

EXECUTIVE LEADERSHIP COURSE ON CITY ECONOMIC DEVELOPMENT STRATEGY AND PRACTICE 8TH TO 13TH NOVEMBER 2015

COURSE OBJECTIVES: that participants should absorb the following main lessons:

- 1. Economic development and job creation is a transversal objective of the entire city government.**
 - much more than the responsibility of a single department
 - everything that city governments do is about economic development: infrastructure services, administration of regulations, etc.
- 2. Successful city economies are based on strong economic development partnerships**
 - especially with the private sector
 - also with other spheres of government, tertiary educational institutions, and labour, community and professional organisations
- 3. City governments can and should take greater responsibility for city economic development and job creation**
 - well-informed and responsible city government voices should be heard more loudly in national policy debates
- 4. City governments should ask CSP for support in a more informed and specific way**
 - NT must not end up performing functions that are city government responsibilities.
 - Requests for support should be based on a deep understanding of what is needed for your city economy to succeed.



DETAILED SESSION NARRATIVE

SUNDAY 8TH NOVEMBER: WELCOME, INTRODUCTION AND KEYNOTE ADDRESS

Planned outcomes: By the end of the day participants will have been welcomed by NT and GIBS; they will have taken the first steps in building a learning community; they will have heard the major course objectives, and will have heard the opening remarks by the Minister of Finance.

1. Welcome & Community Building: Mr Buyani Zwane / Dr Tendai Mhizha

- Welcome
- Getting to know you energising activity
- Programme for evening & introduction of first speaker

2. Welcome: Ms Malijeng Ngqaleni, DDG, Intergovernmental Relations

- Welcome on behalf of National Treasury
- What is CSP?
- Why GIBS?
- What are our aims and objectives?
- What are we asking of you?

3. Welcome, Opening Remarks and Overview: Mr Shaun Rozyn

- Welcome on behalf of GIBS
- Programme schedule – what you can expect this week
- Introduction to GIBS
- How adults learn
- Importance of preparation

4. Keynote address: Minister of Finance, Honourable Nhlanhla Nene

- Highlights from the Medium Term Budget Policy Statement
- Constrained fiscal environment because of the constrained economic environment
- City economies as engines of inclusive economic growth
- The critical importance of city governments understanding their economic roles and responsibilities
- The critical role of good intergovernmental co-operation on city economic development
- The critical role of good economic partnerships with the private sector
- Game-changing projects must (a) show political will/courage; (b) involve partnerships; and (c) be practical

5. Welcome address: Professor Nicola Kleyn

- Importance of leadership in SA and especially in SA cities
- Marketing your city & encouraging investors
- Optimising options – assessing your levers (e.g. financial & administration capacity) & if you don't have what you need to look for partners; talk to business; asking for support and help, even from those who have different opinions.
- Importance of good administrative performance

MONDAY 9th NOVEMBER: BECOMING A SUCCESSFUL CITY ECONOMY

Planned outcomes: By the end of the day participants should have a clear sense of context and sense of the need for city governments to do something different: it cannot be 'business as usual'. In addition they will have traversed the terrain of what makes for successful city economies; the levers available to them as city governments; and will have developed some criteria with which to assess projects and ideas which could potentially make a difference.

1. Integration & MC's (Mr Buyani Zwane & Dr Tendai Mhizha)

- Announces subject matter from day to day throughout the programme; aligns it to the programme aims & objectives; introduces speakers and lecturers & gives very high-level preview of content
- Leads reflection sessions at start of each day. Delegates are given the opportunity to share what they are learning and the integrators will reinforce the main teaching point of the previous day.
- Guides faculty with regards to the group, it's dynamics & previous speaker's main points
- Integrates the process of learning, managing expectations and needs, learning, analysis of what's been learnt, and encouragement towards practice, application and learning. This includes helping participants to translate the learning into practical application in the workplace.
- Leads the group towards a common goal and deals with the overall group dynamics and well-being in the course of the programme
- Key points: (a) in class we are all equal; (b) take notes, to raise in ideation sessions

2. Keynote: Professor Nick Binedell: SA as a global player

Objective for the session:

- The world we work and live in – eco/socio/business/political overview
- Speed of change – not business as usual – shake the trees
- Impact on countries, governments and cities – competitors & competition
- SA in context, importance of strategic leadership, competitors and competition
- Your role as leaders
- Real leadership with courage; confront personal prejudice for greater good – strategic ideation initiative projects provide an opportunity for this

Questions for facilitators to ask the participants:

- What does this mean for you as city governments?
- What do you think you at city governments should do in this situation?

