 	

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		<ul style="list-style-type: none"> • Ongoing engagement with City’s top 30 customers • Considering an Economic Recovery Trust Fund – approaching corporates for contributions and trying to get City to contribute • Considering a rates payment plan as many businesses are approaching the city for rates relief • Considering post-lockdown stimulus measures, that include: <ul style="list-style-type: none"> ○ Expediting outstanding payments ○ Expediting city projects and bid committee processes ○ Reducing SMME payment times to 7 days ○ Focusing on township interventions e.g. targeted procurement ○ Focus on creating an enabling environment for the construction sector e.g. waiver building plan fees if construction starts in 2020/21 ○ Setting up a tourism Fund and promoting local tourism ○ Promoting consumer activity • ETH has two entities the ICC and Shaka Marine World, that are both highly unlikely to trade before the end of the financial year. Their highest cost driver is staff – need to investigate access to UIF support measures. <p>TSH – still in the planning process, but have:</p> <ul style="list-style-type: none"> • Supported SMMEs in responding to PPE, especially mask, production opportunities • Utilised City’s Business Support Centres to inform SMMEs regarding business relief measures available • Worked with Business Chambers to raise funds to address the issue of homelessness • Assisted informal traders to access special permits • Planning to roll-out a comprehensive programme to support the formalisation of informal businesses so they can access further support measures • Started to focus on demand and supply measures, e.g. enforcing the 30% SMME procurement requirements and speeding up business payment processes. <p>CCT - The City is working on an Economic Action Plan under the leadership of Alderman James Vos that focuses on interventions pre, current and post-lockdown. The City has re-purposed the department to be more COVID-facing through:</p>	<p>Need shared national economic data and modelling</p>

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		<ul style="list-style-type: none"> • Facilitating business access to national support and using the Business Hub as the “port of call” for businesses to access support • Working closely with high growth and employment sectors, especially those with SPVs to see if they have continuity measures in place • Facilitating the private sector’s response to the health crisis through addressing supply-chain and logistics issues. Linking private companies to address emerging gaps, e.g. in terms of transport and production capacity. • Attempting to align available data and modelling. <p>MMM – Current City focus is on financial recovery. Have a list of SMMEs for information flows and have existing programme in place with the DTIC, SEDA and FDC focuses on improving city industrial spaces.</p>	
5.	Decisions	<p>The meeting took the following decisions:</p> <ol style="list-style-type: none"> a) The Forum should meet bi-monthly b) The CSP will hold bilaterals with cities regarding the existing CSP ED support measures and any requirements for re-focusing of the support c) The CSP will share the outcome of an Urban Economic Recovery think-tank that will be held amongst academics and public sector practitioners on the 15th April 2020 d) SEDA (Colin) will share the small business information resources from NEDBANK and the SBDC e) Data sharing and modelling should be a priority of the Forum f) Cities are welcome to create linkages to the COVID-19 portal on the CSP website where SMME support information is updated daily g) CSP to take up the issue of national communication re SMME support measures with the DSBD and possibly including SMME support information in the main government COVID 19 portal h) The inclusion of intermediary cities in the forum should be investigated i) The next meeting should focus on: <ol style="list-style-type: none"> a. Discussing City interventions in more depth – ETH will share a powerpoint, summary of their business survey findings and Council report – cities request guidance on what fiscal relief measures municipalities can pursue in terms of the MFMA 	

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		b. COGTA (Stefanie) will prepare a presentation on available donor funding and how cities can access this support	
6.	Closure	Karen thank everyone for attending the meeting and agreed to follow up with national departments and any city representatives that may have been inadvertently omitted from the invitation list.	