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ctiEs SUPPORT  
PROGRAMME



# Cities Support Programme 2016/17 Annual Report



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## INTRODUCTION

During 2016/17 the Cities Support Programme entered a period of stabilisation and enhanced performance. From a programme perspective there were three priorities: integration, simplification and institutionalization that gave effect to this.

A number of key projects were aligned and consolidated around the national and local government budget cycles. Concerted effort was placed on integrating and aligning project planning with IGR activities (with a focus on the BEPPs, MYRs, Benchmarking, MTECs and grant hearings) and integrating its projects more closely with relevant chief directorates and their teams, both within IGR and Public Finance. This led to a reduction in complexity and overlaps in the work, strengthened synergies across activities and processes and provided clarity about what is being delivered (outputs) and to what end (outcomes).

## COMPONENT: PROGRAMME MANAGEMENT

### Alignment with the IUDF

In April 2016 Cabinet approved the Integrated Urban Development Framework (IUDF) which recognizes the critical role of spatial transformation and improved urban management for faster and more inclusive growth and poverty reduction. The CSP is fully aligned with, and part of, the implementation of the IUDF. The CSP's projects were aligned to the 9 IUDF levers, thereby confirming the alignment in strategies and outcomes of the two programmes

The CSP has, on the request of DCoG, supported them to strengthen implementation mechanisms for the framework. Support was provided around the following areas:

- Conceptualisation/design of projects for IUDF implementation
- Coordination and facilitation of activities for implementation
- Stakeholder mobilization
- Establishing an Urban Development Management Facility in COGTA

DCoG has led a major focus of activity on the initiation of the concept design of a secondary cities support programme. The CSP has been actively involved in supporting this initiative providing valuable lessons, processes and tools for conceptualising and rolling out the new programme.

### Stakeholder Management

The City Budget Forum (CBF) is the formal stakeholder structure that is used for the implementation of the CSP. Three (August 2016, November 2016 and March 2017) City Budget Forums were held in the 2016/17 reporting period. The City Budget Forums are convened by National Treasury, with participation from the eight metros, relevant national departments and institutions working with city governments e.g. SALGA and SACN. The key discussions and decisions related to the impact / effect of the MTBPS and the Budget on local government especially cities. During the year the CBF provided the platform to address the spatial transformation in cities especially the work of the Planning reform task team and the BEPP guidelines and processes. The Safety task team supported by SACN and GIZ has a standing item at CBF and addresses critical safety issues that cities are grappling with at a financial, governance and built environment level. Progress in the implementation of the CSP have

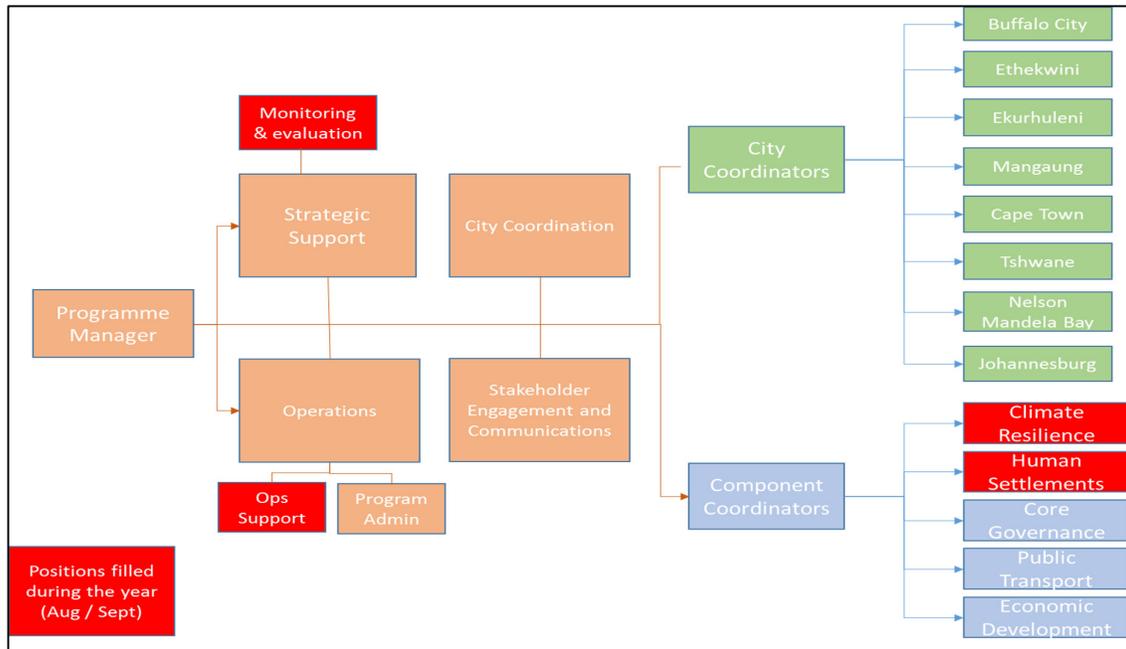
been provided at the CBF and key areas such as the Sub National Cost of Doing Business provide quarterly updates and reflections on city’s implementation of their respective reform plans.