3. Mr Lungisa Fuzile Director General, National Treasury: The challenge of our economic performance

Objective for the session: to present disruptive data to shake any complacency from the participants.

- Economic growth is completely inadequate
- Startlingly high unemployment and youth unemployment
- Investment in residential property is lower than it has even been, in the last half century
- Investment in non-residential property is startlingly low
- This is an extremely serious and deep crisis: we are not doing well.
- We must fundamentally change our approaches
- City governments have a special role to play here: they should lead by challenging prejudices and changing what we are doing.

Questions for facilitators to ask the participants:

- What does this mean for you as city governments?
- What do you think you should do about the situation?
- Possible 'elevator pitch': 'Mr Mayor, in one minute, what do you think about what you have just heard? What does it mean for your city?'

4. **Mr Austin Kilroy: Economic Growth & Successful City Economies**

Objective for the session: to present and discuss an evidence-based framework for making competitive city economies in South Africa

- Summarised profiles of cities that have been successful in economic development (World Bank research)
- Myth-busting: city economies are not only beholden to national economies—they can forge their own paths
- Four critical intervention areas: institutions & regulations; infrastructure & land; skills & innovation; enterprise support & finance.
- Critical lens: understand the three sources of growth (firm creation; expansion; and investment)—and configure interventions to release constraints
- ‘Growth coalitions’—international evidence versus interview findings in South African cities;
- Our review of city economic development strategies on paper—versus interview findings with city stakeholders in practice

Questions for facilitators to ask the participants:

- What lessons do the examples from Columbia, Turkey, India and Rwanda hold for us as South African cities?
- What should we be doing differently to improve our economic performance?
- What steps can we take to take start doing thing differently?

5. **Ms Geci Karuri–Sebina: City Government Levers for Economic Development**

Objective for the session: to present and discuss the formal and informal levers that city governments have to promote economic development

- The formal powers of national, provincial and local governments
- The roles of the business sector and of civil society
- City government influence
- A framework for city action on the economy

Questions for facilitators to ask the participants:

- As city governments do you feel that you are using all of your levers to increase city economic development?
- Are you the levers as effectively and productively as you could?
- What are the obstacles in the way of using the levers more effectively?
- How can you overcome those obstacles?

6. **Mr Andrew Boraine: The Practice of Partnering for Development Impact**

Objective for the session: to emphasise the importance of partnering in economic development (government cannot create more than a few jobs); to clarify the different types of partnerships; to outline how to establish and sustain effective partnerships

- Why an explicit partnering approach will give you a competitive edge as a city-region, and why a non-partnering approach will see you fall behind
- Partnering for increased development impact within a climate of increasing public sector financial austerity
- Typical barriers to partnering (i.e. non-collaborative attitudes and behaviours amongst leadership, diverse and competing institutional cultures and languages, lack of partnering incentives within the public sector performance measurement and compliance system, misconceptions about the role and function of partnerships) and how to overcome these
- Step by step approach to partnering: transversal, intergovernmental, cross boundary, cross sector
- The role of a Partnering Readiness Assessment as a diagnostic tool
- The role of intermediary organisations in brokering dialogue and trust building, and sustaining co-implementation projects

- Partnering success factors (global and local good practice), including UN Sustainable Development Goals and the role of partnering and partnerships to realise these goals.

Questions for facilitators to ask the participants:

- Why are we unsuccessful at partnerships?
- Why do we want to do it all ourselves?
- What can we do to overcome these challenges?

7. Mr Ketso Gordhan: Project Ideas for Radical Economic Change

Objective for the session: to push participants into thinking differently about their approach to economic development initiatives.

