



Report on the Implementation Evaluation of the Cities Support Programme

Summary Report

14 March 2018

National Evaluation Plan Report



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GLOSSARY

APP	Annual Performance Plan
BE	Built Environment
BEPP	Built Environment Performance Plan
BEVC	Built Environment Value Chain
CANA	Capacity Needs Assessment
CBF	City Budget Forum
CNA	Capacity Needs Assessment
CIF	Capital Investment Framework
CRP	Climate Resilience Programme
CSP	Cities Support Programme
CSIP	Capacity Support Implementation Plan
COGTA	Department of Cooperative Governance and Traditional Affairs
CoJ	City of Johannesburg
CWP	Community Works Programme
DAC	Development Assistance Committee
DBSA	Development Bank Southern Africa
DCOG	Department of Cooperative Governance and Traditional Affairs
DEA	Department of Environmental Affairs
DoHS	Department of Human Settlements
DPME	Department of Planning, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DTI	Department of Trade and Industry
DED	Department of Economic Development
DORA	Division of Revenue Act
DPLG	Department of Provincial and Local Government
ENE	Estimates of National Expenditure
EPMO	Enterprise Project Management Office
EPWP	Expanded Public Works Programme
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GTAC	Government Technical Advisory Centre
HSDG	Human Settlement Development Grant
ICDG	Integrated City Development Grant
IDP	Integrated Development Plan
IDIP	Infrastructure Delivery Improvement Programme
IGR	Inter-Governmental Relations
IUDF	Integrated Urban Development Framework
JIPSA	Joint Initiative on Priority Skills Acquisition
KII	Key informant interview
LCSP	Large Cities Support Programme
LDA	Land Development Applications
LGTAS	Local Government Turnaround Strategy
LUMS	Land Use Management System
MFIP	Municipal Finance Improvement Programme

MFMA	Municipal Finance Management Act
MFMTAP	Municipal Finance Management Technical Assistance Programme
MINMEC	Ministers and Members of Executive Councils Meeting
MISA	Municipal Infrastructure Support Agency
MOU	Memorandum of Understanding
MSTT	Multi-Stakeholder Task Team
MTBS	Medium Term Budget Policy Statement
NDP	National Development Plan
NDPP	Neighbourhood Development Partnership Programme
NDPG	Neighbourhood Development Partnership Grant
NMB	Nelson Mandela Bay
NSDP	National Spatial Development Perspective
NT	National Treasury
NUSP	National Upgrading Support Programme
OECD	Organisation for Economic Co-operation and Development
PMU	Programme Management Unit
PMO	Programme Management Office
PRA	Property Rates Act
PSP	Professional Service Providers
PTNG	Public Transport Network Grant
RAS	Reimbursable Advisory Services
SACN	South African Cities Network
SALGA	South Africa Local Government Association
SAMEA	South African Monitoring and Evaluation Association
SARS	South African Revenue Services
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SECO	Swiss Economic Cooperation and Development
SEZ	Special Economic Zone
SOE	State Owned Entity
SPAID	Support Programme for Accelerated Infrastructure Development
SPLUMA	Spatial Land Use and Management Act
TOD	Transit-Oriented Development
TOC	Theory of Change
UNS	Urban Network Strategy
UNEG	United Nations Evaluation Group
USDG	Urban Settlement Development Grant
YPP	Young Professionals Programme

POLICY SUMMARY

The Cities Support Programme (CSP) was established during 2011 as a programme under the Intergovernmental Relations division of National Treasury. A mid-term implementation evaluation of the CSP covering the period April 2011 to March 2017 was undertaken.

Based on the evaluation findings the following recommendations are made:

R1. The programme should continue for a second term. However, **improved consensus regarding the purpose of the CSP should be achieved with greater clarity and wider communication of its purpose.** There should be a common understanding of the CSP as a “change agent” that focuses on fiscal, policy and regulatory reform and city implementation support, whose purpose is to facilitate collaboration, integration, and alignment between a diversity of stakeholders.

R2. **The CSP should pay increasing attention to reform, specifically regulatory and policy reform.** In this context, focus should be on securing the political support necessary to ensure the buy-in of line departments, and on establishing more robust stakeholder engagement structures. The Executive Leadership Programme has the potential to serve as one such platform for launching the programme politically. In addition, presentations to Cabinet and SALGA should be arranged.

R3. **The CSP’s Theory of Change should be revised** to (i) accurately reflect the true nature of the programme (as outlined in R1 above); (ii) revise key assumptions that have not held and (iii) explicitly incorporate the additional activities and outputs needed in order to make progress in the more challenging areas of reform.

R4. **The CSP should be institutionalised through a programme framework located within National Treasury.** It should operate with its own branch structure or Chief Directorate and have a PMO, which should be overseen by a full-time programme manager, based in Pretoria. The implementing agents of the CSP should continue to be highly-skilled consultants, contracted under arrangements similar to the current ones. CSP’s project management function should become a clearly articulated line item in the national budget.

R5. **The programme should consider establishing an Intergovernmental Steering Committee** managed by National Treasury. Its purpose would be (i) to ensure good governance, and (ii) to provide stakeholders (including the Department of Cooperative Governance and Traditional Affairs (COGTA) and relevant line departments) with a sense of ownership over the programme.

R6. **The CSP should consider how to leverage its partnerships more effectively to avoid the duplication of efforts** and ensure the consistent engagement of key partners. It is proposed that the IUDF has an important role to play in this context as an intergovernmental coordination structure. Given the strengthened relationship between the CSP and COGTA, it is proposed that certain programmes and functions are handed over incrementally to COGTA.

R7. Even in the context of supply-side projects, **the CSP should offer differentiated support to metros that aligns to existing capacity levels within each metro.** It is further proposed that demand-side projects be minimized in the low-capacity metros. An explicit programme of engagement with politicians at the metro level should be implemented. City Coordinators should be located in the strategic heart of the metros’ institutional set-up.

R8. **The CSP should develop an approach to catalytic projects that identifies specific technical and transactional support requirements to progress projects at pace** through packaging to securing investment and ultimately implementation. A funding model that provides specialist technical assistance and transaction advisory support to projects on the basis of key criteria, such as the likelihood of systemic impact, is required.

R9. **The outputs of the CSP should be institutionalised to a greater extent** in order to ensure their sustainability. In particular, focus should be applied on ensuring the institutionalisation of the Built Environment Performance Plan (BEPP) with a stronger linkage to the Integrated Development Plan (IDP). It is important that the process of disseminating

outputs is planned and executed effectively to all stakeholders within the metro's, government more widely and civil society more generally.

R10. Time-bound targets and a clearer framework for monitoring and measuring success is required. Systems should explicitly link the relationship between costs (i.e. time and funding) and outputs. This requires tighter integration of the time sheet and project-tracking systems. Such costs could, in turn, be linked to the Programme's outcomes, using the CSP's Theory of Change (ToC). The process of emergent learning which supports decision-making should be documented.

EXECUTIVE SUMMARY

1. INTRODUCTION

1.1. *Background to the Intervention and Evaluation*

The Cities Support Programme (CSP) was established during 2011 as a programme under the Intergovernmental Relations (IGR) division of National Treasury (NT) (National Treasury, 2012).

The Framework Document for the CSP indicates that the objective of the programme is: “*To support the spatial transformation of South African cities to create more inclusive, productive and sustainable urban built environments*” (National Treasury 2012c). The CSP supports the eight Metropolitan Municipalities of South Africa (the metro’s), through five components; namely, Core City Governance, Human Settlements, Public Transport, Economic Development and Climate Resilience and Sustainability.

The logic of the CSP (articulated in its Framework and Theory of Change) is that through activities and interventions at the metro level, outputs are generated that drive change in the way that cities are undertaking spatial and land use planning. This is supported by lobbying and technical engagement at national and provincial levels to raise the profile of cities, review the regulatory framework and design and implement new fiscal incentives to support changed behaviour at metro level.

The outcome of these interventions and changes should be better spatial and land-use planning and more investment and better development in cities, which changes the overall spatial outcomes of cities. The impact of such changes should be manifest in the gradual development of compact cities and transformed urban space (most immediately the establishment of integration zones). The argument is that such spaces are economically more efficient, offer more economic opportunity and increased inclusion, and are more sustainable.

In improving city spatial outcomes, the CSP aims to contribute to the greater economic productivity and efficiency of cities and more inclusive and liveable environments. Additionally, more productive, inclusive and efficient cities are more financially sustainable, generating increased own revenues and contributing more effectively to the fiscus. In the longer-term this should contribute to overall urban economic growth and reduced inequality and poverty.

In November 2016, RebelGroup together with Genesis Analytics were contracted by the Department of Planning, Monitoring and Evaluation to undertake a mid-term implementation evaluation. The purpose of the evaluation was to assess the design and implementation of the CSP over the period April 2011 to March 2017.

1.2. *Methodology*

The first step in the evaluation process involved clarification of CSP’s Theory of Change (TOC). This was followed by a literature and document review. Thereafter, a detailed, analytical account of the CSP was undertaken, providing insight into the overall processes and functioning of the programme. The evaluation was guided by six evaluation questions aligned to the Organisation for Economic Co-operation and Development - Development Assistance Committee (OECD/DAC) evaluation criteria.

The relevance and coherence of the programme was assessed using secondary data sourced from programme founding documents and research. The effectiveness of the programme in achievement of both quantitative and qualitative data was drawn from CSP reports and project performance information. Achievement of immediate outcomes was measured using data from the metros and national and inter-governmental level. The evaluation relied on reported financial and time sheet data to assess the efficiency and achievement of programme outputs and outcomes, Sustainability was evaluated with reference to the policy and financial context of the programme, as well as the relative institutionalisation of outputs.

Five of the eight metros in which CSP operates were chosen as case studies for the evaluation. This enabled a deeper understanding of programme performance in these cities. The five

metros were selected based on their relative growth rate and overall contribution over a 10-year period. Data was collected through interviews held with both administrative and political representatives within the city. This was further complemented by analysis of key spatial planning documents and other relevant performance information and presented as five separate case studies.

Ethical considerations are critically important to ensure that the findings produced during this evaluation do not in any way diminish human rights and welfare. To ensure that the ethical integrity of this study was maintained from kick-off to close-out, the UNEG Ethical Guidelines for Evaluation (UNEG, March 2008) was followed as the guiding document on ethics. All respondents were requested to complete consent forms agreeing to their participation in the evaluation and the identification of their organisation and their name. All names have however been excluded in the evaluation to protect confidentiality.

2. FINDINGS OF THE EVALUATION

2.1. Was the CSP a relevant/appropriate response to the underlying problem when it was designed? (Relevance)

This section considers the extent to which CSP is a relevant/appropriate response to the context/underlying problem. The core problem as articulated by the CSP is the exclusionary, unproductive and unsustainable nature of South Africa's cities, and the associated challenge of low urban economic growth. The problem analysis suggests that while these problems emerged because of the legacy of Apartheid, they are exacerbated by poor and fragmented urban government, inefficient fiscal structures, and a challenging inter-governmental environment.

CSP's fundamental purpose and objectives are strongly aligned to the challenges identified in the problem analysis as stated in the programme founding documents. Importantly, the literature review supports the ongoing validity of the problem analysis. It can be concluded that the objectives of the CSP are not only relevant to the challenges identified for South Africa's cities at their time of design but continue to be relevant.

Furthermore, there remains strong alignment between the CSP, National Treasury, COGTA, the Department of Human Settlements (DoHS), the Department of Economic Development, the Department of Transport (DoT), the South African Cities Network (SACN) and the South African Local Government Association (SALGA) within the framework of the National Development Plan (NDP) and its emphasis on cities in economic growth and development, and its call for a spatial transformation project. CSP's primary objective remains closely aligned – the transformation of cities to improve productivity and achieve inclusivity – to the key outcomes of the NDP.

It is noted however that tensions and unresolved issues persist between the CSP and the DoHS. In particular, the DoHS does not fully endorse the methodology, planning and approach of the CSP. Furthermore, specific issues are evident in CSP's manner of communication and consensus-building (explored further below).