The CSP website (<https://csp.treasury.gov.za>) was launched in the 2016 and provides stakeholders with access to the technical reports and knowledge products that are generated under the respective CSP components and projects.

### Implementing Arrangements

The CSP entered a period of stabilisation and enhanced performance in 2016/17. Contracting of the full team complement was only finalised in September 2017, leaving the number of team members at a total of 13 (5 x Programme Management; 3 Support; 5 x Component leads). City Coordination is allocated between component leads, programme management and sub component leads. The CSP adopted a matrix structure to ensure cross functional integration & support and built agility into the programme.

Figure 1: CSP Organisational Design



The CSP is funded by an allocation from the National Treasury (PLGI Division) and from leveraged funding from the Swiss Economic Development Agency. Framework Contracts for technical Assistance has been signed to leverage expert knowledge in the field and secure international expertise. The CSP uses the DBSA, the World Bank and GTAC as implementing agents in rolling out the numerous projects at both the national and city level.

## COMPONENT: CORE CITY GOVERNANCE

The core city governance component has the most number of CSP projects and covers areas of leadership, planning, infrastructure finance and delivery, reporting, integrity and citizen engagement. Progress on a number of key projects being implemented in this component is highlighted.

### Executive Leadership Programme (ELP)

The ELP is generally an annual CSP event. The 2017 ELP was hosted in partnership with the Gordon Institute of Business (GIBS) and was run as a 5-day executive leadership programme for the senior political and administrative leaders of the 8 metros. The theme was Accelerating City Transformation for Inclusion, Growth and Sustainability. The course was designed to (i) provide a concise overview of urban development challenges and opportunities in SA cities; (ii) consider and develop strategies for intervention to support inclusive growth; (iii) develop the leadership teams with the agency to implement these strategies.

The course was well attended by senior teams from eThekweni, NMB, Tshwane, Cape Town, Ekurhuleni and Buffalo City (from Wednesday), and mixed attendance from City of Johannesburg. Manguang Municipality did not attend the 2017 event. The energy, dedication and participation of the mostly full delegations was encouraging. Where mayors attended, this played a remarkable role in motivating and ensuring coherence in their management teams.

### Municipal Money - Open Local Government Data Portal

In October 2016 'Municipal Money' (<https://municipalmoney.gov.za/>) was launched. The National Treasury's Local Government Budget Analysis Unit, the Cities Support Programme and the Economies of Regions Learning Network, have worked together to develop 'Municipal Money', an open local government budget data portal which provides citizens and other stakeholders with access to comparable, verified information on the financial performance of each municipality. Municipal Money aims to promote transparency and citizen engagement through the visualization and 'demystification' of information about municipal spending.

The creation of this portal is in line with international best practice, where governments are increasingly opening up their data, specifically budget and expenditure data, to the public - to promote oversight, transparency and accountability. Municipal Money is a user-friendly website that utilises a variety of media and tools to present key municipal financial information, and also to explain the related financial concepts and their relevance to citizens.

### Built Environment Performance Plans

The BEPP focus has progressed over the last three years from spatial planning, identification of Integration Zones and catalytic projects, aligning BEPP with budgeting process and urban management over the last three years. All 8 metropolitan municipalities submitted their final, council approved BEPPs on time, indicative of the buy in and support from the metro's. The 2016/17 BEPPs focussed on progress with the establishment and measurement of built environment outcome indicators, the alignment of plans, the preparation of catalytic investment programmes and projects within the Urban Network Strategy. The BEPP evaluation reviewed progress with the establishment of an integrated planning process, both within municipalities and inter-governmentally and identified areas for support.

