



IMPROVED CROSS-SILO COORDINATION FOR SUSTAINABLE COMMUNITIES

EXPLORING TRANSVERSAL APPROACHES AND APPLYING THESE, WITH BEST PRACTICE EXAMPLES IN INFORMAL SETTLEMENT UPGRADE, IN THE CITY OF CAPE TOWN

Dealing with competing priorities and contentious stakeholders within an environment characterized by long time lags in decision making and delivery is one of the key challenges of modern day city officials. Ever persistent and pervasive “silos” in public administration and the need to manage across these silos have been a focus of many reform initiatives.

A BASKET OF TRANSVERSAL APPROACHES

A number of case studies in relatively successful cross department coordination and delivery were studied, from Malaysia (PEMANDU), the United States (CitiStat & StateStat) as well as China (Leading Groups). The cases were specifically focused on sub-national institutional reforms, broadly referred to as transversal management approaches or transversal management systems (TMS). From these six methods of cross-silo coordination has been identified:

1. A “general staff” to conduct routine tracking and analysis, attacking information problems and enabling better, faster decisions in transversal problem-solving
2. A small number of ambitious transversal targets shared in all scorecards and cascaded downward in a tier of operational targets that enable decentralized execution
3. The use of the budget process and promotions to connect transversal planning to the hard wiring of bureaucratic life and to reinforce expected changes in culture
4. A high-frequency rhythm of tracking, analysis, problem-solving councils and revision that provides the motive force of transversal machinery
5. Meetings that are held to solve problems, not apportion blame; to reach decisions, not to apportion blame; and that have clear links before and after, to preparation and follow-up
6. A set of routines for revising plans as they are implemented, in the light of new information, using the tiered problem-solving councils and targets to balance discipline and flexibility

DISPELLING SOME MYTHS

There is an idea that anyone with some form of innate competence could easily make the basic processes of coordination work—that, for example, the habits of effective meetings are “obvious”. Such beliefs often stand in the way of efforts to build the skills to tackle these tasks—so

public servants attend endless trainings on abstruse concepts, but never do basic role-playing on how to manage a difficult meeting.

The second myth centers around the idea that difficulties in transversal management are the result of simple turf protection or self-dealing, and that can be solved if only political leaders have the will and ability to fire managers. This is often based on a perception of how private sector firms run that is, at the least, outdated. Companies that ran themselves that way have largely gone bankrupt, because soon enough deep problems were systematically hidden, trust was eroded, and mistaken plans were impossible to adjust. In the public sector cases considered, instances of “firing”, and of the heavy-handed application of “political will”, were limited.

This is not to argue that some degree of leadership and authority are needed. The paper does, though, treat these as scarce and precious resources. Rather than the pined-for answer and the first excuse when plans meet the difficulties of reality, they are to be invoked as little as possible and leveraged as much as possible.

A CASE STUDY: HUMAN SETTLEMENTS IN CITY OF CAPE TOWN

The City of Cape Town is experiencing unprecedented growth of its informal settlements. In addition, a significant increase in backyard housing, rising pressure on services and a growing number of land invasions have stretched the City’s resources. In many of its 204 informal settlements living conditions are worsening, due in part to rising density and limited employment opportunity.

The City’s planned approach for delivering low income housing is falling behind targets. At the current pace of delivery (~6,100 RDP units per year), it is unlikely that the current housing backlog of 375,000 houses (plus future growth of a further 485,000 households) will be met by the 2040 target date.

Unmet expectations regarding “free RDP housing” have led to frustration, particularly given the long and lengthening timelines for delivery of units. The City’s “emergency” service delivery approach (for water and sanitation) is deemed to be unsustainable and





offers a temporary solution at best. Protests against City/Provincial Government, by civil society and residents of informal settlements are now common - particularly because of the poor conditions in informal settlements that they continue to reside in as they wait for an RDP house.

INTEGRATED HUMAN SETTLEMENTS FRAMEWORK (IHSF)

In an effort to bridge the gap between the city's plans and the expectations of residents in informal settlements, the City of Cape Town has joined forces with the Provincial Government to introduce an Integrated Human Settlements Framework (IHSF). This is a shift in paradigm from the current approach - which isolates and deals with informal settlements as a temporary problem; to a more holistic approach - which accepts informality as part of the fabric of the city and chooses to embrace it.

