ABOUT THIS BOOKLET

This booklet is a summary of a publication that highlights key insights emanating from 16 sessions of various recovery and collaboration engagements at the CEDMF during 2020.

The full publication is user-friendly and interactive, enabling you to pick a topic of your interest any time.

We hope that you will enjoy this content and find it useful.

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Visit the interactive full CEDMF publication here.
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 metropolitan municipality (metro) level.

As an intergovernmental platform, the CEDMF recognised that the unprecedented economic crisis, exacerbated by the COVID-19 pandemic, required an all-of-government and all-of-society effort to support the eight metros in driving national economic recovery and inclusive growth.

South Africa’s response to the impact of the COVID-19 lockdown on the economy demonstrated failure of the public sector to fully realise the pivotal role that metros will perform in national economic recovery. National, provincial and metro economic recovery plans were drafted with very limited intergovernmental and multi-sectoral consultation.

**Disintegrated response**

While the public sector went into over-drive in March 2020 to design and roll out government’s economic stimulus package, metros were largely overlooked. The small business support programmes, individual and household relief packages were mostly developed in silos by sector departments with very little direct communication flows to the metros.

Metros found themselves increasingly disempowered as the interface of citizen and small business with government. Arguably, many of the acknowledged shortcomings of the national stimulus measures could have been addressed if the metros had been engaged in their design. The forum is a platform that creates a link with metros placing them in the centre of recovery planning.
Metros are economic engines
The focus on the eight metros is important because, collectively, they contribute 55% of GDP and 52% of employment within the country. The fast pace of urbanisation means that the metros’ share of these indicators will rise and their significance will grow. For example, over 90% of all jobs created in the country between 2015 and 2019 were in the metros.

Although cities have been hotbeds of the coronavirus pandemic, they are rebounding from the devastation more strongly than other parts of the country. This is not surprising as cities have inherent advantages for growth and inclusion arising from the concentration of economic assets and diverse skills.

This combination drives economies of scale and fosters dynamic interactions that promote learning, stimulate enterprise and increase the returns on public investment.

Adding to this, the clustering of firms and talent encourage creativity and innovation, which raise productivity and further stimulate investment. For South African metros, this convergence makes them an economic development melting pot in similarity with cities around the world. The enduring significance of urban density, critical mass, and connectivity (transport and digital) for economic growth and development has been demonstrated globally.

Cities as production epicentres
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 emanating from prosperous cities are redistributed to support public services and livelihoods in poor towns and rural areas. Also, the dynamic urban labour markets in cities create many decent jobs, which lift people out of poverty and support social mobility.

Structural constraints
Despite these opportunities, performance of South African cities has been held back by various structural constraints including inadequate infrastructure, institutional weaknesses and their fractured physical form. The pace at which the cities have grown has exposed these deficiencies and created further difficulties such as congestion, overcrowding, social discord and higher costs.

Integrated development and urban dividend
South Africa’s Integrated Urban Development Framework (2016) has been the overarching policy framework to drive urban reform within the country. The reform effort, however, has been weakened through misalignment with sectoral policies and budgets.

Compounding these challenges is an ambivalence towards urbanisation, which is problematic because it inhibits collective action across government to build better cities. This has seen South Africa not yet benefitting from the full potential of the so-called ‘urban dividend’.

Social and economic investment returns
South Africa’s economic and fiscal crisis requires the country to make strategic choices and decisions that will yield the highest social and economic investment returns. This requires cities to feature more explicitly in national and provincial economic 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. Upfront investment in urban infrastructure is vital to create conducive conditions for productive activity and higher living standards.
Unlocking growth
The logic of generating extra taxes from enhanced urban development is backed by the UN Sustainable Development Goals. Among their key features, these goals seek to harness the progressive potential of urbanisation as well as to mitigate the risks of social instability and environmental degradation.

These goals 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.

Forum as a collective platform
The CEDMF was designed to address some of the shortcomings in the recovery plan especially relating to metros and their role. It aims to achieve this by creating a collective platform for public, private and civil society actors to engage metro economic development managers. Over the past year, the CEDMF’s objectives have deepened.

