ABOUT THIS PUBLICATION

The City Economic Development Managers’ Forum, or CEDMF, was constituted by the City Budget Forum in April 2020 to facilitate integrated economic recovery planning and implementation at the metro level.

As an intergovernmental platform, the CEDMF seeks to drive deeper collaboration between metros and all-of-government and society to improve recovery, especially following the devastating Covid-19 pandemic.

This publication highlights key insights emanating from 16 sessions of the CEDMF during 2020. 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.

Published on: 06 April 2021

Cover image credit: City of Johannesburg Communications
The Cities Support Programme, CSP, is an initiative of the National Treasury. The CEDMF falls under the CSP and was constituted by the City Budget Forum in April 2020.

The CEDMF supports the metros to perform a pivotal role in driving economic recovery by sharing information, peer learning and innovative thinking.
The challenges faced by South Africa in 2020 were unprecedented as the global COVID-19 pandemic hit the country at a time of economic crisis. This was apparent with declining tax revenue, credit rating downgrades, alarming unemployment, crises within a number of State Owned Enterprises and heavy household debt.

The South African government responded quickly to the health disaster by implementing one of the toughest national lockdowns in March 2020 to “flatten the curve” and buy time to mobilise the health responses. The economic and social consequences of the lockdown were severe. The metros reported an aggregate 30% drop in revenue in April 2020 owing to the inability of households and businesses to pay for their rates and services. Three million jobs were reported ‘lost’ during the hard lockdown and food insecurity grew rapidly.

The declaration of the national disaster was accompanied by various mitigation measures including tax relief, disaster relief funds, emergency procurement, wage support through the Unemployment Insurance Fund and small business financing.

In April, government implemented economic stabilisation measures that focused on the severe decline in market supply and demand as well as job protection. A social relief and economic support package of R 500 billion (approximately 10% of GDP) was announced. The aim was to lay the foundation for longer term economic recovery through substantial infrastructure build, the speedy implementation of economic reforms and economic transformation.

National Treasury has worked closely with the metropolitan municipalities (metros) throughout this period utilising the City Budget Forum (CBF) as a platform to engage on and respond to the impact of the crisis on metro finances and service delivery. The City Economic Development Managers’ Forum was constituted in March 2020 as a sub-committee of the CBF with the primary mandate to support the metros in driving the national economic recovery response.

Foreword

Dondo Mogajane, Director-General, National Treasury

The City Economic Development Managers’ Forum was constituted in March 2020 as a sub-committee of the City Budget Forum with the primary mandate to support the metros in driving the national economic recovery response.
Given that the eight metros collectively contribute more than half of national GDP and employment, it is abundantly clear that the fortunes and financial stability of the country is reliant on metro economic recovery.

The challenge for the metros is that many economic response instruments are located within the national and provincial spheres and metro financial pressures severely restrict the kinds of business and household relief measures that they can offer.

A persistent problem has been that the three spheres of government and social sector partners are planning for economic development, and now recovery, in silos.

The CEDMF, therefore, is the key platform through which National Treasury will continue to support the metros in integrated and informed economic recovery planning through facilitating inter-governmental and multi-stakeholder engagements, peer learning and encouraging innovation and partnering.

This publication is a record of the CEDMF journey travelled thus far. It is by no means the end of a journey as we look forward to another year of constructive intergovernmental and multi-stakeholder engagement which will hopefully strengthen the South African economic recovery response and recognise as well as support the huge contribution of the metros.

Dondo Mogajane

The CEDMF is a key platform through which National Treasury will continue to support the metros in integrated and informed economic recovery planning.

Aggregate drop in revenue for metros in April 2020

30%
Although cities have been hotbeds of the coronavirus pandemic, they are likely to rebound from the devastation more strongly than other parts of the country. This is because cities have inherent advantages for growth and inclusion arising from the concentration of economic assets and diverse skills.

These generate economies of scale and foster dynamic interactions which promote learning, stimulate enterprise and increase the returns on public investment.

South Africa’s economy was largely built in cities and towns. Over time, a small number of cities have generated an increasing share of national output and jobs. The eight metros currently contribute 55% of GDP and 52% of employment despite having only 42% of the country’s population. Urbanisation means that the metros’ share of all three of these indicators is rising.

Of even more significance is that over 90% of all jobs created in the country between 2015 and 2019 were found in the metros, according to the National Planning Commission. Evidently, it is easier to leverage private investment in cities, illustrated by the major automotive projects recently announced by Ford and Toyota.

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**90%**

Contribution by metros to job creation between 2015 and 2019 in SA

Although cities have been hotbeds of the coronavirus pandemic, they are likely to rebound from the devastation more strongly than other parts of the country.
Large cities are set to become even more important in the future. The clustering of firms and talent encourage creativity and innovation, which raise productivity and stimulate investment. Successful cities around the world have developed special strengths in technology and knowledge, which depend on face-to-face interaction. They confirm the enduring significance of urban density, critical mass and connectivity (transport and digital) for economic growth and development.

The benefits of productive cities extend far beyond their boundaries to smaller towns and rural areas. Cities generate strong demand for fast moving consumer goods, raw materials, energy, water and other natural resources from the countryside. The taxes generated in prosperous cities are also redistributed to support public services and livelihoods in poorer towns and rural areas. Dynamic urban labour markets create many decent jobs, which lift people out of poverty and support social mobility.

The performance of South African cities is held back by various structural constraints, including inadequate infrastructure, institutional weaknesses and their fractured physical form. The separation between places of work and residence renders urban labour markets less efficient, marginalises poor black communities and adds to the costs of transport for commuters and service delivery for taxpayers. There is little sign that the spatial scars of apartheid are diminishing.