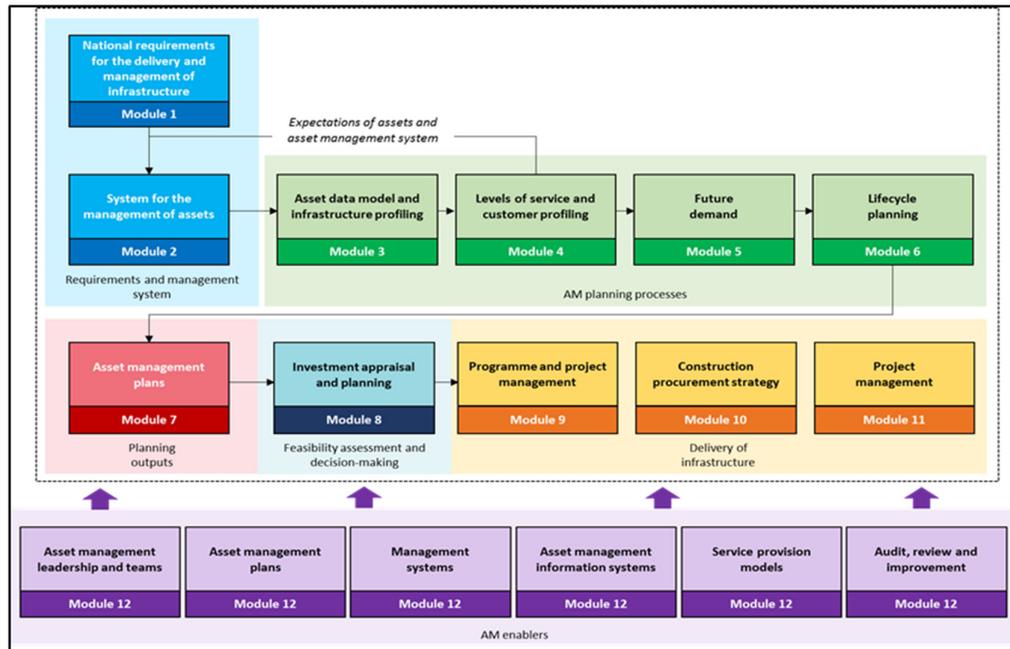
At a high level the 2016/17 BEPP processes highlighted the progress in adopting a spatial planning approach and identifying the Integration Zones by cities, the challenges in trying to take the leap from the old focus on outputs to now beginning to focus on outcomes, the lack of a clearly identified a pipeline of catalytic projects within Integration Zones and weaknesses in identifying support needs in relation to programme preparation and implementation requirements outlined in the BEPPs.

### Cities IDMS - Toolkit for the Cities Infrastructure Delivery Management System

The CIDMS toolkit was developed and finalised in the reporting period to support cities in to identify the need for infrastructure over multiple planning horizons, to evaluate the merits of infrastructure investment proposals, to support procurement and delivery of infrastructure, and to undertake the above in a sustainable integrated infrastructure asset management framework.

The CIDMS Toolkit presents cities with a customized system incorporating best practice processes, techniques and tools for optimizing performance right across the urban infrastructure value chain while responding to the long-term strategies of cities (i.e., spatial transformation strategies). The CIDMS Toolkit presently comprises twelve modules as reflected in Figure 2

**Figure 2: CIDMS Modules**



The scope of the CIDMS Toolkit clearly extends beyond infrastructure delivery. It encompasses the full ambit of infrastructure management as appropriate to a public-sector asset-intense organization that must remain financially viable and achieve equitable outcomes for society.

The implementation of the CIDMS toolkit will be rolled out in 2017/18. It will initially be piloted in 3 (Ethekewini, Cape Town and Johannesburg) of the metros and full implementation to all metros in the subsequent financial years.

## Infrastructure Finance

### Finalisation of Land Based Financing Guidelines

Responding to the spatial and fiscal challenges in metropolitan municipalities, the CSP requested support from the World Bank to identify land based financing (LBF) mechanisms that could be used primarily to maximize and unlock the value of government assets, advance a city's spatial reorganization goals, and promote transit-oriented development. Land-based financing generally refers to policy and regulatory mechanisms that allow the public sector to participate in the appreciation of real estate values resulting from public and, at times, private improvements. These improvements may make land parcels more accessible in the case of transit investments, or may prepare land for private sector development through the provision of network infrastructure (such as water connectivity and sewerage access) and additional public amenities (such as public open spaces, hospitals and schools).

