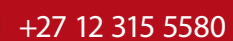


# CEDMF



# Re-Creating Our Cities Together

The CSP builds on the National Development Plan, which highlights the importance of space, and the spatial relations between where people live and work in urban areas, as being a key hindrance to economic growth and poverty reduction (NPC 2013)



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





# ABOUT THIS PUBLICATION

The City Economic Development Managers' Forum (CEDMF) was constituted by National Treasury's City Budget Forum in April 2020 in response to the devastating impact of the COVID-19 pandemic on the national economy. The aim of the forum was to facilitate peer learning and integrated economic recovery planning and implementation at the metro level. This was in recognition of the pivotal role that the eight metros need to play in national economic recovery given their significant collective contribution to GDP and employment.

As an intergovernmental platform, the CEDMF seeks to drive deeper collaboration and innovation amongst metros and all of government and society to improve the prospects for, and pace of, economic recovery and inclusion.

This CEDMF 2022 publication draws on the closing theme of the year – 'Creative Industries and the Role of Metros' – and is entitled '**Re-Creating Our Cities Together**'. It follows the CEDMF 2021 publication titled: 'Growing the Ingredients for Economic Recovery' launched in April last year and highlights key insights emanating from the 10 sessions of the CEDMF during 2022. It is user-friendly and interactive, enabling you to pick a topic of your interest any time you revisit it.

**We hope that you will enjoy this content and find it useful in your space.**

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Department:  
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DEVELOPMENT  
PARTNERS





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01

# FOREWORD

## From the Director-General



*Ismail Momoniat*

The past year's CEDMF engagements have emphasised the need to 'refresh' and 'rethink' South Africa's efforts.

National Treasury convened the City Economic Development Managers' Forum on behalf of the eight metropolitan municipalities soon after the COVID-19 lockdown in 2020. What started as a platform to facilitate an aligned inter-governmental economic disaster recovery response to COVID-19 has morphed into a valued peer-learning and knowledge-sharing platform that supports reflection, innovation and knowledge sharing amongst city economic development practitioners within all three spheres of government and their partners.

South Africa has been stuck in a low-growth trend for more than a decade, whilst corruption has become entrenched following state capture after 2009, and needs to recreate a climate for greater investment and higher and more inclusive growth. Metropolitan municipalities and cities have a critical role to play in facilitating such growth, and hence the theme of this year's CEDMF publication is '*Re-Creating Our Cities*'. The Apartheid spatial pattern within our cities continues to characterise the form of development – in our human settlements, public transport networks and economic hubs – and this results in ongoing service delivery inefficiencies and the marginalisation of poor communities, who live far away from places of work. Efforts since 1994 to change this legacy and create more sustainable, inclusive and productive cities have slowed down, and need to be revived, escalated and extended if we are to succeed in growing our economy to be greener and more inclusive, achieving all sustainable development goals over the next two decades.

The past year's CEDMF engagements have emphasised the need to 'refresh' and 'rethink' past efforts. Many public sector officials have learned valuable lessons from their experience of the pandemic and climate change, and are more keenly aware of the enormity of the challenges that we face. It is clearly apparent that the public sector is unable to address its urban challenges alone and needs to draw on the ideas, creativity, resources and energy of their people and partners – whether it is young people, the creative sector, committed private sector partners, social economy actors and/or global partners. We need to identify better instruments in the market that can improve the potential to drive greater participation and inclusivity through a shared vision for more equitable, inclusive and sustainable cities throughout our country.

This year's publication brings in the voices of cities and their partners and highlights what a group of committed, like-minded and influential people can catalyse when they meet on a regular basis with a shared vision and the intent to learn from, and share ideas with, each other and then start turning their ideas into actions. We hope that this publication will facilitate a better understanding of the challenges that lie ahead, and provide the inspiration for a better and greener developmental path through greater commitment, collaboration and active participation.

*Ismail Momoniat*

DIRECTOR-GENERAL, NATIONAL TREASURY





# 02

## CONTEXT

### Cities' economic recovery in 2022

“... one could argue that we may have underestimated the extent and depth of global and South African disruption and devastation that has resulted.



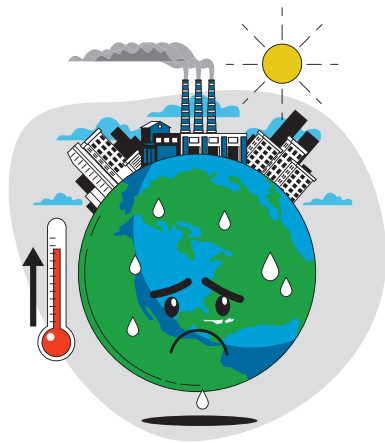
It has been more than three years since the COVID-19 pandemic hit the globe. It feels as though the world is still re-emerging from its stranglehold, with China the latest to relax its zero-tolerance policy with wicked consequences. The re-emergence is tentative as the virus is still around, seemingly in a weakened state, with the power to send populations scurrying behind their masks and doors at the threat of new outbreaks. When the pandemic began and South African city stakeholders had to respond, there was a knowledge that both an immediate disaster and longer-term recovery interventions would be needed. Indeed, albeit seriously constrained, South Africa reacted fairly well to the immediate disaster.

The first two CEDMF publications – 2020 and 2021 – focused on the immediate responses of cities, and government more broadly, to the COVID-19 pandemic and resultant lockdowns. This 2022 CEDMF publication begins to unpack the reality South African cities find themselves in as the country re-emerges from the acute phase of the pandemic into both an altered global and country context. South African cities are needed to lead the country's economic recovery, but a number are faltering, and their own recovery is stagnant or weak. Some of their performance factors are within their control, and many are not. In general, one could argue that we may have underestimated the extent and depth of the global and South African disruption and devastation that has resulted.