Fast growing cities expose these deficiencies and create further difficulties, including congestion, overcrowding, social discord and higher costs. These drawbacks are often more conspicuous than the benefits of urbanisation, and have a bigger influence on decision-makers. Consequently, many public officials remain sceptical about urbanisation and do not appreciate the need to actively support, guide and manage the process.
There is a strong case for cities to feature more explicitly in national recovery plans. Cities should be treated as distinct economic units and the metros as strategic partners because this is where the wealth of the nation is increasingly generated. Bold action to tackle urban bottlenecks will yield disproportionate benefits for national prosperity. The uplift in land values from well-configured urban development will generate extra taxes to reinvest in infrastructure and render the whole process self-sustaining.

This logic is backed by the UN Sustainable Development Goals, which seek to harness the progressive potential of urbanisation, and to mitigate the risks of social instability and environmental degradation. They recognise that tackling social and spatial inequality in cities will help to unlock growth and investment by strengthening effective demand from the poor majority of the population and improving the way labour and housing markets function.

The CEDMF supports the metros to perform a pivotal role in driving economic recovery by sharing information, peer learning and innovative thinking. It provides a platform to strengthen the collective voice of the metros to galvanise policy and practical assistance from national and provincial authorities. It is also a useful vehicle for other actors in the private sector and civil society to engage with the metros on joint actions to spur the economic recovery.

Ambivalence towards urbanisation is problematic because it inhibits collective action across government to build better cities. Post COVID-19, the challenge is to build forward better so that the recovery is stronger and more inclusive. Upfront investment in urban infrastructure is vital to create conducive conditions for productive activity and higher living standards.

The performance of South African cities is held back by various structural constraints, including inadequate infrastructure, institutional weaknesses and their fractured physical form.
History of the CEDMF:

A reflection

By Karen Harrison, CSP Economic Development Component Lead, National Treasury

I recall watching the news with growing alarm as the COVID-19 virus, originally identified in Wuhan, China, wreaked havoc on cities and then countries from December 2019. My husband was on a study trip to Wuhan during that month and when he returned, we could not conceive of his “narrow escape” from a lockdown in China and the global turmoil that was about to unfold.

The thought that a city or country could be locked down resulting in economic freefall and massive job losses as a result of an invisible, yet deadly, virus was incomprehensible. Yet this is what happened, forcing the world and South Africa into an unprecedented crisis that has required immense agility and adaptation.

I am one of the fortunate, who has retained her job a year later. I am also the Economic Development component lead of the National Treasury’s Cities Support Programme (CSP). The CSP has a direct support role to the eight metros in South Africa and has technical teams in place across a range of projects, namely: township economic development, industrial park revitalisation, regional economic development collaboration, sub-national doing business, economic development strategies and inclusive economic development partnerships.

This component of the CSP is one of five with colleagues leading support initiatives related to metro finances, governance and planning, human settlements and public transport reforms, and climate resilience as well as others providing city advisory support services. The emerging crisis was no doubt going to test the responsiveness and relevance of the CSP to its core.
In December 2020, South Africa was recorded as having the highest number of COVID-19 cases in Africa. As I write, the country is experiencing its second wave – indeed more a tsunami – driven by a domestic variant, with warnings of more to come. A further severe national lockdown is no longer an option and is evident in overflowing hospitals and mounting deaths. A quick and massive rollout of the vaccine is regarded as our only national hope.

The March 2020 reality forced a sometimes-lethargic public service into overdrive. Government’s economic stimulus package required economic and social sector departments and state-owned enterprises, together with provinces and metros, to design and roll out business and individual relief schemes at an unparalleled rate.

On 15 March 2020, the president of South Africa, Cyril Ramaphosa, declared a national state of disaster and established the National Coronavirus Command Council to lead the national effort to contain the spread and mitigate the negative impact of the virus. On 23 March of the same year, a national lockdown was announced to start four days later to “flatten the curve” and buy time for government to build the necessary health services capacity to respond to the unprecedented health crisis.

To address the devastating economic consequences of the lockdown, a R500 billion economic stimulus package was announced by national government on the 21 April 2020. South Africa’s early lockdown was recognised as being one of the most stringent in the world, with the easing of restrictions only starting on 1 May 2020, primarily in response to its massive negative economic and social impact. At least three million jobs were lost during this period.

Partnerships were mobilised across sectors, most notably through the Solidarity Fund and grassroots networks, to fast-track relief to the most vulnerable.

The leap to virtual business operations meant that stakeholders – both domestic and global – could be rapidly mobilised and engaged. Government and citizens alike began to reflect on both the positives and negatives of the “new normal” – a fact that “nature was breathing again” owing to less traffic, pollution and violence as well as the growth of food and job insecurity at an alarming rate. There was widespread acceptance that the public sector could not “go this alone” and needed to forge partnerships and engage stakeholders – many of the “old” ways of doing things appeared obsolete in the face of the growing pandemic.
The deputy minister responsible for Co-Operative Governance and Traditional Affairs requested the CSP to convene an “Economic Recovery” think-tank with participation from city economic development practitioners as well as academia to explore a broad-based urban response to the challenges and opportunities presented by the crisis without derailing the country’s economic transformation agenda.

The think-tank meeting took place on 4 April 2020 and identified certain short and medium-term city and national level interventions necessary to stabilise and then recover the economy. Immediately following the think-tank session, the CSP set up a COVID-19 information portal with daily uploads on global responses as well as national relief measures. Bilaterals with the metros as to how to position the CSP’s Economic Development component projects to support their economic response and recovery were held.

During these discussions, both Lance Greyling from the City of Cape Town and Blanche Majosi from the City of Johannesburg mooted the idea of a peer learning platform for city economic development managers.

The recommendations of the think-tank were presented at a City Budget Forum held on 24 April 2020, which has senior management representation from National Treasury, the metros and national sector departments. At this meeting, the proposal was made and accepted to set up the City Economic Development Managers’ Forum (CEDMF).