The guidelines were finalised and published in February 2017 and provides:

- A baseline of knowledge to South African urban practitioners about common global land-based financing practices; and
- Identifies the tools urban professionals may be able to implement based on a city's existing institutional, market, and/or regulatory context.

An internal NT brown bag session was held to communicate the content of the guidelines and associated tools, and communication of this tool to cities has been through the ELP and annual technical workshop on catalytic urban development programmes.

### Urban Finance Working Group

The Urban Finance Working Group, represented by Cities, DFI's and private sector financial institutions and bodies was established and continued its work in the financial year. One of the key areas of work has been on strengthening municipal borrowing as one of the key options for infrastructure financing. A draft update to the Municipal Borrowing Policy Framework was circulated for comment. A quarterly Bulletin on Municipal Borrowing was also prepared and circulated to all stakeholders.

## Social and Environmental Management -Framework to accelerate infrastructure delivery

A study reviewing the opportunity costs of current environmental and social management systems on urban development and identifying actions for speeding up infrastructure delivery was finalised. The research work focused on the risks associated with three different and disconnected environmental and social management systems: (i) municipal due diligence assessments (including the risks of community protests); (ii) the statutory environmental and social licencing procedures of national and provincial government; and (iii) the due diligence procedures operated by development financial institutions (such as the DBSA) and commercial banks.

The outcome of the study was the development of a Rapid Integrated Project Options Assessment tool (RIPOA). This is intended to provide a cross-sectoral platform for use within municipalities to identify trade-offs and to mitigate risks early on in the project pipeline thereby saving a considerable amount of time, effort and money later on in the development process by preventing abortive work.

## COMPONENT: ECONOMIC DEVELOPMENT

A number of projects e.g. investment promotion, public employment was initiated in the Economic Development Component during the 2016/17 financial year. However, the projects that gained the most traction during this period has been the SNDB and Asset Management research.

### Sub National Doing Business (SNDB)

The benchmark Sub-National Doing Business survey – Doing Business SA 2015 – was launched on 12 June 2015. In 2016/17, a new round of engagements with city governments was initiated, aimed at seeking continuous improvements in city processes and performance. Cities prepared a Doing Business Reform Action Plans that identified key interventions to improve their Doing Business score in the 3 indicators that are within the city government sphere of management – that is, Dealing with Construction Permits, Getting Electricity and Registering Property. The reform plans were submitted to National Treasury and progress on the plans are reported at the City Budget Forum meetings.

In 2016 the National Treasury CSP and the World Bank hosted three City Peer Learning Events in respect of Dealing with Construction Permits, Getting Electricity and on Registering Property. The Peer Learning Events were successful in assisting the City SNDB Technical teams to draw from global and local best practice in identifying key reforms to incorporate into their Reform Action Plans. They also enabled the Doing Business city engagements to target a second layer of senior technical officials involved in the daily operations of the City and raised the importance of business regulatory reform in City economic services, as well as initiating a cross-city peer-level or functional conversation among Electricity Services as well as Planning and Building Construction teams.

### Asset management and service delivery support

Metros face major challenges in respect of their electricity and water and sanitation infrastructure services, and attention to dealing with these challenges must now be prioritised if a sustained weakening of the economic infrastructure on with city economic development depends is to be avoided. This is the high-level conclusion reached in work that has since 2015 been undertaken on behalf of CSP on the challenges facing metros in respect of their electricity and water and sanitation infrastructure.

## COMPONENT: HUMAN SETTLEMENTS

Underpinning the Human Settlements component project is the acknowledgement that the current approach to housing delivery is not supporting the creation of inclusive and productive cities. In the financial year technical and capacity support has been provided to the eight metropolitan cities on scaling up upgrading of informal settlements, Housing Strategy Planning Tool, and the application of a data base model for the Understanding of the residential markets.