South Africa has re-emerged from its hard COVID-19 lockdowns into a changing world order. The struggles for democracy have heightened in both non-democratic and democratic countries. The shock to the global system has exacerbated societal divisions and increased the vulnerability of marginal groups with the 'cost of living crisis' becoming a phrase more common in 2022 than the Oxford word of the year 'goblin mode', as people have retreated into survival mode.







The climate emergency is deepening with harsher and more devastating climate events that are instilling a sense of gloom and doom and a crisis of confidence in global leadership. The global inequalities that were exposed in the disaster response to COVID-19, most visible in the distribution of vaccines, are exacerbated in calls from poorer countries for redistributive investment from richer countries to address the uneven impact of climate change and redress some of the historical liability for the crisis we collectively confront.



Women's rights are being steadily eroded, most aggressively in countries such as Afghanistan, Iraq and the United States, with repercussions across the globe for women and minority groups such as the LGBTQIA+ communities. Xenophobia is growing with the apparent mainstreaming of far-right policies, evident in country policies such as the exporting of largely black and male migrants from the United Kingdom to Rwanda – the latter, a poor country that has been rated *Not Free* in the Freedom of the World 2022 study.

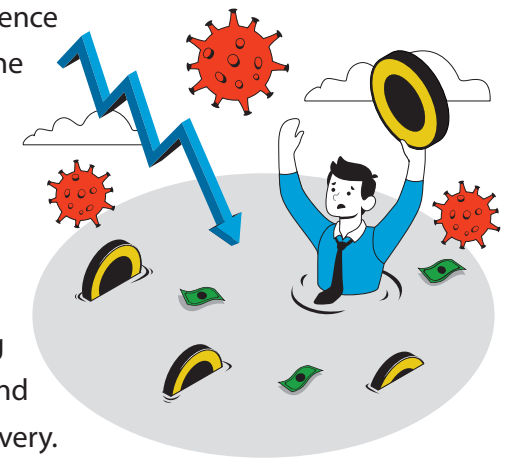


The world has been shocked by Russia's invasion of Ukraine, which has resulted in the seemingly pointless loss of thousands of civilians and young soldiers, and food, gas and other supply chain shortages. This war has destabilised Europe and added to instability experienced across other regions in Ethiopia, Somali, Yemen, Armenia-Azerbaijan, Nigeria, Kashmir, Kurdish-Turkey and Western Sahara, amongst many others.



A global mental health crisis, especially amongst the youth, is evident as people try to come to terms with the uncertainty and enormity of the challenges we are facing. Unchecked mental health issues contribute to other societal problems – perhaps even the rise of narcissistic sociopaths at the helm of certain political and business organisations.

Within an increasingly unstable world, South Africa battles its own demons and is only starting to grapple with the consequence of entering a pandemic in an already vulnerable position. The massive impact of the pandemic on employment, especially in townships and informal settlements, has exacerbated the unemployment crisis, especially amongst the youth. The ability of firms and individuals to recover has been undermined as the country lurches from one energy, climate and political crisis to another, which contributes to growing social discontent and alienation. The many leadership and institutional failings mitigate against a steady and even recovery.



This is the story of 2022, and the context in which South African cities bear the responsibility to lead South Africa towards full economic recovery. The Nelson Mandela Bay Metro will share its path to recovery in this publication as an illustration of the challenges cities face. Whilst there are many factors outside of the control of cities that directly impact on their capability to respond, there are factors that they do control that can make a difference. For example, semi-migration to the Western Cape and City of Cape Town is a market signal that efforts towards good governance can encourage investment and inspire hope. Positive efforts by city administrations together with relevant public and private sector counterparts to turn around industrial, township, SEZ and port spaces in Tshwane, Johannesburg, Ekurhuleni, eThekweni, Nelson Mandela Bay and Buffalo City are demonstrating that revitalisation of city economic spaces and recovery of our economy is possible.

The consistent message that the CEDMF has communicated in 2022 is that, in times of uncertainty and upheaval, one needs to find pockets of excellence, innovation and hope, and work with those in the hope that they will catalyse other pockets of the same and, in turn, result in a movement of positive change and development. This 2022 CEDMF publication showcases some of the innovations within city governance that have spun off from the engagements within the platform.

The stories and knowledge that have been shared during the past year within the CEDMF and the individuals who attend are contributing to this change and are building the momentum required for systems change 'one pocket at a time'.