It's easier to build a bridge over the N2 than to put one toilet in an informal settlement.. Water staff are held hostage; because the first time you engage they don't see "water" they see the municipality and confront them with "Where's my house?"

- City of Cape Town staff member, February 2015

The City has already started implementing a Transversal Management System through a set of Working Groups. In practice these functioned as advisory bodies to coordinate strategy and policy. Working groups were generally seen as an additional responsibility for staff members, rather than a management structure that is integral to the work of line departments. In order to further refine the system some international success stories were studied.

SUCCESSFUL UPGRADING PROJECTS

Key success factors from upgrade projects in Morocco, Vietnam and Brazil was identified and shared, namely:

- Take a "whole market" view of the City's housing needs, rather than focusing poorly on poor households (to prevent displacement due to gentrification)
- Align community expectations through a demand driven approach, with continuous engagement and concerted efforts towards inclusive participation
- Ensuring implementation at scale through an integrated approach that brings together solutions to simultaneously address social, economic and physical aspects through a coordinated package of deliverables.

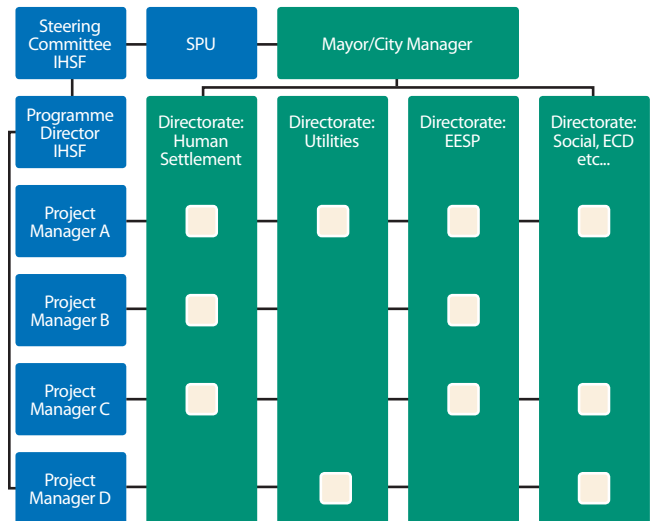
- Focus efforts through a program / project approach through the separation of functional and project roles and establishment of a well-resourced project unit. This also implies the need for adequate and sustained levels of funding for upgrade projects.

Given an understanding of the local context it is clear that the informal settlement challenge faced by the City of Cape Town will require a programmatic approach that entails designing and implementing a large scale, comprehensively integrated and multi-year program, delivered through a phased approach.

IMPROVING AN EXISTING SYSTEM

The WBG team identified a number of missing critical success factors for transversal program implementation and management, such as: (i) clear objectives, roles, responsibilities and accountable performance metrics; (ii) building effective teams; (iii) budget allocation, control, tracking of costs; (iv) Dual performance appraisals; (v) a good accountability framework and (vi) the ability to correct poor performance.

It was suggested that a "balanced matrix" implementation modality be pursued, as this would not require major hierarchical structure changes, but rather overlay existing departments with a system to assign resources in order to achieve clearly defined programs and projects.



The Strategic Policy Unit (SPU) functions as TMS Secretariat and acts as "lubricant" to the system. Specific functions could include the identification of projects suited to TMS for accelerated delivery, pulling together the project team, tracking progress and managing horizontal and vertical tensions.