2.2. Are the activities and outputs of the CSP consistent with the programme's overall goals and objectives? (Coherence)

The CSP is largely internally coherent. The internal intervention logic is complementary, mutually supportive and non-contradictory. The activities and outputs are consistent with the programmes' overall goals and objectives, and – given the CSP's underlying assumptions – there are direct causal pathways between the programme's activities and outputs.

It is noted that while the CSP has a degree of influence over the achievement of the immediate outcomes (e.g. the implementation of the catalytic projects and the assignment of functions to the metro level), these outcomes are not within the direct control of the CSP. Nevertheless, this does not represent a problem with the constitution of the TOC as such, as by definition, elements at the outcome level of the TOC are not in the direct control of the intervention.

At the same time, there are stakeholder views that question the logic underlying the CSP's Transport Orientated Development (TOD) agenda and assert that the approach may lead to the further marginalisation of the poor. This argument essentially questions the validity and applicability of the TOD approach in South African cities that are dense on the periphery and where the majority of the people are extremely poor and underemployed. The evaluation notes that there is insufficient empirical evidence to validate either of the contending perspectives.

The programme is less externally coherent given the complex space within which it operates. This is also because programme's purpose is to advocate reforms in national policies in housing, transport and the economy to make them more responsive to cities which introduces contestation. There are also areas of overlap and duplication between the activities and interventions of the CSP and those of the CRP, National line departments, SALGA, SACN, NUSP, and HDA. It is noted that a degree of overlap is unavoidable, given that the underlying objective of the CSP is to catalyse change in the context of existing local government and spatial transformation operations. Nevertheless, concerns remain with respect to the quality of the CSP's relationships with certain stakeholders and the limited degree of cooperation taking place.

Although the objectives of the CSP largely align with national and departmental objectives (with the exception of the DoHS as outlined above), in practise, areas of overlap and duplication exist between the activities and interventions of the CSP and those of the CRP, National line departments, SALGA, SACN, the National Upgrading Support Programme (NUSP), and the Housing Development Agency (HDA).

2.3. To what extent is the CSP an effective programme? (Effectiveness)

The project-level status review indicates that, of the approximately 229 projects that CSP has established since inception, just under half (i.e. 42% of total projects) have been absorbed into other projects and therefore discontinued. Project rationalisation demonstrates CSP's effective use of its resources and capacity. An analysis of the indicated deliverables for the Closed and Open Projects suggests that 49% of the total planned 575 deliverables have been completed to date. The majority of planned deliverables of the CSP were not completed at the time of the evaluation and are still underway.

While CSP has implemented a number of projects and instituted processes it is unlikely to meet its planned deliverables by 2018. This is due more to the overly ambitious nature of the programme and less to do with failure in implementation. Significant progress has been achieved in delivering planned outputs and as at the point of this evaluation 279 (49%) of the planned 575 outputs have been delivered.

In the Core City Governance component, this is evident in the leadership development programme, various knowledge outputs, the Built Environment Performance Plans, catalytic programmes, technical assistance, intergovernmental platforms and recommendations to create an enabling fiscal environment. In the Public Transport Component, this is demonstrated through the development of recommendations to create an enabling fiscal, policy, regulatory and support environment. The Human Settlements and the Economic Development Components were successful in certain key outputs including knowledge products, technical assistance, and fiscal recommendations. Output delivery in the Climate Resilience Component was more limited. It is noted that the Climate Resilience Component only started in 2016, with the appointment of a Climate Resilience Lead.

There was significant success in implementing the planned outputs in the metros. Poor take up and engagement of CSP projects was evident in the less capacitated metros, although this varied considerably, due to capacity constraints and political change. It has taken considerable time to re-establish consensus and buy-in to the programme in those metros that have a change in ruling part. This change has also, in some metros, resulted in new executive management which has slowed down decision-making in particular projects.

2.4. Are there indications of emerging results at the immediate outcome level and can this be attributed to the support of the CSP? (Effectiveness)

This section considers whether the CSP is effective. It does this by evaluating what has been achieved and implemented by the CSP, by comparison to what was planned. The evaluation assumes that the planned outputs were expected to be achieved within the five-year operating period of the programme (concluding in 2018).

At the metro level, there is evidence of emerging changes in vision and leadership to drive spatial restructuring, for instance in respect of Integrated Development Plans (IDPs) and Spatial Development Plans (SDPs) which reflect a stronger focus on spatial transformation. The CSP is acknowledged for the important role it plays in supporting the metros' capability to plan and manage urban spatial transformation. It is noted that change is more pronounced in the better capacitated and more politically stable metros. The metros show less improvement in taking a partnership-based approach to the delivery of catalytic projects.

While success has been achieved in fiscal reform (particularly with regards to the PTNG and the ICDG), CSP's ability to influence the reform of policies and regulations that govern the sectors in which the CSP is interested (i.e. housing, transport, economy, environment) is modest. Assignment of the human settlement and public transport functions to cities has not occurred to the extent envisaged.

The programme has had minimal success in ensuring the devolution of built environment functions to cities. While this would ultimately be a policy decision of the line departments and is therefore not in the direct control of the CSP, the CSP's TOC suggests nonetheless that CSP has the ability to support and promote this agenda by exerting influence over the line departments. To date, the CSP has achieved limited success in this respect, largely because of significant political obstacles.

This is also linked to the institutional location of the programme. While National Treasury has an uncontested mandate in the fiscal reform space and is held in high esteem by certain metros, the authority/responsibility for sectoral policy sits with the line departments and their ministers. The line departments have the constitutional and legislative mandate to shape policy in their sectors and are also accountable for performance. As such, the CSP cannot achieve its objective of policy and regulatory reform without significant buy-in from the line departments (which, to date, it has struggled to attain).

2.5. To what extent has the implementation of the CSP been efficient in achieving its goals, objectives and intended outcomes? (Efficiency)

Based on the available evidence, the current CSP programme structure is relatively efficient in assisting the programme to meet its goals so far. The structure ensures senior expertise is deployed on a flexible contracting system. Utilising an "outsourced", i.e. contracted resourcing model, the CSP is able to attract specialist skills which it would not be able to do otherwise. Partnership arrangements enable the CSP to leverage its resources very significantly and deploy skilled resources relatively quickly. Furthermore, the range of partnerships enable the CSP to meet procurement requirements that present challenges within government.

The inability to directly link the level of effort to specific outputs and outcomes (as a result of weaknesses in the CSP's monitoring and reporting systems) makes it difficult for a straightforward evaluative judgment on the efficiency of resource utilisation. It is noted that the absence of data to analyse the relationship between level of effort and output/outcomes hinders the programme's ability to make effective and strategic decisions on mobilisation of resources.

Nevertheless, and overall the data does suggest CSP to be reasonably financially efficient in expending its budget. The cost of the skills and expertise secured is market related. However, of concern, is the inability to clearly link costs to specific outputs and outcomes makes it difficult to issue a clear evaluative judgment as to whether resource utilisation is efficient.

Challenges still exist in relation to M&E processes. To date, knowledge management and dissemination processes within CSP have not been optimal.

2.6. To what extent is the CSP institutionally, financially, and in “policy terms” sustainable going forward? (Sustainability)

The evaluation conclusion in respect of sustainability of the CSP is mixed. Overall, the CSP is likely to be sustainable given the Treasury’s support but does face some risks particularly in relation to the flux within the policy and political environment. There are also risks in that the core consulting team (component leads and city coordinators) are appointed on contracts with a maximum duration of 2.5 years.

While there is evidence of wide acceptance of the spatial transformation agenda of the CSP across metros, the extent to which this agenda has been entrenched in the cities’ operations varies between the better capacitated and less capacitated metros. Also, there is no consensus in the sector on TOD being the right approach to restructure South African cities to make cities more productive and distribute the benefits of urbanity more equally. The evaluation found inadequate evidence both for and against TOD. More empirical evidence needs to be generated to respond more definitively in this area.

Although the CSP has achieved significant success in fiscal reform, this has not been supported by concomitant/needed reforms in national policy and regulations in housing, transport, and economy to support the achievement of the programme objectives. This speaks to the need for CSP to work more closely with line departments to negotiate and build consensus around the country’s approach to urban development and restructuring.

3. CONCLUSIONS

CSP’s fundamental principles, purpose and objectives are strongly aligned to the socio-economic challenges facing South Africa. This alignment can also be observed between the CSP’s objectives and South Africa’s national policy objectives. However, although the CSP has made attempts to align and integrate its activities with other governmental stakeholders, there is, limited cooperation and duplication of efforts and this is a concern.

At the activity level, substantial progress has been made with respect to undertaking leadership and governance development; generating and sharing innovative urban transformation practices and providing technical support to metros. At the intergovernmental level, notable progress has been made in developing recommendations to the intergovernmental system to create an enabling fiscal framework and an enabling policy and regulatory environment.

Moderate progress is evident in establishing institutional arrangements to support the CSP - these are in place but are not always functional - and undertaking monitoring, reporting and evaluation, which has only recently become a focus of the programme. At the intergovernmental level, moderate progress is evident in convening platforms for advocacy and undertaking lobbying for cities and society at large.

At the output level, substantial progress has been on the leadership development programme, the production of knowledge outputs, and the implementation of the Built Environment Performance Plan across metros. There is substantial progress on the elevation of recommendations to create an enabling fiscal framework. It is noted that a number of key CSP outputs – including the Built Environment Performance Plan, the ICDG, and the work on the PTNG – have been or are in the process of being institutionalised.

At the city level, there is moderate progress on the implementation of the catalytic projects and the training and deployment of skilled technical resources. Similarly, at the intergovernmental level, moderate progress has been achieved on the establishment of inter-governmental platforms and the elevation of recommendations to create an enabling policy, regulatory and support environment. The CSP has thus been partially effective in achieving its planned outputs to date.

Finally, at the immediate outcome level, there is evidence of levels of change in vision and leadership to drive spatial restructuring at the metro level. The CSP is also acknowledged in playing an important role in supporting the metros’ capability to plan and manage urban spatial transformation through the Built Environment Performance Plan. Nevertheless, the depth of

change varies notably between the well capacitated and the less capacitated metros – with the well capacitated metros demonstrating more significant progress. Limited progress is noted with respect to cities partnering with citizens, civil society, private and public sectors in the delivery of catalytic projects.

At the inter-governmental level, moderate progress has been achieved with respect of a reviewed policy and regulatory framework, while substantial progress is evident towards the achievement of a restructured fiscal and financial framework to support urban growth (in the context of the PTNG and the ICG). By contrast there is, limited progress on the assignment of human settlements and public transport functions to the metros.

CSP programme structure has been evaluated as being relatively efficient in assisting the programme to meet its goals and expending its budgets. Given the nature of skills and expertise secured, the cost is seen to be reasonable. Nevertheless, challenges remain with CSP's M&E processes. In particular, project management systems have not produced data conducive to an analysis on which resources are being efficiently mobilised at the output/deliverable level. Furthermore, challenges exist in the knowledge management and dissemination processes.

An analysis of the Theory of Change suggests that certain critical assumptions underlying the Theory of Change have not held.

At the metro-level, the programme experienced difficulties in securing political buy-in certain metros, due to a constantly changing political environment. Certain metros lacked the minimum capacity requirements to be effective partners to the CSP. This impacted on the achievement of the immediate outcomes relating to changes in city vision, leadership and capabilities which were not evident in practice to the extent envisioned.

With regard to catalytic projects, the private and public sector, as well as state-owned companies have not always proved willing to align and invest in these projects. Challenges relating to specialist expertise, funding, and political support, have further hindered the implementation of these projects. Consequently, the immediate outcomes of catalytic projects in partnership with the public and private sectors has occurred to a very limited extent.