Functions proposed for the CEDMF

- Facilitate information flows between metros and key economic sector departments to:
  - provide updates on available economic relief measures
  - provide feedback on the uptake of these relief measures (e.g. employees, SMMEs and informal traders) by national sector departments
  - provide feedback on business and community perceptions and experience of these measures by the metros
  - share and address data requirements by both national sector departments and metros

- Act as a platform for metros to test their own economic relief and recovery measures that ensure city relief measures:
  - do not duplicate national interventions
  - do not encourage double-dipping by firms and individuals
  - are fiscally and legally sound

The Forum has opened various windows of opportunity, lifted the bar in terms of real inter-governmental collaboration, innovation and resource mobilisation.
In hindsight, the need for a peer engagement platform of metros with sector departments and agencies appears obvious and hugely overdue. This is the case especially given the significant social and economic contribution (more than half of GDP and employment) of the eight metros in South Africa. After the first two meetings of the CEDMF, the potential of the forum was clear and I quickly engaged the services of the CSP’s innovative and agile “Partnering for Inclusive Economic Growth” project team to assist with the planning and facilitation of future meetings.

The key challenge was how to keep the CEDMF relevant and responsive to its membership during the crisis. The leap towards virtual engagement platforms globally meant that city and other public sector officials were being flooded with invitations and requests to attend seminars, webinars and conferences focused on the global and national COVID-19 response.

The forum has brought together all metro economic development managers and invited others from secondary cities as well as relevant national sector departments. These include:

- Co-Operative Governance and Traditional Affairs (COGTA)
- Department of Trade Industry and Competition (DTIC)
- Department of Agriculture, Land Reform and Rural Development (DALRRD)
- Department of Tourism (DoT)
- Department of Small Business Development (DSBD)
- Department of Employment and Labour (DoEL)
- National Treasury
- The Presidency
- Small Enterprises Development Agency (SEDA)
- Small Enterprises Financing Agency (SEFA)
- Productivity South Africa (PSA)
- Industrial Development Corporation (IDC)
- Automotive Industry Development Centre (AIDC)
- World Bank
- South African Cities Network (SACN)
- South African Local Government Association (SALGA)

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From an initial enthusiastic response, virtual meeting fatigue was soon a reality with many officials concerned about the risk of being involved in talk shops and starting to prioritise urgent work demands over more reflective learning sessions.

In order to address this challenge, the CEDMF facilitation team continuously consulted members on their needs and interests and employed creative participatory workshop tools. However, maintaining consistent membership has not been easy. There is a core group of members who attend regularly. Economic development covers a broad range of city functions, so forum participation often relates to the topics under discussion. While some national sector departments and agencies attend regularly, others only attend the sessions in which they are presenting. On the other hand, provinces have requested to participate and the possibility of the forum becoming too unwieldy and bureaucratic has also presented itself.

This publication reflects on the work of the first year of the CEDMF. It also sets the tone for the work of the second year. Entering 2021, we are aware of the level of effort that has gone in to making the CEDMF successful.

We are also aware of the massive development and service delivery challenges the metros are facing as the social and economic crisis deepens in the country. Many officials have experienced trauma as a result of the loss of family members, friends and colleagues while some have battled with burn out. The CEDMF cannot become an additional burden for its members but must act as a space where individuals can be supported, feel connected, access resources, and have influence.

Some of the adjustments for 2021 that have been agreed are to: convene the forum meetings monthly instead of twice a month, focus on consolidation of ideas and initiatives rather than expanding demands, create focused spaces for engagement with national and provincial colleagues, provide stimulation through innovative ideas to breed hope and energy, and “institutionalise” the forum within government so that inter-governmental relations will emerge stronger from the crisis.

A key lesson we are learning is that we are not involved in a sprint, but rather in a marathon and we need to pace ourselves and draw inspiration and support from the larger field.

I loved every session I attended. I also appreciate the innovative facilitation, capturing of ideas, and everybody has a chance to participate.

FEEDBACK
Sixteen sessions of the CEDMF were held during 2020. As shown in the map that follows, the journey began with exploring national and city approaches to economic recovery, and various cities sharing their economic recovery plans. This led into investigating sharing various aspects of whole-of-government responses, looking at the detail of SMME debt relief and informal trader permitting as well as how to address the blockages to effective IGR in the economic recovery.

There were then deep dives into a specific sector (automotive), a metro public employment programme, data and measuring economic performance, and innovative public procurement. Following a session to take stock, subsequent sessions brought in the perspectives and contributions of business, the informal sector, labour and civil society.

The year ended with sessions on potential growth stimulators - the green economy and the SMME district ecosystem facilitation model in the city context, with final reflections on the forum and economic recovery efforts to wrap up the year. The September sessions formed part of the Urban Festival programme.
Participants and format
Participant numbers in sessions have ranged from 30 to 55, with participation of six or more metros along with secondary cities, national line departments and agencies such as the Independent Development Corporation (IDC) and Productivity South Africa. Specific sessions have also brought in private sector and civil society organisations relevant to the theme.

The style and format of the sessions has drawn on a range of participatory tools to optimise information sharing and peer learning despite the virtual delivery. The CEDMF has continued to experiment to respond to the needs of participants.

Contributors included:

- Marketplaces, where each city contributed its input
- Fishbowl panel sessions
- Paired conversations and breakaway groups
- Interviews and storytelling
- Polls and surveys
- Design thinking and brainstorming tools
- Word clouds
- Joint system mapping
- Active use of the chat
- Check-in exercises to help ground and focus participants.

Where more detailed interactions were needed, task team meetings were convened, for example, for the metro Public Employment Programme.

