



# National Treasury: City Support Programme

**SNDB Re-Launch Event  
01<sup>st</sup> – 2<sup>nd</sup> October 2019**



**national tre**  
Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA



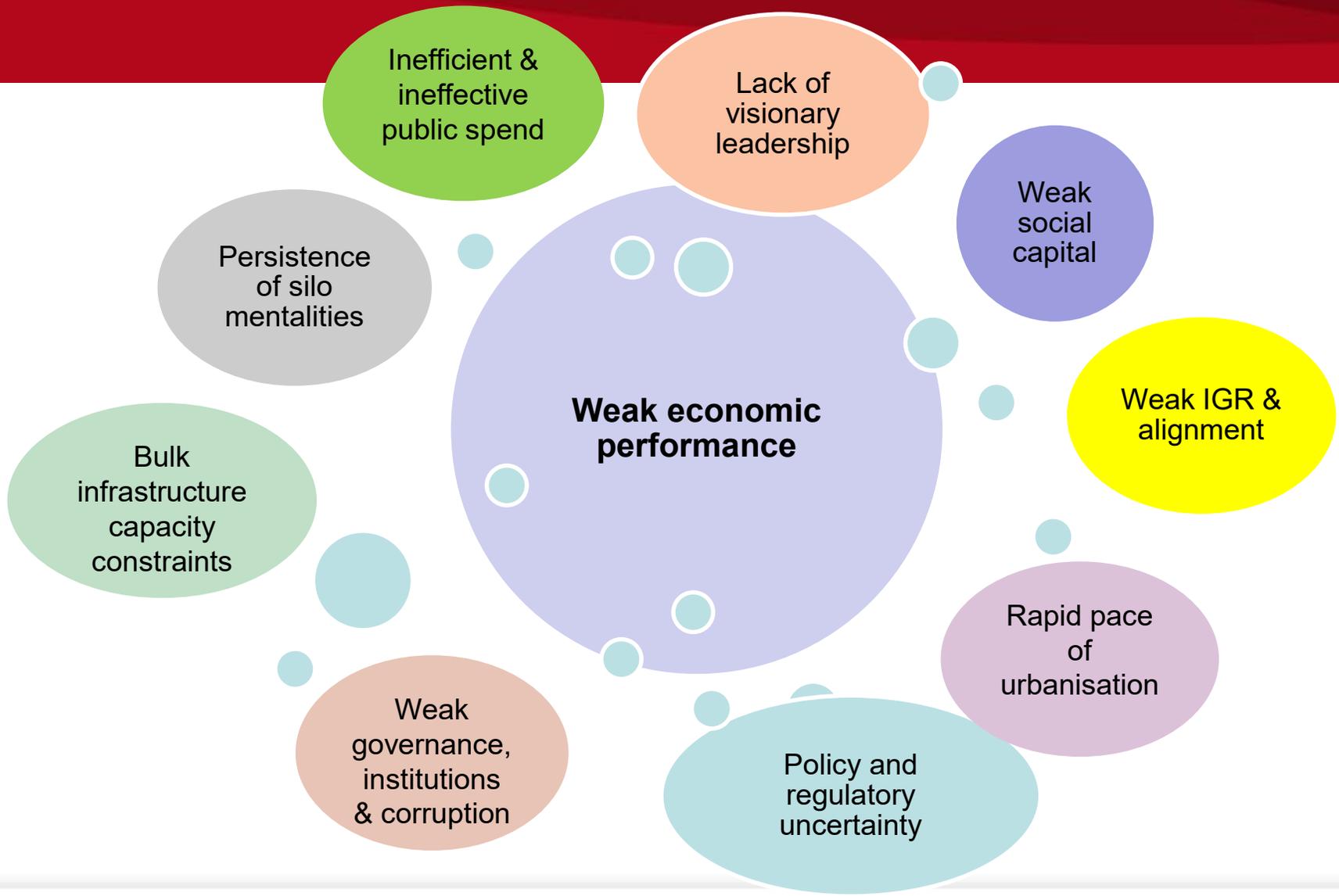
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**ctiEs** SUPPORT  
PROGRAMME