Finally, at the inter-governmental level, the CSP has not succeeded in securing the support of key national and provincial stakeholders, due to the highly contested nature of key components. Furthermore, CSP's has lacked the necessary influence in the inter-governmental arena to effect policy change. As a result, very little progress has been made on the assignment of human settlements and public transport functions to the metros. Similarly, only moderate progress is evident with respect to a reviewed policy and regulatory framework.

It is noted that the Theory of Change requires all immediate outcomes across both the metro and inter-governmental spheres to be achieved for the intermediate outcome of compact cities and transformed urban space to emerge. The fact that there has only been partial achievement of immediate outcomes would suggest that changes to mode of operations (and perhaps to its supporting environment) are necessary if CSP is to achieve its ultimate objectives.

4. RECOMMENDATIONS

R1. The programme should continue for a second term. However, **improved consensus regarding the purpose of CSP should be achieved with greater clarity and wider communication of its purpose.** For example, there should be a common understanding of the CSP as a “change agent” that focuses on fiscal, policy and regulatory reform, and city implementation support, whose purpose is to facilitate collaboration, integration, and alignment between a diversity of stakeholders.

R2. **The CSP should pay increasing attention to reform, specifically regulatory and policy reform.** In this context, focus should be on securing the political support necessary to ensure the buy-in of the line departments, and on establishing more robust stakeholder engagement structures. The Executive Leadership Programme has the potential to serve as

one platform for launching the programme politically. In addition, presentations to Cabinet and SALGA should also be arranged.

R3. The CSP's Theory of Change should be revised to (i) accurately reflect the true nature of the programme (as outlined in R1 above); (ii) revise key assumptions that have not held and (iii) explicitly incorporate the additional activities and outputs needed to make progress in the more challenging areas of reform.

R4. The CSP should be institutionalised through a programme framework within National Treasury. It should operate within its own branch structure or Chief Directorate and have a PMO Unit located in the National Treasury. The PMO Unit should be overseen by a full-time programme manager based in Pretoria. The implementing agents of the CSP should continue to be highly-skilled consultants, contracted under arrangements like the current ones. It is also proposed that the CSP's Project Management function becomes a clearly articulated line item in the national budget.

R5. The programme should consider establishing an Intergovernmental Steering Committee managed by National Treasury. The purpose of the Steer Co would be (i) to serve as an effective structure for ensuring good governance, and (ii) to provide stakeholders (including COGTA and relevant line departments) with a sense of ownership over the programme.

R6. The CSP should consider how to leverage its partnerships more effectively to avoid the duplication of efforts and ensure the consistent engagement of key partners. It is proposed that the IUDF has an important role to play in this context as an intergovernmental coordination structure. Given the strengthened relationship between the CSP and COGTA, it is proposed that certain programmes and functions are handed over incrementally to COGTA.

R7. Even in the context of supply-side projects, the CSP should offer differentiated support to metros that aligns to existing capacity levels within each metro. It is further proposed that demand-side projects should be minimized in the low-capacity metros. An explicit programme of engagement with politicians at the metro level should be implemented, and City Coordinators should be located at the strategic heart of the metros' institutional set-up.

R8. With respect to support provided in the context of catalytic projects, the CSP should develop an approach that identifies specific technical and transactional support requirements to rapidly progress projects through packaging to securing investment and ultimately implementation. There is also need for a funding model that provides specialist technical assistance and transaction advisory support to projects based on key criteria such as likelihood of systemic impact.

R9. The outputs of the CSP should be institutionalised to a greater extent to ensure their sustainability. Focus should be on ensuring the institutionalisation of the Built Environment Performance Plan with a stronger linkage to the Integrated Development Plan. It is important that the process of disseminating outputs is planned and executed effectively to all stakeholders both within the metro's and externally.

R10. Time-bound targets and a clearer framework for monitoring and measuring success is required. Systems should explicitly link the relationship between costs and outputs. This requires tighter integration of the time sheet system and the project tracking database. Such costs could, in turn, *y* be linked *indirectly* to the Programme's outcomes, using the CSP's ToC. The process of emergent learning which supports decision-making should be documented.

1 INTRODUCTION

1.1 Background to the intervention

The Cities Support Programme (CSP) was established during 2011 as a programme under the Intergovernmental Relations (IGR) division of National Treasury (NT) (National Treasury, 2012). The Framework Document for the CSP indicates that the objective of the programme is: *“To support the spatial transformation of South African cities to create more inclusive, productive and sustainable urban built environments.”* (National Treasury 2012c). The CSP implements its support in the eight metropolitan municipalities of South Africa, through five components namely Core City Governance, Human Settlements, Public Transport, Economic Development and Climate Resilience and Sustainability.

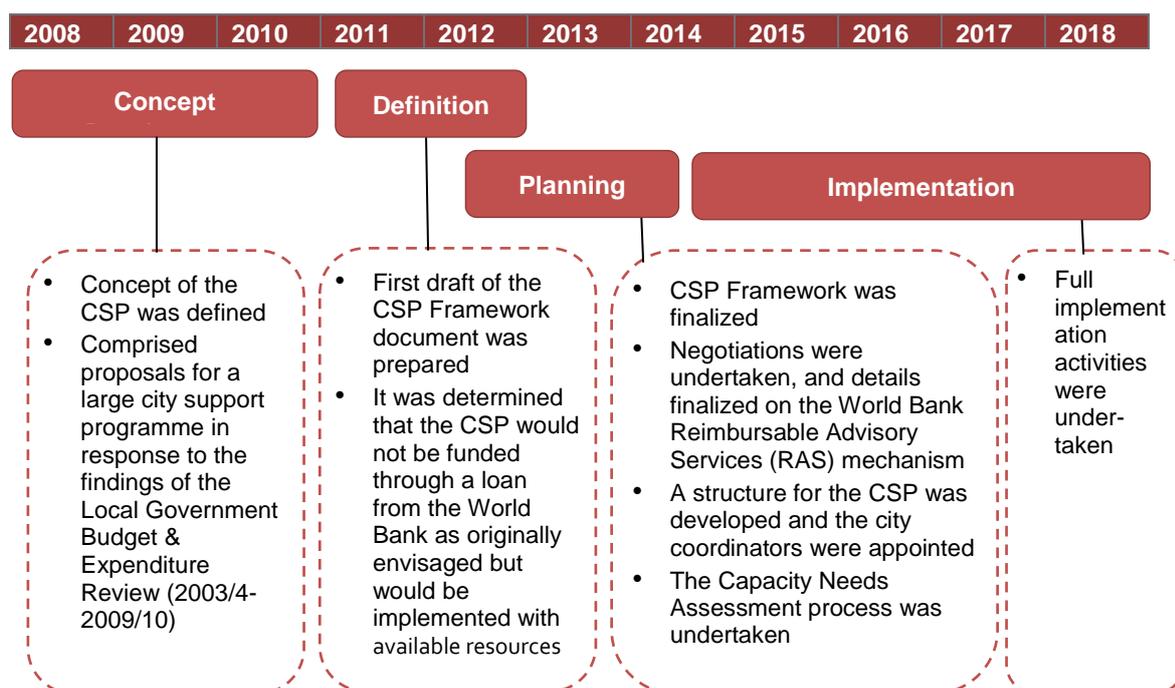
The logic of the CSP (articulated in its Framework and Theory of Change) is that through activities and interventions at the metro level, outputs are generated that drive change in the way that cities are undertaking spatial and land use planning. This is supported by lobbying and technical engagement at national and provincial levels to raise the profile of cities, review the regulatory framework and design and implement new fiscal incentives to support changed behaviour at metro level.

The outcome of these interventions and changes should be better spatial and land-use planning and more investment and better development in cities, which changes the overall spatial outcomes of cities. The impact of such changes should be manifest in the gradual development of compact cities and transformed urban space (most immediately the establishment of integration zones). The argument is that such spaces are economically more efficient, offer more economic opportunity and increased inclusion, and are more sustainable.

In improving city spatial outcomes, the CSP aims to contribute to the greater economic productivity and efficiency of cities and more inclusive and liveable environments. Additionally, more productive, inclusive and efficient cities are more financially sustainable, generating increased own revenues and contributing more effectively to the fiscus. In the longer-term this should contribute to overall urban economic growth and reduced inequality and poverty.

The CSP emerged organically in 2008. Timm (2014) in his review of the CSP breaks down the evolution of the programme into four stages as shown in the figure below.

Figure 1: Evolution of the CSP



Source: Timm (2014), modified

CSP is defined as a government support programme, which has a very specific definition in terms of the South African Constitution. Section 154 (1) notes: *“Provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions.”* (Constitution of the Republic of South Africa 1996)

Its classification as a support programme has implications for the nature of the engagement with different spheres of government. No particular department or metro is legislatively obligated to cooperate or participate in CSP-related activities. Metros are required to sign a Participation Agreement, which outlines the terms of the engagement and a set of core activities to be undertaken.

The CSP is a programme of the National Treasury housed within the Intergovernmental Relations Division. The CSP falls within two Budget Programmes, namely Programme 3: Public Finance and Budget Management, where the IGR Division is located, and Programme 8: Technical Support and Development Finance, which houses the General Budget Support funding which the CSP has accessed. Importantly it must be noted that the CSP is not a Directorate but was set up as a Programme Management Unit (PMU) within the IGR Division.

The 2012 *Cities Support Programme Framework Document* envisaged a comprehensive set of coordinating and governance structures for the CSP. At its apex, a Programme Steering Committee was envisaged, consisting of national departments which would guide the day to day coordination of programme implementation and provide broad direction and guidance. Importantly, the original Framework also envisaged that the core components of the CSP would be managed by relevant line departments who would establish dedicated programme management structures in this regard.

Other notable coordinating structures envisaged in the original CSP design included:

- At the provincial level - regular consultative meetings convened by the Provincial Treasuries between cities and the relevant provincial departments responsible for human settlements, local government, transport, health, education and related infrastructure sectors, to facilitate budget alignment and investment coordination in the cities. The Framework also notes that *“It must be emphasized that the CSP and these consultative meetings must complement and support the role of sector MINMECs and existing IDP coordination structures.”*¹ Exactly how this was envisaged is unclear.
- At the City level, each city was required to establish some programme management capacity.

In respect of overall coordination, the original design identified the City Budget Forum (CBF) as the *“most appropriate location for the coordination of the entire CSP programme at a national level.”*² The proposal comprised expanding the CBF to include all CSP participating metros, as well as establishing a Committee of mayors, and Deputy Ministers to be chaired by the Deputy Minister of Finance. This committee would report into the CBF and from there to Cabinet. The primary role of the CBF was to review programme progress, foster communications among sectors and cities, identify and address issues and suggest emerging areas of work. Importantly the CBF was not envisaged to replace existing sectoral forums such as the Technical MINMEC.

As at the point of evaluation, the key structures that have been established include the City Budget Forum (CBF), a Coordinators Committee and a number of technical working groups such as the Planning Alignment Working Group, the Developer Charges Working Group and the Reporting Reforms Working Group. The overall Steering Committee, as well as sector focused sub-committees in respect of Human Settlements, Transport and the Environment (to be chaired/ convened by the respective national lead departments) have not been established.

¹ Cities Support Programme. 2012. Framework Document. Final Draft. Pretoria: National Treasury

² Ibid.

The CSP uses three key implementation partnerships namely the DBSA, the World Bank and GTAC. The core rationale of these partnerships is to:

- Limit the administrative management cost / direct staffing required for the programme
- Leverage existing system and processes, for instance procurement
- Rapidly mobilise and deploy service providers and other resources

The CSP has a matrix structure. Each of the five Components has a Component Lead that is responsible for structuring and implementing the projects to be undertaken in respect of that Component. In addition, each Component Lead operates as a City Lead for one of the eight metros. The City Lead is responsible for coordinating the delivery of supply and demand projects in that metro and for reporting on progress. The metro is also required to nominate a City Coordinator who is responsible for enabling the implementation of the CSP within the metro. In total, the staff complement of the CSP as at July 2017 is 14 comprising a programme manager, 4 programme management / administrative staff and 9 technical experts. In addition the CSP is implemented in partnership with other key stakeholders involved in local government policy and coordination, and related institutions that are able to provide technical assistance and represent particular key interests (National Treasury 2015b).