### Scaling up Upgrading of informal settlements

The CSP undertook this work in partnership with the Department of Human Settlements, the eight metropolitan municipalities and the National Upgrading Support Programme. The World Bank provided technical support in the study, especially pertaining to international good practices. The

Scoping Report on Upgrading Innovations and Good practices completed in May 2016 was undertaken to test the principles of 'good urban upgrading as outlined in international and local literature, in particular, those which embrace principles of participation, in situ development, and incrementalism. This report was circulated and discussed with metros and other sector stakeholders including NGOs and CBOs. The Report had sparked constructive discussions and lead to consensus being reached by stakeholders as to what constitutes good practice and how to overcome obstacles to upscaling upgrading by Metros in South Africa.

Under this program the Informal Settlements Upgrading Assessment Guidelines were developed in partnership with the National Department of Human Settlements. The Guidelines form part of the BEPP Guidelines that is aimed at equipping the metros to plan for informal settlements upgrading and improvement.

The next and final phase of this project entails the development of enhanced Programme Management Toolkits and related Programme Support to selected Metros for scaling up city –wide and programme based incremental upgrading. To this end an Inception Report on Programme Management Toolkits has been developed and workshopped with all 8 metros.

### Understanding Residential Markets

The aim of this project is to support the metros to understand the dynamics and trends of their residential markets with the view that they will be better equipped and capacitated to plan and to effectively support the development of sustainable human settlements. **Understanding housing markets** is a key first step for cities to play a meaningful role in enhancing and improving dysfunctional and skewed markets in their cities. With a more detailed understanding of housing markets, the cities can better meet demand, better stimulate supply, invest scarce public funds more effectively and more efficiently, support sustainable livelihoods and build local economic viability at the neighbourhood level.

In the 2016/17 year City Residential Market Reports were developed for Cape Town and EThekweni metropolitan municipalities. These reports were developed through a rigorous participative process with different department within these respective metros, using their own data, Statistics South Africa data, as well as data from Lightstone.

### Housing Strategy Planning Tool

In November 2016, the metros were introduced to a **Housing Strategy Tool** that is aimed at equipping them to formulate impactful and sustainable housing strategies, as part of the process of developing their annual Built Environment Performance Plans (BEPP). The Housing Strategy Tool enables the human settlements department of a municipality to model, cost, assess and refine various housing options, as part of their overall built environment planning.

The Tool was originally developed by Shisaka Development Management Services to provide strategic support to the National Department of Human Settlements and to assess fiscal options for the housing sector for the Financial and Fiscal Commission. Through the Cities Support Programme this Tool has also been applied in developing a human settlement strategy for the Nelson Mandela Metropolitan municipality. The tool has also been used in reviewing the draft Integrated Human Settlement Framework for the City of Cape Town and in supporting the development of an Integrated Human Settlements Framework for the Western Cape Province.

## COMPONENT: PUBLIC TRANSPORT

### Capacity and Support

The CSP provided support to cities in long term planning for their public transport networks, in creating credible full network plans for their areas. This included hosting a series of technical workshops on integrated network planning. A peer review mechanism with local and international experts was established to test for various aspects of the city plans.

The project addressing the BRT operations, provided support to the City of Johannesburg and Tshwane in diagnosing and follow up action to moderate costs and enhance revenues for their BRT systems. The lessons learnt from this work were shared through a series of technical workshops on bus operations, Intelligent Transport systems and Station Management.

### Leadership and Planning

The CSP provided support to the national department in creating guidelines for planning city urban mobility networks. These guidelines are currently being refined for adoption for use by all cities. Further National Treasury led by DDG for Intergovernmental Relations participated in the Southern Africa Transport Conference and provided input focused on funding for public transport in the country. The importance of public transport to economic growth and the need for greater efficiency across funding streams for all the public transport modes was systematically emphasised.

## COMPONENT: CLIMATE RESILIENCE

Capacity to lead this component was strengthened with the appointment in October 2016 of Climate and Sustainability Component Lead for the Cities Support Programme. A review of the existing climate and sustainability portfolio has been undertaken, as well engagement with key stakeholders, resulting in the development of an updated component plan and aligned set of projects.

The Climate and Sustainability Component seeks to support national, provincial and city stakeholders to scale up, align and integrate adaptation and mitigation strategies with city plans and investments in infrastructure and service delivery to strengthen city productivity, inclusivity and sustainability. This will result in cities that have increased resource efficiency, decreased greenhouse gas emissions, improved ecosystem function and reduced impact and improved capacity to cope with natural disasters. These outcomes will strengthen the delivery of economic growth and a reduction in poverty and inequality through ensuring investments in built environment infrastructure deliver services within their planned lifespans with the required return on investment, supporting the ability of cities to deliver services while reducing the consumption of non-renewable resources, supporting the growth and expansion of new and existing sectors that are responding to climate change and the creation of jobs in these sectors and through other adaptation and mitigation efforts.