The vast experience of participants; the well-prepared sessions which make it easy to follow and participate; and of course, the content, specifically when “outsiders” are invited to share their experiences.
This map tracks the journey of the CEDMF in 2020 through the forum’s sessions with its various dedicated themes. Follow the cyclist as he takes you on a city tour of the forum’s journey.
Achievements of the forum

Examples of how organisations have made use of the CEDMF to support economic recovery & Initiatives flowing from CEDMF sessions and task teams
CEDMF - Looking back, Moving forward

FORUM PERFORMANCE IN 2020

- Mural: Hosted on Mural, a smart collaborative board
- 16 Sessions held in 2020
- 82% Enjoy Mural experience
- 78% Find the forum active and engaging
- 60% Value guest contributions
- 65% Value city contributions
- 48% Find Zoom chatbox useful

Format of Sessions
CEDMF Forum Relevance

87% Gain useful information

87% Build useful networks

83% Find content relevant to their work

78% Say the forum is relevant to participants

Forum value
Peer learning, inter-governmental engagement, planning alignment on economic response and recovery
The lockdown was a new experience for everybody and early on we could see that it was going to have a major impact on business and lead to unemployment. In March, before the hard lockdown, we reviewed the literature coming out of Europe and met with the Mayor to start discussing that literature.

With the introduction of the hard lockdown on 27 March 2020, we continued discussions virtually and crafted an economic response. The CEDMF was a critical platform as it enabled cities to talk to each other, present response plans, get critique and have these interventions evaluated by a network of professionals in the field before we could implement the plans.

This was absolutely invaluable. It gave us a sense that we were on the right track and there were suggestions and input from other cities. It also helped the cities get input on their plans from national departments and also contribute to the policy responses that the departments were crafting.

This was incredibly important to everyone that participated as we had no other way of knowing what others were doing – the CEDMF showed us that we were not alone as professionals and we had a platform to share experiences and responses. It also linked us to global knowledge through the World Bank.

A great platform. I would like to see the implementation of economic deliverables projects to enhance the District Development Model and Sustainable Development Goals.
The CEDMF showed us that we were not alone as professionals and we had a platform to share experiences and responses. It also linked us to global knowledge through the World Bank.

With travel and meeting restrictions, during the hard lockdown as well as during the other levels of the lockdown, the online network that the CEDMF provided became the City’s link to the collective knowledge base of experience by professionals in the economic development discipline across spheres of government and among cities.

A little over a year ago, hosting such interactions would have been incredibly expensive with the travel and time for such sessions. The virtual platform has made these interactions inexpensive and highly efficient.

The methodology used and format of the sessions have been incredibly participative and led to rich discussions and a high quality of input and output.

It ensures that we all align to our recoveries, this will ensure that we become efficient in our responses.

Kosheek Maharaj: Stakeholder Manager, Automotive Industry Development Centre

What inspired you to become an economic development practitioner?
I have always had a vision to ‘change lives’. Being part of this team has opened me to new thinking and creating a network to enable us to adapt, share, and build resilience. We created the opportunity to persevere and take the necessary risks to develop an environment to ‘change lives’ and support the mandate of the automotive sector and government.

What value has participating in the CEDMF created for you?
The past year has taught me to build resilience. It is a pleasure to be part of this exciting team of ED practitioners, this team has made me broaden and expand my thinking.

Consistency and cooperative endeavour are essential tools at this time. This forum used the individual strengths of the practitioners to complement one another, to create an environment within our provinces to find solutions that can embrace economic growth and create opportunities for our people and industries. The forum is important to build mutual understanding of where government cooperation is most critical to respond effectively to problems.

Lastly, we need to be responsible citizens and work with public and private sector stakeholders to make the world around us a better place. Leaders like ourselves must serve selflessly to create an environment to change lives and to weather any storm.
The Economic Recovery Plan (ERP) was approved by Council and has been in implementation over the last 10 months. The CEDMF provided a platform for discussing and knowledge sharing on ERPs and linking cities with national departments. It has also helped metros make input into national policy and provide feedback in the efficacy of measures introduced. This has helped align objectives and synergise responses. There are numerous sub-groups at the city level where the City and CSP consultants work on a project specific level – with the CEDMF providing a high-level coordination.

There is tremendous opportunity to use this platform to venture into other areas of economic development such as coordinated infrastructure planning and more. The model works and it has a lot to do with the way in which it is crafted – this has potential application in many areas.

The City has made use of several CSP offerings including the Partnering for Growth methodology, Industrial Revitalisation, Regional Economic Development, Innovative Procurement, Township Economic Development, the metro Public Employment Programme, discussions on the Credit Guarantee Scheme, as well as the BUSA networking.

In addition the sessions helped the cities get a better understanding of what applications for support were approved by national departments.

What opportunities presented by the CEDMF has eThekwini made use of?

How is CEDMF supporting the metro’s economic recovery plan development and implementation?
Examples of how organisations have made use of the CEDMF to support economic recovery

City of Cape Town

What were the top three challenges the metro faced around economic recovery during 2020?

The first challenge we had to face as the City of Cape Town was how to best assist businesses in understanding and responding in a compliant manner to the lockdown regulations so that as many of them could keep operating safely.

In responding to this challenge we formed an ecosystem approach and became an active partner in the Covid Contact Centre set up in the Western Cape to guide businesses through these challenges. We used our business hub capacity and pivoted it to operate virtually to provide businesses with the support they required. In addition, we rolled out 3 000 Covid safety kits to businesses and then worked with our Urban Management directorate to roll out a further 10 000 safety kits to informal traders.

The second challenge that we faced was making sure that companies hardest hit by the lockdown regulations were able to access the necessary financial relief from the various sources to prevent a massive lay-off of jobs.

This challenge was once again responded to by adopting an ecosystem approach which culminated in the Covid Fund Finder application set up by Wesgro on behalf of the partners that aided companies in locating and applying for the necessary relief.