- Importance of employing lots of people
- Confronting the issues
- Working with business
- Five project ideas: (1) A self-build approach to housing delivery; (2) A real export processing zone; (3) Facilitating youth employment; (4) Enterprise development; and (5) PPPs in municipal infrastructure

Questions for facilitators to ask the participants:

- Are any of these ideas worth considering at your city?
- What would you need to do to start putting such ideas into practise?
- What might get in the way of implementing such ideas?
- How could you overcome those obstacles?

8. Strategic Ideation: Theo Sibiyi assisted by Tendai Mkhizha, Buyani Zwane & Neha Sand

Objective for the session: to introduce a framework for action and expectations of participants during the week

- A framework for execution
- A matrix for action – accelerated solutions environment approach
- City teams work on an economic development initiative to be presented on Day 5
- Part 1: Thinking about context

Questions for city teams to discuss (on Post-It's on brown paper on the wall):

- What would a successful city economy look like?
- To be on track to achieving that, what would be happening in your city economy in five years-time?
- What would need to be tracked to ensure that your city economy moves in the right direction?

9. Mr Augusto Martinez Carreno: Bucaramanga – a successful growth strategy case

Objective for the session: to enable a relaxed discussion of a relevant international example of successful city economic development

- Critical importance of the relationship between public sector, private sector, and academia (triple helix) for innovation and other reasons;
- Sharing insights into the monthly collaborative meetings that are a feature of the approach in Bucaramanga;
- Strategic choices made for industry support
- The importance of the relationship with academic institutions in working out how precisely to develop the skills required.

Questions for facilitators to ask the participants:

- What lessons does this example hold for us as South African cities?
- What should we be doing differently to improve our economic performance?
- What steps can we take to take start doing thing differently?

TUESDAY 10th NOVEMBER 2015: DRIVERS OF GROWTH & EMPLOYMENT

Planned outcomes: By the end of the day participants will have been introduced to value chains and the five touch points through which to assess them; and will have visited key sites of production for a value chain of direct relevance to their city. They will have been debriefed about what they have learnt that day, and will have started to contribute their insights to the emerging city economic strategy

1. Mr Abdullah Verachia: Five Touch Points & Value Chains

Objective for the session: to introduce value chain analysis and the six touch points

- What is a value chain?
- How should we assess value chains from a city perspective?
- The six touch points: (1) Multinationals; (2) JSE listed firms; (3) Local large companies; (4) SMMEs; (5) Labour; (6) Unemployed

Mr Andrew Boraine: Partnerships pop-up: Comment on typology of partnerships available, with specific examples: spatial (CIDs, Cape Town Partnership, Greater Tygerberg Partnership, South Cape Economic Partnership, Saldanha IDZ, Atlantis SEZ, Violence Prevention through Urban Upgrade programme), sector and value chains (Future of Agriculture and the Rural Economy process, Better Practice Farming Network, Halaal Industrial Park, value capture in the apple export value chain), issue-specific (Energy Security, Community Safety, Healthy Lifestyles, Regional Innovation, Road Safety), system improvement (Business Leadership Platform, structuring Business Government engagement platforms, Collaborative Leadership Training Programme), data and knowledge sharing, etc.

2. Immersion: the Brief & the Process

Objective for the session: to introduce the immersion sessions and ensure that participants are able to get maximum value from their experiences

- Parallel immersions: aims and objectives
- Curiosity, openness to learning, questioning techniques
- Importance of context
- Personal goals
- What does it mean for city governments?

2.1 Immersion: Services: Tourism (Mahmood Sondag)

Objective for the session: to provide a detailed experiential understanding of city tourism exploring authentic experiences and African tourism

- Guided tour to Yeoville Market: melting pot of African culture and cuisine; a view of African tourism and the SMME / informal sector; hard-hitting experience with themes of low-end globalization, urbanization, migration and xenophobia; not currently viewed as a mainstream tourism destination.
- Maboneng Precinct: award-winning Connected Urban Neighborhood: tourism hotspot. Privately developed: retail, restaurants and entertainment venues as well as loft apartments, offices, hotel, a museum and creative factory spaces in a connected urban environment; themes on design, branding, partnerships to drive urban renewal and investment

2.2 Immersion: Auto manufacturing (Abdullah Verachia)

Objective for the session: to provide a detailed experiential understanding of auto manufacturing

- Visit to an Industrial Park and an automotive plant
- Enhancing competitiveness & the sphere of influence of local government
- Engagement with business owners, factories, community members, labour & unemployed youth
- Case study of what has worked in automotive sector

2.3 Immersion: Agriculture (Quinton Naidoo)

- Visit to agricultural development project & interaction with various stakeholders
- Agricultural development as a means of creating sustainable livelihoods for communities across continent

- Develop smallholder farmers into commercial farmers using farm to fork model which ensures farmers have resources & capacity to participate in value chain from production to market.