The CSP will coordinate the implementation of a set of projects in 2017/18 that lays foundations towards an enabling environment that supports the integration of climate response and sustainability into the city development agenda, financing and financial frameworks that support cities to transition to low carbon, climate resilient path and enhancing cities capacity to develop, finance and implement projects that improve the sustainability of investments in infrastructure and service delivery. These projects will be implemented through partnership, coordination and alignment with key partners, including the national Department of Environmental Affairs, other sector departments, support organisations and cities.

## CITIES

The **local government elections in August 2016** provided a new mandate to city leadership and resulted in significant leadership changes at a political and senior administrative level. These changes have required ongoing dialogue with cities to ensure they remained fully committed to the programme objectives, implementation modalities and the revised Capacity Support Implementation Plans (CSIPs). A critical output has been meetings with city executive management teams and mayoral committee's to re-affirm city commitment to CSP objectives, support activities (CSIPs) and implementation modalities (including city counterparts

There has been considerable but varying success across all eight metros with their planning interventions as reflected in the 2016/17 BEPPs and their implementation thereof. In 2016/17 the metros consolidated their spatial targeting plans and at an intergovernmental relations level there has been some progress across the cities in supporting and or consolidating planning alignment through the BEPPs.

The next sections reflect a more specific city focused narrative highlighting key activities and successes for the reporting period.

## BUFFALO CITY

Buffalo City entered the 2016/17 financial year with considerable administrative changes that resulted in some of the projects that were aimed at supporting the city not moving at the pace at which this was envisaged. Despite this, the city has made considerable efforts to participate in the programme as demonstrated in their renewed participation the City Budget Forum meetings, and city coordinators meetings during the year. Strategic support has been provided to the city through the BEPP development and consultative processes and the Executive Leadership Programme. Technical support was provided on the SNDB implementation through the peer learning workshops. The city also participated in the Housing Strategy workshop and the reporting reforms initiatives. A key concern has been the general lack of progress on the proposed revisions to the Integrated Public Transport Network (IPTN) plan and the development of the operational plan. This will continue to impact on the funding allocation to the city and the roll out of a comprehensive integrated public transport network for the city.

The CSP is working with the other directorates in IGR and National Treasury to support the reform agenda in BCM. The mid-year visits and benchmark engagements have pushed the city to focus on aligning their planning, budgeting and reporting. Support to BCM will continue in 2017/18 with a focus on strengthening the leadership in the city around spatial transformation and to support the implementation of selected catalytic projects.

## CITY OF CAPE TOWN

The City of Cape Town leadership has become increasingly vocal on the need for spatial transformation in the city, based on principles of transit-oriented development and has actively sought to implement this agenda across its investment programmes and as articulated in its Built Environment Performance Plan.

A historical challenge faced by the city administration has been the ability to deliver programmes that require planning, resourcing and action across its departmental silos. The City has gone through an Organisation Development and Transformation Process (ODTP), which has been an innovative response to introducing transversal management capabilities, at least in design within the city.

The benchmarking engagement with CT reflected on the fragility of the Cape Town economy, the challenges in urban development, and the decline the rail network poses in Cape Town. Water security is another significant threat to Cape Town's economic development and the city is responding to this crisis by attempting to manage water demand but also undertake project that strengthen its access to water resources.

In addition to support to the BEPP process, the CSP has provided support on four major projects to the city during 2016/17:

**Athlone Power Station Market Assessment:** A market analysis on its Athlone Power Station catalytic project was done, culminating in the tabling of a Market Assessment Draft.

**Peer Review of the Conradie catalytic project:** The Premiers Office, supported by the City, requested a peer review of the Conradie BLEMP catalytic project. A panel of experts reviewed the scoping and due diligence reports of the project and compiled a detailed and useful peer review.

**Housing Markets Review:** The report explores the size, activity and performance of Cape Town's residential property market, on a segmented basis, highlighting areas of opportunity, points of challenge, and options for maximizing the performance of housing for the benefit of all residents.