*Collins Sekele*

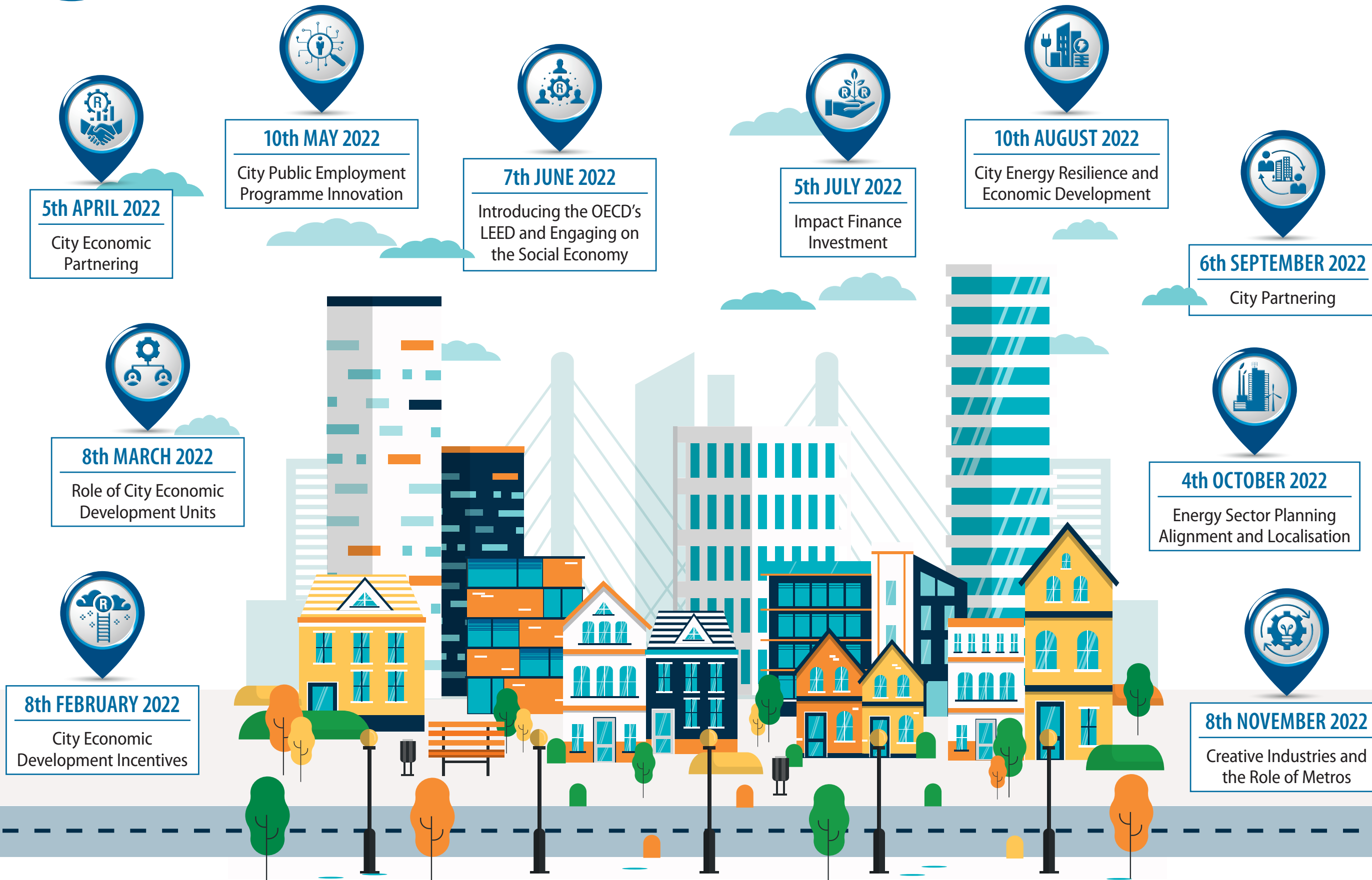
CHIEF DIRECTOR: NEIGHBOURHOOD DEVELOPMENT  
PARTNERSHIP, PROGRAMME INTER-GOVERNMENTAL  
RELATIONS, NATIONAL TREASURY



# 03 CEDMF JOURNEY



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# 04

## CASE STUDY

### Nelson Mandela Bay Metro's economic recovery



Amelia Buchner

The Nelson Mandela Bay Metro (NMBM) region remains the most significant investment destination and economic hub for the Eastern Cape ...



The Nelson Mandela Bay Metro (NMBM) region remains the most significant investment destination and economic hub for the Eastern Cape, contributing the largest (metro or district) share – almost 38% (R20.1bn) – of all new investment into the province in 2021 as well as contributing close to 35% of the Eastern Cape's annual GDP and 29% of the province's jobs.

Over time, and reflecting instability in city governance, the Nelson Mandela Bay Metro has become a relatively more difficult and costly place in which to do business and invest – in comparison to its national and international peers. In some cases, high-impact investment projects are not prioritised and languish in the system, resulting in lost investment opportunities.

Prospective investors/developers (in both the private sector and state-owned entities) have called for urgent interventions outside the conventional bureaucratic processes in the face of pervasive high unemployment and low levels of investment. Business and investor confidence is low.

The City's response is to implement its council-approved Investment Incentive Policy which is aimed at encouraging new investments as well as retaining and expanding existing investments. One of the non-financial incentives on offer will be the establishment of an Investor One-Stop Shop. The Executive Mayor is establishing an Investment Facilitation Panel to hear complaints and suggestions and attend to unblocking significant investment applications that are caught up in the administrative system.

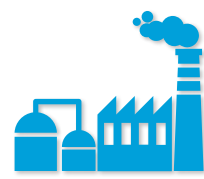
Whilst the pace of economic recovery in the metro is slow, there have been some encouraging signs.

Recently, the Trade and Investment Sub-Directorate has secured a number of investment pledges in the economy of Nelson Mandela Bay and highlighted announcements, including those from the following companies: Transnet (R1.59bn), Shoprite (R1.5bn), Sanral (est. R0.9bn), SAB (est. R510m), Benteler (R168m), Tshedza (R85m), CFAO Equipment (R60m), Mhlobiso Concrete (R0.5m).





Other high-impact investment projects currently in facilitation include the following:



**R75 billion**

**HIVE HYDROGEN:** This will include the establishment of a green ammonia production facility intended for the export market. A combined 3 200 MW of renewable energy (solar and wind) will be commissioned to electrolyse 3.4 megalitres of seawater a day as part of a desalination and hydrogen extraction process. The export of 780 000 tonnes per annum of green ammonia is planned on ships that will likely be fuelled by green ammonia itself.