# City Context for Economic Development

- SA's central economic policy goal is to accelerate growth to create jobs and reduce inequality and poverty
- Eight metros are the drivers of the national economy, generating 65% of all taxable income, with functional regions extend far beyond their boundaries
- Economic development is by its nature transversal and government investment as a whole lands within city spaces, however:
  - Massive collective public sector investment (national, provincial and local government and SOEs) is not yielding the desired returns to economic growth and job creation
  - Private sector investment underpinning economic performance but confidence and trust levels very low
  - Economies of many cities are underperforming, with some caught in low growth traps
- All cities face the challenge of stimulating economic growth and job creation

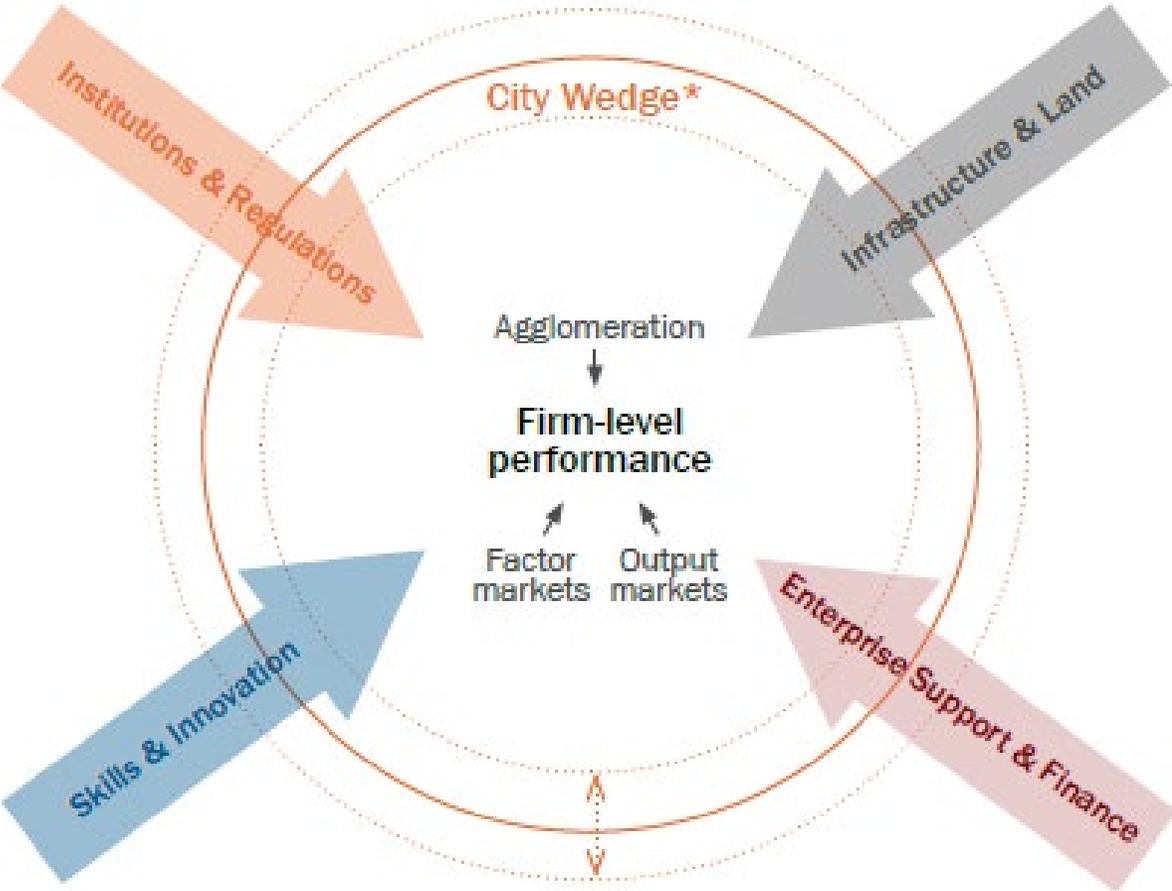


# Drivers of Investment Decisions by Firms

Category	Factor
Location endowments	Proximity to major markets / distributors Natural endowments
Relationship with City	Personal connections between firm and city “Soft power”, city image, proactive mayor, proactive and responsive IPIs
General business environment	Macroeconomic stability and growth potentials Institutional and regulatory environment Labour availability, skills and cost Infrastructure and land availability “Sweeteners”: fiscal and financial incentives
Level of sector development	New opportunities due to a neighbouring country or city moving up the value chain Presence of forward- and backward-linkages firms Presence of similar firms / competitors