**Citizen Engagement Framework and Assessment:** As part of the preparations for its ODTP restructuring, and following on the innovative piloting of a community scorecard to strengthen citizen engagement in the Heights in Cape Town, the CSP assisted the City of Cape Town with developing an assessment framework for citizen engagement across the city's value chain and an assessment of its practices and modes of citizen engagement, with recommendations. The recommendations fed into the city's restructuring proposals, but the assessment tool will be further developed for application at all metros.

## CITY OF JOHANNESBURG

The City of Johannesburg is undoubtedly one of the most advanced and capable cities in SA in terms of planning. The City has demonstrated their leadership both in the quality of plans they submitted and also in the strong financial position they now show with the balance proportion of national transfers, own revenue and borrowing showing a financially sustainable and mature organisation. On the planning side, the City submitted a high quality BEPP aligned to the IDP, SDF and Budget off an already strong base. Integration between Housing and transport has improved. There is clearer line of sight between catalytic projects and strategic outcome in IZs/Corridors of Freedom and there has been a leap forward in articulating alignment between provincial and SOC plans in IZs/Corridors of Freedom.

The CSP supported COJ on the following key interventions during the 2016/17 year.

- The completion of the City Deep Hub Pre-Feasibility Study.
- The city attended the Executive Leadership Programme in February 2017 which was well received by the officials.
- The investigative work on the Feasibility of introducing Tax Increment Financing as an instrument for infrastructure finance was concluded.
- Work on the Sub National Doing Business initiative was operationalised.

## CITY OF TSHWANE

The CSP was driven from the Spatial Planning department and specifically by the BEPP team. To a large degree this was without a clear institutional wide support of the objectives of the programme within the city.

The Acting City Manager brought in a lot of impetus on the programme by seeking a more strategic support to the metro through requesting the CSP to undertake a Strategic Development review. An intensive process of documents review of finance, economic, spatial planning and other documents were reviewed and tested against the institutional interviews with key sections of the metro. The results of the review formed the basis for further engagements with the metro and key briefing on what emerged from the various segments of the review. A presentation providing a brief strategic development review (diagnostic and recommendations) was developed and presented to Tshwane, first to the new City Manager, and then at a Mayoral Committee / senior management Strategic Planning session. This was well-received, and formed the basis for engaging the City Manager on the nature of the CSIP for the period to the end of June 2018.

The credibility and influence of NT and CSP was considerably enhanced by the Executive Leadership Programme, which also provided an opportunity to discuss elements of the proposed CSIP and to set up engagements that will take place. The city demonstrated strong leadership and enthusiasm in engaging on the process and programme. The city came out with clear strategies to confront the real challenges the city faces.

## EKURHULENI

The Ekurhuleni Metropolitan Municipality is financially stable and has a strong planning foundation. However, one of its challenge is a geographical challenge in that it inherited a fragmented administration. EMM has 27 departments located mainly in Kempton Park, Germiston, Boksburg and Benoni. The city is struggling with chronic institutional fragmentation since its establishment in 2000. Logically the transversal management support is critical to assist the City to turn around from this institutional challenge. There have been attempts to address this, most recently with structures such as the Capital Infrastructure Framework Committee and the Investment – however these have not yielded any long lasting positive results yet. There is also concern around the capacity of the metro to deliver capital infrastructure projects. This concern has arisen from the poor capital budget expenditure of the USDG in the metro.

The City's participation in the programme and the support that has been provided is summarised below:

- The metro has presented a good quality Built Environment Performance Plan. The work on Integration Zones, development Precincts and IGR project pipeline was excellent. The metro has also made good strides in establishing partnership with parastatals such as PRASA.
- The metro has also participated in SNDB and more support is required as they have not submitted all the required reports. (e.g. Getting Electricity, Construction Permits, and Registering Property).
- Support for Tembisa Corridor Catalytic Projects (Leralla Node) with regard to the development of Strategy and Transaction Structure was completed, Final Report and Executive Summary of the projects were compiled.
- Initial support for Investment Promotion Strategy for the Municipality of Ekurhuleni was provided. The project has stalled due to capacity constrains within the metro. This project is being resuscitated.
- The knowledge management situation and gap analysis was conducted. To this end an implementation plan and roadmap was developed.