The forum has provided insight to us and we learned a lot from what other cities are doing. The CSP has been our guide in tackling ED issues more profoundly.

CEDMF - Looking back, Moving forward
The second challenge that we faced was making sure that companies hardest hit by the lockdown regulations were able to access the necessary financial relief from the various sources to prevent a massive lay-off of jobs.

The third challenge, and there were definitely more than three challenges, lay in looking for opportunities where we could support high growth sectors to absorb some of the workers being retrenched by sectors hit particularly hard by the lockdown regulations such as the tourism and events industry.

Responding to this challenge required innovative solutions which we helped facilitate such as the match-up between the Business Process Outsourcing sector and the tourism sector. This saw call centre operators placed in hotel rooms for some of the lockdown level 5 duration.

These kinds of innovations have had the added benefit of the City of Cape Town seen as an adaptable destination with a concomitant increase in global interest in off-shoring more operations here.

The forum has opened various windows of opportunity, lifted the bar in terms of real inter-governmental collaboration, innovation and resource mobilisation.
What opportunities presented by the CEDMF has City of Cape Town made use of?

How is CEDMF supporting the metro's economic recovery plan development and implementation?

The City of Cape Town has taken up many opportunities offered by this forum such as putting together our proposal for Public Employment Programmes, using the BUSA network to inform our own localisation plans for economic recovery, as well as exploring innovative ways in which we could use our procurement system to foster greater economic development.

Current Status of Economic Recovery Plans

During the initial months of the COVID-19 lockdown the City of Cape Town developed and launched an Economic Action Plan (EAP) that serves as the City of Cape Town’s economic response and as a contingency plan for the anticipated short-term crisis facing the city, local economy in the wake of the spread of COVID-19. 

Economic Action Plan

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CBD Recovery Plan/Programme

The COVID-19 crisis and associated extended lockdown restrictions have had a devastating impact on Cape Town with the CBD experiencing business closures on a daily basis among other social and economic issues.

A multi-disciplinary internal city team, together with key external stakeholders such as City Improvement Districts and business partners, developed an initial CBD economic recovery and implementation plan. The plan is linked to the City’s economic recovery strategy.

The Plan was officially launched by the Mayco Member for Economic Opportunities and Asset Management (EOAM), Ald Vos, in October 2020. The first three months of the plan was dedicated to “stop the bleeding initiatives” - aimed at immediate measures to reduce the impacts of lockdown conditions on residents and businesses.

The City team is currently in the process of evaluating its initial implementation and will adjust the plan/initiatives to fit the current economic climate, second and future waves of the virus as well as the welcome news of the likely vaccine rollout through 2021/2. The team will also consider programmes and projects aimed at the longer term transformation of the CBD.

The Economic Action Plan focused on the following areas:

- Repurposing of the Enterprise and Investment Department to assist the economy (and businesses) adapt to the disruptions flowing from the COVID-19 crisis
- Enhancing business retention efforts
- Making it easier for exemption and investment to resume again
- Equipping business for new ways of working
- Utilising the City’s sectoral support approach to identify and exploit new sectoral approaches emerging from the crisis.

I am able to gain useful information and it is a great capacity building tool.
Buffalo City Metropolitan Municipality’s (BCM) key economic sectors were hit hard by the pandemic, in particular the manufacturing sector which was struggling long before the pandemic. As production came to a standstill and in other cases downscaled to a bare minimum, many workers were forced to stay at home.

The automotive industry with part of its value chain was also severely affected. As soon as the country moved to lower Alert Levels of the Lockdown, production kick-started in full force. The compelling case which has rallied the entire value chain are preparations for the Mercedes-Benz new generation C-class (W206), which is currently on target by all means.

Mercedes-Benz, the City’s sole Original Equipment Manufacturer (OEM), has amassed support and the line-up within the East London Special Economic Zone (SEZ) is in sync with all production plans. The Metro is also providing the much-needed economic infrastructure to enable the multi-billion investment.

Many local tourism and hospitality establishments did not receive Covid-19 business relief and had to devise means of sustaining their businesses such as partial opening of their premises. Others took the opportunity for face-lift and routine maintenance in anticipation of the return of the international tourists.

What were the top three challenges the metro faced around economic recovery during 2020?
The agriculture and agro-processing sectors showed some resilience in line with the sector trends in the country.

The advantage is that the sector is labour-intensive and the province has huge opportunities in livestock, horticulture and value addition. Food and beverages, dairy products, nuts, confectionaries, meat products, and more, are holding promise for Buffalo City.

Transport and logistics were also severely affected but showed resilience towards the end of 2020 with the Port of East London being fully operational.

The City also landed two new airlines, which means improved accessibility and competitiveness for our destination from a business and tourism perspective.

The much-anticipated expansion of the East London Airport and the much-needed deepening and expansion of the City’s River Port took a backstage during 2020. These two catalytic projects would be key for the economic recovery of the City.

The retail sector showed positive results during the 2020 festive season in our City.

Buffalo City has a very vibrant informal economy such as the auto sector after-market, traditional medicine, service industry, personal services including health and beauty. Thousands of traders needed the City’s intervention to obtain permits to provide essential services as they mostly operate outside the curfew. Not all could be catered for though as some were closely linked with the tourism and hospitality industry.

The informal economy is showing resilience in the city. In other instances, it is clear that the advantage of low overhead costs and streamlined operations could be helpful during uncertain times. In collaboration with the Department of Small Business Development (DSBD), the South African Revenue Services (SARS) and the Small Enterprise Development Agency (SEDA), the Metro has assisted several informal traders to get their house in order and comply with the requirements for eligibility to receive support.

The City highly commends those businesses which engaged with their workers and made some arrangements to either reduce the working hours, reducing salaries or introduce shifts. Were it not for these sacrifices, more jobs would have been lost in the process.
What is the current status of BCM’s economic recovery plan?