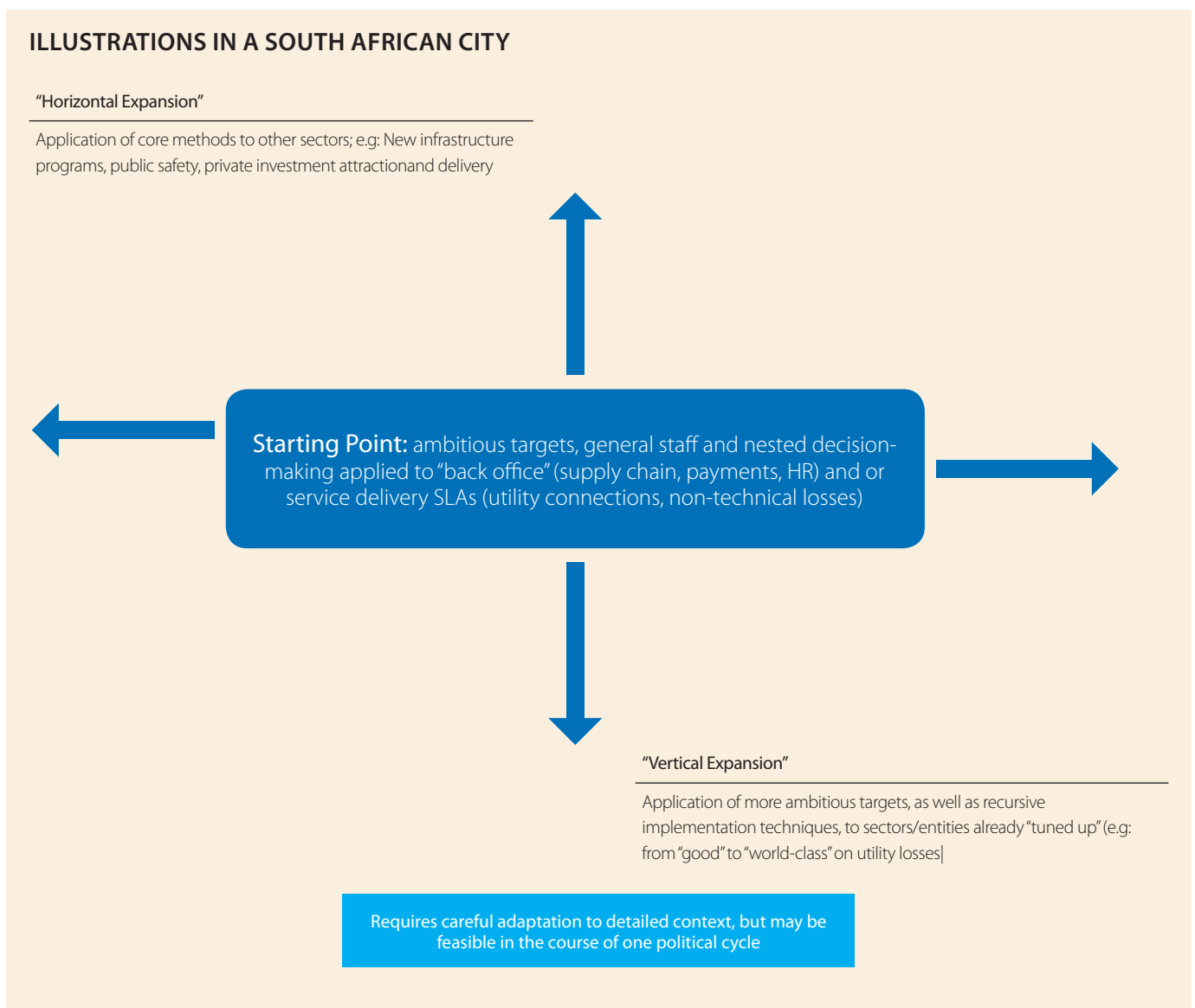
APPLICATION IN URBAN MANAGEMENT IN SOUTH AFRICA

A natural place to start would be with the basic, transversal operations of supply chain management (SCM), human resources, billing and payments. Beginning with these processes might serve two purposes. First, it would have a multiplier effect on efficiency throughout the municipal system.

Second, it might generate credibility and buy-in from the line departments, given the frustration many feel with these processes. One might even argue that until they are transformed, requiring the line departments to undertake more ambitious programs may have small odds of success.

Alternately, a change program might start with “getting the basics right” at entities responsible for local service delivery, such as electricity or water and sanitation. Transversal improvements to basic operational performance might then be the first step in a ladder of capabilities. Lessons learned might be incorporated into further, more ambitious reform, for example to managing a pipeline of intended private investment.

Such a program might unfold over twelve to twenty-four months, slowly but firmly bedding down, before expanding horizontally and vertically as depicted below:





CONCLUSION

Although it may be tempting to try and copy or just apply some of these approaches, it is important that each city would need to adapt new methods, in detail, to its own context.

Cities may also have already developed their own institutional arrangements. It is not advisable, neither may it be cost effective,

to overhaul an entire TMS. Rather, applying and adapting selected identified elements of success may be not only pragmatic, but reduce the lag time to actual achievement of positive results.

This knowledge note was prepared for the South African Cities Support Programme (National Treasury) with the support of the World Bank.

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