2.4 Immersion: ICT & Future Technologies (Ian James)

- A corporate view on the potential and impact of ICT on economic development: Didata
- The birth of a digital hub in Johannesburg Inner City: Tshimologong Precinct

2.5 Immersion: Housing Development (Kecia Rust)

- Visit Tembisa & Ivory Park & see wave of state investment in housing & subsequent investment by the private & household sectors
- Housing as a significant part of household, town & national economics
- Interactions & conversations with stakeholders

3 Immersion debrief and Ideation: Part 2

Questions for facilitators to ask the participants:

- First impressions: what did you learn?
- What did you expect and what surprised you?
- What do these value chains need from city governments?
- What lessons do they have for the city government approach to partnerships?
- What lessons do they have for the way we provide infrastructure services?
- What lessons do they have for our administrative and regulatory performance?

- City teams continue their work on an economic development initiative to be presented on Day 5, taking into account their learning on Day 2

Questions for city teams to discuss (on Post-It's on brown paper on the wall):

- What does your experience today suggest about how your city should achieve its 5-year goals (which you developed yesterday)?
- What should be the priority actions of your city government in the short term? (1 year); medium term (3 years); and long term (5 years)?

Prompt the city teams on the questions they should ask the company representatives at the Safari dinner:

- What does your business or industry need from the city government?
- Under what circumstances would your business or industry hire more people?
- How should we go about improving the city government relationship with the business sector?

NB: hand out teaching case for Wednesday: 'OCTOBER PLASTICS INVESTS IN A NEW PLANT'

4 CEO: Safari Dinner (Company CEOs travel between dinner tables, allowing for brief engagements at each)

- Quinton Naidoo – Afrigrow
- Grant Bodley – Di Data
- RBS Anand – Larsen & Toubro
- Dhiran van Mali - Ford

WEDNESDAY 11TH NOVEMBER 2015: IMPROVING THE CITY INVESTMENT CLIMATE

Planned outcomes: By the end of the day participants will have a clear understanding of the economic importance of effective administrative procedures; and that improvements in this regard are within their reach. They will also have engaged intensively with the necessity for, and best practises of, city investment promotion programmes.

1. Mr Roland Hunter: Unpacking the '2015 Doing Business South Africa Report'

Objective for the session: to develop an understanding of how regulatory and administrative efficiency affects the locational decisions of firms and hence city economic development and job creation; and achieve broad commitment by city leaderships to driving administrative performance improvements.

- Presentation Part 1: Economic importance of efficient regulatory and administrative performance, overview of SNDB process and outcomes; performance metrics.
- Teaching case: OCTOBER PLASTICS INCORPORATED INVESTS IN A NEW PLANT

Questions for facilitators to ask the participants:

- In which city should OCTOBER PLASTICS INCORPORATED purchase its new property and build its new warehouse? Why?
- In what ways does the regulatory and administrative efficiency of city governments impact upon city economic development and job creation?
- What steps can city governments take to improve their regulatory and administrative efficiency in registering properties, issuing construction permits, and connecting electricity?

- Presentation Part 2: Steps that city governments & national departments should take to improve performance; peer-learning events for city governments; next steps

Mr Andrew Boraine: Partnerships pop-up: on partnering for system improvement, with examples of structuring Business-Government platforms for sustainable engagement, strengthening the business leadership voice, Economic Data and Intelligence Consortium (getting common agreement on indicators, connecting data producers to data users), Open Data Forum (making public sector data available to external users), and ERLN 'Digging deeper' data process

Questions for facilitators to ask the participants:

- What are you going to do about this when you get back to your offices on Monday?