Source: WB 2015 City  
Competitiveness report

# Drivers of Firm-Level Performance

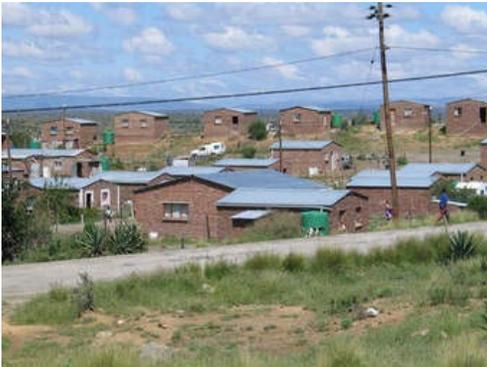


Source: WB 2015 City Competitiveness report

# Role of City governments in ED

- The over-arching role of city governments in stimulating economic development includes:
  - Understanding the city economy and the role and connectivity of spaces
  - Building consensus amongst stakeholders around a shared vision for the city / city spaces
  - Demonstrating visionary leadership in driving towards the achievement of the vision
  - Ensuring effective governance and building institutional capabilities
  - Effective & efficient performance of powers and functions
  - Ensuring that objectives of economic and social inclusion and spatial transformation are met
  - Strengthening inter-governmental relations
  - Building inclusive growth coalitions – public sector, private sector, communities etc

# City spaces in which firms invest



# Spatialised approach to City ED

- The space-specific role of City government is about -
  - Understanding city economic spaces to develop appropriate responses
    - Challenge as lack of nationally available data – must be addressed
    - Cities are responding innovatively utilising city administrative data, surveys and models
    - Need to increase use of participative instruments
  - Using city instruments to stimulate city economic spaces –
    - **spatial and development planning**
    - **regulatory**
    - **land use management**
    - **infrastructure and service provision**
    - **investment attraction and promotion**
    - **urban management**
  - Facilitating stakeholder engagement and participation
  - Leveraging and aligning public sector – national and provincial depts and SOE) –regulatory responsibilities, investments and incentives



# CSP Programme Design

## Development Objective:

- Support the development of more compact, inclusive, connected and transit-oriented cities through a programme of spatial transformation that is **driven by capable metropolitan governance systems, and supported by enabling policy and regulatory frameworks and an appropriate set of fiscal incentives.**

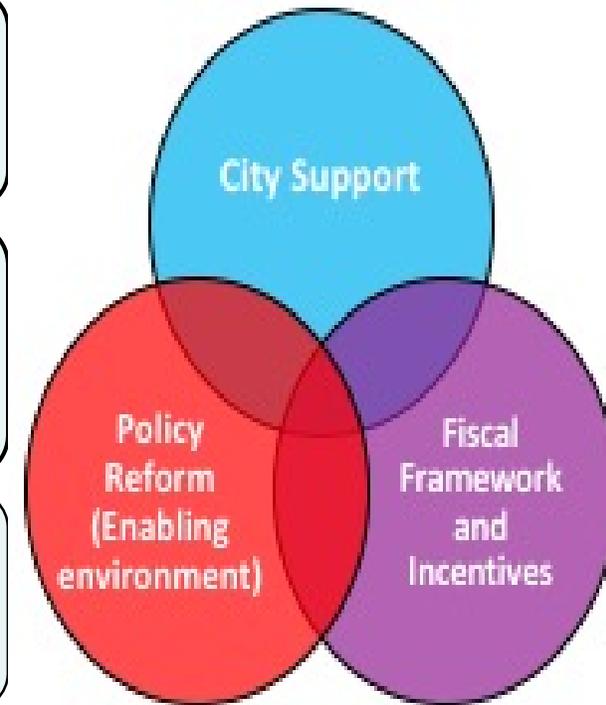
## Desired outcomes

- **Metro's able to implement** strategies to accelerate inclusive economic growth and poverty reduction by building more integrated, productive, competitive and sustainable cities;
- **Policy environments that support metros** to implement such strategies;
- **Fiscal incentives that support metros** to implement such strategies.