**PROJECT VALUE: R75 billion (est.)**



**R10 billion**

**IMPOFU WIND FARMS:** Development of three wind farms near Oyster Bay, collectively known as the Impofu Wind Farms, as well as associated infrastructure which includes a 120-kilometre-long, 132 kV overhead power line to Gqeberha, Nelson Mandela Bay.

**COST OF CONSTRUCTION: R10 billion (est.)**



**R1.5 billion**

**EXPANDED SHOPRITE CHECKERS DISTRIBUTION CENTRE:** Planned expansion of an existing facility (comprising close to 1 ha of warehousing) including additions, extensive additions to the dry goods warehouse, returns warehouse and perishables warehouse, a new office building, a new workshop and truck wash, and new guardhouses. The proposed total size of the expanded footprint is approximately 19 ha, including around 7 ha of warehousing and offices.

**PROJECT VALUE: R1.5 billion (est.)**



**R600 million**

**FORD'S STRUANDALE ENGINE PLANT:** This investment in expanding and modernising the existing plant will support the launch of the new 3.0L V6 turbo diesel engine and upgrades to the existing assembly line for the 2.0L single turbo and 2.0L bi-turbo diesel engines.

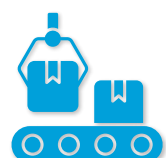
**CAPEX: R600 million (est.)**



**R486 million**

**CLOVER MEGA-FACILITY:** Project Sencillo aims to consolidate Clover's distributions to align with its new manufacturing footprint and address the migration of milk source to the coastal regions.

**CAPEX: R486 million (est.)**



**R270–R510 million**

**SAB INBEV IBHAYI BREWERY:** This project entails the expansion of the iBhayi Brewery operations (in Perseverance, Gqeberha). 'Project Beyond' will capitalise on the growth of the investor's 'beyond beer' flavoured alcoholic beverages in the South African market by increasing brewing capacity.

**PROJECT VALUE: R270–R510 million (est.)**

The tourism sector has experienced some recovery in the 2022 summer holidays. The December 2022 overall occupancy increased by 16.02% to 64.19% compared to the previous year. The economic contribution grew by just over 44.7% year on year.



NMBM remains in the grip of the one of the longest drought periods ever experienced. Over the past number of years, the capital budget had to be aligned with water augmentation projects. This has come at the cost of other projects being implemented. The water restrictions in force, and the implications these have on water supply, will continue to influence economic activity and investment decision-making for the metro.

The City would like to express their appreciation for the City Economic Development Managers' Forum for the value the platform adds to the work done by the metros. The topics that are being discussed in the forum are very relevant and the peer-group learnings and engagement are invaluable.

*Amelia Buchner*

DIRECTOR: STRATEGIC PROJECTS, ECONOMIC DEVELOPMENT,  
TOURISM AND AGRICULTURE DIRECTORATE

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**THE CITY WOULD LIKE TO EXPRESS THEIR APPRECIATION FOR THE CITY ECONOMIC DEVELOPMENT MANAGERS' FORUM FOR THE VALUE THE PLATFORM ADDS TO THE WORK DONE BY THE METROS.**





# 05

## IMPACT INVESTING

A new way to attract private capital for local development needs

“

Impact investments, in their simplest form, are defined as investments made with the intention to generate positive, measurable, social and environmental impact alongside a financial return.



Within the context of South African metros seeking innovative financing mechanisms to address growing urban challenges, the CEDMF of the 5th July 2022 introduced and unpacked the concept of impact finance investment through an engagement led by Can Atacik, a global expert based in Turkey. Impact investing has grown significantly in the last decade, reaching a total of US\$1.2 billion assets under management globally<sup>1</sup> and provides a new source of funding from the private sector for municipal projects.



*Ayanda Mokgolo*

Impact investments, in their simplest form, are defined as investments made with the intention to generate positive, measurable, social and environmental impact alongside a financial return. Investments can take many forms such as social impact bonds, social impact incentive structures, investments in micro and small enterprises through innovative structures such as revenue-based lending or recoverable grants. These structures overcome obstacles to access financing from more conventional channels such as banks or venture capital funds and create incentives for more private money to meet the needs of local development challenges.



*Can Atacik*

As a follow-up to the online workshops, and in response to demand from the metros to build further capacity to develop projects that could be attractive for impact investors, the National Treasury requested technical assistance from the World Bank Group (WBG), drawing on its global expertise and the Impact Principles<sup>2</sup>, as part of the ongoing support provided by the WBG in the implementation of the Cities Support Programme (CSP) through the Economic Strategies Facility.

<sup>1</sup> GIINSight: Sizing the Impact Investing Market 2022 – [Link](https://www.impactprinciples.org/sites/default/files/2021-06/Impact%20Principles%20Brochure%20Revised.pdf)  
<sup>2</sup> <https://www.impactprinciples.org/sites/default/files/2021-06/Impact%20Principles%20Brochure%20Revised.pdf>





The impact financing technical assistance from the WBG commenced in December 2022, with a series of in-person workshops and site visits in four metros (City of Cape Town, City of Ekurhuleni, City of eThekweni and City of Tshwane), and exploration sessions to identify the types of local development needs which could potentially be structured to crowd in impact investors. A WBG team – led by Ayanda Mokgolo (Senior Financial Sector Specialist and Technical Lead for the impact financing work) and Can Atacik (Impact Finance Consultant), together with representatives from National Treasury, visited each metro and met with several private sector stakeholders as part of this preliminary exploration. The team subsequently provided the metros with a guidance note on different types of impact-investing instruments to help their selection of potential projects and instruments. Following an open invitation process to the metros, the cities of eThekweni and Cape Town requested further technical assistance in the development of their impact-financing investment proposals. The lessons learnt from this work will be disseminated through the CEDMF.