The CSP delivers projects aimed at generating high quality and innovative outputs (for example analytical studies, case studies, guidelines, toolkits, policy options and the design of grants) and institutionalises these through a series of engagement processes (for example workshops, seminars, courses, panels, technical assistance, facilitation and transaction advisory support) within the cities and national departments, in order to support and catalyse improvements at the city and intergovernmental level (National Treasury 2012c).

1.2 Purpose of the evaluation

In November 2016, RebelGroup (Rebel) together with Genesis Analytics (Genesis) was contracted by the Department of Planning, Monitoring and Evaluation (DPME) to undertake a mid-term implementation evaluation, the purpose of which was to evaluate the design and implementation of the CSP. The evaluation covers the period April 2011 to March 2017.

The key evaluation questions, as outlined in the Terms of Reference, are as follows:

- 1) Was the CSP a relevant/appropriate response to the underlying problem when it was designed?
- 2) To what extent is the CSP an effective programme?
- 3) Are there indications of emerging results at the immediate outcome level (as defined in the TOC/results framework) and can this be attributed to the support of the CSP?
- 4) To what extent has the implementation of the CSP been efficient in achieving its programme goal(s), objectives and intended outcomes?
- 5) To what extent is the CSP institutionally, financially, and in “policy terms” sustainable going forward?
- 6) What are the overall lessons, conclusions and recommendations? What needs to be done to improve the implementation and design of the CSP?

1.3 Methodology

The evaluation approach was informed by three pillars namely: 1) the evaluation context; 2) the theory of change of the CSP and 3) the use of the OECD DAC criteria. These pillars formed the basis of the evaluation and guided the development of the evaluation tools (case studies and interview guides), as well as the analysis of quantitative and qualitative data.

The evaluation is guided by five evaluation questions aligned to the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development's (OECD) evaluation criteria of relevance, effectiveness, efficiency, and sustainability. This is an internationally recognised framework which is used by most development assistance

organisations. In addition, a fifth criterion, 'coherence' was added as specified in the Terms of Reference.

Table 1: OECD/DAC criteria and application in the evaluation

DAC criteria	OECD definition	Application in the evaluation and link to evaluation questions
Relevance	Relevance looks at the extent to which the intervention is suited to the priorities and policies of the target group, recipient and donor	Was the CSP a relevant/appropriate response to the context/underlying problem when it was designed? (Question 1)
Effectiveness	Effectiveness measures the extent to which an intervention attains its objectives	Is the CSP effective in terms of what has been implemented? Were the planned outputs produced and were the CSP's objectives achieved? (Questions 2 and 3)
Efficiency	Efficiency measures the outputs -- qualitative and quantitative -- in relation to the inputs. It is an economic term which signifies that the intervention uses the least costly resources possible in order to achieve the desired results	To what extent are the CSP's programme structures, systems, processes and procedures enabling the achievement of outputs? What is the relationship between the observed effects and the costs of the intervention? (Question 4)
Sustainability	Sustainability is concerned with measuring whether the benefits of an activity are likely to continue after donor funding has been withdrawn	Will the activities undertaken by the CSP continue to be implemented and will the CSP as an organisation continue into the future? (Question 5)
Impact	Impact looks at whether the intervention contributes to reaching higher developmental objectives.	The impact of the CSP is not explored in the context of this evaluation as this is a mid-term implementation evaluation.
Coherence (Note: Not DAC)	Coherence involves looking at a how well or not different actions work together. "Internal" coherence means looking at how the various internal components of an intervention operate together to achieve its objectives. "External" coherence looks at synergies or inconsistencies between other programmes or stakeholders who are expected to work together ³ .	Is the Theory of Change of the CSP logical i.e. are the activities and outputs consistent with the programmes goals and objectives? Further do the activities and outputs support or contradict other public interventions.

The table above sets out the OECD definition of the evaluation criteria and how they have been applied in the evaluation and to the evaluation questions above.

The first step in the evaluation process involved undertaking a clarification of the CSP's Theory of Change (TOC). This process entailed a discussion with relevant officials within CSP, both through a Steering Committee workshop and interviews. The process also sought to obtain an understanding of the contextual factors which could influence programme results.

Subsequently, a literature and document review were undertaken. A document outlining the context and policy framework of the CSP both nationally and globally, as well as lessons from support programmes reviewed nationally, was produced.

Next a detailed, analytical account of the CSP was established. This account gave rise to insights into the overall functioning and processes of the programme at the management level,

³ European Commission, Better regulation, http://ec.europa.eu/smart-regulation/guidelines/tool_42_en.htm

as well as an understanding of the structure of the CSP. It further involved undertaking a review of all projects being implemented in respect of the five components of the CSP, both at the national level and at the level of the metropolitan municipalities.

Finally, the performance of the CSP was analysed against the OECD/DAC evaluation criteria as indicated in Table 1 above. In respect of Relevance and Coherence, the analysis was mainly based on a desktop review. The Effectiveness analysis was undertaken based on a quantitative review of project outputs and a qualitative analysis of immediate outcomes at the metro, national and inter-governmental level. The efficiency analysis entailed an assessment of financial and time-related data. Sustainability looked at the policy and financial context of the programme, as well as the relative institutionalisation of outputs.

In addition to the above, a review was undertaken of five of the eight metros in which the CSP operates. The five metros were selected based on an analysis of the relative growth rates and overall contribution of the metro over a 10-year period. This review entailed the facilitation of multiple interviews with key stakeholders at the metro level, as well as an analysis of the metros' key spatial planning documents. This resulted in the development of five case studies, which further fed into the overall Effectiveness and Sustainability analysis.

Difficulties were experienced with respect to accessing and identifying relevant CSP documents and data. The lack of programme documentation/data initially undermined the evaluation team's ability to compile the literature review and analyse and understand project implementation and financial expenditure. These issues were subsequently resolved, when the CSP provided the evaluation team with full access to the programme's Dropbox.

The interview process was delayed because of government protocol. In particular, interviews could not commence in Cape Town and Buffalo City until official letters had been sent and approvals were obtained. It is further noted that it was extremely difficult to secure interviews with representatives from national departments, many of whom did not readily avail themselves to be interviewed. Finally, insights from politicians were not obtained in some of the metros, due to the fact a number of Municipal Managers and Councillors declined to participate in the interviews, as they had just been elected and were not familiar with the CSP.

Despite the limitations outlined above, the evaluation team took every effort to ensure that the evaluation findings and conclusions were not adversely affected in any way.

Ethical considerations are critically important to ensure that the findings produced during this evaluation do not in any way diminish human rights and welfare. To ensure that the ethical integrity of this study was maintained from kick-off to close-out, the UNEG Ethical Guidelines for Evaluation (UNEG, March 2008) was followed as the guiding document on ethics. In practically applying these standards and drawing on the guidelines of the South African Monitoring and Evaluation Association (SAMEA), the following steps were taken:

- Cultural sensitivity: We ensured that our approach is grounded in a contextual understanding of urban, rural and informal locations in South Africa.
- Participants were, always, treated with respect and dignity.
- Conflict of interest: Any potential conflicts of interest that may arise were disclosed.
- Integrity: The project team recorded and sought on all changes related to methodology or approach.
- All respondents were requested to complete consent forms agreeing to their participation in the evaluation and the identification of their organisation and their name. All names have however been excluded in the evaluation to protect confidentiality.

2 FINDINGS FROM THE LITERATURE REVIEW

The literature review was undertaken to outline the context in which the CSP emerged, to learn from other support programmes and to develop the analytical framework.

The context and legislative review, both nationally and internationally, indicate that cities play an important role in enabling economic growth. In South Africa the metropolitan cities are the key drivers of economic growth and are experiencing high levels of migration due to urbanisation, with a significant number of new migrants being poor. The long-term prospect of a more equal and labour absorptive economy will depend on how well South Africa's metropolitan cities perform. It is critical, therefore, to improve South African cities' performance to optimise the potential for economic growth and address unemployment.

There is also a strong correlation between the extent to which a city performs and spatial transformation. Spatial transformation, in this regard, is seen as improvement in the following: urban form and sustainability; management of urbanisation and urban growth; urban infrastructure and service delivery systems; urban social outcomes; economic competitiveness and resilience; and, finally, urban governance and financing. Local government is central in creating efficient cities, needing both the capacity and resources to achieve spatial transformation, as well as strong intergovernmental cooperation with provincial and national spheres.

It is noted that there are contending policy positions regarding the optimal approach to spatial transformation. Some argue for a Transit Oriented Development (TOD) approach to urban restructuring, as articulated through the Urban Network Strategy (Pillay et al, 2006). Others suggest that such an approach is not appropriate in the South African context and has the potential to result in further exclusion of the poor (PDG, 2015; SACN, 2017).

The above insights are important for establishing a framework against which to assess the relevance and coherence of the CSP. Indeed, they provide the conceptual context within which the problem analysis, objectives and approach of the CSP are evaluated.

The Literature Review offers the following pointers as key ingredients of a successful support programme:

- A flexible pragmatic approach to implementation.
- Focus on pragmatic problem solving rather than large-scale systemic change.
- A thorough and holistic diagnosis of the problem, which enables tailoring appropriate support.
- A clear set of agreed targets and well-defined monitoring and evaluation systems.
- An understanding that support is an evolving construct and that the process should allow space for the "co-creation" of support.
- A partnership between the support programme and the entity receiving the support founded on trust and respect; within a clear framework that places accountability for change and delivery with the entity

3 FINDINGS FROM THE EVALUATION

3.1 Was the CSP a relevant/appropriate response to the underlying problem when it was designed? (Relevance)

This section considers the extent to which the CSP was/is a relevant/appropriate response to the context/underlying problem.

According to the CSP Framework Document, CSP arose in response to the exclusionary, unproductive and unsustainable nature of South Africa's cities, and the associated challenge of low urban economic growth. The problem analysis suggests that while these problems emerged because of the legacy of Apartheid, they were exacerbated by poor and fragmented urban government, inefficient fiscal structures, and a challenging inter-governmental environment. Importantly, the literature review suggests that the problem analysis continues to be valid.

CSP's fundamental principles, purpose and objectives as reflected through the Framework Documents of 2012 and 2015 and interviewees' perspectives, correspond strongly to the challenges identified in the problem analysis. The CSP Framework Document outlines fundamental principles based on the South African Cities Network's (SACN) vision of well governed, productive, inclusive and sustainable cities. The document indicates the spatial form of cities needs to be transformed from their current fragmented, exclusive and low density spatial form to a more compact and integrated form. This requires focus on key result areas at the city and intergovernmental level.

It can thus be concluded that the objectives of the CSP were relevant given the challenges facing South Africa's cities at the time of its design and, moreover, continue to be relevant given the current context.

Furthermore, the numerous consultations that were held by CSP with key national stakeholders during its design phase are reflected in the significant degree of alignment that exists between the CSP's objectives and South Africa's national policy objectives. Indeed, at the time of its design, CSP was directly aligned with the strategic intent of important stakeholders including National Treasury, COGTA, DoHS, Department of Economic Development, DoT, SACN and SALGA. Alignment continues to be evident and has strengthened in respect of these entities.

A noted exception, however, emerged in respect of human settlements, where tensions and unresolved issues persist between the CSP and the DoHS. This is due to DoHS's lack of full support on the methodology, planning and approach of the CSP in its context. Furthermore, there have been issues with CSP's manner of communication and consensus-building approach (explored further in the Coherence section).

Finally, it is noted that there is significant alignment between the objectives of the CSP and those of the NDP. Indeed, the NDP acknowledges the role of spatial transformation in addressing the challenges of poverty and inequality in South Africa. This highlights the pro-poor intent of the programme, which seeks to combat poverty and inequality through a spatial restructuring agenda.