2. Mr Mavuso Msimang: Optimising Performance: A SA Government Case Study

Objective for the session: to review an actual case of improving administrative performance, at the national Department of Home Affairs; and discuss how the usual obstacles can be overcome

- The process of achieving performance improvement at the Department of Home Affairs
- Overcoming vested interests
- Role of external consultants
- Ensuring goals are achieved

Questions for facilitators to ask the participants:

- What lessons does the Home Affairs case hold for us as city governments?
- What are the obstacles in the way of improving our internal administrative performance?
- How can these obstacles be overcome?

3. **Mr Robert Whyte: Investment Policy and Promotion**

Objective for the session: To assist participants to understand the needs of investors throughout the investment life cycle and the roles the city can play in promoting and facilitating new investment; and to illustrate the importance of providing professional investor facilitation services to incoming and existing investors.

- Participant small group exercise: generate a solution to an investor problem regarding location selection or entry to a location. Group discussion on outcomes.
- Short video: Brazil – creating a vision of what is achievable with good investment policy and promotion
- Short slide presentation on importance of good facilitation: opportunities and pitfalls, including examples of “actual” good and bad practices
- Short group quiz: What constitutes good and bad practices in investor facilitation?
- Simulated telecalls to 2 “IPAs” : Make two 3-4 minute calls illustrating a good and a bad response
- Facilitated discussion with the participants about what worked and what didn’t work in each case.
- Presentation, Q&A and discussion: Understanding investors and their needs: introduction to IPP core concepts and frameworks: Investment lifecycle; attraction, entry and protection and the different types of investment; best practices and global experiences in investment policy and institutional performance for FDI attraction and retention; illustration of successful models; the role of investment promotion intermediaries (“promoting on behalf of the City”): setting the right mandate, activities and models for operation; looking at investment attraction through a City lens; the challenges of balancing national and City requirements; models for national-subnational collaboration in investor attraction and entry)
- Short IPA video to close

Questions for facilitators to ask the participants:

- How do you think your city investment promotion function is performing at the moment?
- How can its performance be improved?

4. **Ideation: Part 3**

- City teams continue their work on an economic development initiative to be presented on Day 5, taking into account their learning on Day 3
- Several resource people will be available to city teams who wish to develop some of the project ideas for radical economic change suggested on Day 1

Questions for city teams to discuss (on Post-It’s on brown paper on the wall):

- What should we do to improve the investment climate in our city, to support the achievement of our five-year goals?
- What impact would this have on the creation of jobs in our city?

17h30: Side event

South African Cities Network – Launch of the ‘State of the Cities Finances Report, 2015’

THURSDAY 12th NOVEMBER 2015: TRANSFORMING CITY SPACES

Planned outcomes: By the end of the day participants will have engaged intensively on key policies and programmes which can affect the city spatial form in South Africa, including special economic zones, township economic development, and specific job creation initiatives. Participants will also have their developed and engaged over their spatial visions for their city.

Mr Buyani Zwane: Integration session

Objective for the session: to introduce the programme for the day, and to link it to the overall course programme.

- Economic importance of city spatial form
- City economies, agglomeration and the unrealised 'urban dividend'
- Township economic development, economic zones, and employment initiatives all have spatial implications

Mr Andrew Boraine: Partnerships pop-up: on a partnering approach to tackle complex issues (such as the ones in this session), where the deliberate juxtaposition of opposing ideas and different institutional cultures in a 'safe' in-between space through a partnership can drive change through innovation and experimentation, as opposed to 'business as usual' delivery methods

1.1 Mr Markus Scheuermaier & Mr Claude Baissac: Zones, Ports & Logistics

Objective for the session: to review lessons to be learnt from successful economic zones internationally; and to discuss how city governments should be engaging with SEZs.

- South Africa: what economic diagnostic?
- South Africa's assets, South Africa's limitations
- Special Economic Zones: lessons learned
- What can SEZs bring to South Africa?
- Success factors for SEZ policy design
- Emerging trends and implications for South Africa

Ms Ann Bernstein

- Unemployment and choices
- An EPZ for NMBM

Questions for facilitators to ask the participants:

- What can we do as city governments to ensure that our SEZs perform better?