Impact investing is a highly flexible approach that can be tailored, based on the specificity of the local demand and expectations of investors, to create alternative financing channels for metros. Investors can be private individuals or entities, international or local foundations, corporations or development institutions. Structures can be created to incentivise the transfer of delivery risk to private investors through results-based contracts, or to attract private innovation and entrepreneurship for novel solutions. Pooled resources can be invested in local micro and small enterprises through vehicles with structured exits to encourage more investors to extend capital to where it is most needed to generate employment and growth.

South Africa offers valuable impact-investing examples, including two social impact bonds focused on youth employment and job creation. New initiatives are also being developed. South Africa is also home to several impact-investing venture capital funds. The Bertha Centre at the University of Cape Town and Impact Investing SA, who are also working closely with the National Treasury, offer local expertise and access to investors. Through the confluence of local knowledge and expertise, international best practice and success cases, the WBG team hopes to identify and bring to life new examples of the catalytic power of impact financing to advance public sector objectives and build networks amongst the metros, impact investors and support organisations.

*Ayanda Mokgolo*

SENIOR FINANCIAL SECTOR SPECIALIST, FINANCE,  
COMPETITIVENESS & INNOVATION, WORLD BANK GROUP

*Can Atacik*

SHORT-TERM CONSULTANT, WORLD BANK GROUP

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**SOUTH AFRICA OFFERS VALUABLE IMPACT-INVESTING EXAMPLES, INCLUDING TWO SOCIAL IMPACT BONDS FOCUSED ON YOUTH EMPLOYMENT AND JOB CREATION. NEW INITIATIVES ARE ALSO BEING DEVELOPED.**



06

# SPATIAL ECONOMIC DATA

## Unlocking the economic potential of eThekweni



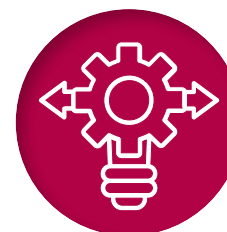
*Justice Matarutse*

The availability of City Spatialised Economic Data ... has been an incredible game changer for eThekweni Municipality.

A continuous plea from South African cities has been for access to spatialised economic activity data to assist them in evidenced-based planning and better targeted and integrated investment to aid in their economic recovery and growth.

The availability of City Spatialised Economic Data, drawn from administrative tax data sources by the National Treasury and SARS in partnership with the Human Sciences Research Council (HSRC), has been an incredible game changer for eThekweni Municipality. With the city having been negatively impacted by COVID-19, civil unrest and perennial flooding, economic recovery initiatives needed to be more spatially targeted to address economic growth in regions of the city that were affected more than others.

Using spatialised tax data to analyse city economic growth has provided the following benefits:



### INSIGHT INTO LOCAL ECONOMIC PATTERNS

By analysing this data spatially, it has been possible to identify patterns and trends in economic activity, such as which areas experienced growth in terms of net new firms/establishments opened versus areas where there were net losses in new firms/establishments created.



### REDUCING ECONOMIC DISPARITIES

Using the same data above, the Economic Development Unit commissioned an Informal Economy Survey focusing mainly on areas that experienced significant losses in firms and rising inequality. The survey outcomes will be used to inform local policies around the informal economy support programme, which reduces economic disparities and promotes more equitable economic growth.



### IMPROVING DECISION-MAKING

City officials in eThekweni have access to the online Durban EDGE portal where the spatial tax data is fully visualised for ease of understanding and communicating insights. The City's Economic Research, Strategy and Innovation Department, Economic Development Projects Department, Industry Support Department, and Human Settlements Cluster have all incorporated City Spatialised Tax Data as part of their strategic planning process. This will enable them to make more informed decisions about how to allocate resources and plan for future growth.





**BETTER MONITORING OF POLICIES**

By analysing tax data over time, eThekweni's Economic Development Unit is monitoring the local economy's response to its Economic Recovery Plan (*Sakha iTheku/Shape Durban*) across different regions of the city.

**ENHANCING COLLABORATION**

Local government departments, provincial government, the private sector, and academia have also seen a rejuvenation in collaboration. For example, the City's Municipal Institute of Learning (MILE) has partnered with the Economic Development Unit to host a series of learning events to spread awareness about the new data, insights as well as use cases. Secondly, the KwaZulu-Natal provincial government's Department of Economic Development, Tourism and Environmental Affairs (KZNEDTEA) is also collaborating with the City regarding spatial economic data for the region. The University of KwaZulu-Natal's Macroeconomic Research Unit is also actively collaborating to make use of local spatial economic data for research.

**COST EFFECTIVE**

This data is provided to cities for free. This is a significant advantage and benefit in the constrained budget environment that all South African cities find themselves in post-COVID-19.

One of the most useful features of this data is that it can be analysed in conjunction with other administrative city data to provide a more complete and detailed understanding of the economic and social conditions within eThekweni. Some examples of administrative city data currently being analysed with spatial economic data include:

**DEMOGRAPHIC DATA**

This includes information on the population, educational attainment, age, and race of residents within Wards. When analysed in conjunction with spatial economic data, this information is providing insights into the economic and social conditions of different neighbourhoods and communities as well as insights into the skills and qualifications of the local workforce and the potential for economic development.