The Economic Recovery Plan is currently in a draft form. Initial consultations were undertaken with the leadership of the province, business community and national departments. The Metro will be undertaking final rounds of consultation on its Economic Recovery Plan from March to May 2021 before adoption by Council.

What opportunities presented by the CEDMF has BCM made use of?

Overall the CEDMF has played a pivotal role in bringing all key stakeholders to share information and open new opportunities for collaboration.

Buffalo City was linked to the World Bank to assist with the development of a Smart City Strategy through the City Support Programme (CSP) and is delighted at this opportunity.

Pursuant to the presentation on the Industrial Park Revitalisation, Buffalo City is now developing a broader view towards revitalising its industrial areas. The City also packaged several projects under the Public Employment Programme and will be mobilising resources to implement these in the near future.

How is CEDMF supporting the metro’s economic recovery plan development and implementation?

Through engagements with various national departments, Buffalo City was able to ensure alignment with the National Economic Reconstruction and Recovery Plan. Creating a conducive environment and reducing red tape is a key ingredient for business retention and expansion. The forum has assisted the City with SNDB Reforms and as a result the city is improving its systems and is on the right path towards automating and streamlining some of its processes.

The engagements have also pointed to capacity gaps as well as new funding opportunities where the City has already presented some of its catalytic projects.
Examples of how organisations have made use of the CEDMF to support economic recovery

**AIDC**
Automotive Industry Development Centre

- **Network build**: CEDMF created a network in support of the Automotive Industry Development Centre’s (AIDC) vision. The forum jointly tabled creative solutions to support Metros, Municipalities and Districts.

- **Design support**: The forum supported AIDC in the design and implementation of projects, policy and funding methodologies.

Ongoing consultation with forum participants will assist in informing the agenda for each of the forum meetings to ensure that they are meaningful and impactful.
The core work of the CEDMF took place within the bi-weekly meetings, opportunities for partnering and collaboration emerged, catalysing a series of initiatives shown below.

Metro Public Employment Stimulus

The CEDMF engagement with the Presidency on the national Employment Stimulus Plan that took place on 22 July 2020 presented an opportunity for the metros to put forward a bid for a targeted Public Employment Programme. The catch was that the metro bid had to be submitted in time for the October 2020 Adjustment Budget and the funding had to be spent by the end of the municipal financial year-end of June 2021.

Given this timeframe, there was a high level of scepticism whether the metros should or could take up this opportunity. However, metro ED managers argued that the economic crisis demanded that every opportunity to alleviate the plight of the poor and unemployed should be grasped.

The eight metros rose to the challenge, kick-starting their bid through a creative design workshop on Metro Public Employment Programmes on 3 August 2020. Metros explored the theme of “building back better” and identified a host of opportunities ranging from cleaning and maintenance of public spaces, ecosystem services, precinct management, community safety, recycling, place-making, food security, early childhood development, recreation, local service delivery solutions to building social cohesion.

The metros indicated that if they were to deliver, they needed to implement the programme in partnership with private and civil society actors.

Formal metro buy-in was secured through an expression of interest submitted to National Treasury by City Managers and confirmed within the City Budget Forum.

The Inter-Governmental Relations branch within National Treasury pulled out all the stops to identify a suitable financing mechanism and lobbied hard for a city share of the employment stimulus budget.

It was agreed that a special Public Employment Programme (PEP) window would be created within the Neighbourhood Development Partnership Grant for this purpose.
Metros were issued with guidelines for the grant in early September 2020 and requested to submit business plans by mid-September of the same year. An inter-departmental projects evaluation committee, with representation from the Presidency, National Treasury and the Department of Public Works and Infrastructure, reviewed the business plans.

Feedback was given and certain revisions were requested from the metros by 30 September 2020. Metros were able to put in a collective bid for R 841 million for the creation of 32 663 public employment opportunities.

The eThekwini metro drove an outstanding transversal effort putting in a bid for R293 million. Quick delivery mechanisms were identified through existing Section 67 partnership agreements and programme extensions.

At the very last minute a budget reprioritisation process eliminated the metro PEP allocation from the October Adjustment Budget. This was devastating for many metros who had integrated the PEP into their Economic Recovery Plans and for their partners who had geared up to implement. Some metros sought internal financing for some of their critical projects but many of the projects have remained unfinanced.

This experience demonstrated the capability within the metros and government to be creative and responsive and forge partnerships that drive delivery and quick turnaround.

A huge collective effort went into this initiative and it is still regarded as a major lost opportunity that somehow needs to be recovered.
Innovative City Procurement

CityMart, a global organisation providing outcomes-based procurement support to cities, presented to the CEDMF on 18 August 2020. Few metros were able to share their own examples of applying such an approach.

It was agreed that the CSP’s Economic Strategies Facility located within the World Bank could be used to access the services of CityMart to pilot an outcomes-based approach that can enable procurement to better support city economic recovery and inclusive growth.

The City of Johannesburg and eThekwini submitted expressions of interest to the Facility. CityMart’s services were procured and processes are underway to scope the support to be provided.

In addition, CityMart requested input from the metros in a report for the Chicago Council on Global Affairs, a non-profit think-tank, to develop a report on the topic “Procurement a service to government or a service to the public?” Metros have volunteered to participate, and a focus group was held in March 2021.

Township Economic Development

Township Economic Development (TED) is key to localised job creation. There are many up-and-coming entrepreneurs in the informal sector that are developing small businesses that sustain themselves and their families. In some instances, even creating employment opportunities for others.

Supporting this individual initiative is important to the development, vibrancy and sustainability of township economies. These are some examples of TED that demonstrate the continued need to support this.

Images throughout this section demonstrate some of the TED self-starters that should be supported.