## CSP Activities

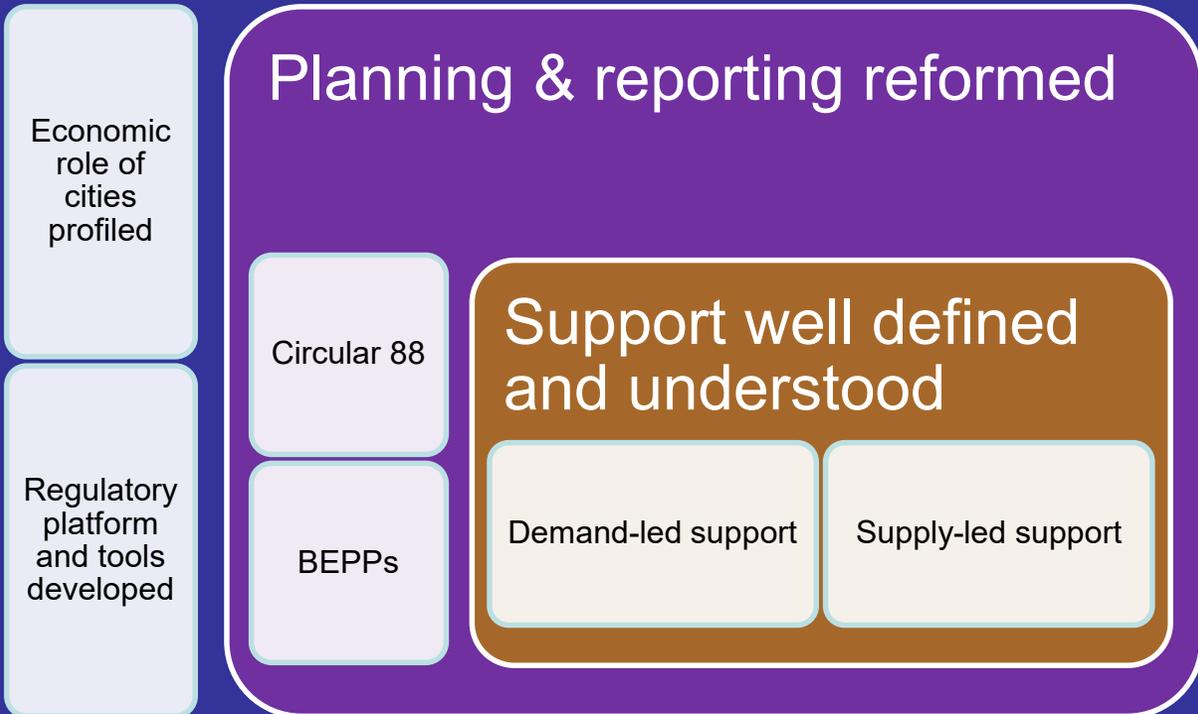
- Gather, generate, share and support the implementation of innovative and appropriate practices in the fields of city governance, urban planning, finance, human settlements, public transport, climate resilience, and economic development.
- Facilitate required policy, fiscal and IGR reforms

**Specific five-year objective of institutionalising within national departments, provinces and metros a set of policies, practises and activities which support the development.**