1.2 Employment Initiatives:

a. Dr Kate Philip: Government Job Creation Initiatives

Objective for the session: to clarify the role of public employment schemes given South Africa's structural unemployment, and to discuss what city governments can do to support and expand these programmes.

- The big picture – structural unemployment, technological development and the future of work
- Unemployment as a social rather than an economic problem, and the role of collective social action
- Kinds of public employment programmes in South Africa, and the scale at which they are implemented
- The scale of comparable public employment programmes in Ethiopia, Egypt and India;
- Potential impacts of public employment programmes
- Challenge to city governments

Questions for facilitators to ask the participants:

- How can city governments ensure that more jobs are created in their cities?
- What is the role of government job creation schemes?
- How can city governments increase the scale and impact of government job creation schemes?

b. Ms Tammy Campbell: Addressing Youth Unemployment

Objective for the session: to highlight the special problem of youth unemployment in the cities, and to describe the experiences of a specific approach to tackling youth unemployment.

- The youth unemployment problem in the cities
- The youth employment clearing house / accelerator process
- Activity, experiences & learning of what is needed to address youth unemployment at scale
- What city governments can do

Questions for facilitators to ask the participants:

- What are the implications of youth unemployment for city governments?
- What steps can city governments take to start addressing the problem?

1.3 Mr Mahmood Soday: Township Economic Development & Integration

Objective for the session: to explore the opportunities and challenges of township economic development; policy and execution

- Key elements of a township development strategy
- Leveraging public and private sector spend
- Foundational requirements and overcoming operating challenges
- What kinds of city policies and initiatives could lead to success

Questions for facilitators to ask the participants:

- What are the different kinds of townships, from an economic development perspective?
- For which kinds of townships is township economic development likely to be a feasible objective?
- What are the obstacles in the way of achieving township economic development?
- How can these obstacles be overcome?

2. City Space Economy Challenge

Objective for the session: for city teams to clarify their visions of the future space-economies of their cities and how these will be brought about; and to assist in consolidating all their learning from the course into achieving these visions.

After icebreaker exercises, city teams are asked to prepare three conceptual models

- (a) Illustrating their city as it is now, in 2015
- (b) Illustrating their city in 2050, in 35 years-time
- (c) Illustrating how the 2015 city will be changed into the 2050 city

The teams will then be debriefed on the models they have produced.

Mr Andrew Boraine: Partnerships pop-up: comment on the inherent difficulties of partnering across administrative and jurisdictional boundaries. Comment on the advantages of an approach which facilitates appropriate 'top down' support for 'bottom up' initiatives, in order to get the balance right between strategic big picture which seeks to overcome parochialism and NIMBYISM, and local effort where neighbourhoods and communities are mobilised

3. Ideation: Part 4

City teams continue their work on an economic development initiative to be presented on Day 5, taking into account their learning on Day 4

Questions for city teams to discuss (on Post-It's on brown paper on the wall):

- What will be the job creation impact of your initiatives?
- What do we need to achieve spatially, to achieve our 5-year goals?

19h00: Side event

Briefing on SALGA position on climate change for COP 21 in December

FRIDAY 13th NOVEMBER 2015: EXECUTING CITY ECONOMIC DEVELOPMENT

1. Strategic Execution (Thabo Mosala)

- Link to world we work and live in (keynote address) – reinforce the importance of a strategic approach
- Appreciate the organisational challenges presented by change
- Link between strategy, action and value creation in economic development
- Role of leaders in the process and how they can influence and lead – what is inside and outside your control?
- Strategy and competitiveness
- Tips, tools and techniques for strategic execution

2. Ideation Part 5

City teams finalise their work on an economic development initiative to be presented on in the next session, taking into account all their learning on the course.

- City teams prepare presentations for the 'Dragons Den' Market Place.

3. Ideation Part 6 – Marketplace

City teams are assessed on the economic development initiative they have prepared, on the basis of three major criteria: Courage, partnerships, practicality

- City teams present their work
- Live anonymous participant voting via RDC (Rapid Data Collection) according to the criteria of Courage, Partnerships, and Practicality
- Moderation by panel of Judges chaired by the DDG, which makes the final decision and provides feedback on each criterion to each city.

4. Closure

Certification and prize-giving ceremonies

Closing address: Director-General