**VALUATION ROLL AND SERVICES CONSUMPTION DATA**

This includes information on property valuations across the City and adds valuable context about the category of land uses, market value and the related consumption of city services (water, electricity, rates etc.). This has allowed eThekweni to understand the various land-use mixes per area and the economic outcomes related to those land uses and zoning, thus informing our spatial development framework. eThekweni's Economic Development Unit is currently undertaking a spatial trends mapping exercise aimed at understanding the relationship between building plan applications, property sales, and land use management.

Overall, spatial economic data availability represents a pivotal moment for the South African urban economy where economic data has been scarce and sorely needed for effective planning and impactful industry sector development programmes. The next steps for cities will be to effectively capacitate themselves to fully harness the potential of the data available.

*Justice Matarutse*

PROGRAMME MANAGER:  
INNOVATION, ETHEKWINI MUNICIPALITY





07

# CREATIVE PROCUREMENT

## Growing cities' investment impact



Geoff Bickford



Sascha Haselmayer



Public procurement is a strategic asset for cities and can be innovative and creative: these were the sentiments shared by Sascha Haselmayer, a World Bank Group Creative Procurement Consultant, in one of the early CEDMF sessions on creative procurement in August 2020. The session generated significant interest amongst City officials as they contended with pent up frustration at the perceived regulatory and policy limitations of the current public sector procurement framework. The question which lingered in the minds of many was: can creative procurement really work in South Africa?

As a follow-up to the CEDMF session, technical support to implement innovative approaches was secured through the Economic Development Component of the Cities Support Programme, of which the World Bank Group is an implementing partner. This will facilitate adequate capacity building and technical support in further unpacking the creative procurement opportunity in a South African context. The technical assistance supports metros to draw down appropriate global expertise to assist in the development of innovative and credible sector or asset-specific economic development strategies.

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**PUBLIC PROCUREMENT IS A STRATEGIC ASSET FOR CITIES AND CAN BE INNOVATIVE AND CREATIVE.**

~ Sascha Haselmayer





Creative procurement positions public procurement as a strategic asset through which problems can be solved in cost-effective ways and developmental value can be achieved. Importantly, it places emphasis on the creative application of procurement. At the core, creative procurement is about a shift away from tenders specifying solutions and lowest cost-compliant bidders being selected towards a more open, transparent and engaging process to achieve desired outcomes (Haselmayer, 2020). The core principles of creative procurement are the following:



**PROBLEM- OR DESIRED OUTCOMES ORIENTED:** Focuses on the actual value created in the community instead of just the cost of goods and services.



**PARTICIPATORY:** Seeks to include as many people as possible in the procurement cycle, from concept to implementation.



**USE PROCUREMENT AS A STRATEGIC ASSET:** Answers the question: If it isn't solving the real problem, or delivering community value, then try another approach.



**CREATIVE APPLICATION:** Focuses on what can be done in the process to maximise community value.



**OPEN AND TRANSPARENT PROCESSES:** Ensures the entire process is made visible and accessible to the public and especially to the benefiting community.

Technical assistance provided through the CSP has to date focused on i) awareness and capacity building efforts and ii) integrating this approach into specific projects. Over the last year, the following key deliverables were achieved on this intervention:

- Developed a Creative Procurement Ideas Book
- Presented at the National Treasury Public Financial Management Week in November 2021.
- Presented to the Department of Small Business (DSB) and the European Union (EU) Ecosystem Development for Small Enterprises (EDSE), February 2022
- Ran an experimental design workshop for a Township Economic Development (TED) Fund as an emergence from the DSB and EU EDSE engagement, February 2022
- Presented the playbook to City of Cape Town and Nelson Mandela Bay economic development officials
- Presented the playbook to the TED and Industrial Parks teams supporting the CSP
- Currently working with the TED team to explore creative procurement application in the Njoli Square TED project in NMB.

Through the course of these activities, it is believed that the awareness of creative procurement has been heightened amongst public sector officials. However, the uptake of applied creative procurement support on offer has been slow and challenging, often because there is a sense that the procurement space in cities is very tightly regulated, and there are strict rules on how sector departments are able to contract services under current supply chain management regulations and City Supply Chain Management Policies.

To address issues related to the constraints of implementing a creative approach within the current South African framework, it was deemed important to carry out a legislative and regulatory review from the perspective of creative procurement to assess the extent to which the legislation and regulations prohibit creative procurement from being implemented. Whilst the work did not reveal prescriptive legislative or regulatory barriers to creative procurement, there is an opportunity to broaden the scope of procurement options within existing legal and regulatory frameworks, to eliminate ambiguity in interpretation and to foster an enabling environment for innovative approaches. Also noteworthy is the need to enhance institutional and professional capacity within the municipal procurement system, in support of this objective.

*Geoff Bickford*

SHORT-TERM CONSULTANT, WORLD BANK GROUP

*Sascha Haselmayer*

A GLOBAL EXPERT ON INNOVATIVE  
PROCUREMENT CONTRACTED BY THE CSP/ WORLD  
BANK TO ADVISE SOUTH AFRICA'S METRO

66  
... NOTEWORTHY IS THE NEED TO  
ENHANCE INSTITUTIONAL AND  
PROFESSIONAL CAPACITY WITHIN THE  
MUNICIPAL PROCUREMENT SYSTEM,  
IN SUPPORT OF THIS OBJECTIVE.



## PUBLIC EMPLOYMENT

### A tool for waste management in Buffalo City Metro



As part of metro economic recovery, the metros engaged the Presidency within the July 2020 CEDMF to explore a collective metro bid for a City Public Employment Programme (PEP) as part of the Presidential Stimulus. A CEDMF working team was set up, and a City PEP instrument was designed. The metros have successfully secured just under R1 billion per annum for three years for this purpose. It is allocated to the metros as a window in National Treasury's Neighbourhood Development Programme Grant.