## ETHEKWINI

Support in eThekwini was aligned to the focus of the city to come up with a corporate level spatial investment strategy and plan for the city. The corporate spatial investment strategy was meant to clarify the development agenda and the city's theory of change. This work has become the core focus for the City Planning Commission work. Contributions that the National Treasury provided through technical support to enable this work was catalytic to this process.

Further success is noted with the transaction advisory services provided to the city through the partnership with the World Bank to determine the cost sharing and implementation arrangements to take the Cornubia mixed use catalytic project to the next level. In addition to this support was provided

to assess the market appetite for the King Edward Node mixed use development. All of these have provided recommendations to move these projects to the next level.

The associated economic development programmes also complimented the thematic focus for the metro. Amongst the projects that were initiated in this period include support for investment promotion. Further support to human settlements included the study on understanding the housing markets in addition to support around the informal settlements upgrading.

Some of the specific areas of engagements and support included the following:

- City attended the Executive Leadership Course where both the senior management and the senior leadership actively participated in the programme;
- The City developed and submitted the SNDB reform plans and officials from the city attended the SNDB peer learning workshops
- EThekweni also attended and has been instrumental in the work around the CIDMS and they are also a pilot metro;
- Huge inroads are being made with the KZN Health Department on joint planning and budgeting over and above relationships that have been facilitated through CSP with the province and the metro.

## MANGAUNG

Projects in the city have primarily been directed at CSP “supply side” offerings, ceding more to the regulatory and compliance aspects of National Treasury interaction. This includes support on planning reform through the BEPP. A city BEPP was produced in the 2015/16 financial year that was fully compliant in terms of basic content. However, the BEPP process and document still retain challenges in the ability to drive strategic thinking and reporting around key catalytic projects.

The city is part of the Subnational Cost of Doing Business, a study conducted to assess the business environment in cities across a standard set of indicators. The city’s performance was mixed; it did well in certain indicators such as those linked to connecting electricity, and poorly in others, including those linked to permissions around building applications. The city produced credible reform Action Plan for these areas, although much still needs to be done to implement. The CSP was instrumental in assisting in providing support in this process.

The city took part in the Executive Leadership Program in Economic Development. Here, the city was very open to learning, committed to the cause, and applied themselves fully to strategic ideation and worked hard. The city presented and followed upon its proposed project formulated in the course.

The run up to the August 2016 election saw much instability and political infighting in council, resulting in the inability to pursue a proper program of support in the city. This manifested in a number of areas. The city requested support to create a Long Term Financial Strategy (LTFS), given its intent and considerable work aimed at borrowing through the bond market using a Domestic Medium-Term Note (DMTN). The LTFS was abandoned by the city after the city’s program to access the market stalled.

The city was also enrolled in the Understanding Housing Markets support program. Progress has been poor, with limited participation and follow through on activities by the city.

Future support will be very dependent on greater political and administrative stability in the city, including filling in of key posts at senior level and should target the city's major gap areas of strategic planning. A Strategic Development Review process (SDR) is necessary to induct the entire city, using its current strategic documents (IDP, SDF, BEPP, and other long-term plans) to inform strategic planning processes and link this with its annual budget process.

## NELSON MANDELA

The Nelson Mandela Bay Metropolitan Municipality is emerging from a long period of administrative decline, during which it faced many governance challenges and associated adverse financial implications. There have been many changes in the political and senior management levels, and the metro government has started to seriously confront its' multiple challenges.

During the financial year a multi-departmental support programme for the city was initiated, facilitation processes to help improve relationships among various public transport interests was launched, an organisational development and change management support programme, to build more effective management teams in city departments was launched and the building of a long term financial model for the metro government, to provide a basis for making strategic choices among competing initiatives and proposals was initiated.

However, the City continues to face many challenges, including financial constraints, administrative weaknesses, labour relations challenges, and challenges relating to its relationships with business groupings.

The following support interventions that may directly or indirectly contribute to overcoming some of the challenges will continue in the City. These include:

- The facilitation process around city public transport, intended to help establish a sound working relationships among the various interests in the industry, with a view to developing an appropriate and affordable public transport system for the city;
- The organisational development and change management support programme, intended to build more effective management teams in city departments
- The financial planning support, intended to assist the city's financial planning so that strategic choices can be made among competing initiatives and proposals;
- The development planning support, intended to complement the financial planning support and ensure that a coherent long-term city development strategy is developed and entrenched;
- The human settlements support, intended to support the city in developing a sustainable approach to its human settlements programme.