3.2 Are the activities and outputs of the CSP consistent with the programme's overall goals and objectives? (Coherence)

Coherence considers the extent to which the CSP is internally and externally consistent. It thus considers the logic inherent in CSP's Theory of Change (TOC). In other words, are the activities and outputs consistent with the programmes goals and objectives? Do the activities and outputs support or contradict other public interventions?

The evaluation's conclusion is that CSP is, largely, coherent. The internal intervention logic is complementary, mutually supportive and non-contradictory. The activities and outputs are consistent with the programmes' overall goals and objectives, and – given the CSP's

underlying assumptions – there are direct causal pathways between the programme’s activities and outputs.

It is noted that, while the CSP has a degree of influence over the achievement of the immediate outcomes (e.g. the implementation of the catalytic projects and the assignment of functions to the metro level), these outcomes are not within the direct control of the CSP. Nevertheless, this does not represent a problem with the constitution of the TOC as such, as by definition, elements at the outcome level of the TOC are not in the direct control of the intervention.

At the same time, there are stakeholder views that question the logic underlying the CSP’s Transport Orientated Development agenda and assert that the approach may lead to further marginalisation of the poor. This argument essentially questions the validity and applicability of the TOD approach in South African cities that are dense on the periphery and where the majority of the people are extremely poor and underemployed. The evaluation notes that there is currently not enough empirical evidence to validate either of the contending perspectives.

The programme is less externally coherent with key stakeholders. This is due to the complex space within which the programme operates. It is also because the programme’s purpose is to advocate reforms in national policies in housing, transport and the economy to make them responsive to cities which introduces contestation. There are also areas of overlap and duplications between the activities and interventions of the CSP and those of the CRP, National line departments, SALGA, SACN, NUSP, and HDA. It is noted that a degree of overlap is unavoidable, given that the underlying objective of the CSP is to catalyse change in the context of existing local government and spatial transformation operations. Nevertheless, concerns remain with respect to the quality of the CSP’s relationships with certain stakeholders and the limited degree of cooperation taking place.

Although the CSP has made attempts at engaging and cooperating with other governmental stakeholders and integrating its activities with those of the stakeholders in question, to date it has achieved limited success in this respect. The evaluation found that limitations in this area have greatly eroded the ability of the programme to influence broader changes in how government views and invests in the built environment to maximise the potential of cities. Nevertheless, the potential for the activities of the CSP to largely complement and enhance the activities of these stakeholders is broadly acknowledged by the programme, and progress is being made with respect to the development of more fruitful collaborations going forward. For example, according to interviews with various stakeholders, promising partnerships are beginning to emerge between the CSP and national entities such as the Department of Transport, COGTA (IUDF Steering Committee), SALGA and SACN.

3.3 To what extent is the CSP an effective programme? (Effectiveness)

This section considers whether the CSP is effective by evaluating what has been implemented and achieved by the CSP, compared to what was planned. The evaluation assumes that the planned outputs of the CSP were originally anticipated to be achieved within the five-year operating period of the programme (concluding in 2018).

It is important to note that although the term “project” is used by the CSP, these projects could also be understood as work-streams. This is because a single “project” often comprises several independent deliverables (i.e. processes and products), which, in turn, feed into various outputs (as defined in the ToC). As a result, this analysis takes place at the project level, at the deliverable level, and at the output level.

This section primarily draws on the information obtained from the CSP’s Annual Plans for the 2016/17 and 2017/18 financial years, the latest version of the CSP’s project sheets (v49), and interviews with key stakeholders at metro and national levels. It is important to note that challenges were experienced in identifying what outputs were initially planned at the inception of the programme, as these have been continuously revised and modified over the years.

Changes to the CSP's plans and targets were inadequately documented,⁴ which posed a significant constraint to evaluating the effectiveness of the programme. As such, the deliverable analysis is based on the CSP's revised targets as defined in the CSP's latest project documentation.

The findings of the evaluation with respect to the effectiveness of the CSP are set out below.

The project-level status review indicates that of the approximately 229 projects that the CSP established since inception, just under half (i.e. 42% of total projects) were discontinued; the majority absorbed into another project. This reflects a rationalisation of projects so that the CSP can focus its resources and capacity. It also reflects the CSP's responsiveness to changes in the IGR context and its sense of pragmatism. The latter refers to the CSP's deliberate approach with respect to letting go of projects that have not demonstrated the ability to gain buy-in, and reallocating resources to projects where there is traction. Across all components and the metros reviewed, the CSP has shown an ability to be very agile in responding to changing/challenging conditions. While this is positive, it makes an assessment of the CSP's achievements against its planned outputs difficult, as the latter are constantly changing.

The table below sets out the key deliverables planned and those achieved at the point of this evaluation. **Appendix C** summarizes the CSP's key achievements to date at the output level.

Table 2: Planned and implemented deliverables⁵

Products and Processes	Public transport	Programme management	Human settlements	Economic development	Core City Governance	Climate Resilience	Total	Percentage
Plans					4	1	5	1%
Best practice notes					1	1	2	0%
Guidelines	1			1	2	1	5	1%
Reports/business plans	23	83	30	11	59	8	214	37%
Panel discussion				1	1	1	3	1%
Specialist review					1	1	2	0%
Research				1	3	10	14	2%
Workshops		1	6	8	21		36	6%
Seminars			2		8		10	2%
Implementation plan	2	23	2	1	7		35	6%
Training /learning events	1	5	2	2	2		12	2%
Toolkit/Tools	1			4	9		14	2%
DORA inputs	1						1	0%
Close out reports	1	6	1		6		14	2%
Briefing meetings/ presentations		5	1				6	1%
Management systems		3					3	1%
Conferences		1			1		2	0%
Approvals by Council					6		6	1%
Frameworks					3		3	1%
Grant/DORA inputs					6		6	1%
Budget reviews					4		4	1%
Other	19	85	14	19	41		178	31%
Total	49	212	58	48	185	23	575	100%
Delivered	20	147	19	4	88	1	279	
Percentage	41%	69%	33%	8%	48%	4%	49%	

Source: CSP Project Sheets v49; own analysis.

⁴ While monthly and quarterly progress reports are developed per Component and Metro they do not report on each project consistently nor do they record consistently any changes made to projects. The CSP also holds, on a monthly basis, a coordination/strategic meeting (called 'Home Week') where decisions around strategic direction and projects are taken. However, this is poorly minuted with inconsistent reporting on projects. While a project management system was put in place from 2015 that tracked each of the planned projects via project sheets, early versions of the project sheets have not been maintained. Thus, there is limited record of the manner in which time frames or outputs have been revised over time.

⁵ We note that certain component leads have indicated that more deliverables have been produced than those captured in the table. This quantitative analysis was based on the data from CSP's latest project sheets. Any omissions of deliverables point to a weakness in CSP's data capturing processes.

An analysis of the deliverables indicates that 49% or 279 of the total planned 575 deliverables have been completed to date. Most of the planned deliverables of the CSP were not completed at the time of the evaluation but are still underway. It is thus highly unlikely that all the CSP's planned deliverables will be completed by 2018.

Significant progress in delivering planned outputs has been achieved. In the Core City Governance component this is evident in respect of the leadership development programme, knowledge outputs, the Built Environment Performance Plan, skilled technical resources, intergovernmental platforms and recommendations to create an enabling fiscal environment. In the Public Transport Component this is evident through the development of recommendations to create an enabling fiscal environment and policy, regulatory and support environment.

The Human Settlements and the Economic Development Components have also had success in the delivery of certain key outputs including knowledge products and fiscal recommendations. Delivery of outputs in the context of the Climate Resilience Component has been more limited. It is noted that the Climate Resilience Component only effectively began in 2016, with the appointment of a Climate Resilience Lead.

Projects that have been particularly well implemented include Core City Governance's Executive Leadership Programmes, Built Environment Performance Plan, Infrastructure Finance Reform, and Monitoring, Reporting and Incentives. These are all supply projects that are implemented across metros. Work on property markets and subsidy instruments in the Human Settlements component, and work on the Public Transport Network Grant in the Public Transport component have also been well implemented.

With respect to the metros, there has been significant success in implementing the planned outputs in the better capacitated metros, although many of the planned outputs are still underway. There are indications that projects undertaken are well received and are being applied within these cities. Processes and outputs that were particularly effective include peer learning forums and leadership courses, the Built Environment Performance Plan, advocacy and lobbying, strategy and framework development, and intergovernmental systems improvements.

Take up and engagement of CSP projects has varied considerably in the less capacitated metros. Key reasons for poor take up include internal capacity constraints within metros to coordinate and manage programmes, and political change. In those metros which have seen a change in the ruling party, it has taken considerable time to re-establish consensus and buy-in to the programme. The change in the governing party in some metros has also resulted in change at an executive management level which has slowed down decision-making in relation to particular projects. Further challenges include identifying champions both at an overall city level and to implement projects.

3.4 Are there indications of emerging results at the immediate outcome level and can this be attributed to the support of the CSP? (Effectiveness)

The assessment of effectiveness at the outcome level looks for indications of emerging results and at the likelihood that the CSP will achieve the intended outcomes in the future. Although the analysis finds indications of emerging positive changes in all the metros reviewed, such changes have typically been more pronounced in better capacitated and more politically stable metros (see **Appendix D**).

In the better capacitated metros, changes in vision and leadership to drive spatial restructuring could be observed through the cities' strong TOD strategies and the establishment of institutional structures committed to their implementation. The CSP is acknowledged by the leadership and senior officials of the metros reviewed, to have strengthened and increased the momentum of the cities' spatial transformation agendas. In these metros, the Built Environment Performance Plan has also become a lot more comprehensive over time and is now being used to link spatial planning issues to the cities' larger planning and budgeting processes. This

reflects the CSP's role in supporting the metros' capability to plan and manage urban spatial transformation.

In the less capacitated metros, city representatives have suggested that the CSP has played a key role in raising the profile of spatial planning in cities, and in developing consensus related to the importance of spatial planning among the cities' leadership. In this context, the benchmarking process has been identified as valuable for helping the cities to understand the spatial planning challenges being faced and how these could be overcome. However, many of these metros have not yet developed their own spatial transformation strategies and are still struggling with meeting the Built Environment Performance Plan requirements.

The metros have shown less improvement when it comes to enhanced citizen involvement and taking a partnership-based approach to the delivery of catalytic projects. Across all cities, catalytic projects are lagging because of difficulties in determining the projects and in structuring how these projects are implemented. The better capacitated metros have achieved more promising results with respect to the engagement of the citizenry, the private sector and SOE's in this context.

With respect to policy and regulatory reform at the national level, the evidence of this outcome is mixed. The DoHS's new White Paper indicates a fundamental shift in thinking with respect to the development of integrated human settlements, and the NDOT's Integrated Public Transport Network Guidelines have entrenched the necessity of spatial transformation at a policy level. However, there remain significant policy barriers to be addressed, particularly in relation to mega housing projects and rail.

In addition, assignment of the human settlements and public transport functions to cities has not occurred to the extent envisaged. While, it is acknowledged that the devolution of functions would ultimately have to be a policy decision of the line departments (and is thus not in the direct control of the CSP), the CSP's TOC envisaged that the CSP would be able to exert influence over the line departments in this regard. To date, the CSP has achieved limited success in this respect, largely as a result of the existence of significant political obstacles. This has limited the CSP's impact given the intervention logic outlined in the CSP's ToC.

With respect to fiscal and financial reform, good progress has been made with reforming key fiscal instruments in the built environment and local government areas such as the ICDG, USDG, the Development Charges Policy, MTEF and Fiscal Framework. Furthermore, the Integrated Public Transport Network Guidelines, package of reform has changed the way cities plan and budget for their public transport systems. The CSP has also provided NDOT with support in assessing the new applications, to make much more credible funding allocation choices. Although work has been undertaken to develop alternative human settlements funding approaches, these have not resulted in any policy changes given the delayed DoHS Human Settlements White Paper process).