The Buffalo City Metropolitan Municipality (BCMM), together with strategic partners, the Border Kei Chamber of Businesses (BKCOB) and Buffalo City Metropolitan Development Agency (BCMDA) sourced City PEP funding from National Treasury to create temporary employment opportunities to improve waste services delivery programmes.

The City PEP waste management programme seeks to address the following urban challenges:



**PROLIFERATION OF ILLEGAL DUMPING:** Inadequate enforcement of the municipal by-laws, growth in informal housing settlements and formal houses on unserviced land in the urban fringes, particularly in the coastal and inland regions.



**THE 'THROW-AWAY' SYNDROME:** Indiscriminate littering by residents and visitors alike, leading to an unacceptable state of cleanliness.



**LIMITED WASTE MINIMISATION:** Low rates of recycling, waste landfill diversion and other waste beneficiation programmes.



**INSUFFICIENT WASTE MANAGEMENT FACILITIES:** These include buy-back centres, transfer stations, community drop-off points etc.



**NON-COMPLIANCE OF WASTE MANAGEMENT FACILITIES:** The City has received compliance notices, court orders and negative feedback regarding the state of City waste management facilities. Non-compliance issues range from licensing, inadequate fencing, lack of signage, indiscriminate operations and unregistered waste pickers.



**INADEQUATE SERVICE DELIVERY MODEL:** The City's Waste Management Directorate provides services to various areas (e.g. formal, informal areas, CBDs, tourist attraction areas and student villages) through a uniform service delivery model. However, this approach does not accommodate different circumstances in various city spaces that require customised responses.

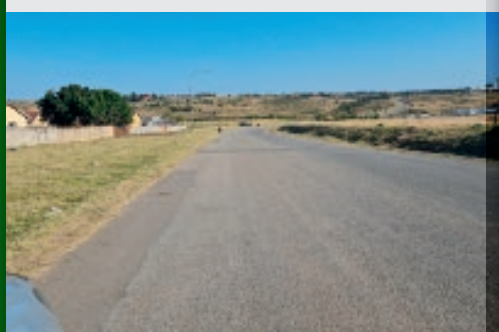






## SERVICE DELIVERY FRIDAYS

Clearing illegal dumping sites



The BCMM's waste management PEP involves street cleaning, gutter clearance and clearing of illegal dumps in the Central Business District (CBDs), tourist attraction areas, student villages as well as formal and informal residential areas. The programme is aimed at improving waste service delivery and the state of cleanliness of the City, including through the enhancement of the waste recovery activities through the establishment of buy-back centres in partnership with the private sector.

The project successes to date have been the following:



**JOB CREATION:** The recruitment of 208 participants by both the BCMM and BCMDA. Project participants are working six days a week for eight hours with an Expanded Public Works Programme (EPWP) stipend rate of R140 per day.



**ERADICATION OF ILLEGAL DUMPING SITES:** The City has embarked on the process of the mapping of illegal dumping sites, and progress has been made in addressing the challenge of mushrooming illegal dumping sites throughout the city.



**IMPROVED SERVICE DELIVERY:** To accommodate more workers and to ensure round-the-clock service delivery, a three-shift system has been introduced. The City PEP workers have augmented the City's waste management services, enhancing internal capacity, resulting in improved service standards and efficiency.



**IMPROVED OVERTIME MANAGEMENT:** The Auditor-General has raised concern regarding BCMM's overtime management. The City PEP has positively contributed to the reduction in City overtime as this project complements the internal capacity of the Directorate.



## IMPROVED CITY CLEANLINESS:

Integrated daily operations of solid waste services, grass cutting and bush clearance have yielded a visible improvement in the cleanliness of the city.



## IMPROVEMENT IN THE CITY'S RESPONSIVENESS:

The City's PEP team has strengthened the City's Rapid Response Team (RRT) and improved the turnaround time in responding to service delivery related complaints.



## RECYCLING AND WASTE DIVERSION:

The City's PEP has grown the collection of recyclables in existing buy-back centres, thereby reducing the volumes of waste going to landfill for disposal.



## HOUSEHOLD WASTE SERVICES:

The quality of services provided to diverse types of households has been improved with a greater focus on waste minimisation.

The City's waste management PEP has achieved demonstrated results and stabilised the City's waste services in a relatively short space of time. Furthermore, the improvement of people's livelihoods created by PEP job opportunities has also gone some way in alleviating the dire state of poverty within the city. The BCMM wishes for an extension of the City PEP to ensure project sustainability and further improvement in waste management in the city.