CityMart is piloting an outcomes-based approach that can enable procurement to better support city economic recovery and inclusive growth.
BUSA - City Engagement

Business Unity South Africa’s (BUSA) engagement with the City ED Managers on the national economic recovery planning process was pursued with a follow up engagement with the BUSA executive in December 2020.

Three immediate focal areas for collaboration have been identified, namely: localisation, energy, and participation of city business chambers within BUSA. Areas for longer-term collaboration are digitisation, tourism and SMME development and support.

The CEDMF cannot become an additional burden for its members but must act as a space where individuals can be supported, feel connected, access resources, and have influence.
Government’s economic stimulus package required economic and social sector departments and state-owned enterprises, together with provinces and metros, to design and roll out business and individual relief schemes at an unparalleled rate.

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Improving rollout of the National Credit Guarantee Scheme

A presentation to the CEDMF by the KISBY Fund, a new second tier SMME credit provider in the market, sparked an approach by eThekwini to National Treasury for a broader engagement of second tier SMME credit providers to expedite the roll out of the National Credit Guarantee Scheme.

A series of engagements have been facilitated between National Treasury and several credit providers with an indication that there participation is under serious consideration.

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South Pinetown hawkers

Tembisa hawkers’ market
SMME district ecosystem facilitation model pilots

CEDMF engagements on available SMME support have resulted in an agreement between six metros and the Small Enterprise Development Agency (SEDA), with the assistance of the European Union’s (EU) Ecosystem Development for Small Enterprise (EDSE) programme, to customise and pilot SEDA’s proposed SMME ecosystem support model.

The proposal is that pilots be aligned to the metro Township Economic Development project sites.

Hammanskraal street bicycle repair

Noludwe Ncokazi: Head of Directorate of Economic Development and Agencies, Buffalo City Metro

What inspired you to become an economic development practitioner?

My post-graduate qualification in economics and vast experience in the public and private sectors empowered me to understand the economy. With this, I felt a need to empower others to participate meaningfully in the local, national and global economy.

What value has participating in the CEDMF created for you?

Networking with like-minded people, learning from those ahead of me and exploring innovative ways of growing the city’s economy as metros are engines of economic growth globally.

The forum has expanded my knowledge and assisted me in unblocking some developments while strengthening inter-governmental relations.

At the local government level, the impact of one’s actions are so tangible and that propels me to grab every opportunity to forge strategic partnerships to unleash even more opportunities.

Partnerships were mobilised across sectors, most notably through the Solidarity Fund and grassroots networks, to fast-track relief to the most vulnerable.
Observations from the back of the Zoom room

In conversation with Professor Ivan Turok

By Rehana Moosajee

There’s a silent observer, sitting at the back of many City Economic Development Managers’ Forum sessions. At the end of a session, he sometimes shares his observations on what he has observed. He does this with clarity and deep wisdom.

In January 2021, Rehana Moosajee and Karen Harrison had the chance to get insights and reflections from Professor Ivan Turok on his experience in observing the CEDMF sessions as well as some advice for the organising team and participants about how to utilise this forum optimally.
What underlies your passion for the role of cities in local economic development?

Ivan shared with us how his interest in local economic development was shaped after he had done his Masters degree in Planning in Wales. Ivan’s passion for cities as places with the greatest potential to strengthen the economy grew through his dissertation. He had witnessed the decline of industrial areas as the coal-mining valleys suffered, and watched local authorities mobilising different sectors of society on what to do, and how to compensate for decline and how to rebuild the economy.

Based on his many years of research and knowledge, Ivan has great confidence in the potential of the CEDMF: “This forum should aspire and have the ambition that it warrants to see cities as the engines of economic growth and to harness their potential.”

How would you explain why the economy is so critical to people who do not understand economics?

As Ivan answers this question he becomes animated about “the devastating impact of unemployment on people’s all-round wellbeing: from self-respect and dignity, to income, the structure of their daily lives and discipline and how unemployment and joblessness sends people off the wire.”

He thoughtfully probes the complexity of the need of society for full employment with the inherent contradiction of a capitalist model, driven by a profit motive and concedes that there are no quick-fix solutions. He advocates for the creation of jobs and giving people the benefit of work which is not only a salary but encompasses a range of other issues like purpose, the development of skills and making a meaningful contribution to society.
Karen shares, when Ivan became curious about the formation of the CEDMF, how she harnessed his academic background along with his experience and indepth understanding of urban economic development to invite him to provide a learning critique of the CEDMF. “The formation of the CEDMF is a really important initiative to bring together economic development managers across the metros and some other cities to discuss their response to the COVID-19 crisis in particular but the economic crisis more generally,” says Ivan.

**What are your opinions about the national responses to economic issues in the wake of the pandemic?**

In responding to the question, Ivan is measured and careful to provide a balanced perspective, citing the attempts to organise a national response and highlights the TERS initiative as an important intervention. He also gives credit to the top-up grants, even though they were minimal. The investment drive that pre-dated COVID-19 and was accelerated is another important intervention.

His overall sense though is the national responses, and a whole-of-government approach, have not been sufficient. An unprecedented crisis warranted a more profound response. The context of a constrained fiscus could have fired the imagination about what was possible.

**Why is the potential role of metros not being championed more?**

Ivan weighs in on the inability to focus on resource generation capacity of different spheres of government and the tendency to focus on the spending agenda. He highlights the importance of visionary leadership that is able to build broad action and support for what the future of society and the future of the economy look like.

In accordance with the founding principles of the democratic developmental local government, he reaffirms the vision on the role of metros in development, including in supporting the economy.