With respect to the intergovernmental environment, alignment between national departments remains a challenge in all Components. There is some anecdotal evidence of improved levels of trust between National Treasury and the metros as a result of CSP activities, however the relationship between the metros and the various provincial and line departments remains tenuous.

It is noted that while the CSP has achieved significant success in fiscal reform and variable success in city implementation support, its achievements in policy and regulatory reform have been more modest. This is likely linked to the institutional location of the programme. While National Treasury has an uncontested mandate in the fiscal reform space and is held in high esteem by certain metros, the authority/responsibility for sectoral policy sits with the line departments and their ministers. The line departments have the constitutional and legislative mandate to shape policy in their sectors and are also accountable for performance. As such, the CSP cannot achieve its objective of policy and regulatory reform without significant buy-in from the line departments (which, to date, it has struggled to attain).

3.5 To what extent has the implementation of the CSP been efficient in achieving its goals, objectives and intended outcomes? (Efficiency)

This section considers the extent to which the CSP's programme structures, systems, processes and procedures enable the achievement of outputs and whether the CSP offers value for money.

In considering efficiency a number of initial observations are important: Firstly, the CSP evolved during the phases of its conceptualisation and initial set-up. This incremental and pragmatic approach to implementation (primarily a response to resource and capacity constraints) adopted by National Treasury has resulted in a fluid set of arrangements that make a clear determination of efficiency difficult.

Secondly it is noted that key systems – such as appropriate financial and project management systems – have only recently been fully established (partly in response to the scale-up of the programme) limiting the number of years for which reliable data could be obtained.

Thirdly, the efficiency of the CSP is best evaluated by considering alternative implementation modalities. In the absence of a clear comparison the evaluation has compared the CSP to a pure public-sector implementation approach, as well as to other support programmes, which, while not identical in nature and scope to the CSP, offer valuable insights.

The evaluation findings with respect to the efficiency of the CSP are set out below.

Based on the available evidence, it appears that the current CSP programme structure, comprising 4 administrative staff and 9 technical experts, has been relatively efficient in assisting the programme to meet its goals so far. The structure ensures that senior expertise is deployed within a framework that is flexible. Additionally, utilising an "outsourced", i.e. contracted resourcing model, the CSP is able to attract specialist skills, which it would not be able to do within a public service framework. However, it is noted that the team is small, and the matrix structure has introduced a high degree of complexity and significant workload for the team.

The current model also means that the programme has a very high reliance on support through various partnerships including the DBSA, GTAC and the World Bank. The utilisation of a few partnership arrangements and a small PMU which mostly outsources specialist skills, enables the CSP to leverage its resources very significantly and deploy skilled resources relatively rapidly. Furthermore, the range of partnerships enables the CSP to meet procurement requirements, that are constant challenge within government.

In respect of stakeholder engagement, the finding is that while there are numerous fora and processes (such as the City Budget Forum, BEPP, annual Local Government Budget Reviews etc), the CSP's current stakeholder structures do not offer sufficient space for the participation and active engagement of the broad set of critical stakeholders. Critically, the current stakeholder fora and processes have proved to be insufficient to secure the buy-in required from key national stakeholders, as evidenced in the slow progress achieved with key policy and reform initiatives in Transport and Human Settlements.

From the perspective of the public sector more broadly, concerns have been noted in respect of a possible duplication of effort (as outlined in the Coherence section). This has implications for efficiency as there are instances where public resources are being spent on overlapping assignments – most notably in respect of research work (for instance SACN research and NUSP).

The consideration of the efficiency of the CSP's systems, processes and procedures looks at procurement management, human resource management and project management. The findings suggest that the programme has been able to tender and appoint service providers in an efficient manner. For example, the CSP undertook 57 procurements valued at R 208 million between 2012 and 2017 with average lead times from Request for Proposal to Contracting at 14.6 weeks (sample of 15).

From a project management perspective, the evaluation finds that the CSP has been efficient with respect to the rationalisation of projects and has not wasted significant resources in the context of projects that have subsequently been abandoned. A total of 42% or 97 projects of the originally planned 229 projects have been discontinued. Of these discontinued projects 53% have been integrated into another project, while 31% were discontinued because of lack of demand or resource constraints. The total cost of projects that have been completely discontinued is only R 100,000. At the same time, however, it is noted that the CSP's project management systems have not produced data conducive to the analysis of the extent to which on-going projects are being efficiently managed.

Overall the data indicates that CSP has been reasonably financially efficient in respect of expending its budgets. The current CSP hourly rates averages at R 975 per hour (excluding VAT) which is competitive when seen against equivalent rates set by DPSA and public service sector salary bands which range between R 1,065 and R 2,277 per hour). Given the high-calibre of experienced professionals being utilised by the CSP, it is also highly unlikely that they would accept full-time employment in the public sector. The assessment thus suggests that given the skills and expertise secured the cost is reasonable. However, it is noted that the current CSP consultant pool is restrictive and opportunities for new entrants limited.

Overall the inability to clearly link the level of effort and cost to specific outputs and outcomes makes it difficult to issue a clear evaluative judgment as to whether resource utilisation – given the outputs and outcomes (noted in **Appendix C and D**) – is efficient. This is a concern.

Pronouncing on value for money is not possible within the limitations of this evaluation and the programme timeframes under consideration. At a preliminary level it can be concluded from the assessment more broadly of the effectiveness and efficiency of the programme, that the CSP – when compared to its alternative, which is no CSP (i.e. no support or intervention) - does appear to be producing results. There does exist initial signs of value for money in a number of areas, with the key exception being investment in catalytic projects. However, weaknesses in the CSP's dissemination processes limits the CSP's benefit to the country.

Finally, it is noted that CSP's M&E processes have been strengthened by the appointment of an M&E officer who is spending considerable time trying to plug the gaps and introduce some standard processes. This is supported by the consultant responsible for managing a fit for a purpose information system, which is comprised of the project sheets, timesheet information, analysis as to how individual consultants are spending their time, and the burn rate of individual consultants measured against the contracted hours.

Nevertheless, challenges remain with respect to the CSP's M&E processes. In particular, the CSP currently does not have a set of programme-level performance indicators in place to measure overall progress, and its project progress indicators at the output level do not sufficiently capture the CSP's process-focused progress to date. There is also very little indication of metros reporting into CSP as to what they have been able to achieve in terms of the demand-led projects, which removes the need for accountability.

To date, knowledge management and dissemination processes within CSP have also not been optimal. This has come to mean that many outputs have not been finalised for dissemination or have not been disseminated to the appropriate stakeholder audience. CSP has begun to track the development and finalisation of knowledge products by implementing a three-stage process which tracks progress towards finalisation and institutionalisation.

3.6 To what extent is the CSP institutionally, financially, and in “policy terms” sustainable going forward? (Sustainability)

This section assesses the sustainability of the CSP. While the evaluation considers the extent to which the CSP as a programme is sustainable institutionally, financially, and in “policy terms” going forward, it notes that the CSP was designed to be a short-term catalytic intervention. Thus, the evaluation also focuses on the extent to which the CSP's outputs to date have been institutionalised at the metro and national level, and the implications of this for the on-going sustainability of the outcomes being achieved by the programme.

While the importance of cities and the need to support them is well recognised in the policy dialogue and supported by key stakeholders, it is noted that the policy and political environment is in flux. At the same time, while the advantages of the CSP's resourcing model are acknowledged, the risks posed by the short-term contracts (i.e. less than two and a half years) through which the consulting team is retained are a concern.

It is proposed that the CSP is well-located within National Treasury as this position provides the programme with the influence and authority necessary to undertake the Programme's fiscal reform agenda and city support work. At the same time, it is proposed that the CSP would benefit from a greater degree of institutionalisation within National Treasury.

From the perspective of the institutionalisation of the CSP's outputs and the sustainability of the outcomes achieved going forward, the conclusion is also mixed. While there is indication of wide acceptance of the spatial transformation agenda of the CSP across metros (as evidenced through interviews with the cities' leadership and officials), the extent to which this agenda has been entrenched in the cities' operations varies (see **Appendix D**).

A significant degree of institutionalisation of outputs and outcomes can be observed in the context of the better capacitated metros, for example as demonstrated by the integration of the Built Environment Performance Plan into the cities' planning and budgetary processes, institutional arrangements, and inter-governmental structures. In the less capacitated metros, by contrast, such evidence is limited. This suggests that the positive outcomes achieved to date by the CSP would be sustainable in the absence of on-going intervention and support from the CSP in some metros, but not others.

The CSP's 2016/17 and 2017/18 annual plans demonstrate an increasing focus on the institutionalisation of the CSP's outputs and strategy going forward. The late initiation of these activities is of concern given its key role in supporting the CSP's change agenda.

The findings from the five metro-level cases studies suggests that the varying likelihood of the sustainability of the CSP's influence in the various metros to date can be attributed to (i) the extent of political buy-in that the CSP has been able to secure; (ii) the levels of existing capacity demonstrated by key city officials; and (iii) the ability of the CSP to secure city-level "champions" to carry forward the momentum of the CSP's work.

At the national and inter-governmental level, the findings are also mixed. Although the CSP has achieved significant success in fiscal reform, the ability of the programme to influence national policy and regulatory reforms has been limited. This speaks to the need for the CSP to work more closely with the line departments to inculcate a certain way of thinking and approach to urban development.

4 CONCLUSIONS

4.1 Implications for the Theory of Change

This section presents our findings in relation to the CSP's Theory of Change. **Appendix B** illustrates the extent to which the elements of the Theory of Change have been implemented and assesses the validity of assumptions and causal linkages, foundational to the Theory of Change.

At the activity level, substantial progress has been made on leadership and governance development; generating and sharing innovative urban transformation practices; and providing technical support to Metros. At the intergovernmental level, progress is evidenced by the development of recommendations to the intergovernmental system that will create an enabling fiscal framework, policy and regulatory environment.

Moderate progress is noted in the establishment of institutional arrangements to support the CSP. While these are in place, they are not always functional; and monitoring, reporting and evaluation have only recently become a focus for the programme. At the intergovernmental level, there is moderate progress in convening platforms for advocacy and undertaking lobbying for cities within the inter-governmental system and society at large.

In terms of output, substantial progress has been achieved. This includes the successful implementation of the leadership development programme of which four have been held to date, in 2012, 2013, 2015 and 2017. More than 400 delegates attended the four programmes (verified numbers for 2015 and 2017 are 118 and 114 respectively). 17 Conferences and Seminars have been held by the CSP covering a variety of issues including Informal Settlements Upgrading, Catalytic Urban (re) Development Programs and Projects: Opportunities for New Partnerships, Innovative Financing and Improved Preparation for Implementation and Housing Strategy Approach and Tools for Metropolitan Municipalities amongst others.

Additionally, data show that some 204 knowledge outputs including Guidelines, Research reports, Toolkits, Framework and Best practice notes have been developed. A total 24 Built Environment Performance Plan have been developed and implemented across all metros since 2014. Similarly, significant progress has been achieved from the elevation of recommendations towards creating an enabling fiscal framework.

Modest progress has been made, at the city level, on the implementation of the catalytic programme and the training and deployment of skilled technical resources. Similarly, at the intergovernmental level, there is moderate achievement on the establishment of inter-governmental platforms and the elevation of recommendations to create an enabling policy, regulatory and support environment.

Finally, at the immediate outcome level, moderate progress is noted at the city level on achieving a change to vision and leadership and developing city spatial transformation capability. At the inter-governmental level, there is moderate progress on achieving a reviewed policy and regulatory framework, but substantial progress on achieving a restructured fiscal and financial framework to support urban growth (in the context of the PTNG and the ICDG).

There is limited advancement of partnering with citizens, civil society, private and public sectors in the delivery of catalytic projects. Similarly, at the inter-governmental level, there is little progress on the assignment of human settlements and public transport functions to the metros.

Certain critical assumptions underlying the Theory of Change have, on analysis, not held. The programme has had trouble in securing political buy-in in certain metros, due to a constantly changing political environment. In addition, the minimal capacity requirements of certain metros prevent them from being effective partners to the CSP. Both factors impact on the extent of the desired immediate outcomes in terms of city vision, leadership and capabilities.