*Yoliswa Singanya*

HOD: SOLID WASTE AND ENVIRONMENTAL MANAGEMENT AT BCMM

*Nomphele Daniel*

SOLID WASTE MANAGEMENT SERVICES

## BEFORE AND AFTER

Cleaning up King Williams Town CBD



## BCM'S BIG CLEANUP CAMPAIGN

Daily Dispatch



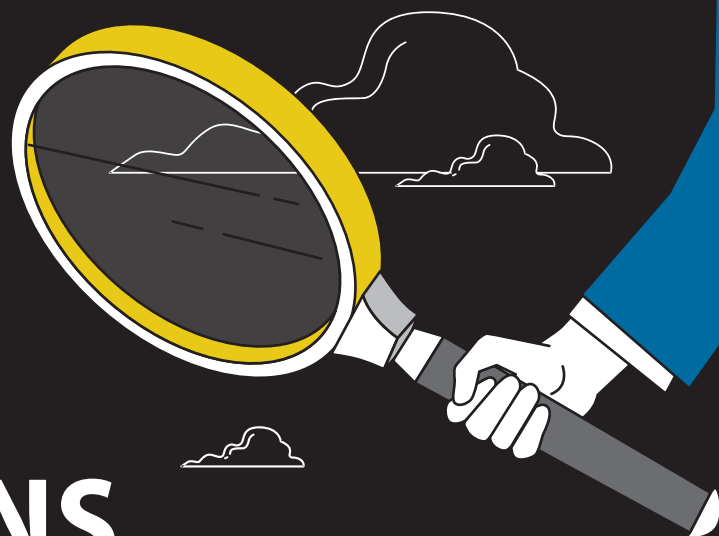
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# 09

## OBSERVATIONS



As co-facilitators of the CEDMF – together with Rehana Moosajee of The Barefoot Facilitator and National Treasury colleagues – from its inception till October 2022, we have been invited to share our reflections on the CEDMF journey over the past year.

In 2022, the forum took on some of the critical issues facing cities in South Africa in the current climate, including city responses to the energy crisis, metro-level public employment implementation, the social economy, and alternative funding mechanisms such as impact financing. There was often very frank and robust discussion as the participants charted a way forward in another challenging year.

As forum participants navigated through these issues, it really struck us that City Economic Development units have an extraordinarily important, yet highly complex, role to play. Economic development needs to be well integrated into many departments within a City, and the individuals require a very broad range of skills and capabilities. These skills include convening, facilitation, conflict management and mediation. In addition to their economic development expertise, they also require a working knowledge of a broad range of content areas across functions, such as town planning, finance, procurement and energy provision. Through the forum, and through our wider partnering facilitation work, we saw first-hand how the group continued to grow in these areas.



Michelle de Bruyn



Rupert Barnard

The year also highlighted, once again, the increasing importance of partnering within metro organisations and across the whole of society – to address the scale and nature of the challenges facing our cities, the enormous pressures on resources, and the regular need to respond rapidly to crisis situations. The sessions on partnering highlighted some great examples of how many individuals and teams had diligently pursued partnering approaches, often when the system appeared to be against them. The City Partnering Toolkit – launched at the forum – should continue to help to deeply institutionalise partnering into the metros.



As the world started to emerge from COVID, the continued relevance and evolution of virtual forums, such as the CEDMF, have been reinforced. The regular participation of 50 to 80 practitioners from across the country would have been unlikely in pre-COVID times. COVID forced us to find new ways of doing things – as both facilitators and practitioners – which we can all take with us into the future. We have learned the importance of developing a style of facilitation that allows for open discussion, sharing, provocation, learning, innovation and brainstorming, and when and where to use the variety of tools available to us. Our enormous thanks again to Rehana Moosajee of The Barefoot Facilitator who continued to push the boundaries on virtual facilitation to ensure engaging, inclusive, honest and refreshing sessions.

It was particularly encouraging to see the level of commitment from cities to find ways to evolve the nature of the forum, enabling it to continue to provide value to them in changing circumstances. Officials have shown remarkable resilience and persistence under very difficult circumstances, and we are greatly honoured and heartened that officials are stepping in to facilitate and co-host the forum, including mural capturing and co-facilitation, and co-hosting by city teams. The forum can proudly say that it is a cutting-edge, safe space for open discussion and community-building, helping to grow collaboration across cities and with other partners. It is also building a common voice around city economic development with national government and other partners such as multilaterals. The CEDMF Leadership Committee is playing a critical role in guiding the overall direction and prioritising critical topics.

Although the nature of our role has changed, we look forward to seeing the forum grow from strength to strength in supporting the city economic development practitioner community.

Michelle de Bruyn & Rupert Barnard

CEDMF FACILITATORS



OBSERVATIONS

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## WAY FORWARD

The CEDMF remained an active and engaged forum in 2022, with participation numbers ranging from 60 to 80 at the monthly online events. Many of the suggested improvements in 2021 were implemented, especially those pertaining to building City ownership of the platform. A CEDMF Leadership Committee constituted by the Metro Economic Development Managers steers the forum and sets the meeting topics and focus areas. The CEDMF facilitation team now includes metro and national department participants, with metros showcasing their approaches and work relevant to the different topics of discussion.



Ongoing reflection from the CEDMF leadership team and participants shows that the platform is most valued for the peer learning, knowledge sharing and networking opportunities it presents. In addition to its role in driving innovation and encouraging reflection, it was requested that the CEDMF includes a stronger focus on operational aspects of city governance that impact on inclusive economic recovery and development in 2023.

The following focus areas and topics have been prioritised for 2023:



### INNOVATION

- Community and business safety
- Children and cities
- Building social cohesion
- Mental health in cities



### REFLECTION

- Restructuring of the energy sector
- Spatialised economic data
- Industrial space revitalisation and township economic development
- Climate change and economic resilience
- Sustainable City water and sanitation businesses
- State of South Africa and City logistics infrastructure



### CITY OPERATIONS

- Infrastructure financing
- City planning: Lessons from industrial space revitalisation and township economic development
- Leveraging urban land
- Managing risks and uncertainty
- Supply chain management
- Inter-governmental relations around City powers and functions

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THE CEDMF REMAINED AN ACTIVE AND ENGAGED FORUM IN 2022, WITH PARTICIPATION NUMBERS RANGING FROM 60 TO 80 AT THE MONTHLY ONLINE EVENTS.







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