The initial focus was on facilitating information flows and planning alignment on social and economic relief measures. This has now morphed towards peer learning and intergovernmental engagement as well as planning alignment around economic response and recovery in the immediate and medium-term.

Multiple key stakeholders
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)

Wide knowledge base tapped
The core participants in the forum are the city economic development managers themselves. Given the broad nature of economic development, they have brought in relevant colleagues into the discussions at different times. These colleagues range from planning, infrastructure, communication, finance, supply chain management to social development.

The city colleagues have demonstrated leadership, commitment and passion in driving city economic recovery planning and partnerships.

Progressing through challenges
Leading during the pandemic has been incredibly difficult with challenges related to virtual community engagement, fiscal austerity, the loss of loved ones and colleagues and the relentless pace of the work at hand.

Despite these challenges, many have attended the forum meetings enthusiastically with the intent of strengthening intergovernmental relations and establishing partnerships while learning from peers. In this way, they were making a difference to the lives of their residents.
**Tackling issues that unlock value**

The CEDMF journey began with exploring national and city approaches to economic recovery and various cities sharing their economic recovery plans. This led to investigating the sharing of various aspects of whole-of-government responses, looking at the detail of SMME debt relief and informal trader permitting and how to address the blockages to effective intergovernmental relations in the economic recovery.

There were deep dives on a specific sector (automotive), metro public employment programme, data and measuring economic performance, and innovative public procurement. Other sessions brought in the perspectives and contributions of business, the informal sector, labour and civil society. The year ended with engagements on potential growth stimulators - the green economy and the SMME district ecosystem facilitation model in the city context.

**Contributors**

Guest contributors to the CEDMF included: Business Unity South Africa (BUSA), Congress of South African Trade Unions (Cosatu), The Solidarity Fund, NAAMSA and NAACAM, Kisby Fund, CityMart, European Union’s Ecosystem Development for Small Enterprise (EDSE) support programme, NIDS-CRAM and Ask Africa, Institute of Economic Justice, Trade and Industrial Policy Secretariat and C40.

**Engaging forum setting**

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 format. The CEDMF has continued to experiment to respond to the needs of participants.

Tools and techniques used in sessions included capturing inputs using a virtual whiteboard, marketplaces where each city contributed, “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 chatbox, and check-in exercises to help ground and focus participants in a highly stressful and overwhelming time.

**Extended partnerships with practical results**

While the core work of the CEDMF took place during meetings held twice a month, opportunities for partnering and collaboration emerged, catalysing a series of initiatives such as:

- Metro Public Employment Stimulus financing mechanism
- Innovative city procurement pilots
- Collaborative actions with BUSA
- Engagements on improving the National Credit Guarantee Scheme
- Piloting approaches to the roll out of SEDA’s SMME district ecosystem facilitation model

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Positive feedback

Feedback from metros has been extremely positive with these quotes captured in the CEDMF surveys and review sessions revealing how participants experienced the platform.

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

A great platform. I would like to see the implementation of economic projects to enhance the District Development Model and Sustainable Development Goals.

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.

The forum has opened various windows of opportunity, lifted the bar in terms of real intergovernmental collaboration, innovation and resource mobilisation.

The sessions completed my serious strategic gaps.

The CEDMF results in tangible action items.

I am able to gain useful information and it’s a great capacity-building tool.

I am able to make a positive contribution.

The vast experience of participants: the well prepared sessions which makes it easy to follow and participate; and of course, the content, specifically when ‘outsiders’ are invited to share their experiences.

The sharing of ideas. There is a large pool of economic development practitioners sharing ideas.

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

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30 to 55

Number of participants in the 16 CEDMF sessions held in 2020
Compounding these challenges is an ambivalence towards urbanisation, which is problematic because it inhibits collective action across government to build better cities.

**Looking forward**

Moving forward, the intention of the CEDMF is to support the metros in performing their central role in driving economic recovery by sharing information, peer learning and innovative thinking. The CEDMF will continue to provide a platform to strengthen the voice of the metros to galvanise policy and practical assistance from national and provincial public actors and for organised private sector and civil society to engage collectively with the metros on joint actions to spur national economic recovery. 

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