> The formation of the CEDMF is a really important initiative to bring together economic development managers across the metros and some other cities to discuss their response to the COVID-19 crisis in particular but the economic crisis more generally.
In reflecting on the importance of a dynamic network with the understanding of the roles and responsibilities of different stakeholders, Ivan poses a fundamental question to city economic development managers:

“Has any city been able to mobilise a network of key players including civil society and the private sector, to mount a concerted response to the crisis?”

So, what does this complexity mean for an economic development manager in a metro?

In his typical reflective style, Ivan quickly asserts that the situation differs in each city and what can be done is based on the political dynamics and institutional form. He is quick to emphasise that there are definite focus areas for economic development managers. He itemises them as follows:

1. Do the basics well – deliver economic development services
2. Find a niche for a city role and do not duplicate what other role players are already doing. Some suggested areas of niche focus include:
   - Strategic projects
   - Small business support
   - The research and knowledge agenda: better understand the economic structure and performance of our cities and use that knowledge as a foundation for action
   - Skills development agenda
3. Holding things together
4. Strategic view of the gaps and opportunities to intervene
5. Good relationships with the private sector

In reflecting on the importance of a dynamic network with the understanding of the roles and responsibilities of different stakeholders, Ivan poses a fundamental question to city economic development managers:

“Has any city been able to mobilise a network of key players including civil society and the private sector, to mount a concerted response to the crisis?”

Acknowledging that, in a time of crisis and threat, most organisations tend to safeguard themselves and retreat inwards, he cites global experience which supports that outwardly-focused partnerships and relationship-building are key.
What do you like/ find useful about CEDMF?

The CEDMF facilitation team is commended for how effective it has been at enlisting impressive local and international speakers who are interesting, well-connected, authoritative on their content areas and have provided insights and perspectives that are not readily available elsewhere.

Ideas for improvement and maximising the impact of CEDMF?

It is evident that a lot of thought has been given to this issue and Ivan really believes that the CEDMF has potential to be doing a lot more than it currently is. He suggests that cities should seize the opportunity and platform that has been created to showcase what they are doing, attend consistently, be courageous in having robust debate. He emphasises that the economy is very fluid, full of contestation and that there are no easy answers and is subject to negative shocks and positive stimulus. In the absence of easy answers and magic bullets, the focus must be on getting the economy moving and creating lots of jobs.

In his overall reflections, Ivan emphasises the role of CEDMF members in positioning cities and building an alliance across cities, where economic development managers trust each other, work together and lobby as part of a collective on an action-based agenda.

Having spent a bit of time in conversation with Ivan, one is left with the distinct impression that the CEDMF has the potential to be so much more in 2021 and beyond. Will the city economic development managers utilise this platform that has been created to bolster local economic development and create jobs? It’s a big responsibility.

The overwhelming sense is that with the requisite focus, teamwork and cooperation, we could catalyse actions that realise the centrality of the role of cities in economic growth, development and job creation.
Based on the reflections in this publication and contemplating the way forward for the CEDMF in 2021, the key questions that jump out are:

- What is the main aim of the forum?
- What would success for the forum be like at the end of 2021?
The feedback from forum participants is that the primary value of the forum is peer learning, inter-governmental engagement and planning alignment around economic response and recovery. It is critical that this mandate is taken forward and that these objectives are prioritised and pursued during 2021.

To strengthen the peer learning that takes place within the forum, opportunities exist to:

- Create spaces for sharing and reflecting on city economic response and recovery plans and measures
- Highlight innovation within metros – both domestically and globally – in terms of economic recovery responses
- Draw lessons from the collaborative work underway between the CSP and metros regarding township economic development, industrial park revitalisation, regional economic development collaboration, partnering for inclusive growth, and spatialised city economic data

To strengthen inter-governmental engagement and planning alignment, there is a need to:

- Strengthen the participation of national and provincial sector departments and agencies within the forum and ensure meaningful and constructive engagements
- Market the CEDMF more proactively within government as a platform for engaging city ED managers
- Identify national and provincial economic platforms where city representation is both lacking and necessary, and facilitate representation of the CEDMF therein
- Formalise the chairing of the CEDMF by a relevant and high-level National Treasury official to enhance the weight of the forum
- Strengthen the relationship and reporting mechanisms between the CEDMF and other key inter-governmental platforms within National Treasury such as the City Budget Forum and Technical Coordinating Forum, and within government’s broader economic cluster.

Ongoing consultation with forum participants will assist in informing the agenda for each of the forum meetings to ensure that they are meaningful and impactful.
In order to further focus the work of the forum in 2021, the following success measures are proposed:

- The CEDMF is recognised as the primary collective engagement platform within government with city economic development managers by the public, private and civil society sectors.
- The CEDMF successfully highlights the significance of the role of metros in driving national economic recovery and galvanising support behind this role.
- National and provincial sector departments and agencies utilise the forum to co-create and align city-level economic recovery interventions with city ED managers.
- The CEDMF “institutionalised” within National Treasury.
- Regular and consistent attendance of the forum by city ED managers owing to the relevance of the forum.
- City ED Managers actively engage within the forum and inform its agenda.
- City ED Managers proactively engage and grasp opportunities that are presented through the forum.
- CEDMF discussions visibly informing City economic recovery responses and plans.

This informs the restructuring of the forum to focus its monthly meetings alternately on city peer learning, innovation, and city engagement with provincial and national sector departments and agencies.

Ongoing consultation with forum participants will assist in informing the agenda for each of the forum meetings to ensure that they are meaningful and impactful. As in 2020, the intention is for the forum to continue to catalyse related initiatives and platforms that will take forward agreed actions.

The mandate informs a greater resolve within National Treasury to work at a national and provincial level towards the recognition of, and greater support for, the role of metros in driving and aligning government-as-a-whole’s economic recovery measures.

The forum continues to provide a valuable platform where economic development managers and practitioners across all three spheres of government, and the private and civil society sectors, can engage and co-create public sector interventions to increase their likelihood of success and impact.
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