The private, and public sectors, as well as SOE's have not always proved willing partners in aligning and investing in catalytic projects. Access to specialist expertise, funding, and political

support has further hindered project implementation. Consequently, the immediate outcomes of catalytic projects, in partnership with the public and private sectors, have been limited.

CSP has not secured the support of key national and provincial stakeholders, at the inter-governmental level, due to the highly contested nature of key components. This has impacted on CSP's ability to influence and effect policy change. As a result, there is limited movement towards the assignment of human settlements and public transport functions to the metros and only moderate achievement in a reviewed policy and regulatory framework.

The Theory of Change requires the achievement of all immediate outcomes, across both metro and inter-governmental spheres, in order for the intermediate outcome of compact cities and transformed urban space to emerge. The fact that only certain elements of the Theory of Change are sufficiently on-track and that not all, suggests that changes to the CSP's mode of operations (and perhaps to its supporting environment) are necessary if the CSP is to achieve its ultimate objectives.

4.2 Key CSP successes

- i. The CSP's fundamental principles, purpose and objectives are strongly aligned to the socio-economic challenges facing South Africa. Furthermore, significant alignment is evidenced between CSP's objectives and South Africa's national policy objectives confirming CSP as extremely relevant and fundamentally pro-poor in nature.
- ii. CSP has undertaken wide-ranging activities: At the metro level, demand projects catering to each metros' specific context and needs have complemented the implementation of supply projects. There is significant progress in planned outputs in the Core City Governance component. There are successful outputs achieved in The Human Settlements, Public Transport and Economic Development Components.
- iii. There are levels of change evident in vision and leadership to drive spatial restructuring, particularly in the better capacitated metros. This is important, as high level political and administrative support is required for the planning and implementation of effective spatial transformation projects. The CSP is also acknowledged to have played an important role in supporting the metros' capability to plan and manage urban spatial transformation through the Built Environment Performance Plan – although certain of the less capacitated metros are lagging in this respect. Notable progress has also been made with respect to the CSP's fiscal reform agenda.
- iv. The current CSP programme structure has been relatively efficient in assisting the programme to meet its goals. The utilisation of several partnership arrangements and a small PMU with mostly outsourced specialist skills, has enabled the CSP to leverage resources effectively and deploy skilled resources with speed. The Programme has tendered and appointed service providers efficiently.
- v. The CSP has been reasonably financially efficient in expending its budgets. The assessment suggests that, given the skills and expertise secured, the cost is reasonable. Given the specialist nature of the CSP's interventions, highly skilled and experienced resources with sufficient authority and stature are critical. These are unlikely to be secured within the public sector as full-time employees. It is not possible to issue a clear assessment of value for money, at this point in the programme.
- vi. Several key CSP outputs – including the Built Environment Performance Plan, the ICDG, the IPTN Guidelines, and work on the PTNG – have been or are in the process of being institutionalised. This increases the likelihood of sustainability of outcomes in the long-term.

4.3 Key challenges facing the CSP

- i. Despite considerable success at alignment with other governmental stakeholders, operating in similar spaces and pursuing similar objectives, duplication of efforts remains a concern. While a degree of overlap is unavoidable, there is inadequate evidence of effective relationships and cooperation between CSP and certain stakeholders.
- ii. At the metro level, the programme has battled to secure political buy-in in the constantly changing political environment. Certain metros lack the minimum capacity to be effective partners to the CSP. This impacts on the degree of institutionalisation of CSP outputs at the metro level. Evidence suggests that in the absence of on-going intervention and support, not all outcomes achieved by CSP are sustainable in less capacitated metros.
- iii. The private sector, as well as other public sector and state-owned companies, have not always been willing to align with and invest in catalytic projects. Challenges relating to specialist expertise, funding, and political support, have further hindered the implementation of these projects.
- iv. As a result of the highly contested nature of key components., the CSP has not succeeded in securing the support of key national line departments and provincial stakeholders and this has impacted on CSP's limited ability to effect policy and regulatory change. The CSP's response to these challenges has been pragmatic with the decision to continue implementation at the metro level, even in the absence of buy-in from certain national level stakeholders.
- v. Challenges remain with respect to CSP's M&E processes. While CSP has implemented a number of monitoring mechanisms, such as the project tracking database and the timesheet tracking database, these systems are not sufficiently integrated, and do not as yet produce data that confirms project or process efficiently.
- vi. Knowledge management and dissemination processes within the CSP are not optimal. This means that many outputs are not finalised for dissemination or are not disseminated to the appropriate stakeholder audience. This limits the potential for broader discussion on how to transform urban areas and achieve inclusive growth.
- vii. It is noted that the CSP's degree of responsiveness to a "pro-poor agenda" is disputed. CSP's outcomes and impact statement, originating from the South African Cities network, is shared with other stakeholders. However, the ability of the Transit-Oriented Development approach to produce spatial transformation of cities in ways that brings the poor closer to urban opportunities is not universally accepted. There is insufficient evidence for or against the TOD as a mechanism to achieve growth and inclusive urban development. The TOD proposes a significant shift in development approach of cities, which has serious implications on national department investments for the poor in the built environment. Further evidence on the effectiveness of this approach in the South African context is needed as well as broader consensus. As yet, CSP has not facilitated this process.

4.4 Observations and learnings

- i. CSP was designed as a short-term (i.e. time-bound) catalytic programme. As such, it has not sought to be institutionalised within government with the focus rather on institutionalising outputs and infusing knowledge. This approach has the advantage of flexibility that has been a key contributor towards strong performance to date. However, the lack of institutionalization raises issues of accountability and over-reliance on DDG support in National Treasury and limits the Programme's influence on other governmental players.
- i. Despite this, CSP's location within National Treasury has had significant implications for the programme's effectiveness. National Treasury is held in high esteem by many metros and this has provided leverage to drive CSP's city support work. In addition, CSP is closely aligned to the work of the IGR Division which has provided leverage in furthering its fiscal reform agenda.
- ii. The CSP has had limited success in the realm of policy and regulatory reform because the policy and regulatory functions remain with the line departments, some of whom have strained relationships with National Treasury (for instance DoHS). The development of collaborative relationships between the CSP and relevant line departments, such as Human Settlements and Transport, will be key to the CSP's progress in this area in the future.
- iii. At the metro level, the CSP's varying levels of success can be attributed to three primary factors: (i) existing capacity levels of key city officials; (ii) the ability of CSP to secure city-level "champions" (particularly at the administrative level); and (iii) the extent of political buy-in that CSP has secured. With respect to the latter, it is noted that the programme was implemented in an uncertain and often changing political environment. The importance of consistent political engagement to ensure ongoing commitment to the objectives of CSP cannot be overstated.
- iv. The CSP has demonstrated its primary value as a change agent and vehicle for collaboration and integration. Its role is to achieve fiscal reform, policy reform, and cooperative governance, by bringing together and aligning the mandates of National Treasury, Human Settlements, Public Transport, provincial departments, and the cities in support of the city transformation agenda.

5 RECOMMENDATIONS

5.1 Strategic recommendations

R1. improved consensus of the purpose of the CSP needs to be achieved with greater clarity and wider communication. This includes clarification of the purpose, role, target audience and anticipated timeframe of the CSP. Based on an analysis of the CSP, and discussions with key CSP consultants, the following key insights have emerged of the programme:

- a. The CSP's core purpose is to facilitate catalytic change in the urban development context. The CSP should thus be conceived to be a "change agent", as opposed to simply a "support programme". This has implications for the metrics employed to measure the Programme's effectiveness/impact, which should focus on measuring indications of change.
- b. The CSP's realms of focus are (i) fiscal reform, (ii) policy and regulatory reform, and (iii) city implementation support; and the space in which these three realms intersect in support of urban restructuring.
- c. The core role of the CSP is to bring together stakeholders and to facilitate partnerships in this context. The CSP can be understood as a vehicle to facilitate collaboration, integration, and alignment between a diversity of stakeholders in support of cities.
- d. The CSP was designed to be a short-term, time-bound programme. While the precise period over which the CSP should exist remains to be seen, **it is recommend that the programme continues for at least another five years.**

R2. The CSP has taken a pragmatic approach to the implementation of the programme, investing in the areas in which it has buy-in and traction (e.g. the fiscal reform sphere and certain cities) with less attention to those areas where it has faced barriers and constraints (e.g. regulatory and policy reform). While this approach has been positive for the performance of the CSP to date, it is noted that all three areas of reform need to be addressed for the programme's intermediate outcomes and ultimate impact to be achieved. It is thus proposed that in the future, **CSP pays increased attention to the political and intergovernmental challenges that inhibit achievement in regulatory and policy reform** (see R9 below for further detail).

R3. This has direct implications for **the CSP's Theory of Change** which **should be revised** to (i) reflect to the true nature of the programme (as outlined in the points above); (ii) address the assumptions that are not holding in practise (as outlined in Section 6), and (iii) explicitly incorporate the additional activities and outputs, needed to be implemented in order to make progress in the more challenging areas of reform.

5.2 Structural recommendations

R4. While acknowledging the flexibility associated with the non-institutionalisation of the CSP, the evaluation also highlights the related issues of insufficient accountability, over-reliance on the DDG in National Treasury, and lack of authority over other governmental stakeholders. A middle-ground approach to the question of institutionalization is proposed. **Institutionalisation is recommended through a programme framework located within National Treasury.** Operating within its own branch structure (like the Jobs Fund) or Chief Directorate (like the Neighbourhood Partnership Unit), CSP should have a PMO Unit located in the National Treasury. The Unit should be overseen by a full-time project programme manager based in Pretoria i.e. a senior internal civil servant at Chief Director Level who reports internally within National Treasury. The implementing agents of the CSP should continue to be highly skilled consultants, contracted under arrangements like their current ones. **This arrangement would support and facilitate the long-term institutionalisation of the objectives and achievements of the CSP within National Treasury,** as the Chief Directorate would be able to ensure the continuity of important CSP-catalysed activities/work

streams post-CSP. It is also proposed that the CSP's Project Management function becomes a clearly articulated line item in the national budget, and that CSP reports outputs against this budget.

R5. The programme should consider establishing an Intergovernmental Steering Committee managed by National Treasury. The Steering Committee should (i) serve as an effective structure for ensuring good governance, and (ii) provide stakeholders (including COGTA and relevant line departments) with a sense of ownership over the programme. The Steering Committee should oversee relationships with partners and key stakeholders, decisions related to the allocation of resources, the initiation and suspension of key activities, and the management of consultants. The Committee should be accountable to National Treasury for all matters related to the Programme.

R6. The CSP needs to consider how to leverage its partnerships more effectively to avoid the duplication of efforts and ensure the consistent engagement of key partners. This includes adopting a more collaborative approach in achieving the goals of the CSP. In this context, a CBF type structure at the provincial and national level should be considered. This would serve as a formalized platform to ensure consistent and regular communication to a broad stakeholder audience about progress to date, activities undertaken, and outputs delivered. It is suggested that the IUDF has a potentially important role to play as an inter-governmental coordination structure in this context. The CSP has noted that certain Core Governance sub-components are now ready to be transferred to COGTA. Given the strengthened relationship between the CSP and COGTA, the evaluation supports the incremental handing over of certain programmes and functions to COGTA.

5.3 Operational recommendations

R7. Metro-level support: The CSP's varying levels of success in the different metros, suggests that **high-capacity and low-capacity metros require different types of support from the CSP.** Consequently, it is proposed that, even in the context of supply-side projects, CSP should offer differentiated support aligned to existing capacity levels within each metro. Further, it is proposed that demand-side projects are minimized in low-capacity metros (where, historically, few successful demand side projects have been completed). **To work effectively, CSP requires an explicit programme of engagement with politicians at the metro level.** In this regard, it is proposed that CSP convenes annual meetings with high level metro politicians to set the specific agenda for the next twelve months. This would ensure that project selection with consideration of the political context in which the CSP operates and the specific (non-technical) factors influencing or impacting on implementation. The role of the city coordinator within the metro should be in the strategic heart of the organisation.