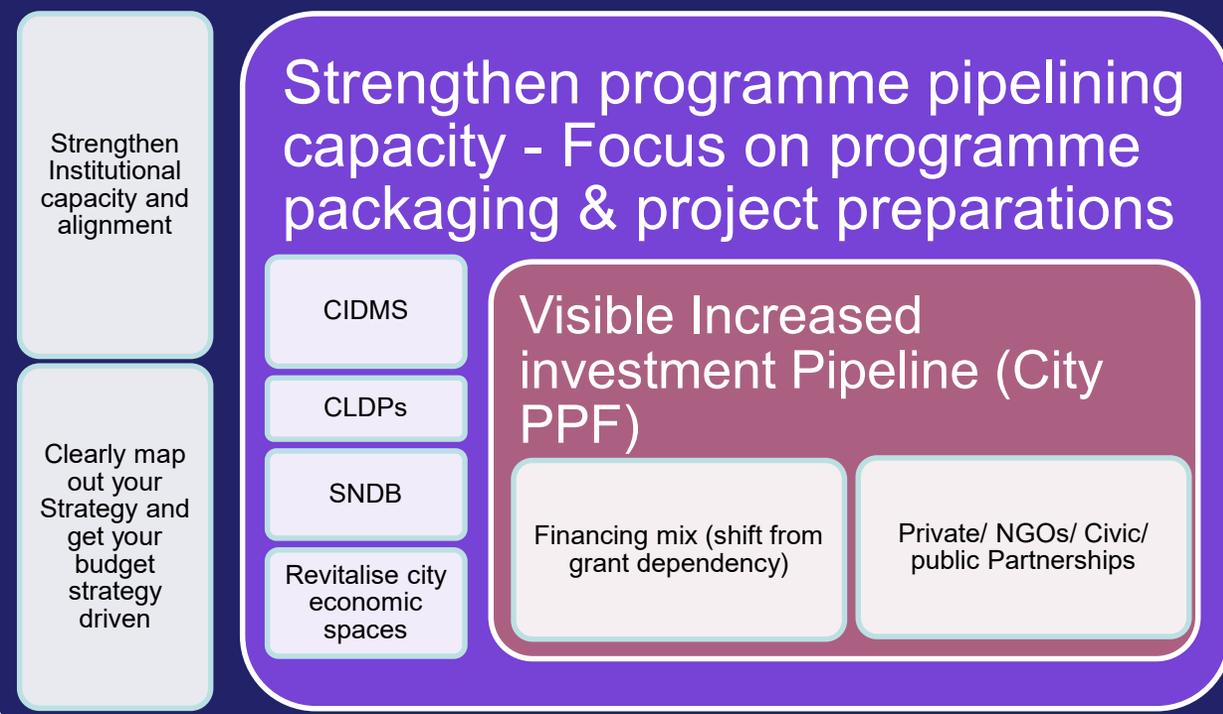


# CSP Progression

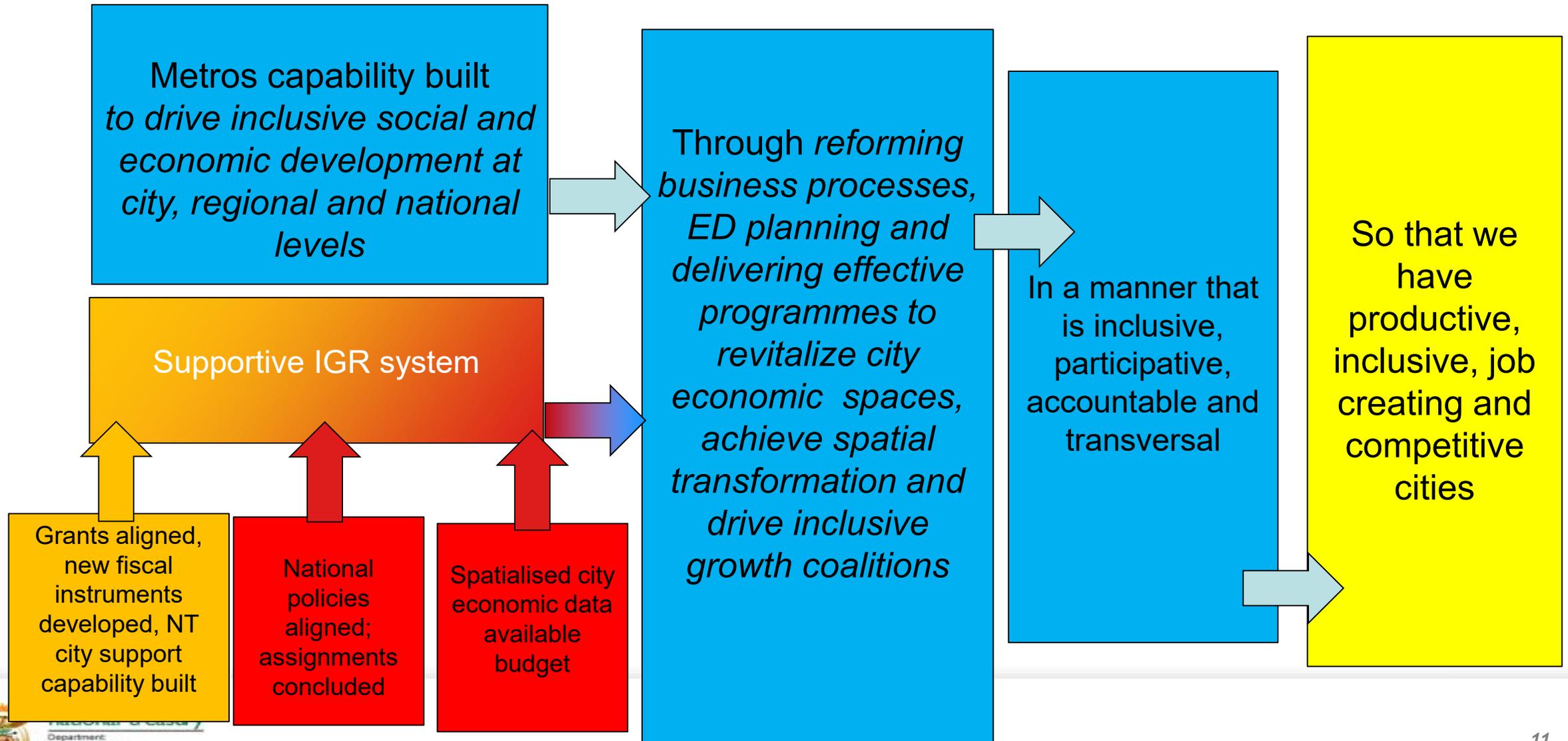
## Foundations are laid



## Need for demonstrative effect – consolidate planning & get into delivery mode



# Translating CSP2 Theory of Change : ED Component



# CSP 2 ED Component Objectives

Institutionalisation within all spheres of govt & SoEs of collaborative space-sensitive ED plans & programmes

Strengthened global competitiveness of SAn cities through targeted interventions

# Intervention Levels



## LEADERSHIP AND PLANNING

Partnering for Inclusive  
Growth

City Economic Strategies  
Facility

RED Collaboration



## CITY SUPPORT

Township Economic Development

Inward Investment Promotion

Institutionalising the “SNDB” Survey

SNDB and DB Reform Support



## ENABLING ENVIRONMENT

Economic & Urban  
Development Financing  
Incentives

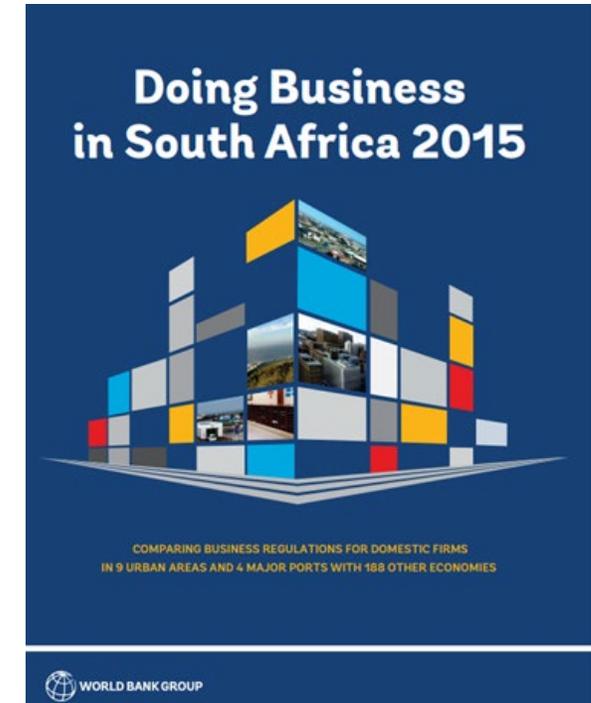
Spatialised city economic  
data Available

# Nature of support

- Leadership and Planning
  - Addressing challenges of weak collaboration, reactive approach, inefficient business processes, lack of transversal accountability, command & control leadership styles
  - Promoting clear delegations, transversal PMS, collaboration, negotiated accountability, cross-functional governance, cross boundary co-operation, strengthened IGR & collaboration, multi-stakeholder partnerships
- City Support
  - Project life cycle support, systems-based approach, working alongside city transversal project teams, clear city commitments
  - Facilitating inter-governmental alignment, support and co-ordination mechanisms
  - Partnership approach
- Enabling environment
  - Focusing on unlocking spatialised city economic data and policy and programmatic alignment

# SNDB Programme

- Three interventions levels
  - Direct city support
    - Leadership and planning: transversal management support
    - Reform Action Plan implementation: Support in collaboration with SECO and the WBG
  - Inter-governmental co-ordination and support
    - Collaborating with the DTIC re DB reform programme implementation
    - Alignment of the DB and SNDB reform programmes – planning, implementation & reporting
    - Institutionalising the reform programmes
  - SNDB Survey
    - Investigating options for institutionalising the SNDB survey
    - SECO support



# THANK YOU