R8. Catalytic projects: The limited progress made to date on the implementation of catalytic projects suggests that CSP would benefit from a review of its current approach. **It is recommended that the approach identifies specific technical and transactional support requirements that rapidly progress projects through packaging to securing investment and ultimately implementation. A funding model that provides specialist technical assistance and transaction advisory support to a set of projects would be of benefit.** A Technical Committee could provide approval for the nature of support on the basis of key criteria such as the likelihood of systemic impact.

R9. Stakeholder engagement: Securing the active participation of line departments (specifically Human Settlements and Public Transport) is crucial to achieving longer-term change. **The CSP should develop robust partnerships with line departments based on trust and respect.** The support should be provided within a clear framework that recognises that final responsibility for change / delivery rests with the entity receiving support. Transversal departments, such as COGTA have an important supporting role in this context, by facilitating umbrella structures such as the IUDF. It is noted, however, that **political intervention higher up in governmental would ensure more effective cooperation between line ministries**

and CSP. The Executive Leadership Programme has the potential launch the programme politically. Presentations to Cabinet and SALGA should also be arranged. Provincial and SOE engagement is also crucial in aligning planning and budgeting, particularly in respect of planning for funding and implementation of catalytic projects. More engagement with **provincial departments is therefore necessary.**

R10. **Institutionalisation and dissemination of outputs:** CSP outputs should be institutionalised more effectively to ensure their sustainability. In particular, focus should be on ensuring institutionalisation of the Built Environment Performance Plan across all metros. **The focus should be on ensuring the effective institutionalisation of the Built Environment Performance Plan and influencing the Integrated Development Plan.** CSP has not delivered on a number of outputs and knowledge products; with no dissemination to the broader stakeholder audience as a result. **The process of dissemination needs attention, with careful planning and effective execution.** The development of an actively managed knowledge repository is required, that includes a clear protocol for approving deliverables and updating the website.

R11. **Monitoring and evaluation systems:** CSP, as a temporary change agent, requires time-bound targets and a clearer framework for monitoring and measuring its success, particularly In addition to tracking medium and long-term outcomes, **such a framework should provide insight of CSP's delivery against planned deliverables and outputs within the specified time period.** The CSP's project management systems needs to ensure that resources spent generate the necessary results, and that activities lead to demonstrable results in dissemination and use. **Systems that clearly link the relationship between costs and outputs are essential. These systems should provide the benchmark against which the cost-efficiency can be assessed.** The processes of emergent learning should be documented and designed as a reflective process to support effective decision-making. **A structured learning review should be undertaken on a bi-annual basis, to capture lessons learnt and** to inform further planning and decision-making.

Appendix A – References

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Appendix C – Summary of Key CSP Achievements to Date -Outputs

The table below summarizes the CSP’s key achievements to date at the output level. It is noted that each of these outputs are complex and consist of a myriad of sub-processes and products. It is further noted that this is not a comprehensive list of the CSP’s achievements, due to the fact that (i) not all of the CSP’s achievements have been sufficiently documented, and (ii) not all of the CSP’s achievements map readily onto the categories of outputs presented in the Theory of Change.

Table 3: Key CSP achievements at the output level

Output Type	Achievements to Date				
	Core City Governance	Human Settlements	Public Transport	Economic Development	Climate Resilience and Sustainability
Leadership development programme	<ul style="list-style-type: none"> Four executive development workshops 		<ul style="list-style-type: none"> Public transport leadership workshop (2014) 	<ul style="list-style-type: none"> Economic Development leadership workshop (2015) 	
Knowledge outputs	<ul style="list-style-type: none"> Citizen engagement assessment scorecard Packaging of municipal financial data Municipal money analysis tool Fiscal impacts model Quarterly Municipal Borrowing report Quarterly PPF Status Report Diagnostic paper on PPF sustainability, internal governance and alignment of facilities Land Value Capture Instruments Toolkit Social Environment Management (SEM) SEM tools and practices City Infrastructure Delivery and Management System (CIDMS) Toolkit (co- 	<ul style="list-style-type: none"> Residential market reports for eThekweni, Cape Town and Mangaung. Final residential markets report on understanding of residential markets Draft report on demand side subsidy instruments Report on the status of land parcels in metros Urban land use management work (linked to SPLUMA) Scoping Report on Informal Settlements Upgrading Good Practices Draft Informal Settlements Upgrading toolkit Backyard incremental development peer learning notes 	<ul style="list-style-type: none"> Status quo report for the National Capacity Building Strategy 	<ul style="list-style-type: none"> Sub-National Doing Business review and action plans Informal and township activities survey Think pieces on ED planning, IDP & BEPP Asset management and service delivery reviews and reports Draft report on city public employment innovation (Five urbanisation research missions completed, and 6 reference group sessions convened) 	<ul style="list-style-type: none"> Environmental Sustainability and Climate Resilience diagnostic report

Output Type	Achievements to Date				
	Core City Governance	Human Settlements	Public Transport	Economic Development	Climate Resilience and Sustainability
	developed with JHB, eThekweni and CPT)	<ul style="list-style-type: none"> Project definition on community-based City Fund for Upgrading Informal Settlements 			
Built Environment Performance Plan	<ul style="list-style-type: none"> Built environment indicators Approval of the annual Built Environment Performance Plans 				<ul style="list-style-type: none"> Incorporation of environmental focus into Built Environment Performance Plan
Catalytic programmes	<ul style="list-style-type: none"> 2013 and 2016 land development transaction report workshops ULI Panel support in BCM, NMB, and CPT Conradie Hospital peer review Direct TA to CPT, eThekweni, and Ekurhuleni 				
Trained and skilled technical resources	<ul style="list-style-type: none"> Support to the metros with respect to the formulation of their annual Built Environment Performance Plans Transversal management support to several metros (including NMB, Cape Town, and Ekurhuleni). 	<ul style="list-style-type: none"> International technical advisory services to undertake comparative analysis of property markets across cities and countries (in partnership with CAHF) Support to metros to formulate housing strategies 		<ul style="list-style-type: none"> Detailed engagement with selected cities on city economic strategy, planning and partnering Development and implementation of city investment promotion support programme 	
Inter-governmental platforms	<ul style="list-style-type: none"> Development Charges Steering Committee Urban Finance Working Group 				

Output Type	Achievements to Date				
	Core City Governance	Human Settlements	Public Transport	Economic Development	Climate Resilience and Sustainability
Recommendations to create an enabling fiscal framework for city transformation	<ul style="list-style-type: none"> Preparation of annual Integrated City Development Grant (ICDG) strategy Annual allocation of the Integrated City Development Grant (ICDG) Inputs into annual national budget cycle Work on Infrastructure Finance Reform 	<ul style="list-style-type: none"> Design and application of the Urban Settlement Development Grant (USDG) Work on exploiting USDG for more effective in-situ upgrading of informal settlements Design and application of ownership and rental subsidy instruments Diagnostic report on the Effectiveness of the Subsidy Instrument for the UISP 	<ul style="list-style-type: none"> Public Transport Network Grant (PTNG) technical work Support for annual cycle of PTNG hearings 		<ul style="list-style-type: none"> Review of IGR grants
Recommendations to create an enabling policy, regulatory and support environment	<ul style="list-style-type: none"> Intergovernmental system research Progress with respect to inter-governmental agreement on reporting structures and indicators 		<ul style="list-style-type: none"> Integrated Public Transport Network (IPTN) Guidelines Technical report describing the interventions required to devolve the transport function 		

Appendix D – Summary of Key CSP Achievements to Date - Immediate Outcomes

The table below summarizes the evidence of the CSP’s key achievements to date at the immediate outcome level, in the context of the five metros reviewed. It also reviews the evidence pertaining to the extent to which CSP outputs and outcomes have been institutionalised at the metro-level.

Table 4: Key CSP achievements at the immediate outcome level (evidence in the metro context)

Outcome	Achievements to Date				
	<i>City of Johannesburg</i>	<i>City of Cape Town</i>	<i>Ekurhuleni</i>	<i>Nelson Mandela Bay</i>	<i>Buffalo City</i>
Vision and leadership to initiate and drive spatial restructuring	<ul style="list-style-type: none"> Interviews suggest that the CSP’s contribution in respect of the financial development plan, and the work on land value capture investments and transportation networks has led to enhanced vision with respect to spatial transformation. 	<ul style="list-style-type: none"> Interviews suggest that the BEPP is ‘owned’ by the mayor. The City has a strong TOD strategy. The City has created a Transport Development Authority (TDA). 	<ul style="list-style-type: none"> Interviews suggest that the BEPP has been a valuable tool in developing consensus related to the importance of spatial planning. The existence of two strong champions has ensured that the momentum related to the BEPP is maintained, and there has been greater awareness of the importance of aligning planning and budgeting. 	<ul style="list-style-type: none"> Interviews suggest that the CSP gave the city’s leadership the visionary perspective needed to enhance their views of spatial transformation. 	<ul style="list-style-type: none"> Interviews suggest that the CSP played a key role in raising the profile of spatial planning in the city. There appears to be some alignment between the SDF and the CSP specifically in terms of restructuring zones, development corridors, priority areas and integrated transport planning.
Capability to plan, facilitate, deliver and manage urban spatial transformation	<ul style="list-style-type: none"> While there was an initial resistance to the BEPP it is now found to be a useful document in that it sets out policy from the IDP and SDP together into a consolidated document. 	<ul style="list-style-type: none"> The BEPP now sits under the same executive director as transport, spatial planning and formal housing, and has become a lot more comprehensive over time. The BEPP now seeks to locate issues relating to spatial planning and targeting in the context of the bigger picture, and to reflect the outcomes of the IDP and SPF. The BEPP has been definitively integrated into 	<ul style="list-style-type: none"> According to interviews, the BEPP has been a valuable tool in assisting EMM to articulate their planning objectives in a clear and practical way. The BEPP benchmarking process has been valuable for EMM in understanding their own challenges, and how these could be overcome. The BEPP has continued to improve 	<ul style="list-style-type: none"> The support provided by the CSP in Nelson Mandela Bay has resulted in improved plans such as a revised SDF, a competent BEPP, and a strategic city development plan. The City’s Long-Term Development Plan (LTDP) has begun to gain traction within the 	<ul style="list-style-type: none"> Limited evidence

Outcome	Achievements to Date				
	<i>City of Johannesburg</i>	<i>City of Cape Town</i>	<i>Ekurhuleni</i>	<i>Nelson Mandela Bay</i>	<i>Buffalo City</i>
		the City's planning and budgetary processes, the City's institutional arrangements, and the City's inter-governmental structures	and is now linked to the ICDG. <ul style="list-style-type: none"> • The analysis of secondary data shows strong alignment in planning frameworks across EMM. • The establishment of internal committees and the Integrated BEPP Forum are directed at trying to coordinate planning activities and avoid duplication. 	annual budget cycle.	
Partnering with citizens, civil society, private and public sectors in the delivery of catalytic projects	<ul style="list-style-type: none"> • Limited evidence 	<ul style="list-style-type: none"> • The CSP has assisted the City with the development of a Stakeholder Engagement Toolkit, which has informed the mainstream methodology of the City. • The CSP was able to facilitate the SOE PRASA to commit to invest in a new key city rail corridor. • The City is in the process of implementing the Foreshore Freeway TOD Catalytic Project in partnership with the private sector. • The city participates in a number of inter-governmental forums. 	<ul style="list-style-type: none"> • The CSP has been able to engage provincial officials in the BEPP process, and this has resulted in joint planning and budgeting. 	<ul style="list-style-type: none"> • CSP's involvement has brought improved citizen involvement and business sector engagement. • Several of the catalytic projects that have been identified are to be done in partnership with the private sector, many driven by the Metro's Development Agency. 	<ul style="list-style-type: none"> • Limited evidence



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